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Supporting Small-Scale Cross-Border Traders Across Africa

AFRICA

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Can the AfCFTA be used to harness the potential of informal cross-border trade?

GENDER

Empowering women small-scale cross-border traders



International Centre for Trade
and Sustainable Development

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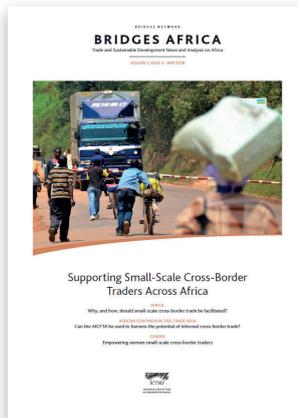
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Supporting Small-Scale Cross-Border Traders Across Africa



Small-scale cross-border trade – often referred to as informal cross-border trade – is a pervasive phenomenon in Africa. As such, it holds fundamental social and economic development implications. Across the continent, countless small-scale traders cross borders daily to sell goods or services in a neighbouring country. Although estimates vary, this type of trade represents around half of total intra-African trade, according to the FAO. The authors of a policy brief published by the African Development Bank further estimated that such trading activities contribute to the income of about 43 percent of Africans, thereby revealing their economic significance.

Small-scale cross-border trade has tremendous potential from a sustainable development perspective, although the informal nature poses a number of challenges. The commerce can help tackle poverty reduction by generating substantial revenue for border communities, and its potential development benefits go much further. Various experts have underlined that it can also significantly contribute to improve food security, promote economic diversification, and even strengthen peace and stability by creating and sustaining social and economic ties across borders. Another key aspect is the strong gender dimension of such trade, as the majority of small-scale cross border traders are women, meaning that it can also be a crucial factor for women's economic empowerment.

Unfortunately, policymakers on the continent have long ignored the role of small-scale cross-border trade as a vehicle for positive change, a lack of interest that is all the more unfortunate given the severity of constraints that small-scale traders face. However, policies and approaches are slowly changing as over the last decade a few countries, regional economic communities, and development partners have been implementing dedicated measures and programmes in this neglected yet important policy area. What initiatives have various stakeholders taken to facilitate small-scale cross-border trade and promote its formalisation? What are the concrete challenges that African small-scale traders face, and why should they be supported to overcome these difficulties? How can efforts to leverage the development potential of such trade be most effective? This issue delves into these questions.

The lead article, written by Paul Brenton and Carmine Soprano, insists on the importance of maximising the development dividends that small-scale cross-border trade can offer, outlining some of the ways in which this can be done. In the second piece, Lily Sommer and Chris Nshimbi reflect on how the African Continental Free Trade Area could be used to help overcome the challenges related to small-scale trading activities. Emma Marie Bugingo, for her part, focuses on how supporting small-scale traders can contribute to women's economic empowerment. The issue also features an article in which Taku Fundira looks at the simplified trade regimes implemented in eastern and southern Africa, and offers insights based on these experiences. The final piece looks at the trends and dynamics of cross-border trade in West Africa from a more general – and historical – perspective.

As usual, we welcome your substantive feedback and contributions. Write to us at bridgesafrica@ictsd.ch.

DEVELOPMENT

Small-Scale Cross-Border Trade in Africa: Why It Matters and How It Should Be Supported

Paul Brenton and Carmine Soprano

Small-scale cross-border trade can play a fundamental role in contributing to poverty reduction and food security across Africa. How can it be supported to ensure that it delivers its full development potential?

Sub-Saharan African economies have been inextricably linked for centuries. Traders, often belonging to the same ethnic group or family, have been regularly crossing what are now borders to exchange goods and services, giving rise to intense flows that account for a significant part of the continent's total trade. Today, cross-border trade is a major feature of African economic and social landscapes: according to some estimates, it contributes to the income of about 43 percent of Africa's entire population. Such trade supports livelihoods and creates employment, including for disadvantaged and marginalised groups. Cross-border trade is also dominated by agricultural and livestock products, and so is an essential part of food security in many places. Hence, overall such trade is essential for welfare and poverty reduction. Cross-border trade is especially important in fragile and conflict-affected states (FCS), as it allows vulnerable populations to reconnect with the world and access goods and services that are key for their economic and social recovery. In such environments, trade also helps generate solidarity between border communities, and thus critically contributes to promoting peace and stability.

Cross-border trade typically happens at small scale, and is often dominated by women. Traders generally exchange small quantities of modest value, due to a variety of constraints including limited financing, poor-quality inputs, low capacity, lack of machinery, and inefficient marketing and distribution channels, among others. They may not necessarily be registered as formal business owners, yet generally do not operate with the specific goal of circumventing existing laws, applicable taxes, and relevant procedures. In fact, cross-border traders typically pass through official crossing points and even undergo formal clearance procedures, yet their consignments are often so small that they escape official records.❶

The vast majority of Africa's small-scale traders are female, up to 70-80 percent in some cases. Cross-border trade is often their only source of livelihoods: according to a ILO study, about 60 percent of non-agricultural self-employment of women in Sub-Saharan Africa comes from trade. Women traders are also among the most vulnerable groups in many areas across the continent, and compared to their male counterparts, they suffer disproportionately from the various constraints related to cross-border trade activities. Additionally, they are exposed to a number of gender-specific challenges and risks. Thus, any analysis or intervention focused on cross-border trade facilitation must necessarily integrate a gender element.

Infrastructural, policy, procedural, and behavioural constraints at the border hinder traders' ability to grow and formalise. Border infrastructure rarely caters for the needs of small-scale traders, often forcing them to share the clearance area with trucks and other vehicles, which increases insecurity and slows down procedures. Existing structures such as border offices and market stalls are often dilapidated, whilst toilets, lighting, and fencing are typically absent. In addition, high customs duties, complex clearance procedures, cumbersome documentary requirements (often featuring centralised permit and licensing systems), along with unpredictable trade policies all contribute to raising trade costs. These tend to be highly regressive, affecting small operators disproportionately: for instance, a 2013 World Bank case study at the border between Zambia and the Democratic Republic of Congo (DRC) found that small-scale traders can

pay up to 193 percent more than larger traders to clear a ton of maize through the formal channel. Only large, established operators who can leverage economies of scale are typically able to comply with existing requirements. Weak governance, low capacity, and poor behavior by border officials also contribute to increasing trade costs, and to making African borders unfriendly and unsafe for small-scale traders, especially women. Studies conducted at various border locations across Sub-Saharan Africa indicate that corruption and harassment (including gender-based violence against women) are regular features of cross-border trade.②

Small-scale cross-border trade can help drive poverty reduction in border areas

Income derived from small-scale trading activities is key to reduce poverty, yet its impact on long-term developmental outcomes needs to be investigated further. Traders make little profit from small-scale trade, with most of the revenue covering basic household needs such as food and schooling; as a result, re-investment in their businesses is difficult. Nevertheless, revenues from cross-border trade are often the main source of income for the households of cross-border traders. For example, a survey of more than 600 traders in the DRC and Rwanda found that cross-border trading activities provide the main source of family income for three out of four traders. The survey found that for measures such as quality of dwelling, access to electricity, type of cooking fuel used, and ownership of durable goods, the households of cross-border traders are as well off as the average urban household that is used as a comparator. Hence, trading activities are critical in allowing households in border areas to attain the level of welfare that is achieved by the typical household elsewhere in the country. However, further analysis is required on how trading activities contribute to long-term developmental outcomes. Anecdotal evidence suggests that by contributing to household income, trading activities can help to empower women within households. This in turn can enhance their role in household decision making, resulting in increased expenditures on (higher quality and more varied) food, and hence lower child malnutrition rates, and increased attendance at school. These in turn contribute to higher productivity of future generations.

Small-scale traders want to expand their business, but face enormous challenges in doing so. In addition to the problems and costs they incur in crossing borders that were mentioned above, small-scale cross-border traders are constrained by lack of access to capital, limited knowledge of business procedures, and limitations on the distance they can travel from the border, both regulatory and logistical, for example in terms of access to appropriate transport. Few traders have bank accounts and collateral to secure even small loans is very difficult to leverage. The majority of traders want to enhance their limited business skills. These challenges are particularly acute for women traders. They face greater barriers in obtaining finance, and programs to support capacity building often fail to take women into account. Where training is available, it is typically scheduled in a way that precludes participation by women traders, who already face the challenge of juggling family commitments and time for trading. All this, in turn, prevents them from taking full advantage of the gains from trade and undermines governments' ability to use trade as a driver of growth and poverty reduction.

The state of play: ongoing initiatives to facilitate small-scale cross-border trade

Support to small-scale cross-border traders has been limited, although this is beginning to change. There is increasing recognition at the national and regional levels of the importance of such trade, and regional institutions are currently implementing initiatives to support small-scale traders. For example, COMESA has adopted and is supporting the implementation of regulations which define the rights and obligations of small-scale traders, and is funding Trade Information Desks which assist traders in crossing borders. It has also developed a Simplified Trade Regime (STR), which introduces customs duty exemption and simplified clearance procedures for low-value transactions typically conducted by small-scale traders. Although incomplete, in that it does not waive documentary requirements such as permits, certificates, and licenses, the regime is clearly a step in the right direction.

A number of governments are also implementing projects that specifically focus on small-scale trade. With support from the World Bank, the governments of the DRC, Rwanda, and Uganda, in cooperation with COMESA, are implementing the Great Lakes Trade Facilitation Project. This project seeks to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at key borders in the Great Lakes region. The intervention funds targeted improvements in border infrastructure to cater for the needs of small-scale traders (such as pedestrian lanes, lighting, and fencing), along with the construction of border markets, and supports the simplification of policies and procedures for small-scale traders, training and capacity building of traders and officials, and the introduction of better monitoring and performance management for agencies operating at the border. It also introduces a workers' code of conduct to prevent and mitigate risks of gender-based violence (GBV) in trade-related infrastructure development works. One of the quick wins under the project has been the introduction of solar-powered lighting at borders between the DRC and Rwanda, which has not only improved the safety and security of traders and officials but has also led to an extension of border opening hours. This is of particular importance to small-scale women traders, as it allows them to better organise their trading activities around family commitments.

The way forward: what governments, donors, and practitioners can do

Ongoing trade facilitation interventions need to cater for the needs of small-scale traders, especially women. Governments and development partners are currently making concerted efforts to facilitate trade, increase productivity in export-oriented sectors, and improve competitiveness. However, these need to be better targeted to ensure that small-scale cross-border traders are reached by these interventions and that it is not just large traders who benefit. It is important that such interventions reflect the realities of small-scale cross-border trade, and especially the heavy involvement of women and the gender-specific constraints they typically face.

For Africa to achieve its regional trade potential, governments need to do more to support small-scale trade, specifically: (i) recognise the importance of small-scale trade both to the overall trade of the country and to the communities who undertake it; (ii) work to ensure that the rules and regulations governing trade are clear, transparent, and widely available at the border; (iii) simplify trade documents and regulatory requirements for small-scale traders; (iv) design interventions to facilitate trade in ways that benefit small-scale traders; (v) help address the risks that small-scale traders face in their trade-related activities, which are typically much greater than those faced by larger and well-connected traders; and (vi) recognise the important role of women in cross-border trade, target the removal of gender-related constraints, and tackle the particular challenges that women face in participating in trade and growing their business. Removing obstacles to regional trade integration in Africa would be particularly beneficial to the poor, as they carry most of the small-scale, cross-border commerce that happens within the continent. The potential benefits include better food security, faster job creation, more poverty reduction, increased tax revenues for authorities, and better long-term developmental outcomes.



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① The distinction between "small-scale" and "informal" trade is important. In the existing literature, many sources refer to the phenomenon described in this article as "informal cross-border trade (ICBT)" – however, this often carries a negative connotation as "informal" can be easily confused with "illegal". It also inaccurately reflects the reality of trade flows on the ground, as traders may indistinctly use both formal and informal crossing channels depending on a variety of factors, such as the value of their consignment, the length of the queue at the border, or the mood of the individual official on duty. The preferred terminology for this article is "small-scale cross-border trade".

② World Bank. "Integrating Sierra Leone's Small-scale Traders into the Formal Economy." May 2016; World Bank. "Great Lakes Trade Facilitation Project". September 2015; Brenton, Paul, et al. "Improving Behaviour at Borders to Promote Trade Formalization: the Charter for Cross-Border Traders." World Bank, Policy Note No. 41, 2014; EASSI. "Women Informal Cross-Border Traders: Opportunities and Challenges in the East African Community." EASSI, 2012; Brenton, Paul, et al. "Risky Business: Poor Women Cross-Border Traders in the Great Lakes Region of Africa." World Bank, Africa Trade Policy Note 11, 2011.

AFRICAN CONTINENTAL FREE TRADE AREA

The African Continental Free Trade Area: An Opportunity for Informal Cross-Border Trade

Lily Sommer and Chris Nshimbi

How can African countries use the African Continental Free Trade Area to overcome the existing challenges to informal cross-border trade and harness the potential of such trade to support income generation, job creation, structural transformation, and food security on the continent?

Informal cross-border trade (ICBT) can play a key role towards the attainment of the continent's structural transformation and poverty reduction objectives contained in the African Union's Agenda 2063. The informal economy employs the majority of Africans. A large share of people engaged in the informal economy operate as informal cross-border traders. ICBT contributes about 30-40 percent of total intra-regional trade in the Southern African Development Community (SADC) region and 40 percent in the Common Market for Eastern and Southern Africa (COMESA) region.¹

In the absence of sufficient formal economic opportunities, ICBT is crucial to addressing vital issues of income generation, job creation, and food security, particularly for Africa's most vulnerable people, such as women and youth, who usually constitute the majority of informal cross-border traders. In West and Central Africa, women represent nearly 60 percent of informal traders. In Southern Africa, they represent about 70 percent of them.² ICBT, which has proven to be more responsive to food crises and shocks when compared to formal trade, is largely practiced by the officially unemployed and micro, small, and medium-sized enterprises (MSMEs), and is therefore also important for strategies of inclusion.

What may come as a surprise is that ICBT also offers significant opportunities in terms of economic diversification, value addition, and the development of competitive cross-border value chains. This is because the scope of ICBT is wide and extends beyond basic agricultural products, such as maize and raw milk, to also include manufactured goods (e.g. processed foods, clothes, electronics and car spares) and services (e.g. bicycle and car repairs, hairdressing, and artisanal work).

The challenging environment of ICBT

Informal cross-border traders face a number of challenges that prevent the full developmental potential of ICBT from being realised. These include a lack of trade facilitation; inadequate border infrastructure; limited access to finance; a lack of market information; corruption and insecurity; and limited knowledge, education and business management skills. Although these challenges are common to many African traders, they are particularly acute in the informal setting. For example, the majority of informal cross-border traders are partially literate or illiterate, which makes it difficult for them to read, understand, and complete the numerous mandatory forms and procedures at borders. Customs officials at some border posts take advantage of this by asking informal cross-border traders to pay duties on commodities that should not attract any levies, and in the event of failure to pay, bribes are solicited to allow the uninformed traders to cross with their goods. Informal traders are also frequently treated as criminals and illegals, which makes them particularly vulnerable to abuse, corruption, and harassment at the hands of state authorities such as border officials, immigration, and the police.

Shifting to a more friendly environment

Although ICBT has been traditionally sidelined in policy discussions on trade and development, more recently, there have been a number of encouraging initiatives on the continent targeted at facilitating improvements in the conditions in which ICBT is conducted and supporting the transition to formalisation.

40 percent

Informal cross-border trade contributes about 30-40 percent of total intra-regional trade in the Southern African Development Community (SADC) region and 40 percent in the Common Market for Eastern and Southern Africa (COMESA) region.

The most ambitious efforts are the simplified trade regimes (STRs) introduced by the Common Market of Eastern and Southern Africa (COMESA) and the East African Community (EAC), which aim at facilitating small-scale cross-border trade in products originating from within the REC. Informal cross-border traders are provided simplified certificates of origin by customs officials; a common list of goods that qualify for the STR; simplified customs documents; and assistance in completing customs documents, clearing procedures, and answering trade-related queries from the trade information desk officers at the borders. This has helped to address some of the challenges faced by informal cross-border traders, bring ICBT into the formal trading system, and extend the benefits of freer trade to informal traders. Some informal cross-border traders interviewed in COMESA are confident that their businesses will succeed and formalise just like former colleagues “who were once ‘small’ like them but had graduated into ‘big people’ (formalised traders) because they had successfully taken advantage of the STR.”³

Officials from Burundi, the Democratic Republic of the Congo, Rwanda, Tanzania and Uganda have committed to work together in addressing challenges hindering cross-border trade in the region. This cooperation is to include the construction of markets at the borders to support informal cross-border traders and other complementary facilities such as early childhood development centres to support women traders.

The dearth of reliable data on key indicators of ICBT has accentuated the lack of recognition of its important economic role in national and regional policies and frameworks. A handful of African countries – such as Kenya, Rwanda, and Uganda – have, however, now started to collect data on informal trade. Data on ICBT is also consistently collected by the East African Grain Council (EAGC), Famine Early Warning Systems Network (FEWS NET), Alliance for Commodity Trade in East and Southern Africa (ACTESA), and Brahim Cisse (CILSS). Further, the COMESA STR has proved to be an important tool for capturing ICBT's contribution to total trade through the STR form, whereby information is captured in the Automated System for Customs Data (ASYCUDA).

These efforts are definitely a step in the right direction but are yet to influence a real change in the attitudes of policymakers across the wider continent. The landmark African Continental Free Trade Area (AfCFTA) agreement, which was signed at the African Union (AU) Special Summit held in Kigali on 21 March 2018, offers an opening to change this and ensure that the full potential of ICBT is harnessed under a single comprehensive framework.

The AfCFTA: harnessing the potential of ICBT

Although ICBT is not explicitly reflected in the AfCFTA agreement and the separate AU Protocol on Free Movement of People, indirectly, the AfCFTA has the potential to generate significant benefits for informal cross-border traders. In addition, there is still time to incorporate ICBT issues into the AfCFTA's second phase of negotiations around investment, intellectual property rights, and competition policy, as well as in the AfCFTA implementation stage.

The joint report of the United Nations Economic Commission for Africa (ECA), the United Nations Office of the High Commissioner for Human Rights (OHCHR) and the Friedrich Ebert Stiftung's (FES) Geneva Office entitled “The Continental Free Trade Area in Africa – A Human Rights Perspective” provides some helpful pointers on how the AfCFTA can be used to drive the development of a continental strategy towards addressing ICBT.⁴

Supporting the formalisation of ICBT

By reducing tariffs, the AfCFTA will make it more affordable for informal traders to operate through formal channels, which offer more protection. This can be further enhanced by introducing a Continental Simplified Trade Regime (CSTR), since cross-border traders operating under such a regime would no longer be trading informally. In fact, officials within the COMESA STR refer to those using the scheme as “small-scale” traders rather than informal traders, which also helps to eradicate the perception of illegality.

In terms of design and implementation, the CSTR would be best handled at the level of the regional economic communities (RECs) and bilaterally between proximate member states of a given REC, since economic and market conditions are not uniform across the continent. The AfCFTA would provide an umbrella and high threshold under which respective RECs and member states could negotiate specific goods and services to be exchanged under the common list as dictated by local conditions. Such lists should aim to be more extensive (incl. manufactured goods) than the common lists of the COMESA and EAC STRs, and apply reasonably high thresholds. Outreach and knowledge dissemination on both the contents of the AfCFTA agreement and the CSTR will also be key.

National strategies for formalisation, including support to MSMEs, are needed to complement the opportunities offered by the AfCFTA. In particular, African countries should design incentives to simplify tax administration and business registration; limit licensing and certificates to activities where it is justified (e.g. to protect health and safety); reduce registration fees and ensure they are not regressive; and guarantee any statutory requirements are fully justified.

Reducing the costs of ICBT

The AfCFTA will help to address some of the key challenges to ICBT, since it includes provisions on non-tariff barriers (NTBs), trade facilitation, transit, and customs cooperation. In particular, the AfCFTA agreement commits African countries to establish an NTB mechanism to monitor, report, and resolve NTBs under the AfCFTA, building upon the good work already achieved by Africa's RECs. The NTB mechanism should be designed in such a way that ensures accessibility to informal cross-border traders. Simple reporting processes and translation services to support reporting in various local languages would help. To increase uptake, training could also be provided to small-scale informal traders to enable them to better identify the NTBs they face, and incentives such as rewards could be offered to those who report on verifiable NTBs they experience or observe.

The AfCFTA has also reignited discussions on its sister initiative, the Boosting Intra-African Trade (BIAT) Action Plan, which provides the leading framework for addressing challenges to intra-African trade that are particularly acute for informal cross-border traders, including regarding trade-related infrastructure, trade finance, and trade information. The ECA has recommended that the institutional structure for the implementation and monitoring of the BIAT Action Plan be folded into the AfCFTA.⁵ The private sector can play a key role in contributing to ICBT initiatives under the AfCFTA and BIAT Action Plan. In fact, the African Export Import Bank (AFREXIMBANK) has expressed significant interest in supporting the extension of trade finance and payment products to informal cross-border traders, and many e-commerce players identify the informal sector as a crucial market

ICBT in the second phase of the AfCFTA negotiations

Informal cross-border trade can still be reflected in the second phase of the AfCFTA negotiations on investment, intellectual property rights, and competition policy. National-level consultations on second phase issues should include informal cross-border traders or representatives of the sector, including women. This will help to inform the development of provisions that promote the development of pro-ICBT policies and programmes. This could include, for example, investment provisions that provide for the allocation of quotas for targeted investments in sectors and areas that make up the informal cross-border traders' (physical) operating environment.

Free movement of informal cross-border traders

To support the Protocol on Free Movement of People, African countries should consider creating a special travel document for informal cross-border traders to make it easier for them to legally and affordably cross borders for trade purposes. Currently, a substantial percentage of informal cross-border traders are unable to acquire passports on account of cost. The high frequency with which small-scale traders cross international borders exacerbates the often already high cost of passports, due to the need to renew their passport several times a year. Informal cross-border traders instead tend to use temporary entry provisions (such as day passes) to travel for business in neighbouring countries.

The special travel document for cross-border traders could build on the idea behind the provision of day passes to residents of border communities in respective countries and RECs across Africa. Given that cross-border movers who use the day passes are only permitted to travel or cover a specific distance inland in a neighbouring country and cannot go beyond, the special travel document could extend such a distance to enable traders to reach a location where they wish to distribute goods and provide services. Alternatively, an approach similar to the one adopted by the EAC, where citizens of EAC member states can use the national registration/identity documents of their respective country to travel to other member states of the EAC, could be considered.

Track progress on ICBT through policy frameworks and data collection

The implementation phase of the AfCFTA can be supported by the development of a continental policy and institutional framework to facilitate the monitoring of progress in alleviating the constraints faced by informal cross-border traders, particularly women. Such a policy would need to be designed in a way that creates opportunities for informal cross-border traders not only to be recognised (without the tag of illegality), but also to claim their space in the AfCFTA and AU member states. Only then could benchmarks be established to measure progress on ICBT and informal cross-border traders' rights as economic actors. The supporting institutional framework should create an environment in which informal cross-border traders, and in particular women, could form recognisable associations devoted to identifying and seeking assistance to address the challenges faced by members.

Monitoring progress in addressing ICBT issues will require significant improvements in data collection, since with only a handful of exceptions, official trade statistics in Africa only capture formal trade. This data could provide a basis for targeting financial and non-financial assistance to informal cross-border traders such as credit, business advisory and extension services, and market information. In fact, the ECA and the AFREXIMBANK are about to embark on a pilot project to collect data on ICBT along the Abidjan-Lagos corridor, which is expected to provide a useful methodological framework for scale up at the continental level.

Conclusion

Informal cross-border trade has an important role to play in Africa's development, through contributing to income generation, job creation, structural transformation, and food security. The African Continental Free Trade Area offers a crucial opportunity for harnessing the development potential of ICBT. The AfCFTA Agreement includes a number of provisions that are expected to reduce the costs and enhance the efficiency of ICBT. It is important that these provisions are supported by complementary measures to facilitate ICBT, including a Continental Simplified Trade Regime; improvements in data collection on ICBT; targeted programmes on trade finance and cross-border infrastructure; and efforts to reduce the costs of formalisation for MSMEs. The second phase of the negotiations should also be used as platform to more effectively address the various issues and challenges related to informal cross-border trade.



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GENDER

Empowering Women by Supporting Small-Scale Cross-Border Trade

Emma Marie Busingo

Over the last six years, the Rwandese non-governmental organisation Pro-Femmes/Twese Hamwe has been implementing a project aimed at empowering women cross-border traders. Why is it important to facilitate small-scale cross-border trade from a gender perspective?

Pro-Femmes/Twese Hamwe is a Rwandan civil society umbrella gathering together organisations dedicated to women's empowerment, gender equality, peace building, and development in Rwanda. Currently, the umbrella represents 53 member organisations across the country. It aims at promoting a peaceful and stable Rwandan society free from all forms of gender discrimination and characterised by gender equality and equity, as part of a broader process towards sustainable development.

Between 2012 and March 2018, and with support from TradeMark East Africa (TMEA), Pro-Femmes/Twese Hamwe implemented a project to increase the economic power of women in informal cross-border trade. The project started from scratch to identify women who were trading informally across borders, and who had no capital, in order to help them become registered and recognised, and build successful businesses. Over six years, support has been given to 63 cooperatives with over 3,000 members, of whom 98 percent are women, in nine main border districts, developing their knowledge and skills and helping them to gain access to finance and markets.

Why support women cross-border traders?

Informal cross-border trade (ICBT) – which can also be referred to as small-scale cross-border trade – is pervasive in Africa, and while estimates vary, they all indicate that it constitutes a significant part of total intra-African trade. Rwanda is a case in point, as according to a report from the country's Ministry of Trade and Industry entitled "National Cross-Border Trade Strategy: 2012–2017," informal exports to neighbouring countries were 51 percent higher than formal exports in 2011. As such, ICBT has important economic and social implications, making it an essential issue from an inclusion and sustainable development perspective.

Despite significant progress towards effective regional integration and other relevant trade facilitation mechanisms, cross-border trade between Rwanda and its neighbours remains highly underdeveloped. Supporting and formalising ICBT and increasing the value of traders' businesses could thus significantly contribute to the country's overall growth and development. Numerous studies highlight that border economies, especially in Africa, benefit greatly from cross-border trade in that it enhances food security, provides employment, and allows millions of people to have access to goods and services unavailable in their own countries, or at cheaper prices. A World Bank report in 2011¹ noted that small-scale cross-border trade has a more direct impact on poor households than large-scale trade.

Importantly, gender is a fundamental dimension when it comes to ICBT. A large part of cross-border traders are poor women traders who, by crossing borders every day and selling their products, make a major contribution to the welfare of their families and communities. Often, they play a key role in food security, carrying basic food products from areas where they are comparatively cheap to others where they are in short supply. A 2012 study found that in the Great Lakes region, the majority of informal cross-border traders are women (74 percent). It is estimated that 90 percent of these women traders rely on cross-border trade as their only source of income. Efforts to facilitate ICBT and help small-scale cross-border traders to develop their economic activities can thus play

a key role in supporting women's economic empowerment, which in turn can lead to broader social transformation in a variety of ways.

Gender is considered by partner states in the East African Community (EAC – of which Rwanda is a member) as a crucial aspect of cross-border trade, which itself is essential for the broader process of socio-economic development and sustainable growth in the region. This is positive, as this recognition also means that EAC members recognise that ICBT should be a priority area for any country willing to strengthen poverty alleviation efforts with particular impact on women. In short, facilitating and formalising cross-border trade can go hand in hand with women's economic empowerment, while also leading to a reduction in gender-based violence related to the informal and insecure nature of their activities.

Challenges faced by women cross-border traders

Policy measures and projects aimed at supporting small-scale cross-border trade are aligned with Rwanda's commitment to achieving gender equality, as well as the empowerment of women, as defined in *Vision 2020*, the government's development programme to transform Rwanda into a middle-income economy by 2020, and its implementation through the Second Economic Development and Poverty Reduction Strategy (EDPRS II) for 2013–18. Gender equality is a cross-cutting issue which needs to be integrated in all sectoral policies and strategies because men and women can experience the processes of development and the impact of policies in different ways.

Facilitating and formalising cross-border trade can go hand in hand with women's economic empowerment, while also leading to a reduction in gender-based violence related to the informal and insecure nature of their activities.

Although countries have adopted strategies and signed treaties to respond to hindrances in cross-border trade, especially informal trade, the traders continue to face challenges. They include:

- limited knowledge and skills in the context of increased market linkages through information and communications technology (ICT);
- limited access to finance because of the burdensome conditions set by the financial sector on obtaining loans, such as high interest rates, and requirements for collateral lacked by most women engaged in informal cross-border trade;
- inadequate start-up capital;
- slow implementation of existing policies on cross-border trade;
- limited knowledge about taxes, duties, and tax exemptions, and the threat of informal fines and confiscation of goods;
- inconsistent and non-harmonised national laws and policies and their regional instruments.

While most of these constraints also apply to men engaged in small-scale cross-border trade activities, they tend to affect women in a disproportionate manner. Moreover, women face a number of gender-specific risks and challenges in border areas, including verbal violence, harassment, and sexual abuse. Very often, they also need to carry heavy sacks of merchandise on long distances due to insufficient storage facilities.

Potential solutions

For small-scale cross-border trade to have a more direct impact on poor households and to promote women's economic empowerment, efforts to support and develop it need to be increased and designed in a targeted way. Tackling the challenges related to informal

cross-border trade and creating a gender-sensitive border environment can go a long way in helping reduce the extreme poverty still faced by women in the border communities of most countries in the region.

Now that cooperatives have been set up, and are engaging in value addition activities, there is a need to strengthen market access and connections, as well as to increase knowledge and skills in this area. Future intervention should work on enhancing market linkages using ICT, especially mobile phones; 89 percent of the beneficiaries of the TMEA project implemented by Pro-Femmes/Twese Hamwe use phones as their main channel of receiving and communicating market information.

With regard to the trade environment, Rwanda has supportive legal and policy frameworks in place, but proper implementation of those policies is still lacking. In the future, there is a need to bridge that gap by targeted monitoring of specific policies and advocacy for improved implementation.

Focusing on supporting cooperatives to meet Rwanda Standards Board criteria and conducting policy advocacy for a simplification of product standards for small businesses are also important. Building the capacity of existing cooperatives in their various functions will continue to be necessary, through ensuring a system of training the trainers, so that trained cooperatives can train the new ones following in their footsteps.

Lessons learnt

Pro-Femme/Twese Hamwe has learnt a lot from different perspectives on informal cross-border trade and what needs to be improved to harness its development potential, including through the work being done for the empowerment of women cross-border traders. Ensuring direct support to them and improving the conditions in which they conduct their cross-border trade activities are vital, as are promoting access to finance and loans security and supporting the creation of more cross-border trade cooperatives to ease the process of developing capacity.

Future efforts should be invested in ensuring cooperatives meet the required basic product standards for national and regional markets. Advocacy for the simplification of product standards and licences should also be pursued. Continued advocacy for cooperative members to access finance is also important, together with capacity building in developing business plans and negotiating with financial institutions to increase loan repayment periods and reduce interest rates.

Synergy and effective collaboration by stakeholders in all their activities and policy implementation have to be reinforced if this segment of trade is to be turned into a meaningful driver for sustainable development in the region.

① World Bank. *Women and Trade in Africa: Realizing the Potential*. 2013.



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TRADE FACILITATION

A Look at the Simplified Trade Regimes in East and Southern Africa

Taku Fundira

The East African Community (EAC) and the Common Market for East and Southern Africa (COMESA) are the two only African regional economic communities that have adopted simplified trade regimes (STR) to facilitate small-scale cross-border trade. What can be learnt from their experience?

Regional integration efforts do acknowledge the role of informal cross-border trade (ICBT) as a contributor to socio-economic development in the wake of shrinking formal employment opportunities in this region. ICBT is a source of employment as traders support job creation both in their home countries and in the countries where they source their goods. It is also a supplementary source of family income to under-employed people, thus helping to bridge the income gap that is characteristic of many African households.

According to a recent study published by the UN's Food and Agriculture Organization, "ICBT refers to trade in goods/merchandise and services which may be legally imported or exported on one side of the border and illegally on the other side and vice-versa, on account of neither having been recorded in the official trade statistics nor subjected to statutory border formalities such as customs clearance."¹

To facilitate ICBT, member states from the East African Community (EAC) and the Common Market for East and Southern Africa (COMESA) have adopted simplified trade regimes (STRs) for small-scale cross-border traders. The aim is to make it easier to conduct small-scale cross-border trade activities by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that are operating in border areas, where informal trade is rampant. In the Southern Africa Development Community (SADC), no simplified trade regime has been implemented yet. However, efforts are currently underway to develop such a regime for intra-SADC trade.

Provisions in regional trade arrangements dealing with ICBT

A number of policy instruments and protocols that are relevant to the informal trade sector exist at the regional level, in particular those regarding the promotion of trade facilitation and economic integration between countries in east and southern Africa. For example, Article 3 of the COMESA Treaty, Article 5.1 of the EAC Treaty, and Article 5.1.1 of the SADC Treaty all have an element that can relate to informal trade.

It is important however, to note that while the provisions of the different protocols in COMESA, the EAC, or SADC may be relevant and important for informal traders, they do not seem to adequately take account of the sector because of its informality, and thus do not respond effectively to challenges faced by informal cross-border traders. In most cases, the protocols are silent on how informal traders or their associations can access the protocol in terms of being within the ambit of its provisions or whether they are considered as relevant actors in regional trade. In recognition of this, COMESA and the EAC introduced and are implementing STRs, while SADC is in the process of developing its own STR in line with its trade facilitation programme.

Review of the simplified trade regimes in east and southern Africa

In 2007, COMESA and the EAC launched STRs for certain types of commodities, whereby small-scale traders benefit from a simplified customs document and a simplified certificate of origin (SCOO), under which goods that are originating from member countries and whose value does not exceed US\$1 000 (COMESA) or US\$2 000 (EAC) per consignment qualify automatically for duty-free entry in the respective markets. The certificate is

Simplified trade regimes

The East African Community (EAC) and the Common Market for East and Southern Africa (COMESA) have adopted simplified trade regimes (STRs) for small-scale cross-border traders. The aim is to facilitate small-scale cross-border trade activities by putting in place instruments and mechanisms tailored to small-scale traders' needs.

issued at the border posts to enable traders located in remote areas to benefit from the regime. The STR mechanism has not yet been adopted in SADC, although efforts are underway to develop similar provisions as part of the SADC trade facilitation programme and the SADC Industrialisation Strategy and Roadmap (SISR).

Under the STRs, governments – on a bilateral basis in COMESA and for the entire community in the EAC – have agreed on lists of products that do not require such a certificate for small consignments. Applicable lists are displayed at border posts and available at the offices of the cross-border traders' associations and customs both at the border and in the main towns. The simplified certificate of origin can be obtained at the border post and is signed by the customs office. It is important to note that the consignment should be comprised of goods with a resale value for it to qualify for import duty exemption. Furthermore, the STRs do not rule out the relevance of import and export permits for certain agricultural foods and animal products, meaning that traders are required to apply for such permits where necessary.

Lack of awareness about the existence of COMESA's simplified trade regime (STR) has led to traders in certain instances paying duties on goods that would be eligible for duty-free treatment under the STR.

COMESA

The STR was developed by the COMESA Secretariat to facilitate informal cross-border trade. Malawi, Zambia, and Zimbabwe are the only SADC countries who are currently benefiting, although the plan is to extend it to all member states. A review of the COMESA STR for participating countries reveals several challenges faced by small-scale traders. Lack of awareness about the existence of the COMESA STR has led to traders in certain instances paying duties on goods that would be eligible for duty-free treatment under the STR. In most cases, officials are not informing traders about the STR or advising them on how to make use of it. Other challenges include physical and sexual harassment against women by male customs officials, as well as seizure of goods due to incorrect payments or non-payment of duties. As a result, these challenges have created a conducive environment for corrupt activities where traders end up paying unnecessary bribes, which can make their businesses unprofitable.②

On the positive side, a study undertaken in participating countries in COMESA revealed that experienced informal cross-border traders who have been in the business for a long time increased their incomes and, through government support measures, have been able to transform their informal businesses to become formal traders. Furthermore, there is evidence to suggest that ICBT creates employment and meaningful livelihoods for these actors. Interestingly, informal traders also tend to finance their own businesses, rather than seek support from formal financial institutions that in many cases are unable to assist given the informality of their business activities.

EAC

In the EAC, goods eligible for clearance through the simplified certificate of origin are provided in a list of products, known as the EAC List of Originating Goods Commonly Traded by Small Scale Cross-Border Traders. In total, 370 products currently qualify, which include agricultural commodities like maize and beans, fish products, textiles, cosmetics, office supplies, and household goods. The ease of use of the simplified certificate of origin has changed the way informal cross-border traders are doing business, as it has allowed traders to clear their consignments quickly, safely, and with less hassle. Through the STR, noticeable increases in trade volumes were recorded in Rwanda and Uganda – the two countries that since 2014 have been recording ICBT on an annual basis.

There still remain, however, a significant number of traders that lack sufficient knowledge about the rights provided under the protocols and how these provisions are applied, as well as about the obligatory customs procedures and documentation. This information asymmetry makes small traders vulnerable to harassment and corruption, including excessive charges, bribe extortion, impounding of goods, difficulties in obtaining passports and visas. Faced with uncertainty about tariffs and taxes applicable to consignments, many traders will choose to travel through a *panya* (smuggling) route, where personal safety and security is compromised.

SADC

SADC does not have an STR in place. However, the importance of ICBT is greatly acknowledged within the regional bloc, with efforts dating back to 2010 when SADC developed an advocacy strategy on ICBT – although it is currently gathering dust due to lack of implementation. More recently, SADC adopted an industrialisation strategy which incorporates the implementation of an STR in its trade facilitation component. To this effect, we have seen movement toward the establishment of an STR after ministers responsible for trade instructed the SADC Secretariat to develop an STR for intra-SADC trade which is in compliance with WTO rules and the Kyoto Convention for the Simplification and Harmonization of Customs Procedures.

Despite the absence of an STR, a lot of research has been undertaken on ICBT in SADC. Recent research based on data collected from 146 cross-border traders from 8 SADC countries gave insights into the key success factors and constraints faced by small-scale traders. This study noted that traders lack formal protection due to the informal nature of their operations. The lack of recognition of cross-border trade as a form of business results in the criminalisation of trade, which leads to harassment and abuse by authorities.

Concluding remarks

It is undeniable that ICBT is important for the east and southern Africa region; it constitutes a source of employment and income for many people, supports poverty reduction, and can contribute significantly to food security. Women, who are major players in this sector, stand to benefit most from any measures aimed at promoting ICBT. Common to all the regional economic communities (RECs) are the challenges related to physical and sexual harassment at borders, personal safety and security, rampant corruption, abuse of power, as well as other activities that border on criminality and promote smuggling and the use of informal border crossing posts. It is also important to note that while provisions in the east and southern African RECs' treaties and legal texts include elements that are relevant from the perspective of facilitating and promoting ICBT, they do not seem to adequately take the sector into account, and thus do not respond to its needs effectively.

Informal cross-border trade is important for the east and southern Africa region; it constitutes a source of employment and income for many people, supports poverty reduction, and can contribute significantly to food security.

What is clear is that where tangible programmes are put in place, this will help ensure that informal cross-border traders are engaged at the policy level in order for governments to better appreciate and understand the extent of the contribution that this sector can make towards sustainable and inclusive development in the region, and across the continent. Lessons can be learnt from the EAC region, where some governments are actively engaging in ICBT issues related to information dissemination and awareness raising, as well as making efforts to implement serious monitoring of trade flows across borders. The EAC states have, for example, institutionalised trade information desks at key borders

to make the STR work. This has enhanced compliance with the formalities of trade and reduced the time taken to cross borders.

In conclusion, it will be critical for east and southern African countries to establish and strengthen data collection and analytical capacities in order to effectively measure informal cross-border trade's contribution to their respective economies and design appropriate policy responses. The region needs to create a policy, regulatory, institutional, and business environment that enhances the role of informal cross-border traders, legitimises their activities (where the trade is found to be beneficial to the economy), and gradually mainstreams them into the formal economy.

It is important to note that ICBT (movement of goods) cannot be separated from the movement of traders. This must be accommodated in agreements and protocols relating to services and the movement of people. Food safety is also still a challenge and there is therefore a need to explore a more appropriate approach to standards compliance (technical regulations and SPS) for small-scale trade which does not compromise human, animal, or plant health. The provision of adequate infrastructure at borders is also critical for harnessing the full potential of ICBT, and efforts currently underway in the area of infrastructure development should thus be commended and enhanced.^③

Lastly, while African countries recognise the important role trade facilitation can play from an economic development perspective, the adoption of trade facilitation measures is usually hampered by political economy issues, as certain categories of stakeholders may feel that their interests are threatened. Therefore, for Africa to achieve its integration aspirations, there is a need to bring all stakeholders on board. Furthermore, it is also crucial to have a broader view of trade facilitation, one that goes beyond freeing trade by unlocking border and transit measures to include hard infrastructure development as well as behind-the-border policies that impact on trade.^④

This article is a shortened version of a [Trade Brief](#) published by TRALAC.

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WEST AFRICA

West African Cross-Border Trade: Trends and Opportunities

Bio Goura Soulé

Cross-border trade is not a new phenomenon in West Africa. What are the major changes that made it evolve over time? And which barriers still hinder its development?

The signature of the agreement establishing the Continental Free Trade Area by forty-four African countries on 21 March 2018 in Kigali has revitalised talks on the issues surrounding cross-border trade in Africa in general, and in regional economic communities in particular. This renewed interest must be linked to one of the commitments made in the declaration adopted by African Union Heads of State in Malabo in 2014 – to triple the value of intra-African commercial trade by 2025. The experience of the Economic Community of West-African States, where the value of intra-community exchange is struggling to pass 12 percent of the region's commercial transactions – despite a trade liberalisation scheme that has been in place since 2003 – suggests, however, that the prevailing optimism should be tempered. Cross-border trade in particular, despite the qualitative changes that it has undergone over the last fifty years, still faces many obstacles that prevent it from fully fulfilling the role it is expected to play as a catalyst for growth and development in the region.

A mutating trend

There is no doubt that cross-border trade has been present in West Africa for centuries. Through the work of historians, the caravan trade can be traced back many centuries when it connected the Sahel and the forest regions through transactions in many products, ranging from cottons to spices, livestock, cola, and salt. These complementary exchanges contributed to a specific structuring of the regional trading area and encouraged the emergence of trans-territory trading networks.

From the fifteenth and sixteenth centuries onwards, European penetration changed trade flows in two ways: (i) a shift of trade towards the international market, with trafficking in slaves and raw materials, and (ii) the emergence of trade leveraging the opportunities created by disparities in economic, monetary, and fiscal policies between countries. There has been a certain intensification of the latter form of transactions since the 1940s with the monetary differentiations resulting from the introduction of the CFA franc in the French colonies and the pound in Great Britain's colonies. Three major sub-areas or commercial networks have emerged around three hubs: Senegambia, dominated by Senegal; the Centre sub-area around Côte d'Ivoire and Ghana; and the Eastern sub-area around Nigeria. This dynamic has significantly contributed to one of the characteristics of West-African cross-border trade: the informalisation of a large proportion of transactions.

Cross-border trade still faces many obstacles that prevent it from fully fulfilling the role it is expected to play as a catalyst for growth and development in the region.

This informality is due in part to the practices of certain individual or company players who have chosen not to be registered, for various reasons, and in part to business practices that are in violation of national and regional regulations. Working informally allows these

players to bypass the obstacles and bottlenecks generated by procedures, simplify border crossings, and reduce waiting and transit delays, which are detrimental to economic activities because they significantly increase costs and subject certain goods to the risk of deterioration.

Furthermore, part of cross-border trade benefits from the active or passive complicity of authorities and is therefore not recorded by national statistics. According to research conducted by the Laboratoire d'analyse régionale et d'expertise sociale, between 60 and 80 percent of petrol sold in Benin is smuggled in from Nigeria. Smuggling also affects cash crops: more than 10 percent of Côte d'Ivoire's cocoa beans are sold in Ghana, where prices are more attractive. Overall, in many West African sub-areas, the extent of cross-border trade is inversely proportional to the level of alignment of national policies. The policy disparities between Nigeria and the franc zone countries (Benin, Niger, Cameroon and Chad) explain the high level of informal exchanges in this sub-area. These exchanges cover an overwhelming majority of tradable commodities.

Untapped potential

According to official statistics, intra-community trade represents less than 12 percent of the region's overall trade value, which corresponds to approximately 4.4 percent of GDP and a per capita transaction value of US\$50 in 2015. Trade in agrifood products represents less than 10 percent of the value of intra-community transactions, despite the region's potential. West Africa produces approximately 65 million metric tons of grains, less than 3 percent of which fuels intraregional trade, in a region that still imports more than 6 million tons of this type of food each year. When it comes to livestock – nearly 200 million head, all species combined – cross-border trade covers less than 5 million head, forcing the region to depend on the international market for nearly 45 percent of its animal protein needs. The situation is even more striking when it comes to tubers and roots, which are still circulating very poorly within the region, due to a lack of sufficient added value, with the exception of a few flagship derivatives (Ivorian attiéké and yam semolina from Ghana and Nigeria).

According to official statistics, intra-community trade represents less than 12 percent of the region's overall trade value, which corresponds to approximately 4.4 percent of GDP and a per capita transaction value of U \$50 in 2015.

Many barriers hinder the development of cross-border trade

Beyond the traditional issues that are often cited as barriers to the development of cross-border trade (disparities in economic, fiscal and monetary policies, cumbersome and complex procedures), the region seems to be suffering from two other trends that also hinder the development of its intra-community trade.

The first one is the fact that the region is too open to the international market. West Africa seems to be one of the regions in the world where local production protection rates are lowest, despite the creation of a fifth tariff band setting customs duty at 35 percent for 130 agrifood products in the Common External Tariff (CET). This situation leads to a peculiar trend: the recurrence of re-export trade. This is a quasi-official smuggling operation in which a country imports products in excess of its domestic needs under a domestic consumption system and then takes advantage of policy disparities to export them to a neighbouring market. Benin, whose national requirements are estimated at 400,000 metric tons of rice, imports on average 900,000 metric tons per year and re-exports more than 500,000 metric tons of smuggled rice to Nigeria. The non-enforcement

of the principle of free practice within the customs union further promotes these informal forms of transactions.

The second trend is the low added value of domestic products, which circulate in the form of raw or semi-processed products, that are rarely fully regulated and standardised. This situation creates a significant gap between regional demand that is increasingly focused on this product category and regional supply. This has led to entire market segments being supplied by imports from the international market. These supplies mainly concern low-end, recycled and, increasingly, counterfeit products. In addition to endangering the health of the local population, this situation represents a serious barrier to regional trade, economic growth, and development in the region.

These trends must be considered in the context of the ambitions of the African Continental Free Trade Area, which aims to increase intra-African trade. Indeed, if radical reforms are not carried out in these countries, the African market could become easy prey for multinationals and counterfeit traders, who have the capacity to flood it with products of all kinds.

Possibilities for West African cross-border trade

Despite the challenges mentioned, the prospects for West-African cross-border trade are promising given the potential of the region, which doubles its population almost every twenty years, in addition to having a population that is still very young, is becoming increasingly urbanised, and whose consumption habits are changing. However, the use of this enormous asset relies on the implementation of aggressive policies to promote regional value chains and the implementation of incentivising reforms. The revision of the Common External Tariff, for which regional players and countries such as Nigeria are calling for the introduction of safeguard measures, will be a clear gauge of how much political authorities are aware of the real issues relating to the promotion of cross-border trade as a catalyst for economic development, job creation, and poverty reduction. The question remains whether these developments could be an effective response to the trend of informal trade, which seems to draw its strength from incomplete reforms, corruption, and weak statistical systems.



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Publications and Resources



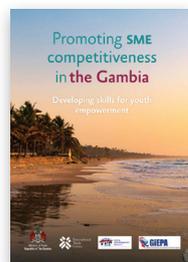
The Rising Potential of e-Commerce for Trade and Development in Africa – TRALAC – May 2018

This paper examines the role of electronic commerce (e-commerce) and related Information and Communication Technology services (ICTs) in the furthering of trade and development in Africa. It begins with a discussion of how ICTs can drive development through creating new, accessible models of trade. The analysis then examines readiness for business-to-consumer and business-to-business electronic trade, as well as indicators of overall Internet penetration, technology adoption, postal reliability and credit card uptake across the continent. <https://bit.ly/2skPjgt>



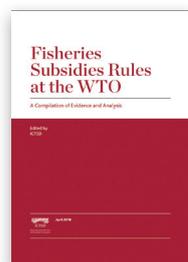
Key Statistics and Trends in Economic Integration: ACP Region – UNCTAD – May 2018

This report provides an in-depth analysis of ACP States' trade performance and related key issues. The first part briefly summarises the history of the ACP group and presents an overview of ACP economies in the world economy and some challenges that member States face. The second part provides illustrative statistics on ACP countries' trade in goods and services during the last decade, including various indicators of trade structure, services trade and investment flows, trade facilitation, tariffs and non-tariff measures as well as international competitiveness. <https://bit.ly/2kANFD1>



Promoting SME competitiveness in the Gambia – ITC – May 2018

This survey, conducted by ITC in collaboration with the Gambia Investment and Export Promotion Agency (GIEPA), examines youth recruitment and the occupational skills gap in the Gambia. Results reveal that young entrepreneurs fare well in information and communications technology and intellectual property. They lack basic assistance in areas such as international certification and access to finance. In addition, stronger links between the private sector and educational institutions can help to reduce the skills gap. <https://bit.ly/2L4Yfh6>



Fisheries Subsidies Rules at the WTO: A Compilation of Evidence and Analysis – ICTSD – April 2018

At the WTO's Eleventh Ministerial Conference in December 2017, ministers adopted a Decision on Fisheries Subsidies directing negotiators to continue talks with a view to adopting an agreement by 2019, the year of the next ministerial conference. The ministerial decision also specifically re-commits WTO members to implementing their existing notification obligations in order to strengthen transparency of the subsidies provided to fishing. The papers in this compilation aim to respond to some of the technical and legal questions the negotiations have brought up. <https://bit.ly/2K3C8Yv>



Promoting Capability Enhancing Development – ICTSD – March 2018

The WTO's Eleventh Ministerial Conference did not deliver on special and differential treatment (S&DT). Partly, this is because the debate on S&DT and policy space rests on different views on the optimal nature and scope of trade policies, and on the role of governments in promoting structural transformation. The discussions presented in this policy brief bring to light the need to acknowledge the rising call from a number of lower income developing countries to consider ways in which multilateral trade rules can best support the design of trade and trade-related policies enabling of economic transformation. <http://bit.ly/2FQEniR>

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