



Regional Trade Facilitation Programme

# ***Quarterly Report***

## ***July - September 2006***





## **1. Restructuring of the Regional Trade Facilitation Programme (RTFP): Update**

### *1.1 Revision of Project Management Manual Awaiting Formal Approval*

The final draft of the PMM is still awaiting formal approval by DFID's contractual office in Scotland.

## **2. Programme Activities July - September 2006**

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**

*RTFP Goal*

Sustainable job creation and increased incomes for the poor within the Southern Africa region

*RTFP Purpose*

To facilitate increased trade in Southern Africa for the benefit of the poor

*Second Phase RTFP Outputs from July 2006 to October 2007*

Output 1: Streamlined Customs/border Procedures and Common Regional Transit System

Output 2: Pro-poor trade agreements negotiated at WTO and as part of EPAs.

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

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

Output 5: Improved Trade Policy Capacity

### **2.1 Highlights of Achievements and Activities Undertaken July - September 2006**

The major achievements and outputs realised during this period include:

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

The first draft of a work programme for the One Stop Border Post (OSBP) at Chirundu was formulated following a meeting which was held (financed by RTFP) at the end of the previous quarter.

Following a request from the South African Revenue Service (SARS), RTFP finalised the terms of reference for the legal element of work on the OSBP between South Africa and Mozambique at Ressano Garcia as well as the ToR for the Standard Operating Procedures and arranged for them to be translated into Portuguese.

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

Support to Zambia (in its role as a member of the LDC 'Transitional Team' which will prepare for the resumption of talks) has continued with the financing of a senior trade officer. She provided support to the Geneva-based Task Force on the Enhanced Integrated Framework (EIF) and participated in the G20 Ministerial meeting which explored means of resuming the talks. She was also part of a panel in the WTO Public Forum Meetings on coordination and Coherence of Aid with a particular focus on Aid for Trade and the EIF.

The Programme Director participated in the Green Room negotiations in Geneva in July and defended papers on DFQMA and RoO.

Contributions on WTO compatibility were presented by the Programme Director to the ESA Dedicated Session on Fisheries.

In conjunction with the ACP Secretariat, preparations began for an all-ACP meeting on RoO.

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

**SACU Trade Data audit:**

A lack of confidence has surrounded the allocation of the share of revenue to the five members of SACU as a result of differing interpretations (and generation) of trade data. Working with the member States and the SACU Secretariat, Her Majesty's Revenue and Customs (HMRC - with funding from RTFP) undertook an audit which identified significant data integrity issues. Although the main report which was delivered to SACU was confidential, HMRC made recommendations to improve consistency in the interpretation and treatment of data; proposed reinforcing the requirement to use CIF data as the basis for establishing import values; recommended a SACU Data Integrity Minimum Standard (to be monitored by the Secretariat) and encouraged audit and verification capacity building. Finally, HMRC also recommended the publication of intra-SACU trade data in the interests of open government.

The Customs Initiatives Working Groups will review these recommendations.

**COMESA/EAC/SADC Task force**

The third meeting of officials and Chief Executives of the three regional organisations took place on 25<sup>th</sup> & 26<sup>th</sup> September in Gaborone with RTFP (in its role as Secretariat) assisting with preparation of the agenda; papers and presentations and production of the

minutes as well as financing the costs of the meeting itself. All three RECs have already integrated their infrastructure programmes and presented a joint programme to this effect. Terms of Reference for the Customs and Trade Sub-committee were approved and RTFP was asked to commission a study to prepare proposals on the scope of work on various aspects of trade and customs issues.

#### Finance & Investment Protocol

The SADC Finance & Investment Protocol (to which the RTFP-financed SADC Tax Policy Expert had made substantial contributions) was adopted by the SADC Summit which was held in Lesotho in July.

#### Support to COMESA:

The Programme Director prepared papers for, and participated in, meetings of the Inter-Regional Coordinating Committee (IRCC) on the ESA RSP as well as on the COMESA Fund (draft Financing Proposal for the Adjustment Facility). He held discussions on tax policy harmonisation for COMESA, prepared a paper on Aid for Trade for the Summit and took part, with the Programme Manager, in the COMESA high level meeting.

#### SADC Workshop on an Action Plan for the Elimination of Non Tariff Barriers to Trade:

Following a request from SADC, the PMU and the SADC Trade Advisor worked with the Secretariat on planning for the above workshop (which was eventually held in November). During the period, the PMU drew up a proposed Agenda, liaised with stakeholders and made logistical arrangements.

#### *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:

Activities under the second period of this project were well underway during the quarter and in a major development the TWIN board approved the start-up of a new fair-trade nut marketing company (to be called the Ethical Nut Company) with a producer stake at its core. Visits were made to producers to assess cashew export facilities, prepare producers for the cashew-buying season and advise them on European market requirements. Progress on groundnut exports (including organic nuts from Zambia) were also reviewed. In addition to other marketing activities, some producers travelled to UK in connection with new packaging launches for Christmas sales and Fairtrade groundnuts sourced from Malawi are now being promoted in French supermarkets.

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

EAFCA undertook a major public relations offensive in South Africa during the quarter, aimed at both the media and the coffee buyers. "Meet the Buyer" events were held in Johannesburg, Cape Town and Durban which brought 29 coffee growers from throughout eastern Africa face to face with the most influential buyers and blenders in South Africa, achieving the goal of developing trade links. Events were also held which were aimed specifically at the media with the objective of raising awareness of the quality of fine African coffees – an objective which was demonstrably achieved through wide press coverage.

#### Natural Futures

The Natural Futures Programme finally began effective activities in August when the Trade Officer took up her post with IUCN. Her first task was to prepare a draft work programme for discussion with the PMU.

#### Devil's Claw

Work on the Feasibility Study took place during the quarter under review but the report itself had not been finalised by the end of September (see notes under New Projects Initiated para 2.3).

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

##### Tax Incentives Guidelines workshop:

For some time a study has been ongoing to Develop Draft Guidelines for the Application and Treatment of Tax Incentives and a Tax Expenditure Budgeting Template in SADC. Regrettably the Study was delayed by the ill-health of the consultant but finally it was completed and a workshop (also financed by RTFP) was held to consider its recommendations. Delegates looked at a range of complex proposals and although some were accepted, others were not with the result that it will be a challenging exercise to produce Guidelines for presentation to the SADC Ministers. The Tax Sub-committee will consider the findings of the meeting and propose a way forward.

##### SADC Regional Seed Regulations Workshop

Following an approach from the Southern Africa Global Competitiveness Hub to cooperate with them, RTFP agreed to finance the participation of delegates from 5 countries to the above meeting of SADC Permanent Secretaries of Ministries of Agriculture.

##### Support Facility to TRALAC

RTFP has agreed to finance TRALAC to undertake a range of trade policy activities including capacity building. The SADC Trade Policy Advisor played a substantial role in the development of TRALAC's Postgraduate Diploma in Trade Law and Policy Management and so in August SADC released him to enable his participation in the second component of the training programme.

#### *Miscellaneous:*

##### RTFP Retreat:

During August the Programme Director, Manager and Administrator came together with the long term advisors working in COMESA and SADC for two days' of discussions designed to increase understanding of the various constraints, strengths and potential activities of RTFP. The group were joined by Helena McLeod of DFID and Richard Hess of Imani Development for part of the Retreat which culminated in agreement on the work programme.

#### PAC

A Provisional Advisory Committee (PAC) meeting was held in Pretoria on 21<sup>st</sup> September and was well attended by representatives of COMESA, SADC, DFID, Imani, World Bank, the European Commission and GFA (GTZ). The Chair was handed over from COMESA to SADC and the main outcome of the meeting was the consideration of the work programme which was subsequently approved. DFID reported on the Output to Purpose Review which took place earlier in the year.

## **2.2 Summary of Project Activities**

The current status of implementation and development of RTFP supported projects are summarised in Table 1, while summaries of new projects under implementation and those that have reached advanced stages of development are contained in Annex 1 to this quarterly report.

## **2.3 New Projects Initiated during the three month period to October 2006**

### **Devil's Claw feasibility study**

Having defined the terms of reference in the previous period, work on the feasibility study itself was largely undertaken during the current period by the Natural Resources Institute of the UK. Initial conclusions were that value chains should be upgraded and traceability systems introduced through 'stewardship' contracts entered into between regional exporters, traders, permit issuing authorities and harvesters. The enforcement of sustainable harvesting on a rotational basis will also be important and it may be necessary to agree a limit on the supply if the region's harvesters are to have any influence on the buyers. The report will be finalised in the next quarter.

### **VAT Benchmarking study**

For some time RTFP, along with other donor funded programmes, has been financing a series of capacity building seminars and workshops for SADC member states' revenue authorities but doubt has been expressed as to how much real impact was felt within the countries themselves. The benchmarking study has therefore looked at the main VAT administration processes which will, in addition to providing valuable information for the member state, also provide SADC with analysis of the areas of common concern to inform its capacity-building initiatives. The first three phases of this study got underway in August with diagnostic questionnaires being completed by the pilot country, Malawi, following which a visit was undertaken. The report was presented to the authorities in Malawi in September and whilst details are confidential, it has generated valuable insights both for the country and from the perspective of SADC's capacity-building initiatives. A report on the exercise will be made to the next Tax sub-committee meeting.

### **Trade Reform in Southern Africa – SAIIA**

A Research and conference proposal was finalised with SAIIA which came into effect at the beginning of October. It is aimed at delineating the prospects for, and potential implications of, substantial trade reform in South Africa/SACU in the light of domestic economic and political constraints. Six country case studies, covering the comparator countries of Chile, Brazil, India, Malaysia, Australia and New Zealand, will be undertaken

in addition to which there will be consideration of the notion of South Africa as a "development state" as well as an assessment of the scope for further unilateral tariff reforms. The papers will be discussed at three workshops (a scoping meeting; an interim regional one and a final one) and will ultimately be published. The project is being financed by RTFP with some assistance from Australian Aid.

#### TRALAC EPA Review

A contract was entered into with the Trade Law Centre for Southern Africa (TRALAC) to undertake a Comprehensive Review of the Preparations and Negotiations of EPAs for SADC. The SADC Trade Advisor also participated in the Review as did a member of staff from the USAID-funded Southern Africa Global Competitiveness Hub. The work was still ongoing at the end of the current quarter.

## 2.4 Projects under Development:

Work continued actively on the development of the following projects which have been summarized in previous quarterly reports:

- Redesign of SADC's Regional Customs Transit Bond Guarantee system – Terms of Reference have now been completed.
- Development of a Non-tariff Barrier Monitoring System for SADC with planning for a regional meeting in November 2006.
- Capacity Building of SACAU to be undertaken in a meeting to be held in the following quarter.
- Regional Standards Programme for COMESA

The following projects remain under consideration:

- Development of COMESA Tax coordination and harmonisation Programme
- Updating of SADC's Tax databases and development of a COMESA tax database.
- Diagnostic study of 3 SADC countries with IF in place
- Development of a NTB monitoring mechanism for COMESA

## 2.5 RTFP Long-term Advisors:

#### *SADC Regional Integration and Trade Policy Advisor – Paul Kalenga*

During the period under review, the advisor's focus was on technical support to the SADC EPA negotiations with specific reference to: the revision of the SADC Rules of origin and negotiations on trade in services. The adviser also assisted with the tariff phase down offer for Madagascar whilst contributing to trade capacity building and training for trade policy officials in the Southern and Eastern African region through teaching at the tralac/UCT graduate diploma in trade policy management and law. He also contributed to the WTO training course on rules relating to regional trade agreements.

*COMESA Senior Trade Policy Advisor – Mwansa James Musonda:*

*SADC Tax Policy and Harmonisation Advisor:*

The adviser worked with the short term consultant on the development of questionnaires used in the SADC VAT benchmark study and participated in the Pilot study which was undertaken in Malawi. He also facilitated the organisation of a meeting for SADC member states' revenue authorities' representatives on Tax Incentives Guidelines and contributed to the work on the Protocol on Finance and Investment which was finally adopted at the SADC Summit which was held in Lesotho in August.



Table 1. RTFP Projects: Under Implementation and Being Development during the Period April – June 2006

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Trade In Services <ul style="list-style-type: none"> <li>National assessments of service sectors</li> <li>Development of / conversion to GATS type templates for each country</li> </ul>	4	2	In view of the fact that all the countries had not completed their reports, a 'no cost' extension for the project was agreed until 31.12.06.	COMESA, World Bank Institute, UNCTAD, private consultants & personnel drawn from relevant Gov Depts. & Agencies in member states		£973,000	£973,000	-
Assistance to the ESA EPA Group <ul style="list-style-type: none"> <li>Negotiating briefs, background papers and presentations</li> <li>Technical backup and presentations at the meetings</li> </ul>	5	1	Activities continued with the provision of papers particularly on Fisheries (the dedicated Session for which was attended by the Programme Director).	ESA-EPA Group Programme Director and RTFP-COMESA Trade Advisor		£ 20,000	£8,279	£ 11,721
SADC EPA Market Access Strategy – study to assess the BLNS' EPA negotiation strategies	5	1	Work was completed within the quarter under review and the study was put forward for review by the member States. In view of its confidential nature, the detailed report was not made public.	SADC EPA Unit ODI – Chris Stevens, Jane Kenan and Talitha Bertelsmann-Scott	£50,000	£ 49,950	-	£ 49,950
Study to Develop Draft Guidelines for the Application and Treatment of Tax Incentives in SADC and a SADC Tax Expenditure Budgeting Template	6	1	At a meeting in Sept, SADC tax experts rejected the main recommendations – including advance disclosure system for discretionary incentives. The tax sub-committee will now have to consider the way forward.	PMTC International Ltd		£20,448	£17,799	£2,649
Technical Assistance to Zambia re: LDC WTO Coordination	5	1	The Programme Director defended papers on DFQMA & RoO in CTDSS, Geneva. Drafts on way forward; UK AfT position; "confessionals"	<ul style="list-style-type: none"> <li>DN Tembo</li> <li>RTFP Prog. Director intimately involved in all work</li> </ul>		£ 411,470	£264,103	£ 147,367

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
			standards programme; LDC statement on TF. Financed the participation of Zambia at G20 Ministerial.					
Scholarships: PG Diploma in Trade Law and Policy Management • Scholarships awarded to 2 regional students for 2006/07 intake	8	4	The 2 students participated in the 2 <sup>nd</sup> resident module in August and then returned to their workplace and continued with distance learning components.	TRALAC in conjunction with the Graduate School of Business, UCT		£15,200	£8,621	£6,579
Monitoring Small-Scale Cross-Border Trade (SAMP) • Assess nature of trade and trading conditions, quantify trade flows • Incorporates (i) an origin & destination survey (ii) an investigation of why simplified COMESA documentation for small scale cross border trade is not being utilized	2	3	By mid July data collection had only been completed in 6 countries. At the end of the quarter, contrary to commitments, no reports had yet been received.	SAMP in conjunction with Queens University		£300,000	£117,986	£182,014
East African Fine Coffee Association • 3 Promotional events to buyers in South Africa (SA) • Delegations of SA buyers to meet producers in 5 regional countries • Workshop to establish a Speciality Coffee Association of SA	3	3	29 EAFCA growers were flown to SA to participate in 'Meet the Buyer' and media events held in Cape town, Durban & Jo'burg. Good press coverage resulted; SA chapter of EAFCA was formed and business linkages established.	East African Fine Coffee Association	£100,000		£ 66,099	£ 33,901
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	3	3	The Trade Officer took up her position during the quarter and took part in the planning for the programme which culminated in a work programme for the Trade Component.	IUCN  Natural Resources Institute  IUCN	±£300,000 of which £19,000 is for Phase I and ±£150,000 for Phase II	£19,000  £ 110,385	£ 18,835  £ 17,035	£ 165  £ 93,350

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
18 months of redesigned project  Support for Phase III will be conditional on performance of Phase I & II								
Establishment of One-Stop Border Post – Chirundu	1	1	Discussions were ongoing.	COMESA RTFP COMESA Trade Advisor	£ 100,000		£ 9,177	£ 90,823
Competition policy	1	1	Draft report on preparations for the Regional Competition Policy received from 2 consultants who had been partly funded by RTFP.	RTFP COMESA Trade Advisor	£ 20,000		£ 3,825	£ 16,175
COMESA/EAC/SADC Task Force • Harmonisation of Trade regimes	1 & 5	1	The 3 <sup>rd</sup> meeting of the Chief Executives of COMESA/EAC/SADC met in September at a meeting supported (financially and technically) by RTFP. The PMU was asked to develop a draft work programme for the Trade & Customs sub-comm.	SADC & COMESA Secretariats RTFP Prog. Director			£ 7,584	£ 142,416
Implementation of SADC Trade Protocol • Mid-term review • Rules of origin • Assist Madagascar accede to the STP • Finalisation of SPS Annex • Development of a Services Annex to the STP • Assistance to SADC EPA Unit to effectively coordinate EPA negotiations	1	1	Continued technical support to the revision of the SADC Rules of Origin and Trade Negotiation Forum as well as EPA-related technical assistance to the EPA Unit. The adviser is also providing TA in the services negotiations until SADC recruits an expert in the field.	SADC Trade Advisor			£ 65,393.82	134,606.18
Develop Quality Management, Traceability and Supply Chain	3	3	Period 2 of the project began in this quarter with various	TWIN	£298,850	£45,125	£45,158	- £ 33

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
Management System <ul style="list-style-type: none"> <li>• promote fair trade in groundnuts, macadamia &amp; cashew nuts in support of various small holder nut producers associations in Malawi, Zambia and Mozambique</li> </ul>			marketing and media activities. Quality management continued with visits to EU customs Aflatoxin testing base. Ethical Nut Co. established.			£ 100,105	£ 33,384	£ 66,721
Devil's Claw: Fair Trade & Expanding the Markets – Feasibility study to identify and assess options for expanding export markets in support of harvesters & small scale producers in Botswana, Namibia & RSA	3	3	TOR for a feasibility study finalised previously. Feasibility Study: Work began in July but is not due to be completed until November.	Devil's Claw Range State Working Group Veld Products	£ 40,000	£ 1,740 £ 43,000	- -	£ 1,740 -
Intra SACU Trade Data Audit to be carried out in 2 parts: <ul style="list-style-type: none"> <li>• Scoping Mission</li> <li>• Audit of data leading to calculation of customs revenues.</li> </ul>		1	Scoping mission finalised previously. Work on the main Trade Data Audit was completed in the period and recommendations were made on a definition of an intra-SACU trade movement; value (use of CIF as the basis for import values); data definitions and processes as well as on capacity-building.	SACU Secretariat  H.M. Revenue & Customs	£ 47,138	£ 14,224 £ 32,914	£ 14,948 -	- £ 714 £ 32,914
SADC VAT Benchmarking Study <ul style="list-style-type: none"> <li>• To improve efficiency &amp; admin of VAT</li> <li>• Identification of areas of weaknesses that need to be improved.</li> </ul>		1	Pilot phase undertaken in Malawi and confidential report presented to revenue services. It highlighted capacity needs and will inform SADC's approach to capacity building.	SADC David Child with the assistance of the SADC Tax Adviser	£ 14,000		£ 2,201	£ 11,799
Development of a SADC's Regional Customs Transit Bond Guarantee System – project likely to have 3 components	2	1	Consultations continued with regard to finalising the ToR. SADC Ministers of Trade gave approval for the	SADC Service provider to be identified.	±£300,000			

Project	RTFP Output	RTFP Channel	Status	Partners & Service Providers	Total Expected Cost	Total Committed Cost	Actual Expenditure To Date	Unspent Committed Funds
<ul style="list-style-type: none"> <li>• Pilot testing of the system and instruments - its regulations, procedures and documentation</li> <li>• Develop a Risk Management System incorporating an electronic tracking system</li> <li>• Develop electronic validation system for customs docs.</li> </ul>			pilot project to go ahead.					
TRALAC Support facility <ul style="list-style-type: none"> <li>• EPA comprehensive review of preparations and possibly post graduate teaching</li> </ul> <ul style="list-style-type: none"> <li>▪ SADC Competition Policy</li> </ul>		4	TRALAC undertook the review but had not finalised the report by the end of the period. The SADC Trade adviser undertook 2 weeks' of postgraduate teaching on the TRALAC Diploma.	TRALAC	£ 100,000		£ 2,041	£ 97,959
Regional Standards Programme for COMESA <ul style="list-style-type: none"> <li>• Development of regional Stds.</li> <li>• Making Stds mandatory</li> <li>• Advocacy, capacity building, monitoring and Std. setting;</li> <li>• Support private sector to implement SPS</li> </ul>	7	1	Terms of reference being finalised.	COMESA ComMark Trust	£270,000			
Development of Programme of COMESA Tax Policy coordination and harmonisation	6	1	• Preparations underway		£2,000			
Tax Databases <ul style="list-style-type: none"> <li>• SADC Tax Database needs updating</li> <li>• Development of COMESA tax database to be initiated</li> </ul>	6	1		To be identified	£20,000			
Seed Systems in Southern Africa: Harmonisation of Seed Policy to	1, 7	1	The meeting was held in September. RTFP financed		£5,800		£ 524	£ 5,277

<b>Project</b>	<b>RTFP Output</b>	<b>RTFP Channel</b>	<b>Status</b>	<b>Partners &amp; Service Providers</b>	<b>Total Expected Cost</b>	<b>Total Committed Cost</b>	<b>Actual Expenditure To Date</b>	<b>Unspent Committed Funds</b>
Enhance Exports (regional food security will also be enhanced) <ul style="list-style-type: none"> <li>• Workshop to be jointly funded with the Satrade Hub</li> <li>• Future collaboration with the Hub on follow up activities likely</li> </ul>			the participation of representatives from Zambia, Namibia, Lesotho, Swaziland, DRC & Zimbabwe.					
One-Stop Border Post (OSBP) - RSA , Mozambique & Lesotho <ul style="list-style-type: none"> <li>•To assist RSA develop a policy framework for establishing OSBP</li> </ul>			Finalisation of the ToR and translation into Portuguese.	To be identified				
Capacity Building for SACAU <ul style="list-style-type: none"> <li>• Exploring possible work on VCA</li> </ul>	1 & 7	1	Project idea, consultations ongoing.	SACAU				
Development of a Regional NTB Monitoring System	1 & 7		Planning for a regional meeting to be held in Nov 06.					



### 3. FINANCIAL ANALYSIS

Table 2 below summarises actual expenditure incurred, by channel, on programme activities implemented between April and June 2006 as well as since the inception of RTFP.

#### *Programme Expenditures April – June 2006*

During the three month period under review a total of £ 370,739 was expended on programme activities (including the remuneration of Long Term Advisers based in SADC and COMESA but excluding the management costs of the Programme Management Unit). Expenditure patterns were as follows:

- Nearly 70% of this amount (£ 258,844) was spent on projects funded under Channel 1.
- 15.1% (£ 55,939) was spent on projects funded under Channel 4 (support for the effectiveness of DFID's trade policy work in the region)
- An equivalent amount (15.2%) was spent on projects in Channels 2 and 3 (with approximately 10% on channel 2 and 5% on Channel 3).

#### *Programme Expenditures from January 2004 – June 2006:*

Over £ 2.9 million has been spent on the activities since the beginning of the programme with 53.3% of the funds being used for Channel 1 activities benefiting SADC, COMESA, SACU and the LDC group. Some 35.3% of the funds have been utilized on Channel 2 projects – specifically for the Trade in Services project implemented by COMESA together with the related Mode IV Migration and Nurses study. Channel 3 projects promoting pro-poor trade and market development (tea, coffee, nuts, Devil's claw and natural products) have so far absorbed approximately 6.5% of the funds spent although some 14.3% of the financing has now been committed for this Channel. Current expenditure to date on Channel 4 is £ 143,523 which is approximately half of the total amount earmarked for projects initiated by DFID.







**Annex 1: Summaries of New Projects Contracted or Commencing Implementation during July - September 2006**

