



ADVERTISEMENT

CONSULTANCY TO CONDUCT A STUDY ON OPEN SKIES FOR CARGO MOVEMENT ACROSS THE EAC REGION



Summary of the assignment:

Nature of assignment	Short term
Location	Will vary depending on the respondents
Timeframe	21 working days
Reporting	To Executive Director/CEO

1.0 BACKGROUND TO THE EABC TRADEMARK EAST AFRICA PROJECT

The TMEA project- “Public-Private Sector Dialogue (PPD) for Trade and Investment” is a Regional and Country Programmes targeting to mainstreaming advocacy throughout TMEA’s project clusters which are transport & logistics, trade facilitation, customs & tax, and standards & NTBs. The new approach presented and approved by the TMEA’s Board will foster closer collaboration across project teams and will contribute to results across all intermediate outcomes. The programme’s core objective is to enhance private sector organisations’ (PSO) capacity to proactively and positively influence decision-making, to accelerate dispute resolution, to sustain political buy-in, to increase commitment and to reduce overall programme risks in TMEA’s project clusters. This will increase trade and investment in the EAC. The Regional and Country Programmes will contribute to core TMEA corporate results outlined below:

- i. Reduce transport (road, rail, and air) cost and time along transport corridors by 10% and increase efficiency in private sector logistics services provision,
- ii. Enhance Customs and other trade-related agencies efficiency (25% reduction in time to process trade documentation) through integrated trade management systems and greater inter-agency collaboration,
- iii. Reduced tariffs, taxes, and levies by 5-8% overall (including sub-national) reduce exemption regimes, CET, and increase import/export tax incentives,
- iv. Enhanced efficiency of Bureaux of Standards, reduce related costs and time by 10%, reduce counterfeit and sub-standard goods by 20% through enhanced inter-agency collaboration and improve private sector compliance,

Consultancy Services to conduct a study on Open Skies Policy for Cargo Movement across the EAC Region

- v. Resolve 30% of all reported NTBs along TMEA project clusters within a year,
- vi. Catalyzing a 10% increase in exports annually, 93,000 direct jobs and \$425m additional investment after seven years in targeted sectors in the EAC under the Compact and TLCs through increased investment incentives.

2.0 ABOUT EAST AFRICAN BUSINESS COUNCIL

The East African Business Council (EABC) is the umbrella body of the Private Sector in the East African Community (EAC). It brings together national private sector umbrella bodies, manufacturers, employers, bankers, insurance and transporters associations, chambers of commerce, corporates, and medium and small enterprises from the entire East African region.

EABC's mandate is to represent and promote the interests of the EAC business community, provide value-added services that enhance trade and competitiveness, and to participate actively and positively influence legal and regulatory formulation to improve the business environment. EABC works with the major stakeholders such as the EAC Secretariat, Organs, Institutions and National Governments and provides input in policy discussion while advocating for the implementation of resolutions at the national level aimed at increasing intra-regional trade.

For effective implementation of the Regional PPD programme, EABC was selected by TradeMark East Africa as the lead implementing partner for the Private Sector Organizations.

3.0 RATIONALE OF THE ASSIGNMENT

In line with the implementation of the EAC Common Market Protocol, EAC Partner States have developed Draft Regulations on the Liberalization of Air Transport Services. The objective of the regulations is to liberalize air transport services within the Community in order to develop the industry and contribute to the welfare of the citizens of the Partner States.

Despite the commitments of the EAC Partner States at international level especially the Yamoussoukro Decision (YD) specifically in **Article 3.1 on Granting of Rights** stating that *“State Parties grant to each other the free exercise of the rights of the first, second, third, fourth and fifth freedoms of the air on scheduled and non-scheduled passenger, cargo and/or mail flights performed by an Eligible Airline to/from their respective territories”*, the EAC integration efforts through Common Market at the regional level involving liberalization of domestic air transport sector remains protected, thus translating into less accessible and unaffordable air transport for both cargo and passengers.

According to the Study on Costs and Benefits of 'Open Skies' in the East African Community commissioned by the EABC, the quantitative analysis based on data from East Africa, provided robust and compelling evidence that liberalisation leads to 9% lower average fares and a 41% increase in frequencies which stimulate passenger demand. Furthermore, the study established that it is estimated that liberalisation between five EAC Partner States -Burundi, Kenya, Uganda, Tanzania and Rwanda- could result in an additional 46,320 jobs and USD202.1 million per annum in Gross Domestic Product (GDP).

Air transport in East Africa is still expensive by international standards; as is exhibited in the current high passenger airfares and freight/cargo charges. Flight costs (both passengers and cargo flights are high in the EAC region), thus contributing to a high cost of doing business in the region.

The East African Business Council (EABC) is concerned with the high cost of air transport in the region which is attributed by the slow pace of liberalisation in cargo freight because the initiative to develop the EAC regulations on Liberalization of Air Transport Services has not been completed given that Partner States have not yet agreed on the issue of ownership provision for eligible Air Operators that would benefit from a Liberalised EAC Air Transport Services.

To enhance Public and Private Dialogue on transport and logistics for cargo liberalization, EABC with support from TradeMark East Africa is commissioning a study to specifically assess the following:

- i. Effectiveness of domestication of EAC Air Space through the provision of national treatment to EAC national air cargo operators, in all EAC Partner States;
- ii. Effectiveness of adopting the EAC Single Air Space Agreement instead of Bilateral Agreement Air Services Agreements (BASAs);
- iii. Assessing the need for EAC Partner States to Liberalize EAC air transport services by granting to each other the free exercise of the rights of the first, second, third, fourth and fifth freedoms of the air on scheduled and nonscheduled cargo and passenger, performed by an Eligible Airline to/from their respective territories;
- iv. Implementation of the Open Skies Policy through fully implementing the Yamoussoukro Decision and enable a multilateral "Open Skies Policy for Cargo Freight;
- v. The benefits of liberalisation by coming up with a strategy aiming at addressing high cargo fares through reducing the taxes, charges and fees that impact on ticket cost in EAC;
- vi. Capacity to attract private sector investment through progressively removing foreign restrictions to open up access to capital and financing so cargo airlines can refresh fleets and airports to appropriately invest in infrastructure upgrades and capacity expansion.

4.0 SCOPE AND DUTIES

The consultant will work with EABC Management and assigned programme staff to familiarize himself with the EABC work on EAC Open Skies studies already undertaken, including all publications and reports. The consultant will also work in partnership with EABC and its Focal National Points and sector associations in all the EAC Partner States. The consultant shall;

- i. Assess the costs and benefits from full liberalization of air cargo movement in the EAC disaggregated by country, indicating how each country stands to win or lose as a result (Undertake a cost-benefit analysis with SWOT/pestle analysis).
- ii. Consider the direct and indirect impacts of restrictions of air cargo traffic by the relevant EAC Partner States on intra-EAC trade and investment including all restrictions on the access of regional airports, the effect on cargo freight charges, frequency, handling capacity, etc.
- iii. Develop a roadmap for expanding freedoms to allow for cargo flights to pick cargo from multiple airports in the EAC.
- iv. The consultant is expected to systematically analyse the extent by which the BASAs are restrictive and propose recommendations favourable to facilitate

- cargo movement for adoption by EAC Partner States benchmarking from best practices in Dubai, UAE and the EU.
- v. The consultant shall also undertake a thorough and cross-sectional (step by step) analysis of the impact of COVID-19 on the cargo movement across the EAC region to identify the magnitude of the effect, propose mitigation measures as well as a detailed and feasible short, mid and long-term recovery strategy.
 - vi. Make key recommendations on effective interventions to maximize the potential of liberalized air cargo movement for the markets in the EAC.
 - vii. Organizing an internal validation workshop at EABC Headquarters in Arusha.

5.0 DELIVERABLES

The key deliverables include:

- i. Approved inception report detailing the proposed methodology, analytical framework and work plan to carry out the assignment.
- ii. Draft report of the study on open skies for cargo movement across the EAC region.
- iii. An EAC air cargo recovery strategy post-COVID-19.
- iv. Approved final report of assessment incorporating comments made in the internal validation meeting.
- v. A policy brief arising out of the study.

6.0 QUALIFICATIONS AND EXPERIENCE

A suitable candidate should hold the following qualifications and key competencies:

- a) **Academic Qualifications:** A Master degree or postgraduate qualification in any of the following fields; Transport Economics, Economics, Aviation Technology or any other relevant field is required.
- b) **Work Experience:** A minimum of **ten (10) years'** demonstrable experience in Air Service-related research and regional trade-related issues. The consultant must have the capacity to carry out the study within the determined timeframe;
- c) **Proven track-record** in related assignments on air services liberalization.
- d) **Knowledge of EAC Integration pillars, international trade and demonstrated knowledge of the Yamoussoukro Agreement concerning the Liberalisation of Access to Air Transport Markets in Africa.**
- e) **Languages:** Fluency in oral and written English is required as it is the main EAC working language. Good working knowledge of French and Kiswahili will be an advantage.
- f) **Additional Skills:** Excellent computer skills (Microsoft Office (Word, PowerPoint, and Excel), Email, analytical tools/software for data analysis, experience in working with internet searches, online databases, and data retrieval) are required.

7.0 THE APPLICATION PROCESS

All proposals should be addressed to;

The Executive Director / CEO
East African Business Council (EABC)
Ninth Floor, Mafao House, Old Moshi
Road P. O. Box 2617 Arusha, Tanzania.

Email: director@eabc-online.com with a copy to procurement@eabc-online.com clearly marked “Consultancy Services to Conduct a Study on Open Skies For Cargo Movement Across the EAC Region”.

Deadline 28th August 2020

EABC is an equal opportunity employer thus recruitment is on merit and with no regard to one’s age, colour, gender, marital status, disability or impairment, race or creed. Canvassing shall lead to automatic disqualification.

Environmental aspects will be taken into consideration.