



ADVERTISEMENT

CONSULTANCY TO UNDERTAKE A STUDY ON EXCISE DUTIES IN EAC PARTNER STATES



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 East African Business Council (EABC) is implementing the TMEA project titled *Public-Private Sector Dialogue (PPD) for Trade and Investment in Eastern Africa*. This regional project targets to mainstream advocacy throughout TMEA’s project clusters which are transport & logistics; customs & tax; standards & Sanitary Phyto Sanitary (SPS) Measures; African Free Trade Area (AfCFTA) & Tripartite Free Trade Area (TFTA) and Non-Tariff Barriers (NTBs). 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 Programme will contribute to core TMEA corporate results outlined below:

1. Reduce transport (road, rail, and air) cost and time along transport corridors by 10% and increase efficiency in private sector logistics services provision
2. 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.
3. Reduced tariffs, taxes, and levies by 5-8% overall (including sub-national) reduce exemption regimes, CET, and increase import/export tax incentives
4. 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.
5. Resolve 30% of all reported NTBs along TMEA project clusters within a year.
6. 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 TMEA as the lead implementing partner for the Private Sector Organizations.

3.0 RATIONALE AND OBJECTIVE OF THE ASSIGNMENT

One of the EABC-TMEA project outcomes is to improve adoption and harmonization of customs and domestic tax-related policies among the Partner States with a view of reducing tariffs, taxes, levies, exemption regimes and increasing import/export tax incentives. Tax harmonisation concept is an element that runs through all stages of EAC integration from the Customs Union, Common Market, Monetary Union to the Political Federation. The main objective towards harmonisation of domestic taxes is to remove tax distortions in order to facilitate free movement of capital, services and goods in the region.

The legal justification for harmonisation of excise taxes as part of domestic taxes in EAC is mainly derived from Article 83(2)(e) of the *Treaty for Establishment of East African Community* that obliges the Partner States to “*harmonize their tax policies with a view to removing tax distortions in order to bring about a more efficient allocation of resources within the Community.*”. This Article in the Treaty is reinforced by Article 32 on the harmonisation of tax policies and laws of the Common Market Protocol that states “*the Partner States undertake to progressively harmonize their tax policies and laws on domestic taxes with a view to removing tax distortions in order to facilitate the free movement of goods, services, and capital, and the promotion of investments within the Community*”. In addition, Article 8 of the East African Monetary Union Protocol provides for harmonisation and coordination of fiscal policies and avoidance of harmful tax competition. Tax neutrality is very critical for the good functioning of the Customs Union and Common Market.

The Protocol on the Establishment of the East African Community clearly defines excise duty as a non-discriminative duty imposed by Partner State on locally produced or similar imported goods. This definition reinforces the need for EAC Partner States to harmonize excise duties as part of domestic or internal taxes in the EAC region in order to avoid trade disputes due to the existence of unharmonised and discriminatory excise duties against like or similar products. While customs duties have been mainly eliminated in intra EAC trade, unharmonised excise duties levied on the movement of goods and services across EAC continue to restrict trade, create an unlevel playing field and prevent the full realization of benefits availed by of the EAC integration process (Treaty, Customs Union, Common Market and Monetary Union). Most of the excise duties in the EAC Partner States have discriminatory effects and cause distortions in the cross-border transactions and investment decisions. In addition, the unharmonised domestic taxes are sometimes sources of trade disputes, thus a call for harmonization of domestic taxes.

In view of above, EABC Secretariat through TMEA Regional PPD Programme is commissioning a consultancy to undertake a study on excise duties in EAC Partner States. This study will analyze the existing excise duties in EAC Partner States, their impact on intra-EAC trade and recommend recommendations & advocacy roadmap for their harmonisation.

4.0 SCOPE OF THE WORK AND DUTIES

The consultant should undertake the following:

1. Develop an inventory list of excise taxes for products in the EAC Partner States
2. Analyze the existing excise taxes in the EAC Partner States with a view of identifying their differences and similarities
3. The impact of unharmonised excise taxes on intra-EAC trade
4. Propose legal and economic justification for harmonisation of excise taxes,
5. Determine and recommend appropriate options and modalities for the harmonisation of excise taxes in the EAC
6. Organize internal validation workshop
7. Present report of the discriminatory taxes in EAC Partner States
8. Develop EABC Policy brief which EABC will use to advocate for harmonisation of excise taxes.

5.0 DELIVERABLES

The key deliverables include:

- **Inception report** which among other things will contain the detailed work plan for carrying out the scope of work, proposed methodology and research design survey instruments
- **Draft report** of Inventory of Excise Taxes in EAC region
- **Final report** that includes, inventory of excise taxes on products in EAC, their differences, similarities and impact to intra-EAC trade and recommendations for their harmonisation.
- **Policy brief** Containing a summary of the findings identified on unharmonised excise taxes and how to harmonise them.

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, Economics, Taxation, Business Administration or any other relevant field is required.
- b) Work Experience: Demonstrate experience in undertaking consultancy of similar work at regional/national level
- c) Communication and Networking: Must be able to identify key stakeholders; seek their views, correctly interpret their messages and respond appropriately

- d) Knowledge of EAC Integration, international trade, policy design and technical framework Regional Trade Arrangements and conversant with social, economic and geo-politics of EAC.
- 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.
- g) Nationality: The position is only open to Nationals of any of the EAC Partner States, Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan.

7.0 THE APPLICATION PROCESS

The technical and financial proposal must be submitted separately 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 to Undertake a Study on Excise Duties in EAC Partner States**”.

The technical proposal should also contain a current curriculum vitae, work plan and methodology.

The financial proposal should be protected with a password.

Applications close on (30th November 2020) at (5.00 p.m.)

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.

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