TERMS OF REFERENCE

TO

DEVELOP A SADC TRADE DEVELOPMENT
AND TRADE PROMOTION FRAMEWORK

November 2017
1. **Background**

1.1 The SADC Summit in April 2015, adopted the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020 which prioritizes Industrial Development and Market Integration. The Revised RISDP places industrial development at the centre stage of the regional integration agenda. The key issues pertaining to industrialization are clearly spelt out in the SADC Industrialization Strategy and Roadmap 2015-2063 (SISR) which was also approved by Summit in April 2015. The Action Plan to operationalise the SISR was approved by Summit in March 2017 and implementation is underway.

1.2 The main challenge in the SADC region has been the low level of intra-SADC trade, mainly because of low levels of industrialization, weak productive capacity, and lack of diversity and complementarity in industrial structure. The SISR seeks to address some of these challenges by building capacity to enable the private sector to produce value added goods and services that can be traded regionally and globally in a competitive manner. The relationship between trade liberalisation and industrialization is made more explicitly in Article 4 of the Trade Protocol, which states that trade liberalisation needs to be accompanied by industrialization in order to build competitiveness. While the implementation of the SISR contributes to growth of tradable goods, many traders especially SMEs lack information about market opportunities. In this context, a Trade Development and Promotion Framework should be designed in such a manner that it complements and supports the implementation of the SISR and facilitates market access for the goods and services that are produced in the region by providing information and assistance to traders.

1.3 The SADC Free Trade Area (FTA), which is provided for in the Protocol on Trade, was launched in August 2008 in Johannesburg, South Africa following a trade liberalization programme which commenced in September 2000. Thirteen (13) of SADC’s fifteen (15) Member States are currently part of the FTA and maximum tariff liberalisation was only attained by January 2012, when the tariff phase down process for sensitive products was completed.

1.4 Intra-SADC trade has risen sharply by as much as 430.9% between 2000 and 2014 following the implementation of the Protocol on Trade. However, as a proportion of total SADC trade, intra-SADC trade has only grown from 11.7% in 2000 to only 15% in the same period.

1.5 As the process to remove tariffs on sensitive products was supposed to be completed by 2012, there is still scope for deepening market integration and improvement in the intra-SADC trade.

1.6 With the process of internal tariff liberalization close to finality within the context of the FTA timeframe, SADC Member States would like to see more visible
interventions at regional level on trade development and trade promotion. A decision to that effect was made by the SADC Ministerial Task Force on Regional Economic Integration to develop a SADC Trade Development and Trade Promotion Strategy. This was listed amongst the key outstanding activities under the agreed Action Plan Matrix for the Consolidation of the SADC Free Trade Area adopted in 2010.

1.7 Services also play a major role in improving industrial competitiveness. Indeed, as well as improving competitiveness in their own right, services form an increasing share of value addition in the manufacturing of goods. The Protocol on Trade in Services provides for progressive liberalisation of intra-regional trade services and on the need to promote investment in services for sustainable economic development and diversification of SADC economies.

1.8 The utilization of preferential market access granted to SADC member states through trade agreements (e.g. General System of Preferences (GSP) or the Economic Partnership Agreement (EPA) with the European Union) is often very low. While the implementation of the SISR contributes to increasing productive capacity, the lack of knowledge of e.g. market access requirements, potential trading partners and support schemes prevents traders in the region to untap the potential of these agreements.

1.9 The development of regional strategies in support of the business sector and helping entrepreneurs to identify new trade opportunities and markets is priority for SADC. In particular, the SISR calls for the development of regional value chains to spur value addition, provide business opportunities for SMEs and catalyse competitiveness at all levels.

1.10 Article 26 of the SADC Protocol on Trade provides that:

*Member States shall adopt comprehensive trade development measures aimed at promoting trade within the Community, as provided for in Annex V of this Protocol.*

1.11 Annex V Concerning Trade Development recognises “that trade development among Member States and between Member States and third countries is an important element of the Framework to achieve economic development and a more equitable international economic order.” To that effect the Annex provides amongst other proposals for the following:

- Member States shall adopt coherent trade development strategies and shall develop internal capacities for trade development and create awareness on the role and importance of trade and economic development.
In order to ensure effective distribution of goods and services, Member States shall undertake to strengthen infrastructure related to trade especially in the areas of transport and storage facilities.

Member States shall formulate and implement trade development policies in close co-operation with the private sector; and shall facilitate the formation of private sector business associations.

Member States, in collaboration with the business community, shall encourage and facilitate the creation of small and medium scale enterprises and promote their participation in trade.

Member States shall promote the participation by the business community in SADC trade fairs, national fairs and exhibitions, specialised fairs and trade missions.

In collaboration with the business community, Member States shall disseminate market information on the Community and third countries.

Member States shall facilitate the provision of trade related services within the Community, including those relating to insurance, freight, banking, warehousing and communication.

Member States shall facilitate the establishment of national and regional databases and trade information networks for the Region.

The trade information shall be made compatible and linked to the World Trade Information System.

Member States shall promote market research and participation in international conferences and meetings for the purposes of ensuring that they take advantage of the provisions of international trade arrangements, inter alia GSP, the Lome Convention and the WTO.

CMT shall adopt regulations for the implementation of this Annex.

1.12 Article 18 (Promotion of trade and investment in services sector) of the SADC Protocol on Trade in Services states that

1. The State Parties shall aim to promote an attractive and stable environment for the supply of services. Such promotion should take the form, in particular, of:

(a) mechanisms for information on, and identification and dissemination of, services business opportunities;
(b) development of model laws, regulations and uniform and simplified administrative procedures;
(c) development of mechanisms for joint investments, in particular with the small and medium-sized service suppliers of the State Parties.

2. No later than three (3) years following the entry into force of this Protocol, the TNF-Services shall establish the necessary steps for the development of such mechanisms. State Parties recognize the importance of cooperative
mechanisms, technical assistance and capacity building, and Members shall enhance such cooperation inter alia in accordance with mechanisms and initiatives carried out under other SADC Protocols, such as the Finance and Investment Protocol.

3. As part of the German Development Cooperation programme “Cooperation for the Enhancement of SADC Regional Economic Integration (CESARE)” GIZ supports the SADC Secretariat and other SADC Structures in their efforts to further enhance regional economic integration. This includes support in the area of trade facilitation, compliance monitoring and evaluation processes, private sector complaint resolution mechanisms and SADC trade liberalisation negotiations.

4. In addition, GIZ has recently commenced the new EPA support project "Supporting sustainability aspects in the implementation of EU Economic Partnership Agreements (NEW)". With one regional focus lying on Southern Africa, NEW aims to promote EPA implementation by SADC regional organisations, their member states, the private sector and civil society in a way that supports sustainable development. This includes, amongst others, measures to foster regional integration within the SADC region as well as promoting SADC exports to the European market.

2. Objectives

2.1 Overall objective

SADC Members, cognizant of the strides made so far in attaining their regional economic integration goals through the establishment of the FTA, are promoting complementary steps to be undertaken with a view to taking advantage of new opportunities in trade, arising from greater liberalization as well as trade opportunities provided by growing regional and international markets.

The SADC Secretariat and GIZ are therefore commissioning a study to develop a draft Trade Development and Trade Promotion framework, which will be the basis for a coordinated regional platform for practical intervention, concrete market development and trade and investment promotion tools and services, and assistance to the region’s economic operators and business organizations.

2.2 Specific Scope of Work

a) Identifying needs and challenges

(i) Review existing regional platforms and trade promotion frameworks including institutional structures and linkages, capture lessons and
experiences that Member States have had with such platforms. The mapping should include the roles and responsibilities of the (SADC) Secretariat, Governments, trade and investment support institutions and the private sector organisations. Also, draw on experience from outside the SADC region, e.g. the European market.

(ii) Map and analyse existing market development and trade and investment promotion tools and services at national and regional level including business linkages programmes, matchmaking buyers/sellers events and missions, market orientation tours, trade fairs and exhibitions, public private dialogue (PPD) platforms and complaint mechanisms (e.g. Tripartite NTB Reporting Mechanism). Highlight major achievements, challenges and lessons learned.

(iii) Review business needs particularly related to market (access) information (both for trade within the region as well as internationally e.g. SADC-EU EPA). Paying special attention to small and medium sized enterprises (SMEs) in accordance with the SADC Industrialization Strategy, which calls for the development of an SME Capacity Building Programme. Identify specific challenges for women and youth entrepreneurs.

(iv) Review availability of and access to market information and trade statistics particularly for trade within the SADC region as well as internationally e.g. the Economic Partnership Agreement (EPA).

(v) Carry out interviews and consult with stakeholders from the Government, private sector, trade and investment support institutions, academia and civil society, including regional associations and strategic partners on the key issues to be considered for the development of the regional Trade Development and Promotion Framework.

b) Knowledge sharing and capacity-building

(vi) Identify and prioritise areas for capacity building for enhanced trade and investment promotion in the SADC region.

(vii) Develop and implement a 3-day training course for SADC Secretariat staff in trade development and promotion, including project development and appraisal, market analysis, Framework formulation and trade flow analysis.

c) Elaborate strategic recommendations and a related action plan

(viii) As part of the Trade Development and Promotion Framework and in
consultation with stakeholders concerned, identify concrete measures and initiatives to promote regional trade and attract investment. Recommendations should be actionable and implementable in project with three to five years' timeframes. This includes a draft Action Plan to accompany the Trade Development and Promotion Framework, which would contain clear outcomes, outputs, and activities.

(ix) Provide actionable recommendations on trade data and information including harmonisation of regional statistics, development of integrated regional databases, statistical capacity development and leveraging ICT for statistical development in the region. The trade data and statistics will enhance the data quality for the region and will be used in various trade analysis tools by ITC and other stakeholders.

(x) Propose measures to improving effective dissemination of information on trade related laws, regulations, procedures, duties, taxes, fees, charges, forms and documents, in a transparent manner to the private sector making use of Information and Communications Technology (ICT).

(xi) Recommend mechanisms to facilitate exchange of good practices in trade promotion structures and networks including lessons from other regions.

(xii) Identify measures to improve coordination of trade development and trade promotion activities at regional level and provide recommendations on forming relevant institutional partnerships. Based on the analysis of existing structures at the SADC Secretariat, provide recommendations to enhance the Secretariat's capacity to coordinate and implement a regional trade development and promotion framework.

(xiii) Identify elements of the monitoring and evaluation mechanism that could be incorporated in the SADC monitoring framework for the Trade Protocol and Trade in Services Protocol.

(xiv) Conduct a validation workshop involving key experts, Government officials, participants from national and regional business chambers, sectoral associations, other private sector lead institutes to validate and agree on the key elements of the Trade Development and Promotion Framework.

(xv) Incorporate relevant elements from feedback received during validation workshop into the draft Trade Development and Promotion Framework.

(xvi) Present the Trade Development and Promotion Framework during a
launch event which would be attended by all relevant national and regional stakeholders. Provide inputs to the organisation and coordination of such a launch event. Assist in the consideration and adoption of Framework by the SADC Member States.

3. Assumptions and Risks

(i) The respective governments are and remain convinced at the highest level that industrialization and trade development and promotion, are key to enhancing regional integration, positioning SADC as an active global player and for poverty reduction; and

(ii) There is local ownership and commitment to develop a regional framework for trade development and trade promotion, and that there will be no significant delays during the consultation process with Member States.

4. Beneficiary and Geographical area to be covered

The beneficiaries are the SADC Secretariat, SADC Member States and private sector in SADC countries and the SADC region is the area to be covered. The study will be coordinated from the SADC Secretariat in Gaborone, Botswana.

5. Expected output

The draft Trade Development and Trade Promotion Framework arising out of this study and its Action Plan. The Training and the training material for SADC staff.

6. Deliverables

(i) An Inception Meeting outlining a clear approach and methodology on the development of a trade development and promotion framework including related timelines for executing the project, expected travel schedule for consultations at national and regional levels (2 weeks after commencement of the contract, via skype or video conference).

(ii) Stakeholder interviews/ consultations covering the views of all SADC Member states

(iii) Draft Report which includes the draft Trade and Development framework and the Action Plan (6 weeks after commencement of the contract) with the overall scope of promoting regional trade, attracting investment, drawing on measures, initiatives and partnerships to promote interregional trade under the SADC-EU EPA framework. Presentation to SADC Secretariat.

(iv) Implementation of a 3-day training course for SADC Secretariat staff (6 weeks after commencement of the contract.).
(v) Conduct a validation workshop involving key experts, Government officials, participants from national and regional business chambers, sectoral associations, other private sector lead institutes. The costs of the workshop as such will be covered through other sources, but it will be the consultant’s task to provide the concept and the technical input.

(vi) Final Draft Report which incorporates feedback from SADC members and the Secretariat on the Trade Development and Promotion Framework and the Action Plan (8 weeks after commencement of the contract).

(vii) Presentation of the Trade Development and Promotion Framework during a launch event (8 weeks after commencement of the contract). The costs of the workshop as such will be covered through other sources, but it will be the consultant’s task to provide the concept and the technical input.

7. Key experts required

Desired qualifications and experience: Two key experts with extensive knowledge in export planning and management; and trade development and trade facilitation are envisaged for this assignment. Experts should also have a good knowledge about SADC regional integration agenda and SADC Member States national trade development strategies and programmes. Detailed qualifications are outlined below. Interested firms, institutions or international organizations should prepare a note demonstrating their expertise in the relevant areas.

Team Leader - Trade Development

General Qualifications and Skills

- Advanced University degree in Economics, International Trade;
- Fluency in English (written, spoken, understanding). Working knowledge of Portuguese or French would be an added advantage; and
- Expertise and experience in analytical and presentation skills.

General Professional Experience

- A minimum of 10 years’ experience on trade development and promotion;
- Demonstrate knowledge of the existing trade development and promotion programmes in SADC, Africa and other regions; and
- Experience on private sector development.

Specific Professional experience

- Practical experience in trade development and promotion;
- Practical experience in trade data and market access information
- Practical experience in developing a results-based Action Plan on Trade Development and Promotion;
- Practical experience in working as a Team leader and formulation of Technical Cooperation Projects; and
- Demonstrable knowledge of SADC and its institutions as well as knowledge of the SADC Trade Protocol.

**Key Expert -1: Trade Promotion**

**General Qualifications and skills**
- Advanced degree in Economics, International Trade;
- Good communication and presentation skills;
- Fluency in English (written, spoken, understanding). Working knowledge of Portuguese or French would be an added advantage; and
- Computer literacy of familiarity with standard office software packages, email and internet use.

**General Professional Experience**
- A minimum of ten (10) years relevant experience in trade development, trade promotion and private sector development, including SME development;
- Demonstrable knowledge in action planning, including development and implementation of results frameworks.

**Specific Professional experience**
- Experience on trade promotion and SME development;
- Experience on developing Action Plans on Trade Development and Trade Promotion.

8. **PLACE OF ASSIGNMENT:**

Flexible, provided that skype calls and a video conference are possible with at least three visits to Gaborone, Botswana (training course/presentation of draft, validation workshop and launch event).

Interviews with stakeholders from SADC member states, within the EU or other regions are carried out using telephone calls, skype calls or video conferences.
9. Supervision and Reporting

It is expected that the team of consultants work in very close coordination with the Project Management Team consisting of GIZ and SADC staff, providing regular, unsolicited updates, and responding promptly and flexibly to the needs and demands of SADC Structures and the corresponding timelines. It is expected that the team is available at short-notice for this project and is able to accommodate short-notice changes to either timelines or travel needs.

The consultants will work under the supervision of a GIZ-SADC Project Management Team. Overall reporting will be to Project Manager of CESARE and Acting Directors IDT SADC.

All reports shall be in electronic format in MS Word, Excel or PowerPoint as the case may be.

Interested parties to submit financial offers specifying:
- The total number of days which are estimated
- The number of flights / accommodation to Gaborone (if they are not based in Gaborone)
- The number of flights etc. to other countries if applicable
- Any other expenses that need to be budgeted for.

10. Contract period

The contract duration is from the 5th February to 30th April 2018