

REQUEST FOR EXPRESSIONS OF INTEREST FOR AN INDIVIDUAL CONSULTANT

AFRICAN DEVELOPMENT BANK SENEGAL COUNTRY OFFICE (COSN) WEST AFRICA REGIONAL DEPARTMENT

Title of the assignment: “An Impact Assessment, Possible Ramifications and Mitigating Measures to put in Place on the Africa Continental Free Trade Agreement (AfCFTA) - The Gambia”

Brief description of the Assignment: The main objective of this assignment is to collect all available information regarding the technical, economic, financial, and institutional aspects relevant for the assessment of the implications of implementation of the AfCFTA in The Gambia. The study is also expected to provide a theoretical modeling based on the global literature on trade and regional integration and construct a weight index of imports from African countries in the total import volumes into The Gambia to help determine the losses associated to the AfCFTA. Furthermore, the study is aimed to conduct cost/benefit analysis of AfCFTA implementation for The Gambia; make recommendations on potential tax policy shifts or changes in the revenue laws with special focus on domestic revenue mobilization; and assess the impact of AfCFTA implementation on strategic sectors of the economy (agriculture, tourism, manufacturing).

Department issuing the request: West Africa Regional Department (RDGW)

Place of assignment: The Gambia (National Consultancy)

Duration of the assignment: 90 non-consecutive days

Deadline for applications: 15th June 2022 at 17:00 (GMT)

Applications to be submitted by email to:

Mr. Joel Daniel Muzima (j.muzima@afdb.org) with copy to

Ms. Ndey Asta JOBE-WADDA (astajobe@gmail.com)

Mr. Adama CHAM (boycham82@yahoo.co.uk)

Any questions and clarifications, and the request for the template of the model of the curriculum vitae (CV) to be used in the application, should be sent to:

Mr. Joel Daniel Muzima (j.muzima@afdb.org) with copy to

Ms. Ndey Asta JOBE-WADDA (astajobe@gmail.com)

Mr. Adama CHAM (boycham82@yahoo.co.uk)

Terms of Reference for: “An Impact Assessment, Possible Ramifications and Mitigating Measures to put in Place on the Africa Continental Free Trade Agreement (AfCFTA) - The Gambia”

1. Introduction / Background

Business climate confidence has shown signs of gradual recovery following the sharp economic slowdown in 2020, due to the adverse effects of the COVID-19 pandemic. The Gambia's economic growth was estimated at 5.5% in 2021, after a 0.2% contraction in 2020. On the supply side, growth was supported by construction, trade, and tourism. On the demand side, household consumption and public investment reinforced growth.

Monetary policy remained accommodative during 2020 and 2021 to support economic

recovery. Inflation increased to 7.5% in 2021 from 5.9% in 2020 due to high energy prices and freight charges. The fiscal deficit increased to 4.0% of GDP in 2021 from 2.2% of GDP in 2020, reflecting an increase in health sector spending and subsidies to households and public enterprises to mitigate the COVID-19 shock. Public debt declined from 85.0% to 82.9% of GDP from 2020 to 2021, yet the risk of debt distress remains high.

With a fall in exports and rise in imports, the current account deficit widened from 3.3% of GDP in 2020 to 9.3% in 2021, mainly financed by FDI and capital transfers, which also helped stabilize the dalasi. Gross official reserves increased from \$352.1 million in 2020 to \$496.5 million in 2021, boosted by the \$85 million SDR allocation, which was used in part to finance pandemic-related spending. The financial sector remained liquid, profitable, and well capitalized, though the shock from COVID-19 weakened asset quality. The ratio of NPLs to gross loans deteriorated to 5.6% by mid-2021 from 4.5% in June in 2020. The poverty rate, measured by the World Bank's \$3.20-a-day 2011 PPP line, stayed high at 35.5% in 2020 and 35.1% in 2021, due to COVID-19.

The outlook remains challenging and dependent on the global economic recovery through the tourism and trade channels. Growth is projected at 4.8% in 2022 and 5.8% in 2023, on the back of agriculture, transport, energy, tourism, finance, and the digital economy. Inflation is projected at 8% in 2022, driven by higher food and energy prices due to the Russia-Ukraine war effects. Inflation could then fall to 7.5% in 2023 as global supply chains normalize. The fiscal deficit is projected to increase to 4.6% in 2022 caused by increased subsidies and debt service and narrow to 3.1% of GDP in 2023, owing to improved tax administration and rationalized spending. The current account deficit is forecast to widen to 14.7% of GDP in 2022, driven by infrastructure-related imports and rising oil and food import bill due to the Russia-Ukraine conflict, then moderate to 11.8% in 2023 as reexports pick up. Downside risks could stem from the impacts of the Russia-Ukraine war on global supply chains, tourism demand, as well as the international fuel and food prices, the likelihood of emergence of new COVID-19 variants, low vaccine rollout, climate disasters, and debt vulnerabilities. Rationalizing subsidies on state-owned enterprises, strengthening health sector, and frontloading growth-friendly structural reforms could mitigate growth risks.

2. Objectives of the Assignment

The main objective of this assignment is to collect all available information regarding the technical, economic, financial, and institutional aspects relevant for the assessment of the implications of implementation of the AfCFTA in The Gambia. The study is also expected to provide a theoretical modeling based on the global literature on trade and regional integration and construct a weight index of imports from African countries in the total import volumes into The Gambia to help determine the losses associated to the AfCFTA. Furthermore, the study is aimed to conduct cost/benefit analysis of AfCFTA implementation for The Gambia; make recommendations on potential tax policy shifts or changes in the revenue laws with special focus on domestic revenue mobilization; and assess the impact of AfCFTA implementation on strategic sectors of the economy (agriculture, tourism, manufacturing, etc).

3. Main activities and deliverables

The role of the consultant is to prepare a succinct report on the impact assessment, possible ramifications and mitigating measures to put in place on the AfCFTA. The various tasks of the consultant will include the following:

- Collect all available information regarding the technical, economic, financial, and institutional aspects relevant for the assessment of the implications of implementation of the AfCFTA in The Gambia;
- Assess the import volumes of major taxable commodities by region and by country for the past 10 years;
- Gather revenue on international trades taxes for the past 10 years and disaggregate into by originating region and countries;
- Propose a theoretical modeling based on the global literature on trade and regional integration and construct a weight index of imports from African countries in the total import volumes into The Gambia to help determine the losses associated to the AfCFTA;
- Examine and provide a list of sensitive products, non-sensitive products, and products to be excluded from the liberalization and advice on possible tariff adjustment measures to mitigate domestic revenue growth factors;
- Assess the impact of AfCFTA implementation on strategic sectors of the economy (agriculture, tourism, manufacturing, etc);
- Analyze how the country's long-term customs and trade revenue prospects could be impacted by the AfCFTA;
- Conduct an analysis of the demand side and assess revenue trends and impacts of the implementation of the AfCFTA;
- Undertake a spatial analysis of distribution of trade flows and trade growth/trade diversion and identify major policy reforms to mitigate the adverse effects of the implementation of AfCFTA in The Gambia;
- Assess potential evidence of structural transformation in the economy over the next decade arising from the implementation of the AfCFTA;
- Identify major constraints to structural transformation and binding constraints to trade and revenue due to the implementation of the AfCFTA;
- Assess the country's potential for structural transformation and including the identification of key subsectors and specific industries that have the potential to boost trade and revenues, following the implementation of the AfCFTA;
- Assess The Gambia's readiness to benefit from AfCFTA Implementation;
- Recommend alternative sources of revenue to mitigate the impact of AfCFTA implementation;
- Employ an adequate theoretical modeling from the literature on international trade and regional integration to conduct cost/benefit analysis of AfCFTA implementation for The Gambia;
- Make recommendations on potential tax policy shifts or changes in the revenue laws with special focus on domestic revenue mobilization.

4. Administration/reporting

The selected Consultant will jointly work with the focal point from The Gambia Revenue Authority (GRA), the Ministry of Finance and Economic Affairs (MoFEA) and the Country Economist from the AfDB to collect key data needed for the preparation of the study. The AfDB's Statistics department as well as the Gambia Bureau of Statistics will also provide support in accessing to country data.

5. Eligibility

The eligibility criteria, the establishment of a shortlist and the selection procedure will comply with the Bank's rules and procedures for the recruitment of consultants under its corporate regulations. Please note that the interest expressed by a consultant does not imply any obligation on the part of the Bank to include the consultant in the shortlist.

6. Duration of the assignment

The service, under this assignment is expected to be completed within a period of four months from June 2022 to October 2022. The consultant will need to commit effort equivalent to 90 non-consecutive working days. The consultant may work from home or any other location and undertake missions to gather data and present the draft and final results. The successful consultant is expected to start the work as soon as the selection process is completed, and the contract signed.

7. Qualifications and Experience required

Education: At least a Masters' degree in Economics, Public Finance, International Trade and Development or any other related field;

Work Experience: At least a minimum of 10 years of working experience in public finance, national accounts, tax policy and revenue administration;

Languages: Excellent spoken and written English skills is essential;

Other Skills: Capacity to deliver output in a timely manner and ability to use relevant computer packages (especially proficiency in Microsoft Excel and Econometric modelling packages – e.g., EViews, STATA, GAMS, etc).

8. Selection criteria

Proposals will be evaluated based on the below selection criteria.

1.	General qualifications and adequacy for the proposed Assignment	30
2.	Similar experience in the area of expertise of the Assignment as described in the Terms of Reference	40
3.	Previous work/consultancy experience with the African Development Bank or other international development organizations	20
4.	Language proficiency (English)	5
5.	Previous work experience and knowledge of The Gambia's economic, social and development context	5
Total		100 points

Only the proposals scoring **70 points** or above shall be considered for this assignment. A shortlist will be prepared, with a minimum of three (03) or a maximum of six (06) Consultants selected on the basis of their qualifications and professional experience related to the proposed assignment. The highest ranked Consultant will then be invited for contract negotiations and selected if the fees proposed by the Consultant are within the predetermined budget limits for the assignment.