



TERMS OF REFERENCE

- A. Job title:** Consultant: Assistance to the Department for improving the business environment of the Ministry of Finance in establishing a system for regular monitoring of the country's international competitiveness
- B. Type of position:** International, two positions (*short-term*)
- C. Posts Reference:** MNE/10/020
- D. Duty Station:** Podgorica, Montenegro
- E. Duration of appointment:** May 2010 - December 2010
- F. Contract type:** Special Service Agreement
- G. Deadline for application:** Wednesday, 28th April 2010, CoB

i. Background

The Capacity Development Programme (CDP) has been operating since September 2003 as a partnership between the Government of Montenegro, the Foundation Open Society Institute (FOSI-ROM) and the UNDP. The main goal is to assist the Government of Montenegro in meeting its strategic priorities for the European Integration and associated public administration reforms.

As part of its activities, the CDP is an early stage of implementation of a new project titled: “*Strengthening Capacities of Ministry of Finance to efficiently plan, analyze and manage the public finances*”. The two-years Project whose implementation started in summer 2009 is funded by Government of Netherlands. The Project aims to assist the Government of Montenegro, in particular the Ministry of Finance, in strengthening its capacity to efficiently plan, analyze and manage the public finances of the country and consequently to support the country's aspirations for sustainable development and EU integration. The Project is designed as a capacity building project whose main outcome should be an enhanced institutional and administrative capacity of the Ministry of Finance for financial analysis, management, and fiscal policy development. The Project supports continuous efforts of the Ministry of Finance for upgrading and strengthening the public finance function of the country, thus better serving development goals such as sustainable economic growth and poverty reduction.

The Project has five components:

- 1) Economic and Fiscal Program;
- 2) Budget;
- 3) Tax and Custom;
- 4) International Competitiveness Indicators;
- 5) Insurance – and services looked for through this terms of reference are needed within the framework of the International Competitiveness Indicators component.

In 2009, the Minister of Finance who is at the same time also the vice prime minister responsible for overall economic development was appointed as the president of the *Council for elimination of business barriers*. Following this decision, a new department – *Department for improving the business environment* (in the further text Department) – was established in the Ministry of finance with a responsibility of providing professional support for the Council.

The overall objective of the “International Competitiveness Indicators” component of the Project is to provide support for institutional strengthening and capacity building of the newly established Department. In more operational terms, the component is aimed at:

- (i) supporting the establishment of appropriate structures and processes within the Department that are required for its effective servicing of the Government and the Council for elimination of business barriers,
- (ii) supporting the Department in establishing an appropriate system for measurement of international competitiveness indicators and in developing, in close cooperation with local partners, a White Book on the international competitiveness of the Montenegro,
- (iii) providing an institutional framework for effective involvement of local experts on international competitiveness issues, and
- (iv) establishing a framework for effective communication on international competitiveness issues with various stakeholders within the country and abroad, including organization of events on this subject.

ii. Duties and Responsibilities:

Objective of the assignment: To establish a comprehensive and internationally comparable system of indicators for regular monitoring of Montenegro’s international competitiveness. As such, the system will provide an analytical basis for formulation of competitiveness upgrading policy measures.

In more specific terms, consultants will be responsible the follow:

- To study all relevant documents – studies, working materials, background papers, etc. – that are required in order to:
 - (i) Identify the gaps, data weaknesses and improvement needs in the existing data bases and competitiveness studies;
 - (ii) Articulate indicators for measurement of company competitiveness that is currently missing in the existing studies;
 - (iii) To institutional framework, needs and models for cooperation and integration of different institutions in designing of a comprehensive measurement system.
- To propose a proper set of competitiveness indicators, methodology and a measurement system that will allow international comparison of the competitive capabilities of the economy; by using the existing studies and databases, i.e. WEF Report; EBRD Transition Report, World Bank Doing Business Rankings, World Bank Worldwide Governance Indicators etc., and by suggesting additional indicators missing from the existing studies;
- To collect the necessary additional data and to establish a set of competitiveness indicators at the company level now missing from the existing monitoring of Montenegrin competitiveness;

- To develop a proposal for further steps and activities in setting up a regular evaluation and monitoring system at the Department.

The assignment will be implemented through a team consisting of two international consultants with an international competitiveness indicators expertise and of a national institution that will assist the consultants in implementing the assignment. This terms of reference is aimed at services to be provided under this assignment by two international consultants while complementary services for the assignment to be provided by a national institution are subject of a separate / parallel terms of reference.

Job output: The main output of the assignment is a Report that should:

- ✓ Define a set of international competitiveness indicators to be regularly monitored by the Department;
- ✓ Present the main findings of the international competitiveness survey of a representative sample of Montenegrin companies implemented on the basis of a specially designed structured questionnaire;
- ✓ Outline the processes of regular data collection for the selected international competitiveness indicators, and
- ✓ Propose measures for institutional strengthening of the Department in the area of international competitiveness data monitoring.

The Report should, among others, include the following topics into its table of contents:

- ***Overview of the existing studies on the competitiveness of Montenegro***
- ***Main macroeconomic indicators of Montenegro's competitiveness.*** Set of indicators economic, social and environmental indicators for measuring the progress in Montenegro's competitiveness. Indicators to be based on the official statistical data published annually by Monstat, Central Bank and by international organizations.
- ***Montenegro's competitiveness in time and international perspective: Comparison of Montenegro with EU and SEE countries.*** To put Montenegro's competitiveness-related indicators into time and international perspective; more precisely, to look at the developments of competitiveness-related indicators in time, and to compare these indicators for Montenegro with those for EU27 countries and for SEE6 countries.
- ***SWOT analysis of the competitiveness of Montenegro's economy based on a questionnaire survey.***
- ***Assessment of the competitiveness of Montenegro's economy based on the questionnaire survey.*** Questionnaire survey among Montenegrin firms will be aimed at gathering information on the opinion, position and suggestions of the Montenegrin business community as far as the competitiveness of the country's industry is concerned.

The questionnaire is to be composed of several parts covering the topics, such as:

- i. R&D, innovation and technology;
- ii. Company competitiveness and strategy,
- iii. Development of entrepreneurship,
- iv. Networking,
- v. Employment and human resources,
- vi. Globalization and EU enlargement,

- vii. SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of Montenegro's economy, and
- viii. Strategic and policy issues of relevance for Montenegro's competitiveness.

Conclusions and recommendations: They will be focused on the following three issues:

- (i) A set of international competitiveness indicators to be regularly monitored by the Department will be proposed;
- (ii) The processes of regular data collection will be outlined, and
- (iii) Measures for institutional strengthening of the Department in the area of international competitiveness data monitoring will be proposed.

Job content: Job content; In order to prepare this Report, activities of each of the two international consultants will include the following:

International consultant 1 – Lead Expert:

- ✓ Overall coordination of the assignment; i.e. coordination of all activities of the assignment with the other international consultant as well as with the national institution selected for the assignment;
- ✓ Identification of indicators for putting Montenegro's competitiveness in time and international perspective, especially vis-avis the EU and SEE countries;
- ✓ Preparation of a proper set of competitiveness indicators, methodology and a measurement system that will allow international comparison of the competitive capabilities of the Montenegrin economy;
- ✓ Participation in the design of the structured questionnaire aimed at gathering information on the opinion, position and suggestions of the Montenegrin business community as far as the competitiveness of the country is concerned;
- ✓ Analysis of the international competitiveness of Montenegro's economy based on the questionnaire survey;
- ✓ Articulation of conclusions and recommendations for setting up a regular evaluation and monitoring system at the Department. Conclusions and recommendations will be focused on the following three issues: (i) a set of international competitiveness indicators to be regularly monitored by the Department will be proposed, (ii) the processes of regular data collection will be outlined, and (iii) measures for institutional strengthening of the Department in the area of international competitiveness data monitoring will be proposed.

International consultant 2 – Competitiveness Expert:

- Assistance to the lead expert in the process of identification of indicators for putting Montenegro's competitiveness in time and international perspective, especially vis-avis the EU and SEE countries;
- Preparation of the structured questionnaire aimed at gathering information on the opinion, position and suggestions of the Montenegrin business community as far as

the competitiveness of the country is concerned. Among others, the following issues should be covered in the questionnaire: (i) R&D, innovation and technology, (ii) company competitiveness and strategy, (iii) development of entrepreneurship, (iv) networking, (v) employment and human resources, (vi) globalisation and EU enlargement, (vii) SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of Montenegro's economy, and (viii) strategic and policy issues of relevance for Montenegro's competitiveness;

- Assistance and advice to the national institution on all aspects of the questionnaire survey implementation;
- Preparation of the SWOT analysis of the competitiveness of Montenegro's economy based on a questionnaire survey;
- Assistance to the lead expert in drafting conclusions and recommendations for setting up a regular evaluation and monitoring system at the Department. Conclusions and recommendations will be focused on the following three issues: (i) a set of international competitiveness indicators to be regularly monitored by the Department will be proposed, (ii) the processes of regular data collection will be outlined, and (iii) measures for institutional strengthening of the Department in the area of international competitiveness data monitoring will be proposed.

The Department will assign one senior employee to the process of the Report preparation in order to provide the required in-house assistance to the assignment and to assure sustainability of the assistance provided.

Timing of the work: The two international consultants will be engaged under short special service agreement immediately after the completion of the recruitment procedure. The tentative date of engagement will be in the period between 1 May and 15 December 2010.

Each of the two consultants will be required to undertake three missions to Montenegro during the above mentioned period.

Individuals taking part in the tender procedure should specify clearly for which of the two advertised positions (lead expert or competitiveness expert) they apply.

Reporting requirements: In addition to the final Report, the consultants are expected to prepare an inception report (in one month after the beginning of the assignment), and the mid-term report (in three months after the beginning of the Assignment).

iii. Competencies

- Demonstrates integrity by modeling the UN's values and ethical standards
- Promotes the vision, mission, and strategic goals of UNDP
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Focuses on result for the client and responds positively to feedback
- Consistently approaches work with energy and a positive, constructive attitude
- Demonstrates openness to change and ability to manage complexities
- Perform any other duty as may be assigned by the Programme Manager

iv. Qualifications and expertise:

International consultant 1 – lead expert:

- University degree in economics or related discipline (BA or equivalent);
- At least 15 years of professional experience related to international competitiveness issues, both at country and company levels;
- Written and spoken English and knowledge of the local language would be a distinct advantage;
- Excellent communication skills, facility in working with teams;
- Previous working experience in the Region related to this ToR.

International consultant 2 – competitiveness expert:

- University degree in economics or related discipline (BA or equivalent);
- At least 12 years of professional experience in corporate sector competitiveness issues; experience in designing and implementing international competitiveness questionnaires / surveys at the company level would be a distinct advantage;
- Written and spoken English and knowledge of the local language would be a distinct advantage;
- Excellent communication skills, facility in working with teams;
- Previous working experience in the Region related to this ToR.

v. Application Process

Interested applicants are requested to submit their applications to UNDP Office in Podgorica by e-mail to consultancy.me@undp.org by Wednesday, 28th April 2010, CoB.

The application should contain:

1. Duly completed Personal History Form (P11) can be downloaded from <http://www.undp.org.me/files/jobs/index.html>
2. Cover/Motivation Letter

The short-listed candidates only would be requested to submit a letter of interest including a price quotation indicating the lump sum (in USD) requested for the work and travel envisaged in the section "Duties and Responsibilities".

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