



SACU STUDY TO ASSESS THE EXPORT MARKET AND INVESTMENT OPPORTUNITIES IN THE EFTA

Tender Number:

SACU / 010 / 2017 / 0

Closing Date:

13h00 Namibian time on Friday, 3rd March 2017

Delivery Address:

Attention: Secretary, Tender Committee
Southern African Customs Union (SACU) - Secretariat
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1. INTRODUCTION AND BACKGROUND

- 1.1 The Free Trade Agreement (FTA) between the Southern African Customs Union (SACU) consisting of Botswana, Lesotho, Namibia, South Africa and Swaziland and; the European Free Trade Association (EFTA) who in turn consist of Iceland, Liechtenstein, Norway and Switzerland was signed in 2006 and entered into force on 1 May 2008. This is the first Trade arrangement concluded by SACU as a bloc in line with the provisions of Article 31 of the 2002 SACU Agreement.
- 1.2 The main objective of the FTA is to achieve the liberalisation of trade in goods in conformity with the General Agreement on Tariffs and Trade (the GATT 1994) of the World Trade Organization (WTO). The resulting liberalisation of trade is expected to ultimately contribute to economic development especially for the SACU countries.
- 1.3 All industrial goods, including some tariff lines of fish and other marine products from SACU, are accorded duty-free and quota-free market access in EFTA countries from entry into force of the Agreement. However, for products imported into SACU, customs duties continue to be eliminated over agreed phasedown periods of different durations which to a large extent reflects the sensitive products. The asymmetrical treatment in trade liberalisation reflects the variations in economic development of the Parties.
- 1.4 Trade in basic agricultural products is covered by arrangements concluded bilaterally between the individual EFTA States and SACU. These Agreements form an integral part of the instruments establishing the Free Trade Area. The processed agricultural products are covered in the main texts of the Agreement. There is provision for broadening the scope of the Agreement through the negotiation of other trade related matters namely, intellectual property rights, investment, trade in services, and public procurement after 5 years of entry into force of the FTA. However, this has not taken place yet as the SACU Agreement 2002 remains limited to trade in goods.
- 1.5 An overview of current trade developments show that SACU has a positive trade balance with EFTA States. Notwithstanding this welcomed development, SACU Member States believe that there are still untapped opportunities under this trade

arrangement. In this regard, the region desires to explore avenues for boosting exports into the EFTA market as well as opportunities for promoting investment.

- 1.6 The first initiatives to promote the SACU-EFTA FTA were undertaken by the EFTA States in 2009 when they held related seminars in SACU Member States. These were considered successful in promoting trade between the Parties. In 2013, SACU made an attempt to identify suitable trade promotion events in EFTA States where its products and services could be marketed. This attempt was not successful as trade promotion events in the EFTA States were theme specific and therefore not appropriate for the normal trade fairs that encompass exhibition of a variety of products. However, the 35th Meeting of the SACU Commission held in November 2014 has reiterated the importance of promoting trade and investment between SACU and EFTA states in order to maximise benefits from the existing trade relations.
- 1.7 Implementation of this mandate would require better knowledge of the EFTA market, in terms of both the export market and investment opportunities; which in turn needs to be complemented by an understanding or knowledge of the export and investment potential of the SACU Member States. All this information would be necessary to advise and guide SACU on how best to take advantage of the SACU - EFTA FTA and improve the economic and trade performance of the SACU region.

2. OBJECTIVES OF THE STUDY

- 2.1. The purpose of this study is to assess SACU's export potential into the EFTA market and identify potential investment opportunities that SACU could tap into. The study should also advise on the best and most cost-effective approach towards undertaking joint SACU trade and investment promotion activities/missions in the EFTA countries.
- 2.2. In light of this, the consultant should, inter alia, undertake the following core tasks:

Overview of the EFTA Market

2.3. Provide a brief overview of the EFTA region/countries, covering among others, the economic performance and demographic trends such as population size, income distribution, language, etc.

Market/Trade Analysis

2.4. The consultant should undertake an in-depth analysis of trade between SACU and the EFTA as well as trade by EFTA and the rest of the world. The aim of this analysis would be to identify SACU's products/sectors with high export potential in the EFTA market and assess the import regulations that these products would face. This analysis should take into consideration the list of products and sectors that the Trade and Investment Promoting Agencies have identified as areas of high export priority for SACU under EFTA.

2.5. The Trade Analysis should provide an overview of EFTA trade over the last 10 years highlighting the following specific issues:

- a) Main exports at HS six digit level and destination markets;
- b) Main imports at HS six digit level and supply markets (markets of origin);
- c) Overview of EFTA products/sectors that have experienced high growth rates/declines with reasons to explain this growth/decline;
- d) SACU's major exports to the EFTA at HS six digit level;
- e) SACU products/sectors with high export potential to the EFTA (at HS six digit level);
- f) SACU's major imports from the EFTA (current and potential imports at HS six digit level);
- g) Consumption and production trends by EFTA for products of export interest by SACU Member States, highlighting the major local producers and external suppliers as well as main distributors in the country- where possible;
- h) The level of tariffs applied by EFTA on the products of export interest for SACU (as identified in the trade analysis as well as those identified by SACU Member States);

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- i) Assessment of import regulations and/or non-tariff measures to be faced by products of export interest for SACU. The assessment should consider, among others, the following:
 - i Rules of origin per product of export interest for SACU;
 - ii Customs and Border Protection Regulation;
 - iii Import License Requirements;
 - iv Sanitary and Phytosanitary (SPS) Regulations;
 - v Food and Agriculture Import Regulations. This will include information on Food Laws; Labelling Requirements; Food Additive Regulations; Pesticide and other Contaminants; other Regulations and Requirements; other Specific Standards; Copyright/Trademark Laws; and Import Procedure; and
 - vi Technical Barriers to Trade (TBT) Regulations.
 - j) In cases where member states are not in compliance with import requirements, the Consultant should also advice on how to adhere to such regulations as well as advice on the capacity building related interventions.
 - k) Indicative prices per product of interest to SACU (minimum, maximum and average prices);
 - l) SACU's current and future competitors for the identified products; and
 - m) Develop/compile a list or database of importers in the EFTA region for SACU's export products (current and potential products).

2.6. The study should identify a market entry strategy for SACU products in the EFTA markets such as the most cost-efficient routes for transporting goods to EFTA and advice on the logistical and facilitation issues to be considered;

2.7 It is envisaged that the Consultant shall undertake market visitation in EFTA States, as necessary.

Investment Promotion Opportunities

2.8. Provide an overview of the investment regimes (plans, policies, regulations) that exist in the SACU countries with the aim to appreciate the investment climate in

the region and how these could affect or possibly influence increased Foreign Direct Investment (FDI) flows from EFTA;

- 2.9. Look at outward FDI trends by EFTA States to inform SACU on areas and sectors they are interested in, with special emphasis on those targeted to African countries.
- 2.10. Identify potential outward investment opportunities for SACU Member States in the EFTA countries
- 2.11. Assess how much EFTA states have invested in SACU and in which sectors. There is a need to establish what motivates or de-motivates EFTA countries from investing in SACU.
- 2.12. Develop a profile of EFTA investors interested in SACU market by sectors.

Trade and Investment Promotion Activities

- 2.13. SACU intends to create a more competitive platform to show case its export products in EFTA by establishing stronger, more effective and sustainable contacts and representation in the EFTA markets. This exercise would be essential in raising awareness to the SACU business community on the available opportunities in the EFTA markets, as well as raising both consumers and investors awareness in EFTA States about the SACU region and possible opportunities to be explored.
- 2.14. In line with the above, the study should provide recommendations on a best regional approaches in undertaking joint export and investment promotion missions to EFTA drawing on both national and international experiences in other Regional Economic Blocs; highlighting issues to be considered in undertaking this mission.
- 2.15. The study should further undertake market intelligence on how EFTA conducts its EXPOs and advice on how SACU should prepare for its intended missions.

Other Issues

- 2.16. The study should provide recommendations on sectors/products where potential exist for the development of regional value chains especially for products that SACU Member States are already exporting.
- 2.17. The consultant should also make recommendations on any other aspects that should or could be included in this study.

3. APPROACH

- 3.1 A pre-implementation meeting will be held, prior to commencement of the study, between the Consultant and SACU Secretariat to discuss the Technical Proposal, Terms of Reference and to agree on modalities for the implementation of the research work. These discussions will also address the need for visits to SACU countries and EFTA States as well as provide a platform to address information requirements for the completion of the study.
- 3.2 The SACU Secretariat will act as the liaison and contact centre for the study.
- 3.3 The work of the Consultant will be overseen by the SACU Trade and Investment Promotion Experts.

4. EXPECTED OUTCOMES/DELIVERABLES

Inception Report

- 4.1 The Consultant will produce an inception report within **two (2) weeks** of embarking on the assignment. This report should provide a clear understanding of the Terms of Reference, the methodology that will be used and how information will be obtained from various stakeholders.
- 4.2 The inception report should also indicate the implementation time for each activity in the Terms of Reference; a detailed plan for country visits and should follow precisely the timeframe set out in the Request for Tenders.
- 4.3 The inception report will be distributed to the SACU Trade and Investment Promotion Experts for their consideration and comments, which should be submitted back to the Consultant within **2 (two) weeks** after receipt of the inception report.

Draft Report

- 4.4 Following approval of the Inception Report, the Consultant will have **12 (twelve) weeks** to produce a Draft Report, covering all aspects of the Terms of Reference.
- 4.5 On receipt of the draft report, the Secretariat will circulate it to the SACU Trade and Investment Promotion Experts for their consideration and comment. Comments and inputs will be provided to the Consultant via the Secretariat after **3 (three) weeks** of receiving the draft report.

4.6 The Consultant will address the comments and inputs within a further **2 (two) weeks**, culminating in a draft Final Report.

Draft Final Report

4.7 The consultant will be requested to present the draft Final Report to the SACU Trade and Investment Promotion Experts at a workshop to be arranged by the Secretariat, highlighting the findings, major outcomes and recommendations.

Final Report

4.8 On the basis of the outcome of this presentation, the Consultant will produce a Final report within **2 (two) weeks** of the presentation.

4.9 An electronic copy of all the reports shall be supplied to the Secretariat for appropriate distribution.

5. DURATION

5.1 It is anticipated that the study should take 16-18 weeks from inception to completion.

5.2 Please note that this timeframe refers to the total time required to conduct the study, including consultations with Member States and does not necessarily reflect the actual amount of time required for the consultant to carry out the study.

6. REQUIREMENTS

- 6.1 The Consultant should possess a minimum Master Degree in Economics, International Trade or a related field and have proven experience in undertaking export market and investment promotion research.
- 6.2 The Consultant should have extensive knowledge of SACU and EFTA markets as well as other regional economic blocs.
- 6.3 Ability to analyse investment climate to provide information on trade, regulations, procedures and opportunities.
- 6.4 Experience in investment promotions, investment policy and industrial policy design and implementation.
- 6.5 Experience in mobilising private sector participation in investment promotions programmes.
- 6.6 Exceptional report writing skills on research, policy analysis and recommendations.

7. SUBMISSION OF TENDER PROPOSALS

- 7.1 The SACU Secretariat is implementing a two-envelope tender for this study, meaning that the technical and financial proposals must be submitted separately in sealed envelopes.
- 7.2 The Tender should be delivered or posted to the address specified on page 1 above in **six (6)** hard copies each (**original plus 5 copies**). The technical proposals should be inserted in a separate envelope, clearly marked “**Technical Proposal**” and the financial proposal should be placed in its own separate envelope clearly marked “**Financial Proposal**”. All envelopes should be properly sealed and clearly marked as indicated below:

**SACU STUDY TO ASSESS THE EXPORT MARKET AND INVESTMENT
OPPORTUNITIES IN THE EFTA SACU
/ 010 / 2017 / O**

NAME OF THE BIDDING COMPANY/ORGANISATION/FIRM

7.3 The deadline for submission of tenders is 13h00, Namibian time, on Friday, 3rd March 2017.

8. PRIME CONTRACTOR RELATIONSHIP

8.1 SACU will enter into a contract with only one successful bidder.

8.2 The selected bidder shall be solely responsible for the deliverables as specified in this document.

9. FINANCIAL ARRANGEMENT

9.1 Bidders are solely responsible for their own costs in preparing the Tender.

9.2 Payments for all services covered by this tender shall be made within 30 (thirty) days subject to receipt of appropriate invoices, the satisfactory completion of work, and adherence to the SACU Secretariat's Financial Policies and Procedures.

9.3 SACU shall not be liable for any losses, damages, costs, charges or expenses caused by injuries to the bidder's personnel during the execution of their duties.

10. CONFIDENTIALITY

10.1 Tenders submitted will not be revealed to any other bidders and will be treated as contractually binding.

10.2 The SACU Secretariat reserves the right to seek clarification or verification of any information in the Tenders.

10.3 All information pertaining to the SACU Secretariat obtained by the bidder as a result of participation in this RFT is confidential and must not be disclosed without written authorisation from the Executive Secretary of the SACU Secretariat.

10.4 SACU reserves the right to undertake a full background check on all references submitted prior to awarding the contract.

11. OWNERSHIP OF TENDERS

11.1 All Tenders, including supporting documents, submitted to the SACU Secretariat become the property of the SACU Secretariat.

11.2 Ownership of all data belonging to SACU whether under its control or the bidder's control shall continue to vest in SACU. Any data of whatever nature resulting from the provision of the Products and Services shall be the property of SACU and may be used by SACU without restriction. All data or information that may be shared with the successful bidder during the provision of the Products and Services shall upon termination of the contract, be returned to the SACU Secretariat.

12. MODIFICATION OF TERMS

12.1 The SACU Secretariat reserves the right to add, modify or omit certain portions of the Tenders' scope at any time at its sole discretion. This includes the right to cancel this RFT at any time prior to entering into a contract with the successful bidder.

13. TENDER FORMAT

13.1 Bidders are requested to address the issues and requirements in Appendix A to ensure that each Tender receives full consideration.

14. EVALUATION OF TENDERS & AWARD CRITERIA

14.1 Eligibility

- a) Only Tenders received as specified in section 7 (Submission of Tender Proposals) above will be considered.
- b) Tenders will be disqualified if six (6) copies of each proposal, Technical and Financial, are not submitted in separate envelopes.
- c) Tenders will not be evaluated if the bidder's current or past corporate or other interests may, in the Secretariat's opinion, give rise to a conflict of interest in connection with this RFT.

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- d) Tenders will be disqualified if the following documents have not been submitted:
- i. A certified copy of a Certificate of Registration or Incorporation with the relevant national authorities for companies or corporations; and
 - ii. A certified copy of a current Tax Clearance Certificate or exemption thereof from the relevant national authorities.
 - iii. Where applicable, a certified copy of a legal agreement for partnerships, consortiums and joint ventures.
- e) Tenders will be disqualified if the company is not majority (51%) owned by citizen(s) of a SACU Member State (with proof of shareholding) and registered within a SACU Member State.

14.2 Qualification Criteria

- a) Tenders not so excluded will be initially evaluated by reference to the following qualification criteria:
- i. Completeness of tender documentation as specified in Appendix A of this document.

14.3 Award Criteria

- a) The contract will be awarded from the qualifying Tenders on the basis of the most economically advantageous proposal applying the following award criteria, listed in order of priority:
- ii. Proof of technical knowledge in the area of the required focus of the study;
 - iii. Proof of experience in undertaking similar assignments;
 - iv. Proof of qualifications, relevant skills/knowledge and experience by the Team who will undertake the exercise;
 - v. Availability of Consultant to undertake the exercise; and
 - vi. Company Profile and Reputation of the Bidder.

15. CONTRACT ADMINISTRATION

15.1 The award will be subject to the successful conclusion of a Service Level Agreement (SLA) to confirm the Terms and Conditions of the Tender.

15.2 SACU reserves the right to negotiate the terms of the tender proposal and the value of any financial proposal submitted.

APPENDIX A - FORMAT OF TECHNICAL PROPOSAL (1ST ENVELOPE)

Bidders should address all the issues and requirements in the sequence in which they appear in this Appendix.

1. General Information

- a) One page letter of introduction identifying the bidder and signed by the person(s) authorised to bind the organisation to statements made in the proposal.
- b) Title Page listing the RFT Number, Organisation Name, Postal Address, Physical Address, Telephone No., Fax No., Mobile No., Email Address, Website and Full Names of two Contact Persons.
- c) Profile of the Consultancy Firm or consortium.
- d) A record of previous similar consulting assignments undertaken by the firm or consortium.
- e) Proof of qualifications and experience of key staff that will carry out the assignment, including the team leader.
- f) Full Contact Details of any third-parties involved in the proposal.
- g) Description of role or element of proposal to be fulfilled by any third-party.
- h) Confirmation of acceptance by the bidder and any third parties of the conditions of proposal.
- i) Certified copies of a Certificate of Registration or Incorporation with relevant national authorities.
- j) Certified copy of a current Tax Clearance Certificate from relevant national authorities.
- k) Where a consortium or a group of companies are jointly delivering a response, then the companies must:
 1. Clearly state the name of the Primary Party with whom SACU will enter into an Agreement;
 2. Provide full details of each of the legal entities involved in the bid;
 3. Provide a certified copy of a legally binding partnership or consortium agreement; and

4. Provide a detailed description of the role or element fulfilled by each legal entity involved in the bid.

2. Technical Proposal (Methodology)

- 2.1 A detailed technical proposal indicating a clear understanding of the Terms of Reference and the methodology that will be used by the bidder to complete the assignment should be submitted to the Secretariat.

3. Reference Sites

- 3.1 Bidders must provide a minimum of five (5) customers (names, addresses and telephone numbers) who may be contacted for references in connection with the proposed assignment.
- 3.2 A schedule of five (5) or more recent and similar assignments undertaken by the company. This schedule must indicate the client, the assignment that was undertaken, the year, the client's geographical location and the financial value.

For example:

Client	Services Provided	Year	Location	Financial Value
ABC Corporation	Development of BCP	2011	Windhoek	R 49,950

- 3.3 A schedule of five (5) or more clients (contact names, physical addresses and telephone numbers) who may be contacted for references in connection with the proposed assignment.

For example:

Client	Contact Name	Telephone	Physical Address
ABC Corporation	Mr J. Doe	061-999 9999	20 ABC Street, Windhoek

4. Additional Information

- 4.1 Bidders may provide any other information which may be relevant to this proposal.

APPENDIX B - FINANCIAL PROPOSAL

Bidders must address all the issues and requirements which appear in this Appendix B.

Schedule of Costs/Financial Proposal (2ND ENVELOPE)

All costs must be quoted in South African Rands (ZAR). The schedule must take the following format:

- a) The total cost of the proposal (best and final offer).
- b) A full breakdown of the price.
- c) An itemised breakdown of the cost of any options being proposed beyond the specified Terms of Reference.
- d) The applicable rate of VAT in respect of each product and service being proposed.
- e) Details of any other costs, taxes or duties which may be incurred.
- f) Confirmation that the Financial Proposal remains valid for 90 (ninety) days from the tender closing date.

16. DOCUMENTATION CHECKLIST

Have you submitted the following required information?	YES	NO
A Signed Letter of Introduction		
A Profile of the Company		
Proof of qualifications and experience of key staff that will carry out the assignment		
A Certified Copy of a Certificate of Company Registration or Incorporation		
A Certified Copy of Certificate of a Tax Clearance Certificate		
Certified Proof that the majority owner(s) of the company or consortium are citizens of a SACU Member State		
A detailed methodology that will be used to complete the assignment		
A schedule of five (5) or more similar assignments undertaken by the company		
A schedule of 5 (five) or more contactable references		
An itemised break down of the costs in a separate financial proposal		
Written confirmation that the financial proposal remains valid for 90 days		
Six (6) copies each proposal, Technical and Financial, in separate envelopes		

Additional documents required from Consortiums or Partnerships	YES	NO
Written identification of the Primary Contracting Party		
Full details of all legal entities involved in the bid		
Certified copy of a legally binding partnership or consortium agreement		
Proof that the majority owner(s) of the company or consortium are citizens of a SACU Member State (copy of ID's or Passports will suffice)		
Description of the role or element fulfilled by each legal entity		