

Terms of Reference

GENERAL INFORMATION

Service Description:

Rapid Assessment:

Consultancy Services for the development of a Model for Regulation as a Stimulus (RaaS) in Africa for post-Covid19 recovery and the elaboration of a Model Trade Facilitation Accelerated Implementation Plan.

Project Title:

**Regulation as a Stimulus (RaaS):
A leadership agenda for Africa's trade-related
post COVID recovery.**

Duty Station:

Home-based.

Type of the Contract:

International Consultancy Firm.

Estimated Duration of Assignment:

Approximately five (10) weeks.

Duration of Initial Contract:

Ten (10) weeks.

Proposal Submission Deadline:

05th of July 2021-4PM SAT.

Estimated Start Date:

08th July 2021.

I. BACKGROUND / RATIONALE

The AfCFTA is widely seen as a crucial driver for African economies to recover from the Covid-19 pandemic, and to set the continent on a path of resilience, of inclusive and sustainable growth and industrialization, and economic integration. There is a consensus regarding the fact that in the long-run, trade liberalization will lower trade costs, allow consumers to access a greater variety of products at better prices, and that lower costs of imported raw materials and intermediate inputs will increase competitiveness of downstream producers thereby promoting the generation of regional value chains. Trade liberalization will also allow firms to access a large continental market and gain from economies of scale, and increased competitive pressure will on average improve average firm efficiency. However, in the short-term, significant adjustment costs will need to be borne to attain the full long-term benefits of the AfCFTA: value chain reorganization and stiffer competition will lead to market consolidation and other important structural changes through the relocation of labor, capital and other factors of production. Furthermore, tariff revenue losses are to be expected, which will in turn limit an already eroded ability for Governments to adopt relief measures and undertake support interventions to the benefit of a productive fabric unevenly prepared for progressive tariff liberalization and transitioning towards the new reality of a single continental market.

Despite facing a depressed fiscal space limiting their ability for financial support measures, Governments, through their strategic role as regulators, hold in their hand a key lever that can be actioned to help African firms absorb the short-term shock many of them will have to bear as markets open-up. Through a series

of regulatory measures aimed at accelerating trade facilitation and trade promotion, Governments can critically offset some of the short-term adjustment costs associated with increased openness. Significant efforts have been realized at various national and REC levels to increase trade flows. However, a firm's pathway to exporting can still be complex and cumbersome:

- i) Access to trade information as it pertains to destination markets (demand, competition and data informing route to market options) can be scarce,
- ii) Administrative costs are often comparatively high, in particular in terms of the time and resources required for the preparation, submission and obtention of documentary compliance, including *inter alia* rules of origin, sanitary and phytosanitary and other "technical" certification related to product standards and labelling, this being the case in origin, transit and destination economies;
- iii) Efficiency in terms of trade facilitation procedures and controls at origin, transit and destination can be improved,
- iv) Trade financing is underdeveloped in general, and all the more so for SMEs and,
- v) Capacity to source inputs and integrate them into production processes can be fraught with difficulty given relatively weaker productive capacities.

Therefore, targeted, impactful government intervention to lighten the burden associated with a still cumbersome export pathway, in spite of tariff liberalization and trade facilitation measures already adopted, can play a key role in stimulating trade and as a corollary, mobilize investments. Effectively, such interventions, by relieving firms from high exporting costs, can act as a form of stimulus that will provide impetus to the post pandemic efforts towards recovery, resilience and sustainable growth and development.

II. OBJECTIVES OF THE SERVICE / WORK

The UNDP Africa Finance Sector Hub (AFSH) in collaboration seeks to hire an expert Consultancy Firm to develop a Model for Regulation as a Stimulus (RaaS) in Africa for post-Covid19 recovery that will be embodied in the elaboration of a Model Trade Facilitation Accelerated Implementation Plan (MTFAIP). The MTFAIP will be based on the development of empirical case studies that will map a set of exports pathways under the AfCFTA's early implementation phases. Under the assignment, the case studies will aim at carrying out analytical mappings of standard pathways in terms of the processes an exporter must contend with in taking goods out of one African country to another. Exports pathways originating from representative geographies in the Northern, Southern, Central, Eastern and Western African regions with destination in selected four major continental markets, and informed by leading sectors for trade in the selected countries will be considered.

The case studies will provide an overview of a representative firm's pathway for exporting to large intraregional markets, while benefiting from preferential tariffs: it will in particular capture the costs associated with accessing information, securing documentary compliance, undergoing border processing and controls, and accessing trade financing. Beyond assessing costs and putting a value to key exporting steps, the exercise will aim at identifying the most binding regulatory constraints to smooth trade flows in goods and services. Rather than being expansive on diagnostics, the mapping exercise will aim at identifying actionable solutions with strong, swift, and where possible systemic impact on alleviating high

exporting costs and smoothening trade flows. Without pre-empting on the findings, particular attention will be put on information accessibility, documentary compliance and processing simplification and harmonization, including through RegTech and digitalization, as well as streamlining and expanding access to trade finance, including for SMEs.

The resulting empirically based findings will be used to inform the formulation of a Model Trade Facilitation Accelerated Implementation Plan (MTFAIP). The MTFAIP is expected to contribute to the formulation of actionable reforms at national level. Its adoption is expected to induce a positive shock on trade flows, thereby realizing the strategic objective of leveraging Regulation as a Stimulus (RaaS). By design, the MTFAIP will target accelerating the operationalization of the provisions on trade facilitation embedded in the treaty. The MTFAIP will capitalize on related initiatives from AU, AfDB and AfreximBank, other UN agencies, the World Bank and RECs and make propositions to leverage synergies for collective action where relevant.

III. SCOPE OF THE SERVICE / WORK

The tasks of the Assignment are the following:

1. Undertake case studies capturing export pathways from 5 origin countries in Northern, Southern, Central, Eastern and Western Africa to 4 destinations and informed by leading sectors for trade; the mappings are expected to be carried out over a period of 4 weeks, and to be based essentially on desk research and consultation of relevant technical reports and regulatory documentation.
2. Develop a short, infographic-rich document/report showcasing the case studies, and capturing the selected export pathways, estimating costs associated with each key step of the exporting process, from information accessing to reaching export destination, identifying key regulatory bottlenecks in terms of highest cost, and/or in terms of highest binding impact on trade flows fluidity. The document will be solutions-oriented and combine empirical findings with provisions in key treaties (AfCTA and TFA) to recommend actionable strategies and measures to address these bottlenecks to accelerate the implementation of trade facilitation. Without being prescriptive, special focus will be put on access to information, documentary compliance and border processing simplification and harmonization, including through RegTech and Digitalization, and expanding access to trade financing, including for SMEs. The findings will be circulated on relevant AfCFTA digital platforms.
3. Formulate, on the basis of the findings, a Model Trade Facilitation Accelerated Implementation Plan (MTFAIP), that will capture precise objectives, timelines and key milestones to be achieved over a period of 18 months.
4. Prepare communication materials to be used for advocacy and dissemination of key messages.

IV. EXPECTED OUTPUTS / DELIVERABLES

The consultancy will be initiated with a briefing/orientation meeting to ensure common understanding of content, scope, timeline for the expected deliverables. The expected deliverables to be produced by the Consultancy firm/Consultancy Firm(s) for the successful completion of the assignment include the following:

1. *Two (2) days after the briefing meeting*

- **Deliverable 1:** A brief **inception report** including the implementation plan to be submitted to UNDP RBA/FSH & Ai, listing inter-alia the strategy that will be adopted for data and documentation gathering and stakeholders' consultations.

2. *Three (3) weeks after the beginning of the assignment*

- **Deliverable 2:** A **pitching brochure/infographic document** highlighting key high-level information and data on the initiative to be used for communication towards raising awareness on the RaaS initiative, and the expected research-based Model Trade Accelerated Implementation Plan (MTFAIP).

3. *Eight (8) weeks after the beginning of the assignment*

- **Deliverable 3:** A **near finalized draft report for review and validation** mapping the required export pathways (originating in 8 RECs, with destinations in 4 target markets, and covering 8 key sectors), with costing of exporting process steps, identifying key regulatory bottlenecks and recommendations on actionable strategies and measures.

3. *Ten (10) weeks after the beginning of the assignment:*

- **Deliverable 4:** A Model Trade Facilitation Accelerated Implementation Plan (MTFAIP) document based on the findings and insights from the case studies and report, capturing precise objectives, timelines and key milestones to be achieved over a period of 18 months for the accelerated implementation of trade facilitation key measures and RaaS.
- **Deliverable 5:** Infographic-rich communication materials for advocacy and dissemination of the key messages of the report. These will include in particular five (5) country profile brochures based on the case studies, one (1) one-pager infographic brochure capturing the purpose of RaaS and key general findings from the report, and one (2) infographic-rich PowerPoint presentation capturing the content of the report and the MTFAIP.
- **All deliverables should be produced in English & French.**

V. METHODOLOGY / APPROACH OF THE SERVICE (WORK)

The Consultancy Firm(s) should seek to, amongst others:

1. Undertake desk-based research using key reports from continental and international institutions (AU, NEPAD, UNECA and other UN organisations, ITC, OECD, World Bank). Inputs will also be drawn out of quantitative commercial, technical, trade and regulation insights and expertise from the major consulting and law firms specialized in international trade, transport, logistics and international tax as well as heads of regulatory affairs departments from large firms and other private sector organizations involved in international trade and logistics (e.g. ICC). Relevant national and regional legal texts, and academic literature will also be consulted as needed;
2. Carry out limited number of consultations with key stakeholders as needed;

3. Estimate standard costing for key steps involved in export pathways (accessing information, documentary compliance, trade border processing and control, accessing trade finance)
4. Identify key regulatory bottlenecks which if addressed will yield the most positive impact on current costs associated with exporting and act as a stimulus
5. Propose a strategic reform agenda for RaaS, captured in the formulation of key actionable strategies and recommendations and embedded in the Model Trade Facilitation Accelerated Implementation Plan (MTFAIP).
6. Design and produce relevant communication materials.

It is highly recommended that the Consultancy firms relies on expertise based in the selected countries of origin for the case studies to ensure that the findings and insights produced are rooted in the specific characteristics of national contexts. The Consultancy Firm will ensure to provide regular backstopping to the contracting authority as to activities, progress, challenges encountered to ensure timely provision of high-quality deliverables.

VI. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

Reporting and Management of the Assignment

- i. The Consultancy Firm will report to a UNDP coordination team composed of RBA and AFSH experts.
- ii. The Consultancy Firm shall provide during the project inception meeting the complete set of information details and explanations on its implementation plan for this assignment and seek clarifications of any pending issues to ensure a joint understanding on the scope, deliverables, and timeline of this consultancy.
- iii. The Consultancy Firm will submit a zero draft of the mapping report in six weeks after the validation of the inception report for review and commenting by the UNDP Team;
- iv. The Consultancy Firm will submit a zero draft of the Model Trade Facilitation Accelerated Implementation Plan (MTFAIP) two weeks following the validation of the mapping report.
- v. The Consultancy Firm will develop communication materials in close collaboration with the UNDP Team to ensure key messaging is produced under relevant and appropriate formats.
- vi. The Consultancy Firm will also submit the final communication material for validation.
- vii. All deliverables will be produced in English and thereafter translated to French.

VII. PAYMENT MILESTONES AND AUTHORITY

Prospective Service Provider will be required to provide a dossier including track record and CVs of key team members, a short outline (up to 2page) of the way in which the consultancy is expected to be carried out including a detailed timeline, and a one page financial proposal detailing daily rates for honoraria. Selection will be based on the quality of the firm's track record in carrying out similar exercises (40%), the

outline (30%) and overall costing offer for the consultancy (30%). **The ability of the Consultancy Firm to complete the work within the provided timeframe will be of critical importance in the selection process.**

The Consultancy Firm shall be paid in two (2) instalments: the first 40% upon validation of the inception report, and the second 60% upon reception of all deliverables.

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1st Instalment	<ul style="list-style-type: none"> Inception report including the implementation plan. 		40%
2nd Instalment	<ul style="list-style-type: none"> Final draft of mapping report and MTFAIP Final set of communication materials for advocacy and dissemination 		60%

VIII. MINIMUM ORGANIZATION AND CONSULTANCY TASK FORCE REQUIREMENTS

The Consultancy Firm shall present a Team of Experts to carry out this assignment, the Lead Consultant's profile will meet the below minimum requirements:

- i. Masters or equivalent diploma(s) in Trade Policies, Laws and Economics or equivalent.
- ii. At least 10 years of experience in trade policies, trade administration and related regulatory reforms work.
- iii. Knowledge of trading costs forecasting and evaluation tools (from a micro/firm/ sectoral level perspective);
- iv. Expert knowledge of trade in sub-Saharan Africa, including the new AfCFTA trade facilitation and development toolkit and familiarity with the RECs.
- v. Experience in formulating and negotiation of strategic policy and regulatory reform agendas.
- vi. Experience in advocacy messaging for policy maker is an advantage.
- vii. Experience with UN agencies and other international organizations and private sector companies, legal firms and trade advisory firms active on AfCFTA.
- viii. Experience in designing high quality infographics and reader friendly documents.
- ix. Excellent report writing and presentation skills; Experience in presenting complex issues in simple terms.
- x. Ability to work both in English and French Languages