

TERMS OF REFERENCE

Development of a SADC Simplified Trade Regime

Introduction to the Programme

The Southern African Development Community (SADC), consisting of fifteen Member States, has significant economic potential. However, intra-regional trade continues to be limited and more costly than in many other regions of the continent and the world. Lack of harmonized trade policies and burdensome customs procedures are one important reason.

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.

Background to the Assignment

Studies and experiences from other parts of the world document that the simplification and streamlining of documentation requirements and formalities for importation/exportation can significantly reduce transaction costs associated with formal trade. Such measures are particularly important for small scale cross border traders who often do not have enough financial resources or human capacity to deal with complex administrative requirements. Moreover, for small or low value consignments often channeled by such traders, the costs of complying with complex requirements and formalities can be disproportionate relative to the transaction value.

Article VIII of the World Trade Organization's GATT Agreement and provisions of the *Revised Kyoto Convention for the Simplification and Harmonization of Customs Procedures* suggest the development and implementation of simplified trade procedures for eligible small scale traders to overcome these challenges. SADC-neighboring regions, first and foremost COMESA, have already implemented such a regime and the benefits have been well documented.

It is against this background that SADC Ministers mandated the SADC Secretariat to develop a Simplified Trade Regime (STR) for intra-SADC trade in accordance with the WTO Agreement and the Kyoto Convention. The draft proposal, informed by a best-practice and scenario analysis, will then be considered by SADC Structures for final approval by SADC Ministers.

In addition, the proposal should be accompanied by a background study document that provides information on the potential impact of a SADC STR in terms of benefitting trade volumes, number of traders and the type of traders, such as their socio-economic position and their gender.

Objective of the Assignment

Following a thorough assessment of options and best-practices, and of stakeholders' needs and preferences in the SADC region, develop a WTO compatible proposal for a SADC STR with different scenarios/options to be considered by SADC Member States. In addition,

develop a background document that outlines the expected impact and costs/benefits of the STR to be used for political communication purposes.

Scope of work

To meet the general objective, the consultants are expected to undertake the following exercises:

- (1) In the form of a desk study, examine in light of their objectives existing STRs, first and foremost that of COMESA, including related documentation, procedures and physical structures to highlight best-practices and challenges. The desk-study should also look at available data regarding the volumes of formal and informal small-scale trade in the SADC region and the type of traders (socio-economic position, gender etc.) likely to be affected by the regime. Once additional data especially on impacted trade and traders and their profiles/characteristics is available (following the study visits mentioned below), the desk-study shall be updated. It shall be presented in the form of a background study that can be used for political communication purposes (both within SADC and beyond), paying particular attention to promising success stories such as the gender-positive impact potential.
- (2) Conduct study visits at major border posts in Malawi, Mozambique, South Africa, Zambia and Zimbabwe (list of border posts to be determined with SADC Secretariat, maximum four posts) to assess stakeholders needs and preferences regarding a SADC STR. Towards that end the consultants are expected to first identify relevant stakeholders in the region and to conduct interviews as part of the study visits (and beyond, where necessary). The assessment shall include data collection (through the assessment of formal trade data, review of time release and similar studies, and local interviews) on the following:
 - The most commonly traded goods and product commonality,
 - Affected trade volumes,
 - Affected trade values,
 - Trade frequency appropriate for the regime on the basis of the other generated data.
 - The profile of the affected traders (socio-economic status, trade frequency, type of trade, gender, etc.); where such data is not readily available, a second-best option may be to determine approximations through interviews (clearly marking them as such). The purpose of this particular data collection is to enable data-informed ~~story~~ story-telling in a political communications context.
- (3) In collaboration with the SADC Secretariat (see Team composition below), conduct a legal assessment on whether the adoption and implementation of a SADC STR will require an amendment to the SADC Trade Protocol, and if so, provide sample legal text based on relevant international and other regional agreements.
- (4) On the basis of the desk study (1) and the study visits and related assessments (2) and in light of the outcome of the legal assessment (3), develop a negotiation proposal for a SADC STR including different scenarios. These shall include numerous options for thresholds (value/volume of trade eligible under the STR), frequency (timeframe in which the value is assessed), product lists/list of product commonality, and documentation requirements (invoice vs. more comprehensive documentation requirements). All scenarios should be accompanied with a small cost/benefit assessment outlining the advantages and disadvantages of each scenario.

- (5) Provide a roadmap for national implementation, including guidance for Member States on the legislative arrangements and physical and institutional structures that will need to be established in order to implement the STR.

Deliverables

Item	Timing ¹
Submit desk study with a recommendation section for SADC (see (1))	Week 1
Identify stakeholders and interview questions for the study visits (see (2))	Week 1
Conduct study visits and related assessments and regularly (at least once a week) update on progress (see (2))	Weeks 3-4
Submit report on the study visits and related assessments (see (2)). This may be presented in the form of a detailed and concise power point presentation. Skype meeting required.	Week 4
Conduct legal assessment and present findings (see (3)). This may be presented in the form of a detailed and concise power point presentation. Skype meeting required.	Week 2
Develop negotiation proposals and regularly update on the progress (at least once a week) (see (4)).	Weeks 2-6
Submit first draft negotiation proposal with scenarios and cost-benefit analyses (see (4)). In-person meeting required in Gaborone, Botswana.	Week 6
Submit second draft negotiation proposal (see (4)).	Week 7, but no later than 1 May 2017
Draft roadmap for national implementation (see (5)).	Week 1-6
Submit draft roadmap for national implementation (see (5)).	Week 6
Submit final negotiation package that can be presented to Member States, including: assessment of existing STRs and resulting recommendations, now updated in the light of the outcome of the study visits (see 1), short report on the study visits and their outcome (see 2), STR proposal including the different scenarios/options and their cost/benefit assessment (see 2 and 4), the roadmap for national implementation (see 6), and, if necessary, a proposal for an amendment of the SADC Trade Protocol (see 3). The report shall be written with the audience and objective in mind, i.e. with a view to facilitating a negotiated agreement among Member States on a future SADC STR.	Week 7, but no later than 1 May, unless agreed to otherwise in light of SADC Structure meetings.
Possibly, presentation to SADC Structures, including the Sub-Committees for Customs Cooperation and Trade Facilitation and the Trade Negotiation Forum. Meetings likely to be held in Gaborone, Botswana.	Week 8
Revised final report responding to the comments provided by SADC Structures.	Week 9 to possibly week 12, depending on confirmation of SADC Structure meeting dates.

¹ The timelines are dependent on the confirmation of SADC structure (Sub-committees for Customs Cooperation (SCCC) and Trade Facilitation (SCTF), Trade Negotiation Forum (TNF) and Council of Ministers of Trade (CMT)) meetings. The SCCC and SCTF meetings are likely to meet in mid-May. These meetings will have to consider the first draft before it can be advanced to the TNF and eventually CMT. The structures convene once a year only, making timely delivery of utmost importance. Meetings usually last from 2-5 days.

Timeframe

The contract period will be from March to August 2017.

Scope of Assignment

A total of not more than 140 work days shall be shared among the experts.

Presence in Gaborone (Botswana) is expected on two occasions. Once to present the findings to the Project Management Team (2 days), and once to participate in SADC meeting structures (5 days). In addition presence at a total of four border posts (exact ones to be identified as part of the consultancy) in Malawi, Mozambique, South Africa, Zambia and Zimbabwe for the purpose of conducting study visits is expected.

Additional availability via skype/video conference is expected.

Where required (due to the consultants location elsewhere), needed travel arrangements shall be reflected adequately in the technical and financial proposal.

Special Remarks

It is expected that the team of consultants works 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 full-time for this project and is able to accommodate short-notice changed to either timelines or travel needs.

Required team profile (team):

The team shall consist of at least four experts, at least two of which must be senior (more than 15 years of relevant work experience). It must be composed in a manner that ensures timely delivery and ability to respond flexibly and quickly to changes in the timelines.

The Team Leader shall be an integral part of the team providing expertise and management throughout the project cycle. The Team Leader must be available throughout the contract period to accommodate changes in the SADC timelines.

Specific required skills/expertise include:

1. Strong technical knowledge and proven track record of working with and advising on customs procedures in particular rules and certificates of origin in the SADC region;
2. Proven ability to deliver projects in the context of trade negotiations and ability to deliver this project within the outlined timeframe by having sufficient man power, being available full-time, being able to work over-time and under great pressure where required, being willing to respond to last-minute changes in timelines and Member States demands and a general understanding and appreciation of the unpredictable nature of trade negotiations.
3. Track-record in conducting border post assessments, including stakeholder interviews and consultations to assess trade volumes and flows;
4. Good understanding of trade law and regulation priori experience with developing policy documents, including legal texts as a basis for inter-governmental negotiations
5. Ability to operate in a politically sensitive environment and in high-security areas that require additional sensitivity, and ability to engage with high-level government officials, adequately representing SADC Secretariat and GIZ;
6. Strong knowledge of trade policy and trade facilitation in the SADC region, including related political economy dynamics;



7. Familiarity with the challenges faced by small scale border traders;
8. Fluency in written and spoken English, and knowledge of French or Portuguese an added advantage;
9. Ability to travel to various SADC countries.