

Rapid Assessment on Small Scale Cross Border Trade and Migration along the Trans-Gambia Transport Corridor



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Summary

The history and geography of The Gambia are unique, posing opportunities but also specific challenges to the achievement of the nation's sustainable development objectives. Trade facilitation – in combination with complementary efforts to formalize businesses and trade flows – is indispensable to the development of the private sector and the economy as a whole. The formalization and facilitation of trade flows across Keur Ali and Missera borders can also help to address vulnerabilities among border communities and to harness the potential of the Senegambia bridge.

A rapid assessment was conducted in April – May 2022. The primary data that was collected during the assessment serves to shed light on the phenomenon of small-scale cross-border trade in the region and to develop recommendations on facilitating trade and promoting inclusive development for border communities.

The policy brief also incorporates comments and recommendations from stakeholders during a validation workshop held at the Mansankonko Area Council conference Hall on 22nd October, 2022.

Key findings:

Small-scale cross-border traders include a large number of young, Gambian mothers with no formal education. These traders import a large variety of raw materials and manufactured goods from Senegal. The average value of each consignment is low, between ca. USD 100 and USD 500. Trade flows that were observed during the rapid assessment were mostly imports from Senegal into The Gambia, although it is difficult to know the origin of the goods. Even though small-scale cross-border traders are largely informal, most of them do make an important contribution to government revenues.

In general, the rapid assessment found that the border environment at Keur Ali and Missera borders is benign for small-scale cross-border traders. The most prevalent challenge that traders face at Keur Ali and Missera borders concern formal and informal payments that are made at the border post. Although harassment is not as prevalent at the target borders as it is at other borders in the region, women traders in particular reported a non-negligible number of cases. Other obstacles to trade at formal border crossings (excessive paperwork, delays, etc.) do not seem to be a major problem for small-scale cross-border traders. Few respondents used informal routes.



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Key recommendations

Recommendation 1: Introduce a Simplified Trade Regime for small-scale cross-border trade in goods that respect certain pre-established criteria.

Recommendation 2: Combat corruption by ensuring that border formalities are appropriate and affordable, improving access to information and training, setting up independent and reliable appeals mechanisms, and introducing digital payment systems.

Recommendation 3: Invest in gender-sensitive infrastructure and services to create an inclusive border environment that is conducive towards greater participation of women in cross-border trade.

Recommendation 4: Strengthen traders' representative institutions and improve public-private dialogue with border officials and other service providers such as financial institutions.

Recommendation 5: Offer training to small-scale cross-border traders and border officials.



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1. Introduction

Trade facilitation – in combination with complementary efforts to formalize enterprises and trade flows – is indispensable to the development of the private sector and the economy as a whole. Gambia is the smallest country in mainland Africa by surface area. According to latest figures from the World Bank, it is also in the bottom fifteen countries in sub-Saharan Africa by GDP per capita of \$2,038,417.46 (current US).¹ Due to the limited size of its population and its overall market, it would be almost impossible for The Gambia to achieve its development objectives based on its domestic economy alone. International trade must therefore play a central role in the development process. In order to leverage trade as a vehicle for sustainable development, The Gambia needs access to neighbouring / regional / international markets. This can be achieved through full participation in regional integration efforts (ECOWAS, AfCFTA) but also through domestic and bilateral trade facilitation reforms (i.e. in close collaboration with Senegal). Regional integration efforts and trade facilitation reforms must also take into account the particularities of the local economy, including high levels of informality. According to the most recent estimates, a total of 261,244 households are engaged in informal sector in The Gambia. An estimate of 63 percent males residing in the urban areas are engaged in the informal sector compared to 37 percent of male rural settlers. Similarly, 66 percent female settlers in the urban areas are engaged in the informal sector as opposed to 34 percent in the rural areas. Overall, the proportion of persons engage in the informal sector for both sexes is higher in the urban areas compared to the rural areas.² Over ninety-five per cent (95%) of MSMEs are unregistered.

It follows that, if regional integration and trade facilitation reforms target only those businesses that are formally registered and that conduct their business across borders in full compliance with trade regulations and formalities, then the vast majority of The Gambia's population and economy will not experience the benefits of those reforms. **The formalization and facilitation of trade flows across Keur Ali and Missera borders can address vulnerabilities among border communities and help to harness the potential of the Senegambia bridge.**

¹ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=ZG>

² Gambia Bureau of Statistics (GBoS) [The Gambia] 2018. The Gambia Labour Force Survey 2018, Banjul, The Gambia: GBoS



The primary data that was collected during the assessment serves to shed light on the phenomenon of small-scale cross-border trade in the region and to develop recommendations on facilitating trade as means to promote inclusive development for border communities. The rapid assessment was conducted by international consultant, Edwin Johan Santana Gaarder, and national consultant, Aja Fatou Senghore, in collaboration with a team of enumerators from the Centre for Policy Research and Strategic Studies (CEPRASS). The assessment relied on a combination of different data collection methodologies:

(1) in-depth stakeholder interviews with 31 institutions, including Ministries, NGOs, parastatals, women and youth groups; (2) two Focus Group Discussions with women and youths from Upper Baddibou and Jarra West districts; (3) a large-scale survey of four hundred and fifty seven (457) small-scale cross-border traders.

The research covered a series of topics, including: the general profile of small-scale cross-border traders in The Gambia; the prevalence and nature of corruption & harassment at the border; the drivers of informality in the region; support services offered by business associations and other institutions; existing or proposed trade facilitation measures at the target borders. The outputs of the research include the current brief, a detailed data-set, and an in-depth report. Results were presented to project stakeholders in June 2022.



Definition of informal cross-border trade

There is no universally agreed upon definition of informal cross-border trade. The term “informality” is nevertheless useful because it allows us to distinguish between legitimate and illegitimate trade practices, regardless of their compliance with the law. In other words, it is possible to acknowledge that some non-compliant practices are nevertheless ‘legitimate’, and efforts should be made to legalize them, while others are illegitimate, and should remain illegal.

In the case of trade, the difference between “informal cross-border trade” and “illegal trade” or “smuggling” is essentially motivational: whereas ‘smuggling [is] based on the wish to pay no or fewer taxes, or to profit from trade in prohibited goods such as crystal meth’, informal cross-border traders avoid formalities for more understandable reasons (Cantens, Ireland & Raballand 2015). They may not be able to afford the costs of trading formally, for example, or might not have the skills or the knowledge needed to comply with trade regulations.

For the rapid assessment, the team chose to rely upon the definition developed by Lesser & Leeman (2009), following the example of Bouet, Pace & Glauber (2018) as well as UNCTAD (2019):

...informal cross-border trade refers to trade in legitimately produced goods and services, which escapes the regulatory framework set by the government, as such avoiding certain tax and regulatory burdens. Informal trade thus refers to goods traded by formal and informal firms that are unrecorded on official government records and that fully or partly evade payment of duties and charges. Such goods include commodities which pass through unofficial routes and avoid customs controls, as well as goods that pass through official routes with border crossing points and customs offices yet involve illegal practices. Such practices can comprise under-invoicing (i.e., reporting a lower quantity, weight or value of goods to pay lower import tariffs), misclassification (i.e., falsifying the description of products so that they are misclassified as products subject to lower tariffs),

misdeclaration of the country of origin, or bribery of customs officials (see Figure 1). Goods traded informally can cover both small volumes of goods, transported by individual traders crossing the border by foot or by bicycle, as well as larger volumes transported in containers by land, sea or air. Informally-traded goods can originate from (and be produced in) world markets or come from neighbouring countries.



2. Profile of small-scale cross-border trade in Upper Baddibou and Jarra West

So what do we know about small-scale cross-border trade in The Gambia? The following sections provide a brief overview of the main findings of the rapid assessment as well as the implications of those findings for policymakers and project partners.

Who engages in small-scale cross-border trade in The Gambia?



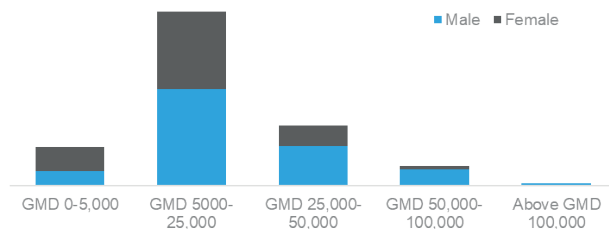
Small-scale cross-border traders fall firmly within the target group that the project is aiming to support, since the group includes a large number of young, Gambian mothers with no formal education. The rapid assessment found that most of the traders operating in the target region were Gambian (78%) although there was also a significant minority of Senegalese. Whereas most of the Senegalese traders were male, almost half (47%) of the Gambian traders were female. On average, traders were aged between 27-40 years and had not undergone any formal education. Furthermore, ninety-seven per cent (97%) of traders reported that small-scale cross-border trade was their main source of income. In addition to this demographic information, the rapid assessment also revealed that thirty-five per cent (35%) of surveyed traders had children. Seventeen per cent of those traders (17%) travelled with their children when crossing the border for commercial purposes and over half of them (54%) reported that their children helped them with their trading activities. Given the number of young, uneducated Gambian mothers that are active in small-scale cross-border trade, and the role of children in this trade, it seems clear that there is significant potential to achieve positive impacts in the sector, by improving livelihoods and addressing vulnerabilities for the local population.



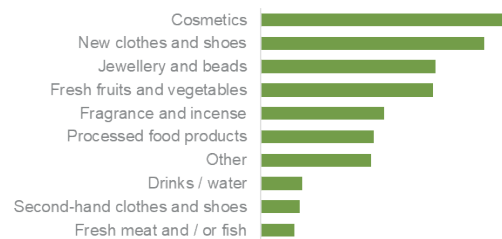
“If the right steps are taking against children on the move most parents will go to prison. Capacity building should be provided to parents to make them understand the laws relating to child’s rights. You cannot impose on a financially struggling parent that the child should not work when they have no means to put something on the table and when the parent is imprison, who will be providing the child with his or her needs? Base of these Issues it is preferable to negotiate with the parent rather than applying the law”

What is the nature of small-scale cross-border trade in The Gambia?

On average what is the purchase value of the goods that you take across the border each time you cross?



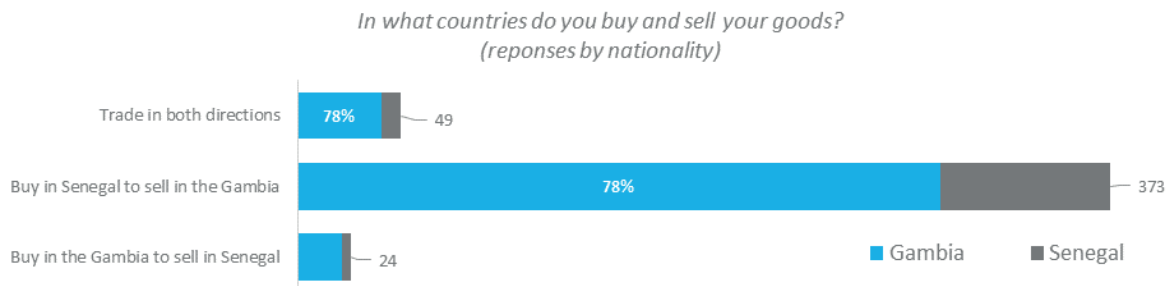
Which products do you usually take across the border?



Small-scale cross-border traders import a large variety of raw materials and manufactured goods from Senegal. The average value of each consignment is low, between ca. USD 100 and USD 500. When asked to assess the average purchase value of the consignments that they carried across the border on any individual trip, survey respondents reported values between GMD 5,000 and 50,000. This falls well below the threshold of USD 2,000 per consignment that is used in COMESA and the EAC to determine whether the transaction can be categorized as small-scale cross-border trade. In line with other studies, the rapid assessment found that small-scale cross-border trade between The Gambia and Senegal is diversified, comprising primary products such as fruits, vegetables, fresh meat and fish as well as manufactured goods such as garments, footwear, cosmetics, and processed foodstuffs. However, as in other parts of West Africa, female traders were found to be overrepresented in the trade of low-value added goods, as compared to male traders, who dominate trade in larger, high-value consignments. Lack of access to markets, inadequate capital and limited knowledge on running a business coupled with other major responsibilities are key contributing factors why women trade in lower value of consignments compared to men.



This suggests that project activities could be directed towards helping women enter trade segments where added value is higher and which present greater opportunities for profit.



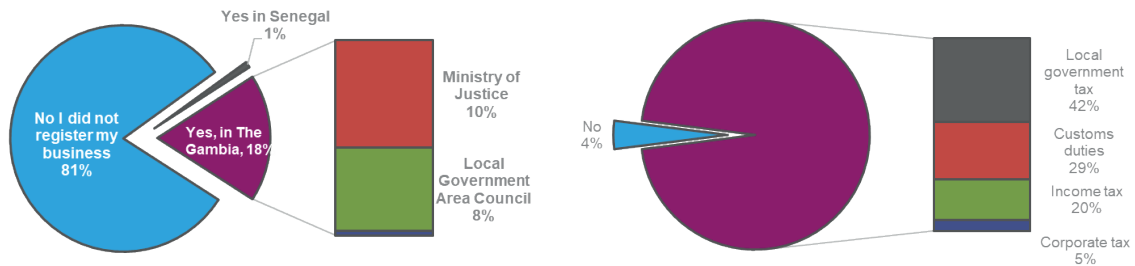
Trade flows that were observed during the rapid assessment were mostly imports from Senegal into The Gambia, although it is difficult to know the origin of the goods. Most traders reported buying their goods in Senegal and selling them in The Gambia, although a significant minority did trade in both directions. Although informal imports may be considered to be worsening the Gambian trade deficit, it is important to note that the traders themselves are mostly of Gambian nationality, meaning that the profits from this trade are nevertheless accruing domestically. It is difficult to know the Origin of the goods that are being traded across the border, as small-scale cross-border traders do not obtain Certificates of Origin or otherwise collect this information. It is therefore impossible to assess the implications of informal trade on revenue collection in Senegal and The Gambia. It is likely that some of the products being traded across Keur Ali and Missera borders originate from Senegal or the broader ECOWAS region, while others are originally imported into Senegal from other regions (e.g. China) before being re-exported to The Gambia. Efforts to improve the enforcement of Rules of Origin should be balanced against the potentially negative impacts that this could generate on small-scale cross-border trade and the livelihoods of low-income traders.



Do small-scale cross-border traders pay tax?

Have you registered your business?

Do you pay tax? If so, what kind of tax?



Even though small-scale cross-border traders are largely informal, most of them do make an important contribution to government revenues. The rapid assessment confirmed that most (81%) small-scale cross-border traders – like most MSMEs in The Gambia – have not fully registered their business with the Local Government Area Council and the Ministry of Justice. They can therefore be considered informal. However, the rapid assessment demonstrated that – as in other regions⁵ – the vast majority of informal traders in The Gambia do pay taxes in one form or another, be they local government taxes, Customs duties, income tax, or corporate tax. In other words, the phenomenon of informal trade cannot be exclusively or even predominantly attributed to tax evasion. Informal traders do contribute to public revenues; they could potentially increase their contribution even further if they receive support to formalize their businesses and their trading activities. The Gambian Youth Chamber of Commerce is currently advocating for tax breaks for small businesses in The Gambia. This advocacy effort could be extended to introduce a discount on import duties for small-scale cross-border traders, which would incentivize them to formalize their activities.

“The taxes and other duties charged is what is killing most startup businesses because it is unsustainable and unrealistic”.



3. Obstacles to small-scale cross-border trade through Keur Ali and Missera borders

In general, the rapid assessment found that the border environment at Keur Ali and Missera borders is benign for small-scale cross-border traders. This is reflected in the relatively high percentage of small-scale cross-border traders that choose to pass through formal border crossings (91%).⁴ However, traders still complained about a series of challenges, including: bribery and corruption; harassment; excessive duties, taxes, fees and charges; paperwork and procedural obstacles to trade; and a lack of gender-sensitive infrastructure and facilities for women traders. The subsequent sections explore each of these challenges in turn.

The most prevalent challenge that traders face at Keur Ali and Missera borders concern formal and informal payments that are made at the border post. The official duties and taxes that are applied on goods imported into The Gambia are extremely high. These are unaffordable to most small-scale traders, in particular if you consider the average value of the consignments that they trade. Furthermore, small-scale cross-border traders do not benefit from preferential treatment under the ECOWAS Trade Liberalisation Scheme (ETLS) as they are unfamiliar with Certificates of Origin and how to obtain them. In most cases, actors at the border have solved this problem through the establishment of informal arrangements, whereby small-scale traders benefit from preferential treatment in exchange for a facilitation payment to an official. Although informal facilitation payments facilitate the smooth passage of goods across the border, thus ensuring that traders are able to continue engaging in this important livelihood activity, they can nevertheless have a series of unintended and damaging consequences. These include: a decline in government revenues; the misappropriation of public resources and the deterioration of governance at the border; arbitrary or unfair treatment of different businesses / traders based on their personal relationships; the lack of predictability at the border.

“Too much of bribery leads to lack of proper documentation and accountability”

⁴ Here, it is important to note that the act of passing through a formal border crossing does not mean that the trade transaction is fully formalized. Informal trade can take place through formal border crossings, as per the definition that has been included in the introduction to this brief.

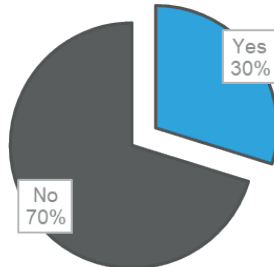


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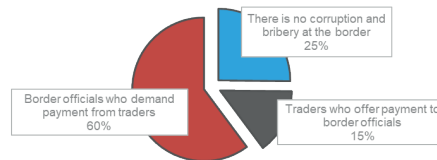


Bribery and Corruption

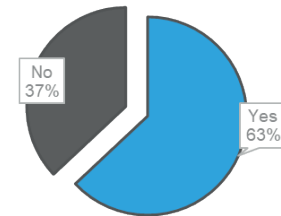
Have you ever had to make a payment without receiving a receipt in return?



Who do you think is responsible for bribery and corruption at the border?



In your opinion do you think there are instances of bribery and corruption at the border?



Although harassment is not as prevalent at the target borders as it is at other borders in the region, women traders in particular reported a non-negligible number of cases.

In contrast to bribery, harassment is never a consensual / win-win affair. It is often a significant contributor to gender inequality, affecting women more than it affects men. Although it does not seem to be as common at Keur Ali and Missera borders it is at other borders in the region, some female respondents did report cases of verbal and physical harassment. It is important to note that the overall results may be skewed, as women are often reluctant to discuss cases of sexual harassment with strangers or might even face social stigmatization if the details of their case become known within their communities.

“It is undisputed that sexual harassment does happen at the border with women being the most vulnerable members. However, the culture of silence prevalent in these communities is a key contributing factor that prevents them from reporting such cases”.

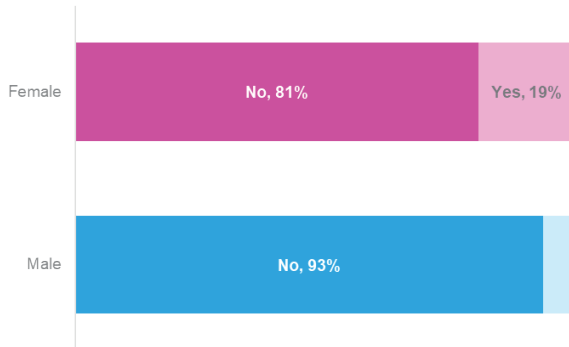
By contrast, survey respondents were quite vocal about the lack of gender sensitive infrastructure at the target borders. Only forty-two per cent (42%) reported having access to gender-segregated bathrooms at the border, while fewer than twenty (20%) reported having access to gender-segregated inspection facilities, baby changing facilities and other gender-sensitive infrastructure.

“In most cases, due to late crossing or other unexpected logistical challenges, traders are impliedly forced to spend the night at the border/or surrounding villages. Considering the lack of certain gender sensitive facilities (eg. overnight accommodation, bathrooms etc.) at the border, it exposes them to several kinds of sexual harassment. Sometimes by officials or residents within border communities. Women being the most vulnerable.”

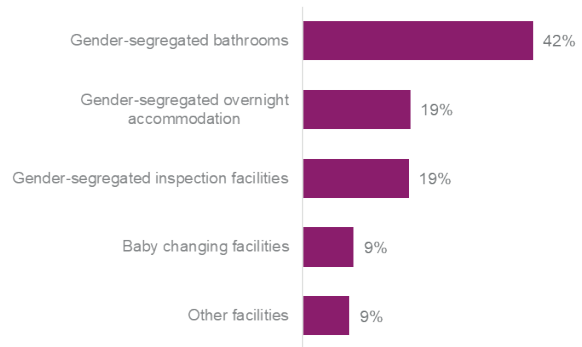


Harassment

Have you ever faced harassment (verbal or physical) at the border?

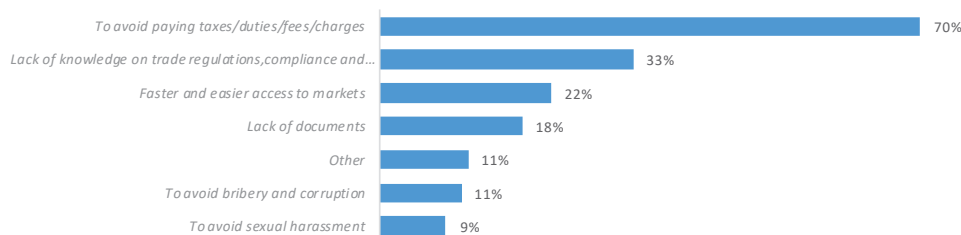


Please indicate which of the following facilities are available at the border (% of respondents)



Other obstacles to trade at formal border crossings (excessive paperwork, delays, etc.) do not seem to be a major problem for small-scale cross-border traders. Few respondents used informal routes. The vast majority of respondents reported that they were able to clear the border via the formal route in less than thirty minutes (68%) or between thirty minutes and one hour (31%), suggesting that the passage across Keur Ali and Missera borders is relatively efficient (compared to other borders in the region). However, this state of affairs may be largely a result of the informal arrangements that have been described above. As such, only nine per cent (9%) of traders claim to use informal routes more frequently than the formal routes. Respondents explained that the use of informal routes is motivated mainly as a means to avoid paying duties, fees and charges (70%), although a lack of knowledge of trade regulations and compliance procedures (33%) and the absence of documentation (18%) were also contributing factors.

In your opinion why do you think some traders chose to use the informal route?



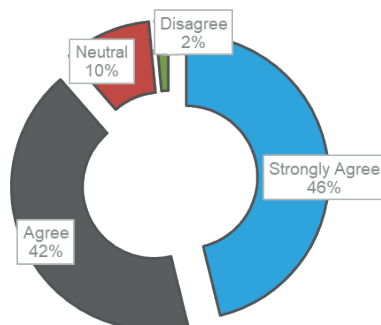


4. Recommendations to facilitate small-scale cross-border trade in The Gambia

This section summarizes the recommendations that have been made by the research team based on the results of the rapid assessment.

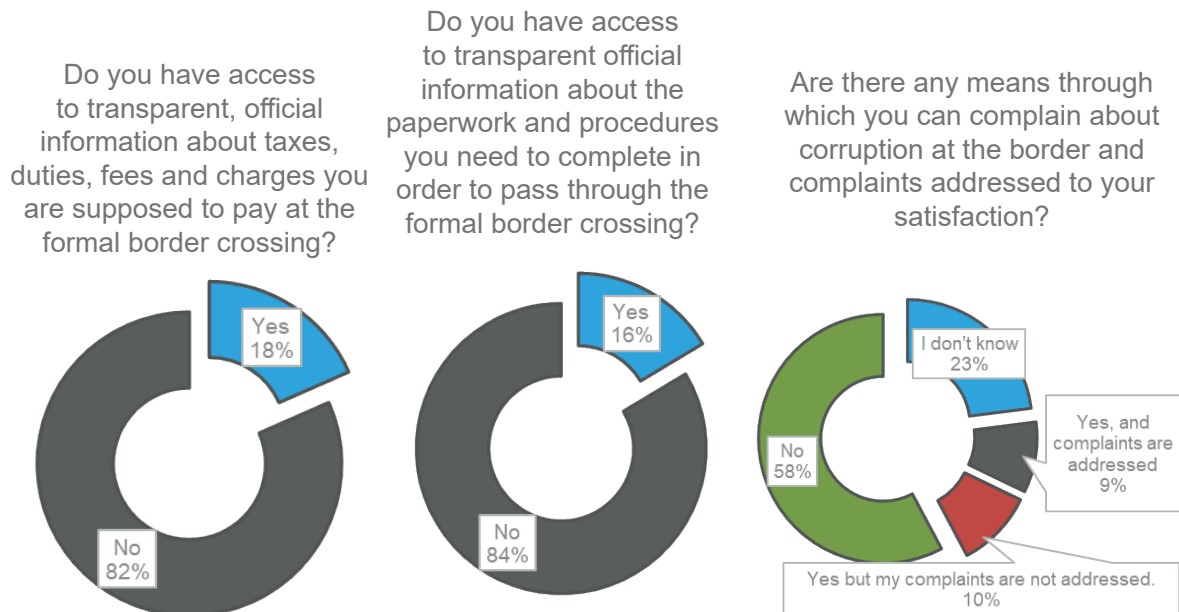
Recommendation 1: Introduce a Simplified Trade Regime for small-scale cross-border trade in goods that respect certain pre-established criteria. In order for traders to formalize their trading activities, clearance procedures at the border need to be simple and fast to complete. The combined burden of all taxes, duties, fees and charges collected at the border need to be affordable to traders, taking into account the value of their consignments and the limited turnover and profit that they can expect to generate from their activities. In this regard, the Government of The Gambia and other project stakeholders can look to COMESA and EAC for inspiration. These two regional economic communities have spearheaded the effort to formalize and facilitate small-scale cross-border trade in Africa, through the creation of Simplified Trade Regimes (STR) and Trade Information Desks. The COMESA and EAC STRs allow small-scale cross-border traders to benefit from duty-free access to their destination markets within the regional economic communities, without having to present a Certificate of Origin at the border. Consignments are eligible for treatment under the STR if their total value is below USD 2,000 and if they appear on a “common list” of goods that have been agreed upon by the countries concerned by the transaction. Furthermore, those countries that implement the STR have also established Trade Information Desk Officers (TIDOs) at the border, to assist traders to undergo all the relevant compliance procedures and ensure they benefit from the STR. Lack of information about border formalities do lead to delays at the border, hence the establishment of TIDOs could be good mechanisms for such.

Border formalities need to be further simplified for small-scale cross-border traders like myself.



COMESA STR applies to:	
Goods that appear on a ‘common list’...	
...whose value is below a specific threshold (USD 2000).	
The STR facilitates CBT as follows	
Eligible goods are exempt from customs duty	Simplified Customs Declaration (SCD)
SCD functions as a Certificate of Origin	Trade Information Desks

The possibility of introducing a Simplified Trade Regime in the ECOWAS region has already been raised through the publication of a study by UNECA on Extending the Benefits of Free Trade to Informal Cross-Border Traders in the Economic Community of West African States.⁵ Simplified Trade Regimes are also being discussed at the continental level, within the framework of the AfCFTA. In addition to facilitating small-scale cross-border trade at the domestic level, The Gambia should participate in regional and continental discussions to ensure that its approach is harmonised with those of its neighbours and the rest of the continent.



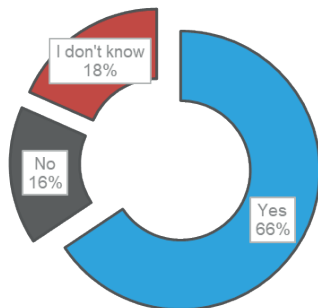
Recommendation 2: Combat corruption by ensuring that border formalities are appropriate and affordable, improving access to information and training, setting up independent and reliable appeals mechanisms, and introducing digital payment systems. It can be difficult to eliminate informal payments at the border, as the individuals and institutions responsible for border management may have a vested interest in maintaining the status quo. In the case of Keur Ali and Missera borders, small-scale cross-border traders could themselves suffer negative consequences from a crackdown on the informal arrangements that currently prevail there. For example, if there is a crackdown on facilitation payments and traders are otherwise unable to formalize their trading activities due to financial constraints or a lack of capacity to comply, they could be obliged to stop trading altogether. Notwithstanding these difficulties, ensuring that formal border procedures are simple, fast, and affordable – through the introduction of a Simplified Trade Regime, for example – can reduce the incentive to make facilitation payments.

⁵ United Nations. Economic. Economic Commission for Africa; United Nations. Economic Commission for Africa (2020-10). Study on Extending the Benefits of Free Trade to Informal Cross Border Traders in the ECOWAS Region reviewed by experts. Addis Ababa. © UN. ECA. <https://hdl.handle.net/10855/46519>

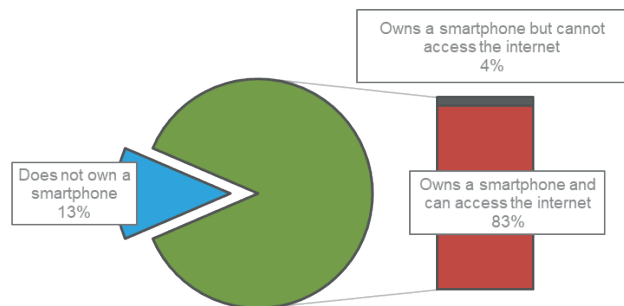


Improving access to information on border formalities and on traders' rights and obligations can also increase users' confidence in the system, encouraging them to formalize their activities and resist demands for informal payments from unscrupulous officials. Traders must also have access to independent, reliable and anonymous complaints mechanisms, allowing them to report corrupt practices and appeal against unfair treatment. The findings from the rapid assessment suggest that none of these measures to tackle corruption have been fully implemented at the target borders.

Do you think bribery and corruption can be reduced by introducing electronic payment systems?

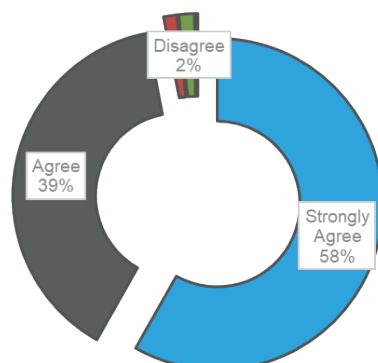


Do you own a smartphone and, if so, can you use your smartphone to access the internet?



In addition to the above, The Gambia could benefit from the introduction of digital payment systems at the border. Such systems can increase the transparency and the traceability of payments and eliminate opportunities to request cash payments during face-to-face interactions at the border. In Africa, it is often considered unrealistic to abolish cash payments altogether, since a large proportion of small-scale cross-border traders do not have access to a bank account or other means of making digital payments (e.g. mobile money). However, the results of our rapid assessment suggest that the conditions do exist to begin the transition in The Gambia: sixty-six per cent (66%) of traders agreed that electronic payment systems could help to reduce bribery and corruption and eighty-three per cent (83%) reported both owning a smartphone and being able to use it to access the internet. The Gambian Customs authorities are currently in the process of launching ASYCUDA World at the border, which already includes an option to make online declaration and use bank cards to pay for the relevant taxes, duties, fees and charges. To the extent possible, project partners should explore how best to ensure that small-scale cross-border traders are able to benefit from this new system, for example by ensuring that mobile money is included as a payment option.

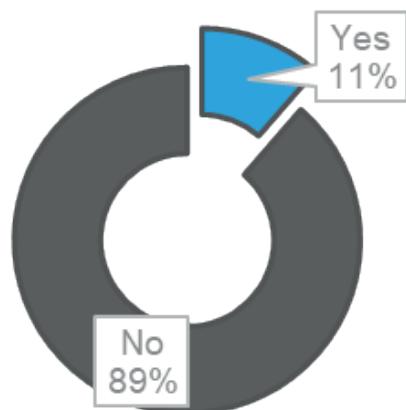
Significant investment should be made into gender-sensitive infrastructure, to protect small scale female traders from corruption and harassment.



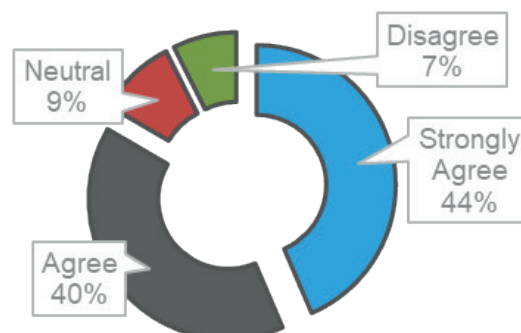
Recommendation 3: Invest in gender-sensitive infrastructure and services to create an inclusive border environment that is conducive towards greater participation of women in cross-border trade.

Gender-sensitive infrastructure and services include: gender segregated bathrooms; baby-changing facilities; accommodation and storage facilities; gender-segregated inspections; gender focal points and complaints mechanisms. Further consultations with women traders could help to determine precisely what kind of infrastructure and services would best respond to the needs of female cross-border traders. It is also important to ensure that women are adequately represented in border agencies such as Customs, Immigration, Health, Plant and Animal Quarantine, etc., as this can help to ensure that the services being offered at the border are responsive to the needs of female cross-border traders. The observations made by the research team during the rapid assessment suggest that a majority of border officials are men. This could indicate bias in the recruitment of civil servants or in the allocation of individuals to specific vacancies at the border. Further research and targeted interventions would be helpful in order to address these gender imbalances and improve the trading environment for women.

Is there any forum in which small-scale cross-border traders can discuss their issues with border officials?



It is important to organize regular meetings between small-scale traders and local border officials to discuss issues related to cross border trade.





Recommendation 4: Strengthen traders’ representative institutions and improve public-private dialogue at the border. Small-scale cross-border traders in The Gambia are represented, to an extent, by a variety of formal and informal institutions, including: local market committees; informal women’s groups; and national organizations like the Gambia Youth Chamber of Commerce and the Gambia Women’s Chamber of Commerce. However, none of these groups have established and recognized workstreams that are dedicated exclusively to the facilitation of small-scale cross-border trade. Even if they had, there is no public-private dialogue forum at the local level that would allow them to voice their concerns or to advocate for reforms to the border environment. Existing border committees do not include the private sector in their deliberations. Project partners should therefore focus some of their efforts on strengthening traders’ representative institutions and improving their capacity to advocate for trade facilitation reforms while encouraging the Government of The Gambia and the border authorities to create public-private dialogue platforms at the local level.

Explain how each of the agencies present at the border safeguard the interests of the public by protecting human, animal & plant health and intercepting illegal trade in drugs or weapons.

Inform SSCBTs about the benefits of greater formalization, such as access to finance, commercial opportunities (e.g. linkages with industrial buyers or super-market chains) and the use of border infrastructure (e.g. roads, storage facilities, etc.)

Supply SSCBTs with the skills required to trade formally, such as record-keeping and accounting skills and practical instructions on how to comply with border formalities

These topics help to raise awareness among SSCBTs of the legitimate public policy objectives of border authorities, preparing them to collaborate with officials at the border and to build their compliance track-record so that they can reap the benefits of formal trade

Recommendation 5: Offer training to small-scale cross-border traders and border officials. The rapid assessment also found that small-scale cross-border traders do not sufficiently appreciate the purpose of border controls and how compliance can generate public goods, such as better governance of the trading environment. Small-scale cross-border traders’ lack of knowledge regarding the purpose of border controls and the legitimate public policy objective of border officials leads to poor compliance, which in turn prevents traders them from participating in the formal sector and exclude them from the benefits thereof, such as access to finance, commercial opportunities (e.g. linkages with industrial buyers or super-market chains) and the use of border infrastructure (e.g. roads, storage facilities, etc.).



In addition to trade facilitation reforms, therefore, it is important to provide training for SSCBTs on the purpose of border controls and the legitimate public policy objectives that give rise to them, such as the importance of tax obligation, the protection of human, plant and animal health, the enforcement of laws against illicit activities such as drug, trafficking in person, child labor and the curbing of money-laundering. Border officials could also benefit from training on how to encourage the formalization of trade flows, as well as on the specificities of clearing small-scale consignments and the need for gender-sensitive trade facilitation reforms at the border.



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