ANNEX II: TERMS OF REFERENCE

1. BACKGROUND INFORMATION

1.1. Partner country

Serbia

1.2. Contracting authority

Roma Entrepreneurship Development Initiative Serbia (REDI Serbia)

1.3. Country background

Serbia is a non-EU country undergoing economic transformation, yet significant disparities remain, particularly affecting marginalized communities like the Roma.

High unemployment and underemployment: Despite having the desire to work, Roma individuals often find themselves excluded from mainstream employment measures. Even those meeting job criteria encounter difficulties accessing job opportunities due to discrimination or a lack of support structures. Poverty and financial exclusion: Many Roma-owned businesses operate informally, lack access to capital, or possess insufficient financial literacy. A REDI survey conducted during COVID-19 revealed that 70% of Roma businesses in Serbia had reserves for less than a month, and half could not repay loans if the crisis extended beyond a month. Limited access to business development services: Previous initiatives highlighted that providing only capital or guarantees was not sufficient. Sustainable change requires an integrated model combining access to finance, technical assistance, and advocacy.

Bosnia and Herzegovina (B&H) is a country of approximately 3.2 million people in the Western Balkans, still navigating complex post-conflict state structures established by the 1995 Dayton Agreement. The country consists of two entities—the Federation of Bosnia and Herzegovina and Republika Srpska—plus the Brčko District, creating fragmented governance that complicates policy implementation. BiH received EU candidate status in 2022 but remains at an early stage of the accession process. The economy is characterised by high unemployment (around 32% officially, though actual rates vary significantly by entity and methodology), substantial emigration of working-age population, and a large informal sector estimated at 25-30% of GDP. GDP per capita sits around €6,500, among the lowest in the Western Balkans. The labour market suffers from skills mismatches, with vocational education disconnected from employer needs and a growing brain drain as young people seek opportunities abroad. Economic activity concentrates in urban centres—Sarajevo, Banja Luka, Tuzla, Mostar—while rural and peri-urban areas where Roma settlements cluster face limited investment and job creation. The social protection system provides minimal safety nets, with unemployment benefits reaching only 15% of the unemployed and lasting typically six months. This drives informal work as a survival strategy rather than a choice.

Roma and Egyptian Communities in Bosnia and Herzegovina

B&H's Roma population numbers between 40,000-60,000 according to official estimates, though Roma organisations claim the actual figure exceeds 80,000. Census undercounting stems from stigma, fear of discrimination, and practical barriers to registration. Communities concentrate in urban peripheries and specific municipalities including Tuzla, Bihać, Bijeljina, Brčko, and greater Sarajevo, often in informal settlements or collective centres originally intended as temporary post-war housing. Employment rates among Roma range from 12-16%, comparable to the regional average but far below BiH's national rate of 42%. The vast majority of working Roma engage in informal activities: scrap metal collection, seasonal agricultural labour, construction work paid in cash, or street vending. Less than 5% hold formal employment contracts with social insurance coverage. Public sector employment of Roma is virtually non-existent outside occasional project-based positions. Roma women face compounded exclusion, with employment rates estimated at 6-8%. Traditional gender norms confining women to domestic roles intersect with external discrimination and lack of childcare infrastructure. Early marriage remains common, with many girls leaving school by age 15-16. Women's economic activity centres on household-based informal work—textile production, food preparation, domestic labour—that generates minimal income and no social protection. Educational outcomes remain catastrophically low. Primary school completion rates for Roma hover around 30%, compared to 95%

nationally. Secondary school attendance drops to single digits. Adult literacy is estimated at 50-55%, with significant gender gaps. This educational deficit excludes Roma from formal labour markets requiring even basic credentials and perpetuates intergenerational poverty cycles. Roma entrepreneurship exists almost entirely in the grey economy. Businesses operate without registration, tax numbers, or business bank accounts. Activities include small-scale trade, vehicle repair, waste collection, seasonal produce sales, and construction services. The COVID-19 pandemic devastated these micro-enterprises: your finding that 70% of Roma businesses in Serbia had reserves for less than a month applies equally in B&H, where economic buffers were non-existent. Many businesses collapsed permanently during lockdowns, with owners unable to access government support programs requiring formal registration. Housing conditions compound economic exclusion. Many Roma live in settlements without legal tenure, adequate water and sanitation, or electricity connections. Some remain in collective centres 30 years after the war, their temporary status preventing permanent address registration needed for business licensing, employment agency enrollment, or bank accounts. Evictions and demolitions of informal settlements create additional instability. Discrimination pervades every aspect of economic life. Roma report being turned away from jobs despite qualifications, refused service by banks, and encountering hostile bureaucracy when attempting business registration. Employers express reluctance to hire Roma based on stereotypes. Financial institutions automatically reject Roma applicants or demand collateral worth multiples of the requested loan amounts.

1.4. Current situation in the sector

Since 2007, the European Commission, alongside the Council of Europe Development Bank (CEB) and other public social investors, have embraced the notion of enhancing the economic empowerment of vulnerable communities. Recognizing the importance of facilitating access to risk finance as a crucial factor in fostering growth within such communities, European institutions in partnership with civil society organizations, have also been working to build partnerships with traditional financial institutions and government agencies to increase the availability of capital for underserved populations. In line with this goal and its own mission, with the first phase of the project EU Support to REDI: Advancing Roma Entrepreneurs in the Western Balkans, REDI has focused its efforts on enabling Roma entrepreneurs in the region to access the necessary financial resources and support them grow their businesses, through training, mentorship, and connections to financial institutions. These efforts are centred on key reform packages that align with the policy areas and targets of the EU Roma Strategic Framework for Equality, Inclusion and Participation 2020 - 2030 and major EU reform and investment plans, such as the Economic and Investment Plan for the Western Balkans (2021-2027), the New Growth Plan for the Western Balkans and the Green and Digital agendas. The efforts are also in line with the 2019 Declaration of Western Balkans Partners on Roma Integration within the EU Enlargement Process (also known as the Poznan Declaration), which set specific targets to increase the employment rate among Roma to at least 25 per cent and increase the employment rate of Roma in the public sector. Ministerial meetings following the Poznan Declaration underscored the importance of actively supporting Roma integration into formal economies and ensuring their inclusion in digital and green transformations. Employability constraints are the primary barriers faced by the Roma community. In addition to low educational attainment, they often lack access to vocational skills, on-the-job training, entrepreneurship programs, and microfinance schemes. Limited access to labor market information and networks, particularly in Roma settlements, hinders job matching. Restrictive labor laws limited flexible work options, and high labor taxes for low-wage and part-time workers also impact employability. Roma women face additional challenges due to negative labor market attitudes, despite similar job aspirations to men. Low availability of affordable childcare in the Western Balkans limits female labor participation, and social norms confining women to household roles further restrict their educational and employment opportunities. Employment rates among Roma in Western Balkans are alarmingly low, from 13 percent in Kosovo* to 22 percent in North Macedonia, far below those of non-Roma neighbours and national averages, and much lower than the EU28 average of 67.6 percent. These figures highlight the critical need to focus on integrating Roma into the labor market. According to the 2017 Regional Roma Survey, Roma face challenges with a low employment rate of 16.5% overall and 7.33% for women. The Covid-19 pandemic exacerbated their situation, worsened by inflation and energy crises, limiting economic opportunities. Roma are also underrepresented in the public sector. Traditional employment measures like public works and internships have shown limited success. In recent years, there has been a growing emphasis on sustainability and the transition towards a green and digital economy. However, there remains a critical need to ensure the inclusion of marginalized communities such as the Roma in this transition and that relevant socio-economic policies recognise specifically the challenges faced by Roma and ensure that Roma benefit from such policies. Effective green and digital transition policies and strategies have the potential to generate 700,000 new jobs in the EU by 2030 and unlock economic opportunities worth 4.5 trillion dollars. Furthermore, they could contribute significantly to reducing global greenhouse gas emissions by 40%.3 Involving Roma communities in these transitions not only addresses economic disparities but also empowers them to actively engage in and benefit from sustainable, environmentally friendly economic activities.

B&H's fragmented governance produces inconsistent Roma inclusion policies. Each entity maintains separate employment agencies, social protection systems, and business registration procedures. The state-level Roma Action Plan 2021-2025 sets targets aligned with the EU Roma Strategic Framework, but implementation depends on entity and cantonal authorities with varying commitment and capacity. The Federation Employment Agency and Republika Srpska Employment Bureau run active labour market programs—public works, internships, training vouchers, and self-employment grants—but Roma participation remains marginal. Public works programs, which employ workers for 3-6 months in municipal maintenance, attract some Roma participants but provide no pathway to permanent employment or skill development. Self-employment grants (typically €3,000-€5,000) reach fewer than 10 Roma annually across the entire country. Application requirements create insurmountable barriers: business plans in standardized formats, market analysis, financial projections, and supporting documentation. Low literacy and lack of business education mean most Roma can't complete applications without assistance that isn't systematically available. Success rates for Roma applicants who do apply are under 5%. Microfinance institutions operate throughout BiH, including Partner MFI, MI-BOSPO, and Prizma, serving micro and small enterprises. However, their products don't reach Roma communities. Standard lending requires collateral (property titles, vehicle ownership, guarantors with stable employment), credit history, and documented income—all of which informal Roma entrepreneurs lack. Interest rates of 15-22% make loans unaffordable for businesses with irregular cash flow and thin margins. The green and digital transitions create both risks and opportunities for Roma communities. B&H's commitments under the Energy Community Treaty and aspirations toward EU Green Deal alignment will drive demand for energy efficiency retrofitting, renewable energy installation, and circular economy services. These sectors could absorb Roma workers with appropriate skills training. However, without intentional inclusion measures, the transition risks further marginalizing communities dependent on informal, carbon-intensive activities like coal and wood collection.

The Poznan Declaration's employment targets require B&H to increase Roma employment from current levels around 15% to 25%—a 67% increase within five years. Achieving this through traditional active labour market measures has proven ineffective. The shift must move toward recognizing and supporting existing Roma entrepreneurship, providing pathways from informal to formal economy participation, and creating finance products that match Roma business realities rather than expecting Roma to conform to mainstream banking requirements.

1.5. Related programmes and other donor activities

The "EU Support to REDI Phase II: Advancing Roma Entrepreneurs in the Western Balkans and Türkiye" project aligns with the Council of Europe's Roma Integration III initiative, creating valuable synergies that enhance the impact of both actions.

The Council of Europe's Roma Integration III program focuses on improving socio-economic conditions for Roma communities by supporting national governments in implementing effective inclusion policies. A key component of this initiative is to advocate for measures related to employment and green and digital skills, which complements REDI's mission to strengthen Roma entrepreneurship and financial inclusion.

The synergy between the two initiatives is in the following areas:

● Policy Alignment & Advocacy – Both programs work towards enhancing Roma access to employment and self-employment opportunities. REDI leverages insights from Roma Integration III's policy recommendations to advocate for stronger financial inclusion policies and institutional support for Roma entrepreneurs, and contributes to the Council of Europe's program by providing valuable insights from the field.

● Institutional Cooperation – REDI's collaboration with government ministries, employment agencies, and financial institutions aligns with Roma Integration III's efforts to improve public policy implementation in the Western Balkans. Joint participation at high level events help integrate Roma-specific business support measures into broader economic development strategies.

● Regional Impact & Knowledge Sharing – REDI and CoE Roma Integration III have opportunities to exchange best practices and research findings, particularly in areas related to Roma financial inclusion, entrepreneurship, and business networking.

By leveraging these synergies, REDI ensures that its activities complement broader Roma inclusion strategies, leading to more coordinated and sustainable economic empowerment efforts across the Western Balkans and Türkiye.

2. OBJECTIVES & EXPECTED OUTPUTS

2.1. Overall objective

The overall objective (Impact) to which this action contributes is :

General relevance

The primary goal of the Advancing Roma Entrepreneurs in the Western Balkans and Türkiye project is to deliver comprehensive, direct support to at least 3,000 Roma entrepreneurs and unemployed individuals across the Western Balkans and Türkiye. Within the project, REDI Regional Business Centers aim to empower Roma entrepreneurs and job seekers by providing essential resources, customized mentorship support, networking opportunities, and pathways to employment.

The REDI Business Centers are designed to serve as one-stop resource hubs that provide direct, hands-on support that will promote the growth, formalization, and sustainability of Roma businesses, ultimately enhancing the economic inclusion of Roma communities. Additionally, the centers will offer targeted training programs and Facilitator guidance to help unemployed Roma start and sustain their businesses.

2.2. Specific objective(s)

Objective of the Contract

The objective of this contract is to support REDI Serbia and provide a detailed grant application evaluation. Moreover, the Evaluator will be in charge of assessing and grading grant applications received from Roma entrepreneurs in order to create a transparent and righteous process of score development and grant disbursement provided by REDI Serbia.

More specifically, the Evaluator will take the following actions to strengthen REDI's capacity and evaluation process of the grant disbursements in Serbia, Montenegro and Bosnia and Herzegovina:

● Conduct a rigorous and standardized assessment of granting documentation against predefined evaluation criteria;

● Provide scored, evidence-based evaluations with written justifications for each criterion;

● Ensure the integrity and credibility of the grant selection process;

● Contribute to the transparent and accountable use of EU funds in accordance with ePRAG 2021.1 and REDI's Granting Methodology;

● Support the identification of proposals with the greatest potential for Roma economic empowerment, formalization and job creation.

2.3. Expected outputs to be achieved by the contractor

The expected outputs of this contract are as follows:

Outcome 1: Final List of Selected Grant Beneficiaries Development

- Output 1 to Outcome 1: Completed Administrative Eligibility Checklist for each assigned application
- Output 2 to Outcome 1: Completed Evaluation Grid with scores and narrative justifications for each criterion, per application
- Output 3 to Outcome 1: Participation in joint assessment/reconciliation sessions with written outcomes
- Output 4 to Outcome 1: Consolidated Evaluation Report with all scored applications ranked by total score

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project

- A sufficient number of eligible applications is received within the deadline;
- Applications are submitted in a complete and assessable form;
- All relevant stakeholders are fully familiar with the Grant Methodology and Disbursement Rules and Guidelines
- Evaluators remain available and impartial throughout the evaluation period.

3.2. Risks

Risk	Likelihood	Impact	Mitigation Strategy
Low Application Volume	Low	High	Combine in-person outreach with prior social media outreach strategy developed and implemented; Ongoing marketing ad activities during the application phase;
Delays in the application process (grantees)	Medium	Medium	Provide clear step-by-step guidelines on Grant application documents and program deadlines and rules.
High Application volume	Low	Medium	Rescheduling the evaluation process.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Description of the assignment

Applications are assessed through a structured three-layer process. External Evaluators operate at Layer 1 (Administrative and Technical Evaluation). Layers 2 (Strategic Assessment & Preliminary Approval — Project Management Committee) and 3 (Final Approval — Board of Directors) are the responsibility of REDI's governance bodies.

The evaluation performed by the Grant Evaluator (subject to the Contract) is organized within two separate cycles, covering an estimated total of approximately 100–200 applications across all cycles. Evaluators are expected to remain available for both cycles, the first cycle (September 2026), and the second cycle (November–December 2026, tentatively).

4.1.2. Geographical area to be covered

The Contractor is expected to evaluate and analyses Grant Proposals received from beneficiaries from Serbia, Montenegro, Bosnia and Herzegovina, but the Contractor will work in Serbia and is not expected to travel to Montenegro and Bosnia and Herzegovina

4.1.3. Target groups

- Roma and Egyptians
- Roma and Egyptians entrepreneurs
- Roma and Egyptians start up businesses / early stage
- Roma and Egyptians women, and
- Roma and Egyptians youth

4.2. Specific work

The Grant Evaluator (Contractor) is expected to implement the end-to-end evaluation process of REDI's grant disbursement program. The list of specific work is listed below:

- Administrative eligibility check: verify completeness and conformity of each application with the submission requirements; flag applications failing administrative criteria for rejection with documented reasons;
- Independent technical and financial evaluation: assess each eligible application against the five evaluation criteria using the standardized Evaluation Grid, with narrative justification for each criterion;
- Scoring and ranking: score each application out of 100 points and produce a ranked list;
- Discrepancy resolution: where two evaluators' scores diverge by more than 30%, participate in a reconciliation session; if discrepancy persists, a third evaluator is appointed and the final score is the average of the third evaluator's score and the nearest of the first two;
- Participation in assessment sessions: attend the reconciliation session with the co-evaluator and, where required, a session with the Selection Committee;
- Completion of evaluation forms with full written justification for each score;
- Confidential reporting: submit all completed evaluation forms and a consolidated summary ranking report within the agreed timelines.

The Contractor should initiate discussions when appropriate to foster collaboration with the Contracting Authority.

Evaluation methodology

Each application is assessed independently by two evaluators without prior discussion. If the score difference is 30% or less, the final score is the arithmetic average; if it exceeds 30%, a joint reconciliation session is held and, failing agreement, a third evaluator is appointed. Technical scoring commences only after administrative eligibility has been confirmed.

Evaluation criteria applied to Granting Documentation (out of 100 points)

Criterion	Points	Assessment focus
1. Impact on economic inclusion of the Roma Community **(max 20 points)**	Business owned/led by a Roma woman: **10 pts**	Level of Roma ownership; contribution to Roma employment/empowerment; credibility of evidence. Leadership/participation of Roma women and/or youth (18–35); job creation for Roma women and youth.
	Business owned/led by Roma youth (18–35): **10 pts**	
2. Feasibility & readiness to formalize **(max 80 points)**	The type of business is fully and clearly described): **5pts**	Realism and coherence of the business model; clarity of the implementation plan; achievability within 12 months; adequacy of budget. Long-term viability; potential for formalization; continuity of income after the grant period. Credible co-financing plan or matching resources; readiness for external investment or reinvestment.
	Activity code indicated: **5pts**	
	Business history (or idea) clearly described: **5pts**	
	Biography and relevant experience clearly described: **5pts**	
	Customer groups and areas of operation clearly stated and described: **5pts**	
	The method of promoting the product/service is described: **5pts**	
	Competitive advantage of the product/service stated: **5pts**	
	Business objectives for 12 months stated in detail: **5pts**	
	The way in which the grant will help achieve the goals is described in detail: **5 pts**	
	New product, service, or innovation to be introduced is described: **5pts**	
	Strategy for business growth and sustainability is described: **10pts**	
	Equipment to be purchased with prices is optimal for sufficiently developing the business: **5pts**	
	Realistically assessed and accurately calculated business plan:**15 pts**	
TOTAL	**100**	

Priority consideration applies to Roma women-led proposals, Roma youth (18–35) initiatives, and informal businesses committed to formalization. Applications failing minimum administrative eligibility will not proceed to technical scoring.

4.3. Project management

4.3.1. Responsible body

Roma Entrepreneurship Development Initiative Serbia (REDI Serbia)

4.3.2. Management structure

The Contractor will report to the Regional Business Center Coordinator.

Regional Business Center Coordinator and REDI Serbia staff will support the Contractor in the technical part of the contract activity implementation (databases, Excel preferences, CRM database and CRM usage if needed and if CRM is applicable, etc.), but also with the company policy and rules introduction, which are aligned with the EU regulations.

The Contractor is expected to provide reports on the delivery of services as stated in the Instructions to Tenderers and this document. The Contractor is also expected to provide feedback and recommendations for improving the granting and beneficiary outreach outcomes, as well as facilitation outputs and financing alternatives.

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

N/A

5. LOGISTICS AND TIMING

5.1. Location

- The Contractor is expected to evaluate and analyses grant Proposals received from beneficiaries from Serbia, Montenegro, Bosnia and Herzegovina, but the Contractor will work in Serbia and is not expected to travel to Montenegro and Bosnia and Herzegovina

5.2. Start date & period of implementation of tasks

The intended start date is 31/08/2026, and the period of implementation of the contract will be from this date until end of August 2027. 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 organizations based in the country, shall only be approved to work as Grant Evaluators if well justified. The justification should be submitted with the tender and shall include information on the added value the Grant Evaluators will bring as well as proof that the Grant Evaluators is seconded or on personal leave.

6.1.1. Key Experts

The qualifications and experience of the expert must match the following profile. The criteria below are those against which the expert's profile is assessed (and against which the Key Experts form, Annex IV, is completed).

Mandatory requirements

- University degree (minimum Bachelor's) in Business Administration, Economics, Finance, Development Studies, Social Sciences, Law, or a closely related field;

- Minimum five (5) years of relevant professional experience in business development, entrepreneurship support, SME financing, or project evaluation;
- Demonstrated experience evaluating business plans, grant applications, or project proposals;
- Fluency in Serbian and working proficiency in English, Montenegrin and Bosnian (written and spoken);
- Resident in, or with demonstrable knowledge of, the Serbian socio-economic context;
- Not in any of the exclusion situations listed in ePRAG 2021.1, Section 2.6.10.1;
- No conflict of interest with REDI Serbia, its partners, or any applicant under this Tender Call IPA III/2024/457-197/SRB-014.

Desirable requirements

- Experience working with Roma or other marginalized communities; experience with IPA-funded programs or EU external action grant schemes; knowledge of business formalization processes in Serbia; gender-sensitive and social inclusion analysis; familiarity with green economy and digitalization

6.1.2. Other Experts, support staff & backstopping

N/A

6.2. Office accommodation

The expert will use their own working facilities and perform the assignment remotely. REDI Serbia will provide access to the application files and evaluation forms. In exceptional cases, REDI Serbia may make its premises available for joint evaluation sessions.

6.3. Facilities to be provided by the contractor

The expert provides their own equipment necessary to perform the evaluation.

6.4. 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.

7. REPORTS

7.1. Reporting requirements

The contractor will submit the following reports in Serbian and English in one original and one copy (s):

- a completed Administrative Eligibility Checklist per application;
- a completed Evaluation Grid with scored, justified assessment per application;
- written outcomes of participation in reconciliation/Selection Committee sessions;
- a Consolidated Evaluation Report ranking all scored applications.

7.2. Submission and approval of reports

The report referred to above must be submitted to the REDI Serbia Regional Business Center Coordinator identified in the contract. The project manager and REDI Serbia Regional Business Center Coordinator will be responsible for approving the reports.

8. MONITORING AND EVALUATION

8.1. Definition of indicators

Total target KPI Group per contract

- Development of a score method and technical list
- Candidate selection implemented in accordance with REDI rules and guidelines
- Interim and Final reports submitted on time

Output 1 to Outcome 1: Completed Administrative Eligibility Checklist for each assigned application

Indicator: 100% of applications evaluated through the previously developed eligibility checklist

Output 2 to Outcome 1: Completed Evaluation Grid with scores and narrative justifications for each criterion, per application

Indicator: 100% of applications administered through the Evaluation Grid and one narrative justification developed and presented for each application (per relevant criterion)

Output 3 to Outcome 1: Participation in joint assessment/reconciliation sessions with written outcomes

Indicator: Participated in all mandatory evaluation sessions and developed written conclusions and outcomes afterwards

Output 4 to Outcome 1: Consolidated Evaluation Report with all scored applications ranked by total score

Indicator: 100% of beneficiaries who applied for the granting process were evaluated and successfully entered into the Final Consolidated Evaluation Report in accordance with the granting methodology and mandatory rules developed by REDI

8.2. Special requirements

Any discriminatory behavior, regardless of severity or context, will not be tolerated and will result in predetermined consequences, such as disciplinary action, suspension, or termination of this Contract.