**REPUBLIC OF SERBIA**

**INCLUSIVE EARLY CHILDHOOD EDUCATION AND CARE PROJECT**

**TERMS OF REFERENCE**

**PERFORMANCE AND oPERATIONAL AUDIT for the GRANT PROGRAM**

**FOR IMPROVING THE PROVISION OF QUALITY ECEC SERVICES**

**I. BACKGROUND**

The Government of Serbia and the World Bank have identified skills development and inclusion of vulnerable groups as strategic priorities for their next phase of cooperation, based on a Systematic Country Diagnostic (SCD) and Country Partnership Framework between the two partners. In particular, the SCD highlights the importance of building human capital to increase labor productivity and enhance social inclusion through closing education enrollment gaps for low-income and Roma students starting in pre-primary. Quality Early Childhood Education and Care programs play a critical role in laying the necessary foundation for skills development early on and for narrowing the equity gap in education access and performance.

The Inclusive Early Childhood Education and Care project also directly contributes to the goals outlined in the Strategy for the Development of Education in Serbia until 2020 (SED 2020) and to its related Action Plan. This strategy, which was adopted in 2012, defines mechanisms for assuring accessibility, quality, and equity in ECEC and sets clear priorities for: (i) increasing coverage; (ii) enhancing quality of the service delivery and outcomes; (iii) increasing efficiency; and (iv) attaining and maintaining relevance for the overall system. The project will directly support these priorities through its various components.

**Objective**

The objective of the project is to improve access to quality Early Childhood Education and Care, with a focus on children from socially disadvantaged backgrounds for all children ages 0 to 6.5 years. Activities for children ages 3 to 6.5 years focus on increasing access to inclusive quality preschools (i.e. child-centered and with age-appropriate learning opportunities) while also supporting their transition to the early grades of primary education.

The Project is implemented by the Ministry of Education, Science and Technological Development (MoESTD) with the support of Project Management Unit (PMU).

The overall fiduciary responsibilities of the proposed Project, procurement, financial management and disbursement issues, rest on the Central Fiduciary Unit (CFU). The CFU is housed under the Ministry of Finance (MoF) as per the agreement reached between the MoF and the MoESTD.

**Specific information/background regarding the assignment**

The sub-component 3.3. of the Project provide grants to selected municipalities to improve coordination and cooperation among relevant actors in providing quality early childhood services to parents and children aged 0-6.5 years at the local level, with a focus on the most vulnerable. Activities for younger children, i.e. from birth onwards will focus on empowering parents and families to support children’s holistic development through increased knowledge about the importance of early stimulation at home and access to relevant services in the community.

A fund of about 1.8 million euro has been provided for financing of development projects related to improvement of Early Childhood Education and Care at the municipal level, **through non-competitive Public call**. All municipalities and Preschool Institutions from eligible Municipalities (i.e. the municipalities are selected based on the proposed index - eligibility municipality index) may apply for grants in cooperation with relevant local institutions and bodies, such as Dom zdravlja, Social Work center, NGO, Red Cross, Intersectoral Committees, Roma Health mediators, Pedagogical assistants, etc. However, main, leading implementing entities are the municipalities selected.

Taking into account community needs and assets the local municipal team have been required to generate community-based ECEC program defining measures and solutions to overcome the barriers and to attain improved access, quality and equity of Early Childhood Education and Care services, in particular for children (within the 0 to 6.5 age range) from socially disadvantaged backgrounds.

The Grant program is designed to improve the provision of quality ECEC services at the local level, through **four areas of intervention** at as follows:

1. Improving access to preschools for children from disadvantaged backgrounds;
2. Equity, equal opportunities for education and development of children from disadvantaged backgrounds;
3. Supporting families in enhancing parental skills;
4. Strengthening institutional and organizational capacities at the local level for offering services to children and families from vulnerable groups.

Specifically developed Operational Manual for the Grant Program further provides the detailed information as well as rules and procedures that should be followed by the stakeholders for application, award of grants on non-competitive basis and implementation of the grants.

Grant Operation Manual (GOM) also defines eligible activities aimed at ensuring that the most vulnerable and economically disadvantaged families and their children have access to available services and new activities to support better parenting.

Grants have been awarded to 20 municipalities in the First Cycle, while Second cycle of Grant Program is ongoing, planning to award up to 20 municipalities more.

More details on the Grant program are provided in the Operational manual for implementing the Grant program.

**II. OBJECTIVE OF THE ASSIGNMENT AND SCOPE OF WORK**

The objective of the assignment is to complete the performance and operational audit of the implemented grant projects during the overall period of the implementation of the Grant program (foreseen to be implemented 2020, 2021 and 2022).

More specifically, the Consultant company shall:

* propose and agree with the MOESTD on the performance/operational audit methodology to be applied and design the respective tools for its implementation; The consultant must use several qualitative and quantitative techniques to complete the work including review of documents and processes, field visits, direct observation, individual interviews, focus groups etc. This audit will be used to appraise the implementation of the grant program against its design.
* propose the sample size and sampling strategy for selection of municipalities that were included and received services under each grant measure.
* Review the processes and appraise the implementation of the grant program against its design as defined in the Operational Manual for the program including but not limited to assessment of the:
* process of dissemination of the information for the Grant program and suggest the areas that need to be adjusted/improved;
* application process and its compliance with the procedures established in the Operational Manual.
* overall contract management processes including provision of the activities anticipated in the grant agreement, financial management procedures, procurement management procedures, reporting obligations and monitoring and evaluation practices and suggest the areas/processes that need to be adjusted/improved;
* process of enhancement of ECEC services on the local level, within all 4 areas of interventions.
* Analyze if there are significant differences between the agreed activities defined in the grant contract, reported activities that were executed by the municipality and the actual services received by the beneficiaries (parents and children).
* Analyze if there are significant differences between the allocated funds per activities as per grant contracts and the actual payments of the activities in order to verify that the agreed activities comply with the actual provided services and respective payments.
* If differences exist, suggest their causes, and propose corrective measures. In order to do so, some complementary qualitative research has to be completed.

The Consulting firm will work together with the ECEC staff on the methodology design.

The consultant will work under the overall guidance of the ECEC Project Director. The consultant will work closely with the Coordinator for the Grant program.

**III. DELIVERABLES:**

The consultant company shall prepare and deliver the following reports:

1. Work plan
2. Defined samples and methodology to be applied.
3. Performance/Operational Audit Report (including recommendations) on the Grant program for each year during the implementation of the program (foreseen to be implemented in 2020, 2021 and 2022), in Serbian and English language.

**IV. QUALIFICATIONS**

**The requested qualifications of the Consulting Firm are the following:**

* Minimum 5 years of experience carrying out field research, quantitative and qualitative assessments and process evaluations,
* Proven Experience (at least two assignments) in inclusive educational programs/in implementation of project or services related to inclusive education programs and educational inclusion of vulnerable groups;
* at least two assignments that included grant program evaluation tasks during the last 10 years.
* Strong capacity in data management related to education sector;
* Strong experience working with the following software: CS-Pro or SPSS or Stata;

**The requested Experience and Qualifications of Consultant’s Staff are:**

**I. Team Leader:**

* University degree (advanced degree would be an asset);
* Demonstrated ability to provide intellectual leadership, to assist in providing direction to complex policy and institutional development work, outstanding organization skills, including having experience in managing large projects including several participants;
* At least five years of experience in managing teams, supervising and coordinating all technical aspects of a contract. Experience in execution of performance audit would be considered as an advantage;
* Experience in evaluation of public policy programs;
* Excellent knowledge of monitoring and evaluation techniques. This can be confirmed by possession of relevant internationally recognized certificates;
* Well-developed interpersonal (proven client/people skills), mediation and team leadership skills as well as demonstrated capacity to function as a member of a multi-disciplinary team;
* Excellent drafting and reporting skills;
* Knowledge of Serbian will be an advantage;
* Excellent knowledge of English language.

1. **Financial Expert:**

* At least university degree in public finance, economy, or business administration in accounting, auditing or finance;
* Familiarity with the World Bank Accounting and Auditing ROSCs and how their recommendations are to be translated into action-oriented strategies, underpinned by time-bound action plans to be operationalized through project design and implementation will be considered an advantage;
* In-depth knowledge of International Financial Reporting Standards, International Standards on Auditing;
* Excellent knowledge of public finance, budget and treasury system of Serbia;
* Experience in work with administration budget and finance;
* Well-developed interpersonal, mediation and team leadership skills as well as demonstrated capacity to function as a member of a multi-disciplinary team;
* Excellent drafting and reporting skills;
* Knowledge of Serbian will be an advantage;
* Excellent knowledge of English language.

**III. Organizational Expert**

* At least university degree in Social Sciences;
* Proven successful expertise in Organizational Development;
* Awareness of the government policy issues in general and the policy issues facing the education sector;
* Proven experience in implementing functional analysis in public administration bodies (preferably in social and education);
* Well-developed interpersonal, mediation and team leadership skills as well as demonstrated capacity to function as a member of a multi-disciplinary team;
* Excellent knowledge of the English language; Knowledge of Serbian will be an advantage;
* Previous experience in working on WB funded projects will be considered an advantage.

**V. CONTRACT ARRANGEMENTS**

- The consultancy is to be performed twice during the lifetime of the Grant program i.e. approximately September 2020. and September 2021.

- The Contract is expected to be signed in April 2020.

- The Contract will be lump sum. Payments shall be based on deliverables.