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REGIONAL REPORT

ASSESSMENT OF SELECTED TRADE FACILITATION
MEASURES IN FIVE COUNTRIES IN SOUTHERN AFRICA

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REGIONAL REPORT

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E3 Analytics and Evaluation Project

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ACRONYMS

AEO	Authorized Economic Operator
ASYCUDA	Automated System for Customs Data
CBM	Coordinated Border Management
COMESA	Common Market for Eastern and Southern Africa
CTTTFP	Comprehensive Tripartite Trade and Transport Facilitation Program
DTIS	Diagnostic Trade Integrated Study
E3	Bureau for Economic Growth, Education, and Environment (USAID)
ECA	East African Community
EG	Economic Growth
EIF	Enhanced Integrated Framework
GCI	Global Competitiveness Index (WEF)
GDP	Gross Domestic Product
GoM	Government of Malawi
HS	Harmonized Commodity Description and Coding System
ICT	Information and Communications Technology
JICA	Japanese International Cooperation Agency
KAP	Key Action Plan
KII	Key Informant Interview
LPI	Logistics Performance Index (World Bank)
MCCCI	Malawi Confederation of Chambers of Commerce and Industry
M&E	Monitoring and Evaluation
MBS	Malawi Bureau of Standards
MGDS	Malawi Growth and Development Strategy
MoITT	Ministry of Industry Trade and Tourism
MRA	Malawi Revenue Authority
MSI	Management Systems International
MTEF	Medium-Term Expenditure Framework (Malawi)
NASFAM	National Association of Smallholder Farmers in Malawi
NES	National Export Strategy
NGO	Non-Governmental Organization
NSW	National Single Window
NTB	Non-Tariff Barrier (to trade)
NTFC	National Trade Facilitation Committee

NTM	Non-Tariff Measure
NWGTP	National Working Group on Trade Policy (Malawi)
OECD	Organization for Economic Cooperation and Development
OSBP	One-Stop Border Post
PPD	Public-Private Dialogue
SADC	Southern Africa Development Community
SARS	South African Revenue Service
SMEs	Small and Medium Enterprises
SOW	Statement of Work
SPS	Sanitary/ Phytosanitary
STR	Simplified Trade Regime
TBT	Technical Barrier to Trade
TF	Trade Facilitation
TFA	Trade Facilitation Agreement (WTO)
TFM	Trade Facilitation Measure
TFP	Trade Facilitation Program (SADC)
TFTA	Tripartite Free Trade Area Agreement (WTO)
TIFI	Trade, Industry, Finance, and Investment
TRR	Office of Trade and Regulatory Reform (USAID/E3)
USAID	United States Agency for International Development
USG	United States Government
VAT	Value-added tax
WCO	World Customs Organization
WEF	World Economic Forum
WTO	World Trade Organization

EXECUTIVE SUMMARY

This report is the product of an assessment examining the anticipated costs and benefits of implementing selected trade facilitation measures (TFMs) in five countries in Southern Africa: Botswana, Malawi, Namibia, South Africa, and Zambia.¹ The report consolidates the regional-level findings, conclusions, and recommendations drawn from reviewed secondary sources and primary data collected by the assessment team in the five target countries. The United States Agency for International Development's (USAID) Southern Africa Regional Mission and the Trade and Regulatory Reform Office within USAID's Bureau for Economic Growth, Education, and Environment (E3) commissioned this assessment to guide its priorities and work plans for future trade facilitation activities in the region.

Background

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) entered into force after more than two-thirds of the membership ratified it in February 2017. The following Southern Africa Development Community (SADC) countries had ratified and accepted the WTO TFA at the end of February 2017: Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Seychelles, Swaziland, and Zambia. Some countries have notified their Category A commitments² but have not yet lodged their instruments of acceptance, including the Democratic Republic of Congo (DRC), Malawi, Namibia, Tanzania, and Zimbabwe. The notable exception is South Africa, which has neither ratified nor notified its commitments to the WTO. This is despite the existing implementation of the World Customs Organization (WCO) Revised Kyoto Convention in South Africa and the existence of several policies in line with the key principles of the TFA.

Trade facilitation is also a critical issue at the regional level and this is reflected in the programs of SADC, the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Customs Union (SACU). SADC has commissioned the development of a Trade Facilitation Program (TFP), and adopted the SADC TFP Final Report which outlines a harmonized approach to trade facilitation for SADC member states to use as a blueprint to help meet the recommendations of the WTO TFA. The TFP uses a five-year timeline and covers 28 trade facilitation measures (TFMs) clustered around four pillars: transparency, predictability, simplification, and cooperation. COMESA does not have a specific trade facilitation program, but specifies relevant interventions in the areas of transport infrastructure development, customs, and standards. The Aid for Trade Strategy also seeks to establish a harmonized and coordinated approach to resource mobilization, utilization and tracking, as well as clear definition and assignment of roles and responsibilities to all stakeholders in the region. This could be applied to trade facilitation initiatives. The SACU Connect Program is supported by the Swedish Government and implemented by the World Customs Organization. Key activities have been in the area of developing a streamlined framework for regional information exchange between customs authorities, including the necessary legal provisions; a regional preferred trader program; and risk management and

¹ Following the fieldwork for the USAID study, GIZ requested that the assessment team leader employ the same methodology for TFM assessments in two additional SADC countries, Mozambique and Zimbabwe. Findings from these GIZ-sponsored country assessments are cited in this report where relevant to elaborate on the regional issues raised by the five USAID-funded country studies.

² To benefit from special and differential treatment (SDT), WTO members must categorize each TFA provision as Category A, B, or C, and notify other WTO members of these categorizations within specified timelines. Members are to implement Category A provisions by the time the TFA enters into force (or in the case of a least-developed country, within one year after entry into force). Members are to implement Category B provisions after a transitional period following the entry into force of the TFA. Members assign Category C to provisions that will be implemented after a transitional period following the TFA's entry into force and will require donor technical assistance and financial support for implementation. This report is concerned with TFMs that have been assigned or are likely to be assigned to Category C by the five countries of study.

enforcement operations. SACU has included input from the private sector through the SACU Regional Customs Trade Forum.

Findings on Regional Trade Facilitation Priorities

The assessment team's country-level studies identified a range of national-level TFMs that were a priority for the private sector. A number of these are also relevant at the regional level, including the following priorities identified by the assessment team that are likely to fall under Category C in the five countries of study.

Coordinated border management (CBM) relates to interactions at two levels. First, CBM ensures the smooth coordination between national-level agencies in each country (e.g., the interactions between the revenue authorities, customs officials, as well as security services, and agencies conducting phyto-sanitary inspection of one state on one side of the border). Second, CBM can also relate to cross-border interactions where greater coordination is required between the two countries involved. SADC has prepared draft CBM guidelines but has not implemented these yet. The assessment team found that the private sector in each of the five countries of study, as well as the two GIZ studies, named particular border posts in the region where improved coordination should be prioritized. These border posts include: Beitbridge (Zimbabwe-South Africa); Martinsdrift (Botswana-South Africa); Ressano Garcia (Mozambique-South Africa); Chirundu (Zambia-Zimbabwe); Kasumbalesa (Zambia-DRC), Mwanza (Malawi-Mozambique); and Kazungula (Botswana-Zambia). KII respondents noted that the work underway in SACU on enhancing the information and communications technology (ICT) interconnectivity of border posts among the five SACU member states is a welcome initiative for the business community that could be extended to other countries in SADC as a step toward improved CBM. While one-stop border posts (OSBPs) are recognized as a valuable long-term goal to improve CBM in the region, the private sector respondents encouraged the phasing in of enhanced coordination given the legal, infrastructure, and regulatory hurdles involved in setting up a OSBP. For example, this could be accomplished through more regular interactions between customs authorities, joint inspections, ICT interconnectivity.

The **removal of non-tariff barriers (NTBs)** in SADC has been largely effective in the implementation of the reduction of tariffs among the member states that have joined the Free Trade Area. NTBs are, however, a serious concern for the private sector in all of the countries surveyed for this research. NTBs require national action to remove in most instances but there is a role at the regional level for the monitoring of NTBs and the facilitation of engagements between interested parties. The NTB Monitoring and Compliance Mechanism in SADC, together with the East African Community (EAC) and COMESA under the Tripartite arrangement, has increased awareness of the NTB's impact on trade in the region, but progress in removing barriers has been slow.³ The monitoring system requires further support from SADC and the other regional economic communities involved to become institutionalized. For example, the monitoring website has been maintained but lacks momentum in areas like sensitizing traders and regular interactions between country focal points. Private sector respondents would be willing to participate in the ongoing monitoring of NTBs if they are aware of the process involved in reporting problems, and some concrete outcomes resulted in the reduction of barriers encountered while trading in the region.

Regional transit procedures are a priority for many SADC member states, particularly those that are landlocked and rely on access to ports in other countries for both imports and exports. SADC has been active in encouraging effective transit management in the region for many years. This has included the piloting of a transit management system and the use of a single regional bond. Unfortunately, the

³ SADC TFP final draft report (2016): 42.

challenges continue for reasons related to the need to adjust legislation in SADC member states, the required cooperation of financial institutions that are prepared to offer a multi-country bond, and concerns about the impact on small and medium enterprises (SMEs) operating as clearing agents.

Regional organizations have a role in ensuring the **harmonization of policies to enable trade facilitation**. Private sector respondents raised concerns about the lack of harmonized charges, regulations, permits, and value-added tax (VAT) schemes in Botswana, Malawi, South Africa, and Zambia. The differences often have an impact on competition and create a playing field that is not level across all the countries. For example, VAT rate differentials between Botswana and South Africa create an incentive for the use of South African registered transport firms to avoid the long delays in waiting for VAT refunds when using a firm from Botswana. A significant difference also exists in the fees charged for trucks in Zambia compared to Botswana. Harmonized requirements would reduce both costs for trade in the region and the time to apply for multiple tests and certifications. Key informant interview (KII) respondents in Malawi, Zambia, and Botswana also requested a harmonized regional SADC standard for the *de minimus* level of goods that do not require customs clearance.

Authorized economic operators (AEOs) or a **preferred trader scheme** was raised as a priority by two KII respondents in Botswana, one in South Africa, and one in Namibia. In Zambia, four KII respondents raised the problems posed by inefficient risk management systems as a closely related aspect of CBM in the inconsistent application of AEO schemes. Most SADC countries are in the process of setting up an AEO system (e.g., Namibia) or are piloting it with a small group of traders (e.g., Botswana). No country surveyed at the time of this research has a fully operational AEO program. The private sector generally welcomes an AEO scheme, with the exception of some operators who do not want to be profiled, as a KII respondent in Zambia noted. Several respondents pointed out that the value increases in the event of regional recognition of AEO status. SACU has undertaken a process to develop principles of mutual recognition of preferred traders among its member states. This is expected to be implemented shortly and could bring real benefits to companies that participate. If one country accredits a company as a preferred trader on the basis of the SACU standard, then the rest of the region will recognize this status. Such an approach could roll out more widely to other SADC countries.

Cross-Cutting Issues for TFM Implementation

Cross-cutting issues that largely related to the lack of implementation of agreed policies and regional commitments underpinned the challenges facing traders at a regional level in the research. The private sector in some countries was concerned by the lack of political will among governments to pursue the necessary changes to improve trade facilitation in the region. A lack of information, failures to transpose regional commitments at the national level, no consistent monitoring of performance, and weak public-private dialogue among regional stakeholders exacerbated this.

A range of international development partners is already involved in supporting trade facilitation activities in southern Africa. These take place under both national and regional programs. They have traditionally been coordinated through the International Cooperation Partners process with the SADC Secretariat, under which a specific trade, industry, finance, and investment (TIFI) working group enables some donors to share information and ensure that their interventions are complementary. There is scope for greater cooperation and coordination among international development partners. The SADC Secretariat has recently started a process of aligning some of its work along transport corridors with a view toward ensuring stronger internal coordination between the trade and infrastructure teams, as well as with the activities of international development partners.

Recommendations

Based on the regional-level findings and conclusions drawn from the five TFM country assessments, assessment team provides the following recommendations for regional-level trade facilitation interventions in SADC member states.

Recommendations to USAID to prioritize bilateral interventions to improve trade facilitation at key border posts:

- In the short term, USAID should undertake a monitoring visit to Beitbridge to identify key stakeholders and get more detail on its CBM challenges and issues they have raised.
- USAID should facilitate engagement between Zimbabwe and South Africa on Beitbridge, including in partnership with other international development organizations like the Japanese International Cooperation Agency (JICA). In the short term, this could focus on support for private sector associations and firms from both countries — and possibly from Zambia, the DRC, and Malawi, which also rely on Beitbridge for much of their regional trade — to exchange information and develop joint advocacy positions. It should be based on a political economy analysis of Beitbridge that would provide context for such facilitation efforts.
- In the short term, USAID should undertake a monitoring visit to Martinsdrift to identify key stakeholders and get more detail on its CBM challenges and issues raised by the KII respondents.
- USAID should facilitate engagement between public and private stakeholders in Botswana and South Africa to discuss the reported challenges in CBM with the objective of developing a specific action plan for interventions to resolve delays that traders in Botswana have encountered.

Recommendations to USAID to prioritize regional interventions:

- USAID should explore options for greater automation of customs procedures and processes in southern Africa. This would reduce the risks for corruption at scanning points, borders, etc. Potential may exist for private sector operators to become involved, which might further incentivize creation of efficiencies.
- USAID should partner with the South African Revenue Service to support its activities on trade facilitation in SACU and through its bilateral arrangements with other southern African countries. For example, this could include the rollout of a performance management module developed by the United Nations Conference on Trade and Development that can be used in automated systems for customs data. USAID could work with the WCO to develop a team that will train and provide support in-country to establish performance management units.
- USAID should support systems for more regular time-release studies at border posts in southern Africa in cooperation with other international development partners and regional organizations.
- USAID should support a study to benchmark fees and charges in the SADC region.

Recommendations to USAID and other donors implementing regional activities

- USAID should facilitate information-sharing sessions between southern African countries about the mutual advantages of information-sharing and system integration that will support existing initiatives such as SACU Connect. USAID should ensure there is a cross-border dimension and include private sector representatives in discussions about the implementation of NSWs and AEO schemes.
- USAID and other relevant donors should work with SADC member states to implement a regional approach that improves CBM in stages of enhanced coordination to address the legal, infrastructure, and regulatory hurdles towards the long-term goal of OSBPs at key border posts. For example, to promote ICT interconnectivity, an early stage activity could be to facilitate regular interactions and joint inspections between customs authorities. Facilitation of negotiations to develop and launch

compatible customs platforms could be implemented at a later stage. USAID should partner with the SADC to develop and implement a regional trade portal with a scope that does not replicate the national portals, instead linking the various countries under the SADC Protocol on Trade. This portal should also be able to serve as a repository for information on transit procedures and some domestic measures that would not traditionally be found on a national trade information portal.

- USAID and international development partners should work with SADC to support the implementation of CBM across countries in SADC region by engaging with member states and private sector actors to develop regional CBM guidelines. These guidelines should be used by donors to encourage member states to adopt a similar approach that can be linked along transport corridors. USAID should use the development of these regional guidelines, to facilitate opportunities for peer learning and the exchange of experiences in CBM, including on related issues such as establishing NSWs.
- USAID should discuss the findings from the private sector on specific CBM issues in the TFM assessment country reports with the SADC Secretariat, key stakeholders and international partners when considering assignments of resources for CBM projects. The specific needs raised by private sector informants should be considered during operationalization of the broadly framed interventions in the SADC plans for regional support, including through the transport corridor approach.
- USAID should partner with SADC to undertake a feasibility study for a COMESA-style simplified trade regime (STR) for the SADC region. USAID and other international partners should also consider continuing to support the implementation of the STR in COMESA, such as through awareness-raising among small traders. An STR is in place between Malawi and Zambia; and Zambia and DRC as well as Zimbabwe.
- USAID should work with SADC authorities to strengthen transit procedures in the region. Specific studies can seek to understand the political economy factors affecting implementation, to assist implementation of trade facilitation reform in specific countries.
- Donors should coordinate with SADC to facilitate agreement on terms for regional level mutual recognition of AEO status when it is certified by other member states. This intervention should facilitate channels for increased information sharing among agencies in the region. It should also include the development of regional level communication tools to increase the awareness of private sector actors on the incentives for uptake of preferred trader schemes.
- International development partners, including USAID, should provide technical assistance to continue support for the SACU Secretariat to implement a mutual recognition program for preferred traders. Consideration should be given to the possibility of extending this work to the rest of SADC in the medium term.

Recommendations for Tripartite Free Trade Area (TFTA) Member States from SADC, COMESA, and EAC

- To address the concerns of many KII respondents about the lack of transparency in the application of regional transit procedures and measures, TFTA member states should encourage the development of a regional monitoring and advance notification mechanism among SADC member states. Given the complexity of regional membership, with most countries being members of at least two regional economic configurations, perhaps this agenda can best be tackled as part of the SADC-COMESA-EAC Tripartite negotiations.
- Member states should strengthen the Monitoring and Compliance Mechanism through greater awareness-raising activities, to ensure active participation from the private sector in reporting on barriers encountered. While the removal of barriers largely rests with national governments, the regional economic communities could facilitate the process by providing technical support, arranging

discussions between the stakeholders involved, and reporting on progress in a transparent way that enables greater levels of accountability.

- Member states should develop a regional transit and bond guarantee scheme along the major corridors to Beira and Nacala with Mozambique and Zambia. This would lower the risk associated with international transport.
- Recognizing that ICT will remain an important component of trade facilitation as technology evolves, member states should invest more in the ICT infrastructure to avoid being left behind.
- Member states should ensure that the focus of the infrastructure pillar under the tripartite process includes dialogue on the effective and efficient management of physical transport infrastructure (not just a focus on the development of new projects).
- Member states should constantly monitor the implementation of the Comprehensive Tripartite Trade and Transport Facilitation Program (CTTTFP) under the Tripartite Free Trade Area.

Recommendations to USAID for Future Research

- USAID should consider sponsoring a SADC-wide scoping study on awareness of and public outreach/communication activities for the trade hub. Too few private sector entities are aware of the modalities and benefits of intra-regional trade or export to high-yield markets under the African Growth and Opportunity Act.
- USAID should support the scoping of a regional trade information repository or portal.
- USAID should support a feasibility assessment of a SADC STR mechanism.
- USAID and other international development partners should support a meta-study of the time-release studies at key border posts in the region, such as Beitbridge, to undertake a detailed process analysis over time to identify trends and recommended changes.
- USAID should undertake a regional baseline survey of fees and charges in the region.

INTRODUCTION

This report is part of an assessment examining the anticipated costs and benefits associated with implementing selected trade facilitation measures (TFMs) in five southern African countries: Botswana, Malawi, Namibia, South Africa, and Zambia. It highlights some of the key trade facilitation issues from a regional perspective and summarizes the multi-country concerns expressed in key informant interviews (KIIs) during the five country-level assessments. The United States Agency for International Development's (USAID) Southern Africa Mission and the Trade and Regulatory Reform Office within USAID's Bureau for Economic Growth, Education, and Environment (USAID/E3/TRR) commissioned the assessment. USAID's E3 Analytics and Evaluation Project⁴ conducted this study. USAID's statement of work (SOW) for the assessment is in Annex I. Following the research in the initial five countries, other researchers adopted the same methodology for studies in two additional countries, Mozambique and Zimbabwe. The findings from these unpublished reports are reflected where appropriate.

BACKGROUND

For countries as a whole, reducing unnecessary delays and costs increases trade, attracts investments, and supports growth and job creation. TFMs can particularly benefit developing countries, where it frequently takes three times as many days to export goods as it takes in developed nations. According to a study by the Organization for Economic Cooperation and Development (OECD), sub-Saharan African countries that reduce trade time by 4.5 days would generate an increase of approximately 10 percent in exports with OECD countries, and greater increases for exports to other regions.⁵

Given the prominence of trade facilitation on the world development stage as a source of the next wave of trade-related gains, donors and other partners have placed significant emphasis on assisting developing and least-developed countries in implementing the requirements of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) signed in Bali in 2013.

The TFA represents a commitment by WTO members to harmonize trade policies and practices to expedite the movement, release, and clearance of goods, including goods in transit. The TFA contains approximately 35 technical measures imposing obligations on WTO members to:

- Increase transparency;
- Improve governance through disciplines on rule- and decision-making processes;
- Implement streamlined and modernized border procedures and control techniques; and
- Enhance the movement of goods in transit.⁶

The TFA contains special provisions for developing and least-developed countries, including transitional periods for implementation of TFMs and the designation of certain ("Category C") measures as requiring development assistance and support for capacity building prior to implementation.

While recent research addresses the positive effects of trade facilitation generally, there is a dearth of reliable quantitative information on the cost of implementing specific TFMs.⁷ This is especially the case for southern Africa. In the absence of quantitative information on the costs and benefits of trade

⁴ Management Systems International (MSI) is the lead implementer of the E3 Analytics and Evaluation Project, in partnership with Development and Training Services, a Palladium company; NORC at the University of Chicago.

⁵ Wilson, Norbert. "Examining the Effect of Certain Customs and Administrative Procedures on Trade." OECD Trade Policy Studies (2009): 51-79.

⁶ OECD, WTO 2015.

⁷ Yann Duval, "Cost and benefits of implementing trade facilitation measures under negotiations at the WTO: An exploratory survey." Asia-Pacific Research and Training Network on Trade Working Paper Series 3 (2006).

facilitation, Duval (2006) argued that expert surveys, even with their limitations, could be used to examine the relative cost of implementation of a range of TFMs.⁸

Even less research is available on the costs and benefits of regional trade facilitation measures. This is despite the existence of a number of long-standing interventions on the work programs of the regional economic communities, such as the Southern Africa Development Community (SADC), that are designed to facilitate intra-regional trade in particular. The regional aspects were not the focus of this assessment, but in conducting the research in a range of countries in southern Africa, a number of highlighted issues are relevant for the region. This additional report seeks to compile these based on the information collected from the interviews in the five countries, secondary research (including the two additional country studies in Zimbabwe and Mozambique that followed the same methodology) and the experience of the research team. The report does not address the research questions that were used to determine the findings, conclusions and recommendations for the country reports. The interviews focused on national-level trade facilitation challenges and solutions, so this report does not follow the same approach.

The TFMs examined under this assessment are based primarily on those described in the SADC Trade Facilitation Program (TFP), which was developed in consultation with key stakeholders from SADC member states in response to a request from the SADC Secretariat. The TFP outlines a harmonized approach to trade facilitation for SADC member states to use as a blueprint to help meet the recommendations of the WTO TFA. The TFP uses a five-year timeline and covers 28 TFMs clustered around four pillars: transparency, predictability, simplification, and cooperation, as Table I notes. The TFP measures roughly correspond to the requirements of the TFA but are not identical, and include such measures as national single windows (NSWs), trade information portals, appeals procedures, and an interregional transit management system.

TABLE I: SADC TRADE FACILITATION PROGRAM MEASURES

Transparency activity cluster	Predictability activity cluster
<ol style="list-style-type: none"> 1. Fees & charges 2. Trade information portal 3. Monitoring & evaluation 4. Appeals 5. Customs procedures 6. Efficiencies of seaports 	<ol style="list-style-type: none"> 1. Risk management 2. Service standards 3. Time release 4. AEO 5. Advance rulings 6. Transit 7. Coordinated border management
Simplification activity cluster	Cooperation activity cluster
<ol style="list-style-type: none"> 1. WTO TFA 2. WCO Revised Kyoto Convention 3. Single window 4. National and regional objectives 5. TBTs & SPS 6. NTBs 7. Trade and customs documents 8. E-certificates of origin 9. Simplified trade regime (STR) 	<ol style="list-style-type: none"> 1. NTFC 2. Interconnectivity 3. Donors 4. Agreements 5. Political will 6. Private sector

Source: SADC Trade Facilitation Program

⁸ The Duval survey conducted qualitative research with 14 trade facilitation experts based in Asia to assess the anticipated costs and benefits of specific TFMs.

PURPOSE, AUDIENCE, AND USES

The TFM assessment is intended to provide useful guidance to USAID/Southern Africa in its oversight of future activities related to trade facilitation. It is not intended to assess the costs and benefits of trade measures that have been implemented; instead it focuses on capturing stakeholders' informed views on the future costs of and benefits from TFM implementation.

The primary audiences for this assessment are the Regional Economic Growth Office within USAID/Southern Africa, USAID/E3/TRR, and staff and stakeholders for a future iteration of the trade hub in the region. The audience for this research also includes host country agencies involved in trade facilitation, industry and economic growth promotion, revenue collection, and customs functions, as well as the SADC Secretariat, the Southern African Customs Union (SACU), and other bilateral and multilateral partners in USAID economic growth programming.

USAID/Southern Africa and its implementing partners will use the assessment to guide the priorities and work plans for the future iteration of the trade hub and other activities to support trade facilitation in the region. In particular, the TFM assessment is intended to generate evidence not available from other sources that will guide USAID in providing advice and assistance to host country governments that request support in deciding how best to implement WTO TFA "Category C" TFMs, as well as other national and regional trade facilitation protocols, plans, and programs.

ASSESSMENT QUESTIONS

To guide the approach for the assessment and align its findings with USAID's purpose and intended uses described above, the assessment team and USAID developed the following set of research questions:

1. What is the potential range of benefits associated with the implementation of specific TFMs or categories of TFMs?
2. What is the potential range of costs associated with the implementation of specific TFMs or categories of TFMs?
3. What is the feasibility and timeframe of the implementation of specific TFMs or categories of TFMs?
4. How do respondents rank their priorities among the TFMs they consider the most important to implement?

These questions were asked not in relation to the regional trade facilitation agenda, but with a specific focus on the national situation. Key informants were asked to share their perspectives on regional trade facilitation issues, and some of the respondents' national-level priorities are relevant for regional implementation. This report captures issues that informants raised in relation to the region or as priorities for a majority of the countries assessed.

ASSESSMENT METHODOLOGY

The assessment used a mixed-methods approach to generate and triangulate evidence about the perceptions of a wide spectrum of stakeholders as to the relative importance of TFMs, and how best to sequence them in the countries of study. Data collection methods and sources included comprehensive reviews of national and regional policy documents and secondary data, in-depth semi-structured KIIIs with knowledgeable stakeholders in each country, and online surveys that targeted members of trade and supply chain associations. This largely qualitative approach generated in-depth country analyses and

rich descriptions of the perceptions of key stakeholders, including those of private sector actors involved in different aspects of cross-border trade. The assessment report also provides some basic quantitative data through the application of descriptive statistics to the content of collected data. The assessment team used these findings to build conclusions on the optimal selection and sequencing of TFMs and recommendations for how to implement trade facilitation interventions in each country of study that will enable USAID and government counterparts to make informed decisions for future programming. Annex II provides a detailed description of the methodology used for the five individual country assessments.

To develop this report, the assessment team reviewed and identified all of the KII findings about the regional-level key constraints to trade and priority interventions that should be implemented. The regional agenda was not the primary focus of the research; therefore, findings from KIIs are supplemented by secondary sources. The conclusions are also based on the authors' expert opinions. During the country assessment process, it was possible to interview representatives of the secretariats of SADC, SACU, and COMESA, as well as other international development partners. The information provided by these key informants on regional trade facilitation activities is also reflected in this report.

ORGANIZATION OF THE REPORT

This report is organized as follows.

- The first section presents the regional context for trade facilitation in terms of key trade data and the status of trade facilitation indicators for each of the five countries included in the review. It also presents a brief description of the trade facilitation programs being implemented by the three primary regional economic communities (RECs) in southern Africa, SADC, SACU, and COMESA.
- The second section presents the key findings and conclusions from the KIIs in the five countries of study about the priority TFMs at the regional level, as well as the related cross-cutting issues and implementation challenges.
- The third section presents specific recommendations to USAID and other trade facilitation actors and stakeholders in the region. These are a synthesis of many of the recommendations also included in the country assessments.

REGIONAL CONTEXT FOR TRADE FACILITATION

Regional Trade Performance

This section describes the regional trade performance of the five countries of study.

Botswana. Botswana is engaged with trading partners both within the SADC region and at the global level. Botswana's overall trade balance in 2015 was USD $-\$1.698$ billion. This figure speaks volumes about the high import bill that the country has attracted. Table I shows that the asymmetrical economic power dynamics within the region are heavily polarized toward South Africa's economy. As such, Botswana is less likely to export more than it imports from the regional hegemon and its aggregated balance deficit with SADC partners in 2014 was more than USD $\$2.5$ billion. Including South Africa, Botswana also sustained negative trade balances with nine of its 14 SADC trading partners, while it recorded positive balances against Angola, DRC, Seychelles, Tanzania, and Zimbabwe.

Malawi. Trade is important to Malawi's economy. As with any small, landlocked economy – whether it is Rwanda, Mongolia, or Switzerland in a previous century – trade in Malawi is crucial to growth. However,

during the last three decades, Malawian exports, and consequently its GDP, have grown slowly. In fact, the country's performance ranks among the bottom performers among developing countries. Historically, Malawi has had a structural trade deficit with SADC. The negative trade balance is mainly due to weak private sector investment for value addition due to the macroeconomic challenges such as high interest rates, inflation, and shortage of foreign exchange.⁹ By far, Malawi's largest trading partner is South Africa, followed by Zambia and Zimbabwe. These trade streams are fairly one-sided, as the trade balances in Table 1 show. The exception is Zimbabwe, where Malawi has a positive balance of USD \$75 million.

Namibia. Namibia is part of SACU and the Common Monetary Area with a 1:1 peg of the Namibian dollar to the South African rand. Namibia's overall trade deficit in 2015 stood at N\$39 billion (USD \$2.48 billion). In 2016, this was compounded by a regional drought situation and a weak rand.¹⁰ Table 1 shows that Namibia's largest SADC trading partner is South Africa, with 80 percent of its imports coming from its southern neighbor.

South Africa. Historically, South Africa has enjoyed a positive trade balance with the SADC, even though the margins fluctuate a lot. No clear trend is visible looking at the trade balance in isolation, but the trade surplus for the last five years seems to teeter around USD \$16 billion. Table 1 shows that South Africa's largest trading partners in the SADC are its bordering SACU member states Botswana and Namibia, which have small populations but benefit from participation in a customs union. Zimbabwe and Zambia are South Africa's two next-largest SADC trading partners. Mozambique, with a population more than 10 times greater than Namibia's, is the fifth-largest export destination for South Africa in the region. As the trade balances in Table 2 show, these trade streams are fairly one-sided, the exception being Angola, as well as Swaziland and Madagascar to a lesser extent. South Africa's most valuable supply countries or import partners are Angola, Swaziland, and Mozambique. Within the SADC, South Africa enjoys a trade surplus in most product categories. However, South Africa does not necessarily have trade surpluses in these categories on the global scale.

Zambia. While Zambia's top export destination is Europe, and Switzerland is its largest export partner globally,¹¹ Zambia's primary imports originate mainly from Africa. Zambia's top import partners are South Africa and the Democratic Republic of the Congo (DRC), followed by China and other Asian nations, the European Union (EU), and Kenya.¹² In 2014, 52.9 percent of Zambia's imports came from other SADC countries and 21.4 percent of its exports went to other SADC countries.¹³ As Table 1 shows, most of Zambia's bilateral trade streams with SADC member states in 2014 were fairly one-sided, to the detriment of Zambia – with the exception of Angola, Botswana, Lesotho, Malawi, and Zimbabwe. The aggregate of Zambia's trade balance with SADC states created a trade deficit of nearly USD \$2 billion. In 2014, Zambia imported and exported the most with DRC followed by South Africa, its largest and second-largest export partners for merchandise trade in SADC and across the continent.

9 Mwanakatwe, 2014

10 Retrieved from www.nsa.org.na on June 20, 2016.

11 WTO Secretariat 2016, Zambia Trade Policy Review Report p. 6.

12 Ibid.

13 WTO Secretariat, Zambia Trade Policy Review Report, Revision, October 7, 2016. WT/TPR/S/340/Rev.1 p 21.

**TABLE 2: VALUE OF 2014 BILATERAL TRADE BALANCE
BETWEEN THE FIVE COUNTRIES OF STUDY AND SADC PARTNERS**

SADC Trading Partners	Botswana	Malawi	Namibia	South Africa	Zambia
Angola	\$1,690,819	N/A	\$144,937,587	\$-1,431,305,382	\$3,169,037
Botswana	—	\$-3,604,664	\$50,406,549	\$2,442,806,804	\$13,596,421
DRC	\$1,952,708	\$974,067	\$100,516,405	\$466,491,998	\$-763,554,563
Lesotho	\$-252,591	\$311,908	\$436,728	\$772,428,115	\$2,947,343
Madagascar	\$-10,769	\$-3,069,528	\$357	\$-14,274,522	\$-12,864
Malawi	\$-1,728,216	—	\$342,071	\$137,840,670	\$100,479,756
Mauritius	\$-5,915,826	\$-15,639,193	\$-2,820,996	\$47,702,119	\$-58,000,960
Mozambique	\$-11,037,245	\$-270,904,750	\$53,370,516	\$574,116,190	\$-22,477,185
Namibia	\$-69,593,381	\$-4,084,810	—	\$1,772,505,143	\$-19,630,044
Seychelles	\$106,841	\$13,603	\$347,644	\$28,225,427	\$-746,487
South Africa	\$-2,479,392,721	\$-203,161,188	\$-1,800,371,649	\$-21,900,810¹⁴	\$-1,146,168,411
Swaziland	\$-36,102	\$-16,036,790	\$-23,243,799	\$-67,352,261	\$-12,788,301
Tanzania, United Republic of	\$689,105	\$-29,269,967	\$-34,750,264	\$179,283,171	\$-39,580,768
Zambia	\$-2,165,038	\$-67,402,331	\$120,141,218	\$1,053,356,434	—
Zimbabwe	\$47,999,318	\$19,759,995	\$15,367,528	\$1,269,890,876	\$88,594,574
SADC aggregation	\$-2,517,693,098	\$-592,113,648	\$-1,375,320,105	\$7,209,813,972	\$-1,854,172,452

Source: TradeMap

Status of the WTO Trade Facilitation Agreement

The WTO TFA entered into force after being ratified by more than two-thirds of WTO member states in February 2017. The following SADC countries had ratified and accepted the agreement as of the end of February 2017: Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Seychelles, Swaziland, and Zambia. Some countries have notified their Category A commitments but have not yet lodged their instruments of acceptance with the WTO, including the DRC, Malawi, Namibia, Tanzania, and Zimbabwe. The notable exception is South Africa, which has not yet ratified or notified its commitments to the WTO. This is despite the existing implementation of the World Customs Organization (WCO) Revised Kyoto Convention in South Africa and the existence of policies in line with the key principles of the TFA. The South African Parliament has completed the necessary process for ratification and it is understood that the Cabinet has approved the categorization of commitments. Both instruments are expected to be lodged with the WTO shortly.¹⁵

Status of Implementation of Key Trade Facilitation Indicators

The TFA is linked to several external institutions that offer comparable measures of difficulties faced at borders, including the World Bank Doing Business Index, the World Bank Logistics Performance Index (LPI), the OECD Trade Facilitation Indicators (TFIs), and the World Economic Forum (WEF) Global

¹⁴ South Africa imports from South Africa are due to reimports, resulting in a trade balance for 2014.

¹⁵ Background interview with a public sector official in South Africa in April 2017.

Competitiveness Index (GCI) Report. This section presents Botswana’s scores and rankings in these key trade facilitation indices.

The **World Bank Doing Business Index** measures the time and cost (excluding tariffs) associated with three sets of procedures – documentary compliance, border compliance, and domestic transport – within the overall process of exporting or importing a shipment of goods.¹⁶ Table 3 shows the 2017 scores and rankings for the five countries in this assessment, as well as the sub-Saharan Africa averages.¹⁷

TABLE 3: WORLD BANK DOING BUSINESS INDICATORS: TRADING ACROSS BORDERS 2017 FOR THE FIVE TFM ASSESSMENT COUNTRIES

Trading Across Borders Indicator		Botswana	Malawi	Namibia	South Africa	Zambia	Sub-Saharan Africa
Export: Border compliance	Time to export (hours)	8	85	120	100	148	103
	Cost to export (USD)	317	243	745	428	370	583
Export: Documentary compliance	Time to export (hours)	24	83	90	68	130	93
	Cost to export (USD)	179	342	348	170	200	230
Import: Border compliance	Time to import (hours)	4	64	6	144	163	144
	Cost to import (USD)	98	143	145	657	380	676
Import: Documentary compliance	Time to import (hours)	3	63	3	36	134	107
	Cost to import (USD)	67	162	63	213	175	320
DB 2017 Trading Across Borders – Ranking		51	118	127	139	161	
DB 2017 Trading Across Borders – Distance to Frontier (% points)		85.93	63.32	61.47	58.01	46.99	

Source: (World Bank, 2017)

Botswana. In terms of trading across borders, Botswana compares favorably with the sub-Saharan average in all eight indicators. While Botswana businesses continued to be challenged by customs procedures and logistical obstacles, notably, it has the highest distance-to-frontier score of the five countries in this assessment. In the overall score for the trading across borders indicators, it ranks 51st of the 190 countries measured for the study for 2017, no change from its previous ranking.¹⁸ The country seems to have made significant improvements over the last few years in the trading across borders indicators, as Botswana ranked 145th in 2013 and again in 2014.¹⁹ A recent review by the U.S. Department of State found that “Botswana’s improved trade across border ranking is largely a result of the World Bank’s change in methodology,” but noted that improvements are also attributable to the introduction of container scanners at the Tlokweng Gate – Kopfontein border post and the Gaborone

¹⁶ World Bank. 2017. Doing Business 2017: Equal Opportunity for All. Washington, DC: World Bank. DOI: 10.1596/978-1-4648-0948-4. License: Creative Commons Attribution CC BY 3.0 IGO

¹⁷ World Bank Doing Business 2017 data set, <http://www.doingbusiness.org/data/exploreeconomies/botswana>. Retrieved January 17, 2017.

¹⁸ World Bank Group. 2016

¹⁹ World Bank Group 2013 p. 12

container terminal noted above, as well as an upgrade of the South African's customs declaration system at Tlokweng Gate – Kopfontein.²⁰

Malawi. In 2017, Malawi ranks at 118th of the 190 countries, favorable compared to countries such as Namibia, Zambia, and South Africa (currently ranked at 127th, 161st, and 139th, respectively). However, Malawi costs more than the sub-Saharan average in terms of export border compliance for both the time taken to export and the cost to export. Under documentary compliance, Malawi ranks higher than average in cost to export.

Namibia. Namibia ranks at 127th of the 190 countries in the 2017 Trading Across Borders study, favorable compared to countries such as Zambia and South Africa. However, Namibia costs more than the sub-Saharan average in terms of export border compliance for both the time taken to export and the cost to export. Under documentary compliance, Namibia costs more than the four other countries of study as well as the sub-Saharan average in cost to export.

South Africa. In 2017, South Africa ranked 139th of the 190 countries measured. In terms of both border and documentary compliance, South Africa costs less in both time and money than the sub-Saharan average. In terms of import border compliance, South Africa requires the same amount of time and is close in costs to the sub-Saharan average. Under the time and costs required for import documentary compliance, South Africa is much lower than the average.

Zambia. In terms of trading across borders, Zambia compares favorably with the sub-Saharan average in only four of eight indicators. Notably, it has the lowest distance-to-frontier score of the five countries in this assessment. However, it ranks 161st of the 190 countries measured for the study for 2017.²¹ According to the World Bank Doing Business South Africa Economic Profile Report for 2017, Zambian businesses will spend about the same amount of time and money whether they are exporting or importing. Beyond importing and exporting, traders find it easier to comply with documentary requirements than border regulations, again in terms of both cost and time.

World Bank Logistics Performance Index

Unlike the Trading Across Borders Indicators in the Doing Business Index, the International LPI overall rank and score are summary indicators that combine data on six core components into a single aggregate measure of a country's cross-border logistics performance. The International LPI data also provides the scores for each component to generate a holistic view of the performance of a country's logistics sector.²² The components analyzed in the LPI were chosen based on theoretical and empirical research conducted by the World Bank and in cooperation with logistics professionals involved in international freight forwarding. Data is collected through online surveys and each survey respondent rates eight overseas markets²³ on six core components of logistics performance on a scale of 1 (lowest) to 5 (highest). Where respondents do not provide information for all six components, the missing values are replaced with the country mean response for the related question, adjusted by the

²⁰ U.S. Department of State 2016

²¹ World Bank Doing Business 2017 data set <http://www.doingbusiness.org/data/exploreeconomies/zambia/#trading-across-borders> retrieved on January 17, 2017.

²² The LPI data comes from a survey of logistics professionals (e.g., global freight forwarders and express carriers) to elicit qualitative feedback on the logistics "friendliness" in their countries of operation, as well as those they trade with. This feedback from on-the-ground operators is supplemented with quantitative data on the performance of key components of the logistics chain in the country of work.

²³ The eight markets included in the survey are chosen at random based on the most important export and import markets of the country where the respondent is located. For respondents based in landlocked countries, the selected markets include the neighboring transit countries that connect the landlocked country to international markets. The LPI Methodology further notes that the method for selecting the eight countries rated by each respondent varies by the characteristics of the country where the respondent is located. WB LPI 2016 report methodology: <https://wb-lpi-media.s3.amazonaws.com/LPI%20Methodology.pdf>.

respondent's average deviation from the country mean in the answered questions.²⁴ The country scores for the six questions (one per component) are averaged across all respondents providing data on a given overseas market. The six core components are:

1. **Customs:** the efficiency of customs and border management clearance.
2. **Infrastructure:** the quality of trade and transport infrastructure.
3. **International shipments:** the ease of arranging competitively priced shipments.
4. **Logistics competence:** the competence and quality of logistics services—trucking, forwarding, and customs brokerage.
5. **Tracking and tracing:** the ability to track and trace consignments.
6. **Timeliness:** the frequency with which shipments reach consignees within scheduled or expected delivery times.

Table 4 presents the 2016 LPI scores and rankings as well as the 2014 overall scores and ranking for the five countries of study.

Botswana. Botswana showed marked improvement from its 2014 overall rank of 120th of 160 countries to 57th of the 161 countries measured in 2016.

Malawi. In the 2014 WB LPI, Malawi ranked 73rd of the 160 countries measured and scored 2.81 of 5, putting it just above average. The 2016 data for Malawi is not available.

Namibia. Namibia also improved in overall rank from 93rd of 160 in 2014 to 79th of 161 in 2016.

South Africa. South Africa also improved, from an overall rank of 34th of 160 countries in 2014 to 20th of 161 countries measured in 2016. South Africa scored an impressive 3.78 of 5, putting it in the top-performing countries of the world and the leader among upper-middle-income countries that year.

Zambia. Zambia ranks 114th of the 161 countries measured in 2016, an improvement from 123rd of 160 in 2014.

TABLE 4: WORLD BANK LPI SCORES AND RANKINGS FOR THE FIVE COUNTRIES OF STUDY 2014–2016

Country	Rank or Score	Customs	Infra-structure	Inter-national Shipment	Logistics Compe-tence	Tracking & Tracing	Time-liness	Overall LPI 2016	Overall LPI 2014
Botswana	Rank	48	54	70	75	70	43	57	120
	Score	3.05	2.96	2.91	2.74	2.89	3.72	3.05	2.49
Malawi (2014)	Rank	62	48	108	70	100	100	N/A	73
	Score	2.79	3.04	2.63	2.86	2.63	2.99	N/A	2.81
Namibia	Rank	73	64	86	86	100	85	79	93
	Score	2.65	2.76	2.69	2.63	2.52	3.19	2.74	2.66
South Africa	Rank	18	21	23	22	17	24	20	34
	Score	3.60	3.78	3.62	3.75	3.92	4.02	3.78	3.43
Zambia	Rank	119	113	106	114	119	124	114	123
	Score	2.25	2.26	2.51	2.42	2.36	2.74	2.43	2.46

Source: (World Bank, 2016)

²⁴ World Bank Connecting to Compete 2016 Trade Logistics in The Global Economy: The Logistics Performance Index and Its Indicators, p. 55

OECD Trade Facilitation Indicators

The OECD Trade Facilitation Indicators (TFIs) align with the WTO TFA and are intended to provide governments with information to improve their border procedures, reduce trade costs, and ultimately boost trade flow. The estimates based on the indicators help inform governments to prioritize specific trade facilitation actions and mobilize technical assistance and capacity-building efforts in a more targeted way. The data for the OECD TFIs are gathered through a questionnaire survey that targets respondents from the related government agencies and by import/export firms that have worldwide presence. The data from these responses are cross-checked against publicly available sources, and are then verified with representatives from each country's WTO and Customs administrative bodies. The OECD TFI scores countries' performance in each indicator on a scale of 0 (lowest performance) to 2 (highest performance) and the indicators are the simple average of the scores for each variable composing them. Table 4 presents the 2015 OECD TFI scores for the five countries of study.

Botswana. In 2015, Botswana matched the best performers included in the sample in these indicators: fees and charges, governance and impartiality, and information availability.²⁵ Botswana has matched or exceeded the average performance of other upper-middle-income countries in several areas, including: appeal procedures, fees and charges, information availability, involvement of the trade community, automation, internal and external border agency cooperation, governance and impartiality, as well as the simplification and harmonization of documents.²⁶ As Figure 2 demonstrates, Botswana's performance in information availability was stable between 2012 and 2015, and the country has improved in the areas of fees and charges, streamlining of procedures, and external border agency cooperation during this period.²⁷ Botswana has scored below the average of the 2015 best performers in all areas. Specific areas of improvement include: advance rulings; fees and charges; simplifying and harmonizing formalities (documents and procedures); improving automated systems for clearance; internal border agency cooperation; and increasing the involvement of the trade community. Table 6 presents Botswana's 2015 scores and definitions for each of the 11 OECD TFIs, as well as OECD's recommended actions to improve specific areas.

Malawi. Malawi has not been performing well when it comes to advance rulings, external and internal cooperation, and formalities for documents. Some progress is being made toward improving transparency on fees and charges, appeals, customs procedures automation, and information availability.

Namibia. Namibia's TFI scores decreased dramatically from 2012 to 2015 with two exceptions: fees and charges, which was not scored in 2012, and external border agency cooperation, which scored zero in 2015. Information availability remained at .75 during this period. The most dramatic decrease was in formalities for automation, from having the highest possible score (2) in 2012 to .75 in 2015. Its score for internal border agency cooperation also decreased by half from a score of 2 in 2012 to 1 in 2015.

South Africa. South Africa performs very well in the OECD TFI, scoring the maximum 2 points in governance and impartiality, information availability, and external co-operation. Potential areas of improvement include involvement of the trade community and fees and charges. Unfortunately, the problem of involving the trade community cannot be as directly impacted with the implementation of the TFA, as is the case with fees and charges (improving predictability and transparency); this requires political will and commitment from the government and the business community.

Zambia. Zambia has not performed well, having scored the maximum of 2 points only in 1 indicator (cooperation – external), and scoring 1 or more points in only 5 of the 10 remaining indicators. Areas of improvement include: advance rulings, fees and charges, formalities for procedures, governance and

25 OECD 2015 Trade Facilitation Indicators Country Note – Botswana

26 Ibid.

27 Ibid.

impartiality, and formalities for documents. In contradiction to the priorities raised during primary data collection (10 of the 16 KIs), Zambia scored high in information availability.

TABLE 5: OECD TRADE FACILITATION INDICATORS 2015

OECD Trade Facilitation Indicators and Definitions	Botswana	Malawi	Namibia	South Africa	Zambia
Advance Rulings: Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements.	0	0.00	.75	1.86	0.29
Appeal Procedures: The possibility and modalities to appeal administrative decisions by border agencies.	1.63	1.00	1.5	1.86	1.25
Cooperation – External: Cooperation with neighboring and third countries.	1.25	0.00	0.0	2	2
Cooperation – Internal: Cooperation between various border agencies of the country; control delegation to customs authorities.	1.33	0.00	1.00	1.67	1
Fees and Charges: Disciplines on the fees and charges imposed on imports and exports.	1.67	1.00	1.33	1.25	0.67
Formalities – Automation: Electronic exchange of data; automated border procedures; use of risk management.	1.33	1.00	.75	1.75	1.5
Formalities – Documents: Simplification of trade documents; harmonization in accordance with international standards; acceptance of copies.	1.17	0.33	.83	1.50	0.83
Formalities – Procedures: Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorized economic operators.	.89	1.00	1.07	1.60	0.69
Governance and Impartiality: Customs structures and functions; accountability; ethics policy.	1.71	0.86	0.5	2	0.75
Information Availability: Publication of trade information, including on internet; enquiry points.	1.78	1.50	.75	2	1.6
Involvement of the Trade Community: Consultations with traders.	1.33	1.00	1.33	1.25	1

Source: (OECD, 2015)

World Economic Forum Global Competitiveness Index

Of all the indexes measuring a country's performance, the WEF GCI is regarded as the most comprehensive, although it does not specifically focus on global value chains analysis. The report includes a total of 114 indicators grouped under the 12 pillars that Table 8 lists. Of these 12 pillars, seven are relevant to TFA implementation, with the sixth pillar (Goods market efficiency) the most important. The GCI scores for the five countries of study are in Table 6.

TABLE 6: WORLD ECONOMIC FORUM GLOBAL COMPETITIVENESS INDEX 2015

Global Competitiveness Indicators Pillars are scored 1 (worst) to 7 (best)	Botswana	Malawi	Namibia	South Africa	Zambia
Rank (of 140)	71	135	85	71	96
Overall score 1 (lowest) to 7 (best)	4.2	3.2	4.0	4.2	3.9
1st pillar: Institutions	4.4	3.6	4.3	4.4	4.2
2nd pillar: Infrastructure	3.3	2.0	4.1	4.1	2.6
3rd pillar: Macroeconomic environment	6.5	2.4	4.7	4.5	4.5
4th pillar: Health and primary education	4.5	4.4	4.6	4.2	4.3
5th pillar: Higher education and training	3.7	2.5	3.3	4.1	4.1
6th pillar: Goods market efficiency	4.1	3.9	4.2	4.6	4.4
7th pillar: Labor market efficiency	4.5	4.6	4.4	3.8	4.1
8th pillar: Financial market development	4.0	3.5	4.2	5.0	4.0
9th pillar: Technological readiness	3.3	2.4	3.4	4.6	3.0
10th pillar: Market size	3.0	2.5	2.8	4.9	3.3
11th pillar: Business sophistication	3.5	3.4	3.8	4.4	3.7
12th pillar: Innovation	3.0	2.7	3.2	3.7	3.4

Source: (World Economic Forum, 2015)

Regional Programs

SACU Connect Program

SACU²⁸ has struggled in recent years to advance its economic integration agenda. This is largely due to ongoing negotiations on reform of the revenue-sharing formula and delays in the implementation of common institutions. Engagement on trade facilitation between member states has been consistent, however. The SACU Connect Program is supported by the Swedish Government and implemented by the World Customs Organization. Key activities have been in the areas of developing a streamlined framework for regional information exchange between customs authorities, including the necessary legal provisions; a regional preferred trader program; and risk management and enforcement operations. There are plans for a time-release study to be conducted along the Trans Kalahari Corridor under this program. Phase II of the project commenced in 2014 and is due to end in 2018. It has included input from the private sector through the SACU Regional Customs Trade Forum that includes associations representing freight forwarders, clearing agents, transporters, manufacturers, and Chambers of Commerce and Industry.

South Africa is the largest economy in SACU and is a key trading partner for all of the other member states. It has been playing an active role in trade facilitation activities in this grouping, including by leading the way in the re-engineering of border processes (many of which are now electronic) and in undertaking regular time-release studies with an internal team of officials trained by the WCO. One public sector KII from South Africa explained that it prefers to “use SACU as the incubator for regional testing” of certain trade facilitation initiatives. This is easier than taking an SADC-wide approach, as there are fewer countries and they have similar customs legislation. The current focus for South Africa in its regional interactions is joint risk management operations as well as facilitating data exchange between countries. South Africa is able to provide technical assistance to other countries in the region on some customs issues and has worked on trilateral projects with European donors.

²⁸ SACU members are Botswana, Lesotho, Namibia, South Africa, and Swaziland.

COMESA Initiatives

COMESA does not have a specific trade facilitation program, but there are a number of interventions in the areas of transport infrastructure development, customs, and standards that are relevant. The COMESA Secretariat was planning to have all of its member states submit their Category C commitments under the TFA in a coordinated fashion so that some issues could be dealt with as a region. The motivation was that they would not want to have COMESA members implementing their Category C issues at different stages because of lack of funding. This could result in one country having a border that is more advanced/ modernized and able to do things faster than another.

This strategy is in line with the Aid for Trade (AfT) agenda of COMESA. Effective implementation of the AfT strategy requires a harmonized and coordinated approach to resource mobilization, utilization and tracking, as well as clear definition and assignment of roles and responsibilities to all stakeholders. The overall objective of the COMESA AfT strategy is that member states should benefit from regional and international trade opportunities through implementation of regional integration programs. The specific objective of the strategy is to improve mobilization, utilization, and tracking of AfT resources that address member states' needs regarding trade facilitation and trade-related infrastructure; trade policy and regulations; and trade-related adjustments. This strategy takes a pragmatic approach to linking national and regional programs through carefully drawing out the inherent linkages between national development instruments such as national development plans, poverty reduction papers, national aid for trade strategies, and Diagnostic Trade Integration Study (DTIS) action matrices. Delivery will also build on existing trade policy coordination processes at the national level.

On some specific TFMs, the COMESA Secretariat views electronic or national single window systems as national activities whereas one stop border posts should be part of a regional approach. The Secretariat is concerned that it is being left out of the programs/activities has benefitted from the now- closed Southern Africa Trade Hub and will likely benefit from the current iteration, the Southern Africa Trade and Investment Hub (SAITH) implemented by DAI (2016-2020). COMESA would ideally like to see a situation where some proposed TFMs are handled from a regional perspective, meaning implementation should not be done country by country but simultaneously in a number of countries at once. The mobilization of resources for the implementation should be coordinated by a REC – whether SADC, COMESA or EAC. The EU has adopted an approach along these lines for the programs under EDF I I on soft infrastructure issues, where a REC is assigned to lead for the southern Africa, eastern Africa and Indian Ocean regions (e.g., SADC leads on transit and transport, COMESA on energy and civil aviation, and EAC on rail).

In order to further inform the development of regional level trade facilitation interventions, Annex VI provides a table with some of the relevant information on trade facilitation activities supported by international development partners in southern Africa gathered during the research for this study.

FINDINGS AND CONCLUSIONS: REGIONAL PRIORITIES FOR TRADE FACILITATION MEASURES

While regional aspects of trade facilitation were not the focus of this assessment, the research in a range of countries in southern Africa highlighted some issues that are relevant for the region. The following section presents observations on a number of regional trade facilitation issues that have been selected on the basis of the information collected from interviews in the five countries, secondary research (including two additional country studies in Zimbabwe and Mozambique that followed the same methodology), and the experience of the assessment team.

Coordinated Border Management

The assessment team operationalized the coordinated border management (CBM) concept as related to interactions at two levels. First, CBM ensures the smooth coordination between national-level agencies in each country (e.g., the interactions between the revenue authorities and customs officials, as well as security services and agencies conducting phytosanitary inspection of one state on one side of the border). Second, CBM can also relate to cross-border interactions where greater coordination is required between the two countries.

The Draft SADC Guidelines define CBM as:

“National and international coordination and cooperation among all the relevant authorities and agencies involved in the protection of the interests of the state at the border to establish effective, efficient, and coordinated border management, in order to reach the objective of open, but well controlled and secure, borders.”

This is based on a definition used by the European Union. It encompasses both coordination between internal agencies at a country level as well as cross-border interactions. The main focus is on “management,” or how policies and strategies are coordinated rather than procedures and operations.

Status of CBM in the Region

The assessment team found that the private sector in each of the five countries of study, as well as the GIZ-funded studies in Mozambique and Zimbabwe, named particular border posts in the region where improved coordination should be prioritized. These border posts include: Beitbridge (Zimbabwe-South Africa); Martinsdrift (Botswana-South Africa); Ressano Garcia (Mozambique-South Africa); Chirundu (Zambia-Zimbabwe); Kasumbalesa (Zambia-DRC), Mwanza (Malawi-Mozambique); and Kazungula (Botswana-Zambia). KII respondents noted that the work underway in SACU on enhancing the ICT interconnectivity of border posts among the five SACU member states is a welcome initiative for the business community that could be extended to other countries in SADC as a step toward improved CBM. While one-stop border posts (OSBPs) are recognized as a valuable long-term goal to improve CBM in the region, the private sector respondents encouraged the phasing-in of enhanced coordination, given the legal, infrastructure, and regulatory hurdles involved in setting up a OSBP. For example, this could be accomplished through more regular interactions between customs authorities, joint inspections, and ICT interconnectivity.

SADC member states have recognized the importance of CBM for the regional trade facilitation agenda for many years. CBM remains a key priority in the area of trade facilitation for SADC,²⁹ but the reality is that implementation of this measure is required at the national and bilateral level for the most part.

²⁹ Presentation on trade facilitation priorities by the SADC Secretariat to the Southern Africa Business Forum in August 2016.

Draft guidelines for CBM were prepared in August 2011 but have not been actively implemented in the region. The guidelines were prepared to assist in the implementation of the regional integration agenda of SADC, as well as for specific infrastructure projects that were underway at the time (e.g., OSBPs). They cover a range of different aspects of “management” of borders by the various agencies involved, including intra-agency management, inter-agency management, and international or cross-border management. The guidelines are constructed around six key management areas:

1. Legal and regulatory framework;
2. Institutional framework or the recommended organizational setting for introducing CBM;
3. Procedures for cooperation;
4. Human resources and training;
5. Communication and information exchange; and
6. Infrastructure and equipment.

Conclusion: CBM remains a priority in trade facilitation for SADC, but in reality, implementation of this measure is required at the national and bilateral levels. Regional guidelines are lacking to ensure consistency in approaches to improving CBM in the different transport corridors.³⁰

Private Sector Priorities for CBM

The private sector representatives interviewed in nearly all of the countries covered for both this study and the related GIZ-funded assessments in Zimbabwe and Mozambique³¹ emphasized the importance of coordination at borders. The CBM concept is broad and interventions need to be tailored to the specific challenges to be addressed. For example, the level of existing coordination varies at border posts around the region, from the one-stop example at Chirundu (between Zambia and Zimbabwe) to those where delays exist and duplications of procedures on both sides (e.g., Beitbridge between South Africa and Zimbabwe) are significant. The key for traders was to reduce the time trucks spent at border posts as well as the administrative burden of things like duplicated documentation. This can be achieved in a phased approach that does not require immediate implementation of OSBPs, but can start with improvements in, for example, the connectivity of ICT systems that regional customs authorities use. With regard to internal coordination among government agencies involved in trade, several southern Africa countries have established or are in the process of implementing a NSW to assist with trade facilitation at the national level, including Botswana, Mozambique, Namibia, and Zambia. These processes have implications for CBM at a regional level, as it will be important for the various NSWs to be able to interface and connect with those in neighboring countries, where relevant.

The compatibility of ICT platforms for customs data was also raised as a CBM related challenge by respondents across the five countries, especially those in the landlocked countries of Botswana, Zambia and Malawi. KII respondents noted that many national customs agencies in the region are adopting the automated system for customs data (ASYCUDA) platform with the exception of South Africa. As one KII respondent in Zambia noted, the issue of platform compatibility is a major challenge as not all SADC member states use ASYCUDA. It was suggested that the WCO could guide and assist the region in the effective coordination of the various NSW initiatives underway. In Botswana several respondents noted that the lack of CBM is related to the lack of ICT connectivity and low levels of trust between customs authorities in the region. In Malawi private sector respondents expressed an overall appreciation on the

³⁰ Report from GIZ Roundtable Discussion on Customs and Trade Facilitation, October 28, 2016.

³¹ These findings are also sourced from the forthcoming reports on the trade facilitation priorities in Mozambique and Zimbabwe from TFM country assessments funded by GIZ and conducted by Tutwa Consulting Group, based on fieldwork in late 2016. Following the fieldwork for this USAID study, GIZ requested that the assessment team leader use the same methodology for TFM assessments in two additional SADC countries, Mozambique and Zimbabwe. Findings from these GIZ-sponsored country assessments are cited in this report where relevant to elaborate on the regional issues raised by the five USAID-funded country studies.

customs administration's progress toward modernization, they raised two main challenges: the poor internet connectivity which is slowing down customs processing through the newly rolled-out ASYCUDA World; and the misalignment in the tariff structure which prioritizes revenue collection at the expense of facilitating greater trade volumes.

Conclusion: As SADC member states make progress towards their WTO TFA obligations there is a lack of facilitation between national customs and related border agencies to get them to think through what is needed to make their modernized systems compatible. National agencies might need incentives in the form of capacity building in order to make further commitments to compatibility and cross-border CBM on top of the investments they have already made towards customs modernization and increasing CBM among domestic agencies. In most country cases the private sector feels that their priorities and needs have been disregarded and that an ideal level of trust, a climate of information sharing among national agencies in the region is also lacking.

Non-Tariff Barriers

Status of NTBs in the Region

The removal of non-tariff barriers (NTBs) remains one of the most significant concerns for the private sector across the southern Africa region. The specific issues raised in the five countries for this study and interviews conducted for the GIZ study in Zimbabwe and Mozambique³² varied from country to country and in some instances were determined by the sector of the respondent (e.g., transport, agriculture). There is not a particularly technical understanding of the concept of an NTB among private sector respondents and this issue was often seen as a way to capture concerns about a wide range of challenges facing traders in the region, from corruption to road blocks, to the harmonization of standards. The SADC TFP refers to NTBs in the context of technical barriers to trade (TBTs), sanitary/phytosanitary (SPS) measures, and the Trade Monitoring and Compliance Mechanism; the WTO TFA does not refer to NTBs.³³

The following are examples of some NTBs that were raised by private sector KIs in the studies undertaken. They demonstrate the diverse nature of NTBs and the wide understanding of the concept among traders in the region.

- Inspection requirements for fuel tankers in Zambia.
- Different power-point plugs required by standards bureaus (Zambia).
- Pre-shipment inspection requirements of Zimbabwe that need to be implemented by the Malawi Bureau of Standards.
- Roadblocks, particularly in Zimbabwe.
- Lack of harmonized import and export legislation for pharmaceutical products (Namibia).
- Ad hoc SPS requirements (Namibia).
- Cash payments of fees and third-party insurance at borders (Botswana).

In most instances, removal of NTBs requires national action, but there is a role at the regional level for the monitoring of NTBs and the facilitation of engagements between interested parties. In 2008, the Tripartite Summit of COMESA, EAC and SADC reached agreement on the key areas of cooperation towards the eventual establishment of a free trade agreement (FTA), and prioritized the monitoring and removal of NTBs at a regional level as a short-term goal. These RECs, with technical and financial

³² Unpublished reports on the trade facilitation priorities in Mozambique and Zimbabwe for GIZ by Tutwa Consulting Group, April 2017.

³³ SADC established a Trade Monitoring and Compliance Mechanism for monitoring the implementation of the free trade area, with a specific mechanism for identifying and eliminating NTBs. The mechanism has the potential to facilitate movement of goods, leading to increased trade.

support from TradeMark Southern Africa, a DFID-financed programme established the NTB Monitoring and Compliance Mechanism, a web-based platform for NTB reporting, monitoring, and removal. The mechanism is intended to enable stakeholders to transparently report and monitor NTBs, as well as to notify and set deadlines for member states to take action to eliminate reported NTBs.

A few KII respondents noted that while the Monitoring and Compliance Mechanism has not been well enough publicized among private sector actors. Others noted that the mechanism has encouraged increased awareness of the NTBs' impact on trade in the region to a certain degree, but progress in removing barriers has been slow.³⁴ As one private sector respondent noted, that while the SADC trade protocol reduced tariffs in the region, it has not been effective in addressing NTBs.³⁵ One KII in Zambia observed that more than 60 percent of the NTBs that were reported to the Monitoring and Compliance Mechanism had been investigated and resolved. There are, however, many issues outstanding, including some NTBs that have been reported on numerous occasions over many years. One KII in Botswana identified several problems with the process, such as the poor quality of the complaints captured in the system (demonstrating a lack of common understanding among the private sector about NTBs), the limited exposure of traders to the system so that freight forwarders and transporters mostly use it, and no effective follow-up mechanism to hold countries accountable for removal of the NTBs. A case study on the NTB Monitoring Mechanism prepared by the South African Institute of International Affairs³⁶ adds that resolution of complaints is based on inefficient or non-existent structures and that limitations in technical expertise to deal with NTB elimination exist within SADC, member states, and private sector associations.

Conclusions: When the TradeMark Southern Africa intervention to establish the Monitoring and Compliance Mechanism ended, it was clear that the relevant agencies in the RECs have not yet institutionalized the platform to the point where proactive that follow-up and elimination of NTBs has become routine. The monitoring website has been maintained, but the momentum is no longer there, for example, in sensitizing traders and regular interactions between country focal points

Transit

Transit is a significant issue for many SADC member states, particularly those that are landlocked and rely on access to ports in other countries for both imports and exports. SADC has been active in encouraging effective transit management in the region for many years. Traditionally, a bond is required for each country of transit to provide security in case the goods being transported are diverted into local use. This increases the costs and administration for traded products in the region, especially if multiple bonds are required for the same shipment. Both COMESA and SADC have developed transit management systems that aim to provide for a single bond across the region. Pilot studies have been undertaken, including along routes from Malawi to South Africa and DRC to South Africa, but no widespread implementation of the regional bond has occurred.

There are a number of reasons for the continued challenges related to streamlining regional transit procedures in SADC, including the need to adjust legislation in member states, the required cooperation of financial institutions that are prepared to offer a multi-country bond, and concerns about the impact on small and medium enterprises (SMEs). For example, one private sector KII in Zambia noted that freight forwarders can earn an average of USD \$820 per ton on containers traded from Zambia, but this would drop significantly with a regional transit bond that eliminated the need for interventions at every border post. Transit concerns were particularly important for private sector representatives in Malawi;

34 SADC TFP final draft report (2016): 42.

35 Personal communication with trade association representative in Pretoria, March 29, 2016.

36 <https://www.saiia.org.za/special-publications-series/612-sadc-business-barriers-case-8-non-tariff-barrier-monitoring-mechanism/file>

the focus there was on ensuring that access to Mozambique improved to provide an efficient alternative trade corridor to the one via Zambia, Zimbabwe, and South Africa. According to the Malawi country assessment, significant bilateral trade facilitation issues exist between Malawi and Mozambique that could have a significant impact on trade if they were resolved, such as transparency of fees and charges.

Conclusion: Currently, there is a lack of efforts and focus to get RECs to address the challenges delaying the implementation of the SADC's transit management system, including the proposed regional transit bond.

Harmonization of Policies

Regional organizations have a role in the harmonization of policies to contribute to trade facilitation. Private sector respondents raised concerns about the lack of harmonized charges, regulations, permits, and VAT schemes in southern Africa. The differences often have an impact on competition and create a playing field that is not level across all countries. For example, VAT rate differentials between Botswana and South Africa create an incentive for the use of South African registered transport firms to avoid the long delays in waiting for VAT refunds if using a firm from Botswana. A significant difference exists in the fees charged in Zambia for trucks as compared to the fee in Botswana. Harmonized requirements would reduce costs for trade in the region as well as the time taken in applying for multiple tests and certifications. KII respondents in Malawi, Zambia, and Botswana also requested a harmonized regional SADC standard for the *de minimis* level of goods that do not require customs clearance.

Conclusion: Traders in the region are being impacted negatively by the lack of harmonized policies related to transport regulation and permits for trucks, VAT rates, and the *de minimis* level for goods that do not require customs clearance.

AEOs/Preferred Trader

The WTO TFA Article 7.7 requires the establishment of an authorized economic operator (AEO) or preferred trader scheme to facilitate trade through the registration of companies that are compliant with all necessary requirements. Most SADC countries are in the process of setting up an AEO system (e.g., Namibia) or are piloting it with a small group of traders (e.g., Botswana). The private sector respondents generally welcome this with the exception of some operators who do not want to be profiled, per a KII in Zambia. KII respondents also pointed out that the value of such schemes would be increased if national agencies could come to agreement on terms for regional recognition of AEO status. SACU has undertaken a process to develop principles of mutual recognition of preferred traders among its member states. Implementation of this is expected shortly and could bring real benefits to companies that participate. If one country accredited a company as a preferred trader on the basis of the SACU standard, the rest of the region would recognize this status.

AEO schemes require awareness-raising among the private sector to maximize participation and the potential benefits for trade facilitation. One private sector KII in Namibia suggested that regional interventions could include the sharing of risk profiles among customs authorities in the region and the development of a SADC-wide preferred trader program. This would provide an incentive for greater private sector participation, as they would get benefits on both sides of the borders rather than just in the country of origin. Many border issues seem to revolve around misperceptions about risk management or its inefficient application. These can be offset through closer cooperation among neighboring countries, which international development partners or international organizations such as the WCO might facilitate.

Conclusion: With many countries in the region in the process of designing or implementing preferred trader or AEO programs but there is a lack of information sharing at the regional level and incentives for private sector actors in some of the contexts.

Cross-Cutting Issues and Implementation Challenges

Key informants from across the five countries of study identified several of the cross-cutting issues for WTO TFA implementation as noted in the SADC TFP Final Report to be relevant implementation challenges for trade facilitation in the SADC region. Many key informants viewed SADC as having the necessary policies in place to address trade facilitation concerns at the regional level. The informants noted the key challenges member states face in implementation of the TFA. The following reflects the assessment team's findings and conclusions on the most commonly mentioned themes raised by KII respondents.

Political Will

SADC member states have negotiated a range of trade commitments among themselves and have also endorsed various guidelines and programs in the area of trade facilitation. However, several KII respondents questioned the level of political will to implement regional agreements and pursue the necessary policy changes. It was observed that many regional trade agreements are signed without any involvement of the private sector. This is particularly the case for SMEs and informal cross-border traders who do not understand or appreciate regional and international trade agreements (per a KII in Zambia). An approach that is more inclusive and private sector-friendly, with benefits for governments, would lead to increased levels of business and additional taxes collected. The SACU Secretariat has recognized the need to include the private sector in the regional process and established a forum for interaction between customs authorities and transport and freight forwarding industry representatives.

One KII in Zambia noted “too much dependence on donor goodwill to do things in the SADC region.” In fact, the fiscal pressures in the region are leading governments to put fewer resources toward regional initiatives. Trade is seen as a potential source of revenue, leading to increased protectionism in some instances. The result is a perception among private sector KIIs that SADC member states pay lip service to the regional trade facilitation agenda. Governments, such as in Namibia and South Africa, were described as focused on national concerns rather than strongly pursuing regional integration.

Political will was acknowledged in some areas where trade facilitation interventions were aligned to national development priorities. For example, in Namibia the Harambee policy was mentioned, including for its ambitious goals on the implementation of a NSW. This was seen as expressing strong political will, but implementation could still be a challenge due to poor design, bureaucratic hurdles, and low skill levels, according to a public sector KII in Namibia. Other hurdles to implementation may often be confused with a lack of political will, in the view of another public sector KII. These could include insufficient funding for government agencies and poor coordination among the relevant ministries.

Lack of Information

Private sector KIIs emphasized the need for more effective sharing of information among stakeholders on trade facilitation issues. One KII in Zambia noted that guidelines exist for border agency staff on the implementation of relevant laws and regulations, but no similar guidance is available for the business community. Even where an agency has published such information, it is often available only in hard copy from the head office and it quickly becomes outdated. The adoption of the Charter for Cross-Border Traders in Zambia was given as an example of an initiative aimed at promoting transparency in trade-related information. Charter mechanisms, such as the planned hotline, could not only enhance timely

access to information by traders, but also provide a platform for the submission of complaints in cases where TFA recommendations on publication of information are not effectively implemented.

Domestic Implementation of Regional Commitments

KIIs also mentioned the lack of regional enforcement mechanisms and few incentives for implementation at the national level as a challenge for the SADC trade facilitation agenda. Regional agreements often take a long time to enter into force. There can be extensive consultations between the SADC Secretariat and member states, resulting in substantial money spent on meetings and workshops with few real results for the private sector.

Monitoring and Evaluation

Effective monitoring of regional agreements and policies would assist with the implementation of commitments. One KII in Malawi suggested the need for a regional authority that can conduct regular surveillance of the trade facilitation environment in countries. This role does not appear to be fulfilled by the SADC Secretariat, which relies on a self-reporting mechanism for tracking the implementation of trade commitments by member states.

Monitoring activities could usefully take place along transport corridors in SADC. This is the approach that SACU is planning to adopt, with the first regional time-release study proposed for the Trans Kalahari Corridor in 2017. One KII in Namibia proposed a corridor-wide survey of truckers as a useful intervention to inform the development of regional trade facilitation interventions. International development partners could provide support both for the gathering of data as well as the interpretation or analysis of the data for monitoring purposes. It would be important to ensure that any monitoring system for the region linked to mechanisms to address the identified critical barriers. Follow-up is key for private sector respondents so that research does not remain just theoretical, but real change occurs on the ground (per a KII with a firm in Namibia).

Regional Public-Private Dialogue

National-level structures exist in the countries considered for this research that allow for public-private dialogue on trade issues. This does not translate, however, to effective engagement on regional issues. SADC has struggled to establish a platform for engagement, due to challenges both for governments and within the private sector. The private sector is not very coordinated and is thin on the ground for engagement with policy processes (per a KII with a business association in Botswana). Even where some dialogue exists (e.g., the Southern African Business Forum), this is not accompanied by follow-up action or reporting back on the activities proposed. Often the private sector associations involved have limited capacity to pursue issues and ensure implementation. As a result, the only specifically mentioned value of regional public-private dialogue was in relation to sharing information about the agreements that member states signed. Private sector KIIs were keen to see more engagement in regional discussions before agreements were signed, instead of after the fact. It is also important to ensure that the right players are invited to participate in negotiations and that mechanisms exist to share the information more widely with others.

RECOMMENDATIONS

Recommendations to USAID to prioritize bilateral interventions to improve trade facilitation at key border posts:

- In the short term, USAID should undertake a monitoring visit to Beitbridge to identify key stakeholders and get more detail on its CBM challenges and issues they have raised.
- USAID should facilitate engagement between Zimbabwe and South Africa on Beitbridge, including in partnership with other international development organizations like the Japanese International Cooperation Agency (JICA). In the short term, this could focus on support for private sector associations and firms from both countries — and possibly from Zambia, the DRC, and Malawi, which also rely on Beitbridge for much of their regional trade — to exchange information and develop joint advocacy positions. It should be based on a political economy analysis of Beitbridge that would provide context for such facilitation efforts.
- In the short term, USAID should undertake a monitoring visit to Martinsdrift to identify key stakeholders and get more detail on its CBM challenges and issues raised by the KII respondents.
- USAID should facilitate engagement between public and private stakeholders in Botswana and South Africa to discuss the reported challenges in CBM with the objective of developing a specific action plan for interventions to resolve delays that traders in Botswana have encountered.

Recommendations to USAID to prioritize regional interventions:

- USAID should explore options for greater automation of customs procedures and processes in southern Africa. This would reduce the risks for corruption at scanning points, borders, etc. Potential may exist for private sector operators to become involved, which might further incentivize creation of efficiencies.
- USAID should partner with the South African Revenue Service (SARS) to support its activities on trade facilitation in SACU and through its bilateral arrangements with other southern African countries. For example, this could include the rollout of a performance management module developed by the United Nations Conference on Trade and Development that can be used in automated systems for customs data (ASYCUDAs). USAID could work with the WCO to develop a team that will train and provide support in-country to establish performance management units.
- USAID should support systems for more regular time-release studies at border posts in southern Africa in cooperation with other international development partners and regional organizations.
- USAID should support a study to benchmark fees and charges in the SADC region.

Recommendations to USAID and other donors implementing regional activities

- USAID should facilitate information-sharing sessions between southern African countries about the mutual advantages of information-sharing and system integration that will support existing initiatives such as SACU Connect. USAID should ensure there is a cross-border dimension and include private sector representatives in discussions about the implementation of NSWs and AEO schemes.
- USAID and other relevant donors should work with SADC member states to implement a regional approach that improves CBM in stages of enhanced coordination to address the legal, infrastructure,

and regulatory hurdles towards the long-term goal of OSBPs at key border posts. For example, to promote ICT interconnectivity, an early stage activity could be to facilitate regular interactions and joint inspections between customs authorities. Facilitation of negotiations to develop and launch compatible customs platforms could be implemented at a later stage.

- USAID should partner with the SADC to develop and implement a regional trade portal with a scope that does not replicate the national portals, instead linking the various countries under the SADC Protocol on Trade. This portal should also be able to serve as a repository for information on transit procedures and some domestic measures that would not traditionally be found on a national trade information portal.
- USAID and international development partners should work with SADC to support the implementation of CBM across countries in SADC region by engaging with member states and private sector actors to develop regional CBM guidelines. These guidelines should be used by donors to encourage member states to adopt a similar approach that can be linked along transport corridors. USAID should use the development of these regional guidelines, to facilitate opportunities for peer learning and the exchange of experiences in CBM, including on related issues such as establishing NSWs.
- USAID should discuss the findings from the private sector on specific CBM issues in the TFM assessment country reports with the SADC Secretariat, key stakeholders and international partners when considering assignments of resources for CBM projects. The specific needs raised by private sector informants should be considered during operationalization of the broadly framed interventions in the SADC plans for regional support, including through the transport corridor approach.
- USAID should partner with SADC to undertake a feasibility study for a COMESA-style simplified trade regime (STR) for the SADC region. USAID and other international partners should also consider continuing to support the implementation of the STR in COMESA, such as through awareness-raising among small traders. An STR is in place between Malawi and Zambia; and Zambia and DRC as well as Zimbabwe.
- USAID should work with SADC authorities to strengthen transit procedures in the region. Specific studies can seek to understand the political economy factors affecting implementation, to assist implementation of trade facilitation reform in specific countries.
- International development partners, including USAID, should provide technical assistance to continue support for the SACU Secretariat to implement a mutual recognition program for preferred traders. Consideration should be given to the possibility of extending this work to the rest of SADC in the medium term.

Recommendations for Tripartite Free Trade Area (TFTA) Member States from SADC, COMESA, and EAC

- To address the concerns of many KII respondents about the lack of transparency in the application of regional transit procedures and measures, TFTA member states should encourage the development of a regional monitoring and advance notification mechanism among SADC member states. Given the complexity of regional membership, with most countries being members of at least two regional economic configurations, perhaps this agenda can best be tackled as part of the SADC-COMESA-EAC Tripartite negotiations.

- Member states should strengthen the Monitoring and Compliance Mechanism through greater awareness-raising activities, to ensure active participation from the private sector in reporting on barriers encountered. While the removal of barriers largely rests with national governments, the regional economic communities could facilitate the process by providing technical support, arranging discussions between the stakeholders involved, and reporting on progress in a transparent way that enables greater levels of accountability.
- Member states should develop a regional transit and bond guarantee scheme along the major corridors to Beira and Nacala with Mozambique and Zambia. This would lower the risk associated with international transport.
- Donors should coordinate with SADC to facilitate agreement on terms for regional level mutual recognition of AEO status when it is certified by other member states. This intervention should facilitate channels for increased information sharing among agencies in the region. It should also include the development of regional level communication tools to increase the awareness of private sector actors on the incentives for uptake of preferred trader schemes.
- Recognizing that ICT will remain an important component of trade facilitation as technology evolves, member states should invest more in the ICT infrastructure to avoid being left behind.
- Member states should ensure that the focus of the infrastructure pillar under the tripartite process includes dialogue on the effective and efficient management of physical transport infrastructure (not just a focus on the development of new projects).
- Member states should constantly monitor the implementation of the Comprehensive Tripartite Trade and Transport Facilitation Program (CTTTFP) under the Tripartite Free Trade Area.

Recommendations to USAID for Future Research

- USAID should consider sponsoring a SADC-wide scoping study on awareness of and public outreach/communication activities for the trade hub. Too few private sector entities are aware of the modalities and benefits of intra-regional trade or export to high-yield markets under the African Growth and Opportunity Act.
- USAID should support the scoping of a regional trade information repository or portal.
- USAID should support a feasibility assessment of a SADC STR mechanism.
- USAID and other international development partners should support a meta-study of the time-release studies at key border posts in the region, such as Beitbridge, to undertake a detailed process analysis over time to identify trends and recommended changes.
- USAID should undertake a regional baseline survey of fees and charges in the region.

ANNEX I:ASSESSMENT STATEMENT OF WORK

Performance Evaluation of Southern African Trade Hubs and Assessment Survey of Trade Facilitation Measures

This statement of work describes two research activities required by USAID/Southern Africa: (1) the design and implementation of a final performance evaluation of the USAID Southern Africa Trade and Competitiveness Program (the “Southern Africa Trade Hub,” or SATH project, hereafter), and (2) the design and implementation of an assessment survey on the costs and benefits of implementing selected trade facilitation measures in the Southern Africa region. The primary purpose of the performance evaluation is to gather and synthesize information regarding the SATH project’s performance to date and assess achievements versus expected results. The objective of the assessment survey is to provide useful guidance to USAID/Southern Africa in its oversight of future trade facilitation-related activities.

Activity Description and Background

SATH Project

USAID’s SATH project was awarded to AECOM International Development under Contract No. 674-C-00-10-00075-00, with a period of performance from September 2010 to September 2015. The project was initially designed to take an integrated approach to two high-level United States Government priorities: the Global Hunger and Food Security Initiative, which became the Feed the Future (FTF) program, and the African Growth and Competitiveness Initiative (AGCI). The AGCI expired in September 2010 and was replaced by the African Competitiveness and Trade Expansion Initiative (ACTE)³⁷, which is building trade capacity across sub-Saharan Africa. SATH was also designed to act as one of three USG Trade Hubs in sub-Saharan Africa to increase exports to the U.S. under the African Growth and Opportunity Act (AGOA) and to provide “Aid-for-Trade” assistance as mandated by USG commitments under the Doha round of negotiations at the WTO.

FIGURE I SATH PROJECT COUNTRIES



Image Credit: USAID

The SATH project was awarded with a total ceiling of \$82,610,195. However, the actual obligations during the evaluation period (October 2011 – September 2015) were \$52,656,705, of which \$1,800,000 is bi-lateral South Africa FTF funds for grants under contract. The project base contract end date was September 2014, and an option year was executed that extended the project through September 2015. Due to a range of factors including the conclusion of key activities with some SADC member states, the project was extended until March 20, 2016.

The SATH project was initially designed to achieve results across two objectives: (1) Advancement of the Regional Integration Agenda, and (2) Increased Trade Capacity of Regional Value Chains, which each contained four intermediate results (IRs). In November 2012, the SATH project scope of work was reorganized to focus on a single result or technical focus: Advancement of the Regional Trade,

³⁷ ACTE was launched at the AGOA Forum in Lusaka, Zambia in June 2011.

Investment, & Integration Agenda, with five IRs that are presented in the following section. The 2012 project reorganization also reduced the funding allocated (\$10 million rather than \$16 million per year) and the number of countries in which the project would work. The area of operations for the project changed from the 15 countries in the SADC region to Southern Africa as defined by USAID's Africa Bureau, which in practical terms includes the five Southern Africa Customs Union countries (Botswana, Namibia, South Africa, Lesotho, and Swaziland) and three FTF focus countries (Mozambique, Malawi, and Zambia). The project beneficiaries were broadened to include not only SADC but also member state governments and the private sector. Also at this time, the contractor changed its Chief of Party and other key personnel.

A mid-term evaluation of the project was completed in 2014, although significant changes in the approach, management, and activity of the project have occurred since then.

Costs and Benefits of Trade Facilitation Measures

Given the prominence of trade facilitation on the world development stage as an arena where existing evidence suggests the next wave of gains from trade can be realized, there has been a concerted emphasis among development partners to assist developing and least developed countries in implementing the requirements of the WTO TFA signed in Bali in 2013. This is based on the premise that the adoption of trade facilitation measures will, in the long run, benefit all economic actors. However, these measures also often have varying degrees of set-up costs. There is an acknowledged dearth of reliable quantitative information on the cost of implementation of specific trade facilitation measures, including for the Southern Africa region (Duval 2006).

In the absence of quantitative information on the costs and benefits of trade facilitation measures, Duval (2006) argued that expert surveys, although they have recognized limitations, could be used to examine the relative cost of implementation of a range of such measures. This type of study can help develop a common understanding on the trade facilitation measures that have the least set-up costs while unlocking maximum benefit.

The SATH project developed a Comprehensive Trade Facilitation Program (CTFP)³⁸ draft, which was submitted to the SADC Trade, Industry, Finance and Investment Directorate. The CTFP was developed in consultation with key stakeholders from SADC member states in response to a request of the SADC Secretariat. The CTFP outlines a harmonized approach to trade facilitation for SADC Member States to use as a blueprint to help meet the recommendations of the TFA. The CTFP uses a five-year timeline and covers 28 trade facilitation measures such as NSWs, Trade Information Portals, appeals procedures, and an interregional transit management system.

Development Hypothesis

As noted in the previous section, the SATH project launched in 2010 with two overarching objectives and eight IRs, but in November 2012 it was reorganized to have one objective ("Technical Focus") with the following five IRs:

Technical Focus: Advancement of the Regional Trade, Investment, & Integration Agenda:

- IR 1.1: Improved Trade Facilitation
- IR 1.2: Greater Competitiveness in Agricultural Value Chains
- IR 1.3: Increased Trade & Investment in the Textiles and Apparel Sector
- IR 1.4: Strengthened Regulatory Capacity for the Clean Energy Sector

³⁸ The CTFP draft will be made available to the evaluation team by USAID. Unless stated otherwise, all references made to the CTFP refer to the draft version.

- IR 1.5: A Better Enabling Environment

It has yet to be confirmed whether a formal Theory of Change (TOC) diagram or narrative was prepared as part of the 2012 project reorganization. The evaluation team will inquire if a TOC (possibly called a Results Framework) was developed for the project and, if not, the evaluation team may work collaboratively with USAID to prepare a TOC should it be deemed useful to the evaluation objectives.

Existing Data Sources

The evaluation and assessment survey will build upon the following documentation that will be provided by USAID/Southern Africa, to be supplemented by additional documentation located by the evaluation team.

- The SATH project contract, including all modifications
- The SATH project M&E Plan and Indicator Table, including any Data Quality Assessments completed
- Summarized list of project targets by intervention area (extracted directly from the contract)
- All Contractor Performance Assessment Reports for the SATH project
- SATH project Annual Work Plans
- SATH project Value Chain Analysis Report
- USAID/Southern Africa Annual Reports (PPR)
- SATH Project Annual Reports
- Mid-Term Evaluation of the Southern Africa Trade Hub, 2014³⁹
- USAID/Southern Africa FTF Strategy
- Summary of the SADC Regional Indicative Strategic Development Plan
- SADC Trade, Industry, Finance and Investment Trade Thematic Group Strategy
- Draft Comprehensive Trade Facilitation Program
- Miscellaneous studies and reports prepared by the SATH project
- Cost and Benefits of Implementing Trade Facilitation Measures under Negotiations at the WTO: an Exploratory Survey (Duval 2006), including survey instrument

The evaluation team will seek out additional sources of information, including contemporaneous evaluations of trade facilitation programs, which may be useful for designing the instruments to be used in the evaluation and assessment survey.

Purpose, Audience, and Intended Use

Purpose

The primary purpose of the performance evaluation is to inform USAID's decision-making processes with respect to its strategic approaches for achieving the intended results of its work on trade facilitation in Southern Africa. To that end, it is expected that the evaluation team will gather and synthesize information regarding the SATH project's performance to date and assess achievements versus expected results. Given the changes in scope, staff, and management of the SATH project since the mid-term evaluation was conducted, a major component of the performance evaluation will be to assess changes in performance since the mid-term evaluation. This will include documenting whether, or to what extent, the SATH project achieved its objectives, and describing any changes in project approaches and performance since the mid-term evaluation.

³⁹ http://pdf.usaid.gov/pdf_docs/PA00K8GT.pdf.

The recommendations and lessons identified by the evaluation should provide practical guidance and feasible measures to support the sustainability of outcomes achieved to date, as well as best practices and areas of improvement that can be used in subsequent programs of this type.

The purpose of the assessment survey is to provide estimates on implementation costs and benefits associated with selected trade facilitation measures, which may provide some useful guidance to USAID/Southern Africa and other missions and Agency offices involved in designing and overseeing future trade facilitation-related activities.

Intended Use

The performance evaluation findings, conclusions, recommendations, and lessons learned from the evaluation will be used to inform decisions about the implementation of future USAID trade hub programming.

The assessment survey will be used by USAID/Southern Africa and its implementing partners to guide the priorities and work plans for the future iteration of the Trade Hub and other activities to support trade facilitation in the region.

Audience

The primary audiences for this evaluation and assessment Survey are the Regional Economic Growth Office within USAID/Southern Africa, the Trade and Regulatory Reform Office within USAID's Bureau for Economic Growth, Education, and Environment (USAID/E3/TRR), and staff and stakeholders for the future iteration of the Trade Hub.

Evaluation Questions

The performance evaluation will seek to answer the following evaluation questions (EQs):

Relevance:

- EQ1: In what ways has the project been successful or not in achieving results toward its stated objectives?

Management:

- EQ2: How has the management structure as implemented supported or hindered project performance?
- EQ3: What are the management factors influencing the achievement and non-achievement of project objectives?

Promising Practices:

- EQ4: What are the key strategic, programmatic, technical, and managerial features of the project that should be taken into account when implementing a new Southern Africa Trade and Competitiveness Hub Project in the region?

Sustainability:

- EQ5: What mechanisms have been put in place to ensure sustainability of the project achievements?
- EQ6: Based on the findings and conclusions from the preceding questions, what factors have been identified that are likely to positively affect the sustainability of project achievements?

Gender Considerations

USAID guidance and policies, including its Gender Equality and Female Empowerment Policy and Automated Directives Systems (ADS) 203.3.1.5, require that project designs, performance monitoring, and evaluations adequately address gender concerns. The ways in which gender will be taken into account for the performance evaluation and assessment survey will be proposed in the evaluation team's Evaluation Design Proposal. The evaluation team is expected to be responsive to USAID's dual expectations for treating gender appropriately: (a) gathering sex disaggregated data, and (b) identifying gender differential participation in and benefits from aspects of the project, where differences on this basis are possible. It is envisioned that gender-sensitive approaches will be relevant to the evaluation questions investigating both the participation of women in the SATH project, including the management structure, and the differential impacts of the project based upon gender.

Research Design and Data Collection Methods

Timing Considerations

Due to timing considerations, specifically the close-out of the SATH project by March 2016, USAID expects that the final performance evaluation and assessment survey will be carried out in separate stages, with performance evaluation activities occurring first. Data collection under the performance evaluation will need to commence in time to reach project staff and other stakeholders involved in project implementation before demobilization occurs around February 2016. The evaluation team's data collection planning should also consider that a workshop is being organized by USAID/Southern Africa for mid-January 2016, which will allow for opportunities to collect data from key project personnel and participants.

Performance Evaluation Design

The proposed design for the performance evaluation should be informed by the mid-term evaluation of the project that was completed in 2014. In addition, the evaluation design and data collection approaches should consider the relatively brief duration since the previous evaluation as well as the short period of time available for data collection given the upcoming project closure.

In developing the evaluation design, the evaluation team should consult with USAID on a sampling strategy for prioritizing which activities and countries to visit for data collection. It is expected that the evaluation team will inventory activities across the five current project IRs that have been conducted since the mid-term evaluation, and focus the evaluation research on those activities that are of particular interest to the Mission.

Performance Evaluation Data Collection Methods

USAID expects that the performance evaluation will incorporate a mixed-methods approach that will collect and analyze both primary and secondary qualitative and quantitative data. Data collection methods may include, as appropriate:

- Review of project documentation and performance data
- Review of relevant trade and customs data⁴⁰
- Semi-structured key informant interviews, which may include project participants/beneficiaries and stakeholders including representatives from the private and public sectors

⁴⁰ Depending on the timing of secondary data, the evaluation team may find it useful to review publically available data sets such as the World Bank LPI or the "Doing Business" report series.

- In-person observations at selected activity sites

It is not anticipated that the surveys or focus group discussions will be carried out for the final performance evaluation.

Prior to commencement of the field work, the evaluation team will submit for USAID's approval an Evaluation Design Proposal that will include a Getting to Answers matrix linking each evaluation question to the project activity and related performance indicators, expected data sources, and data collection and analysis methods. This matrix will show how performance indicators and secondary and primary data to be collected will be triangulated to verify the quality of the data and evidence. The Evaluation Design Proposal will also include instruments to be used with each identified method, along with an analysis plan that explains how data collected from the various sources will be integrated to answer the evaluation questions.

Assessment Survey Design

As a separate activity from the performance evaluation, the evaluation team will also design and implement an assessment survey that is expected to inform the following:

1. An analysis of the costs and benefits to the public and private sectors of different trade facilitation measures described in the CTFP draft
2. A ranking of the most cost-effective measures identified from the list generated above, according to their feasibility in the current political environment.
3. Recommendations to inform USAID's future trade facilitation-related activities.

The proposed approach for this survey should draw upon the work of Duval (2006) within the Southern Africa context as well as more recent research on the feasibility of implementing the trade facilitation measures in the TFA.⁴¹ The survey should encompass the following SADC members: Angola, Botswana, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.⁴² The approach will include surveys of targeted key informants, as well as a review of secondary data and other analyses related to the 2013 TFA that is publically available.

It is expected that the survey will focus on the following cost components:

- **Regulatory/Legislative Costs:** Extent to which new legislation will be needed, requiring expertise and time;
- **Institutional Costs:** Extent to which new institutions will be needed, additional units in existing institutions, or restructuring within existing institutions;
- **Human Resources Training Costs:** Extent to which government officials will need to be trained for efficient implementation of the trade facilitation measure;
- **Equipment/Infrastructure Costs:** Extent to which new/additional equipment will be needed for implementation of the measure, as well as to ensure its effectiveness (e.g., if docs are published online but SMEs do not have internet access because of inadequate national communications infrastructure);
- **Political Costs:** Extent to which such measures will be resisted by staff within relevant institutions or by policy makers because of fears of losing political support they need; and
- **Recurring/Operating Costs:** Costs associated with maintaining the new/additional systems associated with the trade facilitation measure (e.g., replacement of computers and software for e-customs or e-trade document systems, salary/wages of dedicated additional staffs or experts).

41 As they are not currently publically available documents, USAID will attempt to make available to the evaluation team the WTO Trade Facilitation Agreement Facility needs assessments completed through 2015 during the desk review process.

42 At the time of this writing, there are certain restrictions on USAID's ability to work in Zimbabwe. As new restrictions are implemented or current restrictions removed, the evaluation team must adjust its focus accordingly.

Assessment Survey Data Collection Methods

The evaluation team will prepare an Assessment Survey Design Proposal (which will be separate from the Performance Evaluation Design Proposal) describing its proposed approach, sampling strategy, work plan, and draft instrument(s) to carry out this survey, which will be finalized in consultation with USAID. The data collection instrument(s) should be field tested, and any final changes incorporated in consultation with USAID.

Data Analysis Methods

The Evaluation Design Proposal should describe the proposed data analysis methods relevant for the types of data collected that will inform the answer to each evaluation question. The Design Proposal should also include a Getting to Answers matrix that will link proposed data analysis methods to each evaluation question.

Strengths and Limitations

Performance Evaluation

The primary limitation anticipated for the performance evaluation is that budget and time constraints are likely to require a sampling strategy that will not allow for examination of a representative range of SATH project activities to answer the evaluation questions. In its Evaluation Design Proposal, the evaluation team should describe any strengths or additional limitations identified for the performance evaluation design.

Trade Facilitation Measures Assessment Survey

In its Survey Assessment Design Proposal, the evaluation team should describe any identified strengths or limitations for the proposed survey assessment design.

Deliverables and Reporting Requirements

It is anticipated that the evaluation team will be responsible for the following deliverables. A final list of deliverables, including specific due dates, will be proposed in the Evaluation Design Proposal for USAID approval.

Deliverable	Estimated Due Date
Final Performance Evaluation	
1. Draft Evaluation Design Proposal, including sampling plan, data collection and analysis methods, draft data collection instruments, team composition, proposed timeline, and estimated budget	o/a January 15, 2016
2. Final Evaluation Design Proposal	o/a 1 week following receipt of USAID comments on the draft
3. Outbriefing to USAID Mission and interested parties at the end of field research	To be proposed in the Evaluation Design Proposal
4. Presentation of preliminary evaluation findings/conclusions/recommendations to USAID	To be proposed in the Evaluation Design Proposal
5. Draft Evaluation Report	To be proposed in the Evaluation Design Proposal
6. Final Evaluation Report	To be proposed in the Evaluation Design Proposal
7. Evaluation Report Summary	To be proposed in the Evaluation Design Proposal
Assessment Survey	
8. Assessment Survey Design Proposal, including sampling plan, data collection and analysis methods, draft data collection instruments, team composition, proposed timeline, and estimated budget	o/a January 15, 2016
9. Draft Assessment Survey Report	To be proposed in the Assessment Survey Design Proposal
10. Presentation of preliminary survey findings to USAID and selected invitees	To be proposed in the Assessment Survey Design Proposal
11. Final Assessment Survey Report	To be proposed in the Assessment Survey Design Proposal

All documents will be provided electronically to USAID no later than the dates indicated in the Evaluation Design Proposal. All debriefs will include a formal presentation with slides delivered both electronically and in hard copy for all attendees.

Team Composition

It is expected that evaluation team members will have relevant prior experience in Africa, familiarity with USAID's objectives, approaches, and operations, and prior evaluation/assessment experience. In addition, individual team members should have the technical qualifications identified for their respective positions. SADC nationals should be considered for each of these roles.

The evaluation team should consist of a range of experts and supporting staff, based on the specific tasks and sub-tasks required to carry out the activities described in this SOW. In its Evaluation Design Proposal and Survey Assessment Design Proposal, the evaluation team should propose specific positions and individuals to carry out the required activities for each of those respective activities, including CVs of core team members.

At this stage, it is expected that the performance evaluation team may include the following positions:

- **Team Leader (Evaluation Specialist):** The Team Leader will have a minimum of a Master's Degree in a relevant discipline (International Trade Law, Economics, etc.) and at least five years' of experience in donor-funded performance evaluations in Africa. The Team Leader will have excellent

analytical and report writing skills as well as demonstrated skills in applied economic analysis, project management, and survey administration. S/he will also possess sound knowledge of regional integration; particularly in SADC and the SACU.

- **Trade and Integration Expert:** The Trade and Integration Expert will have a minimum of a Master's Degree in a relevant discipline (International Trade Law, Economics, etc.) and eight years of experience in international trade. S/he should have experience with USAID evaluation projects in Africa and have demonstrated abilities in applied economic analysis. The expert will have sound knowledge of regional integration particularly in Southern Africa along with familiarity with SADC and the SACU.
- **Customs and Trade Facilitation Advisor:** The Customs and Trade Facilitation Advisor will have a minimum of a Master's degree in a relevant field (Economics, Business Management, etc.) and at least eight years' experience in trade facilitation and transport at the national, regional, and/or international level (preferably in Southern Africa). S/he will possess excellent analytical and report writing skills as well as demonstrated experience in customs operations, trade policy and trade facilitation at national, regional, and international levels. The Advisor will also have experience with transport planning, policy and customs reform and a demonstrated ability to evaluate development reforms in a developing country context. S/he will possess a sound knowledge of and experience with modern trade facilitation tools as outlined in the TFA, WTO and WCO Conventions on customs and trade facilitation (including efforts to harmonize customs and transit procedures in Southern Africa), and USAID programs including the Agency's Evaluation Policy.
- **Agricultural Economist:** The Agriculture Economist will have a minimum of a Master's Degree in Agricultural Economics and at least eight years' experience in international trade with an emphasis on agricultural products. S/he will have excellent analytical and report writing skills as well as demonstrated skills in applied economic analysis and survey administration. S/he will also have a sound knowledge of agricultural policies in Southern African and familiarity with SADC and the SACU.
- **Researchers/Logisticians (x2):** Researchers supporting the evaluation team will have a minimum of a Bachelor's Degree and at least two years' experience in international trade with an emphasis on agricultural projects. They will have excellent analytical and report writing skills and proven experience with carrying out semi-structured interviews. They will possess sound knowledge of agricultural policies in Southern Africa and familiarity with SADC and the SACU. They will also provide logistical support to the evaluation team including the scheduling of interviews and travel preparations.
- **Activity Coordinator:** The Activity Coordinator should hold a minimum of a Bachelor's Degree with at least two years of relevant research and evaluation experience. The Activity Coordinator is expected to help coordinate, support, and oversee the evaluation team's efforts across the required tasks to ensure their successful completion.

Home Office support may also be provided by the contractor carrying out this evaluation, including technical guidance, research assistance, administrative oversight, data analysis, and logistical support.

USAID Participation

An interactive and collaborative process is envisioned between the evaluation team, USAID/Southern Africa, and USAID/E3/TRR to carry out this activity. USAID and the evaluation team will be engaged during the design process to consider options for answering the evaluation questions and designing the assessment survey, to ensure agreement on the focus and approaches for the design and delivery of the performance evaluation and assessment survey. The desirability of USAID participation in evaluation activities such as data collection will be considered prior to the initiation of field research.

Scheduling and Logistics

Tasks included in this SOW are expected to be completed from o/a November 2015 to August 2016. A preliminary timeline is included on the following page for the performance evaluation tasks. The specific dates for completion of tasks for the assessment survey are pending further discussion between USAID and the evaluation team but it is anticipated that they will be completed by August 2016. In the Evaluation Design Proposal and Survey Assessment Design Proposal, the evaluation team will include more detailed schedules with specific dates of completion for the respective tasks and deliverables under this SOW.

It is anticipated that the evaluation team will be responsible for procuring all logistical needs related to this SOW, such as work space, transportation, printing, translation, and any other forms of communication. USAID will offer some assistance as appropriate in providing introductions to partners and key stakeholders as needed, and will ensure the provision of data and supporting documents as required.

Tasks and Deliverables	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016
Secondary document review	■					
Schedule interviews/site visits	■	■				
Draft Evaluation Design Proposal	■	■				
USAID provides comments on Draft Evaluation Design Proposal		■				
Final Evaluation Design Proposal		■				
In-Country Research		■	■			
Outbrief to Mission			■			
Data Analysis and Report Drafting			■	■		
Present Preliminary Findings/Conclusions/Rec's to USAID				■		
Submit Draft Evaluation Report					■	
USAID provides comments on Draft Evaluation Report					■	
Submit Final Evaluation Report						■

Reporting Requirements

The format of the evaluation report should follow USAID guidelines set forth in the USAID Evaluation Report Template (<http://usaidlearninglab.org/library/evaluation-report-template>) and the How-To Note on Preparing Evaluation Reports (<http://usaidlearninglab.org/library/how-note-preparing-evaluation-reports>). The format will include an executive summary, table of contents, list of acronyms, evaluation design and methodology, findings, conclusions, and recommendations and lessons learned. The report will be submitted in English and should not be more than 40 pages, excluding annexes.

A copy of the final evaluation report will be delivered to the USAID Development Experience Clearinghouse (DEC) within 30 days of USAID's acceptance of the final evaluation report and approval to post it on the DEC.

A brief summary of the evaluation report, not to exceed 15 pages and excluding any potentially procurement-sensitive information, should also be submitted electronically in English for dissemination among implementing partners and stakeholders.

All members of the evaluation team should be provided with USAID's mandatory statement of the evaluation standards they are expected to meet, shown in the text box below, along with USAID's conflict of interest statement that they sign where necessary before field work starts.

USAID EVALUATION POLICY, APPENDIX I

CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

- The evaluation report should represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports shall address all evaluation questions included in the scope of work.
- The evaluation report should include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists, and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

Data Management

The storage and transfer of data collected for this evaluation will adhere to the requirements laid out in USAID's Automated Directives Systems (ADS) 579.⁴³ The evaluation team should also follow applicable Institutional Review Board (IRB) guidance on data security and confidentiality. Final datasets are expected to be submitted to USAID in a format consistent with ADS 579.

Estimated Budget

The evaluation team will propose for USAID's approval estimated budgets as part of its Evaluation Design Proposal and Assessment Survey Design Proposal, considering costs required to complete all tasks under these respective activities, including those costs already incurred to date during the design stages.

⁴³ See <http://www.usaid.gov/sites/default/files/documents/1868/579.pdf>.

ANNEX II: DETAILED ASSESSMENT METHODOLOGY

Qualitative Approach

While there is recent research on the positive effects of trade facilitation generally, there is a dearth of reliable quantitative information on the cost of implementation of specific TFMs (Duval, 2006).⁴⁴ This is especially the case for southern Africa. In the absence of quantitative information on the costs and benefits of trade facilitation, Duval (2006) argued that expert surveys, even with their limitations, could be used to examine the relative cost of implementation of a range of TFMs.

In close consultation with USAID, the assessment team designed and implemented this iterative qualitative approach to align with the management purpose and intended uses of this assessment. First, the assessment sought to inform the optimum balance between costs and benefits of prioritizing certain TFMs for implementations in the countries of study (but they did not determine whether an a priori conception or theory of what that optimum balance would be). Qualitative research methods were more suited to exploring phenomena over seeking to confirm predetermined hypotheses about phenomena.

Second, similar to Duval's 2006 study, the resources were too limited to develop and apply quantitative models and implement measures for the costs and benefits of selected TFMs in all five countries. In lieu of expensive and time consuming quantitative methods, the team collected data from relevant experts, including the private sector actors involved in different aspects of trade, the public actors providing public services that support trade, as well as academics and policy experts.

Country-Specific Approach

The USAID-funded Southern Africa Trade Hub project produced the SADC TFP Final Report, which outlined a harmonized approach to trade facilitation including 28 TFMs such as NSWs, trade information portals, appeals procedures and an inter-regional transit management system, as well as cross-cutting issues such as donor coordination and aligning national and regional objectives.

However, an examination of all 28 TFMs in each country is beyond the scope of this assessment and would fail to take account of the varying levels of progress across countries.

At the outset of the research, the assessment team identified for each country those approximately eight to 10 TFMs for which international partnerships could be most beneficial.

To develop this subset, the team looked at a range of secondary sources, including the following:

- As the intention of the study is to assess the costs and benefits of future TFM implementation, the criteria for prioritizing TFMs to be assessed in each country considered if the TFM was designated as “Category C” (TFMs that the country will require extra time and technical assistance to implement) through a WTO TFA Trade Facilitation Agreement Facility needs assessment process.
- For all five countries, and especially where a country of study has not yet completed and published a WTO TFAF needs assessment, the team assessed the status of TFM implementation in each country through a review of the OECD TFIs⁴⁵ and other secondary data and relevant literature.

The TFMs that emerged as relevant to the national context, and for which international partnerships could be most beneficial were used to triangulate with data collected from KIIs and brief country-specific online surveys. The KII instruments were designed to elicit respondent perspectives on the most

⁴⁴ Yann, D., (2006).

⁴⁵ <http://www.oecd.org/trade/facilitation/indicators.htm>

compelling trade facilitation issues and measures, whether or not they were included in the SADC TFP or country “Category C” TFMs.

For the purpose of designing a streamlined online survey that respondents would most likely complete, the instrument used the subset of TFMs identified as most relevant to each country during desk review for respondents to rate and rank the ones that are their highest to lowest priorities. But they also had open-ended questions that allowed respondents to identify key obstacles and interventions outside of that list.

Data Collection Methods, Sources and Instruments

Desk Review

The trade facilitation specialists for each country of study reviewed national and regional-level policy papers, studies and assessments to develop a cross-country understanding of how SADC member states operationalize TFMs, including potential approaches to assess the costs and benefits of specific measures or categories of measures.

Following this, the assessment team undertook country-specific document collection and review to develop profiles capturing country-specific data on trade and the status of implementation of relevant TFMs, as well as relevant academic and policy studies. This review was used to inform the purposive selection of key informants and tailor the KII and online survey instruments to respondent categories and the country context.

Key Informant Interview Instruments

The assessment team designed and employed semi-structured KII instruments to elicit what the respondents think are key obstacles that impede trade; and then what they think are the priority TFMs or interventions that should be implemented to alleviate these obstacles. Then respondents were asked a battery of questions about the benefit, costs, sequencing and obstacles for implementation for each TFM they raised as a priority. This was a lengthy part of the discussion and most interviews had to be limited to discussing two to four TFMs in detail due to time constraints.

At the end of the interview, respondents were asked to rank the TFMs they raised as a priority and were also free to mention and rank other TFMs they did not have time to discuss in detail. All respondents were also asked for their perspectives on what TFMs were not a priority, general observations on national and regions trade facilitation issues, as well as suggestions for future trade facilitation interventions and research. The KIIs on average took about 1.5 hours to complete.

The assessment team designed and implemented a KII instrument for each respondent category with mostly similar and comparable questions, but worded them to capture the particular perspective of the group in question. For example, private sector firms and associations were asked what would be the impact on their firms and associations if a particular TFM was implemented. Every group was asked what would be the impact on trade in the country in general.

The KII instruments had a mix of open and closed-ended questions to create a small set of finite responses of how different categories of respondents rank TFMs in terms of benefits (and costs where feasible), as well as rich narratives to mine for greater depth and understanding of the challenges experienced by traders and why respondents prioritized certain TFMs over others. For example, close-ended questions were used to confirm whether or not respondents thought a TFM they raised is a priority to unlock benefits for traders in the country; which particular benefits are associated with a TFM they raised as a priority; and whether or not there are other TFMs or steps that need to be taken before the TFM in question can be implemented.

A small set of close-ended questions about the required costs and resources to implement specific TFMs were directed to public sector respondents, based on the assumption that private sector respondents would be less informed of the costs to the government to implement TFMs.

Open-ended questions were used to elicit what respondents thought were the main obstacles of trading across borders and why these have not yet been addressed; to describe the potential benefits of implementing the TFMs they raised as priorities; as well as why they thought a TFM has not been implemented and what are the steps or measures that needed to be undertaken before a particular TFM could be implemented.

Pilot Interviews and Design and Instrument Validation Workshops

The team leader and deputy team leader conducted pilot interviews over three days in Pretoria and Johannesburg to test the KII instruments and adjust them as needed for the country context and respondent categories. At the end of the week, these two team members joined USAID personnel from the Southern Africa Mission to present the assessment design, KII instruments and South Africa pilot interview data at a validation workshop with key stakeholders in Pretoria. The team leader was supported by the Botswana research assistant to collect more pilot interviews and refine the instrument. The team leader and Mission personnel co-facilitated a second validation workshop for key stakeholders in Gaborone. The results of the stakeholder validation workshops are in Annex XI.

Based on the pilot process, the team leader and deputy team leader consistently trained the research assistants on how to apply and refine the KII instrument in the other countries. The team leader trained and remotely supervised the Namibian trade facilitation specialist and the Botswana research assistant. The deputy team leader trained and remotely supervised the Zambian research assistant.

Online Surveys

The TFM assessment design proposal noted that if feasible, the assessment team would incorporate brief but country-specific online surveys to ascertain the trade facilitation priorities of the members of private sector associations. The online surveys were designed to gather evidence from a wider group of firms involved in trade across borders about what are the trade facilitation interventions that were the highest priority in terms of potential to generate economic benefits for the private sector in each country of study.

The assessment team anticipated that with most online surveys the response rate would be low, but would use online responses to triangulate the desk review and KII findings on which TFMs and how should they be prioritized for implementation in each country of study. An example of a country-specific online survey instrument is in Annex V.

Sampling Approach

Country Selection

USAID asked MSI to prioritize data collection in the countries of study with key partners for maximizing trade facilitation in the region, as well as countries with bilateral partner agencies that have asked USAID for advice on the implementation of WTO TFA “Category C” measures. Also, Malawi and Zambia were prioritized for the study as Feed the Future partner countries. Mozambique, also a Feed the Future country that has a key trade corridor, was not selected because the travel and translation costs were beyond the available budget for the assessment.

Key Informant Interview Respondent Selection

Primary data collected from four broad respondent categories with a balance of at least 50 percent private sector:

- Private sector business owners and managers.
- Private sector trade association representatives.
- Public sector government and regional body officials.
- Academics, policy experts, non-governmental organizations, think tanks, donors and other international organizations.

Online Survey Respondent Selection

The assessment team targeted associations that represent firms involved in trading across borders, including exporting/importing in the primary economic sectors of the country of study, as well as firms that provide freight forwarding, supply chain, logistics and transportation services. The trade facilitation specialists identified and contacted several trade, logistics or supply chain associations in each country, which likely have a majority of members that trade across borders.

The majority of private sector associations contacted agreed to send the request to take the online survey to their members. One South Africa association noted that their members were already asked to complete a number of online surveys, and offered to send the request to selected members most likely to take the survey. Trade association members were sent a request to respond to the one of six versions of the “USAID Trade Facilitation Assessment Short Online Survey for Trade Association Members,” designed to be specific to each country.

TABLE I: TOTAL NUMBER OF RESPONDENTS BY COUNTRY, RESPONDENT CATEGORY AND DATA COLLECTION METHOD

Respondent Categories	Botswana		Malawi		Namibia		South Africa		Zambia	
	Individuals	KIIs	Individuals	KIIs	Individuals	KIIs	Individuals	KIIs	Individuals	KIIs
KIIs - Private Sector - trade, supply chain, or professional services firms that trade across borders	9	6	8	7	8	8	4	3	9	8
KIIs - Private Sector - trade or supply chain associations	6	6	5	5	3	3	8	8	2	2
KIIs Public sector – government officials	3	3	3	3	4	3	9	4	6	4
KIIs - Public sector - multilateral and regional organizations	0	0	0	0	3	1	0	0	2	1
KIIs - Academics, policy experts/ other donors	3	3	1	1	3	3	1	1	1	1
Total number of KIIs and individual respondents per country	21	18	17	16	21	18	22	16	20	16
Background interviews	Botswana		Malawi		Namibia		South Africa		Zambia	
Private and public sector stakeholders, policy experts	2		1		0		4		0	
Online survey respondents	Botswana		Malawi		Namibia		South Africa		Zambia	
Total	29		9		14		32		8	

Data Analysis Methods

The data analysis for the assessment is based on an iterative process of inductive assessments of the status, costs, benefits and obstacles or thorny issues for implementation, and their related impacts for TFMs that could emerge as a priority for implementation for each country of study. First, the trade facilitation specialists used the TFMs and cross-cutting issues for implementation listed in the SADC TFM as a structured way to organize and track data on each TFM as it emerged from the different data sources.

Second, the trade facilitation specialists conducted a comprehensive country contextual analysis and identified the likely TFMs that would be raised by KII respondents. Each trade facilitation specialist documented these initial findings on the likely candidates in a “TFM country tracker” which served as a living list, amended as new data emerged from the different sources in each country. The team leader and deputy team leader conducted a regional context analysis to start to identify the key issues that would likely emerge across the country KII data.

Third, each trade facilitation specialist conducted pilot KII interviews to test the instruments. The data collected from the pilot KIIs generated a better understanding of the types of costs and benefits associated with each TFM raised by respondents and the inter-related obstacle or thorny issues surrounding each TFM. The assessment team used the pilot KII data to select a list of eight to 10 TFMs that would likely be raised by the remaining KII respondents to be included in the country-specific online surveys.

Criteria for Selection of Priority Trade Facilitation Measures per Country Report

To ensure a robust discussion of each TFM selected to be assessed in detail in each country report, TFMs selected to be assessed in detail was based on the frequency with which each TFM was raised by KII respondents, as well as the TFMs that had the most agreement across the respondent categories as a priority intervention. As these are the TFMs that were discussed in detail in the battery of TFM specific assessment questions by a concentration of respondents, the team was able to gather and synthesize the different perspectives of the costs and benefits of these TFMs.

Qualitative Data Analysis

The trade facilitation specialists were responsible for the content analysis of the qualitative KII data for their assigned country or countries, and the technical manager read every interview record closely, entered or supervised and checked the data entry for all KII data. Additionally, they performed a parallel content analysis process for each set of country KIIs and generated a separate list of themes and sub-themes to discuss and confirm findings with the respective country authors. The content analysis included NVivo coding of themes and subthemes under relevant elements about each TFM.

Assessment Team

The assessment team from the E3 Analytics and Evaluation Project included the following personnel:

- Catherine Grant Makokera, Team Leader and Trade Facilitation Specialist for South Africa and Botswana.
- Temwa Gondwe, Deputy Team Leader and Trade Facilitation Specialist for Malawi and Zambia.
- Servaas van den Bosch, Trade Facilitation Specialist for Namibia.
- Heinrich Krogman and Asmita Parshotam, Local Researchers for South Africa.
- Salvation Andreason, Logistician for South Africa.
- Zachariah Njoroge, Local Researcher/Logistician for Botswana.

- Taffy Chirunda, Local Researcher/Logistician for Namibia.
- Nelson Chisenga, Local Researcher/Logistician for Zambia.

Technical and project management support was also provided by the following MSI home office staff:

- Jessica Gajarsa, Assessment Coordinator, conducted data analysis and drafting.
- Haley Fults, Project Manager.
- Rajan Kapoor supported qualitative data analysis.
- Lala Kasimova and Setsuko Oya provided assistance with data entry.

Limitations

Due to time and resources constraints for this assessment, it was not feasible for the assessment approach to include the application of inferential statistics. The assessment approach does not provide specific quantitative and monetized findings and conclusions about the costs and benefits of the TFMs examined, for which a retrospective econometric study would be better suited.

Studies seeking to explore the economic benefits of TFMs and their associated implementation costs have two key limitations: the lack of official statistics on trade costs and facilitation programs and the variation among program points of origin and trade costs (Akinkugbe, 2009; Fujimitsu, 2013; Moise, 2013; Portugal-Perez & Wilson, 2009; WTO, 2015). Implementation costs were not easy to quantify because they were rarely carried out independently of other broad policy objectives aimed at maximizing revenue and increasing transparency (WTO, 2015). The overall lack of official statistics on trade cost in countries throughout the world was a serious limitation for empirical research (Akinkugbe, 2009; Fujimitsu, 2013; Portugal-Perez & Wilson, 2009). Previous studies required substantial time and monetary investment to acquire limited quantitative implementation cost data, across multiple countries (Akinkugbe, 2009; Portugal-Perez and Wilson, 2009). The 2014 United Nations Conference on Trade and Development revealed that a majority of countries in the least developed category (LDC) had implemented only a small number of TFMs. Limited implementation further complicates the ability of researchers to collect qualitative data on the costs of TFM implementation.

Additionally, there were several factors that may have limited the assessment's ability to fully capture the diverse range of perspectives of key stakeholders and to yield actionable information for decision-makers.

- The assessment was implemented in a fairly short timeframe, so it was possible that relevant respondents/stakeholders were not available for primary research or participation in the validation workshops.
- There was only sufficient time and resources to conduct KIs with a small number of stakeholders across several stakeholder groups in each country. Therefore, the study was not able to capture as large a range of perspectives as would be the case in a larger study.
- The ability of the assessment to conduct small-scale surveys was dependent on the willingness and cooperation of stakeholders to identify respondents and contact information. This was especially the case with members of trade associations, for whom contact information for the membership was required.
- It was likely that many respondents, and specifically private sector respondents, were unable to provide reliable information about the costs of implementing specific TFMs. As the study had a specific focus on understanding the views of the private sector, there may have been insufficient information about the costs to develop evidence-based findings.
- The qualitative nature of the assessment was unlikely to provide the team with the type of evidence required to provide quantitative or monetized assessments of costs and benefits.

ANNEX III: SOUTH AFRICA ONLINE SURVEY QUESTIONNAIRE

This Annex presents the South Africa online survey as an example of the country-specific online survey instruments. Annex VI presents the lists of the specific TFMs that were selected to be included in the online surveys for each country of study as well as a Southern Africa Regional online survey requested by USAID.

USAID Trade Facilitation Assessment Short Online Survey

Trade Association Members

Re: South Africa trade association members - request to participate in an online survey for a USAID Trade Facilitation Assessment

Dear respondent,

we are interested in learning from your experiences in trading across borders and you have been selected for this online survey based on your membership in a South African trade or supply chain association.

This online survey was developed in response to a request from the United States Agency for International Development (USAID) Southern Africa Regional Mission as part of a larger study of the costs and benefits of different types of trade facilitation measures (TFMs). This study includes key informant interviews and online surveys being collected in five countries: Botswana, Malawi, Namibia, South Africa, and Zambia, and implemented by Management Systems International (MSI) a US-based international development firm through the USAID E3 Analytics and Evaluation Project.

TFMs are trade facilitation policies/ interventions that aim to simplify and harmonize the necessary steps for easing the flow of trade across national borders including import, export and transit procedures.

USAID has asked us to gather private sector perspectives on the challenges for trading across borders, and the benefits that certain types of trade facilitation policies or interventions would have for firms such as yours. This research may be used to inform USAID and government decision-making and priorities.

This survey will ask you to rate an rank selected TFMs that have not yet been implemented in your country which the assessment team has identified as potentially beneficial for the private sector, so we can learn about your priorities for improving trade facilitation.

We appreciate it greatly if you could take the time to complete this short survey on your experiences trading or moving goods across borders. Your survey answers will be kept anonymous and no information that you provide will be publicly disclosed in a manner such that it is attributable to you.

This survey is composed of 15 questions and should not take more than ten minutes to complete.

If you have any questions about this survey please contact the Jessica Gajarsa, the MSI Technical Manager for this study on email at jgajarsa@msi-inc.com

Thank you for your time.

Jessica Gajarsa, Technical Manager
Management Systems International, A Tetra Tech Company
Arlington, VA USA

1) Please provide your name*

First:

Last:

2) Please share the name of the trade association that invited you to take this survey:*

3) Please provide the name of your organization:*

Please spell out all acronyms.

4) Please share the country in which your organization operates:*

Please select all that apply

- South Africa
- Malawi
- Botswana
- Namibia
- Zambia
- Other : *

5) What is your role in your organization?*

- Owner
- CEO
- CFO
- Manager
- Other (Please Describe)

6) Is your organization involved in trading goods and/or services across borders?*

- Yes
- No

7) Which of the following describes your business? (If “yes” to #6”)

Please select all those that are applicable to your business.

- Importer of Goods/Services

- Exporter of Goods/Services
- Transportation or Shipping Enterprise
- Other (Please Describe)

8) Which of these describe the sector(s) in which your business operates? (If “yes” to #6”)

Please click on all those that are applicable to your business.

- Agriculture
- Manufacturing
- Mining or Natural Resource Extraction
- Professional Services
- Transportation
- Other (Please Describe)

9) How many persons do you employ? (If “yes” to #6”)

1-5

Response box 6-20

21-50

51-100

More than 100

10) Is your annual turnover greater or less than ZAR 3 million? (If “yes” to #6”)

Greater

Less than

Prefer Not to Answer

11) Please describe the most significant challenge that you face when trading or moving goods or services across borders? (If “yes” to #6”)

Rate and rank identified trade facilitation policies

Please rate and rank the 8 identified Trade Facilitation policies as below in terms of the potential for positive beneficial impacts for your business.

12) Rating the 8 TFM’s selected for South Africa:

Based on initial research the assessment team has identified the following 8 trade facilitation policies that have not been implemented in South Africa. Considering the potential of each policy to generate positive beneficial impacts for your business, would you recommend it to be a high, moderate, or low priority to implement in your country?*(If “yes” to #6”)

Selected trade facilitation policies that haven’t been implemented in South Africa	High priority	Moderate priority	Low priority	This policy is not relevant for my business interests	I don't know how this policy would impact my business interests
1. Improved border management and coordination, including at Beitbridge.					
2. Increased capacity of rail transport for bulk cargo.					
3. Removal of non-tariff barriers (such as import quotas, subsidies, customs delays, technical barriers, or other systems preventing or impeding trade).					
4. Enhanced information exchange and connectivity at borders.					
5. Development of behind the port facilities and enhanced inter-modal linkages for transportation.					
6. Simplified and harmonised documentation for trade.					
7. Enhanced coordination of regional transit procedures.					

Selected trade facilitation policies that haven't been implemented in South Africa	High priority	Moderate priority	Low priority	This policy is not relevant for my business interests	I don't know how this policy would impact my business interests
8. Stronger risk management systems— an intervention for customs officers implement improved risk management practices and tools so they do not have to examine 100% of all shipments, but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.					

13) If you marked one or more trade facilitation policies as a high priority can you explain more about why? (If “yes” to #6”)

14) Ranking the 8 TFMs selected for South Africa:

Considering the potential beneficial impacts for your business, please rank the identified trade facilitation policies in order of your priority for South Africa to implement from 1 - 8, with 1 being your highest priority and 8 being the lowest priority.* (If “yes” to #6”)

- Improved border management and coordination, including at Beitbridge.
- Increased capacity of rail transport for bulk cargo.
- Removal of non-tariff barriers (such as import quotas, subsidies, customs delays, technical barriers, or other systems preventing or impeding trade).
- Enhanced information exchange and connectivity at borders.
- Development of behind the port facilities and enhanced inter-modal linkages for transportation.
- Simplified and harmonised documentation for trade.
- Enhanced coordination of regional transit procedures.
- Stronger risk management systems— an intervention for customs officers implement improved risk management practices and tools so they do not have to examine 100% of all shipments,

but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.

I5) Please share your experiences in trading or moving goods across borders that affected how you ranked the trade facilitation policies that are priorities for your business interests? (If “yes” to #6”)



I6) Would you be willing to be briefly interviewed by an Assessment team member to answer a few follow up questions?

Yes

No

What is the best way to contact you?

Skype

Please share your Skype address:

Email

Please share your email address:

Telephone

Please share your phone number (country code, area code and telephone number):

Thank You!

Conclusion - please submit your survey responses now.

Thank you very much for your time and cooperation.

Please have a nice day!

ANNEX IV: KEY INFORMANT INTERVIEW DATA COLLECTION INSTRUMENTS

This annex presents the KII instruments that were used for three broad respondent categories:

- Private sector.
- Public sector.
- International donors, policy experts and academics.

Key Informant Interview Topic Guide – Private Sector

This Topic Guide is intended for use in field research with representatives of private sector firms involved in trading across borders, as well as trade associations with members that are firms that are involved in trading across borders. It should be followed as closely as possible to guide key informant interviews with these respondents. There are a few questions where a specific set of responses are provided in order to assist in the collection of data that can be more easily quantified. Instructions to the interviewer are in red.

I. Introduction (~5 minutes)

- Thank the respondent for taking the time to participate in the interview
- Introduction to the researcher and the research
 - Introduce yourself: I am a Trade Facilitation Specialist residing in _____. I represent an assessment team fielded by Management Systems International, a Washington DC based firm that has been contracted by the U.S. Agency for International Development (USAID) to conduct an independent assessment of the costs and benefits of selected trade facilitation measures (TFMs) or interventions in 5 SADC states.
 - Research is intended to help USAID and regional and government stakeholders better address the obstacles to trade and specifically to help countries comply with the recent WTO Trade Facilitation Agreement (if the respondent is unfamiliar with the agreement, a short explanation will be provided)
 - Research will be used to identify what changes in policy and practice would make it easier for businesses to trade across borders.
- Description of the objectives of the discussion
 - Obtain information about the business of the firm as it relates to trade.
 - Understand better the challenges faced by the firm in moving products and services across borders.
 - Understand better what the firm view as the most important steps that could be taken make trading across borders easier.
- We will follow privacy protocols to protect your anonymity [interviewers will be trained to be compliant with USAID policy in regards to the "USG Common Rule" for the protection of human subjects]:
 - Explain confidentiality and anonymity and note whether the respondent would like to remain anonymous, and that the assessment team will ask permission if would like to use a quote from the respondent in the final report.
 - Explain how collected data will be stored without identifying information.
 - Ask if the respondent is willing to be recorded and note their response.

- e. Explain recording, length and nature of discussion
- f. Check whether respondents have any questions.

II. Background Information (~ 10 minutes)

- a. Role of Respondent
 - Position
 - Responsibilities
 - Length of time with the organization
- b. Activities of the Firm (**The answers to these questions should be researched by the interviewer in advance and be recorded with the interview notes. If further clarification is required, ask some version of this question.**)
 - In what sectors does the firm operate?
 - How many employees does the firm currently have?
 - In what way is the firm involved in moving goods across borders – importing, exporting, transportation, facilitation of trade?
 - If exporting, what percentage of the output of the firm is exported?
 - If exporting, where are the key markets for the firm?
 - What is the approximate level of annual revenue for the firm?

III. Obstacles to Cross-Border Trade (~20 minutes)

- a. **Transition:** *I would like to spend a little time speaking with you about the experiences of your members in trading across borders...*
- b. Could you describe what is you think the biggest challenge faced by your firm in trying to move goods across borders?
 - Explore why it is a challenge/how it impacts the firm.
 - Would the removal or reduction of this challenge make you more likely to trade?
 - Has the situation changed in the last five years?
 - Do you have any opinions on why this is such a challenge/why policies haven't been changed to make it easier?

IV. Battery of Questions about Each TFM the respondent has identified is a priority (~25 minutes)

Transition: *Thank you very much for all of that information. I would like to switch topics a bit and speak to you about some of the trade facilitation measures that are planned to be implemented in the next few years. Now, not all of these may be relevant to your members, so just let me know if it isn't something that is important to your members and we can move on to the next measure.*

****Begin Battery for first TFM *******

Repeat this line of questioning for each TFM or TF issue selected for the country of study. Remember to ask about the TFMs of study in a random order, so the same order isn't followed in each interview.

Interviewer explains the next set of questions: Now I am going to ask you some questions about this TFM, [Read the TFM in question aloud as part of the questions below as you read it verbatim].

- Would implementing this measure be important to your firm? [If no, move on to the next measure.]
- If this measure were implemented, what would be the impact on your business? (**The interviewer will ask the prompt questions below relevant to the TFM in question.**)
 - Reduced time to trade?
 - Reduced cost to trade?
 - Reduced paperwork and administration?

- More certainty on when goods will get to market?
- More certainty on costs to trade?
- More traders/ your firm will be more interested in beginning international trade?
- Do you have any sense of how much it would cost to implement this measure?
- b. **Interviewer explains the next set of questions:** Now I am going to ask you about the status of implementation and sequencing this TFM.
 - Do you have any opinions on why this trade measure hasn't been implemented yet?
 - Are you aware of any political or private sector resistance to this TFM? If yes, please describe
 - Are there other TFMs or trade facilitation interventions that have to be implemented before this one can be implemented?
 - If yes, please list these TFMs that must be implemented in the order they should be sequenced before and/or after the implementation of this TFM.

Interviewer explains the next set of questions: Now I am going to ask you some questions about how would you describe the importance of this measure to your firm. I am going to read the TFM aloud we have been discussing and make a statement with it. And then I will ask you whether you agree or disagree with the statement: **[Read the TFM aloud at part of the statement and then read verbatim this question and the options below.]**

- “If implemented, [read TFM in question aloud] will generate large economic impacts for your business. Do you “strongly agree,” “agree,” “disagree,” “strongly disagree,” or “do not know” with this statement?”
- _____.

- **Interviewer to follow this Skip Logic:** If the respondent stated that they “strongly agree” in the previous question, then ask the question below verbatim; if the respondent didn't answer “strongly agree to the previous question skip to the conclusion and end the interview. (~5 mins)
 - “In the previous question you stated that you “Strongly agree that [TFM X] will generate large economic impacts for your business. Can you tell me why this measure is so important for you?”

Repeat the above questions for the remaining priority TFMs.

- **Ranking:** *Thank you very much for all of that information. As a final point, I would like to ask you to rank in order of priority the specific trade facilitation measures that we have discussed. Could you please tell me which one you consider the most important to implement followed by the second, third etc. through to the least important?*

V. Conclusion:

- Thank the respondent for their time.
- Tell the respondent they are welcome to contact you to ask questions at a later date.

Ask permission of the respondent to use their name in the report if you might use a quote. Note their response: _____

Key Informant Interview Topic Guide – Public Sector

This Topic Guide is intended for use in field research with representatives from public sector bilateral agencies responsible for providing services or supporting policies related to trade facilitation/ customs or regional economic communities (RECs) that support trade facilitation policy implementation in member states. It should be followed as closely as possible to guide KIIs with these respondents. There are a few questions where a specific set of responses are provided in order to assist in the collection of data that can be more easily quantified. Instructions to the interviewer are in red.

I. Introduction (~5 minutes)

- a. Thank the respondent for taking the time to participate in the interview
- b. Introduction to the researcher and the research
 - i. Introduce yourself: I am a Trade facilitation Specialist residing in _____. I represent an assessment team fielded by Management Systems International, a Washington DC based firm that has been contracted by the U.S. Agency for International Development (USAID) to conduct an independent assessment of the costs and benefits of selected trade facilitation measures (TFMs) or interventions in 5 SADC states.
 - ii. Research intended to help USAID and regional and government stakeholders better address the obstacles to trade and specifically to help countries comply with the recent WTO Trade Facilitation Agreement (if the respondent is unfamiliar with the agreement, a short explanation will be provided)
 - iii. Research will be used to identify what changes in policy and practice would make it easier for businesses to trade across borders.
- c. Description of the objectives of the discussion
 - i. Understand better the challenges faced by the government in supporting trade facilitation.
 - ii. Understand better what the Agency views as the most important steps that could be taken to make trading across borders easier and why.
 - iii. Understand the amount and nature of the costs required to implement these measures
- d. We will follow these privacy protocols to protect your anonymity if you prefer not to be quoted [interviewers will be trained to be compliant with USAID policy in regards to the "USG Common Rule" for the protection of human subjects]:
 - i. Explain confidentiality and anonymity and note whether the respondent would like to remain anonymous, and that the assessment team will ask permission if would like to use a quote from the respondent in the final report.
 - ii. Explain how collected data will be stored without identifying information.
 - iii. Ask if the respondent is willing to be recorded and note their response.
- e. Explain recording, length and nature of discussion.
- f. Check whether respondents have any questions.

II. Background Information (~ 5 minutes)

- a. Role of Respondent
 - Can you please tell us a little bit about yourself and your role here at _____?
 - Position
 - Responsibilities
 - Length of time with the ministry/agency

- b. Structure and Purpose of the Agency.
- Can you tell us a little bit about the role or responsibilities of your organization in supporting the implementation of the TFA?

The next two topic sections (III and IV) can be delivered in any order. It is recommended that if the respondent is cooperative and engaged, section III should be addressed prior to IV. If however the respondent appears uncooperative or reticent, section IV should be addressed prior to III.

III. Obstacles to Cross-Border Trade (~ 15 minutes)

- **Transition:** *I would like to spend a little time speaking with you about your experience working with the private sector in moving goods across borders – both importers and exporters...*
 - a. Could you describe what you think the biggest challenges are faced by trade actors in your country in trying to move goods across borders?
 - Could you explore why these are the major challenges?
 - Do they make your private sector actors (importers, exporters or transport companies) trade less than they otherwise would?
 - How might these challenges impact private sector exporters, importers, or transport companies differently?
 - Has the situation improved in the last five years?
 - Do you have any opinions on why this is such a challenge/why policies haven't been changed to make it easier?
 - Can you tell me a little bit about what steps your agency has taken or is taking to try to address these challenges and make it easier for private sector to move their products across borders?

IV. Institutional Challenges (~ 10 minutes)

- a. **Transition:** *Thank you for all of that information. I would like to switch topics a little bit and talk some about the opportunities and challenges that you and your agency faces in trying to work with importers, exporters and shipping companies to move products about borders...*
- b. Can you describe for me what you think are the main strengths of the Ministry/Agency? As an organization, where do you think you are most successful in achieving your objectives? **[If the respondent needs clarification on the question, try offering up the prompts below]**
 - Clear standards and processes
 - Talented and well trained staff
 - Good relationships with the private sector
 - Good collaboration with colleagues from other agencies
- c. What are some of the biggest challenges your organization faces in trying to achieve your objectives? **[If the respondent needs clarification on the question, try offering up the prompts below]**
 - Funding not sufficient
 - Difficult to find good staff
 - Changing standards and rules for performance
- d. Are there one or two issues facing your organization right now that are especially important? Please describe them and their impact on TF.

V. Battery of Questions about Each TFM the respondent has identified is a priority (~25 minutes)

Transition: *Thank you very much for all of that information. I would like to switch topics a bit and speak to you about some of the specific trade facilitation measures or issues that are planned to be implemented in the next*

few years. Now, not all of these may be relevant to your organization, so just let me know if it isn't something that is important to you and we can move on to the next measure.

*** *Begin Battery for first TFM *******

TF Issue/ Measure I Interviewer explains the next set of questions: Now I am going to ask you some questions about each TF issues you have raised and/or TFMs that have yet to be implemented in your country. [Repeat this line of questioning for each TFM or TF issue selected for the country of study. Remember to ask about the TFMs of study in a random order, so the same order isn't followed in each interview.]

- Would implementing this measure be important to your improving trade facilitation in your country? [If no, move on to the next measure]
- Would your agency be involved in implementing this? [If no, move on to the next measure]
- What benefits do you think implementing this measure would have for traders?
- If this measure were implemented, what kind of impact would this have on your organization?
 - Reduced paperwork and administration?
 - Reduced time and costs?
- Will this measure cost money and time for the government to implement?
Yes/ No
- Interviewer to follow this Skip Logic: [If respondent answered yes to the previous question, ask the next four questions, if not skip to question "If this measure was implemented, what would be the impact on trade?"]
 - Do you have any sense of how much it would cost the government to implement this measure? [Please read verbatim this question and the options below for every relevant measure]

If YES – Ask the responded to specify and note the Currency

please specify amount and currency if respondent uses other than USD

-
- Less than USD 1 million
 - USD 1-5 million
 - More than USD 5 million
 - The respondent doesn't know
-
- Do you have any sense of how much time it would take for the government to implement this measure? [Please read verbatim this question and the options below for every relevant measure]
 - Less 6 months
 - Less than a year
 - More than 18 months
 - More than 2 years
 - What are the types of costs and/or resources that will be required of the government to implement this measure?
 - New equipment
 - Hiring more staff
 - Staff training
 - If other please specify _____
 - Of these, which would be the biggest expense for you to implement this measure?

- If this measure were implemented, what would be the impact on trade? (The interviewer will ask the prompt questions below relevant to the TFM in question)
 - Reduced time to trade?
 - Reduced cost to trade?
 - Reduced paperwork and administration?
 - More certainty on when goods will get to market?
 - More certainty on costs to trade?
 - More firms interested in beginning international trade?
- Interviewer explains the next set of questions: Now I am going to ask you about the status of implementation and sequencing this TFM.
 - Do you have any opinions on why this trade measure hasn't been implemented yet?
 - Are you aware of any political or private sector resistance to this TFM? If yes, please describe.
 - Are there other TFMs or trade facilitation interventions that have to be implemented before this one can be implemented?
 - If yes, please list these TFMs that must be implemented in the order they should be sequenced before and/or after the implementation of this TFM?
- Interviewer explains the next set of questions: Now I am going to ask you some questions about how would you describe the importance of this measure to your country. I am going to read the TFM aloud we have been discussing and make a statement with it. And then I will ask you whether you agree or disagree with the statement: [Read the TFM aloud at part of the statement and then read verbatim this question and the options below]
 - "If implemented, [read TFM in question aloud] will generate large economic impacts for this country. Do you "strongly agree," "agree," "disagree," "strongly disagree," or "do not know" with this statement?"

_____.
- Interviewer to follow this Skip Logic: If the respondent stated that they "strongly agree" in the previous question, then ask the question below verbatim; if the respondent didn't answer "strongly agree to the previous question skip to the conclusion and end the interview. (~5 mins)
 - "In the previous question you stated that you "Strongly agree that [read TFM in question aloud] will generate large economic impacts for your country. Can you tell me why this measure is so important for your country to implement?"

****End Battery for first TFM and Repeat the above questions for the remaining priority TFMs****

VI. Final Ranking of TFMs the Respondent has identified as his/her priorities:

Thank you very much for all of that information. As a final point, I would like to ask you to rank in order of priority the specific trade facilitation measures that we have discussed.

Interviewer to list each TFM the respondent noted was important to confirm they both have the same TFMs in mind before ranking

- *Could you please tell me which of these TFMs do you consider the most important for [your Country] to implement first?*
- *Which of the remaining TFMs is the most important for [your Country] to implement second?*

- Which of the remaining TFM is the most important for [your Country] to implement third?
- [etc. through to the least important]

VII. Conclusion:

- Thank the respondent for their time.
- Tell the respondent they are welcome to contact you to ask questions at a later date.

Ask permission of the respondent to use their name in the report if you might use a quote. Note their response: _____.

Key Informant Interview Topic Guide – International Donors, Policy Experts, and Academics

This Topic Guide is intended for use in field research with representatives of international donors, as well as trade facilitation policy experts and academics. It should be followed as closely as possible to **guide** KIIs with these respondents. There are a few questions where a specific set of responses are provided in order to assist in the collection of data that can be more easily quantified. Instructions to the interviewer are in red.

I. Introduction (~5 minutes)

- a. Thank the respondent for taking the time to participate in the interview
- b. Introduction to the researcher and the research
 - Introduce yourself: I am a Trade facilitation Specialist residing in _____. I represent an assessment team fielded by Management Systems International, a Washington DC based firm that has been contracted by the U.S. Agency for International Development (USAID) to conduct an independent assessment of the costs and benefits of selected trade facilitation measures (TFMs) or interventions in 5 SADC states.
 - Research intended to help USAID and regional and government stakeholders better address the obstacles to trade and specifically to help countries comply with the recent WTO Trade Facilitation Agreement (if the respondent is unfamiliar with the agreement, a short explanation will be provided)
 - Research will be used to identify what changes in policy and practice would make it easier for businesses to trade across borders.
- c. Description of the objectives of the discussion
 - Understand better what the researcher views as the most important steps that could be taken to make trading across borders easier and why.
 - Understand better the challenges in supporting trade facilitation.
 - Understand the amount and nature of the costs required to implement these measures.
 - Explore existing research and other processes underway that might be relevant for this survey.
- d. We will follow these privacy protocols to protect your anonymity if you prefer not to be quoted [interviewers will be trained to be compliant with USAID policy in regards to the "USG Common Rule" for the protection of human subjects]:
 - Explain confidentiality and anonymity and note whether the respondent would like to remain anonymous, and that the assessment team will ask permission if would like to use a quote from the respondent in the final report.
 - Explain how collected data will be stored without identifying information.
 - Ask if the respondent is willing to be recorded and note their response.
- e. Explain recording, length and nature of discussion.
- f. Check whether respondents have any questions.

II. Background Information (~ 5 minutes)

- c. Role of Respondent
 - Can you please tell us a little bit about yourself and your role here at _____?
 - Position
 - Responsibilities
 - Length of time with the academic institution?

- d. Areas of research being undertaken by academic institution in the area of Trade Facilitation.
- Can you tell us a little bit about the areas of research that your organization is undertaking in the area of trade facilitation?

III. Obstacles to Cross-Border Trade (~ 15 minutes)

- **Transition:** *I would like to spend a little time speaking with you about your experience studying/researching/working on trade policy and trade facilitation- both imports and exports...*

Could you describe what you think are three of the biggest challenges faced by trade actors in your country in trying to move goods across borders?

- Could you explore why these are the major challenges?
- Are you seeing any evidence that these challenges are effectively making private sector actors (importers, exporters or transport companies) trade less than they otherwise would?
- How might these challenges impact private sector exporters, importers, or transport companies differently?
- Has the situation changed in the last five years?
- Do you have any opinions on why this is such a challenge/why policies haven't been changed to make it easier?
- Can you tell me a little bit about the research that is currently being undertaken in this area, and any policy recommendations that are coming through?

IV. Trade Facilitation Measures (~25 minutes)

- **Transition:** *Thank you very much for all of that information. I would like to switch topics a bit and speak to you about some of the specific trade facilitation measures that are planned to be implemented in the next few years.*

Measure 1 [Repeat this line of questioning for each TFM or TF issue selected for the country of study. Remember to ask about the TFMs of study in a random order, so the same order isn't followed in each interview.]

- Would implementing this measure be important to improving trade facilitation in your country? [If no, move on to the next measure]
- What benefits do you think implementing this measure would have for traders?
- Will this measure cost money and time for the government to implement? Yes/ No?
- Interviewer to follow this Skip Logic: **If yes to the previous question, ask the next four questions, if not skip to question "If this measure was implemented, what would be the impact on trade?"**
 - Do you have any sense of how much it would cost the government to implement this measure? [Please read verbatim this question and the options below for every relevant measure]
 - Less than \$1m dollars [please specify if respondent uses other currency]
 - \$1-\$5m dollars
 - More than \$5m dollars.
 - Do you have any sense of how much time it would take for the government to implement this measure? [Please read verbatim this question and the options below for every relevant measure]
 - Less 6 months
 - Less than a year
 - More than 18 months
 - More than 2 years
 - What are the types of costs and/or resources that will be required of the government to implement this measure?
 - New equipment

- Hiring more staff
 - Staff training
 - If other please specify _____
- Of these, which would be the biggest expense for you to implement this measure?
- If this measure were implemented, what would be the impact on trade? (**The interviewer will ask the prompt questions below relevant to the TFM in question**)
 - Reduced time to trade?
 - Reduced cost to trade?
 - Reduced paperwork and administration?
 - More certainty on when goods will get to market?
 - More certainty on costs to trade?
 - More firms interested in beginning international trade?
- **Interviewer explains the next set of questions:** Now I am going to ask you about the status of implementation and sequencing this TFM.
 - Do you have any opinions on why this trade measure hasn't been implemented yet?
 - Are you aware of any political or private sector resistance to this TFM? If yes, please describe.
 - Are there other TFMs or trade facilitation interventions that have to be implemented before this one can be implemented?
 - If yes, please list these TFMs that must be implemented in the order they should be sequenced before and/or after the implementation of this TFM.
- **Interviewer explains the next set of questions:** Now I am going to ask you some questions about how would you describe the importance of this measure to your country. I am going to read the TFM aloud we have been discussing and make a statement with it. And then I will ask you whether you agree or disagree with the statement: (**Read the TFM aloud at part of the statement and then read verbatim this question and the options below**)
 - “If implemented, [read TFM in question aloud] will generate large economic impacts for this country. Do you “strongly agree,” “agree,” “disagree,” “strongly disagree,” or “do not know” with this statement?”
_____.
- **Interviewer to follow this Skip Logic:** If the respondent stated that they “strongly agree” in the previous question, then ask the question below verbatim; if the respondent didn't answer “strongly agree to the previous question skip to the conclusion and end the interview. (~5 mins)
 - “In the previous question you stated that you “Strongly agree that [TFM X] will generate large economic impacts for your country. Can you tell me why this measure is so important for your country to implement?”

Repeat the above questions for the remaining priority TFMs.

- **Ranking:** *Thank you very much for all of that information. As a final point, I would like to ask you to rank in order of priority the specific trade facilitation measures that we have discussed. Could you please tell me which one you consider the most important to implement followed by the second, third etc. through to the least important?*

V. Conclusion:

- Thank the respondent for their time.
- Tell the respondent they are welcome to contact you to ask questions at a later date.

Ask permission of the respondent to use their name in the report if you might use a quote. Note their response: _____.

ANNEX V: TRADE FACILITATION MEASURES SELECTED FOR THE COUNTRY SPECIFIC ONLINE SURVEYS

This annex includes the TFM that were selected for each country-specific online survey based on the priority trade facilitation issues identified during desk review for each country. Where the concept of a TFM may not be straightforward to all audiences, explanatory language was included in the online survey itself to aid respondents that may not be familiar with the trade facilitation policy language.

Botswana Priority Trade Facilitation Measures

1. Improved border management and coordination.
2. Improvement in harmonization of customs procedures, including enhanced electronic clearing for customs, IT connectivity and information exchange at borders, especially with South Africa.
3. Removal of NTBs (such as import restrictions, customs delays, technical barriers, sanitary/ phytosanitary measures, or other systems preventing or impeding trade).
4. Improvement of roads and physical infrastructure at border posts, for example Kasungula Bridge, truck parking and rest stops.
5. Simplified and harmonized documentation for trade, in particular for small traders.
6. Enhanced coordination of regional transit procedures.
7. Stronger risk management systems, including the efficient use of scanners and sampling of containers.
8. NSW: An online platform that allows traders to process trade documents (like applications and payments for licenses and/or certificates; processing of customs declarations, etc.), with a single entry point.

Malawi Priority Trade Facilitation Measures

1. Improved border management and agency coordination, including at Mwanza, Songwe.
2. Improvement in customs procedures related to poor IT network of ASYCUDA, no back up and frequent outages.
3. Removal of NTBs such as import restrictions, customs delays, or other systems preventing or impeding trade.
4. NSW: An online platform that allows traders to process trade documents (like applications and payments for licenses and/or certificates; processing of customs declarations, etc.), with a single entry point.
5. Simplified and harmonized documentation for trade, in particular for small traders.
6. Enhanced coordination and notification of changes regional transit procedures. For example, there should be advanced notice every time Mozambique is about to make changes in transit procedures.
7. Stronger risk management systems: a concept whereby customs do not have to check/examine all shipments, but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.
8. OSBP: A concept whereby traffic crossing the border need only to stop at one border post between two countries.

Namibia Priority Trade Facilitation Measures

1. Improved border management and coordination.
2. Increased capacity of rail transport for bulk cargo, as well as unlocking hinterland through rail upgrades.
3. Removal of NTBs, such as import quotas, subsidies, customs delays, TBT and SPS measures, or other systems preventing or impeding trade.
4. Enhanced electronic clearing for customs, IT connectivity and information exchange at border.
5. Increased efficiency of the seaport especially in terms of handling and customs clearing.
6. Simplified and harmonized documentation for trade.
7. Enhanced coordination of regional transit procedures.
8. Stronger risk management systems: an intervention for customs officers implement improved risk management practices and tools so they do not have to examine all shipments, but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.
9. NSW: An online platform that allows traders to process trade documents (like applications and payments for licenses and/or certificates; processing of customs declarations, etc.), with a single entry point.

South Africa Priority Trade Facilitation Measures

1. Improved border management and coordination, including at Beitbridge.
2. Increased capacity of rail transport for bulk cargo.
3. Removal of NTBs such as import quotas, subsidies, customs delays, technical barriers, or other systems preventing or impeding trade.
4. Enhanced electronic clearing for customs, IT connectivity and information exchange at borders.
5. Development of behind the port facilities and enhanced inter-modal linkages for transportation.
6. Simplified and harmonized documentation for trade.
7. Enhanced coordination of regional transit procedures.
8. Stronger risk management systems (to ensure the efficient implementation of practices and tools to assess compliance by traders).

Zambia Priority Trade Facilitation Measures

1. CBM to address inefficiencies arising from the multiplicity of agencies at the border, which causes delays in the movement and clearing of goods.
2. Zambia Trade Information Portal, a web-based platform to address poor access to current trade information on regulations, procedures and forms governing the importing, exporting and transit of goods.
3. NSW to increase the efficiency in dealing with government agencies regulating cross-border trade. An NSW is an online platform that allows traders to process trade documents (like applications and payments for licenses and/or certificates; processing of customs declarations, etc.), with a single entry point.
4. Strengthened Risk Management Systems by implementing improved practices and operational tools that allow customs agents to assess, profile and target the flow of goods and people. If implemented, customs agents would not have to check/examine all shipments, but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.
5. Improved customs procedures for the valuation of goods. The current problem is that Zambia Revenue Authority does not accept the dutiable value as indicated on some invoices, resulting in

lengthy appeals procedures.

6. Improved customs procedures through the automated ASYCUDA web platform, especially functional issues related to poor IT network of ASYCUDA (e.g., no back up and frequent outages).
7. Enhanced coordination and notification of changes regional transit procedures. For example, there should be advanced notice every time the DRC and/or Zimbabwe is about to make changes in transit procedures.
8. OSBP: Improve efficiency of operations at the Chirundu OSBP with Zimbabwe and rollout the OSBP concept to other border posts as well.

Southern Africa Regional Priority Trade Facilitation Measures

1. Improved border management and coordination.
2. Enhanced electronic clearing for customs, IT connectivity and information exchange at borders.
3. Removal of NTBs such as import restrictions, customs delays, or other systems preventing or impeding trade.
4. Improved physical infrastructure at ports and border posts as well as on roads and rail networks.
5. NSW: An online platform that allows traders to process trade documents (like applications and payments for licenses and/or certificates; processing of customs declarations, etc.), with a single entry point.
6. Simplified and harmonized documentation for trade, in particular for small traders.
7. Enhanced coordination of regional transit procedures.

Stronger risk management systems: An intervention for customs officers implement improved risk management practices and tools so they do not have to examine all shipments, but apply their scarce resources to more risky imports determined by an assessment of past compliance level of a trader.

ANNEX VI: ACTIVITIES OF DEVELOPMENT PARTNERS

To inform the development of regional level trade facilitation interventions the table below provides some of the relevant information on trade facilitation activities supported by international development partners in southern Africa gathered during the research for this study. It is by no means a comprehensive list, but it gives a sense of some activities that are current or recently supported. A range of international development partners are already involved in supporting trade facilitation activities in southern Africa. These take place under both national and regional programs. They have traditionally been coordinated through the International Cooperation Partners process with the SADC Secretariat, under which there is a specific TIFI working group where some donors share information and ensure their interventions are complementary. USAID, GIZ and the EU have been the most active participants in this process given that they have the strongest links to SADC through well-established regional programs. The SADC Secretariat has recently started a process of aligning some of its work along transport corridors with a view to ensuring stronger internal coordination between the trade and infrastructure teams, as well as with the activities of international development partners.⁴⁶

TABLE I: TRADE FACILITATION ACTIVITIES THAT INTERNATIONAL DEVELOPMENT PARTNERS SUPPORT IN SOUTHERN AFRICA

Donor	Regional Initiatives	National Initiatives
USAID	USAID Southern Africa Trade and Investment Hub (SATIH) a five-year, \$74-million program implemented by DAI	USAID Mozambique Supporting the Policy Environment for Economic Development (SPEED+) a five-year, \$19.4 million project implemented by DAI in Mozambique. Duration: 2016-2020
GIZ	Kasumbalesa border post Capacity-building project for customs authorities in the region	
European Commission	Tripartite Transport and Transit Program (EDF II) – focus on harmonization of policies and regulations SADC Trade-Related Facility – several eligible countries have applied for funding of trade facilitation-related activities (e.g., Namibia, Zambia). COMESA Regional Integration Support Mechanism (RISM).	
JICA	Corridor approach – extensive mapping in the One-Stop Border Post Handbook. Support for one-stop border posts, e.g., Chirundu. Time-release studies, e.g., Beitbridge border post.	Various infrastructure projects, e.g., rehabilitation of the road between the Chirundu border post and Harare, Zimbabwe.
African Development Bank		Various infrastructure projects
World Bank	Under the Sub-Saharan Africa Transport Program, initiatives would develop a corridor-monitoring platform for the region, plus support for the Maputo Corridor Logistics Initiative.	Various infrastructure projects, e.g., Chirundu OSBP, Lobito corridor. Interventions to develop trade information portals in some target

⁴⁶ Workshop on March 15, 2017, in Gaborone, Botswana.

Donor	Regional Initiatives	National Initiatives
		countries, e.g., USAID Zambia Production, Finance and Improved Technology (PROFIT ++).
WCO	SACU Connect Program.	National activities as requested by customs authorities.
DFID	No replacement program for TradeMark Southern Africa is currently planned.	Trade facilitation activities are included in national programs in Malawi, Mozambique, and Zambia.
UNECA	Support for the Africa Corridor Authorities Initiative.	Some national-level research.

ANNEX VII: BIBLIOGRAPHY

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