HONEY EXPORTS FROM ZAMBIA

BUSINESS PROCESS ANALYSIS
FOR ENHANCED EXPORT COMPETITIVENESS
Acknowledgments

Abraham Makano is the author of this report. He was assisted by Christian Ksoll, International Consultant. They are wholly responsible for the information and views stated in the report.

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# Acronym and abbreviation

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<th>Description</th>
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<tbody>
<tr>
<td>AFB</td>
<td>American Foul Brood</td>
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<td>AEO</td>
<td>Authorized Economic Operator</td>
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<td>BoL</td>
<td>Bill of Lading</td>
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<td>BPA</td>
<td>Business Process Analysis</td>
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<td>CE20</td>
<td>Customs Export Form 20</td>
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<td>CIF</td>
<td>Cost, Insurance and Freight</td>
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<td>CPC</td>
<td>Central Processing Center</td>
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<tr>
<td>DAM</td>
<td>Department of Agribusiness &amp; Marketing</td>
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<td>DVS</td>
<td>Department of Veterinary Services</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FCL</td>
<td>Full Container Load</td>
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<td>FOB</td>
<td>Free On Board</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIZ</td>
<td>German Corporation for International Cooperation</td>
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<td>GTZ</td>
<td>German Technical Cooperation Agency</td>
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<td>HMF</td>
<td>Hydroxymethylfurfural</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<td>ITT</td>
<td>International Telegraphic Transfer</td>
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<tr>
<td>Kg</td>
<td>Kilogram</td>
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<td>Km</td>
<td>Kilometre</td>
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<tr>
<td>Mt</td>
<td>Metric tonne</td>
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<td>NALIC</td>
<td>National Livestock Epidemiology and Information Centre</td>
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<td>NTEs</td>
<td>Non Traditional Exports</td>
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<td>NWP</td>
<td>Northwestern Province</td>
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<td>OSS</td>
<td>One Stop Shop</td>
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<td>SADC</td>
<td>Southern African Development Committee</td>
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<td>SMEs</td>
<td>Small and medium sized enterprises</td>
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<td>UCD</td>
<td>Use Case Diagram</td>
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<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
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<td>UNNEExT</td>
<td>United Nations Network of Experts for Paperless Trade in Asia and the Pacific</td>
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<td>UNSCAP</td>
<td>United Nations Economic and Social Commission for Asia Pacific</td>
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<tr>
<td>US$</td>
<td>United States Dollar</td>
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<tr>
<td>ZABS</td>
<td>Zambian Bureau of Standards</td>
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<tr>
<td>ZACCI</td>
<td>Zambia Chamber of Commerce and Industry</td>
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<td>ZARI</td>
<td>Zambia Agriculture Research Institute</td>
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<td>ZRA</td>
<td>Zambia Revenue Authority</td>
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Exchange Rate Used: US$ 1.00 = ZMK 7.50
Background

1. The Promoting Intra-regional Trade in Eastern Africa Project

The International Trade Centre (ITC) is a joint agency of the United Nations and the World Trade Organization, focusing in particular on developing the export capabilities of small and medium-sized businesses in developing and transition economies. ITC is a 100% "Aid for Trade" organization, supporting trade that delivers inclusive and sustainable development results.

ITC is currently implementing the Project "Promoting Intra-regional trade in Eastern Africa", which aims to contribute to inclusive and sustainable export-led growth. Funded by Finland, the Project is working with local partners to promote participation of small and medium sized enterprises (SMEs) in selected agri-food sectors in regional and global value chains. Besides Zambia, the Project is also being implemented in Kenya and Tanzania since 2014.

The Promoting Intra-regional Trade in Eastern Africa Project aims to respond to:

- Value chain weaknesses that hinder export competitiveness of producers and SMEs in selected agro-value chains (mango, honey, spices);
- Deficiencies of TSIs to provide the required support to enable SMEs to upgrade their competitiveness and successfully engage in export development.

The two expected outcomes of the Project are as follows:

i. Outcome 1: Increased export competitiveness of SMEs in selected agro-food value chains

ii. Outcome 2: Enhanced performance delivered by Trade Support Institutions (TSIs) with focus

In Zambia, the project is complementing an existing Enhanced Integrated Framework (EIF) initiative also partly funded by Finland, among other donors, through the EIF. The recently completed Zambia EIF Tier II Trade and Investment Project for Enhanced Competitiveness in Zambia’s Apiculture Sector (TIPEC-ZAS) was focusing on improving supply conditions for honey whereas this project focuses on the marketing side of the value chain which is currently considered as a weakness. The medium term objective is to enable Zambian honey to set a firm foothold in export markets.

The current project activities include the following in Zambia:

i. Updating the Zambian Honey Sector Strategy.

ii. Upgrading the ability of Zambian SMEs (processors of honey) to meet international quality standards on food security, organic production and traceability of output.

iii. Addressing weaknesses in packaging, branding and international marketing.

iv. Enhancing managerial and operational capacities of TSIs, especially towards upgrading the competitiveness of SMEs in the honey sector.

v. Offering relevant Trade Intelligence to the Apiculture Sector (producers, processors, exporters) by ZDA.
vi. Enabling national apex trade promotion bodies and business associations to advocate business interests and to influence business and trade policies affecting regional trade.


2. Business Process Analysis of honey in Zambia

As part of the activity to enable national apex trade promotion bodies and business associations to advocate business interests and to influence business and trade policies affecting regional trade, ITC has carried out a Business Process Analysis (BPA) study and organized a stakeholder workshop on 18 February 2016. The workshop, entitled “Enhancing Business Processes for Export Competitiveness”, discussed the preliminary findings of the study, including the recommendations for simplifying and streamlining business procedures.

The BPA study provides the basis for advocacy, public private dialogue (PPD), and trade policy reform, including intra-regional trade policies. In particular, the BPA study includes a simple methodology to elicit, document, and analyze the existing “as-is” business processes involved in international trade, as well as aid in developing recommendations for further improvement. It suggests a set of practical steps and activities, from setting the scope of the business process analysis project, planning its implementation, collecting relevant data, and presenting it in an easily understandable manner; to analyzing the captured data in order to identify bottlenecks and develop recommendations for improvement.

As a result, the TPOs and business associations will be able to use the BPA study to advocate their business interests and to influence business and trade policies affecting regional trade. Where appropriate, sectoral associations in Zambia could also work with Regional apex bodies in the region to address certain obstacles, including those which could be addressed in the context of the Tripartite FTA. Furthermore, businesses will also benefit, through enhanced trade performance, from a better understanding of their value chains.

3. Overview of honey in Zambia

Beekeeping or Apiculture is an age-old cottage industry that many communities have used as an income-generating activity. The increased demand for honey and other bee products has required increased production and the adoption of modern methods of honey production in addition to other bee products that are extracted after harvesting honey to meet this demand. As a rural development activity, its sectorial divide or domain includes agriculture, animal husbandry, entomology forestry, and horticulture natural environment.

3.1 Honey Production in Zambia

Although honey is a major product of beekeeping, there are other honey bee products that are equally important and profitable but not well developed due to lack of technology, skills and information about the market. In Zambia, honey production is concentrated in the North-Western Province (Kabompo, Mufumbwe, and Mwinilunga) and Western Province (Kaoma) and partly in the Central Province (Kapiri-
HONEY EXPORTS FROM ZAMBIA

Mposhi, Mkushi) and Copperbelt (Mpongwe). In the recent past, there have been efforts to expand honey production in the Eastern Province and other provinces too. Figure 1 shows the production areas of honey in Zambia.

**Figure 1: Honey Purchases in Zambia during the 2011/12 honey season by provinces (in tonnes)**

![Map of Zambia showing honey production areas](image)

*Source: (Kambeu, 2008)*

The honey from Zambia comes from Miombo Woodlands which consists of tree species such as *Isoberlinia, Brachystegia, julbernadia*, acacia and mopane and is used both as table honey and for industrial applications as raw material in production of cosmetic and pharmaceutical products. *Brachystegia* species are the main sources of nectar for the minor honey flow/season while *parinari, cryptosepalum, marquesia* and *suzygium* species provide a build up for nectar for the major honey flow.

In Zambia, there are essentially two honey seasons: the minor flow (May to July) and the main flow (September to November). The cropping seasons are largely dependent on the flowering patterns of the forage or the trees that are in the area. According to the bee botany (bio-physical of beekeeping), it is necessary for the bees to have plenty of water and pollen and ambient temperatures. If the area is very hot, bees tend to leave the hives.

According to the FAO (FAO, 1995) the entry barriers to the industry are very low. The FAO identified five types of capital necessary for success; these are:

1. **Natural capital**: the natural resource stocks from which resource flows useful for livelihoods are derived (for example land, water, wildlife, biodiversity, environmental resources).

2. **Social capital**: the social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods.

3. **Human capital**: the skills, knowledge, ability to perform manual labor and good health important to the ability to pursue different livelihood strategies.
4. **Physical capital**: the basic infrastructure (transport, shelter, water, energy and communications) and the production equipment and means that enable people to pursue livelihoods.

5. **Financial capital**: the financial resources which are available to people (whether savings, supplies of credit or regular remittances or pensions) and which provide them with different livelihood options.

### 3.2 Export of honey

Although honey exports from Zambia date back over 50 years, significant honey exports began to be recognized in the 1980s after the construction of the beekeeping factory in Kabompo with the assistance of the GTZ (now GIZ). From 2004 to 2014 exports of honey to various markets in Europe, Botswana, South Africa have averaged US$ 500,000 per year with a spike to US$ 1.38 million in 2010 (see Figure 2). However, internationally Zambia remains a minor player.

![Figure 2: Honey exports from Zambia, 2004-13](image)

Source ZDA, CSO 2014

The exported product is liquid honey which comes from the Miombo woodlands. It normally has a strong pungent smell and taste, and it is dark in color. The exporters of honey buy it from beekeepers in Kabompo, Mufumbwe and Mwinilunga districts in the North western province, which is about 900 km from Lusaka.

The importer re-packages it in smaller quantities and sells it as table honey to supermarkets under different brand names. Some of the honey is also sold to industrial manufacturers for use in pharmaceutical, cosmetics and confectionaries. The packaging of exported honey is mainly hermetically sealed metal drums or plastic containers.

As a way of promoting consumption of honey in the export market, honey from Zambia is exported as organic or natural honey, coming from environmentally sustainable management without any added pollutants and chemicals.

In Zambia, the legal and policy framework that governs the honey sector falls under the forestry sector. The National Forestry Policy of 2014 and the Forestry Act of 2015 are key in the development of the honey sector.
The Zambian Government considers exports key to national development, contribution to the Gross Domestic Product (GDP) and wealth creation for its citizens. In the export of honey, the Government facilitates trade by ensuring that necessary government regulations are followed but otherwise it does not intervene. In this respect, government agencies such as the Zambia Agriculture Research Institute (ZARI), the Department of Agri-business and Marketing and Department of Veterinary Services (Ministry of Fisheries and Livestock) are very helpful in issuing supporting documents and certifications. These documents are issued in compliance with local and international laws, some of which are domesticated.2

Zambia is a land-locked country and honey exports to Europe are mostly transported via Walvis Bay in Namibia, Dar es Salaam in Tanzania, Beira in Mozambique and Durban in South Africa. For the purpose of this study, the export of honey from Zambia is through Walvis Bay in Namibia to Hamburg, Germany.

Exports of honey from Zambia vary from exporter to exporter. Some contract terms are Free On Board (FOB) Lusaka, while others are Cost, Insurance and Freight (CIF) Walvis Bay. Under FOB3 ex-factory terms, the exporter’s responsibility is to put the cargo on the truck. Under CIF, the exporter's responsibility terminates at Walvis Bay, the port of loading. Once the cargo is on the vessel, it becomes the responsibility of the importer. However, the exporter is still responsible for insurance and the freight charges up to Walvis Bay.

The exporters, who are at the same time honey processors, directly buy the honey in raw form (comb honey) from the beekeepers as they are also responsible for processing the honey from its raw form. In many cases, the beekeepers and the exporter/processor enter into an out-grower scheme agreement, where the processor supplies protective clothing and other accessories such as collection buckets. This arrangement is mutually beneficial. It assures the beekeeper of the market for his honey while at the same time the processor/exporter is also guaranteed a constant supply of honey, and this enables him to plan the processing schedule and supply contracts (quantities) to the European markets. Once the exporter/processor receives the comb honey, it is processed into liquid honey using different honey extraction methods such centrifugal, pressing, thermal or filtration. The honey, whether processed or raw, is transported by road in buckets to processing centers/factories in Kabompo, Mwinilunga, Mpongwe or Lusaka.

In the forest where the honey is produced by bees (apis merifella), the DVS of the Ministry of Fisheries and Livestock normally carries out annual inspections of the forests to make sure that the forests are not contaminated with chemicals or diseases such as American Foul Brood (AFB) to the extent of affecting the quality of honey. In the case where the demand is for organic honey, forest certification agencies such as Soil Association and Eco-cert certify the forests as conforming to environmentally managed forests. For the purposes of this study, the exported honey is simply natural honey. The cost of transport is very high because the honey is transported over a distance of 900 km to Lusaka. In fact, by the time the honey arrives at Walvis Bay it would have covered over 2,700km. Where the processor is based in Lusaka, it may take about 2 days to transport the honey. Despite the considerable distance the supply chain for export of honey is quite short. It is mainly from beekeepers to processor/exporter.

Owing to improved technology in the banking sector, payment for exported honey is by International Telegraphic Transfer (ITT). Normally, the payment is broken down into two parts; the down payment, about 30-50% which is paid after concluding the sales contract, and the final payment which is paid

2 Adoption of global trends for domestic/national use

3 It depends on the terms of the contract. When I was export Manager our FOB terms were ex-factory. It is possible to have FOB ex-port of discharge, which means the exporter pays the transport cost up to the port.
after the exporter has fulfilled its contractual obligations. Although the exporter negotiates the prices
with the importer, as a commodity and given the global multiple suppliers from other countries and
continents, international suppliers provide a benchmark for pricing. The price of honey ex-Lusaka is
between US$ 400-500 per metric ton. The payment period varies, but usually payments are concluded
within 14 days. Between the importer’s banker and the exporter’s banker, the inter-bank transaction
takes about 2-3 days and costs the exporter bank fees up to US$ 50.00.
Methodology and scope of the study

1. Methodology

The objective of this study is to apply the principles, methods and processes of the concept of ‘Business Process Analysis’ (BPA) on the export of honey from Zambia. The BPA evaluates the processes and procedures that a honey exporter goes through, from sales generating up to shipping to concluding the payment. The analysis takes into account the documentary process, the time it takes to process each document, the associated costs of the honey export transaction from Zambia and legal requirements for each process.

In conducting this BPA, the author followed a methodology set out in an updated version of the Business Process Analysis Guide to Simplified Trade Procedures, a document developed by the UNNExt, UNESCAP and the United Nations Economic Commission for Europe (UNECE). The BPA uses the UN/CEFACT model for international supply chain which comprises three processes, to which every player is related in a transaction. These processes are categorized as follows:

(a) Buy process - this is the initiation of a transaction which establishes the contract and the terms of the trade.

(b) Ship process - the main activities are arranging for inland and marine transportation across the border and other regulatory requirements set mainly by the government agencies in honey exports.

(c) Pay process - this process involves payment and transfer of money using importer and exporter banks as per sales contract.

This BPA represents the first time that this methodology has been applied on an export process in Zambia. This study shows the ‘as-is’ or current situation for the honey exports to the European Union (EU) market. Documentary requirement for export of honey to other geographical markets may slightly differ from those to the EU market and it should be noted that different customers may have different sales contracts with different terms and conditions.

2. Scope of the Business Process Analysis

This BPA is based on the following scope:

(a) The HS-Code for the honey is 04090000;

(b) The shipment is a 40 foot (FEU) full container load (FCL);

(c) There is no cargo consolidation with other exporters (the shipment is for only one customer);

(d) The truckload carries about 72 palletized metal drums of liquid honey of 210 liter. Each drum weighs about 300 kg and the total weight of the cargo is about 22 tons;

(e) The value of the cargo is US$ 108,000 CIF Walvis Bay, at the price of US$ 5.00 per kg;

(f) The honey is for industrial use and blended with other honeys;
(g) The origin for the export of honey is assumed to be Lusaka, Zambia, and the cargo is transported by road through Kafue, Choma, Livingstone, and Sesheke up to Katima Mulilo border post en-route to Walvis Bay in Namibia (see Figure 3);

(h) The final importer is based in Hamburg, Germany, in the EU;

(i) A first payment is made after signing the contract and receiving the official order. The final payment is made after submission of the Bill of Lading (BoL). However, there are variations in each contract, depending on the relationship between the exporter and the importer; and

(j) The exporter complies with all regulatory requirements as they pertain to export of honey.

Figure 3: Map showing the honey export route

2.1 Study Approach

This BPA began with a two and a half days training in all aspects of the exercise which was conducted in Dar-es-Salaam in Tanzania from 1-2 June 2015. The training involved three participants (two from Tanzania working on mangoes, spices and honey, and one from Zambia working on the honey exports). The training was supported by the ITC. The objective of the training was to establish a frame of reference for detailed business process modeling work.

After the training in Tanzania, Project Officers from ITC, Geneva and the course facilitator accompanied the consultant in Zambia to interview stakeholders in Zambia and meet relevant authorities and other
technical staff. A visit was also made to Mpongwe to meet with one of the exporters of honey in order to understand the export process that they undertake. The objectives of this BPA are to:

(i) understand the processes that a honey exporter goes through in Zambia;

(ii) identify bottlenecks;

(iii) make recommendations for the improvement of the process; and

(iv) contribute to the policy debate and policy formulation for the honey sector and see how, as a cottage industry, it can contribute both to the national economy and poverty reduction, especially downstream to beekeepers and all the stakeholders in the honey value chain.

The time it takes to process every activity and the associated cost at each stage is of particular interest in the documentary process of the honey exporter. The objective of this exercise is to develop policy recommendations to facilitate trade, reduce costs and time spent in the export process of honey in Zambia.

To validate the findings of this BPA, the study team carried out several rounds of interviews with the various process participants. In addition, as mentioned above a stakeholder consultation meeting was held on 18 February 2016 drawing participants from the private and public sector including from most stakeholders involved in the honey trade.

2.2 Study Limitation

Although Zambia processes about 3,000 mt of honey per annum, and has the potential to be one of the biggest exporters in the world of both organic and natural honey, there are at most only three consistent exporters in the country. Most honey traders choose to sell their products on the local market, in part because prices in the domestic market are higher than on the international one. The scope of this study focuses on the export market.

The major challenges/limitations of the study were:

(a) There was very limited participation of exporters (among the 3 regular exporters in the country) who provided input to this study. As a result, this study is based on only one exporter to the EU;

(b) No field visit was carried out at the Zambian/Namibian border; and

(c) The focus of this study is on the Zambian policy environment. There were no interviews carried out with Customs agents on the Namibian side of the border to verify how Customs agents collaborate.
Business process analysis for liquid honey exports from Zambia

It must be acknowledged that all exporters of honey must first be registered with the Department of Veterinary Services (DVS).

Before an exporter can obtain an international sanitary certificate from the DVS, which is now under the Ministry of Fisheries and Livestock, the department must have inspected the forest from where the honey originates. This is done once a year with staff from the department collecting samples from relevant areas and the samples are sent either to German or South African laboratories for analysis. This test is necessary to detect overheating and poor packaging that may result in honey being exposed to adverse weather conditions. Local tests examine antibiotics, foreign bodies and American Foul Brood (AFB). The tests provide all exporters of honey from that area with a certificate for one year. The department is a government institution, and does not charge the total cost of the field test to one customer. The fee that the exporter pays is for the certificate only and does not include the total cost of the comprehensive testing (see also process 3.2).

All imports to the German market must comply with EU market requirements. As part of this, a health certificate, in accordance with the EU model, must be presented once a year. The process of obtaining the EU health certificate starts with the exporter making an application for an EU health certificate through the DVS’ district office. Once the district office has received the application, they make recommendations to the DVS head office, within Lusaka. The DVS head office will normally make a one-time application to the EU on behalf of the exporter. Since Zambia does not have the bacteria *peanibacilles* and organism *nosema ceremea* that affects the quality of honey, the EU automatically approves the application. After this approval has been communicated by the EU to the DVS, it is then communicated to the district office for the exporter. The exporter is usually informed by phone or in person and then the exporter is able to download the EU certificate from the EU website. The approval process may take up to 30 days.

The export process of liquid honey from Zambia to Germany is depicted in Figure 4.

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4 Prior to October 2015, the three departments; Agri-Business and Marketing, ZARI and Veterinary were under the Ministry of Agriculture and Livestock. This Ministry has since been split and now there is the Ministry of Agriculture and the Ministry of Fisheries and Livestock. The responsibility for veterinary services for honey products has been assigned to the Ministry of Fisheries and Livestock.

5 According to Ron Wacker, PhD, Global Food Testing Business, Development Manager, SGS Germany, in the EU, exporters must meet the requirements of European Commission Regulations No 178/2002, No 852/2004 and No 853/2004 and have an HACCP based food safety system implemented. Maximum residue limits (MRL) for pesticides are listed in Regulation No 396/2005. The EU’s standard for antibiotics in food stipulates that each antibiotic must have an MRL, as listed in Regulation No 37/2010 before it can be used on a food-producing species. However, there are no MRLs for honey, which means the use of antibiotics for the treatment of honey-bees is not allowed. All honey exported to the EU must be monitored for residues in compliance with Directive 96/23/EC. Moreover, the honey must be the product of one of the countries allowed to send honey to the EU. Each year, the EU updates this list. The current list can be found in Commission Implementing Decision 2012/302/EU. Finally, EU requirements on honey intended for human consumption are set out in Directive 2001/110/EC.

1. The buy Process

1.1 Conclude sales contract

This process involves four parties including the exporter, the importer, the importer’s laboratory and the courier service.

Concluding the sales contract is the first step in the export process for honey from Zambia. The process starts with the importer requesting for honey samples from the exporter. Once the exporter receives the request for honey, he sends the honey samples to the prospective importer by courier services. After receiving the honey samples, the importer sends the samples to an independent laboratory for quality testing (i.e. in Germany). This laboratory analyses the sample for Hydroxymethylfurfural (HMF), smell, color, taste and water content. Honey samples must be sent to the importer for testing prior to shipping the bulk of the product. The laboratory will produce a report that displays the test results. Sample testing takes about seven days. The sample testing report is then sent to the importer. If the importer is satisfied with the results of the laboratory report, he proceeds by asking the exporter to submit a quotation for the intended quantity of honey to be imported. The exporter responds by sending a quotation to the importer, who then prepares a purchase order and draft contract and sends it to the exporter for review. The exporter will study the purchase order and draft contract to satisfy himself of the conditions of the contract. The sales contract will also specify terms of payment, number of samples to be sent as well as testing times.
This process may take as long as 14 days, with 7 days minimum to conclude the sale. It may cost up to US$ 60.00 in courier fees. The laboratory costs are borne by the importer.

According to exporters, contract negotiations can be lengthy, especially when new business relationships are formed. The contract can also vary substantially in detail and length (in some cases 50 pages or more). Usually the importer sends a draft to the Zambian exporter who then needs to review it carefully. The contracts usually stipulate the Incoterms, payment schedule and payment condition, delivery schedule, as well as test requirements that the honey must meet in order to be accepted by the buyer.

Some contracts may also cover several shipments and usually include a delivery schedule. In such a case, a sample has to be sent for every shipment, which is tested every time by the buyer. At every purchase, the importer assumes that each transaction is an initial one and this is why the exporter goes through the same rigorous process.7

Some exporters reported that they face difficulties sending honey samples from Zambia using courier companies while it seemed to be no problem if the shipment was initiated in Europe. The research team found that not all companies ship honey samples to Europe although some do. For example, while DHL’s company policy is not to ship ‘animal products’, Fedex does ship honey samples (a 1 kg package costs between US$40.00 to US$50.00).

2. The Pay Process

2.1 Make first payment

Once the importer receives the order and signs the contract, the importer instructs his bank to make a payment to the exporter by International Telegraphic Transfer (ITT). After the importer’s bank receives the instruction to pay the exporter, the bank debits the importer’s account with the amount as shown on the purchase order, and according to the importer’s request. Sending an email to the importer alerts the exporter that a transaction has taken place on his account. On the other hand, the exporter also receives notification from bank that his account has been credited with the amount from the importer. The exporter then informs the importer about the transaction.

This process takes between four and seven days, and costs the exporter about US$ 50.00 in bank fees per transaction. However, it is important to remember that the bank fees can vary from bank to bank.

The first payment is usually between 20-40% of the contract volume. The payments are in some cases advance payments or oftentimes after the exporter presents the BoL to the buyer. Obtaining the BOL is the proof that the exporter has delivered the cargo to the shipping line and the cargo is already loaded on the ship.

7 The information gathered is that there is a surveillance plan for honey diseases. The National Livestock Epidemiology and Information Centre, working with District Veterinary Officers in the respective districts working with the Plant and Phytosanitary Quarantine and Inspection based at Mount Makulu. Samples are taken annually from the field and then sent to a laboratory in Germany for analysis and testing. Once the honey samples have been tested and passed, then the country is given a certificate valid for a year. How long they lab takes is undefined and apparently very little is done locally in testing the honey. And another thing is that anyone who wants to export to the EU must register and be a member of Honey Association in Zambia and they export under the umbrella of this association.
2.2 Make final payment

This process is only completed after the importer has received the honey and has the option of testing the consignment against the sample provided. The remaining amount is only transferred if the quality of the consignment matches or exceeds the quality of the sample. Otherwise, the buyer will try to negotiate a discount. It is the last process step in the export process.

After the importer is satisfied with the cargo the importer acknowledges the goods as received by signing an Acquittal Bill of Entry. This is sent to the exporter by courier, which enables the exporter to generate and send the final invoice for payment to the importer. Similar to the previous process of ‘make first payment’, the importer instructs his bank to make the final payment to the exporter, after the importer has received a final invoice. The importer’s bank receives the payment instructions and executes the payment to the exporter by debiting the importer’s bank account. This amount of money is sent electronically by the bank to the exporter’s bank. The exporter’s bank credits the exporter’s account with the final payment. After the transaction has been confirmed, the exporter informs the importer that the final payment has been received, and closes the transaction.

The process takes four to seven days, depending on the efficiency of the banks and costs US$ 50.00 in bank charges (which can vary from bank to bank).

Some stakeholders reported that it can take several months until the exporter receives the final payment. In part this can be explained by the fact that the journey from Southern Africa to Europe takes several weeks and payment happens only on the condition that the consignment matches the sample (which may require further testing). However, it is also difficult to enforce faster payments by exporters when the importer delays the money transfer. This can strain the exporter’s ability to manage the firm’s working capital.

3. The Ship Process

3.1 Arrange Maritime Transport

The ship process for honey export from Zambia starts with arranging maritime transport. This step involves two parties: the importer and the shipping line.

The importer requests a shipping line (or via a shipping agent) reserves space on the vessel for the honey consignment. This is done early in the transaction so that there is no delay in loading the consignment after it has reached the port of loading (Walvis Bay). The shipping line receives the request to book space on the vessel. The booking takes into account whether there is space available on the ship on the requested date. After receiving the request for space on the vessel, the shipping line checks availability and, if available, sends out the shipping instructions to the importer to confirm the booking. The importer receives the shipping instruction including the reference number which is later used to confirm the actual date of shipping the honey.

This step takes about two to three days. At the time of research, costs for maritime transport (non-process related costs) are approximately US$ 1,200 per 40 foot container from Walvis Bay to Germany.

While the importer books the transport, exporters sending cargo via Walvis Bay port must properly plan the export process (especially the schedule). On the one hand, goods must be sent on time before the estimated time of arrival of the ship in order to ensure cargo does not miss the ship. On the other hand, if cargo arrives too early, the exporter faces high storage costs in the port. This problem is particularly
the case for larger shipments as there are many uncertainties throughout the process (see in various processes below).

3.2 **Obtain international sanitary certificate**

Obtaining an international sanitary certificate involves two parties: the exporter and the DVS of the Ministry of Fisheries and Livestock. An international sanitary certificate is a requirement for all animal-based exports to the EU. The issuance of this document proves that the honey conforms to Animal health Act No. 385 of 2010, Control of Goods Act 421, and Bio-safety Act 2007 of the laws of Zambia.

Before the honey is exported, the exporter must request an international sanitary certificate from the DVS. In normal cases, the DVS receives the request for an international sanitary certificate from the exporter. The document is an accountable document and can be completed by the DVS staff only. The exporter then makes the payment (normally in cash). After the payment has been made, a payment receipt is issued to the exporter, and the District Veterinary Officer allocates an export number onto the certificate. These numbers are serialized for each exporter. The district veterinary officer then verifies and signs the certificate after completing the form with details from the exporter. After the initial completion of the form by the district veterinary officer, the certificate is then approved by a provincial veterinary officer from the National Livestock Epidemiology and Information Centre (NALIC), which is within the DVS. There is separation of powers in the signing of the certificate: one from the district and another officer from the NALIC. The NALIC is the only authorized unit that is mandated to sign on the international sanitary certificate. Its main function is to keep information on livestock diseases.

Obtaining the international sanitary certificate is done within a day and costs the exporter ZMK 30.00 (US$ 4.00).

3.3 **Obtain export permit**

Obtaining an export permit normally involves two parties; the exporter and the Department of Agribusiness & Marketing (DAM) of the Ministry of Fisheries and Livestock. The export permit is needed in order for the government to know what products are being exported in case the product is critical for food security. The export permit is later needed to clear the goods through Customs (ZRA).

First, the exporter requests an export license application form from the DAM. Once the exporter receives and completes the form, the exporter then downloads a blank EU health certificate form from the EU's website and completes the fields (to the extent possible). These first steps may be carried out in any order. Subsequently, the following documents are submitted:

- Completed export license application form;
- International sanitary certificate; and
- Draft EU Health certificate (without the BoL details).

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8 An official document issued as proof of payment, inventory movement which is serialized and can be verified and validated.

9 The form is signed by two officers from two different units as explained in the text. It takes less than a day to sign, maybe 30 minutes if all officers are available. The challenge is to find officers from both units available when the exporter goes to the Vet dept.
The DAM scrutinizes the application form. If the Examination Officer is satisfied with the entries, then he requests payment from the exporter. The exporter makes cash payment by depositing cash into the department’s account at the bank. It is after the payment has been made that the DAM scrutinizes the payment receipt. Unless it is a restricted product, the DAM issues and signs the export permit.

This process takes one day and costs the exporter ZMK 52.50 (US$ 7.00) per 30 metric tons. The fee of ZMK 52.50 per 30 metric tons is for truckload or equivalent, of the commodity exported or imported.

There are two challenges that exporters face in relation to obtaining the export permit:

1. Payment for the export permit is made at the bank. The payment receipt must then be shown at the office in order to start the processing of the export permit.

2. The relevant person to sign the export permit is often not in the office. There is no delegation of signature authority in place, which is a source of delay.

As a result of the above two challenges, exporters must visit the office 3-5 times to obtain the export permit.

3.4 **Arrange transport (land) and load truck**

The step of arranging land transport and loading the cargo on the truck involves four stakeholders: the exporter, transporter and shipping line (with corresponding container yard).

This step begins with the exporter sending a request for transport services to the transporter. Once the transporter receives the request for transport, he sends a request to the shipping line concerning the availability of a container. The shipping line must confirm the availability of the container according to the transporter’s condition and type of cargo. This confirmation is then sent to the transporter and contains information on the availability of the container and cost. The transporter forwards the message to the exporter. The exporter reviews it and if the quotation is acceptable, makes the payment to the transporter. If, however, the terms are not acceptable, the exporter terminates the process. After receiving the payment, the transporter requests the time to pick up the container from the shipping line. The shipping line assigns a container and arranges the pick-up time with the transporter. The transporter then coordinates with the exporter to schedule the loading of the container so the exporter can prepare the cargo for loading. The transporter subsequently picks up the container. Once the transporter is at the pick-up location of the container, the shipping line then loads the container on the truck. The transporter drives to the exporter’s premises, where the exporter loads the cargo into the container.

It must be noted that containers that are carried on the truck belong to the shipping line. Once the transporter confirms with the shipping line that there is a container available for the transporter’s client, the container is selected based on the type of the products. The container must fit the purpose. In the case of honey, the container must be clean, water tight and the lock must be operational. Containers are usually collected from container yards, which are owned by a third party organization.

There are no costs to arrange the transport. The cost of transportation is ZMK 30,000 (US$ 4,000) per shipment and it takes about two days to arrange. However, the time between arranging transport and conducting the transportation may take between 2-14 days.

The actual transport operation is not perceived to be a major challenge in Zambia, especially for exports. There are usually plenty of trucks available because of the significant trade imbalance towards imports. Furthermore, transport times between Zambia and Walvis Bay are predictable, according to exporters.
However, while it takes only 2 days to arrange transport, it can take between 2-14 days to receive the truck on the exporter’s premises which is a source of great uncertainty. This situation occurs because the trucks hired are usually trucks carrying import cargo and they take the export goods as backload. Even though a transporter has been engaged and the truck assigned, the transporter often re-assigns the truck if there is a risk of being delayed carrying the export cargo to Walvis Bay (and would miss the pick-up obligation for the import cargo in Walvis Bay to Zambia). Therefore, exporters usually plan with a seven day buffer to receive the truck on their yard to avoid scheduling complications from late deliveries.

Partly due to existing road blocks, weigh bridges, checkpoints and other malign practices transport costs are generally not cheap.

There are two major sources for containers: The first one is from the container yards, the second from transporters or importers. There are some transporters who own containers that they eventually dispose of by selling to exporters or other users as storage.

### 3.5 Obtain insurance

There are three parties that are involved with obtaining insurance: the exporter, the insurance broker and the insurance company. Cargo insurance is necessary to protect the shipper from financial losses in case the cargo is damaged or lost during transportation to the port. Insurance is commonly used by Zambian exporters.

This process begins with the exporter requesting insurance coverage through an insurance broker. Once the insurance broker receives a request for a quotation, he makes a request to the insurer for a quotation. After assessing the risks related to the cargo and its route, the insurer prepares a quotation which is sent to the insurance broker. The insurance broker forwards the quotation to the exporter who scrutinizes it. If the terms are acceptable, he then provides the details of the truck that will carry the cargo and makes the payment to the insurance broker. The insurance itself is valid for a period of 3 months but in practice it is used only for a one-way trip. The insurance policy includes the details of the truck such as license plate, chassis number etc.

If the exporter is not happy with the cost or terms of the insurance, he terminates the process and enquires with another insurance broker. Upon receiving the payment from the exporter, the insurance broker also makes the payment to the insurer. After the insurer receives the payment, the insurance company prepares the insurance policy and sends it to the broker for onward transmission to the exporter. The transfer of the insurance policy to the exporter then completes the process.

The whole process takes between 30 minutes to two hours. There are no process-related costs and the insurance premium up to Walvis Bay for a 21.6 tons assignment is estimated at ZMK 4,000 (US$ 533.33).

### 3.6 Clear goods through customs

Clearing goods through customs involves the exporter, the licensed customs agent and the Zambia Revenue Authority (ZRA).

After the preliminary documentation (insurance policy, international sanitary certificate and export permit) have been completed, the next step in the shipping process is to prepare the documents to

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10 If the agreement is to CIF Walvis bay, the insurance covers from Lusaka to Walvis Bay.
clear customs. It is a legal requirement for any exporter to use the services of a licensed customs broker/agent.

The process starts with the exporter preparing standard shipping documents and submitting them to the licensed customs broker. These documents are:

- Packing list
- Delivery note;
- Commercial invoice;
- International sanitary certificate; and
- Insurance policy.

After receiving the documents, the licensed Customs broker reviews the documents for accuracy. If the documents are not in line with the customs requirements they are sent back to the exporter for correction. If everything is in order, the customs broker then prepares the CE 20 export declaration form. Subsequently, four sets of all the required documents are prepared which are distributed as follow:

- 2 sets are submitted to ZRA,
- 1 set goes to the exporter, and
- 1 set remains with the customs broker.

The packing list, delivery note and commercial invoice are mandatory documents that must be presented to the ZRA (via the licensed customs broker). Specifically for honey, the international sanitary certificate and insurance policy are also required. The licensed Customs broker scans these documents and uploads them to the ZRA customs system, the Central Processing Centre (CPC). At the same time, the broker makes the payment by cheque to the ZRA. Once the ZRA receives the documents and payment, the documents are further reviewed. It is now a requirement that all exporters register with the ZRA e-customs for easy payment of customs fees. Those that are not registered are required to pay by cheque.

ZRA also conducts a risk assessment in order to facilitate trade. ZRA’s risk assessment system has four colours (red, yellow, green and blue). The blue channel is for Authorized Economic Operators (AEOs) and only used for imports. Some parameters used for the assessment by the CPC, the document processing unit within the ZRA, are the risk of the goods, the transporter and the exporter. After document entry is made electronically, the system assigns a colour code (based on the ZRA risk profiles):

- Green indicates that the consignment does not undergo any further inspection.
- Yellow indicates that only documents are checked for accuracy at the CPC. In that case, the following details are scrutinized: name of importer, weight, exporter’s name, CE20 and the attached forms (permits, permit number etc.).
- Red indicates that the consignment must undergo physical inspection and document check either at the inland port or port of exit.
After the risk assessment (and the goods and/or documents inspection if needed) - whether inland or at port of exit - ZRA places a seal on the container. Once all customs formalities are completed, ZRA clears the truck by issuing official receipt to the broker as proof of payment and the release order, a document certifying that the cargo/truck has passed customs controls. The licensed custom broker then sends these documents to the exporter.

After the exporter has received the documents, he advises the transporter that the consignment must leave the ZRA facilities within 12 hours of customs clearance and must leave the country within 3 days.

On average, this step takes two days and costs the exporter ZMK 83.00 (US$ 11.07).

There are various trade facilitation initiatives ongoing under the auspice of the Ministry of Trade, Commerce and Industries as well as under the leadership of the ZRA. For example, according to ZRA, the Zambian government is in the process of implementing a national single window. In total, 13 agencies will be connected to the single window. The legal requirements for this process are completed and data harmonizing across agencies has commenced. The next steps are to connect other border agencies. The Zambian Bureau of Standards (ZABS) is scheduled to join in 2016.

The ZRA has an AEO system in place (blue channel in risk management). Presently there are 13 companies registered as AEOs, all of which are importers. Exporters are, at the moment, not eligible to participate in the AEOs. In the future ZRA plans to open the system also to other stakeholders such as Customs brokers and transporters. The current AEO system recognizes only one set of benefits (1-Tier system) but by mid-2016 ZRA is planning to have a 3-Tier system, meaning there would be different benefit levels depending on compliance and other factors.

The ZRA uses the ASYCUDA system to process Customs declarations. Recently, payments to ZRA can be made electronically from several banks connected to the system. The system is also used to make a risk assessment for inspections.

According to ZRA, there are more inspections taking place on imports than on exports. Inspections are usually carried out jointly and only once (for imports and exports) unless there is a suspicion of malign activities. Inspections take place either at inland locations (i.e. exporters’ premises) with a seal put on the container subsequently or at the border. The seal number after the first inspection is put in the Customs documentation.

### 3.7 Complete Border Crossing

This step involves the transporter, licensed customs broker, the ZRA and the exporter.

This process step starts with the exporter handing over the export documents to the transporter. After the transporter receives the necessary documents from the exporter, he drives to the border where he hands them to the licensed customs broker who is stationed at the border. The customs broker checks the pre-cleared documents for accuracy with the copies that were electronically sent to him for pre-clearing. The licensed customs broker reviews the shipping documents to verify the clearance of documents. If errors are found, the documents are sent to the exporter for rectification. If there are no errors found, then the licensed customs broker submits the documents to the ZRA border office. Once the documents are received, ZRA reviews the documents. Unless there is a suspicion of malign intended actions, no further goods inspections are carried out by ZRA. With regard to this BPA, the goods have been already customs cleared at an inland station with a seal placed on the container. Once the ZRA officer completed the review (without objection) a gate pass is issued to the licensed customs broker to allow the truck to cross the border. The licensed customs broker receives the documents with the gate pass and hands them to the transporter. The transporter receives the gate pass and documents and crosses the border.
HONEY EXPORTS FROM ZAMBIA

This step takes between a few hours to a full day depending on the traffic at the border. Normally the truck arrives in the afternoon and is cleared the next morning. This step has no cost to the exporter since he has paid the customs agent already.

Stakeholders have reported that there is a risk of double inspections at the border conducted in addition to the customs inspection. ZRA has encouraged the other agencies represented at the border to cooperate with ZRA but to date there is no formal cooperation mechanism in place.

In addition, transporters require a transit document in order to proceed from the Zambian/Namibian border to the port. This process has to be initiated in Namibia with the Namibian customs authorities. During the course of this BPA, no detailed information has been obtained on this.

3.8 **Complete and submit EU health certificate**

This step consists of the exporter, importer, transporter and the shipping line.

The step starts with the exporter handing over the shipping documents to the transporter, who then hands them over to the shipping line once the truck with cargo of honey has arrived in Walvis Bay. The documents must be received by the shipping line prior to loading the vessel. After the vessel has been loaded, the shipping line produces a BoL with details about the exporter, importer, container number, date of departure and expected date of arrival, name of vessel, products and its packaging. Before the vessel leaves Walvis Bay, the shipping line sends the BoL by email or courier to the exporter. The details of the BoL are then written on the EU health certificate. In most cases, this is done by an agent (a representative of the exporter). Subsequently, the EU health certificate is sent to the importer - it is usually sent to the importer independent of the other documents. After receiving the certificate, the importer will wait for the cargo to arrive and take some samples to verify the quality of the honey.

This step takes 7 days on average. Although this process seems to take a long time, in practice much of the time is a result of the documents traveling from the exporter to the port and back.

A major challenge that has been reported by exporters is that the EU requires the EU health certificate and the international sanitary certificate to carry the same dates. This is virtually impossible for Zambian exporters because the international sanitary certificate has to be obtained in the beginning of the 'ship process' (i.e. it is a requirement to initiate the Customs process and to obtain the export permit). The Process participants usually back-date the EU health certificate to fulfill the EU requirement (matching dates between the EU health certificate and the international sanitary certificate). This practice affects all agricultural products exported to Europe.
Summary of findings

Figure 5 below illustrates the graphical presentation of the processes involved in export of honey from Zambia, including the time spent for each process.

Figure 5: As is time chart for the export of honey from Zambia to Germany

<table>
<thead>
<tr>
<th>Process</th>
<th>Time in days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Conclude sales contract</td>
<td>~ 7-14 days</td>
</tr>
<tr>
<td>2.1 Make first payment</td>
<td>~ 4-7 days</td>
</tr>
<tr>
<td>3.1 Arrange maritime transport</td>
<td>~ 2 days</td>
</tr>
<tr>
<td>3.2 Obtain international sanitary certificate</td>
<td>~ 1 day</td>
</tr>
<tr>
<td>3.3 Obtain export permit</td>
<td>~ 1 day</td>
</tr>
<tr>
<td>3.4 Arrange transport (land) and load truck</td>
<td>~ 2 days</td>
</tr>
<tr>
<td>3.5 Obtain insurance</td>
<td>~ 1 day</td>
</tr>
<tr>
<td>3.6 Clear goods through customs</td>
<td>~ 2 days</td>
</tr>
<tr>
<td>3.7 Complete border crossing</td>
<td>~ 1 day</td>
</tr>
<tr>
<td>3.8 Complete and submit EU health certificate</td>
<td>~ 7 days</td>
</tr>
<tr>
<td>2.2 Make final payment</td>
<td>~ 4-7 days</td>
</tr>
</tbody>
</table>

Note
- This is the most optimistic scenario as it assumes the bank payment to be completed each time within 4 days (can take up to 7 days) and transport to be immediately available (delays of up to 14 days are experienced). For the conclusion of the sales contract the more likely scenario of 14 days has been assumed.
- The most pessimistic scenario would amount to approximately 47 days.
Recommendations

1. Facilitating Trade and Simplifying Processes and Procedures

1.1 Overview

<table>
<thead>
<tr>
<th>Process</th>
<th>Recommendations</th>
<th>Benefits/Reduction of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Docs</td>
</tr>
<tr>
<td>1.1 Conclude sales contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Make advance payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Make final payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Arrange Maritime Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Obtain international sanitary certificate</td>
<td>Introduce e-services for the international sanitary certificate such as e-payments, making forms available online, online submission of certificates</td>
<td>1</td>
</tr>
<tr>
<td>3.3 Obtain export permit</td>
<td>• Eliminate export permit • If elimination is not a policy option: • Delegation of signature authority • Facilitate payment through electronic and mobile means as well as in cash directly at the office • Allow for electronic submission of application and transmission of the license</td>
<td>1</td>
</tr>
<tr>
<td>3.4 Arrange transport (land) and load truck</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Obtain insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.6 Clear goods through Customs</td>
<td>• Expedite the implementation of the national single window • Under the national single window, allow for all payments to be made electronically (including administrative-related fees and charges)</td>
<td></td>
</tr>
<tr>
<td>3.7 Complete Border Crossing</td>
<td>• Enhance border agency cooperation • Conduct joint inspections at the border</td>
<td></td>
</tr>
<tr>
<td>3.8 Complete and submit EU health certificate</td>
<td>Lobby the EU to be more flexible on when the date of the veterinary officer completes the health certificate and/or allow greater flexibility on when the agent can complete logistical details on the health certificate</td>
<td></td>
</tr>
</tbody>
</table>

Additional notes to the above recommendations:

During the stakeholder consultation process, testing of products and annual testing of honey production areas has been repeatedly raised as a challenge by exporters. In order to make a specific recommendation on this business process, further study will be needed which is beyond the scope of this exercise. Also the DVS lacks equipment to carry out the tests and therefore all samples are sent to Germany and/or South Africa for testing. There is also no traceability system in place. Presently anyone can purport to bring the honey from anywhere, including places where the honey samples might not have been collected.
1.2 Introduce e-services for the international sanitary certificate

The Zambian Government is taking steps to introduce a national single window. An electronic single window will require the automation of all connected agencies in order to electronically process the information provided. The automation process should include the following features:

- Information and forms available online (i.e. downloadable documents)
- Allow online submission of applications (and possibly transmission of the certificate)
- Facilitate payment through electronic and mobile means

All (trade-)relevant information should be available online. For this, the department’s website could be used. This should include not only trade-relevant forms but in fact all information relevant to trade (i.e. all legislation, responsible officers, process-related information, opening hours, or other information provided by the department). Since the department already maintains a functioning website, this step may be achieved with existing resources. However, to sustainably maintain the website (keep information up to date), a dedicated officer is necessary to service the online presence.

In addition, the online submission of applications (and possibly transmission of the certificate) as well as the payments via electronic and mobile means should be considered. This measure would greatly facilitate the process. The ZRA already accepts the submission of documents electronically so it is unlikely that the current legislative environment needs to be updated to implement this measure.

Making services and forms available online, allowing for the transmission of forms and documents as well as enabling electronic or mobile payments will minimize exporters’ time spent away from work. This not only helps increasing transparency and information sharing (i.e. communicating more effectively updates to the trading community or informing about changes), it also helps introducing new online services. At the same time, this could be the first stepping stone for introducing e-services. Crucially, electronic systems may also contribute to reducing administrative costs.

Increasing the online presence of forms, documents and information may also be a good first preparatory step for the future single window implementation. A single window will require all forms and documents to be available online. Therefore, this exercise could be used to streamline forms, clean unnecessary information from all documents and forms and prepare staff for online processing of services. This recommendation is complementary to enhancing transparency and dissemination of information, see also trade information portal below.

1.3 Eliminate export permit

Currently exporters must obtain an export permit in order for the government to know what products are being exported in case the product is critical for food security. Such a measure could also be monitored by the ZRA (once the government introduces an export ban for food safety critical products). However, this may not be the most efficient way to monitor food security because it essentially punishes all exporters (whether they export items relevant for food security or not). It is therefore recommended to eliminate the export license altogether.

12 Possibly also to issue the export permit (if elimination of this process is not possible).

It is recognized that this policy option may be difficult to implement. If eliminating the export license requirement is not a policy option, the following measures should be considered:

- Delegation of signature authority; and
- Facilitate payment through electronic and mobile means as well as in cash directly at the office.

Currently, there are only a few officers in DAM with the requisite authority to sign export permits. This is not too problematic as long as one officer with the signing authority is present and has the time to process relevant documents. However, in situations where those officers are away on other duties the private sector is often delayed. These delays can be minimized if agencies establish clear hierarchies for signing relevant documents for exporting firms. If the signing officer is away on other duties, another officer should be permitted to sign on behalf of the signing officer. While this sounds simple, it also requires training to build human capacity to enable those officers to make rule-based decisions on which documents can be signed and which cannot (and what the conditions for signing are).

Currently, payments to the DAM can only be made via the bank. Since the bank is not located on the DAM’s premises, payment requires between 3-5 office visits per application! Depending on the policy option, this recommendation could reduce the export process by an entire day and reduces costs by ZMK 52.50 (US$ 7.00). However, the more important impact of this recommendation is the reduction in the number of office visits from 3-5 to approximately 1-2 (or in the case of an online transmission of the certificate to 0). Similarly, the above recommendation on the international sanitary certificate process (see recommendation 1.2) also apply to this process.

1.4 Implementation of the National Single Window

The research team understands that the government of Zambia is making considerable efforts to implement a national single window. The single window is expected to greatly improve the trade facilitation environment in Zambia. However, a single window has the most impact when all stakeholders are connected to the platform. Therefore it should be ensured that all stakeholders are included in the process (Figure 4 provides a non-comprehensive list of stakeholders).

According to a ZRA official, revenue-related electronic payments will be possible within the single window. Unfortunately, a major shortcoming is that administrative fees and charges will likely still be required to be paid directly to each agency. Thus, maximising this recommendation still depends on each organization enabling fees and charges to be paid electronically (i.e. by introducing the necessary processes internally). However, a serious effort should be made that all payments, including administrative fees and charges, can be paid directly to each agency using the single window system. This will prevent overburdening the private sector with so many extra requirements (extra process steps, physical bank or office visits, etc.) which will negate the positive effects of instituting the national single window.

The expected impact of the expedited national single window is difficult to quantify in the abstract. However, it is clear that the introduction of the single window offers the opportunity to eliminate unnecessary procedures, redundant information in documents and introduce automation in paper-based agencies.

1.5 Enhance cooperation among border agencies

Stakeholders have reported that there is a risk of double inspections at the border conducted in addition to the Customs inspection. ZRA has encouraged other agencies represented at the border to cooperate with ZRA but there is still currently no formal cooperation mechanism in place. Putting in place such a
cooperation mechanism could help with carrying out joint inspections. It would also help agencies use their (limited) resources more efficiently.

The expected impact of enhanced cooperation among border agencies is difficult to quantify because in practice there are relatively few cases of multiple inspections. However, for an affected exporter it means that the cargo spends many hours less at the border.

1.6 Facilitate completion of EU certificate

A serious issue for exporters is the completion of the EU health certificate. Currently, the EU health certificate should be completed on the same day as the international sanitary certificate. In practice, this is impossible for Zambian exporters because the international sanitary certificate is completed early on in the process (it is needed for obtaining the export permit and for completing the customs process). In addition, the shipping details are only confirmed once a BoL has been obtained. It is therefore difficult for Zambian exporters to properly comply with EU regulations and certificates are usually back-dated as a result.

The Zambian Government with the support of its private sector (represented by i.e. Zambia Chamber of Commerce and Industry (ZACCI) should negotiate greater flexibility on when the shipping details on the EU health certificate can be completed.

While this measure will neither reduce the costs, time or documents needed, it will have a large impact for exporters because it establishes a legal ground for current practices. This is important in order to eliminate uncertainty in the trade process because ‘illegal’ activities may interrupt Zambian exports to the EU.

2. General recommendations

2.1 Establishment of one-stop shops

Currently, exporters cover large distances between various government offices and logistics service providers to complete the different export steps as exemplified in the Use Case Diagram in Figure 3. Government offices and logistics service providers are located across the city, thus travelling from one office to the next is often challenging. The schedule must be carefully planned in order to manage opening hours of the different offices. Overtime is not possible in most cases and forms and other materials are either not available online or require physical visits.

While the implementation of the single window is expected to still take several years, despite the considerable efforts of the Zambian Government, physical one-stop shops (OSS) could be an intermediate (and later complementary) solution in order to minimize the time wasted in traffic and reduce the distances traveled by exporters. Such OSS could be located in major industrial areas or key logistics services knots such as dry ports, the airport or in the town centre. Physical OSS could be implemented quickly and at relatively low cost. For example, in Burkina Faso the costs totaled only US$ 200,000 while in Azerbaijan it amounted to US$ 5 million. The reform in Azerbaijan took less than a year, setting up the OSS less than 6 months and it continues to save businesses millions of US$ annually (World Bank and IFC, 2009).

The OSS should include all relevant stakeholders in order to fully reap the benefits. Although not conclusive, the Use Case Diagram (Figure 4) provides an initial list of stakeholders that could be included. The crucial impact of a functioning OSS is that it eliminates most travel. Office hours could be streamlined to ensure availability of all services during regular business hours. In addition, an overtime policy should be considered because global trading operations do not necessarily stop when businesses in Zambia close. Other countries have benefited from offering this service for an additional...
“overtime fee” if requested a certain time in advance. For the implementation of such an OSS, the Ministry of Commerce, Trade and Industry (possibly together with the ZACCI) should take the lead. However, other agencies, as appropriate, could take this role. In addition, the input and cooperation of all stakeholders would be required to fully take advantage of establishing an OSS.

2.2 Enhance transparency and dissemination of information

One way of enhancing transparency and dissemination of all trade-related information (import, export, transit) could be through the introduction of a trade portal. Such a portal would provide an online, single access point to all relevant trade information and thereby also contribute to better dissemination of trade information to all relevant stakeholders. The website should contain all regulatory trade-related information such as

- All laws, regulations and other legal instruments;
- All license and permit requirements, prohibitions, restrictions, technical standards, SPS measures;
- Entire commodity classification and tariffs;
- All procedures for license/permit application and clearance; and
- Copies of all forms.

Similar trade portals have already been established in Asia and Africa such as in Lao PDR, Botswana and other countries to great effect. The key challenge of such a portal is to ensure that the information remains up-to-date due to the large number of agencies and stakeholders involved. Additionally, many laws and regulations are relevant for trade although their main objectives are not trade-oriented and agencies will often “forget” to publish such information. Unfortunately, this type of portal is only useful if its information is always up-to-date and accurate. In Lao PDR, this challenge was met by making the publication of any legislation in the Lao trade portal, in addition to the official gazette, mandatory. If legislation is not published in both the gazette and the portal then it does not become law. Thus, all agencies are required to maintain an updated account while the private sector has access to updated and useful information.

Although it is understood that a trade portal this accurate would require a serious and continual effort by all stakeholders, experience from other countries shows that it is feasible and greatly benefits the private sector long-term. The expected impact of establishing a trade portal in Zambia is difficult to anticipate but the experience from other countries has shown that the private sector benefitted from much reduced “administrative cost” due to a more transparent trade environment, simpler access to and easier compliance with legislation.

2.3 Expand the current AEO system

The government of Zambia has introduced an AEO system (blue channel). The current AEO system is presently restricted to imports and offers a single set of benefits. Currently, there are 13 accredited importers recognized as AEOs. By mid-2016, ZRA plans to introduce 2 more benefits levels and open up the system to other actors such as customs brokers and transporters.

While the existence of an AEO system is already a considerable achievement, the next steps could expand the current AEO system to include not only benefits for imports but exports as well. Hence, the system would be opened up to exporters and stakeholders relevant to the export process.
The expected impact for an individual firm recognized as AEO is huge because AEOs will then benefit from expedited treatment and other simplifications in the trade process. This would give firms more flexibility in completing the different procedures. On the national level the expansion of the AEO system would help the private sector by facilitating trade and further stimulate economic growth while the government of Zambia, especially ZRA, could use its resources more efficiently. Still, the impact for non-AEOs is minor.

2.4 Abolish road blocks, checkpoints and other obstacles to transport

It has been reported that transport is interrupted by road blocks, checkpoints and other obstacles, which drives up transport costs. In fact, land transport costs from Zambia to Namibia (approximately US$ 4,000) are more than three times as expensive as the sea transport from Walvis Bay to Germany (US$ 1,200). Although not confirmed by the authors, research (UNCTAD, 2013) suggests that this is the result of poor road infrastructure, inefficient border procedures and poor trade and transport facilitation. For example, "poor road infrastructure is responsible for 40 percent of the transport costs in coastal countries and 60 percent in landlocked countries (African Trade Policy Centre, 2010). It has been estimated that each day of delay at the border is equivalent to an additional 85 km distance (Djankov, et al., 2006). The total cost of crossing a border in Africa has been compared to the cost of travelling 11,000 km by maritime transport or 1,600 km by inland transport (compared to only 160 km of inland transport equivalent for crossing a border in Western Europe)” (UNCTAD, 2013, p. 4).

3. Prioritization and Options for Implementation

The overarching objective of any trade facilitation program should be the reduction of cost and time to trade and increase in the predictability of trade processes for the business community. Implementing trade facilitation reforms can be challenging because of the large number of stakeholders involved and the different objectives of each stakeholders. High ownership among all stakeholders and support from highest political levels is often identified as the key to making a national trade facilitation reform project a success.

The following section provides a possible road map for the implementation of the above recommendations. It should be noted that these steps and necessary actions are not complete but represent an integral step towards a national, electronic single window. The approach consists of three distinct steps which are in brief described below:

3.1. Basic simplification

The objective of the first step is to eliminate redundant procedures and simplify trade processes. The analysis of every process in this paper offers an ideal platform for discussion among policy makers, government agencies, and the private sector to identify and eliminate unnecessary steps. In addition, preliminary measures to introduce basic automation could help reduce the number of office visits required (i.e. via the submission of electronic documents, via making online or mobile payments), the number of days and/or costs it takes for processes to be completed (i.e. by carrying out processes in parallel rather than sequential).

As part of this step, the following recommendations should be implemented:

- Eliminate the export permit;
- Enhance border agency cooperation;
• Carry out joint inspections at the border;
• Make forms and information available online;
• Introduce mobile and/or online payments; and
• Delegate signature authority within agencies.

These efforts could be complemented by establishing OSS in major trade hubs in Zambia.

These efforts do not require much technical expertise but rather the will of each organization to adapt and better serve its “customers”. Most measures could be achieved by reviewing the processes and procedures within only one agency. Some others may require the cooperation of several stakeholders (i.e. to enhance border agency cooperation; to carry out joint inspections at the border).

Another immediate priority should be the negotiation with the EU Commission for more flexibility in the completion of the EU health certificate. For this all stakeholders within Zambia must cooperate to make a convincing case.

3.2. Facilitate the flow of information and goods

The second step aims to improve trade processes by enhancing existing systems or the introduction of new ones. It should be noted that the proposed measures below have a significant human capacity building component and also require inter-agency cooperation across different levels.

As mentioned above, a simple risk management system is already in place in Zambia. However, physical inspection rates still remain high. In order to facilitate trade in the medium-run, a well-functioning risk management system is indispensable. Also the introduction of the AEO system helps ZRA in using its resources more efficiently. In the medium-term, the expansion of the current AEO system as well as refining the existing risk management system could help the Zambian government become more efficient in conducting trade activities. It will require not only changing the processes and procedures but also working on increasing the human capacity within each of the participating agencies.

In addition, the establishment of a trade portal could be considered. The trade portal would provide greater transparency in trade processes and could serve as a stepping stone for the implementation of the single window system (in the end the single window and trade portal could be connected). The groundwork for such a trade portal has been laid already as agencies have already agreed to participate in the single window system. The momentum from the single window system could be used to convince agencies that there would be considerable benefits from participating in the trade portal.

Lastly, road blocks should be minimized in order to reduce transport costs and eliminate unnecessary delays. This will not be a simple task because there are many vested interests.

3.3 Implementation of the single window

Implementation of the single window system is the final step. Licenses should be automated to the extent possible and the system should take into account individual firms’ history in compliance with existing laws, rules and regulations. Also payments – both administrative and service-related ones – should be possible via online banking and mobile phones.

The time graph below provides an overview how the implementation of the above measures may affect the time it takes to complete the export process. It should be noted that many of the recommendations
made throughout the report would have an impact on the number of documents, the time or cost it takes to export honey from Zambia. However, in many cases the impact is not easily quantifiable in the time graph and has therefore not been depicted. Therefore, the impact on the export time (see to be time graph) appears to be very small while in reality this impact will be much larger for exporters.

Figure 6: To be time chart for the export of honey from Zambia to Germany

Note - Many of the recommendations made throughout the report will have an impact on the number of documents, the time or cost it takes to export honey from Zambia. However, in many cases the impact is not easily quantifiable (especially in the time graph). Therefore the impact on the export time (time graph) is not as large as it is anticipated for exporters.

- This is the most optimistic scenario as it assumes the bank payment to be completed each time within 4 days (can take up to 7 days) and transport to be immediately available (delays of up to 14 days are experienced). For the conclusion of the sales contract the more likely scenario of 14 days has been assumed.
### 1.1 Conclude Sales Contract

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Conclude sales contract</td>
<td>10-14 days</td>
<td>US$ 50.00</td>
</tr>
</tbody>
</table>

#### Related laws, rules, and regulations
- General law of contract of sale (CIF Walvis Bay, Namibia).

#### Process participants
- Exporter (or representative)
- Importer
- Importer’s lab
- Courier service

#### Input and criteria to enter/begin the business process
- Importer has demand for honey and exporter has sufficient inventory of honey.

#### Activities and associated documentary requirements.
- 1.1.1 The importer requests honey samples from the exporter.
- 1.1.2 The exporter receives the request for honey samples.
- 1.1.3 The exporter takes the honey samples.
samples to the courier.
1.1.4 The courier receives the honey sample from the exporter.
1.1.5 Which he sends to the importer.
1.1.6 The importer receives the honey samples from the exporter through a courier service.
1.1.7 Once the samples have been received, the importer sends them to an independent laboratory for quality testing.
1.1.8 The laboratory receives the honey samples.
1.1.9 Which it then tests the sample for Hydroxymethylfurfural (HMF), smell, color and taste and water content.
1.1.10 After testing and analyzing the honey samples, the laboratory prepares the test report and sends it to the importer.
1.1.11 Which is sent to the importer.
1.1.12 And the importer receives the laboratory report.
If the results are not acceptable, the process terminates.
If the test report is acceptable,
1.1.13 The importer asks the exporter requests for a pro-forma invoice.
1.1.14 The exporter receives the request for pro-forma invoice.
1.1.15 The exporter prepares and sends the pro-forma invoice to the importer.
1.1.16 Which is received by the importer.
1.1.17 After receiving the pro-forma invoice, the importer prepares a purchase order and contract.
1.1.18 Which he sends it to the exporter.
1.1.19 The exporter then receives the order and the contract.
- if after negotiating the exporter is not happy with any terms and conditions of the contract, the process is terminated.
- if on the other hand he is happy with the contents of the contract.
1.1.20 The exporter signs the contract.

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Received purchase order and contract by the exporter.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete business process</td>
<td>14 days</td>
</tr>
</tbody>
</table>
2. Pay

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Make first payment</td>
<td>4-7 days</td>
<td>US$ 50.00</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

**Process participants**

- Exporter (or representative)
- Importer
- Exporter's bank
- Importer's bank

**Input and criteria to enter/begin the business process**

Sales agreement and purchase order are in place.
### Activities and associated documentary requirements.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1</td>
<td>The importer instructs the bank to make a payment to the exporter.</td>
</tr>
<tr>
<td>2.1.2</td>
<td>The importer’s bank receives the importer’s instruction to pay exporter by electronic bank transfer.</td>
</tr>
<tr>
<td>2.1.3</td>
<td>Importer’s bank credits the importer’s account.</td>
</tr>
<tr>
<td>2.1.4</td>
<td>Exporter’s account is debited by the electronic transfer transaction.</td>
</tr>
<tr>
<td>2.1.5</td>
<td>The exporter is notified about the transaction via email or phone.</td>
</tr>
<tr>
<td>2.1.6</td>
<td>The exporter acknowledges receipt of payment and informs the importer.</td>
</tr>
<tr>
<td>2.1.7</td>
<td>The exporter then proceeds to prepare the shipment.</td>
</tr>
</tbody>
</table>

### Output criteria to exit the business process

<table>
<thead>
<tr>
<th>Output criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exporter proceeds to prepare the shipment</td>
<td></td>
</tr>
</tbody>
</table>

### Average time required to complete this business process

<table>
<thead>
<tr>
<th>Time</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-7 days</td>
<td></td>
</tr>
</tbody>
</table>

US$ 50.00
### 2. Pay - Lead Time (Max-Min) - Cost

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Make Final Payment</td>
<td>4-7 days</td>
<td>US$ 50.00</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

**Process participants**
- Exporter (or representative)
- Importer
- Importer’s bank
- Exporter’s bank

**Input and criteria to enter/begin the business process**
- Signed contract of sale
- Goods received
### Activities and associated documentary requirements.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1</td>
<td>Exporter sends final invoice for payment.</td>
</tr>
<tr>
<td>2.1.2</td>
<td>Importer receives final invoice from exporter.</td>
</tr>
<tr>
<td>2.1.3</td>
<td>Importer instructs the bank to make the final payment to the exporter.</td>
</tr>
<tr>
<td>2.1.4</td>
<td>Importer’s bank receives the payment instructions and executes the payment to the exporter.</td>
</tr>
<tr>
<td>2.1.5</td>
<td>Importer’s bank debits importer’s account.</td>
</tr>
<tr>
<td>2.1.6</td>
<td>Exporter’s bank credits exporter’s account with final payment.</td>
</tr>
<tr>
<td>2.1.7</td>
<td>Exporter’s bank informs exporter about the payment.</td>
</tr>
<tr>
<td>2.1.8</td>
<td>Exporter receives notice of payment from importer.</td>
</tr>
<tr>
<td>2.1.9</td>
<td>Exporter signs an acquittal bill of entry to show that money was received.</td>
</tr>
</tbody>
</table>

### Bank fees

- **US$ 50.00**

### Output criteria to exit the business process

- **Signed acquittal bill of entry**

### Average time required to complete this business process

- **4-7 days**
### 3.1 Arrange Maritime Transport

<table>
<thead>
<tr>
<th>3. Ship</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of business process</td>
<td>3.1 Arranging Maritime Transport</td>
<td>2-3 days</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

**Process participants**

- Importer
- Shipping Line

**Input and criteria to enter/begin the business process**

**Activities and associated documentary requirements.**

3.1.1 Importer requests shipping line to reserve space on vessel.
3.1.2 The shipping line receives the request to book space on the vessel.
3.1.3 The shipping line reviews the request.
   - If there is no space on the vessel, the request is postponed or cancelled.
   - If there is space, then
3.1.4 The shipping line books the space.
3.1.5 The shipping line sends the
shipping instructions to the importer including the reference number to confirm the booking.

3.1.6 The importer receives the shipping instruction containing the reference number.

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Shipping instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>3 days</td>
</tr>
</tbody>
</table>


### 3.2 Obtain international sanitary certificate

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
<th>Related laws, rules, and regulations</th>
<th>Process participants</th>
<th>Input criteria to enter/begin the business process</th>
<th>Activities and associated documentary requirements</th>
</tr>
</thead>
</table>
| 3.2 Obtain international sanitary certificate | 1 day | ZMK 30.00 (US$ 4.00) per 30 metric ton consignment | • Animal health Act No. 385 of 2010  
• Control of Goods Act 421  
• Bio-safety Act 2007 | • Exporter (or representative)  
• Department of Veterinary Services | Sales contract | 3.2.1 The exporter requests an international sanitary certificate from the DVS.  
3.2.2 The DVS receives the request for an international sanitary certificate.  
3.2.3 The DVS completes details on the international sanitary certificate.  
3.2.4 Veterinary examination officer within the DVS scrutinizes the completed form and signs the form. |
<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>International sanitary certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>1 day</td>
</tr>
</tbody>
</table>

- 3.2.5 The DVS requests the exporter to pay.
- 3.2.6 Exporter receives the request to pay.
- 3.2.7 The exporter makes a cash payment.
- 3.2.8 The cashier of the DVS receives the payment.
- 3.2.9 The cashier of the DVS prepares a receipt.
- 3.2.10 Clerical allocates export number.
- 3.2.11 Veterinary authorization officer issues and signs and the international sanitary certificate.
- 3.2.12 The exporter receives the international sanitary certificate.

ZMK 30.00 (US$ 4.00) per 30 metric ton consignment
### 3.3 Obtain Export Permit

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>3.3 Obtain export permit</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 day</td>
<td>ZMK 25.69 (US$ 3.42)</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**
Control of Goods Act: Export Permit Cap 421 Sec 3.

**Process participants**
- Exporter (or representative)
- DAM

**Input and criteria to enter/begin the business process**
- International sanitary certificate.
- Sales contract and/or purchase order.
- EU health certificate (draft).
### Activities and associated documentary requirements.

3.3.1 The exporter requests for an export license application form.
3.2.2 The DAM issues an export application form.
3.3.3 The exporter completes the export license application form.
3.3.4 The exporter downloads the EU health certificate form from the EU portal.
3.3.5 The exporter completes the EU health certificate.
3.3.6 The exporter submits all necessary documents to the DAM.
3.3.7 The DAM receives the documents.
3.3.8 After receiving the documents, the DAM reviews them for accuracy.
   - If the DAM is not satisfied with the information provided by the exporter, the documents are sent back to the exporter and the step is terminated.
   - If the DAM is satisfied with the entries on the form, then
3.3.9 The DAM requests for payment.
3.3.10 The exporter receives the request for payment.
3.3.11 The exporter makes cash payment.
3.3.12 The DAM receives the payment.
3.3.13 The DAM signs the export permit.
3.3.14 The DAM issues the export permit.
3.3.15 The exporter receives the export permit.

### Output criteria to exit the business process

- Export permit
- EU health certificate (draft)

### Average time required to complete this business process

1 day

### Cost

<table>
<thead>
<tr>
<th>ZMK</th>
<th>(US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.69</td>
<td>3.42</td>
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</tbody>
</table>
### 3.4 Arrange transport (land) and load truck

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<table>
<thead>
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</thead>
<tbody>
<tr>
<td><strong>3. Ship</strong></td>
<td><strong>Lead Time (Max-Min)</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>Name of business process</td>
<td>3.4 Arrange transport (land) and load truck</td>
<td>2 days</td>
</tr>
<tr>
<td>Related laws, rules, and regulations</td>
<td></td>
<td></td>
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<tr>
<td>Process participants</td>
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<tr>
<td>Input and criteria to enter/begin the business process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Activities and associated documentary requirements.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4.1</td>
<td>The exporter sends a request for transport services to the transporter.</td>
</tr>
<tr>
<td>3.4.2</td>
<td>The transporter receives the request for transport.</td>
</tr>
<tr>
<td>3.4.3</td>
<td>The transporter requests for the availability of container from the shipping line.</td>
</tr>
<tr>
<td>3.4.4</td>
<td>The shipping line receives the request for container.</td>
</tr>
<tr>
<td>3.4.5</td>
<td>The shipping line confirms the availability of the container according to the transporter’s condition and type of cargo. This confirmation is then received by the transporter.</td>
</tr>
<tr>
<td>3.4.6</td>
<td>Once the message about the availability of the container and cost is received, the exporter reviews the quotation;</td>
</tr>
<tr>
<td>3.4.7</td>
<td>If the quotation is not acceptable, the exporter terminates the process.</td>
</tr>
<tr>
<td>3.4.8</td>
<td>If the quotation is acceptable, then the exporter makes payment to the transporter.</td>
</tr>
<tr>
<td>3.4.9</td>
<td>The transporter receives the payment.</td>
</tr>
<tr>
<td>3.4.10</td>
<td>The transporter sends the time to pick up the container from the shipping line to the shipping line.</td>
</tr>
<tr>
<td>3.4.11</td>
<td>The shipping line assigns a container.</td>
</tr>
<tr>
<td>3.4.12</td>
<td>The shipping line arranges the pick-up time with the transporter.</td>
</tr>
<tr>
<td>3.4.13</td>
<td>The transporter coordinates with the exporter to schedule the loading of the container.</td>
</tr>
<tr>
<td>3.4.14</td>
<td>The exporter prepares the cargo for loading.</td>
</tr>
<tr>
<td>3.4.15</td>
<td>The transporter picks up the container. Before arrival, the transporter informs the shipping line.</td>
</tr>
<tr>
<td>3.4.16</td>
<td>The shipping line then loads the container on the truck.</td>
</tr>
<tr>
<td>3.4.17</td>
<td>The transporter drives to the exporter's premises.</td>
</tr>
<tr>
<td>3.4.18</td>
<td>The exporter loads the cargo into the container.</td>
</tr>
</tbody>
</table>

### Output criteria to exit the business process

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference number of container and Truck is loaded</td>
<td></td>
</tr>
</tbody>
</table>

| Average time required to complete this business process | 2 days |

### ZMK 30,000.00 (US$ 4,000.00) transport costs
### 3.5 Obtain insurance

**Table:**

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5 Obtain insurance</td>
<td>1 day</td>
<td>ZMK 4,000.00 (US$ 533.00)</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations:**

Cap 397 of the Laws of Zambia

**Process participants:**

- Exporter (or representative)
- Insurance broker
- Insurance company

**Input and criteria to enter/begin the business process**

- Exporter (or representative)
- Insurance broker
- Insurance company

**Activities and associated documentary requirements:**

3.5.1 The exporter requests for insurance coverage.
3.5.2 The insurance broker receives the request for insurance.
3.5.3 The insurance broker requests a price quotation from the insurer.
3.5.4 The insurer receives the request.
3.5.5 The insurer prepares the quotation.
3.5.6 The insurer sends the quotation to the insurance broker.
3.5.7 The insurance broker receives the quotation.
3.5.8 The insurance broker forwards the quotation to the exporter.
3.5.9 The exporter receives the quotation.
3.5.10 The exporter reviews the quotation.
   - If the quotation is not acceptable, the exporter will request insurance coverage from another broker.
   - If the quotation is acceptable, then
3.5.11 The exporter makes the payment to the insurance broker (either by cash or cheque).
3.5.12 The insurance broker receives the payment from the exporter.
3.5.13 The insurance broker forwards the payment to the insurer.
3.5.14 The insurer prepares the insurance policy after the payment has been received.
3.5.15 The insurer sends the insurance policy to the customs agent.
3.5.16 The insurance broker receives the insurance policy.
3.5.17 The insurance broker forwards the insurance policy to the exporter.
3.5.18 The exporter receives the insurance policy.

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Insurance policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>1 day</td>
</tr>
</tbody>
</table>

HONEY EXPORTS FROM ZAMBIA
3.6 Clear goods through Customs

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6 Clear goods through customs</td>
<td>2 days</td>
<td>ZMK 83.00 (US$ 11.07) per submission</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations: Customs and Excise Act, Cap 322

Process participants:
- Exporter (or representative)
- Zambia Revenue Authority (ZRA)
- Licensed Customs broker

Input and criteria to enter/begin the business process:
- Commercial invoice
- Packing list
- International sanitary certificate
- Delivery note
- Commercial invoice
- Export declaration form
- Insurance policy
3.6.1 The exporter prepares necessary documents and submits them to the licensed Customs broker.
3.6.2 The licensed Customs broker receives the shipping documents.
3.6.3 The licensed Customs broker reviews the documents for accuracy.
- If the documents are not complete or not accurate, the licensed Customs broker requests the exporter to make amendments as necessary.
- If the documents are complete and accurate, then
3.6.4 The licensed Customs broker prepares 4 sets of shipping and Customs documents.
3.6.5 The licensed Customs broker scans the documents.
3.6.6
- The licensed Customs broker registers the document electronically with the ZRA. The Central Processing Centre (CPC) automatically allocates a number to the applicant.
- The licensed Customs broker makes payment to ZRA.
3.6.7 The ZRA receives the documents and payment.
3.6.8 The ZRA enters the documents electronically in the system.
3.6.9 The ZRA conducts a risk assessment of the consignment.
- If the cargo is assessed green or blue channel, no further inspection is conducted.
3.6.10
- If the cargo is assessed red channel, a physical inspection of the cargo is conducted.
- If the cargo is assessed yellow channel, a document inspection of the cargo is conducted.
3.6.11 If no errors have been detected during the document and/or cargo inspection, then the ZRA issues assessment notice with release order and official receipt to the licensed Customs broker.
3.6.12 The licensed Customs broker receives the release order and official receipt.
3.6.13 The licensed Customs broker forwards the release order to the exporter.
3.6.14 The exporter receives the release order.

Output criteria to exit the business process:
- Release order
- Official receipt

Average time required to complete this business process:
- 2 days

ZMK 83.00 (US$ 11.07) per submission
### 3. Ship

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7 Complete border crossing</td>
<td>1 day</td>
<td></td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

- Customs and Excise Act, Cap 322

**Process participants**

- Exporter (or representative)
- ZRA
- Licensed Customs broker
- Transporter

**Input and criteria to enter/begin the business process**

- Commercial invoice
- Packing list
- Delivery note
- Release order

**Activities and associated documentary requirements.**

1. The exporter hands over shipping documents to transporter.
2. The transporter receives the necessary documents from the exporter.
3. The transporter drives to the border.
4. The transporter hands over the shipping documents to the licensed Customs broker.
5. The licensed Customs broker receives the shipping documents.
3.7.6 The licensed Customs broker reviews the shipping documents to verify the clearance documents.
- If errors are found, the documents are sent to the exporter to rectify them.
- If no errors are found, then
3.7.7 The licensed Customs broker submits the documents to ZRA.
3.7.8 The ZRA receives the documents.
3.7.9 The ZRA examines the documents.
- If the documents do not match with the cargo on the truck or if there are any errors in the documents, the documents are sent back to the licensed customs broker.
- If the documents correspond with the cargo, the ZRA issues a gate pass to allow the truck to cross the border.
3.7.10 The ZRA issues a gate pass to the licensed Customs broker.
3.7.11 The licensed Customs broker receives the shipping documents with the gate pass.
3.7.12 The licensed Customs broker hands the documents to the transporter.
3.7.13 The transporter receives the gate pass and shipping documents.
3.7.14 The transporter crosses the border.

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Gate pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>1 day</td>
</tr>
</tbody>
</table>
### 3.8 Complete and submit European Union Health Certificate

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>3.8 Complete and Submit EU Health certificate</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7 days</td>
<td>US$50.00 (courier cost)</td>
</tr>
</tbody>
</table>

- **Related laws, rules, and regulations**
  - Regulation No 396/2005.
  - Regulation No 37/2010

- **Process participants**
  - Exporter (or representative)
  - Importer
  - Shipping Line

- **Input and criteria to enter/begin the business process**
  - International sanitary certificate
  - BoL
| Activities and associated documentary requirements. | 3.8.1 After the exporter completes the EU certificate without BoL details, he sends it to the shipping line.  
3.8.2 The shipping line in Walvis Bay receives the copy.  
3.8.3 The shipping line loads the vessels with the cargo of honey.  
3.8.4 After loading the vessel, the shipping line raises the BoL, indicating the name of the vessel, date of departure, port of off-loading, name of the importer and exporter, weight of cargo and packaging details.  
3.8.5 The shipping line sends the BoL to the exporter by email or courier.  
3.8.6 The exporter receives the BoL.  
3.8.7 After receiving the BoL, the exporter enters the details from the BoL onto the EU health certificate.  
3.8.8 Once the details have been included, the certificate is sent by courier to the importer.  
3.8.9 The importer receives the EU health certificate. |

| Output criteria to exit the business process | EU health certificate |

| Average time required to complete this business process | 7 days |
Appendix 2: International sanitary certificate

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Seal Mark</th>
</tr>
</thead>
</table>

The items have been inspected and found to comply with the sanitary requirements for export of the same to (name of country).
Appendix 3: Export permit
Appendix 4: EU health certificate

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Veterinary certificate to EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Consignor</td>
<td>1.2. Certificate reference number</td>
</tr>
<tr>
<td>Name</td>
<td>1.3. Central Competent Authority</td>
</tr>
<tr>
<td>Address</td>
<td>1.4. Local Competent Authority</td>
</tr>
<tr>
<td>Postal code</td>
<td></td>
</tr>
<tr>
<td>Tel. No.</td>
<td></td>
</tr>
<tr>
<td>1.5. Consignee</td>
<td>1.6.</td>
</tr>
<tr>
<td>Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Postal code</td>
<td></td>
</tr>
<tr>
<td>Tel. No.</td>
<td></td>
</tr>
<tr>
<td>ISO code</td>
<td></td>
</tr>
<tr>
<td>1.11. Place of origin</td>
<td>1.12.</td>
</tr>
<tr>
<td>Name</td>
<td>Approval number</td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>1.13. Place of loading</td>
<td>1.14. Date of departure</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1.15. Means of transport</td>
<td>1.16. Entry BIP in EU</td>
</tr>
<tr>
<td>Aeroplane</td>
<td>Ship</td>
</tr>
<tr>
<td>Railway wagon</td>
<td>Other</td>
</tr>
<tr>
<td>Identification:</td>
<td></td>
</tr>
<tr>
<td>1.17.</td>
<td></td>
</tr>
<tr>
<td>1.18. Description of commodity</td>
<td>1.19. Commodity code (H code)</td>
</tr>
<tr>
<td></td>
<td>03 07</td>
</tr>
<tr>
<td>1.20. Quantity</td>
<td></td>
</tr>
<tr>
<td>1.21.</td>
<td></td>
</tr>
<tr>
<td>1.22. Number of packages</td>
<td></td>
</tr>
<tr>
<td>1.23. Identification of container/Code number</td>
<td>1.24. Type of packaging</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1.25. Commodities certified for</td>
<td></td>
</tr>
<tr>
<td>Human consumption</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1.26.</td>
<td>1.27. For import or admission into EU</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part 2: Details of dispatched consignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval number of establishments</td>
</tr>
<tr>
<td>Species</td>
</tr>
<tr>
<td>(Scientific name)</td>
</tr>
<tr>
<td>Number of packages</td>
</tr>
</tbody>
</table>
### HONEY EXPORTS FROM ZAMBIA

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>substantial molluscs</th>
<th>Health attestation</th>
<th>Live bivalve molluscs</th>
</tr>
</thead>
</table>

#### II.1. Public health attestation

I, the undersigned, declare that I am aware of the relevant provisions of Regulations (EC) No 179/2002, (EC) No 852/2004, (EC) No 853/2004 and (EC) No 854/2004 and certify that the live bivalve molluscs described above were produced in accordance with those requirements, in particular that they:

- come from (an) establishment(s) implementing a programme based on the HACCP principles in accordance with Regulation (EC) No 852/2004;
- have been harvested, where necessary relayed and transported in accordance with "Implementation of the Animal Health Policy - Aquaculture" in accordance with Regulation (EC) No 853/2004;
- were handled, where necessary purified, and packaged in compliance with Section VII, Chapters III and IV of Annex III to Regulation (EC) No 853/2004;
- have been packaged, stored and transported in compliance with Section VII, Chapters VI and VIII of Annex III to Regulation (EC) No 853/2004;
- have been marked and labelled in accordance with Section I of Annex II and Section VII, Chapter VII of Annex III to Regulation (EC) No 853/2004;
- in the case of peracetic acid harvested outside classified production areas, comply with the specific requirements laid down in Section VII, Chapter IX of Annex III to Regulation (EC) No 853/2004;

and


#### II.2. (1) [Animal health attestation]

I, the undersigned, declare that the live molluscs described above originate from a source (1) where there are no unresolved abnormal mortality in the mollusc population; and certify, in particular that:

- (A) if from species susceptible (A) to infections with Bonamia ostreae, Myxobolus rougheyi, Martinea synechyi, Myxobolus turgidol, Perimastix marinus, P. odoratatilobatus, Hapalosporidium nelsoni, H. costale an/or Candidatus Xylohyphodictyon eugenii, they:
  - (1) originate from a source (1) considered free from bonamiosis (Bonamia ostreae and Myxobolus rougheyi), martineiosis (Martinea synechyi), myxoboliosis (Myxobolus turgidol), perimastixiosis (Perimastix marinus and P. odoratatilobatus), hapalosporidiiosis (Hapalosporidium nelsoni and H. costale) and Whitmore syndrome (Candidatus Xylohyphodictyon eugenii) in accordance with the relevant EU legislation or OIE Standard (6);
  - (1) [are dispatched as unprocessed or processed products];

- (B) if from species susceptible (B) to infections with Marteella nathhannae and Bonamia ostreae, they:
  - (1) originate from a source (1) considered free from (1) Marteella nathhannae / (1) Bonamia ostreae in accordance with the relevant EU legislation or OIE Standard (6);
  - (1) [are dispatched as unprocessed or processed products];
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