

Terms of Reference

Request for Services

Expert to support the Albanian authorities in developing the new Public Finance Management Strategy

1. Background

[The Regional School of Public Administration](#) (ReSPA) is a regional organization established in 2010 as a joint initiative financed by European Commission and Western Balkans (WB) administrations. It is managed and governed by five ReSPA Members: Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia, while Kosovo* is beneficiary. ReSPA's purpose is to assist governments in the region to develop better public administration, public services and overall governance systems for their citizens and businesses and prepare for the European Union membership.

Since its inception, ReSPA, as an international organization and a key regional endeavour in Public Administration Reform, has contributed to capacity-building and networking through regional training, workshops, conferences, seasonal schools, and on-demand support mechanisms, peering and the development of regional research materials. ReSPA establishes close cooperation with Ministers, senior public servants and heads of units in its Members. ReSPA also works in partnership with the European Union, specifically Directorate General for Neighbourhood and Enlargement Negotiations (DG NEAR), other regional actors such as OECD/SIGMA and Regional Cooperation Council (RCC), as well as agencies and civil society organizations.

The European Commission (EC) provides directly managed funds to support ReSPA activities in line with the EU accession process. Currently, ReSPA is implementing the fifth EC Grant Contract "Support to the Regional School of Public Administration for implementing PAR Agenda and facilitating EU accession process in the WBs" which is active as of January 2023.

ReSPA works primarily through regional networks which operate at three levels: Ministerial, Senior Officials, and thematic groups of experts and senior practitioners. More specifically, the Programme Committee is composed of the senior civil servants representing ministries responsible for the Public Administration reform, and institutions in charge of the European

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Integration process, and four regional thematic groups: (1) Policy planning, better regulation and coordination of Centre of Government, (2) European integration and accession negotiations; (3) Human Resources Management and Professional Development; (4) Service Delivery (digitalization and quality management).

One of the tools that ReSPA uses to deliver its assistance is the “**on-demand support mechanism**”, which provides direct tailor-made support to each of the administrations (Members of ReSPA) based on concrete needs that the administration itself has identified. In this regard, the Ministry of Finance and Economy (MoFE) of Albania has asked ReSPA to **support the process of preparation of the new Public Finance Management (PFM) Strategy by drafting the methodology, refining the document “Menu of Challenges” and assisting with expertise through liaising with the responsible units** in order to finalize this document. However, it shall be emphasised that the ownership of the whole process and the development of the final strategic document itself, should be the responsibility of the national authorities, who should lead and manage the development of the strategy at every stage.

2. Problem statement and description of the assignment

The Public Finance Management (PFM) Reform Strategy in Albania lays out an ambitious reform agenda for the whole administration, not just the Ministry of Finance and Economy. It has significant importance, as it not only paves the ground for reinstating the public finances in the long-term sustainability trajectory, thus creating the prerequisites for economic growth but also constitutes **an obligation arising from agreements with international partners**, in particular the World Bank, International Monetary Fund and the European Union. Moreover, it is a general condition for the disbursement of all tranches of the EU budget support instrument in Albania. This important reform is part of the discussions and deliberations of negotiating teams, under Cluster “fundamentals” in the negotiation process for the accession of Albania to the EU.

As 2022 was the last year for implementation of PFM Strategy 2019-2022, there is a need to **prepare and approve the new PFM Strategy to ensure the sustainable continuity implementation of the undertaken PFM reforms** and to undertake new commitments aiming to support a more competitive economy with better services to citizens; increasing the accountability, efficiency and fiscal discipline in planning and spending public funds. Moreover, the new strategy needs to address all challenges posed by the post Covid-19 pandemic, the prices' crisis and other factors. This new generation of reforms is also at the core of the accession negotiations which were initiated with the Inter-Governmental Conference in July 2022, as they cover an important part of the Cluster “fundamentals”.

Preparation of the new PFM Strategy is a recommendation highlighted from different development partners, such as:

- i) the recommendation left in the 10th EU-Albania PAR Special Group meeting: *Albania will share the timetable for individual sector strategies such as: CCSPAR, PFM, Decentralisation, Anti-corruption, and Digital Agenda strategies for 2023 and beyond, with the aim to have a strategic framework approved before the end of 2022.*

- ii) The 2022 Albania Report by European Commission: *The Commission's 2021 recommendations remain mostly valid. In the coming year, Albania should, in particular: prepare new public administration and public financial management strategies in line with relevant sectoral strategies, while at the same time review the effectiveness of the current monitoring structures.*

MoFE has started the process for preparation of the new PFM Strategy. Currently, this process is in the first phase: Drafting, consultation and approval of the “menu of challenges” document, which was shared with the PFM responsible units and after consultation with them was concluded that the document should take into consideration the findings and recommendations from development partners reports related to the PFM components. This document will be reviewed by PFM Department in MoFE based on international evaluation reports such as the evaluation reports by the International Monetary Fund (IMF), the European Commission, OECD/SIGMA, PEFA, SECO etc., as well as internal reports. The aim is to identify the weaknesses and challenges in the field of public finances.

In this regard, **an external expert shall be assigned to MoFE to thematically support the whole process**, including the facilitation of meetings and inputs received by the responsible units in order to review the findings and recommendations of these documents and how to address these findings in priorities for the future. In addition, the expert shall assist in the finalization of the document “Menu of Challenges” and then support MoFE in drafting the methodology for the new PFM Strategy. The **methodology for the new Public Financial Management (PFM) system** is important for several reasons:

- The methodology will lay the foundations that ensure the PFM system operates in a transparent and accountable manner;
- The methodology provides a framework for drafting the PFM system and identifying areas for improvement;
- The methodology will help to ensure compliance with relevant laws, regulations and international best practices;
- It facilitates engagement with stakeholders such as government agencies, citizens, and civil society organizations, enabling them to provide feedback and contribute to the effective implementation of the PFM system.

In this regard, the assignment of the external expert will be focused in the following pillars and phases:

- A. The expert shall assist with **thematic expertise during the meetings with the PFM-responsible units**, to review the findings and recommendations and suggest how to address these findings into priorities for the future – this will lead to the finalization of the “Menu of Challenges” document. The PFM responsible units shall discuss the “menu of challenges” document, aiming to identify the needs of each PFM responsible unit and then to determine the priorities and commitments that will be part of the new PFM strategy.

- B. The expert shall provide thematic support **in refining the document “Menu of Challenges”**, which will define the priorities and outputs of the new strategy document and best address the weaknesses identified.
- C. The expert shall support MoFE in **drafting the methodology for the new PFM strategy**. As 2022 was the last year of implementation of the PFM Strategy 2019-2022, there is a need to prepare and approve the new PFM Strategy. In this regard, it is necessary to initially draft the methodology for the new PFM strategy and then use it to define the priorities, measures, and indicators of the new PFM strategy. Before the drafting of the new PFM strategy document, it is necessary to have the methodology for:
- Template for new PFM strategy document and Action Plan according to IPSIS methodology;
 - Assistance for development of the Term of References document for the monitoring mechanism.
 - Assistance for developing the template of the Passport of Indicators as well as a methodology for measuring the indicators.

3. Tasks and responsibilities

Based on the pillars and main phases described above, the Expert shall, indicatively, perform the following tasks:

- Provide thematic expertise and inputs during the meetings with the PFM responsible Units, aiming to determine the priorities and commitments that will be part of the new PFM strategy **(5 days)**;
- Support in reviewing the document “Menu of Challenges” **(3 days)**;
- Support in drafting methodology for the new PFM Strategy **(7 days)**.

The abovementioned tasks and responsibilities represent the milestones of the assignment, but the expert may propose slight changes/adaptations upon agreement with the ReSPA Programme Manager in charge as well as the Albanian MoFE.

4. Necessary qualifications of the required expert

The expert must have **diverse but compatible experience working for or with the public sector**, preferably in positions/assignments and tasks related to public finances, economy, development of need assessments, etc. More specifically, the expert shall possess the following profile:

Qualifications and skills:

- At least Master’s Degree in Finance, Economy, Public Administration, Management, or a related field;

- PhD will be considered an asset.

General professional experience:

- At least 7 years of experience working in or with the public sector and related assignments/positions, as public servant, consultant, expert, advisor, etc.

Specific professional experience:

- At least 5 years of experience in positions and/or assignments related to financial management and control instruments;
- Experience in providing trainings, workshops, and/or experience in preparation of strategies, Guidelines, methodologies, policy papers, analysis;

Skills:

- Written and oral communication skills in English;
- Ability to write clear and coherent methodological documents;
- Ability to prepare and deliver well-structured presentations;
- Ability to work with people of different nationalities, religions and cultural backgrounds.

5. Timing and Location

The assignment foresees work from the home/office and in-person meetings in Albanian MoFE (Tirana, Albania). The assignment is expected to be performed tentatively during **May–July 2023**.

6. Remunerations

The assignment foresees engagement of up to **15 (fifteen) expert days in the amount of up to 7.500 EUR**.

The payment will be done in one instalment upon completion of the assignment. The final outputs will be subject to approval from ReSPA before the execution of the payment.

Note: No other costs will be covered apart from the expert cost per day. The expert cost per day comprises of expert's fee per day and (if needed) a lump sum for covering related costs which include travel, accommodation, local transport, meals and other incidentals.

7. Reporting and Final Documentation

The Expert will be requested to deliver the following documents before the payment is conducted:

Outputs

- Outputs of the meetings with the PFM responsible units;
- Final “Menu of challenges” document;

- Consolidated draft methodology for the new PFM Strategy.

Documents required for payment

- Invoice (signed original);
- Timesheets (signed original);
- Final brief report in the English language on the conducted assignment.