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Projekat za bolje uslove poslovanja
Business Enabling Project

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

Position: Technical Advisor to the Chamber of Professional Enforcement Officers (PEOs), individual PEO offices, and the Ministry of Justice in Financial Planning, Control and Accounting

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

Component 3: Financial Market Development

Location: Belgrade

SCOPE OF WORK

About the Project

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 in strengthening 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 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.

The main counterparts for this assignment will be the Chamber of PEOs, and individual PEO offices.

Background to SoW

Strong rule of law is a foundation of democratic development of every society, and it requires a strong, efficient, transparent and just judicial system in order to drive development. Effective system of enforcement of court judgments is one of the most important elements of a fully functional and trustworthy judiciary, and in turn, strong judiciary and enforcement have great



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impacts on the economy as well: the financial sector and parties to commercial transactions rely on the ability to collect debts quickly and efficiently.

Credit enforcement continues to be a constraint to access to finance and business growth in Serbia. The country's position in the World Bank's Doing Business rankings for Enforcing Contracts remains low, and creditors still complain about how difficult it is to collect debts. Thus, Doing Business reports that enforcing contracts takes 635 days in Serbia, costing on average 40.8 percent of the claim in Serbia, compared to 21.3 percent in OECD high-income countries.

The inability to enforce a court order makes the entire judicial process uncertain. If the final judgment produced by a court is unenforceable, court procedures and all judicial reform initiatives undertaken by the MoJ and the government of Serbia are less meaningful. This problem impairs overall economic growth while it also impacts the citizens on a more personal level. For example: (i) small businesses are unable to collect from larger businesses; (ii) employees are unable to collect owed wages from their employers; (iii) single mothers are unable to collect alimony or child support; and (iv) all are being denied access to loans or credit at reasonable rates as a consequence of the high costs and low success rates of collecting unpaid debts.

The Law on Enforcement and Security, enacted in May 2011 with the assistance from USAID, introduced a number of substantial changes aimed at reducing the time it takes to collect a claim. The most important element of the law was the establishment of a system of professional, out-of-court, enforcement officers (PEOs), coexisting in parallel with the court base enforcement officers.

USAID BEP has been providing assistance to improving enforcement since 2011 and building capacities of the PEOs. In relation to the latter area of assistance, USAID BEP's major activities included:

- Developing the curriculum and methodology, drafting training manuals and materials for education of professional enforcement officers, and providing an 3 electronic version of the Professional Enforcement Officers Practice Manual (with developed materials, the trainings were easily replicable to ensure that all new entrants to the profession have necessary qualifications);
- Organizing together with the Chamber of PEOs several rounds of training sessions on the practical aspects, on supervision of the PEOs profession, and a specialized training program to educate PEOs on financial management, mediation and effective and efficient enforcement process;
- Facilitating dialogue between PEOs, judiciary, businesses, bankers and other enforcement stakeholders to build a stronger working relationship and improve the efficiency of the enforcement process;



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- Assisting optimizing costs of enforcement, by conducting an Analysis on PEOs Tariffs of fees (further: Tariffs). Analysis focused on Tariffs' impact to the PEOs businesses and the enforcement process, with recommendations for improvements;

On December 18, 2015, the National Assembly adopted the new Law on Enforcement and Security ("Official Gazette of RS" no. 106/2015 dated on December 21, 2015), which mandates the use of out-of-court professional enforcement officers (PEOs) for collection of most of commercial claims. In addition, the new Law broadens the competence (jurisdiction) of PEOs, in order to maintain and increase the speed of the enforcement proceedings and reduce excessive workload of the courts, adding new competences and activities to the PEOs within the enforcement process. The challenge now is to successfully implement this law. This will require PEOs to work in a highly efficient and professional manner, and the courts and creditors to work effectively with the PEOs.

In accordance with the new Law, the new By-law on PEOs Tariffs of fees ("Official Gazette of RS" no. 59/2016, dated on June 28, 2016), has been adopted. The new Tariffs introduced a new method of calculating fees, announced to be more transparent, precise and drafted in a way that will allow the creditor and the enforcement debtor to more easily identify the costs of enforcement proceedings.

However, the new Law and ancillary regulation (such as: Amendments to the Law on Court Taxes "Official Gazette of RS" no. 106/2015 dated on December 21, 2015) introduce new competencies and procedures to the PEOs. The costs of many of these competencies and procedures haven't been quantified, analyzed nor projected (such as collection of unpaid court fees). USAID BEP's Analysis on PEOs Tariffs of fees (further: Analysis) associated to the PEOs' operations and costs under the newly introduced competences and the way the new Tariff of Fees impacts their businesses, revealed large number of challenges for PEOs. This Analysis reflected practical aspects of PEOs' work, including PEO's office management, field work, financial and accounting obligations, communication with creditors and debtors, case administration etc. The Analysis sought to reach the appropriate balance between keeping the fees high enough to enable the PEO profession to attract knowledgeable professionals, to reach sustainability and grow, keep integrity and impartiality, and the need to keep the fees low enough to not burden businesses with yet another unreasonable cost in collecting their debts.

Conclusions and recommendations of the Analysis showed how processing cases and collecting fees quickly on the one hand, while controlling costs on the other hand, is crucial for PEOs offices and profession sustainability. Following this, USAID BEP further disseminated these findings in an effort to educate the PEOs on the way they should manage their offices, and how to adjust their operations in accordance with the new business and regulatory environment.



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Objective

The main objective of this assistance is to provide support to the Chamber of PEOs, individual PEO offices (profession itself), and the MoJ in effective implementation of the new Law on Enforcement and Security, by:

1. Providing financial advisory to the PEO offices, namely in the field of appropriate accounting, tailored to the specific needs PEOs have, taking into account the line of their work, their jurisdiction and legal status;

Tasks

The consultant will conduct on-site analysis, and create a document on specific accounting practices related to PEOs, which will be used as an internal bylaw within PEO offices. In doing so, the consultant will work closely with the USAID BEP's Component 3 Staff Members, and report to the USAID BEP's Component 3 Legal Expert.

The Consultant will conduct on-site analysis of the existing models PEO offices implement when it comes to effectively managing their accounts, and review the existing practices accounting agencies which work on behalf of PEO offices use. Based on this information, the Consultant will create a document which will detail the best practice in this area in accordance with the existing Law on Accounting, and later on serve as an internal bylaw within PEO offices.

The consultant will conduct analysis, and draft needed reports and recommendations. In doing so, the consultant will work closely with the USAID BEP's Component 3 staff members, and report to the USAID BEP's Component 3 Legal Expert.

The consultant will perform the following tasks:

1) Conduct the analysis of existing models of conducting accounting for PEO offices

Consultant will conduct on-site analysis of the existing models PEO offices implement when it comes to effectively managing their accounts, and review the existing practices accounting agencies which work on behalf of PEO offices use.

2) Write a document on specific accounting practices related to PEOs

Consultant will create a document which will detail the best practice in this area in accordance with the existing Law on Accounting, and later on serve as an internal bylaw within PEO offices.

Period of performance

The period of performance of this SoW is September 1, 2017 – September 30, 2017. The maximum number of days under this LOE cannot exceed 5 (five) days.



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Deliverables

Deliverables under this SoW include:

1. Written document detailing the appropriate accounting service, in accordance with the Law on Accounting and special needs of PEO offices;
2. Written final STTA report/ memo on the performed activities and achieved results.

Technical documentation, including the document detailing appropriate accounting services for PEOs, should be prepared in Serbian language. Final STTA report/ memo should be prepared in English.

Drafts of all deliverables must be submitted to USAID BEP Task Management teams in accordance with the previously provided schedule. The final report/ memo should be provided within ten working days following the end of the period of performance.

Application Details

1. **Requirements** for eligible candidates:
 - a) Advanced degree in Economics or Finance, with more than 10 years of experience in financial reporting, monitoring and controlling, planning, budgeting, and/or internal auditing;
 - b) Previous experience with increasing professional capacities of PEOs;
 - c) Previous experience with establishment of PEOs reporting, controlling, and oversight systems;
 - d) Previous experience with analyzing PEOs Tariffs.
2. **Desired** experience:
 - a) Previous experience in consulting on international cooperation and development projects;
 - b) Previous experience in working with, and advising stakeholders within the enforcement sector (MoJ, Chamber of PEOs, etc), including providing assistance such as conducting research, creating reports, and drafting bylaws.
3. Applications, including CV clearly showing adequate technical background and relevant professional experience, should be sent by e-mail to: info@bep.rs, by August 20, 2017 CoB (Close of Business-day). Only short-listed candidates will be contacted.