Terms of Reference | Development of Regional Liquified Petroleum Gas (LPG) Regulatory Framework

1. Background

The Southern African Development Community (SADC), comprising 16 Member States, prioritises harmonised energy policy and regional energy market development as part of its mandate under the SADC Protocol on Energy (1996). The Regional Energy Regulators Association of Southern Africa (RERA), a specialised body of SADC, is mandated to promote harmonised regulatory frameworks, regional energy cooperation, and regulatory capacity building in the region.

Given the growing importance of liquefied petroleum gas (LPG) as an accessible and cleaner energy source, especially for low-income households, and in light of fragmented regulatory frameworks, limited infrastructure, and market inefficiencies across SADC, RERA's seeks to develop a harmonised Regional Liquefied Petroleum Gas (LPG) Regulatory Framework.

2. Purpose of the Assignment

The purpose of this Terms of Reference is to guide the development of a comprehensive Regional LPG Regulatory Framework that harmonises national LPG regulations, guides regional LPG infrastructure development, ensures safety and product quality, and enables structured cross-border LPG trade within the SADC region.

3. Objectives of the Assignment

The assignment aims to deliver the following:

1. Establish the justification and socio-economic rationale for regulating LPG at a regional level.
2. Review, compare, and harmonise existing national LPG regulatory frameworks across SADC.
3. Harmonise specifications, and develop guidelines for regional cross border trade, movement, and management of LPG cylinders.
4. Harmonize LPG product quality specifications and pricing frameworks.

4. Scope of Work

The Consultant will undertake the following tasks:

4.1 Regulatory and Policy Review

- Conduct a comprehensive review of LPG regulations, policies, and institutional mandates across SADC Member States.
- Identify regulatory overlaps, gaps, inconsistencies, and areas of alignment.
- Benchmark international LPG regulatory practices (e.g EU, USA, ECOWAS, etc).

4.2 Harmonisation Assessment

- Map similarities and differences in national LPG acts, guidelines, licensing requirements, safety codes, and pricing mechanisms.
- Assess feasibility for harmonised regulation, including legal, technical, economic, and environmental considerations.

4.3 Development of Draft Regional LPG Regulatory Framework

The framework must include, at minimum:

- Market structure and licensing categories
- LPG pricing principles and regulatory tools
- Technical, safety, infrastructure, equipment, and storage standards
- Guidelines for investment in and operation of LPG import, handling, storage, and distribution facilities
- Product quality standards
- Compliance monitoring and enforcement structures
- Consumer protection principles
- Regional emergency and hazard management provisions
- Rules and procedures for cross-border LPG trade

4.4 Stakeholder Engagement

- Engage regulators, energy ministries, industry stakeholders, and SADC bodies.

- Facilitate validation workshops and consultations at national and regional levels.

4.5 Finalisation and Adoption Support

- Consolidate comments from RERA Gas, Petroleum and Biofuels Regulation Subcommittee, Portfolio Committees and the Plenary.
- Finalise the Regional LPG Regulatory Framework for RERA adoption.
- Prepare an implementation roadmap for rollout across Member States

5. Methodology

The Consultancy firm must consist of a multidisciplinary team inclusive of legal experts, engineers, economists, and energy sector researchers.

The methodology will include, but not limited to:

- Literature review and data collection
- Regulatory and institutional analysis
- Regional comparative study
- Stakeholder interviews and workshops
- Framework drafting and iterative validation
- Presentation to RERA for adoption

6. Deliverables

The Consultant shall deliver the following:

1. Inception Report – detailing methodology, timelines, and work plan.
2. Regulatory Review Report – summary of national regulations, gaps, and areas for harmonisation.
3. Draft Regional LPG Regulatory Framework – technical, economic, market, and safety provisions.
4. Stakeholder Consultation Report – summary of feedback.
5. Revised Draft Framework – incorporating all RERA comments.
6. Final Regional LPG Regulatory Framework – ready for adoption.

7. Implementation Plan – practical steps, timelines, capacity needs, and monitoring mechanisms.

7. Governance and Coordination

- The assignment will be overseen by the RERA Gas, Petroleum and Biofuels Regulation Subcommittee (GPBRS)through the RERA Secretariat.
- Progress reports will be submitted quarterly to the GPBRS, through the RERA Secretariat, and shared with the relevant RERA governance structures.
- Final adoption will occur at the RERA Plenary (AGM).

8. Duration

The full assignment is expected to run over a period of **12 months**, subject to member state consultations and approval cycles.

9. Required Expertise

The Consultancy firm must possess expertise in:

- Energy and gas regulation
- LPG technical standards and safety
- Infrastructure and engineering
- Energy economics and pricing
- Legal and regulatory drafting
- Regional energy policy harmonisation

10. Reporting Requirements

The Consultant will:

- Submit periodic progress reports as agreed with RERA.
- Present findings at RERA meetings and regional stakeholder workshops.
- Provide all working documents, data sets, and analysis used in the drafting process.

11. Expected Outcomes

Upon completion, SADC will have:

- A harmonised Regional LPG Regulatory Framework
- Improved regulatory certainty to attract investment
- Enhanced safety, competition, and consumer protection
- Improved cross-border LPG trade and infrastructure development
- A unified approach to LPG pricing, quality, and compliance enforcement

12. Evaluation Criteria

Proposals will be evaluated using a combined technical and financial evaluation approach. Only bidders who attain the minimum qualifying technical score shall have their financial proposals considered.

12.1 Technical Evaluation (80 Points)

12.1.1 Understanding of the Assignment and Proposed Methodology (20 Points)

- Demonstrated understanding of the objectives, scope, and deliverables of the Regional LPG Regulatory Framework.
- Clarity, coherence, and appropriateness of the proposed methodology and work plan.
- Alignment of the methodology with regional harmonisation requirements, stakeholder engagement, and validation processes.
- Realism and feasibility of proposed timelines and milestones.

12.1.2 Relevant Experience of the Firm / Consortium (25 Points)

- Proven experience in developing energy or gas regulatory frameworks at national, regional, or international level.
- Specific experience with LPG regulation, safety standards, pricing frameworks, and infrastructure regulation.

- Demonstrated experience working with regional economic communities (e.g. SADC, ECOWAS, East Africa) or multilateral institutions.
- Evidence of successful completion of similar assignments (with references).

12.1.3 Qualifications and Experience of Key Personnel (25 Points)

Assessment of the proposed Project Team, including:

- **Team Leader / Regulatory Expert**:
  - A post graduate qualification in Business, Economics, Energy Studies, or related field, with a minimum of 10 years professional experience, including demonstrated experience in energy regulation and regional policy harmonisation as well as in managing similar assignments.
- **Legal Expert**:
  - Demonstrated experience (minimum 5 years) in LPG and energy regulatory drafting experience, including framework design, policy analysis, and legislative drafting related to downstream petroleum or LPG industries.
- **Technical / Engineering Expert:**
  - Relevant experience (Minimum of 5 years) in LPG infrastructure, cylinder management, storage, transportation, safety standards, and technical compliance with LPG industry codes and standards
- **Economist / Pricing Specialist**
  - Proven experience (minimum 5 years) on energy economics, LPG market analysis, pricing frameworks, demand-supply modelling, and cost driver analysis within petroleum or LPG markets.
- Adequacy of time commitment and balance of multidisciplinary skills

12.1.4 Stakeholder Engagement and Regional Coordination Approach (5 Points)

- Quality of proposed approach for engaging regulators, ministries, industry stakeholders, and SADC institutions.
- Mechanisms for conducting consultations, validation workshops, and incorporation of stakeholder inputs (To consider conducting consultations online to the extent possible).
- Sensitivity to Member State differences and regional coordination challenges.

12.1.5 Risk Assessment and Quality Assurance (5 Points)

- Identification of key risks (legal, technical, political, institutional).
- Proposed mitigation measures.
- Quality control and assurance mechanisms to ensure consistent, credible outputs

Minimum Technical Score Required:
Bidders must achieve at least 60 points out of 80 to proceed to the financial evaluation stage.

12.2 Financial Evaluation (20 Points)

- Financial proposals will be evaluated for cost effectiveness, clarity, and reasonableness.
- The lowest priced responsive financial proposal will receive the maximum financial score.
- Other proposals will be scored proportionally using the standard financial scoring formula.

12.3 Final Score and Selection

- The final score will be calculated as follows:
  - **Technical Score:** 80%

- **Financial Score:** 20%

- The bidder with the **highest combined score** will be recommended for award, subject to approval by RERA governance structures.

13. Submission of Proposals

All proposals must be submitted via email to **secretariat@rerasadc.com** by **Wednesday, 14th October 2026 at 12:00 hrs (Namibian Time)** and with the subject: Consultancy Services for the Development of a Harmonised Regional Liquefied Petroleum Gas (LPG) Regulatory Framework and addressed to:

Attn: Mr. Francois Robinson

The Executive Director

Regional Energy Regulators Association of Southern Africa

23 Vogelsang Street, Windhoek, Namibia

14. Additional Information

a. RERA reserves the right to modify the scope of this project subject to negotiations with the successful tenderer.

b. RERA reserves the right to accept or reject any tender, and to annul the tendering process and reject all tenders at any time prior to the award of a contract, without incurring any liability to the affected tenderers or any obligation to inform the affected tenderers.

c. The tender shall be valid for a period of ninety (90) days.

d. All enquiries relating to this tender should be directed in writing to Mr. Sihle Magagula via email at **smagagula@rerasadc.com** by **7th October 2026.**