

ANNEX II: TERMS OF REFERENCE

1. BACKGROUND INFORMATION	2
1.1. Beneficiary	2
1.2. Contracting Authority.....	2
1.3. Country background	2
1.4. Current situation in the sector	5
1.5. Related programmes and other donor activities	5
2. OBJECTIVE, PURPOSE & EXPECTED RESULTS	6
2.1. Overall objective	6
2.2. Purpose	6
2.3. Results to be achieved by the Contractor	6
3. ASSUMPTIONS & RISKS	7
3.1. Assumptions underlying the project.....	7
3.2. Risks	7
4. SCOPE OF THE WORK.....	7
4.1. General	7
4.2. Specific work.....	8
4.3. Project management	9
5. LOGISTICS AND TIMING	9
5.1. Location.....	9
5.2. Start date & Period of implementation of tasks.....	9
6. REQUIREMENTS	9
6.1. Staff	9
6.2. Office accommodation	10
6.3. Facilities to be provided by the Contractor	10
6.4. Equipment.....	10
7. REPORTS	10
7.1. Reporting requirements	10
7.2. Submission and approval of reports	11
8. MONITORING AND EVALUATION.....	11
8.1. Definition of indicators	11
8.2. Special requirements	11

1. BACKGROUND INFORMATION

1.1. Beneficiary

The Signatory Parties of the Central European Free Trade Agreement (CEFTA) 2006 (“Agreement”)¹ (“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 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

¹ 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

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 Sub-Committee; 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.

CEFTA Agreement in particular article 12, 13 and 14 stimulate CEFTA Parties to simplify and facilitate customs procedures and to reduce as far as possible the formalities imposed on trade. The CEFTA Joint Committee established the Committee on Trade Facilitation with the main objective to facilitate trade and implementation of Additional Protocol 5. Article 5 of Additional Protocol 5 provides establishing risk management systems in all competent authorities involved in clearance of goods. To make possible the establishment of Risk Management System of Other Governmental Agencies involved in clearance of goods beside the customs authorities CEFTA Parties agreed on preparation of Questionnaires for the Risk Management System of Other Governmental Agencies which will reflect state of play of risk managements system. In addition, questionnaire on risk management system is to support a common approach so that priorities are set effectively and resources are allocated efficiently with the aim of maintaining a proper balance between customs controls and the facilitation of legitimate trade

With the aim to establish a risk management system the first step is identification of the current state of play of risk management system in CEFTA Parties through preparation of the questionnaire

1.5. Related programmes and other donor activities

There is a sustaining synergy between the implementation of CEFTA and the SEE 2020. The main issues of the Dimension A of the Integrated Growth agenda regarding Free Trade Area is to facilitate trade through employing transparency tool and simplification trade related procedures

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 assist CEFTA Parties to review the status of implementation of Additional Protocol (AP) 5 to establish a risk management system.

2.2. Purpose

The purpose of this contract is to strengthen the efforts of CEFTA Parties to:

- Identify the status of implementation of AP 5 Article 5 related to establishing risk management systems in all CEFTA Parties;
- Systematically collect all necessary data to measure the performance of the implementation of risk management systems of Customs Authorities and Other Governmental Authorities, in particular SPS Authorities, of CEFTA Parties;
- Allow in the future to prepare analysis for defining joint risk profiles and building selectivity criteria in the database.

2.3. Results to be achieved by the Contractor

The expert should prepare a questionnaire which will serve to:

- Evaluate the current situation and the objectives of risk management systems of Customs Authorities and Other Government Authorities of CEFTA Parties;
- Propose the most feasible scope of data needed to be collected from Customs Authorities and Other Government Authorities of CEFTA Parties;
- Propose a methodology for collection and analysis of data;
- Identify the gaps of data availability to evaluate the objectives of risk management systems and performance measurement following the responses to be received from CEFTA Parties;
- Analyse all necessary data related to risk management systems with the aim of full implementation of CEFTA related Article 5 of AP 5, which are to be collected on the basis of questionnaire prepared by the Contractor;

- Give an overview of the current state of play of risk management systems of CEFTA Parties on the basis of available data;
- Identify the performance of selectivity of all type of inspection, physical inspection, documentation and common risk criteria to the limits of available data;
- Identify the current status of exchange of risk information between CEFTA Parties.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project

The main assumption is that the CEFTA Parties will remain committed to report to the CEFTA Trade Facilitation Committee on the implementation of Article 5 of Additional Protocol 5 for establishing a risk management system.

3.2. Risks

The risk potentially identified to perform the assignment in a qualitative manner includes the possible delayed feedback from the CEFTA Parties and difficulties on collection of the data due to the limited human resources available in their structures.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Description of the assignment

The assignment will produce a set of outputs and deliverables which should enable the CEFTA Parties to obtain:

- A detailed set of information regarding custom legislation of all CEFTA Parties for the risk management field and regarding risk management of SPS Authorities.

The expert will contact the relevant authorities of each CEFTA Party via the CEFTA Secretariat and CEFTA Contact Points in each CEFTA Party in order to collect data and compile all relevant legislation, data and information of clearance of goods;

- The development of a questionnaire in order to collect the data for analysing the objectives and performance of selective criteria of risk management systems of Customs and SPS Authorities;
- The circulation of questionnaire and data collection, which will be made by the CEFTA Secretariat and CEFTA Contact Points in communication with the Contractor,
- The analysis of data received in relation to questionnaires, which will be made by the Contractor through home-based work;
- The preparation of a detailed database, that includes all received data and information from CEFTA Parties which could be updated in the future.

4.1.2. Geographical area to be covered

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

4.1.3. Target groups

The main beneficiary of this assignment are members of the CEFTA Working Group on Risk Management and the Trade Facilitation Committee. The final beneficiaries are the CEFTA Parties.

4.2. Specific work

1. Meeting of Working Group on Risk Management

During the meetings of CEFTA Working Groups on Risk Management the expert is expected to present a work plan and methodology for preparation of questionnaire of risk management system for all CEFTA Parties.

2. Home-based work – designing questionnaire for data collection related to risk management systems of CEFTA

The expert will design a questionnaire in order to collect data and information related to risk management systems of Customs Authorities and SPS Authorities involved in clearance of goods.

The draft questionnaire will be circulated by the CEFTA Secretariat to the CEFTA Parties to collect their comments and approvals. All the comments received from the CEFTA Parties will be analysed by the Contractor and the ones which are justifiable will be inserted into the questionnaire before its eventual circulation to CEFTA Parties.

The Contractor will also identify the list of legislation required for analysing the risk management systems of customs and SPS authorities of CEFTA Parties. Such requested list of regulation will be sent to the CEFTA Parties by the CEFTA Secretariat. The Contractor will analyse the text of legislation received from the CEFTA Parties. The Contractor may add any other piece of information which is required for analysing the current state of play of the risk management systems (such as organisation structures, IT and HR capacities, etc.) This information could also be included into the scope of questionnaire.

It is expected to cooperate with the members of customs on Risk Management Working Group of each CEFTA Party. The consultant will remain in contact with the representatives of relevant institutions to acquire more detailed information in each Party via the CEFTA Secretariat and CEFTA Contact Points. The questionnaire will be sent officially by the Chair of the CEFTA Committee of Trade Facilitation and the collection of data will be made by the CEFTA Secretariat.

3. Analysis of responses to the questionnaire

The responses collected by the Secretariat will be communicated to the Contractor. The Contractor is expected to analyse all necessary data and information for risk management systems in each CEFTA Party.

The analysis will include:

- The scope of data availability and quality related to risk management systems with the aim of full implementation of CEFTA related Article 5 of AP 5;
- An overview of the current state of play of risk management systems of CEFTA Parties on the basis of available data;
- Information on the performance of selectivity all type of inspection, physical inspection, documentation and common risk criteria to the limits of available data and the proposals of the Contractor on what should be done for improvement;
- The current status of exchange of risk information between CEFTA Parties.

The collection of data will serve all CEFTA Parties to have a clear picture of how the system risk management is functioning between themselves.

The Contractor will ensure sufficient allocation of resources for any translation needed for the legislation and other written documents received from the CEFTA Parties in case these documents are received in the local language.

Regarding the submission of the final outputs and report, the Contractor will also avail itself to participate in the meeting of CEFTA Working Group on Risk Management upon the request of the CEFTA Secretariat.

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. The Senior Technical Adviser of the CEFTA Secretariat, Umut Ergezer, 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

N/A

5. LOGISTICS AND TIMING

5.1. Location

The expert will be home based. The expert is required to participate in meetings of the Working Group of Risk Management during the timeframe of the assignment.

5.2. Start date & Period of implementation of tasks

The intended start date is in November/December 2017 and the period of implementation of the contract will be 6 months (pending signature of the extension of Grant Contract CN 2015/356 338 with the EC) from this date. 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 on personal leave.**

6.1.1. Key experts

Key expert is defined and must submit CVs and signed Statements of Exclusivity and Availability. All experts who have a crucial role in implementing the contract are referred to as key experts.

The profile of the key experts for this contract are as follows: One key expert with high level of knowledge and professional experience on custom matter is required.

Key expert:

Qualifications and skills

- University degree in Economics, Business Administration, Law or other relevant field of studies, a Master degree will be an advantage;
- Extensive experience (at least 5 years) of working on customs or on sanitary-phytosanitary matters, of which at least 3 years in risk management;
- Fluency in written and oral English;
- Strong interpersonal skills.

Specific professional experience

- Working experience in the CEFTA Region in a context similar to the project will be an asset;
- Ability to work in an international environment and to manage multiple activities and priorities simultaneously;
- IT knowledge;
- Ability to use common administrative software (MS Office, internet etc.).

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 expert 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 as part of this service contract or transferred to the Contracting Authority at the end of this contract. Any equipment related to this contract which is to be acquired by the Contractor 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 4 weeks or other reasonable deadline 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 10 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 15 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.

8. MONITORING AND EVALUATION

8.1. Definition of indicators

N/A

8.2. Special requirements

N/A

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