



STDF PROJECT PREPARATION GRANT (PPG)

APPLICATION FORM

The Standards and Trade Development Facility (STDF) provides Project Preparation Grants (PPGs), up to a maximum of US\$50,000, for the following purposes (or a combination thereof):

- application of SPS-related capacity evaluation and prioritization tools;
- preparation of feasibility studies that may precede project development to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and/or
- preparation of projects proposals that promote compliance with international SPS requirements, for funding by the STDF or other donors.

Applications that meet the STDF's eligibility criteria are considered by the STDF Working Group, which makes the final decision on funding requests. Complete details on eligibility criteria and other requirements are available in the *Guidance Note for Applicants*. The completed application should be submitted through the [STDF online application system](#).

PPG Title	Capacity building on phytosanitary measures to improve compliance of cross border traders in Zambia.
Budget requested from STDF	US\$22,850
Full name and contact details of the requesting organization(s)	CROSS BORDER TRADERS' ASSOCIATION (CBTA) OF ZAMBIA NATIONAL SECRETARIAT COMESA MARKET, LUMUMBA RD ROOM NO, C 272, PAK IMPERIAL COMPLEX 0977 852 786/0979 821 219/0972 341 317 MR MISHECK LYUBA CHITANDA CBTA MANAGER E-mail: cbtanec@gmail.com
Full name and contact details of contact person for follow-up	MR MISHECK LYUBA CHITANDA CBTA MANAGER E-mail: cbtanec@gmail.com

I. BACKGROUND AND RATIONALE

1. Purpose of this PPG

The purpose of this PPG is to prepare a project proposal for the Cross Border Traders Association (CBTA) for consideration by the STDF and other donors. The project proposal will focus on the

improvement of Zambia's small scale cross border traders' understanding on phytosanitary measures and their phytosanitary capacity, to enhance the phytosanitary compliance of plants and plant products traded by this sector.

The PPG will include an assessment of the phytosanitary issues that affect the small scale cross border sector to identify/verify the specific phytosanitary challenges and information gaps prevalent amongst these traders. This assessment will also build on the recommendations and results from the P-IMA assessment that highlighted phytosanitary requirements of concern to trade flows commonly traded by small scale cross border traders such as fruits, vegetables and planting materials (STDF, 2016). The assessment will be used as a basis for the development of the project proposal.

The PPG will also consider the application of the Phytosanitary Capacity Evaluation (PCE) tool to establish the level of organisation of Zambia's plant health service as noted in Day et al. (2006) and consider all information that was gathered on phytosanitary capacity needs and challenges facing the agri-food exports from Zambia, taking into consideration previous work that had been undertaken to identify capacity-building options and the definition of priorities for related investments.

The project proposal should focus on:

- a. Improving the capacity and awareness of small-scale cross boarders' traders and small-scale farmers on phytosanitary knowledge to comply with phytosanitary measures
- b. Improving coordination and communication with Zambia NPPO in support of monitoring phytosanitary risks in small scale cross border trade

2. Key SPS problems and/or opportunities to be addressed

The development of informal cross border trader capacities is a recommended priority in the Enhanced Integrated Framework's Diagnostic Trade Integration Studies (DTIS) for Zambia (World Bank, 2014). Because most of Zambia's poor live in rural areas and earn their living through agriculture, agricultural growth and, specifically, agriculture-based export growth is key to redressing Zambia's poverty problem. The vision for the Zambian agricultural sector was expressed in the Ministry of Agriculture and Livestock (MAL) Second National Agricultural Policy 2016-2020 as: "An efficient, competitive and sustainable agricultural sector, which assures food and nutrition security, increased employment opportunities and incomes."

Commodities such as beans, maize and rice that are traded informally across borders are of particular plant health concern. A monthly Statistics Report for Tradeable Goods provided by the Cross Border Traders Association (CBTA) for August 2015 at the Kasumbalesa border post records quantities of various plant products being traded across the Zambia-DRC border, including potatoes, onions, oranges, tomatoes, bananas, impwa (wild eggplant), lemons, green peppers, rice, ground nut (shelled and unshelled), apples and beans. A good portion of the potatoes, onions, beans and rice were originating in Tanzania and most of the bananas and apples were of South African origin while the oranges came from South Africa, Botswana or Zimbabwe.

Small scale cross-border trade represents an opportunity to many Zambians, and the regulatory authorities are encouraged to facilitate this activity and its progressive formalization. Zambia's informal trade flows of maize, rice and beans are monitored by the Famine Early Warning System (FEWS) of the United States Agency International Development (USAID) because of the large number of high-risk, food-insecure people that live within its borders. Available FEWS data suggests that the volume of goods traded informally is comparable to or even larger than that what is traded through formal channels (USAID, 2019). Some 20 to 30 thousand, 15 to 20 thousand and 12 to 13 thousand small traders cross the border at Mwami/Mchinji (Malawi), Chirundu and Livingstone/Victoria Falls (Zimbabwe) respectively every month. The volumes recorded supports the notion that informal cross-border trade (ICBT) is important to regional food security, but it also poses a challenge to the country's phytosanitary capacities that need to facilitate safe but free trade, whether formal or informal. It is expected that the outcome of the PPG for Zambia would result in

valuable information regarding phytosanitary challenges relevant to the small scale cross border trade sector that could be replicated in other countries in the region.

In the case of cross-border trade, procedures at the border which can be time-consuming, inefficient, or unclear e.g., phytosanitary inspections, may be particularly burdensome for small consignments and lead to informal cross border trade. The Agreement on the Application of Sanitary and Phytosanitary Measures (WTO SPS Agreement) defines the rights and responsibilities of member states with respect to food safety and plant and animal health measures that impact trade. Member states have the right to implement scientifically based measures on human, animal, and plant life or health that they deem appropriate provided that these measures do not restrict trade unnecessarily. In addition to these SPS measures implemented by governments, a growing range of private standards are also being implemented by nongovernment entities including individual businesses, producer and industry organisations, and third-party certification bodies (Henson and Humphrey 2011).

Although SPS measures form part of a wider trade liberalisation agenda and can also bring about significant benefits in terms of social welfare, for example through improved food safety or enhanced agricultural productivity because of the reduced prevalence of plant pests and diseases, they are complex with the potential to impact on trade more than most other trade measures. They are specifically challenging for low and middle-country exporters, and especially under-resourced small scale exporters. Compliance with agri-trade phytosanitary measures involves various steps and processes that can be costly, and require access to various technical, information, and other resources that are often lacking in small-scale cross border trade between Zambia and its neighbouring countries.

The COMESA Simplified Trade Regime (STR) Agreement has been introduced to solve some of the problems faced by small scale cross border traders such as lack of knowledge and information on the benefits of trading with other COMESA countries, complex documents and complicated processes of filling the current forms, increased clearance costs, and delays in the clearing of goods and processing of tax refunds. The COMESA STR intends to overcome the above challenges by simplifying the whole process of clearing goods for small scale cross border traders by way of introducing for example, a simplified certificate of origin, a simplified customs document and a common list of qualifying goods.

CBTAs in Zambia and neighbouring countries are essential to defend small traders' interests and promote initiatives such as a reformed STR that brings real benefits to traders. With the support of the Finish Embassy, the CBTA in Zambia re-opened four Trade Information Desks between 2014 and 2016, as part of the revamping of the COMESA Simplified Trade Regime (STR), rolling out the Export Capacity and Entrepreneurial Skills Training Programmes. This project has increased formal agro export at Kasumbalesa border with monthly export volume of goods by small scale cross border traders amounting to \$ 99 000 000.00 per month according to monthly Statistics Report for Tradeable Goods provided by the Cross Border Traders Association (CBTA) for August 2015. These are just some of the initiatives the Association has adopted to provide useful information, training and support to traders in order to improve the welfare and encourage a shift from informal to formal trade which promote good business ethics. The CBTA has trained over 200 cross borders traders on export capacity and entrepreneurship skills.

The STR agreement, however, excludes most phytosanitary tests or inspections on consignments of small-scale cross border traders that has a value of less than \$2000. On an individual level, small scale cross border trade volumes are small but, collectively the phytosanitary risk is high since the total volume of small-scale cross border trade between Zambia and neighbouring countries is high compared to the commercial trade flows.

The CBTA faces challenges to enhance the phytosanitary capacity and awareness of its members to improve safe cross border trade of food and agricultural products as small-scale cross border traders generally lack knowledge of phytosanitary measures relevant to most of the plants and plant products traded under the COMESA STR. Hence the goal of the resulting project is expected to improve the livelihoods of producers, traders and consumers of agriculture products by facilitating the expansion of safe trade.

The PPG will focus specifically on identifying and developing a Project Proposal to address phytosanitary capacity constraints that limit Zambia's female producers, cross-border traders and women-owned micro-, small- and medium-sized enterprises (MSMEs) from accessing and expanding to regional and international markets.

3. Stakeholder support for this PPG

The PPG application has been discussed and is supported by the Ministry of Commerce Trade and Industry (MCTI) and the National Plant Protection Organisation (NPPO) of Zambia. The Plant Quarantine and Phytosanitary Service (PQPS) is the National Plant Protection Organisation (NPPO) of Zambia. PQPS is a division of the Zambia Agriculture Research Institute (ZARI) which is a department in the Ministry of Agriculture.

Letters of support from relevant stakeholders are attached as Appendix 1.

4. Building on past, ongoing and/or planned national programmes and/or donor-supported projects

One of the outputs of the STDF/PG/481 Project on Strengthening the Phytosanitary Capacity of Zambia's Plant-based Export Sectors, was training of NPPO staff and stakeholders in export phytosanitary regulatory systems and representatives from the cross border trader sector and CBTA, participated in one of these training workshops. The workshop highlighted the lack of relevant phytosanitary information available to small scale cross border traders and recommended that small scale cross border trader compliance may be improved through awareness and training.

The goal of this PPG is to conduct a more focused assessment of the specific phytosanitary information gaps and current levels of awareness amongst cross border traders to enable the subsequent development of a Project Proposal that will effectively address these specific needs. A particular focus will be on improving the understanding of female small-scale cross border traders to improve their compliance with phytosanitary measures. The PPG may also build on the IPM and Good Agricultural Practice (GAP) strategies part of the STDF project on "Enhancing trade through regulatory harmonization and biopesticide-based residue mitigation in the SADC region" (STDF/PG694) as it would include in its assessment cross border traders' understanding of the use of conventional pesticides, bio-pesticides and their compliance with MRL standards.

The project that will result from this PPG represent a demand-driven effort by the CBTA in collaboration with other relevant stakeholders (including economic policy think tanks and the private sector) to follow-up on work initiated by the STDF in 2011 in Africa, and later expanded by COMESA in 2012-13 (with USAID support), to pilot P-IMA in Zambia. The project resulting from this PPG would provide important data and insights that can enable the current version of this decision-support tool to be further improved and tailored to efforts to mainstream SPS capacity building with cross border trade, environment and other investment frameworks promoting safe trade in agricultural products.

The resulting project proposal will also indirectly support the aspirations of the Regional Economic Communities (RECs) in fostering harmonised approaches to problem identification and solving within and between countries. It will provide valuable insights on specific phytosanitary and border challenges faced by Small Scale Cross Border Traders in Zambia whilst promoting dialogue and collaboration between government ministries/departments responsible for SPS, environment and trade, and would improve small scale trader sector phytosanitary compliance.

4. Gender and environmental issues that are relevant for this PPG

Whilst it is recognized that SPS measures can impede trade, and present particular challenges for low and middle income countries the gender dimensions of these measures have been largely unexplored. SPS capacity-building sometimes belies the fact that women often play a critical role in the upgrading of global value chains in response to SPS measures.

Compliance with SPS measures can be costly and require access to an array of technical, production, and other resources that are often lacking amongst small-scale cross border traders in Zambia and nearby countries. The CBTA conducted a national assessment amongst CBTA members to determine the level of understanding of SPS requirements and concluded that 90% of the small scale cross borders' traders, most of them being women, do not have any knowledge regarding SPS regulatory requirements. The aim of the proposed project is to develop phytosanitary capacity amongst cross border traders in Zambia, taking into consideration that more than 60% of these traders are women with a focus on cross border trade of plants and plant products.

The World Bank study regarding Women and trade in Africa mentions that the "majority of informal cross-border traders in the African continent are women, who play a key role in food security, bringing basic food products from areas where they are relatively cheap to areas where they are in short supply. At one border post alone between Malawi and Zambia, informal trade may amount to almost US\$3 million per month" (WB, 2011).

The International Trade Centre (2016) reports that "female-owned exporting enterprises experience better sales and profitability when trading with far-off destinations than when trading just across the border of their home country". This report suggests that this is because women often face specific barriers related to cross-border activities, where they have a personal interaction with custom officials or clients. A study by SIDA (2019), reports that informal trade in eastern and southern Africa amounts to up to 30-40% of all trade and the majority of these informal traders are women who lacks the power and voice to influence policy-making and regulatory issues. They often face gender-based violence, physical harassment and must pay bribes at border posts.

According to Henson (2018), women face a significant burden in complying with SPS requirements, predominantly because they lack critical skills and/or face greater difficulties than men in accessing the necessary resources and they face particular constraints that need to be addressed in ways that facilitate their access to capacity-building interventions. A publication by the International Trade centre (2015) proposes that cultural and regulatory barriers, time constraints due to unpaid family care workload, and education choices leads to the lower integration of women-owned businesses in international markets whilst the small size, women-owned firms also suffer disproportionately from trade-related fixed costs, such as non-tariff measures.

It is important for cross border traders to understand which phytosanitary measures need to be complied with to ensure market access, and especially if they plan to scale their business. According to Maertens et al.(2012), global value chains and their evolution over time in response to opportunities for the export of high-value agri-food products, are gendered. Henson (2018) propose the following pathways through which women can be impacted by trade-related SPS measures:

- Enterprises operated by women may face greater costs of compliance than those operated by men, for example because they tend to be smaller, and/or struggle to gain access to the finance necessary to fund these costs.
- Women may lack certain critical skills required for compliance, for example minimum levels of literacy and numeracy required for record-keeping.
- Women may struggle to access the resources that are required for compliance, including information, technical services, equipment, improved inputs, etc., because they are excluded from the networks through which these resources are distributed, they lack access to finance, etc.
- Compliance induces changes to the structure and/or modus operandi of global value chains in a manner that disadvantages or excludes enterprises operated by, or that predominantly employ, women.

- Trade-related SPS measures can create opportunities for livelihood enhancement amongst women, notably in cases where they have a comparative advantage within the compliance process.
- Enterprises operated by women may struggle to exploit opportunities for the proactive upgrading of the value chains through SPS measures, despite the fact that they offer scope for enhanced and less precarious livelihoods.

The PPG will target approximately 10 000 cross-border traders, of which more than 60% are women. The PPG Assessment will determine specific phytosanitary knowledge gaps and information needs to create a base-line for the current phytosanitary capacity of the small scale trade sector. Female CBTA members will specifically be consulted in the development and implementation of the PPG to ensure that their particular constraints and skills development needs are addressed and to facilitate their access to capacity-building interventions during the implementation phase of the project to improve their understanding of phytosanitary measures and subsequently improve their compliance to such measures that will have a positive effect on the economic and social position of these women cross border traders.

II. IMPLEMENTATION & BUDGET

This PPG will be implemented and administered by Ms Marianna Theyse, the international consultant. A copy of her CV is provided in Appendix 3.

The indicative tasks to be conducted under this PPG are:

- i. Identify and review relevant documents, studies and assessments focused on SPS issues and trade as it relates to small scale cross border trade, and in affects in particularly women small scale cross border traders. A bibliography of documents consulted should be compiled and, wherever possible, electronic copies of these documents should be provided to the STDF Secretariat for inclusion in the STDF Virtual Library.
- ii. Conduct consultations with relevant public and private stakeholders in Zambia in order to incorporate their views, where appropriate, to ensure proposed activities of the resulting project are aligned with national priorities, and to enhance ownership of the resulting project.
- iii. Actively consult development partners, donors and NGOs with activities in Zambia to take stock of relevant completed, ongoing and planned projects in the small scale cross border sector relating to strengthening market access and maintenance.
This should include a detailed review and analysis of relevant activities in order to:
 - a. identify key achievements, challenges faced and outstanding gaps and priorities
 - b. explore possible synergies and linkages between the project to be developed under this PPG and other donor-supported activities. These consultations should also explore opportunities to obtain external donor funding for all or part of the project to be developed.
- iv. Facilitate consultation workshops with CBTA members during the implementation of the PPG to establish a base-line of their phytosanitary understanding and capacity and to validate the priorities to be included in the project proposal. The Assessment results will be presented in a customized Score Card that could be used to measure improvements resulting from the project.
- v. On the basis of the aforementioned review and the PPG Assessment, formulate a project proposal that takes stock of existing and future planned government and donor-supported initiatives and addresses key outstanding gaps and priorities to promote increased safe small scale cross border trade.
- iv. Provide a short written report on the implementation and outcomes of this PPG. This report should describe the activities implemented and the results achieved. It should also attach a list of the key stakeholders consulted and copies of relevant documents produced.
- v. Indicative tasks of the national consultant could include the following:
 - a. collect relevant documentation;
 - b. identify relevant stakeholders (government, private sector, donors, international organizations, etc.);
 - c. schedule meetings, interviews, workshops, etc.

- d. inform and invite stakeholders to meetings or workshops
- e. support to prepare documents for meetings and arrange for timely distribution

The estimated budget (totalling US\$22,850.00) related to the main activities is included in Table 1.



Table 1 Table 1. Estimated budget

Activity	Responsible	Estimated Budget (US\$)				
		Unit	Number	Cost	Total	*Total excluding international travel costs
I. Consultant costs associated with project proposal information gathering activities and drafting						
National consultant	Consultant	days	6	350	2 100	2100
International Consultant fees	Consultant	days	16	650	10400	9750
International Consultant DSA (in-country)	Consultant	days	6	250	1500	-
Return air ticket from South Africa to Zambia (for international consultant)	Consultant CBTA	airfare	-	-	1000	-
II. Activity costs associated with information gathering and consultation with stakeholders						
Hold three 1-day consultation workshops with CBTA members and potential small scale traders on the development of the project proposal. Review small scale trader's awareness and knowledge of SPS measures, including inspection and certification procedures and facilities at border stations	CBTA					
Venue rental	CBTA	Day rental	3	1000	3000	3000
Catering (lunch and coffee breaks)	CBTA	Meals	15 people x 3 (45)	30	1350	1350
Travel to border areas where workshops will be conducted	CBTA	Road transport costs	-	-	1500	1500
TOTAL					22 850	18350

*In case COVID-19 restrictions on international travel are in effect during the time of the planned activities, the international consultant will be able to continue with the work remotely and international travel expenses will not apply.



References

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Appendices

Appendix 1: Letters of support from each of the organizations supporting this proposal.

Appendix 2: Company Profile and Constitution of the Cross Border Traders Association (CBTA) of Zambia

Appendix 3: Curriculum Vitae and record of achievements for the consultant proposed to implement this PPG.