



Programme:	<i>Technical Assistance to the Integration to the Multilateral Trading System and Support to the Integrated Framework</i>
Country/Region:	Djibouti
Project title:	Mid-term evaluation of the Djiboutian National Strategy for Development of Trade
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ANNEX II: TERMS OF REFERENCE

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1. BACKGROUND INFORMATION

1.1 Beneficiary

The Ministry of Trade of the Republic of Djibouti

1.2 Contracting Authority

The General Secretariat of the ACP Group is the Contracting Authority for this project with the Programme Management Unit (PMU) of the ACP MTS PROGRAMME acting on behalf of the Regional Authorising Officer for the European Development Project N°2013/318-040.

1.3 Background information

With less than 0.04 of its total land mass being arable (i.e. 1,000 km²) and an average annual rainfall of 5.1 inches, the Republic of Djibouti has a chronically underdeveloped agriculture sector. It is therefore unsurprising that the country is totally dependent on imports to meet its food needs. Djibouti's economy is largely concentrated in the service sector and remains highly sensitive to external shocks.

In 2012, Djibouti's GDP was estimated at US\$2.38 billion yielding a per capita income of US\$ 2,700. Economic activity has recently been robust with real growth rate of 4.8%, also in 2012. Commercial activities revolve around the country's liberalised trade regime and its strategic location as a Red Sea transit point. The economy is dependent on foreign direct investment (FDI), foreign countries' military bases, and its port services, which capitalize on the strategic position at the southern entrance to the Red Sea. As of 2013, the container terminal at the Port of Djibouti handles the bulk of the nation's trade. About 70% of the seaport's activity consists of imports to, and exports from neighbouring Ethiopia, which depends on the harbour as its main maritime outlet. The port also serves as an international refuelling centre and transshipment hub.

To improve the environment for FDI, the Djibouti authorities have launched a number of development projects aimed at highlighting the country's commercial potential. The government has also introduced new private sector policies to tackle high interest and inflation rates, including relaxing the tax burden on enterprises and allowing for exemptions on consumption tax. Thanks to its strong growth potential, the Djibouti fishing and agro-processing sector, has also enjoyed rising investment levels since 2008. This development is of great importance given the sector's average 15% contribution to GDP.

However, the Republic of Djibouti still faces a number of major challenges. Primary among these are weak trade institutional and regulatory capacities and limited trade support infrastructure. As a result, the country is confronted with several problems in adequately and consistently monitoring and analysing developments in the global trading system; formulating appropriate policy recommendations; administering trade policy and; effectively conducting varied and complex bilateral and multilateral trade negotiations.

These severe institutional deficiencies places Djibouti at a serious disadvantage in understanding and keeping pace with the changing global trading environment. Bridging this capacity gap is therefore crucial for Djibouti's ability to satisfactorily participate in, and secure benefits from the multilateral trading system. Moreover, Djibouti, as most other ACP countries, will soon find itself facing a post-Bali environment based on uncertainty and tremendous flux in global trade policy. A concerted effort is therefore needed to assist Djibouti navigate these burgeoning trade challenges.

1.4 Current Situation

In February 2010, the Djiboutian Government adopted a National Strategy for the Development of Trade (Stratégie Nationale de Développement du Commerce - SNDC). Although the strategy advanced constituted an ambitious initiative, earnest implementation has been hindered due to the Government lacking financial, human and technical resources.



In order to ease its implementation, the Ministry of Trade is currently seeking to undertake a mid-term review of its SNDC and make the necessary adjustments for the proper implementation of the Strategy.

However, today, the Trade Ministry suffers from a lack of effective tools and human resources to assess the level and the quality of the implementation of the SNDC. This major institutional deficiency is even more alarming in light of the Ministry's mission to spur economic development through increased trade. In addition, the task of harnessing the development potential of trade is more taxing in light of Djibouti's role as a commercial hub and the attendant overexposure to globalization. In order to mitigate any negative impact from globalisation, the Djibouti authorities have embarked on an ambitious programme of infrastructure development aimed at positioning Djibouti as regional hub for trade and services.

Facing real difficulties to carry out its various programmes, the Ministry of Trade plans to settle Production, Management, Monitoring and Evaluation of trade-related information units. At a time when the Republic of Djibouti is modernizing its port and airport infrastructure, strengthening its regional transshipment hub and transit policy and engaging in regional economic integration, it is essential to ensure that the National Strategy for the country's recent trade policy initiatives and priorities are on the right track.

2. REQUEST

This project aims at conducting a mid-term assessment of the SNDC and measuring its implementation progresses since its adoption by the National Assembly in February 2010.

The Republic of Djibouti has requested a mid-term assessment of the SNDC to (a) determine the level of implementation of the SNDC; (b) measure the impact of the implementation of the SNDC on population, economic operators, the private sector, the informal sector, women and youth; (c) allow the government and especially the Ministry of Trade to make the necessary adjustments for the proper implementation of the Strategy; (d) receive recommendations on possible adjustments on intervention strategy sectors as well as on methods of implementation; (e) highlight the synergies and convergence with other programs and projects including the programmes funded by the COMESA and the European Union related to regional integration.

The project involves the contracting of a trade expert to conduct a needs assessment of Djibouti's trade policy and institutional framework. The expert is also expected to formulate both recommendations and an action plan for the strengthening of the Trade Ministry's institutional capacity.

All written materials will be developed in cooperation with the beneficiary, reflecting its specific needs and situations.

3. ACTIVITIES

The expert is required to develop a strong analytical document for mid-term review and recommendations to be submitted to the Ministry of Trade of Djibouti. Specific activities will include the following:

- assess the expected results as formulated in each component of the SNDC and indicate the level of achievement;
- assess the adequacy of the activities' components and results in view of the beneficiaries' needs, the stakeholders' capacities, the current government priorities, the interventions of other donors in the sector but also in view of the Integrated Framework Diagnostic Study (EDIC) and its level of progress;
- evaluate the performance of the SNDC against its initial objectives, resources and duration;



- assess both technical and financial execution mode by identifying the major problems and / or the solutions that may have influenced negatively / positively the objectives and effectiveness of the implementation;
- evaluate the quality of communication and visibility of the SNDC (emphasis should be placed on the quality of communication between SNDC key stakeholders);
- assess the impact of the SNDC program and the lessons to be learned;
- make recommendations on future activities, taking into account the changes in institutional arrangements that entails the implementation of the SNDC

4. BUDGET

The ACP MTS Programme will contract the selected expert with a fee-based contract of a total value of EUR 18,000.00 (direct agreement).

5. TIME FRAME

The project will commence on signature of the contract, with delivery latest on January 31st, 2014 (estimated 4 weeks' work). A field mission and a period of analysis and drafting (desk work) are foreseen for this assignment. The time schedule for the field mission will be decided in close collaboration with the beneficiary.

6. DELIVERABLES

The expected results will be a mid-term review report delivered to the highest professional standards and at the satisfaction of the beneficiary. The completed report should be written in French and should summarize the recent developments on the issue at stake; the main points of the intervention and the recommendations issued. The completed report should also include an executive summary (maximum 3-pages) that should allow for easy digestion by Djiboutian stakeholders of the most salient issues.

7. REQUIRED PROFESSIONAL EXPERTISE

The **Trade and Legal expert to be contracted** for this project should exhibit the following educational and professional profile, viz.:

Qualifications and skills

- Graduate degree in Law, International Trade, Economics, Business Administration, or equivalent (PhD or Masters);
- Fluency in spoken and written French with excellent report writing and drafting skills
- Strong legal professional experience, with deep grasp of Djibouti's legal system and administrative procedures being an asset; and
- Experience in reviewing and assessing laws and regulations and identifying changes to be made to meet international standards and/or best practices;

General professional experience

- At least 7 years' relevant professional experience on review and update of existing trade policy development and reform;
- Strong analytical command of international trade issues;
- Strong understanding of African economic and trade policy environment; and
- Strong experience in market analysis / strategy development;

Specific professional experience

- In-depth knowledge on the legal/policy implications of WTO Agreements;
- Strong experience in reviewing and drafting laws and domestic regulations on trade;
- Knowledge of regional economic integration is required, and in particular of the Horn of Africa.