

ANNEX II: TERMS OF REFERENCE

External provider for upgrade of MIS Supporting PEP Implementation - II, Serbia

Reference number: 1-06-405-5/2024

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ABBREVIATION DICTIONARY

RAS	Development Agency of Serbia
SME	Small and medium Enterprises
MoE	Ministry of Economy
PEP	Programme for purchase of equipment
CfP	Call for Proposals
IPA	Instrument for Pre-Accession Assistance
ToR	Terms of References
MIS	Management information system

1. BACKGROUND INFORMATION

1.1. Partner country

The Republic of Serbia

1.2. Contracting authority

Development Agency of Serbia

1.3. Current situation in the sector

Low competitiveness of Serbian enterprises is a result of challenges of the business environment faced by private sector. The Government has taken a comprehensive approach in addressing these challenges, aiming to reduce administrative costs by 15-20% until 2020. This resulted in a significantly improved ranking in the Doing Business Report, from 91st in 2014 to 48th place in 2018. More than 100 administrative fees have been abolished and it was made easier to deal with construction permits. Starting a business has been made simpler, the reliability of the land administration system was strengthened and enforcing contracts was made easier.

One of the elements of the business environment seriously affecting the competitiveness of Serbian enterprises is limited access to affordable finance. Over 69% of companies interviewed in USAID's Serbia Business Survey 2017 reported that they did not borrow to finance operations and growth. According to the same Survey, 84% of SMEs are financed from their own sources. The situation is particularly worrisome for small companies. The financing gap based on the potential demand from, for example, micro enterprises in Serbia, is estimated between 938 – 1,036 EUR million. The micro-financing and venture capital investment are impeded by lack of legal framework, and the unfavourable offer of loans by the banking sector is caused by high requirements for collateral, low credit rating and limited transparency of financial statements of the loan applicants. Lack of affordable financing is preventing Serbian enterprises to modernize their production and to invest in innovation and commercialisation, resulting in low productivity with only 9.2 % of manufacturing having high and medium high-technology products. This affects SMEs and particularly small companies with, for example, companies in the field of textiles, on average, using 35 years old machinery, followed by companies from the machine industry with equipment that is 34.5 years old. Equipment, tools and other productive resources are the most obsolete in the region of southern Serbia (41 years) and the least obsolete in the region of Bačka (18.5 years) and in Belgrade (20.5 years). Consequently, SMEs have less chance of producing high quality products able to compete on international markets on the basis of quality, quantity and unit costs.

The Competitiveness sector as a whole received EUR 1.782 billion of budget funds in the 2015-2018 period, which amounts to average of 5.78% of the total budgetary funds allocated to all sectors. In regard to the origin of resources, the Competitiveness sector was predominantly funded by allocation of the internal (national) resources. The funding from the internal resources amounted to 1.318 EUR billion, relative to 200 EUR million funding from the external resources. In the structure of external funding, international loans generally dominated over international donations and EU assistance. The disbursement rate of the loans is 71%, which is the second highest disbursement rate among all other sectors. The largest amount of funds was allocated to Entrepreneurship and Competitiveness, and Research and Development and Innovation. Over the four years, 78% of total funds for the sector were allocated for these areas, showing the Government's strategic commitment towards private sector support and the knowledge-based economy. In the 2015-2018, EUR 70 million were allocated for that purpose. In 2019-2021, it is planned that the sector receives EUR 1.376 billion of total allocations for all sectors. In the forthcoming three years, 9% (or 57 EUR million) of the internal resource's allocation for the Entrepreneurship and Competitiveness will be directed for the development of entrepreneurship. It will include support to SMEs to purchase equipment, invest in business operations and increase competitiveness of their products and services.

As part of the comprehensive approach, Serbia needs to continue to improve access to finance to SMEs and diversify existing funding mechanisms.

The sector strategy covering the Action relevant to the Terms of reference is **Strategy to support the Development of SMEs, Entrepreneurship and Competitiveness (2015-2020) (SME Strategy):**
Pillar 1: Improvement of business environment Dimension 1: Establishment of stimulating regulatory framework in accordance with demands and abilities of SMEs **Pillar 2:** Improvement of access to sources of funding Dimension 3: Improvement of the ability of SMEs to access various sources of funding; **Pillar 4:** Enhancing the sustainability and competitiveness of SMEs Dimension 1: Improvement the efficiency of the institutional support to business operations and development of SMEs and entrepreneurship Dimension 3: Improvement the functionality of the national innovation system.

1.4. Related programmes and other donor activities

“IPA 2019 – Direct Grant to the Development Agency of Serbia – Scaled up and technologically improved production capacity solutions among micro and small enterprises and entrepreneurs”, ref. 19SER01/601/21 (hereinafter: Action) is a part of the Country Action Programme for the Republic Serbia for the year 2019-EU Support to Competitiveness, Research and Development and Innovation. Jointly with other actions from the Country Action Programme it will contribute to its overall objective to increase the competitiveness of the Serbian economy. Specifically, it addresses the need to strengthen the private sector's impact on the economy by increasing its business efficiency and their share in turnover, GDP and profitability. Through providing financial support for purchasing of new equipment, the Serbian companies will be more competitive and that leads to an increase in competitiveness of the Serbian economy. Regardless COVID-19 related support instruments, there are several national and regional EU funded project and initiatives which are relevant for improving access to finance for SMEs and with whom the proposed Action have supplementary scope and development approach. The Western Balkan Enterprise Development and Innovation Facility (WB EDIF) is improving access to finance for SMEs through its Equity (ENEF and ENIF), Lending (Regional Competitiveness Programme) and Guarantee instruments (GF I, GF II and „EU for Serbia –financing for SMEs”). Total funding for Serbia so far is more than EUR 205 mil and more than 1 200 SMEs benefited from the interventions. Nevertheless, instruments of this platform mostly support loans for working capital, equity investments or loans for upgrading production processes to EU standards in the fields of environmental protection, product safety and quality and occupational health and safety. Some instruments from WB EDIF have been extended at national level in Serbia: through “EU for Serbia – Finance for SME” (IPA 16) - 20 mil EUR for favourable loans for SMEs is allocated, while “EBRD SME Competitiveness Support Programme” got additional 10 million EUR funding for Serbia from the IPA 18 allocation. Important positive influence in terms of boosting banks credit activity towards SME sector have guarantee schemes financed from EU programs, i.e. COSME, EaSI and InnovFin. As already stated, the Action represents scaling up of well-established national PEP which has been developed with the support from USAID BEP program, while MIS software has been acquired with support from German bilateral co-operation, MoE has developed a Management Information System (MIS) for PEP, which was launched in 2020

and which presents a central system for digital processes of PEP application submission, evaluation, and monitoring.

Furthermore, under the IPA 2019 – Direct Grant to the Development Agency of Serbia – Scaled up and technologically improved production capacity solutions among micro and small enterprises and entrepreneurs, a Contractor for upgrade and maintenance have been implementing relevant activities under the TA component. Therefore, MIS is currently being further developed to fit the needs of PEP implementation and its maintenance, via ongoing service contract signed in 2022.

The MIS improvement and development are considered continuous processes, hence, several additional needs/areas for system upgrade and the need for introduction of new features to the Management Information System (MIS) were identified during the implementation of the beforementioned service contract signed in 2022. This, new, contract shall address the additional system extension and upgrade to fully comply with the comprehensive needs of MoE and PEP implementation.

2. OBJECTIVE, PURPOSE & EXPECTED RESULTS

2.1. Overall objective

The overall objective of the project of which this contract will be a part is as follows:

Action “IPA 2019 – Direct Grant to the Development Agency (Action) of Serbia – Scaled up and technologically improved production capacity solutions among micro and small enterprises and entrepreneurs” shall contribute to increased competitiveness of the Serbian economy by supporting investment of micro, small enterprises in modernization of production equipment and expansion of production.

The specific objective of the Action is to increase business efficiency of Serbian SMEs. In addition, action will strengthen capacities of national institutions to run complex development programs in future, funded from national or EU funds and provide inputs for adjustment of portfolio of support programs towards post-Covid recovery and longer - term development needs.

2.2. Purpose

The purposes of this contract are as follows:

- To contribute to successful achievement of the purpose of the Action, which is to provide scaling up of very successful national Program for Purchase of Equipment (PEP). Through providing financial support for purchasing of new equipment, the Serbian SMEs will expand and technologically improve production capacity which would lead to an increase in competitiveness of Serbian SMEs and consequently economy as whole.
- To provide Contracting Authority with technical assistance and expertise in the field of further alteration and upgrading of Management information system (MIS), with the aim of enabling uninterrupted implementation of PEP.
- To ensure that reporting, analysis, audit and monitoring of the elements of PEP programme’s processes are carried out through a unified system (accessible to all stakeholders) which shall provide an automated reporting and monitoring system, and an efficient audits and data analysis system.
- To ensure fully alignment with the digitalization processes of e-governance.

2.3. Results to be achieved by the contractor.

As a logical continuation of the previous and current efforts aimed at improving the Management Information System (MIS), the following activities have been identified as essential.

- Redesign the Process of Grant Request by its integration with the on-line portal and parametrization of document importing functionality based on existing processes.
- Integration with the E-Office archive, creating a case and its accompanying documentation within the Office itself so that the entire case can be archived upon completion of the process.
- Verification of Loan/Financial Leasing Conditions and the automatization of the verification process.

These activities have proven necessary in enhancing the system and ensuring it fulfils its intended purpose:

Overall, the service provider engaged within this service contract will focus on enhancing the grant request submission process and ensuring compliance with the conditions of PEP related to loan and financial leasing terms. These activities aim to improve efficiency, transparency, and accountability in the grant application and verification processes.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project.

- Existence of sufficient and efficient absorption capacities for EU funds within contracting authority administration and relevant stakeholders.
- Timely and efficient cooperation of all involved stakeholders.
- Relevant legislation remains unchanged.

3.2. Risks

- Global trends in changes related to interest rate.
- Lack of interest of sub beneficiaries in post-COVID period.
- Lack of interest of the financial intermediaries in post COVID period.
- Insufficient time to deliver and implement recommendations in time for PEP 2022 and other PEP relevant programmes.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Description of the assignment

4.1.1.1. Action (Direct Grant)

Development Agency of Serbia (RAS) and Ministry of Economy have been awarded direct grant from IPA 2019 Programme, “IPA 2019 – Direct Grant to the Development Agency of Serbia – Scaled up and technologically improved production capacity solutions among micro and small enterprises and entrepreneurs” in 2021. The initial duration of implementation of Action (i.e., Grant) was foreseen to be 48 months. Nevertheless, not all the Grant contract funds dedicated to the implementation of PEP 2022 had been spent and it was the intention of the Contracting Authority and the DEU to amend the Grant Contract and to include the implementation of PEP 2023. Therefore, the Grant Contract was amended in August 2023, and it shall be implemented in 55 months and 6 days. All funds unspent during the PEP 2022 implementation shall be reallocated to the PEP 2023 implementation.

Purpose of the Action is to provide scaling up of very successful national program Programme for purchase of equipment (PEP), which has been implemented in partnership with commercial banks and leasing companies for several previous years. Action will enable more favourable financing terms for SME investment loans, in terms of lower interest rates offered by the banks and elimination of hard collateral (i.e. mortgage), as requested collateral. Hence, it will support recovery of investments in SME sector after COVID-19 slow-down of the project. Through providing financial support for purchasing of new equipment, the Serbian SMEs will expand and technologically improve production capacity which would lead to an increase in competitiveness of Serbian SMEs and consequently economy as whole.

Action shall be implemented through three main Components:

- **Component 0 – Management of the Action.**
- **Component 1 – Implementation of PEP.**
- **Component 2 – Implementation of Technical Assistance Support.**

Component 2 - Technical Assistance Support, comprises technical assistance related to supporting, institutional strengthening and capacity building of the MoE and RAS, necessary for the smooth implementation of the PEP., the implementation the Sub-activity 1.2 Upgrade and maintenance of the MIS supporting PEP implementation is foreseen.

Regarding the implementation of this activities the service contract “External provider for upgrade and maintenance of the MIS supporting PEP implementation” number 1-06-404-67/2022 with the service provider was concluded on 30th March 2023, that includes the implementation of maintenance and further alteration of MIS, in the period of 24 months.

During the implementation year 2023., additional space for the alteration of MIS incurred, therefore more funds were allocated for the implementation of the additional activities and consequently the scope of work within this ToR. The scope of work and the delivered functionalities should be built on the previous work done.

4.1.1.2. MIS - Management Information System

MIS is general information system that supports PEP implementation. It consists of all necessary data that are used within PEP implementation, i.e. from the phase of PEP launch, until its reporting phase. With the support of German bilateral co-operation (GIZ), MoE has developed a Management Information System (MIS) for PEP, which was launched in 2020 and which serves as central system for enabling digital processes of PEP’s application submission, evaluation, and monitoring.

The existing MIS is supporting all processes that include:

- Receiving and processing Requests of potential users in electronic form by an authorized person of the bank/leasing company using the appropriate web application that is an integral part of the Ministry's software system.
- Verification and certification of the Request by a person authorized to check the completeness of the Request before electronic submission to the Ministry's committee commission.
- Commission decision-making and automatic generation of all necessary documents for Requests in all possible statuses.
- Contracting and recording the placement of funds and the beginning of the implementation of contracts with users.
- Monitoring the implementation of contracts with users and recording all possible changes during the implementation of the contract.
- Controlling and recording the fulfilment of obligations by the user through controls prescribed by the rules of the Program itself.
- The IS Ministry's software applications are equipped with tools that enable automatic download of data from other state authorities (APR, Tax Administration, CROSO), which speeds up Request processing as much as possible and reduces the possibility of any error when processing requests and performing other activities during implementation.

More detailed description of the existing relevant IT systems in place in MoE is provided in the Appendix to this ToR.

As previously mentioned, the current service provider (External provider for upgrade and maintenance of the MIS supporting PEP implementation) is working on the implementation of the activities foreseen within the Component 2 of the Action - maintenance and the capacity building of the staff involved in the PEP implementation, as well as the alteration and the upgrade of the MIS by developing MIS new functionalities:

- Integration with e-Office - Integration of an information system for tracking document flow with a centralized electronic registry brings numerous advantages. The purpose of this integration is to enable faster and more efficient movement of documentation between institutions across the entire country, as well as to provide standardization of the procedure for assigning record numbers according to a template for each institution. One of the main advantages of integration is the reduction of document processing time, which directly affects the increase in the efficiency of institution's work. Additionally, a centralized electronic registry enables easier tracking of document movement and real-time insight into the status of each document. Furthermore, the implementation of a DMS with an electronic registry enables better document management, resulting in a reduction of errors and duplication of documents, as well as an improvement in the quality of services provided by institutions. This integration also allows for a reduction in printing and document distribution costs, as well as a reduction in storage and preservation costs for paper documentation.
- Development and implementation of e-Signature functionalities - Introducing electronic document signing functionality in an information system designed for document tracking offers numerous advantages. The purpose of this functionality is to enable more efficient and secure document signing, without the need for physical signing and mailing of paper documents. One of the advantages of electronic document signing is reduced time and costs. Electronic signing allows for faster and easier document signing without the need for physical presence of signatories or mailing of documents. Additionally, electronic signing reduces the costs associated with printing, mailing, and storing paper documents. Implementing this functionality also enhances the security and reliability of document

signing. Electronic signatures can be protected with encryption and passwords, which increases security and prevents unauthorized access to documents. This also allows for clearer tracking and documentation of document signing, which can be useful in legal disputes or auditing.

- System and document workflow alteration in accordance with legislative - The process of adapting the information system for the allocation of non-repayable funds represents a crucial activity in order to provide adequate support for the proper and efficient implementation of financial support programs. It is necessary to carefully monitor the legal regulations to ensure compliance with the rules and prevent any potential system abuse. Continuous improvement of the information system increases efficiency in processing requests for non-repayable funds, and consequently, user satisfaction. The introduction of new functionalities and restrictions also contributes to better distribution of funds and encourages sustainable development of small and micro enterprises, as well as entrepreneurs. Furthermore, adapting the information system enables greater transparency in the fund allocation process, reduces the possibility of errors, and increases efficiency in the work of institutions that implement financial support programs. One of the key challenges in adapting the information system for the allocation of non-repayable funds is the need for careful planning and testing of new functionalities, to ensure the stability and security of the system.
- Integration with e-Inbox - This functionality provides many advantages, including reducing the time required for communication between users and institutions, reducing the costs of printing and delivering paper documents, reducing errors in request processing, increasing process transparency, and increasing user satisfaction. Automatically sending documents to the E-inbox allows users to be informed about the status of their requests, new laws, regulations, and other important information, directly in their E-inbox. It also gives users greater control over their documents and allows them to access their data quickly and easily at any time of the day. The benefits of integration with E-government and automatic document sending to the E-inbox can be measured in several ways. This functionality allows for reduced business costs, increased process efficiency, reduced errors, and improved security. Additionally, users can be assured that they will be informed of important changes or news related to their request or the institution processing it. Introducing this functionality can help institutions adapt to modern user demands and increase their satisfaction with the services they provide. At the same time, this functionality can have a positive impact on business efficiency and reduce the burden on administrative staff.

While implementing the existing contract activities, new functionalities have been identified that should be developed within the MIS framework and integrated with the existing IT infrastructure. These activities are distinct in essence from those previously described and encompass additional features.

- Redesign the Process of Grant Request Submission - The service provider will analyse the existing process of submitting grant requests by business entities. The process shall be redesigned in a manner to be aligned with the requirements of the Law on Administrative Procedure and E-Office. This may result in developing an online portal, creating standardized application forms, defining the necessary information and documentation, implementing digital signature mechanisms, and establishing automated validation processes. The aim is to simplify and streamline the grant application process, making it more efficient and businesses user-friendly.
- Further integration with the on-line portal, parametrization of document importing functionality based on existing processes.
- Integration with the E-Office archive, creating a case and its accompanying documentation within the Office itself so that the entire case can be archived upon completion of the process.

- Verification of Loan/Financial Leasing Conditions: The service provider will develop a system to verify the fulfilment of conditions related to the allowed amount of the effective interest rate for approved loans or financial leasing. They will establish a mechanism to cross-check the loan agreements or leasing contracts with the prescribed criteria defined in the sub-grant scheme. The system will assess whether the interest rates charged by banks and leasing companies comply with the specified limits. This verification process will ensure that businesses receiving grants are adhering to the prescribed conditions and that financial assistance is being used appropriately.

4.1.2. Geographical area to be covered.

The contract shall be implemented in the Republic of Serbia.

4.1.3. Target groups

Key target groups of this contract are employees of RAS and MoE and to limited extend partner financial institutions.

4.2. Specific work

Specific work elaborated under this ToR shall include the following activities:

Activity 1. Redesign the Process of following documentation of Grant Request Submission and on-line portal.

The service provider shall digitalize the process of submission of the grant requests documentation by business entities. The process shall be redesigned in a manner to be aligned with the requirements of the Law on Administrative Procedure and E-Office. The aim is to simplify and streamline the grant application process, making it more efficient and businesses user-friendly.

The indicative timeline for implementing Activity 1 – is the beginning of May 2024.

Outputs foreseen under Activity 1 - an online portal, meaning the standardized application form, (defining the necessary information and documentation) with implemented verification of digital signature mechanisms and established automated validation processes.

Implementation to be confirmed on test environment.

The confirmation in the test environment will be the occasion for signing the protocol of successfully performed service.

Activity 2. Integration of documents received from an on-line portal into existing processes – Parametrizing of importing functionality and rules regarding documents uploaded to the system via on-line portal.

The indicative timeline for implementing Activity 2 – is the beginning of May 2024.

Outputs foreseen under Activity 2 – Integration of documents received from an on-line portal into existing processes.

Implementation to be confirmed on test environment.

The confirmation in the test environment will be the occasion for signing the protocol of successfully performed service.

Activity 3. Integration with the e-office Archive – creating a case and its accompanying documentation within the office itself.

The indicative timeline for implementing Activity 3 – is the beginning of May 2024.

Outputs foreseen under Activity 3 – Development of a feature that would enable the automatization and integration of the archiving within the e-office system.

Implementation to be confirmed on test environment.

The confirmation in the test environment will be the occasion for signing the protocol of successfully performed service.

Activity 4. - Verification of Loan/Financial Leasing Conditions

The service provider will develop a system to verify the fulfilment of conditions related to the allowed amount of the effective interest rate for approved loans or financial leasing. They will establish a mechanism to cross-check the loan agreements or leasing contracts with the prescribed criteria defined in the sub-grant scheme. The system will assess whether the interest rates charged by banks and leasing companies comply with the specified limits. This verification process will ensure that businesses receiving grants are adhering to the prescribed conditions and that financial assistance is being used appropriately.

The indicative timeline for implementing Activity 4 – is beginning of June 2024.

Outputs foreseen under Activity 4 – Implementing of the loan terms verification process.

Implementation to be confirmed on test environment.

The confirmation in the test environment will be the occasion for signing the protocol of successfully performed service.

4.2.1. Visibility

The Contractor shall ensure the sustainability and dissemination of contract results. The contractor must comply with the latest Communication and Visibility Manual for EU External Actions concerning acknowledgement of EU financing of the project (see https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en).

The compliance with this shall be an important aspect of all the activities listed under this ToR and contract and the contractor shall include in its reporting what have been accomplished with reference to issue of visibility.

4.3. Project management

4.3.1. Responsible body

Development Agency of Serbia

4.3.2. Management structure

The overall team for implementation of the Action from which this contract is financed is comprised of:

Development Agency of Serbia (RAS) is the beneficiary of the direct grant, and it is in charge of overall management and implementation of the entire Action. For the overall management of the Action, RAS has appointed high-rank official to act as Project manager. Project manager relies on the support of RAS working group tasked with project management activities, as well as the team of individual experts, RAS Procurement unit and RAS. Financial unit shall support the implementation of Action as well. Staff from IPA Unit of the MoE also provide support to the Project manager. **RAS shall present a Contracting Authority** for contacting services subject to this ToR.

Ministry of the Economy (MoE) is the co-applicant of the direct grant (Action). Ministry of the Economy (MoE) is owner of the MIS and legal and procedural aspects of the PEP are under the MoE jurisdiction. MoE will be leading party for the implementation of activities subject to this ToR, and shall take the role of the **Final beneficiary of services** subject to this ToR.

Project Steering Committee (PSC) is established to perform overall monitoring and steering of the implementation of the Action.

The overall team for implementation of the the contract subject to this ToR shall be comprised as follows:

Ministry of the Economy shall appoint a Project Manager (MoE Project manager) who will, with the support of MoE team, be responsible for the daily (administrative and technical) management and

monitoring of the implementation of the contract subject to this ToR, in line with contract provisions. The Contractor shall be in direct communication with MoE Project manager and shall receive guidance and feedback on the implementation of relevant activities from him.

MoE Project manager shall be responsible to provide verification or a “no-objection” statement to the Contracting Authority regarding the reports provided by the Contractor, Contractor’s payments and the Contractor’s performance on the basis of continuous monitoring of and active participation in the implementation of the contract. More specifically, the roles of MoE Project manager and its supporting team shall be, inter alia include:

- To guide the Contractor in achieving their tasks.
- To ensure timely achievement of activities and results as set out in this ToR.
- To coordinate, supervise and monitor progress of the contract tasks.
- To mobilise whenever needed the inputs and contributions of all stakeholders.
- Provide an opinion and recommendation related to strategic issues regarding contract implementation.
- To guide the Contractor on technical matters, including relevant technical and working papers submitted by the Contractor, as appropriate.
- To assess the Contractor’s performance, provide “non-objection” statement on the Inception, Interim and Final reports and other prominent reports presented under this ToR.
- To jointly discuss any critical points, risks, or bottlenecks of contract implementation and to propose and discuss remedies in case of problems.
- Provide guidance on contract issues which could compromise the success of the contract.
- Reconcile differences in opinion and approach and resolve disputes arising from them.
- Upon request from RAS, to provide regular reports regarding the achieved outcomes, progress, and other relevant updates.

RAS Project manager shall support the overall monitoring and supervision of the contract and shall inter alia:

- Provide guidance to MoE related to critical points, risks, or bottlenecks of contract implementation (as appropriate, and if requested by MoE)
- Assist MoE in the evaluation of contract risks and project risk management approaches, as appropriate.
- Be responsible for final endorsement of Contractor’s outputs, reports, payments, and relevant administrative contractual documents, based on the MoE Project manager’s “non-objection” statement.

5. LOGISTICS AND TIMING

5.1. Location

Republic of Serbia

5.2. Start date & period of implementation of tasks.

The intended start date is April 2024 and the period of implementation of the contract will be 3 months from this date. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

The contracting authority reserves the right to extend the contract (in accordance with EU PRAG procedures) in duration and/or scope subject to the availability of funding (being procured by a negotiated procedure), up to a maximum not exceeding the length and value of the initial contract. Any extension of the contract would be subject to satisfactory performance by the Contractor.

6. REQUIREMENTS

6.1. Staff

Note that civil servants and other staff of the public administration of the partner country, or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

6.1.1. Key experts

Key experts are not required.

6.1.2. Other experts, support staff & backstopping

CVs for other experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles. The contractor shall select and hire other experts as required according to the needs. The selection procedures used by the contractor to select these other experts shall be transparent and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience.

The costs for backstopping and support staff, as needed, are included in the tenderer's financial offer.

6.2. Office accommodation

Office accommodation for each expert working on the contract is to be provided by the contractor.

Contracting authority currently supports adaptability to remote work conditions according to COVID conditions.

6.3. Facilities to be provided by the contractor.

The contractor shall ensure that experts are adequately supported and equipped. In particular, it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to

concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

6.4. Equipment

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract which is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

7. REPORTS

7.1. Reporting requirements

In addition to any documents, reports and outputs specified above, the contractor will submit the following reports in English language in one original hard copy and digital version:

Name of report	Content	Time of submission
Inception Report (recommended max. number of pages is 12 excluding annexes)	Description of e.g. initial findings, progress in collecting data, any difficulties encountered or expected in addition to the work programme and staff travel. The contractor should proceed with his/her work unless the contracting authority sends comments on the inception report.	No later than 15 days following the contract commencement day.
Draft- Final and Final report	Description and summary of all activities and aspects of the implementation (technical, administrative, and financial) including problems encountered and recommendations during overall implementation period considering ToR and technical and financial offer. Final report should be accompanied with the final invoice of the balance and documentary evidence of the outputs delivered.	Draft Final report - No later than 1 month before the end of the implementation period. Final report - Within 10 days upon receiving comments on the draft of Final report.

7.2. Submission and approval of reports

Reports defined in the section 4.2. Specific Work of this ToR shall be submitted to MoE Project manager and copied to RAS Project manager. The reports must be written in English language.

The MoE Project Manager identified in the contract is responsible for approving the contractor's reports. MoE Project manager shall be responsible to provide verification or a "no-objection" statement to the Contracting Authority regarding the reports.

RAS Project manager shall be responsible for final endorsement of the reports based on the MoE Project manager's "non-objection" statement.

Two hard copies of the approved reports referred to above must be submitted to the MoE and RAS Project managers identified in the contract, together with the electronic version on flash drive or appropriate electronic memory media.

8. MONITORING AND EVALUATION

8.1. Definition of indicators

The tenderers are expected to propose a set of relevant indicators within their technical proposal (organisation and methodology section). All indicators should correspond to the results specified under section 2.3.

The Contractor should obtain all information about project progress and its implementation on request from the Contracting Authority.

For monitoring project progress the Contractor will propose a set of relevant indicators in its technical proposal (organization and methodology section) which may be updated and agreed upon with the Contracting Authority during the inception phase of implementation of contract and periodically during project implementation as may be required. A good indicator should be readily quantifiable, well defined and relevant to the objectives of the project. It should be supported by readily available data which should be capable of being accurately updated on a regular basis. The Contractor shall apply relevant indicators to all the tasks of the project, to control the progress of the project and to anticipate risks and constraints. Logical framework should be part of the proposal submitted by the Contractor and shall set out in a systematic and logical way the project objectives and the relationships between them, the procedures for checking whether these objectives have been achieved, and the assumptions and factors outside the scope of the project which may influence its results.

8.2. Special requirements

N/A

9. APPENDIX I

Description of the implemented UniDocs information system for document and business processes managing for the MoE of Serbia - SME Support Programmes

1. Introduction

The entire information system was implemented through UniDocs platform, the system for document and business processes managing (hereinafter referred to as DMS). With the introduction of the mentioned solution the most important concepts are implemented:

- An electronic document with an unlimited set of metadata and an electronic signature
- An electronic folder
- Support for intelligent electronic documents (business facilities)
- Document exchange in accordance with process rules.
- Archiving and use of the archive of electronic documents
- User reports on document and folder metadata
- Publication of documents on electronic bulletin boards

2. System architecture

The information system UniDocs is implemented as a support for three programs in Ministry:

- financial support program for beginners in business
- incentive programme for entrepreneurship through financial support for development projects
- financial support program for small enterprises for the procurement of equipment.

All phases in these programs (initiating a new cycle of support, selection of beneficiaries to support, realization of support, control of the use of support and analysing use of support) are performed in UniDocs system. The system is implemented as a web platform for fast entry, review and checking of data and scanned documents as well as generation of standard documents and reports.

To ensure that decisions about financial support are made based on accurate and timely information for this project, the developed several web services retrieve data from official state records (Business Registers Agency, Tax Administration, CROSO). In addition to communicating with the mentioned web services, the system communicates with the e-Office (e-Pisarnica) system via a REST API, which is used for generating case numbers and updating case statuses in the external system.

Primary users of the system are employees of the Ministry of Economy, and secondary users are employees of various commercial banks submitting web applications, as well as employees of institutions participating in certain stages of decision-making (*inter alia* Development Agency of Serbia, Development Fund, and others).

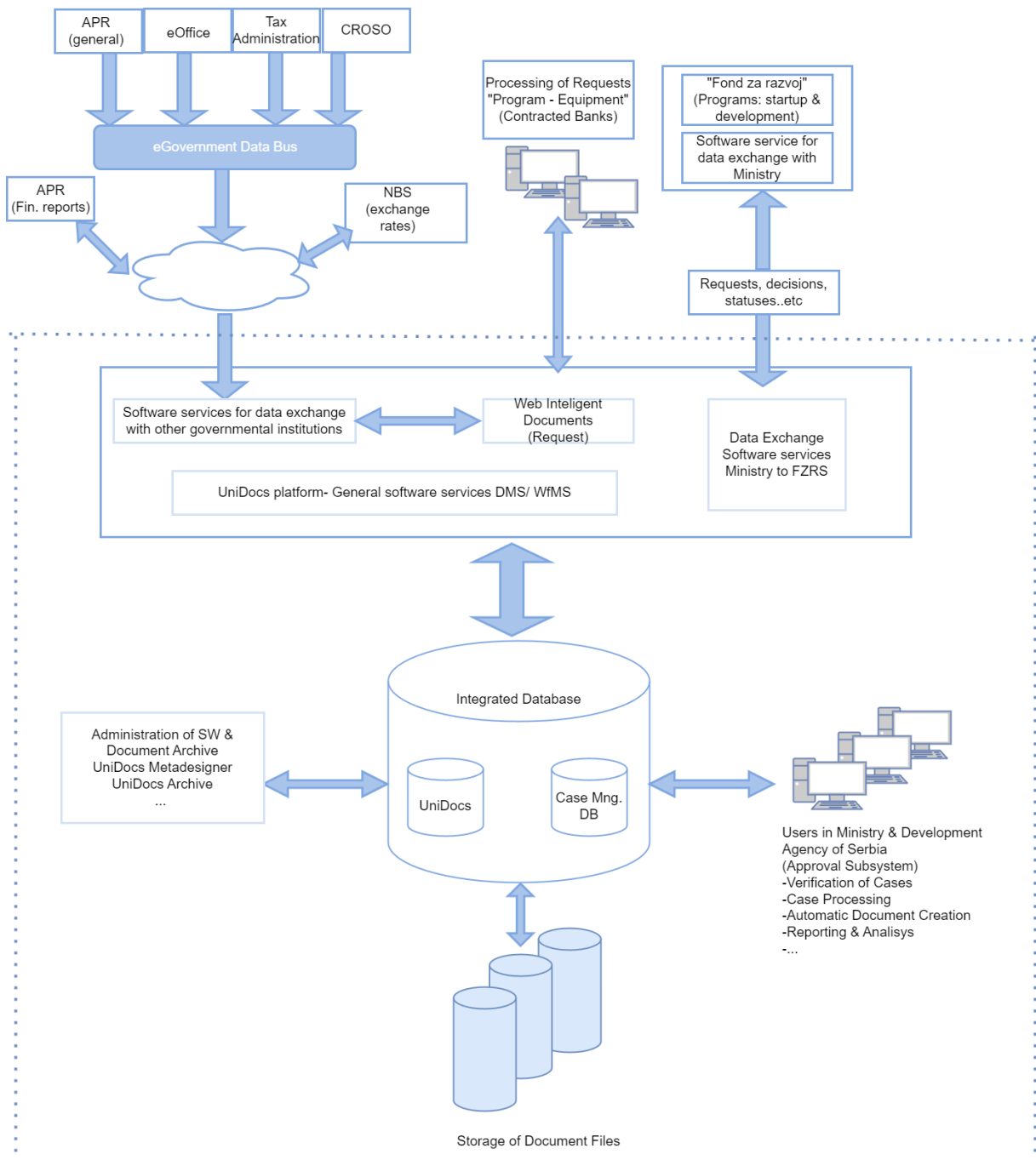


Image 1 System architecture

Database Server

The database consists of the general data model of UniDocs software platform for document and business process managing and a part of the data model that was specially developed in accordance with MoE needs and requests. This part of the data model contains all the structured data that is necessary to support all the processes covered by the IS and is fully integrated with UniDocs platform.

All implementation data (types of documents, folders, users, groups, permissions, etc.), data about files and folders, as well as the log of the events in the system are stored in the database of the standard DMS model.

Application Server

The application server provides document file manipulation, user directory management and unified access to all UniDocs server functions.

UniDocs organizes documents as a separate structure on the File Server, which is formed in accordance with a fully documented system of document file storage and document file naming, associated with the identification of document types and instances.

Such structure is controlled by the "file service", which is an integral part of the UniDocs application server, which guarantees unlimited scalability, i.e. preserving the performance and responsiveness of the system even with a very large number of active end users.

The limits related to the number of documents and the space for their storage depend exclusively on the capacity of the hardware itself. If there is a need to expand the data storage space during system operation, hardware components can be added without the need of stopping the work in the system.

The UniDocs software system, i.e. its application server, supports the so-called "Load balancing", i.e. it ensures that users logging on to the system are automatically assigned to the least loaded application server, which provides optimal response and system performance. The number of application servers that can be networked is not limited, and they can be added as needed with an increase in the number of active end users. For the purposes of this project, only one application server is installed.

System administration, which includes creating new users and user groups of the system, assigning permissions for the use of system objects, defining new types of documents, document flows, etc. is done through UniDocs MetaDesigner application.

Each user must log in to the system to have access to documents, which enables monitoring of the complete history of access and actions performed by a specific user in the system. The concept of UniDocs system implies that files are stored on the file server, and that they can only be accessed through the user interface of UniDocs client modules. As an additional level of security, the documents that users work with are copied to their personal directories, which after processing are copied as new versions back to the file server, which prevents damage or loss of documents. Also, the system has a mechanism for tracking document versions/revisions, as well as a complete history of actions that occurred over each instance of the document.

Web Server (UniDocs Web Client, UniDocs Web Request, UniDocs Services for communication with external IS)

For the system to be able to communicate with external users and information systems, UniDocs web server components (Web Client and Web Request) and a set of software services were installed.

Partners (selected banks and leasing companies) that process requests need to access the system through UniDocs Web Client application, a standard DMS module, and thus create instances of business objects.

The Request uses software services for the automatic download of data from other government authorities or agencies with which a connection has been established. The data is downloaded from:

- APR (with Service for status data download and Service for financial data download)
- CROSO (with Service for downloading data of the number of employees in certain categories on a given date)
- Tax administration (with Service for downloading tax settlement data on a given date)

- NBS (with Service for downloading data of the average exchange rate for a given currency and date)
- E-Office (with the service for retrieving case numbers, case submissions, and case statuses)

The ability to download data through mentioned services has significantly accelerated the process and reduced the possibility of data entry errors. The module places the entered data in the metadata of the electronic document and a part of the database specially developed within this project, which provides the needed set of data for analysis, reporting and process management.

For the Development and Start-up programs, a software service was developed that communicates with the service of the information system of the Development Fund, which is the exclusive processor of Requests for the two programs. Services exchange Request data after the held credit committee in the Fund, i.e. committee in the Ministry. The module places the entered data in the metadata of the electronic document and a part of the database specially developed within this project, which provides the needed set of data for analysis, reporting and process management.