REQUEST FOR EXPRESSIONS OF INTEREST

CONSULTING SERVICES – INDIVIDUAL CONSULTANT

**Republic of Serbia**

**Improving Public Finance management for the Green Transition**

**No. P175655**

**Assignment Title: Consultant to Develop Methodologies for the Preparation of Baseline Scenarios Tailored to the Needs of the Ministry of Finance and Other Budget Users**

**Reference No.: SER-IPFMGT-IC-CS-24-10**

The Republic of Serbia has received financing from the World Bank and the Agency Francaise de Development (AFD) for implementation of the Improving Public Financial Management for the Green Transition Operation Project (IPFMGT) and intends to apply part of the proceeds for consulting services.

IPFMGT in the Republic of Serbia is a four-year Operation which aims to help the Government of the Republic of Serbia in strengthening its capacity to manage public finances and implement green investments. IPFMGT will improve core Public Finance management functions and institutional capabilities needed for Serbia’s fiscal resilience and green transition. Key implementing institutions besides the Ministry of Finance are the Ministry of Environmental Protection, the Republic Property Directorate, the Public Policy Secretariat, and the Public Procurement Office.

The main objectives of this consultancy are to enhance the organization's program budgeting capacity with special attention to key performance indicators related to expenditure efficiency, environmental impact, and gender-specific aspects of performance.

# Objective of the assignment

The development of a methodology for baseline projections of expenditures is closely connected to DL6 within the framework of the operation 'Improvement of Public Finance Management for the Green Transition aimed at strengthening institutional capacity for performance management at large budget users (LBUs) and the Ministry of Finance (MoF) in the following ways:

* Baseline expenditure projections are essential for estimating the cost of ongoing government programs and services. When integrated with performance management, these projections can be linked to performance outcomes, ensuring that resource allocation is directly tied to results.
* The methodology for baseline projections provides a structured approach to predicting future spending needs, helping LBUs and MoF avoid overspending or underfunding critical areas. However, accurate projections are only effective if they are paired with strong performance management systems.
* A strong methodology for baseline projections allows for the incorporation of performance indicators into the budgeting process. This enables the MoF and LBUs to allocate resources not just based on past spending but based on the expected performance of programs.
* A methodology for baseline projections, when integrated with strong M&E frameworks, provides decision-makers with the tools to make more informed decisions. They can evaluate trade-offs between competing priorities, adjust expenditures based on program performance, and better plan for future financial needs.

The objective is to develop two distinct, yet complementary, methodologies for the preparation of baseline scenarios: one tailored for the Ministry of Finance to enhance medium-term expenditure planning and program budgeting, and another adapted to the needs of other ministries and smaller budget users. These methodologies aim to strengthen fiscal discipline, improve budget coordination, and ensure compliance with, the Action Plan for Strengthening the Medium-Term Expenditure Framework. The main aims are:

 Strengthen **Fiscal Planning:** To enhance the government's ability to prepare accurate and realistic baseline scenarios that support medium-term fiscal planning, ensuring that budget projections are aligned with macroeconomic objectives.

 Improve **Budget Coordination:** To foster greater coherence and coordination in budget planning processes across different government entities, ensuring that all ministries and budget users operate within a unified and consistent framework.

 Support **Fiscal Discipline:** To contribute to stronger fiscal discipline by providing clear, standardized methodologies that reduce the risk of budgetary imbalances and improve the efficiency of public spending.

 Ensure **IMF Compliance:** To develop methodologies that are fully compliant with IMF recommendations and expectations, thereby fulfilling the commitments made under the Action Plan for Strengthening the Medium-Term Expenditure Framework.

**The scope of work of the Consultant will be as follows:**

The Consultant shall be responsible for the following services as part of the development of methodologies for the preparation of baseline scenarios:

***Inception Phase:***

* **Kick-off Meeting:** Conduct an initial meeting with the Ministry of Finance, to clarify project objectives, expectations, and deliverables.
* **Review of Existing Frameworks:** Perform a comprehensive review of existing budget planning processes, tools, and methodologies used by the Ministry of Finance and other budget users. This review should identify strengths, weaknesses, and gaps in current practices.
* **Best practice examples:** Analysis of best practices in the development of baseline scenarios and the medium-term expenditure framework.
* **Review of Existing IT tools:** Perform a comprehensive review of existing IT tools used by Ministry finance and other budget users in the process of preparing the program budget and the medium-term expenditure framework.
* **Needs Assessment:** Engage with budget analysts and other relevant stakeholders to assess their specific needs and challenges in the preparation of baseline scenarios. This will inform the customization of the methodologies.

***Development of Methodologies*:**

* **Variant 1: Ministry of Finance Methodology**
  + **Design:** Develop a detailed methodology tailored to the Ministry of Finance’s processes, focusing on enhancing the preparation of the Medium-Term Expenditure Framework (MTEF) and program budgeting. The methodology should include templates, tools, and step-by-step guidance for budget analysts.
  + **Integration:** Ensure that the methodology aligns with existing financial planning and forecasting tools used by the Ministry and supports the strategic allocation of resources.
* **Variant 2: Methodology for Other Ministries and Budget Users**
  + **Design:** Develop a user-friendly methodology adapted to the needs and operational constraints of other ministries and smaller budget users. This methodology should simplify the budget planning process while ensuring compatibility with the Ministry of Finance’s framework.
  + **Customization:** Provide options within the methodology to address the varying capacities and needs of different budget users, with particular attention to scalability and ease of implementation.

***Stakeholder Consultation and Validation:***

* **Draft Methodologies:** Prepare and submit draft versions of both methodologies for review by key stakeholders, including the Ministry of Finance and the IMF. Ensure that the drafts are comprehensive and address the identified needs and challenges.
* **Consultation Workshops:** Organize and facilitate workshops with relevant stakeholders to present the draft methodologies, gather feedback, and ensure alignment with stakeholder expectations.
* **Revision and Finalization:** Incorporate feedback from stakeholders into the methodologies, making necessary revisions to ensure that they are practical, applicable, and aligned with IMF recommendations.

***Training and Capacity Building:***

* **Training Materials:** Develop comprehensive training materials, presentation slides, to support the implementation of the methodologies across the Ministry of Finance and other budget users.

***Implementation Support:***

* **Pilot Testing:** Support the Ministry of Finance and selected other ministries in pilot testing the methodologies, providing on-site or remote assistance to address any challenges encountered during implementation.

**The Consultant shall have the following qualifications and experience:**

The Consultant is to meet the following requirements:

* The Consultant should have at least 10 years of experience in public finance management.
* Understanding of government budget processes, including the program budgeting will be considered as an advantage.
* Experience working with international financial institutions and donors, on projects related to public finance management will be considered as an advantage.
* At least 5 years’ experience in developing, customizing, and implementing methodologies for budget planning and public finance management.
* Track record of successfully developing training materials and conducting capacity-building activities for government officials or similar stakeholders will be considered as an advantage.
* Advanced university degree in economy or business administration (preferably Master’s degree)
* Proficiency command in English is mandatory.

The Terms of Reference for the above referenced consulting services are posted on the website of the Ministry of Finance, <https://www.mfin.gov.rs/dokumenti2/projekti>

Central Fiduciary Unit of the Ministry of Finance now invites eligible individual consultants to indicate their interest in providing the above services. Interested consultants must provide Cover letter, and CV representing description of similar assignments, experience in similar conditions and availability of appropriate skills ( scanned diplomas to be sent with CV).

The evaluation criteria for the assignment are as follows:

• Specific Experience relevant to the Assignment (60 Points)

• General experience (40 Points)

The attention of interested Consultants is drawn to paragraph 3.14, 3.16 and 3.17 of the ***World Bank’s Procurement Regulations for IPF Borrowers – Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services (July 2016, revised November 2017, August 2018*** ***and November 2020)*** (“the Regulations”) setting forth the World Bank’s policy on conflict of interest.

A Consultant will be selected in accordance with the *Open Competitive Selection of Individual Consultants* as set out in the Regulations. The type of contract will time based contract.

Further information can be obtained at the address below during office hours 09:00 to 15:00 hours.

Expressions of interest **in English language** must be delivered in a written form to the email below, by **October 25, 2024, 12:00 hours, noon**, local time.

Interested consultants must provide **Cover Letter** (**name and reference number of the assignment to be indicated in the email**) and **CV** representing description of similar assignments, experience in similar conditions and availability of appropriate skills (**scanned diplomas to be sent with CV**).

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