



## Terms of Reference

# Private Sector Case studies for Ugandan companies exporting or investing in the East African Community

### Introduction

Regional economic integration can play an important role in fostering sustainable economic growth and development. The integration process presents a number of opportunities for the EAC partner states as it envisions increased intra-regional trade given a combined population of about 150 million people and combined GDP of \$74.5 billion; increased efficiency from economies of scale, increased competitiveness and lower costs resulting into higher profits; availability of cheaper products from more efficient providers of products and increased choice of products.

In order to widen and deepen regional economic integration, the EAC adopted the Customs Union protocol in 2009 and the CMP in 2010. The EAC common market protocol provides for the free movement of goods, free movement of capital, free movement of workers, free movement of services, rights of entry and the right of establishment by any member of the 5 EAC Partner States in any partner state.

The successful implementation of the EAC CMP rests within partner states' national laws, policies and regulations. However the full implementation of the protocol has been impeded by factors, among others the existence of non-conforming measures in the partner states' national laws and policies to the EAC CMP. Partner states are required to harmonize their national laws and policies to the EAC CMP to effect the implementation of the protocol. However, this has been impeded by the increasing desire by partner states to maintain and secure their sovereignty; coupled with the limited capacity of key stakeholders like government technocrats in various ministries, departments and agencies and the private sector to identify and effectively influence reform processes. The existing non-conforming measures are majorly related to the free movement of goods in the areas of Tariffs and equivalent measures on intra-regional trade, Non-tariff barriers, Application of Sanitary and Phyto-Sanitary measures and technical barriers to trade; free movement of services in the areas of professional services, road transport, distribution (retail and wholesale) and telecommunication legislation; and free movement of capital in the areas of securities, direct investments, credit operations, and personal capital operations.

It is against this background that SEATINI Uganda seeks to use evidence based information in order to ignite government effort towards implementing the protocol. This will involve compiling case studies of companies highlighting their experiences exporting goods and services, and investing in the East African Community. The case studies will seek to demonstrate the impact of either positive or negative reforms in the EAC Partner States. The studies will be selected on the basis of EAC Partner State commitments to the EAC Common Market Protocol and will cover the free movement of goods, movement of services and movement of capital. The case studies will specifically seek to:

- Identify the implications of the non-conforming measures and gaps on their businesses in accessing the EAC market as provided for under the EAC CMP
- Identify how the conforming measures have impacted the companies' trade and investment under the EAC common market
- Propose amendments/ recommendations and justifications for reforms to inform peer to peer dialogues and policy advocacy to influence policy reforms
- Identify potential peer groups and the responsible government line ministries, departments and agencies to influence and fast track policy reforms

### **Scope and Methodology of the Research**

- Identify laws, policies and regulations in Uganda with non-conforming measures and gaps to the CMP using the Trade Hub's common market legal updates and other common market implementation updates to determine the specific sections and articles that do not conform to the CMP. The review will also select the most binding non-conforming measures in other EAC partner states affecting Uganda's exporters and investors into other EAC partner states. Determine the key issues responsible for the continued operation of these measures.
- Identify the implications of these non-conforming measures and gaps on the companies' business in accessing the EAC market as provided for under the EAC CMP through engagement with the identified companies. Through face to face interactions with companies' employees, highlight some of their experiences in their engagement in intra-regional trade under the CMP arrangement.
- Based on existing efforts that have been made to harmonize some legal regimes with the CMP, identify how the conforming measures have facilitated qualitative and quantitative increase in the companies' intra-regional trade and investment under the EAC common market.
- Propose amendments/ recommendations and justifications for reforms to address the existing non-conforming measures and gaps in Uganda's laws, policies and regulations and expected outcomes to the Uganda private sector
- Identify the responsible government line ministries, departments and agencies to fast track these proposed reforms

- Based on the information on this information, develop an advocacy plan for each of the laws, policies and regulations that have been identified as having non-conforming measures to the common market protocol. The plan should draw out a road map for the reform process for each of the identified laws, policies and regulations.
- Draft and submit the first draft highlighting the findings and proposed amendments/ recommendations for policy reform including expected outcomes for the Ugandan private sector
- Keep in constant communication with SEATINI Uganda to keep the team updated through email/ telephone and skype where necessary.
- Work with SEATINI Uganda to interact with other private sector players to validate the draft report and obtain input from the private sector on their advocacy positions.
- Revise the report to include proposals and advocacy positions generated during the validation meeting to develop a final draft report
- Present the final report at a dissemination meeting to be organized by SEATINI Uganda which will bring together a wide range of stakeholders including private sector, government MDAs in charge of trade, EAC affairs, investment and labour.

### **Expected deliverables**

- **Inception report:** The consultant will be expected to produce and submit an inception report for review by the SEATINI Uganda team within 5 working days after signing the contract. The inception report is expected to highlight a clear matrix that shows the key information points that will be explored during the research phase. The inception report will be preceded by a meeting with the SEATINI Uganda team to outline expectations for the assignment, including the key deliverables.
- **Draft case study report:** The consultant shall produce a first draft case study report, developed through desk research and in consultation with the identified company and public sector institutions with responsibilities for implementing the common market protocol, and present it for discussion with SEATINI. The consultant will incorporate suggestions and develop a second draft which he/ she shall present to other private sector players and government MDAs for validation.

The consultant shall produce the final report incorporating stakeholders' comments, concerns and input. This report will be presented for dissemination during a meeting that will be organized by SEATINI Uganda.

- **Timing:** The Final deliverables are to be produced within 4 weeks of commissioning the assignment. SEATINI Uganda seeks to commission this case study not later than 23rd November 2016 and final outputs to be submitted to SEATINI at not later than 21st December 2016. The determination of this time period is deemed as absolute.
- **Input:** Bidders with qualifications and verifiable experience in EAC Common Market Research are encouraged to apply directly to SEATINI Uganda.

- **Budget:** Bidders are to submit together with their technical proposals highlighting their understanding of the assignment including a financial proposal on the basis for tranche payments.
- **Requirements:** This assignment requires a sound knowledge of trade and investment policy issues and the dynamics that surround efforts of policy reforms in the EAC. It also requires managerial, organizational and good interpersonal skills to be able to effectively interact with a wide range of stakeholders throughout the process. The case study should strictly cover a maximum of 15 pages.

**Additional requirements are as follows**

- A Masters of Business Administration/ Masters in International Business/ Economics/Public Policy, or other relevant graduate degrees
- Knowledge and experience of development work, multi-sectoral policies and an understanding of the Uganda policy advocacy environment
- An understanding of the provisions of the EAC Common Market Protocol, particularly provisions on the free movement to goods, services and capital.
- Excellent written and verbal communication skills
- Familiar with demand-driven and participatory approaches.
- Excellent communication and facilitation skills, able to address the institutional complexity and multi-disciplinary environment of the Project.
- Excellent interpersonal and teamwork skills, with the ability to establish and develop relationships and work under tight deadlines to meet objectives

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