# Serbia Competitive Agriculture Project (SCAP)

# Terms of Reference

**Expert for Functional Analysis and Enhancing Financial Management and Control (FMC) in the Ministry of Agriculture Forestry and Water Management (MAFWM)**

**Short Term Consultancy**

# Background

The Serbia Competitive Agriculture Project (SCAP), a US$50 million investment, was approved by the World Bank in December 2019 and ratified by the National Assembly of the Republic of Serbia in February 2020. The objective of the Project is to improve access to markets and information systems for agricultural producers in Serbia. This will be achieved through a) improving productivity of small and medium scale farmers by strengthening advisory and technical support; b) supporting market access of small and medium scale farmers (including finance and business planning capacity); c) improving government systems to strengthen the aenabling environment for all agricultural producers (including capacity building for the Ministry, information systems, and data platform).

The Project will provide financial and technical support to all productive investments in agriculture in Serbia through the national rural development program[[1]](#footnote-1) and will not finance direct payments (subsidies). This delimits the scope of Project interventions outside of all IPARD measures that the country has been accredited for or plans to be accredited for and puts it in the center of national rural development program.

Beneficiaries: Small and medium scale agricultural production units (including producers, producer groups, agribusinesses/agro-processors that can provide direct link to smallholder farmers) that has or can have commercial focus and are not covered by accredited IPARD measures. Although large producers will not be directly targeted, the project will also benefit them with the enabling environment it will create through the improvements in information systems and the financial services provided. Small and medium size producers are defined by the economic size of holding expressed in euros of standard output. For the purposes of this project and the context of Serbia, small producers are those with an economic size of up to EUR 8,000; medium producers are those with an economic size between EUR 8,000 and 25,000.

Project Description: The Project activities are structured into three Components. Component 1) will focus on improving the productive and entrepreneurial capacity of small and medium farmers by supporting business and financial planning for productive investments, as well as supporting market access and strengthening sector competitiveness. Component 2) will focus on improving the capacity of the Ministry of Agriculture, Forestry and Water Management (MAFWM) to provide core public goods for improving sector performance. This includes establishing and information system aligned with EU CAP requirements to enable evidence- based policy making and monitoring of results, enhance market information for stakeholders and build capacity for regulatory roles aligned with EU CAP. Component 3) will focus on project management.

By addressing sector needs at the level of producers (Component 1) and the MAFWM (Component 2), the Project will support a broader policy reform process in the agriculture sector through: i) improved targeting of policy instruments to different typologies of producers, ii) strengthened enabling environment for investment for small and medium agricultural producers, by improving the delivery of services to these productive segments (advisory, financial, information, etc.), iii) improving the monitoring of public resources and their utilization, as well as sector performance. It is expected that this will bring about a significant shift in the utilization of public resources in agriculture from subsidies (direct payments) to rural development investments.

This Terms of Reference (ToR) falls under Component 2 of the SCAP project, emphasizing the need for enhancing the organizational and functional capacities of the Ministry of Agriculture, Forestry and Water Management (MAFWM). By conducting comprehensive functional analyses and incorporating elements of digitalization, the project aims to improve the ministry's efficiency and effectiveness in delivering services. This is crucial for ensuring that the ministry can better support the agricultural sector, especially small and medium agricultural producers, through more effective policy actions and improved service delivery. Additionally, fostering innovation within the ministry's operations will further strengthen its ability to adapt to changing agricultural needs and challenges.

Financial Management and Control (FMC) is a critical component of the public sector’s internal control system, particularly in the context of EU accession under Chapter 32 “Financial Control.” FMC refers to the processes and procedures implemented to ensure that an organization's financial resources are used efficiently, effectively, and in compliance with applicable laws and regulations. In Serbia, the Budget System Law mandates the establishment of an FMC system across public sector entities to strengthen accountability and transparency. This ToR includes a focus on enhancing FMC practices within the Ministry of Agriculture Forestry and Water Management (MAFWM) to meet these regulatory requirements and align with EU standards, thereby supporting the overall institutional efficiency and governance.

These improvements will provide the necessary support for the agricultural sector to thrive, ensuring sustainable development and resilience. The activities, including individual interviews with managers, interactive workshops, and development of recommendations, will lead to a more robust enabling environment for small and medium agricultural producers. Ultimately, these efforts will drive economic growth and improve livelihoods in rural areas, aligning with the broader objectives of the SCAP project.

# Objective of the Assignment

The objective of the assignment is an in-depth assessment of the current state of the Ministry, organizational structure and functional schedules in order to determine compliance with the legal framework and recognize improvements. The analysis should provide important insights that will lead to an increase the capacity of the Ministry in the field of organization and provide clear recommendations in the direction of the development of the organizational structure, functional redistribution, systematization and complexity of workplaces and the overall increase capacity and quality in the provision of services to citizens, businesses and the Government of Republic of Serbia. Activities on this project task should include the implementation of interactive workshops aimed at harmonizing the new organization with the basic principles and rules in the field of application of the Financial Management and Control system in accordance with the established regulations in this field. This assignment is a part of Component 2 of the Serbia Competitive Agriculture Project (SCAP) and it focuses on leveraging digitalization and fostering innovation to modernize the ministry's operations. By doing so, the project aims to improve the ministry's efficiency and effectiveness, ultimately supporting the agricultural sector's growth and competitiveness.

This will be achieved by:

1. Review the legal and regulatory frameworks for the establishment of the existing systematization of workplaces through a comparative analysis of entrusted competences (Law on Ministries) and recognized and introduced activities and competences in the internal acts of the Ministry
2. Conduct individual interviews with all managers of organizational units in the Ministry in order to determine business functions and comprehensiveness of implemented business functions.
3. Conduct individual interviews with relevant persons from the Directorates within the Ministries in order to determine the business functions and the comprehensiveness of the implemented business functions.
4. Develop recommendations aimed at redefining/reallocating business functions of organizational units of the Ministry and Directorates that will provide support for the formation of a redefined systematization of workplaces.
5. Organizing and conducting interactive workshops that should provide support to employees in the Ministry and Directorates for the establishment and updating of acts and documentation in the area of ​​the Financial Management and Control system.

# Scope of Services

The specific functions and responsibilities of the Consultant are as follows:

***Phase 1: Functional analysis***

This phase should produce an understandable and transparent list of functions carried out by the Ministry and Directorates, as well as producing, but not limited to, the following analyzes and findings:

1. List and analysis of all business functions of the Ministry
2. Analytical assessment of work positions in the Ministry with special insight into the level of complexity of individual and key positions
3. List and analysis of all business functions of the Directorates
4. Findings from the field of ​​missing or recurring business functions for the Ministry and Directorates
5. Findings the number and distribution of functions according to the organizational units of the Ministry and Directorates
6. Findings of redistribution of functions related to the number of employees in the organizational units of the Ministry and Directorates
7. Findings of recognized inter-organizational business functions that lead to slowing down or complicating work, etc.
8. Review and analysis of the existing Financial Management and Control (FMC) practices within the Ministry and Directorates, including an assessment of compliance with the Budget System Law and EU accession Chapter 32 requirements. Identify gaps and areas for improvement to align FMC practices with both local legislation and EU standards.

***Phase 2: Recommendations, Roadmap and Action plan***

This phase should produce usable and sustainable recommendations regarding the optimization and organization of Ministry and Directorates, as well as a clear roadmap and action plan for implementing the proposed changes. The recommendations, roadmap and action plan should also indicate the operational, organizational and procedural benefits that the Ministry and Directorates will have from the changes, as well as provide useful recommendations for change managing during the implementation of the recommendations. This phase should include, but not be limited to, the following:

1. Development of specific, actionable recommendations aimed at enhancing the Financial Management and Control (FMC) system within the Ministry and Directorates. This should include a roadmap for aligning FMC practices with EU accession requirements under Chapter 32 “Financial Control,” and steps for addressing identified gaps and ensuring sustainable compliance with the Budget System Law.
2. A detailed roadmap and action plan for the reorganization and optimization of functions within the Ministry and Directorates
3. An assessment of the operational, organizational, and procedural benefits that the Ministry and Directorates will achieve through the implementation of the recommended changes
4. Recommendations for effective change management during the implementation of the proposed organizational and functional changes.

***Phase 3: Organization of workshops***

This phase should produce a minimum of 10 workshops for employees in the Ministry and Directorates, which aim to facilitate the processes of introducing and updating acts and documentation in the field of Financial Management and Control. The workshops will be held on the premises of the Ministry and should include providing direct support to employees for understanding the Financial Management and Control system, correct filling of documentation that is part of this system and clarification of doubts and specific examples from practice. After each workshop, an evaluation will be carried out in order to immediately and directly introduce improvements. After the workshop, practical instructions for employees will be prepared in order to establish complete independence in the further improvement of this system.

# Deliverables

The Consultant shall prepare and deliver the following in the corresponding stages of the assignment.

|  |  |  |
| --- | --- | --- |
| No. | ***Deliverable*** | ***Deadline*** |
| 1. | Functional analysis | 6 weeks after contract signing |
| 2. | Recommendations, Roadmap and Action plan | 12 weeks after contract signing |
| 3, | Evaluation of workshops and practical instructions for employees | 24 weeks after contract signing |

# Reporting

The Consultant will report to the SCAP Project Coordinator, who oversees the Project Management Team (PMT) that has been established to support project implementation. The Consultant shall be responsible for providing information (inputs) and advice as requested by the SCAP Project Coordinator for the satisfactory implementation of project activities related to this Consultancy.

All submission of written reports must be in both Serbian and English. Results are to be provided in both languages as well. Submissions should be sent electronically via email and in two printed copies for the approval of the Ministry of Agriculture, Forestry and Water Management (MAFWM). All deliverables shall be submitted to and approved by the Project coordinator. Approval of these deliverables will allow payment for each of the Deliverables.

# Other requirements

The Consultant is obliged to perform consulting services in accordance with the applicable Serbian legislation and wide-known technical norms and rules of the profession and in accordance with the requirements defined in this ToR.

Intellectual property rights policy will be applied in accordance to the proper sections of the Contract.

# Engagement

The intended start date is September 2024 and the period of contract implementation will be up to 6 months. Estimated maximum time effort is 132 expert days.

# Experience and Qualifications Requirements

| **Title** | **Qualifications/Experience** | **Skills** |
| --- | --- | --- |
| Expert | *Education:*  - Have as a minimum University Degree in field of technical sciences, economics, law or relevant discipline  *Relevant professional experience:*  - At least 10 years of general professional experience;  - At least 5 years’ experience in functional analysis and implementation of organizational changes (international experience would be preferable)  - At least 2 years’ experience in regulation reforms (experience in Republic of Serbia would be preferable)  - At least 2 years’ experience in establishment of the Financial Management and Control system in public sector companies, institutions or organizations  - Experience in working with government bodies in the field of process analysis, functional analysis and organizational changes will be considered an advantage  - Experience in working with process optimizations with public bodies will be considered as an advantage  - Experience on WB, UNDP, EBRD and similar institution would be taken as advantage | Fluent in Serbian and English |

# Confidentiality Statement

All data and information received from MAFWM/DAP/PMT/WB for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to MAFWM/DAP. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of MAFWM/DAP.

# Selection

Selection procedure will be conducted in accordance with 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, as given in articles  “Open Competitive Selection of Individual Consultants”.

The Consultant will be evaluated applying the following evaluation:

* General relevant experience (30 points)
* Consultant's specific experience related to the assignment (70 points)

 (total: 100 points)

1. In 2018, the program received 8,000 applications from small and medium scale producers. [↑](#footnote-ref-1)