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ACRONYMS

| | |
|----------|--|
| AAR | American Association of Railroads |
| ABC | American Business Council |
| AGCI | African Growth and Competitiveness Initiative |
| AGOA | African Growth and Opportunity Act |
| APHIS | Animal & Plant Health Inspection Services |
| ASYCUDA | Customs Management information System |
| B2B | Business to Business |
| BHC | Botswana Horticulture Council |
| BNA | Angolan Central Bank |
| BOCCIM | Botswana Confederation of Commerce, Industry & Manpower |
| BUSA | Business Unity South Africa |
| CARANA | CARANA Corporation |
| CBOCS | Cross Border Vehicle Overload Control System |
| CDC | Center for Disease Control |
| COMESA | Common Market for Eastern and Southern Africa |
| COMSEC | Commonwealth Secretariat |
| CTO | Cognizant Technical Officer |
| DEA | Department of Energy Affairs |
| DFID | Department for International Development (of the United Kingdom) |
| DTI | Department of Trade and Industry |
| EAC | East African Community |
| EIA | Environmental Impact Assessment |
| EPA | Economic Partnership Agreement |
| EMTF | Energy Ministerial Task Force |
| ESI | Electricity Supply Industry |
| ETG | Energy Thematic Group |
| EU | European Union |
| FCM | False Coddling Moth |
| FHI | Family Health International |
| FTA | Free Trade Area |
| FY | Financial Year |
| GTZ | German Agency for Technical Cooperation |
| HIV/AIDS | Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome |
| HS | Harmonized System |
| ICFF | International Contemporary Furniture Fair |
| ICP | International Cooperating Partners |
| IEHA | Initiative to end Hunger in Africa |
| INSAT | Inside Southern African Trade |
| KSA | Knowledge Sharing and Skills Analysis |
| LNDC | Lesotho National Development Cooperation |
| LRA | Lesotho Revenue Authority |
| MATEP | Market Access, Trade and Enabling Policies |
| MCLI | Maputo Corridor Logistics Initiative |
| MOU | Memorandum of Understanding |
| NATHAN | Nathan Associates Incorporated |
| NARUC | National Association of Regulatory Utility Commissions |

| | |
|--------|--|
| NPPO | National Plant Protection Organization |
| NTB | Non Tariff Barriers |
| ORE | Office de Regulation Electricité |
| PEPFAR | (The United States) President's Emergency Plan for Aids Relief |
| PMAESA | Port Management Association of East and Southern Africa |
| PSI | Population Services International |
| RERA | Regional Electricity Regulators Association of Southern Africa |
| SACU | Southern African Customs Union |
| SAD | Single Administrative Document |
| SADC | Southern African Development Community |
| SAIBL | Southern Africa Investment & Business Linkages |
| SARA | South African Railways Association |
| SARS | South African Revenue Service |
| SIPA | Swaziland Investment Promotion Authority |
| SME | Small and Medium Enterprises |
| SPS | Sanitary and Phytosanitary |
| STTA | Short-Term Technical Assistant |
| SWEEP | Swaziland Enterprise and Entrepreneurship Program |
| TBT | Technical Barriers to Trade |
| TC | Trade Competitiveness |
| TCP | Trade Competitiveness Project |
| TF | Trade Facilitation |
| TFCB | Trade Facilitation and Capacity Building |
| TIFI | Trade, Industry, Finance, and Investment (SADC) |
| TIMS | Trade Information Management System |
| TKC | Trans Kalahari Corridor |
| TKCMC | Trans Kalahari Corridor Management Committee |
| TMCM | Trade Monitoring and Compliance Mechanism |
| TNF | Trade Negotiating Forum |
| TOR | Terms of Reference |
| TRADE | Trade for African Development and Enterprise |
| TRALAC | Trade Law Centre for Southern Africa |
| TRS | Time Release Study |
| TSG | The Services Group |
| US | United States |
| USG | United States Government |
| USDA | United States Department of Agriculture |
| USAID | United States Agency for International Development |
| USTR | United States Trade Representative |
| VAT | Value Added Tax |
| WCO | World Customs Organization |
| WTO | World Trade Organization |
| YOHO | Botswana Youth Health Organization |
| ZRA | Zambia Revenue Authority |

EXECUTIVE SUMMARY

The second quarter of Financial Year (FY) 2008 - January 2008 to March 2008 - realized some significant accomplishments, proving that the Southern Africa Global Competitiveness Hub (Trade Hub) can outperform new African Global Competitiveness Initiative (AGCI) targets in all four areas of activity:

1. Trade: Trade and Investment Enabling Environment;
2. Private Sector: Private Sector Competitiveness;
3. Infrastructure: Modern Energy Services; and
4. Infrastructure: Transport Services.

The major highlight of this quarter was the signing of the Memorandum of Understanding (MOU) on February 22, 2008, between the Regional Electricity Regulators Association (RERA) and the United States Government (USG) (represented by the U.S. Embassy in Botswana and the United States Agency for International Development Office for Southern Africa (USAID/Southern Africa)). The MOU will facilitate energy-related technical assistance from the Trade Hub to RERA and is very timely in removing some of the impediments to investment in the electricity sector. The assistance is also expected to contribute to the development of regional electricity regulatory authorities so that they can play a pivotal role in creating an enabling environment that will, among other things, promote private sector participation in addressing the electricity shortages currently being experienced in the region.

Other major accomplishments during the second quarter of FY 2008 include:

- Work on facilitating the implementation of tariff phase downs in line with the SADC Summit decision to launch a SADC Free Trade Area (FTA) by August 2008. During this quarter, assessments were conducted on countries that were found to be lagging behind during the 2007 audit of the implementation of the SADC Protocol on Trade. In addition, 2008 tariff phase down notifications were reviewed and assessed to establish their compliance with the schedules approved in 2000 by the Ministers responsible for trade. The findings were presented to the Senior Officials Task Force on Economic Integration meeting in February 2008 and Member States approved a matrix of actions to be undertaken before August 2008.
- Facilitating finalization of a draft Sanitary and Phytosanitary (SPS) Annex to the SADC Protocol on Trade which was presented to the SADC Trade Negotiating Forum (TNF) for consideration at their meeting from March 20 to 21, 2008.
- The draft Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade was approved by the SADC Trade Negotiating Forum and recommended for adoption by the Senior Officials and the Committee of Ministers responsible for trade at their next meeting scheduled for June 2008.
- As part of its support to SADC, the Trade Hub transposed the tariff offers of all SADC Member States, with the exception of Madagascar, which is yet to be reviewed, to the 2007 Harmonized System (HS) of coding.

- Following the Trade Hub Trade Facilitation Assessment for Angola in 2007, Angola has made its first submission to the WTO Trade Facilitation Working Group.
- The Trade Hub provided training on rules of origin to 60 trade and customs officials and private sector representatives in Botswana and Lesotho.
- The Trade Hub collaborated closely with the West Africa and East/Central Africa Trade Hubs to organize an African Pavilion at the February 2008 Magic Marketplace, one of the world's premier fashion and garments trade shows, held in Las Vegas in February 2008. The African Pavilion won the "Best in Show" award, placing Africa on the map as a serious sourcing destination.
- The Trade Hub continued to provide information support to Southern African manufacturers and buyers/investors from the US interested in doing business with the African apparel industry. In the second quarter of FY 2008, Trade Hub staff responded to at least 10 business-oriented inquiries, likely to result in new business for textile and apparel manufacturers in the region.
- Peter Mabeo Furniture, based in Gaborone, Botswana, produces high quality and contemporary furniture that has been featured in the *New York Times* and *O* (Oprah's Magazine). As a result of Trade Hub assistance the company concluded its first major trade deal in January 2008. Mr. Mabeo's products will be launched in the United States in April 2008 as part of the retailer's sustainability line.
- The Trade Hub facilitated the linkage between Animal & Plant Health Inspection Services (APHIS) and the Government of Botswana on a pest survey that once completed, will establish market access for fresh produce into the South African market.
- During the second quarter of FY 2008, the Trade Hub and RERA embarked on a SADC-wide survey to analyze the policy, legal, institutional and regulatory frameworks related to the electricity supply industry (ESI). The main objective of this survey is to make recommendations to the SADC Energy Ministers to improve the governance and performance of the ESI.
- The first draft of the Customs and Excise General Regulations has been completed and will be discussed with the Swaziland Customs Legal Team before it is handed to the Commissioner of Customs and Excise and the Permanent Secretary of Finances in May, 2008.
- A follow-up workshop on customs computer interface, connectivity and electronic data interchange was held in Pretoria from March 11 to 12, 2008, and it was agreed to proceed with the customs interface and connectivity program on the Dar es Salaam, Trans Kalahari and Maputo Corridors, subject to development of user requirements.
- The Trade Hub's efforts to promote transport corridors were lauded by SADC Transport Ministers at a meeting in Gaborone from October 3 to 5, 2007. They hoped for continued collaboration between SADC and the Trade Hub and subsequently identified priorities for the proposed SADC Technical Committees. The Ministers requested that the Trade Hub support SADC with a number of activities that will commence in the third quarter of FY 2008.

- On February 15, 2008, the Trade Hub sponsored the keynote speaker, Ms. Shamini Naidoo, at the American Business Council (ABC) “Which PORT? The Great Transport Debate” seminar held in Gaborone, Botswana. Over 200 participants from throughout the region attended the event.
- The Trade Hub published the 12th issue of its flagship news publication, *Inside Southern African Trade (INSAT)*, at the end of March, which looks at the opportunities and challenges facing the textiles and clothing industries in Lesotho and Swaziland.

1. Trade: Trade and Investment Enabling Environment

As part of its **support to SADC**, the Trade Hub reviewed the 2008 tariff phase down offers made by all the participating countries. The findings were submitted to the Senior Officials Task Force on Economic Integration and the Trade Negotiating Forum (TNF). SADC Member States approved a matrix of actions to be undertaken by Member States and the SADC Secretariat before August 2008 – the date set for the official launch of the SADC Free Trade Area (FTA). In order to ensure that SADC has a fully functional FTA by then, the Trade Hub facilitated the finalization of the draft Annexes on SPS and TBT, which were presented to the Trade Negotiating Forum meetings in March 2008. The TBT Annex was adopted with minor changes.

Trade capacity building activities provided by the Trade Hub in the second quarter of FY 2008 included: rules of origin training for Botswana and Lesotho; work with the Botswana Ministry of Trade and Industry officials on trade in services; submission of a policy brief on trade preferences under the Common Market for Eastern and Southern Africa (COMESA) to Swaziland; and completion of the *Exporter’s Guide to Preferential Trade Arrangements Applicable to Lesotho*.

The Trade Hub provided assistance to several countries in the area of **trade facilitation** to help them prepare for current and future discussions at the World Trade Organization (WTO). At the request of the WTO and USAID/Washington, the Trade Hub participated in the WTO supported trade facilitation assessment of Rwanda in March 2008.

The Trade Hub continued to support the World Customs Organization (WCO) **Time Release Studies**. In this respect, an agreement was reached between USAID/Zambia, the Trade Hub and the Zambia Threshold Project on areas to be handled by the Hub. In Swaziland, the first phase of a Time Release Study was launched in January 2008. The second phase began in March and will be completed in April 2008. The third and final phase is expected to be undertaken in May 2008.

The final report for the **financial sector reform** project in Angola was submitted in February 2008. The findings and recommendations will be presented by the Trade Hub at a stakeholders’ workshop to be held at the Angolan Central Bank (BNA) in Luanda in April 2008.

2. Private Sector: Private Sector Competitiveness

With regard to **exportable agriculture**, the Trade Hub continued to work with Zambia and Mozambique, the two countries identified as target priorities in Southern Africa to supply fresh fruit and vegetables into South African market. The Trade Hub continued to facilitate a structured plan of engagement between the supermarket buyers and farmers and growers that

will most likely result in increased regional trade. The Trade Hub continues to explore opportunities for facilitating agriculture market linkages between South Africa and Mozambique.

During a trip to Mozambique, the Trade Hub identified companies that are either ready to export to South African now or could be in a position to do so with the right mixture of technical and marketing support. A follow-up trip to Swaziland established the strengths and weaknesses of honey producers, with a view to improve the income of beekeepers in the country. The Trade Hub continued to work with the South African Department of Agriculture to facilitate market access for intra-SADC trade.

As part of its activities in the **textile and apparel sector**, the Trade Hub continued to plan for the 2008 Business to Business event, to be held in Pretoria from May 20 to 21. To enable 70 companies from throughout the region to attend, this year, the Trade Hub will share costs with the East/Central and West Africa Hubs. This event will involve focused, pre-matched meetings among regional and U.S. buyers/retailers, sourcing houses, and garment, textile and trim manufacturers. Last year, the event facilitated over US\$8 million in business and helped open the industry's eyes to the potential for strengthening regional integration within the regional apparel supply chain. In collaboration with the other three Trade Hubs in Africa, the Trade Hub developed a 14-booth "Source Africa" pavilion at the MAGIC show held in Las Vegas, Nevada from February 12 to 15, 2008. The pavilion was named "Best in Show" by the Sourcing at MAGIC show organizers. Seven companies from Lesotho, Mauritius, South Africa and Zambia, together with nine other companies from elsewhere in Africa, participated in the show.

The Trade Hub continued its **support to AGOA** during the second quarter of FY 2008 and will be assisting Peter Mabeo Furniture to participate in the May 2008 Contemporary Furniture Fair in New York. With the Trade Hub's assistance, Mr. Talier launched a set of African brands of health bars which are expected to be sold in more than 5,000 stores in the United States towards the end of 2008.

3. Infrastructure: Modern Energy Services

During the second quarter of FY 2008, the Trade Hub prepared and conducted a review of the status of energy-related policy, legal, institutional and regulatory frameworks in the SADC region, as part of its **support to RERA**. The review aims at making recommendations to SADC energy ministers and to improve the governance as well as the performance of the electricity supply industry (ESI).

As part of its support to the **SADC energy sector**, the Trade Hub participated in meetings of the SADC Energy Ministerial Task Force (EMTF) on the implementation of power sector programs and assisted SADC experts and officials to develop and recommend for adoption a road map to accelerate the region's recovery from power shortages. The Trade Hub also assisted the SADC mission to Madagascar to finalize the trip report which was presented by the SADC Executive Secretary to the Government of Madagascar in February.

As support for **new regulators**, the Trade Hub held discussions with the Swaziland Ministry of Natural Resources on their request for technical assistance.

5. Infrastructure: Transport Services

The planned workshop to work out modalities on cross-border roll-out of the **Single Administrative Document (SAD 500)** is expected to be held in the third or fourth quarter of FY 2008.

In the area of **transport corridor work**, the Trade Hub facilitated a workshop of the Trans Kalahari Corridor (TKC) Customs and Transit Facilitation Working Group Task Team, in Johannesburg. The Trade Hub also facilitated a follow-up workshop which examined various approaches to Customs systems interface/connectivity and came up with an implementation strategy for the region.

The TKC Committee is waiting for a go-ahead from the customs authorities of the three countries concerned to implement the **Cross Border Overload Control System (CBOCS)** at all border posts in Namibia.

6. Outreach Activities and Hub Management

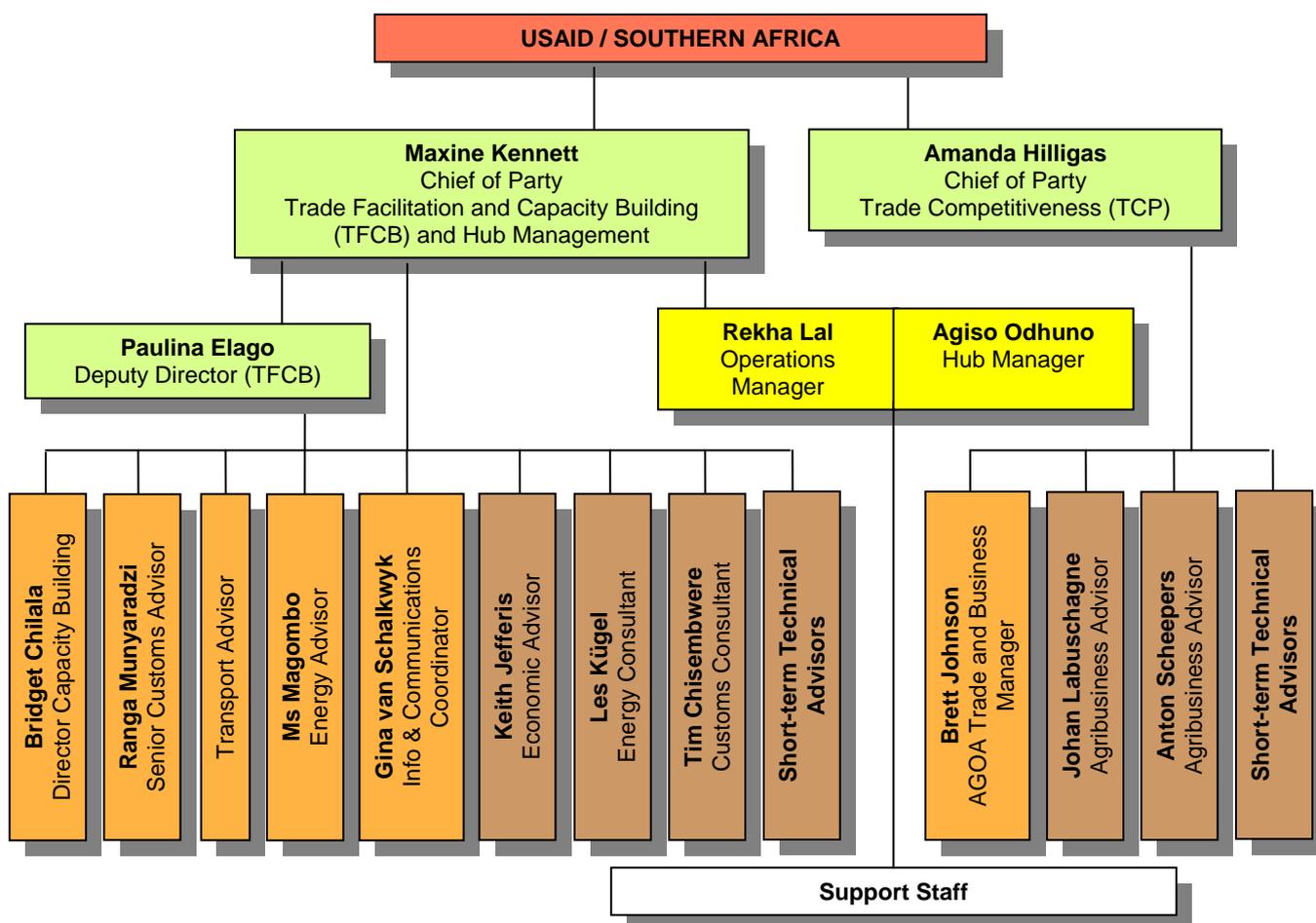
During the second quarter of FY 2008, some of the **important visitors to the Trade Hub** included: H.E. Katherine Canavan, U.S. Ambassador to Botswana; Mr. Anatoly Popsuev, Deputy Ambassador of the Russian Embassy in Botswana; Mr. Setsuo Kosaka, from the Japanese Embassy; Mr. Gary Juste, Deputy Mission Director USAID Southern Africa; and Mr. Silvester Hibajene, Chairperson of RERA.

In terms of its **communications and publications** work, the Trade Hub published the 12th issue of its flagship news publication, *Inside Southern African Trade (INSAT)*, at the end of March 2008, which looks at the opportunities and challenges facing the textiles and clothing industries in Lesotho and Swaziland. Work has started on the 13th issue which will focus on Angola. Also, the Trade Hub series of short educational films are now available with French and Portuguese subtitles.

BACKGROUND

In June 2002, the United States Agency for International Development (USAID)/Southern Africa established the Southern African Global Competitiveness Hub, also known as the USAID Trade Hub, in Gaborone, Botswana. The Trade Hub was established as part of President Bush’s Trade for African Development and Enterprise (TRADE) Initiative launched at the first US/Sub-Saharan Africa AGOA Forum in Washington DC in October 2001.

The Trade Hub team consists of a dozen regional and international experts in the fields of trade policy, trade negotiations, customs, transport, energy issues and business linkages as well as a group of qualified local staff members. The current Trade Hub contract which took effect at the end of 2004 is expected to last until the end of September 2010.



In June 2005, the African Growth and Competitiveness Initiative (AGCI) was announced as a continued source of funding for the Trade Hubs in Africa. In Financial Year 2007 (October 2006 to September 2007) Trade Hub activities were reorganized by USAID/Southern Africa to address four AGCI Intermediate Results (IR):

- IR1: Improving the business and regulatory environment for private sector-led trade and investment;
- IR2: Improving the market knowledge, skills, and abilities of private sector enterprises to trade;
- IR3: Increasing access to financial services for trade and investment; and
- IR4: Facilitating investment in infrastructure.

In September 2007, the Trade Hub was given a supplement to its existing statement of work for FY 2008 until the end of the project.

The new statement of work reflects the priority that the United States Government (USG) has accorded to working with Regional Economic Communities such as the Southern African Development Community (SADC) and to promoting regional harmonization and integration in Africa. In order to realize these goals, USAID/Southern Africa requested the Trade Hub project to focus on four specific elements of the AGCI in FY 2008:

1. Trade: Trade and Investment Enabling Environment;
2. Private Sector: Private Sector Competitiveness;
3. Infrastructure: Modern Energy Services; and
4. Infrastructure: Transport Services.

These four elements constitute the broad activities categories of the technical programs and activities of the Trade Hub.

1. TRADE: TRADE AND INVESTMENT ENABLING ENVIRONMENT

This component includes activities designed to lend support to the SADC to build trade capacity in the countries of the region; to take advantage of opportunities provided by regional and international trade agreements to improve the trade negotiation abilities of the region; and to strengthen the advocacy role of the private sector in the countries of southern Africa.

The Trade Hub tracks four indicators under the AGCI Trade and Investment Enabling Environment heading:

1. Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of Trade Hub assistance;
2. Number of legal, regulatory or institutional actions (not mentioned above) taken to improve implementation or compliance with international trade and investment agreements due to support from the Trade Hub;
3. Number of participants in trade and investment trainings (men/women); and
4. Number of trade and investment environment diagnostics conducted.

Support to the Southern African Development Community (SADC)

The Southern African Development Community Trade Protocol was signed on August 24, 1996. It entered into force on January 25, 2000 and the actual implementation of the provisions of the Protocol commenced on September 1, 2000. The governments of Angola and Madagascar acceded to the Protocol on September 26, 2003 and February 21, 2006, respectively. The Democratic Republic of Congo is yet to accede to the Trade Protocol.

The aim of the SADC Trade Protocol is to establish a Free Trade Area (FTA) that is WTO compliant by 2008. In 2004, the Mid-Term Review of the Trade Protocol identified a number of implementation issues including rules of origin constraints, back-loaded tariff liberalization schedules and inconsistency in executing tariff reductions. Activities in support of SADC during the second quarter of FY 2008 included the following:

As per a Memorandum of Understanding of February 27, 2007, between the U.S. Embassy/Botswana, USAID/Southern Africa and the SADC Secretariat, the USAID Trade Hub, having completed the trade audit during the final quarter of FY 2007: (a) reviewed the actions taken by countries that had been lagging behind with tariff phase downs; (b) prepared a concept note on the design of a trade monitoring and compliance mechanism; (c) started to distribute a Trade Hub produced business guide to the SADC Protocol on Trade; (d) finalized the SPS and TBT Annexes to the SADC Protocol on Trade and; and (e) analyzed the draft Protocol on Trade in services.



To facilitate the *tariff phase down updates*, the Trade Hub engaged a short-term Customs expert, Mr. Timothy Chisembwere, to travel to Mozambique and Zimbabwe to review the reported actions by these countries. In addition, the Trade Hub reviewed the 2008 tariff phase downs made by all the participating countries. The findings of

this work were presented to the Senior Officials Task Force on Economic Integration meeting in February and the Trade Negotiating Forum meeting, from March 20 to 21, 2008. As a result, SADC Member States approved a matrix of actions to be undertaken by each Member State and the SADC Secretariat before August 2008 – the date set for the official launch of the SADC Free Trade Area.

In addition, the Trade Hub facilitated the transposition of the Member States' Tariff Phase Downs Offers/Tariff Reduction Commitments under the SADC Protocol on Trade to HS 2007. The Trade Hub will review all the resubmitted schedules. Member States' reviewed schedules will be posted on the SADC website.

For additional information, see technical and trip reports by Mr. Chisembwere and Ms. Chilala "SADC Trade Audit Updates January 2008", January 22 to 24, 2008, and the "March 2008 update on implementation of the SADC Protocol on Trade".

With respect to designing **a trade monitoring and compliance mechanism** (TMCM) for the Trade, Industry, Finance, and Investment (TIFI) Directorate of the SADC Secretariat, Ms. Bridget Chilala, Trade Capacity Building Director, submitted a concept note to the Secretariat and discussions have continued, with a view to eventually circulate the note to the SADC Member States for approval or adoption.

During the same period, the Trade Hub also started to distribute the Trade Hub produced "**Business Guide to the SADC Protocol on Trade**". The Business Guide will serve as one of the tools that SADC will use to publicize the opportunities that a FTA will present to business as outlined in the SADC communications strategy for the launch of the SADC FTA.

For additional information, see technical report "A Business Guide to SADC Protocol on Trade".

In order to ensure that SADC has a fully functional FTA by August 2008, the Trade Hub facilitated the **finalization of the draft Annexes on SPS and TBT** which were presented to the Trade Negotiating Forum meetings in March 2008. The TBT Annex was adopted with minor changes and Member States agreed that further comments on the SPS Annex should be sent to the SADC Secretariat in order to complete a final draft by June 2008.

For additional information, see the meeting report prepared by Ms. Chilala "SADC Trade Negotiating Forum Meeting, Gaborone", March 20 to 21, 2008.

Ms. Chilala continued to work closely with the SADC Secretariat and other International Cooperating Partners (ICPs) to organize **a trade in services workshop** for SADC which will include the TNF on trade in services and other relevant stakeholders. It has been tentatively scheduled for June 2008. At the national level, Ms. Chilala worked closely with Ms. Paulina Elago, Trade Facilitation and Capacity Building Deputy Director (TFCB), on preparations for a Trade Hub-facilitated national workshop on trade in services for Botswana scheduled for April 2008.

Planned Activities, SADC Support:

As part of follow-up activities to the trade audit, the Trade Hub will conduct a

comprehensive audit on Madagascar's implementation of the SADC Protocol on Trade. Madagascar, which had only started implementing the tariff phase downs at the beginning of 2007, was not covered under the audit that year.

Ms. Chilala will continue to work on designing the online *trade monitoring and compliance mechanism (TMCM)* for the Trade, Industry, Finance, and Investment (TIFI) Directorate of the SADC Secretariat, with a view to presenting it to SADC Trade Negotiating Forum for consideration and eventual adoption. The mechanism takes into account what has already been approved for monitoring non-tariff barriers (NTBs) in the region. The TMCM also addresses compliance through linkages to the SADC Dispute Mechanism.

The Trade Hub will facilitate the establishment of SPS and TBT enquiry points for SADC Member States that have not yet established such enquiry or information points.

Ms. Chilala will be traveling to Maputo from April 23 to 25, 2008, to make a presentation at the “*First International Conference on Regional Integration Issues and SADC Law*” at the Joaquim Chissano International Conference Centre in Maputo from April 23 to 25, 2008.

Trade Capacity Building

Between now and 2010, the SADC Member States will be engaging in finalizing complex trade negotiations and implementing outcomes. However, like most developing countries, they lack the institutional and technical capacity to fully and effectively implement their regional integration agenda. The multi-faceted and multi-level negotiations will therefore require SADC Member States to strengthen their analytical capacities at the national level.

During the second quarter of FY 2008, the following activities were carried out to strengthen the capacity building efforts in SADC Member States:

- **Botswana**

At the request of the Ministry of Trade and Industry, the Trade Hub conducted training on rules of origin from March 17 to 18, 2008. About 30 participants from government ministries and agencies that are responsible for the negotiation and/or implementation of various trade agreements participated in the training at the Trade Hub's Gaborone offices. The main objective was to enhance the much needed capacity to negotiate and implement trade agreements – specifically aspects related to rules of origin. Private sector representatives also attended the training. Ms. Elago facilitated the training with the assistance of Ms. Aurelie Walker, a visiting Trade Analyst at the Trade Hub.



For additional information, see meeting report by Ms. Elago and Ms. Walker “National Rules of Origin Training for Botswana”, March 17 to 18, 2008.

During the second quarter, the Trade Hub held discussions with the Ministry of Trade and Industry officials concerning possible support by the Trade Hub in the area of trade in services. As a result of these discussions, the Trade Hub will facilitate a one-day seminar on trade in services for the private sector at the Trade Hub. The seminar will seek to raise awareness and sensitize the private sector on the services negotiations both, in the context of WTO, and the Economic Partnership Agreements (EPAs), in addition to encouraging active private sector participation in the preparatory process at national level.

- **Lesotho**

During the second quarter of FY 2008, Ms. Talitha Bertelsmann-Scott and Ms. Elago completed the exporter’s guide to preferential trade arrangements applicable to Lesotho. Ms. Elago presented the guide to representatives of private sector associations and the Ministry of Trade and Industry, Cooperatives and Marketing, at a meeting convened by the Lesotho National Development Corporation (LNDC), on March 28, 2008, in Maseru, Lesotho.



From March 27 to 28, 2008, Ms. Elago and Ms. Walker conducted a training workshop on rules of origin at the request of the Lesotho Revenue Authority (LRA). The workshop was attended by 27 stakeholders from the public and private sector in Lesotho. The majority of participants were customs officials who required basic training on methodological aspects, application and implementation of rules of origin requirements applicable to various trade agreements.

For additional information, see technical report by Talitha Bertelsmann-Scott and Ms. Elago “The Exporter’s Guide to Preferential Trade Arrangements Applicable to Lesotho”. In addition, also see trip report by Ms. Elago and Ms. Walker “National Rules of Origin Training for Lesotho”, March 27 to 28, 2008.

- **Swaziland**

Ms. Elago continued consultations with Mr. Zizwe Vilane, the Swaziland Investment Promotion Authority’s (SIPA) Director for Foreign Direct Investment, to finalize a scope of work for the development of an investment policy for Swaziland. The Trade Hub has also identified an expert who will carry out this activity starting at the beginning of May 2008.

Following earlier discussions with Swaziland’s Principal Secretaries for Foreign Affairs and Trade and Finance, on September 25, 2007, it was agreed that the Trade Hub will develop two policy briefs for Swaziland. During the second

quarter of FY 2008, Mr. Robert Kirk, AECOM International Senior Vice President Economic Growth Division, Ms. Elago and Ms. Nikki Duncan, a short-term consultant, continued to work on the policy briefs. In addition, Mr. Kirk and Ms. Elago held follow-up discussions with the Principal Secretary for the Ministry of Finance, Mr. Dumisani Masilela, and the Principal Secretary of Foreign Affairs and Trade, Mr. Clifford Mamba, when they traveled to Swaziland from January 24 to 26, 2008. The first study which assesses the economic impact of the potential loss of trade preferences that Swaziland currently enjoys as a non-reciprocal member within COMESA Free Trade Area (FTA) was completed and submitted to Swaziland. The second study will examine Swaziland's current trade policy and discuss imminent challenges to further regional integration, arising from transformation within the Southern African region. It will be completed during the third quarter of FY 2008.

For additional information, see technical report by Ms. Duncan, Mr. Kirk and Ms. Elago on "An Assessment of Swaziland's participation within COMESA and the economic implications of further Regional Integration" and trip report by Mr. Kirk and Ms. Elago, "Travel to Swaziland regarding trade policy options studies", January 24 to 26, 2008.

- **Namibia**

The Trade Hub has completed the report on the Ramatex Namibia case study which assesses the impact of AGOA on investment in African manufacturing. The report has been presented to the Namibian Ministry of Trade and Industry for review.



For additional information, see report by Mr. Frank Flatters "Ramatex Namibia: Government Policies and the Investment Environment".

Planned Activities, Trade Capacity Building:

- **Namibia:** Ms. Elago will travel to Namibia to discuss the implementation of Trade Hub support to Namibia, including scheduling of planned activities.
- **Swaziland:** The Trade Hub will develop an investment policy for Swaziland. Mr. Peter Carr, an investment expert, will travel to Swaziland to consult key stakeholders and to carry out research related to this task. The Trade Hub will also continue to support SIPA on the implementation of the Investor Roadmap including: the action plan for recommendations related to company registration; trade licensing; health inspection; and entry permits.
- **Swaziland:** Mr. Kirk, Ms. Elago and Ms. Duncan will finalize the policy brief on trade policy options for Swaziland. The Trade Hub will also present the findings and recommendations to key stakeholders in Swaziland.
- **Botswana:** The Trade Hub will facilitate a private sector sensitization workshop on trade in services.

- **Southern Africa Customs Union (SACU) region:** The Trade Hub will facilitate a round table to discuss issues related to trade facilitation within the SACU region.
- **South Africa:** At the Request of Business Unity South Africa (BUSA), the Trade Hub will facilitate a round table on trade in services.
- **Namibia:** The Trade Hub will conduct a training workshop on rules of origin for Namibia's customs officials.
- **Namibia:** The Trade Hub will sponsor a national workshop on trade in services for Namibia.
- **Southern Africa Development Community (SADC) region:** The Trade Hub will facilitate a round table on textile and garments sector for policy makers and manufactures in the region.

Assessment of the Status of Trade Facilitation

In order to prepare themselves for current and future discussions on trade facilitation at the World Trade Organization (WTO) with other countries and trading blocks, several countries have requested that the Trade Hub assist them with a self 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.

Ms. Chilala travelled to Rwanda at the request of USAID Washington on behalf of the Fast Trade contract as one of the facilitators for the WTO supported trade facilitation self assessment for Rwanda from 10 to 14 March, 2008.

For additional information, see meeting report on "Rwanda Trade Facilitation Assessment", March 10 to 14, 2008.

Planned Activities, Assessment of Status of Trade Facilitation:

- **Swaziland:** The Trade Hub will conduct a trade facilitation assessment for Swaziland in June, 2008, using the revised WTO Basic Guide and Tool. The Trade Hub will conduct this in collaboration with the WTO.

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.

- **Zambia:** The Zambian Revenue Authority (ZRA) submitted the final version of the TRS Report together with a prioritized TRS Action Plan and asked for further

technical assistance in the implementation of the recommended measures. An agreement was reached with USAID/Zambia, the Trade Hub, and the Zambia Threshold Project on work to be undertaken by the Hub.

- **Swaziland:** From January 21 to 25, Mr. Ranga Munyaradzi, Senior Customs Advisor, and Mr. Robert Struthers, World Customs Organization (WCO) Technical Officer, launched the first phase of the WCO Time Release Study in Swaziland.

For additional information, see trip report by Mr. Munyaradzi, Mr. Struthers and Mr. Chisembwere, "Technical Assistance to Swaziland Phase Two", January 21 to February 2, 2008.

Planned Activities, Time Release Studies:

- **Swaziland:** The second phase of the Swaziland TRS will be completed by April 2008. The Third and Final Phase will be undertaken in May 2008, when the Swaziland National Report will be finalized with findings, recommendations and an Action Plan.
- **Malawi:** The Trade Hub will give further technical assistance to the Malawi Revenue Authority and will review Malawi's Risk Management and Post Clearance Audit policy.
- **Zambia:** The Trade Hub will give further technical assistance to the Zambia Revenue Authority on the implementation of TRS Action Plan. For those areas where the Hub is not able to assist, other donors will be approached.

Modernization of Customs Laws, Regulations, Procedures and Processes

This component involves reviewing and updating Customs laws, regulations, manuals, procedures and processes using international best practices based on the WCO Revised Kyoto Convention on Simplification and Harmonization of Customs Procedures as well as training for both Customs officials and the business community to ensure uniform interpretation of laws and regulations.



- **Swaziland:** Mr. Munyaradzi and Tim Chisembwere reviewed and assessed current import and export procedures and legislation applied by Swazi Customs with a view to modernizing them in line with international standards. The Trade Hub Team has completed the revision of the Customs and Excise Act, basing it on the Revised Kyoto Convention, the SADC Model Customs Act and the SACU agreed amendments. The completed draft was presented to the Commissioner of Customs and Excise and the Permanent Secretary in the Ministry of Finance at the end of January, 2008.

For further information, see trip report by Mr. Munyaradzi, Mr. Struthers and Mr.

Chisembwere, "Technical Assistance to Swaziland Phase Two", January 21 to February 2, 2008.

Planned Activities, Modernization of Customs Laws, Regulations, Procedures and Processes:

- **Swaziland:** After the updated Swaziland Customs and Excise Act was presented to the Commissioner of Customs and his legal team in January 2008, the Trade Hub Team drafted the Customs and Excise General Regulations which will be discussed with Swaziland Customs Legal Team in May 2008.

Financial Services Liberalization

Following an agreement with the Angolan Central Bank and USAID/Angola, the Trade Hub commenced work on reforming the financial sector, including: (a) improving the supply of term finance; (b) improving the supply of finance and Small and Medium Enterprises (SME's), and improving SME business development and support services; (c) reducing the costs of banking and improving banking efficiency, (d) determination of reference rates for the pricing of credit products; and (e) the potential for introducing a deposit insurance system.

Under the supervision of Dr. Keith Jefferis, the Trade Hub's Economic Advisor, a Trade Hub team carried out field work in Angola in August and September 2007. A draft report was presented to the National Bank of Angola (BNA) and USAID/Angola in November. Following the receipt of comments from both, the report – including a Portuguese translation of the Executive Summary – was finalized in February 2008. The final report included a prioritized list of over 60 recommendations for consideration by the BNA and the Government of Angola. The findings and recommendations will be presented by Dr. Jefferis and Mr. Bruce Bolnick, the lead consultant for the project, at a stakeholders' workshop to be held at the BNA in Luanda in April 2008.

For additional information, see technical report by Bolnick, et al on "Improving the Supply of Financial Services and the Efficiency of the Banking Sector in Angola".

Planned Activities, Financial Services Liberalization:

- The Trade Hub will present the findings and recommendations of the report for financial sector reform in Angola in April 2008.
- The Trade Hub will present a draft report to the BNA and USAID/Angola on support for reform of the monetary policy framework and a program for the liberalization of exchange controls in April 2008.

2. PRIVATE SECTOR: PRIVATE SECTOR COMPETITIVENESS

This component seeks 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. Target sectors under this component are: exportable agriculture, textiles and apparel, and specialty foods.

The Trade Hub tracks a number of (AGCI and IEHA) indicators under the Private Sector Competitiveness heading. These indicators and the results are annexed to the end of this report.

Exportable Agriculture

The following activities were carried out during the second quarter of FY 2008, in support of exportable agriculture in eligible countries.

Market Linkages

- **Fresh produce for South Africa**

Following meetings in South Africa with major food retailers, fresh produce distributors, and food companies to identify gaps in local supplies of fresh fruit, vegetables and other agricultural products, the Trade Hub determined that Zambia and Mozambique have potential for exportable agriculture products into South Africa.



- **Zambia**

During the first quarter of FY 2008, Mr. Anton Scheepers, Agribusiness Advisor, accompanied buyers from a major supermarket in South Africa to Zambia to visit producers. The trip was closely coordinated with the MATEP project. The Hub is continuing to facilitate a structured plan of engagement between the supermarket buyers as well as the farmers and growers that will likely result in increased regional trade. Details of deals between Zambian producers and South Africa buyers will be available in the third quarter of FY 2008.

- **Mozambique**

The Trade Hub continues to explore opportunities for facilitating agriculture marketing linkages between South Africa and Mozambique. During the week of March 3, 2008, Mr. Scheepers and Mr. Brett Johnson, AGOA Trade and Business Manager, traveled to Mozambique to identify companies that are either ready to export to South Africa now or could be in a position to do so with the right mixture of technical and marketing support. Discussions with financial institutions and technical support programs such as USAID Emprenda were also held to look for areas where their collaboration with Trade Hub efforts could be appropriate

and effective. To date, product categories focus on fruits (bananas, citrus, mangoes, litchis, etc) and fresh vegetables.

Mr. Scheepers and Mr. Johnson also spoke to a prospective grower partner for the production of chili mash to supply inputs for Elephant Pepper and the production of chilies for a U.S. based company.

For additional information see trip reports, “Mozambique Agriculture Trip” and “Mozambique Market Linkages Visit”, by Mr. Scheepers and “Mozambique Agribusiness Visit”, by Mr. Scheepers and Mr. Johnson.

Capacity Building and Market Access

- **Swaziland**

As follow-up to the Trade Hub’s agribusiness trip to Swaziland in November 2007, Mr. Johan Labuschagne, Agribusiness Advisor visited Swaziland to provide technical expertise to Eswatini Swazi Kitchen and their honey producers. Mr. Labuschagne established the strengths and weaknesses of honey producers with the aim to improve the income of beekeepers in the country. Eswatini Swazi Kitchen has been a client of the Trade Hub since 2005, and seeks to introduce honey into their line of specialty food products.



The d was facilitated by Enterprise and Ent (EP) in Mbabane. Mr. Eswatini to train mon s on improved ext economies of scal



For additional information, see trip report “SWEEP and Honey Capacity Building” by Mr. Labuschagne, February 25 to 29, 2008.

- **SPS and market access for agricultural products**

As part of the agriculture strategy, Mr. Labuschagne continues to work with the South African Department of Agriculture on a priority list for imported produce from Southern African countries. This work is intended to facilitate market access for intra-SADC trade. The list and requirements will assist in the timing of export promotion and trade deals between producers in Southern African countries and South African buyers.



Priority areas will be addressed in conjunction with the USAID-funded SPS PASA (Participating Agencies Service Agreement) with the United States Department of Agriculture and will include honey (Malawi, Swaziland, Mozambique and Zambia); rice (Mozambique); mangoes and bananas (Mozambique and Zambia); melons (Botswana and Mozambique); chilies (Mozambique); flowers (Zambia); and grapes (Namibia).

- **Botswana**

The Trade Hub provided support to the Department of Agriculture in their attempt to gain access for melons to enter the South African market. The request for an entry permit by the grower was rejected by the Department of Plant Protection in South Africa. The grower was informed, at the last minute, of the need for a pest risk assessment for a pest mistakenly identified as present in the area. The Trade Hub provided assistance to the grower, the buyer and the Department of Agriculture in Botswana in an attempt to resolve this issue. The Trade Hub facilitated cooperation with Animal and Plant Health Services (APHIS) and the Department of Agriculture in Botswana. APHIS is currently working on a program to survey for the pest, at no cost to the Government of Botswana.

- **Zambia SPS Visit**

Mr. Labuschagne traveled to Zambia to assist the honey industry to devise a more acceptable protocol for honey exports to South Africa. The current protocol requires and irradiation mitigation treatment for American Foul Brood, which negates the advantage of organic honey. Mr. Labuschagne is working with the USDA PASA team to devise a viable harmonized honey protocol for honey importers for all SADC countries.

For further information see trip report, “Zambian Honey Export Protocol Project”, by Mr. Labuschagne, March 17 to 20, 2008.

Planned Activities, Exportable Agriculture:

- **Mozambique:** Follow up on chili growers and potential interest for cross-border investment in horticulture. Additional trip to Northern Mozambique to explore possibilities in horticultural production for export to South Africa.
- **Zambia/Malawi/Swaziland/Mozambique:** Continue to work with MATEP, ComMark and the South African Department of Agriculture to determine next steps on SPS issues surrounding the export of honey to South Africa.
- **Swaziland:** Coordinate with the Technoserve Swaziland Enterprise and Entrepreneurship Program (SWEEP) project on next steps for honey production in conjunction with Eswatini Swazi Kitchen.
- **Namibia:** Work with stakeholders to achieve declaration of non-False Coddling Moth (FCM) area, or low-prevalence FCM area.

- **South Africa:** Collaborate on an SPS priority list and areas of action with regional National Plant Protection Organizations (NPPO) to move forward facilitation of market access for targeted horticultural products.

Textiles and Apparel

The following activities were carried out during the second quarter of FY 2008, in support of textiles and apparel in eligible countries:

- **Trade Hub plans for 2008 Business to Business meeting**

The Trade Hub continued planning for the 2008 Business to Business (B2B) event, to be held in Pretoria, from May 20 to 21. This year, the Southern Africa Trade Hub will be sharing costs with the East/Central and West Africa Hubs so that up to 70 companies from throughout the region will be able to attend. This event will involve focused, pre-matched meetings among regional and U.S. buyers/retailers, sourcing houses, and garment, textile and trim manufacturers. Last year the event facilitated over US\$8 million in business and helped open the industry's eyes to the potential for strengthening regional integration within the regional apparel supply chain.

During this quarter, efforts focused on recruiting both manufacturers and buyers to determine their interest and confirm participation. Mr. Joop de Voest, Value Chain Leader for Apparel, traveled to Malawi to recruit companies to attend the B2B event. Mr. de Voest was also sponsored by the East Africa Trade Hub to recruit companies from Ethiopia and Kenya during this period. Over the next two months, efforts will focus on the matchmaking activities.

For additional information, see trip report, "Malawi B2B Recruiting Trip", by Mr. de Voest.

- **MAGIC Show**

As part of the Trade Hub's ongoing support to increase the value and volume of trade with the United States under AGOA, the Trade Hub supported a delegation of seven apparel companies from Southern Africa to present products at the MAGIC Show, held from February 12 to 15, 2007 in Las Vegas, Nevada.

Six companies were part of a 14 booth "Source Africa" Pavilion developed in collaboration with the other Trade Hubs in East/Central and West Africa in SOURCING at MAGIC. One other company, a South African children's clothing company exhibited their products in the branded MAGIC KIDS section. One booth was reserved as an information resource center where Trade Hub staff provided information on Africa's textile and apparel sector and helped determine which of the 14 companies attending might be the most appropriate for a specific buyer's needs.

The Source Africa Pavilion was named "Best in Show" by the Sourcing at MAGIC show organizers – a distinction offered during the show to highlight the pavilion with the most innovative, creative, or cohesive layout and presentation. This award brought significant attention to the Source Africa Pavilion, and will include free press for

Africa through MAGIC post-show media and member outreach. The booth included designs produced by the West Africa Trade Hub graphic designer, displayed on banners and a matching Africa Pavilion brochure. Show organizers commented that the “Africa delegation” has advanced faster than any other they had worked with.



While it is too soon to determine the actual business to be generated by participation in the show, all participants considered the event a useful investment of their time and money, and a critical networking and market linkage venue. Over 140 contacts were made between Source Africa Pavilion exhibitors and show attendees.

For additional information, see trip report by Mr. Johnson, “Support for Southern African Participants in February 2008, MAGIC Show in Las Vegas, Nevada”, February 13 to 21, 2008.

- **AGOA textile and apparel sourcing information support**

On an ongoing basis, the Trade Hub has been providing a range of information support to Southern African manufacturers and buyers/investors from the United States interested in doing business with the African apparel industry. Trade Hub staff has responded to numerous business-oriented inquiries, likely to result in new business for textile and apparel manufacturers in the region. Buyers are both from North America and the Southern Africa region. Examples include:

- A U.S. medical scrub company is looking for scrub and uniform manufacturers. A successful deal could result in 40,000 to 50,000 units per month.
- Manufacturer information and AGOA compliance assistance for a U.S. sourcing house could help fill a multi-million dollar order.
- Information for a South African home décor company was outsourced regionally.
- The Trade Hub provided outsourcing information to South African children’s company brand for production in Southern Africa region.
- Business linkages between a large regional fabric and garment manufacturer and a retail chain in South Africa were facilitated by the Trade Hub.
- The Trade Hub linked multiple garment manufacturers with regional suppliers of yarn and trims.
- A Canadian retailer was provided with profiles of regional manufacturers for sourcing to North American markets.

Planned Activities, Textiles and Apparel:

- Continue planning for the 2008 Business-to-Business event focusing on regional sourcing opportunities and leveraging on success achieved in 2007 to attract more

manufacturers and buyers. The 2008 event will feature companies from West and East/Central Africa and represents a collaborative effort by all three Trade Hubs.

- Respond to reports that apparel companies are having problems with production verification documentation and other documentation compliance for AGOA exports to the United States.
- Collaborate with stakeholders within the South African textile industry to help them take advantage of the recent AGOA Category 9 approval by the U.S. Government. This could include raising the awareness of related regulations and documentation requirements for export to the United States and market linkage support.
- Continue to facilitate trade deals between Southern African apparel and textile firms and interested buyers/investors. On an ongoing basis, the Trade Hub has been providing a range of information support to Southern African manufacturers and buyers/investors from the United States interested in doing business with the African apparel industry.

AGOA Support

The 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 Southern Africa region. In 2007, the Trade Hub 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.

- **Botswana company benefits from AGOA assistance**

Peter Mabeo Furniture, based in Gaborone, Botswana, produces high quality and contemporary furniture that has been featured in the *New York Times* and *O* (Oprah's Magazine). Canadian designer Ms. Patty Johnson has collaborated with Mr. Mabeo to bring new product collections, including furniture and basketry to the North American market. Mr. Mabeo has won awards at the International Contemporary



Furniture Fair and “Design Dozen 2006” in *Newsweek*, as one of the product lines represented for new direction and achievement in design. During 2007, Peter Mabeo Furniture followed up on leads from the International Contemporary Furniture Fair (ICFF), which was held in New York City in 2007.

The Trade Hub will be supporting Peter Mabeo Furniture to participate in the May 2008 Contemporary Furniture Fair in New York. Prior to the show, a major U.S.

contemporary furniture retailer has confirmed a trade deal that will be launched in April 2008.

- **Trade Hub collaborating with Talier Trading Group to identify specialty food companies for export**

The Trade Hub continues to work with the Talier Trading Group, a marketing and brokering company which is launching a line of African specialty food brands, to identify new companies with interesting and competitive products likely to be marketable in the United States. Already, the Talier Trading Group has signed up with a number of Southern African companies, providing them with the opportunity to sell their products in places like Whole Foods, Safeway, Albertsons and other stores. Products reviewed this quarter include aloe food products, honey, organic baby food, infused spring water and baobab/marula products.

Mr. Talier aims to begin ordering from South Africa from mid-2008. Prior to making orders, a number of labeling, pricing, and distribution/importing issues need to be addressed. The Trade Hub also introduced Mr. Talier to a potential supplier of health bars. Mr. Talier has launched a set of African brands which are expected to be sold in more than 5000 stores in the United States by late-2008.

- **Fancy Food Show**

The Trade Hub is continuing to plan for the Fancy Food Show in June/July 2008. It is in the process of identifying export-ready firms who may be able to attend and share the costs of participation. It is expected that this year's Trade Hub delegation will have a much smaller South Africa contingent, given that South Africa's DTI is organizing a South Africa Pavilion for the show. The Trade Hub is collaborating with the DTI on company recruiting and likely marketing activities to leverage the resources of both organizations. The Trade Hub is looking to other bilateral USAID projects to support companies participating in the 2008 Fancy Food Show.

- **AGOA, market access and information support**

The Trade Hub continues to provide support to Southern African companies looking for information on ways to access the U.S. market through AGOA. Specialty food, natural products and garment companies have received assistance in the form of market and/or regulatory information, and on occasion facilitated market linkages.

Planned Activities, AGOA Support:

- Continue planning for the 2008 New York Fancy Food Show. Currently, the Trade Hub is collaborating with USAID's Southern Africa Investments and Business linkages (SAIBL) project, South Africa's Consul General in New York and the Department of Trade and Industry (DTI) as they plan to hold a South African Pavilion at the show. Resource sharing with DTI in booth and travel support will allow the Trade Hub to dedicate more resources toward company preparation, which is critical for trade show success.

- The Trade Hub is working with the United States Department of Agriculture (USDA) office in Pretoria to collaborate on workshops which will be held from 14 to 18 April, 2008, in Johannesburg and Cape Town, South Africa. This is a critical topic, as many market ready exporting companies in the region experience delays when dealing with buyers as they do not have all of the required Food and Drug Administration (FDA) registrations and FDA-compliant labeling.

Monitoring and Evaluation

The Trade Hub carried out a series of follow-up correspondence with its beneficiary companies to determine the level of business resulting from USAID assistance and look at how interaction with the buyers and the market is driving investments and/or improvements in productivity, product development and standards compliance.

The results were launched in the Trade Hub's Trade Competitiveness Project (TCP's) new report, *"Increasing Trade through Exports: Successful Market Linkages and Best practices from the Southern Africa Trade Hub"*. The first section of the report discusses summary outcomes from the project's work with regional apparel, specialty food and other light manufacturing industries. The TCP market linkage activity has generated over \$47 million in closed and pending deals through the end of 2009. The second section of the report discusses the market linkage methodology utilized by the TCP to achieve these results. Finally, the report discusses the transformative impact of the market linkage methodology, including new investments and employment due to the deals facilitated.

Ms. Amanda Hilligas, Director of the Trade Competitiveness Project, traveled to Washington, DC from February 25 to 29 to present the findings of the report to stakeholders including USAID, Commerce, State and the United States Trade Representative (USTR).

For further details, see trip report, "Business Linkage Reporting Trip", by Ms. Hilligas, February 25 to 29, 2008.

From March 3 to 5, 2008, Ms. Hilligas attended the USAID's Knowledge Sharing Analysis (KSA) intra-Hub meetings in Accra, Ghana. During the 3 day period, contractors from the West, East and Southern Africa Trade Hub discussed best practices in the areas of AGCI 1 to 4. During the meetings, Ms. Hilligas presented the TCP's new report, *"Increasing Trade through Exports: Successful Market Linkages and Best practices from the Southern Africa Trade Hub"* to participants. The TCP project will be participating in a "Best Practices Study" to be conducted by Mr. David Fischer of the KSA project. The Best Practices Study will focus on Trade Shows.

For additional information, see trip report by Ms. Hilligas, Ms. Elago, and Ms. Magombo, on "KSA Meetings in Accra, Ghana", March 3 to 5, 2008.

3. INFRASTRUCTURE: MODERN ENERGY SERVICES

Since 2006, the Trade Hub has carefully positioned itself as a centre of excellence for energy trade and regulatory issues and has received a number of requests for regulatory technical assistance and training from the Regional Electricity Regulators Association of Southern Africa (RERA) as well as individual national regulators in the SADC region. This component seeks to initiate and support work on energy issues within the region and undertakes activities to this end.

The Trade Hub tracks two indicators under the AGCI Modern Energy heading:

1. The number of people receiving training in energy related policy and regulatory practices; and
2. Total public and private dollars leveraged by the Trade Hub for energy infrastructure projects.

Support to RERA

The Regional Energy Regulators Association (RERA), a SADC subsidiary body, aims to facilitate the harmonization of regulatory policies, legislation, standards and practices and to be a platform for effective cooperation among energy regulators within the SADC region.

The establishment of RERA was approved by SADC Energy Ministers in Maseru on July 12, 2002, and RERA was formally launched on September 27, 2002 in Windhoek, Namibia.

During the third quarter of FY 2008, preparations were done to conduct the survey on *The Review of the Status of Policy, Legal, Institutional and Regulatory Frameworks in the SADC region*. A questionnaire was developed and sent to the various institutions in the region including: Departments of Energy, Utilities and Electricity; and energy regulators in the region. The main objective of this review is to make recommendations to the SADC Energy Ministers on policy, legal, institutional and regulatory frameworks that are responsive to the challenges in the electricity supply industry (ESI), and to improve the governance as well as performance of the ESI. In March 2008, Ms. Gloria Magombo, Energy Advisor; Mr. Les Kügel and Mr. Fernando Julião, Energy Consultants from the Trade Hub; and Mr. Elijah Sichone, RERA Executive Secretary, started to travel throughout the SADC region to carry out the survey.

The final report will be completed in May 2008, after feedback from the various stakeholders.

Support to the SADC Energy Sector

Since January 2008, the Southern African region has been experiencing load shedding and long blackouts in some areas. Following consultations with the SADC Secretariat, SADC Member States and relevant key stakeholders, the SADC Energy Ministerial Task Force (EMTF) urgently convened a meeting in Gaborone, Botswana, to address generation capacity shortfalls in the region.

- **SADC meetings**

Ms. Magombo was invited to attend the emergency meetings of the SADC Energy Ministerial Task Force (EMTF) on Implementation of Power Sector Programs in Gaborone, Botswana. The Trade Hub assisted SADC to develop and recommend, for adoption, a road map to accelerate the region's recovery from the current power shortages.

- **The SADC Energy Activities Plan**

The Trade Hub has continued to support various energy-related initiatives of SADC and has received additional requests to support regional integration activities. As a result, the Trade Hub will assist in reviewing the regional energy planning network and production of the annual energy statistics for SADC countries. Further meetings were held with the SADC Secretariat to review an implementation plan which is scheduled to be implemented during the third and fourth quarter of FY 2008.

- **The SADC Power Sector Review Mission to Madagascar**

The Report of the SADC Mission to Madagascar (undertaken at the end of November 2007) was finalized with the assistance of the Trade Hub's Energy Advisor. The report was presented by the SADC Executive Secretary to the Government of Madagascar in February 2008. Some of the recommendations of the report are already being implemented and the Electricity Regulator (*Office de Regulation Electricité*, ORE) have submitted additional technical assistance requests to the Trade Hub. The Trade Hub will review these and assist ORE to develop a comprehensive capacity building program in collaboration with RERA, the National Association of Regulatory Utility Commissions (NARUC), and other International Cooperating Partners (ICPs).

For additional information, see report on "The Southern African Development Community Power Sector Review and Consultation Mission to Madagascar", - November 27 to December 1, 2007.

Support for New Regulators

Energy Advisors, Mr. Kügel and Ms. Magombo, visited Swaziland for discussions with the Ministry of Natural Resources and Energy on their request for technical assistance in the development of a high level road map for establishment of the Swaziland Energy Regulator.

For additional information, see trip report by Ms. Magombo on "Power Sector Review in Swaziland", March 10 to 13, 2008.

Planned Activities, Modern Energy Services

- The Trade Hub will continue to provide technical assistance to RERA to review the status of regulation and institutional frameworks in SADC.
- The Trade Hub will assist RERA to development an Independent Power Providers

(IPP) framework.

- The Trade Hub will assist RERA with the production of the regional annual tariff publication.
- The Trade Hub is planning to organize a training course on the principles of regulation for the new energy regulators in Swaziland and Madagascar.
- During April the USAID Trade Hub will distribute brochures on Energy Regulatory Services in the SADC region that were prepared by its Energy Experts. They will also be made available on the Hub's website: www.satradehub.org

4. INFRASTRUCTURE: TRANSPORT SERVICES

This component seeks to support the creation, improvement and sustainability of physical infrastructure, and related services, in both urban and rural areas, to enhance the economic environment and improve economic productivity. Thus, this component includes activities to improve transport services (including roads, airports, railways, and ports).



The private sector will be relied upon to play a significant role in investing in infrastructure if demand is to be met. However, this is not always as easy as it sounds. Regulatory frameworks are often burdensome, and development is often hampered by a lack of clear Government policy.

The focus of the Trade Hub is to increase regional co-operation on legal and regulatory issues, to help facilitate new investment initiatives and to support those initiatives that are likely to result in increased private sector participation in the transport industry.

The Trade Hub tracks three indicators under the AGCI Transport Services heading:

1. Total public and private dollars leveraged by the Trade Hub for transportation infrastructure projects;
2. Has the government adopted improved transportation related policies or plans this year as a result of Trade Hub assistance?; and
3. Number of people receiving training in transportation related policy and regulatory practices.

SADC Transport Facilitation

Trade competitiveness for goods and services within the Southern Africa region is adversely affected by high transit and transport costs. The region has six landlocked countries, and requires a well-functioning, integrated transport network to facilitate trade flows between the ports and the interior. The Trade Hub collaborates with other donors and works closely with SADC to significantly reduce transit times and costs by supporting the adoption of harmonized customs procedures and a single customs document across the region.

At the SADC Transport Ministers in Gaborone in the first quarter of FY 2008, SADC Ministers requested that the Trade Hub support SADC with the following activities:

1. Review of regional experience in concessioning of ports. The request for support from the Port Management Association of East and Southern Africa (PMAESA) to identify investment opportunities which will be incorporated in this activity;
2. Review of regional experience in concessioning of railways;

3. Assess the potential impact of the implementation of the Yamoussoukro Decision on open skies policy in the SADC region;
4. Support harmonization of vehicle equipment standards, dimensions and loads on vehicles;
5. In collaboration with the International Maritime Organization (IMO), assist those Member States which have had difficulty with implementation of maritime security in terms of the International Ship and Port Facilities Security (ISPS) Code; and
6. Capacity building for the Southern Africa Railways Association (SARA) through exchange programs with the American Association of Railroads (AAR).

On February 19, 2008, Ms. Maxine Kennett, TFCB Director, and Mr. Munyaradzi met with the SADC Secretariat to finalize scopes of work for the first three activities. It is expected that work on these activities will commence in the third quarter of FY 2008.

On March 31, 2008, Mr. Munyaradzi attended a SADC/EAC/COMESA joint task force meeting on transport facilitation issues in Pretoria. The purpose of the meeting was:

1. To generate interest and get conceptual buy in to the idea of a joint donor and other stakeholder efforts (so that planning subsequent interventions and improvements can be done with more certainty) in promoting transport development along the North-South Corridor in a sequenced and programmed manner;
2. To get indications from donors of the kinds of interventions (projects) they would be interested in being involved in under a joint transport corridor development program;
3. To get indications of support for feasibility and pre-feasibility work that will be reported on in the meeting as being needed for further project preparation towards bankability;
4. To get an indication from donors of the finance that might be available for the North-South Corridor's development; and
5. To provide a platform for networking and building consensus on the need to have a coordinated approach for developing the region's transport systems.

For additional information, see trip report by Mr. Munyaradzi "SADC/EAC/COMESA joint task force meeting", March 31, 2008.

Planned Activities, SADC Transport Facilitation:

- The Trade Hub will facilitate signing of the memorandum of understanding between SADC Secretariat and the United States Government (USG), which will assist in building the capacity of SADC Secretariat to facilitate infrastructure

support for regional integration.

- The following activities will be initiated in the next quarter: (a) a review of regional experience in concessioning of ports; (b) a review of regional experience in concessioning of railways; and (c) an assessment of the potential impact of the implementation of the Yamoussoukro Decision on open skies policy in the SADC region.
- Mr. Munyaradzi and Mr. Godwin Punungwe, the Trade Hub's new Transport Advisor, will discuss SADC transport facilitation issues at the U.S.-AGOA Transportation and Trade Forum in Cape Town, South Africa, from April 13 to 16, 2008.

Roll-out of the SAD 500 / Single Administrative Document



The SAD 500 is a multi-purpose goods declaration form covering imports, exports, cross-border and transit movements, and it incorporates all the information necessary for advanced Customs Clearance and Customs risk management purposes. It reduces paperwork and allows for quicker turnaround times with fewer errors, less confusion, lower costs, and improved trade efficiencies. The SAD 500

complies with international best practices and Customs standards, with similar documents having been introduced throughout the world. It was successfully piloted in the Trans Kalahari Corridor (TKC) between South Africa, Botswana and Namibia over the past two years with technical assistance from the Trade Hub. It is now the only Customs declaration document in Botswana and Namibia, and the Trade Hub is assisting in its roll-out to non-SACU countries.

After the Trade Hub-facilitated review meetings of the TKC/Dar Corridor Customs Working Groups in Lusaka on the roll-out of the SAD 500 in Zambia from February 20 to 21, Zambia has now legalized the use of SAD 500. The next move is to make it a through Customs declaration across international frontiers, on the Botswana and Namibian border and then along the Dar Corridor (with Malawi and Tanzania). Implementation of the SAD 500 in Mozambique has been hampered by the inability of the current Trade Information Management System (TIMS) computer program to accommodate the SAD 500.

Planned Activities, SAD 500:

- Cross-border roll-out of SAD 500 outside SACU countries will continue between Zambia/Botswana/Namibia. The planned workshop to work out modalities on cross-border roll-out of SAD 500 is expected to be held in the third or fourth quarter of FY 2008.

Transport Corridors Support Work

Activities in support of transport corridors of the region during the second quarter of FY 2008 were as follows:

- **Maputo Corridor:** On March 4, 2008, Ms. Kennett and Mr. Munyaradzi met with Ms. Brenda Horne of the Maputo Corridor Logistics Initiative (MCLI) to discuss technical assistance activities. It was agreed that the Trade Hub will assist the MCLI with a number of technical activities during the remaining months of FY 2008.
- **Trans Kalahari Corridor:** From March 13 to 14, 2008, Mr. Munyaradzi facilitated a workshop of the Trans Kalahari Corridor (TKC) Customs and Transit Facilitation Working Group Task Team in Pretoria. The workshop reviewed trade facilitation measures along the TKC.



For additional information, see technical report on “TKC / DAR / Maputo Corridor Customs Transit System Interface & Connectivity Workshop Pretoria, March 11 -12, 2008 and trip report by Mr. Munyardazi “Trans Kalahari Corridor Customs and Transit Facilitation Working Group Meeting”, March 13 & 14, 2008.

- **Dar, Maputo and Trans Kalahari Corridors:** From March 11 to 12, 2008, Mr. Munyaradzi facilitated a second regional workshop on Customs computer systems interface, connectivity and electronic data interchange. Customs and IT Experts from the Trans Kalahari, Dar es Salaam and Maputo Corridor countries as well as the SADC Secretariat and SACU participated in the workshop. The workshop examined various approaches to customs systems interface/connectivity and come up with an implementation strategy for the region.

For additional information, see trip report by Mr. Munyaradzi “TKC/Dar/Maputo Corridor Customs Transit Systems Interface & Connectivity Workshop”, March 11 to 12, 2008.

Planned Activities, Transport Corridors Support Work:

- **Maputo Corridor:** The Trade Hub will work with the Maputo Corridor Logistics Initiative (MCLI) to (a) undertake a study on sustainable funding for the MCLI; (b) produce a truck stop feasibility study; (c) institutionalize performance monitoring along the Maputo Corridor; (d) host a “Coast to Coast” capacity building workshop with the Trans Kalahari Corridor; (e) establish a multilateral forum to discuss corridor initiatives; and



(f) host the MCLI Annual General Meeting in Maputo in May 2008.

- **Dar es Salaam Corridor:** From April 3 to 4, 2008, Mr. Munyaradzi will facilitate a meeting of the Dar Corridor Sub-Committee which will prepare establishment of a Permanent Secretariat of the Dar Corridor and the sustainability program.
- **Dar es Salaam Corridor:** From April 28 to 30, 2008, Mr. Munyaradzi and Mr. Punungwe will facilitate a meeting of the Dar es Salaam Corridor Committee (DCC) and its Customs and Transport Working Groups, which will review implementation of trade facilitation Action Plan Matrix on Trade Facilitation.
- **Trans-Kalahari Corridor:** The Trade Hub will facilitate meetings of the task teams on vehicle overload control and on carriage of hazardous substances. The Hub will facilitate a meeting of the TKCMC co-chairpersons to: (a) approve an annex to the TKC Memorandum of Understanding (MOU) to formally establish the Permanent Secretariat and host it in Namibia; (b) approve the TKCMC budget; and (c) plan for a meeting of the Ministers responsible for transport in the corridor countries.
- **Trans Kalahari Corridor:** The Trade Hub will prepare a proposal on sustainability based on levy as recommended by the Corridor Sustainability Report of 2004.
- **Trans-Kalahari Corridor:** Mr. Munyaradzi will launch a feasibility study on the establishment one-stop border post along the Trans Kalahari Corridor at the Botswana/Namibia border.

Cross-Border Vehicle Overload Control Initiative

Overloaded trucks on the road networks of the region are a major cause of damage to roads, and this means slower transportation routes and higher transportation costs. 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. Activities to roll out this system were as follows:

- **Trans Kalahari Corridor:** The Trade Hub met the Namibian Customs and Road Authority officials on October 25, 2007, to secure support for the implementation of the CBOCS. Parties agreed that the system would be rolled out at all border posts in Namibia. The TKC Secretariat is waiting for authorization from Customs Authorities in all the three countries. The Trade Hub is to organize sensitization of stakeholders once authorization is received.
- **North-South Corridor:** The Trade Hub met the Botswana Customs and Road Departments on December 12, 2007, to discuss the way forward with implementation of the CBOCS. Both parties agreed that the Road Department would submit an official request to Customs by end of December, 2007, and an agreement would be signed by end of January 2008, to pave the way for border post steering committees to start work. The Botswana Road Department is still to confirm the agreement with Customs Authorities. Implementation of the program

will commence once authorization is received.

- **Dar es Salaam Corridor:** The Trade Hub met the departments of Customs from Malawi, Zambia and Tanzania together with the Weighbridge Officials for Malawi and Tanzania on December 7, 2007. The Weighbridge Officials will submit formal letters of request to the Revenue Authorities to facilitate signing of formal agreements before border posts steering committees can be established. The signing of formal agreements will be done once the Revenue Authorities of the three countries have agreed on way forward.

5. OUTREACH ACTIVITIES AND TRADE HUB MANAGEMENT

Staffing

On January 14, 2008, Mr. Jeffrey Atwine started a three-month internship at the Trade Hub. He has been working with Ms. Chilala on Sanitary and Phytosanitary (SPS) issues. He is a Ugandan national and is currently completing his Masters Degree in Trade and Investment at the University of Pretoria South Africa.

On January 18, 2008, the Trade Hub held a memorial service for Mr. Evans Marowa, the Trade Hub's Transport Advisor, who was killed in a road accident in December, 2007. The memorial service was attended by over one hundred guests who included the Marowa Family; H.E the U.S Ambassador to Botswana, Katherine Canavan; Mr. Phil Drouin, Deputy Chief of Mission; Ms. Tina Dooley-Jones, USAID Cognizant Technical Officer; Mr. Kirk, The Services Group (TSG) Vice President; Ms. Lisa Yarmoshuk, representing Nathan Associates Incorporated; Representatives from SADC Directorate of Transport, Trans Kalahari, Maputo and Dar es Salaam Corridors; the Walvis Bay Corridor Group, and the National Railways of Zimbabwe; friends and colleagues.

On March 3, 2008, Ms. Aurelie Walker joined the Trade Hub as a visiting Trade Analyst for three months. Ms. Walker is a trade economist with experience working in East and West Africa, Geneva, Brussels and Seychelles, specializing in rules of origin, fisheries, textiles and trade in services. She will work closely with Ms. Elago to deliver assistance and trade capacity building activities in the areas of trade in services, new generation issues including facilitation of private sector dialogue.

The Trade Hub has recruited Mr. Godwin Punungwe as the new Transport Advisor. Mr. Punungwe has 27 years of experience in transport infrastructure and trade facilitation, projects development and management underpinned by deep technical understanding of regional economic cooperation and integration issues. He has over 15 years of experience at regional and continental levels in Africa in trade facilitation and transport developmental issues. He has designed several transport projects and studies, secured funds from donors, selected and engaged consultants, supervised the consultants and reviewed all their Draft reports and approved the final reports and authorized payments on completion of work. He is due to start work on April 14, 2008.

Events and High Level Visits

- Family Health International (FHI) held a training session at the Trade Hub from January 7 to 14, 2008.
- On January 10, Tina Dooley-Jones, USAID Cognizant Technical Officer in Pretoria, visited the Trade Hub and held a meeting with technical staff.
- On January 15, the Trade Hub briefed Mr. Anatoly Popsuev, Counselor at the Russian Embassy in Botswana, on Trade Hub activities.
- On January 16, the Trade Hub held discussions with SADC SPS at the Hub.

- On January 18, the Trade Hub held a memorial service for Mr. Evans Marowa, the Trade Hub's Transport Advisor, who was killed in a road accident in December, 2007.
- On January 24, Tebelopele, a Center for Disease (CDC) - sponsored organization used the Trade Hub offices for a meeting.
- On February 6, the Trade Hub hosted a meeting for the Botswana Youth Health Organization (YOHO), a non-governmental organization, sponsored by (the United States) President's Emergency Plan for Aids Relief (PEPFAR).
- On February 7, the Trade Hub briefed Ms. Elisabeth Pelletreau, on its activities. Ms. Pelletreau is Desk Officer for Botswana, Namibia and Malawi in the Office of Southern African Affairs, US Department of State.
- On February 7, during a brown bag lunch, Ms. Magombo made a presentation to the Trade Hub staff on energy issues.
- On February 11, Ms. Kennett, Director Trade Facilitation and Capacity Building (TFCB), and Mr. Munyaradzi met Mr. Ken Morris, Botswana Commissioner of Customs and Excise and his team at the Hub.
- On February 11, Ms. Kennett and Mr. Munyaradzi met Mr. Bevan Simataa from the Trans Kalahari Corridor Secretariat to discuss technical assistance activities.
- On February 14, the Trade Hub briefed Ms. Kari Rojas of the United States Department of Agriculture (USDA), on the Hub's activities.
- On February 19, Ms. Kennett and Mr. Munyaradzi met with SADC to discuss work on transport related issues.
- On February 22, the United States Government and the Regional Energy Regulators Association of Southern Africa (RERA), signed a Memorandum of Understanding (MOU) to facilitate energy-related technical assistance from the Trade Hub. The signing ceremony was held at the Trade Hub.
- On 21 February, Ms. Magombo Energy Advisor, held a meeting with Mr. Antony Woods, Regional Environment and Health Officer for Southern Africa from the US Embassy in Botswana to discuss the role of renewable energy in the region.
- From February 27 to 29, Ms. Magombo, Mr. Kügel and Mr. Julião (of the Trade Hub) and Elijah Sichone (of RERA) held the preparatory audit meeting in Pretoria and proceeded to conduct the audit of the status of regulation in South Africa.
- On March 3, Ms. Walker began work at the Trade Hub as a visiting Trade Analyst.
- On March 4, Ms. Brenda Horne, Chief Executive Officer of MCLI visited the USAID Trade Hub and held discussions with Ms. Kennett and Mr. Munyaradzi on the ongoing activities in the transport sector.

- On March 15, Ms. Kennett went on maternity leave until May 30, 2008.
- From March 17 to 18, Ms. Elago and Ms. Walker conducted a training seminar on rules of origin for Botswana at the Trade Hub.
- From 18 to 19 March, Ms. Chilala, and Mr. Atwine presented the SADC Draft SPS Annex to the SADC Protocol on Trade to the Trade Negotiating Forum (TNF) in Gaborone, Botswana.
- On March 19, the Trade Hub hosted a meeting for Population Services International (PSI) at the Trade Hub.
- On March 19, Dr. Jefferis made a presentation on “Energy and the Economy” to USAID Trade Hub staff. It highlighted the likelihood of growing imbalances between power supply and demand in Botswana over the next five years, and emphasised that while solutions were available to resolve this imbalance, they would inevitably lead to steep rises in energy costs. Furthermore, the close relationship between electricity consumption and economic growth would mean that any delays in resolving supply shortages would restrict economic activity and growth in the short term.
- On March 27, the USAID Trade Hub hosted the USG/PEPFAR Staffing for Results/Team Building Workshop. The meeting was opened by the U.S. Embassy Deputy Chief of Mission Mr. Phil Drouin, and was closed by H.E. Katherine Canavan, U.S. Ambassador to Botswana.
- In March the USAID Trade Hub published the 12th issue of INSAT which looks at the opportunities and challenges facing the textiles and clothing industries in Lesotho and Swaziland.

Participation in Events Outside the Trade Hub

- The Trade Hub staff attended the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) private sector policy launch on January 15 and January 16, 2008.
- From January 21 to 25, Mr. Munyaradzi, and Mr. Struthers, World Customs Organization (WCO) Technical Officer, launched the first phase of the WCO Time Release Study in Swaziland.

For additional information, see trip report by Mr. Munyaradzi, Mr. Struthers and Mr. Chisembwere, “Technical Assistance to Swaziland Phase Two”, March 18, 2008

- From January 22 to 24, Ms. Chilala, working with Mr. Chisembwere, traveled to Mozambique to assess that country’s preparedness to implement a free trade area by 2008.

For additional information, see trip report by Mr. Chisembwere and Ms. Chilala “SADC Trade Audit Updates January 2008”, January 22-24, 2008.

- On January 23, Ms. Elago attended a Trade Law Centre for Southern Africa (tralac)-hosted EPA Negotiations Review Workshop in Cape Town, where she spoke on the impact of EPAs on regional integration. Participants included private sector representatives who are mainly exporting to the EU.

For additional information, see trip report by Paulina

- On January 24 to 26, Mr. Kirk, and Ms. Elago traveled to Swaziland to hold further discussions (including a debriefing) on ongoing work related to Hub support to Swaziland regarding analysis of trade options for Swaziland.

For additional information, see trip report by Mr. Kirk and Ms. Elago, “Travel to Swaziland regarding trade policy options studies”, January 24 to 26, 2008.

- On 25 January, Ms. Magombo and Mr. Kügel attended a meeting in Pretoria with the Executive Secretary of the Regional Association of Electricity Regulators (RERA), to review the scope of work for the technical assistance to RERA and develop a comprehensive implementation program.

For additional information, see trip report by Ms. Magombo and Mr. Kügel “Meeting with Regional Electricity Regulators Association- Executive Director”, January 25, 2008.

- On January 28 to February 1, Mr. Munyaradzi and Mr. Chisembwere traveled to Swaziland to present the revised draft report of the Swaziland Customs and Excise Act.

For additional information, see trip report by Mr. Munyaradzi, Mr. Struthers and Tim Chisembwere, “Technical Assistance to Swaziland Phase Two”, March 18, 2008.

- On 29 January, Ms. Magombo attended a meeting with Botswana Energy Affairs Department. This was an exploratory meeting to get an insight into the Botswana Energy Policy Framework and to understand the current challenges affecting the energy sector in particular the Electricity Supply Industry.

For additional information, see meeting report by Ms. Magombo “Meeting with Botswana Energy Affairs Division”, January 29, 2008.

- On February 4, Mr. Labuschagne traveled to Swaziland to coordinate with the SWEET project on honey production with the Eswatini Kitchen Company.
- On February 5 to 8, Mr. Munyaradzi visited Lusaka, Zambia and met with USAID/Zambia, the Zambia Revenue Authority (ZRA), and other stakeholders, to discuss further technical assistance to the ZRA in 2008 regarding the implementation of the Time Release Study Action Plan.

For additional information, see meeting report by Mr. Munyaradzi “Technical Assistance to Zambia Revenue Authority - Lusaka, Zambia” February 5 to 8, 2008.

- On February 11, Ms. Chilala attended a SADC donor meeting held at the EU Delegation in Gaborone.
- From February 11 to 15, Ms. Gina van Schalkwyk, Information and Communications Coordinator, traveled to Lesotho and Swaziland to collect material for the 12th edition of INSAT which focused on the apparel sector in these countries.

For additional information, see meeting report by Gina van Schalkwyk “Research & Interviews for INSAT 12, Swaziland & Lesotho”, February 11 to 15, 2008.

- On February 12, Bridget attended a SADC Core Group meeting in Gaborone
- From February 12 to 15, Brett Johnson, AGOA Trade and Business Manager, accompanied a delegation of Southern Africa textile and apparel companies to the MAGIC show in Las Vegas, Nevada
- From February 12 to 15, Mr. Munyaradzi and Mr. Chisembwere, were in Maputo, Mozambique, to assist in the abolition of pre-shipment inspection.

For additional information, see meeting report by Mr. Munyaradzi and Tim Chisembwere, “Abolition of Pre-Shipment Inspection: Exit Strategy Maputo, Mozambique”, February 12 to 15, 2008.

- On February 15, the Trade Hub sponsored the keynote speaker, Ms. Shamini Naidoo, at the American Business Council (ABC) “Which PORT? The Great Transport Debate” seminar in Gaborone, Botswana. Ms. Kennett also attended the Seminar.
- From February 19 to 21, Ms. Magombo attended emergency meetings of the SADC Energy Ministerial Task Force (EMTF) on Implementation of Power Sector Programmes in Gaborone, Botswana.
- On February 20, Ms. Elago and Ms. Chilala met with Ms. Sonja Kurz, a GTZ-funded Economic Policy and Trade Advisor, at SADC Secretariat to discuss possible collaboration to support private sector dialogue on the SADC Customs Union debate.
- From February 21 to 22, Timothy Chisembwere was in Zimbabwe to assess the status of implementation of the SADC Protocol on Trade, particularly the outstanding issues raised by the Ministerial Task Force on Economic integration after the presentation of the 2007 audit. He met with senior officials from the Ministry of Finance, Ministry of Industry and International Trade and the Zimbabwe Revenue Authority.

For additional information, see report “March 2008 update on implementation of the SADC Protocol on Trade.”

- On February 21, Ms. Hilligas traveled to Washington DC, to discuss successes to date on AGOA business linkages and regional trade, with stakeholders.
- On February 21 2008, Ms. Elago attended a workshop co-hosted by the Ministry of Trade and Industry and the World Bank, where the latter presented Botswana's Investment Climate report.
- From February 25 to March 7, Mr. Gerard Cawley traveled to Swaziland to produce a VAT roadmap for Swaziland.
- From March 3 to 5, Ms. Hilligas, Mr. Kirk, Ms. Elago, and Ms. Magombo, participated in the Knowledge Sharing (KSA) intra-Hubs meeting in Accra, Ghana. During the meetings, discussions were held on African Growth and Competitiveness Initiative (AGCI) coordination and collaboration on various market linkage, infrastructure, and finance and trade policy work.

For additional information, see trip report by Ms. Hilligas, Ms. Elago, and Ms. Magombo, on "KSA Meetings in Accra, Ghana", March 3 to 5, 2008.

- From March 3 to 7, Mr. Johnson and Anton Scheepers traveled to Mozambique to explore opportunities to promote fresh produce exports to South Africa. This was followed by a buyers' trip with a large South African supermarket chain.
- From March 3 to 29, Ms. Magombo, Mr. Kügel and Mr. Julião energy experts from the USAID Trade Hub, and Mr. Sichone of RERA, traveled throughout the SADC region to carry out a regional survey on the policy, legal, institutional and regulatory frameworks in the region.
- From March 10 to 14, Ms. Chilala traveled to Rwanda to assist USAID FAST Trade with the World Trade Organization (WTO) Trade Facilitation Assessment of Rwanda.

For additional information, see meeting report on "Rwanda Trade Facilitation Assessment".

- From March 11 to 12, Mr. Munyaradzi hosted a follow-up workshop in Pretoria on customs computer systems interface, connectivity, electronic data interchange and electronic transmission of SAD 500 across international frontiers.

For additional information, see technical report on "TKC / DAR / Maputo Corridor Customs Transit System Interface & Connectivity Workshop Pretoria, March 11 -12, 2008 and trip report by Mr. Munyardazi "Trans Kalahari Corridor Customs and Transit Facilitation Working Group Meeting", March 13 & 14, 2008.

- From March 13 to 14, Mr. Munyaradzi facilitated a meeting of the Trans Kalahari Corridor (TKC) Customs and Transit Facilitation Working Group Task Team Workshop in Johannesburg. The workshop reviewed trade facilitation measures along the TKC.

For additional information, see trip report by Mr. Munyardazi “Trans Kalahari Corridor Customs and Transit Facilitation Working Group Meeting”, March 13 to 14, 2008.

- From March 17 to 18, Ms. Chilala and Mr. Atwine attended a SADC trade in services meeting in Gaborone, Botswana.
- From March 17 to 18, Ms. Elago assisted by Ms. Walker, facilitated rules of origin training for Botswana.

For additional information, see meeting report by Ms. Elago and Ms. Walker on “Report National Rules of Origin Training for Botswana”, March 17-18, 2008.

- From March 17 to 20, Mr. Labuschagne and Mr. Dermot Cassidy traveled to Zambia, to work with the Market Access, Trade and Enabling Policies (MATEP) project and stakeholders in the honey sector, to facilitate the export of honey into South Africa.
- On March 18, Mr. Munyaradzi, traveled to Mbabane, Swaziland to monitor the implementation of Phase 2 of the World Customs Organization Time Release Study and facilitate a public awareness workshop.

For additional information, see trip report by Mr. Munyaradzi, Mr. Struthers and Mr. Chisembwere, ‘Technical Assistance to Swaziland Phase Two’, February, 2008.

- From March 19 to 21, Ms. Chilala and Mr. Atwine presented the SADC Draft Protocol on Trade at the Trade Negotiating Forum in Gaborone, Botswana.

For additional information, see meeting report by Ms. Chilala on “SADC Trade Negotiating Forum”, March 19 to 21, 2008.

- From March 27 to 28, Ms. Elago and Ms. Walker conducted training on rules of origin for the Lesotho Revenue Authority (LRA), in Maseru, Lesotho.

For additional information, see trip report by Ms. Elago and Ms. Walker “National Rules of Origin Training for Lesotho”, March 27 to 28, 2008.

- The Trade Hub films were shown at the USG/PEPFAR Staffing for Results/Team Building Workshop, hosted by the Trade Hub on March 27 and also at the Rules of Origin workshop in Maseru, Lesotho, on March 28.
- On March 31, Mr. Munyaradzi attended an East African Community (EAC)/COMESA/SADC joint task force meeting on transport issues in Pretoria, South Africa.

For additional information, see trip report by Mr. Munyardazi “SADC/EAC/COMESA joint task force meeting”, March 31, 2008.

Publications and Communications

- **Publications**

During the second quarter of FY 2008, the Trade Hub published the 12th issue of its quarterly news publication, *Inside Southern African Trade (INSAT)*.

In this issue of INSAT we look at two small mountainous Southern African kingdoms – Lesotho and Swaziland – where apparel firms have thrived in recent years; becoming significant employers and foreign exchange earners. However, recent events have put the industries, and the jobs that have been created, at risk. We look at two initiatives aimed at responding to the current challenges and ensuring the sustainability of the industries in the short and medium term. The issue also features overviews of Lesotho and Swaziland in the form of a selection of narrative and statistical data; an exclusive interview with Belinda Edmonds, CEO and co-founder of Cool Ideas, an apparel sourcing company that facilitates several million dollars worth of apparel exports from Southern Africa every year; and a ‘Guest Perspective’ wherein Leslie Johnston, country director of the Swaziland Enterprise and Entrepreneurship Program (SWEEP), discusses the evolution of small enterprises to viable export-oriented businesses; asking why some go all the way and others remain one-man (or mostly one-woman) operations.



Hub Happenings continues to be published every month and is distributed to an increasing number of stakeholders. The number of electronic contact addresses on the distribution list has grown to 3,634.

During the first quarter of FY 2008 the Trade Hub also drafted two new success stories – one on the signing of the Moatize Framework Agreement and another on the implementation of the Single Administrative Document (SAD500) to ease customs procedures between an increasing number of countries in the SADC region.

- **Trade Issues Film Series**

The five films in the Trade Issues Film Series continued to be shown throughout the region. The Trade Issues Film Series have been subtitled in French for use at events in Francophone Africa.

- **Website**

Gina van Schalkwyk, Information and Communications Coordinator, continued to work with Dexis Consulting, a U.S.-based firm, on upgrading the website. In particular, the past events section of the website has been updated until December 2007; all technical reports have been uploaded to the website; and a dynamic calendar function and a system for the rating of important pages has been added.



Planned Activities, Publications and Communications

- **INSAT:** From April 21 to May 3, Gina van Schalkwyk will travel to Luanda, Angola, to conduct research and interviews for the publication of Issue 13 of the Hub’s flagship publication, *Inside Southern African Trade (INSAT)*, which will focus on the financial services sector and trade finance in Angola and will be published in June.
- **Website:** The communications team will continue to update the website to act as an online tool and resource for trade-related issues in the region.
- **Database:** The communications team will continue to work on expanding and improving the Hub’s database of contacts for mailings.
- **Success Stories:** The USAID Trade Hub will publish two success stories on Hub activities
- **Online Training Tool:** Ms. van Schalkwyk will start with the development of an online training tool based on the Hub’s Business Guide to the SADC Protocol on Trade for the SADC Secretariat.

FINANCIALS

TRADE FACILITATION AND CAPACITY BUILDING

| | | |
|----|--|--------------|
| a. | Overall contract budget | \$24,711,932 |
| b. | Cumulative expenditures before Quarter 2 of 2008 | \$13,796,389 |
| c. | Expenditures during Quarter 2 of 2008 | \$985,000 |
| d. | Cumulative expenditures through Quarter 2 (b+c) | \$14,781,390 |
| e. | Remaining budget (a-d) | \$9,930,542 |
| f. | Obligated amount | \$18,372,612 |
| g. | Remaining obligated amount (f-d) | \$3,591,222 |

TRADE COMPETITIVENESS

| | | |
|----|---|---------------|
| a. | Overall contract budget | US\$8,520,605 |
| b. | Cumulative expenditures before Quarter 2 of 2007 | US\$5,828,631 |
| c. | Expenditures during Quarter 2 of 2007 | US\$419,580 |
| d. | Cumulative expenditures through Quarter 2 (b+c) * | US\$6,248,211 |
| e. | Remaining budget (a-d) | US\$2,272,394 |
| f. | Obligated amount | US\$7,267,097 |
| g. | Remaining obligated amount (f-d) | US\$1,018,886 |

* Note: Expenditures during Q2 includes an estimate for March 2008

AGCI INDICATORS AND RESULTS

Trade Facilitation and Capacity Building AGCI Indicators

| | Indicator | FY 2008 Expected Results | FY 1st Quarter Results | FY 2nd Quarter Results |
|------|--|--------------------------------|------------------------------|------------------------------|
| 1. | Trade and Investment Enabling Environment | | | |
| 1.1. | Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of USG assistance | 5 | 1 | 3 |
| 1.2. | Number of legal, regulatory or institutional actions (not mentioned above) taken to improve implementation or compliance with international trade and investment agreements due to support from USG-assisted organizations | 5 | 7 | 4 |
| 1.3. | Number of participants in trade and investment trainings | 500* | 423* | 317 |
| | Number of women | 150* | 96* | 86 |
| | Number of men | 350* | 327* | 231 |
| 1.4. | Number of trade and investment environment diagnostics conducted | 40 | 23 | 18 |
| 2. | Energy Services | | | |
| 2.1. | Number of people receiving USG supported training in energy related policy and regulatory practices | 150 | 25 | 132 |
| | Number of women | 38 | 5 | 45 |
| | Number of men | 112 | 20 | 87 |
| 2.2. | Total public and private dollars leveraged by USG for energy infrastructure projects | TBD** | \$2.7 billion | Not yet known |
| 3. | Transport Services | | | |
| 3.1. | Total public and private dollars leveraged by USG for transportation infrastructure projects | TBD** | Not yet known | Not yet known |
| 3.2. | Has the government adopted improved transportation related policies or plans this year as a result of USG assistance | Yes | Yes - 1 | None |
| 3.3. | Number of people receiving USG supported training in transportation related policy and regulatory practices | 200* | 308* | 104 |
| | Number of women | 50* | 53* | 37 |
| | Number of men | 150* | 255* | 67 |

** TBD – to be determined

Trade Competitiveness AGCI and IEHA Indicators

| Element | Indicator | Q1 FY 2008 | Q2 FY 2008 |
|---|---|--------------------------------|------------|
| Private Sector Productivity | Number of new members in private business associations as a result of USG assistance | 5 | 5 |
| | Number of public-private dialogue mechanisms utilized as a result of USG assistance | 1 | 1 |
| Trade and Investment Capacity | Number of firms receiving capacity building assistance to export | 15 | 20 |
| | Number of capacity-building service providers receiving USG assistance | 1 | 0 |
| | Percent change in value of intra-regional exports (excluding South Africa) from target sectors as a result of USG assistance | TBD* | TBD |
| | Dollar value of exports from Southern Africa as a result of USG assistance (AGOA and non-AGOA) | \$2.1 million (AGOA, Non-AGOA) | TBD |
| | Number of buyer/seller linkages established in export markets as a result of USG assistance | 6 | 40 |
| | Dollar value of new investments made in export capacity as a result of USG assistance | TBD | TBD |
| | Number of jobs supported by export firms as a result of USG assistance | TBD | TBD |
| | Percent change in value of intra-regional exports (excluding South Africa) of targeted agricultural commodities as a result of USG assistance | TBD | TBD |
| Agricultural Sector Productivity | Number of agriculture-related firms benefiting directly from USG supported interventions | 4 | 32 |
| | Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance | 1 | 2 |
| | Number of buyer/seller linkages established in the agricultural sector as a result of USG assistance | 5 | 32 |
| | Dollar value of new investments made in agricultural capacity as a result of USG assistance | TBD | TBD |
| | Number of small-holder farms benefiting directly from USG supported interventions | TBD | TBD |

* TBD – to be determined

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 | 2 |
| Quantity of newspaper coverage | Individual newspaper and magazine articles, press releases printed in publications, and news articles appearing in major internet sites. | Regional press | 2 |
| Trade Hub Publications | | | |
| <i>Inside Southern African Trade (INSAT)</i> quarterly newsletter | Number of people receiving <i>INSAT</i> electronically | TFCB Dialogue Unit | 3,522 |
| <i>Inside Southern African Trade (INSAT)</i> quarterly newsletter | Number of people receiving <i>INSAT</i> in hard copy | TFCB Dialogue Unit | 3,000 |
| <i>Inside Southern African Trade (INSAT)</i> quarterly newsletter | Number of people receiving <i>INSAT</i> through secondary e-mail distribution | TFCB Dialogue Unit | 3,500 |
| <i>Hub Happenings</i> monthly calendar of events and projects | Number of people receiving <i>Hub Happenings</i> electronically | TFCB Dialogue Unit | 2,996 |
| Website Statistics (January 1 – March 31, 2008) | | | |
| Total sessions | A series of hits to the site over a specific period by one visitor | website | 26,747 |
| 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 | 162,845 |
| Total hits | Any successful request to the server from a visitor's browser | website | 313,067 |
| Average sessions per day | | website | 293.92 |
| Average page views per day | | website | 1,789.51 |
| Average hits per day | | website | 3,440.30 |

SUCCESS STORIES



USAID | SOUTHERN AFRICA

FROM THE AMERICAN PEOPLE

SUCCESS STORY

Botswana Entrepreneur Launches New Furniture Line

USAID's Southern Africa Global Competitiveness Hub helps Botswana designer gain access to the U.S. market



Photo: Southern Africa Trade Hub

Peter Mabeo showcases his latest collection of chairs, tables, and home accessories at the 2007 International Contemporary Furniture Fair in New York City.

With assistance from the USAID Trade Hub, Peter Mabeo Furniture is identifying the right distributor to promote its furniture line on the U.S. market and restructuring the company to export exclusively to North America.

U.S. Agency for International Development
www.usaid.gov

The Southern Africa Global Competitiveness Hub (Trade Hub) has been working with Peter Mabeo Furniture, a Botswana-based contemporary furniture design and manufacturing company, to achieve new exports for its furniture line for the North American market. Partnering with the Africa Fast Track Trade program, the Trade Hub sponsored Peter Mabeo, Owner and Managing Director, to showcase his new collection at the 2007 International Contemporary Furniture Fair in New York.

The trip followed the award-winning launch of the Mabeo Collection for the North South Project – a collaborative effort between Peter Mabeo and Canadian designer Patty Johnson that received the Editors' Award for Craftsmanship at the 2006 International Contemporary Furniture Fair.

Since 1995, Mabeo's company has manufactured furniture for the corporate sector and the domestic retail market in the Southern African region. The North South project enabled the company to step into the international marketplace, offering a 10-piece line of high-end, hand crafted furniture products designed by Johnson and manufactured in Botswana. Balancing craft and local aesthetic with contemporary design, the collection received recognition from *Newsweek*, the *New York Times*, *Elle Décor*, the *City Magazine* of New York, and the *Toronto Star*.

The new designs and exposure at the 2007 International Contemporary Furniture Fair paid off. In April 2008, Peter Mabeo's furniture will appear in 10 showrooms of the prestigious Design Within Reach company throughout the United States. Design Within Reach will feature Peter Mabeo's products as part of their sustainability line. Featured showrooms include New York, Washington DC, San Francisco, Dallas, Chicago, Miami and Los Angeles. Being exempt from customs duty and import tax into the United States and sourcing raw material from an Indiana-based lumber supplier, Peter Mabeo Furniture is able to offer an attractive, quality product at a competitive price to the North American market. The Trade Hub's partnership with Peter Mabeo comes as part of the Hub's concerted effort to help promote the diversification of Botswana's exports beyond diamonds and apparel.



SUCCESS STORY SOURCE AFRICA Wins Award, New Business

Inter-Hub collaboration showcases African textile and apparel industry at premier U.S. Trade Show



Photo: Southern Africa Trade Hub

USAID's Global Competitiveness Hubs in East/Central, Southern and West Africa won 'Best of Show' for their SOURCE AFRICA Pavilion at the February 2008 Sourcing at MAGIC Show

With support from the USAID African Global Competitiveness Hubs, African apparel companies attending the Magic Show could see over US\$10 million in potential deals, creating several new jobs in the sector.

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Millions of dollars of potential business and a "Best of Show" award for the SOURCE AFRICA Pavilion at the February 2008 MAGIC Show in Las Vegas are just the preliminary outcomes of a collaborative effort on the part of the Southern, East/Central and West Africa Global Competitiveness Hubs (Trade Hubs) to raise the profile of Africa's textile and apparel industry at one of North America's premier fashion and apparel trade shows attended by top American retailers that represent over US\$150 billion in U.S. consumer apparel sales. Fifteen African companies participated, representing a cross-section of product capabilities available to buyers, from children's clothing, to workwear, protective gear, uniforms and medical scrubs, to a full range of casual clothing using conventional and organic cotton, synthetics, denim and the latest state-of-the-art finishes. Cameroon, Ethiopia, Ghana, Lesotho, Madagascar, Mauritius, South Africa, Uganda and Zambia were represented.

The SOURCE AFRICA Pavilion received nearly constant traffic, as buyers spent time to learn more about what Africa can offer as an alternative sourcing location. Buyers were interested in product segments that achieve significant tariff savings compared to most Asian locations thanks to the African Growth and Opportunity Act (AGOA) and products made from organic cotton – an emerging segment within the regional apparel industry. Buyers were also keen to learn about the flexibility, quality, competitive pricing, falling lead times, labor standards and other benefits African companies are able to offer.

While it is too soon to determine that actual business generated by participation in the show, all participants considered the event a useful investment of their time and money and a critical networking and market linkage venue. Serious business contacts were made with potential buyers, new and old contacts alike. An exit poll of African companies attending the event suggests that potential business resulting from networking at the show could exceed US\$15 million (assuming pricing and sample exchanges go well).

The Trade Hubs have already started planning for a repeat success at the MAGIC Show in August 2008.