ANNEX II: TERMS OF REFERENCE

1. BACKGROUND INFORMATION 2

1.1. Partner country 2

1.2. Contracting authority 2

1.3. Country background 2

1.4. Current situation in the sector 2

1.5. Related programmes and other donor activities 2

2. OBJECTIVES & EXPECTED OUTPUTS 2

2.1. Overall objective 2

2.2. Specific Objective(s) 3

2.3. Expected outputs to be achieved by the contractor 3

3. ASSUMPTIONS & RISKS 3

3.1. Assumptions underlying the project 3

3.2. Risks 3

4. SCOPE OF THE WORK 3

4.1. General 3

4.2. Specific work 4

4.3. Project management 4

5. LOGISTICS AND TIMING 4

5.1. Location 4

5.2. Start date & period of implementation of tasks 4

6. REQUIREMENTS 5

6.1. Staff 5

6.2. Office accommodation 7

6.3. Facilities to be provided by the contractor 7

6.4. Equipment 7

7. REPORTS 7

7.1. Reporting requirements 7

7.2. Submission and approval of reports 8

8. MONITORING AND EVALUATION 8

8.1. Definition of indicators 8

8.2. Special requirements 8

# BACKGROUND INFORMATION

## Partner country

Republic of Albania, Bosnia and Herzegovina, Republic of Serbia, Kosovo[[1]](#footnote-1)\*, Montenegro, Republic of North Macedonia

## Contracting authority

WESTERN BALKANS SIX CHAMBER INVESTMENT FORUM (WB6 CIF)

WB6 CIF is a regional association of national chambers of commerce and industry from Western Balkans, which is set up with the aim to increase involvement of business communities in the initiatives seeking to promote economic development of the Western Balkans, with particular focus on the activities supporting promotion of regional economic integration and cooperation and the integration of the Western Balkan region into the European Union. Its Permanent Secretariat–particularly the Secretary-General–is responsible for administrative and organisational tasks as well as the external representation of WB6 CIF, is responsible for providing the necessary technical and administrative support to the entire structure of WB6 CIF and for the overall management.

## Country background

According to the Commission’s Country Reports, all Western Balkan economies still need to reach the level of functioning market economy, capable of withstanding market forces and competitive pressure within the EU. Despite good recent developments, the average GDP per capita in the region remains nearly quarter that of the 27 EU members average and roughly 40% that of the CIS EU members (IMF, 2023).

Furthermore, the Western Balkans remain poorly integrated into the global and European markets despite the robust growth of exports of goods and services in previous years (30% for 2022). Compared to their peers in Central and Eastern Europe, where the share of export of goods and services in GDP average around 70% (63%, in large economies as Poland; over 90% in Slovakia and Hungary), the region lags significantly behind at 59% (2022). Also, the growth of exports of Central and Eastern European (CEE) countries to the EU in the pre-accession period was much faster.

## Current situation in the sector

Intra-regional trade has stagnated for many years but has grown significantly in the last two years (EUR 8,8 bn in 2022). The share of exports within the region remains small at around 14% despite the proximity and other trade promotion factors. The EU remains the dominant export market for all Western Balkan economies (EUR 35 bn in 2022); for most of the economies exports to the EU are 5 times bigger than to CEFTA parties. Today, the region’s exports to CEFTA and Germany are roughly the same, around 9 billion euros. Main trade barriers are procedural obstacles at customs, product safety requirements, including sanitary and phytosanitary measures and technical barriers to trade. There are place to resolve issues related to customs procedures, further alignment with EU norms and practices for reduce SPS/TBT barriers and conclusion of mutual agreements for conformity assessment procedures and certificates.

OECD reports that there is still room for improvement in integration of WB SMEs in European supply chains. The cooperation exists mostly in the final stages of the international supply chains in food, beverages and tobacco in addition to textiles and clothing, and mostly the intermediate stages of wood and cork, paper, printing and publishing, other non-metallic mineral products and fabricated metal products, as well as both first and intermediate stages of basic metals. The strongest export potential relates to machines and equipment and chemicals and plastics (GET, 2023). The product mix within the Western Balkan economies also explains the limited integration to date into European supply chains. Over 50% of the region’s manufactured goods are classified as “labor and resource intensive” or “low-skill and tech intensive”, in comparison to about 30% in the European Union. In contrast, only 18% fall into the category “high-skill and tech-intensive goods” in comparison to 27% in Central and Eastern Europe.

According to the World Bank's report, businesses in the Western Balkans face significant challenges in business internationalization and have less developed support systems. Although trading mostly with tariff-free markets, Balkan markets are burdened with significant non-tariff barriers. Exporters in the Western Balkans typically face bigger obstacles to doing business than those in CEE. Expanded regional co-operation represents a unique opportunity for Western Balkan economies to scale up and boost growth by making the most of intensified economic integration. Through resource- and knowledge-sharing networks, together with an enhanced regional trade, they are more likely to increase their productivity and competitiveness. Strengthened economic integration will also result in greater resilience to external shocks.

With almost 70% of the region’s exports directed towards the EU, all Western Balkan governments are working to adopt EU standards and harmonize technical regulations, with the adoption rate reaching 94%, up 3 percentage points since 2019. They are prioritizing SME efforts to increase export volume and to improve their complexity and sophistication. Since 2019, financial incentives for greening available to SMEs have been multiplied, albeit unevenly across the region. During the same period, the average regional share of SMEs offering green products or services increased 5 percentage points, to 25%; approaching the EU average of 32%. Most SMEs took at least one action to become more resource-efficient, often minimizing waste or saving energy or water

## Related programmes and other donor activities

In 2021 the leaders of the Western Balkans 6 adopted Common Regional Market Action Plan 2021-2024 (CRM AP) aiming as a catalyst for deeper regional economic integration and a stepping stone towards EU Single Market. The leaders agreed to enhance economic cooperation in the region by developing Common Regional Market, based on the EU rules and standards, to increase the attractiveness and competitiveness of the region and to bring the region closer to the EU markets. The Action Plan is based on the four freedoms and enriched with trade, digital, investment, innovation and industry areas. In the context of the CRM AP, WB6 CIF has been recognized as a voice of Western Balkans 6 (WB6) businesses, stating that “the private sector perspective and contribution will be ensured through close cooperation with WB6 CIF with a view to facilitating implementation of joint actions. At the same time, these actions will provide linkages and seek synergies with their European partners.” WB6 CIF has been involved in implementation of regional actions, jointly with other relevant organizations: Regional Cooperation Council (RCC), CEFTA, Transport Community (TC) and other supporting organizations/institutions.

With the Brussels Declaration from the EU-Western Balkans Summit from December 2023, the WB6 CIF has been recognized as one of the main stakeholders in the Common Regional Market, and for the first time has been tasked to work on preparation of an ambitious successor to the current Common Regional Market Action Plan before the current one expires in 2024. In line with the New Growth Plan for the Western Balkans, this entails, among others, aligning with the EU single market rules and opening relevant sectors and areas, incentivizing and implementing fundamental reforms with a view to close convergence gap with EU, advancing the four freedoms and improving sustainable economic growth.

# OBJECTIVES & EXPECTED OUTPUTS

## Overall objective

The overall objective of the project of which this contract will be a part is to contribute to solving two interlinked problems: insufficiently developed intra-regional trade and investment, and the competitive pressure of the EU Single Market.

## Specific objective(s)

The specific objectives (outcomes) of this contract are as follows:

* to support SMEs from WB6 in upgrading their capacity for integration in the European and global value chains
* to upgrade the digital tool for support to SMEs from WB6

## Expected outputs to be achieved by the contractor

The expected outputs of this contract are as follows:

* Output 1 to Outcome 1: guidelines for targeting the potential participants
* Output 2 to Outcome 1: document about MEDEF
* Output 3 to Outcome 1: report about French infrastructure sector, mobility sector and agriculture sector
* Output 4 to Outcome 1: report about foreign trade of French manufacturers and service providers that are related to Infrastructure, Mobility and Agriculture sectors
* Output 5 to Outcome 1: report about foreign trade of WB6 manufacturers and service providers that are related to Infrastructure, Mobility and Agriculture sectors
* Output 6 to Outcome 1: Macroeconomic overview of French economy
* Output 7 to Outcome 1: trainings of SMEs as a preparation for event in Paris
* Output 8 to Outcome 1: document about SAIE
* Output 9 to Outcome 1: report about Italian construction industry
* Output 10 to Outcome 1: report about foreign trade of Italian manufacturers and service providers that are related to Construction Industry
* Output 11 to Outcome 1: report about foreign trade of WB6 manufacturers and service providers that are related to Construction Industry
* Output 12 to Outcome 1: report about foreign trade of WB6 manufacturers and service providers that are related to Construction Industry
* Output 13 to Outcome 1: trainings of SMEs as a preparation for SAIE
* Output 14 to Outcome 1: trainings of WB6 CIF and its member chambers of commerce about use of digital tool
* Output 1 to Outcome 2: digital tool updated with new data and features

# ASSUMPTIONS & RISKS

## Assumptions underlying the project

N/A

## Risks

N/A

# SCOPE OF THE WORK

## General

### Description of the assignment

During implementation of the previous project, WB6 CIF developed a digital tool for support to export-oriented SMEs from 3 sectors: Fruit and vegetable processing, Production of machinery and machinery parts, Production of alcohol drinks. Two most “promising” EU markets for each of 3 sectors (i.e. EU countries that are target markets for products exported from WB6) were identified. This tool includes important data for exporting to those markets, creates structured reports for each of the suggested markets, yields analysis of required standards and certifications that are obligatory for the export on selected markets (specific product regulations), etc.

The purpose of this contract is to upgrade the digital tool (BI) with the new features and new data, in order to enhance the export capacities of SMEs from WB6, and to prepare them for quality self-presentation in particular at two upcoming events: 1) Suppliers’ and Investment Potential Day in Paris, in June 2024, and 2) SAIE Trade Fair in Bologna, in October 2024.

### Geographical area to be covered

Western Balkan countries, EU

### Target groups

WB6 CIF and its members, SMEs from WB6

## Specific work

All entries, documents, outputs shall be done in English.

A: The Contractor’s tasks regarding preparation of SMEs for 2 events

**1) Suppliers’ and Investment Potential Day in Paris, 14 June 2024**

The event will be organised in partnership with the Movement of the Enterprises of France (MEDEF), the largest employer federation in France. MEDEF has more than 750,000 member firms, 90 percent of them being small and medium enterprises (SMEs) with fewer than 50 employees. MEDEF is engaged in lobbying at local, regional, national, and EU-wide levels.

Presentation of WB6 suppliers’ potential is a primary task, but promotion of WB6 region as a good investment destination to MEDEF members is equally important. Process of nearshoring is well recognized by EU.

**Sectors**

* Infrastructure
* Mobility - Automotive
* Agriculture

**Tasks of Contractor:**

**1a) Targeting and Selection process**

* External experts shall produce guidelines for targeting the potential participants
* Each WB6 CIF member chamber shall target the listed potential participants from its territory
* WB6 CIF member chambers shall send invitation letter to potential participants
* Selection process shall be done by Wb6 CIF members following the Contractor’s guidelines; 10 companies from each economy will be selected
* The Contractor should be available to provide support in all steps of this task

**1b) Analysis and Informational support**

* The Contractor shall produce a document about MEDEF that includes all information about the organization and members, including main potential areas of cooperation (Word document, free format)
* The Contractor shall produce a report about French infrastructure sector, mobility sector and agriculture sector, with emphasis on SMEs. The report shall be based on material received from MEDEF about participating companies from France. (Word document, free format)
* The Contractor shall produce a report about foreign trade of French manufacturers and service providers that are related to Infrastructure, Mobility and Agriculture sectors. (Word document, free format and BI report)
* The Contractor shall produce a report about foreign trade of WB6 manufacturers and service providers that are related to Infrastructure, Mobility and Agriculture sectors as a promotional material for potential buyers. (Word document, free format)
* The Contractor shall produce Macroeconomic overview of French economy (Word document, free format and BI report)

**1c) Training**

* The Contractor shall make introduction to companies about French economy, business culture and common practices
* Presentation about MEDEF
* If it is possible to get on time the list of interested companies with specification of their interests, the Contractor shall help companies to do market research about their potential partners at the event.
* Presentation of all reports and training of SMEs to use BI and reports with a goal to set up their strategy for presentation.
* Training of WB6 CIF and its 6 member Chambers of Commerce on how to use BI tool and give them all needed information about French economy.

\*Note: if there is relativly small number of participants, training could be personalized for each company

**2) SAIE Trade Fair in Bologna, 9-12 October 2024**

SAIE has been held annually since 1965. Among the regular exhibitors are world leaders in the production of construction materials and equipment, as well as leading Italian companies. The exhibition is intended only for professional visitors.

SAIE is an internationally renowned trade fair for the construction sector. The fair offers the possibility to see and compare the products of the industry´s leading companies. Moreover, it as an innovation platform for the construction industry. Visitors can get here in depth and comprehensive information on the latest developments, trends, services and products in various fields.

The synergy between the innovative exhibition formulas and the special initiatives of the event provides a complete overview of innovation and transformation of the construction market.

**Sectors:**

* **Design and Digitalisation**
  + Design, control and management software
  + BIM, Building Information Modelling
  + Instruments for surveying and measurement, drones, geospacial technologies
  + Augmented reality, instruments, systems and applications
  + 3D printers, Digital manufacturing, digital platforms
* **Construction**
  + Building materials and technologies
  + Industrialized facilities and systems
  + Finishing and internal partitions
  + Waterproofing, chemicals for construction
  + Insulation and finishing systems for outdoor environments
  + Outer shells, doors and windows
  + Flooring, cladding and bathroom fixtures
  + Land reinforcement
  + Earth moving and lifting vehicles
  + Drilling and tunnelling
  + Work site equipment and products
* **Plant Engineering**
  + Electric systems for buildings
  + Remote building control
  + Ventilation, air conditioning and heating systems
  + Lighting systems
  + Solar, photovoltaic and energy production installations
  + Automation, access control systems, anti-burglary systems
  + Digital Buildings, Smart Homes and Digital Cities
  + Installations for sports and outdoor facilities
  + Smart infrastructures
  + Fire-fighting plants and systems
* **Services and Media**
  + Consultancy services (professional, technical, financial)
  + Design, engineering and architecture firms
  + Building maintenance and administration
  + Associations
  + Technical and media publications

**Tasks of Contractor:**

**2a) Targeting and Selection process**

* External experts shall produce guidelines for targeting the potential participants
* Each WB6 CIF member chamber shall target the listed potential participants from its territory
* WB6 CIF member chambers shall send invitation letter to potential participants
* Selection process shall be done by Wb6 CIF members following the Contractor’s guidelines;10 companies from each economy will be selected
* The Contractor should be available to provide support in all steps of this task

**2b) Analysis and Informational support**

* The Contractor shall produce a document about SAIE fair that includes all information about the event – basic information, expected audience (visitors and exhibitors), etc. (Word document, free format)
* The Contractor shall produce a report about Italian construction industry (Word document, free format)
* The Contractor shall produce a report about foreign trade of Italian manufacturers and service providers that are related to Construction Industry (Word document, free format and BI report)
* The Contractor shall produce a report about foreign trade of WB6 manufacturers and service providers that are related to Construction Industry as a promotional material for potential buyers. (Word document, free format)
* The Contractor shall produce report about foreign trade of WB6 manufacturers and service providers that are related to Construction Industry (Word document, free format and BI report)

**2c) Training**

* The Contractor shall make introduction to companies about Italian economy, business culture and common practices
* Presentation about SAIE
* Presentation of all reports and training of SMEs to use BI and reports with a goal to set up their strategy for exhibition.
* Training of WB6 CIF and its 6 member Chambers of Commerce on how to use BI tool and to give them all needed information about Italian Construction market and opportunities.

\*Note: if there is relativly small number of participants training could be personalized for each company

B: Upgrade of digital tool

The Contractor will be given access to the digital tool immediately after contract signing. Digital tool was created by using Microsoft Power Business Intelligence software.

The upgrade of the tool involves entry of new data: about Italian and French target sectors, but also with data about general trade between the EU and WB6 economies.

The upgrade also involves adding of new tool features:

- detection of new potential (expressed as volume and number of products) for export by WB6 economies to regional and EU markets. That is, the tool should explore possible new trade opportunities between WB6 economies as well as trade of the region with the EU. Model should indicate possible product opportunities for increase of trade, indicating products which could be attractive on selected markets.

- in depth analysis of the existing trade between WB6 economies and their trade with the EU.

All results and outputs must comply with the latest Communication and Visibility Manual for EU External Actions concerning acknowledgement of EU financing of the project. (See <https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en>

## Project management

### Responsible body

Permanent Secretariat of WB6 CIF

### Management structure

The institutional setup of WB6 CIF is made of the following organs: the General Assembly, the Managing Board, and the Permanent Secretariat. The General Assembly defines the overall strategic direction and monitors the Managing Board. The Managing Board has the overall decision-making power. The Permanent Secretariat –particularly the Secretary-General – is responsible for administrative and organisational tasks as well as the external representation of WB6 CIF.

In more details, the General Assembly is composed of the representatives of the six founding members and it meets at least once annually. Key tasks of the General Assembly are: to define the general guidelines for actions, to approve the WB6 CIF’s Financial Statements, to agree on an Annual Action Plan.

The Managing Board is composed of the presidents of the chambers of commerce of the WB6 economies (or their appointed representatives). It incorporates the main decision-making power of WB6 CIF and its Chairperson is the legal representative of the WB6 CIF. The Chairperson of the Managing Board is elected among its members for four years, after which another president takes over (rotation principle).

The Permanent Secretariat is led by Secretary General and Deputy Secretary General (in his/her absence). Both are appointed by the Management Board for four years.

In addition, in order to facilitate exchange of knowledge and practices in different fields and to advise decision-making bodies, WB6 CIF has initiated establishment of 9 thematic groups composed of one expert delegated by the chamber member, with additional possibility of involving business sector representatives (SMEs), in order to have more comprehensive approach with sectorial coverage.

### Facilities to be provided by the contracting authority and/or other parties

No facility will be provided by Contracting Authority or other parties.

# LOGISTICS AND TIMING

## Location

WB6, Italy, EU

## Start date & period of implementation of tasks

The intended start date is 13/05/2023 and the period of implementation of the contract will be until 31 October 2024. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

In case the extension of the project duration takes place, the Contractor’s services, if need be, can be prolonged for an additional period of time. Remuneration amount would be agreed by an annex, depending on time of additional engagement and available budget, but cannot exceed gross 1500 EUR/month.

# REQUIREMENTS

## 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.

### Key experts

Key experts are not required.

### Other experts, support staff & backstopping

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.

## Office accommodation

Office accommodation for each expert working on the contract is to be provided by the contractor.

## 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.

## 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.

# REPORTS

## Reporting requirements

The Contractor will submit the following reports in English by e-mail, in pdf format:

* report of minimum 10 pages, in free format, summarizing all activities performed since contract signing; approval of the report constitutes the base for payment.

## 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.

# MONITORING AND EVALUATION

## Definition of indicators

The indicator of the successful implementation of the contract is “Services provided in timely, quality and quantity manner, as required in these Terms of Reference.

## Special requirements

N/A

1. [↑](#footnote-ref-1)