COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA



**REQUEST FOR PROPOSALS FOR INDIVIDUAL CONSULTANCY:** **THE ESTABLISHMENT OF A SHIPPING LINE FOR THE INDIAN OCEAN ISLAND STATES**

**Tender Ref: EH/08/11/21**

**Closing Date: 30th NOVEMBER 2021**

**1. BACKGROUND**

* 1. **Introduction**

Maritime transport handles over 80 per cent of the volume of global trade (and about 90 per cent of developing countries’ volume of international trade is seaborne) and knowing the reasons for differences in what a trader pays for the international transport of merchandise goods can help identify possible areas for intervention by policymakers.

According to UNCTAD (2015) Maritime transport handles over 80% of the volume of global trade and about 90% of developing countries’ volume of international trade is seaborne. Developing countries (Africa and Oceania) pay 40 to 70% more on average for the international transport of their imports than developed countries. This is due to trade imbalances, pending port and trade facilitation reforms, as well as lower trade volumes and shipping connectivity. Empirical evidence suggests that Shipping and Logistics costs constitute about 50% of total production costs.

Scope exists for policymakers to address the challenges through investment in infrastructure facilities, equipment and systems, reforms seaports, transit systems and customs administrations. Container freight rates for seaborne traffic have been declining globally over the past decade due to supply of new container ships, but comparisons clearly show that the cost to import containers for COMESA Member States is more than 3 times for Asia. Monopolistic tendencies among the shipping lines and freight forwarders over long distances to and from the markets appear to be a contributory factor to the high costs for COMESA Member States especially around Container Deposits.

International maritime transports costs depend on a number of factors including
(i) Ports – infrastructure, productivity, tariffs, operational model

(ii) Trade flows – trade imbalances, volume, complementarity

(iii) Structure of maritime industry – competition, regulation, liner services supply

(iv) Position within the global shipping network – connectivity, centrality, distance

(v) Ship operating costs – crewing, bunker, registration

(vi) Facilitation – trade & transport facilitation

(vii) Shipped product – volume, value & type of produce

The rationale of establishing a regional Shipping Line for the COMESA Indian Ocean Island States is to promote trade between the islands and mainland COMESA Member States and the African continent through cheaper and direct routing of the vessels. Currently the islands are largely dependent on international shipping lines.

While the proposed shipping line should be able to address trade flows between the Indian Ocean Islands and mainland COMESA States through improved connectivity, it should also be able to carter for trade flows between and among the Island States themselves and the Island States and the global trade flows.

Creation of the shipping line will present opportunities to review shipping cost structures to .reduce exposure. The costs will be reduced costs by influencing the cost structure. The structure of the Maritime Industry is characterised by domination by few big shipping lines and highly regulated. There is competition among the big liner shipping companies and a strong regulatory framework.

Article 88 of the COMESA Treaty identifies the areas of cooperation of Member States relating to maritime transport including the *installing and maintaining efficient cargo handling equipment, cargo storage facilities and general operations and train related manpower* (Article 88 k). The Treaty also presupposes existence of shipping lines in the COMESA region and urges Member States to *encourage national shipping lines to form sub-regional associations* (Article 88 p).

**1.2 Indian Ocean Island States**

Among the twenty-one (21) COMESA Member States four (4) are island States in the Indian Ocean. The Indian Ocean Island States are Comoros, Madagascar, Mauritius and Seychelles. Their unique geographical location places them at a disadvantage when considering regional integration particularly when considering physical infrastructure development to promote connectivity and trade. Trading with mainland Africa is only possible using air or maritime transport. Air transport is very expensive and therefore may not be sustainable especially where bulk low value commodities are concerned.

Maritime transport remains the main option to promote economic integration of the Island States and mainland States hence the need for a maritime based solution to promote economic ties particularly trade.

**2.0 DESCRIPTION OF ASSIGNMENT**

The assignment will determine the feasibility and provide necessary guidance for the establishment of a shipping line for the COMESA Indian Ocean Island States.

**2.1 Specific objective**

This assignment is aimed at undertaking a feasibility study for the establishment of a shipping line for COMESA Indian Ocean Island States. This entails identifying the legal requirements, costs, traffic volumes/business case, investments and operational requirements, requisite infrastructure and equipment and recommendations on market segments for service delivery.

**2.2 Scope of Work**

The Consultant will carry out all necessary consultations with the Governments of Comoros, Madagascar, Mauritius and Seychelles to achieve the specific objectives of the assignment. The consultant is expected to undertake the following tasks:

**Task 1: Identify legal requirements for establishing a shipping line and making recommendations on how the requirements will be met. instruments**

These legal requirements should cover;

1. Agreement to be signed by the Island States
2. Registration requirements
3. Affiliation to other international Maritime bodies
4. Insurance
5. International conventions to be followed.

**Task 2: Estimating traffic volumes, investment and operating costs and revenues for the shipping line (cashflows)**

The consultant shall generate cashflows for a minimum ten (10) years clearly stating assumptions thereof.

**Task 3: Identify requisite infrastructure and equipment including corresponding capacities**

The consultant shall identify and recommend the type of ships and or tankers from a number of options. He/she should recommend whether the equipment should be leased or purchase giving justification for each option. Recommendations should also be given on whether new or used equipment should be purchased to begin with.

**Task 4: Identify and make recommendations on the manufacture and ownership of containers**

The Consultant has to recommend whether it will be feasible and economically viable to manufacture and own containers or to lease from other shipping lines.

**Task 5: Analyse current and future traffic flows and recommend service delivery routes and frequency**

The traffic flows should cover routes between the Island States and mainland Africa (COMESA Member States and others in the vicinity); routes among the Island States and global routes.

**Task 6: Identify capacity building requirements and training institutions where required training can be offered**

The Consultant is expected to do a skills audit among the Island States to establish training needs requirements and make recommendations on how the skills gap can be addressed.

**Task 7: Facilitate deliberations at the Validation Workshop for the Draft Final Report**

The consultant will present the Draft Final Report to the delegates from Indian Ocean Island Member States, other key stakeholders, and COMESA Secretariat. The validation workshop will be organised to ensure ownership of outputs by the concerned Member States.

**2.3 Deliverables (Required Output)**

The outputs and deliverables of the study shall be:

1. Inception Report.
2. Draft Final Report.
3. Power point presentation; and
4. Final Report.

**2.4.1 Inception Report**

On the basis of reviewed documents, the Consultant shall prepare an Inception Report outlining the strategy and detailed work plan for fulfilling the Terms of Reference for the Study. This shall include a comprehensive list of key documents for review, list of stakeholders to consult and a proposed schedule for stakeholder consultations. The Inception Report shall be discussed and approved by the COMESA.

Three (3) copies and an electronic version of the Inception Report shall be submitted to COMESA thirty (30) days after commencement of the assignment. The Inception report shall include how the consultant will undertake this work, its proposed activities and how to fulfil the Scope of Work.

**2.4.2 Draft Final Report**

The Draft Final Report shall be submitted in twelve (12) weeks after submission of the Inception Report. The Draft Final Report shall fully address all tasks as set out in the Terms of Reference including an Executive Summary, a Road Map incorporating all necessary timelines and allocation of responsibilities to key stakeholders.

**2.4.3 Power Point Presentation**

The consultant will present the work at the validation workshop to be attended by delegates from the island Member States, other invited key stakeholders the COMESA Secretariat.

**2.4.4 Final Report**

The Consultant shall submit a Final Report after incorporating all the comments from COMESA within two (2) weeks of receiving comments from COMESA and Member States. Five (5) bound copies shall be submitted together with an electronic version to be forwarded by email to the COMESA Director Infrastructure. The Report shall be delivered in four (4) months after commencement of the assignment.

#  EXPERT REQUIRED

The Consultant should have a detailed understanding of the following areas.

**Minimum Requirements**

* A Master’s Degree in Maritime Transport, Law, Maritime Law or Maritime Engineering.
* At least 10 years’ experience in transport management or policy of which five years must be in Maritime transport management or policy environment.
* Experience in drafting OSBP laws or bilateral agreements especially in the Eastern and Southern Africa region
* Knowledge and experience in border or OSBP operations is highly desirable

**Specific requirements**

* A minimum of ten (10) years’ transport experience in developing country context is required.
* Knowledge of relevant International maritime conventions will be an advantage.
* Professional experience in the establishment and operationalization of shipping lines would be an advantage.
* Experience of working in the COMESA or similar/related Regional Economic Community will be a distinct advantage.
* Excellent knowledge of spoken and written English and a working knowledge of French will be an advantage.

# 4.0 SUPERVISION AND REPORTING:

**Supervision**

The work of the Consultant shall be supervised by the COMESA Director Infrastructure Development and Logistics Division through regular meetings and communication to monitor progress of the study and provide general and specific guidance.

**4.1 Reporting**

All reports shall be in English submitted in both electronic and printed format on A4 paper. The Final Draft including all background documents will be submitted in five (5) bound hard copies as well as in electronic format to the COMESA Secretariat.

**4.2 Location**

It is envisaged that the Consultant will primarily work from his/her country. However, missions will be undertaken to Comoros, Madagascar, Mauritius and Seychelles as the concerned countries plus some selected Indian Ocean African coastal countries to be identified. Ethiopia may also be visited for experience sharing given that it is currently the only COMESA Member State with a shipping line.

**4.3 Duration**

The services shall be completed within a period of four (4) months from the date of signing the contract (effective date).

**5.0 AMENDMENTS OF PROPOSAL DOCUMENTS**

At any time prior to the deadline for submission of Bids, COMESA, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the Proposal Documents by issuing an addendum.

All addenda shall send to the shortlisted firms.

In order to afford shortlisted Bidders reasonable time in which to take the amendments into account in preparing their offers, COMESA may, at its discretion, extend the deadline for the submission of Proposals.

**6.0 FORMAT AND SEALING OF BIDS**

The bidder shall submit the proposal **by email** to the following address:

Email: procurement@comesa.int

The email should be clearly marked in the subject matter “**CONSULTANCY SERVICES FOR THE ESTABLISHMENT OF A SHIPPING LINE FOR THE INDIAN OCEAN ISLAND STATES** – RFP No. **EH/08/11/21**

 ***NOTE:*** *If the email is not clearly marked as per the instructions in this clause, COMESA will not assume responsibility for the proposal’s misplacement or premature opening and may – at its discretion – reject the proposal.*

**7.0 DEADLINE FOR SUBMISSION OF PROPOSALS**

The deadline for the submission of proposals is **30th November 2021** at 15.00 Hours Lusaka Time (GMT+2). The tenders will be opened immediately thereafter in the presence of bidder’s representative who choose to attend.

**8.0 LATE TENDERS**

Any Tender received by COMESA after the deadline for submission of Bids shall be rejected. There shall be no exception to this requirement.

**9.0 EVALUATION AND COMPARISON OF PROPOSALS**

To assist in the examination, evaluation and comparison of Bids, COMESA may ask the Bidder for clarification of its Bid. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

COMESA will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Bidder does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.

Prior to the detailed evaluation, the Procurement Committee will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP).

For purposes of these Clauses, a substantially responsive Proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. COMESA’s determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the COMESA and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

The bids will be evaluated as follows:

* The envelopes containing the sealed technical and financial offers will be opened.
* The envelope marked “TECHNICAL PROPOSAL” will be opened and the technical proposal will be evaluated.
* If the technical proposal is evaluated as 70 per cent or above the envelope marked “FINANCIAL PROPOSAL” will be opened.
* The Bidder that has offered what is adjudged to be the best technical and financial offer will be offered the contract.
* If the Bidder that offered what was adjudged to be the best technical and financial offer declines to accept the offer, then the Bidder that is adjudged to have offered the second best technical and financial offer will be offered the contract.

**Table 1: Criteria for Overall Technical Evaluation**

| Criteria | % |
| --- | --- |
| T1 | Understanding of the Terms of Reference | 10 |
| T2 | Relevant experience in similar assignments | 30 |
| T3 | Proposed methodology, approach and implementation plan | 20 |
| T4 | Qualifications and professional experience  | 40 |
|  | **Total** | **100** |

The tender shall be awarded to the best technical responsive candidate, with a score of 70% and above and with the lowest financial proposal.

COMESA Secretariat does not bind itself to accept any bid and reserves the right to accept the whole or partially any of the submitted bids.

**10. TECHNICAL QUERIES**

For any technical queries related to terms of reference, kindly contact the Procurement Unit on the following email: procurement@comesa.int.