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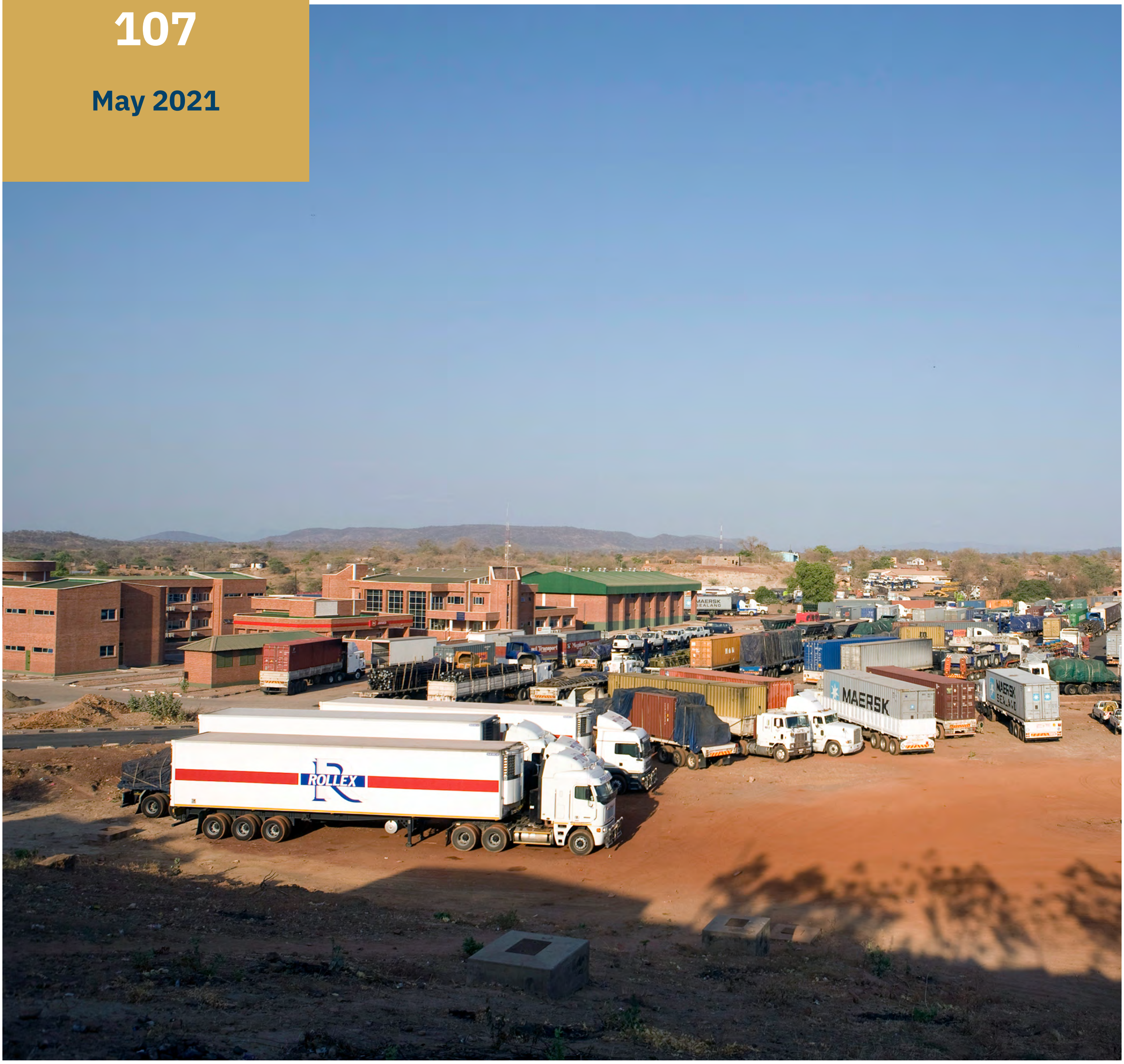

Developments in Paperless Trade: Implications for Zambia's Small-Scale Cross-Border Traders

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Executive summary

The Trade Facilitation Agreement is an important regulatory framework designed to promote efficiency and predictability in international trade, specifically with respect to the clearance, release and movement of goods. Information and communication technology is one of the means through which the Trade Facilitation Agreement streamlines and digitalises cross-border administrative procedures, thereby making trade essentially paperless and more efficient. While this is a good idea in principle, many small-scale traders of agricultural goods in the Common Market for Eastern and Southern Africa cannot easily access and comprehend compliance information, including information on relevant sanitary and phytosanitary (SPS) requirements for the trade in agricultural products. Reasons for this phenomenon include the lack of relevant digital skills and language barriers given that, in most cases, requirements are presented in English and not in traders' home language. In situations like this, it is justifiable that those Trade Facilitation Agreement provisions advocating the use of information and communication technology to transmit information and process transactions electronically should create additional responsibilities for traders, over and above those that are already prescribed in the SPS Agreement. Such provisions in the Trade Facilitation Agreement should be described as 'SPS-Plus' provisions.

This policy insight examines the role of small-scale cross-border agricultural traders in Zambia, the challenges they face in the wake of digital advances and various ways in which they can be helped to meet SPS standards and generate more sustainable returns from their trading activities. Among the recommendations is the adoption of a centralised online system that follows a 'single window' approach aimed at simplifying information flows and the processing of documents. These efforts should go hand in hand with strategies to improve access to information and the digital skills of small-scale cross-border agricultural traders.

Introduction

Trade facilitation involves the implementation of measures to address all forms of non-tariff barriers, including behind-the-border costs associated with a lack of transparency and challenges linked to information and communication technology (ICT).[1] Its intended outcome is to establish a simplified, modernised and harmonised import, export or transit system which improves trade flows.[2] To this end, the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO) is an important instrument. Adopted in December 2013 during the 9th Ministerial Conference in Bali, Indonesia, the TFA became part of

1 Amal Nagah Elbeshbishi, 'Trade facilitation and single window for enhanced regional economic cooperation trade facilitation in Africa: Challenges, opportunities and progress' (Organization of Islamic Cooperation (OIC) High Level Forum, Casablanca, Morocco, February 25–26, 2013) 5.

2 June O'Keffe and Elina Viilup, 'Trade Facilitation Agreement: Reducing bureaucracy at the border' (Policy Briefing, European Parliament, Belgium, 2012) 1. https://www.europarl.europa.eu/thinktank/en/document.html?reference=EXPO_BRI(2015)549046.

Annex 1A of the WTO Agreement on 27 November 2014, upon the adoption of the Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization.[3]

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With the TFA's clear objective being to expedite the movement, release and clearance of goods,[4] the World Customs Organization (WCO) views ICT as a critical tool in the implementation of the TFA.[5] The two key ICT technologies that underscore the significance of this sector are information and telecommunications. These technologies use physical tools such as computers and telephones (including mobile phones) to enable access to the Internet, websites, email, data processing, social media, voice or video.[6] In that sense, an efficient cross-border clearance system requires that telecommunication systems enable easy and speedy transmission, emission and/or reception of any writings, images, signs, sounds or signals by wire, radio, optical or electromagnetic systems.[7] The users of such systems, in turn, should also have the technical ability to use the data transmitted, emitted and/or received through such channels.

Against this background, article 1 of the TFA states that each WTO member *shall* make available and update forms, documents, a description of its procedures for importation into, exportation from and transit through the territory of that member to the *extent possible and as appropriate*, through the *Internet* (*emphasis added*).[8] Where *practicable*, the description of its cross-border procedures *shall* be made in one of the WTO official languages (English, French or Spanish).[9] The same provision also *encourages* members to make other trade-related information, including trade-related legislation, through the *Internet*.[10] To encourage efficiency in cross-border clearance systems, the TFA states that each member *shall, as appropriate*, provide for the advanced lodging of documents in

3 World Trade Organization, *Trade Facilitation Agreement: Members accepting the protocol of amendment to insert the WTO Trade Facilitation Agreement into Annex 1A of the WTO Agreement* (WTO, 2014), https://www.wto.org/english/tratop_e/tradfa_e/tradfa_agreeacc_e.htm.

4 WTO, Trade Facilitation Agreement Facility, *Trade Facilitation Agreement*, https://www.tfafacility.org/trade-facilitation-agreement-facility%20.

5 World Customs Organization, *The Use of ICT–WTO Agreement on Trade Facilitation* (WCO, 2018) 1. http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/use-of-ict-in-the-implementation-of-the-wto-tfa_en.pdf?db=web.

6 Graham Sianjase and Hastings Maboshe Libati, 'Assessing the impact of information and communications technologies on the performance of small-scale enterprises: Case of Kitwe (Zambia)' (Proceedings from the 10th International Multi-Conference on Society, Cybernetics and Informatics, MSCI, Zambia, 2016) 5, http://www.iiis.org/CDs2016/CD2016Summer/papers/HA992WM.pdf.

7 Sianjase and Libati, '*Assessing the impact*'.

8 *Trade Facilitation Agreement* (TFA) art. 1(2)(1)(a)(b).

9 TFA, art. 1 (2)(2).

10 TFA, art. 1(2)(3).

electronic format for the pre-arrival processing of such documents.[11] In addition, a member *shall, where appropriate*, endeavour to accept paper or *electronic copies* of supporting documents required for import, export or transit formalities so that goods can be efficiently cleared and released.[12] For the efficient exchange of information between traders and government agencies, the TFA states that each member *shall endeavour* to establish a single window system,[13] and *shall, to the extent possible and practicable*, use information technology to establish and maintain a single window.[14]

The preceding terms are indicative of the significance of ICT in the implementation of the TFA as well as the drafters' meticulous approach to choosing the terms that were eventually inserted into the final text. That said, if a term such as '*shall*' was read in another context, it would ordinarily signal a command[15] relating to ICT-related measures. However, that is not the case with the preceding texts where softening words were used, such as 'endeavour', 'where appropriate', 'as appropriate', 'to the extent possible' and 'as appropriate'. As a result, the provisions are best described as 'best endeavour obligations'[16] which do not in any way impose mandatory obligations upon members. Consequently, the implementation of ICT measures should be guided by the developmental, economic and financial circumstances of each developing country. That explains why least-developed countries (LDCs) such as Zambia have been permitted to undertake only those commitments that are consistent with their individual developmental, financial and trade needs.[17]

Notwithstanding the above-mentioned flexibility, the message conveyed in this policy insight is that the TFA underscores the significance of 'an automated regulatory system for the access, use and exchange of regulatory information and processing of cargo in an efficient and sustainable manner'.[18] It sets the necessary framework for establishing an efficient cross-border, paperless trading system. Cross-border, paperless trade involves trade in goods – including their import, export, transit and related services – that takes place on the basis of telecommunications, including the exchange of trade-related data, and documents in electronic form.[19] Under this system, business transactions are conducted using electronic data in different ways, instead of paper-based documents.[20] Examples include scanning and/or producing PDF versions of the documents and using an Internet

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11 TFA, art. 7(1)(2).

12 TFA, art. 10 (2)(1).

13 TFA, art. 10 (4)(1).

14 TFA, art. 10 (4)(4).

15 Oxford South Africa Concise Dictionary, 2nd ed. (2010) 1086.

16 Shintaro Hamanaka, 'World Trade Organization Agreement on Trade Facilitation: Assessing the level of ambition and likely impacts' (ADB Working Paper Series No. 138 on Regional Economic Integration, Asian Development Bank, Philippines, 2014) 5, https://www.tfafacility.org/sites/default/files/case-studies/adb_world_trade_organization_agreement_on_trade_facilitation_asssesing_the_level_of_ambition_and_likely_impacts.pdf.

17 WTO, 'Doha Development Agenda: Doha Work Programme, Decision Adopted by the General Council on the 1 August, 2004, Annex D Modalities for Negotiations for Trade Facilitation', para 2 and 3, WT/L/579, https://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm.

18 WCO, *The Use of ICT–WTO Agreement*.

19 Article 3 (a) Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific.

20 UN Economic Commission for Europe, 'Paperless trading: How does it impact the trade system?' (White Paper, REF 261017-case 00036073, World Economic Forum, UNECE, 2017) 4, http://www3.weforum.org/docs/WEF_36073_Paperless_Trading_How_Does_It_Impact_the_Trade_System.pdf.

web portal (where personal data is filled in) or sending fully electronic messages (electronic data interchange) supported by various web services. The increased use of these types of electronic transactions, particularly in the wake of COVID-19 cross-border restrictions, indicates that the business community is progressively moving away from paper-based, cross-border transactions towards electronic information exchange.[21] Clearly, the significance of ICT in bringing about cross-border, paperless trade cannot be underrated.

Given this background, the main issue that this policy insight addresses is whether Zambian small and medium-sized enterprises (SMEs) involved in cross-border agricultural trade have the capacity to embrace and effectively comprehend, retrieve and exchange digital information and engage with digital tools.

SMEs and regional cross-border agricultural trade

The agricultural sector accounts for 86% of Zambian exports (in value terms) and is the main source of employment for the Zambian population.[22] In addition, a considerable number of SMEs are involved in cross-border agricultural trade. For example, of the 20,000–30,000 small-scale traders who pass through the Mwami–Mchinji border between Zambia and Malawi on a monthly basis, 10,000–15,000 are engaged in informal trading of products like meat, rice, beans, fish, eggs, soya beans, pesticides, cut flowers, fruits and vegetables.[23] At the Chirundu one-stop border post (OSBP) between Zambia and Zimbabwe, SMEs trade in soya beans, soya products and maize.[24] Furthermore, products such as rice, sugar, maize and vegetables are traded by informal women traders across the Tunduma–Nakonde border between Zambia and Tanzania.[25] Extensive cross-border trade in products like fish, milk and milk products also takes place at the Malaba (Kenya–Uganda) and Busia (Kenya–Uganda) OSBPs.[26]

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21 International Trade Centre, *Covid-19: The great lockdown and its impact on small businesses*, SME Competitive Outlook Report (International Trade Centre, Geneva, 2020) 44–45, https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/ITCSMECO2020.pdf.

22 UN, 'Borderline: Women in informal cross-border trade in Malawi, the United Republic of Tanzania and Zambia' (United Nations Conference on Trade and Development, 2019) 2–3, https://unctad.org/webflyer/borderline-women-informal-cross-border-trade-malawi-united-republic-tanzania-and-zambia.

23 UN, 'Borderline: Women', 18–19.

24 Standards and Trade Development Facility (STDF), *Breaking Barriers, Facilitating Trade* final report (Project STDF/PG/346, January, 2019) 17, https://www.standardsfacility.org/sites/default/files/STDF_346_Final_Report_Jan20.pdf.

25 UN, 'Borderline: Women', 4–15, 18–19.

26 STDF, *Breaking Barriers, Facilitating Trade*.

These cross-border trade transactions go a long way towards enabling SMEs to earn an income and support their families. To generate meaningful returns from such activities, SMEs must (among other things) supply products that are safe and free of risks both to the health and life of humans, plants and animals, in line with importing countries' sanitary and phytosanitary (SPS) requirements. However, SMEs generally face challenges when trying to sell and move goods across borders due to the administrative and regulatory complexities associated with meeting SPS requirements.[27]

Access to SPS-related information and the impact on regional trade costs

SPS policies and regulations are implemented by the respective government agencies at each border post so that food and other agricultural products do not pose a threat to the life and health of humans, plants and animals.

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In Zambia's case, health inspectors from the Ministry of Health and officials from the Zambian Bureau of Standards and Ministry of Agriculture all work together to ensure that the necessary SPS requirements (that is, relating to food, plant and animal safety) have been complied with. The applicable legislative frameworks include the Food and Drugs Act (FDA),[28] the Control of Goods Act Cap 421 and various supporting regulations, including the Control of Goods (Export and Import) (Agriculture) Regulations Cap 421[29] and the Control of Goods (Import and Export) (Agriculture) Order.[30] The ease with which importers (including SMEs) can access the relevant regulatory information is a key factor in their ability to comply.

Zambia is a member of the Common Market for Eastern and Southern Africa (COMESA). Other members of COMESA include Kenya and Uganda, which are also members of the

27 UN ESCAP, 'Making the WTO Trade Facilitation Agreement work for SMEs: Mainstreaming trade facilitation in SME development strategies,' ST/ESCAP/2748 (Thailand: United Nations, 2016) 1, https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/makingwto.pdf.

28 Food and Drug Act, Section 3(a) and (c), Section 20(1) Cap 303 Laws of Zambia. Note that even if the FDA were repealed by section 65 of the Food Safety Act (FSA) (enacted on August 2, 2019), it is assumed that it should continue to apply (in the absence of data stating otherwise) until a statutory regulation is promulgated to enable the application of the FSA.

29 SI No. 73 of 1970.

30 SI No. 96 of 1995.

East African Community (EAC). This association provides the platform for COMESA and the EAC to improve trading conditions for SMEs. It is in this context that simplified trade regimes (STRs) are being implemented within COMESA and the EAC to improve the performance of small-scale, cross-border traders and encourage their formalisation.[31]

Under the COMESA STR, a small-scale consignment of goods falling under the common list of approved products will be exempted from duty and will undergo a simplified certificate of origin approval process, provided the value of the product does not exceed the legally determined threshold. SMEs are still required to comply with SPS requirements for certain categories of animal and agricultural products.[32] A similar procedure also applies under the EAC STR, with the mandatory requirement that goods, such as unprocessed agricultural products (mostly traded by small-scale, cross-border traders), meet SPS requirements before importation into any EAC member state. For that purpose, an import clearance certificate or certificate of conformity is required.[33] For Ugandan products, the quality mark (the 'Q' mark) issued by the Uganda National Bureau of Standards (UNBS) will certify compliance with the required standards.[34]

Despite the good intentions underlying an STR, there are challenges associated with its implementation, such as language barriers caused by the inability of most small-scale traders to read, understand and familiarise themselves with English, the language used to convey information in the STR documents.[35] Under such circumstances, one has to wonder how SPS requirements can be effectively understood.

In addition, there are problems of inadequate information being supplied and delays caused by manual certification processes. In January 2019, a research report compiled by the STDF revealed the prevalence of cross-cutting, SPS-related costs across certain borders within COMESA. At the Malaba–Busia (Kenya–Uganda) one-stop border post (OSBP), a four-month baseline assessment of the SPS costs associated with trading fish, milk and milk products revealed that most SMEs were not aware of SPS import/export requirements or technical barriers to trade (TBT) due to a number of factors, such as delays caused by manual certification processes and inadequate information provision.[36] Conversely, even where such information existed on the Kenyan Ministry of Agriculture, Livestock, Fisheries and Irrigation website, many of the traders remained unaware of fish export and import requirements, preferring instead to access such information through 'knowledgeable' brokers or agents.[37]

The baseline survey at the Mchinji–Mwami OSBP (Malawi–Zambia) conducted between June and August 2017 on trade in soya beans and ground nuts (and supported by findings

31 UN, 'Borderline: Women', 24.

32 UN, 'Borderline: Women', 24–25.

33 Uganda National Bureau of Standards, 'The 'Q' mark to be Uganda's only distinctive quality mark', *Quality Chronicles* 14, no. 3 (2018): 11–15, https://www.unbs.go.ug/attachments/menus/36/QC_OCTOBER_2018.pdf.

34 Uganda National Bureau of Standards, 'The 'Q' mark, 11–15.

35 UN, 'Borderline: Women', 27.

36 STDF, *Breaking Barriers, Facilitating Trade*, 14, 18.

37 STDF, *Breaking Barriers, Facilitating Trade*.

from a border stakeholder meeting in June 2017) revealed similar challenges to those outlined in the preceding paragraph.[38] Another problem was perceptions of fragmented service provision, with regulatory authorities scattered across different locations – a phenomenon that caused very long delays.[39] A similar finding emerged from a baseline survey conducted at the Chirundu OSBP (Zambia–Zimbabwe) in August 2017 on trade in soya beans, soya products and maize. Similar challenges have also been identified at specific borders within the EAC, with occasional inefficiencies attributed to dysfunctional desks. In some locations where such desks are in fact functional, the information supplied is out of date.[40]

In the light of the above, it is clear that SMEs involved in regional cross-border agricultural trade face the serious challenge of a lack of access to SPS-related information. It is possible that this problem will intensify as the enforcement of electronic cross-border clearance processes and transactions gains ground.

The relationship between the TFA and the SPS Agreement: Implications of SPS-Plus provisions for SMEs

The TFA and SPS Agreement set out to unilaterally achieve specific goals that form part of the overall objectives of the Marrakesh Agreement for the Establishment of the WTO 1994 (WTO Agreement). To that end, they both underscore the significance of key principles, such as transparency. Therefore, the crucial question is: what kind of relationship exists between these two agreements and what are the implications of the relationship for SMEs involved in cross-border agricultural trade?

As noted earlier in the introduction to this policy insight, the TFA calls on WTO members to use their best endeavours to publish trade-related information on the Internet. However, while article 7 of the SPS Agreement requires WTO members to publish SPS regulations and documents, it is silent on the use of the Internet as a medium of publication. The use of the Internet appears only as a recommendation under the recommended procedures on transparency. Zambia has launched its trade information portal,[41] which is 'a one-stop platform for all information relating to import and export in and out of Zambia'.[42] It is an online trade portal that collates relevant information (including SPS regulations), in the English language, from various government institutions, such as the Ministry of Health, the

38 STDF, *Breaking Barriers, Facilitating Trade*, 16.

39 STDF, *Breaking Barriers, Facilitating Trade*, 16.

40 EAC, The 20th East African Community Micro, Small and Medium Enterprises – MSMEs Trade Fair (December 13–22, 2019), Gikondo Expo Ground, Kigali, Rwanda, Symposium Report, 2–3.

41 Joshua Jere, 'Govt launches trade portal,' *Zambia National Broadcasting Corporation*, May 29, 2020, https://www.znbc.co.zm/news/govt-launches-trade-portal/.

42 Republic of Zambia, Zambia Trade Information Portal, https://www.zambiatradeportal.gov.zm/.

Ministry of Agriculture, and the Ministry of Fisheries and Livestock.[43] The choice of English as the language of publication is in line with the terms of article 1(2)(2) of the TFA.

Annex C of the SPS Agreement requires that compliance procedures, such as sampling, certification and testing, should be performed without undue delay and also that the information provided for compliance purposes should be limited to that which is necessary.[44] Here, the emphasis is on the necessity of information provision and systems efficiency. The two go hand in hand to the extent that if one requirement is not satisfied, the effectiveness of the other may be adversely affected. The January 2019 STDF Report cited earlier highlighted the cross-cutting challenge of undue delays caused by manual certification at the Zambia–Zimbabwe, Kenya–Uganda and Zambia–Malawi borders.[45] In the absence of a specific function on the Zambian trade portal to enable information access in any of the Zambian home languages, it is difficult to envisage how an illiterate small-scale trader will be able to access such information and systems. In simple terms, only small-scale traders who are highly proficient at reading and comprehending the English language and using digital media can effectively access the system. The result is that the system is unintentionally excluding traders who lack these capabilities.

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This situation is far from satisfactory. Necessity and efficiency demand that transformative approaches should be used so that the needs of all types of market participant are catered for. One way of addressing this problem is to establish and maintain a functional, centralised single window system for regulating compliance processes.

The African Continental Free Trade Area (AfCFTA) defines a single window as a facility that allows parties involved in trade and transport to lodge standardised information and documents with a single entry point.[46] The AfCFTA envisages a system that is not only limited to electronic submissions of documents and/or data, but includes manual submissions

43 As for enquiry points, the Ministry of Health is in charge of food safety, and the two separate departments in the Ministry of Agriculture and the Ministry of Fisheries and Livestock are responsible for handling enquiries about animal and plant health issues. See Jennifer Rathebe, *The implementation of SPS measures to facilitate safe trade: Selected practices and experiences in Malawi, South Africa & Zambia* (2015) 33.

44 SPS Agreement. Annex C,

45 STDF, *Breaking Barriers, Facilitating Trade*, 14–17.

46 Tralac, Art. 1(h) Annex 4 (Trade Facilitation) to the Agreement Establishing the African Continental Free Trade Area, 2018, https://www.tralac.org/documents/resources/african-union/2162-afcfta-agreement-legally-scrubbed-version-signed-16-may-2018/file.html.

too. The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (Framework Agreement), in turn, defines a single window as a facility that allows parties involved in a trade transaction to electronically lodge data and documents with a single entry point in order to fulfil all import, export and transit-related regulatory requirements.[47] Here, the emphasis is on the electronic submission of information.

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Irrespective of the type of single window system that a country chooses to use, its main aim is to 'enhance the availability and handling of information, [and] expedite and simplify information flows between trade and government'.[48] A single window allows trade-related procedures and the processing of documents for the acquisition of permits and licences, the submission and approval of certificates, customs clearance and port exit to be carried out with ease.

Article 10(4) of the TFA provides for the establishment, use and maintenance of a single window system and requires that, where possible and practicable, each member shall use ICT to maintain such a system. The TFA does not make it mandatory for WTO members to establish an electronic single window. However, as mentioned above, manually operated clearance systems are often difficult and time-consuming, which justifies the establishment and maintenance of an electronic system that restricts multiple submissions and instead calls for only one submission of individual data elements.[49]

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47 UN, Art. 3(h) The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (Framework Agreement), https://treaties.un.org/doc/Treaties/2016/05/20160519%2012-16%20PM/Ch_X-20.pdf.

48 UN Economic Commission for Europe, 'Recommendation and guidelines on establishing a single window: To enhance the efficient exchange of information between trade and government' (Recommendation No. 33, UNECE, Geneva, 2005), https://unece.org/fileadmin/DAM/cefact/recommendations/rec33/rec33_trd352e.pdf.

49 UNECE, 'Recommendation and guidelines'.

Zambia has not yet finished developing its electronic single window system,[50] which has a completion deadline of 31 December 2030 – about nine years from now. With that in mind, coupled with the challenges associated with the implementation of the SPS Agreement, it can be argued that the TFA's subtle advocacy for digital platforms (where resources permit) introduces additional burdens on countries like Zambia. It is in this context that the TFA provisions relating to online publications and the establishment of single electronic window systems become 'SPS-Plus' provisions. Looked at together, all these implementation challenges highlight the need to prioritise the provision of assistance to Zambian SMEs to enable them to easily access and effectively use digital information and services.

Education levels and their impact on Zambian SMEs in the digital era

The global consensus is that education is a critically important tool in the socioeconomic development of any economy and a fundamental requirement for reducing poverty. That is why Sustainable Development Goal (SDG) 4 is to ensure inclusive and quality education for all and promote lifelong learning.[51] Over the years, steady progress has been made globally in boosting education enrolment rates, but proficiency levels (the ability to read and write), especially among women, remain very low.[52]

In Zambia, only 1% of Grade 2 or 3 learners attained at least a minimum level of proficiency in reading in 2014.[53] In the same year, only 9% of Grade 2 or 3 learners attained at least a minimum level of proficiency in mathematics.[54] Furthermore, an assessment conducted among Grade 2 learners to establish early-grade reading ability in seven local languages revealed that most of them were unable to accurately and quickly read connected texts.[55] In terms of enrolment patterns, most children (just under 90%) enrolled for primary education, with almost all of them completing their primary education. Unfortunately, only about 63% of young people enrolled for secondary education, of which only half completed their secondary education. Out of a population of about 16.4 million (as of 2017),[56] only 10% of people between the ages of 25 and 54 had some form of tertiary education.[57]

50 UN, 'Global survey on digital and sustainable trade facilitation: Trade facilitation and paperless trade in Zambia' (2019), https://untfsurvey.org/economy?id=ZMB.

51 UN Department of Economic and Social Affairs, '*Sustainable Development*', https://sdgs.un.org/goals/goal4.

52 UN, Sustainable Development, '*Quality education: Why it all matters*', https://www.un.org/sustainabledevelopment/wp-content/uploads/2017/02/4_Why-It-Matters-2020.pdf.

53 World Bank, *Accelerating digital transformation in Zambia*, Digital Economy Diagnostic Report (Washington, DC: World Bank, 2020) 49, https://openknowledge.worldbank.org/handle/10986/33806.

54 World Bank, *Accelerating digital transformation*.

55 World Bank, *Accelerating digital transformation*.

56 Republic of Zambia General Statistical Office, 'Zambia in figures 2018' (2018) 10. The World Bank puts the population at 17,861,030 as of 2019. See World Bank, '*Data: Zambia*', http://data.worldbank.org/country/zambia.

57 World Bank, *Accelerating digital transformation*.

These figures highlight the low literacy and numeracy levels among most of the Zambian population. The advent of the COVID-19 pandemic and the subsequent closure of schools, prompting the introduction of distance learning, paint a frightening picture of the quality of education in Zambia in the future, as the government and institutions of learning, parents and pupils[58] grapple with the inherent challenges associated with this new approach to education.[59] The long-term impact of COVID-19 on the quality of education is yet to unfold, but the traditional education landscape will almost certainly be irrevocably changed.

An independent research report concluded that there is a significant chance that those who have received no education at all, who have only completed primary education, or who have not completed secondary or tertiary education will join the informal sector.[60] In fact, most of the women engaged in informal, cross-border trade typically have had no formal (including primary) education.[61] If this sector and the people themselves are to thrive, the Zambian government, in partnership with SMEs, needs to intensify efforts to educate and empower Zambian SMEs so that they can embrace and benefit from automated cross-border trading systems.

Policy considerations

It is noteworthy that the TFA SPS-Plus provisions under consideration fall within Zambia's Category C notifications to the WTO, for which technical assistance is required.[62] With 31 December 2030 being the definite date of implementation of the single window,[63] the Zambian government has the opportunity to leverage the country's position as an LDC to upscale national efforts to develop the ICT sector and human capital.[64]

Zambia is embracing the digital economy in its bid to build a knowledge-based economy, having realised that a 10% increase in broadband penetration could lead to a 3.19% increase in GDP, a 2.61% increase in productivity and a net increase of more than 67,000 jobs.[65] To this end, a master plan is in place aimed at creating a prosperous and globally competitive, knowledge-based developed country by 2063. Specific goals include developing a sound education system, building human capital and improving service delivery, including facilitating better access to information.[66] The progress that Zambia

58 Chrine C. Hapompwe, Crispin Kukano and Jacqueline Siwale, 'Impact of Covid-19 on Zambia's 2020 general education examination candidates' academic performance in Lusaka: E-learning issues,' *International Journal of Scientific and Research Publications* 10, no. 5 (2020): 647.

59 World Vision, 'COVID-19 and its impact on children's education in Zambia' (Policy brief, 2020) 1–2, https://reliefweb.int/report/zambia/policy-brief-covid-19-its-impacts-childrens-education-zambia-july-2020.

60 UN, 'Borderline: Women', 11.

61 UN, 'Borderline: Women', 11.

62 WTO, 'Trade Facilitation Agreement database,' https://tfadatabase.org/members/zambia/technical-assistance-projects.

63 WTO, 'Trade Facilitation Agreement database,'

64 WCO, *The Use of ICT–WTO Agreement*, 5, 27.

65 Zambian Ministry of National Development Planning, 'Seventh National Development Plan 2017–2021' (2017) 130, https://www.mndp.gov.zm/wp-content/uploads/2018/05/7NDP.pdf.

66 Zambia's Ministry of National Development Planning, 'Seventh National Development Plan 2017–2021'.

has made so far in transitioning towards a transparent and simplified trade regime is commendable, and there is evidence of enhanced trade efficiency and predictability – just as the TFA envisages.

SMEs are fundamental to successful regional economic integration[67] and poverty alleviation as they provide employment and income-generating opportunities. Zambia's Micro, Small and Medium Enterprise (MSME) Development Policy (which came into effect in 2008) recognises the importance of promoting the growth and stability of the SME sector through the provision of business support services. The latter might include providing technical support to both standards and quality assurance bodies so that they in turn can effectively service the SME sector, and running business development programmes that are tailor-made to the needs of SMEs at different stages of their development. The mission and strategy outline in the MSME Development Policy constitute a useful foundation for future SME-focused programmes and initiatives.

SMEs are fundamental to successful regional economic integration and poverty alleviation as they provide employment and income-generating opportunities

Currently under review, the MSME Development Policy should prioritise actions aimed at helping SMEs to attain the requisite knowledge and skills to access, read, understand and use digital information relating to cross-border trade. Funds should be allocated from resource baskets such as the Universal Service and Access Fund to specific institutions for the purpose of developing curricula and improving the literacy and digital skills of SMEs involved in cross-border trade. This, of course, necessitates the establishment of computer centres in communities, making computers available and ensuring reliable Internet connectivity in those centres, together with basic (yet essential) training on computer and Internet usage.

The development and functioning of the Zambian single window system need to accommodate the literacy levels of SMEs, which at present preclude the ability to satisfactorily comprehend (in most cases, sophisticated) trade-related information.[68] Therefore, information on trade matters needs to be produced in a form that is easily understood by such information seekers.[69] In particular, it should be user-friendly[70] and,

67 Paul Brenton and Barak Hoffman, *Political economy of regional integration in Sub-Saharan Africa* report (Washington, DC: World Bank, 2016), https://openknowledge.worldbank.org/handle/10986/24767.

68 Petros Mavroidis and Robert Wolfe, 'From sunshine to common agent: The evolving understanding of transparency in the WTO,' *Journal of World Affairs* 21, no. 2 (2015): 124.

69 Mavroidis and Wolfe, 'From sunshine to common agent,' 126.

70 Mavroidis and Wolfe, 'From sunshine to common agent,' 124.

if resources permit, it should be translated into local languages. In Rwanda, for example, most communication is in Kinyarwanda, but for international dealings, English and French are used. This is an example of a country where all trade-related regulations have been translated into the local language, which also happens to be an official language.

> Artificial intelligence-powered digital translation services can be used to enable built-in systems and computational algorithms to 'automatically understand, analyse, manipulate and potentially generate any human language'

In Uganda, with support from the Commonwealth Standards Network, the UNBS has simplified selected food and agricultural standards, produced easy-to-use guidelines and translated the standards into Uganda's most widely spoken languages.[71] The translation of these standards into languages such as Kiswahili will extend the scope of information access to other SMEs involved in cross-border trade within the EAC. Moreover, artificial intelligence (AI)-powered digital translation services can be used to enable built-in systems and computational algorithms to 'automatically understand, analyse, manipulate and potentially generate any human language'.[72] A carefully planned and budgeted pilot project could be conducted aimed at translating the three WTO official languages into local African languages. The above-mentioned initiatives could be implemented through partnerships with international donors.

Conclusion

The SPS-Plus provisions of the TFA encourage the innovative use of ICT to promote an efficient and predictable trading system – one that entrenches paperless trade, characterised by the electronic processing and exchange of information. However, even with all the benefits that such a system offers SMEs in Zambia and other parts of Africa, the low levels of education and lack of digital skills are significant impediments to the effective use of such a system.

Zambia's MSME Development Policy strongly supports the growth and development of SMEs. For SMEs to leverage the envisaged benefits of cross-border, paperless trade, it is important for the government to:

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71 Uganda National Bureau of Standards, 'UNBS annual performance report for FY 2019/2020,' October 6, 2020, https://unbs.go.ug//news-highlights.php?news=159&read.

72 Katie Cashman, 'Masakhane: Using AI to bring African languages into the global conversation,' February 2, 2020, https://en.reset.org/blog/masakhane-using-ai-bring-african-languages-global-conversation-02062020.

- make specific budgetary allocations, including using funds from the Universal Service and Access Fund, for the development of curricula and the training of SMEs involved in cross-border agricultural trade;
- translate, with the help of AI technology, the simplified trade regime booklets and SPS requirements into local languages, both on paper and on digital platforms.

The SPS-Plus provisions of the TFA encourage the innovative use of ICT to promote an efficient and predictable trading system – one that entrenches paperless trade, characterised by the electronic processing and exchange of information

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Cover image

The customs yard near the border post in Chirundu on the border of Zambia and Zimbabwe is a transit point on the trucking route from South Africa and it has become notorious for its congestion as every day hundreds of trucks try to pass through this border, with drivers often end up having to spend days, even weeks waiting for customs clearance. In the background is the new customs building, part of a regional initiative called the the One Stop Border Post (Gideon Mendel/Corbis via Getty Images)

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