 

**REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF A SPECIAL ECONOMIC ZONE BILL**

**(INDIVIDUAL CONSULTANT)**

**Procurement Reference No.: MITC/PDU/SEZ/BILL**

**Date of Issue: Thursday, 20th June, 2019**

**1.0 BACKGROUND**

The Ministry of Industry, Trade and Tourism (MoITT) through the Malawi Investment and Trade Centre (MITC) a parastatal established by the Malawi Investment and Promotion Act, is hereby making a call for a consultant to carry out an assignment to draft legislation for the establishment of Special Economic Zones in Malawi. The Special Economic Zones Bill to be developed will be a useful tool to regulate the investment of exports prioritized in the National Export Strategy (NES) through the establishment of SEZs. The NES identifies three product clusters for agro-processing to drive Malawi’s exports mostly to neighboring countries and regional markets in a manner that exports can maintain the upward pressure of imports. These clusters are -

1. ***Oil Seeds Products****:* cooking oil, soaps, lubricants, paints, varnishes, meals & flour, bio-fuel, animal feed, fertiliser, snacks, and confectionary derived primarily from sunflower, groundnuts, soya and cotton;
2. ***Sugar Cane Products****:* sugar, high value sugar through branding, sugar confectionery (such as syrups, sweets, caramel etc.), sweetener, ethanol, spirits, cane juice, fertiliser, animal feed, electricity, and cosmetics; and
3. ***Manufactures****:* beverages, agro-processing (including dairy, maize, wheat, horticulture, and pulses, plastics, packaging and assembly).

Malawi’s main export is tobacco which accounts for more than 50% of total exports. Mining, tea and unprocessed oil seeds and legumes are the next largest exports. Agro-processing, excluding sugar accounts for around 6% of merchandise while sugar exports hover around 4%[[1]](#footnote-1). Noteworthy however, agro-processing has steadily been growing in exports albeit at relatively slower rate for more than 10 years now. For example, exports of agro-processed products reached 183,000 tonnes three years ago compared to just 16,000 tonnes exported in 2001[[2]](#footnote-2).

The Malawi economy remains in dire need of economic structural transformation. Promotion of agro-processed Malawian products in the region is just one of the many steps in this process. The economy is still driven by primary sectors with agriculture accounting for almost 30% of GDP (Annual Economic Report 2015). With an ever-increasing population as well as the lowest per capita GNP in the world (at US$250.00, see World Bank’s Global Development Indicators 2015), both agro-diversification and economy wide diversification are *sine quanon* in the economic structural transformation drive.

In 2014, Malawi attained GDP growth of 6.0 percent (Annual Economic Report 2015). Initial estimates for GDP growth in 2015 expect the economy to expand by 5.4 percent, a marginal decrease from the 6.0 percent growth rate registered in 2014. The marginal slowdown in growth is mainly attributable to reduced performance in the agricultural sector which is the driving force of the economy. Despite these positive outcomes, higher growth potential was dampened by the instability of the exchange rate, high interest rates, high cost of inputs, such as utilities and fuel and financial mismanagement in the public sector christened as Cashgate (Economic Report 2015). Agriculture remains the main driver of growth and hence the need for structural transformation.

MITC is a parastatal that was created by an Act of Parliament in 2012 with a mandate to promote investment and trade under the leadership of the Ministry of Industry and Trade. MITC is a critical agent to the successful implementation of the (NES). The NES is a prioritized roadmap for building Malawi`s productive base to generate sufficient exports to match the upward pressure on Malawi`s imports and is a key strategy in attaining the goals of the Malawi Growth and Development Strategy II (MGDS II, 2011-2016). The NES is central to accomplishing Malawi’s desired move into exporting of high value-added goods and services and to reducing the country’s reliance on the export of raw or semi-raw commodities.

In light of the above, the World Bank has developed a model law on special economic zones to fit into the implementation plan for the establishment of SEZs, particularly for the promotion of export oriented agro-processing in the product clusters of the NES.

The Government of Malawi, through the Ministry of Industry, Trade and Tourism, is hence seeking an individual consultant, to provide professional legal services to adapt the model law into a Bill to regulate the establishment of SEZs.

**2.0 OBJECTIVE OF THE ASSIGNMENT**

The objective of this assignment is to adapt a model law on special economic zones to a robust piece of legislation for the development of SEZs in Malawi.

The Bill should cover a broad range of SEZs including Industrial Parks/Estates, Technology Parks, Dry Ports/Inland Container Depots/Freight Villages, Free Zones, Education Parks, Information Communication Technology (ICT) Parks, Agricultural Free Zones, Tourism Development Zones and Incubators.

**3.0 SPECIFIC TASKS OF THE ASSIGNMENT**

The Consultant will report to the Chief Executive Officer MITC, and will work in close liaison with officials from MITC, the Ministry of Industry, Trade and Tourism. Specifically, the Consultant will be expected to –

1. review the model law on Special Economic Zones and adapt it to the Malawian context as a draft Special Economic Zones Bill;
2. conduct validation workshops to present the SEZs Bill to solicit stakeholder views and inputs into the Bill;
3. review and recommend amendments to other pieces of legislation and policies that may be necessary in enhancing the implementation of the SEZs Bill;
4. study other countries best practices in terms of policies and regulations put in place for economically empowering domestic investors through utilization of SEZs which may be recommended for adoption in Malawi; and
5. align the revised Bill with the stakeholders’ input with relevant national laws, regulations and policies with other international agreements or treaties.

**4.0 KEY DELIVERABLES**

The Consultant will be expected to undertake the assignment in 20 man days and deliverables will include the following activities-

1. an inception report which details the methodology or approach to the assignment and a related detailed work plan including timelines for deliverables;
2. a comprehensive report with a clear analysis of existing gaps, conflicts and genuine needs, and formulation of specific practical recommendations for the development of the SEZs Bill and subsequent amendments to other pieces of legislation necessary to implement the Bill;
3. presentation of the Bill to the Chief Executive Officer of MITC and Principal Secretary (Ministry of Industry, Trade and Tourism);
4. presentation of the comprehensive report to a wider national stakeholder forum for validation; and
5. submission of final draft Bill which incorporates stakeholder inputs for adoption of the Ministry of Trade and eventual submission to the Ministry of Justice.

**5.0 METHODOLOGY**

The Consultant is expected to undertake desk research in order to have full understanding of the current regulatory framework for Malawi and other countries with best practices, and to interview stakeholders at industrial and institutional level in order to generate a Bill suitable to the Malawian context.

**6.0 QUALIFICATIONS AND EXPERIENCE**

The Consultant is expected to have:

* Master’s degree in Law or equivalent from a recognized university;
* Qualification in legislative drafting and proven legislative drafting experience of at least five years is essential;
* relevant work experience on legislative projects related to Special Economic Zones and related matters;
* prior experience in carrying out needs assessments and development of legislative and regulatory frameworks regarding government procurement and local empowerment polices; and
* knowledge and understanding of the National Export Strategy and SEZs literature and legislation.

**7.0 DOCUMENTS TO BE INCLUDED**

The Consultant must submit the following documents:

1. cover letter explaining why the consultant is the most suitable for work;
2. detailed proposal on the provider’s understanding of the assignment and methodology to be used to achieve the deliverables;
3. financial proposal including all associated costs to implement the scope of work; and

**8.0 EVALUATION CRITERIA**

**Technical Proposal**

Technical proposal shall be evaluated using a criterion presented below:

|  |  |  |
| --- | --- | --- |
| **No** | **Category** | **Points** |
| 1 | Adequacy and quality of response of the bid/proposal to specifications in the TOR | 20 |
| 2 | Adequacy of the workplan/schedule of tasks for the evaluation process | 20 |
| 3 | Coherence and clarity of the proposed methodology  | 25 |
| 4 | 5 years specific experience in drafting economic bills | 20 |
| 5 | Qualification of the consultant | 15 |
|  | **Total** | **100** |

The proposals proceeding to the financial evaluation will be all proposals reaching the minimum score of **70** points and the basis of selection will be **Least Cost.**

**Financial Proposal**

Financial proposals should include a breakdown of cost per activity in line with the scope of work and the validity of the bid is **90** days.

**9.0 INSTITUTIONAL ARRANGEMENTS**

The Consultant will report directly to the Chief Executive Officer of the Malawi Investment and Trade Centre and Principal Secretary, Ministry of Industry, Trade and Tourism. MITC, through the department of Planning and Research will provide relevant background documents necessary for the assignment including the model law, strategic approach on establishment of SEZ in Malawi report, MGDS III and other relevant documents.

**10.0 SUBMISSION OF PROPOSALS**

All eligible interested consultants are requested to submit their Technical and Financial proposals in **separate envelops** and the outer envelope should be clearly marked **“PROPOSAL FOR THE DEVELOPMENT OF A SPECIAL ECONOMIC ZONE BILL”** not later than **Thursday, 11th July, 2019 at 14:00 hours (Local Time)**. These must be deposited in the tender box at the address specified below.

Interested consultants may obtain further information at the address in 11(a) (ii) below:

1. Submission of Proposals:

**i. The Chairperson**

**Internal Procurement and Disposal Committee**

**Malawi Investment and Trade Centre**

**First Floor, Aquarius House,**

**Private Bag 302,**

**Lilongwe 3.**

**ii. The Procurement and Disposal Unit**

**Malawi Investment and Trade Centre**

**First Floor, Aquarius House**

**Lilongwe 3**

**Attention: The Procurement Officer**

**Tel: +265 1 771 315**

**Email:** **procurement@mitc.mw**

1. MoIT, EIF project document [↑](#footnote-ref-1)
2. ibid [↑](#footnote-ref-2)