

Employment and Social Affairs Platform 3 – ESAP 3

Open Call for Consultancy Services

Terms of Reference:	Senior Expert on Tackling Undeclared Work in the Western Balkans
Contracting Authority:	Regional Cooperation Council (RCC) Secretariat
Reporting to:	RCC Secretariat
Duration:	September 2024 – December 2026
Eligible	Consulting companies/ consortia of individual consultants or individual professionals
Application Deadline:	18 August 2024
Reference Number:	041-024

I. BACKGROUND

The Western Balkan economies continue to recognize informality as an impediment to economic growth and prioritize tackling it, as well as undeclared employment, in their Economic Reform Programmes (ERPs). Some economies have national strategies, action plans and programmes in place to tackle informality.

The EU's 2023 assessment of the ERPs of the Western Balkan economies reemphasizes that informality remains an obstacle to improving labour market outcomes in the region. In this regard, specific structural reforms need to be stepped up in order to eliminate challenges to competitiveness and inclusive growth in the region. Continued efforts to tackle informality, along with improving business support services, funding research and innovation, and implementing reforms relevant to the digital transition, were listed as priorities.

The European Commission's 2023 Communication on EU Enlargement Policy also points out the chronic issue of informality in the region and delayed economic reforms aimed at improving competitiveness, dealing with high unemployment rates (particularly among young people), large skills mismatches, a persistent informal economy, unfriendly business environments and low levels of innovation.

Although slightly improving, the labour markets in the Western Balkans continue to be characterized by overall low activity (especially among women and young people), as well as by high informality and unemployment. In addition, in recent years, the region has been suffering from labour emigration, pronounced skill mismatches, and high rates of long-term unemployed.

The EU has invested a lot of effort in tackling undeclared work. The European Platform Tackling Undeclared Work has enhanced cooperation between Member States' authorities and other actors involved, aiming to tackle undeclared work more effectively and efficiently while fully respecting domestic competences and procedures.

During the second phase of the Employment and Social Affairs Platform (ESAP 2), a regional approach has been introduced for the economies in the region to jointly tackle common issues arising from high rates of informal employment. The Western Balkans Network for Tackling Undeclared Work (Western Balkans Network), involving enforcement agencies from all economies, has been established and started operating. The Network is modelled on the European Platform Tackling Undeclared Work, and their cooperation is set to be further enhanced during the third phase of the Employment and Social Affairs Platform (ESAP 3) project in the coming five years.

Drawing on the EU experience and in light of the importance of aligning the Western Balkans' economies with EU policy cooperation and practices, ESAP 3 will build on the achievements of its previous phase and continue supporting the Western Balkan economies through a regional platform for the transformation of undeclared work into declared work, pursuing a holistic integrated strategic approach akin to that of the EU. The Network will continue with timely planning of its activities, focusing on the most pressing issues in the labour markets, including regular high-level coordination meetings, technical level meetings, seminars, workshops, study visits, and analyses on priority topics, as well as the implementation of mutual assistance projects that will enable the exchange of experiences. ESAP 3 will facilitate its work, as well as provide expertise and implementation support.

II. OBJECTIVES

Objective

ESAP 3 is part of a larger Action titled EU4 Employment, financed by the EU under the Instrument for Pre-accession Assistance (IPA III). The Action includes two (2) areas of support: Youth Guarantee (YG), to be implemented by the International Labour Organization (ILO) and Employment and Social Affairs Platform – ESAP 3, implemented jointly by the Regional Cooperation Council (RCC) and the ILO. The ESAP 3 project started in March 2024 and will continue until February 2029.

The overall objective of the ESAP 3 project is to promote fair and well-functioning labour markets in the Western Balkans in line with the European Pillar of Social Rights (EPSR). The overall objective will be achieved through advancing alignment with the EU *acquis* and implementing the EPSR in the areas of undeclared work, health and safety at work and social dialogue.

This objective will be achieved through (1) making the Western Balkans Network Tackling Undeclared Work fully functional, aligned with the best European practices, and prepared for integration into the European Labour Authority (ELA); (2) generating reliable evidence on the transition to formality; (3)

improving the performance of Labour Inspectorates in the area of Occupational Safety and Health (OSH); (4) strengthening the Ministries of Labour and Social Affairs and Public Employment Services (PES) in the development of competitive and resilient labour and social policies and measures, aligned with EU standards and the EPSR, and involvement in the work of the EU PES Network; and (5) increasing the effectiveness of tripartite and bipartite social dialogue.

The objective of this specific assignment is to provide guidance and expert support to the ESAP 3 Team in implementing its activities regarding informal employment and undeclared work.

The service contract will support ESAP 3 in enhancing cooperation in tackling undeclared work in the Western Balkans by building upon the work previously done within the ESAP 2 framework in this domain. Specifically, the guidance and expert support to the Western Balkans Network for Tackling Undeclared Work through work planning, thematic learning, information exchange, capacity building and analytical work, need to reflect the outcomes of the previous work and lead towards increased efficiency of the region's economies in tackling undeclared work and transforming it into declared work.

Beneficiaries of this action will be national enforcement authorities, including ministries of labour, labour inspectorates, tax and social security authorities, as well as social partners (employers' and employees' organisations).

III. SCOPE OF WORK

Specific Tasks

The tasks under this service contract require high-quality input by the expert in several domains and include the provision of guidance to ESAP 3 and members of the Network in identifying priority topics and areas of work for the Network, supporting mutual learning, facilitating information exchange, implementing learning results and analytical work, and contributing to strengthening capacities of domestic institutions to tackle undeclared work in the Western Balkans.

The selected expert will assist the ESAP 3 Team in closely monitoring the situation in all Western Balkan economies and adjusting activities to the situation on the ground in a flexible manner, while aiming to deliver on the objectives of this consultancy.

This consultancy includes several specific tasks under the project's **Component 1: Employment formalization**, as follows:

Task 1: Provide guidance and expert support to increase efficiency in employment formalisation through strengthened capacities of the Western Balkans Network for Tackling Undeclared Work

ESAP 3 will capitalize on the fact that ESAP 2 cooperated with experts associated with the European Platform Tackling Undeclared Work and witnessed the establishment of the European Labour Authority (ELA), aiming to deepen this cooperation. The project will continue utilising the knowledge, skills, expertise, and experiences of the two to equip the Western Balkans with the best tools to tackle undeclared work in the region. Its objective heavily relies on the outcomes of the ESAP 2 work and extends beyond, aiming to enhance both the capacities and performance of the existing Western Balkans Network for Tackling Undeclared Work to more effectively and efficiently address challenges

posed by undeclared work in the region. Drawing on experiences from both the EU Platform and the Western Balkans Network, ESAP 3 will support continued and improved cooperation to strengthen the capacities of the Western Balkans Network by learning from their European peers. The goal is for the Western Balkans Network to gain full regional ownership and sustainability in the process and to get ready for integration into the ELA once the conditions are met.

Under this task, the expert will:

- Provide expert support through individual-economy consultations with Ministries of Labour and Social Affairs, Ministries of Finance, Labour Inspectorates, Tax Administrations and Social Partners;
- Draft a proposal for 3-year work programme of the Western Balkans Network for Tackling Undeclared and propose a model for its expansion to include other relevant stakeholders, in accordance with the adopted holistic approach;
- Provide support in reconvening the Western Balkans Network for Tackling Undeclared Work for the first plenary meeting within the ESAP 3 framework and subsequent regular plenary meetings twice a year;
- Provide expert support in organizing three (3) regional thematic seminars or workshops;
- Develop small-scale thematic analyses and/or resource materials, following the topics identified by the Network.

Task 2: Provide support for the advancement of a holistic policy approach to undeclared work implemented through the second cycle of Mutual Assistance Projects (MAPs)

Under this task, the expert will:

- Provide expert support for the design and execution of six (six) mutual assistance projects between two or several beneficiaries with the objective of: implementation support; capacity building; change management to introduce new practices; methodological development; organisational analysis; strategic planning and target setting; design, evaluation, or review of measures or an action plan to improve performance; etc;
- Develop individual economies' self-assessment reports for enforcement authorities, following up on achievements of the first series of MAPs;
- Conduct external assessment visits: following the self-assessment findings in each Western Balkan economy, six (6) external assessment visits will be conducted by senior officials from other enforcement authorities in the Western Balkans and EU (European Platform Tackling Undeclared Work/ELA), accompanied by experts familiar with the implementation of a holistic strategic integrated approach;
- Prepare synthesis reports for the external assessment visits - the external assessment teams will develop synthesis reports providing operational guidance as well as broader recommendations to the host institutions for each economy and reflection on the organisation of mutual assistance programmes.

Task 3: Provide guidance and expert support to the ESAP 3 Team in preparing the members of the Western Balkans Network for integration into ELA

Preparation of the Western Balkans Network for Tackling Undeclared Work for integration into the ELA will be based on mutual consent of the two parties and subject to possibilities dictated by the Western Balkans' progress on the EU accession path.

Respecting individual-economy specifics, the ESAP 3 project will support the Western Balkans Network for Tackling Undeclared Work in preparations for integration into the ELA through facilitating contacts, communication, and exchange visits with members of the ELA and European Platform Tackling Undeclared Work.

Under this task, the expert will:

- Provide expert support in identifying key interlocutors and establishing communication channels between the ELA and members of the Western Balkans Network Tackling Undeclared Work;
- Provide expert advice and support for thematic staff exchanges between the ELA and Western Balkans Network for Tackling Undeclared Work;
- Support the ESAP 3 Team in identifying key requirements for integration of the Western Balkans Network for Tackling Undeclared Work into the ELA.

Methodology

The bidder is expected to suggest the most suitable methodology for the successful completion of the assignment. Note that a clear methodological overview should not exceed one page per task and should be an integral part of the concept note.

In addition, given the stipulated timeline of the contract, the bidder should provide a timeline for executing the required activities.

IV. LOGISTICS AND TIMING

Timeline

The service contract will be effective from **September 2024 to December 2026**.

Lines of Communication

The expert will submit all reports and timesheets to the ESAP 3 Project Team Leader and RCC Secretariat for review and approval of deliverables. The expert will work closely with the ESAP 3 Project Team from whom they will seek guidelines to efficiently conduct the work.

Profile and Competencies of the Expert

The expert may propose a team of relevant experts that would adequately contribute to delivering the required tasks. However, the expert applying to this open call would be the lead and the only individual representing the team and guaranteeing its performance.

The lead expert should have a thorough understanding of the labour markets in the EU and the Western Balkan (WB) economies, an excellent understanding of informal employment, and excellent knowledge of recent developments in the field of the tackling undeclared work in the EU Member States and the Western Balkan economies and a track record of projects and published works on labour policies and informal economy. In addition, the expert should be well-versed and experienced in data collection, mutual learning, statistical analyses, and drafting high-quality reports.

Criteria related to the expert delivering the service:

Education:	Advanced degree in economics, statistics, social sciences or a related field
Experience:	<p>Qualifications and Skills Required:</p> <ul style="list-style-type: none">▪ A minimum of 15 years of relevant experience in the fields of labour markets, labour policies and the informal economy in the EU and the Western Balkan economies;▪ At least 5 years of experience in quantitative and qualitative data analysis;▪ Excellent knowledge of labour policies and informal employment issues in the EU and the Western Balkan economies;▪ A record of projects and publications in the fields of labour economics and informal economy/informal employment;▪ Excellent communication and report writing skills;▪ Analytical skills and ability to conceptualise and write concisely and clearly;▪ Able to interact with professionals and representatives from the domestic administrations in the South East Europa (SEE) region.
Language requirements:	<ul style="list-style-type: none">▪ Fluency in English, as the official language of the RCC.▪ Knowledge of other languages spoken in the region is desirable.

Core Values

- Demonstrates integrity and fairness by modelling RCC values and ethical standards;
- Displays cultural, gender, religion, race, nationality, and age sensitivity and adaptability.

Core Competencies

- Demonstrates professional competence to meet responsibilities and post requirements and is conscientious and efficient in meeting commitments, observing deadlines and achieving results;
- Result-oriented; plans and produces quality results to meet the set goals, generates innovative and practical solutions to challenging situations;
- Communication: Excellent communication skills, including the ability to convey complex concepts and recommendations clearly;
- Team work: Ability to interact, establish and maintain effective working relations in a culturally diverse team;
- Ability to establish and maintain productive partnerships with regional and national partners and stakeholders.

Quality Control

The expert should ensure internal quality control during the implementing and reporting phase of the assignment. The quality control should ensure that the draft reports comply with the above requirements and meet adequate quality standards before sending them to stakeholders for comments. The quality control should ensure consistency and coherence between findings, conclusions and recommendations. It should also ensure that findings reported are duly substantiated and that conclusions are supported by relevant judgment criteria.

The views expressed in the report will be those of the expert and will not necessarily reflect those of the RCC. Therefore, a standard disclaimer reflecting this will be included in the report. In this regard, the expert may or may not accept comments and/or proposals for changes received during the above consultation process. However, when comments/proposals for changes are not agreed upon by the expert, he/she should clearly explain the reasons for his/her final decision in a comments table.

Quality Control by the Regional Cooperation Council

The expert's outputs shall undergo external reviews by all relevant stakeholders, including representatives of the ESAP 3 Project Team and the RCC.

Application Rules

The application needs to contain the following:

- Technical Offer;
- Financial Offer.

Technical Offer:

The technical offer needs to contain the following

For the companies and consortia of individual consultants;

- Company profile including a brief description (up to 2 pages) of the company. In case of a bidding consortium, the team leader should submit the profile of the consortium;
- Copy of Company's/Institution's Registration Certificate;
- In case of bidding consortia of individual consultants participating in this Call, they must indicate the members and show how the work is divided between them. Specifically, all members must name the team leader and authorise this member to represent the consortium and receive payments on behalf of the other members. A corresponding written authorised power of attorney must be attached to the bid;
- CVs of key members of the project team, outlining relevant knowledge and experience as described in the Terms of Reference, along with contact details of referees;
- Financial records - company's balance sheet and profit-and-loss statement for the past 2 years (only in case of bidding of consulting companies);
- A concept note of up to 5 pages, concisely and clearly elaborating the proposed methodology, timeline, and the research and analytical tools to be used in carrying out the assignment;
- List of references for relevant activities implemented demonstrating relevant experience in the subject matter;
- Signed Statements of Availability (Annex I).

For individual professionals;

- CV(s) outlining relevant knowledge and experience as described in the Terms of Reference, along with contact details of referees;
- A concept note of up to 5 pages, concisely and clearly elaborating the proposed methodology, timeline, and the research and analytical tools to be used in carrying out the assignment;

Financial Offer

- The financial offer should reflect the following:
- All figures should be expressed in EUR;

When preparing the financial offer, the applicant should take into account the following:

- The proposed budget should include a daily fee rate for consulting services, broken down by tasks as outlined below; the fee rates should be broadly consistent with the EU framework rates for these types of professional services for international experts.

Task	Maximum number of person days
1	
2	

3	
4	
Total	

Evaluation and Selection

The application is evaluated on the basis of the profile and competencies of the candidate and the responsiveness to the Terms of Reference (ToR).

1. Profile and Competencies;
2. Concept Note;
3. Financial evaluation;

The best value for money is established by weighing technical quality against price on an 80/20 basis.

Technical Evaluation

EVALUATION GRID	Maximum score
Education	10
Qualifications and Skills Required	50
Brief Concept Note	30
Language Skills	10
TOTAL SCORE	100

In addition to the results of the application, a competency-based interview will be conducted with the selected candidates.

Financial Evaluation

