

## **TERMS OF REFERENCE**

### **Intergovernmental Authority on Development (IGAD)**

#### **Development of a Regional Digital Trade Strategy for IGAD Region**

**Project: Eastern Africa Regional Digital Integration Project**

**Contract type: Consultancy Services (firm or consortium)**

**Estimated Duration: 32 weeks**

**Location: Remote with field missions as needed.**

### **A. BACKGROUND**

#### **Eastern Africa Regional Digital Integration Project**

The Eastern Africa Regional Digital Integration Project (EARDIP), financed by the World Bank, aims to promote the expansion of an integrated digital market across Eastern Africa by increasing cross-border broadband connectivity, data flows and digital trade in the region. The Phase I development objective of the SOP is to advance digital market integration in the Eastern Africa region by increasing affordable access to regional broadband connectivity and strengthening the enabling environment for cross-border digital services.

EARDIP supporting two RECs, namely Eastern Africa Community (EAC) and Intergovernmental Authority on Development (IGAD) to be conduits of digital integration in the Eastern Africa region including the Horn of Africa region.

The Project under IGAD is structured in four components:

#### **Component 1: Connectivity Market Development and Integration**

##### **Sub-component 1.3: Enabling legal, regulatory, and institutional ICT environment.**

The aim of this sub-component is to support the harmonization of cross-border telecommunication infrastructure and services in the EAC and IGAD member states, the project will finance a set of legal, regulatory, and technical assistance activities and capacity building programs.

#### **Component 2: Data Market Development and Integration**

##### **Sub-component 2.1: Cybersecurity frameworks, infrastructure, and capacity**

This subcomponent aims to strengthen and harmonize cybersecurity frameworks across the IGAD member states to enhance the security of the cross-border data flows. It will comprise financing for legal and technical assistance as well as capacity building for managing cybersecurity risks, conducting awareness campaigns about cyber security at the regional level, and acquiring services and equipment for the creation of a regional incident response, information sharing, and cybersecurity coordination platform.

##### **Sub-component 2.2: Data exchange, governance and protection**

This sub-component would focus on safeguarding personal data, promoting trust and enabling cross-border data flows. Activities under this subcomponent will focus on enhancing the regional

enabling environment and institutions required to integrate the data market through the harmonization of data protection regulation.

### **Component 3: Online Market Development and integration**

#### **Sub-component 3.1: Digital cross-border trade, payment and service enablers.**

To promote trade in services and e-commerce across the region, this subcomponent would support the development of such a strategy for IGAD, preparing the ground for AfCFTA's E-Commerce protocol negotiations. The activities under this sub-component will support the establishment of region-wide rules on online markets by promoting the harmonization of laws and regulations in a series of policy areas essential to digital markets integration. Policy areas covered by this subcomponent will focus on enabling remote transactions, such as the regulatory framework for e-signature, online intermediaries and interoperability of payments.

### **Component 4: Project Management and Implementation Support**

This component will finance technical assistance and capacity support for project implementation and the cost of setting up and operating costs of the Project Implementation Unit (PIU) within the Division of Economic Cooperation and Regional Integration of IGAD.

EARDIP builds on IGAD's Regional Infrastructure Master Plan (IRIMP, 2017-2021), supported by the African Development Bank. The main goal of the IGAD Regional Infrastructure Master Plan (IRIMP), the ICT sector is to develop smart and integrated ICT infrastructure. The main specific objectives are to develop harmonized policy and regulatory frameworks; promote the development of ICT services and e-applications, fast track the development of physical infrastructure, create safe cyber space, build capacity of the human resources and the related institutions.

In general, the situational analysis of the ICT sector in the region revealed that the sector is facing many challenges: (i) Access: lack of coherent, harmonized and holistic policies/strategies and action plans which impede infrastructure development as well as conducive legal and regulatory framework, (ii) Affordability: unaffordable access costs particularly for the poor living in rural areas, hence the increase of digital divide; (iii) Digital skills/literacy: poor digital training offers, lack of required equipment, etc.; (iv) Content relevancy: inadequacy of the offered content in relation to the needs of end users; and (v) Online safety: increased risks in terms of cybersecurity and lack of data and consumer protection frameworks and laws.

This consultancy will be implemented under component three of the EARDIP project. IGAD in collaboration and support from the World Bank is intending to hire a consultancy firm to undertake this activity and support the decision makers with a strategic framework on E-Commerce in order to help the region in putting in place a roadmap of its growth for action.

## **B. OBJECTIVE**

IGAD is inviting qualified firms to undertake a readiness and in-depth situational analysis and develop a Regional Digital Trade Strategy.

The objective of this consultancy is to support the development of an E-Commerce Strategy for the Horn of Africa region.

More specifically, the consultancy it is expected to:

1. Undertake a background review of the digital trade ecosystem in the Horn of Africa countries
2. Propose a strategic vision of digital trade in the HoA countries in the medium and long term.
3. Identify priority areas for regional integration and cooperation among countries and fast track the development of the e-commerce development across the region
4. Develop an implementation plan with its monitoring and evaluation and resource mobilization frameworks

The scope of services, consulting team profiles, reporting requirements, and other particulars of the assignment are detailed below.

### **C. SCOPE OF WORK**

The consulting firm (“Consultant”) drawing from regional and international models and good practices, is expected to carry out the following tasks:

#### **Task 1: Planning the assignment**

- Develop a detailed plan to conduct the assignment including the proposed approach and methodology based on relevant good practices.
- Elaborate on requirements for data collection process including stakeholder engagement, data/document requests etc.
- Develop a consultation methodology. Clearly specify how this methodology will encompass a diverse range of stakeholders and topics, enabling a nuanced approach to adopting global best practices within the region and beyond. The methodology should proactively include various stakeholders, including civil society representatives at multiple phases, to ensure the creation of inclusive and multifaceted analysis and recommendations.

#### **Task 2: Developing a draft E-Commerce Strategy**

- Assess the main role of digital trade in the HoA countries in the short, medium, and long term, including priority areas of focus for the proposed regional E-Commerce Strategy.
- Based on consultations and existing literature, identify policy priorities to inform the Strategy, keeping in mind the role of digital trade in the HoA countries;
- Examine how existing policies and regulatory frameworks are conducive to the development and promotion of E-Commerce. Emphasis can also include the barriers if any to market entry and how regulations can be used to remove such barriers. Particularly relevant policies and regulations include: data protection and cybersecurity; cross-border data; consumer protection; e-documents and e-signatures; intermediary liability; electronic payments; taxation; paperless trade.
- Assess global practices in each of the policies addressed in the Strategy and identify good-governance and regulatory principles that should inform the adoption and implementation of such policies at the national level.

- Analyse the relevant legislations and the national development plans and policy instruments including but not limited to trade policies, industrialization plans, national competitive strategies, Sustainable Development Goals, African Union 2063 Aspirations, East African Community E-Commerce Strategy and relevant IGAD instruments. The emphasis would be on all efforts aiming for diversification, creation of jobs, reduction of poverty and trade expansion
- In relation to the recently developed EAC E-Commerce Strategy, considerations will be given to priority areas for regional and international cooperation
- Identify to develop feasible incentives and recommendations to encourage development of an online presence and conduction of an online transactions by firms
- Design an E-Commerce Strategy that articulates the objectives as stated in this TOR and present it for validation to the key relevant stakeholders in a regional consultative workshop. Specific sections of the Strategy may include:
  - digital trade performance in HoA countries, including main goods and services traded digitally and their role in the economy;
  - a strategic vision of digital trade in the HoA countries in the medium and long term.
  - national and regional actors and stakeholders relevant for the adoption and implementation of the Strategy;
  - the trade policy framework at national, regional, and continental level that will influence / be influenced by an HoA E-Commerce Strategy, including commitments under EAC, AfCFTA, WTO, and other fora.
  - Policies and regulations central to digital trade, including data protection and cybersecurity; cross-border data; consumer protection; e-documents and e-signatures; intermediary liability; electronic payments; taxation; paperless trade; etc.
  - Broader ecosystem challenges for digital trade in HoA, including connectivity, skills, transport and logistics (including cross-border and last-mile delivery);
  - Identify priority areas for regional integration and cooperation among countries and fast track the development of the e-commerce development across the region
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#### **5. Task 3: Implementation roadmap with its monitoring and evaluation and resource mobilization frameworks**

- Based on the findings, develop an implementation plan with its monitoring and evaluation and resource mobilization frameworks
- To support implementation of the strategy, develop in consultation with the stakeholders a detailed action matrices with key proposed interventions and milestones.
- Develop an annual work plan covering the duration of the strategy
- Submit for review with the strategy all proposed mechanisms

#### **Task 4 Engage with relevant stakeholders as needed and facilitate a workshop to present the deliverables.**

- Facilitate ongoing engagement with relevant stakeholders, including trade officials, ICT experts, government relevant agencies, legal experts, and other relevant entities to validate findings and recommendations. This may include conducting consultations, workshops,

and roundtable discussions to gather diverse perspectives and ensure inclusivity, equity and gender equality among others.

- Where possible, involve stakeholders in the development process of this strategy to ensure ownership and commitment.
- IGAD will organize a validation workshop for the consultant to present the final deliverables of this assignment. The workshop should provide an opportunity for interactive discussions, clarification and validation of recommendations and the strategy, and feedback from stakeholders.

## D. EXPECTED DELIVERABLES & SCHEDULE OF COMPLETION

The Consultant is expected to complete the assignment in full within 20 weeks, and to submit the following deliverables, based on the indicative timelines and payment schedule detailed below:

S/No	Milestone/deliverable	Timeline	Indicative payment schedule
D1.	<b>Inception report</b> , as per Task 1, including a draft outline of the E-Commerce Strategy	Within 2 week of contract signing.	10%
D2.a	<b>Readiness report and Draft E-Commerce Strategy</b> , as per Task 2	Within 16 weeks	50%
D2.b	<b>Revised Readiness report and Draft E-Commerce Strategy</b> , as per Task 2, and incorporating comments and observations provided by IGAD, WB, and national authorities	Within 22 weeks	
D3.	<b>Draft of the monitoring and evaluation, action plan and other deliverables</b> , as per Task 3	Within 22 weeks	40%
D4.	<b>Workshop to present the deliverables</b> , as per Task 4	Within 28 weeks	
D5.	<b>Final report</b>	Within 32 weeks	
D6.	<b>Short status update reports every 3 weeks</b>	Every 4 weeks	

## E. CONTRACTING, REPORTING AND VALIDATION PROCEEDURE

The Consultant will be contracted by IGAD, responsible for payment and approval of deliverables. All deliverables should be submitted to the IGAD Coordinator. Written deliverables should be

submitted electronically in PDF and editable Word format efficient collaboration, comments, and edits with team members and reviewers.

The Consultant will collaborate on a day-to-day basis with the assigned IGAD Specialists, who may vary over time, and with as well as with assignment focal points at the WB.

## **F. CLIENT'S RESPONSIBILITIES**

IGAD, IGAD Member States, and WB shall, to the best of their ability, provide the following:

- Background data and literature not readily available but considered relevant for accomplishing or informing the assignment and completing identified tasks at their immediate disposal.
- Access to key officials within the relevant Regulators/Ministries/Agencies/departments and other relevant official entities, as applicable.
- Cooperation with organizations, whose activities and programs are deemed relevant to the assignment and require an effort beyond what is reasonably attainable by the consultant.

## **G. LOCATION**

Remote with field missions required.

## **H. KNOWLEDGE TRANSFER**

Knowledge transfer is an integral part of this assignment and should be integrated into the consultant's methodology and technical proposal, assuring that the beneficiaries gain the capability to leverage and mobilize key elements of the assignment. For this purpose, the recommendations and analysis should be characterized by specificity, precision, and accompanied by concrete examples and an actionable, programmatic, and comprehensive roadmap to ensure practicality.

## **I. STAKEHOLDER CONSULTATION**

As part of the project deliverables, the consultant will develop a consultation methodology that should be clearly specified to encompass a diverse range of stakeholders and topics. This methodology is essential for enabling a nuanced approach to adapting global good practices within the region. It should proactively include various stakeholders, including civil society representatives at multiple phases, ensuring the creation of an inclusive and multifaceted analysis and recommendations.

An emphasis will be placed on the necessity of conducting simultaneous consultations involving multiple stakeholders. Additionally, it is advisable to conduct consultations, workshops, or a combination thereof before each deliverable and sub-deliverable. This approach ensures comprehensive representation and alignment with project goals.

The overarching goal is to facilitate a more comprehensive understanding of the ecosystem and the dynamics among various stakeholders. The outcomes shall be documented and shared with IGAD and WB.

## **J. REQUIRED EXPERIENCE: FIRM & CORE TEAM**

The **firm** selected will need to demonstrate:

- Extensive experience in the global legal aspects of digital trade and e-commerce policy and development of strategies and regulatory frameworks.
- A demonstrated track record of successfully completing similar assignments, with a focus on relevance and recent experience. This includes legal reviews, the development of policies and strategies, and formulating actionable recommendations to enhance E-Commerce based on recognized standards.
- Comprehensive knowledge of international and regional best practices on digital trade including legal aspects and cyber-related concerns
- Knowledge of and practical experience with local and Regional E-Commerce models
- Prior experience of working closely with public sector especially in the ICT development
- Demonstrated familiarity with the Horn of Africa context.

The team composition is flexible, with a minimum requirement of at least one team leader and one team member. The firm may include additional team members as necessary to ensure the timely, accurate, and complete completion of the assignment, as per project requirements.

The consulting firm is required to provide a staffing plan as part of the proposal, which should include the names, roles, and CVs for the project team. Additionally, the team must identify the estimated number of days dedicated by each member to the project, specifying the periods and the tasks or responsibilities for which these days are allocated.

**Team Leader or Equivalent:** Minimum 10 years of experience in ICT, E-Commerce, Economics, banking or any other relevant discipline. The candidate should have a proven track record of leading multiple similar assignments in the last three years and a Master's degree in telecommunication policy, with experience in establishing or working on developing E-Commerce strategies. Prior experience of leading at least two similar assignments.

**Legal Expert:** Master degree in law with at least 7 years of experience in conducting legal research analysis and drafting. He/she should have excellent facilitation skills, and experience in ICT legal-related issues. As well the experience of working in the region can be an advantage

**Firms will undergo a holistic evaluation, with a focus on team composition that maximizes the timely, accurate, and complete completion of the assignment, aligning with project requirements.**