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## **1. BACKGROUND INFORMATION**

### **1.1. Beneficiary**

The Signatory Parties of the Central European Free Trade Agreement (CEFTA) 2006 (“Agreement”)<sup>1</sup> (“CEFTA Parties”).

### **1.2. Contracting Authority**

The Secretariat of the Central European Free Trade Agreement 2006 on behalf of the CEFTA Parties (“Secretariat”).

### **1.3. Country background**

On December 19, 2006, Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, and the UNMIK on behalf of Kosovo in accordance with the UNSC Resolution 1244, signed an Agreement to amend and enlarge the Central European Free Trade Agreement.

Following the necessary ratification processes, the Agreement entered into force on 26 July 2007 for five signatories (Albania, Macedonia, Moldova, Montenegro, and UNMIK/Kosovo), for Croatia on 22 August 2007, Serbia on 24 October 2007 and for Bosnia and Herzegovina on 22 November 2007. The speed with which the Parties ratified this ambitious Agreement indicated its importance to economic development in the region. On 1 July 2013, Croatia withdrew from the Agreement to join the EU.

The Agreement’s main objectives are, inter alia, to expand trade in goods and services, and foster investment by means of fair, stable and predictable rules, eliminate barriers to trade between the Parties, provide appropriate protection of intellectual property rights in accordance with international standards and harmonise provisions of modern trade policy issues such as competition rules and state aid. It also includes clear and effective procedures for dispute settlement and facilitates the gradual establishment of the EU-Western Balkan countries zone of diagonal cumulation of origin, as envisaged in the EC’s Communication of 27 January 2006.

The Agreement fully conforms to the WTO rules and procedures and relevant EU acquis. Effectively implemented, the Agreement provides an excellent framework for the Parties to be prepared for EU accession, thus continuing the tradition of the original CEFTA, whose founding members are now in the EU.

### **CEFTA Structures**

With the entry into force of the Agreement, the work on facilitating, managing, monitoring and promoting trade relations is managed through the CEFTA institutions. These institutions consist of:

#### ***CEFTA Joint Committee***

The governing body of CEFTA is a Joint Committee (Article 40 of the Agreement). It is composed of Ministers of Trade and Economy of each CEFTA Party and its main function is to supervise and administer the implementation of the Agreement and adopt binding decisions regarding the

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<sup>1</sup> Albania, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro, Serbia, and the UN Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with the UNSC Resolution no: 1244

commitments/obligations of the Parties stemming from the Agreement, if necessary. The Committee, as well as all CEFTA Subcommittees and activities so far carried out until the date of Joint Committee meetings, are reported and discussed by the Joint Committee. Joint Committee meetings are chaired by the Party which runs the CEFTA rotating Chairmanship in that respective year. The Chair in Office for 2017 is Serbia.

### ***CEFTA 2006 Committee, Subcommittees and Working Groups***

In accordance with Article 41.5, the Joint Committee has the power to establish appropriate organs such as committees, subcommittees and other bodies to support the implementation of the Agreement. The structure has developed gradually reflecting the needs from the implementation of the Agreement since 2007. To date, two committees, four subcommittees and six working groups have been established, their names and main objectives of which are listed below:

- **Committee of Contact Points**

Objective: to support the smooth functioning of the Agreement and the fulfilment of the decisions, conclusions and recommendations of the Joint Committee, both within the Contracting Party concerned and with all CEFTA stakeholders.

- **Committee of Trade Facilitation**

Objective: to address the issues which are related to facilitating regional trade in CEFTA with a view to reduce costs caused by the inefficient types of clearance procedures, while balancing trade facilitation with the increasing requirements for safety and security measures in the international and regional supply chain.

- **Subcommittee on Agriculture including Sanitary and Phytosanitary Issues**

Objective: to facilitate trade in agricultural products within the Region and ensure that protection of plant health, animal health and food safety and other measures applied in agricultural trade do not unjustifiably restrict trade.

- **Subcommittee on Customs and Rules of Origin**

Objective: to simplify and facilitate customs procedures, stimulate rapid implementation of the common rules of origin in the CEFTA Parties in line with Article 14 of the Agreement.

- **Subcommittee on Non-Tariff Measures**

Objective: to identify non-tariff measures, defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both, and classified as technical measures, non-technical measures, and exports related measures; review those identified non-tariff measures, and propose measures for elimination of non-tariff measures which constitute non-tariff barriers to trade among the Parties.

- **Subcommittee on Trade in Services**

Objective: to strengthen and deepen the intra-regional cooperation in the field of trade in services by facilitating the implementation of the commitments stipulated in Articles 26-29 of the CEFTA 2006. Main tasks are: coordinate, oversee and streamline the work of bodies established under the Subcommittee; monitor the progress on liberalisation of trade in services; facilitate and supervise the implementation of Additional Protocol on Trade in Services; exchange information on regulatory reform in services sectors and promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services; identify, review and propose measures for elimination of barriers in trade in services among Parties.

- **Working Group on Trade in Services Statistics, FATS and FDI Statistics**

Objective: to improve the quality of international trade in services statistics across the CEFTA Region and harmonise statistics with those of the European Union. The main functions are: review the quality and coverage of available trade in services statistics, FATS and FDI statistics in the region and propose appropriate solutions for improvements; identify priorities for further developing statistics for commonly agreed sectors; provide necessary data in order to set up an operational reporting system to the Secretariat; assist the Secretariat in creating a sustainable platform for dissemination of statistical data on trade in services, FATS and FDI statistics; identify needs of users of statistics for purposes of analysis and communicate it to the relevant compilers authorities.

- **Joint CEFTA-RCC-ERISEE Working Group on Recognition of Professional Qualifications:**

Objective: to enhance the intraregional trade in services by facilitating recognition of professional qualifications with a view of encouraging overall labor mobility. The main tasks of the WG are: (1) developing processes for recognition of professional qualifications in selected professions of mutual interest, (2) exploring the potential for conclusion of mutual recognition agreements (MRAs), (3) enhancing transparency of national and regional arrangements on recognition of professional qualifications, and (4) enhancing regional data exchange on the mobility of professionals and future skills needs in selected professions.

- **Working Group on Technical Measures**

Objective: to provide working level forum to address exclusively non-tariff measures stemming technical measures, in particular sanitary and phytosanitary measures, and technical barriers to trade; to discuss at the expert level the methods and tools to eliminate the discriminatory measures constituting non-tariff barriers to trade in line with Article 12.2. and Article 13.2., and Article 13.5. of CEFTA 2006; to initiate exploratory talks to conclude mutual recognition agreements in the relevant areas of technical measures as foreseen by Article 12.3. and Article 13.4. of CEFTA 2006, conditional upon the full alignment with the relevant EU acquis and implementation of the aligned legislation in line with the EU and in line with WTO Agreements and other international agreements.

- **Working Group on Risk Management**

Objective: to develop and broaden cooperation among CEFTA Parties, according to Article 12, 13, and 14 of CEFTA 2006, particularly with a view to proposing the possibilities of taking joint actions related to the management of public authorities and agencies involved in clearance of goods at the regional level, as far as possible, aiming at facilitating the regional trade while improving the overall quality and deterrence of customs, security, and safety controls and inspections.

- **Working Group on Electronic Exchange of Information**

Objective: to develop and broaden cooperation among CEFTA Parties, according to Article 12, 13, and 14 of the CEFTA 2006, particularly to address the issues which are related to the functioning and sustainability of the existing or new IT capacities and tools to be created between the CEFTA Parties in the framework of CEFTA and CEFTA Management Information System; proposing solutions for the CEFTA Region with an aim to facilitate the regional trade, while improving the overall quality and deterrence of customs, security and safety controls and inspections.

### ***CEFTA Secretariat***

In accordance with Article 40.2 of the Agreement, the Joint Committee is supported by a permanent Secretariat located in Brussels. The overall role of the Secretariat is to provide technical and administrative support to the Joint Committee and to any committee, subcommittee, working group or other body established by the Joint Committee for the smooth implementation of the Agreement. The Secretariat headed by its Director employs two international technical experts and one executive assistant, two locally recruited part-time financial and IT administrator and four national seconded experts from CEFTA Parties.

## ***CEFTA Project Facility***

Given that CEFTA has entered into a phase where issues in all areas are getting both more technical and increasingly complex, the implementation of the Agreement requires permanent and efficient coordination among the Parties. Thus, timely identification and articulation of interest at the individual Party level, as well as at the multilateral one, has become a prerequisite to the successful implementation of the Agreement.

The deepened implementation, on the other hand, requires much stronger coordination with the EU alignment process. It obliges the CEFTA Structures to mobilise further international expertise – which might sometimes be mobilised quicker and more cost efficient than the ones ensured indirectly by the donors – while securing the regional contribution in technical activities to be undertaken according to CEFTA priorities. From all these implementation points of view, high quality analytical work and technical expertise to support the decision-making processes of CEFTA are required, which in turn has put some budgetary pressure on the Parties.

Upon the needs above mentioned, the CEFTA Secretariat undertook preliminary talks with the European Commission to establish a project facility that might be used to financing such short term and small budget actions according to the CEFTA priorities. Once the positive response was given by the Commission, the formal application letter to the Commission for the CEFTA Project Facility was sent by Albania on 21 October 2011, as the CEFTA Chair in Office of the upcoming year. The Contribution Agreement creating the CEFTA Project Facility (CPF) was signed on 30 April 2012 between the Secretariat and the European Commission.

The second stage of CPF was signed in the end of 2013 and following its successful implementation the third stage was signed in April 2015.

### **1.4. Current situation in the sector**

The mandate of CEFTA Secretariat was modified at the Joint Committee meeting held in Sarajevo on 20 November 2013, where the Secretariat was given a mandate to support the CEFTA Parties in the implementation of the trade related components of the South-East Europe 2020 Strategy. The same decision of the Joint Committee has mandated the Secretariat to liaise with the European Commission and other relevant partners to secure and manage technical and financial assistance on behalf of the CEFTA Parties.

The CEFTA Joint Committee established the CEFTA Subcommittee on Trade in Services with the aim to strengthen and deepen the intra-regional cooperation in the field of trade in services by facilitating the implementation of the commitments stipulated in Articles 26-29 of the CEFTA 2006. One of the main tasks of the Subcommittee is to facilitate the liberalisation of trade in services by removing the barriers in intra-regional cooperation. In order to do so, the official negotiations on liberalisation started mid-2014. Technical part of the negotiations of the Additional Protocol 6 on Trade in Services finished end-2016.

Limited analysis to assess the level of regulatory barriers have been performed in the period of 2012-2013. The STR (Services Trade Restrictiveness) indices were calculated for the following services sectors: professional services (legal, accounting, engineering and auditing) and construction services. In 2017 it is expected that the STRI is available for the road and rail transport services. This analysis was performed by the OECD and was based on the OECD Methodology for calculating the STRI.

### **1.5. Related programmes and other donor activities**

The South-East Europe 2020 Strategy was adopted at the Ministerial Conference of the South-East Europe Investment Committee in Sarajevo on 21 November 2013.

The goal of the SEE 2020 strategy is to improve living conditions in the region and bring competitiveness and development back in focus, closely following the vision of the EU strategy Europe 2020. It stresses out the shared vision of the SEE economies to open up to 1 million new jobs

by 2020, by enabling employment growth from 39% to 44%, increase of total regional trade turnover by more than double from 95 to 210 billion EURO, the rise of the region's GDP per capita from current 36% to 44% of the EU average, and the addition of 300,000 highly qualified people to the workforce.

The SEE 2020 includes five different pillars. The Integrated Growth pillar, which is to be led by the CEFTA Structures as the dimension coordinator, foresees actions in relation to trade and investment.

The text of SEE 2020 strategy is available at the following link:

<http://www.rcc.int/pages/0/62/south-east-europe-2020-strategy>

The prioritisation in programming of areas to which the CPF Funds are to be allocated follows the priority actions of SEE 2020, in particular the actions under the Integrated Growth Chapter in which the CEFTA Secretariat is assigned as dimension coordinator.

## **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:

- To support the liberalization of trade in services amongst CEFTA Parties by providing for a mechanism for monitoring the implementation of the CEFTA Additional Protocol 6.

### **2.2. Purpose**

The purpose of this contract is as follows:

- To establish a comprehensive regulatory database in selected services sectors
- To secure a necessary critical pool of information for calculating the STRI (Services Trade Restrictiveness Indices).

### **2.3. Results to be achieved by the Contractor**

- Detailed information on legislation and policy measures in selected services sectors based on questionnaires provided by the CEFTA Secretariat.

## **3. ASSUMPTIONS & RISKS**

### **3.1. Assumptions underlying the project**

The main assumption is that the CEFTA Parties will remain committed to liberalise trade in services and secure the proper implementation of the Additional Protocol 6 on Trade in Services. These commitments are embedded in the CEFTA Agreement as well confirmed by the members of the Subcommittee on Trade in Services Statistics. Serbia, assuming the Chairmanship for 2017 had fully committed to build on the efforts made by its predecessor and to work further on removing regulatory barriers to trade.

### **3.2. Risks**

The potential risk is that all legislation related to selected services is not available online or in English language. To mitigate this risk, the Consultant is expected to consult other sources of information than websites and to secure the translation from original to English language.

## **4. SCOPE OF THE WORK**

### **4.1. General**

#### **4.1.1. Description of the assignment**

The objective of the assignment is to assist the CEFTA Subcommittee on Trade in Services in the implementation of the Additional Protocol 6 on Trade in Services by providing the mechanism for monitoring.

#### **4.1.2. Geographical area to be covered**

The assignment will cover the area of the Parties to the CEFTA Agreement.

#### **4.1.3. Target groups**

The main beneficiary of this assignment are the CEFTA Secretariat and members of the CEFTA Subcommittee on Trade in Services. The final beneficiaries are the CEFTA Parties.

### **4.2. Specific work**

The specific task of the expert would be as follows:

#### a) Kick-off meeting

During the kick-off meeting, the CEFTA Secretariat will provide an overview of the activities of the Secretariat and CEFTA Parties relevant for the assignment areas. The Consultant is expected to deliver a work programme with methodology and timeline of activities to be used during the engagement.

#### b) Create of Database based on the individual Party's regulation:

The Consultant is expected to compile answers on detailed questionnaire in selected services sectors. This also includes documenting answers, and providing for references to relevant laws, regulations or policies. The legislative acts need to be consulted in order to acquire information. The translation from the original to English language, where needed, has to be secured by the Consultant. The questionnaire is provided by the CEFTA Secretariat. The template questionnaire is attached to this ToR while the final questionnaire will be available once the contract is awarded. The uploading of answers to the questionnaire will be performed through a web-based form. The services sectors which legislation screening is asked for are: financial services (encompassing banking and insurance subsectors), telecommunications (encompassing fixed, mobile and internet services), distribution (retail and wholesale), transportation (encompassing air, road, rail and shipping subsectors) and professional services (accounting, auditing, legal, engineering, architectural), construction services, and computer and ICT related services. The compilation of data is the solely responsibility of the Consultant. The consultation of CEFTA Contact Points or relevant ministries through CEFTA channels for this assignment is not envisaged.

#### c) Liaise with CEFTA Secretariat, WTO and World Bank

During the assignment, the Consultant is expected to be available for consultations with the CEFTA Secretariat, and through the CEFTA Secretariat with experts of the World Bank and the World Trade Organization. If it proves necessary, the Consultant will be asked to revise, add, or complete the answers from the questionnaire, provide explanations and cross-check the validity of information provided.

#### d) Cooperation in the process of verification of information

Once the information from the questionnaire is received and internally checked, it will be submitted to the relevant representatives of the CEFTA Parties for the final verification. The Consultant is expected to be available for consultation and revision of the inputs, if necessary. The communication will be done entirely through the CEFTA Secretariat. No direct communication of the Consultant with the CEFTA Parties through CEFTA channels is envisaged.

g) Participation at the meeting of the Subcommittee on Trade in Services

The Consultant is expected to participate at the meeting of the CEFTA Subcommittee of Trade in Services and/or a specially organised workshop to present the information gathered through the questionnaire.

Key deliverables:

a) Regulatory database of selected sectors by individual CEFTA Party

All deliverables should be submitted in English and in electronic copy.

The detailed work programme, methodology and timeframe have to be submitted at the kick-off meeting.

### **4.3. Project management**

#### **4.3.1. Responsible body**

The Secretariat of the Central European Free Trade Agreement 2006 will be responsible for the management of the contract.

#### **4.3.2. Management structure**

The Director of the CEFTA Secretariat will oversee the implementation of the contract. Aleksandra Rakovic, Senior Expert of the CEFTA Secretariat will be the Project Manager of this contract on behalf of the Secretariat.

#### **4.3.3. Facilities to be provided by the Contracting Authority and/or other parties**

No facilities will be provided by the Contracting Authority.

## **5. LOGISTICS AND TIMING**

### **5.1. Location**

The Consultant will be home based. Missions to the CEFTA Parties may be needed during the implementation of the assignment. The Consultant is required to participate in up to two meetings of the Subcommittee on Trade in Services and/or workshop during the timeframe of the assignment.

### **5.2. Start date & Period of implementation of tasks**

The intended start date is 27 November 2017 and the period of implementation of the contract will be 8 months from this date (subject to the approval of the extension of the contract signed between the CEFTA Secretariat and the European Commission which will fund this project). Please see Articles 19.1 and 19.2 of the Special Conditions for the actual start date and period of implementation.

## **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**

The implementation of this Terms of Reference requires the inputs of one Senior Expert with a high level of knowledge in trade in services, in particular legislative part, and two short term Junior Experts. The team should be able to comprehend all the languages spoken in the CEFTA Region.

#### **Key expert: Team Leader (Senior Expert)**

##### Qualifications and skills:

- University degree in law; a post graduate is an advantage;
- Proficiency in English and in one of the languages of the CEFTA Region;
- Full computer literacy.

##### General professional experience:

- Legal expertise in services sectors.

##### Specific professional experience:

- At least 15 years of professional experience in the fields related to corporate law and/or investment, and/or banking and finance, and/or professional services regulation;
- Familiarity with WTO/GATS rules and procedures;
- Proven record of previous work in the CEFTA Region is an advantage.

#### **Key expert: Junior Expert 1**

##### Qualifications and skills:

- University degree in law; a post graduate is an advantage;
- Proficiency in English and in one of the languages of the CEFTA Region;
- Full computer literacy.

##### General professional experience:

- Legal expertise in services sectors

##### Specific professional experience:

- At least 5 years of professional experience in the field related to corporate law and/or investment, and/or banking and finance, and/or professional services regulation;
- Proven record of previous work in the CEFTA Region is an advantage.

#### **Key expert: Junior Expert 2**

##### Qualifications and skills:

- University degree in law; a post graduate is an advantage;
- Proficiency in English and in one of the languages of the CEFTA Region;
- Full computer literacy.

General professional experience:

- Legal expertise in services sectors.

Specific professional experience:

- At least 5 years of professional experience in the field related to corporate law and/or investment, and/or banking and finance, and/or professional services regulation;
- Proven record of previous work in the CEFTA Region is an advantage.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

### **6.1.2. Other experts, support staff & backstopping**

CVs for experts other than the key 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 considered to be 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.

### **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**

The Contractor will submit the following reports in English in one original via E-mail:

- **Inception Report** of maximum 12 pages to be produced after three months from the start of implementation. In the report the Contractor shall describe 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.

**Draft final report** of maximum 12 pages (main text, excluding annexes). This report shall be submitted no later than one month before the end of the period of implementation of tasks.

- **Final report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is 10 days after receipt of comments on the draft final report. The detailed analyses underpinning the recommendations will be presented in annexes to the main report. The final report must be provided along with the corresponding invoice.

## **7.2. Submission and approval of reports**

The report referred to above must be submitted to the Project Manager identified in the contract. The Project Manager is responsible for approving the reports. The Beneficiaries will be involved in the approval of the reports.

## **8. MONITORING AND EVALUATION**

### **8.1. Definition of indicators**

Not applicable.

### **8.2. Special requirements**

Not applicable.

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