



Call for Proposals

Assessment of the costs and benefits of implementing the Economic Partnership Agreement (EPA) with the European Union (EU)

Overview

REPOA welcomes interested parties to send a proposal (a maximum of 20 pages) in PDF format to repoa@repoa.or.tz or in writing to:

The Executive Director, REPOA

157 Mgombani/REPOA Streets, Regent Estate P.O. Box 33223, Dar es Salaam
Phone: (22) 2700083 / 0784 555 655 Fax: (22) 2775738

The deadline for applications is **5:00 pm, Tanzanian Time on Friday, October 23rd, 2020**. In case you have questions, please feel free to contact REPOA at the email address listed above. The deadline for receiving queries on this call is **5:00 pm, Tanzanian Time on Friday, October 15th, 2020**. Please reference all communication with respect to this call for proposals adequately. The following examples can be used when communicating with REPOA:

RE: Assessment of the costs and benefits of implementing Economic Partnership Agreement (EPA) with the European Union (EU) | Submission of proposal; or

RE: Assessment of the costs and benefits of implementing Economic Partnership Agreement (EPA) with the European Union (EU) | Submission of query;

Proposals are invited from qualified research fellows and/or organisations that will comprehensively respond to the Terms of Reference outlined below. Proposals must contain the following information:

- i. Expression of Interest
- ii. A technical proposal explaining your experience relevant for the assignment advertised
- iii. A workplan outlining the timing and duration of aggregate activities to be undertaken in the course of the assignment.
- iv. Names and CVs of team leader and 2 lead team members (where available, maximum 1-page each). The CVs should be for individuals who would be staffed on the project or in the case that project-specific hires are anticipated, CVs should be provided for current staff members at equivalent positions.
- v. A financial proposal (budget) with a detailed breakdown of costs per activity and engagement of personnel and other resources.
- vi. The names and details (client, project description) of 3-4 similarly themed assignments undertaken by your organization.
- vii. Description of the subcontractor(s), if any, that would assist your organization in completing the assignment.

Selection will take place based on price, quality of the proposals (including the methodology and strength of human resources), and demonstration of relevant work experience in implementing similar assignments. It is expected that the selected respondent will begin the Assignment in October 2020, and that the duration of execution will be for no longer than 6 months.

Only selected applications that meet the above requirements will be considered. Those who do not hear from REPOA two weeks after the expiry date should consider themselves unsuccessful.

REPOA promotes gender balance, and strongly encourages applicants to consider the reflection of these values in the composition of their teams.

1. Background

REPOA and the International Institute of Social Studies at Erasmus University secured a two-year grant from the European Union's (EU) TradeCom II facility to implement a research and capacity building programme aimed at promoting Tanzania's trade competitiveness and diversification for widening trading opportunities with the EU. It focuses on five value chains of logistics, leather, horticulture, rice, and seaweed. The programme's intervention are coordinated around three key related areas across the value chains:

- Knowledge generation
- Capacity building
- Value Chain Development through Technical Assistance (TA)

The programme seeks to leverage Tanzania's existing trade capital—business environment reforms, young and affordable labour, geographical location, and membership of international trade arrangements — to augment knowledge, analytical, negotiation and organizational capacities for exports. The programme responds to observations that despite significant improvements of Tanzania's physical infrastructure such as roads, harbours, and energy, trade expansion and diversification constraints remain particularly with regard to institutional and regulatory framework. The programme's basis of engagement is the limited understanding and knowledge about the constraints hampering trade reforms and their economic impacts. Such gaps are affecting the coordination and complementarity between the trade, industrial and transport policies of the various states. The programme seeks to address these institutional shortcomings through a combination of knowledge based (including research) activities, capacity building, and institutional technical assistance to beneficiaries. The programme's intended beneficiaries include:

- sector ministries,
- key public trade facilitation agencies, including revenue, port, as well as standards and testing authorities
- trade promotion agencies
- trade statistics organisations
- private sector support institutions
- traders

Regarding this call, the East African Community (EAC)-EU Economic Partnership Agreements (EPAs) is a trade and development agreement that seeks to anchor trade and commercial relations between the EAC and the EU. EPA negotiations between the two trading blocs were finalised in 2014 with two members signing the EPA, and one

ratifying it in 2016. However, the EPA has yet to be operationalised following hesitation by the remaining members of the EAC. The variance in member states reception of the EPA warrants a careful assessment of facts regarding the economic impacts of the EPA given the fundamental trade and economic development that have taken place since the negotiations started, the lessons learned from African, Caribbean and Pacific (ACP) countries and regions that have implemented the EPAs (whether Interim EPAs or comprehensive EPA), and more recently the urgent matter of the United Kingdom (UK)'s decision to exit the European Union. The UK is a very important and strategic bilateral trading partner for EAC partner states as such its departure from the EU creates a void of knowledge on what the EPA would mean (trade and economic effects) for EAC partner states, both positively and negatively. Findings from such fresh studies will provide policy insights needed to reinvigorate review (and possibly new EPA negotiations) based on most relevant facts.

2. Objective and Scope of the Assignment

Objective

The overall objective of this study is to provide a comprehensive assessment of the costs and benefits to East African Community (EAC) partner states of implementing the Economic Partnership Agreement (EPA) with the European Union (EU) to inform policy direction for Tanzania.

Scope

REPOA is currently implementing a two-year policy programme titled “Targeted support to strengthen capacity of policy makers, exporters, and trade associations to assess and review trade and related economic policies to promote trade competitiveness and diversification for widening trading opportunities with the EU”. The programme aims to support exporters, trade support institutions (TSIs), the government of Tanzania and other development stakeholders to enhance the capacity of Tanzania as an ACP country to formulate and implement suitable trade policies, including strategies for strategic measures to harness the opportunities arising from effective implementation of regional and international trade agreements. Tanzania is a founding member of the WTO and plays an active role in the African Union (AU); and African, Caribbean, and Pacific (ACP) groups. Tanzania served as the focal point (within the ACP Group in Geneva) on the Trade Facilitation negotiations prior to the WTO TF agreement. On the continent, Tanzania is implementing the EAC Customs Union, and the SADC Free Trade Area, and is actively participating in the negotiations for the EAC-Common Market for Eastern and Southern Africa (COMESA)-SADC Tripartite Free Trade Area. It participates in the United States-EAC Trade and Investment Framework Agreement and has concluded (but not signed) the EAC-EU Economic Partnership Agreement.

This programme is being funded by the European Union Commission through its support for the Secretariat of the Organisation of African, Caribbean and Pacific Group of States (OACPS). It is hoped that the successful bidder will work with REPOA and other third parties to coordinate capacity building of identified beneficiaries, high-level policy dialogues, conduct research and analyses, as well as publishing findings related to the programme.

3. Key Tasks and Outputs

This overall assignment comprises of the following key tasks:

Task 1 seeks to provide a sustainability impact assessment (SIA) of the EAC-EU EPA to enable an in-depth assessment of the potential economic, social, human rights and environmental effects of the anticipated trade agreement between the EU and the EAC. The analysis in the SIA shall cover impacts in the EU and the EAC (with a focus on Tanzania) and third countries (including the UK) where relevant, particularly developing and least developed countries (LDCs), as well as Turkey which is linked to the EU by a customs union agreement. A number of key sustainability issues to be analysed in the SIA are cross-cutting and should therefore be mainstreamed in the analysis. Nevertheless, the analysis of the identified impacts for these key issues should be summarised in a specific subsection of the report

Task 2 entails the identification and assessment of the sectors where Small and Medium Scale Enterprises (SMEs) in the EAC could be impacted (positively or negatively) by the agreement. These sectors shall include the other five value chains already examined by this Programme. SMEs are often disproportionately affected by non-trade barriers. It would be useful to assess if the would-be liberalisation of trade would be beneficial to SMEs or big companies or to both these groups. In addition, it would be useful to identify in which sectors SMEs would gain competitive advantages thanks to the agreement. In this framework, it will be relevant to examine the possible impact of the enhancement of the competition policy framework in terms of competitiveness of SMEs and more generally in terms of economic and consumer benefits in a number of sectors.

Task 3 entails a detailed analysis of a list of sectors to be defined in coordination with REPOA at the latest by the submission of the draft inception report. The analysis of the impact of the most significant sectors (a minimum of eight to ten sectors) shall include an overview of the current state of the industry in both partner regions, an identification of challenges and untapped future opportunities as well as an investigation of the likely impact of the agreement under negotiation.

Task 4 focuses on an assessment of the wider economic impact with quantification of possible effects of the EPA on output, trade flows, prices, fiscal revenues (including revenues foregone), income and welfare. The impact of the EPA shall be presented as

changes compared to the baseline. Attention shall be paid to expected impacts on the competitiveness of Tanzania's and the region's economy and their SMEs.

The Consultant shall quantitatively evaluate, to the extent possible and using the most appropriate methodology, the potential for increased investment and international procurement between the EU and the EAC partner countries. This will include a thorough description of bilateral investment flows and stocks as well as flows in public procurement, their development over time and a comparison to overall volume and other bilateral relationships where possible. The possible methodology for an ex-ante analysis should be well-established in recent policy-relevant research and it will have to be presented to and approved by REPOA.

The Consultant shall further evaluate the capacity of the customs authorities of the relevant EAC partner countries to properly apply, implement and administer the preferential rules of origin applied in trade in goods with the EU. Such assessment may be based on the existing experiences of the partner countries in applying the EU's GSP rules of origin including the system of establishing the proofs of origin, subsequent verification of origin and administrative cooperation with the EU Member States' customs authorities, in consultation with REPOA.

The Consultant shall also assess to what extent the EPA could have an impact on the informal economy in the relevant EAC partner country. Although data on the informal economy may not be sufficiently reliable to be used in a quantitative analysis, a best attempt should be made at estimating the effect that the trade agreement may have on it in both the EU and in the EAC. Efforts should also be made to determine the impact that the EPA under negotiation may have on the fight against corruption and promotion of good governance, particularly in sensitive areas (e.g. public procurement). Consideration could also be given to assessing the potential impact of the trade agreement under negotiation on possible tax avoidance strategies.

The execution of Tasks 1, 2, 3 and 4 by the successful bidder will be guided by the following specific objectives:

- To conduct a sustainability impact assessment (SIA) of the EAC-EU EPA to enable an in-depth assessment of the potential economic, social, human rights and environmental effects of the anticipated trade agreement between the EU and the EAC;
- To assess the likely impact of EPA on SMEs (the 'SME test'), reflecting the 'think small first' principle in each analytical step to the extent data allows;
- To examine specific subsectors, activities, products, vulnerable social groups and geographical areas that are most likely to be affected, either positively or negatively, by the outcome of EPA agreements;

- To assess the likely effect of the agreement on consumers' welfare, paying particular attention to the likely impacts on consumer prices, quality, availability, choice and safety of goods and services, consumer identification, knowledge and trust.

4. Deliverables

The following analytical reports are expected to be produced by the consultant:

1. A sustainability Impact Assessment (SIA) of EU-EAC EPA in the EAC: A review of the Literature
2. A quantitative analysis of the impact of EU-EAC EPA on SMEs in Tanzania
3. An assessment of the impact of EU-EAC EPA at sectoral level: The case of selected sectors for Tanzania
4. An assessment of trade and Welfare implications of EPA with EU post-Brexit for EAC Partner States.

The Draft methodology and assignment implementation action plan will be reviewed by the assignment's Programme Steering Committee (PSC) comprising of both REPOA and EUR-ISS, with the Programme Implementation Unit (PIU) expected to incorporate the feedback in the final methodology.

5. Duration of the Assignment

The implementation period of assignment will be 6 months from October 2020 to April 2021 with the possibility of a no-cost extension of the period depending on the operating conditions.

6. Administration, Reporting and Coordination

The Consultant will be contracted by REPOA. Please note that **no** office space, equipment and other logistical arrangements will be provided to the Researcher/Consultant during the period of work. The Consultant will report to REPOA's Director of Strategic Research (DSR) during this assignment.

7. Qualifications and Experience

The team of researchers/consultants must have the following experience and skills to be able to perform the tasks of the TOR as outlined below:

- Have post-graduate degree in Economics or a related field.

- Minimum ten years of research experience and evidence of past engagement in at least one of the following: trade integration and sustainability impact assessments; agriculture value chain research programmes/projects/strategies; monitoring, evaluation and impact assessment of programmes and plans.
- Minimum five years of experience collecting primary data through field works and interviews.
- Demonstrated ability to write high quality, methodologically sound, analytical reports
- Solid interpersonal communication skills and understanding of the targeted sub-sector.
- Ability to liaise properly with technical and administrative staff of international organizations.
- Ability to liaise properly with senior officials of the government and private sector partners.
- Exposure to value and principles of the thematic areas of REPOA and policy research.
- Have a good working knowledge of the quantitative and qualitative performance evaluation methods and programming strategies commonly used in development projects. Experience with ICT and/or mobile data approaches a plus.
- Excellent oral and written communication skills in English and Kiswahili.

While REPOA is an equal opportunity employer, a team of researchers/consultants with mixed sex will be preferred.