

TERMS OF REFERENCE

for

Change Management and Institutional Strengthening

Enabling Digital Governance in Serbia (P164824)

a. Background Information

Digitalization is increasingly becoming the backbone of any and all functional restructuring in the public sector, an objective driver of change management and a precondition for transformative development. Going digital, being a horizontal measure, is also accelerating the attainment of Sustainable Development Goals, in further text, SDG. While it directly falls under SDG 16, e-governance is contributing to building stronger institutions – effective, accountable and transparent – at all levels.

The Government of Serbia, elected in June 2017, has heavily prioritized digital transformation of the national economy and state administration. The Prime Minister's Keynote Address before the Parliament stressed digitalization and education as the most important catalysts of innovations, competitiveness and growth for Serbia in the coming years. It also stressed the need for a rapid digitalization of public administration and provision of integrated, secure and citizen-focused electronic services. This political support has materialized in August 2017, when the new Government formed the OITeG and appointed the Prime Minister as head of the Council for Innovative Entrepreneurship and Information Technologies (IT Council).

In addition, the Government of Serbia has requested assistance of the World Bank in supporting the reform efforts, through a loan. To this effect, the World Bank has initiated the Enabling Digital Governance Project (EDGE). The project, expected to be launched in April 2019, aims at contributing to development of the digitalization in Serbia, through implementation of the following components:

Component 1: Foundations for Digital Service Delivery

The objective of this component is to establish the necessary cross-cutting foundations to support the use of ICTs in the provision of public services to citizens, and businesses, including inter alia, regulations, standards, and digital infrastructure.

Component 2. Transforming Services for Citizens, Business and Government

The objective of this component is to support re-engineering, digitalization, and piloting of selected administrative e-services. It will support improvements in back-office processes to reduce administrative burdens and increase efficiency of administrative service delivery to citizens and businesses.

Component 3. Digital Skills Development, Institutional Strengthening and Change Management

Activities under this component will focus on transforming the provision of administrative services to citizens and businesses, which will result in the change of the way public servants do their work as well as the way citizens and businesses interact with the administration. The key result of this component is enhanced capacity for project management and institutional coordination to achieve project results. This component will include strategic frameworks to help all stakeholders to understand, commit and successfully develop digital skills, implement change and, by promoting digital skills and changes, contribute to further institutional strengthening which will bring major benefits to citizens and business.

For the purposes of effectively managing and coordinating EDGE and future projects with IFI financing, the Project Implementation Unit (PIU) has been founded at the OITeG. PIU will have a dedicated staff to coordinate and supervise implementation of here requested activity.

The application of new technologies and services for interaction with the citizens and the economy is vital for significant transformation of state administration into an open and citizen-centric public service. These changes can completely redefine the general functioning of the state apparatus, altering the connections and way of communication between process participants - providers and service users.

Implementation of public sector management reforms prove to be complex and difficult in every context. The introduction of new practices, even when clearly favourable for most of affected stakeholders is always subject to scepticism and resistance. The proposed project is not expected to be an exception, and resistance is anticipated to arise in great number of fronts. Government entities may not be fully capable of adopting transparency principles or deploying collaborative innovation exercises and bureaucratic resistance could stifle efforts to improve back-office functions in case roles and responsibilities among public entities are not clearly defined. Public employees, including unions, may react to the renewed transparent processes to be introduced and may even fear for the safety of their jobs. Users of e-services may be sceptical or even unsatisfied with changes until they become familiar with the electronic services as well as with perceiving their benefits and my fear for the safety of their personal data. All these possible reactions caused by interlinked operative and behavioural challenges could put the whole project at risk if not properly and proactively managed.

Implementing public sector management reforms can be complex and difficult. Lessons learned from the implementation of such reforms indicate that addressing change management is a key success factor. The application of new technologies and services for interaction with the citizens and the economy puts public administration in the center of the change that can bring the most significant transformation of state administration. These changes can completely redefine the general functioning of the state apparatus, altering the connections and way of communication between process participants - providers and service users.

As such, the project should adopt a problem-solving approach based on the principles of empowerment, communication, integration, and collaboration among various stakeholders.

b. Scope of Work

In order to seamlessly implement the changes e-Government initiatives bring and enhance absorption of e-services, Consultant firm will be required to conduct awareness raising and change management activities aimed at relevant stakeholders, providers of government services, and OITeG staff in particular.

The Consultancy should undertake the following activities in three sequential project phases, with a total duration of three years.

Phase I – Developing Strategic approach toward change management – Strategic Framework

Keeping in mind the potential risks arising from the resistance to change from different stakeholder groups, it is critical that the project minimises potential negative effects of change by applying principles of empowerment, motivation, communication, integration, and collaboration among these stakeholders.

The consultancy will develop a Change Management Strategic Framework (CMSF) and Action Plan which will support the necessary changes in the way that public servants do their work as well as the way citizens and businesses interact with the administration in the context of increasing e-services. Following the adoption of the CMSF and Action Plan by the OITeG, the consultant will support implementation of the CMSF. The main objective is to provide and enable implementation of necessary changes and to raise the awareness and understanding of the benefits these changes will bring.

The Change Management Strategic Framework should include the following:

- 1) An analysis of the eGovernment services implementation scope in accordance with National Plan for Development of eGovernment and similar reform policies and impact on government employees, as well as service end-users (Inception report)

- 2) Execution of specific stakeholder analyses and mapping of different stakeholder groups based on their power and attitude toward changes, geared at identifying potential sources of resistance to change as well as reform champions
- 3) Preparation of a high-level and operational risk assessment to identify the potential sources of resistance to the Project in order to develop proper mitigation plans and develop a well-targeted change management plan
- 4) Proposal of the change management program governance structure, which will rely on the EDGe project implementation structure
- 5) Definition of strategic approach to be utilized for different stakeholder groups
- 6) Proposal of a Training Needs Assessment (TNA) for each defined stakeholder group and the OITeG staff, reflecting the abovementioned risk assessment

Based on the defined Strategic Framework, detailed Action Plan for focused change management should be developed within Phase II.

Phase II – Developing Change Management Action Plan

Based on the developed Change Management Strategic Framework, a detailed Change Management Action Plan will be developed, which should encompass activities, initiatives and communication messages for each stage of the project, ensuring complete engagement of all relevant stakeholders. Activities and initiatives within the action plan should be based on the following (may include but not be limited to):

- 1) In cooperation with the Communications Specialist, design key messages for each of the defined implementation stages and for different stakeholders
- 2) Design and development of detailed change management training curriculums in accordance with the developed TNA for defined stakeholder groups and the OITeG which target group members (employees) will have to attend
- 3) Identification of reform e-Government champions in the public sector (individuals supporting the change)
- 4) Design of on-boarding process and roles for identified reform champions
- 5) Detailed activities for rolling out the change management action plan
- 6) Creation of initiatives and procedures related to collecting employees' feedback and opinions
- 7) Strategy for sharing quick wins related to the implementation in coordination with Communications Specialist

Activities within action plans should be defined with adequate level of details, suggesting timeline, key milestones, interdependencies between the activities, needed resources, baseline and target values of performance indicators as well as roles and responsibilities for conducting activities.

Phase III – Implementation of the Change Management Action Plan

The implementation phase will begin after the acceptance of the Action plan by the PIU, WB and OITeG. In order to execute planned activities, there is a need to establish strong governance structure for managing dissemination of capacity building activities throughout the whole Government network. The Consultancy should prepare and define the governance structure and define roles and responsibilities, processes and communication lines, since they are a prerequisite for effective programme implementation.

Proper programme management tools, for tracking projects progress, activities, risks and issues should be defined and used for change management implementation. Consultant firm will be accountable for proper project management, in line with the timeline and resources defined in the action plan.

Implementation phase will include execution of the activities, defined in the Change Management Action Plan (may include, but not limited to):

- 1) Deployment of change management training curriculums for each target group which target group members (employees) will have to attend as defined in Action Plan

- 2) Ongoing identification of reform champions (individuals supporting the change) and incorporation of these change agents into the implementation process.
- 3) Deployment of on-boarding process and roles for identified reform champions
- 4) On-going communication of the expected changes
- 5) Change management training delivery
- 6) On-going support for stakeholders in their day-to-day tasks (e.g. Mentoring program)
- 7) Implementation of initiatives and procedures related to collecting employees' feedback (opinion and evaluation)
- 8) Implementation and sharing of quick wins related to the implementation

Timely feedback collection and performance assessment represents one of the key success factors of the change management execution. Continuous reporting system regarding projects progress, milestones achievement and performance improvement should be established. Measures for constant improvement should be implemented based on the practice gained feedback.

Progress Reporting

In addition to activities covered under the three phases as described above, the Consultant firm must also submit quarterly progress reports (once every three months) detailing activities completed in the quarter being reported on with respect to activities planned in the Inception Report. Reasons for delay or slippage, if any, must also be covered along with reasons how the same would be addressed during the course of the project, whose total timeframe must remain the same.

On completion of all activities envisaged under the assignment, the consultant firm shall submit a Final Report that should contain a summarized description of activities the Consultant firm carried out over the assignment period and the results achieved during the development and implementation of the Change Management Strategic Framework and Action Plan. The Report should also include results from the feedback of change management training programs and recommendations of further improvements for Strategic Framework. This report must also cover change management interventions required to sustain eGovernment in public agencies of the Government of Serbia.

The Final Report and the quarterly progress reports must be submitted to the PIU within OITeG. The Final Report must be submitted one month prior to the completion of the contract.

Summary

- 1) **Phase I – Developing Change Management Strategic Framework** – Defining overall strategic approach toward strengthening capacities of both eGovernment services providers and end-users
- 2) **Phase II – Developing Change Management Action Plan** – Developing detailed plan with set of activities for operationalization of the defined strategies, suggesting timeline, key milestones, needed resources and capacities.
- 3) **Phase III – Implementation of Change Management Action Plan** – Execution of defined activities in the action plans, in accordance with the set timeline and resources
- 4) **Quarterly Progress Reports and the Final Report**

c. Deliverables, Timelines and Payment Schedule

No.	<i>Deliverable</i>	<i>Deadline</i>	<i>Payment Schedule (in % of professional fee)</i>
1	Inception Report	2 months after contract signing	10

2	Change Management strategy – final version	6 months after contract signing	20
3	Change Management Action Plan and a Training Needs Assessment – final version	9 months after contract signing	20
4	Change Management Curricula, Training Material and Training timetable	12 months after contact signing	10
5	Change Management Action Plan – Change Management trainings for total of 500 users conducted in year 1 (period of 365 days)	17 months after contract signing	10
6	Change Management Action Plan – Change Management trainings for additional 1.000 users conducted in year 2 (in total with point 7 the training should be conducted for 1.500 users)	25 months after contract signing	10
7	Change Management Action Plan – Change Management trainings for additional 1.000 users conducted in year 3 (in total with point 7 and 8 the training should be conducted for 2.500 users)	33 months after contract signing	10
8	Final Report	35 months after contract signing	10

All deliverables must be submitted in English and Serbian. The report(s) should be submitted, in hardcopy and in electronic format.

The OITEG is obliged to provide feedback to draft report within 2 weeks from delivery of draft report and/or documents.

All deliverables will be quality reviewed and approved by PIU within OITeG in consultation with the World Bank.

All deliverables developed under the contract belong to OITeG and OITeG has the right to transfer the ownership to national partners.

d. Qualifications

In order to be selected, the Consultant firm must possess, at the minimum, the following qualifications:

Part I: Requirements:

- a) The Consultant firm must be a legal entity;
- b) The Consultant firm must prove its capability by listing its experience in previous five (5) years (2014-2018) related to:
 - Experience in e-Government / digital projects in Public Sector – minimum 3 projects, eGovernment experience in the South East European countries, experience with the EU accession country will be considered as distinctive advantage.
 - Experience in training needs analysis, HR assessment for the governmental public sector institutions - at least 1 project in the area of the HR assessment/staffing needs analyses for successful implementation of e-Transformation

- Delivering Change Management activities, training to public sector entities and leadership trainings, preferably through the use of on-line training and learning platforms - minimum 3 projects in capacity building and/or training delivery within Public Sector
- Change management strategy development and/or implementation – minimum 5 projects in the area of change management in Public Sector
- Engagement on Public Projects financed by International Financial Institutions (IFIs), Donors and/or respective governments in the field of Change Management for Public Administration – minimum 2 projects
- Experience in online surveys in minimum 1 project
- Project management and backstopping capacity, that will secure successful execution of services

As a proof, the Consultant firm shall prepare a table listing following information: name of the relevant assignments, short scope of work, year of contract's implementation, country/region, contact reference (name, e-mail, phone number).

Part II: Team requirements

The Consultant firm must ensure that the key staff, that will perform the listed assignments possess the following qualifications:

Team leader

1. At least a postgraduate academic or professional degree in organizational science, public administration, management or other relevant field.
2. Minimum fifteen (15) years of general work experience
3. At least 10 years of international professional experience as a change management expert working in a variety of functional domains and work environments; any eGovernment experience in South East Europe, or in the EU accession country will be considered as distinctive advantage
4. At least 5 years of experience in eGovernment institutional development programs/projects
5. At least 5 years of experience in programs/projects related to eGovernment readiness/preparedness for government agencies
6. Participation on at least 2 public projects financed by IFIs, Donors and/or respective governments having as one of the project components change management
7. High level of expertise and successful experience in eGovernment projects with a substantial Business Processes Reengineering (BPR) component in minimum 3 projects in last 8 years; a BPR experience in a country of the South East European countries will be considered as a distinctive advantage
8. First-hand experience in a leadership capacity in all stages of the eGovernment project cycle (strategy formulation, project design, implementation and evaluation) reflected by a minimum of 5 projects as a Team Leader or in any alternative leadership role
9. Excellent communication, organization and teamwork skills
10. Excellent English written and presentation skills

Key expert Senior Change Management Training Expert

1. At least a postgraduate academic or professional degree in organizational science, human resources, public administration, management or other relevant field.
2. Minimum ten (10) years of work experience, with 5 years of experience working with Public Sector.
3. Proven track record in leading the development and/or delivering change management and/or training programs– minimum 2 projects in last 5 years
4. Excellent English and Serbian speaking, written and presentation skills
5. Knowledge, experience and exposure to eGovernment, specifically in Serbia or in the region, will be a distinct advantage

Key expert Project Coordinator

1. At least a postgraduate academic degree or professional degree in ICT, economics, public administration, management or other relevant field.
2. Minimum ten (10) years of general work experience
3. More than 5 years of experience in managing IFIs/Donor funded projects for public sector clients
4. Excellent communication, organization and teamwork skills
5. Excellent English and Serbian speaking, written and presentation skills

Part III: Technology, Methodology and Work Plan

- 1) The Consultant firm is to ensure use of online learning platform/tool, own solution or solution provided by the third party
- 2) Cybersecurity Regulations: As a part of government information system online learning platform/tool must meet cyber security requirement and appropriate industry security level.
 1. Online learning platform/tool, must have implemented cyber security protection measures to ensure confidentiality, integrity and availability of online learning platform/tool
 2. Prove cybersecurity capacity and measures implemented in online learning platform/tool.
- 3) General Data Protection Regulations: Since the contractor will work with citizens and civil servants and eservices will have access to personal data, it must ensure that all personal data are kept confidential and are treated in accordance with the EU GDPR regulation and local law. With EU General Data Protection Regulation (EU 2016/679, approved on 14.04.2016 by European Parliament and enforced on 25.05.2018 – in further text GDPR), the most important basic principles of personal data processing are defined. This Part specifies privacy-related requirements for data Controllers and data Processors holding the responsibility and accountability of personal data processing.

To that effect, the Consultant firm, as a legal entity, must fulfill three (3) criteria to prove compliance with the GDPR requirements:

 1. To provide written evidence of the fulfillment of all criteria laid down in GDPR Chapter 3 “Rights of the data subject”, in all Articles, starting with Article 12 and finishing with Article 23 (including Article 23)
 2. To provide written evidence of the fulfillment of all criteria laid down in GDPR Chapter 4 “Controller and Processor”, Section 1, in Article 30 “Records of processing activities”
 3. As evidence of compliance with the criteria set out in GDPR Chapter 4 “Controller and Processor”, Section 2, in Article 32 “Security of processing”, the Consultant firm must provide an accredited certification for “ISO 27001:2013 along with recommendations for personal data protection.”
- 4) The Consultant firm must provide detailed Methodology for implementation of the service as well as detailed team structure that will prove capabilities and expertise to deliver required scope in defined timeline. It is expected that relevant CVs of non-key experts will be presented with detailed breakdown of relevant roles and responsibilities within the team structure.
- 5) The Consultant firm must provide detailed Work Plan for implementation of the service.

e. Selection of the Consultant firm

The Consultant firm will be selected in accordance with QCBS (Quality-and Cost-Based Selection) method set out in the World Bank’s Procurement Regulations for IPF Borrowers (July 2016, revised November 2017 and August 2018).

Evaluation of the Proposals will be done in accordance with following criteria:

#	Criteria	Weight
1	Experience of the Consultant firm relevant to the assignment	5

2	Key Experts' qualifications and competence for the assignment a) Key Expert: Team leader [points 20] b) Key Expert: Senior Change Management Training Expert [points 10] c) Key Expert: Project coordinator [points 5]	35
3	Adequacy and quality of the proposed Technology, Methodology and Work Plan in responding to the Terms of Reference	60
The Key Experts' qualifications shall be evaluated according to the following sub-criteria and their belonging weights:		
a)	General qualifications (general education and experience)	20
b)	Specific relevant experience required	60
c)	Transfer of knowledge and relevant experience in South East European countries	20

The minimum passing score is 75 points.

Each of the criteria and sub-criteria shall be evaluated according to the following point scale:

Points range	Label
0-40	Unsatisfactory
41-60	Satisfactory
61-80	Very good
81-100	Excellent

The score per each of the criteria and sub-criteria is calculated in the following manner: score = (0-100 points) *weight.

QCBS uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm.

The OITeG will publish Request for Expression of Interest and upon evaluation of received EoI, five to eight best evaluated firms will receive Request for Proposal. Those firms will be called to submit technical-and financial proposals.

f. Timeframe and duration

Contract duration: 36 months

g. Terms of Payment

The Contract will be the Standard World Bank Lump Sum Contract. The payments for services will be based on the deliverables / reports approved by the Project Coordinator. The Contract costs will include remuneration and reimbursable costs referring to the assignment.

h. Conflict of Interest

The engaged Consultant must not be involved in any other related activity to this Project.