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TABLE OF CONTENTS

Acronyms		ii
Section I	Executive Summary	1
Section II	Activities and Results: July - September 2006	11
	<i>Trade Hub Management, Trade Facilitation and Capacity Building</i>	
	Background	11
	Events and High-Level Visits	13
	Capacity Building and Policy Reform for Trade and Competitiveness	15
	Customs Modernization and Transport Facilitation	26
	Dialogue for Competitiveness	33
	Coordination and Interface with Other Donors	38
	Consultations on Future Work Plan	38
	Performance Monitoring Plan	39
	<i>Trade Competitiveness</i>	
	Background	41
	Exportable Agriculture	42
	Textiles and Apparel	45
	AGOA Support	49
	Support for HIV-AIDS Mitigation	55
Section III	Planned Activities and Results: October - December 2006	56
	<i>Trade Hub Management, Trade Facilitation and Capacity Building</i>	
	Expected Achievements	56
	Planned Activities	57
	Improving the Policy Environment	57
	Improving the Market Knowledge	58
	Increasing Access to Financial Services	59
	Facilitating Investments in Infrastructure	59
	<i>Trade Competitiveness</i>	
	Exportable Agriculture	60
	Textiles and Apparel	61
	AGOA Support	61
Section IV	Financials	62
Annexes		63

ACRONYMS

ACP	African Caribbean Pacific
AGCI	African Growth and Competitiveness Initiative
AGOA	African Growth and Opportunity Act
AFTT	Africa Fast Track Trade Program
APHIS	Animal and Plant Health Inspection Service
ASYCUDA	Automated System for Customs Data
BCPA	Botswana Cattle Producers' Association
BEAC	Business and Economic Advisory Council
BIDPA	Botswana Institute for Development Policy Analysis
BLNS	Botswana, Lesotho, Namibia, Swaziland
BMC	Botswana Meat Commission
BOCCIM	Botswana Confederation of Commerce, Industry, and Manpower
CARANA	CARANA Corporation
CBOCS	Cross Border Vehicle Overload Control System
CDE	Center for the Development of Enterprise (of the EU)
CEO	Chief Executive Officer
CITA	Committee for the Implementation of Textile Agreements
COMESA	Common Market for Eastern and Southern Africa
COMSEC	Commonwealth Secretariat
CTO	Cognizant Technical Officer
DCA	Development Credit Authority
DC	Dar es Salaam Corridor
DTI	Department of Trade and Industry (of South Africa)
DFID	Department for International Development (of the United Kingdom)
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FENATA	Federation of Namibian Tourism Associations
FSE & CC	Federation of Swaziland Employers Federation and Chamber of Commerce
FSN	Foreign Service National
FTA	Free Trade Agreement / Free Trade Area
GATT	General Agreement on Tariffs and Trade
GM	General Manager
GTZ	Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
INSAT	Inside Southern African Trade
IOM	International Organization for Migration
IPM	Industrial Participation Meeting
IPR	Intellectual Property Rights
LNDC	Lesotho National Development Corporation
MAST	Market Access for Sub-Tropicals
MATEP	Market Access, Trade and Enabling Policies
M&E	Monitoring and Evaluation

MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MCLI	Maputo Corridor Logistics Initiative
MET	Ministry of Tourism and Environment (Namibia)
MFLF	Mpumalanga Freight Logistics Forum
MOU	Memorandum of Understanding
MoWT	Ministry of Works, Transport & Communications (Namibia)
MRA	Malawi Revenue Authority
MRL	Minimum Residue Levels
NATHAN	Nathan Associates Incorporated
NC TTCA	Northern Corridor Transit Transport Corridor Authority
NDCCI	Ndola & District Chamber of Commerce & Industry
NGO	Non-governmental Organization
NIC	Namibia Investment Center
NT	National Treasury (of South Africa)
NTB	Namibia Tourism Board
NTF	Namibia Trade Forum
OECD	Organization for Economic Co-operation and Development
OPIC	Overseas Private Investment Council
OPPAZ	Organic Producers and Processors Association of Zambia
PC	Program Coordinator
PFID	Partnership for Food Industry Development
PMP	Performance Monitoring Plan
PUM	Netherlands Senior Experts Programme
REC TCC	Regional Economic Communities Transport Coordinating Committee
SACU	Southern African Customs Union
SAD	Single Administrative Document
SADC	Southern African Development Community
SAIIA	Southern African Institute of International Affairs
SARS	South African Revenue Service
SEG	Sustainable Economic Growth
SEGA II Project	Support for Economic Growth and Analysis Project II (of South Africa)
SIPA	Swaziland Investment Promotion Authority
SME	Small and Medium Enterprise(s)
SMME	Small, Micro, and Medium-Sized Enterprise
SPS	Sanitary and Phyto-sanitary
SSSN	SADC Seed Security Network
TC	Trade Competitiveness
TCB	Trade Capacity Building
TFCB	Trade Facilitation and Capacity Building
TIFI	Trade, Industry, Finance, and Investment (SADC)
TKC	Trans-Kalahari Corridor
TKC CWG	Trans-Kalahari Corridor Customs Working Group
TKCMC	Trans-Kalahari Corridor Management Committee
TKH	Trans-Kalahari Highway
TNF	Trade Negotiating Forum
TRALAC	Trade Law Centre for Southern Africa
TRS	Time Release Study

TSG	The Services Group
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
US	United States
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USFCS	United States Foreign Commercial Service
USG	United States Government
USTDA	United States Trade Development Agency
USTR	United States Trade Representative
WB SSATP	World Bank Sub-Saharan Africa Transport Policy
WCO	World Customs Organization
WIBA	Women in Business Association
WITS/TRAINS	World Integrated Trade Solution (software from the World Bank) / Trade Analysis and Information System (UNCTAD)
WTO	World Trade Organization
ZEGA	Zambia Export Growers' Association
ZTT	ZEGA Training Trust

SECTION I: EXECUTIVE SUMMARY



Regional and international panelists and presenters at the USAID Trade Hub's regional trade facilitation seminar that was held in Pretoria in September

Background

The quarterly reporting period July to September 2006 marked the end of the second year of the projects comprising the Trade Hub. During the past year the Trade Hub has focused on multiplying the reach and effect of all its programs through a series of far-reaching educational and promotional tools, as well as on expanding Trade Hub collaboration with a broad range of stakeholders. The guiding principles that have remained constant since the TSG-Nathan and CARANA-Abt contractors assumed the programming from and operation of the Trade Hub in late 2004 are: (1) being demand-driven and responsive to specific regional priorities and requests while functioning within the parameters of a pro-active strategic plan and regional platform; (2) striving to be a relevant “center of excellence” for support and advice on trade issues in the region; (3) constantly expanding the Trade Hub’s stakeholder base; (4) collaborating with other donors and regional partners and leveraging available resources; and (5) introducing, wherever possible, the cross-cutting issues of public-private dialog, HIV/AIDS and gender into trade programs and discussions.

The following is a list of accomplishments of this quarter:

- The Botswana Cattle Producers Association (BCPA) saw adoption, in principle, by the Government of Botswana and the Botswana Meat Corporation of the BCPA’s two primary policy objectives – export parity pricing and conversion to weaner and feedlot production. This marked an enormous achievement and success – the result of focused and strategic technical assistance and support to the BCPA by the Trade Facilitation and Capacity Building team at the Trade Hub;

- As the culmination of Trade Hub efforts during 2006 to facilitate the harmonization of seed regulations throughout the region, the Permanent Secretaries of Ministries of Agriculture, at a meeting attended by trade officials, agreed on (1) a Regional Variety Release System, (2) a Seed Certification and Quality Assurance System, and (3) a Seed Quarantine and Phyto-sanitary System, which represents important buy-in from key decision makers in the region;
- The Trade Hub presented the findings and recommendations of the Namibia Tourism Investor Roadmap to tourism stakeholders for discussion at a national workshop held on July 6 in Windhoek, Namibia. The final report of the Roadmap was also delivered to the Ministry of Tourism and Environment and the Namibia Tourism Board during the quarter;
- The Trade Hub provided training to 21 officials from Lesotho on trade negotiation and negotiation techniques and to 26 Botswana government officials and private sector representatives in the area of Agricultural trade negotiations;
- The Trade Hub launched and completed the first phase of the WCO Time Release Study (TRS) in Zambia;
- The Trans Kalahari Corridor (TKC) Customs Working Group (TKC CWG) reviewed outstanding operational issues on uniform usage of the SAD (Single Administrative Document) 500 and 502 and their roll-out to all Southern African Customs Union (SACU) and non-SACU countries, and agreed on a revised Action Plan Matrix;
- The combined TKC – Dar es Salaam Corridors finalized arrangements for roll-out of SAD 500 to non – SACU countries, initially from Namibia to Zambia through the Trans Caprivi Corridor and Katima Mulilo and from South Africa through Botswana and the Kazungula Ferry on the Zambezi River. The Trade Hub will assist in the implementation of the resulting Action Plan;
- As a result of Trade Hub interventions, the Trans Kalahari Corridor Management Committee (TKCMC) agreed to appoint a full time Program Coordinator to be based at the Walvis Bay Corridor Group offices in Windhoek, Namibia, to manage the implementation of the corridor Memorandum of Understanding (the contract for the Program Coordinator has been approved and a hosting agreement was drafted for the approval of the Attorney General's Office in Namibia);
- The audit conducted by the Trade Hub of the Martin's Drift/Grobler's Bridge Cross Border Vehicle Overload Control System (CBOCS) pilot project demonstrated a significant increase in the number of vehicles being weighed per month (from 323 vehicles to 1,691 between November 2004 and August 2006) and a substantial reduction in the level of overloading (from 8.2% to 2.9% of the weighed vehicles during the same period);
- A Regional Trade Facilitation Seminar was held in Pretoria, South Africa, on September 19 and 20 with the participation of more than 80 public and private sector stakeholders from the United States and 13 African countries;
- The Botswana Women in Business Association (WIBA) increased its membership twofold as a result of the Trade Hub-sponsored Membership Campaign;

- The Trade Hub published the sixth issue of its flagship news publication, *Inside Southern African Trade (INSAT)* which examines issues related to small and medium enterprises in the region;
- The films from the Trade Hub’s Trade Issues Film Series continued to be shown around the region in a variety of events, and by the end of the third quarter more than 1,200 people had seen the films in 20 events;
- The Trade Hub supported the successful participation of 6 Southern Africa companies in the New York Material World Trade Show. The trade show provided an opportunity for the companies to showcase their product and make connections with buyers from around the world. Initial results from the event indicate a number of new commercial relationships with one company having to increase their capacity to meet the new orders;
- In collaboration with the Botswana Cattle Producers Association (BCPA), the Trade Hub developed the terms of reference and advertised for and hired a General Manager for the BCPA. This selected candidate will be responsible for the day to day operation of BCPA and for the development of extension materials to be used in Botswana;
- The Trade Hub identified organic producers from throughout the region to meet the increasing demand for organic product in South Africa. It is anticipated that this segment of the market will continue to grow and that it represents a continuing opportunity for producers of fresh fruits and vegetables in all of Southern Africa;
- In collaboration with various U.S. Government agencies, the Trade Hub selected the topic issue, developed the agenda and identified speakers for the Southern Africa regional AGOA workshop. This workshop, which will take place in October 2006, will focus on exporting processed food products to the US.

These successes represent the culmination of the cumulative efforts of all the Trade Hub Team—or in many cases interim steps toward a final goal—and often lead to follow-up activities that will continue to be undertaken into the future. As the projects enter their third year, the Trade Hub enters a new phase funded under the Africa Growth and Competitiveness Initiative (AGCI), as a well-established trade and competitiveness initiative in Southern Africa.

The Trade Hub houses three technical activity areas: (1) Trade Facilitation and Capacity Building (TFCB), implemented by a consortium led by TSG-Nathan Associates, (2) Trade Competitiveness (TC) led by CARANA Corporation – Abt Associates, and (3) The Partnership for Food Industry Development (PFID) led by Michigan State University. Both the TFCB and TC activities are responsible for implementing the USAID / Southern Africa Strategic Objective 14 (or “SO 14”, a more competitive Southern Africa economy), while PFID is responsible for achieving USAID / Southern Africa’s Strategic Objective 15 (or “SO 15”, Rural livelihoods diversified in Southern Africa).

TFCB is responsible for Trade Hub management and implementing components 1, 3, 4 and 5 of SO 14:

Component 1: Capacity Building and Policy Reform for Trade and Competitiveness

Component 3: Trade Facilitation (Customs Modernization and Transport Facilitation)

Component 4: Financial Services for Trade and Competitiveness¹

Component 5: Dialogue for Competitiveness (Building Private Sector Advocacy and Outreach)

TC is responsible for carrying out Component 2, “Sector Development”, which focuses on activities related to specific industries, identifying and promoting exportable products, and business linkages between producers and markets. The TC activities also include the Africa Growth and Opportunity Act (AGOA) support activities through the AGOA Advisor who provides capacity building and technical assistance at both the firm and national levels to help the region maximize opportunities under AGOA. This work is coordinated closely with the TFCB technical activities.

High-Level Visits and Events

During the third quarter of 2006, important visitors to the Trade Hub included Dr. Joaquim Muafumba, Angolan Minister of Commerce, and other officials from the Angolan Government on July 11; Senior International Economist in the Africa Office of the U.S. Department of Commerce, Becky Erkul, on July 21; the new Mission Director of USAID / Southern Africa, Erna Kerst, Supervisory General Development Officer, Michael Kerst, and the new Deputy Chief of Mission of the U.S. Embassy in Gaborone, Botswana, Philip Drouin on July 25; and Heather Flynn, Professional Staff Member from the U.S. Senate Foreign Relations Committee on August 14.

Important events hosted by the Trade Hub during the quarter included a presentation on the Trade Hub for more than 100 members of Junior Achievement Botswana on August 17 during which the Trade Hub’s films on the business environment and HIV/AIDS were shown; a meeting for prospective members of the Botswana Women in Business Association (WIBA) with the attendance of more than 60 businesswomen from around the Gaborone urban area on September 16; and a training program in Agricultural Trade Negotiations and Negotiation Skills for the 26 representatives of relevant public and private sector organizations in Botswana from September 18 to 21 in collaboration with the Economic Affairs Division of the Commonwealth Secretariat.

With respect to individual meetings, Lisa Yarmoshuk and Martin Norman, Hub Manager, met with Norman Moleele, Deputy Executive Director of the Botswana Confederation of Commerce, Industry & Manpower (BOCCIM), on July 26 to discuss plans for possible Trade Hub assistance with funds from the Botswana Trust Fund. Robert Kirk, Senior Vice President of The Services Group, Inc., and Ken Ames, Director of Trade Competitiveness, met with Chris Barltrop, Senior Financial Markets Advisor of USAID in Washington, DC, at the USAID Trade Hub on July 31 to discuss potential areas for regional support under the financial sector component of the African Growth and Competitiveness Initiative (AGCI). The Trade Hub also coordinated a teleconference between Margaret Jiri, a microfinance specialist, and the Board of Directors of WIBA at the Trade Hub on September 28 in order to provide advice and tips for success during the first stages of implementing WIBA’s savings mobilization scheme.

African Growth and Competitiveness Initiative (AGCI)

The AGCI was announced in June 2005 as a continued source of funding for the Trade Hubs in Africa. The AGCI focuses on:

¹ TFCB was initially active in undertaking activities related to access to trade finance under Component 4, however, for budgetary reasons USAID / Southern Africa decided not to fund activities in this area during the current year. Activities in the area of Financial Services for Trade and Competitiveness will be programmed during year three under funds provided by the AGCI.

1. Improving the policy, regulatory and enforcement environment for private sector-led trade and investment
2. Improving the market knowledge, skills, and abilities of workers and private sector enterprises
3. Increasing access to financial services for trade and investment
4. Facilitating investment in infrastructure

Since the inception of the current Trade Hub contracts at the end of September 2004, activities in each one of these areas have been a part of the Trade Hub's work plan and will continue to be an integral part of the Trade Hub's activities in the future. In addition, the Trade Hub—as a demand-driven program—will continue to respond to requests from stakeholders for implementing related programs in these areas.

Trade Facilitation and Capacity Building (TFCB)

For Component 1 of the TFCB Project, *Capacity Building and Policy Reform for Trade and Competitiveness*, a variety of programs were advanced and/or completed during the third quarter of 2006.

Trade Hub efforts during the second year of the project on behalf of the Botswana beef and cattle sub-sector—a policy paper which sparked public-private dialog, an assessment of the anticipated supply side response of farmers to changes in the industry, and a synthesis of all beef sector related studies into a comprehensive integrated strategic plan for the Botswana beef sub-sector, currently in progress—resulted in an interim price increase in January 2006 of 40 percent over the prices it previously paid cattle farmers for their cattle and in March 2006 a further 40 percent price increase for the top prime grade. More important, as the quarter began the Botswana Meat Commission (BMC) agreed, in principle, to paying export parity prices and to supporting conversion to a weaner production system.

At a meeting of Permanent Secretaries of Ministries of Agriculture and trade officials held in Pretoria from September 18 to 19, the Permanent Secretaries agreed on (1) a Regional Variety Release System, (2) a Seed Certification and Quality Assurance System, and (3) a Seed Quarantine and Phyto-sanitary System, representing concrete progress with respect to the movement of seeds and regional integration. In addition, the Trade Hub hired a short-term consultant to work on preparing a paper that compares the three regional technical requirements/regulations on Sanitary and Phyto-sanitary (SPS) and the Seed Certification and Varietal Release, with the corresponding national regulations of the SACU countries.

In support of SADC, Trade Hub staff joined Trudi Hartzenberg, Executive Director of the Trade Law Centre for Southern Africa (tralac), in discussing preparations and planning for a review of the Economic Partnership Agreement (EPA) negotiations with the SADC Secretariat's EPA Unit. Meetings with officials from SADC Member States and the SADC Secretariat as a build up to developing TFCB's Work Plan for Year 3 included participation in meetings organized by the SADC Secretariat on implementation of the regional trade agenda programs, a meeting with SADC Secretariat's Deputy Executive Secretary of SADC at SADC House and a meeting with the Director responsible for Trade, Industry, Finance, and Investment (TIFI).

To enhance the trade negotiation abilities of both the public and private sectors in the region, the Trade Hub held successful trade negotiations workshops in Botswana and Lesotho in September with the assistance of Expert facilitators from UNCTAD, the University of Reading (UK), Dalhousie University (Canada), the Commonwealth Secretariat and Nathan Associates.

With respect to trade capacity building (TCB) activities in the BLNS countries (Botswana, Lesotho, Namibia, and Swaziland), the following activities were undertaken to enhance the competitiveness of these countries:

In support of the work of the Botswana Business and Economic Advisory Council (BEAC), the Trade Hub continued to contribute to strategy documents which recommend a path for economic growth. It also collaborated with the Botswana Institute for Development Policy Analysis (BIDPA) to complete summary documents of strategies for export diversification.

For Swaziland, the Trade Hub continued with consultations and advice to the Swaziland Investment Promotion Authority (SIPA) on modalities for the effective implementation of the Swaziland Investor Roadmap including an upcoming process improvement workshop. In related follow-up activities, the Trade Hub reviewed and made suggestions for restructuring a draft Investor's Guide for SIPA, and two attorneys in Swaziland under contract by the Trade Hub continued work in compiling and producing a compendium of trade and commerce laws in Swaziland.

In Namibia, the Trade Hub continued with consultations and advice to the Ministry of Trade and Industry of Namibia on implementing the specific recommendations contained in the Namibian Investor Roadmap, and the Trade Hub team working on the Namibia Tourism Investor Roadmap presented the findings and recommendations of the Roadmap at a stakeholders' workshop in Windhoek, Namibia, on July 6. The tourism roadmap is viewed as a key document in facilitating and guiding government in addressing and overcoming key constraints facing investors in the tourism sector. The Trade Hub also met with key officials to discuss the nature of support the Trade Hub can provide to the Namibia Trade Forum (NTF).

In order to prepare themselves for current and future discussions at the World Trade Organization (WTO) and with other countries and trading blocks, Zambia and Angola have requested that the Trade Hub perform an assessment of their trade facilitation status. The assessment for Zambia, completed in June 2006, has provided useful information relevant to the issues under consideration at the WTO negotiations. During the quarter the Trade Hub began preparations for the assessment in Angola which is scheduled for completion by December 2006.

During the third quarter of 2006, the Trade Hub team continued to meet with stakeholders to program funds from the Botswana Trust Fund established in March 2006. Among the projects being funded are (a) the sponsorship of a Trade Advisor for the Botswana Ministry of Trade, (b) the funding of training and institutional building activities for the Botswana Confederation of Commerce, Industry & Manpower (BOCCIM) as well as the development and launch of the BOCCIM website, and (c) continued support for projects of WIBA.

Among the events outside the Trade Hub to which the Trade Hub team contributed during the third quarter of 2006 in the area of capacity building and policy reform were: the 32nd SADC Trade Negotiating Forum (TNF) in Botswana from July 11 to 14, during which the Trade Ministers present approved the piloting of the Draft Regional Customs Transit Bond Guarantee Chain Agreement along selected corridors; the Southern African Institute of International Affairs (SAIIA) Conference on South Africa's Trade Strategy on August 2 in Johannesburg, South Africa; the 2006 BOCCIM National Business Council ("From Wealth Distribution to Wealth Creation: Implementing Botswana's New Economic Drive") from August 6-7 in Francistown, Botswana, where the Trade Hub's film on HIV/AIDS was shown; the West Africa Regional AGOA Workshop, in Accra, Ghana, from August 9 to 11; and the SADC Council of Non-Government Organizations (NGOs) Civil Society Forum, from August 14 to 16 in Lesotho.

Under Component 3, *Customs Modernization and Transport Facilitation*, the Trade Hub continued to be active on multiple fronts.

In collaboration with the World Customs Organization (WCO), the Trade Hub continued to facilitate implementation of the Time Release Studies (TRS) in several countries of the region, which are at varying stages of implementation of the TRS. The TRS identifies the bottlenecks, strengths and weaknesses, and regulatory areas of the Customs regime of a country which need reform. In Malawi where the study has already been completed, the Action Plan for implementation of the recommendations of the TRS has been finalized, and the Trade Hub is working to ensure its implementation. The Trade Hub is currently facilitating the implementation of the final stages of the TRS in Mozambique. In September, the Trade Hub coordinated the launch of the TRS in Zambia where the TRS is expected to be completed by the end of 2006.

In support of Transport Corridors of the region, the Trade Hub undertook a variety of activities during the third quarter of 2006. For the Trans-Kalahari Corridor the Trade Hub coordinated a meeting of the Trans-Kalahari Corridor (TKC) Management Committee in Windhoek, Namibia, where the Committee secured commitment to finalize the recruitment of a Program Coordinator (PC) for the corridor permanent secretariat. On August 22 the Trade Hub made a presentation to the Maputo Corridor Logistics Initiative (MCLI) Board in Nelspruit, South Africa, on the rationale for and process of developing an institutional framework for the Maputo Corridor. For the Dar es Salaam Corridor (DC), the Trade Hub hosted a combined meeting of the TKC and Dar Corridors Customs Working Groups in Lusaka, Zambia, with the objective of finalizing the roll-out program of TKC Transit Procedures and the SAD 500 to non-SACU countries of the Dar es Salaam Corridor. (The SAD 500 is already operative in South Africa and as of October 1 will be used in Lesotho and Swaziland, as well.) The Trade Hub also met with the Permanent Secretary in the Namibian Ministry of Works, Transport and Communications (MoWT) to discuss the Ministry's request for Trade Hub assistance for the Trans Cunene Corridor. It also met with the Secretariat of the Northern Corridor Transit Transport Corridor Authority (NC TTCA) in Mombassa to get full details of the operation of the tonnage levy system used to finance the corridor's secretariat with a view to using this experience on the Dar es Salaam and Trans Kalahari Corridors.

During the quarter the Trade Hub contracted a short term consultant to perform an audit review of the Martin's Drift/Grobler's Bridge Cross Border Overload Control System (CBOCS) pilot project which demonstrated benefits to the system as significant improvements were registered. A work plan to roll out the CBOCS to the Trans Kalahari Corridor (TKC) and the Kazungula Ferry Border post between Botswana and Zambia is underway.

At the end of the quarter the Trade Hub and USAID/Washington conducted a trade facilitation seminar for the southern Africa Region entitled "Recent Developments, Best Practices and Tools" in Pretoria, South Africa, on September 19 and 20, which brought together more than 80 public and private sector representatives from around the region and the United States

Team contributions to events outside the Trade Hub during the third quarter of 2006 in the area of trade facilitation included: A presentation on July 13 to the American Chamber of Commerce in Johannesburg, South Africa on the trade facilitation initiatives of the Trade Hub in the SADC region; the World Bank Sub-Saharan Africa Transport Policy Programme (WB SSATP) workshop on July 19 and 20 in Nairobi, Kenya, where the Regional Economic Communities Transport Coordinating Committee agreed to finance the establishment of a corridor observatory on the Dar es Salaam Corridor through the Trade Hub's coordination with the corridor interim secretariat; and a synopsis of the Trade Hub's experiences in trade facilitation assistance presented by a Trade Hub expert at the Organization for Economic Co-operation and Development (OECD) Regional Forum on September 27 and 28 in Yaounde, Cameroon.

As part of its *Dialogue for Competitiveness* Component 5, the Trade Hub continued to maximize the use of its Trade Issues Film Series as tool to educate, raise awareness and share best practices. To date more than 1,200 people have seen one or more of the five films in the series in a variety of events, and more than 100 DVDs of the films have been distributed.

The Trade Hub continued to provide support to WIBA for building its institutional structure, increase membership and enhance its advocacy role. The Trade Hub organized a conference call between the Board of Directors of WIBA and Margaret Jiri, microfinance specialist, to get advice for the initial stages of implementing a savings mobilization scheme. The Trade Hub also continued to coordinate the activities of the Membership Campaign Coordinator contracted through the Trade Hub, Leah Gabaeme, who has to date doubled the membership of the organization.

At the end of September the Trade Hub published the sixth issue of its quarterly news publication, *Inside Southern African Trade (INSAT)*, which focuses on small and medium enterprises in the Southern African region. Work also started on the seventh issue of INSAT which will be a special issue in December that looks at issues of competitiveness in the region through a number of high-profile interviews.

Hub Happenings continues to be published every month, is distributed to more than a thousand stakeholders, and elicits new inquiries on a regular basis.

The Trade Hub also developed a comprehensive website for the AGOA Workshop in Cape Town taking place on October 11 and 12 and made a number of new resources available on the website.

Coordination and interface with other donors included meetings with Helena McLeod of Department for International Development (DFID) at the DFID Offices in Pretoria with respect to the establishment of a One Stop Border Post at Lebombo-Ressano Garcia and activities on the Trans Cunene Corridor, among other topics. Trade Hub staff also served on the interviewing panel for the post of Regional Trade Policy Adviser to be attached to SADC Secretariat in line with the Trade Hub's continued collaboration with the Commonwealth Secretariat Capacity Building "Hub and Spokes" Project.

During the third quarter of 2006, the Trade Hub team held *consultations in preparation for the Work Plan* for the third year of the project. Among the meetings were (i) the attendance at a consultative meeting on Aid for Trade held in Mauritius from July 17 to 18, (ii) a meeting on June 29 with the Executive Director of the International Intellectual Property Institute on IPR issues, and (iii) intensive meetings of the TFCB staff on September 22 and 23 to discuss and finalize the activities to be included in the Work Plan for Year 3 of the project with the attendance of Lawrence Johnson, the project's Cognizant Technical Officer (CTO).

Trade Competitiveness

Highlights this quarter from the work being undertaken by the Trade Competitiveness (TC) Team included: preparation for and participation in the Material World show in New York; preparations for the Southern Africa regional AGOA workshop; participation in the USAID/Malawi assessment of the agriculture sector; approval of the importation of table grapes from Namibia to the US market; and, continued coordination with USG agencies throughout the Southern Africa region. All activities attempt to achieve the goal of increasing AGOA qualified exports within and from the Southern Africa region. Other highlights in each sub-sector include:

In the *horticulture sector* activities focused on continuing to foster business relationships and trade deals between producers and buyers throughout the region. The approval of the application allowing table grapes into the US market represents a potential milestone for this industry in Namibia. The quarter also saw a marked increase in the work being carried out with regard to organic production. This was partly driven by a deal made during the Fancy Food show in Chicago which saw a request for organic production of chili peppers to supply a sauce producer in the US. The other driving factor behind the increase in work with organics is the increase in demand from the South Africa market, where buyers for the major chain stores have indicated their inability to obtain the necessary product to meet the increasing demand.

In the *livestock sector* support continues to be provided to the BCPA. During the quarter the BCPA identified and hired a General Manager, Mompoti Solomon, who is responsible for daily operations of the organization. Mr. Solomon is also responsible for the development of the educational materials to be developed by BCPA as a means of explaining to producers activities being undertaken by BCPA

During this quarter, activities in the *textiles and apparel sector* were dominated by the Trade Hub's participation in the Material World trade show in New York. Support was provided to 6 companies from throughout southern Africa who participated in this event, which featured an African Pavilion. Contacts made and deals reached at this event are now being finalized with initial reports being very positive. Also during the quarter, efforts continued to focus on fostering new business linkages with actions which will lead to both immediate and long-term results.

The Trade Hub's AGOA strategy continues to support the mission of promoting the formation of public-private partnerships that take advantage of AGOA export market opportunities, leading to increased sales of products and services to U.S. and global markets. The approach being undertaken by the Trade Hub focuses on providing firm-level and national-level assistance with the overall goal of encouraging sustainability.

This quarter *AGOA activities* included the participation in the Material World trade show in New York. Companies supported by the Trade Hub report a very successful event with new orders and business relationships developed. Also this quarter, the Trade Hub spent considerable time in preparation for the Southern Africa AGOA workshop, scheduled for October 11 to 12 in Cape Town. This event, entitled, "Expanding Processed Food Exports under AGOA", is being jointly sponsored by USAID and the United States Trade Representative's (USTR's) office. The Trade Hub is identifying speakers for the event, supporting producers from the region to attend, and taking overall responsibility for organizing this two-day event.

Success for Hippo Knitting at the Material World Trade Show:

Hippo Knitting, a garment factory based in Maseru, Lesotho had extraordinary success at the Material World Show in New York. Due to an order placed by a buyer visiting the show, the factory will employ an additional 160 workers for a transactions valued at \$1.9 million. Grace Lin, representing the management of Hippo Knitting has remarked, "This trip has been quite amazing for our factory and Lesotho has done so well. We thank the Trade Hub for their assistance, we would not have been able to do this without your support!"

In addition to the initial orders, two buyers will visit Lesotho to explore additional business.

Cross-cutting Competitiveness Support. Activities related to HIV/AIDS interventions continued in Zambia focused on workplace intervention programs. The activities focus on the development and implementation of programs aimed at HIV/AIDS prevention and awareness. During this reporting period activities being undertaken by the Zambian Export Growers Association (ZEGA) continued with support from the Trade Hub.

Conclusion

At the end of the second year of the project, the Trade Hub can look back with a sense of accomplishment on its achievements over the past year. It has successfully established itself as a relevant center of regional and international expertise on trade issues and competitiveness and is making a positive impact in the region. During the year, much needed reforms in the beef and cattle industry in Botswana were set in motion as a result of ongoing efforts supported by the Trade Hub. The SAD 500 has become the standard administrative transport document around the region – it will be used in Lesotho and Swaziland as of October 1 and is programmed for roll-out to several non-SACU countries. The Trade Issues Film Series, an ambitious educational and knowledge for development tool, was designed, completed and launched and is providing an effective tool for educating on trade issues crucial to Southern Africa. Numerous regional companies participated in a variety of international commercial events resulting in concrete business.

The Trade Hub is now able to draw on a wealth of experience from its successes of the last two years and will seek to multiply these successes around the region. At the same time, the Trade Hub's approach that has served it well—that of taking a regional approach to development, its aspiration to be a center of excellence on regional trade issues, and its responsiveness to specific requests from stakeholders—will remain constant in the coming year. As we reflect on our challenges and successes during Year 2, and embark on Year 3, we do so with enthusiasm about the foundations we have established and the plans we have for the future under AGCI. We also bid farewell to Lisa Yarmoshuk, Director of Trade Facilitation and Capacity Building, who after two years with the Trade Hub will leave the project at the end of October to assume a new position with Nathan Associates in London, UK. Maxine Kennett will replace her as Director, effective October 1.

SECTION II: ACTIVITIES AND RESULTS

July - September 2006

TRADE HUB MANAGEMENT, TRADE FACILITATION AND CAPACITY BUILDING

BACKGROUND

The quarterly reporting period – July to September 2006 – marked the end of the second year of the projects which comprise the Trade Hub. While the first year focused on establishing a new approach for the Trade Hub by mobilizing a Botswana-based team of regional and international experts and implementing projects designed to have a long-term positive impact on the policy and business environment in the region and expanding trade, the second year has focused on building and expanding on these foundations. Through a series of far-reaching educational and promotional tools, as well as expanding Trade Hub collaboration with a broad range of stakeholders, including other donor organizations, the Trade Hub has sought to leverage its work and multiply the effect of all its programs.

Certain guiding principles have remained constant since the TSG-Nathan consortium managing the Trade Hub and implementing the Trade Facilitation and Capacity Building activities assumed the operation of the Trade Hub in late 2004: (1) being demand-driven and responsive to specific regional priorities while functioning within the parameters of a pro-active strategic plan and regional platform; (2) striving to be a relevant “center of excellence” for support and advice on trade issues in the region; (3) constantly expanding the Trade Hub’s stakeholder base; (4) collaborating with other donors and regional partners and leveraging available resources; and (5) introducing, wherever possible, the cross-cutting issues of public-private dialog, HIV/AIDS and gender into trade programs and discussions. As the third year of the project commences, the Trade Hub enters a new phase, funded under the Africa Growth and Competitiveness Initiative (AGCI), as a mature trade and competitiveness initiative in Southern Africa.

The activities undertaken in this context led to the following accomplishments during the quarter:

- The Botswana Cattle Producers Association (BCPA) saw adoption, in principle, by the Government of Botswana and the Botswana Meat Corporation of the BCPA’s two primary policy objectives – export parity pricing and the conversion to weaner and feedlot production. This marked an enormous achievement and success – the result of focused and strategic technical assistance and support to the BCPA by the Trade Facilitation and Capacity Building team at the Trade Hub;
- As the culmination of Trade Hub efforts during 2006 to facilitate the harmonization of seed regulations throughout the region, the Permanent Secretaries of Ministries of Agriculture, at a meeting attended by trade officials, agreed on (1) a Regional Variety Release System, (2) a Seed Certification and Quality Assurance System, and (3) a Seed Quarantine and Phyto-sanitary System, which represents important buy-in from key decision makers in the region;
- The Trade Hub presented the findings and recommendations of the Namibia Tourism

Investor Roadmap to tourism stakeholders for discussion at a national workshop held on July 6 in Windhoek, Namibia. The final report of the Roadmap was also delivered to the Ministry of Tourism and Environment and the Namibia Tourism Board during the quarter;

- The Trade Hub provided training to 21 officials from Lesotho on trade negotiation and negotiation techniques and to 26 Botswana government officials and private sector representatives in the area of Agricultural trade negotiations;
- The Trade Hub launched and completed the first phase of the WCO Time Release Study (TRS) in Zambia;
- The Trans Kalahari Corridor (TKC) Customs Working Group (TKC CWG) reviewed outstanding operational issues on uniform usage of the SAD (Single Administrative Document) 500 and 502 and their roll-out to all Southern African Customs Union (SACU) and non-SACU countries, and agreed on a revised Action Plan Matrix;
- The combined TKC – Dar es Salaam Corridors finalized arrangements for roll-out of SAD 500 to non – SACU countries, initially from Namibia to Zambia through the Trans Caprivi Corridor and Katima Mulilo and from South Africa through Botswana and the Kazungula Ferry on the Zambezi River. The Trade Hub will assist in the implementation of the resulting Action Plan;
- As a result of Trade Hub interventions, the Trans Kalahari Corridor Management Committee (TKCMC) agreed to appoint a full time Program Coordinator to be based at the Walvis Bay Corridor Group offices in Windhoek, Namibia, to manage the implementation of the corridor Memorandum of Understanding (the contract for the Program Coordinator has been approved and a hosting agreement was drafted for the approval of the Attorney General’s Office in Namibia);
- The audit conducted by the Trade Hub of the Martin’s Drift/Grobler’s Bridge Cross Border Vehicle Overload Control System (CBOCS) pilot project demonstrated a significant increase in the number of vehicles being weighed per month (from 323 vehicles to 1,691 between November 2004 and August 2006) and a substantial reduction in the level of overloading (from 8.2% to 2.9% of the weighed vehicles during the same period);
- A Regional Trade Facilitation Seminar was held in Pretoria, South Africa, on September 19 and 20 with the participation of more than 80 public and private sector stakeholders from the United States and 13 African countries;
- The Botswana Women in Business Association (WIBA) increased its membership twofold as a result of the Trade Hub-sponsored Membership Campaign;
- The Trade Hub published the sixth issue of its flagship news publication, *Inside Southern African Trade (INSAT)* which examines issues related to small and medium enterprises in the region;
- The films from the Trade Hub’s Trade Issues Film Series continued to be shown around the region in a variety of events, and by the end of the third quarter more than 1,200 people had seen the films in 20 events.

Staffing: After two years with the Trade Hub, Lisa Yarmoshuk, Director of Trade Facilitation and Capacity Building (TFCB), will be leaving the project at the end of October to assume a new position with Nathan Associates in London, UK. During her tenure, Ms. Yarmoshuk led the positioning of the Trade Hub as a Center of Excellence in the Southern African region and leaves an established organization, well-equipped for future success. Maxine Kennett will replace her as Director, effective October 1. Ms. Kennett is a qualified lawyer in the UK and a trade law expert with a Ph.D. in international law. She previously led the Trade Policy and Market Access Component of a USAID project for the Government of Iraq.



On August 23, Diana Phillimon joined the USAID Trade Hub as a 3-month intern. She is from Botswana and is a graduate from Helderberg College in Communications. She will primarily be assisting the Information and Communications Coordinator with research, promotion, and the contacts database, as well as helping with the logistics of upcoming Trade Hub events.



EVENTS AND HIGH-LEVEL VISITS

The following events at and high-level visits to the Trade Hub took place during the third quarter of 2006:

Meetings with the Southern African Customs Union (SACU) Secretariat included (i) a meeting on July 6 during which Ranga Munyaradzi and Paulina Elago met with the SACU Director for Trade Facilitation and Revenue Management, Dumisani Mahlinza, to discuss possible areas of cooperation and (ii) a follow-up meeting on July 14 at the Trade Hub with Mr. Mahlinza and Anton Faul, SACU Director of Policy Planning and Research, where it was agreed that the Trade Hub and SACU would continue to explore joint projects on trade facilitation issues.



On July 11, Dr. Joaquim Muafumba, Angolan Minister of Commerce, and other officials from the Angolan Government visited the USAID Trade Hub for a briefing on Trade Hub activities. The Trade Hub team spoke about the trade capacity building and trade facilitation work they would be doing in Angola and showed the film entitled *Trade Facilitation: Creating Faster & Cheaper Access to Markets* from the Trade Hub's educational Trade Issues Film Series.

Senior International Economist in the Africa Office of the U.S. Department of Commerce, Becky Erkul, visited the Trade Hub on July 21 for a briefing on Trade Hub activities.



Bridget Chilala, Ranga Munyaradzi, and Evans Marowa, Transport Advisor, met with Ian Hunt of Logistics Training Services on July 25 to discuss ways of addressing the prevalence of fake transit discs on the Kazungula route between Botswana and Zambia.

On July 25 the USAID Trade Hub received the new Mission Director of USAID / Southern Africa, Erna Kerst, Supervisory General Development Officer, Michael Kerst, and the new Deputy Chief of Mission of the U.S. Embassy in Gaborone, Botswana, Philip Drouin, for a briefing on the Trade Hub's activities and a tour of the facilities.



Norman Moleele, Deputy Executive Director of the Botswana Confederation of Commerce, Industry & Manpower (BOCCIM), met with Lisa Yarmoshuk, TFCB Director, and Martin Norman on July 26 to discuss plans for possible Trade Hub assistance with training for BOCCIM members and a needs assessment survey with funds from the Botswana Trust Fund. This meeting, together with meetings held with the BOCCIM Executive Director, Norman Moleele, and the head of public relations, Tebogo Rapitsenyane, resulted in a Trade Hub proposal for funding specific BOCCIM activities which was accepted by BOCCIM in September. Implementation of these activities is currently underway.

Robert Kirk and Ken Ames met with Chris Barltrop, Senior Financial Markets Advisor of USAID in Washington, DC, at the USAID Trade Hub on July 31 to discuss potential areas for regional support under the financial sector component of the African Growth and Competitiveness Initiative (AGCI).



On August 1, the USAID Trade Hub hosted a meeting of the Board of Directors of WIBA, where they discussed, among other things, the options for a microfinance scheme for their members.

Heather Flynn, Professional Staff Member from the U.S. Senate Foreign Relations Committee, visited the USAID Trade Hub on August 14 for a briefing on the activities of the Trade Hub and developments in the region, especially with regard to AGOA and the third country fabric provision.

On August 17, more than 100 members of Junior Achievement Botswana visited the USAID Trade Hub for a presentation on the activities of the Trade Hub with special focus on how they relate to the business environment in Botswana and the region. The Trade Hub's films on the business environment and HIV/AIDS were also shown.



On September 16, WIBA held a prospective members' meeting at the Trade Hub with the attendance of more than 60 businesswomen from around the Gaborone urban area. Fifteen new members were registered during that meeting which brought the total growth in membership since the initiation of the Membership Campaign in July to 100%.

From September 18 to 21, the Trade Hub, in collaboration with the Economic Affairs Division of the Commonwealth Secretariat, completed a training program at the USAID Trade Hub in Agricultural Trade Negotiations and Negotiation Skills for the relevant public and private sectors of Botswana. Expert facilitators from UNCTAD, the University of Reading (UK), Dalhousie University (Canada), the Commonwealth Secretariat and Nathan Associates were brought in to conduct much of the programming for the 26 participants from Botswana. Bridget Chilala, designed and organized the program.



The Trade Hub, together with USAID/Washington, conducted a trade facilitation seminar for the Southern Africa Region entitled “Recent Developments, Best Practices and Tools” in Pretoria, South Africa, on September 19 and 20. The workshop brought together more than 80 key public and private sector representatives from around southern Africa and the United States to discuss trade facilitation challenges, initiatives, and best practices in the area of Customs and transportation.

Paulina Elago and Lance Graef met with Patrick Murphy, the new Deputy Head of Mission at the U.S. Embassy in Lesotho, on September 27 for a briefing on the Trade Hub and its activities.

On September 28, the Trade Hub coordinated a teleconference between Margaret Jiri, the microfinance specialist who conducted a microcredit study of Botswana in May and June 2006, and the Board of Directors of WIBA at the Trade Hub in order to provide advice and tips for success during the first stages of implementing WIBA’s savings mobilization scheme.

In its private sector support role, the Trade Hub continued to serve as a venue for strategic planning meetings of the Botswana Cattle Producers’ Association (BCPA) which met at the Trade Hub on July 10, August 14, and September 11.

COMPONENT 1: CAPACITY BUILDING AND POLICY REFORM FOR TRADE AND COMPETITIVENESS

In implementing the work plan for this component and responding to the numerous requests that the Trade Hub has received in the area of capacity building and policy reform during the third quarter of 2006, the Trade Hub undertook the following activities:

Policy Change in the Beef and Cattle Sub-sector in Botswana

During the second year of the project, the Trade Hub supported reform in the Beef and Cattle Sector through a number of different avenues. The policy paper which sparked the public-private dialogue that has characterized and revitalized the industry since it was completed in May 2005, was followed by a translation of the paper in Setswana for the House of Chiefs and other stakeholders from Botswana and an assessment of the likely supply side response of farmers to the changes in the industry.

The Trade Facilitation and Capacity Building Project has also collaborated with the Trade Competitiveness Project in working with the Botswana Cattle Producers' Association (BCPA) and strengthening the BCPA's institutional structure. This coupled with the policy work that has provided the BCPA with a platform for discussion with the Botswana Meat Commission (BMC) has enabled Botswana cattle farmers to speak with one voice and advocate for needed reforms in the Beef and Cattle Sub-sector.

These efforts have born tangible fruit as the BMC effected an interim price increase in December 2005 of 40% over the prices it previously paid cattle farmers for their cattle and in March 2006 a further 40% price increase for the top prime grade. In July the Government of Botswana and the BMC publicly adopted the BCPA's two primary policy objectives – to pay export parity prices and to support conversion to a weaner and feedlot production system.

As an additional follow-up activity, during the fourth quarter of 2006 short-term consultant Andre Jooste will be finalizing a synthesis of all beef sector-related studies into a comprehensive integrated strategic plan for the Botswana beef sub-sector. An event to launch this important work is programmed for November 2006.

In the third year of the project, the Trade Hub will continue to work with both the BCPA and the BMC toward full implementation of policy reforms and restructuring in the industry.

For additional information see “Trade Competitiveness – Exportable Agriculture – Botswana – Support to BCPA”

Regional Harmonized Seed Policy

During the quarter, Bridget Chilala, Director of Trade Capacity Building, continued to work closely with the SADC Seed Security Network (SSSN) to complete the development of regional seed regulations to facilitate freer and faster movement of seeds in the region. At a meeting of Permanent Secretaries of Ministries of Agriculture and trade officials² held in Pretoria from September 18 to 19, the Permanent Secretaries agreed on the following three regional regulations:

1. A Regional Variety Release System which would contribute toward speeding access of farmers to the best new varieties in the SADC region while helping seed companies to pursue scale economies for their regional breeding and marketing programs;
2. A Seed Certification and Quality Assurance System which defines common field and laboratory seed standards for the most-traded seed crops in SADC region. The accreditation schemes for each SADC member will allow seed companies to conduct their own field inspections, sampling and testing, thus reducing the costs of regulatory inspections;
3. A Seed Quarantine and Phyto-sanitary System which creates a new set of regional quarantine lists governing seed trade within the SADC region as well as between SADC and countries outside the region. To facilitate implementation of such a system, each country has developed its own seed import and export procedures manuals, based on common procedural standards.

² The attendance of trade officials at the meeting was made possible through the support of the USAID Trade Hub and the DFID Regional Trade Facilitation Programme.

The SADC Seed Security Network (SSSN) will continue to provide the institutional foundation for the completion and implementation of these agreements. To facilitate speedy implementation of these regulations, the Trade Hub hired short-term consultant Dr. Bellah Mpfu to work with Ms. Chilala in preparing a paper that compares the three regional technical requirements/regulations on SPS, Seed Certification and Varietal Release, with the corresponding national regulations of the SACU countries, as well as Zambia, to identify areas for which inconsistencies may arise and suggest ways to address them. The completed report was handed to SSSN for circulation to the member states in the coming months. The end goal of this work is to facilitate speedy implementation of the SADC regional seed regulations which will advance the task of regional integration.

For additional information see the technical report prepared by Dr. Bellah Mpfu: “Comparison of the Proposed SADC System with Seed Regulations in SACU Countries and Zambia and Amendments Recommended to Effect Harmonization”, April 2006 .

Support to the Southern African Development Community (SADC)



EPA Review: At a meeting on August 30, Paulina Elago joined Trudi Hartzenberg, Executive Director of the Trade Law Centre for Southern Africa (tralac), in discussing preparations and planning for a review of the EPA negotiations with the SADC Secretariat’s EPA Unit. At the invitation of tralac, the Trade Hub has agreed to collaborate on this review of the process for the SADC EPA negotiations which is mandated in accordance with Article 37.4 of the Cotonou Agreement providing for comprehensive review of the process of negotiations. The work will be undertaken during the next quarter.

Future Work Planning: As part of the Trade Hub’s efforts to work together with SADC, during the quarter the Trade Hub team held a series of meetings with officials of SADC countries and the SADC Secretariat as a build up to developing TFCB’s Work Plan for Year 3. These meetings included:

- Paulina Elago’s and Bridget Chilala’s meetings with the delegations of Madagascar, Malawi, Angola, Namibia, Botswana and Zambia attending the trade meetings from July 10 to 14, to consult with them regarding programming of Trade Hub activities and delivery of technical assistance in eligible countries.
- Ms. Chilala’s attendance at and participation in meetings organized by the SADC Secretariat on implementation of the regional trade agenda programs.
- Ms. Chilala’s attendance at a meeting to discuss a report on the SADC Member States National Trade Policies commissioned by GTZ (German Agency for Technical Cooperation) in July. The study’s objectives were to (a) assess the compatibility of SADC Member States’ national trade policies in order to facilitate the development of a common trade policy regime in the context of establishing a SADC Customs Union by 2010, and (b) identify which key areas would require further harmonization in order to be compatible with each other and with the overall SADC regional economic integration framework.
- A meeting with the SADC Secretariat’s Director responsible for Trade, Industry, Finance, and Investment (TIFI), Nokokure Murangi, and senior officials, on July 20 to discuss and

explore possible areas of cooperation with and support by the Trade Hub, especially in areas relating to implementation of the Trade Protocol. The meeting was a follow up of an earlier meeting held with the Deputy Executive Secretary of SADC, Mr. João Caholo, to discuss possible activities to enhance cooperation between the SADC Secretariat and the Trade Hub.

- A meeting with Deputy Executive Secretary of SADC at SADC House on August 7 to discuss the areas of activity for possible collaboration between the Trade Hub and SADC Secretariat.

The information acquired from this series of meetings provides valuable guidance for future activities and has been integrated into the Work Plan for Year 3.

Also see “Participation in Events outside the Trade Hub” below for information on the SADC Trade Negotiating Forum (TNF) which took place in Gaborone, Botswana, from July 11 to 14, 2006.

Trade Negotiations Workshops

To enhance the trade negotiation abilities of both the public and private sectors in the region, and in response to specific requests for training in this area from both Botswana and Lesotho, the Trade Hub organized trade negotiations workshops in the two countries during the third quarter of 2006. Both events were part of ongoing programming activities with the Commonwealth Secretariat.

- **Botswana**

In collaboration with the Economic Affairs Division of the Commonwealth Secretariat, the Trade Hub, led by Bridget Chilala, organized a Trade Negotiations Workshop on Agricultural issues for both the public and private sector of Botswana from September 18 to 21 at the Trade Hub. The program focused on general trade negotiating skills, the Agreement on Agriculture, and the negotiations of this Agreement both at the WTO and under the SADC EPA negotiations, as well as trade data analysis using the UNCTAD WITS/TRAINS tools. The workshop will enhance Botswana’s ability to negotiate more favorable trade agreements on all levels.

Expert facilitators from UNCTAD, the University of Reading (UK), Dalhousie University (Canada), the Commonwealth Secretariat and Nathan Associates were brought in to conduct much of the programming and mock negotiations for

“I would like to take this opportunity to thank you once again for acceding to our request for assistance in the area of trade capacity building of which the just-ended workshop was the outcome. Most participants of the workshop expressed satisfaction with what transpired and what they have learnt...the trade negotiations and mock negotiations sessions seem to have gone particularly well.” N. Macala, for Permanent Secretary, Ministry of Agriculture, Government of Botswana.

“The simulation has given us some good background and skill for negotiations. All the facilitators were really wonderful – more especially those who coordinated the mock negotiations. The mock negotiations exercises were wonderful and they gave us light as to what challenges we might meet during negotiating and the facilitators groomed us to be on guard in order to face such challenges.”
Participant

the seminar. Twenty-six participants attended the event and generally evaluated the training/workshop as very useful and timely. Many requested a refresher workshop sometime in 2007.

For additional information see report by Bridget Chilala: "Agricultural Trade Negotiations Workshop and Mock Negotiations", September 18-21, 2006.

- **Lesotho**

From September 25 to 29, the Trade Hub and the Commonwealth Secretariat jointly sponsored a national training course on trade negotiations skills for Lesotho. The course sought to enhance negotiation skills by presenting negotiation techniques and organizing mock negotiations. Facilitators and resource persons included Gilbert Winham, a specialist in trade negotiations simulations from Dalhousie University in Canada (who also conducts training on trade negotiations for the WTO Secretariat annually), Lance Graef, Senior Vice President of Nathan Associate and a former USTR negotiator of tropical products, Ivan Mbirimi, an Economic Adviser at the Commonwealth Secretariat, and Paulina Elago, TFCB Deputy Director and former Chief Negotiator for Namibia. About 20 participants drawn from the Ministries of Trade, Agriculture and Finance, the Central Bank, as well as the Chamber of Commerce, attended the course. Participants expressed that the course had contributed significantly to enhancing their capacity to prepare for and participate in ongoing trade negotiations.

For additional information see the trip report by Paulina Elago: "Trade Negotiations Workshop and Mock Negotiations", Lesotho, September 25-29, 2006.

Trade Capacity Building (TCB) Support Program for the BLNS

The following activities were carried out during the third quarter of 2006 in support of trade capacity building for the BLNS:

Botswana Capacity Building Activities

- **Strategy Documents for the Botswana Economic Advisory Council (BEAC)**

In support of the work being carried out by the Botswana Business and Economic Advisory Council (BEAC), Dr. Keith Jefferis, Economic Advisor to the



Trade Hub, contributed to strategy documents which recommend a path for economic growth and economic and institutional reforms for Botswana. BEAC's recommendations were presented to the Cabinet of the Government of Botswana during the third quarter of 2006 and confirmed. The Trade Hub will support implementation of these recommendations as follow up on this work during the fourth quarter of 2006, as may be requested.



- **Export Diversification Study, BIDPA**

During the third quarter of 2006, Dr. Jefferis also collaborated with the Botswana Institute for Development Policy Analysis (BIDPA) to complete summary documents

of strategies for export diversification. The documents are designed as an outreach tool for explaining the rationale behind and need for export diversification to the public at large. A complete set of these summary documents will be published in the coming months.

Swaziland Capacity Building Activities

- **Investor Roadmap**

Paulina Elago continued with consultations and advice to the Swaziland Investment Promotion Authority (SIPA) on modalities for the effective implementation of the Swaziland Investor Roadmap which was completed by the Trade Hub in 2005. These discussions have resulted in one-on-one consultations by SIPA with key Ministries and agencies in preparation for a process improvement workshop to be held before the end of the calendar year. The workshop will seek to design implementation plans and strategies to speed up implementation of specific recommendations contained in the Swaziland Investor Roadmap.



- **Swaziland Investors' Guide**

Martin Norman, Hub Manager, reviewed and made suggestions for restructuring a draft Investor's Guide which was submitted to the Trade Hub by the Swaziland Investment Promotion Authority (SIPA) for comment. The publication of an Investors' Guide was one of the recommendations of the Swazi Investor Roadmap.

This collaboration between SIPA and the Trade Hub will ensure that the Investors' Guide will conform to international best practices and will give the Trade Hub and opportunity to assist SIPA with maximizing its use of the information in the Guide and the incorporation of the information into its website and other promotional materials.

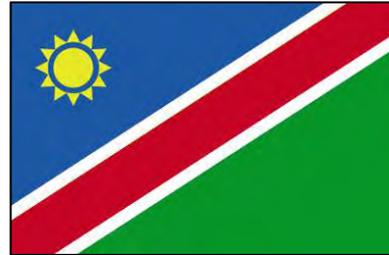
- **Compendium of Trade and Commerce Laws**

In response to a request from the Federation of Swaziland Employers Federation and Chamber of Commerce (FSE & CC), John Henwood and Musa Dlamini—both attorneys in Swaziland—continued work on compiling and producing a compendium of trade and commerce laws in Swaziland. The compendium will serve as guide and will also facilitating compliance of trade and commerce laws and regulations by members of the Chamber. In addition, it will serve as a tool for the chamber's outreach and capacity building activities to enhance knowledge and understanding of these laws and regulations.

Lesotho Capacity Building Activities

See "Trade Negotiations Workshops" in this section above.

Namibia Capacity Building and Policy Reform Activities



- **Investor Roadmap**

Paulina Elago continued with consultations and advice to the Ministry of Trade and Industry of Namibia on implementing the specific recommendations contained in the Namibian Investor Roadmap which was completed by the Trade Hub in 2006. Namibia is also leveraging resources of other donors, including the World Bank, to implement various recommendations under the Roadmap, such as a review of the Investment Incentives Act and the institutional structure.

- **Tourism Investor Roadmap for Namibia**

Paulina Elago and Peter Nizette, Team Leader for the Namibia Tourism Investor Roadmap, presented the findings and recommendations of the Roadmap at a stakeholders' workshop in Windhoek, Namibia, on July 6. The Minister of Tourism and Environment, Willem Konjore, officially opened the workshop, and the Minister of Trade and Industry, Immanuel Ngatjizeko, USAID Mission Director in Namibia, Gerry Newton, and the CEO of the Federation of Namibian Tourism Associations (FENATA,) Jackie Asheeke, also spoke at the event. Approximately seventy-five participants including Cabinet Ministers, Members of Parliament, private sector operators in the tourism and related sectors, representatives of parastatals, senior public servants and media representatives attended the event. The findings and recommendations were well received, and the timing of the report was crucial given that Namibia has declared tourism as the fourth pillar of the Namibian economy. In that context, the tourism roadmap is viewed as a key document in facilitating and guiding government in addressing and overcoming key constraints facing investors in the tourism sector.

The Trade Hub team also met before the presentation with the technical team that will coordinate Roadmap implementation, which comprises senior government officials from key Namibian Ministries and agencies, parastatals and representatives of private sector associations.

For additional information see the trip report by Paulina Elago: "High Level Workshop and Presentation of the Namibia Tourism Roadmap", Windhoek, Namibia, July 4-7, 2006.

- **Namibia Trade Forum**

Paulina Elago met with Willem Nekwiyu, Deputy Director for Trade Policy and External Relations of the Namibian Ministry of Trade and Industry, together with Mesag Mulunga, Chief Trade Policy Analyst from Namibia, to discuss the nature of support the Trade Hub can provide to the Namibia Trade Forum (NTF). The NTF is a public-private sector forum established in 2005 to facilitate dialogue and closer consultation among key stakeholders on issues related to international trade including trade negotiations.

Assessment of the Status of Trade Facilitation

In order to prepare themselves for current and future discussions on trade facilitation at the WTO and with other countries and trading blocks, several countries have requested that the Trade Hub perform an assessment of their trade facilitation status. The objective of these assessments is to (a) identify trade facilitation needs and priorities of the country, (b) where feasible, determine the

resource implications of implementing proposed trade facilitation measures under the WTO trade negotiations, and (c) determine the country's capacity to implement trade facilitation measures that derive maximum benefits.

- **Zambia**

With the completion and presentation of the Trade Hub report on the status of trade facilitation in Zambia in June 2006, Zambia and other developing countries have in recent months made a submission to the WTO Committee on Trade Facilitation which contributes to the Trade Facilitation discussions in the context of the Trade Facilitation negotiations taking place under the Doha Development Round. The Ministry of Trade and Industry of Zambia indicated that the Trade Hub assessment provided useful information relevant to the issues under consideration at the WTO negotiations on Trade Facilitation and issues being considered under the Millennium Challenge Account process.



The Trade Hub also prepared a shorter version of the assessment of Trade Facilitation in Zambia for general circulation.

For additional information see technical report by Bridget Chilala, Ranga Munyaradzi and Evans Marowa: "Assessment of Zambia's Capacity to Implement the Proposed Measures to Improve and Clarify GATT Articles V, VIII And X on Trade Facilitation", June 2006.

- **Angola**

During the quarter, Bridget Chilala, Evans Marowa and Ranga Munyaradzi, Senior Customs Advisor, began preparations for carrying out an assessment of the status of trade facilitation in Angola. Based on the experience in Zambia, the team developed a questionnaire using existing tools for trade facilitation developed by other organizations and identified a number of companies to be interviewed. The initial phase of the assessment will take place from October 14 to 31, and a final report should be ready by December 2006. The Trade Hub will organize a workshop to disseminate the results of the assessment to all stakeholders from both government and the private sector at an appropriate date to be agreed on by the Trade Hub and the Ministry of Industry.



This diagnostic study will assist policy makers with designing a comprehensive package for Angola's effective participation in the negotiations on trade facilitation with the European Union and implementation of trade facilitation obligations arising from a spaghetti-bowl of regional trading blocs which has to some extent created a myriad of conflicting legal obligations.

Botswana Trust Fund

During the third quarter of 2006, the Trade Hub continued to meet with stakeholders to program funds from the Botswana Trust Fund which was established by means of an MOU between the Botswana Ministry of Finance and the U.S. Government through the U.S. Embassy in Gaborone, Botswana, and USAID / Southern Africa on March 7, 2006. The MOU established that projects

under the Fund would support trade development and environmental protection in Botswana and that the Trade Hub would administer the Fund. The following activities were carried under the Botswana Trust Fund:

- **Trade Advisor for the Botswana Ministry of Trade and Industry**

The Trade Hub undertook an extensive recruiting effort for a Trade Advisor for the Department of International Trade of the Botswana Ministry of Trade and Industry who will be funded by the Botswana Trust Fund for a period of 2 years. The Trade Hub received more than 75 applications for the position from candidates worldwide, and interviews of the short-listed candidates are currently underway. A final decision is expected during October. The Trade Advisor will be located in the Ministry and is expected to assist in all work of the Department of International Trade, including all ongoing negotiations and key trade issues in which the Department is involved, specifically EPAs, WTO negotiations, and issues relating to Botswana's membership in SADC and SACU, among others. The selected candidate is expected to be mobilized at the end of December 2006/early January 2007.

- **BOCCIM**

During the quarter, the USAID Trade Hub met with BOCCIM officials to determine how support under the Botswana Trust Fund could best contribute to the institutional strengthening, promotion and capacity building of the Botswana Confederation of Commerce, Industry & Manpower (BOCCIM) and its members. The Trade Hub met with BOCCIM management on several occasions to determine which projects were a priority for the funding and drafted a proposal for the funding of training projects, a membership survey, the development and launch of the BOCCIM website and support of the 2006 BOCCIM National Business Council Conference. BOCCIM subsequently accepted the proposal, an initial tranche of these funds was disbursed, and the implementation of the projects is currently underway.



- **Women in Business Association (WIBA)**

During the quarter, the Trade Hub continued support of WIBA under the Botswana Trust Fund.

For additional information see "Dialogue for Competitiveness" Section below.



- **Trade Facilitation and Export Diversification**

The Trade Hub is currently discussing with stakeholders a variety of Customs and transportation-related projects for possible implementation under the Fund. It is also discussing support for a study on a regional cargo hub in Gaborone which could support the Government's export diversification strategy.

Participation in Events Outside the Trade Hub

In addition to the above-mentioned activities, Trade Hub technical staff were invited to participate in and contribute to a number of events organized and held outside the Trade Hub during the third quarter of 2006 which were related to Trade Capacity Building activities:

- **32nd Meeting of the SADC Trade Negotiating Forum (TNF), Botswana, July 11-14**

Bridget Chilala and Paulina Elago attended the 32nd SADC Trade Negotiating Forum (TNF) Meeting held in Botswana from July 11 to 14. Participants in the TNF meeting considered, among other things, the status of implementation of the Protocol on Trade and agreed that there was an urgent need for countries to comply with the Ministerial decision to attain a Free Trade Area by 2008.

In consultation with the member states, SADC Secretariat has suggested that there is a need to establish a mechanism to facilitate monitoring of the implementation of the tariff and non-tariff reductions to assess progress with the attainment of the Free Trade Area (FTA) by 2008. As a result, the Trade Hub was approached to provide technical assistance in 2007 to undertake an audit of the tariff reduction schedules of member states for the purpose of assessing compliance ahead of the coming into force of the FTA in 2008. The Trade Ministers who met on July 14 noted the Draft Regional Customs Transit Bond Guarantee Chain Agreement and approved the piloting of this Agreement along selected corridors to test its functionality and suitability for use before approving the Agreement.

Ms. Chilala and Paulina Elago took advantage of the TNF meeting to discuss capacity building activities that the Trade Hub provides with various delegations and to follow up on verbal requests that some of these delegations had made to the Trade Hub during the previous quarter.

- **Consultative Meeting on Aid for Trade, Mauritius, July 17-18**

At the request of the Mauritius Ministry of Foreign Affairs, International Trade and Cooperation, and of Stephen Schwartz, Charge d'Affaires, U.S. Embassy, Port Louis, Lisa Yarmoshuk attended a consultative meeting on Aid for Trade entitled "Financing Economic and Trade Reform in the Context of Liberalisation: Conceptualising and Accessing Aid for Trade" in Mauritius from July 17 to 18. The Aid for Trade Meeting was a regional meeting on the issue of the use of aid to promote trade. Participants agreed that: (1) there is a need to country-specific plans of action to assist economies to compete in markets dominated by free-trade; (2) the future of Aid for Trade may be irrevocably linked to the success of the WTO Doha Development Round. The Government of Mauritius expressed the hope that its country-specific plans, together with the general conclusions of the meeting will feed into the World Bank/IMF meetings in Maputo and Singapore and provide useful input for the WTO Task Force on Aid for Trade. The meeting was attended by more than 100 participants from countries and international organizations around the world.

For additional information see the trip report by Lisa Yarmoshuk: South Africa and Mauritius, July 14-19, 2006

- **SAIIA Conference on South Africa's Trade Strategy, August 2**

On August 2, Paulina Elago and Robert Kirk attended a conference on South Africa's Trade Strategy organized by the Southern African Institute of International Affairs (SAIIA) in Johannesburg, South Africa. Subjects covered at the conference included South Africa's Trade and Industrial Policy, the Doha Development Round negotiations, and issues related to regional integration.

For additional information see the trip report by Paulina Elago: "SAIIA Conference on South Africa's Trade Strategy", South Africa, August 2, 2006.

- **2006 BOCCIM National Business Council, August 6-7**

Paulina Elago represented the Trade Hub at the 2006 National Business Council organized by the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) from August 6 to 7 in Francistown, Botswana. The theme for the conference was "From Wealth Distribution to Wealth Creation: Implementing Botswana's New Economic Drive". The conference covered the challenges—both economic and social—facing the country, with a view to recommending measures that would enhance the operating environment of the country, encourage and increase citizens' participation in economic development, and stimulate and attract foreign direct investment (FDI). During the proceedings on HIV/AIDS, Ms. Elago introduced and presented the Trade Hub's film *HIV/AIDS and Business: What the Private Sector Can Do*, which highlights various activities and initiatives by the private sector in the region to support and deal with HIV/AIDS at the work place.

"On behalf of BOCCIM I would like to express our greatest appreciation for the film series you availed to be viewed during our conference...As BOCCIM we found it very much appropriate to show the film on HIV/AIDS...We believe that the Private Sector in this country has an enormous role to play in terms of combating this scourge." Tebogo Rapitsenyane, Public Relations Manager, BOCCIM.

For additional information see the trip report by Paulina Elago: "National Business Conference 2006", Francistown, Botswana, August 6-7, 2006.

- **West Africa Regional AGOA Workshop, Accra, Ghana, August 9 to 11**

Amanda Hilligas, AGOA Advisor, and Lisa Yarmoshuk attended the West Africa Regional AGOA Workshop in Accra, Ghana, from August 9 to 11. The workshop addressed expanding exports of apparel, home décor and fashion accessories from West Africa. The workshop was one in a series of four AGOA workshops taking place across Africa, organized and sponsored by the United States Trade Representative (USTR) and USAID/Washington. The Southern Africa workshop, Expanding Processed Food Exports under AGOA, will be held in Cape Town, South Africa, October 11-12.

For additional information see the trip report by Lisa Yarmoshuk and Amanda Hilligas: "West Africa AGOA Workshop Report", Ghana, August 9-10, 2006.

Also see “Trade Competitiveness – AGOA Support – AGOA Regional Seminar for West Africa”.

- **SADC Council of NGO’s Civil Society Forum, August 14-16**

At the invitation of the SADC Council of NGOs, Paulina Elago represented the Trade Hub at the Council’s Civil Society Forum from August 14 to 16 in Lesotho, prior to the SADC Summit. Participants were drawn from various civil society organizations in the region. During the Forum, participants exchanged views, reviewed progress of the regional integration process and shared experiences on selected subjects.

For additional information see the trip report by Paulina Elago: “SADC Council of NGOs Forum”, Maseru, Lesotho, August 15-16, 2006.



- **Business Climate Survey Launch, August 23**

On August 23, Lisa Yarmoshuk and Gina van Schalkwyk, Information and Communications Coordinator, traveled to South Africa to attend the launch of the annual Business Climate Survey (BCS) of the Association of SADC Chambers of Commerce and Industry. In addition to attending the press conference announcing the results of the 2006 survey, Ms. Yarmoshuk and Ms. Van Schalkwyk also met with representatives of the German Development Agency GTZ to discuss the future of the SADC BCS.

For additional information see the trip report by Lisa Yarmoshuk and Gina van Schalkwyk: “Release of Results of SADC Regional Business Climate Survey”, South Africa”, August 22-23, 2006.

COMPONENT 3: CUSTOMS MODERNIZATION AND TRANSPORT FACILITATION

The Trade Hub undertook the following trade facilitation activities during the third quarter of 2006 designed to continue to work towards faster, cheaper and more efficient transport of goods from/to and around the region:

World Customs Organization (WCO) Time Release Studies (TRS)

In collaboration with the WCO, the Trade Hub continued to facilitate implementation of Time Release Studies (TRS) in various countries of the region. The TRS is the first step in identifying the bottlenecks, strengths and weaknesses, and regulatory areas needing reform of the Customs regime of a country. Ultimately, the goal is improved efficiency and effectiveness of the Customs regime.



- **Implementation of Time Release Study Action Plan in Malawi**

Malawi Revenue Authority (MRA) Management finalized the prioritized Action Plan where donor funding is required in the implementation of the TRS Recommendations.

Ranga Munyaradzi traveled to Malawi to discuss coordination with the USAID Bilateral Mission, the World Bank and the European Union on technical assistance to the MRA. The purpose of meeting other donors was to leverage resources and avoid duplication of work. The Trade Hub agreed to assist the MRA in certain areas, subject to approval of the Trade Hub's Work Plan for Year 3 of the project.

The USAID Millennium Challenge Corporation (MCC) agreed—subject to certain conditions—to fund acquisition of computers to assist in the roll-out of ASYCUDA ++ (Automated System for Customs Data) while the World Bank and the European Union will look at funding the infrastructure requirements (cargo scanners, forklifts, buildings, etc.). This agreement will also be subject to the conclusions that will be drawn from a donors' meeting to be held in Lilongwe, Malawi, later in the year.

For additional information see the trip report by Ranga Munyaradzi: "Implementation of Time Release Study Recommendations & Action Plan", Blantyre / Lilongwe, Malawi, September 4 – 8, 2006.

- **Final Phase of Time Release Study in Mozambique**

Together with the Mozambique TRS Working Group, Ranga Munyaradzi and Robert Struthers, WCO Technical Officer, analyzed the data collected and recorded on the TRS Questionnaire during Phase 2 of the TRS in Mozambique. A draft report was prepared which demonstrated that it takes an average of almost four days from the arrival of goods in Mozambique to the release of goods by Customs.

The Final Report, with the full list of "Findings, Recommendations and Conclusions", could not, however, be completed due to problems with the WCO / World Bank TRS Software. It will be completed once the software problem is rectified.

For additional information see the trip report by Ranga Munyaradzi and Robert Struthers: "Final Phase of Mozambique Time Release Study", Mozambique, July 31 – August 4, 2006.

- **Launch of Time Release Study in Zambia**

Ranga Munyaradzi and Robert Struthers traveled to Zambia September 11 to 15 to launch the Zambian Time Release Study. They were joined by Mr. Mupelwa Sichilima of the USAID-funded Market Access, Trade and Enabling Policies (MATEP) Project, who will coordinate in-country follow-up with the Trade Hub team after the final phase of the TRS.

USAID / Zambia welcomed the launch of the TRS in view of the start-up implementation of several USAID-funded border management activities, in particular the MCA Threshold Project, for which the results of the TRS will be a central diagnostic input.

During Phase 1 of the TRS, the preparatory phase, the Questionnaire and Guidelines for data collection were completed. These will be used in the field by the TRS Working Group which consists of Customs Officials, Clearing and Freight Forwarders' Associations, Transporters' Associations and Government Ministries associated with the importation of merchandise.

Phase 2, the data collection phase, will commence in October while the third and final phase is scheduled for completion toward the end of November 2006 when the final TRS National Report with Recommendations and Action Plan is expected to be submitted to the Commissioner-General of the Zambia Revenue Authority.

The TRS field study will cover ten Customs entry and exit points throughout the country. The mix of entry and exit points reflects the most appropriate balance for the TRS in terms of volume of traffic and mode of transport.

For additional information see the trip report by Ranga Munyaradzi and Robert Struthers: “Launch of the WCO Time Release Study in Zambia”, Lusaka, Zambia, September 10 - 17, 2006.

Transport Corridor Support Work

Activities in support of Transport Corridors of the region during the third quarter of 2006 included the following:

- **Trans Kalahari Corridor (TKC)**

The TKC Management Committee met on July 5 and 6 at the Walvis Bay Corridor Group offices in Windhoek, Namibia. The Committee secured commitment to finalize the recruitment of a Program Coordinator (PC) for the corridor permanent secretariat. A hosting agreement to facilitate the recruitment of the PC to be hosted by the Walvis Bay Corridor Group is awaiting legal approval by the Government of Namibia. The Committee also agreed on urgent issues for implementation by the corridor countries in order to make the corridor more competitive. The Program Coordinator position is designed to ensure the organizational sustainability of the permanent secretariat.



In September, Evans Marowa facilitated the establishment of the Botswana Trans Kalahari Corridor Group which brings together public and private sector stakeholders to promote development along the TKC and increase the utilization of this route for trade.

For additional information see the trip report by Evans Marowa and Ranga Munyaradzi: “Trans Kalahari Corridor Management Committee Meeting”, Windhoek, Namibia, July 4-6, 2006.

On July 14 Evans Marowa met with officials from the South African National Department of Transport at their headquarters in Pretoria, South Africa. The main purpose was to meet with the officers who will be taking over responsibility for Maputo and Trans Kalahari Corridor activities from a South African perspective as part of its National Freight Logistics Strategy.

For additional information see the meeting report by Evans Marowa: “Presentation to the American Chamber in Johannesburg, South Africa; Meetings with the Department of Transport of South Africa in Pretoria, South Africa”, South Africa, July 14, 2006.

On July 5 the TKC Customs Working Group met in Windhoek to review operational issues on uniform usage of the SAD (Single Administrative Document) 500, and to arrange the roll-out of SAD 500 and TKC Transit Procedures to all SACU countries and to non-SACU Countries. The Group agreed to an implementation program to roll-out the SAD 500.

The SAD 500 has been officially accepted by both the Common Market for Eastern and Southern Africa (COMESA) and SADC and they are both promoting its usage in the region as the only Customs declaration form for imports, exports and through transit. The SAD 500 has reduced Customs paper work, transaction costs and delays at international frontiers. It will also assist Customs administrations to fight Customs fraud, where different declarations of the same goods are made when crossing international borders.

As a result of an Action Plan facilitated by the Trade Hub, as of October 1 the South African Revenue Service is rolling out the SAD 500 to Lesotho and Swaziland, in addition to South Africa where it is already operative. The SAD 500 replaces numerous Customs declaration forms, and reduces transaction costs and delays in the clearance of goods.

For additional information see the meeting report by Evans Marowa: “Botswana TKC Group Meeting”, Gaborone, Botswana, September 14, 2006.

- **Maputo Corridor**

There is now agreement to a roll-out of both the SAD 500 and the TKC Transit Procedures along the Maputo Corridor (from the Gauteng Province of South Africa to the Port of Maputo in Mozambique). With this end goal, Mozambique has agreed to replace its Customs Documents with the SAD 500. Mozambique Customs is holding internal consultations and are taking steps to upgrade their TIMS Customs Computer program so that it accepts the SAD 500 and is compatible with the CAPE (Customs software used in South Africa) which is used in South Africa and the ASYCUDA ++ which is being used by all other SADC and COMESA countries. The Trade Hub will continue to work with the Maputo Corridor Logistics Initiative (MCLI) and other stakeholders to ensure implementation of these plans.

For additional information on the meeting on July 14 with officials from the South African National Department of Transport at their headquarters in Pretoria, South Africa, see the “Trans-Kalahari Corridor” Section above.



On August 22, Evans Marowa made a presentation to the MCLI Board in Nelspruit, South Africa, on the rationale for and process of developing an institutional framework for the Maputo Corridor involving both the public and private sectors of Mozambique, South Africa, and Swaziland, and how the MCLI would fit into this functioning as the corridor secretariat. This was followed up by an inaugural meeting of the Mpumalanga Freight Logistics Forum (MFLF). The MFLF is a good national forum to catalyze the establishment of a trilateral institutional framework for the management of the Maputo Corridor.

For additional information see the trip report by Evans Marowa: “Feasibility Study for a One-Stop Border Post at Lebombo - Ressano Garcia, South Africa and Mozambique”, Nelspruit, South Africa, August 22, 2006.

Also see information on the Mpumalanga Freight Logistics Forum under “Participation in Events outside the Trade Hub” below.

- **Dar es Salaam Corridor (DC)**

From August 30 to 31 in Lusaka, Zambia, the Trade Hub hosted a combined meeting of the TKC and Dar Corridors Customs Working Groups with the objective of finalizing the roll-out program of TKC Transit Procedures and the SAD 500 to non-SACU countries of the Dar es Salaam Corridor. The SAD 500 offers multiple benefits to participating countries and corridors from accelerating regional integration to speeding up Customs processing at participating borders and reducing transportation costs.

The first stage was to roll-out the SAD 500 and TKC Transit Procedures to Zambia through two routes: (1) the North-South Corridor, from South Africa through Botswana and the Kazungula Ferry on the Zambezi River, and (2) the Trans Caprivi Corridor, from the Port of Walvis Bay in Namibia through Windhoek and Katima Mulilo on the Caprivi.

After successful roll-out to Zambia, the TKC Transit Procedures and the SAD 500 will be extended to Malawi and Tanzania (the other two countries of the Dar es Salaam Corridor) as well as to the Democratic Republic of the Congo.

For additional information see the trip report by Ranga Munyaradzi: “TKC/Dar Corridors Customs Work Group Meeting”, Livingstone, Zambia, August 28 – 31, 2006.

In addition, in July the World Bank SSATP Regional Economic Communities Transport Coordinating Committee agreed to fund the establishment of a corridor observatory on the DC. Evans Marowa reviewed the terms of reference for the Dar es Salaam Corridor Observatory project to be financed by the World Bank Sub Saharan Africa Transport Policy Project. The SSATP will be reviewing these terms of reference at their Annual General Meeting in October and will give feedback to the Trade Hub on these terms.

For additional information see the trip report by Evans Marowa: “World Bank Sub Saharan Africa Transport Policy Programme: Regional Economic Communities Transport Coordinating Committee Meeting, Nairobi, Kenya, July 19 – 21, 2006.

During the Trade Hub’s Trade Facilitation seminar held in Pretoria on September 19 and 20, Evans Marowa and Ranga Munyaradzi facilitated a meeting of stakeholders from Tanzania and Zambia to review the problems being experienced at the Nakonde/Tunduma Border Post. As a result of this meeting, the Zambia Revenue Authority began to take action to ease the congestion at the border, and feedback from Kasembo Transport, a major truck operator along this route, confirms that clearance times have significantly improved with trucks now achieving 3 round trips per month as opposed to the previous level of 2 to 2.5.

- **Trans Cunene Corridor**

On July 4 Evans Marowa and Ranga Munyaradzi met with the Permanent Secretary in the Namibian Ministry of Works, Transport and Communications (MoWT) to discuss the

Ministry's request for Trade Hub assistance for the Trans Cunene Corridor from the port of Walvis Bay in Namibia to Lubango in Southern Angola. The MoWT has written to its Angolan counterpart to secure support for Trade Hub assistance.

Also see "DFID: One Stop Border Post at Lebombo-Ressano Garcia" under "Coordination and Interface with Other Donors" below.

- **North-South Corridor**

On July 17 and 18 Evans Marowa met with the Secretariat of the Northern Corridor Transit Transport Corridor Authority (NC TTCA) in Mombasa, Kenya. The purpose of the meeting was to get full details of the operation of the tonnage levy system used to finance the corridor's secretariat with a view to use this experience on the Dar es Salaam and Trans Kalahari Corridors. This was coupled with a tour of the Port of Mombasa from which the tonnage levy is collected and channeled to the NC TTCA.

For additional information see the trip report by Evans Marowa: "Meeting with the Northern Corridor Transit Transport Coordinating Authority Secretariat", Mombasa, Kenya, July 17-18, 2006.

Cross-Border Vehicle Overload Control Initiative

Overloaded trucks on the road networks of the region is a major cause of damage to roads, and damaged roads meaner slower transportation routes and higher costs of transportation. In November 2004, the Trade Hub introduced the Cross Border Overload Control System (CBOCS) for the Martin's Drift/Grobler's Bridge border crossing between Botswana and South Africa as a pilot program designed to reduce truck overloading.

During the third quarter of 2006, the Trade Hub contracted Mike Pinard, a short term consultant, to perform an audit review of the CBOCS in order to evaluate how effective the CBOCS had been since its inception. From August 22 to 23, Mr. Pinard conducted the audit which demonstrated that the CBOCS pilot project had resulted in significant benefits as evidenced by measurable improvements. The number of vehicles weighed per month, for example, increased from an average of 323 in November 2004 to 1,691 in August 2006 (a 424 % increase) while the percentage of vehicles overloaded beyond acceptable tolerance limits decreased from a mean of 8.2% to 2.9% during the same period.

This review is being followed up with stakeholder consultations to produce a work plan to roll out the CBOCS to the Trans Kalahari Corridor (TKC) and the Kazungula Ferry Border post between Botswana and Zambia.

For additional information see the trip report by Mike Pinard: "Review of Cross Border Overload Control Pilot Project at Martins Drift/Grobblers Bridge", Namibia, September 14, 2006.

Regional Trade Facilitation Seminar, Pretoria, South Africa, September 19-20

The Trade Hub and USAID / Washington held a high profile trade facilitation seminar for the southern Africa Region entitled “Recent Developments, Best Practices and Tools” in Pretoria, South Africa, on September 19 and 20. The workshop brought together more than 80 public and private sector representatives from around the region and the United States to discuss trade facilitation challenges, initiatives, and best practices in the area of Customs and transportation.



“This is one of the best workshops that I have attended and the Hub/USAID are to be commended.”

Participant

“Very educative seminar... contributions made will assist in planning the way forward in Trade Facilitation.”

Participant

Presentations by expert panelists were followed by lively discussion of the issues, which provided opportunity for an important exchange of ideas and best practices among key regional decision makers both in the private and public sectors. The discussions also gave the Trade Hub team insights into priority areas of interventions for the future, and many of the ideas discussed were incorporated into the Work Plan for Year 3 of the project.

For additional information see the trip report by Martin Norman “Trade Facilitation Seminar for Southern Africa: Recent Developments, Best Practices and Tools”, Pretoria, South Africa, September 18-21, 2006.

Participation in Events Outside the Trade Hub

In addition to the above-mentioned activities, Trade Hub technical staff in the customs and transport areas contributed to events organized and held outside the Trade Hub during the third quarter of 2006:

- **American Chamber of Commerce, South Africa, July 13**

On July 13, Evans Marowa delivered a presentation to the American Chamber of Commerce in South Africa at their Offices at the Killarney Country Club in Johannesburg. The presentation, requested by the Chamber, highlighted the trade facilitation initiatives of the Trade Hub in the SADC region.

For additional information see the trip report by Evans Marowa: “Presentation to the American Chamber in Johannesburg, South Africa; Meetings with the Department of Transport of South Africa in Pretoria, South Africa”, South Africa, July 13, 2006.

- **World Bank Sub-Saharan Africa Transport Policy Program Workshop, Nairobi, Kenya, July 19-20**

On July 19 and 20, Evans Marowa participated in the World Bank Sub-Saharan Africa Transport Policy Programme (WB SSATP) workshop of the Regional Economic Communities Transport Coordinating Committee (REC TCC). The main purpose was to share experiences with the trade facilitation initiatives along the Dar es Salaam Corridor and to identify potential areas for collaboration with the WB SSATP. The REC TCC

agreed to finance the establishment of a corridor observatory on the Dar es Salaam Corridor through the Trade Hub's coordination with the corridor interim secretariat. Support would also be provided for activities to strengthen the institutional structures of the corridor.

For additional information see the trip report by Evans Marowa: "World Bank Sub Saharan Africa Transport Policy Programme: Regional Economic Communities Transport Coordinating Committee Meeting", Nairobi, Kenya, July 19-20, 2006.

- **OECD Regional Forum, September 27-28**

From September 27 to 28, Evans Marowa attended the OECD Regional Forum entitled "Maximizing the Developmental Benefits of Trade Facilitation" in Yaoundé, Cameroon, at the invitation of the organizers. Mr. Marowa gave a presentation synopsis of the Trade Hub's experiences in trade facilitation assistance to individual countries in southern Africa as well as transport corridors, emphasizing the role of the private sector and benefits of private-public partnerships in improving the trade facilitation environment. More than 100 public and private sector representatives were present at the Regional Forum.

For additional information see the trip report by Evans Marowa: "OECD Regional Trade Facilitation Forum: Maximizing Benefits of Trade Facilitation", Yaoundé, Cameroon, September 27-28, 2006.

- **Mpumalanga Freight Logistics Forum, September 4**

Evans Marowa participated at the launch of the Mpumalanga Freight Logistics Forum at the request of the MCLI. The MCLI has requested the Trade Hub to facilitate the establishment of Transport Modal Work Groups to address constraints within the corridor. The Forum provided Mr. Marowa with an opportunity to interact with all stakeholders and review the proposals for the institutional management framework of the Maputo Corridor.

For additional information see the trip report by Evans Marowa: "Mpumalanga Freight Logistics Forum: Inaugural Meeting", Nelspruit, South Africa, September 9, 2006.

COMPONENT 5: DIALOGUE FOR COMPETITIVENESS

During the third quarter of 2006, the Trade Hub's Dialogue for Competitiveness component continued to foster public-private dialogue on trade issues, support the strengthening of private sector initiatives and private sector associations, and broaden communications with stakeholders not only in the region but also internationally as to trade and competitiveness issues affecting Southern Africa and Trade Hub programs and initiatives.

Trade Issues Film Series

Since the launch of the Trade Issues Film Series at the Regional Business Environment Seminar on May 23 in Johannesburg, South Africa, the films have enjoyed a wide audience both in Africa and in the United States. To date more than 1,200 people have seen one or more of the films in a variety of events and more than 100 DVDs with the films have been distributed.

In order to ensure maximum use of the films and monitor where and to whom the films are being shown, a distribution system was established for the films, which involves working with government and private sector partners around the region to organize national showings, workshops and seminars around the films.

Some of the major showings that took place during the quarter were (i) the HIV/AIDS film at the 9th National Business Conference of BOCCIM in Francistown, Botswana, on August 9, and to Junior Achievement Botswana, (ii) the Trade Facilitation film for the management of the South African Revenue Service (SARS) on August 10, at the Trade Hub Trade Facilitation Seminar in Pretoria from September 19 to 20, and at the OECD Regional Forum on Trade Facilitation in Cameroon on September 27, (iii) the Business Environment film for prospective members of the Botswana Women in Business Association on September 16 and to Junior Achievement Botswana, and (iv) selected films to visitors to the Trade Hub as part of briefing presentations.



Use of the films to date and reactions to them from audiences have confirmed the effectiveness of developing a multimedia resource tool with broad reach to discuss key regional trade issues and share best practices and Trade Hub programming – as envisioned by USAID’s Knowledge for Development initiative.

Private Sector Advocacy

During the quarter the Trade Hub continued to work closely with several organizations as part of its mandate to build capacity for private sector advocacy and public - private sector dialogue.

- **Women in Business Association (WIBA)**

The Trade Hub continued to provide support to WIBA for building its institutional structure, increase membership and enhance its advocacy role. As a result of the study of microfinance options in Botswana conducted by Margaret Jiri, a microfinance specialist contracted by the Trade Hub in June, WIBA selected a savings mobilization scheme from among the recommendations made in the study. On September 28, the Trade Hub organized a conference call between the Board of Directors of WIBA and Ms. Jiri to get advice for the initial stages of implementing the scheme and to map out a schedule for announcing and rolling-out the scheme during the last quarter of 2006 or the first quarter of 2007.



The Trade Hub also continued to coordinate the activities of the Membership Campaign Coordinator contracted through the Trade Hub, Leah Gabaeme. To date Ms. Gabaeme has doubled the membership of the organization and is on track to attain the campaign goal of tripling the membership by the end of the third and final phase of the campaign at the end November. The culmination of her efforts during the second

phase of this campaign was a meeting for prospective members held at the Trade Hub on September 16 which was attended by more than 60 businesswomen from in and around Gaborone, Botswana.

The goal of all of these activities is to strengthen WIBA as an organization and assist the businesswomen of Botswana in advocating for reforms that will facilitate the operation of women-owned businesses in Botswana. The Trade Hub will be surveying the region to find other associations of businesswomen which are likely to benefit from similar Trade Hub-coordinated services.

- **Botswana Confederation of Commerce, Industry & Manpower (BOCCIM)**

A variety of projects for the institutional strengthening, promotion and capacity building of BOCCIM were funded in the first tranche of funds to be disbursed during the third quarter of 2006.

For additional information see “Botswana Trust Fund - BOCCIM” under “Component 1: Capacity Building and Policy Reform for Trade and Competitiveness”.

- **Planning Events with Chambers of Commerce and Private Sector Associations on Key Trade Issues Raised in the Film Series**

During the quarter the Trade Hub engaged in discussions with private sector groups in countries around the region to plan facilitated roundtable discussion around the issues in the film series. Events are being discussed in Malawi, Namibia, Mozambique and Lesotho to take place over the next 3-6 months.

Outreach and Communications

During the second quarter of 2006, the Trade Hub undertook several outreach activities on multiple fronts to reach a wider group of stakeholders, raise awareness of trade issues critical to the region, and increase the impact of Trade Hub programs. The following are some of the major efforts towards this goal:

- **Inside Southern African Trade (INSAT)**

At the end of September the Trade Hub published the sixth issue of its quarterly news publication, *Inside Southern African Trade (INSAT)*. This issue focuses on small and medium enterprises in the Southern African region. It examines some of the challenges that they face in terms of the business environment and high costs of doing business, and it highlights success stories at the firm level and in terms of government-led improvements in the business environment. It is distributed in electronic format and hard copy to nearly 6,000 recipients in the SADC region and beyond.



“Thank you once again for an excellent newsletter, which will be distributed to the MCLI mailing list.” Brenda Horne, CEO, MAPUTO CORRIDOR LOGISTICS INITIATIVE

“Thanks for the INSAT publication. It is an invaluable tool for insightful trade developments in the SADC region. Keep up the good work.” Benjamin Katjipuka, Namibian Trade Office to the WTO and Chairperson of the WTO Working Party on State Trading Enterprises.

“Thank you for your regular Newsletters which I find very informative. My reason for writing is to seek your permission to forward the contents to all the members of the Ndola & District Chamber of Commerce & Industry (NDCCI).” Kevin Shone, President, NDCCI

At the end of the quarter, work started on the seventh issue of *INSAT* which will be a special issue that looks at issues of competitiveness in the region through a number of high-profile interviews. The seventh issue of *INSAT* will be published in December 2006.

- **Hub Happenings**

Hub Happenings continues to be published every month and is distributed to an increasing number of stakeholders. It remains a valuable source of information about the activities of the Trade Hub and its staff and continues to generate new ideas for Trade Hub activities through the requests and comments of readers.

- **Database**

During the third quarter considerable time was spent cleaning up and expanding the Trade Hub’s database for the distribution of *INSAT* and *Hub Happenings*. The number of addresses in the database has grown to 2,443.

- **Website**

The Trade Hub developed a comprehensive website for the AGOA Workshop in Cape Town on October 11 and 12. During the fourth quarter this will be transformed into a post-workshop site where the presentations delivered during the workshop, as well as other materials will be made available. During the third quarter the Trade Hub also made the following resources available on their website:

- AGOA Resource Center (See AGOA Section for additional information)
- The Portuguese version of the Guide to Exporting Fresh Produce to South Africa, *Guia dos Practicantes Para Importacao de Produtos Frescos Para Mercados da Africa do Sul*
- Presentations and other materials related to the regional Trade Facilitation Workshop organized by the Trade Hub in Pretoria from September 17-18.

The following indicators quantify the activities of the Trade Hub that were completed during the third quarter under Outreach and Communications.

Table: Important Outreach and Communications Indicators

Indicator	Definition/Unit Measure	Data Source	Results
Outreach through the Media			
Number of radio and television spots	interviews and news broadcasts dedicated to Trade Hub activities	TV and radio stations	3
Quantity of newspaper coverage	individual newspaper and magazine articles, press releases printed in publications, and news articles appearing in major internet sites.	Regional press	8
Trade Hub Publications			
<i>Inside Southern African Trade (INSAT)</i> quarterly newsletter	Number of people receiving <i>INSAT</i> electronically	TFCB Dialogue Unit	2,443
<i>Inside Southern African Trade (INSAT)</i> quarterly newsletter	Number of people receiving <i>INSAT</i> in hard copy	TFCB Dialogue Unit	2,000
<i>Inside Southern African Trade (INSAT)</i> quarterly newsletter	Number of people receiving <i>INSAT</i> through secondary e-mail distribution	TFCB Dialogue Unit	3,246
<i>Hub Happenings</i> monthly calendar of events and projects	Number of people receiving <i>Hub Happenings</i> electronically	TFCB Dialogue Unit	1,035
Website Statistics (Date range - April 1 – June 30, 2006)			
Total sessions	A series of hits to the site over a specific period by one visitor	website	16,205
Total page views	A request to the web server by a visitor's browser for any web page = excludes images, javascript, and other embedded file types	website	100,544
Total hits	Any successful request to the server from a visitor's browser	website	195,465
Average sessions per day		website	176.14
Average page views per day		website	1,092.87
Average hits per day		website	2,124.62

COORDINATION AND INTERFACE WITH OTHER DONORS

During the third quarter of 2006, the Trade Hub technical staff continued to coordinate both formally and informally with international donors and organizations in developing and delivering its programming throughout the region. In addition to the activities discussed above, the following meetings and/or activities were undertaken in coordination with other donor organizations during the second quarter of 2006:

DFID: One Stop Border Post at Lebombo-Ressano Garcia

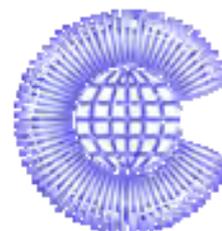


On July 14 Evans Marowa and Lisa Yarmoshuk met with Helena McLeod of Department for International Development (DFID) at the DFID Offices in Pretoria. The meeting was focused on identifying potential areas of collaboration with DFID, with special attention to the establishment of a One Stop Border Post at Lebombo-Ressano Garcia and activities on the Trans Cunene Corridor.

For additional information see the trip report by Lisa Yarmoshuk: “South Africa and Mauritius”, July 14 - 19, 2006.

Commonwealth Secretariat: Hub and Spokes Project

In line with the Trade Hub’s continued collaboration with the Commonwealth Secretariat Capacity Building “Hub and Spokes” Project for building the capacity of African Caribbean Pacific (ACP) Countries in Trade Policy Formulation, Negotiations and Implementation, Bridget Chilala served on the Interviewing Panel for the post of Regional Trade Policy Adviser to be attached to SADC Secretariat over a period of three days from September 13 to 15, in Gaborone, Botswana.



Also see “Trade Negotiations Workshops – Botswana and Lesotho” under heading “Component 1: Capacity Building and Policy Reform for Trade and Competitiveness”.

CONSULTATIONS ON FUTURE WORK PLAN

During the third quarter of 2006, the Trade Hub team held consultations on various issues relating to the future of the Trade Facilitation and Capacity Building Project and in preparation for the Work Plan for the third year of the project. In addition to various meetings held with SADC and others, described elsewhere in this report, the following were among the meetings that took place:

- On June 29, Bridget Chilala met with the Executive Director of the International Intellectual Property Institute, Eric Garduno, to explore possibilities of collaborating on Intellectual Property Rights (IPR) issues in the Southern African region.
- Meetings with SACU Secretariat including (i) on July 6 during which Evans Marowa and Paulina Elago met with the SACU Director for Trade Facilitation and Revenue Management, Dumisani Mahlinza, to discuss possible areas of cooperation and (ii) a follow-up meeting on July 14 at the Trade Hub with Mr. Mahlinza and Anton Faul, SACU

Director of Policy Planning and Research, where it was agreed that the Trade Hub and SACU would continue to explore joint projects on trade facilitation issues.

- At the request of the Mauritius Ministry of Foreign Affairs, International Trade and Cooperation, Lisa Yarmoshuk attended a consultative meeting on Aid for Trade held in Mauritius from July 17 to 18.
- Following a request by the Ministry of Industry in Angola to conduct training on rules of origin, Paulina Elago undertook planning and preparation for the training course during the months of August and September, including discussion and agreement with Tralac to undertake the training course as a joint activity, possibly during the first quarter of 2007.
- From September 22 to 23, the TFCB technical team held intensive meetings to discuss and finalize the activities to be included in the Work Plan for Year 3 of the project. Robert Kirk, from TSG's office in Washington, DC, and Lance Graef, from Nathan Associates' office in Washington, DC, were both in attendance. On September 23, they were joined by Lawrence Johnson, the project's Cognizant Technical Officer (CTO) who provided valuable input for the work planning process.

PERFORMANCE MONITORING PLAN

The Performance Monitoring Plan (PMP) completed during the second quarter of 2006 by the Trade Facilitation and Capacity Building Team with the assistance of the short-term Monitoring and Evaluation Expert, Richard Swanson, comprises 39 indicators which are grouped under TFCB's project Components 1, 3, and 5 as well as an additional category of macro-indicators (See Annex 1).

The indicators were chosen on the basis of (a) their ability to be quantified, (b) the ability of Trade Hub personnel to obtain the data, and (c) the degree to which they are truly indicative of how the project is meeting its established goals.

During the third quarter of 2006, TFCB team members were responsible for collecting data from key stakeholders in the region, tracking Trade Hub activities and events, and populating the database that was completed in the second quarter for tracking purposes.

This Quarterly Report marks the first time the results of these data are presented. The results can be found in Tables 1-10 of the Annexes.

Certain indicators demonstrate surprising results. Indicator #14, for example, "Number of Requests from the Private Sector for Support and Training, and Advocacy Assistance" showed an astonishing growth from 6 private sector requests during the first year of the project to 52 during the second year. This bears witness to the increasing relevance the Trade Hub is having for trade-related issues and trade projects in the region. Similarly, the number of hits on the Trade Hub's website, www.satradehub.org (Indicator #32), increased by 223% from the first quarter of 2006 to the last quarter of the same year which also demonstrates an increasingly higher profile for the Trade Hub.

Tracking results in the area of trade facilitation (Component 3) remains a work in progress. This information is being provided by selected private sector partners (e.g., freight forwarders, transportation companies, etc.), and orienting them as to methods of tracking and reporting the

information needed is a continuing process. The data presented here for Indicators 16 through 21 is still in preliminary draft form and will undergo continued revision and refinement over the next quarter.

Judging from preliminary results, the PMP will be an essential tool for gauging the progress and degree of success of the Trade Facilitation and Capacity Building Project. Quarterly results will continue to be presented in subsequent Quarterly Reports for the information of all stakeholders.

TRADE COMPETITIVENESS

BACKGROUND

The Trade Hub's Trade Competitiveness activities seek to improve the capacity of regional businesses and clusters to produce and market competitive goods and services. Activities endeavor to develop value-adding export relationships within the region and internationally by providing access to technical assistance. Much of the work planned assists producers, exporters, and countries to maximize benefit from AGOA opportunities.

During this quarter, the Competitiveness Team continued work in the target sectors: exportable agriculture and textiles and apparel. The following represents highlights of activities, aimed at improving the competitiveness of enterprises in Southern Africa.

- In collaboration with the Africa Fast Track Trade (AFTT) program and in conjunction the other Trade Hubs, the SA Trade Hub sent a delegation of 6 companies to the New York Material World trade show in September. This trade show is a high profile, well-attended event that attracts participants from around the world. This year's show featured an African Pavilion which provided an opportunity for producers from across Africa to show their product. The Trade Hub worked with AFTT to select, support and provide capacity building for companies positioned for export success to attend the show from four Southern African countries.
- In an effort to strengthen the Botswana Cattle Producers Association (BCPA), the Trade Hub advertised for and hired a general manager for the BCPA. This position is being funded by monies from the Botswana Trust Fund, a U.S. Embassy initiative with the Government of Botswana. The General Manager will be responsible for the daily operation of this organization and development of material to be used during an educational campaign. Efforts of BCPA are aimed at changing the pricing strategy and herd management in this vital sector.
- Identification of organic producers from throughout the region in an effort to meet the increasing demand for organic product in South Africa. It is anticipated that this segment of the market will continue to grow and represents a continuing opportunity for producers of fresh fruits and vegetables in all of Southern Africa.
- The Permanent Secretary of Trade in Namibia, Andrew Ndishishi, has been working with the Trade Hub on diversification in the fishery sector, as part of an overall AGOA export diversification scheme. Agribusiness Advisor Craig Carlson and Amanda Hilligas traveled to Namibia in the third quarter to meet with stakeholders and finalize additional assistance in the fishery sector.
- Working with USAID/Washington, the U.S. Trade Representatives Office (USTR) and USAID/Southern Africa, the Trade Hub spent a considerable amount of time preparing for the Southern Africa regional AGOA workshop. This workshop, which will take place in October 2006, will focus on exporting processed food products to the US. The Trade Hub has been tasked with development of the agenda, identification of speaker and participants and overall organization of this event. It is anticipated that the event will be attended by approximately 140 people from the Southern Africa region and the US.

The Trade Competitiveness activities, similar to all Trade Hub activities, focus on providing support to the region via a combination of technical assistance and training. The technical assistance is provided either by resident specialists or short-term experts hired locally, regionally or internationally. Training is provided in the form of in-country workshops and seminars, regional conferences, observational travel, and participation in trade shows or industry conferences.

The Trade Competitiveness team has developed distinct approaches for each of sub-sectors: exportable agriculture products and apparel. In accordance with USAID policy, gender, HIV/AIDS, and environmental concerns are also incorporated in each. Highlights under each of the three sectors and in the area of AGOA Support are described below. Crosscutting work in the area of HIV/AIDS mitigation is also described.

EXPORTABLE AGRICULTURE

Botswana

- **Melon Production**

The quarter saw the Trade Hub continuing work with the Botswana Horticulture Council and local farmers to develop melon production in Botswana for the South African market. After the initial trials, four varieties of melons – two sweet melons and two watermelons were selected based on interest expressed by South African buyers. Six farmers are now growing the melons as part of an initial small-scale commercial production run that will be harvested and in stores in early December.

- **Support to BCPA**

In a continued effort to support the Botswana Cattle Producers Association (BCPA), the Trade Hub sponsored monthly meetings at its facilities throughout the quarter. During the quarter the Trade Hub worked with the BCPA to identify a candidate to serve as the organization's General Manager. After developing a scope of work for this position, advertisements were placed in three publications in Botswana. Numerous candidates applied for the position with Mompati Solomon being selected as the most qualified. The tasks to be undertaken by the General Manager (GM) will be threefold. First the GM will focus on day to day operations of the organization. Secondly, the GM will be responsible for communications and information sharing between the widely dispersed cattle producers within Botswana. Finally, the GM will be responsible for the development of material to be used to inform the producers about the benefits of weaner production and the means for establishment of such a system.

BOTSWANA CATTLE PRODUCERS ASSOCIATION



Malawi

- **Assessment of USAID Agriculture Programs**

In September, Mr. Carlson participated in an assessment of USAID agriculture programs in Malawi at the invitation of USAID/Malawi Sustainable Economic Growth (SEG) Team. Mr.

Carlson addressed supply chain management issues, market development components, and regional trade for the assessment. The team is preparing a report detailing its findings and recommendations.

For additional information see trip report by Craig Carlson, Malawi, September 2006.

Mozambique

- **Mozambican Fresh Produce to South Africa**

During this quarter, Mr. Carlson provided assistance to an organic nut producer from Mozambique and a South African natural products company, who will be using the nuts to make organic Peanut Butter. Mr. Carlson provided information and guidance on import procedures for a transaction between the two companies. The first shipment of 18 tons was made in August with more anticipated in the future. The product is one of 200 organic products that Pick-n-Pay is introducing in their stores throughout South Africa.

- **Guide to Importing Fresh Produce into South Africa**

Previously the Trade Hub Trade Competitiveness team developed a manual entitled “*Practitioner’s guide to importing fresh produce into South African markets*”. The goal of this manual is to assist producers in Southern African countries to understand the procedures to follow when exporting into South Africa. During this quarter, the Guide was translated in Portuguese and is available on the Trade Hub website at www.satradehub.org

Namibia

- **Assistance in Seafood and Agricultural Industries**

Amanda Hilligas and Craig Carlson traveled to Namibia the first week of August to discuss work in the seafood and agriculture industries. They met with stakeholders from trade associations, the Government of Namibian and U.S. Government officials. This travel was in response from the Ministry of Trade and Industry of Namibia to examine the current capacities of the fishing sector in regard to market diversification. As a result of this trip, the Trade Hub is now finalizing the scope of work with the Ministry of Fisheries and Marine Resources for work to examine and make recommendations on market and product diversification.

For additional information see trip report by Amanda Hilligas and Craig Carlson, Namibia, August 2006.

Also see “AGOA Support” Section, “AGOA Diversification in Namibia” for further details.

South Africa

- **Follow up to All-Fresh Conference**

Craig Carlson continued to follow up on opportunities identified during his attendance at the All-Fresh Conference in South Africa in August. This included working with a South African fruit and vegetable processor to identify sources of litchi and organic vegetables in the region. Another



opportunity being investigated is a possible opportunity to export potatoes from the region to Ghana.

For additional information see the trip report by Craig Carlson, South Africa, August 2006.

Mr. Carlson, also responded to a request for assistance by members of the Market Access for Sub-Tropicals (MAST) industry working group to provide assistance to locate and understand current European Union regulations on Minimum Residue Levels (MRLs).

The opportunity to supply South African retailers with Broccoli and Cauliflower in January, February and March, was also investigated. This time frame represents a period when volumes are at low levels due to unfavorable growing conditions as a result of higher temperatures. Mr. Carlson began discussions to determine feasibility of growing brassicas in the region during this time frame.

- **Market Access**

Mr. Carlson also provided additional assistance to a South African natural foods company on UK labeling requirements for a line of bath products based on essential oils supplied by BEE enterprises.

Zambia

- **Assistance with Organic Certification**

This quarter, the Trade Hub continued work with a Zambian chili grower and processor that has identified an opportunity for organic production. After assisting the firm to determine the steps required for certification, the Trade Hub this quarter assisted the firm investigate the feasibility and expense associated with organic certification. After consultation with Afrisco/Ecocert, an organic certification group, estimates were received for the cost of certification. The Trade Hub will provide assistance to help defray the cost of the initial certification. The grower will also likely receive technical assistance from OPPAZ, the Zambian organic producers association, to help develop internal control procedures and layout the critical points of the certification audit.



- **Importation of Baby Vegetables**

Last quarter the Animal and Plant Health Inspection Service (APHIS) amended the fruits and vegetable regulations allowing importation to the United States of fresh dehusked immature (baby) sweet corn and fresh baby carrots from Zambia.

In response to this amendment, the Trade Hub conducted a baseline review to determine market prices as an initial step in determining the feasibility of exporting to the US market. During the time frame of the approval procedure, market conditions have been dynamic. This includes a valuation of the local currency and an increase in transportation costs due to increased fuel prices. The price review will provide a starting point to evaluate market viability and determine strategy for the growers.

TEXTILES AND APPAREL

Africa Pavilion at the Material World Show: Raising the Profile of African Producers



The AGOA and Apparel Program at the Trade Hub partnered with the West Africa Trade Hub, Africa Fast Track Trade and TradeLinks counterparts on capacity building to support a delegation of four companies to the African Pavilion at the Material World Show in New York City in September 2006.

Background

The United States imported more than \$83 billion in apparel in 2004. Only two percent was sourced in Sub-Saharan Africa. In an effort to penetrate the U.S. market, apparel manufacturers from Southern African countries have exhibited previously at trade shows in the United States. Though many have realized immediate or residual sales from their participation, it is believed that none has reached its full potential in the American market. This leaves a significant opportunity to increase U.S. sales of African manufactured apparel.

African apparel companies across the continent face a common problem when targeting the American market: lack of U.S. buyer awareness and confidence in African suppliers. For African apparel manufacturers to realize full success in the U.S. market, a unified effort is needed to build high buyer awareness and strong confidence in manufacturers' ability to meet U.S. market demands by producing and delivering consistently high quality goods, on time, at competitive prices, and within U.S. Customs and security requirements.

The Southern African Trade Hub, Africa Fast Track Trade, TradeLinks and the West Africa Trade Hub are working together to support companies for the Africa Pavilion at the Material World Trade Show.

The Objective of the Africa Pavilion was to Present U.S. Buyers:

- A large, united, well-organized group of manufacturers and service suppliers in a manner that highlights product quality, design, and manufacturing capacity;
- Logistics professionals including raw materials suppliers, transport companies, freight forwarders, quality testing labs, factory certification firms, and export financing institutions; and
- Preferential duty treatment under AGOA.



Showcase at Shining Century Booth, Lesotho - Africa Pavilion



The Africa Pavilion signage and sponsors

At the request of manufacturers and apparel export organizations in several countries, a team of marketing and trade consultants in concert with the Material World organizers developed an exclusive and unprecedented Africa Pavilion concept for the September 2006 New York edition of the Material World trade show. Material World, produced by Urban Expositions and America's leading apparel trade association, the American Apparel and Footwear Association, is the premier show of the U.S. textile and apparel industry. While the Africa Pavilion presented a critical mass of competent, world-class companies supplying the global apparel trade, each country and company maintained its own unique identity within the pavilion.

The Africa Pavilion Showcased:

- Air, sea, and road transport companies;
- Third party quality testing labs and factory certification firms;
- Export finance banks;

- Special Material World graphically enhanced pre-show e-mail broadcasts to 20,000 industry subscribers;
- Advertisement (logo and web link) of each country represented in the pavilion posted on both English and Spanish language Material World websites;
- Educational seminar for buyers on the advantages of sourcing apparel in Africa, to include summaries of preferential Africa-U.S. trade agreements for apparel;
- Hosted reception for U.S. buyers and press; and
- Large screen DVD presentation showcasing modern factories, efficient ports, good roads, high quality products, in-house design capabilities, integrated companies, raw materials production, and internationally accepted working conditions.

New York is the commercial capital of the world with the highest concentration of textiles and apparel buyers of any city in the world. New York houses the headquarters of a large number of brands and retail chain stores. The show in New York offered a marketplace with access to global and local channels of commerce. Many of the companies from Southern Africa attended meetings with New York buyers after the show, on September 29 in New York City.



The Material World Trade Show's exhibitor base grew over 30 percent from 2005. The show attracted leading apparel, home furnishings and accessory executives from around the world to explore opportunities from the record 475 exhibiting companies. At the Africa Pavilion, firms from the following countries attended: Ethiopia (8), Ghana (8), Botswana (7), Cameroon (4), Nigeria (3), Lesotho (2), and one each from Gambia, Mauritania, Niger, Senegal, Sierra Leone, South Africa, Swaziland, Uganda, and Zambia. These African companies showed the latest products coming from the continent. The Africa Pavilion also hosted a special panel discussion entitled, "Brand Africa Presents: What's New: Sourcing Apparel in Africa". Belinda Edmonds of Cool Ideas, South Africa presented her impressions of the many opportunities for sourcing in Africa.

The Material World Show attracted more than 4,000 buyers, sourcing executives and industry professionals from 38 countries. Companies visiting the Global Pavilion included: Adidas, Banana Republic, Express, Family Dollar, GAP, Jones New York, JCPenny, Kmart, Kalico, Lerner New York, Liz Claiborne, Nike, Macy's Marmaxx, Nautica, Old Navy, Sears & Roebuck, Dillards, Target, Saks 5th Avenue, Value City, Tommy Hilfiger, Wal-Mart, Kellwood, Levi Strauss, Limited Brands, Nordstrom,

"As the sales & marketing director for Label Clothing Botswana, I was privileged to attend The Material World Show. Apart from having our company exposed in the global market and our products promoted to usa buyers, I increased my knowledge on the state of the industry news, technologies and trends in global fabric, trim and apparel sourcing.

The Material World Show gave me the opportunity to cement key business relationships in the United States of America. Being my very first visit to America and meeting potential American buyers for the very first time, I was most astonished by the positive response.

The show proved to be a great success for me from all learned about my competitors and what it takes to be a global supplier. Least to mention the business opportunities I secured!!!"

-Bernice Rensberg, Label Clothing, Botswana

Reebok, Sara Lee, Sears, Target, Timberland, and Wolverine.

Preliminary Results for Southern African Companies: The Southern African Trade Hub sponsored five companies for this event: Cool Ideas (South Africa), Label Clothing (Botswana), Unity Garments (Zambia), Shining Century (Lesotho) and Hippo Knitting (Lesotho). Each company participating in the Material World Show received sample requests and/or orders. More information will be provided regarding deals attributable to the Material World Show in the upcoming quarterly report.

For additional information see the trip report by Amanda Hilligas, September 2006.

AGOA SUPPORT

Table: AGOA Support Program Indicators

INDICATOR	SOURCE	TARGET	QUANTITY Q1	QUANTITY Q2	QUANTITY Q3
DEMAND DRIVEN					
Companies assisted in export logistics requests	AGOA support program files	N/A	10	4	6
Companies requesting AGOA resource tools	AGOA support program files	N/A	65	6	214
Calls received on AGOA inquiries from regional companies	AGOA support program files	N/A	26	8	25
Emails received on AGOA inquiries from regional companies	AGOA support program files	N/A	34	17	70
U.S. government stakeholders requesting information or program assistance	AGOA support program files	N/A	14	22	32
African government stakeholders requesting information or program assistance	AGOA support program files	N/A	3	4	2
MARKET DRIVEN					
Companies assisted for Trade Show support	AGOA support program files	10	10	4	6
Number of people trained on exporting to the United States or product entry into the United States	AGOA support program files	50	73	32	214
Number of U.S. buyers or retailers requesting information on Southern African products	AGOA support program files	N/A	3	9	8
Number of business linkages/networking established with U.S. buyers	AGOA support program files	5	6	5	8

The TCP's AGOA strategy includes: (a) continuation of awareness and information-oriented activities at the country, sub-sector, cluster and enterprise level; (b) promotion of apparel and agricultural exports eligible for duty-free status under AGOA; (c) organization, co-sponsorship or participation in relevant events such as the AGOA Forum; and (d) responding to unique, often unpredictable requests or opportunities to engage in match-making between suppliers and buyers, to facilitate export transactions, and to nurture particular investment or export deals.

Because value-chain and cluster development are more methodical and strategic in nature, they tend to result in larger export gains over time. On the other hand, it is important that the Trade Hub show short-term results and be responsive to the immediate needs of commercial stakeholders and development shareholders alike. For that reason, the TCP is providing support for match-making, discrete transactions, and specific deals, all of which tend to be opportunistic in nature. The main mechanisms for delivering such support will be technical assistance given by the resident AGOA Advisor and short-term technical experts, and observational tours to target markets or to the operations of more experienced players in a particular value chain.

The TCP's AGOA Support Component is designed to provide complementary capacity building and technical assistance at both the firm level and national level to increase the value and volume of exports to the United States from eligible countries in the USAID / Southern Africa region. In the third quarter of 2006, the TCP made significant progress in supporting the AGOA Mission of promoting partnerships that increase trade in goods to the United States. Many firms are in the process of solidifying export partnerships with U.S. firms, due to assistance from the AGOA Program. A matrix outlining deals and the value and volume of trade will be outlined in the final quarterly report for 2006.

New AGOA Tool Launched in the Third Quarter of 2006

As of the end July, the Trade Hub finalized an AGOA resource CD. This resource was prepared to assist the private and public sectors understand, implement, and maximize the benefits of AGOA exports from Southern Africa to the United States. This CD contains seven sections from "Getting Started: Exporting to the United States" to "Policy and Research on AGOA". Each section is designed to give the user a comprehensive understanding of the procedures and requirements to export product to the United States. For a copy contact AGOA@satradehub.org. The AGOA Resource Center is also available on the Trade Hub's web site: www.satradehub.org.



AGOA and Donor Coordination

European Union's Center for the Development of Enterprise Initiative: Regional Cooperation of the Southern African Textile and Clothing Industry

The European Union's (EU) Center for the Development of Enterprise (CDE) has developed a clear strategic approach for supporting the development of the textile and clothing sector in Southern Africa, which is based on the needs expressed by the local companies in the region. After a number of individual interventions during the 1990's, CDE had initiated sectoral studies in the different countries of Southern Africa in 2001/02, in order to obtain a full overview of the realities of the sector and its potential for growth.

Based on the findings of those sectoral studies, an Industrial Participation Meeting (IPM) was held in Maputo in November 2002, which highlighted the fact that little regional integration existed at company level both within the Southern Africa region itself and with its neighbors such as South Africa or Mauritius.

In the wake of dramatic changes on global trade of textile and clothing products with the end of the multi-fiber agreement end 2004 and with the rise of a powerful Chinese textile sector on the world scene, a workshop was organized in Johannesburg in November 2004 on tackling the pressing issue of building regional linkages between companies, eventually leading to a more integrated textile and clothing value chain in the Southern African region, in order to develop strategies for survival for competitive companies.

In 2005, the first emerging business linkages within the region, especially between Mauritius and South African companies started to produce results, with trial orders between regional apparel companies. The business round table in Mauritius in October 2005 followed up on those first leads, while at the same time bringing new capable SADC companies to the table. The issue of closer regional integration came to the forefront of the discussions going beyond one-to-one business relationships, in order to develop a clear competitive advantage in the international markets, which one country sector alone is not able to fulfill.

The July 2006 meetings in Johannesburg were a continuation of this program that has resulted in significant business deals to the European and American markets.

This business to business program created by the CDE was highly useful to companies attending from the SADC region, and resulted in significant trade deals for participating firms. While the focus was exporting to the European market, the Trade Hub should consider, with concurrence with stakeholders and EU donors, participating in the next event in 2007 to include the American marketplace, especially with regard to exporting apparel under AGOA.

For additional information see the trip report by Amanda Hilligas, July 2006.

AGOA Diversification in Namibia

Exportable products in the Fishery Sector

The Permanent Secretary of Trade in Namibia, Andrew Ndishishi, has been working with the Trade Hub on diversification in the fishery sector, as part of an overall AGOA export diversification scheme. Following a scoping mission in 2005, Agribusiness Advisor Craig Carlson and Amanda Hilligas traveled to Namibia in the third quarter to meet with stakeholders and finalize additional assistance in the fishery sector.

The Ministry of Trade and the Ministry of Fisheries and Marine Resources has requested the service of a consultant to undertake a review of current value addition activities, market requirements, and examining the market potential and viable options for improving the fishing industry in the Walvis Bay region. The Trade Hub is identifying an expert that will be able to assist the Ministry of Trade with this request that will focus on two specific tasks:

1. An analysis of Namibia's current fishery capabilities.
2. Identification of potential new markets allowing for the diversification of Namibian seafood products.

In the fourth quarter of 2006, a fisheries expert will travel to Namibia to conduct this work and provide a report to the Namibian Ministry of Trade.

For additional information see the trip report by Amanda Hilligas and Craig Carlson, August 2006.

Doing Business in Zambia Seminars

Following a request from the Economic Section of the U.S. Embassy in Lusaka, the AGOA Advisor participated in two doing business seminars held in Lusaka and Kitwe Zambia. The Embassy used BFIF funding to conduct the seminars and invited roughly 100 participants in both Lusaka and Kitwe to the seminars.



In addition to inviting the Trade Hub, the U.S. Trade and Development Agency, the U.S. Foreign Commercial Service, and the USAID bilateral program MATEP participated in the seminars.

U.S. Ex-Im Bank

Pamela Ward presented on behalf of the U.S. Export-Import Bank and discussed product availability in Southern Africa. Ms. Ward highlighted success stories in Nigeria, Cameroon, Mali, Mauritius and South Africa.

United States Trade Development Agency (USTDA)

Doug Shuster discussed the work of USTDA including technical assistance, feasibility studies, training, orientation visits and workshops that are supporting the development of modern infrastructures in Southern Africa and promoting free markets.

United States Foreign Commercial Service (USFCS)

Pamela Ward discussed the activities of the U.S. Foreign Commercial Service (USFCS), including reverse trade missions and supporting members of the Southern African business community to trade shows in the United States. Ms. Ward also discussed the Commerce Department's "Gold Key" service in detail.

Overseas Private Investment Council (OPIC)

In Lusaka, the Embassy conducted a DVC with the Overseas Private Investment Council (OPIC), and in Kitwe, Pamela Ward discussed the program activities of the Overseas Private Investment Council. Projects in Southern Africa include bringing potable water to communities in need, housing, and establishing fixed wireless networks.

MATEP – USAID Zambia

Dr. Scott Simons discussed the Market Access and Enabling Policies Project (MATEP) at each seminar. The MATEP project is a five-year USAID project designed to increase Zambia's exports of agricultural and natural resource products into regional and international markets. MATEP is initially focusing on eight product value chains and on tourism. The value chains are horticulture, paprika, honey, coffee, livestock, cotton, maize and cassava. The MATEP project also has a finance component using investment capital and technical assistance to promote short-term and medium-term lending to exporting enterprises by piloting innovative lending partnerships with financial sector institutions.

For additional information see the trip report by Amanda Hilligas, August 2006.

AGOA Regional Seminar for West Africa

The AGOA Advisor and the Director for Trade Facilitation and Capacity Building participated in the Regional AGOA Workshop for West Africa, entitled, “Expanding Export Opportunities” in order to provide assistance to West Africa Trade Hub counterparts, and gain insight and ideas for the Southern Africa Regional AGOA Workshop, to be held in Cape Town, South Africa in October 2006.

West African producers of apparel, home décor and fashion accessories gathered in Accra, Ghana, on August 9 and 10 for a regional workshop aiming to boost exports under AGOA. The United States Trade Representative and the United States Agency for International Development, working through the USAID-funded West Africa Trade Hub/Accra, hosted the workshop to provide training and in-depth market insight for West African entrepreneurs who are seeking to increase and diversify exports to the U.S. market.

The workshop focused special attention on AGOA export opportunities in specific sectors and to help producers in these areas learn how to access the U.S. market. The workshop focused on the following products: hand loomed or hand-woven textile products (“AGOA Category Nine”), interior decorating or handicraft items, jewelry, and apparel.

AGOA is the cornerstone of President Bush's trade and investment policy toward Sub-Saharan Africa. AGOA's objectives include promoting free markets, expanding U.S.-African trade and investment, stimulating economic growth, and facilitating regional integration and sub-Saharan Africa's integration into the global economy.

To continue to realize the potential benefits of AGOA, eligible sub-Saharan African countries need to diversify their export base, develop intra-regional trade linkages, and enhance their external competitiveness. The Office of the U.S. Trade Representative released an AGOA Competitiveness Report (available at www.agoa.gov) that describes some of the export sectors with the greatest potential in AGOA-eligible countries as well as means to address barriers preventing the full development of these sectors.

The West Africa Regional AGOA Sectoral Workshop was the second in a series of regional workshops across the African continent that will facilitate improvement in design, production, and marketing as well as promote increased trade and investment under AGOA. This workshop was partially funded by USAID and organized by the West Africa Trade Hub, based in Accra, Ghana. During the workshop, SA Trade Hub representatives gained valuable insight on how to focus topical areas and operate the Southern Africa Regional AGOA Workshop, scheduled for October 2006 in Cape Town, South Africa.

For additional information see the trip report by Amanda Hilligas and Lisa Yarmoshuk, August 2006.

Southern Africa AGOA Workshop



In the third quarter of 2006, The Trade Hub, with direction from the United States Trade Representative (USTR) and USAID Washington, prepared for the Regional AGOA Workshop for Southern

Africa, entitled, “Expanding Processed Food Exports Under AGOA” at Le Vendome Hotel in Cape Town, South Africa to be held from October 11-12, 2006.

The purpose of the workshop is to focus special attention on African Growth and Opportunity export opportunities in the processed and specialty food and ingredient sectors, in order to promote and expand exports of these products to the U.S. market.

A delegation of eight experts from the United States including American food distributors, brokers, and marketing experts will travel to the workshop in Cape Town to share their expertise with participants from more than 14 Southern African countries. More than 140 participants will learn about U.S. regulatory requirements and techniques to increase exports and distribution to the United States in processed foods, including specialty foods and ingredients.

The Southern Africa AGOA Workshop will build on work that the Trade Hub has done on the specialty food sector, including the 2006 Fancy Food Show, held in Chicago in May 2006.

South Africa: Category 9 Eligibility under AGOA

AGOA provides duty and quota free benefits for hand loomed, handmade, or folklore articles made in beneficiary sub-Saharan African countries. This provision is known as "Category 9".

In Executive Order 13191, the President authorized CITA (Committee for the Implementation of Textile Agreements), after consultation with the Commissioner of Customs and Border Protection, to consult with beneficiary sub-Saharan African countries and to determine which, if any, particular textile and apparel goods shall be treated as being hand loomed, handmade, or folklore articles.

Each AGOA-eligible country in Southern Africa has submitted and qualified for Category 9 provisions with the exception of South Africa. During the third quarter of 2006, the Trade Hub engaged with the South African Government to provide technical assistance to proceed with approval for Category 9 provisions under AGOA.

Next Steps for South Africa’s Approval for Category 9 Benefits:

1. The AGOA Advisor left the Department of Trade and Industry (DTI) of South Africa with a resource CD outlining the steps for Category 9 submission and requested that this was shared with the National Craft Steering Committee in October 2006.
2. The AGOA Advisor recommended that the South African government submit a small sample of eligible products, and could then add additional products at a later date, in order to facilitate a faster Category 9 approval. The AGOA Advisor made this recommendation with the advice of U.S. Department of Commerce International Trade Specialist, Anna Flaaten.
3. The AGOA Advisor will assist the DTI with a product list, description, samples, pictures, and contact details, and facilitate the Category 9 sample submission to the U.S. Department of Commerce.
4. The DTI will determine the next meetings with the AGOA Advisor in quarter 4, in order to continue with the Category 9 submission process.

For additional information see the trip report by Amanda Hilligas, September 2006.

SUPPORT FOR HIV/AIDS MITIGATION

The Trade Hub continued its work in Zambia for HIV/AIDS workplace interventions. These activities focus on capacity building of clusters of firms to adequately respond to HIV/AIDS thus minimizing the impacts on the competitiveness.

HIV/AIDS Advisor Paolo Craviolatti provided technical assistance to the HIV/AIDS workplace mitigation activities for the Zambia Export Growers Association (ZEGA). This assistance included support to ZEGA in design of their activities and identification of candidates to fill key personnel slots. These activities are being undertaken by ZEGA and are coordinated with the MATEP project to ensure synergies with this Bilateral USAID program. The activities scheduled to be provided by ZEGA will be carried out by the ZEGA Training Trust (ZTT).

SECTION III: PLANNED ACTIVITIES AND RESULTS

October - December 2006

TRADE HUB MANAGEMENT, TRADE FACILITATION AND CAPACITY BUILDING

EXPECTED ACHIEVEMENTS

The Trade Facilitation and Capacity Building activities of the Trade Hub directly address the goals of the President's TRADE Initiative as well as tracking closely with the focus of the African Global Competitiveness Initiative (AGCI). The Trade Hub works to promote regional integration and cooperation by strengthening the ability of sub-Saharan African countries and businesses to develop economic policy and create an improved business environment towards developing regional and international trade.

Specific results in the fourth quarter of 2006 will build on previous activities and projects and are expected to include the following:

- Year 3 Work Plan completed;
- First draft of the assessment of Trade Facilitation in Angola complete;
- Compendium on trade and commerce laws for Swaziland complete by Trade Hub-contracted lawyers;
- Discussion paper on rules of origin in the context of EPA negotiations prepared;
- Guide on preferential trade arrangements made available to Lesotho;
- Report on harmonization of stock exchange listing rules produced;
- Trade Advisor for Botswana Ministry of Trade and Industry, Department of International Trade, appointed and mobilized to post;
- National Zambian Time Release Study with findings, conclusions, recommendations and an Action Plan finalized and handed over to the Commissioner-General of Zambia Revenue Authority;
- Roll-out of SAD 500 and TKC harmonized transit procedures extended to all non-SACU countries of the region;
- Report on proposed cargo hub in Botswana completed;
- Issue 7 of the Trade Hub newsletter Inside Southern African Trade (INSAT) published;
- Regional workshop on Expanding Processed Food Exports under AGOA, sponsored and organized by the United States Trade Representative and USAID/Washington, in Cape Town, South Africa, October 11-12, held.

These achievements are expected to result from the following planned activities for the fourth quarter of 2006. The activities are organized according to Intermediate Results (1-4) of the African Growth and Competitiveness Initiative (AGCI). Each activity is demand-driven and

strategically designed to advance the work of TFCB work program and make a maximum contribution to the overall goals of the project

- Improving the policy, regulatory and enforcement environment for private sector-led trade and investment
- Improving the market knowledge, skills, and abilities of workers and private sector enterprises
- Increasing access to financial services for trade and investment
- Facilitating investments in infrastructure

PLANNED ACTIVITIES

The requests from the third quarter of 2006 as well as the ongoing projects started previously will generate a wide range of activities during the fourth quarter of 2006. The technical activities planned for the next quarter, organized by task, are expected to include the following:

Improving the policy, regulatory and enforcement environment for private sector-led trade and investment

The focus here is on the trade and investment enabling environment, private sector competitiveness and economic opportunity.

- At the request of the Lesotho National Development Corporation (LNDC), start preparations and research leading to the production a guide of preferential arrangements which provide preferential market access to Lesotho's exports.
- Finalize the compendium of trade and commerce laws in Swaziland, for the Swazi Chamber of Commerce which will serve as a tool for their outreach and capacity building activities.
- Carry out an assessment of the status of trade facilitation in Angola relative to the WTO Trade Facilitation Negotiations third generation proposals.
- At the request of the Ministry of Industry in Angola, prepare a program to conduct training on rules of origin for Angola, in partnership with tralac.
- In collaboration with Tralac, undertake the review of the Economic Partnership Agreements (EPA) negotiations process for the SADC – EPA group of countries.
- At the Request of SIPA conduct a process improvement workshop to facilitate implementation of the Swaziland Investor Roadmap recommendations pertaining to business and trade licensing regimes.
- Complete the recruitment process for a Trade Advisor for the Ministry of Trade and Industry, Department of International Trade and arrange mobilization to post; continue implementing activities under the Botswana Trust Fund administered by the Trade Hub.

Improving the market knowledge, skills, and abilities of workers and private sector enterprises

The focus here is on trade and investment promotion as well as trade knowledge, skills and communication.

- Organize an event designed to empower the private sector of Malawi to effectively engage with government on trade issues, using the private sector advocacy film of the Trade Hub's Trade Issues Film Series as a catalyst for discussion to be held during the fourth quarter of 2006 or the first quarter of 2007.
- Organize similar private sector events and showings of the Trade Hub's Trade Issues Films in Namibia and Mozambique to be held during the fourth quarter of 2006 or the first quarter of 2007.
- Organize a national showing of some of the films in the Trade Issues Film Series in Lesotho, particularly the trade preferences, business environment and transport corridors and HIV/AIDS films to be held during the fourth quarter of 2006 or the first quarter of 2007.
- Provide Trade Hub personnel to serve as panelists (showing two Trade Hub films) and sponsor 2 journalists to the "Covering Trade and Globalization" Seminar in Johannesburg, South Africa, from November 1-4, 2006, organized by the Graduate Journalism Programme of Witswatersrand University and the Initiative for Policy Dialogue, Colombia University, with the support of the Open Society Institute.
- Present at a series of Chamber of Commerce roundtables, organized by the U.S. Consulate in Durban, on business environment, AGOA and the work of the Trade Hub.
- Attend the NBF Networking Forum in Pretoria on November 16.
- Coordinate with and assist the Women in Business Association (WIBA) of Botswana to successfully conclude the Membership Campaign begun in June, to develop institutional sustainability, and to implement a savings mobilization scheme for its members.
- Administer assistance to BOCCIM under the Botswana Trust Fund, and coordinate with them the development of their capacity-building programs.
- Publish the seventh issue of *Inside Southern African Trade (INSAT)* – a special issue on competitiveness.
- Begin developing the eighth issue of INSAT for distribution in early 2007.
- Continue to develop a series of success stories and case studies which highlight the work of the Trade Hub.
- Add capabilities to the existing website that make it a more powerful and relevant tool for accessing information on the region's trade issues.

Increasing access to financial services for trade and investment

The focus here is on the financial sector enabling environment and financial services.

- Prepare an analytical paper to support regional stock exchange harmonization and consolidation.
- Work with microfinance institutions in assessing countries and specific institutions which could benefit from Trade Hub interventions in this area;
- Support the implementation of a regional Bond Guarantee Scheme.

Facilitating investments in infrastructure

The focus here is on transport services, communications services and modern energy services.

Facilitate the completion of the Final Phase of WCO Time Release Study in Zambia. This will involve analysis of data collected by the TRS Working Group and completion of the national TRS Report with findings, conclusions, recommendations and Action Plan for removing the identified bottlenecks.

- Work with Customs Administrations of Malawi, Mozambique and Zambia in the implementation of TRS Action Plans.
- For the Dar es Salaam Corridor, work with Zambia, Malawi and Tanzania Revenue Authorities and the Dar Corridor Interim Committee to complete roll-out of SAD 500 and TKC harmonized Customs transit procedures.
- For the Maputo Corridor, work with Alfandegas de Mozambique, the South African Revenue Service (SARS) and the Maputo Corridor Committee to complete roll-out of SAD 500 and harmonized transit procedures.
- For the Trans Cunene Corridor (from Walvis Bay to Lubango in Southern Angola), work with Namibian and Angolan Customs Administration and the TKC Management Committee to adapt TKC harmonized transit procedures and SAD 500.
- Work with Malawi and Mozambican officials and other stakeholders in the development of a one-stop border joint control at the main Malawi / Mozambique border of Mwanza / Zobe.
- Submit specific proposals for the collection of a tonnage levy for approval by the Dar es Salaam Corridor.
- For the Maputo Corridor, facilitate the establishment of the Transport Modal Work Groups for the Mpumalanga Freight Logistics Forum in Nelspruit, South Africa, on October 9.
- Follow up the approval of the hosting agreement for the TKC Program Coordinator (PC) to enable the PC to assume office.
- Develop and initiate implementation of plans for rolling out the Cross Border Vehicle Overload Control System (CBOCS) to the TKC border posts.

- Discuss with the Angolan Officials the request from the Namibian Government for the Trade Hub to initiate a facilitation program on the Trans Cunene Corridor.
- For the North-South Corridor, develop and initiate implementation of plans for rolling out the Cross Border Vehicle Overload Control System (CBOCS) to the Kazungula Ferry border post between Botswana and Zambia.

TRADE COMPETITIVENESS

Activities being undertaken by the Trade Competitiveness team during the coming quarter will continue to focus on the identified sectors. It is anticipated they will include:

Exportable Agriculture

The Trade Hub expects to carry out the following activities next quarter:

Botswana

- Continue support to the Botswana Cattle Producers Association.
- Monitor and provide technical assistance to the melon farmers as they complete their second trial. At harvest time the Trade Hub will work with the identified buyers to ensure delivery of product and monitor sales in South Africa.

Malawi

- Assist in identifying markets for macadamia nuts.

Mozambique

- Provide assistance to South African firms interested in sourcing a variety of products from Mozambique.

Namibia

- Based on the rule amendment by APHIS the Trade Hub will provide assistance to table grape growers interested in exporting to the United States.
- With the Ministry of Fisheries and Marine Resources and the Ministry of Trade, undertake the work focused on market and product diversification in the fisheries industry.

South Africa

- Develop a scope of work and hire a full-time person to work with RSA buyers to identify regional supply opportunity and develop grower programs.
- Work with producers to identify and prioritize cross border investment or sourcing opportunities into Swaziland and/or Mozambique.

- Undertake a comprehensive study of the windows of opportunities for fresh produce in the South African market and use this information to identify sources from throughout the region.

Zambia

- Communicate results of U.S. baby vegetable price survey with interested parties and assist in the development of an action plan should growers desire to continue to pursue the U.S. market.
- If application submitted and approved, participate in training provided by the PUM Dutch Expert for Zambian banks.
- Provide technical assistance for organic certification to the Zambian pepper producer.

Textiles and Apparel

The Trade Hub expects to carry out the following activities next quarter in the textile and apparel sector:

- Possible trips to Zambia, Malawi and Swaziland to assess considerable changes in the industry (updates, additional vendor opportunities for U.S. retailers, areas of possible assistance, etc.)
- Follow-up on opportunities which arise from participation in Material World.
- Continue deal-making introductions for entities in Southern Africa.

AGOA Support

The Trade Hub expects to carry out the following activities next quarter:

- Report and deal matrix on AGOA exports in the apparel and processed food sectors, expected in November 2006.
- Visit by consultant Barrett Hightower to assist with South Africa's Category 9 approval process and reporting and quantifying AGOA transactions and resulting impact upon employment for 2006.
- Implement the Southern Africa Regional AGOA Workshop entitled, "Expanding Processed Food Exports under AGOA".
- Selection of firms to participate in the New York Fancy Food Show, held in July 2007.
- Client agreements on technical assistance for specialty food client companies.
- Travel to Lesotho for sector work in apparel and related infrastructure concerns.
- Post trade show support for companies attending Material World Show in September.
- Distribute AGOA Resource CD to U.S. Government stakeholders.

SECTION IV: FINANCIALS

TRADE FACILITATION AND CAPACITY BUILDING

a. Budget	\$24,711,932
b. Cumulative expenditures before this quarter	\$ 6,680,824
c. Expenditures during this quarter	\$ 844,469
d. Cumulative expenditures through this quarter (b+c)	\$ 7,525,293
e. Remaining budget (a-d)	\$17,186,639
f. Obligated amount	\$13,484,438
g. Remaining obligated amount (f-d)	\$ 5,959,145

TRADE COMPETITIVENESS

a. Budget	\$6,911,503
b. Cumulative expenditures before this quarter	\$2,675,556
c. Expenditures during this quarter	\$ 736,131
d. Cumulative expenditures through this quarter (b+c)	\$3,411,687
e. Remaining budget (a-d)	\$3,499,816
f. Obligated amount	\$3,499,816
g. Remaining obligated amount (f-d)	\$5,483,010

ANNEXES

Annex 1: Overview of Trade Facilitation & Capacity Building (TFCB) Project Performance Monitoring Plan (PMP)

USAID Strategic Objective 14: A More Competitive Southern African Economy

#	Indicator	Indicator Owner	Definition / Unit Measure	Data Source	Schedule for Collection ³
STRATEGIC RESULTS SHARED WITH TRADE COMPETITIVENESS COMPONENT PROJECT AND OTHERS					
<p><i>TRADE Strategic Objective: Integration of African Economies into Global Markets Increased</i> <i>OPIN⁴ Indicator: Growth in AGOA Exports</i> <i>RCSA⁵ Goal⁶: Equitable, Sustainable Economic Growth in a Democratic Southern Africa</i></p>					
Regional Macro Trade Impact Indicators					
1	\$ Value of AGOA exports from 10 AGOA-eligible countries of the Southern Africa to the US increased ⁷	TRADE, OPIN SO 14 Indicator 1	\$, Disaggregated by country	US International Trade Commission (USITC) http://dataweb.usitc.gov , completed by TSG/USA	Quarterly
2	\$ Value of all exports from 14 SADC countries to the US increased ⁸	TRADE	\$, Disaggregated by Country	US International Trade Commission (USITC) http://dataweb.usitc.gov , completed by TSG/USA	Annual
3	\$ Value of SADC exports to other Southern Africa (14 SADC) countries increased for (a) All Products (b) Total HS Code Products (differentiated into 9 categories)	TRADE	\$, Disaggregated between inter-SADC trade countries	International Trade Center (ITC) Trade Map Database, http://www.trademap.org , completed by TSG/USA	Annual
4	\$ Value of all exports from 14 SADC countries increased to (a) EU and (b) Asia	TRADE	\$, Disaggregated into Asia, EU	International Trade Center (ITC) Trade Map Database, http://www.trademap.org , and Eurostat http://europa.eu.int/comm/trade/issues/bilateral/regions/acp/stats.htm , completed by TSG/USA	Annual
5	\$ Value of Selected Exports from Seven Target Southern Africa Trade Hub countries to the World increased ⁹ for (a) All Products (b) Total HS Code Products (differentiated into 9 categories)	SO 14 Indicator 2	\$, Exports of selected products categories,	International Trade Center (ITC) Trade Map Database, http://www.trademap.org , completed by TSG/USA	Annual
6	\$ Value of Foreign Direct Investment into Seven Target Southern Africa Trade Hub Countries increased	SO 14 Indicator 3	\$ in FDI in countries targeted by Southern Africa Trade Hub	United Nations Conference on Trade and Development; www.unctad.org , completed by TSG/USA	Annual
Overall Southern Africa Trade Hub Performance Indicators					
7	# of Success Stories Identified and Communicated	TFCB	Short articles prepared for INSAT, HH, Web Page and Communication Releases of successful interim steps contributing towards a more competitive Southern Africa Region	TFCB team members	Semi-Annual
8	# of official requests from SADC countries for trade policy, transportation/customs and other assistance & training received by TFCB	TFCB	Demands for assistance from bilateral USAID missions, embassies, trade ministries, chambers of commerce, and other stakeholder groups; % for which assistance was provided Last quarter of year will provide data of nature of requests, requesting agency, disaggregated by country)	TFCB team records and team members	Quarterly
9	# of laws, regulations, procedural changes, and trade agreements made in achievement of institutional reforms ¹⁰	OPIN, TFCB	Includes follow-up of Roadmap recommendations Last quarter of year will provide data disaggregated by country)	Government published sources, TFCB team reports, Government counterparts, TFCB team members	Annual

³ Quarterly means information will be reported in quarterly reports, semi-annual means information will be reported in the January-February-March and July-August-September quarterly reports; annual means data will be reported in end of fiscal year quarterly report submitted in July-August-September report, which also includes plans for the next annual work plan

⁴ OPIN = Online Presidential Initiative Network

⁵ RCSA = Regional Center for Southern Africa

⁶ The Trade Facilitation and Capacity Building project is especially linked to the following bilateral mission SOs: Mozambique: Labor Intensive Exports Increased; Namibia: Increased Economic Benefits from Trade and Investment; South Africa: Economic Capacity Building; Zambia: Increased Private Sector Competitiveness in Agriculture and Natural Resources

⁷ AGOA: eligible: Ten countries: South Africa, Lesotho, Swaziland, Botswana, Namibia, Mozambique, Angola, Zambia, Malawi, and Tanzania

⁸ SADC: Fourteen countries: Angola, Malawi, Zambia, Tanzania, Mozambique, Botswana, Lesotho, South Africa, Namibia, Swaziland, Zimbabwe, Democratic Republic of Congo, Madagascar, and Mauritius,

⁹ Southern Africa Hub Target Countries: Seven countries: Namibia, Swaziland, Zambia, Lesotho, Botswana, Mozambique, and Malawi

Component #1: Capacity Building and Policy Reform for Trade and Competitiveness

SO 14 Intermediate Result 14.1: *Enhanced Policy and Regulatory Environment for Competition and Free Trade*
 TRADE Intermediate Result 1: *Enabling Environment for Business and Trade in Africa Improved*

	Indicator	Indicator Owner	Definition	Data Source	Schedule for Collection
SO 14, IR 1 1: Improved regional capacity to negotiate, formulate, implement gender-sensitive policies and regulations that support competition and free trade					
TRADE IR 1 1: Institutional capacity for trade policy formulation improved					
10	# of research and analytic documents, reports, studies, prepared by Hub team members and consultants	TFCB	Research studies, trip reports, analysis of trade capacity building issues that are fully or partially sponsored by the TRADE Hubs (include time release studies, quarterly reports, INSAT & HH); Each quarter will provide an annex of the list of studies and reports completed (Title, Date, Author)	TFCB Dialogue Unit	Quarterly
11	# of Trade Policy Conferences, Seminars, Workshops, etc completed	TFCB	This indicator will track all such formal meetings, for all components of the project Last quarter of year will provide data disaggregated by country, gender, and project focus area (i e policy – customs – transportation – public sector linkage with public sector)	TFCB training reports	Semi-Annual
12	% of these Conference, Seminar, etc Meetings which included representatives of both public and private sectors working together	TFCB	An objective of the project is to bring public/private stakeholders together to develop policies and make changes needed; this indicator will show progress in this endeavor	TFCB training reports	Semi-Annual
SO 14, IR 1 2: Effective private sector advocacy for gender-sensitive policy, regulatory, and procedural reforms that address impediments to competition and free trade					
13	# of private-public sector workshops on topics of specific concern to private sector trade issues completed	TFCB	Last quarter of year will provide data disaggregated by country and trade sector	TFCB training reports	Annual
14	# of requests from the private sector for support, training, and advocacy assistance	TFCB	Requests for assistance from chambers of commerce, private sector firms/individuals, etc	TFCB team and consultant reports,	Semi-Annual
15	# of individuals from Private Sector benefiting from Trade advocacy seminars, consultations, workshops, and training programs	TFCB	Individuals, members of chambers of commerce and business associations, associations, women in business, etc , disaggregated by country	TFCB team training reports	Semi-Annual

¹⁰ Laws and regulations might involve streamlining of the investment and exporting system, customs reforms such as implementation of SAD500, actions taken on investor roadmap recommendations, creation of one-stop border stations, changes in rules governing weigh stations and truck axle-weight controls, etc

Project Component #3: Trade Facilitation (Customs Modernization and Transport Facilitation)

SO 14 Intermediate Results 14.3:
TRADE Intermediate Result 1:

Key Transaction Costs Reduced
Enabling Environment for Business and Trade in Africa Improved

	Indicator	Indicator Owner	Definition	Data Source	Schedule for Collection
SO 14, IR 3 1: Improved efficiency and transparency of customs, transit, and trade facilitation operations					
TRADE IR 1 2: Institutional constraints to trade reduced					
16	Average Hours/Truck between Arrival/Release of transit cargo decreased at: (a) Tunduma Border Station (Tanzania) and (b) Mwanza Border Station (Mozambique)	TFCB	Using actual stages in the process of passing through these border stations, data will be kept on transit times	Two private sector freight forwarders, already tracking this process, have agreed to provide the Hub with regular updates of the times for their trucks to pass these border stations	Semi-Annual
17	Average Hours decreased to move truck cargo through: (a) Ressano Garcia & Lebombo (Mozambique/South Africa) (b) Tunduma & Nakonke, and (Tanzania/Zambia) (c) Mwanza & Zobre Border Posts (Malawi/Mozambique)	TFCB	% decrease in # of hours for trucks to pass through three sets of borders (currently each with two border posts) Each is receiving hub support to improve efficiency	Data will be provided from completion of spreadsheets provided to private sector freight forwarders moving trucks through these borders	Semi-Annual
18	Cost (US \$/MT) decreased to move cargo between (a) Johannesburg to Windhoek; (b) Johannesburg to Maputo Port; (c) Zambia copper belt to Dar es Salaam Port; (d) Blantyre, Malawi to Beira Port	TFCB	Average Road freight charges, in \$, for transporting a MT ton (Unit = 1 20' container) cargo of goods from point of commencement on corridor to point of delivery	Specific Freight forwarders/road transport associations have agreed to furnish these data over life of project	Tracked quarterly, but reported semi-annually
19	# of days for truck to complete round-trip decreased along four target Hub transportation corridors: (a) Johannesburg to Walvis Bay, Namibia; (b) Blantyre, Malawi to Beira Port; (c) Johannesburg to Maputo Port (d) Zambia copper belt to Dar es Salaam Port	TFCB	# of days for transporting cargo (Unit = 1 20' container) load of goods from point of commencement on corridor to port terminals	Specific Freight forwarders/road transport associations have agreed to furnish these data over life of project	Tracked quarterly, but reported semi-annually
20	# of Hub Target Countries using SAD 500 simplified customs transit forms for cargo trucks	TFCB	Number of countries whose transport corridors using SAD 500, and harmonized road user charges, overload controls, etc	SADC Secretariat and Secretariats of Corridor Management Committees	Annual
21	# of Days/Container dwell time decreased at (a) Dar es Salaam Port imports(Tanzania) and (b) Maputo Port imports (Mozambique) (c) Maputo Port exports (Mozambique)		Dwell time is the time between the arrival of a ship at port, and the discharge of a specific container from the Port to a freight forwarder	Each port keeps track of this critical piece of information, as cargo needs to be moved out of the port as quickly as possible to make room for new incoming cargo, as well as out-bound cargo	Annual
TRADE IR 1 3: Physical constraints to trade reduced					
22	Metric Tons (MT) of Export cargo increased along four target corridors – (and exported out of Maputo, Dar es Salaam, Beira, and Walvis Bay Ports) (a) Walvis Bay Port (b) Maputo Port (c) Beira Port (d) Dar es Salaam Port	TFCB	Data will be disaggregated by country exporting cargo along each corridor, including # of containers Import figures will be provided as well # number of vessel visits will also be provided in tracking spreadsheet	Two months following end of each calendar year, data for the previous year will be provided by Port authorities directly by email to Hub transport advisor, Evans Marowa In some cases, data will be provided quarterly	Quarterly, when possible
23	Metric Tons (MT) increased for both import/export cargo handled by the four corridor ports: (a) Walvis Bay Port (b) Maputo Port (c) Beira Port (d) Dar es Salaam Port	TFCB	Data for exports and imports, in metric tons, are available at each port, and are reported on a monthly basis, in some cases	Data will be reported on a quarterly basis to the hub, via email	Quarterly, when possible

Component # 5: Dialogue for Competitiveness

TRADE Strategic Objective:

Strategic Objective 14:

OPIN* Indicator:

RCSA ** Goal:

Integration of African Economies into Global Markets Increased

A More Competitive Southern African Economy

Growth in AGOA Exports

Equitable, Sustainable Economic Growth in a Democratic Southern Africa

	Indicator	Indicator Owner	Definition	Data Source	Schedule for Collection
Hub Responsiveness Indicators					
24	Person months of Long-Term technical assistance provided	TFCB	1 person month = 22 eight-hour days	TFCB Dialogue Unit	Quarterly
25	Person Days of Short-Term technical assistance provided	TFCB	1 person day = 8 hour days = 26 eight-hour days/month; includes support visits from TSG home office	TFCB Dialogue Unit	Quarterly
26	# of trips taken by Hub professional staff outside of Botswana in support of regional program	TFCB	Data will be disaggregated by country, purpose of trip, # of days, traveler	TFCB Dialogue Unit, country clearance requests/ authorization doc	Quarterly
Training Indicators					
27	# of Training Formal Programs completed	TFCB	Training Programs for all components of the project will be noted here; Last quarter of year will provide data disaggregated by country and project component (i e Trade Policy – Customs – Transportation)	TFCB evaluation sheets	Semi-Annual
28	# of people trained	TFCB	People who have gone through training program, workshop, or conference, or received OJT, by type (i e , government official, journalist, exporter, etc), disaggregated by gender, disaggregated by country of trainee	TFCB Dialogue Unit	Quarterly
29	# of person months of training	OPIN	1 person month = 20 eight-hour days	TFCB Dialogue Unit	Quarterly
30	% of those trained who were women	OPIN	%	TFCB Dialogue Unit	Quarterly
31	% of Trainees who found training received to be extremely helpful and informative within context of their professional responsibilities	TRADE TFCB	Participant feedback on institutional training on trade policy to determine effectiveness and appropriateness of training received for increased capacity for deliberations and negotiations; will include feedback from project led workshops and conferences here as well	Participants through survey forms	Semi-annual
Knowledge for Development, Trade Information Sharing					
32	# of Web hits on www.satradehub.org a # of hits b # of Page Views c # of Sessions	TFCB	Definitions:	TFCB database manager	Quarterly
33	# of recipients of Hub's INSAT publication	TFCB	Inside Southern African Trade, total copies: hard-copies mailed out + sent directly electronically + downloaded from Web site	TFCB Dialogue Unit	Quarterly
34	# of recipients of Hub's HH publication	TFCB	Hub Happenings, total copies sent directly electronically + copies downloaded from Web site	TFCB Dialogue Unit	Quarterly
35	# of private sector recipients of INSAT & HH	TFCB	Data disaggregated by recipient category (private sector, public sector, parastatal) by country by trade sector (agri-business, textiles, etc). Private sector desire to become informed of trade issues, leading to their greater engagement and requests for assistance, changes	TFCB Dialogue Unit, Annual Survey sent to all email recipients of Hub communications	Annually
36	# of multi-media segments completed on important regional trade topics	TFCB	Video/CD/DVD segments – short educational film series, streaming video clips, DVDs prepared for training workshops, etc	TFCB Dialogue Unit	Annual
37	# of Public Relation Materials and Press Releases Completed	TFCB	Official public releases in national & regional newspapers, journals, etc	TFCB Dialogue Unit	Semi-Annual
HIV/AIDS Mitigation Indicators					
38	# of HIV/AIDS targeted messages prepared by TFCB and communicated through media	TBCB	Short articles in INSAT, HH, or films addressing regional AIDS issues, including training sessions which prove such messages	TFCB Dialogue Unit	Semi-Annual
Private Sector Investment Indicators					
39	# of Global Development Alliances (GDAs) developed Public private partnerships developed	TFCB		TFCB Dialogue Unit	Annual

Annex 2: Results of Trade Facilitation & Capacity Building (TFCB) Project Performance Monitoring Plan (PMP) through Third Quarter 2006

Table 1: Performance Tracking Table, Indicators 1-6 – Macro Trade Data (Reported Annually)

	INDICATORS	CY 2004 Baseline	Year 1 Calendar Year 2005	% Change from Previous Year	Year 2 Calendar Year 2006	% Change from Previous Year
1	\$ value of AGOA exports from 10 AGOA-eligible countries of Southern Africa to the US Increased	\$ 181,263,000	\$ 232,210,000	28%	not yet available	N/A
2	\$ value of all exports from 14 SADC countries to the US Increased	\$ 12,509,574,000	\$ 16,354,133,000	31%	\$ 11,202,140,948	N/A
3	\$ value of SADC exports to Other Southern Africa (14 SADC) countries					
	3a: All Products	\$ 6,206,070,000	\$ 6,700,832,347	8%	not yet available	N/A
	3b: Total HS Code Products (differentiated into 9 categories)	\$ 239,753,000	\$ 290,283,000	21%	not yet available	N/A
4	4a: \$ value of all exports from 14 SADC countries to the EU Increased	\$ 30,936,230,000	\$ 27,051,346,000	-13%	not yet available	N/A
	4b: \$ value of all exports from 14 SADC countries to Asia Increased	\$ 18,869,888,000	\$ 16,044,927,509	-15%	not yet available	N/A
5	\$ value of Selected Exports from 7 target Southern Africa countries to the World Increased					
	5a: All Products:	\$ 6,807,017,000	\$ 9,865,409,000	45%	not yet available	N/A
	5b: Total HS Code Products (differentiated into 9 categories):	\$ 879,360,000	\$ 1,168,983,000	33%	not yet available	N/A
6	\$ value of foreign direct investment into 7 target Southern Africa countries Increased	\$ 636,000,000	not yet available	N/A	not yet available	N/A

*January – July 2006.

Table 2: Performance Tracking Table, Indicators 7-9 – Overall Southern Africa Trade Hub Performance Indicators

	INDICATORS	CY 2004 Baseline	Q1 + Q2 FY 2005	Q3 + Q4 FY 2005	Total FY 2005	Q1 + Q2 FY 2006	Q3 + Q4 FY 2006	Total FY 2006
7	# of Success Stories Identified and Communicated (Reported Semi-Annually)	0	5	1	6	5	0	5
8	# of Official Requests from SADC Countries for Trade Policy, Transportation/Customs and Other Assistance and Training (Reported Quarterly)	0	25	56	81	22	74	96
9	# of Laws, Regulations, Procedural Changes, and Trade Agreements made in Achievement of Institutional Reform (Reported Annually)	0			0			3

Component 1: Capacity Building and Policy Reform for Trade and Competitiveness

Table 3: Performance Tracking Table, Indicators 10-12 – Institutional Capacity for Trade Policy Formulation Improved

	INDICATORS	Q1 FY 2005	Q2 FY 2005	Q3 FY 2005	Q4 FY 2005	Total/ Avg FY 05	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total/ Avg FY 06
10	# of Research & Analytic Documents Prepared by Hub Team Members and Consultants (including Trip Reports)	7	13	21	26	67	24	25	32	27	108
11	# of Trade Policy Conferences, Seminars, Workshops completed (not training programs)	0	2	7	12	21	2	2	6	5	15
	11a: # of Individuals Attending Project Sponsored Trade Policy Conferences, Seminars, Workshops	0	55	150	577	782	28	129	184	218	559
	11b: % of Individuals Attending who were women?	0%	36%	19%	29%	21%	21%	31%	27%	38%	29%
12	% of these Conference, Seminar, etc. meetings which included representatives of both public-private sectors working together	0%	0%	29%	75%	26%	50%	0%	83%	80%	53%

Table 4: Performance Tracking Table, Indicators 13-15 – Effective Private Sector Advocacy and Procedural Reforms that Address Impediments to Competition and Free Trade

	INDICATORS	Q1 + Q2 FY 2005	Q3 + Q4 FY 2005	Total FY 2005	Q1 + Q2 FY 2006	Q3 + Q4 FY 2006	Total FY 2006
13	# of Private-Public Sector Workshops on Topics of Specific Concern to Private Sector Trade Issues Completed (Reported Annually)			11			10
14	# of Requests from the Private Sector for Support and Training, and Advocacy Assistance	0	6	6	7	45	52
15	# of Individuals from Private Sector Benefiting from Trade Advocacy Seminars, Consultations, Workshops, and Training Programs	20	364	384	21	188	209

Component 3: Trade Facilitation (Customs Modernization and Transport Facilitation)

Table 5: Performance Tracking Table, Indicators 16-21 – Improved Efficiency and Transparency of Customs, Transit, and Trade Facilitation Operations: Institutional Constraints to Trade Reduced

	INDICATORS	CY 2004 Baseline	Total / Avg. FY 2005	Q1 + Q2 FY 2006	Q3 + Q4 FY 2006	Total / Avg. FY 2006
16	16a: Average Hours/Truck between Arrival/Release of transit cargo at Tunduma Border Station decreased (arriving from Dar Port) (Dar Corridor: 550 km)	40	N/A	13.60	11.8	12.7
	16b: Average Hours/Truck between Arrival/Release of transit cargo at Mwanza Border Station decreased (arriving from Beira Port into Malawi) (Beira Corridor)	N/A	N/A	N/A	N/A	N/A
17	17a: Average Hours to move truck cargo through Ressano Garcia & Lebombo Border Posts decreased (transit cargo) (Maputo Corridor)	8	N/A	5.62	5.29	5.42
	17b: Average Hours to move truck cargo through Tunduma & Nakonde Border Posts decreased (transit cargo) (Dar Corridor)	144	N/A	N/A	N/A	N/A
	17c: Average Hours to move truck cargo through Muanza & Zobe Border Posts improved (transit cargo)(Beira Corridor)		N/A	N/A	N/A	N/A
18	18a. \$/MT cost to move cargo between Joburg and Windhoek decreased (by road)	N/A	N/A	N/A	N/A	N/A
	18b. \$/MT cost to move cargo between Joburg and Maputo decreased	N/A	N/A	N/A	N/A	N/A
	18c. \$/MT cost to move cargo between Zambia copper belt/Lusaka to Dar es Salaam Port decreased	67	N/A	95	N/A	95.00
	18d. \$/MT cost to move cargo between Blantyre and Beira Port decreased	62	N/A	N/A	N/A	N/A
19	19a: # of Days for truck to complete RT Joburg - Walvis Bay - Joburg Decreased	N/A	N/A	3.60	3.63	3.62
	19b: # of Days for truck to complete RT Dar Port - Zambia - Dar Port Decreased	16.1	N/A	N/A	10.72	10.72
	19c: # of Days for truck to complete RT Beira Port - Blantyre - Beira Port Decreased	N/A	N/A	8	N/A	8.0
	19d: # of Days for truck to complete RT Maputo Port - Joburg - Maputo Port Decreased	4	N/A	N/A	N/A	N/A

	INDICATORS	CY 2004 Baseline	Total / Avg. FY 2005	Q1 + Q2 FY 2006	Q3 + Q4 FY 2006	Total / Avg. FY 2006
20	# of hub countries using SAD 500 simplified customs transit forms for cargo trucks	2	2			2
21	21a. # of Days/Container dwell time decreased, Dar es Salaam, imports (Ship container arrival to release to freight forwarder)	17.10	20.20			N/A
	21b. # of Days/Container dwell time decreased, Maputo imports (Ship container arrival to release to freight forwarder) (Maputo Port)	11.90	12.70			N/A
	21c. # of Days/Container dwell time decreased, Maputo, exports (Ship container arrival to release to freight forwarder) (Maputo Port)	17.50	16.70			N/A

N/A=Not available

Table 6: Performance Tracking Table, Indicators 22-23 – Physical Constraints to Trade Reduced Along 4 Trade Hub-Targeted Trade Corridors

	INDICATORS	CY 2004 Baseline	Total FY 2005	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total FY 2006
22	Metric Tons (MT) of Export Cargo moved through four target Southern Africa ports increased							
	22a: TKC (Joburg-Botswana-Namibia) Corridor export cargo moved through Port of Walvis Bay (Namibia)	N/A	1,452	237,208	264,882	245,204	*	747,294
	22b: MT of Joburg - Maputo Corridor export cargo moved through Port of Maputo (Mozambique)	2,031,710	2,350,660	511,735	412,500	570,240	647,460	2,141,935
	22c: MT of Blantyre, Malawi - Beira Corridor export cargo moved through Port of Beira (Mozambique)	149,612	0	41,087	26,141	22,966	17,100	107,294
	22d: MT of DRC - Lusaka - Zambia - Dar Corridor export cargo moved through Port of Dar es Salaam, Tanzania	190,045	195,252	48,245	45,425	61,667	*	155,337
23	Metric Tons (MT) of export & import cargo through 4 Southern Africa Ports increased							
	23a: MT handled by Walvis Bay Port, Namibia Increased (imports/exports)(all cargo)	2,350,120	3,031,357	649,490	808,684	904,182	pending	2,362,356
	23b: MT handled by Maputo Port, Mozambique Increased (imports/exports)(all cargo)	5,567,784	6,381,722	1,550,713	1,250,000	1,728,000	1,962,000	6,490,713
	23c: MT handled by Beira Port, Mozambique Increased (imports/exports)(all cargo)	1,312,763	0	374,775	416,432	533,662	396,759	1,721,628

INDICATORS	CY 2004 Baseline	Total FY 2005	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total FY 2006
23d. MT handled by Dar es Salaam Port, Tanzania Increased (imports/exports)(all cargo)	6,054,019	6,371,974	1,665,813	1,642,676	1,522,526	pending	4,831,015

*Data not yet available.

Component 5: Dialog for Competitiveness

Table 7: Performance Tracking Table, Indicators 24-26 – Hub Responsiveness Indicators

INDICATORS	Q1 FY 2005	Q2 FY 2005	Q3 FY 2005	Q4 FY 2005	Total/ Avg FY 05	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total/ Avg FY 06
24 Person months of Long Term Technical Assistance Provided	2.8	13.9	17.0	18.3	52	17.1	22.4	23.3	23.5	86
25 Person Days of Short-Term Technical Assistance Provided	100	491	597	563	1,751	271	300	252	131	954
26 # of Trips Taken by Hub Professional Personnel outside Botswana	3	16	20	29	68	24	32	30	44	130

Table 8: Performance Tracking Table, Indicators 27-31 – Training Indicators

INDICATORS	Q1 FY 2005	Q2 FY 2005	Q3 FY 2005	Q4 FY 2005	Total/ Avg FY 05	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total/ Avg FY 06
27 # of Training Programs Completed	0	0	2	1	3	1	2	1	4	8
28 # of People Trained	0	0	57	20	77	12	21	3	124	160
29 # of Person-months of Training Completed	0	0	1.5	2.4	3.91	0.45	2.64	0.68	2.14	5.91
30 % of Trained who were Women	0%	0%	47%	25%	36%	50%	33%	67%	44%	49%
31 % of Trainees who rated training as extremely helpful/informative	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%

Table 9: Performance Tracking Table, Indicators 32-37 – Knowledge for Development/ Trade Information Sharing

	INDICATORS	CY 2004 Baseline	Q1 FY 2005	Q2 FY 2005	Q3 FY 2005	Q4 FY 2005	Total/ Avg FY 05	Q1 FY 2006	Q2 FY 2006	Q3 FY 2006	Q4 FY 2006	Total/Avg FY 06
32	# of Web hits on www.satradehub.org											
	32a: # of hits	100,000	N/A	N/A	N/A	N/A	N/A*	87,345	175,096	187,799	195,465	645,705
	32b: # of Page Views	56,000	N/A	N/A	N/A	N/A	N/A*	33,356	80,644	93,829	100,544	308,373
	32c: # of Sessions	18,000	N/A	N/A	N/A	N/A	N/A*	6,090	13,778	16,204	16,205	52,277
33	# of Copies of Hub's INSAT Publication Sent out	N/A	N/A	N/A	2,922	5,049	7,971	5,189	5,258	5,726	8,120	24,293
34	# of Copies of Hub's HH Publication sent out	N/A	N/A	N/A	1,800	2,996	4,796	3,382	2,934	3,634	3,578	13,528
35	# of Private Sector Recipients of INSAT and HH (Reported Annually)	N/A					N/A					2,191
36	# of Multi-Media Segments Completed on regional trade topics (Reported Annually)	0					0					7
37	# of Public Relation Materials & Press Releases Completed	0		6		16	22		2		10	12

*TFCB took over the maintenance and management of the web site in August 2005

Table 10: Performance Tracking Table, Indicators 38-39 – Cross-Cutting HIV/AIDS Mitigation Indicator and Private Sector Investment Indicators

	INDICATORS	Q1 + Q2 FY 2005	Q3 + Q4 FY 2005	Total FY 2005	Q1 + Q2 FY 2006	Q3 + Q4 FY 2006	Total FY 2006
38	# of HIV/AIDS targeted messages prepared by TFCB and communicated through the media (written, electronic, video.)	0	1	1	0	1	1
39	# of Global Development Alliances (GDAs) Public-Private Partnerships Developed (Reported Annually)			1			0