



Informal cross-border trade for empowerment of women, economic development and regional integration in Eastern and Southern Africa

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Project details

What?	Development Account project 1617J
Why?	To leverage cross-border trade for women empowerment: <ul style="list-style-type: none">➤ Addressing gender-specific trade barriers; and➤ Tackling supply-side constraints
Where?	<ul style="list-style-type: none">▪ Mwami/Mchinji (Zambia/Malawi)▪ Kasumulu/Songwe (Tanzania/Malawi)▪ Tunduma/Nakonde (Tanzania/Zambia)
How?	<ul style="list-style-type: none">▪ Desk research▪ Field investigation▪ Piloting of micro-schemes
When?	2016-2019





Characteristics of ICBT



Unrecorded business transactions undertaken across borders (includes under-invoicing, misclassification)



Estimated 30 - 40 % of total regional trade



An estimated 70% of ICBTs in Sub-Saharan Africa are women



Source of employment and livelihood for the poor in border areas, often the only option to generate income



Contributes to food security: food items and livestock account for the bulk of informal exports



Why informality?



- **ICBT → small scale trade**
 - Small transactions, subsistence traders



- **Costly, rigid and burdensome customs procedures:**
 - Multiple fees and taxes at border posts, including informal taxes
 - NTB: customs documentation, immigration procedures, SPS, inspection requirements, duplication of functions among agencies



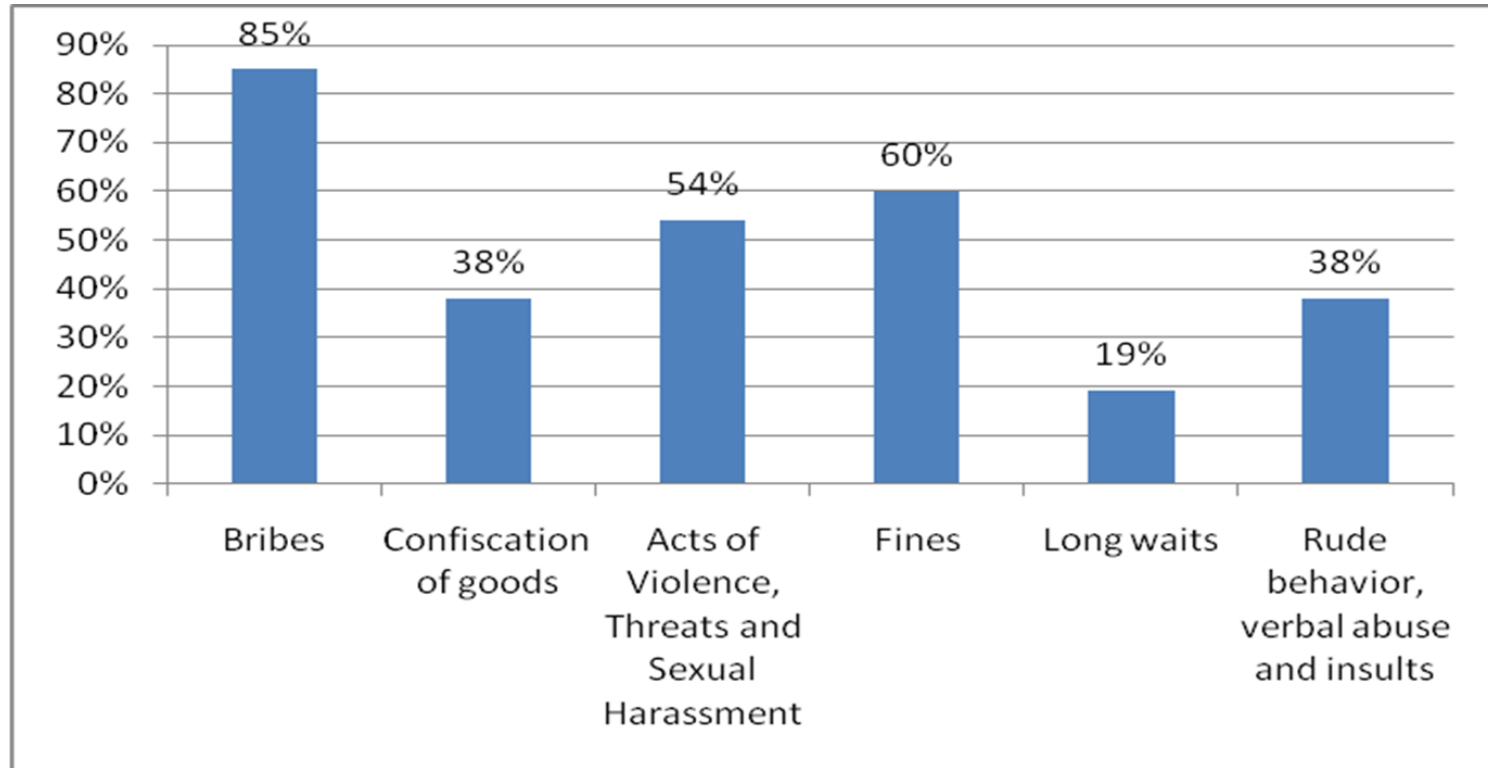
- **Harassment at the border:**
 - Female traders particularly vulnerable to GBV at border crossings (bribes / sexual favors demanded by customs officials to avoid arrest or confiscation of goods; lack of border infrastructure).



- **Lack of awareness of rights and responsibilities:**
 - e.g. regarding trade facilitation measures such as Simplified trade regimes (STR)



Reported frequency of risks from a survey of 181 traders at 4 border posts between DRC, Burundi, Rwanda and Uganda (World Bank, 2010)



Supply-side obstacles



Lack of organization - Only a minority of cross-border traders is organized through associations or cooperatives.



Poor transport for access to markets: majority use bus or shared taxis, a significant proportion on foot



Limited access to finance - 80% of traders use informal sources



Storage and market infrastructure: post-harvest facilities, lack of market infrastructure at borders (street selling as only option).



Lack of scale and low productivity: goods generating low profits; lack of value added; lack of diversification



What's next?

Fact-finding mission

11-28 October 2017

Qualitative data collection: interviews & surveys at border crossings

Finalization of desk research

Design & piloting of micro-level schemes to enhance female ICBT at the 3 borders

Generate concrete lessons and best practices that could be scaled-up



Thank you for your attention



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