

Common Market for
Eastern and Southern Africa



Great Lakes Trade Facilitation Project: Unlocking Regional Small-Scale Cross- Border Trade Potential through Infrastructure Development

Special Report

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Introduction

The Great Lakes Trade Facilitation Project (GLTFP) is supported by the World Bank and targets uplifting the standard of living of vulnerable groups in the Democratic Republic of Congo (DRC) Rwanda and Uganda. The Project's development objective is 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 targeted locations in the borderlands.

Implementation of project activities is shared with some activities done by COMESA Secretariat whereas others are the sole responsibility of project beneficiary countries. COMESA's role focuses on policy and regulatory reforms and capacity, regional coordination of communication and monitoring and evaluation.

Small scale cross-border traders matter and are the main target of the GLTFP for a number of reasons: first and foremost, cross-border trade has a social and economic impact by supporting livelihoods as well as overall regional development, peace and security. In addition, it is a source of income and employment and therefore a key factor in poverty reduction. , a key objective of governments, civil society and development partners such as the World Bank. Furthermore, the main commodities traded by small-scale cross border traders are agricultural produce, livestock, meat and dairy products, and processed food which are important for food and nutrition security. Trade in these commodities fill up deficits and and at the same time offloads surplus productions to the benefit of consumers and producers thereby stabilizing prices.

Role of COMESA in the Infrastructure component of the project

Although COMESA Secretariat has no direct role in the infrastructure component of GLTFP, it has nonetheless played an important part in supporting project countries both at the design and implementation stage of the project. For example the inclusion of special facilities or holding rooms for young children to allow women traders conduct their business while their young children remain safe rather than moving around with the children on their backs. Secondly, COMESA Secretariat organized a tripartite meeting of experts involving the three project countries to share designs, experiences and best practices in implementation of the infrastructure component of the project,

There are four main facilities that were planned for construction in the project countries. These include one stop border posts at Bukavu/Rusizi (whose construction is yet to start) and Goma/Rubavu border between DRC and Rwanda, the Nyamasheche Cross Border market in Rwanda which is already operating and contributing to enhanced livestock trade between Rwanda and DRC and the Bugarama Cross border market in Rwanda. The other is the Mpondwe Economic Zone that aims at improving trading facilities for small scale cross-border traders between Uganda and DRC. Finally, the improvement of the Kamembe Airport in Rwanda to ease air transport in the region.

Enhancing trade through air transport

Whereas it takes nearly six hours to travel by road from Rusizi/Goma to Kigali through the smooth but winding roads of Rwanda, it takes only about 25 minutes to fly from Kamembe Airport near the Rwanda/DRC border to Kigali, and it costs only about USD 200-300 return flights. As such the time saved by business travelers and the easy connection by air facilitated by improvement of Kamembe airport is huge. From Kigali, the business men and women, many of them Congolese, can easily connect to regional cities and markets or to more distant countries such as China to source goods.

With the slight easing of measures by governments, border markets became critical in the ability of small scale cross-border traders acting through their groups to source quality goods quickly from the cross-border markets.

Impact of COVID-19: from bustling markets to ghost structures

The outbreak of COVID-19 in March 2020 has had a devastating impact on small-scale women cross border traders. Busy borders such as the Petite Barrier border crossing in Rubavu Rwanda through which it has in the past been estimated that about 40,000-50,000 small scale traders cross through came to a virtual standstill as covid-19 travel restrictions took effect. Most the items traded by small scale cross-border are agricultural, and mainly food stuffs to be consumed by families across either border. The small-scale cross border trade is therefore critical for ensuring steady supply and exchange of food commodities across the border and hence ensuring household food security. Regular trade not only ensures regular availability of food commodities but also tends to stabilize prices, thus increasing access to food especially by poorer members of the communities in the border lands. Therefore, the



importing side (mainly DRC), suffered serious shortages and price rises whereas the surplus borders (mainly on the Rwanda side) had perishable agricultural products going to waste and traders incurring heavy losses.

Cross border markets such as the Rubavu CBM that were teeming with traders and bustling with economic activities during normal times suddenly turned into ghost markets and so did the busy stretch of roads that connect Rwanda and DRC at this particular border.

The Role of Trade Information Desk Officers

Despite prevailing challenges, the project's interventions fostered good bilateral relations existing between the three project countries and quick intervention of governments and Cross Border Traders Associations and Cooperatives. This was made possible following the establishment of Trade Information Desk Officers who are playing a greater role in organizing and linking cross-border traders to markets from both side of the project border. Unfortunately, this service may soon be disrupted as the project closes at the end of this year.

The "aggregation" trading system has also been instrumental in overcoming challenges associated by

small quantities amidst restrictive business environment due to COVID-19. The new strategy is more organized and relatively safe trading and has significantly contributed towards sustaining the volume of cross-border trade in the region.

Lessons learnt from Impact of COVID-19 and Way forward

What can we learn from the outbreak of COVID-19 and recent interventions made to try and reduce its devastating effects?

A key lesson learnt from the outbreak of COVID-19 is that infrastructure development can play a critical role in facilitating trade in general but can also reduce potential risks associated with public health challenges such as COVID 19. Infrastructure that enhances rapid flow of human traffic across borders and avoids too much queuing and congestion is critical during times of disease that are transmitted from one person to the other. Those that incorporate improved public health facilities such as cross-border markets can play a significant role in contributing to safe trade that minimizes the spread of pandemics such as COVID-19 .

There is need to work together rather than as individuals during times of such pandemics and acting unilaterally will worsen the situation rather than ameliorate it. Initially countries, including neighbors took various forms of actions, including travel bans without adequate consultations with neighbors. Greater collaboration among neighboring countries is therefore essential.

The need to support formation of associations of small scale traders and aggregation as a means of conducting safe cross border trade.

At the project level, we have learnt as the GLTFP is that the role of our Trade Information Desks Officers, TIDOs, needs to be reviewed and "reformatted" or re-engineered going forward. Previously, one of their main traditional roles has been provision of Trade Information to small-scale cross-border traders. In the new trading environment post COVID, they will need to play a greater role in sourcing and providing information that generates market intelligence for small-scale traders.

It is important that governments and development partners continue sensitizing and creating awareness

campaigns on cross border trade during covid 19 period and support actions aimed at sustaining the services provided by Trade Information Desks beyond the closure of the GLTFP anticipated to take place at the end of December 2021. There is also urgent need to expedite implementation and completion of the infrastructure component which has lagged behind so that small-scale cross border traders and other stakeholders can reap the full benefits from this important component of the project.





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