



**RTFP**

Regional Trade Facilitation Programme

# Quarterly Report

## July - September 2007





## 1. Programme Activities July - September 2007

Programme activities implemented during the period under review contributed towards the realisation of all five RTFP programme outputs, the programme goal and purpose. These are listed in Box 1 below.

Box 1: RTFP Goal, Purpose and Outputs

<p><b>RTFP Goal</b> Sustainable job creation and increased incomes for the poor within the Southern Africa region</p> <p><b>RTFP Purpose</b> To facilitate increased trade in Southern Africa for the benefit of the poor</p> <p><b>Second Phase RTFP Outputs from July 2006 to October 2007</b></p> <p>Output 1: Streamlined transport, customs/border procedures and common regional transit system</p> <p>Output 2: Pro-poor trade agreements negotiated at WTO and as part of EPAs.</p> <p>Output 3: Improved functioning of Regional Trade Agreements (SADC, SACU, COMESA).</p> <p>Output 4: Increased participation by local communities in the production and export of selected pro-poor commodities</p> <p>Output 5: Improved trade policy capacity</p>
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### 1.1 Highlights of Achievements and Activities Undertaken July - September 2007:

After assessment by the Annual Review team, RTFP Programme Management Unit and Imani Development were gratified to learn that an overall progress assessment rating of 1 had been awarded, meaning that the outputs/purposes are well on the way to fully attaining the purpose. The Assessment noted:

“RTFP has demonstrated innovation and provided strategic support that has already shown some significant achievements notably the commitments achieved by LDCs in Doha and the increased cooperation of three of Africa’s most important RECs: COMESA, EAC and SADC through their Joint Task Force. All Outputs are performing very well even though external factors have limited the scale of RTFP’s overall impact within the time scale envisaged, it still seems likely that the purpose will be fully achieved, that countries in the region will have significantly better access to EU and world markets, improvements in the cost and time taken to trade across borders and increased exports of commodities benefiting small holders.”

Amongst the recommendations were that the wording of the Logframe should be reviewed particularly with respect to the link between trade facilitation (as a purpose) to achieve pro-poor trade performance (as a goal). This has now been done and the revised Logframe is attached as Annex A to the current report.



Other recommendations were that the strategic direction should be adjusted to allow for the possible incorporation of trade facilitating infrastructure components; that although existing pro-poor export commodity assistance should be met, no new ones should be entered into (where other DFID programmes can assume responsibility); that consideration should be given to engaging more fully with SACU and South Africa; that, should it be requested, bridging support should be provided for activities relating to the implementation of the SADC Finance and Investment Protocol; that links with related DFID programmes should be strengthened; that efforts should be made to put the support to LDCs on a more sustainable footing and that RTFP experience of linking international trade negotiations to national and regional developments should contribute to the design and delivery of Aid for Trade.

In terms of developments which will directly impact upon the programme itself, the major item of interest during the quarter was the approval by DFID of the incorporation of a North-South Corridor, Regional Infrastructure Programme (RIP) to be managed by RTFP. Further details are given below under new projects (paragraph 2.3)

The major achievements and outputs realised under the individual components of the programme were:

## **Output 1: Streamlined Transport, Customs/border Procedures and Common Regional Transit System**

### *One Stop Border Post (OSBP) - Lebombo and Ressano Garcia*

On 19 and 20 July, a major bipartite meeting was financed by RTFP in Maputo with over 120 representatives of both government institutions and private sectors of Mozambique and South Africa. During the workshop, commitments were made to an implementation date of March 2009 and the document: "A vision for the Establishment of a One Stop Border Post at Lebombo-Ressano Garcia" was endorsed as the basis for further drafting of the enabling legal instruments and standard operating procedures. (The document had been drawn up by the two consultants commissioned by RTFP to contribute to the process. The consultants also participated in the workshop itself.)

The Resolution of the meeting covered a range of decisions and activities for the Working Group such as the adoption of the proposed operational layout (based on the segmentation of traffic flows and the separation between freight and non-commercial traffic); principles of exception and intelligence-driven compliance and risk management; the introduction of automated data-sharing protocols; the establishment of bi-national legal teams (that will prepare the draft legislation and the Standard Operating Procedures); and the institutionalisation of the Bi-national Management Committees etc.

The quarter concluded with the significant signing of the Bilateral Agreement to establish the One Stop Border Post by the Presidents of Mozambique and of South Africa during the Heads of State Economic Summit.

### *OSBP Chirundu*

A Bilateral Agreement was also signed by the Ministers of Trade of Zambia and Zimbabwe (on 27<sup>th</sup> August in Harare) in respect of the establishment and implementation of the OSBP at Chirundu.

The meeting where this took place (which was financed by RTFP) was well attended by representatives of all the relevant ministries, government agencies and private sector operators, demonstrating the strong political and private support for the development (as well as from the local communities in the vicinity of the border crossing). The challenges still faced are the actual passing of the OSBP law in both countries;



harmonisation of documentation/forms etc; the adaptation of both officials and the business community to the new procedures and the need for an appropriate ICT package that will address interface issues between the two countries etc.

At the end of the quarter, one of the two consultants commissioned to assist the OSBP process between South Africa and Mozambique also visited the Chirundu post and met with stakeholders as well as the OSBP Project Manager. The aim of his visit was to assist the countries to develop comprehensive operational procedures; advise on arrangements for sharing physical facilities and information; develop a monitoring and evaluation system for measuring the performance of the OSBP

As the quarter drew to a close, plans were underway for a bilateral consultative meeting which was also attended by the consultant, with a view to finalising the operational procedures.

#### *OSBP Mozambique/Zimbabwe (Forbes or Nyamapanda)*

Following bilateral meetings between officials of Mozambique and Zimbabwe and visits to both border posts which are the potential sites for OSBP, the Zimbabwe Revenue Authority confirmed in August that its preference would be for the Machipanda/Forbes post to be chosen. However, by the end of the quarter, the government of Mozambique had still not expressed a preference.

#### *SADC Regional Transit Bond Chain Guarantee System:*

From 5 – 7 September, a Zambia National workshop was held on the SADC Transit management system (financed by RTFP). The meeting was attended by some 30 representatives of freight forwarders; financial institutions; banks and officials of Trade, Finance and Customs as well as the Chairperson of the SADC Customs Advisory Working Group on transit.

Several concerns were expressed (such as the loss of business from Small to Medium Enterprises; lack of systems connectivity; payment of statutory fees outside an automated system etc) and a matrix of the challenges and possible solutions was drawn up. The meeting agreed to set up a National Transit Task Team and an Action Plan was also agreed.

#### *Regional Transit Guarantee Schemes – A Review of the COMESA & SADC Systems*

At the 4<sup>th</sup> meeting of the COMESA-EAC-SADC Task Force sub-committee on Trade and Customs, it was agreed that whilst both COMESA and SADC should continue to operate their pilot projects utilising their individual systems, they should also explore ways of harmonising the schemes.

During the current quarter, RTFP commissioned a study which reviewed the architecture and implementation process flows for each system and recommended modifications which would make each system more operationally efficient and commercially viable to all users.

The study noted that both systems have much the same aims and also identified both shortfalls and advantages of both systems and of implementation activities. Encouragingly though, it finally concluded that there are sufficient good aspects within both that could be used to create a hybrid system that could work for the entire region.

At the end of the quarter, consultations were being held by the PMU with both RECs with a view to finding a suitable date for a meeting to review the proposed hybrid system.



## *North Star Foundation – Wellness Centres*

The contract with North Star Foundation was signed in September and work began immediately on the baseline survey. The Foundation was optimistic about being able to establish the Wellness Centre on the Zambian side of the border with some rapidity but, although they had received support from stakeholders on the Zimbabwe side, indications were that setting up the centres would progress as quickly.

## **Output 2: Pro-poor trade agreements negotiated at WTO and as part of EPA**

### *WTO*

On 16 & 17 July, officials from Geneva as well as from the capitals (ministries of Trade and of Finance) together with private sector representatives of LDCs in eastern and southern Africa (and from Yemen) met in Livingstone.

The meeting (financed by RTFP) was one of a number of planned regional meetings to disseminate information on the Enhanced Integrated Framework (EIF) and was designed to provide stakeholders with practical advice and tools which will enable them to start implementation of the EIF as soon as possible.

It was attended by resource people such as the Chairman of the EIF group (who presented a Status report on the EIF Process); Ms Sari Laaksonen of the WTO (who advised on the Role and Function of the EIF Secretariat, Trust Fund and Trust Fund Manager); Stefano Inama of UNCTAD (who gave a presentation on mainstreaming); John McGrath (of Imani Development Malawi who presented the experiences of implementing the IF in that country); Dorothy Tembo (who presented the experiences of Zambia and the establishment of a National Implementation Unit); Francesco Geoffroy of ITC (who advised how to develop a project proposal and access funding). The RTFP Programme Director made a presentation on the regional dimension of the EIF as well as on the relationship between EIF and Aid for Trade.

The meeting closed with a set of conclusions and recommendations which can be read in the Final Report (available on [www.rtfp.org](http://www.rtfp.org) under the News item on the EIF meeting).

Subsequently RTFP financed a retreat for the LDC group in Geneva (which was also attended by the Programme Director) to agree on negotiating positions on Agriculture and NAMA. During an extended stay in Geneva he liaised closely with the Lesotho mission (which is now the Coordinator of the LDC group) to finalise the negotiating matrix; make a presentation on the Chair's Draft Modalities text; prepared comments on the proposal for DFID funding for the LDC Secretariat and worked with UNCTAD on statistics for LDC preferences into Japan, US and EU. The Director assisted with the preparations for the EIF pledging session and met with the WTO EIF Secretariat as well as the UK mission on LDC issues.

Continuing the support for Lesotho, the Director travelled to Maseru and met with the Permanent Secretary, Trade and the WTO Focal group. An IT company was also briefed on the requirements for the design of a website for the LDC group.

### *ACP Assisted to Advance Dialogue on EPA Rules of Origin.*

In July, RTFP facilitated the 6<sup>th</sup> meeting of the Group of Experts in Charge of the Rules of Origin which was held in Brussels and attended by representatives of the six negotiating regions which provided updates on negotiations in their areas. In addition to presentations by the regions, the ESA group elaborated on a proposal it has developed on specific rules for fisheries. Other presentations were made by UNCTAD on a draft Model Protocol and by Dr Lorand Bartels of the University of Cambridge on the legal implications of the EU Convention on Rules of Origin with the focus on cumulation rules.

The Summary Conclusions are available on [www.rtfp.org/epa\\_negotiations.php](http://www.rtfp.org/epa_negotiations.php)



### *Rules of Origin as they apply to EPA negotiations on Marine Fisheries*

Following on from an earlier study to assess whether the playing field is 'level' for the fishing industry in terms of market access into the EU, the consultants were commissioned to also look into the actual costs that arise from EU pressure to meet its SPS measures; to clarify the role non-approved fish may play in Thailand's supply/export situation (with particular reference to supplies originating from Singapore); and the extent to which the inventory of alert notifications for potentially hazardous substances (Rapid Alert System for Food and Feed) provides additional supportive evidence for the findings in the main study).

Another study was also commissioned during the period to identify what the SPS barriers to trade in fish and fish products would be for inland fisheries (including aquaculture).

### *CUTS – Operationalising South-South Trade Cooperation:*

A preliminary draft of the report on linking selected LDCs in eastern and southern Africa was received from CUTS during September. However, the PMU made extensive comments upon the draft which had still not been addressed by the end of the quarter.

## **Output 3: Improved functioning of Regional Trade Agreements (SADC, SACU, COMESA)**

### *COMESA/EAC/SADC Task Force*

At the end of the quarter, preparations were underway for the 5<sup>th</sup> meeting of the Tripartite Task Force in early October.

### *Support to the RECs on NTBs:*

Final reports were received from the two consultants for the inventories of NTBs in respect of the member States of COMESA, EAC and SADC. The contract for the NTB Monitoring Officer based in COMESA was extended by a further six months from August 2007. Included in the Terms of Reference are the requirement that she enters data from the NTB Inventories Study; monitors the progress made in the removal of the NTBs and facilitates the exchange of NTB information among COMESA, EAC and SADC.

The NTB Monitoring Officer also worked with the contracted IT consultants to design and establish the NTB web-based monitoring mechanism. It is hoped that this will go 'live' during the next quarter.

### *COMESA*

The Programme Director continued to work on Aid for Trade issues, culminating at the end of the quarter in a paper: "Mobilising Aid for Trade in the COMESA Region" which was used in the High level meeting on Aid for Trade in Dar-es-Salaam on 1<sup>st</sup> October. A meeting was also held with COMESA at which the subjects discussed were: OSBP; the NTB Monitoring mechanism; Tripartite Task Force recommendations; SPS database and the Competition Commission. A brief was also written for COMESA on the options for LDCs and non-LDCs if EPAs are not signed.



## SADC

The Programme Director was received by the Director, TIFI, and a constructive meeting was held with regard to future cooperation. Both sides stressed the need to put past differences behind them and to work towards achieving the ambitious regional integration targets SADC had set itself.

The Director made a strong case for the extension of the contracts of Happias Kuzvinzwa, Paul Kalenga and Dave Hollinrake. The request, which has been directed to DFID, is being considered.

Other subjects discussed were the NTB Monitoring mechanism; the Customs Bond Guarantee System; One Stop Board Post and Trade in Services etc. In view of the fact that the EC-UNCTAD funding for the Trade in Services programme was coming to an end, RTFP was requested to provide bridging support. It was agreed that this could be considered pending submission of specific details and budget constraints.

## SACU

Although links with the SACU Secretariat were maintained, there were no new activities to report during this quarter.

## **Output 4: Increased Participation by Local Communities in the Production and Export of Selected Pro-poor commodities**

*TWIN – Capturing Value for Smallholder Nut Producers in southern Africa through Fairtrade Nut Market Access:*

Unfortunately, the training which had been planned for export managers by the Federation of Oils, Seeds and Fats (FOSFA) had to be postponed during the quarter but plans remain for it to be carried out in the near future.

Towards the end of the quarter, plans were underway for an audit of the project funds, prior to consideration of a second phase. The aim of an extension will be to secure new markets and continue to raise the profile of smallholder producer organisations through the development of publicity material for both producers and their products. The reintroduction of groundnut and cashew products from both Malawi and Mozambique will be used to improve the reputation of producer organisations which in turn is hoped to raise levels of commercial sales to regional and international nut traders.

*East Africa Fine Coffee Association (EAFCA) – Trade Market Expansion:*

In July an external audit was undertaken of the EAFCA project funds which concluded that the funding received and the costs incurred was in accordance with the terms of the contract. The audit also confirmed that there was an unused balance equivalent to GBP 21,340 which EAFCA was authorised to use for a follow-up project. This will consist of further marketing work to be undertaken at The Good Food and Wine Show to be held in Johannesburg in November 2007.

*Natural Futures – IUCN*

It was with great shock that RTFP learned of the untimely and unexpected death of, Susan Madau, who had been recruited to work as the project's Trade Officer since the early part of this year. Susan had familiarised herself with the project and was in the process of developing Commodity Briefs, she had also recently contributed to a paper with Ben Bennett on Using Geographical Indicators and Other



Distinguishing Marks to Enhance Natural Product Values. Whilst other staff at IUCN have been able to continue the work, it has been a sad setback.

#### *Devil's Claw*

##### *Sustainable Utilisation of Devil's Claw:*

Unfortunately Dr Zietsman of the National Museum also experienced a calamity, albeit a much lesser one, when the laboratory at the Museum's chemistry department burned down. As a result all the Museum's equipment was burned beyond repair and analysis work delayed until October. In the meantime he has continued with the field work and collection of material.

## **Output 5: Improved Trade Policy Capacity**

### *Trade Reform in Southern Africa – The Southern African Institute of International Affairs (SAIIA)*

At the end of the quarter, planning was underway for the conference at which the country studies and regional paper will be presented for critical discussion. SAIIA had also entered into discussions with publishers and provisionally agreed that two publications would result from the work, one aimed at a more international audience (provisionally entitled: "Trade Policy in the 21<sup>st</sup> Century: the Political Economy of Reform Fatigue" and a second version which would be written for the South African audience.

### *TRALAC Support Facility & Post Graduate Diploma in Trade Law and Policy Management:*

RTFP approved the request of TRALAC for the SADC Trade Adviser, Paul Kalenga, to contribute 57 days of teaching for the Postgraduate Diploma programme over the next two years. As a result Paul was in residence at TRALAC for two weeks at the end of August this year.

## **Executive Committee**

The Executive Committee met on 15<sup>th</sup> August 2007 and reviewed progress and future developments. The Minutes show discussion of the Annual Review; finalisation of new ToRs for Imani in view of the approval of an extension to the programme; the Regional Infrastructure Programme, staffing for the second phase; the difficulty of finding suitable dates for PAC meetings; work programme and log frame for the second phase. The Director updated the meeting on programme activities.

## **2.2 Summary of Project Activities**

The current status of implementation and development of RTFP supported projects are summarised in Table 1.

## **2.3 New Projects Initiated during the three month period to September 2007**

### *Regional Infrastructure Programme (RIP):North-South Corridor*

At the end of the quarter, DFID had approved the RTFP as the management mechanism for the Regional Infrastructure Programme (the work programme for which is attached as Annex 2) which will be operational from October 2007 to November 2009.



The RIP will support the development of the key transport corridors in Southern Africa – the North-South Corridor (including the link which runs between South Africa and the Copperbelt and the Copperbelt to Tanzania). It is anticipated that with infrastructure improvements and the implementation of efficiency-improving reforms along these corridors, investments will be made along other linked corridors, especially between the landlocked regions of Malawi and Zambia and Mozambique.

The NS Transport Corridors was recently (May 2007) approved for priority development by the Joint Task Force of the COMESA-EAC-SADC and will be implemented as a pilot Aid for Trade initiative.

Under the existing RTFP activities, border delays are being addressed through the introduction of One Stop Border Posts (OSBPs), red tape is also being cut through the harmonisation of regulations across COMESA, EAC and SADC. But so far the programme has not had the funds or mandate, to tackle infrastructure bottlenecks, crucial to the overall reduction of transport costs in Southern Africa

The pilot will undertake the following activities:

- setting priorities for focus and investment along key transport corridors;
- identifying programme content;
- sequencing projects;
- packaging finance;
- facilitating, co-ordinating and managing existing (and planned) activities;
- promoting and attracting new investment for pro-poor development;
- clustering economic activity along key points of the transport corridor;
- encouraging the formation of optimal linkages across sectors (e.g. ICT, transport, energy, water);

A central purpose of the pilot programme is to ensure that activities are co-ordinated so that a range of interventions can be sequenced and inter-linked. These include, for example: the regulatory reforms needed for upgrading road and rail systems; the investments for improving telecommunications and transport along the route; the timely actions needed by the public-sector; and the honouring of financial commitments by donors and the private. In order to significantly reduce transport delays and costs many actions need to be co-ordinated sequentially.

### **3. Projects under Development:**

Discussions were held with Phytotrade Africa on the development of projects in connection with natural products. At the end of the quarter, agreement had been reached on two proposals, one for developing the regional export trade of Devil's Claw and one in respect of the products of the Baobab tree.

Regional Export Trade of Devil's Claw:

There are five targeted activity areas that constitute PhytoTrade's strategy that have the overall aim of improving the value of Devil's Claw trade and establishing with Devil's Claw industry stakeholders a clear differentiation between good and bad practice in the DC trade:

1. Establish partnerships with the right intermediaries and companies that are interested in and capable of communicating good practice to both industry and consumers
2. Network with professional, technical, scientific and commercial advisors
3. Address regulatory compliance issues that affect the long term future potential trade of Devil's Claw
4. Communicate and link the scientific information and the good elements of DC trade between industry, retailers, brand owners and consumer



The indicative budget for this project is GBP 85,400.

#### Entry of Baobab Fruit Pulp into the American and Canadian Markets

The proposal is for activities that will overcome the North American Market Regulations in order to enter that export market, as well as creating a local regional market for Baobab Pulp as a food ingredient.

The proposal seeks to address both GRAS (generally recognized as Safe) regulations which permits access into the food and beverage industry, and NDI (New Dietary Ingredient) regulations which permits claims to be used in nutraceutical or functional foods.

- i) Submit two separate applications for GRAS (Generally Recognised As Safe) and NDI (New Dietary Ingredient) regulatory approval for baobab pulp to enter the North American Markets; and
- ii) Undertake a systematic process of identifying and establishing linkages with potential market contacts in the USA and Canada for Baobab Fruit Pulp as an ingredient in preparation for a market launch once regulatory approval has been obtained; and
- iii) Participate in at least two trade fairs within the USA and Canadian markets aimed at developing new business to business contacts for PhytoTrade Africa members supplying Baobab Fruit Pulp.

The indicative budget is GBP 54,500.



**Table 1. RTFP Projects: Under Implementation and Being Developed during the Period April – June 2007**

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
<b>Output 1: Streamlined Customs/Boarder Procedures and Common Regional Transport System:</b>								
One-Stop Border Post (OSBP) - RSA , Mozambique & Lesotho To assist RSA develop a policy framework for establishing OSBP	1		The two consultants attended and contributed the resource documents for a major bilateral meeting in July 07.  Bilateral meeting in Maputo July 07  Bilateral Agreement signed by both Presidents . Legal framework & standard operating procedures under development.	Consultants contracted.: M. Zarnowiecki Phase 1 Phase 2  L. De Wulf Phase 1 Phase 2	±£ 300,000	£12,192 £ 46,261  £ 13,212 £ 36,061  £ 32,000	£ 193  £ 11,429 £ 2,565.39  £ 10,328 £ 11,896  £ 31,908	£ 763 £ 43,696  £ 2,884 £ 24,165  £ 92
Establishment of One-Stop Border Post – Chirundu	1	1	Bilateral agreement between Zambia & Zimbabwe signed on 27.8.07. Meetings held in Kariba to consider procedures.	COMESA RTFP COMESA Trade Advisor  Project Manager	£ 100,000	£ 83,200	£ 74,821  £ 51,707	£ 25,179  £ 25,179



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
			Consultant engaged to develop Procedures	K. Chanda M. Zarnowiecki		£ 17,730	-	£ 17,730
Planning for OSBP Forbes (or Nyamapanda) under SADC Secretariat.	1		Discussions still ongoing to finalise location of OSBP	TA Kuzvinzwa contracted to work on both OSBP and CTBGS				
Development of SADC's Regional Customs Transit Bond Guarantee System (CTGBS) – project likely to have 3 components Pilot testing of the system and instruments - its regulations, procedures and documentation Develop a Risk Management System incorporating an electronic tracking system Develop electronic validation system for customs docs.	1	1	TA based in SADC Secretariat contracted. Several workshops financed and Beira Corridor Pilot launched.  National workshop in Zambia Sept 07 Meeting in Joburg Jun 07 Launch meeting in Beira Jun 07 Meeting Vic Falls March 07	SADC  Contract with Project Manager: H. Kuzvinzwa	±£300,000	£ 91,900 £ 7,931 £ 13,348 £ 5,946 £ 45,000	£ 30,406 £ 7,931 £ 13,348 £ 5,946 £ 44,460	£ 61,494 - - - £ 540
Development of Common Regional Customs Bond Guarantee System with COMESA & SADC			Report commissioned on strengths & weaknesses of SADC & COMESA systems as well as design of commercially viable system.	Contract Rina Belcher		£2,850	£ 2,803	£ 47



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Establishment of Wellness Centres to provide primary health care and counselling at Chirundu & Beit bridge borders			Contract signed with Service Provider. Baseline survey at Chirundu underway.	North Star Foundation		£202,500	-	£ 202,500
<b>Output 2: Pro-poor trade agreements negotiated at WTO and as part of EPA</b>								
Technical Assistance to LDC Group	2	1	Continued support to the LDC group with plans to assist Lesotho as Coordinator.	RTFP Prog. Director intimately involved in all work	£ 150,000			
				DN Tembo Phase I		£ 3221,000	£186,447	£34,553
				DN Tembo Phase II		£ 122,600	£ 60,461	£ 62,139
			S.Inama produced papers on rules of Origin.	UNCTAD		£100,000	£ 100,000	£ 0
Preparations for meeting of Geneva and capital based LDC officials on EIF.			Study on Malawi's experience of EIF commissioned ready for LDC group meeting.	Consultant J. McGrath		£ 500	-	£ 500
			EIF meeting for LDC group L'stone July 07			£ 123,071	£ 123,071	-
Implementation of SADC Trade Protocol Mid-term review Assistance to SADC EPA Unit to effectively coordinate EPA negotiations	2	1	The majority of the LTTA's time has been spent on work contributing to the EPA negotiations.	SADC Trade Advisor	£ 150,000		£ 161,030	-11,030



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Operationalising South-South Trade Cooperation	2		A preliminary draft report was received in September 07. Final report yet to be submitted.	CUTS		£ 52,100	£ 11,038	£ 41,062
Assistance to the ESA EPA Group Negotiating briefs, background papers and presentations Technical backup and presentations at the meetings	2	1	Ongoing support with presentations and opinions. Attendance at meetings	ESA-EPA Group Programme Director and RTFP-COMESA Trade Advisor	±£ 100,000	£ 20,000	£14,941	£ 5,059
			Study on Tuna cost structure & SPS issues	Consultants Campling & Doherty		£23,400	£ 15,241	£ 8,159
			Study on 'level playing field' for fisheries	Campling & Doherty		£ 14,700	-	£ 14,700
			Study in Inland Fisheries	Doherty		£ 8,230	-	£ 8,230
All ACP Rules of Origin	2		Desk work continued	PMU & Stefano Inama of UNCTAD	£ 150,000		£ 119,543	£ 31,543
			Meeting of the Group of Experts in July 07.			£ 44,260	£ 44,260	-
			Experts meeting Jan 07			£ 48,737	£ 48,737	-
			Experts mtg Oct 06			£ 32,225	£ 32,225	-
			Consultancy on trade flows at tariff line level	E. Stawowy		£ 2,000	-	£ 2,000
			Consultancy on rules of origin tables	M. Lleander		£ 3,000	-	£ 3,000



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
TRALAC Support facility Post graduate teaching	2	4	Agreement that SADC LTTA will provide 57 days of teaching to Postgraduate Diploma Programme over next 2 years. Two weeks' teaching provided in August 07.	TRALAC		£ 100,000	£ 35,875	£ 64,125
SAIIA-ECDPM-RTFP Meeting on SADC EPA Negotiations	2		Successful meeting co-hosted with SAIIA & ECDPM in Brussels. TA contracted for administrative support and report writing.	Meeting costs T. Bertelsmann-Scott		£ 33,000 £ 1,520	£ 34,561 £ 1,518	£ -1,564 £ 2
<b>Output 3: Improved functioning of Regional Trade Agreements (SADC, SACU, COMESA):</b>								
COMESA/EAC/SADC Task Force Harmonisation of Trade regimes	3	1	Preparations underway for 5 <sup>th</sup> Tripartite meeting. Work on aspects of Action Plan of Potential Areas of Functional Cooperation undertaken.	SADC & COMESA Secretariats RTFP Prog. Director	±£150,000		£ 77,909	£ 72,091
COMESA Long term Trade Adviser	3	1	Ongoing work at the Secretariat on a range of issues	J. Musonda		£ 225,000	£ 224,567	£ 433
Development of a Regional NTB Monitoring System	3		Studies completed.	Contractors:	±£ 250,000	£ 32,000	£ 31,535	£ 465



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Monitoring Plan			TA contracted to man the regional NTB database. IT Company to design and set up web-based NTB reporting & monitoring system.  Formulation & presentation of Action Plan for COMESA NTBs  Meeting of COMESA states held in Nairobi June 07	Imani Development		£ 99,220	£ 91,288	£ 7,932
				Simon Ihiga		£ 26,100	£ 25,646	£ 454
				Olive Hankambi		£ 30,000	£ 19,374	£ 10,626
				Africonnect		£ 5,000	-	£ 5,000
				Imani		£ 7365	-	£ 7,365
				Simon Ihiga		£ 1750	£ 997	£ 753
					£ 48,686	£ 48,686	-	
Knowledge base: Trade Reform in Southern Africa – Vision 2014	3		Preparations underway for meeting in Oct 07 to present findings. Research work ongoing.	SAIIA	±£ 350,000	£ 95,982	£ 50,354	£ 45,628
Competition policy	3	1	Establishment of COMESA Competition Commission by end of 2007 on track	RTFP COMESA Trade Advisor	£ 33,383		£ 33,383	£ 0



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Monitoring Small-Scale Cross-Border Trade (SAMP) Assess nature of trade and trading conditions, quantify trade flows Incorporates an origin & destination survey an investigation of why simplified COMESA documentation for small scale cross border trade is not being utilized	3	3	Termination of Agreement with SAMP after completion of Phase I being handled by DFID (with whom it was agreed).	SAMP in conjunction with Queens University, Canada		£300,000	£117,986	£182,014
<b>Output 4: Increased participation by Local Communities in the Production and Export of Selected Pro-poor commodities:</b>								
Develop Quality Management, Traceability and Supply Chain Management System promote fair trade in groundnuts, macadamia & cashew nuts in support of various small holder nut producers associations in Malawi, Zambia and Mozambique	4	3	Concluded.	TWIN Period 2	£298,850	£45,125	£45,158	- £ 33
			Concluded	Period 3		£ 100,105	£ 100,136	-£ 31
			Activities underway for Period 4.	Period 4		£ 107,180	£ 95,031	£ 12,149
			Second phase of the programme under discussion.			£ 67,782	£ 16,912	£ 50,870
East African Fine Coffee Association 3 Promotional events to buyers in South Africa (SA) Delegations of SA buyers to	4	3	External audit completed and permission given to EAFCA for the use of unutilised funds for an	East African Fine Coffee Association	£100,000		£ 93,096	£ 6,904



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
meet producers in 5 regional countries Workshop to establish a Speciality Coffee Association of SA			exhibition stand at The Good Food & Wine Show in Joburg in Nov 07					
Natural Futures Programme: Trade Component Project to be implemented in 3 phases:  Phase I: Redesign of Project proposal to improve & strengthen it  Phase II: Actual implementation of first 18 months of redesigned project  Support for Phase III will be conditional on performance of Phase I & II	4	3	Concluded.  Progress set back with untimely death of Trade Officer <ul style="list-style-type: none"> <li>Trade briefs being printed.</li> <li>Draft discussion papers on geographical indicators &amp; intellectual property rights produced.</li> <li>Draft Traceability manual produced.</li> </ul>	IUCN  Natural Institute Resources  IUCN	±£300,000 of which  £19,000 is for Phase I and  ±£150,000 for Phase II	£19,000  £ 110,385	£ 21,351  £ 44,270	-£2,351  £ 66,115
Devil's Claw: Fair Trade & Expanding the Markets – Feasibility study to identify and assess options for expanding	4	3		Devil's Claw Range State Working Group	£ 40,000	£ 1,740	-	£ 1,740



Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
<p>export markets in support of harvesters &amp; small scale producers in Botswana, Namibia &amp; RSA.</p> <p>Research study on sustainable harvesting of Devils Claw.</p> <p>Discussions underway with Phytotrade for complementary project on Devil's Claw to address issues identified under earlier feasibility study.</p>			<p>Field work and collection being undertaken during the quarter.</p> <p>Feasibility Study</p>	<p>National Museum, RSA Dr Zietsman</p> <p>NRI</p>		<p>£ 38,940</p> <p>£ 43,000</p>	<p>£ 8,675</p> <p>£ 29,213</p>	<p>£ 30,263</p> <p>£ 13,787</p>
<b>Output 5: Improved Trade Policy Capacity:</b>								
Scholarships: PG Diploma in Trade Law and Policy Management Scholarships awarded to 2 regional students for 2006/07 intake	5	4	Both scholarship beneficiaries have performed well and the Lesotho candidate is now involved directly in the RTFP-sponsored, LDC assistance in Geneva. Both are due to graduate in Dec 07.	TRALAC in conjunction with the Graduate School of Business, UCT		£15,200	£15,231	£ -31



**CONCLUDED PROJECTS:**

Project	RTFP Output	RTFP Channel	Status	Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
SACU Revenue Board Studies	3		Contribution towards SACU's planning for the establishment of a Tariff Board undertaken.	Consultant: Prof C. McCarthy		£ 812	£ 363	£ 442
Trade In Services •National assessments of service sectors	4	2	Work concluded with national teams. Final Report in preparation.	COMESA, World Bank Institute, UNCTAD, private consultants & personnel drawn from relevant Gov Depts. & Agencies in member states		£973,000	£973,000	-



## 5. Financial Analysis

The Tables below summarise actual expenditure incurred by Channel (Table 3) and by Output (Table 2), on programme activities implemented between July to September 2007 as well as since the inception of RTFP.

### **Programme Expenditures July - September 2007:**

During the period a total of £ 591,359 was spent on programme activities (including the remuneration of Long Term Advisers based in COMESA and SADC but excluding the management costs of the Programme Management Unit and also excluding the costs of the Long Term Tax Adviser in SADC. Just over 85 % of expenditure was upon projects financed under Channel 1 with the remaining funds utilised under Channel 3 ( 15.6 %). Refunds of unused air tickets for meetings contributed to a figure of – 0.8% expenditure on Channel 2 and there was no spending at all on Channel 4 funds (used for projects to contribute specifically to DFID's activities).

Expenditure patterns on the Outputs during the quarter was as follows:

Output 1:	5.8%
Output 2:	49.0 %
Output 3:	22.9%
Output 4:	15.6%
Output 5:	1.4%

### **Programme expenditures from January 2004 to September 2007:**

By the end of this quarter, £ 5,331,246 had been spent on activities since the beginning of the programme .

At present, the proportion of the total RTFP programme budget which has been committed stands at 76% and 60 % of the total budget has been disbursed.

With regard to expenditure on outputs, the majority of the funds (49%) have been spent on Output 2 (WTO and EPA negotiations), with 24.8% of the funds on Output 3 (improved functioning of regional trade agreements) and 11.3% on Output 5 (improved trade policy capacity). Commitments reflect a similar pattern, with 42.5% of funds for Output 2; 25.5% for Output 3 and 12.1% for Output 5. Output 1 commitments (on streamlined border procedures) have increased over the year and now stand at 9.8% whereas commitments (10.0%) and expenditure (9.3%) on Output 4 remain steady.



**Table 2. Summary of Actual Project Expenditures and Commitment of RTFP Funds by Output up to September 2007**

	Total Expenditure Jul 04-June 07	07-Jul	07-Aug	07-Sep	Total Expenditure Jul-Sept 07	Total Expenditure To Date	Total Funds Committed to Sept 07	Total Committed Funds Unspent	Total RTFP Programme Budget	Total Uncommitted Funds
<b>SUMMARY BY RTFP OUTPUT</b>										
Output1	£173,495	£42,599	£55,373	£37,849	£135,821	£309,315	£664,539	£355,224		
Output2	£2,391,000	£130,106	£22,170	£66,814	£219,090	£2,610,090	£2,874,196	£264,107		
Output3	£1,175,800	£17,482	£82,261	£35,933	£135,676	£1,311,476	£1,724,145	£412,669		
Output4	£403,907	£15,702	£16,912	£59,646	£92,261	£496,168	£675,581	£179,414		
Output5	£595,686	£1,840	£3,081	£3,590	£8,512	£604,198	£817,125	£212,928		
<b>ALL OUTPUTS</b>	<b>£4,739,887</b>	<b>£207,729</b>	<b>£179,798</b>	<b>£203,833</b>	<b>£591,359</b>	<b>£5,331,246</b>	<b>£6,755,587</b>	<b>£1,424,341</b>	<b>£8,890,000</b>	<b>£2,134,413</b>

**Share of Actual Project Expenditures and Commitment of RTFP Funds by Output**

	Total Expenditure Jul 04-June 07	07-Jul	07-Aug	07-Sep	Total Expenditure Jul-Sept 07	Total Expenditure To Date	Total Funds Committed to Sept 07	Total Committed Funds Unspent	Total Expenditure to Date as % of Total Commitments	Proportion of Total RTFP Programme Budget Committed	Proportion of Total RTFP Programme Budget Uncommitted	Proportion of Total RTFP Programme Budget Expended
Output1	3.7%	20.5%	30.8%	18.6%	23.0%	5.8%	9.8%	24.9%	46.5%			
Output2	50.4%	62.6%	12.3%	32.8%	37.0%	49.0%	42.5%	18.5%	90.8%			
Output3	24.8%	8.4%	45.8%	17.6%	22.9%	24.6%	25.5%	29.0%	76.1%			
Output4	8.5%	7.6%	9.4%	29.3%	15.6%	9.3%	10.0%	12.6%	73.4%			
Output5	12.6%	0.9%	1.7%	1.8%	1.4%	11.3%	12.1%	14.9%	73.9%			
<b>ALL OUTPUTS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>78.9%</b>	<b>76.0%</b>	<b>24.0%</b>	<b>60.0%</b>



**Table 3. Summary of Actual Project Expenditures and Commitment of RTFP Channel Funds up to September 2007**

	<b>Total Expenditure Jul 04-June 07</b>	<b>07-Jul</b>	<b>07-Aug</b>	<b>07-Sep</b>	<b>Total Expenditure Jul-Sept 07</b>	<b>Total Expenditure To Date</b>	<b>Total Funds Committed to Sept 07</b>	<b>Total Committed Funds Unspent</b>	<b>Total Budget Allocated Per Channel</b>	<b>Total Uncommitted Funds</b>
<b>SUMMARY BY CHANNEL</b>										
Channel1	£2,916,952	£191,981	£167,373	£144,187	£503,541	£3,420,493	£4,474,336	£1,053,843	£3,500,000	£-974,336
Channel2	£1,061,115	£45	£-4,487	£0	£-4,442	£1,056,673	£1,034,500	£-22,173	£3,000,000	£1,965,500
Channel3	£521,893	£15,702	£16,912	£59,646	£92,261	£614,154	£975,581	£361,428	£2,000,000	£1,024,419
Channel4	£239,927	£0	£0	£0	£0	£239,927	£271,171	£31,244	£390,000	£118,829
<b>Total</b>	<b>£4,739,887</b>	<b>£207,729</b>	<b>£179,798</b>	<b>£203,833</b>	<b>£591,359</b>	<b>£5,331,246</b>	<b>£6,755,587</b>	<b>£1,424,341</b>	<b>£8,890,000</b>	<b>£2,134,413</b>

**Share of Actual Project Expenditures and Commitment of RTFP Channel Funds**

	<b>Total Expenditure Jul 04-June 07</b>	<b>07-Jul</b>	<b>07-Aug</b>	<b>07-Sep</b>	<b>Total Expenditure Jul-Sept 07</b>	<b>Total Expenditure To Date</b>	<b>Total Funds Committed to Sept 07</b>	<b>Total Committed Funds Unspent</b>	<b>Total Budget Allocated Per Channel</b>	<b>Total Uncommitted Funds</b>	<b>Total Expenditure to Date as % of Total Commitments</b>	<b>Proportion of Total RTFP Programme Budget Expended</b>
Channel1	61.5%	92.4%	93.1%	70.7%	85.1%	64.2%	66.2%	74.0%	39.4%	-45.6%	76.4%	97.7%
Channel2	22.4%	0.0%	-2.5%	0.0%	-0.8%	19.8%	15.3%	-1.6%	33.7%	92.1%	102.1%	35.2%
Channel3	11.0%	7.6%	9.4%	29.3%	15.6%	11.5%	14.4%	25.4%	22.5%	48.0%	63.0%	30.7%
Channel4	5.1%	0.0%	0.0%	0.0%	0.0%	4.5%	4.0%	2.2%	4.4%	5.6%	88.5%	61.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>78.9%</b>	<b>60.0%</b>



## Annex 1 – RTFP Logframe including Regional Infrastructure (Revised 6<sup>th</sup> September 2007)

Narrative Summary	OVIs	MoV	Assumptions
<p><b>Goal</b></p> <p>Sustainable job creation and increased incomes for the poor within the SADC region.</p>	<ol style="list-style-type: none"> <li>1. Increased employment and earnings in targeted export sectors.</li> <li>2. Increased employment opportunities created through negotiated improvements in market access and trade facilitation.</li> <li>3. Increased incomes of small scale traders and producers.</li> </ol>	<p>Programme completion report.</p> <p>Programme Sponsored research</p> <p>Programme-sponsored research.</p>	
<p><b>Purpose</b></p> <p>To facilitate increased trade in Southern Africa for the benefit of the poor.</p>	<ol style="list-style-type: none"> <li>1. A reduction in the time and administration costs of transport along the North South Corridor by up to 10% by the end of 2009 (relates to output 1)</li> <li>2. More favourable access to external markets (both within the region and externally) for southern African countries successfully negotiated and access arrangements strengthened. (relates to output 2)</li> <li>3. More efficient import/export facilitation arrangements for traders and trade business service providers initiated and implemented (relates to output 3)</li> <li>4. Specific commodity initiatives undertaken to enhance returns from exporting among low income groups (relates to output 4)</li> </ol>	<p>Independent monitoring against baseline studies.</p> <p>Agreements signed or commitments made in the process of being incorporated into law. RTFP reports.</p> <p>COMESA-EAC-SADC Joint Taskforce reports and reports of these 3 regional economic communities (RECs).</p> <p>Programme sponsored research. Data on OVIs produced annually by project managers together with analysis of counter-factuals.</p>	<p>Countries in the region implement agreed regional trade programmes.</p> <p>Countries do not become more protectionist.</p> <p>Regional economies continue to growth.</p> <p>Countries willing to implement agreed policies to assist small-scale traders.</p> <p>Stable political environment in place in all southern African countries.</p> <p>All figures will be measured in real terms</p>
<p><b>Outputs</b></p> <p>1. Streamlined transport, customs/border procedures and common regional transit system</p>	<ol style="list-style-type: none"> <li>1.1 Significant reduction in waiting times achieved at selected border posts in the region by 2007 and by 30% by end of 2008.</li> <li>1.2 The first one One-stop border post introduced in region by end of 2007, the second by end of 2008 and a third by 2009 .</li> <li>1.3 Pilot SADC Common Transit System operational by end of 2007</li> </ol>	<p>Time release studies by USAID, COMESA or DFID ; Performance Monitoring Reports for OSBPs and for pilot of SADC Transit Management System</p> <p>Border Management Authority (Mozambique, South Africa) and COMESA reports</p> <p>SADC pilot performance monitoring reports, RTFP</p>	<p>Tariff and Non-tariff barriers will not increase.</p> <p>Required policy changes implemented in required time.</p> <p>Corruption at border posts is</p>



<p>2. Pro-poor trade agreements negotiated at WTO and as part of EPAs</p>	<p>1.4 Harmonised (single) COMESA and SADC Customs Transit Bond Guarantee system agreed and operational by 2009.</p> <p>1.5 Apex Authority for Transport Corridors established by beginning of 2008</p> <p>1.6 Efficiency of the North-South transport corridor enhanced by a reduction in transit times by 2009 by up to 10%</p> <p>1.7 Wellness Centres<sup>1</sup> established at 3 border posts along the North-South corridor, the first by 2007 and two by 2008,</p> <p>2.1 Market access improved through on-going negotiations of pro-poor trade programmes and policies at the WTO, using the LDC Group as a vehicle for these negotiations</p> <ul style="list-style-type: none"> <li>- LDC Group submits proposals for duty free quota free market access, Rules of Origin and food aid by end 2006.</li> <li>- LDC Group submits proposals on NTBs and Trade Facilitation by end 2007.</li> <li>- Contributions to a regional and multilateral AfT implementation mechanism provided.</li> <li>- LDC group actively participates in the development of a pro-poor trade in services programme</li> <li>- Improved design, functionality and implementation of the EIF</li> </ul> <p>2.2 SADC7 and ESA negotiate an EPA with the EC, which covers both trade and development, which is beneficial to the region by end of 2007</p> <p>2.3 ACP group assisted to advance dialogue on EPA RoO origin during 2006 and 2007</p> <p>2.4 ESA countries have prepared a services needs assessment and developed a GATS template by 2007</p>	<p>Reports</p> <p>SADC and RTFP reports Reports and minutes of COMESA/EAC/SADC Joint Task Force</p> <p>RTFP,SADC,COMESA, EAC ,</p> <p>COMESA/EAC.SADC joint Task Force Reports</p> <p>RTFP and North Star Foundation Reports</p> <p>RTFP and WTO reports and minutes</p> <p>RTFP and WTO reports and minutes</p> <p>RTFP and WTO reports and minutes</p> <p>LDC Group reports, workshop report.</p> <p>EIF PMU reports</p> <p>Signed EPA Agreements</p> <p>Workshop report, RTFP reports and ACP reports</p> <p>COMESA reports, RTFP reports</p>	<p>substantially reduced</p> <p>COMESA and SADC remain committed to the merging their systems</p> <p>COMESA, EAC and SADC remain committed to the project</p> <p>Private and public sector finance can be leveraged to remove bottlenecks</p> <p>Partners have the necessary capacity to plan and implement effectively</p> <p>LDCs in the region can take advantage of improved access by increasing supply</p> <p>The DDA does not collapse. WTO Members willing to give LDCs necessary SDT.</p> <p>Sufficient donor funding supporting negotiations available on time</p> <p>Countries remain convinced of benefits of EPAs and EC remains</p>
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<sup>1</sup> Provide HIV/AIDS testing and counselling, as well as general STI treatment targeting cross-border truck drivers and commercial sex workers but also service local communities,



	<p>2.5 Pilot scheme for a temporary managed migration of nurses from southern and eastern Africa developed into selected countries by 2009</p> <p>3.1 Market access at the regional level enhanced through improved implementation of the region's trade arrangements.</p> <ul style="list-style-type: none"> <li>- Policy and strategic support provided to SACU as requested.</li> <li>- Strategic support to COMESA developed and implemented.</li> <li>- SADC SPS regimes harmonised and draft SPS Annex to the SADC Trade Protocol completed by end 2005.</li> <li>- COMESA/SADC/EAC Task Force, and sub-committees, constituted by 2006 and thereafter meets on a regular basis to contribute to harmonisation of regional policies and programmes</li> <li>- Significant progress made towards the establishment of COMESA Regional Competition Commission by end of 2007</li> <li>- Effective collaboration between national Competition Policy bodies from southern and eastern Africa established and strengthened by 2008.</li> <li>- Tax Policy component of Finance Investment Protocol completed, and tax experts trained in implementation, by end 2007</li> </ul> <p>3.2 Improved trade facilitation as a result of removal of non-tariff barriers.</p> <ul style="list-style-type: none"> <li>- The number of regional standards increased from 200 in Jan 2006 to 800 December 2007.</li> <li>- Development and implementation of an NTB monitoring and reporting mechanism by end 2007.</li> <li>- NTBs faced by small scale traders identified and actions to alleviate them developed by 2007</li> </ul> <p>4.1 Coffee</p> <ul style="list-style-type: none"> <li>- South Africa's coffee imports from the region doubled from 3,000 to 6,000</li> </ul>	<p>COMESA reports, RTFP reports.</p> <p>SACU and RTFP Reports COMESA and RTFP Reports SADC and RTFP Reports</p> <p>Task Force meeting minutes</p> <p>COMESA and RTFP reports</p> <p>SADC, EAC, COMESA and RFTP Reports.</p> <p>SADC and RTFP reports</p> <p>Project reports and any follow-up studies necessary</p> <p>Project reports and any follow-up studies necessary</p>	<p>positively engaged</p> <p>Regional Organisations continue to request support from RTFP and are willing to recommend the decisions arrived at from work with RTFP-financed programmes to their member States.</p> <p>RECs willing to deepen levels of cooperation to address issues of overlap.</p> <p>Member States of Regional Organisations continue to see the benefits of harmonised systems and in the removal of tariffs and NTMs to increase trade.</p> <p>Co-operation between NSBs coordinated by RECs, continues and Member States remain fully committed to the removal of NTMs and NTBs.</p>
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<p>3. Improved functioning of Regional Trade Agreements (SADC, SACU, COMESA)</p>	<p>tonnes by end 2007</p> <ul style="list-style-type: none"> <li>- Specialty Coffee Association of South Africa established 2007</li> <li>- Profile of high quality African coffees raised among SA consumers</li> </ul> <p>4.2 Groundnuts, macadamia and cashew produced by smallholder farmers</p> <ul style="list-style-type: none"> <li>- Exports of fair-trade groundnuts to Europe increased from 73MT to 360 MT between 2005 and 2007</li> <li>- Exports of fair-trade organic groundnuts to Europe increased from nothing in 2005 to 108MT in 2007</li> <li>- Exports of organic groundnuts to Europe increased from nothing in 2005 to 18MT in 2007</li> <li>- Exports of fair-trade cashew exported to Europe increased from nothing in 2005 to 148MT in 2007.</li> <li>- Exports of fair-trade bird food to Europe commenced from nothing in 2006 to 200 MT in 2007</li> <li>- 7 new product lines of cashew and groundnuts launched into UK supermarkets between 2006 and 2007, with more under development.</li> <li>- Ethical Nut Company<sup>2</sup> registered by 2007</li> <li>- Traceable quality management systems established and technical capacity to manage rapid aflatoxin testing developed by 2007</li> </ul> <p>4.3 Natural Products</p> <ul style="list-style-type: none"> <li>- Mechanisms to address market access issues impeding the growth of natural products into Europe and other markets developed</li> <li>- Trade facilitation instruments developed (SPS and Standards, environmental assessment, tariffs and HS Coding, etc.) by 2007</li> </ul> <p>4.4 Potential of natural products demonstrated and included in trade policy negotiations Tea</p> <ul style="list-style-type: none"> <li>- Number of smallholder tea producers in Tanzania will increase from 14,000 to 15,000.</li> <li>- South Africa's tea imports from Tanzania increased by 600T between 2005 and 2006.</li> </ul> <p>4.5 Devils Claw</p> <ul style="list-style-type: none"> <li>- An action plan aimed at restoring viability of traditional export markets in Europe and identifying new markets</li> </ul>	<p>Project reports and any follow-up studies necessary</p> <p>Project reports and any follow-up studies necessary</p> <p>Project reports and any follow-up studies necessary</p> <p>Project reports and any follow-up studies if necessary</p>	<p>Devil's claw sector willing to adopt the recommended</p>
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<sup>2</sup> Vehicle through which smallholder nut producers will increase ownership and participation in the value chain.



<p>4. Increased participation by local communities in the production and export of selected pro-poor commodities</p>	<p>developed by 2006</p> <ul style="list-style-type: none"> <li>- Improved marketing and supply management strategies developed and implemented, including regulatory approval by US FDA and commencement of exports of food products into North American markets by 2009.</li> <li>- Environmental management plan<sup>3</sup> developed and implemented by end of 2008</li> </ul> <p>4.6 Baobab</p> <ul style="list-style-type: none"> <li>- Regulatory barriers into the EU identified and marketing strategies developed by 2008</li> </ul> <p>5.1 Trade negotiation and policy analysis skills developed</p> <ul style="list-style-type: none"> <li>- Hands-on training provided to 3 trade negotiators from each SADC country and from SADC Secretariat by 2005</li> <li>- Up to 10 Lesotho Trade officials received hands-on training between 2005 and 2006</li> <li>- SADC and COMESA staff benefited from day-to day interaction with RTFP long term Trade Policy Advisers</li> </ul> <p>5.2 Dialogue, research and knowledge base on international and regional trade issues increased</p> <ul style="list-style-type: none"> <li>- RTFP sponsored research and studies published and widely disseminated in print and electronic format and on website.</li> <li>- Over 50 workshops / seminars organised / participated in on EPAs, WTO, regional integration issues, and general trade policy and facilitation issues</li> <li>- 2 scholarships and teaching support provided to a post graduate course on Trade Law and Policy Management during 2006</li> </ul> <p>Support provided to Tralac and SAIIA to undertake research and disseminate findings on international trade issues and trade reforms</p> <p>5.3 Tax policy and Harmonisation skills developed</p> <ul style="list-style-type: none"> <li>- Up to 20 tax officials from each SADC country trained in wide ranging tax issues between 2004 and 2007</li> </ul>	<p>GRAS and NDI registrations and Phytotrade reports</p> <p>RTFP reports</p> <p>Phytotrade marketing dossiers and reports</p> <p>SADC and RTFP reports</p> <p>Lesotho Ministry of Trade, Tralac and RTFP reports COMESA, SADC and RTFP reports</p> <p>RTFP reports and website</p> <p>COMESA, DTI, SACU, SACAU, SADC, SAIIA, Tralac, EAC and RTFP reports</p> <p>Tralac and RTFP reports</p> <p>SAIIA, Tralac, EAC and RTFP reports</p> <p>SADC and RTFP reports</p>	<p>harvesting techniques and supply management changes</p>
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<sup>3</sup> Implementation will ensure sustainable harvesting and drying techniques and utilisation of devil's claw.



<p>5. Improved trade policy capacity</p>			
<p><b>Activities</b></p>	<p><b>Preconditions</b></p>		
<p>Detailed work - plans of activities exist. Available on request.</p>	<p>SADC and COMESA maintain or improve their current momentum  SACU becomes more amenable to building a stronger working relationship with RTFP</p> <p>Partners in implementing One Stop Border posts have the capacity to meet their side of the agreements.</p> <p>World pressure on a development outcome to Doha continues</p> <p>SADC and COMESA Member states commitment to regional integration and trade stays the same or increases so they implement what is agreed</p> <p>Other donors provide planned support in trade reform and capacity development.</p> <p>The implementing consultants maintain their strategic, technical and administrative capacity.</p>		



#### Programme Management

1. Develop and implement annual work plans and monitor progress.
2. Reporting on activities to stakeholders on a regular basis.
3. Preparation of data on OVIs together with analysis of counter-factuals.
4. Organisation of meetings, and assisting in their administration, for projects.
5. Networking with other stakeholders.
6. Printing of reports, updating the website and other advocacy activities.
7. Administration and financial management of activities

#### Strategic Engagement and Short term Technical Support

8. Direct Technical Assistance and Capacity Building to the LDC Group and Regional Organisations.
9. Preparation of technical papers of relevance to the RTFP aims and objectives.
10. Management and quality assurance of sub-contractors and technical inputs.

#### Management and strategic oversight of long term technical advisors

11. SADC Trade Advisor
12. SADC Tax Advisor
13. COMESA Trade Advisor



**Regional Trade Facilitation Programme  
Pilot Aid for Trade Corridor Programme  
Implementation and Process.  
4<sup>th</sup> July 2007**

**ANNEX 2**

Activities	Process
Recruit Programme Manager to work in the PMU and support the COMESA – SADC – EAC Task Force -2 year contract	Preferably recruit from a short-list of professionals known to the PMU and against written terms of reference.
Placing of Programme Officers in COMESA, SADC and EAC if considered necessary.	Work with the REC Secretariats to assess their needs and then get a short-list of names agreed and Terms of Reference. Reporting would be to the REC and RTFP.
Present the programme at the WTO-AfDB Regional WTO AfT Conference as a COMESA- SADC-EAC Task Force Programme	Correspondence with AfDB, WTO, UNECA and RECs is already taking place. Also working with Mauritius and Zambia on assisting with national programmes.
Hold a high-level meeting involving the pilot countries, donors, Agencies, IFIs, Private Sector, etc to launch the programme	This will need to be done when the programming of individual programmes has been completed. The programme can then be presented in detail to donors, gaps and missing links identified and donors requested to pledge assistance on a demand-driven basis.
Apex Authority Meetings	Suggest that this is convened by DFID as the main process driver.
Assessment of the roads from: - the Copperbelt (Solwezi) to South Africa; - Lusaka to Mbeya (via Lilongwe); - Copperbelt (Kapiri Mposhi) to Dar es Salaam; and feasibility study on upgrading, together with cost-recovery proposals and a mechanism which will ensure cost-recovery goes to regular maintenance	RTFP, with technical inputs from an engineer contracted specifically for this, will prepare Terms of Reference for a consultancy contract, with detailed outputs specified. The consultancy contract will be awarded on the basis of a restricted invitation to tender. The consultancy will be expected to assist with the evaluation of the bids of the contract awarded for the actual works (which will be done on a restricted or ICB tendering basis, depending on the value of the contract and in conformity with EC procurement regulations). The consultancy will also be expected to supervise the implementation and act as an agent for the RECs under the Task Force. The Task Force will approve all stages of this process
Assessment of all weighbridge stations along the road corridors and recommendations on how they can be upgraded and a system installed which will ensure the efficient use of the weighbridges.	
Assessment of the rail track and signalling equipment from: - Copperbelt to Durban; and - Copperbelt to Dar es Salaam and an economic feasibility study on track and signalling equipment upgrading.	
Feasibility study on rail track “missing links”( including Lions Den to Kafue).	Many of these missing links are missing because they are not economically viable – for example, although there is pressure to do the railway from Lions Den to Kafue to save a few hundred kilometres, this route would need to cross the rift valley, which is obviously not economically feasible. However, a reassessment is valid, if only to confirm the status quo. The fibre optic cables feasibility study will take account of existing commercial contracts and service provision and of existing national backbones. Process of awarding contract and implementation will be as per above.
Feasibility study of linking existing fibre optic cables, and laying missing links, from Solwezi to Messina and from Kapiri Mposhi to Dar-es-Salaam and from Lusaka to Blantyre and from Blantyre to Mbeya and the feasibility of using this as a low cost, high speed, high band-width data and voice backbone.	
Assessment of all border facilities on the selected corridors and recommendations made as to what infrastructural upgrades will be needed for them to be one-stop border posts.	Process of awarding contract – RTFP (with short-term TA) will prepare contract for consulting engineers to: do the assessment of the work needed, prepare tender documents for the works contract, do the tendering and supervise the works contract.



Activities	Process
Use of the COMESA carrier's license in all countries through which the selected corridors run. (Meeting of officials and private sector and national legislation)	RTFP to do a background paper on the carrier's license, including a description of what needs to be done by each country on the corridor to implement this. The RECs will then need to work with the countries to ensure national legislation is put in place so that the instrument can be used. There will also need to be a process which informs stakeholders of the use on the instrument.
Implementation of a uniform regional customs bond guarantee system in all countries that the selected corridors run through.	RTFP has contracted the private sector operators to make suggestions on how the COMESA and SADC RCBGs can be merged. Once agreement is reached on this the RECs will need to work with the stakeholders to ensure national legislation is put in place so that the instrument can be used. There will also need to be a process which informs stakeholders of the use on the instrument.
Implementation on one-stop border posts at all borders on the selected corridors. This will include signing of bilateral MoUs and implementation of a programme aimed at reducing time taken to cross a border through moving to a single window system.	This process is underway and is well documented for Ressano Garcia and Chirundu. The specificities of the processes will differ between border posts but the format will remain the same – stakeholder meetings to design the work programme and then implementation of the work programme.
Harmonisation of road user charges in all countries through which the selected corridors run.	A study on this will need to be done first and foremost as there are different systems in different countries so an assessment of what can be harmonised and how will need to be done.
Harmonisation axle weights and vehicle dimensions in all countries through which the selected corridors run.	A study on this will need to be done first and foremost as there are different axle weights and loads in different countries so an assessment of what can be harmonised and how will need to be done.
Implementation of the Kyoto Protocol in terms of harmonisation of customs procedures (such as customs valuations) in the countries through which the selected corridors run.	This is part of the existing work of the RECs and the WCO so what would need to be done would be to co-ordinate the process a bit better.
Explore the necessity and practicality of establishing a Regional Transport Regulator	RTFP to prepare ToRs and tender for consultants to do the study.
Examine ways to improve railway planning and scheduling, such as through long-term contracts on 'take or pay' basis (i.e., customers pay whether or not they make full use of the fixed service in exchange for lower tariffs).	
Examine ways in which port resources could be optimised.	
IMPLEMENTATION	<p>This covers two items:</p> <ol style="list-style-type: none"> <li>1. Dfid may want to finance small infrastructural components along the corridors, such as modifications to buildings at border posts so that a OSBP can be put into operation, or by installing VSATs to link border posts so that the RCBGs and cargo tracking systems can be used and customs procedures streamlined.</li> <li>2. To pay for the cost of launching large tenders for works contracts that will be financed by other IFIs. These tenders will need to be prepared and executed by consulting engineers in conformity to the tender procedures of the financing agency and/or the national tender board concerned.</li> </ol>

