**TORs FOR THE DEVELOPMENT OF THE SADC PROTOCOL ON INDUSTRY**

**BACKGROUND**

1. The Regional Indicative Strategic Development Plan (RISDP) recognises the diversification of regional economies through industrial development and value addition as one of the prerequisites of deeper integration and poverty eradication in the SADC region. The revised RISDP (2015-2020) cites Industrial Development and Market Integration as a ‘Priority A’ initiative with the overall goal of facilitating competitive and diversified industrial development, trade and financial liberalization and integration, macroeconomic stability and convergence, as well as increased investment for deeper regional integration and poverty eradication. In order to attain this objective, the focus will be on enhancing industrial development, regional value chains (industrial cooperation) and value addition, among others. The strategies to facilitate regional value chains and value addition include operationalisation of the Industrial Policy Framework and development of the Protocol on Industry.
2. Approved by Summit in 2015, the SADC Industrialization Strategy and Roadmap (SISR) sets out the framework within which Member States can pursue industrial development. The SISR (2015-2063) was conceived as the pathway to major economic and technological transformation at the national and regional level within the context of deeper regional integration. It is designed as a modernisation scheme, aimed at raising living standards, intensifying structural change and achieving a rapid catch up of the region with industrializing and developed countries. In that regard, the Strategy prioritizes three mutually compatible growth paths – agro-processing; natural resources including minerals beneficiation and downstream processing; and enhanced participation in value chains at the national, regional and global level. The SISR envisages substantial quantitative shifts in industrial structure, export performance and employment, through the adoption of appropriate technology and production of more diversified, higher value goods and services. The Strategy seeks to promote collaboration in the development of regional value chains, the priority sectors being agro-processing, mineral beneficiation and pharmaceuticals.
3. A phased approach has been adopted for the implementation of the strategy. Phase 1 (2015-2020) constitutes the preparatory stage embracing the active frontloading of the Priority A and related Priority B components of the revised RISDP. In Phase 2 (2021-2050) it is anticipated that SADC Member States will progressively transition from factor-driven to efficiency-driven economies. The final phase (2051-2063) will usher SADC economics to the innovation-driven stage, characterised by technological advancement and business sophistication. A costed Action Plan for implementing the strategy was approved by Summit in March 2017. It is anchored on three mutually compatible pillars including industrialisation, competitiveness and regional integration. A key result under the Industrialisation pillar is ‘*Improved policy environment for industrial development*’, where the development of a Protocol on Industry is a major output. The Protocol is a key deliverable in Phase 1 of the SISR. It is envisaged that by 2020 the Protocol will have been signed and ratified by the required minimum number of Member States for its implementation during the remaining period of the SISR.
4. Article 21 of the SADC Treaty calls for Member States to co-operate in all areas necessary to foster regional development and integration on the basis of balance, equity and mutual benefit. It lists a range of areas for co-operation, including trade, investment, finance, industry and mining. Article 22 mandates Member States to ‘..*conclude such Protocols as may be necessary in each area of co-operation , which shall spell out the objectives and scope of, and institutional mechanisms for co-operation and integration*.’ Several SADC legal and policy instruments address aspects of industrial development. The SADC Trade Protocol which came into effect in 2001 explicitly links trade liberalisation to viable industrial development as well as co-operation in finance, investment and other sectors. The objectives of the Protocol include ensuring efficient production within SADC, based on current and dynamic comparative advantage; and enhancing the economic development, diversification and industrialisation of the region. The Protocol contains provisions on elimination of barriers to intra SADC-trade, protection of infant industry, facilitating cross border investment, among others. Article 4 (2) of the Protocol calls for the development of an industrialisation strategy to improve the competitiveness of Member States, and considers this as an integral measure in the elimination of import duties. The Protocols on Mining, Transport, Communication and Metrology, Finance and Investment all refer to various aspects of industrialisation.
5. Notwithstanding the full engagement of the structures of SADC in the development, subsequent approval and monitoring implementation of the SISR, and the consideration of industrial development issues in existing Protocols, there is need for a stand-alone legal instrument to support industrialisation. It is expected that the Protocol on Industry will enhance the level of industrial development both nationally and regionally, facilitating the pursuit of unified goals and lend cohesion to Member States’ industrialization policies and strategies. The Protocol on Industry is conceived as a binding instrument that will entrench and give legal effect to the SISR in the SADC region. Signature and ratification of the Protocol will be a demonstration of Member States’ commitment to the overall goals of industrial development in terms of political will, policy direction and resource allocation. Further, the Protocol is expected to give legal mandate to the SADC Secretariat to co-ordinate and provide oversight to the implementation of regional industrial development measures including the SISR.
6. As part of the German Development Cooperation (GDC) programme “Cooperation for the Enhancement of SADC Regional Economic Integration (CESARE)”, GIZ supports the SADC Secretariat and other SADC Structures in their efforts to enhance the implementation of SADC Protocols, Decisions and Strategies in the areas of trade and economic policy to achieve greater regional economic integration for the region’s prosperity.  GIZ is thus supporting the consultancy study.

**PURPOSE**

1. The purpose of this exercise is to define the legal framework for co-operation on industrial development within and amongst the Member States of SADC. Such a framework should be aligned to the revised RISDP and cognizant of other existing SADC Protocols that are relevant. Further, it should be sufficiently robust to support the SISR and Action Plan, as well as current and future developments in industrialisation. The content must cover, in context, the existing industrial developments in the region and be guided by the continental and international levels of industrial development to which the region must aspire. It will therefore be important to take account of relevant developments of such initiatives as the AIDA (Accelerating Industrialisation in Africa), the Continental Free Trade Area, the G20 initiative on supporting industrialisation in Africa and LDCs, and the SDGs.

**OBJECTIVE**

1. The objective of the assignment is to draft a Protocol on Industry.

**SCOPE OF WORK and METHODOLOGY**

1. **Scope**: This assignment consists of reviewing relevant SADC policy and legal instruments as well as the current and future state of industrialisation in order to inform the development of a Protocol on Industry to be adopted and ratified for implementation by SADC Member States.
2. **Methodology:** The assignment will be carried out primarily through a desktop study. This will be complimented by visits SADC Member States to obtain critical elements to be considered for incorporation in the Protocol as well to obtain clarification on pertinent issues.
3. In particular, the consultant will be required to:
4. Review relevant SADC policy frameworks and strategies (including Revised RISDP, SISR, Protocols on Mining, Trade, Finance and Investment, Science, Technology and Innovation, etc) to determine high level goals and areas of industrialisation where Member States have agreed to co-operate.
5. Assess the international and regional environment for industrial development to ensure that the Protocol is sufficiently robust to address relevant issues
6. Travel to some Member States and contact others by Skype and/or telephone calls to interact with key stakeholders in Member States, including officials responsible for industrial development, relevant business support organisations, representatives of business and academia to determine specific areas of interest.
7. Develop a draft Protocol aligned to key SADC policy and legal frameworks. The Protocol should be sufficiently robust to encompass the SISR and Action Plan, current and future developments at national, regional, continental and international level.
8. Prepare a Findings Report of underlying considerations and Explanatory Notes to the draft Protocol.
9. Present the Draft Report, Protocol and Explanatory Notes to the SADC Secretariat and GIZ for input and discussion.
10. Present the draft Protocol to Member States and supporting the Secretariat in building consensus.

**DELIVERABLES AND MILESTONES**

1. Expected deliverables are as follows:
2. A Findings Report, 6 weeks from the Inception of the assignment incorporating:
	1. Policy and legal document review
	2. Key issues in the national, regional, continental and international industrial development environment including outcomes and indications from Member States visited
	3. A draft outline of the Protocol
3. Draft Protocol and Explanatory notes submitted and presented to the Industrial Development and Trade (IDT) Directorate and GIZ 3 weeks from submission of the Findings report.
4. Presentation of the draft Protocol to a workshop comprising Member States and relevant stakeholders 3 weeks from presentation to the Secretariat. The stakeholder workshop will be financed separately from this consultancy.
5. Submission of the draft final report, Protocol and Explanatory Notes to SADC Secretariat 2 weeks from the workshop.

**CONTRACT DURATION**

1. The contract will run from 1 December 2017 to 30 March 2018. The contract cannot be extended beyond this date.

**QUALIFICATIONS AND COMPETENCIES**

1. The assignment requires the services of a team of at least 2 experts comprising a Team Leader and a technical expert with the following minimum requirements:

 **Qualification for the team leader:**

1. The minimum of a Master’s degree in Law with specialisation in legal drafting
2. Demonstrable experience in drafting regional trade related protocols, other legal instruments for industrialisation and/or trade
3. Experience in managing multi-stakeholder dialogue processes
4. Working understanding of industrialisation and trade
5. Knowledge of development and regional integration within SADC an added advantage
6. Fluency in written and spoken English. Knowledge of French and Portuguese would be an advantage.

**Qualification for the technical expert:**

1. A degree in economics, industrial development or related field. A Master’s degree will be an advantage
2. At least 10 years’ experience in advising or researching industrial policy in an international/regional economic integration setting
3. Demonstrated experience in development or implementation of regional sectoral policies in industrial development or trade.
4. Knowledge of the industrialisation initiatives and integration arrangements in the SADC region.
5. Fluency in written and spoken English; knowledge of French and Portuguese would be an advantage.

**PROJECT MANAGEMENT**

1. The team leader will take full responsibility for the smooth and timely delivery of the project. The SADC Secretariat will provide oversight through Dr. Lomkosi Mkhonta-Gama (lmkhonta@sadc.int), Acting Director Industrial Development and Trade and Mr. Philip Madelung (Philip.madelung@giz.de), Project Manager of CESARE at GIZ.

**SADC - GIZ PROJECT COORDINATION TEAM**

1. The team of consultants is expected to work in very close cooperation with the Project Coordination Team consisting of GIZ and SADC staff, to provide regular updates and respond promptly to the requirements of SADC Secretariat as well as stick to the timelines provided. It is expected that the team is available full-time for this project and is able to accommodate short-notice changed to either timelines or travel needs.

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**TIMELINE**

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| **TASK** | **Not Later than** |
| Consultancy start date | 1 December 2017 |
| Findings Report | 19 January 2018 |
| SADC Secretariat comments on Findings report | 2February 2018 |
| Submit and present Draft Protocol and Explanatory notes to the SADC Secretariat  | 16 February 2018 |
| Stakeholder workshop  | 5-6 March 2018 |
| Final report, draft Protocol and Explanatory notes submitted to SADC Secretariat | 30 March 2018 |

**ADDITIONAL INFORMATION**

1. A total of not more than 115 person days shall be shared among the experts.
2. Consultancy team presence in Gaborone (Botswana) is expected on up to three occasions: Once to present the preliminary findings report; to present the Draft Protocol to the Project Coordination Team. In addition, the SADC-GIZ team can request updates at any time during the course of the assignment. The required consultants’ travel arrangements shall be reflected adequately in the technical and financial proposal.
3. Additional availability via skype/video conference is expected.
4. The proposal should indicate which Member States the consultancy proposes to visit and which would be contacted by Skype and telephone for interviews.
5. The consultancy team will be expected to present the draft protocol to a stakeholder workshop. It is expected that the workshop will take place in Johannesburg, and consultants should plan the costs of their own travel, accommodation etc. The other costs related to the workshop will be separate from the consultancy.
6. The final draft Protocol report must be submitted as a soft copy in MS Word format. All information handled is confidential and may not be shared with third parties unless specifically authorized.