

# SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB



## First Quarter Report Financial Year 2009 October 2008 to December 2008

*Submitted by:*

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## ACRONYMS

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AAR	American Association of Railroads
AGCI	African Growth and Competitiveness Initiative
AGOA	African Growth and Opportunity Act
ASYCUDA	Customs Management information System
B2B	Business to Business
BIDPA	Botswana Institute for Investment and Policy Analysis
BNA	Angolan Central Bank
BOCCIM	Botswana Confederation of Commerce, Industry & Manpower
BURS	Botswana Unified Revenue Services
BUSA	Business Unity South Africa
CARANA	CARANA Corporation
CDC	Center for Disease Control
CENELEC	Commissioners for the Electricity Council of Mozambique
CISS	Corridor Institutional Sustainability Study
COMESA	Common Market for Eastern and Southern Africa
DCC	Dar es Salaam Corridor Committee
DFID	Department for International Development (of the United Kingdom)
DTI	Department of Trade and Industry
EPA	Economic Partnership Agreement
EMTF	Energy Ministerial Task Force
EU	European Union
FDA	Food and Drug Administration
FHI	Family Health International
FTA	Free Trade Area / Agreement
FY	Financial Year
GTZ	German Agency for Technical Cooperation
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICTSD	International Centre for Trade and Sustainable Development
IEHA	Initiative to end Hunger in Africa
INSAT	Inside Southern African Trade
IPP	Independent Power Provider
ISPS	International Ship and Port Facilities
IT	Information Technology
KSA	Knowledge Sharing and Skills Analysis
MATEP	Market Access, Trade and Enabling Policies
MCLI	Maputo Corridor Logistics Initiative
MNRE	Ministry of Natural Resources and Energy
MOU	Memorandum of Understanding
NATHAN	Nathan Associates Incorporated
NCTCCA	Northern Corridor Transit Traffic Coordinating Authority
NEPAD	New Partnership for Africa's Development
NPPO	National Plant Protection Organization
NTB	Non Tariff Barriers
OECD	Organization for Economic Development
ORE	Office de Regulation Electricité
PASA	Participating Agency Service Agreement

PMAESA	Port Management Association of East and Southern Africa
PSI	Population Services International
RERA	Regional Electricity Regulators Association of Southern Africa
RTFP	Regional Trade Facilitation Program
SACU	Southern African Customs Union
SAD	Single Administrative Document
SADC	Southern African Development Community
SAFT	Southern Africa Forum on Trade
SAIBL	Southern Africa Investment & Business Linkages
SAIIA	South African Institute for International Affairs
SAPP	Southern Africa Power Pool
SARA	South African Railways Association
SARS	South African Revenue Service
SIPA	Swaziland Investment Promotion Authority
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary
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
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
TRADE	Trade for African Development and Enterprise
TRALAC	Trade Law Centre for Southern Africa
TRS	Time Release Study
TSG	The Services Group
UNCTAD	United Nations Conference on Trade & Development
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
WTO TF NA	WTO Trade Facilitation Needs Assessment
YD	Yamoussoukro Decision

## EXECUTIVE SUMMARY

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In the first quarter of Financial Year (FY) 2009 (October – December 2008), the Southern Africa Global Competitiveness Hub (otherwise known as the Trade Hub) achieved significant successes and outstanding results across all five areas of activity:

1. Trade and Investment Enabling Environment;
2. Private Sector Competitiveness;
3. Financial Services;
4. Modern Energy Services; and
5. Agriculture Enabling Environment.



This report outlines in narrative and tabular forms the activities, results and successes achieved during the first quarter of FY 2009. Financial information, project indicators, along with outreach and communications indicators are provided at the end of the document. CD versions of the report with links to the Trade Hub reports referenced in the text can be requested from the Trade Hub.

The following are some of the major activities and achievements of the Trade Hub during the first quarter of FY 2009:

- In December 2008, the Trade Hub finished assisting governments in the SADC region with their World Trade Organization (WTO) Trade Facilitation Needs Assessments. From October 6 to 10, a Trade Hub team was in Maputo to assist the Government of Mozambique. From November 3 to 7, the Trade Hub team assisted the Government of Angola and following the visit to Angola, the team traveled to Blantyre to assist the Government of Malawi from November 17 to 20 before travelling to Victoria to assist the Government of Seychelles with their WTO Trade Facilitation Needs Assessment from December 1 to 5. To date, the Trade Hub has successfully facilitated WTO Trade Facilitation Assessments in Swaziland, Zambia, Lesotho, Mozambique, Angola, Malawi and Seychelles. The Trade Hub Trade Facilitation Needs Assessment support involves using the WTO Trade Facilitation Tool to assess the state of the facilitation in light of the proposals in the WTO Negotiating Group on Trade Facilitation and to assess the technical assistance and capacity building needs associated with effective implementation.
- During this first quarter of FY 2009, the Trade Hub also continued with efforts to facilitate trade along the region's corridors. Mr. Ranga Munyaradzi, Senior Customs Advisor, and Mr. Godwin Punungwe, Transport Advisor, attended the Walvis Bay Corridor Business Information Event in Gaborone on October 15. From October 20 to 24, the two also attended the Trans Kalahari Corridor Management Committee (TKCMC) Transport and Customs Working meetings and Maputo Corridor Logistics Initiative (MCLI) Open Day Networking Event held in South Africa. Besides providing an update of the Trade Hub's work on corridor sustainability; harmonization of customs and transport regulations and procedures; as well as One Stop Border Post (OSBP) initiatives; the two Trade Hub representatives facilitated discussions during the meetings.

- On November 13, Ms. Paulina Elago, Deputy Director of Trade Facilitation and Capacity Building presented the Trade Hub sponsored “*Exporters’ Guide to Preferential Trade Arrangements Applicable to Lesotho*” to stakeholders at a workshop in Maseru, Lesotho. The workshop was attended by about 30 participants from the private and public sectors including the U.S. Ambassador to Lesotho, Ambassador Robert B. Nolan, and the U.S. Embassy’s Public Diplomacy, Economic and Political Officer, Ms. Sara Devlin. Two thousand copies of the guide were distributed to stakeholders in Lesotho to enhance understanding of Lesotho’s trade arrangements.
- From December 2 to 3, the Trade Hub in collaboration with the International Trade Centre (ITC) hosted a Trade and Investment Map training event for SADC Investment Promotion Agencies (IPA) representatives in Gaborone, Botswana. The training, which was attended by 18 participants, was at the request of the SADC Secretariat’s Finance and Investment section. The training aimed to provide participants with an overview and understanding of ITC’s web based market analysis tools.
- From November 24 to 25, Mr. Munyaradzi and Mr. Punungwe attended Dar Corridor Committee (DCC) meetings in Blantyre, Malawi. The major highlight of this meeting was the signing of the DCC Constitution by Zambian stakeholders on November 24, 2008, which resulted in the formal establishment of the DCC Constitution.
- The Trade Hub continues to facilitate a potential business transaction between an agricultural enterprise in southern Mozambique and a large U.S.-based chili sauce company. If the deal comes to fruition, local farmers would benefit from increased employment and income. Initial discussion between the two parties revealed some capacity gaps on the part of the grower. The Trade Hub is working to find the financial resources and expertise to carry out a feasibility study concerning investment in larger production capabilities. In the short term, the Trade Hub is encouraging the potential business partners to carry out a pilot production program, at their own cost. Private financing solutions to support the project are also being explored.
- The Trade Hub continues to work with the U.S. Department of Agriculture in Botswana and South Africa, as well as U.S. Animal and Plant Health Services (APHIS) to satisfy the requirements of South Africa’s National Plant Protection Organization (NPPO) in determining that *bactrocera curcubitae* was mistakenly identified in Botswana. This determination will assist Botswana exporters in the agriculture sector to access the South African market.
- The Food Emporium, a premier specialty food store based in New York City, featured a new line of African products in their international gourmet section. The promotion was launched at the Bridgemarket Food Emporium in Manhattan in September 2008. The Talier Trading Group, led by Mr. Jim Thaller, and Trade Hub Consultant, Mr. Derryck Cox, worked together to select the right mix of products for this launch with the Food Emporium.

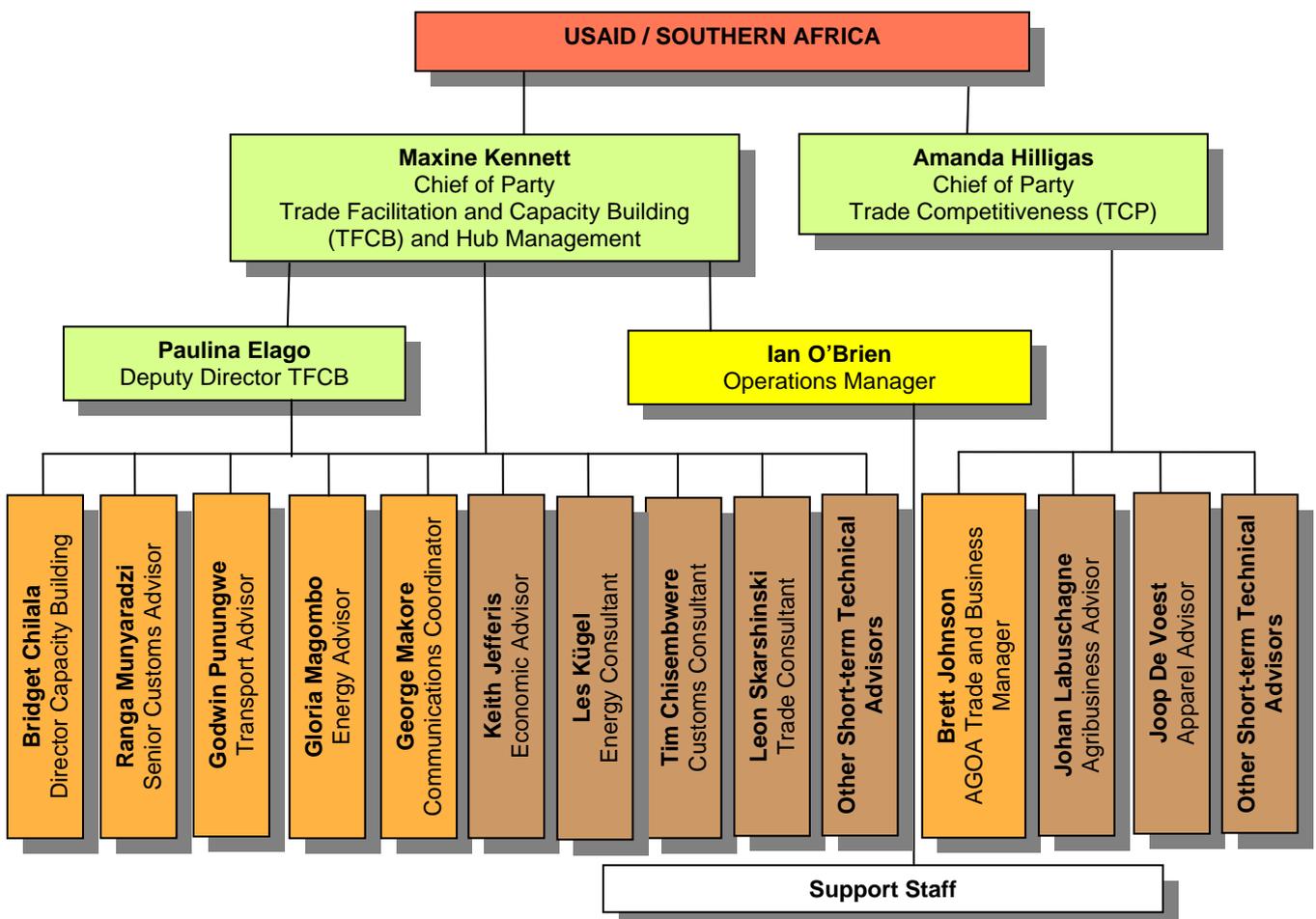
- The Trade Hub is working with the private sector to establish a SADC honey council which will address phytosanitary issues surrounding the export of honey into South Africa. South Africa has a growing demand for honey, despite robust domestic production. Unfortunately, valid concerns regarding the threat of American Foul Brood (AFB) caused the South African NPPO to require that all honey from SADC countries must be irradiated. The irradiation process causes honey to be ineligible for organic certification.
- The Trade Hub announced the dates of the 2009 Business-to-Business apparel event, which will be held from April 21-22 in Pretoria, South Africa. The 2008 B2B event involved over 440 meetings between over 60 companies, and the resulting business is expected in the range of \$10 – 23 million over the next 2 years.
- Ms. Amanda Hilligas, Director of the Trade Competitiveness, participated in Wharton’s Africa Business Forum, held at the University of Pennsylvania on November 8. Ms. Hilligas spoke on an agribusiness panel exploring the current opportunities and challenges of agriculture in Africa. The discussion centered on augmenting productivity levels and market access for African firms into international markets. The panel also discussed access to capital, improvements of inputs, value chain investments and expanded export opportunities.
- The Trade Hub facilitated a buyer’s trip for Mr. James Thaller, Chief Executive Officer (CEO) of the New Jersey-based Talier Trading Group, an international specialty food marketing company. For the last two years, Talier has been working on an Africa Set, working through USAID projects and other organizations to identify companies that could export products to be marketed as part of the set. The trip involved two and a half days in both Zambia and Malawi, with the intention of getting a quick perspective on what opportunities existed for the development and export of specialty food items to the U.S. market. These visits were coordinated in collaboration with the USAID MATEP Project in Zambia and the USAID Compass II Project in Malawi.



## 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 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 mainly consists of two technical activity areas: the Trade Facilitation and Capacity Building (TFCB) Project and the Trade Competitiveness (TC) Project, both of which began in October 2004. The TFCB and TC Project staff together consist of long-term and short-term regional and international experts in the fields of trade policy, trade negotiations, customs, transport, energy issues and business linkages as well as a team of local support staff.



In September 2007, the TFCB and TC Project were given supplements to their existing statements of work for FY 2008 until the end of the project. The new statements of work reflect 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 TFCB and TC Projects to focus on specific elements of the Africa Global Competitiveness Initiative (AGCI).

In FY 2009, these are elements include:

1. Trade and Investment Enabling Environment;
2. Private Sector Competitiveness;
3. Financial Services;
4. Modern Energy Services; and
5. Agriculture Enabling Environment.

#### **The African Global Competitiveness Initiative (AGCI)**

The African Global Competitiveness Initiative (AGCI) is a \$200 million, five-year Presidential Initiative aimed at promoting the export competitiveness of enterprises in sub-Saharan Africa (SSA) in order to expand African trade with the United States, other international trading partners and regionally within SSA. AGCI builds on the African Growth and Opportunity Act (AGOA) and works with other donor initiatives, including the World Bank's Making Finance Work for Africa and the multilateral Infrastructure Consortium for Africa.

AGCI's overall objective is to promote export competitiveness of enterprises in sub-Saharan Africa (SSA). To achieve this objective, AGCI has two main strategies, to: 1) provide technical assistance that advances export competitiveness; and 2) support complementary activities that contribute to the objectives of AGCI. AGCI seeks to leverage its resources with those of other USAID-funded programs and programs financed by other international financial institutions as well as with investment resources from the private sector; AGCI strives to achieve a greater development impact through a multiplier effect.

## 1. TRADE AND INVESTMENT ENABLING ENVIRONMENT

This component includes activities designed to support SADC to implement their regional integration mandate; to build trade capacity within the region; to assist stakeholders to take advantage of opportunities provided by regional and international trade agreements; to facilitate trade; to harmonize and improve Customs procedures and practices; and to facilitate trade along regional transport corridors.

### Support to the Southern African Development Community (SADC)

The SADC Protocol on Trade 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 Protocol on Trade.

The aim of the SADC Protocol on Trade is to establish a Free Trade Area (FTA) by 2008. In 2004, the Mid-Term Review of the Protocol on Trade identified a number of implementation issues including rules of origin constraints, back-loaded tariff liberalization schedules and inconsistency in executing tariff reductions.



As per a Memorandum of Understanding (MOU) of February 27, 2007, between the U.S. Embassy/Botswana, USAID/Southern Africa and the SADC Secretariat, it was agreed that the Trade Hub would undertake a number of trade-related technical assistance activities on behalf of or for the SADC Secretariat, some of which were undertaken during this quarter.

- **SADC Protocol on Trade**

The Trade Hub continued to liaise with the SADC Secretariat on the design and implementation of a Trade Monitoring and Compliance Mechanism (TMCM) for the SADC Trade Protocol. The Trade Hub will work with SADC and Information Technology (IT) consultants on design possibilities and liaise with the German Agency for Technical Cooperation (GTZ) and other donors concerning co-funding the implementation.

Ms. Bridget Chilala, Director Trade Capacity Building, visited Lusaka, Zambia, from September 29 to October 2, to meet with AfriConnect Limited, the company that co-designed the online Non Tariff Barrier (NTB) Mechanism funded by Regional Trade Facilitation Program (RTFP) to discuss the design of the TMCM.

In November, Ms. Chilala attended a RTFP Meeting in Pretoria, South Africa, to discuss the TMCM with the Department for International Development (DFID) funded RTFP. The objective of the discussion was to establish whether it would be possible to upgrade the RTFP created NTB Mechanism to accommodate the TMCM.

*For additional information, see “Trip Report – RTFP Meeting” by Ms. Chilala*

- **SADC Investment Promotion Agencies**

From December 2 to 3, the Trade Hub in collaboration with the International Trade Centre (ITC) program funded by USAID, hosted a Trade and Investment Map training for SADC Investment Promotion Agencies (IPA) representatives in Gaborone, Botswana. The training, which was attended by 18 participants, was at the request of the SADC Secretariat’s Finance and Investment section. The purpose of the training was to provide participants with an overview and understanding of ITC’s web based market analysis tools in areas of Trade Map, Market Access Map and Investment Map.



*For additional information, see “Trip Report - SADC Trade Map Training” by Ms. Elago.*

- **Trade, Industry, Finance and Investment (TIFI) Thematic Group Meeting**

On October 15, Ms. Chilala attended a SADC International Cooperating Partners (ICPs) Joint Task Force (JTF) and Trade, Industry, Finance and Investment (TIFI) Thematic Group meetings in Gaborone, Botswana. The TIFI/ICP Thematic Group meeting was preceded by a meeting of ICPs chaired by the EC delegation as Lead ICP on Trade to discuss key issues and to share information.

*For additional information, see “Meeting Report – TIFI Meeting” by Ms. Chilala.*

***Planned Activities, SADC Support:***

The Trade Hub is finalizing the production for a SADC Guide on Trade Protocol it is sponsoring on behalf of SADC. The Guide should be published during the second quarter of FY 2009.

The Guide to the SADC Protocol on Trade is designed to inform the business community in the SADC region about the terms of the Protocol. It explains the SADC legal trade framework in simple language, following the order in which topics are taken up in the Protocol. While an attempt has been made to discuss all the obligations and commitments of the Protocol, the emphasis has been on creating awareness and understanding of the increased market access that is available in the region. It is hoped that it will help businesses make informed decisions.

**Trade Capacity Building**

Southern Africa is one of the poorest regions in the world, accounting for only 1% of global merchandise trade. High protective tariffs, non-tariff barriers to trade, restrictions on foreign investment, and high transaction costs impede regional growth. Given the small size of most domestic markets, increased regional trade is essential for economic growth and stability. A key factor limiting the region's ability to

compete effectively in global markets is an inconsistent and complex trade policy and regulatory environment. Countries belong to several multilateral and bilateral trade groups, regional development organizations, and a Customs Union, but frequently do not respect their obligations under these agreements.

SADC Member States are currently engaged in 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 first quarter of FY 2009, the Trade Hub continued its efforts to improve the policy, regulatory, and enforcement environment for private sector-led trade and investment in the region.

- **Botswana Tariff Training**

In December, Ms. Elago; Mr. Leon Skarshinski, Trade Adviser to the Ministry of Trade and Industry; and Ms. Kudzai Madzivanyika, Trade Facilitation Assistant; presented sessions on key issues related to Botswana's tariff commitments under the World Trade Organization (WTO), World Customs Organization (WCO) and SADC Trade Protocol, with respect to the Harmonized Commodity Description and Coding System, at a Botswana Tariff training held in Gaborone.

The Harmonized Commodity Description and Coding System, an internationally standardized system of names and numbers, provides the basis for product descriptions and classification. An understanding of this system is essential for reading tariff books, negotiating market access agreements for goods, and establishing preferential duty rates as found in negotiated agreements.



The main purpose of the training was to expose participants to the Harmonized System of Classification and its use in trade policy formation and application. Thirteen officials from the Department of International Trade, as well as the Botswana United Revenue Service (BURS) and representatives from Botswana Institute for Development Policy Analysis (BIDPA) attended the course.

*For additional information, see “Trip Report – Botswana Tariff Training” by Ms. Elago and Ms. Madzivanyika.*

- **Lesotho**

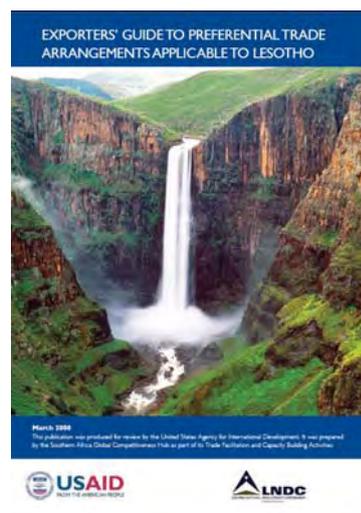
On November 13, Ms. Elago, presented the Trade Hub sponsored “*Exporters’ Guide to Preferential Trade Arrangements Applicable to Lesotho*” to stakeholders at a workshop in Maseru, Lesotho. The workshop was attended by about 30 participants from the private and public sectors including the U.S. Ambassador to Lesotho, Ambassador Robert B. Nolan and the U.S. Embassy’s Public Diplomacy, Economic and Political Officer, Ms. Sara Devlin. Two thousand copies of the Guide were

distributed to stakeholders in Lesotho to enhance understanding of Lesotho’s trade arrangements.

*For additional information, see “Trip Report – Lesotho Guide Presentation” by Ms. Elago.*

- **South Africa**

From November 24 to 25, Ms. Elago attended the South African Institute for International Affairs (SAIIA) Regional Economic Integration Economic in Southern and Economic Partnership Agreements (EPAs) Conference in Johannesburg, South Africa and moderated a session on “*Taking Stock: What is in the Interim EPA?*” Besides moderating, Ms. Elago contributed to the dialogue on regional economic integration in southern Africa beyond EPAs.



The conference was hosted by SAIIA, in collaboration with the Overseas Development Institute and the European Centre for Development Policy Management. Its main objective was to discuss key challenges related to the IEPAs and their implications for regional economic integration. The conference provided a platform to discuss the impact of EPAs on regional integration in southern Africa, by examining how and whether EPAs would foster regional integration given current political and technical issues under consideration.

*For additional information, see “Trip Report – SAIIA EPA Meetings” by Ms. Elago.*

From November 26 to 28, Ms. Elago attended the “*Challenges of Youth in the 21st Century: Africa - Creating Opportunities through Entrepreneurship & Education*” workshop at University of Cape Town Graduate School of Business, South Africa. The capacity building workshop, co-hosted by the Garnet network, Evian Group and Mthente Research and Consulting Service, focused on the role of entrepreneurship and education in creating opportunities for youth and strengthening Africa’s sustainable economic development. The central themes for the meeting included issues related to domestic governance, business, entrepreneurship, education, human capital formation, management skills, development, employment, social entrepreneurship, the role of women entrepreneurs and trade. Ms. Elago was a panelist on the impact of entrepreneurship and innovation on trade development.



*For additional information, see “Trip Report – Challenges of Youth Meeting” by Ms. Elago.*

### *Planned Activities, Trade Capacity Building:*

- **Botswana** – During the next quarter, the Trade Hub will liaise with the Botswana Ministry of Trade and Industry concerning their request for technical assistance on trade in financial services. Mr. Skarshinski, will also continue to assist the Botswana Ministry of Trade and Industry with trade policy issues until end of January 2009.
- **Namibia** – The Trade Hub will liaise with the Namibia Ministry of Trade and Industry concerning requests for technical assistance on trade and investment policy issues.
- **Swaziland** – The Trade Hub will also liaise with the Swaziland Ministry of Finance and the Swaziland Investment Promotion Agency (SIPA) as well as the Swazi Chamber of Commerce concerning their requests for technical assistance.
- **Madagascar** – During the second quarter, the Trade Hub will liaise with the Revenue Authority in Madagascar concerning their request for rules of origin (ROO) training.

### World Trade Organization (WTO) Trade Facilitation Assessments

Increasing transparency, simplifying, standardizing and modernizing import and export procedures, and improving the conditions for transit represent the essential substantive areas of trade facilitation. Work on world Trade Organization (WTO) Trade Facilitation Needs Assessments provides an effective link between developing country participation in multilateral trade negotiations and the identification and prioritization of technical assistance necessary for facilitating their trade.



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 would derive maximum benefits.

During the quarter under review, the Trade Hub continued to assist governments in the SADC region with their WTO Trade Facilitation Needs Assessments. From October 6 to 10 a Trade Hub team was in Maputo to assist the Government of Mozambique with their WTO Trade Facilitation Needs Assessment (WTO TF NA). From November 3 to 7, the Trade Hub assisted the Government of Angola and following the visit to Angola, the team traveled to Blantyre to assist the Government of Malawi from November 17 to 21. The Trade Hub conducted its last WTO Trade Facilitation Needs Assessments in the SADC region with a visit to Seychelles from December 1 to 5. To date, the Trade Hub has successfully facilitated WTO Trade Facilitation Assessments in Swaziland, Zambia, Lesotho, Mozambique, Angola, Malawi and Seychelles. The Trade Hub Facilitation Assessment support involves using the WTO Trade Facilitation Tool to assess the state of the facilitation in light of

the proposals in the WTO Negotiating Group on Trade Facilitation and to assess the technical assistance and capacity building needs associated with effective implementation.

*For additional information, see “Trip Report – WTO TF NA Mozambique”, by Ms. Chilala, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*



*For additional information, see “Trip Report – WTO TF NA Angola”, by Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

*For additional information, see “Trip Report – WTO TF NA Malawi”, by Ms. Chilala, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

*For additional information, see “Trip Report – WTO TF NA Seychelles”, by Ms. Kennett, Ms. Hilligas, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

*Also see “Technical Reports – WTO TF NA Angola, Malawi, Mozambique and Seychelles”.*

### 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 helps to identify the bottlenecks, strengths and weaknesses, and regulatory areas needing reform of the customs regime of a country with the ultimate goal being to improve efficiency and effectiveness of the Customs regime.



The TRS is one of the WCO’s most important trade facilitation instruments. It is used to review the Customs clearance procedures by measuring the average time taken between the arrival of the goods in the country and their release by Customs. This enables Customs to identify problem areas in the clearance process and potential corrective action in order to increase efficiency and transparency.

In the past, TRS facilitated by the Trade Hub provided the framework for targeted interventions aimed at reducing trade costs through strengthening Customs valuation, streamlining procedures, establishing risk assessment, and supporting the establishment of post clearance audit units. The overall objective is to help regional exporters gain greater access to markets by working on harmonization of standards across country boundaries. As is the case with the WTO Trade Facilitation Needs Assessments, the Trade Hub has become a preferred facilitator of WCO TRS in the SADC region.

### *Planned Activities, Time Release Studies:*

- **Lesotho** – During second quarter of FY 2009, Mr. Munyaradzi will be liaising with Lesotho Revenue Authority concerning their customs-related technical assistance. It is expected that the trade Hub will facilitate a TRS in Lesotho in FY 2009.
- **Swaziland** – The Trade Hub will continue to liaise with Swaziland concerning their customs related technical assistance requests. The final phase of the WCO TRS was completed and a revised draft Customs and Excise Act was completed and submitted to Swazi Officials in January 2008. New Subsidiary Customs and Excise Regulations have also been drafted and presented to Swazi Officials for approval.

### 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.

Following the success of the Customs Information Technology (IT) meeting held in Johannesburg, South Africa in March 2008, Malawi and Tanzania Revenue Authorities agreed to pilot the RADDEX IT Program at their common border.

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

- Malawi and Tanzania Revenue authorities have agreed to pilot the RADDEX IT program at their common border and have approached the Hub for further technical assistance for implementation. The Trade Hub will contract Mr. Michael Smith, as a short term Customs IT specialist, to facilitate activities between Malawi and Tanzania Revenue Authorities.

### SADC Transport Initiatives

Trade competitiveness for goods and services within the SADC 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.

During the last three years, SADC developed the Regional Indicative Strategic Development Plan (RISDP), which is a regional blueprint aimed at accelerating the SADC regional economic integration agenda with the overachieving objectives of poverty reduction through enhancement of global competitiveness in trade. In light of these objectives, and as result of the signing of a MOU on transport-related technical assistance



between the USG and SADC in 2008, it was agreed that the USAID-funded Trade Hub would assist the SADC Secretariat to:

1. Assess experiences in the SADC region of concessioning of railways to identify lessons learnt and best practices in order to improve future decision-making and practice.
2. Assess the potential impact of the implementation of Yamoussoukro Decision (YD) on Open Skies in the SADC Region. The YD is aimed at liberalizing and integrating the African air transport market with the view of improving the quality air transport and reducing the cost of air travel.
3. Assess experiences in the SADC region of concessioning of ports to identify lessons learnt and best practices in order to improve future decision-making and practice.

In the first quarter of FY 2009, the Trade Hub continued with the assessment of the concessioning of ports in the SADC region. From November 1 to 7, Mr. Alan Harding, Trade Hub Consultant, traveled to Tanzania and Angola after having already traveled to Mozambique from October 27 to 31, to assess the concessioning of ports in the SADC region.

*For additional information, see “Trip Report – SADC Port Concessioning Study” by Mr. Harding.*

The Trade Hub also conducted a review of the effectiveness of rail concessions in the SADC region. The overall objective of this study is to review railway concessioning processes in the SADC region with a view to draw important lessons regarding the effectiveness of the policy position and implementation process for that policy position. Furthermore, the Trade Hub is finalizing a report on a study to assess the potential impact of the implementation of Yamoussoukro Decision (YD) on Open Skies in the SADC Region. Both reports are expected to be completed in the second quarter of FY 2009.

Mr. Punungwe facilitated a SADC Experts Workshop on Vehicle Dimensions Standardization held from October 30 to 31, in Gaborone, Botswana. At the workshop, Mr. Punungwe first facilitated the meeting of the Working Group of the SADC Panel of Experts on vehicle dimensions harmonization and standards before facilitating the finalization of three documents on vehicle dimensions and loads and equipment on vehicles harmonization as well as standards that had been tabled at the previous meeting. In addition to Mr. Punungwe facilitating at this meeting, the Trade Hub sponsored Barney Cutis of Federation of East and Southern African Road Transport Associations (FESARTA) and Steve Morgan of the South African Bureau of Standards (SABS) to attend the meeting.

*For further information, see “Trip Report – SADC Vehicle Standards Meeting”, by Mr. Punungwe.*

## Roll-out of the Single Administrative Document (SAD 500)

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.



The SAD 500 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.

## Transport Corridors

The Trade Hub continues to collaborate with other donors, SADC, and transport corridor committees to reduce transit times and costs on three regional corridors:

1. Trans Kalahari Corridor;
2. Maputo Development Corridor; and
3. Dar es Salaam Corridor.



### • **Trans Kalahari Corridor**

In this quarter, the Trade Hub also continued with efforts to facilitate trade along the regions corridors trade route from Gauteng to Walvis Bay. Mr. Munyaradzi and Mr. Punungwe attended the Walvis Bay Corridor Business Information Event in Gaborone on October 15. From October 20 to 24, they also attended the Trans Kalahari Corridor Management Committee (TKCMC) Transport and Customs Working meetings held in South Africa. Besides providing an update of the Trade Hub's work on corridor sustainability; harmonization of customs and transport regulations and procedures; as well as One Stop Border Post initiatives; the two Trade Hub representatives facilitated discussions during the meetings.

- **Maputo Development Corridor**

In October, Mr. Munyaradzi and Mr. Punungwe also attended The MCLI Open Day and Network Event. The MCLI meeting, which was attended by over 184 Corridor stakeholders, was addressed by a number of experts on the Corridor, and provided a key opportunity for the broad base of stakeholders to understand the key Customs issues on the Corridor and those affecting the bi-directional flow of cargo on the Corridor. The stakeholders discussed measures they were taking to promote imports through Maputo port that was largely handling exports thereby promoting bi-directional aspect of the Maputo Corridor.

*For additional information, see “Trip Report – TKCMC MCLI Meetings”, by Mr. Munyaradzi and Mr. Punungwe.*

- **Dar Corridor**



From November 24 to 25, Mr. Munyaradzi and Mr. Punungwe attended Dar Corridor Committee (DCC) meetings in Blantyre, Malawi to facilitate the signing of the DCC Constitution by Zambian Government officials and other Zambian Dar Corridor stakeholders. The major highlight of this meeting was the signing of the DCC Constitution by the Zambian stakeholders on November 24,

2008, which resulted in the formal establishment of the DCC. The Committee then elected Mr. Ephraim Mgawe, Director General of the Tanzania Port Authority as chairman with Mr. Brian Shone of FEDHAUL of Zambia being elected vice chairman.

*For further information, see “Trip Report – Dar Corridor Meetings”, by Mr. Munyaradzi and Mr. Punungwe.*

***Planned Activities, Transport Corridor Support Work:***

- Following the final signing of the DCC Constitution by Zambia, the final member of the committee, on November 24, the Trade Hub will during the next quarter focus on finalizing the recruitment and appointment of the Dar Corridor Executive Director for the DCC.
- The Trade Hub will liaise with TKC on technical assistance activities and facilitate the implementation of the One Stop Border Post (OSBP) Study on the Botswana/Namibia border.

## 2. PRIVATE SECTOR COMPETITIVENESS

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This component seeks to improve the capacity of regional businesses and clusters to produce and market competitive goods and services. The Trade Hub's activities endeavor to develop value-adding export relationships within the region and internationally by providing access to technical assistance. This work assists producers, exporters, and countries to maximize benefits from AGOA opportunities. Target sectors under this component are: exportable agriculture, textiles and apparel, and specialty foods.

### Exportable Agriculture

- **Fresh produce for South Africa**

To facilitate and expedite assistance to the region in the agricultural sector, the Trade Hub determined it was necessary to ascertain the opportunities that exist in the South African market for regional agricultural goods. While South Africa is mostly self-sufficient in agricultural production, there remain opportunities for regional producers to take advantage of seasonal and climatic variations to meet an increase in overall demand of South African consumers. 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.



- **Mozambique**

The Trade Hub continues to facilitate a potential business transaction between an agricultural enterprise in southern Mozambique and a large U.S.-based chili sauce company. Initial discussion between the two parties revealed some capacity gaps on the part of the grower. The Trade Hub is working to find the financial resources and expertise to carry out a feasibility study in order to facilitate investment in large production capabilities. In the short term, the Trade Hub is encouraging the potential business partners to carry out a pilot production program, at their own cost. Private financing solutions to support the project are also being explored.

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

As part of the agriculture strategy, Mr. Labuschagne, Agricultural Advisor, 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 Sanitary and Phytosanitary (SPS) Participating Agencies Service Agreement (PASA) with USDA and will include honey (Malawi, Swaziland, Mozambique and Zambia); mangoes and bananas (Mozambique and Zambia); melons (Botswana and Mozambique); chilies (Mozambique); and grapes (Namibia).

In conjunction with the USDA SPS-PASA, the Trade Hub will facilitate the first meeting of a SADC honey council, anticipated for the month of February 2009. South Africa has a growing demand for honey, despite robust domestic production. Unfortunately, valid concerns regarding the threat of American Foul Brood (AFB) caused the South African NPPO to require that all honey from SADC countries must be irradiated. The irradiation process causes honey to be ineligible for organic certification. The honey council will address market access issues, and regional concerns on honey production.

- **Botswana**

The Trade Hub provided support to the Botswana Horticulture Council (BHC) 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 facilitated cooperation with Animal and Plant Health Services (APHIS) and the Department of Agriculture in Botswana to assist the government with their trapping fruit fly program to regain lost market access to South Africa. APHIS is scheduled to visit Botswana to continue this work in the second quarter of FY 2009.



*For further information, see, “Trip Report – Botswana Agriculture Visit” by Mr. Labuschagne.*

- **Wharton Africa Business Forum**

Ms. Hilligas, Director of the Trade Competitiveness, participated in Wharton’s Africa Business Forum, held at the University of Pennsylvania on November 8. Ms. Hilligas spoke on an agribusiness panel exploring the current opportunities and challenges of agriculture in Africa. The discussion centered around augmenting productivity levels and market access for African firms into international markets. The panel also discussed access to capital, improvements of inputs, value chain investments and expanded export opportunities.

*For further information, see, “Trip Report – Wharton Africa Business Forum”, by Ms. Hilligas.*

### *Planned Activities, Exportable Agriculture:*

- **Mozambique** – Follow up on chili growers and potential interest for cross-border investment in horticulture. Visit Mozambique to conduct a feasibility study in January 2009.
- **Zambia** – Coordinate with the Market Access, Trade and Enabling Policies (MATEP) Project on the results of the U.S. buyer visit in November 2008.
- **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. Organize the first meeting of the SADC honey council for February 2009.
- **Swaziland** – Coordinate with the Technoserve Swaziland Enterprise and Entrepreneurship Program (SWEEP) Project on next steps for honey production in conjunction with Eswatini Swazi Kitchen.
- **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 in the first quarter of FY 2009 in support of textiles and apparel experts from and within the region:

- **MAGIC Show**

The Trade Hub continues to plan for the SOURCE Africa Pavilion at the February MAGIC Show. It is working with partners throughout Africa, including the West Africa Trade Hub, AGOA+ Project in Ethiopia and Enterprise Mauritius to organize an African delegation of at least 24 apparel manufacturing companies. In an exciting development, the SOURCE



Africa Pavilion has been selected as the focus pavilion, which will be given a better location and free marketing benefits from the show.

- **Business-to-Business Apparel Event 2009**

The Trade Hub continues to plan the 2009 African Textile and Apparel Business to Business (B2B) event to be held in late April. Recruiting of textile and trim suppliers, garment manufacturers and retailers/buyers has already begun. The 2008 B2B was

considered a success, with participants reporting \$10-23 million of dollars in new or potential business resulting from the event.

*For further information, please see, “Trip Report – Quarterly Apparel Planning”, by Mr. Joop de Voest.*

- **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:



- Introduced a new sourcing house to companies from Zambia, Lesotho and Tanzania.
- Introduced a British company to a ropes and twines producer in SADC for representation.
- Introduced a modernized textile mill in Tanzania to a South African retailer (fabric sourcing for its CMT companies) and other garment manufacturers in the SADC region.
- Introduced a U.S. buyer to three South Africa fabric mills for sourcing to supply West African companies, enabling them to proceed with orders that were threatened to fail.
- Introduce a major South African retailer to additional companies in Malawi, Lesotho and Swaziland that were not present at B2B. The retailer is looking to place millions of units in the SADC region.
- Introduced an American buyer of workwear to a manufacturer in Tanzania.
- Introduced another South African retailer to baby-wear manufacturers in West Africa.
- Introduced an American buyer (with own factory in Mauritius) to 11 knit fabric manufacturers in 4 countries for sourcing as well as 3 weaving mills.
- Introduced a Malawian company to a number of knit and woven fabric mills in South Africa and Swaziland.
- Introduced a Botswana based knit fabric and garment manufacturer to South Africa retailers they have not been doing business with.
- Introduced a Ugandan organic cotton ginner to spinners, knitters and garment manufacturers in the SADC region to complete the organic cotton value chain for exports to the European Union and the U.S.
- Introduced a South African button manufacturer to the Ethiopian garment industry.
- Introduced a Botswana company to 4 potential U.S. buyers.
- Introduced Lesotho and Namibian manufacturers to a South African retailer.

### *Planned Activities, Textiles and Apparel:*

- Continue planning for the 2009 Business-to-Business event focusing on regional sourcing opportunities and leveraging on success achieved in 2008 to attract more manufacturers and buyers.
- Participate in the MAGIC Show in February 2009.
- 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 2008, 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 Patty Johnson has collaborated with Mr. Mabeo to bring new product collections, including furniture and basketry to the North American market. Peter 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.



On July 16, the Trade Hub participated in the launch of Peter's Maun Windsor Chair at Design Within Reach in Bethesda, Maryland. Mabeo Furniture has secured new orders with Design Within Reach, and the launch represented the Maun chair's introduction to the U.S. market. In the first quarter of 2009, the Trade Hub began planning for Peter's exhibition at the 2009 International Contemporary Furniture Fair, held in May 2009 in New York City. Peter intends to target leading design firms and architects as part of his strategy for 2009.

- **International Buyer Trip**

The Trade Hub facilitated a buyer's trip for Mr. James Thaller, Chief Executive Officer (CEO) of the New Jersey-based Talier Trading Group, an international specialty food marketing company. Talier Trading Group markets a number of different ethnic specialty food sets to major grocery stores in the United States.

For the last two years, Talier has been marketing an Africa Set, working through USAID projects and other organizations to identify companies that could export products to be marketed as part of the set. The trip involved a trip to Zambia and Malawi, with the intention of getting a quick perspective on what opportunities existed for the development and export of specialty food items to the U.S. market. These visits were coordinated in collaboration with the USAID MATEP Project in Zambia and the USAID Compass II Project in Malawi.

The Thaller trip had two objectives:

- 1) to identify potential suppliers with existing products; and
- 2) to identify African cuisine that is currently not produced for export (or even domestic consumption) and companies that might be positioned to develop and produce these cuisines for export.

Between Zambia and Malawi, Thaller identified between 10 and 30 products of interest for the African set. Of these, about 70% include product concepts that require development. While both Zambia and Malawi presented Thaller with interesting product opportunities, pricing is a real concern and possible obstacle to realizing these opportunities. As land-locked countries, both Zambia and Malawi face high transport costs. This not only impacts transport of the final good, but it also impacts overall production costs, as many producers need to import packaging and labeling materials from South Africa or other locations.



By January 2009, Thaller expects to present the Trade Hub, MATEP and Compass II with a list of existing and concept products that he wishes to move forward with in Zambia and Malawi. This list will indicate any steps necessary to help put these products on U.S. shelves. This will include issues easily resolved on the part of companies, areas where Talier may be able to provide assistance as part of the marketing relationship (e.g. packaging and labeling design/advice), as well as areas where donor assistance could accelerate the process.

*For further information, please see, "Trip Report – Jim Thaller Sourcing Visit", by Mr. Johnson.*

- **Fancy Food Show**

In the first quarter of 2009, the Trade Hub began planning the "Taste of Africa" Pavilion for the



Fancy Food Show in July 2009. The Trade Hub expects work with the East and Central Africa Trade Hub, West Africa Trade Hub and other stakeholders to present at least 18 specialty food companies to buyers as part of the show. The Trade Hub is monitoring results from the private sector due to participation in the Fancy Food Show, which was held in June 2008. Several companies report new orders or first time business with U.S. importers in the specialty food sector. Results will be available in the next edition of the quarterly report.

- **Food Emporium “Taste of Africa” Promotion**

The Food Emporium, a premier specialty food store in New York City, held a special two-week promotion in September to launch a new line of African products that will be featured in their international gourmet section. The African products continue to appear in Food Emporium supermarkets and have stimulated sales of products from Africa. The Talier Trading Group, led by Mr. Thaller, and Trade Hub



consultant Mr. Derryck Cox worked to select the right mix of products for this launch with the Food Emporium. It is expected that based on the likely success of a separate Africa product grouping, other supermarkets will also be interested in sourcing more products from Africa. Kroger Foods is currently also testing a separate African set of products in a number of stores and reporting some encouraging interest.

- **Seychelles**

During the Trade Hub visit to the Seychelles, Ms. Hilligas met with private sector representatives to assess challenges to exporting to the United States and Southern Africa. Exporters were interested in sourcing packaging materials from Southern Africa in the fishery sector, and the Trade Hub is following up on these requests. Exporters also were interested in acquiring AGOA Category 9 status, to facilitate the export of ethnic printed fabrics. The Trade Hub is following up on these requests.

*For additional information, see “Trip Report – WTO TF NA Seychelles”, by Ms. Kennett, Ms. Hilligas, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

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

The Trade Hub continued to provide support to Southern African companies looking for information on ways to access the U.S. market through AGOA. This includes numerous responses to information regarding regulatory requirements related to FDA requirements for food exports to the United States. The Trade Hub also provided AGOA eligibility and compliance assistance.

<b>COUNTRY</b>	<b>DATE DECLARED AGOA ELIGIBLE</b>	<b>DATE DECLARED ELIGIBLE FOR APPAREL PROVISION</b>	<b>SPECIAL RULE FOR APPAREL</b>
Republic of) Angola	December 30, 2003		
(Republic of) Botswana	October 2, 2000	August 27, 2001	Yes
(Democratic Republic of) Congo *	December 31, 2002		
(Kingdom of) Lesotho	October 2, 2000	April 23, 2001	Yes
(Republic of) Madagascar	October 2, 2000	March 6, 2001	Yes
(Republic of) Malawi	October 2, 2000	August 15, 2001	Yes
(Republic of) Mauritius	October 2, 2000	January 18, 2001	No
(Republic of) Mozambique	October 2, 2000	February 8, 2002	Yes
(Republic of) Namibia	October 2, 2000	December 3, 2001	Yes
Republic of) South Africa	October 2, 2000	March 7, 2001	Yes
(Kingdom of) Swaziland	October 2, 2000	July 26, 2001	Yes
(United Republic of) Tanzania	October 2, 2000	February 4, 2002	Yes
(Republic of) Zambia	October 2, 2000	December 17, 2001	Yes

***Planned Activities, AGOA Support:***

- Continue planning for the 2009 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.
- Continue to plan Peter Mabeo’s participation in the 2009 International Contemporary Furniture Fair.
- Continue to act as an information resource for companies requesting information in import requirements, technical and logistical support, and recommendations for importers.
- Follow up with the East and Central Africa Trade Hub on Seychelles request for AGOA Category 9 status.

### 3. FINANCIAL SERVICES

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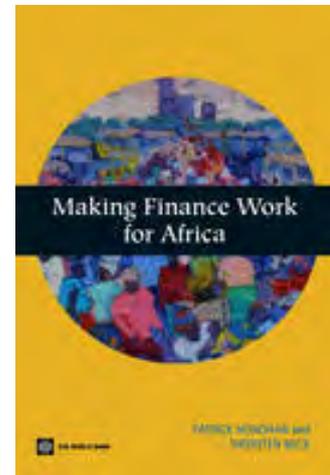
The Trade Hub supports activities aimed at enhancing efficiency within the financial system. Many countries within Southern Africa are insufficiently served with financial products and services owing to market imperfections such as legal uncertainties, information asymmetries, regulatory issues and a lack of knowledge among some potential borrowers on how to frame financial proposals.



The Trade Hub works closely with the World Bank, the Africa Development Bank, SADC and USAID/Washington on these issues.

#### Making Finance Work for Africa

“*Making Finance work for Africa*” is a major initiative to support the efforts of African countries to accelerate economic growth and reduce poverty. It takes stock of the current state of Africa’s financial systems, both at the large scale (‘finance for growth’) and the small scale (‘finance for all’). The partnership is based on the recognition that financial sector development can be a strategic driver of private investment, employment generation and economic growth. “*Making Finance work for Africa*” aims at scaling up resources for the development of the financial sector in Africa and enhancing the sector’s contribution to economic growth and poverty reduction. The partnership provides and extensive agenda for potential work on financial sector development in Africa should resources be made available. These include:



- Promoting access to finance, and information relating to access levels and constraints;
- Developing regulatory models for branchless and mobile banking;
- Promoting regional financial sector integration; and
- Remittances, both internal and cross-border.

During this quarter, the Trade Hub continued liaising with SADC regarding their technical assistance requests for FY 2009 as well as with USAID and the World Bank on “*Making Finance Work for Africa*” activities.

The first quarter of FY 2009, the Trade Hub agreed through Dr. Keith Jefferis, Economic Advisor, to produce a study on the development of bond markets in the SADC and COMESA regions.



## 4. MODERN ENERGY SERVICES

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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.

### Support to RERA

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 this quarter, the Trade Hub continued to work with RERA to review progress on various projects and implementation plans of the technical assistance programs within the region.

From November 12 to 14, Gloria Magombo, Energy Advisor, attended the 5<sup>th</sup> RERA Annual Conference and Annual General Meeting (AGM) in Arusha, Tanzania where she presented a paper on the findings of a recent survey on policy, institutional and regulatory frameworks of the Electricity Supply Industry (ESI) in the SADC region and networked with experts and regulators in the region.

The Conference's theme was "Regulatory Challenges in Harnessing Africa's Energy Potential for Sustainable Power Supply". Its main objective was to provide a forum for regulators and international experts to deliberate on pertinent issues affecting the ESI and chart the possible way forward. The presentation of the key findings of the survey on policy, institutional and regulatory frameworks of the ESI in the SADC region provided some solutions to some of the problems affecting the ESI.

*For additional information, see "Trip Report – RERA Annual Conference" by Mrs. Magombo.*

### ***Planned Activities, Support to RERA:***

- During FY 2009, the Trade Hub will finalize a survey on the Status of Policy, Institutional and Regulatory Frameworks of the Electricity Supply Industry (ESI) in the SADC Region. The survey which the Trade Hub conducted on behalf of RERA was carried out in all of the SADC countries and focused on the status of government policy, institutional set-up and the associated governing regulatory

frameworks in the regional ESI. The survey is also intended as a tool to promote the enhancement and harmonization of the variant frameworks to facilitate investment and trade, and the development of good regulatory practices based on the principles of autonomy, transparency, accountability, non-discrimination, investment promotion and protection, and competition.

- During the next quarter, the Trade Hub plans to liaise with RERA to organize training for the Madagascar Energy Regulator (ORE).
- Between January and March 2009, the Trade Hub will assist SADC and RERA in the development of a regional action plan to move towards cost reflective tariffs within the region.

### Support for New Regulators

During the first quarter of FY 2009, the Trade Hub continued to support new energy regulators in the SADC region. In particular, the Trade Hub focused on running training programs for new energy regulators throughout the region as well as developing an energy policy document for Botswana.

- **Botswana**

The Trade Hub is also liaising with the Botswana Department of Energy Affairs regarding their request for technical assistance and is organizing possible co-funding with the United Nations Development Program (UNDP). During the first quarter of FY 2009, Mr. Cornelius Mzezewa, Consultant, was in Gaborone to assist the Government of Botswana with energy policy development. The purpose of his visit to Gaborone was to conduct further consultations with stakeholders not met during the first visit and to organize the launch of the Thematic Task Force (TTF) consultations. The Thematic Task Forces developed out of a consultative meeting between Trade Hub, Energy Affairs Division (EAD) and UNDP advisors. During this meeting, it was agreed that the UNDP could fund Thematic Task Forces to conduct further stakeholder consultations along thematic lines.



*For additional information, see “Trip Report – Botswana Energy Policy” by Mr. Mzezewa.*

- **Mozambique**



From November 27 to 28, Les Kugel, Energy Consultant, and Mrs. Magombo were in Maputo, Mozambique to train Mozambican National Electricity Council (CNELEC) commissioners and Mozambican Ministry of Energy staff on the basic principles of regulation. The main objective of the training was to build the capacity of the newly

appointed regulators that will assist in creating a regulatory environment that is conducive to public private sector participation.

*For additional information, see “Trip Report – CNELEC Training” by Mrs. Magombo and Mr. Kugel.*

- **Regional Regulators**

From December 10 to 12, Mrs. Magombo was in Lusaka, Zambia, to assist RERA with the training of new energy regulators. The purpose of the training was to build capacity of new energy regulators in the SADC region as part of the New Commissioner Training Program with the support of the U.S. National Association of Regulatory Utility Commissioners (NARUC) and USAID.

*For additional information, see “Trip Report – RERA NARUC Energy Training” by Mrs. Magombo.*

***Planned Activities, Support for New Regulators:***

The Trade Hub 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 the SADC Secretariat. The Trade Hub is also working with CNELEC and Swaziland concerning their requests for technical assistance and training.

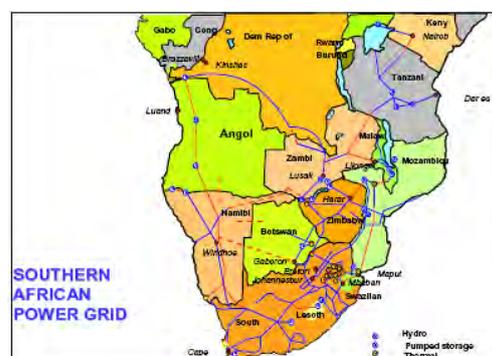
**Support to the Southern African Development Community**

During this quarter, the Trade Hub continued to support various energy-related initiatives of SADC.

From December 1 to 4, the Trade Hub hosted a four day Regional Energy Planning Network (REPN) training. The purpose of the training was to empower the national energy planning institutions of the SADC Member States so that they could on an annual basis, efficiently and effectively apply a standardized regional energy data collection methodology for the production of the SADC Energy Statistical Year Book. This would facilitate their capability and capacity to better perform energy planning tasks, undertake energy forecasting and projections, and speed up the process of project formulation and implementation.

*For additional information, see “Trip Report – SADC Energy Training” by Mrs. Magombo.*

On December 15, Mrs. Magombo attended a SADC Energy Thematic Group (ETG) meeting held in Gaborone, Botswana at the invitation of the Lead Energy Sector International Cooperating Partner (ICP), Norway, and the SADC Secretariat. The main purpose of this meeting was for the SADC Secretariat to inform the various



ICPs of the SADC energy sector activities and programs, review progress on the various projects and programs being implemented by the ICPs and identify areas for further funding and assistance.

*For additional information, see “Trip Report – SADC Energy Thematic Group Meeting” by Mrs. Magombo.*



The following day, December 16, Mrs. Magombo attended a SADC Energy Sector Donors Meeting in Gaborone, Botswana. The meeting was a follow up on the ETG meeting to review and develop effective donor coordination mechanisms and compare experiences from other thematic groups.

*For additional information, see “Trip Report – SADC Energy Sector Donors Meeting” by Mrs. Magombo.*

From October 6 to 8, Gloria Magombo, Energy Advisor, attended the Corporate Council on Africa’s (CCA) 3rd Annual U.S.–Africa Infrastructure Conference on ‘Connecting the Continent’ held in Washington D.C. The CCA conference brings together African and American government officials and leading members from the private sector to discuss doing business in Africa. During the conference, Mrs. Gloria Magombo, Energy Advisor, made a presentation on private sector investment in power projects in the SADC region.

*For additional information, see “Trip Report – CCA Washington” by Mrs. Magombo.*

### ***Planned Activities, Support to SADC***

- During the next quarter, the Trade Hub will continue working closely with the SADC Secretariat to assess and facilitate investment in energy infrastructure projects by providing technical assistance at SADC Regional Energy Planning Network meetings; Power Project Roundtables; Southern African Power Pool (SAPP) meetings; SADC Power Project Steering Committee (PPSC) meetings; as well as SADC Thematic Group meetings.
- During FY 2009, the Trade Hub also plans to provide technical assistance at SADC meetings and workshops to facilitate investment in energy projects as well as the development of a regional licensing framework for trans-boundary electricity projects.

## 5. AGRICULTURAL ENABLING ENVIRONMENT

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This component includes activities designed to support SADC to support their regional integration mandate in relation to agricultural trade as well as to build capacity within the region on agricultural trade issues as well as Sanitary and Phytosanitary (SPS) issues.

The Trade Hub works closely with the SADC Secretariat and the U.S. Department of Agriculture as well as USAID-funded SPS Participating Agencies Service Agreement (PASA) staff.

In the first quarter of FY 2009, work on the agriculture enabling environment was based on the issue of Private Standards.

### Private Standards

Private food safety and quality standards in developed countries have become a global phenomenon. These voluntary standards are product and production process requirements set by the buyers of agriculture and food products. They operate alongside compulsory public regulatory systems, but in terms of market access and access to the shelves of the leading supermarkets in the rich countries they are virtually mandatory. Consequently, countries in Southern Africa face increasing constraints in exporting their food products to European and U.S. markets. In order to ensure continued access to these important export markets, producers have no alternative but to make the necessary investments to comply with the requirements of the private food safety and quality standards. While these standards are a constraint, they also provide opportunities for Southern African firms to differentiate their products based on high quality, food safety, and environmental and social standards.

However, meeting these private standards is a challenge for most Southern African firms due to several reasons. There is a multitude of different standards schemes, such as GLOBALGAP and Fairtrade besides firm-specific standards like Tesco's Natures Choice and Shoprite Checkers Group's Freshmark, among others. Then there is also the issue of scope and stringency of these different schemes constantly changing. This requires producers to have ongoing access to information about private standards requirements and continuously make investments in infrastructure and systems to meet the required demands.

Following a meeting on private standards held in August in Gaborone, Botswana, Mr. George Makore, Communications Coordinator, attended a SADC private standards workshop in Pretoria, South Africa, from November 5 to 6. The workshop which was attended by over 60 participants from SADC Member States discussed the nature and scope of private standards. The Trade Hub sponsored the attendance at the workshop of five representatives of National Standards Bodies from the region.

*For additional information, see "Trip Report – SADC Private Standards Workshop" by Mr. Makore and "SADC Meeting Report – Consultative Workshop on SPS" by Ms. Chilala.*

## **6. OUTREACH ACTIVITIES AND TRADE HUB MANAGEMENT**

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### **Staffing**

There were no staff changes at the Trade Hub during the first quarter of FY 2009. However, on October 8, Rescue One First Aid Training was held at the Trade Hub for Trade Hub staff and on December 12, the Trade Hub held its end of year staff party at Mokolodi Nature Reserve in Gaborone, Botswana.

### **Outreach Activities**

The Trade Hub will be hosting a Regional Forum on Enhancing Competitiveness in Southern Africa on February 9 and 10, 2009, at the Balalaika Hotel in Johannesburg, South Africa.

The forum will bring together various stakeholders from the public and private sector who play a significant role in Southern Africa's trade facilitation and capacity building initiatives. The objective of the forum is to address the challenges facing the region with regards to competitiveness and showcase some of the methods being used to successfully meet these challenges.

The forum will comprise three plenary sessions as well as several breakaway sessions focusing on significant trade related issues such as railway and port concessioning, One Stop Border Posts (OSBP); Customs modernization; electricity tariff regulation in the energy sector; regional integration; the SADC Free Trade Area; Aid for Trade; investment; and the impact of the global financial crisis in the region.

### **Trade Hub Events and High Level Visits**

During the first quarter of FY 2009, the Trade Hub hosted the following events and visitors at the Trade Hub:

- On October 16, Dr. Tina Dooley-Jones, USAID Southern Africa Regional Economic Growth Office Chief, and Mr. William Penoyar, USAID Regional Advisor from the Office of Southern African Affairs, visited the Trade Hub for a briefing on Trade Hub activities.
- From October 20 to 22, Mr. Dermot Cassidy, a USDA Contractor, visited Gaborone to work with Botswana's NPPO and to discuss regional SPS issues with SADC and the Trade Hub.
- From October 22 to 24, Mr. Alan Harding, a Consultant, visited the Trade Hub to discuss port concessioning in the SADC region.
- From October 30 to 31, Mr. Kugel, Energy Consultant, and Mr. Chisembwere, Customs Consultant, visited the Trade Hub to discuss work planning.
- On October 31, the Trade Hub hosted the newly appointed U.S. Ambassador to Botswana and the Secretary of State's Special Representative to SADC, H.

E. Ambassador Stephen Nolan, as well as the USAID Southern Africa Mission Director, Dr. Carleene Dei, and other U.S. Government staff. The guests met the Trade Hub team before being briefed on Trade Hub activities by Ms. Kennett and Ms. Hilligas.

- From December 1 to 4, the Trade Hub hosted a Southern Africa Development Community (SADC) REPN course.

*For additional information, see “Training Report – SADC Energy Training” by Mrs. Magombo*

### **Participation in Events Outside the Trade Hub**

During the first quarter of FY 2009, the Trade Hub participated in the following events outside the Trade Hub:

- From September 29 to October 2, Ms. Chilala, Director of Trade Capacity Building, was in Lusaka, Zambia, to meet with AfriConnect Limited, the company that co-designed the online NTB Mechanism funded by RTFP to discuss the design of the Trade Monitoring and Compliance Mechanism.

*For additional information, see “Trip Report – RTFP Meeting” by Ms. Chilala*

- From October 6 to 8, Mrs. Magombo, Energy Advisor, attended the Corporate Council on Africa (CCA) U.S.-Africa Infrastructure Conference in Washington DC.

*For additional information, see “Trip Report – CCA Washington” by Mrs. Magombo.*

- From October 6 to 10, Mr. Munyaradzi, Mr. Punungwe, Ms. Chilala and Ms. Madzivanyika assisted the Government of Mozambique with their WTO Trade Facilitation Needs Assessment.

*For additional information, see “Trip Report – WTO TF NA Mozambique”, by Ms. Chilala, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

- On October 15, Mr. Munyaradzi and Mr. Punungwe attended the Walvis Bay Corridor Business Information Event in Gaborone, Botswana.
- On October 15, Ms. Chilala attended a SADC TIFI meeting in Gaborone, Botswana.

*For additional information, see “Meeting Report – TIFI Meeting” by Ms. Chilala.*

- From October 19 to 31, Mr. Mzezewa, a Consultant traveled to Gaborone to assist the Government of Botswana with energy policy development.

*For additional information, see “Trip Report – Botswana Energy Policy” by Mr. Mzezewa.*

- From October 20 to 24, Mr. Punungwe and Mr. Munyaradzi attended TKCMC and MCLI meetings in South Africa where they provided updates on the Trade Hub’s work on corridor sustainability, harmonization of customs and transport regulations as well as OSBP implementation.

*For additional information, see “Trip Report – TKCMC MCLI Meetings”, by Mr. Munyaradzi and Mr. Punungwe.*

- From October 21 to November 7, Mr. Harding traveled to Mozambique, Tanzania and Angola to assess the concessioning of ports in the SADC region.

*For additional information, see “Trip Report – SADC Port Concessioning Study” by Mr. Harding.*

- On October 22, Mr. Johan Labuschagne, Agricultural Advisor and Mr. Joop de Voest, Appeal Advisor, visited Gaborone for planning meetings.

*For further information, see, “Trip Report – Botswana Agriculture Visit” by Mr. Labuschagne.*

- From November 3 to 7, Mr. Munyaradzi, Mr. Punungwe, and Ms. Madzivanyika assisted the Government of Angola with their WTO Trade Facilitation Needs Assessment.

*For additional information, see “Trip Report – WTO TF NA Angola”, by Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

- From November 5 to 6, Mr. Makore attended the SADC Private Standards Workshop in Pretoria, South Africa.

*For additional information, see “Trip Report – SADC Private Standards Workshop” by Mr. Makore.*

- On November 6, Ms. Hilligas met with Mr. Bill Jackson of United States Trade Representative (USTR) and Mr. Jeff Jackson of USAID in Washington, D.C. and on November 8, Ms. Hilligas spoke about the Trade Hub’s work at the Wharton Africa Business.

*For further information, see, “Trip Report – Wharton Africa Business Forum”, by Ms. Hilligas.*

- From November 10 to 11, Mr. Punungwe attended an Africa Infrastructure Projects Summit in Johannesburg, South Africa.

*For additional information, see “Trip Report – AI Infrastructure Meeting” by Mr. Punungwe.*

- On November 12, Ms. Chilala visited Lusaka, Zambia to brief the mission on Trade Hub activities for FY 2009 and discuss areas for collaboration between the Trade Hub and the Bilateral Mission in Zambia.

*For further information, see, “Trip Report – Zambia”, by Ms. Chilala.*

- From November 12 to 14, Mrs. Magombo attended the RERA Annual Conference and AGM in Arusha, Tanzania.

*For additional information, see “Trip Report – RERA Annual Conference” by Mrs. Magombo.*

- On November 13, Ms. Elago presented the Trade Hub sponsored “*Exporters’ Guide to Preferential Trade Arrangements Applicable to Lesotho*” to stakeholders in Lesotho.

*For additional information, see “Trip Report – Lesotho Guide Presentation” by Ms. Elago.*

- From November 15 to 22, the Trade Hub coordinated a trip to the region by a key specialty food buyer from the U.S., aimed at identifying potential suppliers and facilitating product development to widen the diversity of Africa food products sold in U.S. supermarkets and specialty stores. The trip included visits to Malawi and Zambia.

*For further information, please see, “Trip Report – Jim Thaller Sourcing Visit”, by Mr. Johnson.*

- From November 17 to 21, Mr. Munyaradzi, Mr. Punungwe, Ms. Chilala and Ms. Madzivanyika traveled to Blantyre in Malawi to assist the Government of Malawi with their WTO Trade Facilitation Needs Assessment.

*For additional information, see “Trip Report – WTO TF NA Malawi”, by Ms. Chilala, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

- From November 24 to December 6, Mr. Mzezewa, a Consultant, traveled to Gaborone to assist the Government of Botswana with energy policy development.

*For additional information, see “Trip Report – Botswana Energy Policy” by Mr. Mzezewa.*

- From November 24 to 25, Mr. Punungwe and Mr. Munyaradzi attended DCC meetings in Blantyre, Malawi.

*For further information, see “Trip Report – Dar Corridor Meetings”, by Mr. Munyaradzi and Mr. Punungwe.*

- From November 24 to 25, Ms. Elago attended the SAIIA Regional Integration and EPAs Conference in Johannesburg, South Africa and moderated a session on “*Taking Stock: What is in the Interim EPA?*”

*For additional information, see “Trip Report – SAIIA EPA Meetings” by Ms. Elago.*

- On November 26, Ms Chilala attended a Regional Trade and Facilitation Program (RTFP) meeting in Johannesburg, South Africa.

*For additional information, see “Trip Report – RTFP Meeting” by Ms. Chilala.*

- From November 26 to 28, Ms. Elago attended the “*Challenges of Youth in the 21st Century: Africa - Creating Opportunities through Entrepreneurship & Education*” workshop at University of Cape Town Graduate School of Business, South Africa.

*For additional information, see “Trip Report – Challenges of Youth Meeting” by Ms. Elago.*

- From November 27 to 28, Mrs. Magombo and Mr. Kugel provided training on regulation to stakeholders in Maputo, Mozambique.

*For additional information, see “Trip Report – CNELEC Training” by Mrs. Magombo and Mr. Kugel.*

- From December 1 to 5, Ms. Maxine Kennett, Ms. Amanda Hilligas, Mr. Ranga Munyaradzi, Mr. Godwin Punungwe and Ms. Kudzai Madzivanyika, traveled to Seychelles to assist the Government of Seychelles with their WTO Trade Facilitation Needs Assessment.

*For additional information, see “Trip Report – WTO TF NA Seychelles” by Ms. Kennett, Ms. Hilligas, Mr. Munyaradzi, Mr. Punungwe and Ms. Madzivanyika.*

- From December 2 to 3, the Trade Hub co-hosted a SADC/ITC Trade Map training event in Gaborone, Botswana.

*For additional information, see “Training Report – SADC Trade Map Training” by Ms. Elago.*

- On December 9, Ms. Paulina Elago, Mr. Leon Skarshinski and Ms. Kudzai Madzivanyika, presented sessions on key issues related to Botswana’s tariff commitments under the WTO, WCO, Harmonized Commodity Description and Coding System and SADC Trade Protocol at a Botswana tariff training event held in Gaborone.

*For additional information, see “Training Report – Botswana Tariff Training” by Ms. Elago and Ms. Madzivanyika.*

- From December 9 to 11, Mr. Leon Skarshinski, Ms. Kudzai Madzivanyika, and Mr. George Makore, attended the Trade and Industrial Policy Strategies (TIPS) and the Southern African Development Research Network (SADRN) second industrial policy workshop in Gaborone, Botswana.

*For additional information, see “Training Report – Industrial Policy Workshop” by Mr. Makore and Ms. Madzivanyika.*

- From December 10 to 12, the Trade Hub sponsored Regional Electricity Regulators Association of Southern Africa/National Association of Regulatory Utility Commissioners (RERA/NARUC) Energy training in Lusaka, Zambia.

*For additional information, see “Trip Report – RERA NARUC Energy Training” by Mrs. Magombo.*

- On December 11, Maxine Kennett attended the SADC Region U.S. Ambassadors’ Roundtable in Cape Town, South Africa.

*For additional information, see “Trip Report – US Ambassadors’ Roundtable” by Ms. Kennett.*

- From December 15 to 16, Gloria Magombo, Energy Advisor attended the SADC Energy Thematic Group meeting in Gaborone, Botswana.

*For additional information, see “Trip Report – SADC Energy Thematic Group Meeting” by Mrs. Magombo.*

## Publications and Communications

- **INSAT**

In October, the Trade Hub published the 14<sup>th</sup> issue of its flagship quarterly news publication *Inside Southern African Trade (INSAT)*.

The Trade Hub has now been publishing *INSAT* since May 2005. *INSAT* is designed to complement other activities undertaken by the Trade Hub to enhance Southern Africa’s trade competitiveness and further USAID’s strategic goals of economic development and growth in the region and is distributed electronically and in hard copy to over 5,000 stakeholders in the region and beyond. The news publication’s target audience includes policy makers, the private sector, regional civil society, donor community, and interested parties outside the region. The dearth of reliable and regular information on trade-related issues in Southern Africa adversely affects the ability of our stakeholders to define, articulate and defend their interests. The lack of information about Southern Africa has also contributed to negative perceptions of the region as a high-risk investment destination.



*INSAT* addresses these issues by providing clear and concise reporting on a number of issues that affect trade and competitiveness in the sub-region. The objectives of the news publication include: the promotion of good practice with relation to trade and competitiveness by highlighting innovative approaches; highlighting success stories to help promote a positive image of the region; the introduction of trade related resources; highlighting initiatives and activities undertaken or supported by various U.S. agencies and by the U.S. Administration to support development in the region; providing in-depth analysis of some key trade related issues that have been overlooked or underreported by the media in the region.

This 14<sup>th</sup> issue of *INSAT* is dedicated to Madagascar. Madagascar, the world's fourth largest island nation, lies a mere 400 kilometers from Africa's east coast, yet seems more closely connected to its island neighbours and France than to the continent. Although still one of the poorest nations in the world, Madagascar is growing fast, experiencing economic growth of around five percent on average for each of the past five years.

- **Hub Happenings**

*Hub Happenings* is the Trade Hub's monthly electronic Newsletter. The Newsletter continues to be published monthly and is distributed to an increasing number of stakeholders. *Hub Happenings* is electronically distributed to over 3 000 addresses.

*For additional information, see "Hub Happenings – October 2008", "Hub Happenings – November 2008" and "Hub Happenings – December 2008 – January 2009".*



- **Trade Issues Film Series**

The documentary-style films, each 15 minutes in length, touch upon trade-related issues important to the region's competitiveness and aim to appeal to a broad audience.

Shot on location throughout the region, the films examine five inter-related topics: (1) the impact of trade preferences, with a particular focus on AGOA and the apparel industry in Southern Africa (using Lesotho as a case study); (2) business environment challenges in the region and initiatives to improve competitiveness; (3) building an effective private sector voice for policy change (using the Trade Hub's work with the Botswana Cattle Producers Association (BCPA) as a case study); (4) improving trade facilitation by means of the Trans-Kalahari and Maputo Transport Corridors; and (5) HIV/AIDS from a business and economic perspective.



The films discuss the issues and challenges faced by countries in the region as they build global competitiveness and highlight initiatives and efforts to improve the business and trade environment in individual countries and the region as a whole.

- **Website**

The Trade Hub website is frequently updated with technical reports, trip reports, event information, *Hub Happenings* and *Daily News* in order to ensure that all information remains current.

*Planned Activities, Publications and Communications*

- **INSAT:** Issue 15 of the Trade Hub’s flagship publication, *INSAT*, will be published during the second quarter of FY 2009.
- **Hub Happenings** – In FY 2009, *Hub Happenings* will continue to be published at the beginning of every month.
- **Website** - The Trade Hub will continue to update the website to act as an online tool and resource for trade-related issues in the region.
- **Database** - The Trade Hub will continue to work on expanding and frequently updating the Trade Hub’s database of contacts for mailings.



## FINANCIALS

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### TRADE FACILITATION AND CAPACITY BUILDING

a.	Overall contract budget	\$25,711,932
b.	Cumulative expenditures before Quarter 1 of FY 2009	\$17,425,944
c.	Expenditures during Quarter 1 of FY 2009	\$1,136,227
d.	Cumulative expenditures through Quarter 1 of FY 2009 (b+c)	\$18,562,171
e.	Remaining budget (a-d)	\$7,149,761
f.	Obligated amount	\$22,238,612
g.	Remaining obligated amount (f-d)	\$3,676,441

### TRADE COMPETITIVENESS

a.	Overall contract budget	\$8,621,097
b.	Cumulative expenditures before Quarter 1 of FY 2009	\$7,058,211
c.	Expenditures during Quarter 1 of FY 2009	\$300,000
d.	Cumulative expenditures through Quarter 1 of FY 2009 (b+c) *	\$7,358,211
e.	Remaining budget (a-d)	\$1,262,886
f.	Obligated amount	\$8,621,097
g.	Remaining obligated amount (f-d)	\$1,262,886

\* Note: Expenditures during Q1 includes an estimate for November and December 2008

## INDICATORS AND RESULTS

### Trade Facilitation and Capacity Building Project AGCI Indicators

Indicator	FY 2007 Benchmarks	FY 2008 Targets	FY 2009 Targets	FY 2009 First Quarter Results
<b>Trade and Investment Enabling Environment</b>				
Number of Customs harmonization procedures implemented in accordance with internationally accepted standards as a result of USG assistance	N/A	5	3	0
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	N/A	5	3	2
Number of participants in trade and investment trainings	700	500	600	779
Number of women	280	150	200	177
Number of men	420	350	400	604
Number of trade and investment environment diagnostics conducted	N/A	40	30	6
<b>Financial Sector Enabling Environment</b>				
Number of financial sector supervisors trained with USG assistance	N/A	N/A	100	8
Number of women	N/A	N/A	25	0
Number of men	N/A	N/A	75	0
<b>Financial Services</b>				
Number of financial sector professionals trained on international standards with USG assistance	N/A	N/A	100	0
Number of women	N/A	N/A	25	0
Number of men	N/A	N/A	75	0
<b>Modern Energy Services</b>				
Number of people receiving USG supported training in energy related policy and regulatory practices	N/A	150	100	253
Number of women	N/A	38	25	60
Number of men	N/A	112	75	193
Total public and private dollars leveraged by USG for energy infrastructure projects	N/A	TBD	TBD	TBD
<b>Agriculture Enabling Environment</b>				
Number of individuals who have received USG supported short-term agricultural enabling environment training	N/A	N/A	100	5
Number of women	N/A	N/A	25	1
Number of men	N/A	N/A	75	4
Number of policies/regulations/administrative procedures analyzed as a result of USG assistance	N/A	N/A	3	0

## Trade Competitiveness Project Productivity Indicators

Element	Indicator	Quarter 1
<b>Private Sector Productivity</b>	Number of firms receiving capacity building assistance to export	4
	Number of capacity-building service providers receiving USG assistance	0
	Dollar value of exports from Southern Africa as a result of USG assistance (AGOA and non-AGOA)	TBD
	Number of buyer/seller linkages established in export markets as a result of USG assistance	18
	Dollar value of new investments made in export capacity as a result of USG assistance	TBD
<b>Agricultural Sector Productivity</b>	Number of agriculture-related firms benefiting directly from USG supported interventions	TBD
	Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	0
	Number of buyer/seller linkages established in the agricultural sector as a result of USG assistance	15
	Dollar value of new investments made in agricultural capacity as a result of USG assistance	TBD
	Number of farmers, processors, and others who have adopted new technologies or management practices as a result of USG assistance	0
<b>Private Sector Productivity</b>	Number of new members in private business associations as a result of USG assistance	TBD
	Number of public-private dialogue mechanisms utilized as a result of USG assistance	1

## Outreach and Communications Indicators

INDICATOR	Definition/Unit Measure	Data Source	Results
<b>Outreach through the Media</b>			
Number of radio and television spots	Interviews and news broadcasts dedicated to Trade Hub activities	TV and radio stations	0
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
<b>Trade Hub Publications</b>			
<i>Inside Southern African Trade (INSAT)</i> quarterly newsletter	Number of people receiving <i>INSAT</i> electronically	TFCB Dialogue Unit	3 150
<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	3 161
<b>Website Statistics (October 1 – December 31, 2008)</b>			
Total sessions	A series of hits to the site over a specific period by one visitor	website	33 755
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	512 019
Total hits	Any successful request to the server from a visitor's browser	website	634 562
Average sessions per day	Average of a series of hits to your site over a specific time by one visitor	website	366
Average pageviews per day	Average request to the web server by a visitor's browser for any web page	website	5 565
Average hits per day	Average of successful requests to a web server from a visitor's browser	website	6 897

## SUCCESS STORY



**USAID | SOUTHERN AFRICA**  
FROM THE AMERICAN PEOPLE

# SUCCESS STORY

## Facilitating Trade in the SADC Region

**USAID's Southern Africa Trade Hub is now one of the preferred facilitators of WTO Trade Facilitation Needs Assessments in the SADC region.**



Photo: Southern Africa Trade Hub

*In 2008, the Trade Hub successfully facilitated seven SADC Member States' WTO Trade Facilitation Needs Assessments. The trade facilitation support consisted of both technical and financial assistance.*



Photo: Southern Africa Trade Hub

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

The Trade Hub has become one of the preferred facilitators of World Trade Organization (WTO) Trade Facilitation Needs Assessments within the SADC region.

Increasing transparency, simplifying, standardizing and modernizing import and export procedures as well as improving the conditions for transit represent the essential substantive areas of trade facilitation.

The objective of WTO Trade Facilitation Needs 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 would derive maximum benefits.

Work on WTO Trade Facilitation Needs Assessments provides an effective link between developing country participation in multilateral trade negotiations and the identification and prioritization of technical assistance necessary for facilitating their trade.

To date, the Trade Hub has successfully facilitated WTO Trade Facilitation Assessments in Swaziland, Zambia, Lesotho, Mozambique, Angola, Malawi and Seychelles. Trade Hub support involved using the WTO Trade Facilitation Tool to assess the state of the facilitation in light of the proposals in the WTO Negotiating Group on Trade Facilitation and assessing the technical assistance and capacity building needs associated with effective implementation.