

## TERMS OF REFERENCE FOR EXPERTS

Terms of reference for on-site activities and missions

**Action code and partner country:** SOCIEUX 2021-23 BRAZIL

**Action title:** Capacity building for the improvement of the Brazilian second pillar pension governance and supervision of the legal and regulatory framework

**Partner institution:** Associação Cearense dos Economiários Aposentados e Pensionistas (ACEA)

**Activity number and title:** Activity 1 - E-learning course focusing on basic knowledge of second pillar pension funds mechanism

**Date of implementation of activity:** February 21 until 1 April 2022 (remote training to be delivered between 7-18 March 2022)

**Expert positions and responsibilities (by activity):**

**Activity 1 :** Expert 1 (principal) – Pension Schemes, Governance, transparency & accountability

**Activity 2 :** Expert 2 – Pension Schemes, Legislation & regulation (L&R) framework

**Workload:**

Activity 1 - Expert 1 : 15 days

Activity 1 - Expert 2 : 15 days

**Call for experts' reference:** 21-23/BRA/1

**Version - #:** 1  Draft

Final

**Date:** December 14, 2021

SOCIEUX+ is implemented by

Partnership led by



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## **1 BACKGROUND INFORMATION**

### **1.1 Country overview**

Brazil is the largest country in South America and the fifth largest nation in the world, with an estimated population of 213 372 000 million people (2021). It is a multiparty democratic federal republic with two legislative houses. The World Bank classifies Brazil as an upper middle income country.

The nation's expanding cities, hydroelectric and industrial complexes, mines, and fertile farmlands make it one of the world's major economies. Nevertheless, the country struggles with social inequalities, degradation of the environment, and intermittent financial crises.

The COVID-19 pandemic has sparked a deep recession in Brazil. Economic policies reacted in a timely manner to the crisis, supporting millions of Brazilians by financing short time work, facilitating credit expansion, postponing taxes and anticipating credit disbursements.

According to the OECD, GDP growth is projected to reach 5% in 2021 but to slow down in 2022 and 2023. The vaccination campaign accelerated, and economic activity - strengthened by private consumption and investment - restarted as restrictions were lifted. Exports have benefited from the global recovery, the demand for commodities and a weak exchange rate. However, supply bottlenecks, lower purchasing power, higher interest rates and policy uncertainty have slowed the pace of recovery. The labour market is recovering with some delay and unemployment remains above pre-pandemic levels.

Brazil's HDI value for 2019 is 0.765— which put the country in the high human development category— positioning it at 84 out of 189 countries and territories. Between 1990 and 2019, Brazil's HDI value increased from 0.613 to 0.765, an increase of 24.8 percent.

### **1.2 Sector situation**

The Brazilian pension system is structured as follows: a public and mandatory pay-as-you-go (PAYG) system, also called the General Social Security Regime (RGPS). It is operated by the National Social Security Institute.

Public sector employees are covered by multiple pension regimes at different government levels, pooled into the Regimes Próprios de Previdência Social (RPPS).

The Private Pension Regime, or voluntary pension plans has a long history in Brazil and the country has the oldest system in Latin America. Under the Regime de Previdência Complementar (RPC), both occupational and personal pensions are provided on a voluntary basis.

Closed private pension entities are non-profit organizations that can be established on a single-employer or multi-employer basis and by labour unions. The accumulated assets are legally separated from the sponsoring undertaking. In addition, authorised financial institutions provide complementary pension provision through open private pension entities.

The regulatory environment for open and closed private pension entities differs. The State Secretariat for Pension Funds supervises closed funds in regards to governance, disclosure, investment, and fees. The National Board of Complementary Pensions, linked to the Ministry of Social Security, makes regulatory decisions. The supervision of open private pension entities is carried out by the Superintendence of Private Insurance (linked to the Ministry of Finance). The current regulatory and supervisory bodies of occupational funds – National Superintendence of Complementary Pension – PREVIC and National Monetary Council – CMN do not have autonomy in relation to the federal government.

7,387,908 Brazilians are participants, assisted or pensioners enrolled (voluntarily) in occupational pension funds. Despite the amount of assets invested through the sector, the Brazilian pension system is going through a crisis of underfunding.

In December 2020, the Brazilian occupational pension system held R\$ 1.011 trillion in assets, corresponding to 14.1% of the GDP. Nevertheless, the overall coverage rate of complementary pension provision remains low.

The financial burden on participants caused by the underfunding crisis is eating away at pension adequacy, which undermines the sector's reliability.

### **1.3 Role of partner institution in the sector**

ACEA is an associative class entity, a private legal entity, which represents members from 22 states in Brazil. ACEA's vision is that all participants in occupational pension funds have the right to know the management of their assets and to have their benefits guaranteed in full compliance with statutory, regulatory, legal and constitutional standards.

The institutional objective is to bring together retired economists and pensioners in defence of their legitimate interests, coordinate the issues of interest of the retirees and pensioners it represents, promote clarification on the problems of members and pensioners to support their legitimate claims, represent their judicial members and extrajudicially, relating to other entities of associative, union and social movements, as a way to encourage the exercise of citizenship by its members, as consumers, users of public services, contractors of private services.

ACEA also acts as a defender of rights related to the protection of public and social assets, the economic order and free competition. In the national framework, the entity's mission is to act with the political bodies of the executive and legislative in order to obtain improvements in the laws, regulations and public policies of the second pillar, as a means to guarantee the retirement income of its members. To this end, the entity constantly monitors the private occupational social security system, acting to assess the correctness of compliance with social and social security rights provided for in the Federal Constitution, checking the constitutionality or not of the legislation that involves the matter, compliance or not of federal legislation, as well as the adequacy of the Private Occupational Social Security Policy and of the governance criteria put into practice, given the fundamental rights and guarantees, social rights, and constitutional objectives of the republic, to international legislation concerning Human Rights, and, also, to the federal legislation in force.

ACEA carries out continuous inspection of the pension funds of the class it represents, measuring the fund's obligations towards its participants and pensioners, including the measurement of the funds' actuarial obligations.

ACEA verifies the adequacy of the investment policy to the fund's obligations in order to guarantee the proper funding of pensions, evaluates the adequacy of the governance policy in preventing conflicts of interest and acts of corruption in the management of the members' assets, the fulfilment of fiduciary duties, transparency and honesty duties of asset managers.

ACEA informs its members, denouncing non-compliance with rights by the State, fund managers and the sponsor, promotes administrative and judicial actions when non-compliance with the Law, the Federal Constitution and the regulations governing the Brazilian private occupational pension scheme are identified.

## **2 ACTION DESCRIPTION**

This action aims to provide individual capacity building, in the form of e-learning courses, to members of Brazilian organizations defending the rights of pensioners, in partnership with ACEA. Members of such organizations have voiced the need to gain more extensive knowledge on governance, management, and supervision of occupational pension funds, in order to detect shortfalls in the system, apply due diligence, and prevent mismanagement and fraudulent behaviours.

### **2.1 Overall objective**

Awareness and knowledge on social protection and decent work is increased.

### **2.2 Specific objective (purpose)**

- SO 1: To provide operators of Brazilian organizations defending the rights of pensioners with increased understanding of governance, management, and supervision of second pillar pensions

### **2.3 Expected results**

- R1: Operators of relevant Brazilian organizations defending the rights of pensioners have increased understanding of governance, management, and supervision of second pillar pensions

## 2.4 Final deliverables

- D1: An e-learning course focusing on basic knowledge of second pillar pension funds
- D2: An e-learning course focusing on best practices related to investment policies
- D3: An e-learning course focusing on the legal and regulatory framework for regulation, supervision, and governance of the second pillar pension plans
- D4: An e-learning course focusing on best practices of prudent management of second pillar pension funds

## 3 METHODOLOGY

### 3.1 General methodology (of the action)

This action will be purely online based, using the SOCIEUX+ e-learning platform (<https://elearning.socieux.eu>) and divided into 4 activities/e-learning modules. Experts and Partner Institution will receive support from SOCIEUX+ on the registration of accounts and general set up. Experts will choose the appropriate mix of tools and modalities (synchronous and/or asynchronous), will prepare the content and upload it. Partners will invite the participants on the e-learning platform. All of the activities will be performed at distance.

### 3.2 Planned activities (work plan of the action)

The following activities are currently planned for the action:

- Activity 1 – E-learning course on basic knowledge of second pillar pension funds mechanism (*at distance*)
- Activity 2 – E-learning course focusing on best practices related to investment policies
- Activity 3 – E-learning course focusing on the legal and regulatory framework for regulation, supervision, and governance of second pillar pension plans
- Activity 4 – E-learning course focusing on best practices and prudent management of second pillar pension funds

The present terms of reference cover the services expected for activities of the above work plan:

- **Activity 1**

### 3.3 Inclusion of cross-cutting issues

SOCIEUX+ recognises the importance to include cross-cutting issues in social protection, labour and employment policies and systems. The following cross-cutting issues are duly taken into account:

- Good governance;
- Human rights (including rights of children, people living with disabilities, vulnerable groups and minorities); and,
- Social and economic inclusion of vulnerable groups.

## 4 ACTIVITIES DESCRIPTION

### 4.1 Tasks

The principal expert will lead the (remote) mission. He/she will be responsible for the delivery of all deliverables of the activity (see below Section **iError! No se encuentra el origen de la referencia.**). He/she will be responsible for the preparation, coordination, implementation and reporting of the overall activity towards SOCIEUX+.

The main tasks of the mission team include:

- Task 1 – E-learning course on basic knowledge of second pillar pension funds mechanism (remote)

## 4.2 Deliverables

### 4.2.1 Pre-mission deliverables

- P1: A methodological note, detailing the working approach, tools and methods to employ, a risks analysis, etc. The Methodological Note shall not exceed 3 pages (excluding cover page and annexes).
- P2: A activity/mission agenda, detailing the meetings and working sessions to be held, persons to meet, etc. The Activity/mission Agenda shall not exceed 2 pages.

### 4.2.2 Final deliverables

- An individual Expert Mission Report (ExMR) in SOCIEUX+ format (template provided). This report is a confidential product intended solely for and use by SOCIEUX+. The expert team may also submit a single-joint ExMR report if they prefer to do so (see instructions on the template).
- An individual completed Expert Feedback Form (ExF) completed online (see instructions and link on the ExMR template).
- A collective Activity Report (AcR) in SOCIEUX+ format (template provided). This AcR is to be produced jointly by the mission team. It is intended for the Partner Institution, and will be shared, most probably, with key stakeholders of the action. The report will reflect the tasks conducted in during the activity. It shall provide a meaningful contribution towards the final deliverables of the action.
- D1: an e-learning course module focusing on basic knowledge of second pillar pension fund mechanism. In the case of this e-learning course, experts will develop, organize and handle all materials employed in the training. The materials will be stored in the SOCIEUX+ e-learning platform (<https://elearning.socieux.eu>)

## 5 REPORTING AND SUBMISSION OF DELIVERABLES

### 5.1 Formats

*All deliverables and products of the activity* (notes, reports, presentations, etc) shall comply with the formats and templates provided by the SOCIEUX+ Team.

All deliverables are to be submitted in electronic in *electronic editable versions* [Microsoft Word 97-2003 [doc], PowerPoint 97-2003 [ppt] and Excel 97-2003 [xls]; or in equivalent OpenDocument format). Non-editable electronic document such as in Portable Document Format (PDF) shall not be accepted.

*Templates for electronic presentations* during the activity/mission are provided by the SOCIEUX+ Team. These templates are in Microsoft PowerPoint format and comply with the SOCIEUX+ Corporate Image standards. These templates are to be used as a sole format by all members of the expert mission team. They are to be used *for all presentations by the experts* during and for the activity/mission. The use by the experts of their own, or their organisation(s), templates or formats are not allowed unless otherwise instructed in written [by email] to the experts by the SOCIEUX+ Team.

All versions of deliverables or other products used or produced during activity/mission by the experts shall include the following disclaimer:

*"Disclaimer:*

*The responsibility of this publication sole lies with its authors. The European Union, the European Commission, the implementation partners of SOCIEUX+ and the SOCIEUX+ Staff are not responsible for any use that may be made of the information contained therein."*

*Please refer to the expert information package for further guidance on communication and templates.*

All deliverables are to be provided in English.

## 5.2 Submission and approval

*All deliverables versions (drafts, final or other) shall be submitted directly and only to SOCIEUX+ Team, unless otherwise instructed in written [by email] to the experts by the SOCIEUX+ Team.*

### 5.2.1 Pre-mission deliverables

- Pre-mission deliverables shall be submitted no later than 5 working days before the start of activity or departure of the mission of the experts, whichever is the earliest.
- Pre-mission deliverables will be shared and reviewed by the SOCIEUX+ and the Partner Institution. Feedback on the deliverables should be provided to the Principal Expert at latest 2 days before the start of activity or departure of the mission of the experts, whichever is the earliest. Comments and recommendation of this feedback shall be taken into account for the implementation of the activity/mission by the experts. Only the mission agenda shall be resubmitted with revision if requested by the SOCIEUX+ Team.

### 5.2.2 Final deliverables

- The first draft versions of the final deliverables are to be submitted no later than 10 working days upon completion of the activity or return of the experts.
- Feedback to the first draft version of the report should be provided 10 working days after its submission.
- Inclusion of the feedback on drafts versions is expected 5 working days upon reception of the comments by the principal expert. (In general, no more than one round of feedback and revision is required, unless the quality of the deliverables is considered unsatisfactory by the SOCIEUX+ Team or/and the Partner Institution.)
- Final versions of the deliverables should be approved or rejected no later than 10 working days upon their submission to the SOCIEUX+ Team.
- Final payments and reimbursement of travel costs to experts can only be authorised upon approval of the final version of the deliverables by SOCIEUX+.

## 6 REQUIRED EXPERTISE

### 6.1 Expertise profile

#### **Principal expert (Expert #1):**

***Area(s) of expertise:*** Pension Schemes

***Specific skill(s) of expertise:*** Governance, transparency & accountability

#### ***Requirements (essential/required):***

- Education: university level (Masters or PhD relating to the subject are considered a plus);
- At least 15 years of professional experience within EU public administrations or, international organisations, academia, social partners, civil society organizations, international thematic organizations;
- Deep knowledge in policy making the field of contributory pensions, current EU Directives and Regulations in the field of contributory pensions;
- Knowledge of the EU's Institutions for occupational retirement provision (IORP) - Directive 2003/41/EC
- Significant experience and proved capacities in individual and organizational capacity building of public administrations

#### ***Additional assets (advantageous in selection):***

- Fluent in Portuguese and English, written and oral;

## **Expert #2**

**Area(s) of expertise:** Pension Schemes

**Specific skill(s) of expertise:** Legislation & regulation (L&R) framework

### **Requirements (essential/required):**

- Education: university level (Masters or PhD relating to the subject are considered a plus);
- At least 10 years of professional experience within EU public administrations or, international organisations, academia, social partners, civil society organizations, international thematic organizations;
- Deep knowledge in policy making the field of contributory pensions, current EU Directives and Regulations in the field of contributory pensions;
- Demonstrated experience in delivering trainings;

### **Additional assets (advantageous in selection):**

- Fluent in Portuguese and English, written and oral;

## **6.2 Estimated workload**

	<b>Preparation</b>	<b>Delivery of training</b>	<b>Travel</b>	<b>Reporting &amp; deliverables</b>	<b>Total Working days</b>
Principal expert (#1)	7	5	0	3	15
Expert (#2)	7	5	0	3	15
<b>Total</b>	<b>14</b>	<b>10</b>	<b>0</b>	<b>6</b>	<b>30</b>

## **7 APPLICATIONS**

### **7.1 Call for experts**

All calls for experts for SOCIEUX+ activities are published online on the SOCIEUX+ website. Interested experts should submit their application on the SOCIEUX+ on-line expert database: <https://pmt.socieux.eu> (currently only available in English). The application process is:

1. If they have not already, experts create their SOCIEUX+ account by clicking on "Create an account" using an email address.
2. Login details for their account will be sent to experts by email, experts should create and submit their profile for review by<sup>1</sup>:
  - a. Providing contact details
  - b. Providing information on the competences, skills and working history of the expert. Experts are required to provide only limited information through fields marked with an asterisk. However, *experts are encouraged to complete in most detail de sections on skills and competences as the SOCIEUX+ Team also regularly reviews profiles in the roster to identify and contact potential experts for future missions.*

<sup>1</sup> SOCIEUX+ expert database and other management tools comply with the General Data Protection Regulation (GDPR) -Regulation (EU) 2016/679.

- c. Uploading of a curriculum vitae, preferably in Europass format<sup>2</sup>.
3. Once their profile is approved by the SOCIEUX+ Team, they can apply to any available calls for experts accessible under the tab “Call for experts” and click on “Apply.”

If more information is needed, please contact SOCIEUX+ by email at [experts@socieux.eu](mailto:experts@socieux.eu) with the reference number of the application.

Collaborative or interested institutions wishing to make expertise available for a specific call for application may directly contact the team of SOCIEUX+ at [experts@socieux.eu](mailto:experts@socieux.eu).

## 7.2 Selection of experts

In principle, SOCIEUX+ mobilises experts from the public administrations and mandated bodies of EU member states, and practitioners working for social partners, including:

- Practitioners, civil servants and employees from publicly mandated bodies;
- Collaborators and employees of social partner institutions, such as trade unions and employer associations; and,
- Academic and research institutions.

Active public experts from collaborative institutions are given priority in the selection. Private consultants may also apply. Their application will be considered in case an appropriate public expert cannot be identified.

Only short-listed applicants may be contacted. The selection process may include interviews by phone or other communication means.

Interested candidates may download the **Guide for Experts and Collaborative Institutions** with detailed information on contracting with SOCIEUX+ at [www.socieux.eu](http://www.socieux.eu)

## 7.3 Contracting of public experts

Public experts can be in active duty or retired. Retired employees from international specialised agencies or cooperation agencies can also be mobilised, without regard to their former employer's collaborating with SOCIEUX+ on a specific action. Retired experts are considered as public experts for all purposes, benefits, and financial compensation provided by SOCIEUX+.

Short-listed candidates may be required to provide the contact of employer or proof of their ability to be directly contracted under their status as civil servant or public employee.

## 7.4 Financial compensations

Contract officials or active-duty or retired employees are entitled to standard fixed allowances of 350 euros per working day worked. The fees of private consultants are negotiated according to their number of years of relevant expertise and the standard scale of SOCIEUX+.

Retired experts are assimilated to public employees for all intents and purposes, benefits and financial compensation provided by SOCIEUX+.

National regulations on remuneration and compensation of public employees and civil servants applies, and may limit the payment of allowances by SOCIEUX+. The responsibility for compliance and verification lies with individual experts and their institutions of origin. The payment of income or other taxes is the sole responsibility of the mobilised experts and/or their organisations.

## 7.5 Travel costs

All travel expenses for the mobilised experts (public, private or international institutions) are covered by SOCIEUX in accordance with the **Guide for Experts and Collaborative institutions** with detailed information on contracting with SOCIEUX+ (version as on date of signature of the contract).

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<sup>2</sup> Europass templates for CVs are available here:  
<http://europass.cedefop.europa.eu/en/documents/curriculum-vitae/templates-instructions>



## **8 COMMUNICATION & VISIBILITY**

SOCIEUX + can use its communication channels, such as the web, newsletter and other media, to share information about the implementation and results of the activities. For this, contributions of the experts mobilised are expected. The experts may be requested to provide such contributions in the field of communication as photographs, provide short texts, and interviews.

Short briefings, before and after the mission, with the Communication Officer of SOCIEUX+. This briefings will provide the opportunity to identify communication opportunities and strategies.

For specific activities, visibility products, such as brochures, USB sticks, notebooks and pens, can be made available to experts for on-site distribution.

## **9 CODE OF CONDUCT**

The experts mobilised by SOCIEUX+ will provide technical assistance from the preparatory stages of each activity to the delivery of products. The SOCIEUX+ Team will assist experts to fulfil their assignments by supporting and advising on the preparation of background materials before meetings. The SOCIEUX+ team will collect feedback from partner institutions and relevant stakeholders to ensure that mission reports and recommendations are delivered to national authorities, the EU Delegations in the partner countries and EuropeAid.

The experts mobilised are not representing SOCIEUX+ or the EU. Technical opinions and recommendations expressed are their own. They shall not express negative opinions on the implementation of actions supported by SOCIEUX+ to third-parties. Nevertheless, they shall be aware of SOCIEUX+'s objectives and functioning, and promote its services at the best of their knowledge, whenever possible and feasible.

The experts shall perform their duties in the Partner Country in a way that is fully compliant with and respectful of the local institutions, policies and cultural behaviours. They shall particularly adopt a culturally-sensitive behaviour in their way to deal with the local counterparts.

## **10 OTHER CONSIDERATIONS**

## **11 ANNEXES**

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## ABOUT SOCIEUX+

The European Union (EU) promotes and maintains dialogue on social protection and inclusive employment policies with an increasing number of partner countries. This effort has been confirmed by the European Commission (EC) Communication COM (2016) 740 final - "Proposal for a new European Consensus on Development, entitled *Our world, our dignity, our future*. A significant number of cooperation initiatives in these fields are funded by geographic or thematic instruments of the EU in different countries. Those initiatives are highly structured and address the medium- to long-term needs of partner countries. However, short-term measures and peer-to-peer cooperation to promote the development of social protection systems are needed to complement the EU's cooperation with third countries. SOCIEUX+ - EU Expert Facility on Employment, Labour and Social Protection responds to this need.

The SOCIEUX+ facility was setup by the EU through co-funding from France, Spain and Belgium and the resources managed by the European Commission's Directorate for Development and Cooperation (EuropeAid). The facility is implemented by a partnership composed of development cooperation agencies from Member States: Expertise France (the partnership lead), Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas (FIIAPP) from Spain, Belgian International Cooperation on Social Protection (BELINCOSOC), and the Belgian Development Agency (Enabel).

The general objective of the Facility is to expand and improve access to better employment opportunities and inclusive social protection systems in partner countries. Its specific objective is to enhance the capacities of partner countries to better design, manage and monitor inclusive, effective, and sustainable employment strategies and social protection systems through short-term, peer-to-peer technical assistance and knowledge development.

SOCIEUX+ recognises the impact of social protection and employment in reducing poverty and vulnerability. It supports the efforts of partner governments in promoting inclusive and sustainable social protection and employment systems. SOCIEUX+ also complements the efforts made through other European Union initiatives.

The Facility is an expansion of SOCIEUX Social Protection EU Expertise in Development Cooperation, established in 2013.

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