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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

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

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.

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.

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.

The CEFTA Secretariat and the European Commission have established a project facility to be used to financing such short term and small budget actions according to the CEFTA priorities.

The Contribution Agreement creating the CEFTA Project Facility (CPF) third phase was signed on 30 April 2015 between the Secretariat and the European Commission. The third phase of CPF was extended in April 2018 and will last until December 2019.

1.4. Current situation in the sector

The mandate of the 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 Committee of Contact Points with the main 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. The Committee consists of government officials from the CEFTA Parties that are the lead CEFTA Contact Points or their deputies as established under Article 44, Paragraph 2 of the CEFTA 2006.

The mandate of the CEFTA Secretariat was modified at the Joint Committee meeting held in Pristina on 27 April 2018.

The overall function of the Secretariat is to provide support to the Joint Committee in performing its functions as per Article 40 of Annex 1 to the Agreement and to any CEFTA Body established by the Joint Committee. This function also includes providing support to the CEFTA Bodies, which have

received delegated authority from the Joint Committee to perform its functions of supervising and administrating the implementation of the Agreement, in accordance with the specific mandates of each CEFTA Body.

CEFTA Parties agreed to have a legal assistance for legal proof reading of any text to be adopted/signed/implemented by CEFTA Parties and legal consultation and ad hoc advices for the implementation of already adopted CEFTA decisions conclusions and recommendations.

Furthermore, the legal assistance is related to the implementation of the CEFTA in particular to the implementation of articles 40-50 related to the Joint Committee procedures.

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.

During the Trieste Summit (12 July 2017), the leaders of the Western Balkans six adopted a Multiannual Action Plan (MAP) for the development of a Regional Economic Area (REA), based on the CEFTA legal framework and relevant Stabilisation and association agreements (SAAs), in the areas of trade, investment, mobility and digital that would ultimately enable unobstructed flow of goods, services, investment and highly skilled labour throughout the region. This Action Plan contains a detailed section on trade aspects, which is building upon the CEFTA agreement and which should ensure that goods, services, investments, and skilled people can move freely in the region without tariffs, quotas or other unnecessary barriers, where trade is facilitated by higher than WTO Rules, aiming at recognition of all border documents, where applicable, procedures, and programmes related to trade once the EU alignment by one or more CEFTA Parties is reached.

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 the CEFTA Parties to secure proper implementation of the CEFTA Agreement and the existing and future additional protocols, Ministerial decisions, conclusions and recommendations.

2.2. Purpose

The purposes of this contract are:

- To provide Legal consultation services for legal proof reading of any text to be adopted/signed/implemented by the CEFTA Parties, especially related to new additional protocols.
- To provide Legal consultations and ad hoc advices for the implementation of CEFTA and adopted CEFTA decisions, conclusions and recommendations.

2.3. Results to be achieved by the Contractor

Results to be achieved are:

- Legal scrubbing of prepared and agreed new additional protocols,
- Legal consultation and legal proof reading related to the preparation of any legal text such as new protocols (e.g. Dispute settlement), CEFTA Ministerial decisions, conclusions and recommendations.
- Ad hoc legal advices for implementation of the CEFTA, CEFTA Ministerial decisions, conclusions and recommendations.

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 Joint Committee on the improper implementation of the CEFTA, CEFTA Ministerial decisions, conclusions and recommendations;
- Finalise negotiations and adopt Additional Protocol on Liberalisation of Trade in Services;
- Deepen trade relations and cooperation through negotiations and adoptions of new additional protocols;
- Finalise negotiations of the Dispute Settlement Mechanism in CEFTA
- Support implementation of the priorities in CEFTA
- Support implementation of REA MAP.

3.2. Risks

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

4. SCOPE OF THE WORK

4.1. General

4.1.1. Project description

The main responsibilities of the CEFTA Joint Committee are described within subchapter 1.3 of this document.

Aiming to implement CEFTA efficiently and effectively, the Joint Committee adopts various decisions, conclusions and recommendations on a regular basis. Related to these obligatory documents for CEFTA Parties, the CEFTA Joint Committee needs assistance in the legal scrubbing of their drafts and legal advices, when necessary.

In addition to this, the CEFTA Parties are negotiating an Additional Protocol on Trade in Services, the final text of which requires to be legally proofread.

CEFTA Parties are also willing to expand and deepen cooperation and trade relations based on the CEFTA. Therefore, it is expected that a procedure of negotiation and adoption of new additional protocols will start, for which legal assistance will be necessary. At this point it is important to mention that the area of Dispute Settlement, insufficiently covered by CEFTA, has been identified as a topic that requires additional legal determination in order to be implemented properly. For this issue, legal consultations on implementation and practices of Dispute Settlement in other international agreements will be required along with the legal scrubbing of text.

Last, but not least, the legal experts should provide ad-hoc advice from time to time for the implementation of CEFTA and/or the CEFTA Joint Committee decisions, conclusions and/or recommendations.

4.1.2. Geographical area to be covered

N/A

4.1.3. Target groups

The main beneficiary of this assignment is the CEFTA Joint Committee. The final beneficiaries are the CEFTA Parties.

4.2. Specific work

In order to achieve the contract objective, the experts need to provide:

- Legal scrubbing/proofreading on any text which will be adopted/signed by the CEFTA Joint Committee (at this moment this relates particularly to the Additional Protocol on Trade in Services but also includes draft Ministerial decisions, conclusions and recommendations before their adoption);
- Legal consultations on any CEFTA-related area, before the CEFTA Joint Committee taking Ministerial decisions, conclusions and recommendations;
- Legal advices in preparing any new Additional Protocols or legislative acts for the adoption by the Joint Committee for areas that CEFTA Parties decide are necessary/aren't sufficiently defined, for the proper implementation of the CEFTA (e.g. Dispute Settlement, Validation guidelines for MRs of border documents);
- Ad hoc legal advices for CEFTA implementation and/or relevant decisions, conclusions and recommendations;

The tasks are listed in order of importance.

Beside the above-mentioned tasks, the legal experts will be obliged to deliver final proofread texts on time. In addition to these reports, experts also need to submit the reports stipulated in 7. Reports.

All reports and legal scrubbed texts will be disseminated to CEFTA Parties through the CEFTA Contact Points.

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.

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

The Consultant shall ensure that experts are adequately supported and equipped. In particular it shall 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 its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion.

5. LOGISTICS AND TIMING

5.1. Location

The experts will be home based.

If needed, they will be invited to participate to meetings and other events of different CEFTA structures and present their work (e.g. legal advices and consultations) to secure proper understanding. It is expected that the number of meetings the experts may be invited to attend will not be more than five per year/ per contract. (Travel arrangements will be organised and Travel costs will be borne by the CEFTA Secretariat)

5.2. Start date & period of implementation

The intended start date is November/December 2018 and the period of implementation of the contract will be 12 months 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 seconded or on personal leave.

6.1.1. Key experts

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and statements of exclusivity and availability for the following key experts:

Key expert 1: Team Leader

Qualifications and skills

- University degree in law, post graduate is an advantage;
- Knowledge and practical experience of work with international trade issues, in particular Free Trade Agreements;
- Proficiency in English,

- Languages spoken in the CEFTA Region are an advantage;
- Excellent skills with Microsoft Word Office, Excel, PowerPoint, Outlook;
- Strong interpersonal and multicultural relationship skills;
- Ability to manage priorities, work under pressure and meet tight deadlines.

Specific professional experience

- At least 10 years' experience in trade- related areas;
- Knowledge of implementation of international (WTO) and EU agreements, standards and practices, in particular related to the Dispute Settlement;
- Proven record of previous work in the CEFTA Region is an advantage.

Key expert 2: Senior Legal Expert

Qualifications and skills

- University degree in law, post graduate is an advantage;
- Knowledge and practical experience of work with international trade issues, in particular Free Trade Agreements;
- Proficiency in English;
- Languages spoken in the CEFTA Region are an advantage;
- Excellent skills with Microsoft Word Office, Excel, PowerPoint, Outlook;
- Strong interpersonal and multicultural relationship skills;
- Ability to manage priorities, work under pressure and meet tight deadlines.

Specific professional experience

- At least 5 years' experience in international and regional trade agreements, in particular the experience in legal scrubbing and drafting legal texts in English language,
- Proven record of previous work in 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. Non-key experts

CVs for non-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.

6.1.3. Support staff & backstopping

The contractor will provide support facilities to their team of experts (back-stopping) during the implementation of the contract.

6.2. Office accommodation

The costs of the office accommodation are to be covered by the contractor.

6.3. Facilities to be provided by the contractor

The contractor must 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.

6.5. **Incidental expenditure**

No provision for incidental expenditure is foreseen under this service contract.

6.6. **Lump sums**

No lump sums are foreseen in this contract.

6.7. **Expenditure verification**

No expenditure verification is foreseen in this contract.

The expenditure verification of this contract is to be made together with other contracts financed by the CEFTA Project Facility III, by an external auditor contracted by the CEFTA Secretariat through a separate contract

7. **REPORTS**

7.1. **Reporting requirements**

Please see Article 26 of the General Conditions. Interim reports must be prepared every six months during the period of implementation of the tasks. They must be provided along with the corresponding invoice, the financial report and an expenditure verification report, defined in Article 28 of the General Conditions.

There must be a final report, a final invoice and the financial report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks.

Note that these interim and final reports are additional to any required in Section 0 of these Terms of Reference.

Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts.

To summarise, in addition to any documents, reports and output specified under the duties and responsibilities of each key expert above, the Contractor shall provide the following reports:

Name of report	Content	Time of submission
Interim Report	Short description of progress (technical and financial) including problems encountered; planned work for the next 6 months accompanied by an invoice.	No later than 1 month after the end of each 6-month implementation period.
Draft Final Report	Short description of achievements including problems encountered and recommendations.	No later than 1 month before the end of the implementation period.
Final Report	Short description of achievements including problems encountered and recommendations; a final invoice and the financial report.	Within 1 month of receiving comments on the draft final report from the Project Manager identified in the contract.

7.2. Submission & approval of reports

The reports referred to above must be submitted to the Project Manager identified in the contract. The Project Manager is responsible for approving the reports.

The CEFTA Beneficiaries will be actively involved in the comments and 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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