



## Terms of Reference

Baseline study of Mozambique's experience in the participation of Preferential Trade Agreements and its implications for the ratification of AfCFTA

<b>Location:</b>	Home-based with possible mission to Mozambique
<b>Duty station</b>	Maputo
<b>Application Deadline:</b>	12th March 2021
<b>IC Title</b>	International Consultant/Team Leader
<b>Type of Contract:</b>	Individual Contract
<b>Languages Required:</b>	English/Portuguese desirable
<b>Starting Date:</b> (date when the selected candidate is expected to start)	19th March 2021
<b>Duration of Contract:</b>	45 days

*26<sup>th</sup> February 2021.*



## 1. BACKGROUND

The Agreement establishing the African Continental Free Trade Area (AfCFTA) signed in Kigali, Rwanda, on 21st March 2018, is a key milestone in Africa's regional integration. The Agreement includes the Protocol on Trade in Goods, the Protocol on Trade in Services and the Protocol on Rules and Procedures for Settlement of Disputes. These protocols are being negotiated under Phase 1 of AfCFTA implementation. The Agreement also encompasses Protocols on Investment, Competition Policy and Intellectual Property Rights, which will be negotiated under Phase 2.

The AfCFTA agreement, due to start its implementation in 2021, has the potential of becoming an engine of economic growth, industrialization and sustainable development in Africa, thereby contributing to the implementation of the 2030 Agenda for Sustainable Development and the African Union's (AU) Agenda 2063: "The Africa We Want". However, for the AfCFTA to deliver on the expected outcomes, priority actions need to be undertaken in the short to medium run.

First, countries need to ratify the AfCFTA agreement. To secure the ratification of the Agreement, Member States will need to build the evidence and the consensus on the overall benefits of AfCFTA for their countries, as well as identify the complementary policies and government interventions in areas such as industrialization, domestic resource mobilization, infrastructure, competition, investment and intellectual property rights that can help fully reap the benefits of AfCFTA implementation. Second, there is a need to build on the political momentum behind the AfCFTA to support policy reforms that are aimed at implementing the Agreement as well as the required domestication. In this regard, it is critical for member States to undertake deliberate actions and deploy necessary efforts through national AfCFTA strategies with a view to maximize the benefits of the Agreement while minimizing potential adverse effects. The strategies should be complemented by an effective monitoring and evaluation framework that will track progress on the implementation of the Agreement.

Against this background, the Government of Mozambique, through the Ministry of Economy and Finance, has requested technical and financial assistance from UNDP to undertake a baseline study that takes stock of Mozambique's experience in participating in regional and global trade integration initiatives, with a specific focus on the experience drawn from its membership in the regional economic community of the Southern African Development Community (SADC) and the implementation of the SADC Trade Protocol and Free Trade Area (FTA). This assessment is expected to inform the government's AfCFTA ratification and implementation process by helping define areas and sectors where Mozambique stands to gain from AfCFTA implementation and those where the benefits of integration might be more limited or negative, based on Mozambique's past integration experience and current participation in preferential trade agreements, as well to understand conditions that need to be met to reap these gains that can be potentially derived from AfCFTA. It will also serve to identify complementary policy interventions that need to be pursued in areas such as industrial policy and technology, agricultural and rural development, taxation, infrastructure and logistics or education, in order to reap the full benefits of AfCFTA.

This AfCFTA baseline study is part of a series of studies and reports that the government of Mozambique is commissioning to inform its AfCFTA ratification process. It includes, among others, assessments of the potential impact of AfCFTA implementation on trade flows in goods and in services, as well as the preparation of a National AfCFTA Implementation Strategy. This work is being led by the Ministry of Industry and Trade (MIC), in close coordination with the Ministry of Economy and Finance (MEF). It benefits from the technical and financial support from UNDP and the United Nations Economic Commission for Africa (UNECA).

## 2. OBJECTIVE AND SCOPE OF WORK

The overall aim of the study is to inform the AfCFTA ratification process in Mozambique by drawing from its past experience participating in preferential trade initiatives, in order to identify the possible gains that could be derived from AfCFTA accession, areas and issues of concern, as well as complementary policy measures that may need to be implemented in areas such as industrial policy and technology, agricultural development, infrastructure and logistics or education, for Mozambique to reap the full benefits of AfCFTA. Special attention will be given to Mozambique's experience with the implementation of the SADC Trade Protocol and SADC FTA, given the significance of this agreement and the importance of trade and economic relations with SADC countries.

In order to respond to these objectives, the experts hired to undertake this baseline study will respond to the following issues for the following two (2) main components of the study:

### Component 1 – Assessment of Mozambique's participation in PTAs, with a focus on SADC

1. List and map all multilateral and bilateral preferential trade agreements to which Mozambique is currently party to, including the SADC FTA.
2. Collect all necessary trade-and investment related data (flows, tariffs, non-tariff barriers, applied tariffs, rules of origin, investment provisions, competition provisions, etc.) that can help understand the costs and benefits for Mozambique of joining these PTAs, particularly the SADC FTA.
3. Take stock of the degree to which Mozambique is implementing the various protocols and provisions of SADC and indicate areas where implementation has been weak, identifying reasons for such weak implementation and lessons that can be drawn to inform AfCFTA ratification and implementation.
4. Analyze the extent to which Mozambique is using its current preferential trade agreements for trade in goods within and outside Africa (SADC, AGOA, EU, GTSP, WTO-GSP<sup>1</sup>), reasons for underutilization of such preferences, if any, and the challenges it faces in global and regional trade.
5. Explain the protocols, annexes, provisions and institutional and governance architecture underlying the SADC FTA, and how these differ or complement from what is being proposed under the AfCFTA.
6. Undertake a brief comparative analysis of the rules of origin under the AfCFTA and the SADC FTA and analyze the challenges faced by Mozambique in complying with rules of origin under the SADC FTA.
7. Analyze and critically assess the broader benefits and downsides that have resulted from Mozambique having adhered to the SADC Trade Protocol and FTA. In particular:
  - i. Analyze the evolution of trade (in goods and services) and investment flows between Mozambique and how these might evolve in the future; and compare with Mozambique's main SADC trading partners.
  - ii. To the extent possible, assess how SADC FTA might have contributed to trade creation and trade diversion, product and market diversification, increases in levels of complexity of tradable goods.
  - iii. To the extent possible, assess the overall impact of the SADC FTA may have had on growth, employment, revenue, industry and economic diversification, investment and other aspects of the economy for the period 2000 to 2020.

---

<sup>1</sup> For a list of non-reciprocal preferential treatment agreements benefited by Mozambique, please go to <http://ptadb.wto.org/Country.aspx?code=508>.

- iv. Identify sectors and activities that have benefited most from Mozambique's membership of the SADC FTA, in terms of job creation, and impacts on the most vulnerable population groups, including women and youth, as well as those sectors which have fared worst.
- v. For each of these sectors, identify factors of success and failure of Mozambique's adhesion to the SADC FTA, including factors relating to regional and national markets conditions in those sectors (e.g. oligopolistic dynamics), or factors regarding general conditions existing in those sectors (e.g. availability of sector specific skills and capabilities) or, more broadly, in Mozambique (quality of infrastructure, education, logistics, etc.).
- vi. Assess the impact on government finance, in terms of revenues gains/losses and measures implemented by the government of Mozambique to offset these.
- vii. Identify institutional arrangements (or absence of these) that might have been set up to oversee and manage the implementation of the SADC trade protocol and FTA and assess their strengths and weaknesses.
- viii. Analyze the role of the private sector in the SADC regional integration process, assessing the success of the Mozambican private sector in accessing SADC markets, and the extent of Mozambique's participation in SADC regional value-chains (multiple goods and services sectors). Illustrate with case examples and identify challenges and failures.
- ix. Critically discuss the extent of technology and know-how transfer between Mozambique and its main SADC trade and investment partners.
- x. Assess how the SADC FTA fits into the broader landscape of preferential trade agreements (PTAs) of which Mozambique is part of (EU EPA, AGOA, GTSP, WTO-GSP) in terms of the relative benefits it may draw from SADC vis-à-vis these other PTAs, as well as potential complementarities, synergies, duplications, etc.

In undertaking these assessments, and to the extent that data availability makes it possible, the consultants will carry out analyses to assess the benefits Mozambique has derived from having ratified the SADC treaty and its related provisions, as well as its impact on GDP, investment, trade, employment, fiscal revenues, industrial development and economic diversification.

## **Component 2 – Implications and lessons drawn for the AfCFTA ratification**

1. Based on (i) Mozambique's participation in other regional economic integration initiatives, especially the SADC FTA; (ii) existing socioeconomic conditions and the structure of the Mozambican economy; and (iii) the experience of other countries, identify sectors which are most likely to gain from Mozambique's accession to AfCFTA and those that could be negatively affected by the ratification and implementation of this agreement.
2. Based on Mozambique's experience with SADC and other PTAs, identify policy interventions in areas such as industrial policy and technology, competition policy, private sector development, transport and logistics, agriculture, trade and investment, or TVET and education that will be required for Mozambique to fully reap the benefits of AfCFTA accession and minimize its possible costs.
3. Based on Mozambique's SADC FTA experience advice on how AfCFTA accession may plausibly impact on key variables for the country's prospects for medium- and long-term socioeconomic development. These should include, but may not be limited to:
  - The magnitude of its possible impact on trade creation and trade substitution effects.

- The possible magnitude of employment and market structure (e.g. degree of competition) effects in affected sectors of the Mozambican economy.
  - Plausible effects on investment flows in and out of Mozambique, with an assessment of sectors which are likely to gain most from AfCFTA-induced investment flows.
  - Possible effects on technology transfer.
  - Its potential impact on Mozambique's integration in relevant regional and global value chains, as per the country's structure and comparative advantages.
  - Potential macroeconomic impacts, in terms of balance of payment effects, price effects, its impact on governments revenue.
  - Assess, to the extent possible, possible impacts of AfCFTA accession on Mozambique's informal and subsistence sectors.
  - Potential impact on socioeconomic indicators such as standard of living, access to consumer goods, Human Development Index (HDI).
4. Based on the SADC FTA experience, as well as on existing best practices in the region and elsewhere, propose institutional arrangements (e.g. inter-ministerial committees, standalone secretariats, etc.), that can help ensure the effective implementation and oversight of the AfCFTA agreement in Mozambique.

While the consultants are expected to cover in their work the various issues outlined under Components 1 and 2, above, these do not necessarily need to be addressed in this order or way. They can therefore outline in their Inception Report for this assignment alternative ways in which they propose to approach these concerns.

### 3. METHODOLOGY AND APPROACH

The study will be conducted by a team of two consultants, a **Lead International Expert** and a **National Expert**, under the supervision of the UNDP Senior Economist in Mozambique and in close coordination with the Ministry of Economy and Finance (MEF) and the Ministry of Industry and Commerce (MIC). A core technical committee, consisting of the MEF, MIC, UNDP and researchers from the *Universidade Eduardo Mondlane* (UEM) will provide guidance and oversight to the work of the experts hired for this assignment, as well as feedback and quality assurance support on the study. The consultants will meet regularly with this core technical committee, providing updates on progress on their assignment and, when relevant, discussing with members of the emerging issues and findings.

The study will be based on the use of both primary and secondary data and information. Secondary data will be compiled through extensive consultations with national stakeholders, including government departments and statutory bodies, the National Institute of Statistics, the private sector, CSOs, academia, women's groups and youth groups. These consultations will also serve to share and discuss with relevant parties issues and findings coming out of this assignment, contributing to generate a common understanding and consensus on this baseline study. MEF, in its coordinating role, will coordinate these various engagements. Primary data, on the other hand, can be collected through survey questionnaires and direct interviews of stakeholders.

The assignment will involve both home-based and field research work, the latter aimed at collecting data and background material for the study and engaging with relevant stakeholders. In the event that the

global COVID-19 pandemic prevents the lead international expert from travelling on mission to Mozambique, alternatively arrangements may be considered, including organizing dialogues and stakeholder meetings online.

Where relevant, the experts hired for this study will liaise with the UNECA consultants undertaking the other studies that are currently being commissioned to inform the government of Mozambique's AfCFTA ratification process. In doing so, they will integrate, where relevant, the analysis and inputs that these other consultants may provide. Likewise, they may provide inputs and analysis coming out of this study to feed into these other AfCFTA-related studies.

Both MIC and MEF will provide consultants with all relevant documentation and create the conditions, through the AfCFTA Focal Points, so that they can access information from other sectors and provide the necessary support for the organization of work sessions.

In undertaking their work, the experts hired for this study will ensure quality and timely delivery of the agreed activities and outputs.

#### 4. EXPERTISE NEEDS

To lead on this assignment, UNDP is seeking to hire the services of an **International Expert for forty five (45) consultancy days**. Under the supervision of the UNDP Senior Economist in Mozambique, the person hired for this position will be responsible for undertaking the following tasks:

- Leads on the overall undertaking of the assignment, ensuring coherence and a common narrative of all aspects and parts of the baseline study.
- Leads on the drafting of inception report, including the proposed outline of the study.
- Outlines work plan and specific deliverables for both consultants.
- Leads engagement with MEF, MIC, UNDP and the Technical Committee, as well as with other stakeholders involved in the assignment.
- Leads meetings and discussions with external partners, including government ministries, departments and agencies, private sector and civil society representatives, etc.
- Supports with guidance, inputs and feedback to work undertaken by the National Expert.

##### Academic and professional qualifications

- Advanced university degree (Master's degree or above) in economics, international trade, public policy or related fields. A PhD in any of these fields would be desirable.
- A minimum of ten (10) years of experience in development policy analysis, policy advice and/or policy formulation, with a focus on international trade, regional integration and development.
- Proven experience in advising governments and/or international organizations on trade and development-related matters at the policy level.
- Proven professional knowledge of the AfCFTA process and architecture would be highly desirable.
- Advanced data analysis skills using standard statistical packages (Excel STATA, etc.) is desirable.
- Excellent writing and presentation skills.

- Fluency in English is required. Fluency in Portuguese is highly desirable. Alternatively, fluency in Spanish may also be considered favorably.

### Competencies

<b>Context analysis</b> <i>Ability to research, discover trends, and make recommendations on specific development context</i>	Level 6: Integrate & Empower: Leads integral work of teams utilizing expertise, vision, problem-solving capability, and collaborative energy in professional area of expertise
<b>Data Analysis</b> <i>Ability to evaluate, transform and model data to derive relevant findings.</i>	Level 7: Navigate & Guide: Charts a course for a systems approach to continuous learning, adaptation, and excellence, creating institutional imperatives to realize progress within across the relevant profession
<b>Knowledge Management</b> <i>Ability to capture, develop, share and effectively use information and knowledge</i>	Level 7: Navigate & Guide: Charts a course for a systems approach to continuous learning, adaptation, and excellence, creating institutional imperatives to realize progress within across the relevant profession
<b>Drafting and writing</b> <i>Ability to prepare quality reports that provide clear reasoning and analysis</i>	Level 6: Integrate & Empower: Leads integral work of teams utilizing expertise, vision, problem-solving capability, and collaborative energy in professional area of expertise
<b>Partnerships</b> <i>Ability to establish effective partnerships for results with counterparts and partners</i>	Level 7: Navigate & Guide: Charts a course for a systems approach to continuous learning, adaptation, and excellence, creating institutional imperatives to realize progress within across the relevant profession

In addition to this Lead International Expert, UNDP will hire the services of a National Expert. The exact division of labour and definition of tasks will be defined by the two consultants and outlined in the inception report to be submitted at the beginning of this assignment.

## **5. DELIVERABLES**

The deliverables for this assignment are defined as follows:

1. **An initial inception report** to be submitted by the lead international consultant within a week of signing the contract. The inception report will outline the consultants' understanding of the scope of the study, the tasks to be completed, issues to be addressed, methodology and sources of information. The inception report must also include a work plan indicating the phases in the study and report preparation, key deliverables and milestones and should be accompanied by an annotated outline of the baseline study.
2. **A first draft of the baseline study** assessing Mozambique's experience participating in regional and global trade initiatives and lessons and implications for AfCFTA ratification.



3. **A final version of the study** in both electronic form and printed versions, submitted to the Ministry of Economy and Finance, the Ministry of Industry and Commerce, and in electronic form to UNDP and UNECA.

## 6. TIMELINES , KEY MILESTONES AND PAYMENTS

Work for this study will be completed over a period of two and a half months, starting in March 2021 and ending in May 2021, with the International Lead Consultant hired for a total of **Forty five (45) working days**.

The breakdown of key milestones and specific deliverables within these months will be as follows.

Item	Activities	Date/Period
1	Recruitment of the consultant	By March 19th, 2021
2	Submission of inception report	By March 26th, 2021
3	Conduct Stakeholder consultations and data collection	March-April 2021
5	First draft of the AfCFTA baseline study	By May 14th, 2021
6	Review of Draft by MIC/MEF/ ECA/UNDP and revision by consultants	May 17th–21st 2021
7	Submission of final AfCFTA baseline study	By May 28th, 2021

Based on the above deliverables and key milestones, payments will be made in three separate tranches, as per the following payment schedule and taking into consideration no longer than 5 working days for technical validation and approval by UNDP of submitted deliverables:

1. A first payment, equivalent to 30% of the total contract amount, to be made upon submission and validation by UNDP of the initial Inception Report.
2. A second payment, equivalent to 40% of the contract amount, to be made upon submission and validation by UNDP of the first draft of the AfCFTA baseline study.
3. A final payment, equivalent to 30% of the contract amount, to be made upon submission and validation by UNDP of the final AfCFTA baseline study.

## 7. SUBMISSION AND EVALUATION OF PROPOSALS

The selection of the individual consultant will be done following UNDP procurement rules and regulations. UNDP will assess the consultant's profile, qualifications and skills to ensure that a high-level consultant is recruited using the below evaluation criteria.

<b>A.</b>	<b><i>Technical qualifications and experience</i></b>	<b><i>Max 70 points</i></b>
-----------	---	-----------------------------

	Master's degree in economics, international trade, public policy or related fields. A PhD in any of these fields would be an asset	10
	A minimum of ten (10) years of experience in development policy analysis, policy advice and/or policy formulation, with a focus on international trade, regional integration and development	20
	Demonstrated ability to lead the implementation of consultancy assignments requiring fieldwork missions involving key informant interviews, including with senior Government officials and other stakeholders, focus group discussion, or multi-stakeholder dialogues.	10
	Knowledge of economic and development cooperation issues in Mozambique, including on issues relating to trade and development would be desirable	15
	Proven professional knowledge of the AfCFTA process and architecture and other regional integration initiatives in the African continent	10
	Fluency in Portuguese	5
<b>B.</b>	<b>Financial Criteria</b>	<b>Max 30 points</b>
	Description of the Offeror's Cost effective and cost efficient, including substantiation of the proposed budget, reasonableness of requested items and amounts, evidence of quality of financial and organizational management	30
<b>C.</b>	<b>TOTAL</b>	<b>100</b>

\* UNDP Reserves its right to undertake additional assessments to evaluate the adequacy of candidates for this DFA consultancy assignment, including interviewing prospective candidates.

### Application Submission Process

Interested individual consultants must include the following documents when submitting the applications at UNDP job shop (Please note that only 1 (one) file can be uploaded therefore please include all docs in one file):

- Personal History Form (P11), indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the candidate and at least three (3) professional references (the template can be downloaded from this link: [http://europeandcis.undp.org/files/hrforms/P11\\_modified\\_for\\_SCs\\_and\\_ICs.doc](http://europeandcis.undp.org/files/hrforms/P11_modified_for_SCs_and_ICs.doc)).
- Financial Proposal

Applicants are instructed to submit their financial proposals, a lump sum, in US Dollars for this consultancy to [bidsubmission.mz@undp.org](mailto:bidsubmission.mz@undp.org) using the financial proposal template available here: [http://procurement-notices.undp.org/view\\_file.cfm?doc\\_id=45780](http://procurement-notices.undp.org/view_file.cfm?doc_id=45780). The proposals should be sent via email with the following subject heading: **"Consultant/Consultancy Services for baseline study of Mozambique's experience in the participation of PTAs and its implications for the ratification of AfCFTA "** by the deadline established for this vacancy. Proposals received after the deadline will not be considered. To assist the requesting unit in the comparison of financial proposals, the financial proposal should be all-inclusive and include a breakdown. The term 'all-inclusive' implies that all costs (professional fees, travel related expenses,

communications, utilities, consumables, insurance, visa, cost of living in duty station, etc.) that could possibly be incurred by the Consultant are already factored into the financial proposal.

### **Application Evaluation Process**

Individual consultants will be evaluated based on the cumulative analysis methodology (weighted scoring method), where the award of the contract will be made to the individual consultant whose offer has been evaluated and determined as:

- Responsive/compliant/acceptable and
- Having received the highest score out of a pre-determined set of technical and financial criteria specific to the solicitation.

Consultant Profile weight: [70%]

Financial Criteria weight: [30%]

Only Individual Consultants obtaining a minimum of 49 points out of the 70 available for the technical evaluation, will be considered for the Financial Evaluation.

Signature and approval of the ToRs:



---

**Alex Warren-Rodríguez**

UNDP Senior Economist

Date: 08-Mar-2021



---

**Francisco Roquete**

UNDP Deputy-Representative

Date: 08-Mar-2021