



ADVERT

CONSULTANCY TO CARRY OUT AN ASSESSMENT TO DETERMINE OPPORTUNITIES AND THREATS IN THE IMPLEMENTATION OF THE AfCFTA FOR THE PRIVATE SECTOR IN THE EAC REGION- A FOCUS ON TRADE IN SERVICES

Summary of the assignment:

Nature of assignment	Short term
Location	Will vary depending on the source of data and respondents
Timeframe	30 Working days
Reporting	To Executive Director/CEO

I. BACKGROUND TO THE AFRI-EXIM BANK PROJECT

To strengthen the role of EABC in advocating for a stronger private sector in the EAC regional integration agenda, EABC has entered into a partnership with AFRI-EXIM BANK to position the private in the region to reap the benefits arising out of the AfCFTA. In this partnership, EABC will work closely with its National Focal Points to undertake various activities such as sensitization workshops for SMEs and women in business on the AfCFTA Protocols and their relevance to business in the EAC region with an aim of positioning the private sector to effectively take part and benefit from the AfCFTA.

This partnership hence seeks to address competitive and capacity gaps within the EAC private sector with a view to contributing to the implementation of the African Continental Free Trade Area. The partnership will facilitate the EABC to build the capacity of the private sector to contribute to the ongoing negotiations, give clarity on the status of the negotiations process of the AfCFTA, the benefits embedded in the agreement to the private sector, the mechanisms for the implementation as well as share information on the initiatives, tools and products developed and supported by the AFRI-EXIM Bank aimed at facilitating the private sector to develop capacities to participate in trading through the AfCFTA such as the Pan African Payment and Settlement System and how the private sector can tap into such facilities.

Through the partnership, various research and assessment studies will be undertaken to develop evidence-based policy briefs that demonstrate the implications of the AfCFTA protocols as

negotiated at various phases to businesses and private sector growth in general across the EAC region.

II. 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.

III. RATIONALE OF THE ASSIGNMENT

Trade in services has for the past 20 years represented the most dynamic segment of international trade. As well as being important in its own right, the services sector provides key inputs into the production and trade of all products, playing an important role in global value chains technology investments and the overall economic development. At the multilateral level, the WTO's General Agreements on Trade and Services (GATS) provides the legal ground rules for international Trade in Services, framing the opening of the markets of WTO Members to foreign competition.

Services are an extremely heterogeneous concept, ranging from hairdressers and hotels to teachers, accountants or telecommunication providers. But they are crucial for economic development, particularly in Africa. According to Xaver Keller's Discussion paper (AfCFTA and Trade in Services for Development, July 2019), services account for 54% of African Gross Domestic Product (GDP) and for 75% of Greenfield Foreign Direct Investment (FDI) to the continent. The service sector is also an important and growing source of employment.

The trade in services agenda is a particularly important one for the African continent. Services such as communication, transport and financial services are inputs into all economic activities. Services are essential to facilitate trade across borders, they are essential for competitiveness in agriculture and manufacturing in fact, in all economic activities. Very importantly financial, communication, transport and other services are fundamental to structural economic

transformation and also indispensable to deliver healthcare, education and other social services to promote inclusive and sustainable development.

The African Union (AU) member states, determined to create a single liberalized services market to boost intra-Africa trade, included a Protocol on Trade in Services in the AfCFTA Agreement. The Protocol is the first endeavour to liberalise intra-African trade in services.

The African Continental Free Trade Area (AfCFTA) negotiations have reached a critical phase. Member states are currently engaged in negotiations on issues that are essential for trade in goods and services under the AfCFTA to begin. This newsletter focuses on trade in services in the AfCFTA. Member states have agreed on five priority services financial services, communication, transport, tourism and business services and will engage in the negotiations through a request and offer process to make specific sector commitments. This process was expected to be completed by January 2020. Member states have also undertaken to develop frameworks for regulatory cooperation. Simultaneously, member states are preparing offers of tariff concessions, and finalizing rules of origin negotiations for several products textiles and clothing, automotive and sugar. Until these negotiations are concluded, and the outcomes implemented, trade under the AfCFTA in goods or services, cannot begin.

It is imperative that non-state actors, such as firms in services sectors, be actively engaged in the preparations for these sector commitment and regulatory framework negotiations. Firms will know what the opportunities are in other African countries; and they will also know what the barriers to accessing those opportunities are. This information is essential to make the request and offer process of negotiations for sector commitments to deliver real outcomes.

Recognizing that services are regulatory-intensive, this is a particularly important development. It is also important to consider the fact that domestic regulatory developments may well have advanced well beyond both the GATS and REC-level commitments. This will be very important, for example, as regards Mode 3 (establishment of commercial presence by foreign firms) in many African countries. A particularly sensitive part of the negotiations may well concern Mode 4 – presence of natural persons to supply services in another member state. Mode 4 is often closely linked to Mode 3; as firms establish a commercial presence in another member state and require experts from the home base to assist with that establishment.

Domestic immigration regulations will inform the commitments that are made often across services sectors, but exclusively so, in the AfCFTA negotiations. Movement of persons across borders remains a very sensitive issue and is linked often to the challenges of unemployment in all African countries, leading in some cases to very tragic xenophobic responses.

An important element of regulation in the cross-border supply of services is the mutual recognition of qualifications, educational standards, licenses or certifications that are granted in another country. This would allow persons permitted or licensed to practice a certain profession in one state to practice that profession in the territories of another state. Such mutual recognition is important to assure the quality or standard of services not only from a technical perspective, as in engineering services, for example, but also for broader consumer and business protection.

The Trade in Services Protocol of the AfCFTA and the negotiations to conclude sector commitments and adopt frameworks for regulatory cooperation are important steps in a process that will have to see successive rounds of negotiations. But they are based on the foundation of trade in services governance from a past era. The AfCFTA recognizes that successive rounds of negotiation and liberalization will be necessary to achieve the ambitious objectives of integration and development of the AfCFTA. For the State Parties, there remains much to be done to achieve these objectives.

With trading through the AfCFTA already commenced and the implementation of the AfCFTA Guided Trade Initiative, the movement of goods will require service providers to move with the goods. For the private sector in the service industry to be fully aware of the protocol on trade in services under the AfCFTA and what it implies to their business, there is a need for a comprehensive study to determine the opportunities availed by the AfCFTA specifically in the Trade in Services Protocol to the private sector and any potential threats to its implementation. In that regard, the East African Business Council (EABC) is commissioning a study to specifically assess the following aspects in the scope of work below;

IV. SCOPE OF WORK

The consultant shall assess;

- i. Assess the aggregated trends on Services trade among EAC Partner States, as well as between EAC countries and the other RECs under the AfCFTA;
- ii. An assessment of potential opportunities and impact derived from the commitments on trade in services undertaken by EAC Partner States under the EAC Common Market Protocol (CMP), the GATS and in the AfCFTA;
- iii. Carry out an assessment of the supply-side and business environment of EAC Partner States' major services sectors (Business, Communication, Distribution, Education, Financial, Tourism, and Transport), both at the regional and the AfCFTA level;
- iv. Undertake an assessment of other critical business environment-related variables in the priority services sectors (Business, Communication, Distribution, Education, Financial, Tourism, and Transport), identifying strengths and challenges to be overcome by EAC Partner States service providers in growing and exporting their services under the AfCFTA;

- v. Review and analyze the commitments undertaken by the EAC Partner States on trade in services under the AfCFTA and assess the potential opportunities and impact for trade in services under the four modes of supply;
- vi. Undertake an assessment of the competitive gaps in EAC Partner States in the priority services sectors oriented to the AfCFTA State Parties' market;
- vii. Identify Market entry barriers for services providers among EAC Partner States and the AfCFTA trading partners;
- viii. Review the institutional framework in the EAC Partner States at the regional level for coordinating and promoting services exports under the AfCFTA trading arrangement and propose the optimal arrangements;
- ix. Identify possible areas to develop value chains in services trade in the region and also the important sectors for ensuring the efficiency of regional and global value chains in the region;
- x. Work with the EABC Secretariat to present in the regional workshop for the validation of the report.

V. EXPECTED OUTPUTS

- i. Inception report which among other things will contain the detailed work plan for carrying out the scope of work, proposed methodology and research instruments
- ii. Final report with inputs from internal and external stakeholders
- iii. A policy brief from the assessment to determine opportunities and threats in the implementation of the AfCFTA for the private sector in the EAC region- a focus on trade in services
- iv. The priority sectors are: Business, Communication, Distribution, Education, Financial, Tourism, and Transport. Also important is to consider the other remaining sectors especially where the EAC as a region has made commitments at the AfCFTA level;

VI. 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 assessment on the opportunities and threats in the effective implementation of the AfCFTA with a focus on trade in goods in the EAC,
- iii. Organise a regional validation meeting with industry stakeholders who will have been interviewed during the study period to get regional private sector inputs.

- iv. Approved final report of assessment incorporating comments made in the internal validation meeting,
- v. A policy brief from the assessment to determine opportunities and threats in the implementation of the AfCFTA for the private sector in the EAC region- a focus on trade in services

VII. QUALIFICATIONS AND EXPERIENCE

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

- a) **Academic and Professional Experience:** A Master’s degree or postgraduate qualification in any of the following fields, Economics, Statistics, Business Administration, International Trade, Trade Policy or any other relevant field is required.
- b) **Work Experience:** A minimum of five (5) years of demonstrable experience in International Trade and regional integration-related work. The consultant must have the capacity to carry out the study within the determined timeframe.
- c) **Proven track record** in related assignments
- d) **Knowledge of EAC Integration, and international trade with demonstrated knowledge of regional integration with specific expertise in AfCFTA negotiations and implementation is an added advantage.**
- 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 Nationals of any of the EAC Partner States, Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan.

VIII. MODE OF PAYMENT

Time	Amount to be paid
Upon submission of the inception report	20% of the total amount

Upon submission of the draft report	20% of the total amount
Upon approval of the final report	60% of the total amount

IX. EVALUATION CRITERIA

Explanation of the Combined Financial and Technical Evaluation. The combined score is obtained by attributing the technical weight T (80/100) to the technical score St (Max Points as per ToR x score awarded by evaluator/100) and the financial weight P to the financial score (Sf).

The formula for the combined evaluation (S) is follows: $S = St \times T + Sf \times P$. This will be calculated for each consultant proposal admitted to the financial evaluation.

Total score (Technical + Financial) = 100 points The Contract shall be awarded to a bidder obtaining the highest combined technical and financial scores. Proposals not complying with the terms and conditions contained in this ToR, including the provision of all required information, may result in the Proposal being deemed non-responsive and therefore not considered further.

Evaluation on;	Maximum Award	Consultant/Bidder	Observation/Comments
A minimum of five (5) years of demonstrable experience in International Trade related research and regional trade-related issues. The consultant must have the capacity to carry out the study within the determined timeframe.	15		
Knowledge of EAC Integration, and international trade with demonstrated knowledge of regional integration with specific expertise Trade in Services and AfCFTA negotiations and implementation is an added advantage	15		
Proven experience in delivering similar assignments in Trade in Services related work	15		
Adequacy of the Proposed Methodology and work plan in responding to the TORs. The consultant must have capacity to carry out the study within the determined timeframe.	15		
A Master's degree or postgraduate qualification in any of the following fields, Economics, Statistics,	10		

Evaluation on;	Maximum Award	Consultant/Bidder	Observation/Comments
Business Administration, International Trade, Trade Policy or any other relevant field is required.			
Overall technical score	70		

X. THE APPLICATION PROCESS

Send proposals to EABC Secretariat MAFAO HOUSE, 9th Floor, Old Moshi Road, and P.O. Box 2617, Arusha, Tanzania or to procurement@eabc-online.com clearly marked **“CONSULTANCY SERVICES TO CARRY OUT AN ASSESSMENT TO DETERMINE OPPORTUNITIES AND THREATS IN THE IMPLEMENTATION OF THE AfCFTA FOR THE PRIVATE SECTOR IN THE EAC REGION- A FOCUS ON TRADE IN SERVICES”** by **27th September 2023**. The proposal should include the current curriculum vitae, proposed methodology, work plan, and a separate password protected financial proposal.

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.