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**Facilitating
Small Scale Cross Border Trade:
Insights from ITC's field work**

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Facilitating Small Scale Cross Border Trade

Insights from ITC's field work



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- 1 Context
- 2 Our service offer to support SSCBT
- 3 Importance of Border Cooperation

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Small-Scale Cross-Border Trade (SSCBT) is a prevalent issue all over Africa

SSCBT is a prominent feature of intra-African trade



- SSCBT accounts for as much as **42% and 80%**, of total trade between some countries
- SSCBT accounts for the **employment of about 20 to 75% of the total active population** in African countries
- SSCBT is serving as a source of income for about **43 percent** of the African population.

Source: Afreximbank, African Trade Report (2020)

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Profile: SSCBT are vulnerable economic operators



SSCBTs are low-income individuals who make a living by carrying **small volumes of goods across borders**, for direct sale to consumers in a neighboring country.



Over representation of **middle-aged women and youth** of various ethnic and linguistic backgrounds who depend entirely on small-scale cross-border trade for their livelihoods. Around **70 to 80%** of informal cross-border traders in the Southern Africa region **are women**



Food items and manufactured goods dominate SSCBT in Africa, but the type of food items varies significantly from one border to the next.

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What is Small-Scale Cross-Border Trade



- SSCBT refers to **trade in legitimately produced goods and services**, which **escapes the regulatory framework**, as such avoiding certain tax and regulatory burdens
- SSCBT refers to goods traded by formal and informal firms that are **unrecorded on official government records** and that fully or partly evade payment of duties and charges

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Going beyond the legal vs. illegal divide



From a Customs law perspective, SSCBT can be considered as **illegal trading practices**

- Unrecorded transactions
- Partial or complete avoidance of duties and taxes

However, to understand the phenomenon and design appropriate solution, we should distinguish SSCBT...

- SSCBT act in good faith to earn a livelihood
- SCBT trade in unorthodox ways because of lack of skills or cost issues
- SSCBT contribute to local economy
- They aspire to formalize

...from **smuggling activities**

- Smuggles act in bad faith to avoid legitimate border controls
- Pose a threat to security and / or public health

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- 1 Context
- 2 ITC experience supporting SSCBT
- 3 Importance of Border Cooperation

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Helping border associations to advocate and to support SSCBT trade formally



- Build capacity of CBTAs on best-practices in facilitating small-scale cross border trade
- Help CBTAs in collecting data on SSCBT to inform the policy process
- Support CBTAs in drafting position paper and advocate towards policy makers
- Enhance CBTAs service towards SSCBT: trainings, creation of Trade information and Border Assistance Desks

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Facilitating trade procedures with the Simplified Trade Regime (STR) for SSCBTs

STR: a best-practice from EAC and COMESA regions

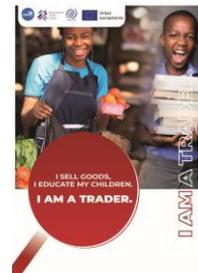
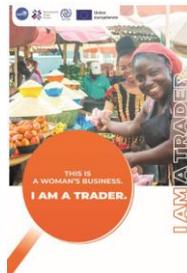
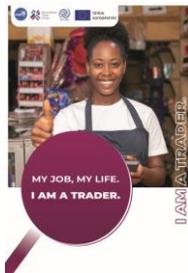
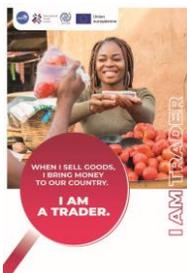
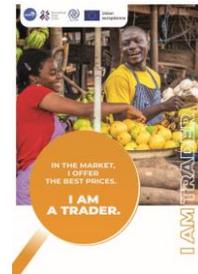


STR alleviates border requirements for products listed on a common list below a specific price threshold

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Changing the narrative on informal cross-border trade

- Provide sensitization programs for border officials towards SSCBT and women traders
- Develop communication campaigns to change border officials perspective on SSCBT



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Trade Information and Border Assistance Desks

TIBAD: building infrastructures, empowering people



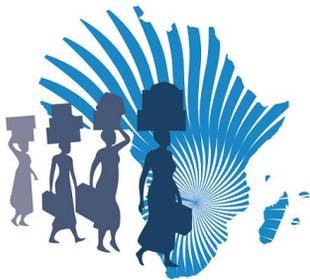
**TIBAD built at
Dan Issa
border
between Niger
and Nigeria**

**Dedicated
training
package
developed for
TIBAD staffs**

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Empowering vulnerable communities to trade formally

COMESA Trade Facilitation Training Programme for SSCBT



Why Should You Use the Border Post?

Crossing the Border Formally

Dealing with Corruption and Harassment

Working as a Group: the CBT Association

Formalizing Your Business to Grow

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Working with Customs authority to enhance risk-management practices at border crossings

Build synergies: intelligence sharing for targeted and efficient controls



Photo: Training on coordinated border management
On 4th October 2022, Conakry, Guinea

16 certified trainers on three ITC modules

What to control and why ?

How to collaborate with the private sector and why ?

How to make it work at the borders?

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Developing Sustainable Energy Solutions for Enhanced Cross-Border Trading



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Facilitating and formalizing SSCBT requires “whole-of-the-border” coordination

- **Alignment of policies and regulations** across border regulatory agencies ensures consistency and clarity for traders.
- **Collaborative risk assessment** and mitigation strategies enhance border security and protect legitimate traders from illicit activities.
- Strengthened border control measures through the integration of **local knowledge** and professional expertise
- **Improves transparency**, reduces administrative burdens, and fosters trust between traders and regulatory agencies.

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Fostering collaboration between border authorities and CBTAs to improve border conditions



- ▶ Reflect SSCBT specific requirements
- ▶ Advocate for SSCBT sensitive schemes
- ▶ Support SSCBT compliance with border requirements
- ▶ Reduce risk of harassment and corruption at the border

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Working with migration agencies to jointly address trade in goods and human mobility issues



- ▶ Understanding the profile of small-scale cross-border trader and the nature of small-scale cross-border trade
- ▶ Pinpointing the key obstacles faced by SSCBT going through borders
- ▶ Formulating key recommendations to facilitate SSCBT and provide incentives towards enhanced formalization

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Harnessing SSCBT to respond to food security shocks



SSCBT helps ensure Food Security in remote border communities

- SSCBT traders can adapt quickly to changing market conditions and respond promptly to food crises
- They are well-connected to local producers, suppliers, and consumers, enabling rapid mobilization of resources during food crises.

Need for deeper coordination between national and international agencies in charge of food security and the SSCBT community

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Rethinking borders as “hubs” for achieving broader human development objectives

Border environments can be strong catalysts to providing health services, such as **mobile clinics**, for **accessible primary healthcare** and **health education**



SADC Secretariat has taken the lead in the fight against communicable diseases, including COVID-19 and cholera, through the installation of handwashing facilities at border crossings.

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Thank you for your attention

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Trade Facilitation and Policy for Business
International Trade Center