



Breaking barriers, facilitating trade

Increase intra-COMESA trade in agri-food products by reducing trading costs associated with SPS measures for selected commodities on selected trade routes.

STDF/PG/346

Status

On-going

Start Date

01/11/2014

End Date

31/10/2018

Project Value (US\$)

\$1,184,310

STDF Contribution (US\$)

\$902,691

Beneficiaries

Egypt
Kenya
Malawi
Sudan
Uganda
Zambia
Zimbabwe

Implementing Entities

Common Market for Eastern and Southern Africa (COMESA)

Partners

Kenya Plant Health Inspectorate Service (KEPHIS)
Ministry of Agriculture and Irrigation, Sudan
Ministry of Agriculture and Land Reclamation, Egypt
Ministry of Agriculture Irrigation and Water Development, Malawi
Ministry of Agriculture, Animal Industry and Fisheries, Uganda
Ministry of Agriculture, Mechanization and Irrigation Development, Zimbabwe
Plant Quarantine and Phytosanitary Service (PQPS), Ministry of Agriculture, Zambia
CAB International (CABI)

Background

One of COMESA's goals is to provide a market in which member states trade freely with each other, thereby fostering economic development and enhancing food security within the region. Intra-regional trade within COMESA however remains low, with member states still trading much more with distant countries than with their neighbours with whom they have a free trade agreement. A major reason for this is the high cost of doing business, particularly the cost of crossing borders.

One of the reasons for the high costs of cross-border trade within the COMESA region can be traced to the way in which the SPS measures are administered and implemented. The high costs associated with the implementation of SPS measures are attributable to a number of factors. The associated administrative processes both at and behind borders may, for a variety of reasons, be complicated and lengthy. The inspections and treatments required may also be costly due to duplication or over-stringent requirements arising out of the application of unnecessary measures. Unnecessary measures arise through the lack of information on which to base less restrictive measures. They may also arise due to the application of public standards that do not really address public policy goals such as human, animal and plant health. Further, value chain actors may not have the knowledge or capacity to meet the technical requirements. This may be due in part to different countries having differing requirements, but is also due to the technical difficulties that some problems, such as animal diseases, present.

One of the effects of high costs for businesses is that they reduce competitiveness or profitability, and this in turn, results in a reduction of formal trade. In some cases, the reduced profitability provokes traders to adopt illicit methods, such as off-loading lorries near the border and breaking the consignment into multiple small lots that are taken over the border by informal routes. This bypasses the SPS regulatory functions designed to protect human, animal and plant health, so increases the risks to public health.

In attempting to decipher the factors responsible for the high costs associated with SPS, and identify actionable areas to address the problems, COMESA convened a workshop in Nairobi in May 2013 to discuss these issues. A problem tree approach was used to unpack the constraints associated with technical measures applied to intra-regional trade in specific commodities. From the results of the analysis, the core problem is that SPS measures are restricting trade due to the high cost of meeting technical requirements. The current project aims at solving this problem by identifying and piloting tools and approaches that simplify the application of SPS measures, upgrading and harmonising regulatory protocols and standard schemes, and developing the necessary institutional and human resources capacities to facilitate intra-COMESA trade. In this regard, project will identify good practices and innovative approaches that can be disseminated and replicated elsewhere in COMESA. This project will focus on selected commodities (maize, beef, fish, milk, groundnuts and oranges) that were selected by participants at the May 2013 workshop.

Expected Results

Improved efficiency of implementation of technical measures

Border posts in which to implement the activities of the project will be selected during the inception workshop. Representatives of the technical agencies operating at the identified border posts will be facilitated to attend joint meetings and share plans, solicit cooperation, and report on progress with regard to border operations.

A self-assessment of procedures will be conducted, by the relevant SPS regulatory authority on each side of the selected border, including discussions with other border officials. In this regard, SPS officials from each country will meet at the border to compare procedures, and identify any quick wins through reducing duplication of inspections. The identified opportunities for improving efficiency of operations at borders will be implemented, including risk-based inspections. Leaflets explaining the changes to inspection procedures will be produced and distributed at borders.

Improved technical measures

The lists of pests will be updated by the trading partners as necessary. The regulators will then conduct joint risk analyses, going through the compiled lists, and identify possible pests of concern to the importer. For those pests where measures are deemed necessary, the risk management options will be reviewed and agreed.

Increased understanding of the costs and benefits of technical measures

A consultant will be contracted to develop a methodology for baseline assessment of the contribution of different technical measures to the overall time and costs of trade at and behind the selected border crossings. The methodology will include direct observation at the border points as well as interviews with stakeholders including regulators, truck drivers and clearing agents amongst others. The methodology will also be used to conduct an evaluation of the changes that have occurred during the intervening period. A booklet on "How-to-trade" will be published based on a template developed by a consultant. A 'write-shop' including private sector participants will be held to develop material for the booklet. The coordinating consultant will then finalize publication of all the booklets. The booklet will be made available in e-format on the SPS pages of COMESA's website. Hard

copies will be printed as necessary, and distributed through private sector organizations as well as at border posts.

As part of the project, a video will be created as an advocacy tool on the benefits of the trade facilitation approaches used in the project. A consultant will be contracted to make the video towards the end of the project after the evaluation assessment has been conducted so that there is factual evidence for inclusion in the videos. A communication and dissemination plan will be developed by the project manager to facilitate the effective dissemination of the results of the pilot project within COMESA countries and beyond.