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Trade facilitation in emergency situations and crises: measures implemented, challenges faced and lessons learnt in the Covid 19 era in Zimbabwe

Presented by

Silvia Chauke

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Presentation outline

- Background
- Introduction
- Some measures put in place to mitigate the effects of Covid-19
- Benefits realised from the measures & regulations
- Major challenges due to the implementation of crisis regulations and measures
- Lessons learnt
- Recommendations & Way forward

Background

- A Rapid Scan of Trade Facilitation preparedness in times of crisis done in Zimbabwe under expert guidance of UNCTAD from July to October 2021.
- Major purpose – to guide UNCTAD in its thrust to support developing & LDC to respond better against future crises such as the Covid-19 pandemic.
- Major focus areas were:
 - measures and regulations pertaining to trade and transit to mitigate the effects of emergencies and crises such as Covid 19.
 - challenges and benefits presented to cross-border trade, supply and value chains affected by those measures and regulations.
- The rapid scan also aimed at understanding the effectiveness of the measures and regulations.
- Lessons learnt and recommendations made were noted and an Action Plan formulated.

Introduction

- This presentation, therefore provides findings from an analysis done on those measures based on desk research, online survey, in person & online interviews and elaboration of recommendations.
- It also gives an insight into challenges and benefits presented to cross-border trade, supply and value chains affected by those measures and regulations.
- The presentation further provides key lessons learnt and recommendations made by respondents in the Rapid Scan.

Summary of key measures Implemented

- Declaration by His Excellency the President of Zimbabwe of Covid-19 as Formidable Epidemic Disease on 19 March 2020.
- Statutory Instrument (SI) 77 of 2020 which is the Public Health (Covid-19 Prevention, Containment and Treatment) Regulations, 2020
- National lockdown including border closures for non-essential travel.
- Formation of National Covid-19 Response Task Force and the National Preparedness Response Strategy.
- Covid-19 Stimulus package & Fiscal resource mobilisation.
- Review/ Relaxation of Procurement guidelines by Procurement Regulatory Authority of Zimbabwe (PRAZ).
- Relief / Rebate of customs duty and tax on importation of essential medical and related goods.
- Border Closures -International airports and cross border transportation of food, basic goods, medical supplies needed to combat Covid-19 being exempted.
- Virtual & On-line services.
- Designation of truck stops in respect of transit goods vehicles.

Key measures Implemented

- The Declaration of Covid 19 as a national emergency set the tone of urgency, triggered and put into motion the key activities aimed at dealing with the pandemic.
- The Minister of Health and Child Care promulgated into law SI 77 of 2020 which is the Public Health (Covid-19 Prevention, Containment and Treatment) Regulations, 2020 which came in as legal backing and re-enforcement of the declaration. The objective and scope of the regulations was to enable the implementation of measures to prevent, contain and treat the incidence of Covid-19.
- National lockdown including border closures for non-essential travel
- The formation of several high level national committees, which included the Inter-Ministerial Committee responsible for managing the response to Covid-19, the National Covid-19 Response Task Force together with the National Preparedness Response Strategy.
- Covid-19 Stimulus package created to put a financial rescue package in place for mobilisation of foreign currency for imports of essential medical and related goods.
- A fiscal resource mobilisation launched as an appeal for humanitarian assistance from both Domestic and International Community, meant to provide a financial rescue package and other resources needed to deal with the pandemic.

Key measures Implemented (cont.)

- PRAZ through its Circular number 1 of 2020 invoked public procurement systems by relaxing and simplifying procurement processes to allow state entities to timeously procure Covid 19 goods.
- SI 88 of 2020 provides relief from customs duties and taxes on essential drugs, health related capital equipment and other medical goods used in the fight against the Covid -19 virus.
- Virtual and Online services- ZIMRA, the Competition and Tariff Commission and Medicines Control Authority urged the public through a Public Notice , Press Statement and Circular respectively to access services using electronic means to curb the spread of the pandemic.
- Though not available in the public domain, ZIMRA reviewed its ASYCUDA risk selectivity parameters and criteria to allow low to medium risk consignments to move through the ports of entry quickly while at the same time ensuring a smaller percentage of high-risk cargo is targeted for physical inspections as a control measure.
- Designation of truck stops in respect of transit goods vehicles and cross-border goods vehicles transiting through Zimbabwe to facilitate smooth flow of goods in transit.

Some benefits from the measures & regulations

- Declaration of Covid 19 as a national disaster opened channels for formalised structures for collaboration and coordination among various stakeholders including international relief agencies; provided basis for mobilisation of resources including foreign currency
- Fiscal resource mobilisation and stimulus measures boosted funding to augment locally available resources and ensured increased and continuous supply of goods and essential medicines and goods for fighting against Covid-19.
- Donations of Covid-19 vaccines to kick-start the vaccination program in mid-February 2021
- Removal of procurement bottlenecks - increased access to Covid 19 essential medicines & goods and; Increased participation of smaller firms in the supply chain

Some benefits from the measures & regulations

- Rapid development and strengthening of the health sector with new dedicated health facilities.
- Increased use of virtual and digital platforms thereby reducing costs and the risk of spreading Covid-19
- Business Continuity guaranteed.
- Increased investment in technology thereby providing an enabling environment for future launch of single window systems.
- Boost in information availability through contact/enquiry points.
- Increase in awareness of the gravity of the pandemic and the WHO protocols culminated in the slowing down of morbidity and mortality rates.
- Pre-clearance helped decongest ports of entry, boosted compliance with customs controls and increased revenue collections.
- Stimulated the growth of manufacturing industry particularly those that manufacture PPE and related goods

Some major challenges faced during Covid 19

- Not enough notice of lockdown, hence travelling public caught unaware.
- Lack of coordination due to poor communication among stakeholders in the supply chain.
- Border closures negatively disrupted disruptions in the supply chain in general.
- Border closures increased the incidence of people crossing borders through undesignated crossing points thereby evading customs controls and health checks and possibly contributing to the increase in the spread of Covid 19 at some point.
- Lack of adequate resources e.g. equipment & computer hardware required in the use of technology beyond the reach of many.
- Instability of network connectivity caused some disruptions to the smooth flow of services and goods.
- Inadequate physical infrastructure at ports of entry which limits movement of traffic.

Lessons learnt

- Lack of consultation before laws are passed - root cause of resistance and non-compliance with laws and regulations
- Informal traders and cross-border traders were the most affected as some regulations only facilitated formal and register commercial companies to continue to trade and import
- Fees and charges not published and SIs are written in technical and legislative jargon which makes it difficult for the ordinary citizen to read and understand particularly the cross border traders and those in the other SMEs.
- The use of technology such as automated systems and procedures is being hampered by lack of equipment and knowledge of computer and technological skills.
- Very few CBRAs have enquiry points and most websites were not updated or had very little information.

Recommendations & Way Forward

- Need to have a clear understanding mandates and processes carried out by the various CBRAs, identify and report any areas of unnecessary bottlenecks
- Need for consultation and continued engagement with the vulnerable sectors of the economy.
- need to have fees and penalties reviewed so that they are commensurate with the magnitude of the offence committed. NB. For Customs, these have since been reviewed.
- Rapid and proactive response teams should be more visible and inclusive of representatives from the private sector including informal traders and Informal Cross Border Traders associations.
- Wider consultations with the affected people or businesses before laws and regulations are passed.

Recommendations & Way forward

- CBRAs to set up virtual enquiry points to make it easy and quick for trader to get information and answers to any queries they may have.
- Increased awareness both to the public sector and private sector in particular SMEs on digital platforms to augment the existing Customs clearance and other processes
- Government needs to invest in a fully functional ICT infrastructure to provide uninterrupted internet services
- CBRAs need to adopt technology-driven interventions such as online issuance of documents/permits.
- To ensure a solution such as Cross-Border Agency cooperation and management are enhanced through increased alignment of procedures and formalities with neighbouring countries.
- Websites of CBRAs must be updated to keep the nation and international community abreast of developments affecting international trade and transit.



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I thank you.