



**10TH MEETING OF THE SADC SUB-COMMITTEE ON TRADE FACILITATION
14 - 15 JUNE, 2012; GABORONE, BOTSWANA**

RECORD

1. OPENING AND WELCOME

The meeting was chaired by Dr. Ramos Kibeta of the Department of Trade and Tariffs in Angola's National Directorate of Customs. A representative of the host country, Botswana, Mr. Martin Ntongana from the Ministry of Trade and Industry extended a warm welcome to the delegates and wished them fruitful deliberations.

2. ADOPTION OF THE DRAFT AGENDA

The Sub-Committee adopted the following agenda for the meeting:

1. Opening and Welcome
2. Adoption of the Draft Agenda
3. Status of Resolution of Reported NTBs & Progress Report on the Implementation of the Online System
 - 3.1 Status of Resolution of Reported NTBs
 - 3.2 Establishment of National Monitoring Committees (NMCs) and Capacity Building Programme for the NMCs
 - 3.3 Outcome of the 2012 Audit Report on NTBs
 - 3.4 Introduction to the Proposed Mobile-to-Email Feature of the System
4. Update on Implementation of Customs & Trade Facilitation Instruments and Draft Regional Framework of Standards on Trade Facilitation
 - 4.1 Adoption and Implementation of Electronic SADC Certificate of Origin
 - 4.2 Harmonised System 2012
 - 4.3 Customs Audit on the Usage of SADC Customs and International Instruments
 - 4.4 Regional Framework of Standards on Trade Facilitation
5. Outcome of the 3rd Meeting of Tripartite NTBs Focal Points (April 2012) and Agreed Work Programme
6. Any other business
7. Date and venue of the next meeting

3. STATUS OF RESOLUTION OF REPORTED NTBs & PROGRESS REPORT ON THE IMPLEMENTATION OF THE ONLINE SYSTEM

3.1 Status of Resolution of Reported NTBs

3.1.1 The SCTF recalled that at the time of its 9th meeting held in June 2011 in Gaborone, a total of 273 NTB complaints were reported on SADC Member States, of which 186 (68.1%) were already resolved, 83 (30.4%) were pending resolution and 4 (1.5%) were classified as non-actionable. The meeting noted that as of May 2012 thirty-one (31) new ones have been reported since then to give a total of 114 reported NTBs in the online system between June 2011 and May 2012.

3.1.2 The SCTF noted that out of the 114 NTBs, 50 (43.9%) are still to be resolved. The SCTF also noted that in 2010 and 2011, slightly over 50% of the NTBs were resolved each year. The SCTF may therefore consider setting targets for NTBs to be resolved during a year.

3.1.3 The SCTF noted the table 1 below, which compares performance made with respect to resolution of NTBs since of the online system started in 2009.

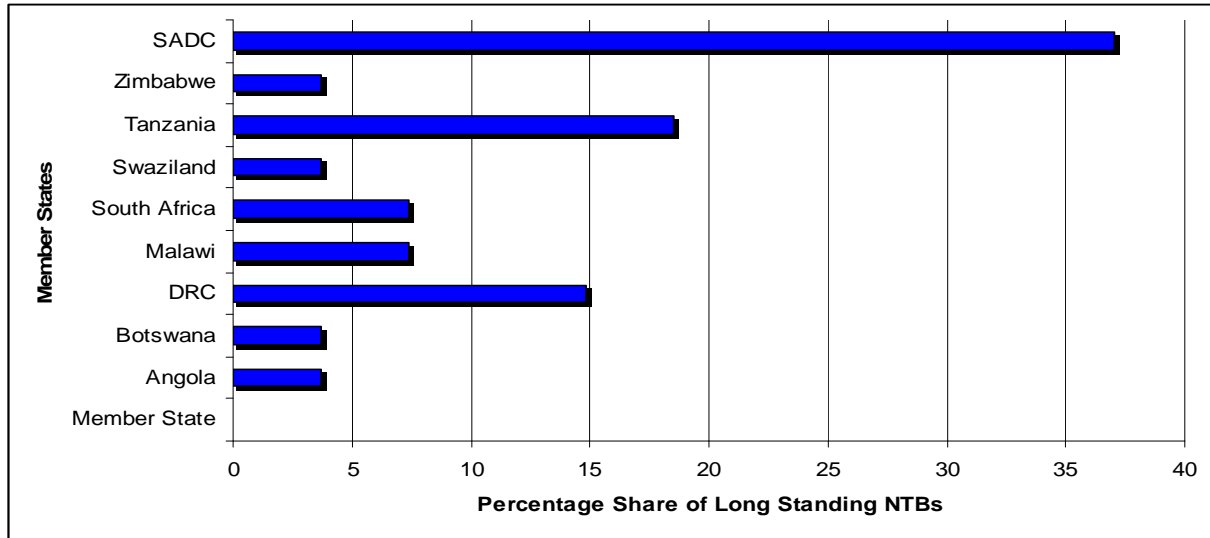
Table 1 – Number of NTBs Reported and Resolved Between 2007 and 2012

Year	No of NTBs Reported	NTBs Pending from Previous Year	NTBs to be Resolved During the Year	Resolved	Rate of resolution (%)
2007	11		11	0	0
2008		11	11	0	0
2009	225	11	236	2	0.85
2010	41	234	275	141	51.27
2011	45	134	179	97	54.19
2012	18	82	100	33	33.00
Total	340			273	
Average Annual Rate					35.44
Total Resolved NTBs as a Percentage of Total Reported NTBs					80.29

- Average Annual Rate is based on 2009-2011 data only.
- The rate of resolution is the number of resolved NTBs as a fraction (percentage) of NTBs to be resolved during a given year.

Long Standing NTBs

3.1.4 The meeting also noted that 27 (32.5%) of the 83 NTBs that were pending at the time of the 9th SCTF meeting are still pending. Angola, Botswana, Swaziland and Zimbabwe have one reported NTB each in that list. Malawi and South Africa have 2 each; DRC 4; and Tanzania 5. Those that are considered to be of a regional nature are 10. These are shown in the graph below.



3.1.5 The SCTF noted that of these 27 long standing NTBs, three are in Category 1; seven in Category 2; three in Category 4, eight in Category 7 and six in Category 8.

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
Category 1: Government Participation in Trade & Restrictive Practices Tolerated by Governments					
1	1.14. Lack of coordination between gvt institutions	Permits are issued by different authorities in different cities. Agricultural import permits are issued by NAMBOARD in Manzini; dairy products imports are issued by Dairy Board in Manzini; & other miscellaneous goods import permits issued by Ministry of Finance in Mbabane	Swaziland	Uganda	Swaziland was not present in meeting but noted that it had been reported that internal consultations were ongoing to explore the possibility of issuing permits from on location
2	1.2. Gvt monopoly in export / import	Botswana has single channel marketing for meat	Botswana	South Africa	It was reported that debate was still going on in Parliament on whether private participation should be allowed in Botswana's meat export market.
3	1.6. Domestic assistance program for companies	Industrial Development Corporation (IDC) in South Africa grants concessional credit facilities to productive investments	South Africa		It was noted that this was an internally reported complaint originating from the 2007 NTB survey & should be removed from the system
Category 2: Customs and Administrative Entry Procedures					
4	2.10. Inadequate or unreasonable customs procedures &	The SADC region has different border operating times and this inhibits intra regional trade	SADC	Botswana	It was noted that three borders; Kazungula between Botswana & Zimbabwe, Songwe / Kasimulu between

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
	charges				Malawi & Tanzania, Tunduna / Nakonde between Zambia and Tanzania still have different operating hours. The Member States concerned are expected to consult & report on progress being made in aligning the operating hours after the meeting.
5	2.4. Import licensing	Restrictions on agricultural goods. Some officials at the border posts are not fully aware of the implications and objectives of requiring permits for agriculture. Thus some consignments are allowed to be imported without import permits. Issuing of permits is centralized to Ministry of Agriculture Head Office, in Harare which is costly and inconvenient for those living out of Harare	Zimbabwe	Zimbabwe	Zimbabwe reported that it was working towards decentralization of issuance of permits. The process was already ongoing and some towns had already been given authority to issue permits.
6	2.7. International taxes & charges levied on imports & other tariff measures	Malawian Government charge 25% excise duty on imports of edible oils	Malawi	Kenya	It was reported that a report would be submitted after the 10 th SCTF meeting.
7	2.8. Lengthy & costly customs clearance procedures	Cumbersome and bureaucratic delays encountered in the processing of documentation and clearing of goods at the border posts.	Malawi	Malawi	It was reported that a report would be submitted after the 10 th meeting.
8	2.8. Lengthy & costly customs clearance procedures	DRC customs, cause problems on road transport through delaying trucks to depart on time to Lubumbashi	DRC	Namibia	It was reported that a report on progress made would be submitted to the Secretariat after the meeting.
9	2.8. Lengthy & costly customs clearance procedures	Lack of a SADC simplified trading regime (STR) hampers small traders from doing business with their SADC counterparts	SADC	Zimbabwe	It was also recalled that the matter had already been presented to TNF during its April 2010 meeting with a view to facilitating participation of small traders in the SADC FTA. During that meeting it was agreed that Member States were going to consult and that the document submitted then

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
					required further input. The SCTF further noted that a study was going to be undertaken to develop a draft STR.
10	2.8. Lengthy & costly customs clearance procedures	The process of obtaining DRC Ogeframe certificate delays cargo at the port and increases costs. Procedure is too long as it involves exporter paying fees at Tanzania Revenue Authority in Dar es Salaam Office and then take the document for endorsement by DRC. This is applicable only to transit goods to DRC	DRC	Tanzania	A report would be submitted to the Secretariat after the meeting
Category 4: Sanitary & Phyto-Sanitary (SPS) Measures					
11	4.1.Issues related to sanitary & phyto-sanitary measures	Cumbersome procedures for, SPS certificates and the permits. The Ministry utilises its own laboratories in Dar es Salaam with support from Tropical Pesticide Research Institute in Arusha which takes even more time	Tanzania	Tanzania	It was reported that the matter had been resolved and that a letter with details on the resolution will be submitted to the Secretariat after the meeting
12	4.1.Issues related to sanitary & phyto-sanitary measures	Ministry of Agriculture in Angola has implemented decree Nr 02/08. Decree requires the inspector to be present at the time of offloading, and to draw samples per load, line item and batch. As there are on average over 100 lines per container and more than one batch per line, this can result in as many as 300 samples being drawn per container. The remaining items will need to be placed in quarantine until testing is finalized and release given. Given that on average 3 containers arrive in Luanda daily; more than 900 items from Shoprite alone will create a problem for the Lab. Their turn around time of 3 days will be impossible to maintain. Many of the products are also time sensitive, which means that by the time final release is given, there may be very little	Angola	South Africa	Angola undertook to follow up with the relevant authority after the meeting

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
		shelf life left, if at all. Then there is also the cost to consider. Sampling and testing is part and parcel of the business but taken to the extreme as is the case here, it becomes a very costly and ultimately damaging exercise both to the Business and the end consumer (reduced shelf life, less choice)			
13	4.1. Issues related to sanitary & phyto-sanitary measures	<p>The Zambian honey sector has come against repeated resistance from the South African authorities to allow organic honey to enter the South Africa market without the unnecessary requirement of irradiation. Therefore, our traders are requesting the South African government for an exemption from the irradiation requirements for the importation of honey from Zambia as set out by the National Department of Agriculture (RSA).</p> <p>An analysis undertaken by the National Department of Agriculture (NDA) of South Africa collected honey samples from across Zambia during a national disease survey funded by the World Bank in conjunction with the Department of Agriculture of Zambia. The findings of this analysis by the NDA reveal that there is no American Foulbrood Disease in Zambia.</p>	South Africa	Zambia	<p>Zambia confirmed receipt of the questionnaire from South Africa, and undertook to fill it in and return it to South Africa within two weeks</p> <p>South Africa undertook to consult with its National Department of Agriculture on the current status obtaining and revert to Zambia within two weeks</p>
Category 7: Other (Procedural Problems)					
14	7.4. Costly procedures	A number of non-tariff fees are levied on agricultural and manufactured products. Examples are: inspection fees, Warehousing fees; Air Cargo levy; Agricultural Cess, Livestock Marketing Cess, landing and parking fees, seaman's levy and farm support fees.	Tanzania	Tanzania	Tanzania reported that it imposes taxes on raw products such as cashew nuts to discourage exportation of unprocessed products. It was also reported that details regarding other products would be reported on after the meeting.

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15	7.4. Costly procedures	Turnaround time for trucking into DRC is unnecessarily extended and unpredictable causing additional costs of trucking.	DRC	Namibia	It was reported that a report would be submitted after the meeting
16	7.6. Lack of information on procedures (or changes thereof)	Cross border traders and exporters in general are not aware of the SADC FTA particularly the tariff reduction schedules.	SADC	Zimbabwe	It was noted that tariff data is available on the SADC website and that Member States have the responsibility to undertake sensitisation in their respective territories
17	7.7. Complex variety of documentation required	Differing paperwork and processes for COMESA and SADC causes confusion	SADC	Madagascar	This was a reflection of overlapping membership in different regional arrangements. The Tripartite had an ongoing programme to harmonise procedures
18	7.9. Inadequate trade related infrastructure	Weighing equipment in some stations is sometimes faulty, meaning that even when a truck has a proper seal, weight readings at different stations vary. Also, there are numerous stations along the major highways, which do not respect seals even when it is clear that such seals have not been tempered with. The most notorious stations are along Moshi and Kibaha on Nairobi-Dar-es-salaam highway.	Tanzania	Tanzania	Tanzania explained that problem arises due to packaging and loading of containers at the port. If containers are not properly packed, goods move while on transit and affect weigh on an axle. Distribution of weight on an axle may be correct at point of departure, but after some distance, it may change as cargo moves. Since weighing is on axles not cargo, different numbers may be recorded at a weigh bridge. It was reported that sensitization was already being undertaken to alert traders to reduce the possibility of movement of goods inside containers while in transit by packing properly.
19	7.9. Inadequate trade related infrastructure	Some businesses complained that SADC ports are unable to handle containers that exceed 6 metres (20 ft), which limits exporters in implementing the most cost-effective way of transporting their products	SADC	Seychelles	It was noted that the Secretariat was yet to identify the ports as the complaint is general
20	7.9. Inadequate trade related infrastructure	A truck legally loaded in Namibia may not be legally loaded in another SADC	SADC	Namibia	It was noted that the matter was being addressed under Transport (Infrastructure and

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
		country due to lack of uniform loads and Gross Vehicle Mass (GVM) standards in SADC. There is need to standardize the axle loads			Services Cluster)
21	7.9. Inadequate trade related infrastructure	Weigh Bridges permanent and Temporary ones.... they do not respect the papers that state the weight carried so they force the drivers to weigh another challenge is that, there is no uniformity in the weights that the various weigh bridges present.	Tanzania	Tanzania	To be read with no 18.
Category 8: Transport, Clearing and Forwarding					
22	8.7.Costly Road user charges /fees	Toll fees variation within the region hampers smooth transit of goods. Toll fees should be rationalised.	SADC	Zimbabwe	It was noted that the fees are for services rendered. The CMT decision of Nov. 2011 was noted that levies charged should only be for services rendered and limited to cost recovery
23	8.7.Costly Road user charges /fees	Dar es Salaam port charges are considered high although it is one of the best ports in the region. Registration and accreditation of transporters is high, In addition to the charges and logistics, transit bonds are bureaucratic and are treated differently in other SADC countries.	Tanzania	Tanzania	Tanzania noted that item was outdated & also that 'charges' had to be unpacked to enable comparison of all types of charges imposed at the port. It was noted that Dar es Salaam Port has special dispensations for transit cargo, which are not offered to cargo destined to Tanzania. According to a study by Tanzania, the Dar es Salaam port is the cheapest in the Region
24	8.7.Costly Road user charges / fees	Bond registration fees are generally high in all SADC countries	SADC	Namibia	It was noted that the issue of bonds is normally managed by private sector, mostly banks. It was also noted that within the Customs work programme, there is work to facilitate single transit bond, the result of which should be ready by March 2013
25	8.7.Costly Road user charges / fees	Lack of efficient rail links along important corridors are the most important contributors hampering trade significantly.	SADC	Namibia	The CMT Decision (Nov. 2011): In light of provisions of Article 15, it was agreed that charges should only be

No	NTB Type	Complaint	Imposing Country	Reporting Country	Comments During the Meeting
		Road transport is expensive and existing rail unreliable and expensive			for services rendered; and limited to cost recovery. However, it was also noted that work was on-going under the Infrastructure & Services cluster to harmonise charges
26	8.7.Costly Road user charges /fees	Bond registration fees are excessively high in all SADC countries. Especially when cargo transits in two countries the bond registration fees become a constraint.	SADC	Namibia	It was noted that the issue of bonds is normally managed by private sector, mostly banks. It was also noted that within the Customs work programme, there is work to facilitate single transit bond, the result of which should be ready by March 2013
27	8.7.Costly Road user Charges /fees	DRC is charging exorbitant fees which are not in line with SADC and COMESA harmonized fees.From 01/02/10 DRC did not reduce their tolls they instead greatly increases them. Road tolls in DRC are about 15 (1500 %) times greater than the SADC recommended. Today a foreign transporter entering DRC at Kasumbalesa going to Tenke Fungurume mine (300 kms each way) is subject to the following tolls and fees (distance of 300 kms into DRC and 300 kms out of DRC): Road toll Kasumbalesa/ Lubumbashi return \$ 300; Road tolls Lubumbashi/ Likasi return \$300; Road tolls Likasi/Tenke return \$150 ; Government tax \$50; Fumigation Fees \$50; Card entry \$15; Tourism/ Vaccination fees \$ 35 ; Visa for truck \$25 ; Break bulk fees \$20. Total cost to the transporter in Fees and Tolls is \$945. That works out at \$157.5 per 100 kms. The SADC agreed is \$ 10 per 100 kms.	DRC	Namibia	The relevant authorities in the DRC would provide a response. It was also noted that SADC's ongoing work to harmonise road & port user charges would address such issues

3.1.6 Botswana, South Africa, Tanzania and Zimbabwe submitted their reports as noted in the above matrix, whilst Angola, DRC, and Malawi were not in a position to

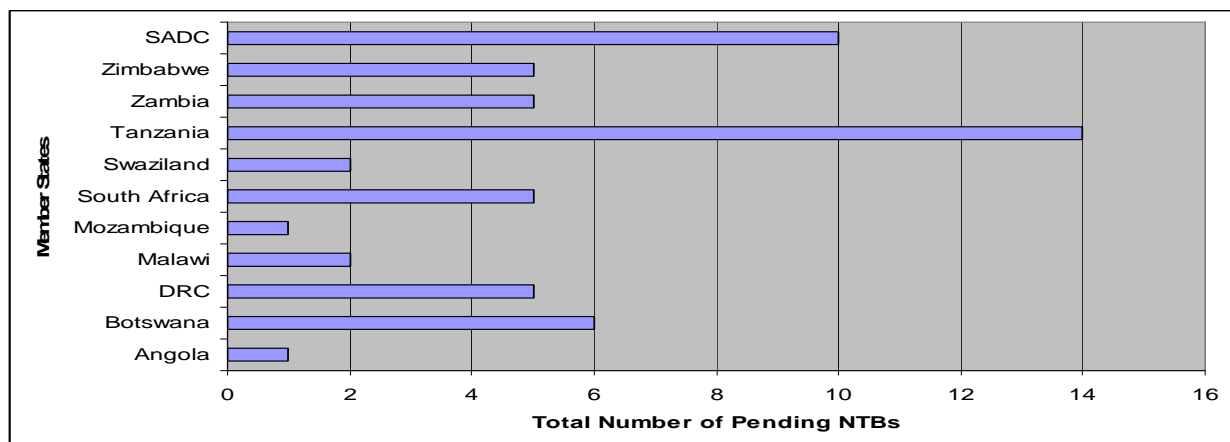
report on the identified NTBs during the meeting and undertook to provide the reports after the meeting. Swaziland was not present to make a report. The reports on the NTB mechanism are going to be updated on the basis of the above submissions made by Member States during the meeting.

New NTBs Reported since the 9th SCTF Meeting

3.1.7 The SCTF noted that 45 NTBs have been reported since the 9th SCTF meeting and that 16 of them have been resolved and 29 are still pending. Of those still pending, 11 (constituting 39%) comprise category 2 (Customs and Administrative Procedures), whilst an almost similar percentage are in category 8 (Transport and Freight). Tanzania with 9 reported new NTBs has the highest number followed by Botswana and Zambia with 5 each; Zimbabwe, 4; South Africa, 3; and 1 each for DRC, Mozambique and Swaziland.

3.1.8 The SCTF noted that there are in total 56 NTBs pending resolution. The meeting also noted that there are some Member States which do not have any pending NTBs. Tanzania has the highest number of 14; followed by Botswana with 6. DRC, South Africa, Zambia and Zimbabwe have 5 each.

Total Number of Pending NTBs per Member State (as at 22nd May 2012)



3.1.12 The meeting noted the matrix on pending NTBs appended as document **SADC/SCTF/10/2012/3.2.**

3.1.9 It was recalled that the 20th meeting of CMT held on 12th July 2008, in Lusaka, Zambia approved that work on NTBs in the SCTF be reported through the TNF in order to facilitate negotiations/ consultations on the elimination of NTBs. SCTF also considered submitting all long standing NTBs to TNF for negotiations.

3.1.10 The meeting noted that some delegations were not in a position to address the NTBs reported on their respective countries, which was creating the challenge of hampering progress towards resolution of NTBs. The importance of national consultations was underscored. It was also emphasized that to enable the consultations, agendas in French and Portuguese should be sent in advance.

Recommendation

3.1.11 The SCTF agreed to make the following recommendation:

- (i) that in view of slow progress in resolution of reported NTBs, the SCTF:
 - a. requested Member States to resolve NTBs, in particular long-standing ones and to develop national programmes for elimination of NTBs; and
 - b. agreed to submit to TNF for negotiation all NTBs that have been reported and remain unresolved for a period of one year and above.
- (ii) that NTBs which are reported internally, and which do not affect regional trade be removed from the system. Upon receipt of such a complaint, the system administrator should bring it to the attention of the respective focal point.
- (iii) that the Secretariat should make consistent follow up with focal points to facilitate resolution of NTBs.
- (iv) Member States should consult adequately and constitute their delegations appropriately for SCTF meetings to enable engagement and resolution of reported NTBs, and that the Secretariat facilitate the process by circulating the reports in all the SADC official languages.

3.2 Establishment of National Monitoring Committees (NMCs) and Capacity Building Programme for the NMCs

3.2.1 The SCTF recalled that during its 9th meeting held in June 2011, it noted that eleven Member States had reported that they had established National Monitoring Committees (NMCs) or mandated already existing national structures to also deal with elimination of NTBs. Angola reported that the status of establishment of its NMC would be reported by the National Contact Point. It was also noted that Lesotho was yet to establish an NMC.

3.2.2 The 9th meeting also noted that the Sub Committee on Customs Cooperation (SCCC), during its meeting of 25 – 26 July 2011 noted that over 40% NTBs are customs related and agreed therefore that they would avail their officers to participate in the respective NMCs to facilitate speedy resolution of NTBs.

3.2.3 The meeting noted that DRC and Lesotho have reported to have established NMCs. Angola has already benefited from a sensitization workshop for prospective members of its NMC although it is still to confirm establishment of such a structure.

3.2.4 The SCTF noted that the Secretariat in partnership with TradeMark Southern Africa (TMSA) and USAID Southern African Trade Hub (SATH) have facilitated sensitization workshops and consultative *fora* in Angola, Botswana, Lesotho, Mozambique, and Swaziland since the 9th SCTF meeting.

- 3.2.5 The meeting recalled that the sensitization workshops were being implemented with a view to enabling those who attend to train other thereafter. In that regard, Member States that have hosted the sensitization workshops were invited to report on how they have benefitted and on the programmes they have developed to sustain the use of the mechanism and the functioning of the NMCs.
- 3.2.6 The Member States that have not made requests namely DRC, Mauritius, Namibia, Seychelles, Tanzania, and Zambia were invited to report on their respective capacity building programmes and provide an update on the functioning of their NMCs. They are also encouraged to submit their requests to the Secretariat to facilitate planning for the workshops.
- 3.2.7 Mauritius reported that it was already in contact with TMSA regarding organizing a consultative and sensitization forum to be convened jointly with Seychelles. Seychelles reported that it has a functioning NMC which meets on an ad hoc basis as need arises due to the small number of reported NTBs.
- 3.2.8 Tanzania reported that the Southern Africa Trade Hub had helped with capacity building for its NMC. Botswana reported that it has established its NMC and has been undertaking sensitization throughout the country.
- 3.2.9 With regard to identification of focal points and establishment of an NMC which are pending following the consultative *fora* and trainings undertaken in November/December 2011, Angola reported that it would provide feedback after undertaking the necessary consultations.

3.3 Outcome of the 2012 Audit Report on NTBs

- 3.3.1 The meeting noted that the 2012 Audit of the implementation of the Protocol on Trade also followed up on the following:
- (i) long standing NTBs as identified by the Secretariat, and compiled a status matrix of each country; and
 - (ii) the establishment of national structures for addressing NTBs and assessed their effectiveness.
- 3.3.2 Dr. Kathleen Montgomery from the South African Trade Hub (SATH) made a presentation on the outcome of the 2012 Audit covering NTBs. The presentation noted that the Audit covered reportedly resolved NTBs which required documentary evidence, consultations on pending NTBs in particular long standing ones and included consultations with private sector regarding NTBs encountered when doing business in the region.
- 3.3.3 The presentation underscored that NTBs were expensive in terms of direct costs and delays to doing business. It was also noted that according to some studies NTBs in the SADC region constitute an average of 40% tariff equivalent and that they have negative implications on food security as they limit accessibility to food imports. It was noted that most NTBs affect movement of agricultural goods. It

was emphasized that most of the NTBs were not measurable and that there was therefore need to develop verifiable standards in order to address subjective complaints such as those relating to cumbersome or lengthy procedures. The need for continued awareness creation to increase utilisation of the NTB online system was emphasised.

3.3.4 The SCTF noted the presentation which will also be part of the submission to made to the (15 – 17 June 2012) meeting of the TNF.

3.4 Introduction of the Proposed Mobile-to-Email Feature of the NTBs Reporting, Elimination and Monitoring System

3.4.1 The SCTF noted that in order to facilitate accessibility to the reporting facility of the online mechanism use of a short messaging system (SMS) or text messaging is being introduced as an alternative facility to enable stakeholders to report NTBs encountered in situations where they do not have access to other reporting tools, such as telephone, fax, or internet. It is envisaged that the SMS facility is mostly going to benefit small scale traders and the transport sector, specifically, drivers who ply the long regional routes and are confronted with situations that are barriers to smooth movement of goods and traffic.

3.4.2 Users will be able to send SMS / text messages to a central line in a designated coordinating country. This facility will be managed by a system administrator who may be an independent administrator and will be linked to the online NTB reporting system. The SMS System Administrator will process and verify all SMS complaints in liaison with Focal Points. Genuine complaints will be posted into the online system and forwarded to Focal Points for follow up and action.

3.4.3 The SCFT noted that details on how the system will operate were presented to the 3rd meeting of Tripartite NTB Focal Points, which made recommendations for improvements and that the system be implemented immediately thereafter. The SCTF also noted that the Focal Points will be notified as soon as the system is ready for implementation.

4. UPDATE ON IMPLEMENTATION OF CUSTOMS & TRADE FACILITATION INSTRUMENTS

4.1 Adoption and Implementation of Electronic SADC Certificate of Origin

4.1.1 SCTF recalled that at its 8th meeting, held in April 2010 was informed that as from 1st April 2010, Mauritius it had introduced an electronic certificate of origin. The e-certificate of origin is an operational instrument which consists of processing the certificate of origin electronically. During the meeting other Member States were requested to consider adopting the instrument. The 20th SCCC meeting held in June 2010, requested the Customs Administrations to approach the Secretariat to facilitate implementation. Following this, the Secretariat organised sensitization workshops for Botswana, Malawi, Namibia, Swaziland and Zambia. Requests for such workshops have also been received from Angola and Mozambique. The

Secretariat is now considering a further step of a pilot run of the e-certificate of origin.

Recommendation

- 4.1.2 SCTF encouraged Member States to adopt and implement electronic certification of origin.

4.2 Harmonised System 2012

4.2.1 The SCTF noted that Article 3 of Annex II of the Protocol on Trade, provides for Member States to harmonize customs tariff nomenclatures so that they conform to the Harmonised System (HS) established by the International Convention on the Harmonized Commodity Description and Coding System of the World Customs Organization (WCO). The HS is an important instrument used for, amongst others, the classification of goods, levying of customs duties, capturing accurate data for the purposes of statistics and international trade. It is reviewed every 5 years to cater for the dynamism of international trade and scientific development. The WCO has launched the new HS 2012. The latest updated version is HS 2012 which entered into force on 1st January 2012.

4.2.2 A number of the Member States are using HS 2007. It is therefore appropriate for all Members to migrate to HS 2012 in order to harmonise the tariff classification system used in SADC. In order to prepare Member States for this, the Secretariat organised a Tariff training workshop for all Customs Administrations which was held in Harare, Zimbabwe in September 2011.

Recommendation

- 4.2.3 The SCTF recommended that the CMT adopts use of HS 2012 and request all SADC Member States to use the system.

4.3 Customs Audit on the Usage of SADC Customs and International Instruments

4.3.1 SCTF noted that the 2011 Customs Audit to establish the extent of usage of SADC and international instruments by SADC Customs Administrations identified areas of convergence and those which still require harmonization in the region. In follow up to the findings, the Secretariat has developed an action plan in order to enhance application of SADC and international instruments so as to improve trade facilitation in the Region. The Secretariat has drawn up the following priorities from the report for the attention of SCCC:

- (i) Incorporation of SADC instruments into national legislation to facilitate implementation;
- (ii) Facilitating accession to and Implementation of international Instruments;
- (iii) Facilitating the extension of operating hours at major border posts;

- (iv) The hours of operations at most border posts require extension in order to reduce border delays and congestion;
- (v) Facilitating implementation of Cooperation in Customs Enforcement;
- (vi) Improved cooperation in enforcement and sharing of information will ensure proper implementation of the Protocol on Trade and reduce fraudulent claims of preferential rates of duty on non-qualifying goods. Fraudulent claims have a bearing on revenues;
- (vii) Facilitating implementation of a Capacity Building programme. There is need for capacity building in key areas such as rules of origin i.e. interpretation and application, tariff classification, post clearance audit and risk management in order to reduce congestion at the borders.

4.3.2 The SCTF noted document **(SADC/SCTF/10/2012/4.3)** on the findings of the Audit outlining the follow up activities to be undertaken and that the meeting of the SCCC held on 11 – 13 June 2012 made the following conclusions on the issues raised by the Audit:

- Noted that the issue of multiple memberships to RECs has an adverse impact on the implementation of SADC instruments by Customs Administrations.
- Urged those Customs Administrations which have not yet acceded to the Revised Kyoto Convention to start the process of accession and those that are party to the Revised Kyoto Convention to implement its provisions.
- Resolved that Customs Administrations consult with each other and relevant stakeholders to review the hours of operation of the border posts, with the objective of meeting the requirements by trade and also noted that the extension of border operating hours will require the support of additional resources and structures
- Noted the need to correlate the business hours and the competence of border posts in SADC. Some of the border posts identified were those bordering Tanzania with Malawi and Zambia where there are differences in time zones.

4.3.4 SCTF is invited to note that the objectives of The International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention), amongst others are to harmonize and simplify customs procedures; make Customs procedures predictable, consistent and transparent and be an instrument for trade facilitation. The Revised Kyoto Convention (RKC) presents a blueprint for modern and efficient Customs procedures to facilitate legitimate trade while not compromising the Customs control function. Accession to and implementation of the RKC will go a long way towards trade facilitation within SADC and in harmonizing and simplifying Customs procedures.

Recommendation

- 4.3.5 SCTF recommended that CMT adopts the Revised Kyoto Convention as a basis to simplify and harmonize Customs Procedures in SADC, and request all Member States to accede to it.

4.4 Regional Framework of Standards on Trade Facilitation

- 4.4.1 The SCTF recalled that during its 9th meeting held in July 2011 in Gaborone it was noted that the 2011 Audit on implementation of the FTA included an assessment of utilisation of the online reporting mechanism and implementation at national level in the Member States that were covered. The Audit also looked at some supposedly resolved NTBs for which supporting documentary evidence was pending.
- 4.4.2 It was also noted that the Audit observed that there was little or no documentation to support the resolution of issues and that in many cases, it would not be possible to provide documentation given the nature of the complaints which are often subjective or too vague to address directly. The SCTF further noted that most of the complaints are subjective as there no standards or benchmarks, which make some of the complaints difficult to address. The Audit report recommended exploring the possibility of setting and defining standards and parameters to address issues of subjective NTBs.
- 4.4.3 The meeting noted the importance of standards to measure subjective complaints and the need for harmonisation of charges, quality and product standards in the region. The meeting also noted the need to enhance transparency by submission of notifications for posting on the NTBs website to enable traders to know what to expect when they move goods across borders.
- 4.4.4 The SCTF recalled that following its 9th meeting the Senior Officials met on 1st August 2011. During their meeting, the Senior Officials noting that most NTBs are in the area of trade facilitation, recommended that SADC should develop and adopt a regional framework of standards on trade facilitation measures. Such a framework should be based on international best practice measures and should seek to:
- (i) Establish targets/benchmarks to be attained by Member States in ensuring effective trade facilitation; and
 - (ii) Develop a set of intervention measures for implementation of the framework.
- 4.4.5 The CMT during its November 2011 meeting requested the Secretariat to initiate or consolidate work aimed at facilitating the development of a regional framework of standards on trade facilitation measures; and regularly synthesise reports of NTBs contained in the NTB Reporting, Monitoring and Elimination mechanism and submit regular reports on NTBs prevalent across the region with a view to assessing progress made towards their elimination.

4.4.6 The SCTF noted that the 22nd meeting of the SCCC held on 11 – 13 June 2012 discussed Customs related NTBs and agreed on the following:

- (i) Undertook to engage with each other at bilateral level in order to speedily resolve Customs related NTBs affecting common border crossings.
- (ii) That Customs should participate in the activities of the NMCs in view of the fact that customs related NTBs are still prevalent.
- (iii) Recommended that Customs Administrations should accede to the Revised Kyoto Convention and implementation of the Safe Framework of Standards which provide for specific standards such as the Customs to Business Partnership, Customs to Customs Partnership, Authorized Economic Operator.
- (iv) That Customs Administrations should implement trade facilitation instruments which allow for the seamless flow of goods such as the Coordinated Border Management and the Single Window Concept

5. Outcome of the 3rd Meeting of Tripartite NTBs Focal Points (April 2012) and Agreed Work Programme

5.1 The SCTF considered the report of the 3rd Meeting of Tripartite NTBs Focal Points/NMCs attached as document **SADC/SCTF/10/2012/5**. The meeting received reports on capacity building activities for national monitoring committees (NMCs) and improvements made to the online mechanism including new features. Country reports on operations of the NMCs were presented. The meeting made the following recommendations

- (i) That Member States that had not yet done so, establish NMCs and or to create links for the NTBs website in their respective websites and those of their trade support institutions;
- (ii) That Member States that had not yet done so, submit names for additional Focal Points and composition/structures of their respective NMCs;
- (iii) That Member States prepare capacity building programmes for NTBs structures including national NTBs implementation strategies for the effective implementation of the NTB elimination programme;
- (iv) That the recommended improvements to the mechanism including those concerning the text messaging system, be effected in order to enhance the efficiency and effectiveness of the mechanism;
- (v) That Member States develop national strategies for the elimination of NTBs to facilitate resource mobilisation for implementation of the same;
- (vi) That the newly established NMCs would need support towards implementation of their work programmes by the REC Secretariats.
- (vii) That the transition arrangement would be such that TMSA continues to manage the system throughout the teething stage and the Secretariats to develop the necessary capacity.

Recommendation

5.2 The SCTF considered and endorsed the above recommendations.

6. ANY OTHER BUSINESS

There were no new issues introduced under this agenda item.

7. DATE AND VENUE OF THE NEXT MEETING

The SCTF noted the Secretariat will advise on the date and venue of its next meeting upon consultation with the Chair.

Annex 1



10TH MEETING OF THE SADC SUB-COMMITTEE ON TRADE FACILITATION 14-15 JUNE 2012; GABORONE, BOTSWANA LIST OF PARTICIPANTS

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