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## **1. BACKGROUND INFORMATION**

### **1.1. Partner country**

Bosnia and Herzegovina

### **1.2. Contracting authority**

Udruženje poslodavaca u Federaciji BiH  
Maršala Tita 6  
71 000 Sarajevo,  
Bosna i Hercegovina

### **1.3. Country background**

Bosnia and Herzegovina is a country with a surface area of 51,209 km<sup>2</sup> and with an estimated population of 3.5 million people. The constitutional set-up stems from the Annex IV to the Dayton/Paris Peace Agreement (DPA) and establishes a complex political structure that provides for governments at State, Entity, Brčko District and cantonal levels.

Since 1995 and according to the Dayton Agreement the state of Bosnia and Herzegovina has been divided into two political entities – the Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FB&H) – and the Brčko District (condominium). The RS covers 49% of the territory and forms a semi-circle around the north and east, while the FB&H occupies the other 51%. Each Entity has its own political structure and administration. The B&H State government consists of a Parliamentary Assembly, which is divided into a House of Representatives and a House of Peoples, a rotating tripartite presidency (with one member from each of the constituent peoples), and a Council of Ministers with nine ministries. The political structure of the FB&H is divided into three levels: the Entity level, the Cantonal level and the Municipal level, with each municipality having its own municipal council and administrative structures. By contrast, the Republika Srpska (RS) has no cantons, only municipalities.

While one entity (Republika Srpska) has strongly centralised system, the other entity is comprised of 10 cantons with wide autonomy. Several crucial sectors are given either to the entities or even cantons such as: education, social policy, culture, environment, etc. Therefore, in such a complex environment non-state actors (NSA) such as employers' associations have difficulties in advocating for reforms in the above mentioned areas.

In accordance to the registry of Council of Ministers of BiH (<http://zborniregistri.gov.ba/Home> - only accessible in Bosnia and Herzegovina's official languages), approx. 640 CSOs working in the field of social development and entrepreneurship. Directly 16 organizations from RS and FBiH have been recognized as entrepreneurial and CSOs target group.

At the State and Federation of Bosnia and Herzegovina level, the Ministries of Justices are responsible for registration and for keeping the Registry Books for Associations and Foundations. According to the Republika Srpska' Law on Associations and Foundations,

associations and foundations register at the Basic Court in the seat of the District Court in the area in which they have their seat.

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

The project “Contribution of CSOs to improving entrepreneurship impact on socio-economic development of BiH – EISE project” will be realised through Civil Society Facility and Media Programme for Bosnia and Herzegovina 2019 - Support to existing and newly established CSOs networks in various areas under the Lot 7: Support to CSOs networks in the area of Entrepreneurship and local economy. The project was launched on 01/01/2020 and will be implemented in cooperation with the Association of Employers of FBiH and will be implementing in period of 36 months.

Networking is, as a primary methodology approach of the project, directly contributing general aim realisation of the CSF&M programme, which is “support to existing and newly established CSOs networks in various areas “, listed as social development in entrepreneurship sector.

The long-standing negative demographic trends, poor natural growth, an aging population and the continued increase in population migration to EU countries, have caused a dramatic decline in the labour force supply which is primary communication topic of the project.

Also, the projections point to a further downward trend in the number of active population, active labour force supply, and a decrease in the population aged up to 15, an increase in external migration and other adverse trends. Given both the significant decline in industrial production and the announcement of instability in relation to global economic developments, these trends are seriously tempting the future projections of the sustainability of the social protection system and economic growth and indicate the need to take a better communication of strategic approach to the sustainability of the overall system.

From project perspective, networking, as a primary communication methodology approach of the project directly contributing all aims realization of the CSF&M programme and project, is support to existing and newly established CSOs networks in various areas, listed as social development in entrepreneurship sector. The industrial production and questionable sustainability in relation to global economic developments, global recession caused by COVID-19, are trends that seriously affect future projections on the sustainability of the social protection system and economic growth and indicate the need to take a project communication strategic approach with reflection on the sustainability of the entire BiH system.

Some governments in BiH have tried, by means of documents such as the Proposal for Population Policy Measures, to define a demographic renewal on some strategic approach, giving this topic a national priority. This approach only makes sense if it is part of a broader coherent and coordinating policy and PR and communication campaign, primarily economic and social, that should have the structure of a national reconstruction program that project advocate. As a second communication methodology approach and special focus of communication activities will be topics related to stopping the negative trends of employee migration towards more developed economies and societies policies that can be achieved

through the growth of young people's standard of living. Also, the problem of employee migration is related to economic motives but also to political instability in the country.

Overall project communication, as a third communication methodological approach, are messages to the institutions that will be focused to reducing the burden on the economy (fiscal and para-fiscal), and message to employers would be to redirect these funds to the growth of workers' incomes. However, the general sense of security and perspective of the society is also significantly dependent on the level of rule of law and political stability, which at the moment, given the outflow of employee and entrepreneurs, is not at the level that enables economic growth and development of the community. Entrepreneurs do not have confidence on the one hand in decision-makers, but they have interest in being involved in the process of developing business policies and programs on the other.

## **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:

The project aim is to strengthen the capacity of entrepreneurial and employers' CSOs to contribute to social and economic development in entrepreneurship sector in BiH by creating a favourable environment through economic and social reform. By contributing realisation of this aim, the reduced outflow of BiH population project will be the impact of the project that be reached.

### **2.2. Purpose**

The purpose of this contract is as follows:

In order to implement the advocacy campaign, two analyses will be made for each entity level separately regarding the Improvement of framework fiscal policies. The analysis will be made by experts in this field. This analysis will also be the advocacy tool in Advocacy campaign activities.

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

Provided the necessary support in the implementation of this activity.

## **3.0. ASSUMPTIONS & RISKS**

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

Contractor is implementing Covid-19 epidemiological measures.

### **3.2. Risks**

Worsening epidemiological situation.

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

### **4.1. General**

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

Parafiscal levies include various types of fees that represent a parafiscal source of state budget revenues and supporting users paid by the economy and citizens for the use of goods of general interest (water, forests, mineral resources, construction land and other resources) or state administration services.

The Federation of Bosnia and Herzegovina has three times more parafiscal levies than Serbia, and twice as many as Croatia. Compared to the countries of the European Union, the fees are much higher, which, among all other obstacles, does not position Bosnia and Herzegovina as a good place for business ventures.

Given the significant decline in industrial production and the announcement of sustainability problems in relation to global economic trends, the global recession caused by COVID 19, these trends are a serious challenge for future projections of sustainability of social protection and economic growth, and indicate the need to take a strategic approach to sustainability the entire BiH system.

As a reliable partner in the realization of work, the Association of Employers of FBiH needs a person / company that will work in cooperation with the Association to prepare the Strategy of parafiscal policies and frameworks in FBiH as one of the key results of the project.

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

The area covered by this event is Federation of Bosnia and Herzegovina.

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

- Members of the Association of Employers in the Federation of BiH;
- Government, Cantons;
- CSOs.

### **4.2. Specific work**

Contractor need to realize following tasks:

- Complete analysis and presentation which will include the next chapters:

1. Methodology;

2. Records of non-tax benefits and procedures at the level of Federation of Bosnia and Herzegovina;

3. Records of non-tax benefits and procedures at the level of joint bodies of Bosnia and Herzegovina;

4. Comparative analysis of the 5 largest non-tax burdens on business for competing countries Serbia, Croatia, Slovenia, Bulgaria, Romania,

- Communal taxes;

- Republic tax;

- Water compensation;

- Fee for improving the public utility function of the forest;

- Fee for encouraging the production of electricity from renewable energy sources;

- Fire compensation;

5. Comparative analysis (of competing countries) of deadlines for service execution;

6. European Union regulatory framework for non-tax benefits;

- Acquits Communautaire;

- Obligations in the accession process (negotiations and experiences of competing countries);

7. Conclusions and recommendations.

### **4.3. Project management**

#### **4.1.1. Responsible body**

The body responsible for the implementation of the contract will be the Association of Employers in the Federation of BiH.

#### **4.1.2. Management structure**

The contractor will be responsible to the Contracting Authority for the implementation of the tasks and in particular to the Project Coordinator from the Association of Employers in the Federation of BiH.

## **5. LOGISTICS AND TIMING**

### **5.1. Location**

Association of Employers of the Federation of BiH is located in Sarajevo.

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

The intended start date is January, 07 2022 and the period of implementation of the contract will be 1 months from this date.

## **6. REQUIREMENTS**

### **6.1. Staff**

#### **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 must submit CV for the following key expert with clearly indicated experience:

Qualifications and skills

- University degree in the field of law or economics

General professional experience

- Minimum 10 years of overall professional experience

Specific professional experience

- Minimum 5 years of specific experience

#### **6.1.2. Non-key experts**

N/A

#### **6.1.2. 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 contractor will provide Office accommodation.

### **6.3. Facilities to be provided by the contractor**

The contractor will provide all relevant facilities.

### **6.4. Equipment**

No equipment is to be purchased.

## **7. REPORTS**

### **7.1. Reporting requirements**

The contractor shall prepare the study in accordance with the scope of the ToR and agreement with the Project Manager. The study will be submitted in local language.

## **8. MONITORING AND EVALUATION**

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

**Monitoring of project activities will be responsibilities of Association of Employers in the Federation of BiH.**

### **8.2. Special requirements**

All the activities to be put in place by the contractor must comply with its minimum obligation towards visibility. These activities must comply with the rules lay down in the Communication and Visibility Manual for EU External Actions published by the European Commission.