



# TRADE FACILITATION – MAKING INFRASTRUCTURE WORK

## INNOVATIVE SOLUTIONS TO CONNECT AFRICA

### MAKING INFRASTRUCTURE WORK TO FACILITATE TRADE

The North-South Corridor linking eight countries is one example of large-scale infrastructure programmes in Africa. Better infrastructure is a necessary, but not sole solution for making businesses more efficient in their attempts to bring goods to African and world markets. Only in combination with improved government services, access to finance and good private solutions for transport and logistics can a better infrastructure make a real difference in the lives of people.

In addressing these challenges, the ITC offers four innovative solutions to facilitate trade in Africa:

#### I. ACTION BASED CONSULTATIONS (ABC)

Many policy and operational issues can get in the way of an efficient flow of information and goods across borders. Often, for example, traders are not informed of new procedures at the border, which can result in unnecessary delays, higher transaction costs and frustration!

But while a lengthy process may be needed to solve policy and regulatory issues, much progress can be realised by tackling operational issues identified with businesses.

The ITC enables SMEs, service providers and government representatives to engage each other regularly in private-public action based consultations through the introduction of Advisory Committees on Trade Facilitation. These trade facilitation committees are institutionalized and based on the level (scale) of trade facilitation readiness to ensure that the depth and breath of the approach is appropriate to each participating country.

#### II. BUILDING A CLIENT SERVICE CULTURE

Many types of administrative government bodies - for example the border control agencies for security and customs - are involved in the flow of goods or services across borders. However, their ability to view the trade community as partner clients is often non-existent in the reflex reactions of mistrust, repetitious procedures, and seemingly pointless permissions, documents and signatures.



The ITC offers programmes to ensure knowledge transfer sessions and training on how to improve client service without reducing legitimate security concerns. These sessions help organizations become client-centric, to quicken reliable trade procedures, improve compliance and provide sustainable consistency.

### III. CERTIFICATION FOR DOMESTIC AND INTERNATIONAL SERVICE PROVIDERS

To make their trade transactions happen, many - if not all - small businesses have to rely on the services of transport and logistics providers to bring their goods from point A to B. To bring Malawi's tobacco, sugarcane, cotton or tea to world markets, a dedicated service provider needs to be able to efficiently connect Malawi with the port of Dar-es-Salaam or the ports of South Africa. Many months of efforts and work may depend on the trust and effectiveness of the chosen service provider. A capacity building and certification scheme of service providers could be the unique option for SMEs to identify the ideal "drop off" solution for their exports.

The ITC develops certification requirements and supports training needs targeting best local partners with the objective of offering simple one-step export options for SMEs - at reduced prices!

### IV. ACCESS TO FINANCE

The global financial crisis has resulted in an unprecedented shortage of liquidity for financial institutions worldwide. In combination with increased risk aversion of financial institutions, this is exacerbating the access to finance for African SMEs.

The ITC helps small businesses to increase their financial means for efficient export operations, including also transport and logistic services. In partnership with Trade Support Institutions, ITC builds the local capacity of skilled and certified counsellors capable of providing financial training, diagnostic and advisory services to SME managers. In parallel, ITC increases the capacity of financial institutions to assess the real potential of SMEs through tailored versions of a specific risk assessment / management tool (LoanCom).

### FOR FURTHER INFORMATION, PLEASE CONTACT



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Manuel Henriques  
Business Environment /  
Trade Facilitation  
International Trade Centre  
Palais des Nations, CH-1211  
Geneva 10, Switzerland  
+41 22 730 0111  
henriques@intracen.org

Roger Megelas  
Business Environment /  
Trade Finance  
International Trade Centre  
Palais des Nations, CH-1211  
Geneva 10, Switzerland  
+41 22 730 0111  
megelas@intracen.org