

TERMS OF REFERENCE
FOR
INTERNATIONAL CONSULTANTS' COMPANY FOR REVISION OF THE LIST OF
HAZARDOUS OCCUPATIONS ELIGIBLE FOR EARLY RETIREMENT WITH
EXTENDED SERVICE PERIOD (ESP)

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TERMS OF REFERENCE AND SCOPE OF SERVICES

International Consultants' company for Revision of the list of hazardous occupations eligible for early retirement with extended service period (ESP)

I. Consultancy Services Required

The Government of the Republic of North Macedonia has received a Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Insurance Administration Project (SIAP).

The Ministry of Labour and Social Policy (MLSP) is seeking the services of an International Consultancy Company (Consultant) to support implementation of the third subcomponent of the Component 2: Strengthening the regulatory framework for persons with disabilities and for hazardous occupations.

The Consultant is required to provide a team of experts with specific experience in occupational safety and health, ergonomics, labor protection and social insurance (pension) regulations.

II. Background

The SIAP development objective is to improve the quality of services in administering social insurance and strengthen the regulatory framework for people with disabilities and hazardous occupations. The Social Insurance Administration Project will support the Government of North Macedonia (GoNM) to address challenges that affect the functioning of the social insurance system and social protection of persons with disabilities.

The project will support the establishment of the Central Registry of Socially Insured Individuals (SURS) and the modernization of the pension administration, will contribute to the establishment of the Central Disability Certification Coordination Unit (CDCCU) and will assist in the revision of the list of hazardous occupations eligible for early retirement with extended service period and its reform options.

The overall SIAP project will be organized into two main components, with a third component related to project management.

- Component 1. Improving the quality of the social insurance administration services
- Component 2. Strengthen the regulatory framework for people with disabilities and for hazardous occupations
- Component 3. Project Management

III. Specific Background Information

In North Macedonia there are special pensions provisions granted to insured people who work under exceptionally difficult and dangerous working conditions representing a health hazard, and to insured people employed in positions in which, upon reaching a certain age or through reduced functioning, they cannot continue to successfully perform their profession.

Early retirement with an extended service period (ESP) (also known in Macedonian language as ‘beneficiran staz’) provisions are stipulated by the Law on Pension and Disability Insurance and Special Rulebook issued by the Minister of Labour and Social Policy (Official Gazette of RM, No. 32/2011) identifies eligible jobs for early retirement with ESP from different industries. For some categories of insured persons such as employees in the defense, home affairs, penitentiary institutions and other correctional facilities ESP is under the law on pension and disability insurance and other legal laws, as, Law on Service in the Army of the Republic of North Macedonia, Law on Firefighting, Law on Execution of Sanctions.

According the Rulebook workers in hazardous jobs include those doing the following: • Jobs where significant negative consequences for people's health and capacity for work could be expected – even with all reasonable general and special protective measures taken, as specified by law, along with measures aimed at eliminating and reducing harmful effects; • Jobs that involve performing activities under exceptionally difficult and dangerous working conditions in immediate proximity to the source(s) of such harmful effects; • Jobs in which the ability to perform certain professional activities is limited either by reaching a certain age or by a decline in physiological functioning resulting from the nature and complexity of the work concerned.

North Macedonia has already tightened the possibilities for general early retirement, and the Rulebook that identifies eligible jobs for early retirement with ESP was issued by the Minister of Labor and Social Policy in 2011. The list of insured individuals eligible to retire early with an extended service period (ESP) for hazardous and arduous occupations has not been revised nor updated regularly. There are approximately 2,000 work positions registered under the ESP, which count toward early retirement. In North Macedonia, there are approximately 25,000 insured individuals eligible for an ESP.

Most of the ESP work positions with 12/14 degree (each 12 months of work counts as 14 months) are in the construction industry, building materials, emergency medical assistance and long-term care institutions, communal activities, organic chemical industry, traffic (railway traffic and city traffic), textile industry, thermal power plants, smelters, mines, ferroalloys and some employees in the customs. Contributors in 12/15 group are employed in mines, iron works, communal activities, smelters, customs, textile industry, emergency medical institutions, and small number in air traffic. Other three groups 12/16, 12/17 and 12/18 include air traffic controllers, thermo-electrical plants, ferroalloys and customs. The 12/17 group consists only from the ESP contributors that work in mines. Group 12/18 includes singers, dancers, pilots, divers, and again miners. Occupations in the ministries of interior and defense (military, police, firefighters, and security agencies’ personnel) are eligible largely for 12/15 and 12/16 ESP level.

The overall share of insured individuals eligible for an ESP stands at 4.5 percent, of which 2.7 percent is military and police and 1.8 percent all other occupations eligible for an ESP.

Following the EU countries' experience, the share of all workers eligible for early retirement should be limited to less than 2 percent of the total insured.

In this regards ESP should be reviewed, optimized and narrowed to people performing duties which require high physical exposure and health risk.

IV.Objectives of Assignment and Scope of Work

The objective of this consultancy engagement is to revise the ESP list, reassess the risk hazards for each of the workplaces, limit the early retirement option only to the work conditions with high health hazards and potentially irreversible acute health consequences, and establish an early retirement system that would incentivize longer activity in the labor market. The main activity of this assignment would be to engage a team of ergonomic, medical, and other experts to revise all workplaces and work conditions in North Macedonia with currently declared health hazards.

The revision of the list of the hazardous occupations in line with their risk levels will increase the contribution period and prolong the activity of workers in jobs not classified as hazardous and not requiring early retirement. Society will continue to benefit from their activity and contributions to social insurance systems. The overall objective of this subcomponent will be to increase their participation in the labor market.

The Consultant's main tasks shall include (but not be limited to):

- Comparative analysis from other countries lists of hazardous occupations/jobs eligible for early retirement and criteria for risks determination (with special reference to ex- Yugoslavia countries and best EU practice) including the overview of the current list of hazardous occupations eligible for early retirement in North Macedonia
- Develop the rulebook (guidelines) on the procedure for assessment of hazardous occupation for early retirement in order to identify all hazards related to work activities and retirement degree
- Analysis of each potential hazardous jobs by observing at the field (identifying and quantifying risk factors, including external and intrinsic, and their impacts on the jobholders), interviewing workers and other stakeholders and record all necessary information (example- job name and location, each step of the job and its hazard, working conditions etc) which will be base for preparation of the list of hazardous occupations and corresponding hazard levels
- Proposal of the new list of hazardous occupations/jobs eligible for early retirement in line with their risk levels.
- Participate in presentations of the draft list of hazardous occupations/jobs eligible for early retirement to the social partners and broad public

The Consultant shall work closely with representatives of Ministry of Labor and Social Policy, Pension and Disability Fund, State Labor Inspectorate, Institute for Occupational Medicine, social partners (unions) and other relevant institutions.

V.Deliverables

The Consultant shall submit the following key deliverables. The Consultant may also propose additional deliverables based on the Consultant's proposed approach and methodology.

- 1) **Project Inception Report and Project Plan:** Describes Consultant's approach to project; affirmation of project timeline, activities and outputs; mobilization of Consultant's team; project management; identified risks and mitigation strategies.
- 2) **Report outlining international experience for list of hazardous occupations/jobs eligible for early retirement and criteria for its assessment,** especially in the countries with similar systems (ex-Yugoslavia countries) and best EU practices, with focus on strengths and weaknesses in correlation with current list of hazardous occupations eligible for early retirement in North Macedonia, identifying the need for its revision and optimization.
- 3) **Rulebook (guidelines)** on the procedure **for assessment** of hazardous occupation for early retirement in North Macedonia developed, in order to identify all hazards related to work activities and retirement degree
- 4) **Report** from revision of all workplaces and work conditions by observing at the field, interviewing workers and other stakeholders, containing all findings and conclusions from the field work
- 5) **List of hazardous occupations/jobs** eligible for early retirement in line with their risk levels and retirement degree proposed. The list must include at least:
 1. job position name
 2. risk description (intrinsic and external) and explanation for each position
 3. for each job position, determine equivalent of work experience in a hazardous occupation/job compared to job without risk, presented through months of work experience (example: working in a hazardous job for 12 months corresponds to 16 months riskless job)
 4. for job positions, where is necessary, determine maximum number of years of work experience for risk exposure (example: job position where the work can not be performed more than 10 years)
 5. for job positions, where is necessary, determine maximum age for risk exposure (example: job position where the work can not be performed after age 57)
- 6) **Presentations** of the draft list of hazardous occupations/jobs eligible for early retirement to social partners and broad public
- 7) **Project Completion Report (Final Report)** – Documents the project activities, deliverables, finances and expenditure, issues resolved and any further recommendations.

The above Deliverables should be sufficiently detailed for use by the Client and by a Consultant who will be contracted for reform proposal of the early retirement system for hazardous occupations. The Consultant is expected to hold meetings, interviews and workshops throughout the project when required and these should be determined within the proposed project work plan. These events should be used to gather and verify information, discuss existing problems and potential solutions, brief management and key staff in the participating institutions, and reach agreement on future solutions.

VI. Reporting Arrangements

The Consultant will report on a regular basis to MLSP and PMU Team to ensure work undertaken is delivered on schedule and to the quality expected. All written reports shall be available in English and Macedonian languages, as shall any Consultants' presentations delivered at workshops or at meetings. Materials defined by the Client as needed for subsequent processes should also be available in English and Macedonian languages. All written reports should be discussed in full with the PMU Team and other relevant institutions and this should be reflected within the final version of the report being written. The MLSP, Pension and disability fund and other relevant institutions (if is needed) shall give the final approval with regards to document acceptance and any disagreements.

VII. Duration of the assignment

This task is expected to begin in the first quarter of 2021 and duration of assignment is 16 months. The Consultant shall start working after receiving written notification from the Client.

VIII. Resources Available to Consultant

The Client (MLSP) will provide the Consultant with all documents, reports, and laws related to the assignment.

The Consultant (if is needed) will also be provided with necessary safety equipment for consultants field work in different locations – job monitoring for potential risks determining.

IX. Qualification requirements

To carry out this assignment, the Client seeks an International Company (Consultant) who needs to provide a team of experts with relevant experience and qualifications in their subject area as indicted further below. The International Consultant firm may associate with other Consultant firm (s) in the form of a joint venture to complement their respective areas of expertise, strengthen the technical responsiveness of their proposal, and avail themselves to a broader pool of experts.

The qualification requirements of the Consultant firm are summarized as follows. The Consultant shall be a firm or a group of firms with following qualifications:

- Proven experience and verifiable track-record in providing services in the public sector at national level in the past five years,

- Proven expertise in at least one assignment in national system related to occupational health and safety and labor protection, in the past five years;
- Experience in job safety analysis (workplaces and work conditions) that engages a wide range of employees in hazard job positions;
- Proven experience related to assessment of hazardous occupations for early retirement in the past five years;
- ISO 9001 valid certificate;
- Human capacity-at least 10 number of employees on a regular basis

The credibility of mentioned experience and expertise shall be presented in a list of project references with description of services provided (including information on contract value, contracting entity/client, project location/country, duration, percentage carried out by consultant in case of association of firms or subcontracting and main activities) and accompanied by certificates of orderly fulfillment of the contracts verified by other party from such contracts.

The requested Experience and Qualifications of Consultant’s Staff are:

1. The Consultant shall have the organizational capacity with at least six experts hired by the Consultant for the implementation of the contract with appropriate skills among team. The consulting team assembled to implement the project should be composed of experts with minimum university degree. Each of the experts in the consulting team should have at least five years work experience and strong knowledge in the following areas,:

- Medicine
- Occupational medicine
- Ergonomic
- Occupational health and safety
- Mining (mining engineer)
- Production process (technologist)

The experts should be from different areas

At least one of the experts should have experience with and knowledge of North Macedonian system of early retirement and Extended Service Period (“beneficiran staž” i.e. “service period with extended duration”).

2. Team Leader, responsible for implementing the contract, with a minimum of seven years of work experience in one of the above listed areas (point 1) and will be appointed from the Consultant’s team. The team leader should have:

- Professional experience as a team leader
- Knowledge of English language
- Proven experience in working with government institutions and/or other stakeholders with at least one assignment in assessment of hazardous occupations

The Team Leader shall coordinate the work of all experts with appropriate qualifications written above and ensure that their schedules are coordinated.

The Team Leader will also ensure the quality of reports, and that the work of Consultant's team is coordinated with each other so that their outputs are consistent and delivered on time.

X.Selection Method and Contract

The selection method is QCBS (Quality-and Cost-Based Selection) and the contract shall be Lump Based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017, and August 2018 www.worldbank.org