COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA



**REQUEST FOR TECHNICAL PROPOSALS FOR** **CONSULTANCY TO CARRY OUT A STUDY ON STATUS OF TRANSPORT AND LOGISTICS IN COMESA: EFFECTS ON INTRA-REGIONAL TRADE**

**Tender Ref: EH/15/06/22**

**Closing Date: 5th JULY 2022**

1. **INTRODUCTION**

**1.1 Economy and Trade in COMESA**

COMESA is the largest Regional Economic Community (REC) in Africa, offering business enterprises and households opportunities to trade in goods and services across a large consolidated market comprising of 21 Member States, a total population of 598 million people and a combined GDP of US$850 billion in 2020 (up from US$805 billion in 2019 despite COVID-19 in 2020) (COMSTAT, 2021).

COMESA successfully established a Free Trade Area (FTA) in October 2000, towards facilitating duty- and quote-free trade and enhanced regional integration. There were 16 Member States participating in the COMESA FTA in 2020, namely: Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Sudan, Uganda, Zambia and Zimbabwe (COMESA, 2020).

While the COMESA FTA has been in existence for more than 20 years, intra-regional trade is still lower than desired. For instance, as of 2020, intra-COMESA exports of goods, excluding (largely informal) small-scale cross-border trade, was US$ 9.7 billion (Table 1), accounting for 10.7 percent of the region’s total exports.

As such, the COMESA region continues to pursue a variety of regional cooperation and integration programmes, including transport, logistics and other trade facilitation programmes and initiatives. A successful expansion of intra-COMESA will require transport and logistics services that are adapted and responsive to the needs of the bulk of goods traded in the region. Over 2016-2020, the largest share of intra-COMESA total exports was manufactures, which accounted for 42.7 percent per year on average, followed by food (37.3 percent per year) and ores and metals (10.2 percent per year) (Table 1). These commodities have varying degrees of bulk, time-delivery sensitivity, sensitivity of exposure to the elements and so on. Therefore, transport and logistical services of different forms and specifications suitable for each product type are required to be present in the region, to ensure the smooth, safe and timely delivery of commodities. This is crucial for enhancing intra-regional trade.

**Table 1: Intra-COMESA exports, by sector**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sector** | **2016** | **2017** | **2018** | **2019** | **2020** | **Average 2016-2020** | **Share (% of COMESA, total (2016-2020))** |
| Agric raw materials (US$ million) | 178 | 132 | 122 | 139 | 73 | 129 | 1.3% |
|  Agric raw materials (% change) |   | -25.8% | -7.6% | 13.9% | -47.5% | -16.7% |   |
| Food (US$ million) | 3,663 | 3,651 | 3,689 | 3,777 | 3,397 | 3,636 | 37.3% |
|  Food (% change) |   | -0.3% | 1.0% | 2.4% | -10.1% | -1.7% |   |
| Fuels (US$ million) | 564 | 750 | 831 | 1335 | 493 | 795 | 8.2% |
|  Fuels (% change) |   | 32.9% | 10.8% | 60.8% | -63.1% | 10.4% |   |
| Manufactures (US$ million) | 3,635 | 3,935 | 4,274 | 4,610 | 4,353 | 4,161 | 42.7% |
|  Manufactures (% change) |   | 8.3% | 8.6% | 7.9% | -5.6% | 4.8% |   |
| Ores and metals (US$ million) | 773 | 807 | 1152 | 997 | 1239 | 994 | 10.2% |
|  Ores and metals (% change) |   | 4.3% | 42.8% | -13.5% | 24.3% | 14.5% |   |
| Other products n.e.s. (US$ million) | 3 | 3 | 20 | 5 | 129 | 32 | 0.3% |
|  Other products n.e.s. (% change) |   | -2.6% | 682.0% | -75.7% | 2498.8% | 775.6% |   |
| COMESA, Total (US$ million) | 8,817 | 9,278 | 10,089 | 10,864 | 9,684 | 9,746 | 100.0% |
|  COMESA, Total (% change) |   | 5.2% | 8.7% | 7.7% | -10.9% | 2.7% |   |

*Source: adopted from COMESA (2021) with modifications*

**1.2 COMESA Transport and Logistics and other Trade Facilitation**

In accordance with specific Undertakings made in Article 4 of the COMESA Treaty, COMESA developed a number of transit transport facilitation instruments which have been applied with notable success over the years. These include harmonized axle load limits and vehicle dimensions, harmonized road user charges, COMESA Carrier Licence, Regional Customs Transit Guarantee, COMESA Yellow Card. All these instruments are included in the COMESA Virtual Facilitation Trade System (CVFTS) whose outcome is a Regional Single Window. While proving to be very valuable currently, this integrated system has shown great potential which can transform the entire regional trade facilitation system for the benefit of the business community and society at large.

Efficient logistics connect people and firms to markets and reliable supply chain networks help achieve higher levels of productivity and welfare. Supply chains are complex, but their performance is largely dependent on country characteristics, especially the soft and hard infrastructure and institutions that logistics requires to operate well. Poor logistics performance results in high costs, not merely because of transportation costs but also because of unreliable supply chains.

The World Bank’s Logistics Performance Index (LPI) comprises of the following components:

1. Efficiency of customs and border management clearance.
2. Quality of trade and transport infrastructure.
3. Competence and quality of logistics services.
4. Ease of arranging competitively priced shipments.
5. Ability to track and trace consignments; and
6. Frequency with which shipments reach consignees within scheduled or expected delivery times.

These components point to the need for Member States to play a significant role in addressing Customs infrastructure and services which fall under the domain of policy regulation. In terms of global ranking, COMESA Member States fair poorly with respect to the Logistics Performance Index (LPI) as indicated in the Table 2.

Rwanda is the highest ranked COMESA Member State at position 57/160 with a score of 2.97/5 and at 70.7 percent performance of Germany which is on first position. Short to medium term performance of COMESA Member States can be improved through improving efficiency of Customs and border management, enhancing the competence and quality of logistics services and improving transit facilitation systems.

The LPI of COMESA Member States can be improved through adoption of COMESA Trade and Transit Transport Facilitation instruments; Infrastructure and policy improvement, improvement of border management processes through OSBPs and e-logistics, Integrated Border Management (IBM); and building capacity in logistics services.

**Table 2: Logistics Performance Index (LPI) for COMESA Counties, 2018**

| **Country** | **Rank** | **Score** | **% Of Highest Performer** |
| --- | --- | --- | --- |
| **Rwanda** | 57 | 2.97 | 70.7 |
| **Egypt** | 67 | 2.82 | 67.1 |
| **Kenya** | 68 | 2.81 | 66.9 |
| **Mauritius** | 78 | 2.73 | 65.0 |
| **Djibouti** | 90 | 2.63 | 62.6 |
| **Malawi** | 97 | 2.59 | 61.7 |
| **Uganda** | 102 | 2.58 | 61.4 |
| **Tunisia** | 105 | 2.57 | 61.2 |
| **Comoros** | 107 | 2.56 | 61.0 |
| **Zambia**  | 111 | 2.53 | 60.2 |
| **Congo D R** | 120 | 2.43 | 57.9 |
| **Sudan** | 121 | 2.43 | 57.9 |
| **Madagascar** | 128 | 2.39 | 56.9 |
| **Somalia** | 144 | 2.21 | 52.6 |
| **Zimbabwe** | 152 | 2.12 | 50.5 |
| **Libya** | 154 | 2.11 | 50.2 |
| **Eritrea** | 155 | 2.09 | 49.8 |
| **Burundi** | 158 | 2.06 | 49.0 |
| **Ethiopia** | - | - | - |

***Source: World Bank, Global Rankings 2018.***

**1.3 Council Decision**

Despite the lowering (and in many cases, complete elimination) of tariffs and establishment of various trade facilitation instruments, intra-COMESA remains low or hardly surpassed 10 percent of total COMESA trade over the years. Thus, in October 2021, the 37th Meeting of the Trade and Customs Committee recommended that the COMESA Secretariat undertake a study on transport and logistics including the regulatory frameworks, obstacles, and their effect on intra-COMESA trade. Pursuant to this, in November 2021, the 42nd meeting of the COMESA Council of Ministers approved the recommendation of the Trade and Customs Committee, deciding that the study on transport and logistics, including the regulatory frameworks, obstacles, and their effect on intra-COMESA trade be undertaken. This Council decision therefore forms the basis of these Terms of Reference.

**2.0 OBJECTIVES OF THE ASSIGNMENT**

The broad objective of this assignment is to undertake a study that will map and determine the state of play of transport and logistics in COMESA, including assessments of transport and logistics regulatory frameworks and instrument, and obstacles and effects of trade and logistics on trade (both intra- and extra-COMESA) in the region. Specifically, the study should:

1. Determine the factors that are most relevant to the market potential for transportation and logistics
2. Identify and analyse the growth and intra-regional trade sectors that drive the demand for transport and logistics services in COMESA region
3. Assess the state of development of transport infrastructure in road, rail, air and maritime (both sea and in-land) (including transport corridors)
4. Identify and map the transport and logistic regulatory frameworks and instruments in COMESA.
5. Identify and map logistic regulatory frameworks in COMESA.
6. Comparatively analyse the efficiency and costs of logistics services in COMESA.
7. Identify the main obstacles to growth and development of intra-COMESA arising from transport and logistics related services.
8. Determine the effects on intra-COMESA trade of current state and obstacles of transport and logistics services in the region.

**3.0 SPECIFIC TASKS**

The specific tasks expected of the consultant will include the following:

1. Conduct a systematic review of literature on trade, transport and logistics, and other trade facilitation measures in COMESA.
2. Identify and assess growth and intra-regional trade sectors in COMESA that drive the demand for transport and logistics services in the region.
3. Identify and map the state of play of road, rail, air and maritime (both sea and in-land) modes of transport (including transport corridors) and related logistical services in COMESA.
4. Identify the main obstacles to trade and regional integration in road, rail, air and maritime (both sea and in-land) modes of transport and related logistical services in COMESA.
5. Establish a comprehensive and clear methodology and approach for pursuing and fulfilling the objectives of the assignment.
6. Undertake comprehensive consultations with Member States, transport, and logistics organizations (transporters and clearing and forwarding firms) and COMESA Secretariat. The consultations should include at least Member States clustered into Eastern, Southern, Northern and Island countries.
7. Determine the effects on intra-COMESA (and extra-COMESA) trade of current state of transport and logistics and obstacles in transport and logistics services in the region; and
8. Draw key policy implications from the study and make policy recommendations
9. **DOCUMENTS TO BE REVIEWED**

In carrying out the assignment the consultant shall review the following documents among others: -

1. COMESA Treaty
2. One Stop Border Post Sourcebook
3. COMESA Legal Notice Number 2
4. Single African Air Transport Market (SAATM) Handbook
5. COMESA Strategic Plan 2021-2025
6. World Bank Logistics Performance Index
7. AU Infrastructure related documents
8. Protocol on Transit Trade and Transit Facilities
9. COMESA in Brief and Trade Facilitation reports
10. Various Council of Ministers reports
11. Various study reports on trade and transport corridors
12. Review of maritime transport
13. Various regional policies on the different modes of transport
14. **EXPECTED DELIVERABLES AND KEY TIMELINES**

The key outputs of the study will include:

1. **Inception Report** – This will provide critical details of how the assignment will be executed, including the interpretation and understanding of the terms of reference, a literature review plan, an elaboration of the methodology and study tools, and a proposed work plan (2 weeks after the signing of the contract).
2. **Draft Study Report** – This will be a technical report providing details on methodology implementation, preliminary findings contextualized within the literature, field work/ consultations and the key recommendations (8 weeks after the study is commissioned/contract signed).
3. **Validation workshop** – The consultant will present the draft report to stakeholders for validation. The comments received during the workshop will be incorporated in the final study report.
4. **Final Study Report** – This will be a refined version of the draft report incorporating the comments from the COMESA Secretariat and other stakeholders (within 3 weeks of receiving the comments).
5. **A Policy Brief** – this will be a high-level summary, presenting the key findings and actionable policy implications or recommendations of the study (1 week after the submission of the Final Study Report).

In addition to the above core outputs, the consultant will also deliver other outputs as may be required by the client, including regular assignment progress reports, study tools, datasets, and methodology application files, among others.

1. **LOCATION, DURATION AND SCOPE OF WORK**
2. **Location:** The duty station during this assignment will be homebased.
3. **Duration:** The assignment will be undertaken over a period of 3 months (12 weeks).
4. **Scope of Work:** The study will cover all 21 COMESA Member States and all four modes of transport (road, rail, air and maritime) and logistical services.

1. **QUALIFICATIONS AND EXPERIENCE**

The assignment is to be undertaken by a firm. The study team should, at a minimum, comprise of the following: -

1. Team Leader with at least a master’s degree in transport economics. He or she should have a minimum of 10 years’ experience in transport and regional integration and economic impact assessments. He/she should have knowledge of transport programmes and trade facilitation instruments in COMESA. A PhD degree in transport economics will be an added advantage.
2. A logistics expert, with a first degree in Supply Chain and Logistics Management, economics. He/she should have knowledge of logistics and other trade facilitation programmes/instruments in COMESA
3. A Trade Expert with at least a master’s degree in economics or international trade or international trade law, should have a minimum of 7 years’ experience in trade policy analysis and regional integration. He/she should have knowledge of trade facilitation instruments in COMESA.

In addition, the experts should have strong report writing skills, strong computer skills, especially in statistical and/or econometric packages and applications; and fluent in both written and spoken English. Ability to communicate in French and/or Arabic will be an added advantage.

**8.0 REPORTING**

# The Consultant will directly report to the Research Fellow and overall guidance of the Director of Trade and Customs Division COMESA Secretariat. Deliverables will become final once all tasks requirements are completed and approved by the COMESA Secretariat

#  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 be sent 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.

1. **FORMAT AND SEALING OF BIDS**

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

Chairman - Procurement Committee,

COMESA Secretariat,

Ben Bella Road,

P.O. Box 30051,

Lusaka, Zambia,

Attention: Procurement Unit

Email: procurement@comesa.int

The submission should be clearly marked “CONSULTANCY TO CARRY OUT A STUDY ON STATUS OF TRANSPORT AND LOGISTICS IN COMESA: EFFECTS ON INTRA-REGIONAL TRADE – RFP No. EH/13/06/22 BID OPENING SHALL TAKE PLACE ON **6th July 2022 at 15:10 Hours Lusaka time.**

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

In the event of any discrepancy between the original and the copy, the original shall govern.

1. **DEADLINE FOR SUBMISSION OF PROPOSALS**

The deadline for the submission of proposals is **6th July 2022 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.

1. **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.

1. **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 of the firm in similar assignments | 30 |
| T3 | Proposed methodology, approach and implementation plan | 20 |
| T4 | Qualifications and professional experience of key experts  | 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.

Bidders are required to submit **ONLY** the technical proposals. Firms which will pass the technical evaluation shall be invited to submit financial proposals, in line with the COMESA rules.

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.

1. **TECHNICAL QUERIES**

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