

SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB



FINANCING TRADE FACILITATION IN EASTERN AND SOUTHERN AFRICA

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Outline of Presentation

1. SAGC Hub Background
2. Major Sources of Finance for Trade Facilitation.
3. USAID Approach to Financing Trade Facilitation in Africa.
4. Transport Corridors in Southern Africa on which USAID focuses its Trade Facilitation Initiatives.
5. Trade Facilitation Initiatives Funded by USAID in Transport Corridors and Countries in Southern Africa.
6. Future Funding of Trade Facilitation in Eastern and Southern Africa.
7. Key Messages

Southern Africa Global Competitiveness Hub

- Established in 2003.
- Funded by USAID
- One of the Four USAID Funded Hubs in Africa
- Other Trade Hubs in Africa:
 - West Africa Hub in Accra (Ghana) and Dakar (Senegal);
 - East and Central Africa Hub in Nairobi (Kenya).



SAGC/Trade Hub Activity Areas

- The Trade Hub focuses on four specific elements of the African Global Competitiveness:
 - Trade and investment enabling environment
 - Private sector competitiveness
 - Modern energy services
 - Transport services

Major Sources of Finance for Trade Facilitation

- Multilateral Donors
 - African Development Bank
 - World Bank
 - Sub-Saharan Transport Policy Program (SSATP/WB)
 - European Union
- Bilateral Donors
 - USAID
 - DFID
 - JICA
 - SIDA
 - GTZ

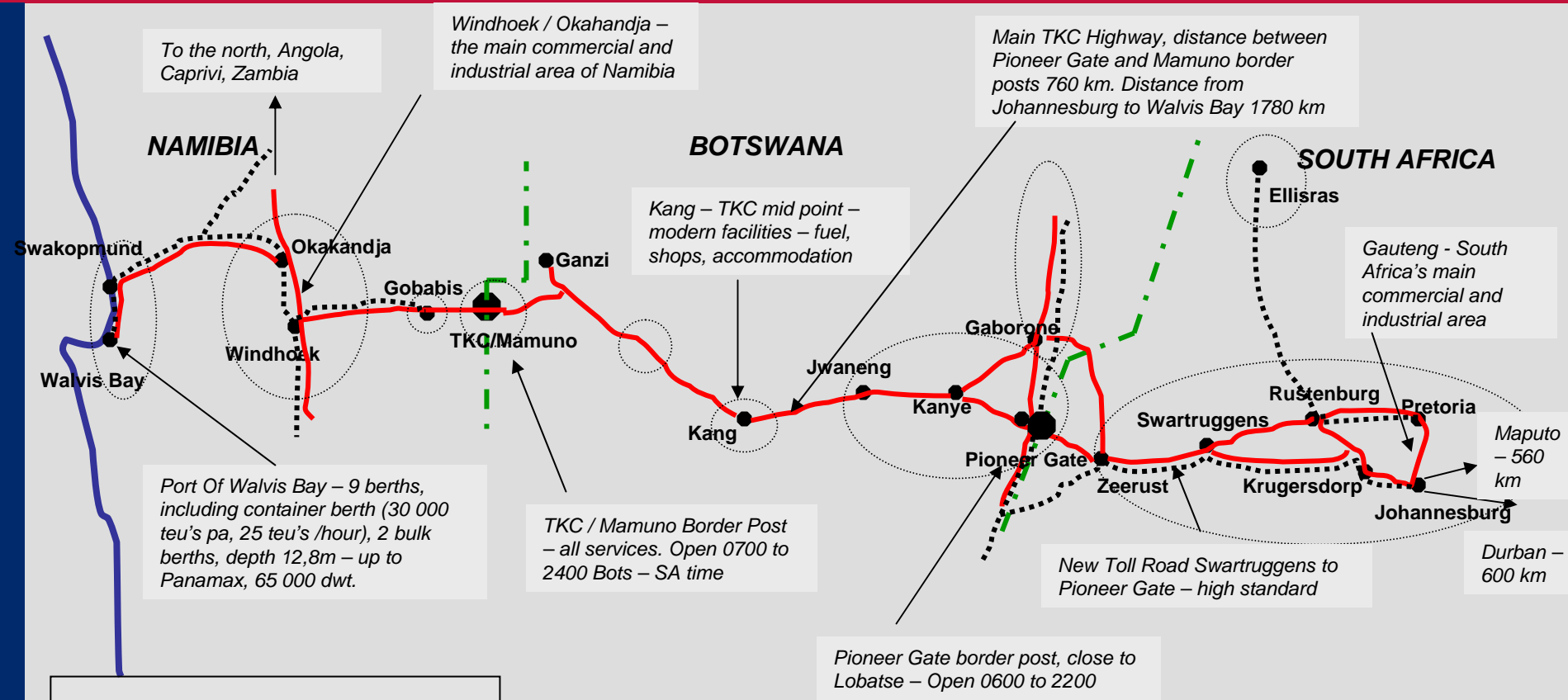
USAID Approach to Financing Trade Facilitation in Africa

- ❖ Through Regional Hubs for regional TF.
- ❖ Through Bilateral USAID Missions Programs for National TF
- ❖ Providing Technical Assistance and Capacity building through the Hubs.
- ❖ Focusing on establishing Corridor Management Institutions (CMIs) for removing Non-Tariff Barriers (NTBs) on a continuous basis.
- ❖ Promoting Public-Private Sectors Partnerships in CMIs for resolving NTBs.
- ❖ Assisting directly in resolving NTBs in transport corridors.
- ❖ Facilitating and funding WTO Trade Facilitation National Self-Assessment Workshops in Southern Africa.
- ❖ Facilitating and Funding WCO Time Release Studies in SADC MS.

Transport Corridors in Southern Africa on which USAID focuses its Trade Facilitation Initiatives

- **Trans Kalahari Corridor**
- **Dar es Salaam Corridor**
- Maputo Corridor
- Trans Cunene Corridor
- Walvis Bay- Ndola - Lubumbashi Corridor
- North-South Corridor

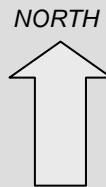
Trans – Kalahari Transport Corridor



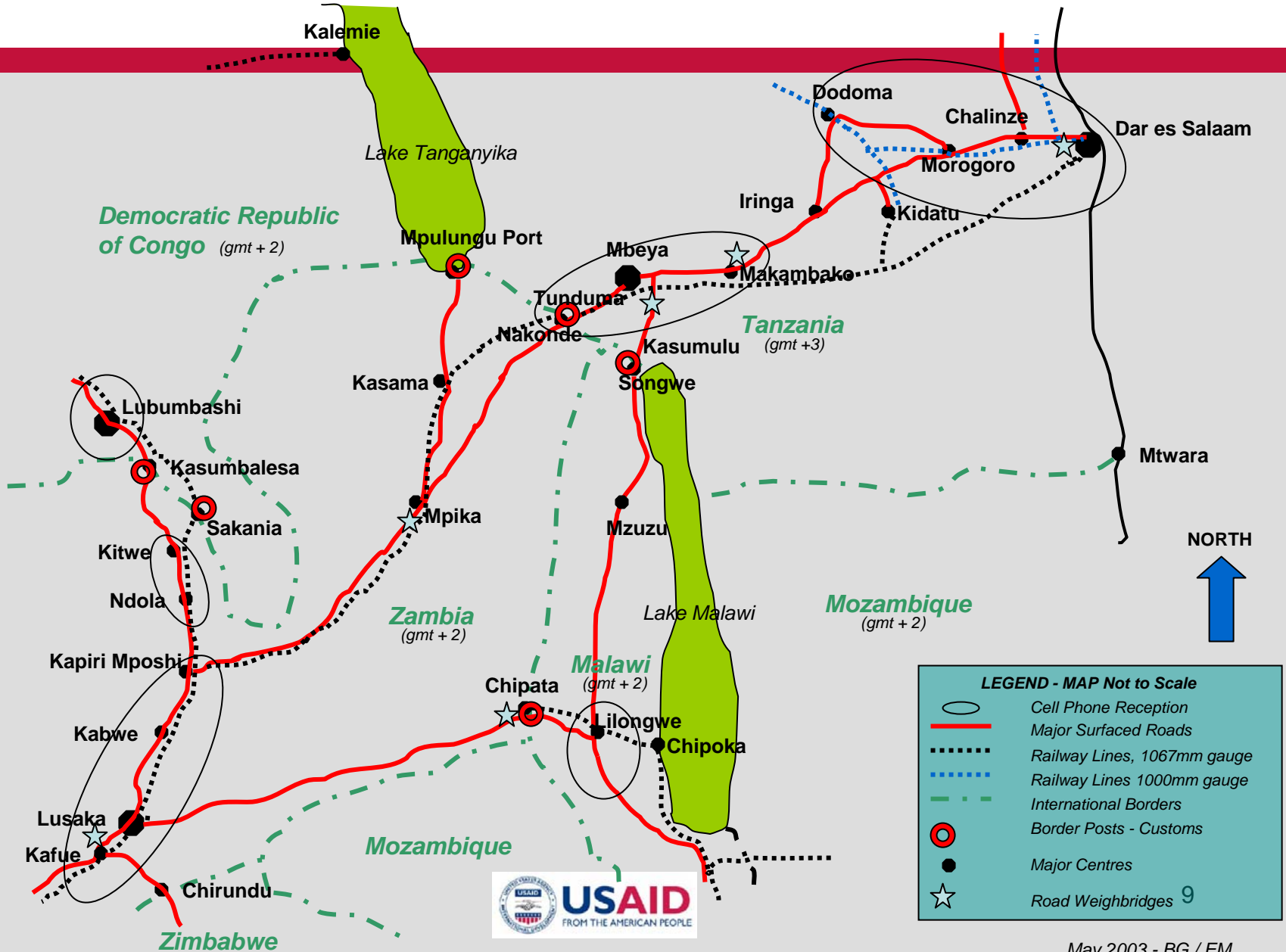
LEGEND

NOTE: Map not to Scale

- . . — Country Boundary
- Railway
- Main Tarred Road
- TKC Border Post
- Main Centres
- Cell Phone Reception



USAID - IMPACT - Southern African Global Competitiveness Hub Dar es Salaam Transport Corridor and Catchment Area



Trade Facilitation Initiatives Funded by USAID in Transport Corridors and Countries in Southern Africa.

- ✓ Meetings of key PPP stakeholders for the establishment of CMI for addressing NTBs.
- ✓ Development of Constitutive Instruments for the establishment of CMI i.e. MOU or Constitution.
- ✓ Establishment of Permanent Secretariats for Corridor Management Institutions.
- ✓ Development and implementation of mechanism for sustainable funding of Corridor Management Institutions.
- ✓ Development and implementation Corridor Performance Management Systems.
- ✓ A number of studies and activities aimed at addressing NTBs e.g. One Stop Border Posts, Time Release Studies, Single Administrative Documents, Cross Border Vehicle Overload Control Systems, Harmonization of Vehicle Registration, Standards Fitness and Axle Loads, Reduction of Check Stops, Customs inter-connectivity, Authorized Economic Operators, Clients Charter etc.
- ✓ WTO Trade Facilitation National Self Assessment Workshops (Transparency, Customs and Transit)
- ✓ Technical Assistance to assist the Corridor Management Institutions in addressing NTBs.
- ✓ Modernization of Customs Legislation and Processes in SADC Countries.
- ✓ Harmonization of Customs Procedures and Processes and Development of a Common Regional Transit Regime.

Future Financing Trade Facilitation in Eastern and Southern Africa

- ❑ Multilateral donor support for Trade Facilitation likely to continue .
- ❑ Bilateral donor support for Trade Facilitation likely to continue.
- ❑ However, donor support is likely to continue on the basis of Aid for Trade (AFT).
- ❑ Through the WTO Trade Facilitation National Self-Assessment Workshops African countries have identified their technical assistance and capacity building needs for implementing the WTO TF Proposals.
- ❑ African countries should ask for donor support for trade facilitation based on the identified national technical assistance and capacity building needs.
- ❑ WTO Trade Facilitation Proposals are on the basis that unless the technical assistance and capacity building is provided by the donors, development countries are not obliged to comply with them.
- ❑ CMI and RECs should also ask for funding for their trade facilitation initiatives in the context of Aid for Trade.

KEY MESSAGES

- ❑ Both Bilateral and Multilateral donor support for Trade Facilitation is likely to continue on the basis of Aid for Trade (AFT).
- ❑ Countries, CMI and RECs should couch their Trade Facilitation funding requirements in the context of AFT.
- ❑ WTO Trade Facilitation Proposals Condition: Developing countries only obliged to comply if technical and capacity building needs are funded.



Thank You

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