

## Open Call for Consulting Services

<b>Subject:</b>	Common Regional Market Action Plan 2021–2024 / Free Movement of Capital
<b>Title:</b>	<b>TA to Assess the Financial Landscape in the Western Balkans in Relation to Sustainable Finance Taxonomy Prospects</b>
<b>RCC Department:</b>	Programme Department
<b>Eligible:</b>	Individual consultants/ consulting companies/bidding consortia of individual consultants
<b>Reporting to:</b>	RCC Secretariat
<b>Duration:</b>	March – May 2024
<b>Reference Number:</b>	020-024

### I. BACKGROUND

In November 2020, the leaders of Western Balkans (WB) endorsed the Common Regional Market (CRM) Action Plan (AP) 2021–2024 at the Berlin Process Summit held in Sofia. The CRM Action Plan consists of targeted measures along the four key areas: Regional Trade Area, Regional Investment Area, Regional Digital Area, and Regional Industrial and Innovation Area. One important activity of the CRM AP 2021–2024 is to enhance regional coordination and cooperation on topics relevant to the free movement of capital, with sustainable financing being one such area.

To address the sustainable development challenges facing the region, particularly the green transition goals outlined in the Green Agenda for the Western Balkans, reforms are needed to mobilise finance in this direction. Reorienting capital towards more sustainable investments necessitates a clear understanding of what 'sustainable' means in the first place. The absence of a common definition and classification system is considered as one of the primary obstacles to the development of sustainable finance.

In response, a number of jurisdictions have started to create green (sustainable finance) taxonomies, which are classification systems that define which economic activities and assets are

“green” or environmentally sustainable. The European Union (EU) already adopted a regulation in June 2020, establishing the basic framework for the EU green taxonomy.

In the Western Balkan economies, green taxonomies are yet to be developed.<sup>1</sup> That said, it is of paramount importance to establish a common guiding framework in the Western Balkans that, at least, outlines the guiding principles for taxonomy development and ensures interoperability in the region. The creation of a compatible and interoperable sustainable finance taxonomy framework is crucial to prevent market fragmentation, reduce information asymmetry, lower transaction costs, mitigate the risk of greenwashing, and most importantly, remove hurdles for cross-border capital flows towards low-carbon projects.

To lay the groundwork for this endeavour, the Regional Cooperation Council (RCC) intends to conduct an assessment of the financial landscape in the Western Balkan economies examining the prospects for sustainable finance taxonomy.

## **DESCRIPTION OF RESPONSIBILITIES**

### **Objective of the assignment**

The objective of this Technical Assistance is to conduct a comprehensive assessment of the financial landscape in the Western Balkan economies, focusing on better understanding the current approaches of financial institutions for categorising green and sustainable activities (if engaged in green financing), evaluating their alignment with one another (both between and within economies), and determining the extent of compliance with the EU Taxonomy Regulation and other similar international practices. This is expected to feed into efforts to develop a common framework in the Western Balkans that, at a minimum, delineates the guiding principles for sustainable finance taxonomy development and guarantees interoperability, thereby guaranteeing alignment with the EU and the global sustainable finance landscape.

### **Specific Tasks**

This assignment should focus on the following specific tasks:

- Review the regulatory framework, including central bank regulations related to green finance, as well as available literature and materials such as reports, analyses, and other documents related to sustainable financing taxonomy.
- Conduct interviews with the Ministries of Finance and Central Banks of the Western Balkan economies to gain insights into the frameworks currently implemented to distinguish green and sustainable activities within the context of sustainable finance.
- Perform in-depth interviews (based on guiding questions prepared in advanced) with a minimum of three financial institutions in each Western Balkan economy, encompassing

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<sup>1</sup> <https://blogs.worldbank.org/europeandcentralasia/how-can-western-balkans-boost-green-finance>

commercial banks, microfinance institutions, and other similar financial entities, to acquire a comprehensive insight into their existing methods for categorising green and sustainable activities in their financing operations.

- Assess consistency of approaches employed by financial institutions for classifying green and sustainable activities within and across economies, and ascertain the level of adherence to the EU Taxonomy Regulation and comparable international standards.
- Propose viable options for developing a common guiding framework on sustainable finance taxonomy in the Western Balkans, ensuring full compliance with the EU taxonomy regulation and other relevant frameworks.

## **Methodology**

The consultant/consultants is/are expected to suggest the most suitable methodology for successful completion of the assignment. This may include, but is not limited to, a mix of online and onsite activities. Note that a clear methodological overview should be an integral part of the concept note.

## **II. LOGISTICS AND TIMING**

### **Timeline**

The engagement is expected to start in **March 2024** and end on 31 **May 2024**. The selected bidder should submit a Gantt chart with a clear overview of planned activities.

### **Lines of Communication**

- The task will be implemented in close consultation with the RCC Secretariat.
- The contracted bidder will report to the **Senior Expert on Competitiveness**.
- As appropriate, meetings with RCC experts will be organised to agree on expectations and deliverables.

## **III. REQUIRED OUTPUTS / REPORTING**

The following deliverables will be produced and transferred to the RCC Secretariat during the course of the assignment, as per the timeframe specified below:

	<b>Deliverables</b>	<b>Due date</b>
1.	Detailed Methodology and Work Plan submitted and agreed with the RCC	<b>28 March 2024</b>
2.	Draft report compiled with findings from interviews and desk research	<b>20 May 2024</b>
3.	Final report with detailed findings and recommendations delivered, incorporating feedback from RCC and other stakeholders	<b>31 May 2024</b>

#### **IV. REQUIREMENTS**

<b>Education:</b>	<ul style="list-style-type: none"> <li>▪ An advanced university degree (Master's Degree or equivalent) in economics, business, finance, environment or other field of relevance for the assignment.</li> </ul>
<b>Experience:</b>	<ul style="list-style-type: none"> <li>▪ Minimum of 5 years of relevant experience in financial markets/services or other related policies;</li> <li>▪ Proven analytical skills and ability to conceptualise and write concisely and clearly, preferably evidenced by a list of published reports/papers in English;</li> <li>▪ Proven communication and presentation skills and ability to work in an environment requiring liaison and collaboration with multiple actors including government representatives, international organisations' representatives, business community, civil society institutions, donors and other stakeholders;</li> <li>▪ Advanced computer skills (MS Office and internet software).</li> </ul>
<b>Language requirements:</b>	<ul style="list-style-type: none"> <li>▪ Fluency in written and spoken English, as the official language of the RCC;</li> <li>▪ Knowledge of other RCC languages is an advantage.</li> </ul>

#### **Core Values**

- Demonstrates integrity and fairness by modelling RCC values and ethical standards;

- He/she is independent and free from conflicts of interest in the responsibilities defined by the Terms of Reference;
- 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.

The consultant should ensure an internal quality control during the implementing and reporting phase of the assignment. The quality control should ensure that the draft reports and deliverables 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 contractor and will not necessarily reflect those of the Regional Cooperation Council. Therefore, a standard disclaimer reflecting this will be included in the reports. In this regard, the consultant 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 by the consultant, he/she should clearly explain the reasons for his/her final decision in a comments table.

## **V. APPLICATION RULES**

The application needs to contain the following:

- Technical Offer;
- Financial Offer.

### **Technical Offer**

#### **For individual consultants:**

- CV of an expert, outlining relevant knowledge and experience as described in the Terms of References, along with contact details of referees;
- An outline work programme of a maximum of 5 pages describing the main issues, sources of information to be used, timeline and methodology. The work programme should include the initial outline of the content of the assessment;
- List of references for relevant activities implemented over the past years demonstrating relevant experience in the subject matter;

**For 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 Registration Certificate (in case of consulting companies);
- 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 authorisation, power of attorney must be attached to the bid;
- Financial records - company's balance sheet and profit-and-loss statement for the past 2 years (only in case of a bidding of consulting companies);
- CV of an expert(s), outlining relevant knowledge and experience as described in the Terms of References, along with contact details of referees;
- An outline work programme of a maximum of 5 pages describing the main issues, sources of information to be used, timeline and methodology. The work programme should include the initial outline of the content of the assessment;
- List of references for relevant activities implemented over the past years demonstrating relevant experience in the subject matter;
- Signed Statements of Availability (Annex I).

**Financial Offer**

The financial offer should reflect the following:

- All figures should be expressed in EUR.

**NOTE:**

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

- Use a free format for the Budget providing the Global Price for the work to be provided.

- **[Maximum budget should not exceed EUR 15,000]**

- The fee rates should be broadly consistent with those applicable in the region.

**Submission of applications:**

**Applications need to be submitted by 21 March 2024, by 17:00 Central European Time.**

**VI. EVALUATION RULES:**

- The consultancy will be awarded to the highest qualified bidder based on the relevance of skills and expertise to this assignment;
- The applications are evaluated following these criteria:

<b>EVALUATION GRID</b>	<b>Maximum score</b>
<b>A. Technical Offer (A.1+A.2+A.3)</b>	<b>100</b>
<b>A.1. Work experience, references list:</b> Relevant work experience; evidence of other contracts of the size comparable with that of the tender; experience with clients comparable to the Contracting Authority.	35
<b>A.2. Quality and professional capacity of the consultant(s):</b> CV(s) satisfy the criteria set forth in the Terms of Reference, education and experience demonstrate professional capacity and experience required.	35
<b>A.3 Quality of the concept note:</b> An outline of work programme describing the main issues, information, data sources, research and analytical tools to be employed by the author, as well as the timeline.	30
<b>B. Financial Offer/ lowest price has maximum score</b>	<b>100</b>

**Score for offer X =**

**A: [Total quality score (out of 100) of offer X / 100] \* 80**

**B: [Lowest price / price of offer X] \* 20**

**In addition to the results of the technical and financial evaluation, a competency-based interview will be held with the selected bidder.**

**Information on selection of the most favourable bidder**

The RCC Secretariat shall inform candidates and bidders of decisions reached concerning the award of the contract as soon as possible, including the grounds for any decision not to award a contract for which there has been competitive tendering or to recommence the procedure.

Standard letter of thanks for participation to unsuccessful bidders shall be sent within 15 days after the contract is signed with the awarded bidder.

The candidates and bidders wishing to receive a feedback may send a request within 15 days after receipt of the standard letter of thanks.

The request may be sent to the e-mail address [ProcurementforRcc@rcc.int](mailto:ProcurementforRcc@rcc.int) or to the address of the RCC Secretariat:

Regional Cooperation Council Secretariat  
Attention to: Administration Department  
Building of the Friendship between Greece and Bosnia and Herzegovina  
Trg Bosne i Hercegovine 1/V  
71000 Sarajevo  
Bosnia and Herzegovina

**Appeals procedure**

Bidders believing that they have been harmed by an error or irregularity during the award process may petition the RCC Secretariat directly. The RCC Secretariat must reply within 15 days of receipt of the complaint.

The appeal request may be sent to the e-mail address [ProcurementforRcc@rcc.int](mailto:ProcurementforRcc@rcc.int) or to the address of the RCC Secretariat:

Regional Cooperation Council Secretariat  
Attention to: Administration Department  
Building of the Friendship between Greece and Bosnia and Herzegovina  
Trg Bosne i Hercegovine 1/V  
71000 Sarajevo  
Bosnia and Herzegovina



## ANNEX I: STATEMENT OF AVAILABILITY

REF: 020-024

By representing the Entity\_\_\_\_\_ we agree to participate in the above-mentioned tender procedure. We further declare that we are able and willing to work for the period(s) foreseen for the position for which our CVs have been included in the event that this tender is successful, namely:

Full Name	Available from (Date)	Available until (Date)	Acceptance by signature