



A CALL FOR PROPOSALS TERMS OF REFERENCE TO UNDERTAKE

A Value Chain Analysis of Competitiveness and Trade Diversification in the Rice Sub Sector in Tanzania

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, June 18th, 2021**. 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, June 4th, 2021**. Please reference all communication with respect to this call for proposals adequately. The following examples can be used when communicating with REPOA:

RE: A Value Chain Analysis of Competitiveness and Trade Diversification in the Rice Sub Sector in Tanzania | Submission of Proposal;

or

RE: A Value Chain Analysis of Competitiveness and Trade Diversification in the Rice Sub Sector in Tanzania | Submission of Query;

Proposals are invited from individuals 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. Name and CV of the team leader (maximum 3 pages).

- 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, and demonstration of relevant work experience in implementing similar assignments. It is expected that the selected respondent will begin the Assignment in July 2021, and that the duration of execution will be for no longer than 30 workdays spread over two calendar months from the date of signing the contract.

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 is an equal opportunity employer. Organizations are encouraged to put up project teams comprising of both men and women.

1) INTRODUCTION AND BACKGROUND

REPOA and the International Institute of Social Studies at Erasmus University (ISS) are implementing a research and capacity building programme aimed at promoting Tanzania's trade competitiveness and diversification for widening trading opportunities with the European Union (EU). It focuses on five value chains of logistics, leather, horticulture, rice, and seaweed. The programme's interventions are coordinated around three key related areas across the value chains:

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

Trade has emerged as an engine of growth for Tanzania on account of its unique geostrategic location, bordering 8 other countries and membership of two regional trading blocs with a combined market size of over 600 million people and a total Gross Domestic Product (GDP) of approximately US\$1.0 trillion. The growth-potential of trade is further underscored by Tanzania's relatively diversified export base with a higher (0.715) than the Sub Sahara African average score of 0.603 (UNCTAD, 2020). Tanzania's diversified export base poses less systemic risks to her economy in the event of trade shocks. However, Tanzania's trade is yet to fully integrate into the global trading system, a feat no less compounded by low quality and low value addition of her exports. One of the main challenges is how to enhance and sustain the connection to regional and global value chains by increasingly meeting requirements in a competitive manner to capture market access and to enhance their productivity for sustained export expansion.

Aggregate export potential is held back by supply side constraints, notably in transport and energy, in sanitary and phyto-sanitary areas (SPS) and also with regard to the consistency, marketing and labelling of produce. External trade in agriculture is also hampered by its relative lack of competitiveness, largely influenced by non-tariff barriers (NTBs). NTBs refer to quantitative restrictions and specific limitations that act as obstacles to trade. Such restrictions and limitations are often embedded in laws, regulations, practices and requirements other than tariffs; and include non-tariff charges, government participation in trade, restrictive trade practices and policies; customs and administrative procedures and practices; Technical Barriers to Trade (TBT); and Sanitary and Phytosanitary Measures (SPS). According to an ITC study¹ the three main NTBs facing exports of Tanzania's agro-based products were in order of importance: export related measures (48.1%), conformity assessment (30%) and technical requirements (17%). Affecting close to half of all agriculture exports, export related measures reflect the inefficiencies of Tanzania's own export regime, a burden dominated by export inspections (32%), certification (24%), the complexity of inspection procedures (12%), and other taxes and charges (10%).

These trade barriers undermine the prospects for exporters and, more broadly, for the country to enhance its potential for trade expansion and growth, and to move up the international trade ladder to benefit fully from more profitable global value chains. Not only do these difficulties deny exporting companies the opportunities to maximize production and their trading potential but they send unwanted signals to potential investors. According to the ITC survey, procedural compliance (59%), a combination of procedural and regulatory

¹ ITC (2021) *NTM Business Survey in Tanzania. National Stakeholder Meeting on Non-Tariff Measures* Dar es Salaam: International Trade Centre (ITC).

bottlenecks (28%) and regulatory complexity (18%) are the main bottlenecks exporters face when complying with the export regime².

These bottlenecks affect many of Tanzania's export commodities including rice.

Rice is the second most important food and cash crop in Tanzania (after maize); mainly grown by both small- and large-scale farmers. An estimated 2.2 million metric tonnes of milled rice is produced annually, making Tanzania the biggest rice producer in East Africa. Tanzania regards rice as a strategic priority for agricultural development and trade, and launched a 10-year national rice development strategy in 2019 aiming to double acreage and productivity, increase value addition and exploit trade potential by 2030. Around 42 percent of all rice produced is marketed (a larger portion than any other food crop), but this is largely because of the influence of large-scale growers³. Rising incomes, population and marginal increases in Sub Sahara African production of rice (only 55% of demand), have created an export market for the commodity worth an estimated US\$ 5- 6 billion annually. Combined with the presence of large arable lands and sufficient water resources, Tanzania is one of few best placed countries in Africa to exploit the sub sector's trade potential. Yet despite these opportunities, domestic production only began to meet demand in the last ten years with productivity at less than half that of the leading Asia-Pacific region⁴. Further, domestic production continues to face stiff competition from cheap imports from low cost producing regions. While Tanzania continues to import rice, a substantial increase in exports to neighbouring countries — mainly the Democratic Republic of Congo (DRC), Burundi, Kenya, Rwanda and Uganda—has also continued in the reverse direction further underlining the trade potential of the commodity. Underpinning the growth in exports has been regional preferences for Tanzania's high quality but low yielding aromatic rice. Impeding the growth of rice exports is the weak competitiveness of the value chain which undermines the sub sector's trade resilience to both tariff and non-tariff barriers. The rice value chain is understood to comprise of producers, brokers, transporters, wholesalers, and retailers, each with incremental engagement costs. It is reported that it is not uncommon for value chain transactions to involve up to 35 different actors, each with underlying transaction costs⁵.

While there is considerable literature on the rice value chain in Tanzania, there are few comprehensive analyses of the value chain's trade potentials. Policies aiming to improve the sector's competitiveness require much more detailed information on institutional bottlenecks, and other trade impacting value chain deficiencies. This proposed undertaking intends to address this gap in our understanding through the provision of objective assessment of the trade and related institutions of the rice value chain in Tanzania. Specifically, this assignment seeks to identify specific bottlenecks on the rice value chain including institutional, policy, regulatory and implementation frameworks, as well as operational challenges that impede domestic and export trade in rice.

Findings and recommendations from the study will inform REPOA and ISS's capabilities to promote the competitiveness and diversification of Tanzania's rice sub sector, and to provide targeted technical assistance to the value chain actors and trade support institutions for widening trading opportunities with the European Union (EU) and other large international markets.

² Ibid.

³ Trevor Wilson, R. and Lewis, I. (2015) *The Rice Value Chain in Tanzania: A report from the Southern Highlands Food Systems Programme*, Rome: Food and Agriculture Organization of the United Nations (FAO).

⁴ Domestic productivity is adversely impacted by poor inputs, extension services, inefficient irrigation schemes (14%-20%), and high post-harvest losses (up to 30% of production). See URT (2019) *National Rice Development Strategy Phase II (NRDS II) 2019-2030*, Dodoma: Ministry of Agriculture.

⁵ Sekiya, N., Oizumi, N., Kessy, T. T., Fimbo, K. M. J., Tomitaka, M., Katsura, K. and Araki, H. (2020) 'Importance of market-oriented research for rice production in Tanzania. A review', *Agronomy for Sustainable Development*, 40(1), pp. 7.

2) OBJECTIVE OF THE ASSIGNMENT

The objective of this assignment is two-fold:

- 1) To identify bottlenecks that limit trade competitiveness and export diversification in the rice value chain from production to processing, branding, and trading; and
- 2) To develop an appropriate trade policy framework to effectively address them within the context of the current regulatory reforms for enhancing the business environment.

3) SCOPE OF WORK

The assignment will involve considerable review of literature and where necessary some primary fieldwork involving key rice value chain and trade actors. Analyses of institutions and procedures may also involve engagements with key Government Ministries, Departments, and Agencies (MDAs) involved in regulating activities that affect rice production, processing, logistics, marketing and trade. Specifically, the study will address the following key aspects of the rice value chain:

- Review of the policy and regulatory framework for agricultural trade in Tanzania with a focus on rice to identify gaps in the competitiveness, diversification and value chain policy frameworks that need to be addressed; and
- Development of a framework for trade policy to foster the competitiveness of rice exports, diversification and value chain processing.

4) DELIVERABLES

There will be four key deliverables from this assignment:

- 1) An analytical report of the policy and regulatory framework with an emphasis on trade competitiveness in the rice value chain that includes an assessment of its performance (relative to regional competitors) based on production, yield, and transaction costs. The report should also propose, inter alia, new and modern solutions for addressing weakness in Tanzania's rice value chain competitiveness (including trade), diversification and value chains, and the plausible contribution to the attainment of key SDGs targets (in particular SDGs 1, 2, 8, 10 and 12) and reducing NTBs; and a clear methodology for advancing research on these issues going forward. The expected deliverable from this objective will be one analytical report with requisite Annexes.
- 2) Development of a trade policy framework in the rice value chain to foster the competitiveness of agro-exports, diversification and value chain processing. The main recommendations of the framework will be captured in three policy briefs. These will provide summaries and recommendations in the context of Tanzania's rice value chain, ambitions for a greater access to the EU markets, and also taking into account the opportunities arising from regional cooperation frameworks and international trade agreements. The recommendations will also take into account the need for attainment of the key SDGs (1, 2, 8, 10 and 10). The expected deliverable from this objective will be three policy briefs.

5) TIMEFRAME OF DELIVERY

It is expected that this undertaking will be completed in 30 workdays (exclusive of public holidays but not weekends) spread over two calendar months from the signing of the contract.

6) REQUIREMENTS

Staff: Key experts

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and Statements of Exclusivity and Availability for the following key experts:

Key expert (KE): Senior Research Fellow- Economist- and Team Leader (30 w/d)

The Key Expert will be responsible for the day-to-day management of the project, and for the delivery of the expected outputs (analytical reports and policy briefs specified in these terms of reference). Oversight of the day-to-day management processes will be done by REPOA. The KE will work closely with REPOA's appointed personnel in all areas of the project's interventions to facilitate effective diffusion of knowledge, ensure strict alignment to REPOA's research and policy mandates, and continuity of the research effort going forward in the key areas covered by these terms of reference.

The expert should have the following expertise and experience:

Qualifications and skills

- Advanced university degree in Economics, International Trade, Statistics or other relevant subjects.
- Excellent verbal and written command of English.

General professional experience

- Working experience in at least two multilateral trade assistance projects in support of enhancing research on trade policy and related trade issues in ACP countries over the last 10 years.
- Previous working experience in Tanzania / Africa would be an added value.

Specific professional experience

Five years of professional experience of research in agricultural policy research as well as agricultural export competitiveness and diversification in ACP countries;

Non-key experts

CVs for non-key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles.

Support staff & backstopping

REPOA will provide support facilities to the team of experts (back-stopping) during the implementation of the contract.

Office accommodation

REPOA may provide some office accommodation to the experts during the implementation of the contract.

Equipment

No equipment is to be purchased on behalf of the REPOA as part of this service contract or transferred to the REPOA at the end of this contract. Any equipment related to this contract that is to be acquired experts must be purchased by means of a separate supply tender procedure.

Incidental expenditure

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs that should be covered by REPOA as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V to the Contract between REPOA and the EU/OACPS. It covers:

Travel costs and subsistence allowances for missions outside the normal place of posting, undertaken as part of this contract. If applicable, indicate whether the provision includes costs for environmental measures, for example CO₂ offsetting.

Costs related to the organization of the training workshops foreseen under the assignment.

In the organization of the above-mentioned events, the tenderer is to finance:

- If needed, selected venues in consultation with the supervisor of the project and the beneficiary;
- Participants will include delegates as specified under section 4.1.1 above. Coffee breaks for participants deemed necessary are to be provided;
- Essential equipment such as printers, computers, interpretation booths and equipment may be rented;
- Local transportation where appropriate;
- The tenderer must ensure that appropriate visibility is accorded to REPOA, the European Commission, the Secretariat of the OACP Group and the TradeCom II Programme;
- Production / reproduction of needed documents.

Tenderers are to consider that: for the participants entirely financed by this contract:

For participants spending the night out of their duty location a per diem consistent with those prescribed by the Government of the United Republic of Tanzania will be allowed. The per diem amount allowed for each participant will be used to pay the following eligible costs:

- Accommodation including hotel/breakfast/lunch/coffee break,
- Transportation from/to the airport,
- Inter and intra city travel costs to attend the workshop that may be part of this consultancy.

The balance of the per diem will be paid to the sponsored participants on production of supporting documents (i.e. original boarding passes, copy of passport, signed receipt, etc.). In any event REPOA must be consulted to facilitate the procurement and provision of the above goods.

Daily subsistence costs may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority, and carried out by the contractor's authorised experts, outside the expert's normal place of posting.

Lump sums

No lump sum expenditures are foreseen in this contract.

REFERENCES

- ITC (2021) *NTM Business Survey in Tanzania. National Stakeholder Meeting on Non-Tariff Measures* Dar es Salaam: International Trade Centre (ITC).
- Sekiya, N., Oizumi, N., Kessy, T. T., Fimbo, K. M. J., Tomitaka, M., Katsura, K. and Araki, H. (2020) 'Importance of market-oriented research for rice production in Tanzania. A review', *Agronomy for Sustainable Development*, 40(1), pp. 7.
- Trevor Wilson, R. and Lewis, I. (2015) *The Rice Value Chain in Tanzania: A report from the Southern Highlands Food Systems Programme*, Rome: Food and Agriculture Organization of the United Nations (FAO).
- UNCTAD (2020) 'Merchandise: Product concentration and diversification indices of exports and imports, annual'. Available at: <https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=120> (Accessed: 01/04/2021).
- URT (2019) *National Rice Development Strategy Phase II (NRDS II) 2019-2030*, Dodoma: Ministry of Agriculture.