



REPUBLIC OF GHANA

**MINISTRY OF FINANCE
GHANA ECONOMIC TRANSFORMATION PROJECT (GETP)
IDA CREDIT NUMBER 6465-GH
SPECIFIC PROCUREMENT NOTICE
REQUEST FOR EXPRESSIONS OF INTEREST (REOI)
(CONSULTING SERVICES –FIRM SELECTION)**

Reference No.: GH-MOFEP-205379-CS-QCBS

Assignment Title: Consultant to Provide Technical Assistance for the formulation of the Ghana Special Economic Zones Policy

Date of Issue: 29th March, 2021

1.0 INTRODUCTION

The World Bank is providing funding support to the Government of Ghana (GOG) for the implementation of the Ghana Economic Transformation Project. The overall development objective of the Project is to promote private investments and firm growth in non-resource-based sectors. The guiding principle of the Project is to promote and strengthen a growth model that is conducive to economic transformation, to achieve higher rates of investment and productivity growth across the economy, especially in non-resource-based sectors. The Project has four components, as follows:

Component 1 - Enabling investments: This Component will focus on improving the enabling business environment, investment attraction capacity, and the quality infrastructure support system for companies that want to invest and grow their businesses in Ghana.

Component 2 - Crowding-in investments: Promoting spatial and industrial planning and development: This Component will focus on enhancing the Government's programs in investment promotion and spatial development (including Special Economic Zones), thereby addressing the constraint to access quality industrial land in the country.

Component 3 - Accelerating Entrepreneurship and Micro Small and Medium Enterprise (MSME) growth: This Component will support entrepreneurship and MSME growth in non-resource-based sectors, addressing specifically the limited development of the MSME and entrepreneurship support ecosystem, including early-stage financing.

Component 4 – Project Management and Evaluation: This Component will finance project management activities including fiduciary responsibilities, procurement, safeguards, communication and dissemination, as well as monitoring and evaluation of project implementation and its impact. This will include capacity building for the Project Coordinating Unit (PCU), the Economic Transformation Unit and the Resource Mobilization and Economic Relations Division (RMERD) within the Ministry of Finance (MOF).

2.0 BACKGROUND

The Government of Ghana's vision for industrial transformation is to make Ghana the manufacturing hub of Africa, transforming Ghana into a high growth economy capable of creating decent jobs in significant numbers, that are wide spread and inclusive enough to achieve equitable growth and development. The Ghana Economic Transformation Project (GETP) has the overall objective of promoting a non-natural-resource based sectors. This is to be achieved through:

1. Improvement in the overall business enabling environment, as measured by Ghana's Ease of Doing Business score.
2. Private sector investments leveraged through project activities, including investment to develop Special Economic Zones, and Industrial Parks.
3. Early-stage or risk financing for SMEs and Start-Ups in non-resource sectors.

The guiding principles underlying GETP is to promote a strong growth model that is conducive to economic transformation, achieve higher rate of investment and productivity growth across the economy, especially in non-resource-based sectors.

Growth and increase productivity in the non-resource-based sectors can decrease macroeconomic volatility and its impact on equity in the country, while providing more and better employment opportunities that can raise income, reduce poverty and promote shared prosperity.

Government's primary responsibility is to provide the policy, regulatory and incentive framework as well as land and on-site/off-site infrastructure to enable private sector developers invest in the establishment of SEZs. The Crowding-in Investment component of the Project focuses on enhancing the Government programmes in investment promotion and spatial development (SEZs), addressing the constraints to access quality industrial lands and infrastructure in the country.

The objective of this Component of the Project is to enable Government build on the success of the Tema Export Process Zone (TEPZ) and scale up the model with private sector investment in several other sites in order to provide industrial land and appropriate infrastructure support on a broader scale in Ghana. This is viewed by Government as a game changer in its support to empower the private sector to harness the benefits of the African Continental Free Trade Area (AfCFTA), ETLs (ECOWAS Trade and Liberalisation Scheme) and Economic Partnership Agreement with the European Union (EU).

The activities funded under this component, will assist the Government of Ghana put in place a sound framework and processes for spatial planning and industrial development (specifically for Special Economic Zones) that can lead to increase investment and maximize their Economic Rate of Return (ERoR) in terms of jobs, income and productivity growth. Also, the project seeks to address any aspect of Ghana's SEZ experience to date that are not optimal, and seeks to place the country firmly on the path of SEZ development based on international best practices and lessons learned, such as the need to enhance Government coordination with private developers and operators in SEZs.

In this regard, Ghana is to receive Technical Assistance to build SEZ policy, regulatory, institutional framework and planning capacity. The purpose is to apply international best practices in line of lessons learned and experience to:

- (a) Develop the first set of diagnostics for the country's overall SEZ regime and selection criteria for prioritizing specific SEZ Projects.
- (b) Formulate a clear and consistent SEZ policy to define the role of Government and guide the incentive regime for attracting private sector investment into SEZ development, management and operations; regulatory and institutional oversight and support; infrastructure support as a public good.
- (c) Build SEZ planning and development capacity, including capacity to assess various SEZ projects.
- (d) Improve strategic alignment of SEZ policy implementation with Government's Industrial Development Programmes and objectives.
- (e) Strengthen investment promotion, marketing and investor after care.
- (f) Negotiate and coordinate private sector developers/operators of SEZs.

2.1 Rationale for new Policy

Access to well located, well serviced and affordable industrial land is a binding constraint in Ghana, especially for Foreign Direct Investment (FDI). Ghana Country Private Sector Diagnostic (CPSD) (2017) reports that access to land for large-scale investment continues to be complex and costly and time consuming. Ghana's Special Economic Zone (SEZ) regime remains in inception stages despite the relative successes in occupancy of the Tema Export Processing Zone (1,200 acres) with tenancy, a 6km from Ghana's largest sea port, Tema Port. In addition, the existing EPZ under the current Ghana Free Zone Authority Act, 1995 (Act 504) is limited in scope as compared to the Industrial Transformation Programme of the Government of Ghana.

The programme requires a concise and comprehensive Policy and Regulatory Framework including, adequate incentives to crowd-in investment from the private sector for the establishment of a diversified range of industrial zones and parks for Pharmaceuticals, Automobile Assembly and Component Manufacturing, Textiles and Garment, Petrochemicals, Machinery and Equipment, Electronics and Exposition etc.

Currently, there are a number of existing parks that are independently financed and developed by private land developer such as the Dawa Industrial City (2,000 acres), West Park (405 acres), Appolonia Business Park (2,325 acres), Petronia City Project (2,000 acres) and Silicon Accra Technology Park (60 acres). Furthermore, Government has designated and acquired tracts of land for Special Economic Zones to be developed in partnership with the private sector. They include Tema Export Processing Zone, Greater Kumasi Industrial City Project and Special Economic Zone (5,000 acres) Builsa Agro-Processing Park (3,000 acres), Shama Export Processing Zone (3,200 acres, including West Park), and Sekondi Export Processing Zone (2,000 acres).

This requires the provision of off-site, on-site/last mile infrastructure as a public good to crowd-in investment from the private sector.

Demand for well serviced and affordable industrial lands and infrastructure will increase significantly as the implementation of Government industrial transformation programme expands. Key elements driving this expansion are:

- i. IDIF Policy which supports private sector investors to establish medium to large scale manufacturing enterprises in each of the 260 Districts of Ghana.
- ii. Strategic Anchor Initiative, which has attracted leading Automobile manufacturers to establish Auto assembly plants in Ghana.
- iii. New investment in the Pharmaceutical industry to expand to the West African and Continental African Market.
- iv. The other strategic industries being developed include Garment and Textiles, Aluminum, Iron and Steel, Petrochemical, Vegetable Oils and Fats based on Oil Palm, Chemicals industries based on Industrial Salt, etc.

2.2 Concept of SEZ within the Context Ghana's Industrialization Programme

The term Economic Zones encompasses a wide variety of related concepts, including free trade zones, customs-free zones, free ports, export processing zones, trade and economic cooperation zones and special economic zones. Despite variations in name and form, economic zones can be broadly defined as "demarcated geographic areas contained within a country's national boundaries where the rules of business are different from those that prevail in the national territory. The differential rules principally deal with investment conditions, international trade and customs, taxation, and the regulatory environment, where the demarcated zone is given a business environment that is more liberal and effective than the rest of the national territory in order to fulfill specific economic development objectives.

For the purposes of this assignment within the context of Ghana's industrialization, an SEZ is defined as a geographically delineated space that has a series of location specific advantages. Their characteristics are distinct from those available to economic actors located in the surrounding national or sub national economy in which the SEZ is established. To varying degrees, the location specific advantages within the SEZ's

perimeter are of three types: 1) They offer relief from customs duties and taxes. 2) They offer superior infrastructure, and /or privileged access to scarce inputs. 3) They offer reduced regulatory requirements, along with improved facilitation of compliance with these regulations through streamlined administrative procedures.

The Government of Ghana, under the Industrial Transformation Programme implemented by the Ministry and its Agencies, including the Ghana Free Zones Authority (GFZA) seeks to create Special Economic Zones in all 16 Regions of Ghana in order to support Government's Policy of decentralized and inclusive industrial development. SEZs are an integral part of Government strategy to create a new manufacturing hub for Africa in Ghana, in order to fully harness the benefits of ECOWAS, AfCFTA and EU-Ghana Economic Partnership Agreement.

3.0 OBJECTIVE OF THE ASSIGNMENT

The objective of this assignment is to formulate a clear and concise policy framework for developing industrial and other related land and infrastructure for and with the private sector. Private sector investment is recognized by Government as critical to expanding industrial infrastructure in support of ongoing and upcoming industrialization projects of the private sector in Ghana.

A harmonized all-encompassing SEZ policy is expected to provide clarity on Government's strategic direction for SEZ investors, (both domestic and foreign), in terms of the legal, regulatory and institutional framework as well as the services and cost benchmarks required to produce and trade competitively. It is recognized that SEZs will mainly be financed through private sector investment and Public Private Partnerships (PPP) with Government providing institutional, incentive and regulatory support.

The assignment to develop the proposed SEZ policy would be undertaken in collaboration with the Ministry of Trade and Industry in line with its policy formulation mandate. However, it will be done in close consultation with all the relevant stakeholders in Ghana, notably the Ghana Free Zones Authority, Ghana Export Promotion Authority, Ghana International Trade Commission, Ghana Investment Promotion Centre, Ghana Revenue Authority, Ghana Immigration Service, Ghana Labour Commission and the Ministries responsible for Finance, Planning, Local Government, Lands and Natural Resources and Environment, Science, Technology and Innovation.

4.0 SCOPE OF WORK

The scope of work for the Consultant Firm will include but not be limited to:

- a. Hold consultations with the Ministry of Trade and Industry to clearly establish upcoming industrial projects of business promoters and investors requiring SEZ policy intervention and support, eg. Integrated Bauxite and Aluminium Industry, Iron and Steel Industry, Garment and Textiles, Pharmaceuticals, Petrochemicals, Automotive Assembly and Component Manufacturing, salt-Based Chemical Industry, Vegetable Oils and Fats, Industrial Starch, etc.
- b. Review existing laws and regulations governing industrial enclaves.
- c. Based on international best practices, successful SEZs and Government's priority for using SEZs to boost propose industrial development policy thematic areas as the initial framework for policy consultations and design.
- d. Prepare SEZ policy background document/brief for stakeholder engagement and consultation. This document will provide guidance on specific models appropriate for the SEZ needs articulated by Government and the private sector.
- e. Carry out options analysis on each policy thematic area and recommend the most feasible policy options for Ghana in each thematic area. **Analysis of SEZ incentives** to determine the specific incentives to be offered to SEZ developers and companies (i) whether they are

attractive and complementary to other incentives offered to the private sector in Ghana; (ii) ensure that the SEZ incentives are consistent with bilateral, regional, and international trade agreements, as well as best practices in terms of impact on growth, jobs and productivity, and (iii) that the SEZ incentives are clear, well-publicised, and easily accessible.

- f. Facilitate stakeholder engagement to review options and validate recommendations.
- g. Draft policy document covering all thematic areas and specifying the following for each thematic area and sub-thematic areas:
 - h. Policy context
 - i. Policy objectives
 - j. Policy prescription/actions
 - k. Implementation arrangements
- l. Make clear recommendations on the appropriate legal, institutional and regulatory regime to govern the implementation of the SEZ policy.
- m. Prepare a draft action plan for the implementation and promotion of the policy.
- n. Provide an analysis of the new Investment Incentives Law, synchronized with the current laws governing the Ghana Investment Promotion Center and Customs (under the Ghana Revenue Authority Act) etc. After which recommendations are made on the type of incentive regime required for the different type of zones under the New SEZ regime.

Suggest a complete set of implementing regulations and subsidiary legislations and revising them in response to feedback from government and private-sector stakeholders.

5.0 DELIVERABLES/OUTPUTS

The consult will report through the Project Coordination Unit of the Ministry of Finance, to the Ministry of Trade and Industry. The following outputs are expected:

Time Schedule for Deliverables	Due date
1. Inception Report: Technical Paper summarizing SEZ Policy Options and Recommendations from Consultant’s Review of Relevant Case Studies	End of Week 2
2. Interim Reports	
• 1 st Draft SEZ Policy Document	End of Week 6
• 1 st Draft SEZ Programme Document	End of Week 8
3. Draft Final Reports & Stakeholder Validation	End of week 14
• Draft Final SEZ Policy Document, together with Consultations Table (to be used as Annex to Cabinet Memo) and Abridged Version of SEZ Policy (consisting of key extracts and infographic)	
• Draft Final SEZ Support Programme Document, concisely outlining of Programme Components (aligned to description of Thematic Areas); Outputs (aligned to Policy Prescriptions), Work Plan, Results Framework and Budget for implementing the Policy over a specified duration.	
4. Final Report	End of week 16

***Soft Copies to be included**

6.0 QUALIFICATIONS AND EXPERIENCE

The Ministry of Finance through the Project Coordination Unit now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- A.** The Consultant will be a firm or a consortium of firms with a strong technical background and demonstrable operational strength to deliver this assignment according agreed schedule.
- i. The Consultant shall have the adequate knowledge and experience on the areas of industrial/investment policy research and design.
 - ii. Specific knowledge and experience in different SEZ policy, incentive, regulatory, management and administration models, particularly in regions of Asia (China and South-East Asian countries), India, Middle-East and Europe (Ireland) or countries considered to have best practice SEZs (Asia, Europe will be a clear advantage.
 - iii. Experience in facilitating investment in industrial site development and uptake of tenancy will be an added advantage.
 - iv. Has worked in sub-Sahara Africa for more than five years will be an added advantage.
- B. Must submit the following documents if applicable:**
- i. Business Registration Certificate (Incorporation & Commencement of Business);
 - ii. Valid Ghana Revenue Authority (GRA) Tax Clearance Certificate;
 - iii. Valid Social Security & National Insurance Trust (SSNIT) Clearance Certificate;
 - iv. Valid Value Added Tax Registration Certificate;
 - v. Valid PPA’s Consultant Registration Certificate.

7.0 DURATION OF THE ASSIGNMENT

The Consultancy is expected to be awarded for Sixteen (16) weeks.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank’s Guidelines: Selection and Employment of Consultants under IDA Credits by World Bank Borrowers (Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services [July 2016 Revised November 2017, August 2018 and November 2020). (“Consultant Guidelines”), setting forth the World Bank’s policy on conflict of interest.

Consultants may associate with other firms in the form of a joint venture or a sub consultancy to enhance their qualifications.

A Consultant will be selected in accordance with the Quality and Cost Base Selection (QCBS) method set out in the Consultant Guidelines.

Expressions of interest shall be in English and must be delivered via electronic submissions to the following email addresses: getpprourement@gmail.com , and copy getpcoordinator@gmail.com by 16:00hrs GMT on Friday, 23rd April 2021.

**THE PROJECT COORDINATOR
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