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**Q1: Respondent details**

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Organization	Ministry of Industry, Trade and Tourism
Email Address	dchikhasu@gmail.com
Phone Number	-

**Q2: Country or Customs territory**

MALAWI

**Q3: Organization**

Public sector

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**Q4: Title of case story**

MALAWI TRADE PORTAL

**Q5: Case story focus**

Trade Facilitation.

**Q6: Case story abstract**

The Government of Malawi through the Ministry of Industry, Trade and Tourism developed and launched the Malawi Trade Portal with financial and technical assistance from the World Bank. The Malawi Trade Portal is a one-stop website for trade-related regulatory information for import, export and transit trade and complements World Trade Organisation Agreement on Trade Facilitation, to which Malawi is a signatory, which obliges governments to transparency and facilitation of information to businesses. The trade portal will help reduce the time and consequently cost traders have been spending to get proper documentation to do trade. It is expected that the portal will help improve Malawi's rankings in World Bank's Doing Business Index and the Global Competitiveness Index.

**Q7: Who provided funding?**

Multilateral organization

**Q8: Project/Programme type**

Single country

**Q9: Your text case story**

Background and Problem Statement

Every member of the WTO has an obligation under Article X of GATT to publish all trade related information promptly and transparently. More specifically, Article 2.3 of the Bali Trade Facilitation Agreement requires that such information should be published on the Internet. The Trade Portal is a tool which will enable these commitments to be fulfilled and to be widely seen to be fulfilled by the world at large.

In Malawi, transparency regarding which trade regulations are currently in force was lacking. The Diagnostic Trade Diagnostic Study (DTIS) showed that a large number of NTBs were in place, accessing information on them was

challenging, and it was nearly impossible to reliably identify which agencies need to be consulted prior to importation or exportation.

Similarly, the schedule for fees and charges for testing by Malawi Bureau of Standards of products where mandatory standards apply as not publicly available. Tariff information is provided at the 8 digit HS tariff in the ASYCUDA tariff database which is available to all registered customs brokers, but could not be accessed by the general public from the MRA website. As a result of limited transparency, traders often arrived at borders without all relevant documentation, resulting in delays and increased costs as traders needed to complete the required documentation, which is often only possible in Lilongwe.

#### Proposed intervention

To address this issue, Malawi has prioritized increasing transparency by including the introduction of a Trade Portal in the DTIS Action Matrix outlining the key priorities for reform. Malawi is also a founding member of the Accelerated Program for Economic Integration (APEI), a coalition of like-minded countries aiming to reduce barriers to trade and the movement of people among them to reduce trade costs, increase trade and investment flows, diversify exports of goods and services and raise incomes. The five countries developed and agreed to a reform program, which also aims at increasing transparency relating to trade transactions to reduce clearance times as traders arrive at borders with all relevant documentation, and also address informal payments at borders. All countries agreed as part of this initiative to establish Trade Portals and to move towards the establishment of National Single Windows for customs clearance subsequently.

#### The Trade Portal

The Trade Portal is a website that contains all regulatory trade related information for import, export and transit. This information comprises all laws, regulations and other legal instruments, all license and permit requirements, prohibitions, restrictions, technical standards, SPS measures (general known as NTBs), the entire commodity classification and tariffs, all procedures for license/permit application and clearance, copies of all forms as well as plain language instructions. This information will be collected from all the agencies that carry out a control function in relation to import/export/transit control, e.g. Customs, Trade and Industry, Agriculture, Health, Quarantine, Transport, Science/Technology, etc.

The information is aggregated and integrated on the Trade Portal so that it can be presented dynamically in response to traders' queries the objective being that traders would be able to see, in response to a single query, all the obligations they need to comply with in order to import or export specific goods.

The Trade Portal is a logical first step towards the implementation of a National Single Window (NSW). The Trade Portal database contains the data structures (commodity table, tariffs, measures, procedures, etc.) which can be leveraged by the NSW to determine which permits or licenses need to be issued by the various agencies and route the trader's electronic application to the relevant parties. Furthermore, the governance structure for the Trade Portal will establish the basis for inter-agency collaboration which is also a corner-stone for the successful design and implementation of the NSW. The business analysis work which will form part of the implementation of the Trade Portal in order to publish the various procedures will also constitute a significant starting point for the business process re-engineering exercise which will be necessary in order to introduce automation within the government agencies which will participate in the NSW.

#### Implementation Approach

The World Bank financed the Malawi Trade Portal project aimed at developing and implementing the Trade Portal over a period of approximately 7 months. The World Bank selected a qualified consultancy firm (the Consultant) which fielded an experienced team comprising international experts and local trade specialist plus other support staff to form the secretariat.

The Consultant developed an Inception Report and a detailed Implementation Plan during the first month of the project. Thereafter the Consultant identified and collected all relevant information in order to populate the Trade Portal ready for launch. This information was formatted in order to be loaded onto the website and analyzed in order to identify specific

Non-Tariff Measures and other requirements. The procedures for obtaining permits, licenses and other authorizations involved an exercise in business process analysis to be carried out with each agency responsible.

The software for the Trade Portal website was provided by the World Bank in the form of a template Toolkit, specially designed to allow a trade information portal to be easily configured to the “look and feel” as required by the Ministry of Industry, Trade, and Tourism and comprising all the specialist facilities for publishing trade related information as well as a number of other additional features.

This software, including the source code, was provided by the World Bank free of charge on a non-exclusive license basis. The World Bank also financed technical support for the software for a period of three years to be provided by Cyberia, the company that developed the software for the World Bank. Thereafter the Ministry of Industry, Trade, and Tourism may choose to renew the arrangement directly with Cyberia or take over technical support either with internal resources or through a local partner in which case the World Bank will provide training and knowledge transfer.

Before the live launch of the website the World Bank supported the development of promotional materials and activities aimed at creating awareness with the public, both in Malawi and overseas, of the Trade Portal. These publicity materials comprise brochures, advertisements, branded gifts (e.g. golf shirts, billboards, rollup banners, coffee table books, branded note books), a promotional video documentary, etc. The World Bank also supported workshops aimed at sensitizing and training the trading public in the use of the website.

Hosting of the website is being done by a professional, international hosting service, Cyberia in Lau. The World Bank will finance the hosting service for a period of 3 years.

#### Government Commitments

For the Trade Portal to contain all relevant regulations and procedures and other relevant information, and to keep the portal up to date following the initial data collection exercise, the Government committed itself to ensuring high-level support for the initiative.

The Government appointed a Lead Agency to be responsible for the project during the initial implementation and ongoing operation. The Lead Agency was empowered to form and chair a Steering Committee which is responsible for policy making and oversight of the Trade Portal. The Steering Committee comprised all the stakeholder ministries/agencies that play a regulatory role in the import/export process.

The Lead Agency committed to appoint a Trade Portal Management Team which was its Secretariat to proactively engage with all relevant Ministries and Agencies and work alongside the Consultants to facilitate their task by ensuring that all the relevant information is provided. The management team will comprise, as a minimum, the position of a Content Coordinator. The Content Coordinator will be responsible for coordinating the collection of information from all the stakeholders. On an ongoing basis the Content Coordinator will be responsible for ensuring that information continues to be supplied to the Trade Portal in a timely manner by all the stakeholder agencies and that it is promptly published. The Lead Agency must commit to this position being full time and fully funded during the duration of the initial project and on an ongoing basis.

Other less critical staff, such a data entry operators, may be assigned to the initial project and thereafter on an as-required basis.

Each stakeholder member of the Steering Committee should appoint a person as the Focal Point for the liaison with the Content Coordinator. The Focal Points must be empowered to collect and supply to the Lead Agency any relevant information that is requested both during the initial project and an on an ongoing basis.

The commitment to and basis for collaboration between the Lead Agency and the other members of the Steering Committee should be formalized by means of an MoU or other appropriate instrument that carries sufficient weight to constitute an obligation on the signatory parties. This instrument should cover both the initial implementation phase and the ongoing operation of the Trade Portal and it is critical to its long term sustainability.

The Lead Agency should commit to providing adequate office accommodation with office furniture for the Consultants' project team for the duration of the initial implementation project and, thereafter, for the Trade Portal Management Team.

Funding for the first three years of hosting and support has been provided by the World Bank. Thereafter the Lead Agency must commit to provide for these operational costs from its budget.

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**Q10: Lessons learnt**

## Lessons Learnt, Risks and Challenges

The development of the Trade Portal faced a number of risks, as practical support from all Agencies and Ministries would have to be sustained to ensure full population of the Trade Portal and its continued accuracy. If any of the stakeholder Ministries/Agencies do not fully collaborate during the initial data collection exercise, there was a risk that the Trade Portal would not be comprehensive and if users noticed that procedures or regulations were missing they would stop using the portal as they could not be certain that all relevant information was present and accurate. Likewise, if Agencies and Ministries did not provide updated information in time to the Management Team and the Content Coordinator, the Trade Portal risked becoming outdated, significantly reducing its usefulness, or even adding negative value due to uncertainty over which regulations apply.

Similarly, if funding was not allocated for the core staff and operational costs in the longer term there is a high risk that the trade portal would quickly become out of date and irrelevant.

However, the World Bank and the Ministry of Industry, Trade and Tourism meet and fulfilled their initial commitments and the project took off and was successfully launched.

However, inadequate finances could affect the implementation of the project. For users to appreciate the need to use the trade portal, the Ministry needed to carry out adequate sensitization, publicity and awareness activities of the same. There is need for cooperating partners to be more realistic in budget formulation and to provide adequate resources to ensure effective implementation of any programmes for Aid for Trade to be effective. Provision of resources just for the initial implementation of the project renders the AfT ineffective and as such cooperating partners need to look beyond for the sustainability of the programmes by providing more resources for the same.

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