TERMS OF REFERENCE

Independent Verification Agent for Disbursement Linked Indicator 1 for

Improving Public Financial Management for the Green Transition Operation

**Background**

Improving Public Finance Management for the Green Transition in the Republic of Serbia is a four-year Operation supported by the World Bank and the AFD, which aims to help the Government of the Republic of Serbia in strengthening its capacity to manage public finances and implement green investments. Key implementing institutions besides the Ministry of Finance (MoF) are the Ministry of Environmental Protection(MoEP), the Republic Property Directorate (RPD), the Public Policy Secretariat (PPS), the Public Procurement Office (PPO).

The Operation consists of two components:

1) **Program for Results (PforR) component** **(Program)** comprising two results areas:

* Strengthen fiscal resilience, transparency, and spending effectiveness-focused on further strengthening fiscal resilience, using public expenditure management to enhance efficiency and a results focus, enhancing the ability to link plans and budgets through stronger costing at the planning stage, improving fiscal transparency, and improving the preparation of public investment projects.
* Greening Serbia’s expenditure cycle and developing selected other institutions for greater environmental resilience focused on introducing and utilizing green criteria in PFM, PIM, and public procurement, and on strengthening systems for monitoring and reporting on GHG emissions from installations.

2) **Investment Project Financing (IPF)** **component (Project)** consisting of technical assistance (TA) to support the implementing entities in delivering expected results. The IPF component will consist of TA - including trainings, capacity building and peer learning, support for stakeholder engagement, and support for managing the Program.

**Objective of the assignment**

Independent Verification Agent (IVA) will perform the verification process of achievements of the Disbursement Linked Indicator 1 (DLI 1), and provide formal reports with its conclusion to the MOF’s Operation Coordination Unit in the Department for International Cooperation and European Integration (OCU) and to the World Bank for approval. The part of the Verification Protocol for the DLI 1,1 is set out in Annex 1 with further detail on the interpretation of terms and of quantities (in particular the enumerators and denominators for achievements expressed in percentages).

Independent verification of achievement of disbursement linked indicator DLI1 will be conducted by the independent external verifier (hereinafter: the Consultant) hired under the Project. The objective of the Consultant, engaged for performing the independent verification of DLI1 achievement reports, is to review the credibility and accuracy of the supporting documentation related to DLI1 achievements which will be provided by the MOF OCU collected from the Public Policy Secretariat (PPS).

**Scope of Work**

The consultant scope of work will include, but not be limited to, the following:

* performing the independent verification of DLI1 achievement;
* preparing verification reports;
* reviewing the credibility and accuracy of the supporting documentation related to DLl1 achievement which will be provided by the by the MOF OCU collected from the Public Policy Secretariat (PPS);
* assisting in the preparation of the progress reports for the purpose of reporting to the World Bank.

**Deliverables**

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

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| Deliverables | Due dates |
| Deliverable 1:Verification of the DLR 1.1 in line with Verification protocol : | 30 days upon submission of complete set of documents from MOF OCU. |
| Deliverable 2:  Verification of the DLR 1.2 in line with Verification protocol | 30 days upon submission of complete set of documents from MOF OCU. |

The selected Consultant shall be paid the lump sum contract amount linked to the deliverables.

**Reporting arrangements**

The Consultant will communicate verification findings to the Assistant Minister in charge of the International Cooperation and European Integration under the MOF, who is as well a Head of the OCU. In addition, the Consultant shall inform the Assistant Minister during engagement on the progress of the verification of DLI1 achievement and assist in the preparation of the progress reports for reporting to the World Bank. Verification needs to be completed within 30 days upon submission of complete set of documents from MOF OCU.

The Consultant will provide two hard and electronic copies of any documents and technical materials developed during the Project in their original electronic format in line with the Verification Protocol for the DLI 1 (Annex 1). The reports will be provided in English/Serbian language.

**Length of assignment**

The Consultant shall provide part-time service up to 20 working days (5 WD for DLR 1.1 verification and 15 WD for DLR 1.2 verification) for a period ending with March 2026, conclusively and subject to extension based on satisfactory performance verified by the Assistant Minister.

**Qualification Requirements**

The Consultant shall possess the following qualifications**:**

* University degree in economics; master’s degree or higher will be considered as a distinct advantage;
* Minimum 10 years of relevant work experience in finance, business consulting, financial reporting and audit;
* Experience of project/s or contract work with international financial organizations will be considered as a distinct advantage;
* Advanced user of MS Office (especially Excel);
* Strong communication skills and excellent knowledge of written and spoken English;
* Proven teamwork skills;
* Ability to work under pressure and meet deadlines.

**Confidentiality**

The Consultant undertakes to maintain confidentiality on all information that is not in the public domain and shall not be involved in another assignment that represents a conflict of interest to the prevailing assignment.

**Selection of Consultant**

A Consultant will be selected in accordance with the Open *Competitive Selection of Individual Consultants* as set out in the World Bank’s Procurement Regulations for IPF Borrowers: Procurement in Investment Project Financing – Goods, Works, Non-Consulting and Consulting Services (November 2020) and the World Bank's ‘Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing’, dated February 1, 2012, and revised July 10, 2015.

The candidates will be evaluated applying the following evaluation criteria:

• General experience ( 40 Points)

• Specific Experience relevant to the Assignment ( 60 Points)

Annex 1: Verification Protocol Table for DLI 1

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| **Verification Protocol Table: Disbursement Linked Indicators** |

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| **DLI\_TBL\_VERIFICATION** |  |
| **DLI 1** | **Green and climate aspects are integrated into PPDs and the links between PPDs and budgets are strengthened** |
| **Description** | PPS advises on PPDs and monitors their quality, including cost information and performance indicators and ensuring that cross-cutting policy priorities such as environment and climate change are included. This is an important basis for subsequent steps in the expenditure cycle and prioritizing expenditures in annual budgets. |
| **Data source/ Agency** | PPS |
| **Name of focal point:** | Darinka Radojević |
| **Verification Entity** | IVA to be contracted, Verification to be completedwithin 30 days upon submission of complete set of documents from OCU |
| **Procedure** | **Verification:**  For DLR 1.1: Guidelines on inclusion of green aspects into PPDs are prepared and approved by PPS and published on its web site.  The adoption of those Guidelines has been conditioned by the amendments to the “Regulation on the Methodology of Public Policies Management, Analysis of the Effects of Public Policies and Regulations, and the Content of Individual Public Policy Documents”, and in line with the Law on Strategic Environmental Impact Assessment.  For DLR 1.2: Confirmation of the number of PPDs adopted during the course of 2025 that were adopted pursuant to the PPS’s Guidelines and the planning system cost calculation methodology. Calculation of the percentage of newly adopted PPDs meeting both requirements. Assessment of the indicator will be completed by the contracted IVA.  Further details be set out in the OIM as needed.  **Disbursement:**  For DLR 1.1: Upon verification of the publication of Guidelines on the PPS’s web-site.  For DLR 1.2: Upon verification of report providing evidence of the share of PPDs that used the Guidelines developed in year 1 and the planning system cost calculation methodology.  The target is 50 percent. Disbursements to follow a scaling approach (EUR500,000 for every 10 percent points of PPDs meeting the criteria - up to EUR2.5 million for 50 percent compliance or higher). |
| **Verification documents** | For DLR 1.1: 1. Letter from the MoF’s OCU with the institution’s report on achieving DLR and accompanying documentation; 2. Guidelines on inclusion of Green Aspects into PPDs; 3. Link to the PPS website where this document is located.  For DLR 1.2: 1. Letter from the MoF’s OCU with the institution’s report on achieving DLR and accompanying documentation; 2 List of PPDs adopted in 2025; 3. List of adopted PPDs in 2025 that have been prepared in accordance with the Guidelines and the planning system cost calculation methodology. |