IMPROVING LIVELIHOODS FOR INFORMAL CROSS BORDER TRADERS AND BORDERLANDS TRADING COMMUNITIES

THUMEZA ENTERPRISES AND VILLAGESAVERS TECHNOLOGY JOINT PROJECT IN VICTORIA FALLS (ZIMBABWE) AND LIVINGSTONE (ZAMBIA) TOWNS.

BASELINE SURVEY REPORT

August 2021

Basic Report Information

Project Title:	Bridging the financing gap for Women and Youth Cross Border Traders
Project Number:	
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Implementing Partners:	UNDP Zambia and Zimbabwe Accelerator Labs
Innovation Partners:	Thumeza Enterprises and VillageSavers Technology
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Acknowledgements

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Secondly, we would like to thank the implementing partners namely, Country Offices of the UNDP Zimbabwe and Zambia Accelerator Labs for providing us with the necessary support to enable the community immersion, collecting the data sets as well as insights that made this survey possible.

Last but not least, we would like to thank the participants of this study that made data collection a delight and we look forward to providing solutions that speak to the needs of the Cross Border Traders and their resilience during these perilous times.

Executive summary

CBTs in Livingstone Town Zambia and Victoria Falls Town in Zimbabwe work in a fragmented and unstructured environment which is characterised by a plethora of challenges, chiefly being the inability to utilise digital solutions in logistics and financial/savings management. The Covid-19 global pandemic has further worsened these challenges by expanding a communication and logistical gap between CBTs, their suppliers, and transporters. Furthermore, the transport system used by CBTs is mostly inconsistent, unreliable, and uninsured which further affects their ability to aptly manage their logistics. It is paramount to note that the aforementioned cases subsequently affect the CBT's profit-making opportunities hence inhibiting business growth. Although there is an opportunity for the adoption of digital solutions in logistics and financial/savings management, there is a significant knowledge and opportunity gap among CBTs. Therefore, this project sought to investigate the adoption of digital solutions in logistics and financial/savings management by Cross Border Traders (CBTs) active in the Victoria Falls and Kazungula Borders. In order to achieve this purpose 230 CBTs, that is 110 from Zambia and 120 from Zimbabwe, were purposely and conveniently selected from the Common Market for East and Southern Africa selling points within the two countries. Data was gathered using a semi-structured questionnaire and open-ended key informant interviews. The key questions that the study sought to answer were

I. Who are the Cross Border traders? What do they trade in and where do they trade
II. How are cross-border traders conducting their businesses during the Covid-19 global pandemic?
III. What transportation system is used by cross-border traders when conducting their business?
IV. What is the uptake of digital solutions by cross-border traders in effectively conducting their businesses?
V. Are cross-border traders financially literate to effectively conduct their business?

Major findings

1. 172 (75%) CBTs were female while the remaining 58 (25%) were males.
2. 172 (75) of CBTs were between the ages of 26 and 50. With most 58 (25) of the CBTs falling between 31 and 35 years of age. Only 2 (1) of the CBTs were above 61 years old.
3. 190 (83%) of the CBTs were head of households within their families.
4. 141 (61%) of the CBTs use some form of digital platform in their business, while the remaining, 89 (39%) do not. Out of the 141 who highlighted that they use digital platforms in their businesses all the 141 (100%) noted that they use WhatsApp mostly, while some 39 (27%) also highlighted that they used Facebook messenger in their business, and only 4 (3%) used emails to source for their goods.
5. The most traded goods were food and groceries with 123 (53%) of the CBTs highlighting they trade in food and groceries.
6. 222 (97%) of the CBTs utilised cars to transport their goods from across the borders. When asked on the class of cars to transport goods, from a total of 224 responses, 4 (2%) highlighted that they used motorcycles, while 65 (29%) use light motor vehicles, 85 (38%) use Buses and remaining 77 (34%) utilised trucks.
7. 182 (79%) of the CBTs lamented on the high costs associated with transporting their goods from across the borders. As such 128 (56%) of the CBTs were not able to save any of their profits.
8. 102 CBTs who saved their profits a total of 94 (92%) saved their money at home, while only 8 (8%) saved it at the bank
9. Over 50% of the CBT's spend less than USD1000 on purchases in a month. For the past three months most 129 (56%) of the CBTs had not used more than USD599.00 in ordering goods.

10. Over 75% of the CBTs have not done any financial or savings management training

11. Financial management was a challenge for CBTs with 180(78%) highlighting that they were facing challenges in effectively managing their finances. Out of a total of 213 responses 202 (95%) of the CBTs agreed that they need financial management training so that they can effectively manage their businesses. The same number also acknowledged that they would welcome an application that can help them track their finances.

12. 230 (100%) of the CBTs were negatively affected by the Covid-19 pandemic with

13. During key Informant Interviews CBT's have indicated a high frame of mind that as they are low on the socio-economic spectrum, they are often overlooked for trade assistance when it becomes available

14. More than 75% of CBTs agreed that there is no reliability in the transporters.

15. CBT's may at times aggregate the ordering and movement of their goods from the source location to delivery location to take advantage of economies of scale

16. The costs of COVID-19 Tests/certifications are too high for CBT's to afford.

17. Opaque Customs Regulations make adherence difficult for CBT's as formulation of the acts and the implementation are two different scenarios

18. CBT's had originally come up with a rudimentary solution, which was disrupted by ZIMRA officials, for 'Runners' to pay for customs at the border post and have the transporter collect the goods once cleared, circumventing potential corruption charges.

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Acronyms and Abbreviations

CBT's	Cross Border Traders
COMESA	Common Market for East and Southern Africa
SDG	Sustainable Development Goals
ZIMRA	Zimbabwe Revenue Authority

Introduction

A recent study of 230 women traders conducted by UNDP Zambia and UNCDF in Livingstone revealed that COVID 19 regulations such as the border closures resulted in some dropping out of trading while others changed to low value products sourced locally. The decreased income among the small-scale cross border traders (SSCBTs) made it difficult for them to travel and order goods, instead arrangements were entered into with truck drivers and other transporters to deliver their goods with only a few who could manage to travel and order for themselves. Others alternatively put funds together and send someone, affectionately named a 'runner' to go and order and arrange for transportation on their behalf. For those SSCBTs that are involved in group savings like Chilimba and Village Banking, they have also been greatly affected as these require that they meet every week or month, put their money together and lend it out within themselves. They can no longer meet due to fear of COVID 19. Two innovations offer a solution and promise to increase SSCBTs' resilience from the effects that COVID- 19 public health regulations have had on their trading and saving practices - Thumeza from Zimbabwe and VillageSavers from Zambia.

Thumeza is a consortium of small-scale truck drivers mobilized to offer delivery services to small scale businesses using a digital platform that aggregates quotes and invoices, tracks movement of goods and provides proof of delivery, guaranteeing security of goods. Transporters targeted by Thumeza predominantly own three vehicles or less, are owner operated and depend on the movement of goods as a daily source of income. They are more flexible in their ability to cater to the movement of smaller goods that may be shunned by the larger players in the market and as a result service a large portion of the informal market whose main concern is affordability and assurance that goods will arrive at the intended destination relatively intact. Furthermore, this particular demographic of small-scale transporters are heavily dependent on internal cash flows as a source of working capital, limiting their ability to accept high value contracts or spot loads that may be post-paid. Over 70% of them are unable to get access to working capital from formal institutions as they lack either immovable collateral or most importantly, operational data that adequately describes their operational track record and capabilities. The ability to capture this data and

deploy it will go a long way towards managing the risk for lenders who may want to help them grow their businesses and attend to more clients both large and small. To enable them to compete against larger entities who dominate the market, Thumeza has introduced a product providing transporters on the platform access to working capital loans in partnership with lenders allowing them to access funds and services prior to getting paid by the client. This access to working capital as well as the aggregation of enterprises both large and small on one platform, will allow SSCBT's to take advantage of economies of scale enabling affordable movements of goods by transporters who have the capacity and the capability to perform.

Thumeza's current technological offering is a WebApp hosted on the AWS cloud platform centred on the assumption of constant online access by the shipper and the transporter in order to place orders and most importantly track orders via GPS tracking accessed as a download on a cellular device or via desktop. However, looking at the nature of the target users, 96% of which predominantly use WhatsApp, a mixed approach with an on-and-offline approach will need to be used to ensure full usage of the platform.

Shopkeepers with short term storage space will be drafted into the value chain as warehousers or predominant transaction handlers. A CBT will have the freedom to either log onto the platform on their own device but failing that, they can head to a Thumeza Partner Shopkeeper to leave the goods for pick up, have them inputted into the system, quoted and pay the delivery fee, have the transporter pick up the goods from the shopkeeper for delivery, receive updates on WhatsApp based on driver check in confirming departure, check in at the border and check in on arrival indicating the goods are now ready for pick up.

Security of the goods will be added through check-in tracking from transporters and warehousers who are vetted through ID's, proof of residence, registration documents if any and blanket insurance cover of the goods to be shipped as 3% of the value of the goods or with smaller items 5% of the value of the payment i.e 5 USD x 10%= 0.50 USD for insurance. To ensure extra security, training on the usage of the platform at every stage of usage of the platform will need to take place (CBT-shopkeeper/warehouser-transporter-shopkeeper/warehouser-CBT) with extra

emphasis on the Shopkeepers/Warehouses supported with data costs to access the Web App to manage the transactions.

Village Savers offers an opportunity to digitize financial transactions through an automated digital platform for the SSCBTs' Savings and Credit Cooperative Organisations (SACCO) or Self-help Saving Groups (SHGs). The small saving group's pooled resources provide a link to commercial lending institutions' financial products that could help grow their businesses. VillageSavers also guarantees security of funds and 100% accurate data of savings and offers required income data that has previously been hard to capture and could be used to access financial products from established institutions. It also explores the potential of enrolling traders to formal social security and health insurance schemes long denied to informal business owners. Further, it offers basic savings and financial management education to SSCBTs to help them manage their cash flows and expenditure. Based on a Community Based Social Protection Organization (CBSPO) study in rural areas conducted by UNDP Zimbabwe in 2020, which revealed that informal social protection mechanisms like savings clubs have high levels of mismanagement and embezzlement compromising the community's level of resilience. One recommendation of the study was the use of innovation to strengthen CBSPO systems, which VillageSavers aims to address.

VillageSavers is a web based Application with an inbuilt Bookkeeping/financial Management system that records and tracks savings. The system also projects how much the group or individual members will make at the end of the savings cycle. This system is developed on Microsoft Azure's SQL Database Infrastructure. SQL uses big servers for quick responses, Speed internet connectivity and big storage to store huge volumes of client data. This infrastructure was chosen to build the App because it is the most secure and most used Accounting Database in the world, thus giving the users the best security and safety for their data. Additionally the domain/web hosting services provider were it is being hosted currently called in Motion hosting offers a very high safety and security SSL Certificate that protects client data against high risk premium malware and Hacking. With these features under which the Application is

developed in the backend, and the easy to use Node JS front end features (landing page), all the cross border traders that took part in the survey and indicated they would welcome a digital system are able to easily use it. Plus the added App navigation feature which takes the users through how they can use our App makes it easy for them to use the VillageSavers App.

Objective of the Study

The general objective of this study was to understand the effects and impact that COVID-19 Global Pandemic has had on the operations of the SSCBTs in Zambia's Livingstone and Zimbabwe's Victoria Falls towns.

Brief methodology

In order to achieve the purpose of the study 230 CBTs, that is 110 from Zambia and 120 from Zimbabwe, were purposely and conveniently selected from the Common Market for East and Southern Africa selling points within the two countries. Data was gathered using a semi-structured questionnaire and open-ended key informant interviews.

Results

Demographic information

Response rate

n = 230

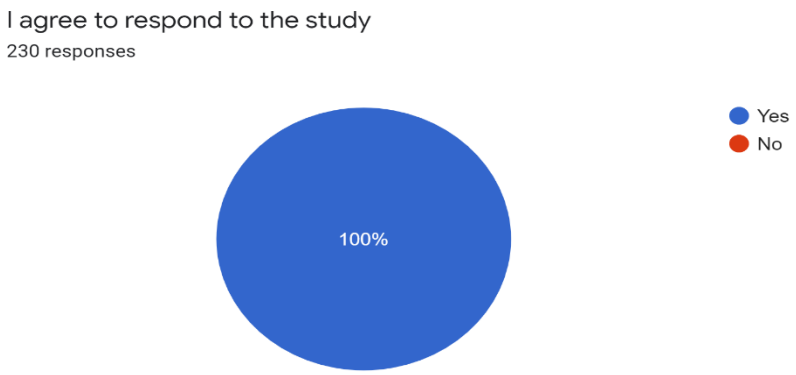

Figure 1.1 Response rate

Data collector

n = 230

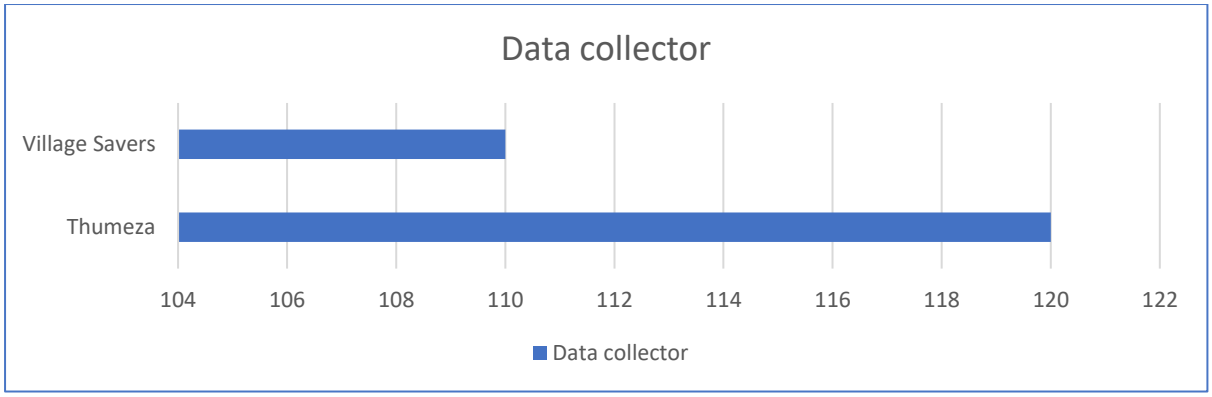

Figure 1.2 Data collector

The results showed that all the purposefully and conveniently selected CBTs agreed to be part of the study as such giving a 100% response rate. With such a response rate the study was able to make justified and reliable meanings pertaining to the phenomenon which was under study. Furthermore, as shown in figure 1.2 out of a total of 230 (100%) respondents, Village Savers from Zambia collected data from 110 (47.8%) CBTs while Thumeza collected data from 120 (52.2%). It is also worth noting that out of the 120 CBTs managed by Thumeza, a total of 30 CBTs were conveniently selected as key informants as such data was collected using interviews. Interviews allowed data collectors to probe further on how CBTs were conducting their businesses during the Covid-19 global pandemic, and more importantly at what level had they managed to adopt digital solutions in their logistics processes, and whether they have utilized any group savings initiatives to have access to non-collateralized financing for their business. Equally, 50 out of the 110 CBTs that were managed by VillageSavers in Zambia were selected as key respondents and were interviewed to understand more on how the COVID-19 pandemic has affected their business processes and access to financing. Out of all the CBTs who took part in the study 119 (52%) were Zimbabwean nationals while the remaining 111 (48%) were Zambians.

Gender

n = 230

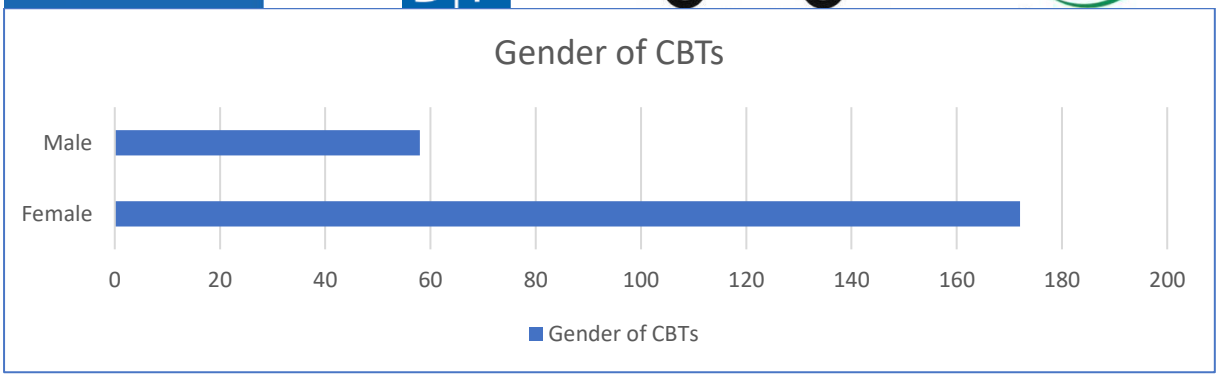

Figure 1.3 Gender of CBTs

The results showed that female CBTs were 3 times more than male CBTs. Out of 230 (100%) CBTs 172 (75%) were female while the remaining 58 (25%) were males.

CBTs age

n = 230

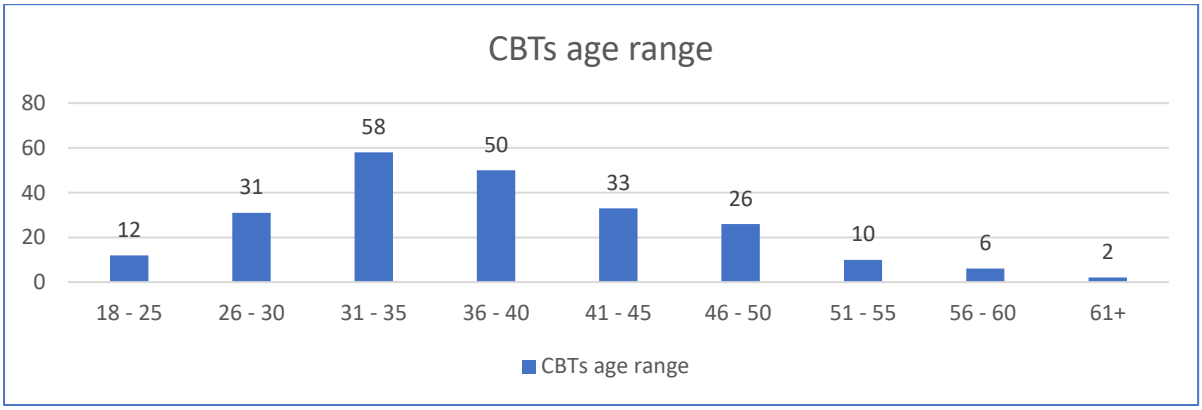

Figure 1.4 Age of CBTs

On average the CBT age ranged between 31-40 with 25% of the CBTs between the ages of 31 and 35 and 50 (22%) of the CBTs were between the ages of 36 – 40. Notable is that this is the age group which is mostly economically active but lacked formal employment opportunities (ZIMSTAT, 2019). Furthermore, the study established that the aforementioned age groups were mostly head of households which meant that most of them joined cross border trading pushed by the need to fend for their families. For example, the study established that out of all the 230 (100%) of the surveyed CBTs a total of 190 (83%) were head of households within their families, while the remaining 40 (17%) were not. Another interesting finding was the age group

of 18 and 25 which constituted 12 (5%) of the total CBTs. CBTs between the ages of 41 and 60 constituted 75 (33%) of the total surveyed population. With such demographics the study was also interested in establishing the number of dependents which the heads of households had (see figure 1.5).

Dependents

n = 190

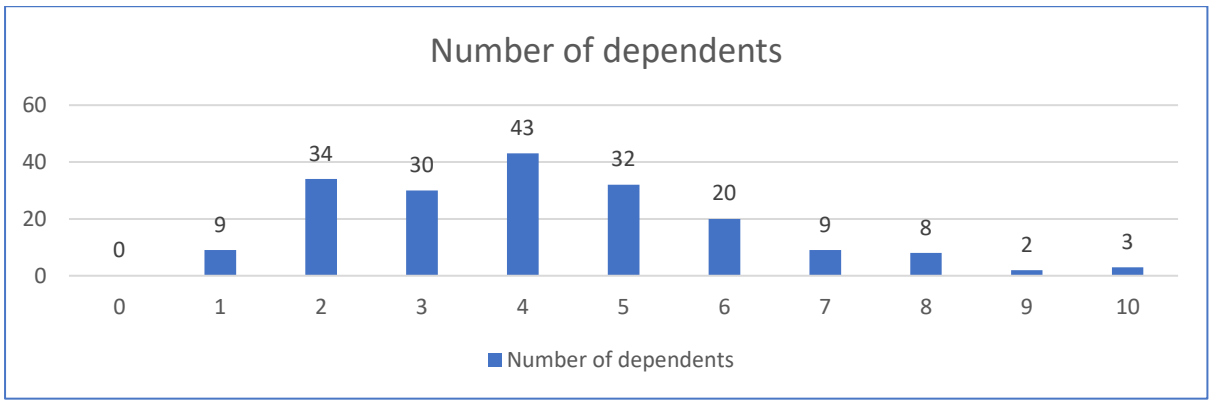

Figure 1.5 Number of CBTs' dependents

As highlighted in figure 1.5, 95% of the CBTs have more than 1 dependent. These statistics actually justified the reason why most people were CBTs because they wanted to fend for their dependents. The results of the study further showed that 55 (24%) of the CBTs had less than 5 years since they joined trading with the majority, 93 (40%) ranging between 6 to 10 years of CBTs. Furthermore, 44 (19%) of CBTs had 11 to 15 years' experience as CBTs. These statistics are also justified by the fact that 222 (97%) of the CBTs are solely dependent on trading with only 8 (3%) highlighting that they had alternative sources of income. From the key informant interviews it was established that the 8 (3%) of CBTs who highlighted that they were not only dependent on trading as a source of income had their husbands working other jobs. Another interesting statistic which might possibly explain why most of the CBTs purely relied on CBT is the education level of these traders. The study showed that 10 (4%) of CBTs had no formal education, while 43 (19%) only reached primary level, 153 (67%) had secondary education and last but not least 24 (10%) had tertiary education. With the high competition levels in the job seeking market there is a possibility that those CBTs who had only managed to reach secondary education and less failed to secure formal

employment as such opting to venture into CBT. Therefore, what can be deduced from the presented statistics is that CBT is a full-time commitment to most of CBTs hence the need to ensure that they get enough support as much as possible. The results of the study further showed that out of a total of 230 (100%) CBTs, 23 (10%) had some form of physical disability which negatively affected the way in which they conducted their cross-border trading business.

Type of good traded by CBTs

Most traded good within the past 3 months

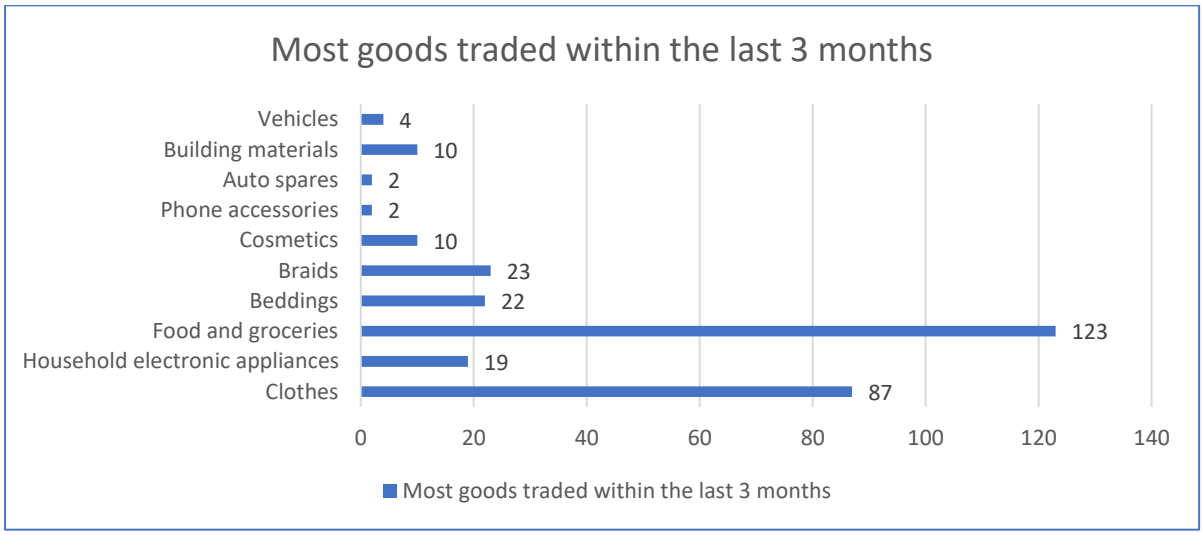

Figure 1.6 Most traded goods in the last 3 months

The study found out that the most traded good were food and groceries with 123 (53%) of the CBTs highlighting they trade in food and groceries. During the key informant interviews the researchers established that the general reason why most CBTs traded in food and groceries was due to the effects of the Covid-19 global pandemic which had shifted consumer's priority, that is, more people began buying food than other goods such as clothes which were now considered a luxury and not necessary. When asked on where food and groceries were being sourced from most CBTs highlighted that they source them from Beitbridge and Musina not necessarily from Kazungula, Victoria Falls and Livingstone. CBTs noted that food and groceries were much cheaper in these areas than in Victoria Falls and Livingstone. However, sourcing goods from Beitbridge and Musina came with its own logistical challenges *(See figure 1.9)* The second traded good were clothes with 87 (38%) of the CBTs highlighting that they also

trade in clothes although their turnover is a bit low compared to the pre-Covid-19 period. Interestingly, braids were the most traded goods with 23 (10%) of the CBTs buying them from Livingstone mostly and selling them in Zimbabwe. When asked on the reasons behind the trading of such specific goods, the CBTs highlighted that the goods were the ones which were mostly in demand within their areas of operations.

Use of digital platforms in sourcing, ordering, and selling goods

Number of CBTs who use digital platforms

n = 230

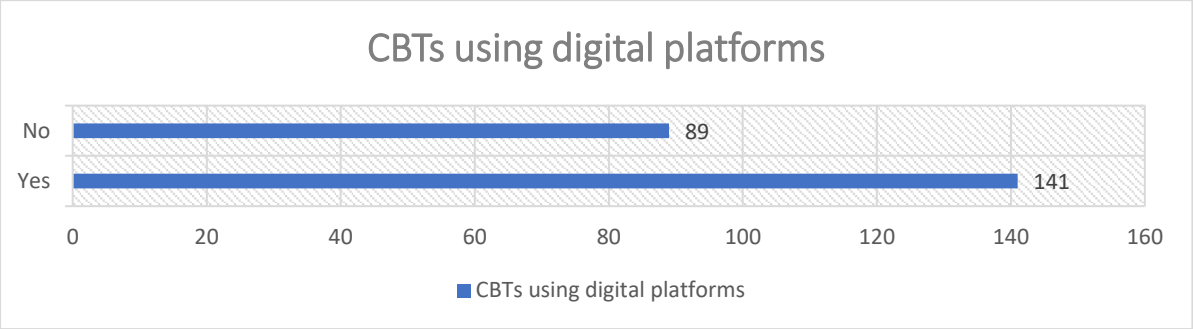

Figure 1.7 Digital platforms usage

The results of the study from the CBTs showed that 141 (61%) use some form of digital platform in their business, while the remaining, 89 (39%) do not. Out of the 141 who highlighted that they use digital platforms in their businesses all the 141 (100%) noted that they use WhatsApp mostly, while some 39 (27%) also highlighted that they used Facebook messenger in their business, and only 4 (3%) used emails to source for their goods. However, CBTs highlighted that they faced challenges when it came to the use of these platforms, chiefly being the failure of clients in some cases to timely communicate, while others noted that they did not have some of the technical expertise that is needed to use some of the functions found on such platforms.

Mode of transport used to transport goods

n = 230

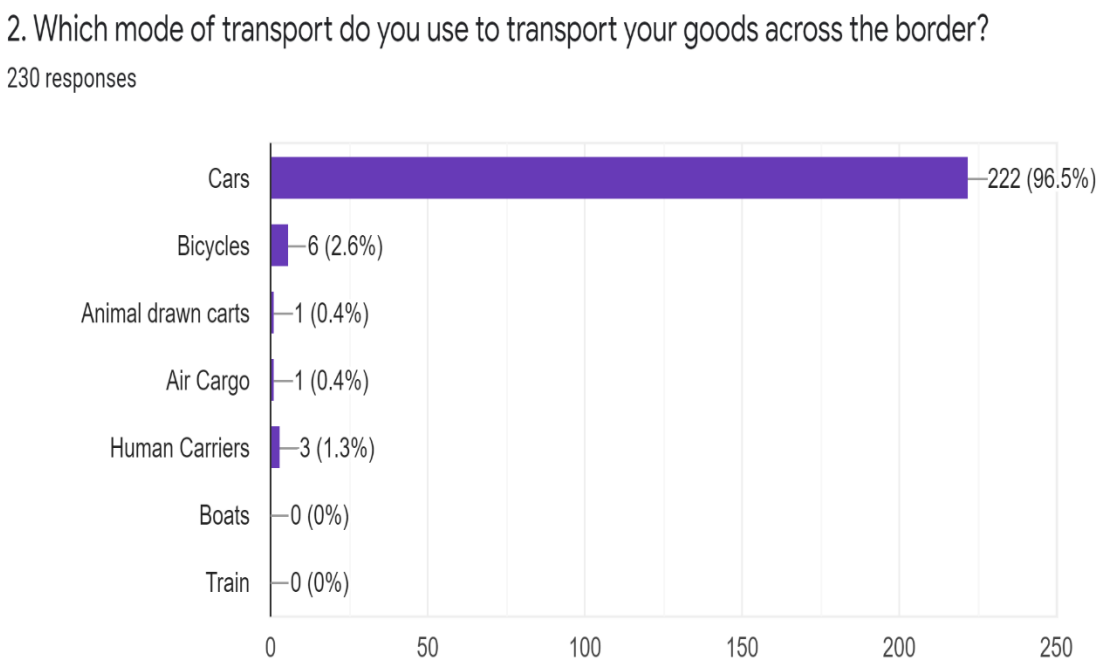

Figure 1.8 Mode of transport

The results of the study showed most 222 (97%) of the CBTs utilised cars to transport their goods from across the borders. When asked on the class of cars to transport goods, from a total of 224 responses, 4 (2%) highlighted that they used motorcycles, while 65 (29%) use light motor vehicles, 85 (38%) use Buses and remaining 77 (34%) utilised trucks. During the key informant interviews, these respondents highlighted that they used trucks mostly because trucks could carry the bulky of their loads and most importantly trucks were operational even during the Covid-19 induced lockdowns, as such they were reliable. This was the case with Buses especially those that crossed the Beitbridge border posts were used to bring in food and groceries. The study further highlighted that some of the CBTs who used the Victoria Falls border posts mostly used light motor vehicles to transport their goods. When asked if the modes of transport were efficient, the CBTs 150 (65%) noted that that it was, while the remaining 80 (35%) disapproved.

Costs of transporting goods

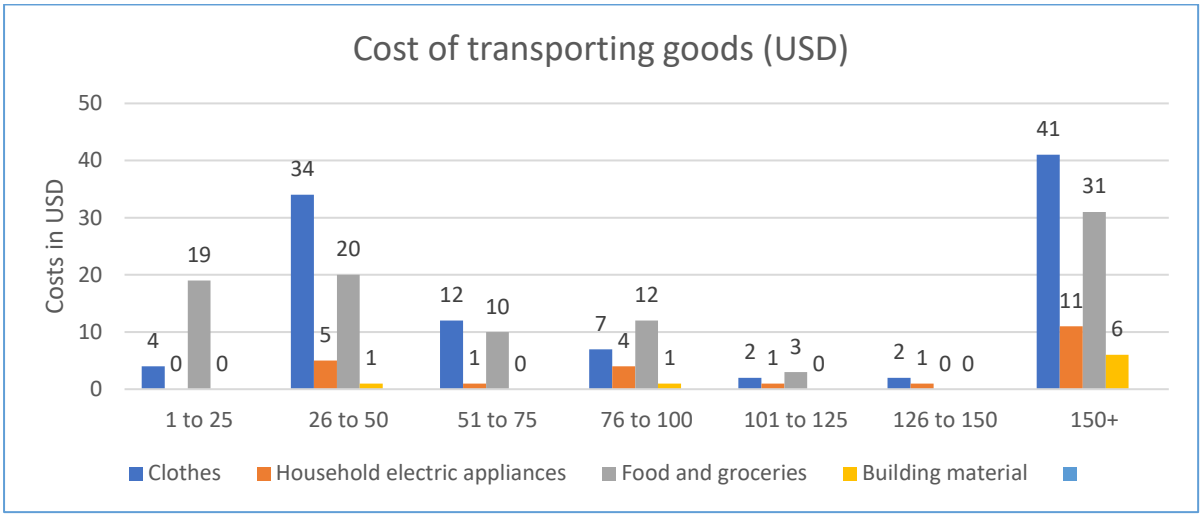

Figure 1.9 cost of transporting goods

The costs of transporting goods varied this is mainly because there was no standard factor used to charge the transportation fees. From the interviews conducted with CBTs it was established that most of the transport costs were determined by social or personal relationships between CBTs and transporters. Such relationships formed the basis of fee negotiation. However, some CBTs highlighted that it was on the same basis issues to do with transparency and reliability were compromised with transporters in some cases “not giving much attention to the CBTs’ goods”.

Challenges faced by CBTs in goods transportation

The study further enquired on the major challenge that CBTs face when utilising the various modes of transports.

n = 230

Figure 1.10 Challenges faced in transporting goods

From the data collected it is evident that most 182 (79%) of the CBTs lamented on the high costs associated with transporting their goods from across the borders. During the key informant interviews, it was established that trucks and buses had increased their charges since the Covid-19 global pandemic began. This was due to the fact that few trucks and buses had the privilege of crossing the borders which resulted in less competition in the transport sector and a high demand on the part of CBTs hence justifying the increase in transportation costs. Furthermore, some of the CBTs highlighted that lack of reliability from bus and truck drivers was hampering the way they were conducting their business. For example, one of the CBTs noted that

NB: please note that the citations presented below were only modified to fix grammatical errors

It is worth noting that even some of the CBTs who had highlighted that their major challenge were high transportation costs, also hinted on the fact that these trucks were not reliable chiefly because transporting CBTs good was a secondary task, with most of the truck drivers concentrating on ensuring that their primary jobs are effectively done. Another CBT also highlighted that

Cost spent buying goods in the last 3 months

Another CBT also lamented the lack of transparency that was associated with the use of these trucks.

Financial management

Money spent buying goods in the last 3 months

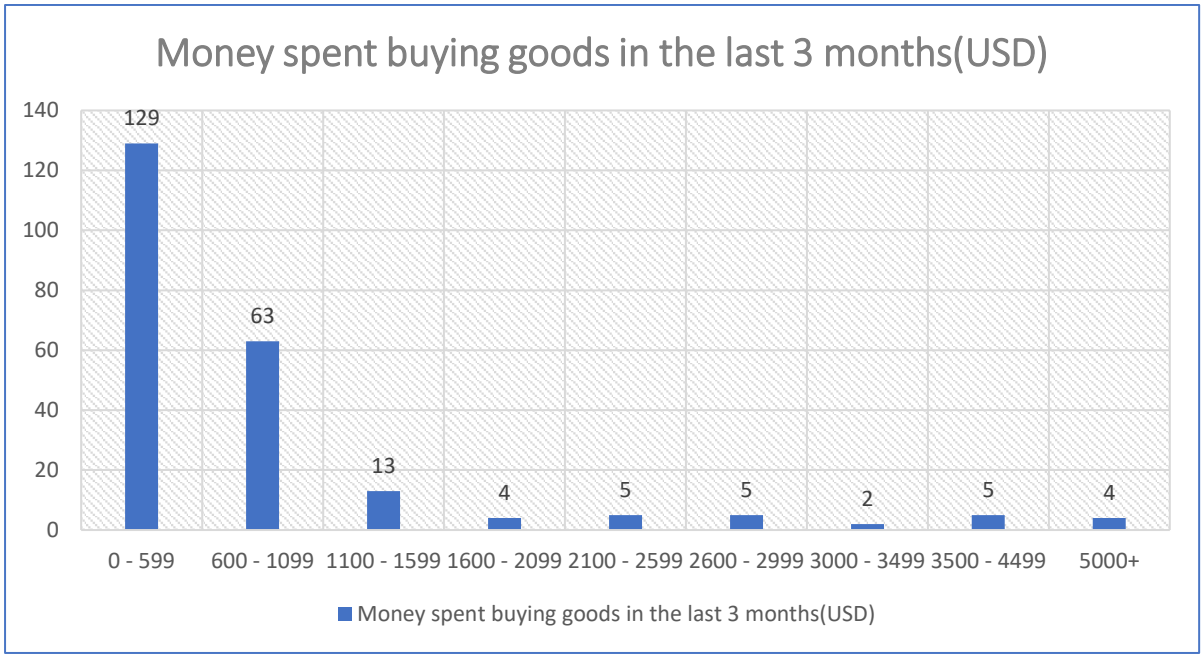

Figure 1.11 Cost spent buying goods in the last 3 months

Figure 1.11 highlighted that for the past three months most 129 (56%) of the CBTs had not used more than USD599.00. Explaining this figure some of the CBTs highlighted that they had significant challenges in getting substantive capital injections into their business as such they only invested at a substantive level. The Covid-19 was also blamed for the lack of capital faced by CBTs. Furthermore, the results showed that only 25 (11%) of the CBTs had managed to buy goods worth USD1600.00 and above. Most of the CBTs were appealing for monetary assistance. CBTs lamented on the failure to make profits during the Covid-19 era (See figure 1.12)

Profit made in the last 3 months

n = 213

Figure 1.12 Profit made in the last 3 months

Saving money
n = 230

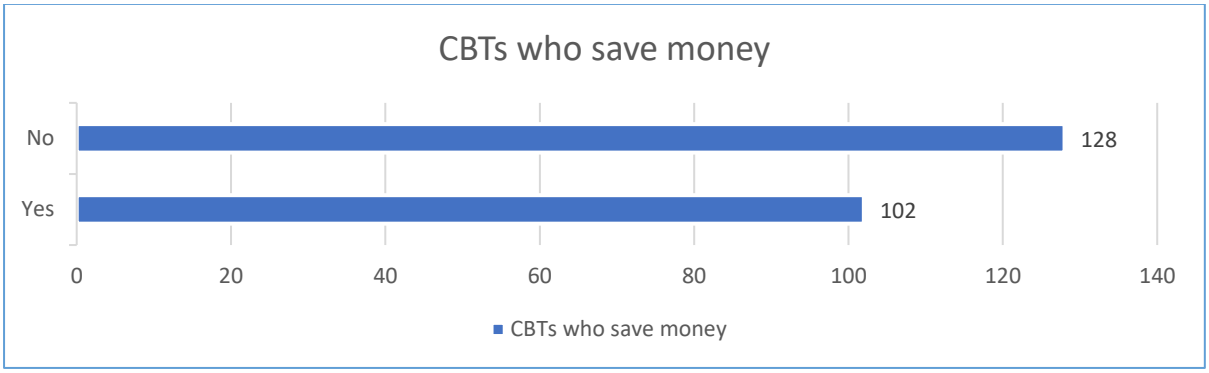

Figure 1.13 CBTs who save money

Method of saving
n = 102

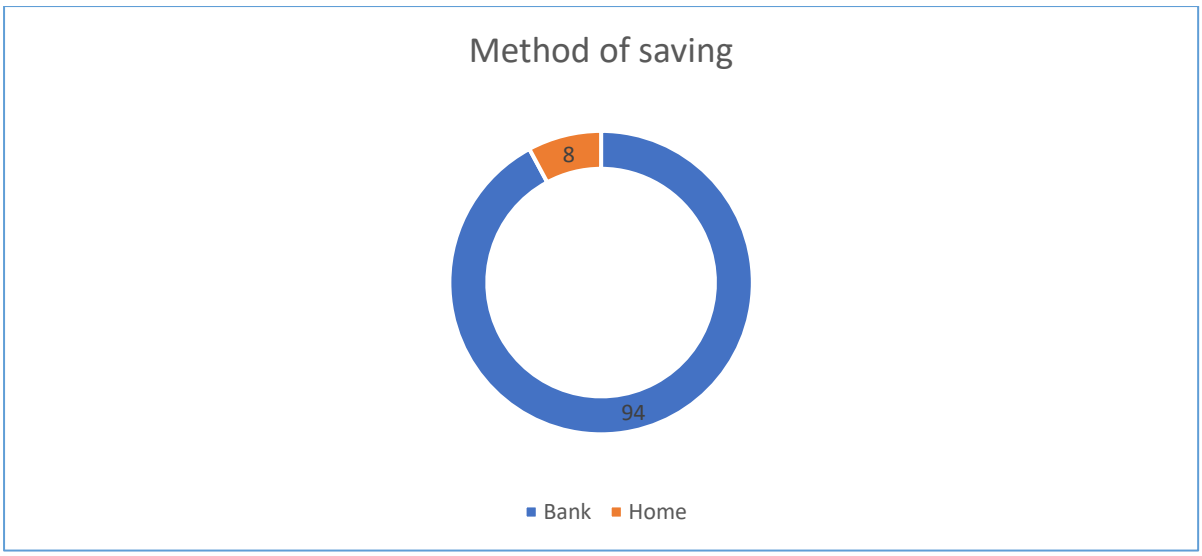

Figure 1.14 Method of saving money

As highlighted in figure 1.12 the profit margins of CBTs were relatively lower than anticipated. This is the reason why 128 (56%) of the CBTs were not able to save any of their profits (see figure 1.13) as most of them were either channelled back into the business or used for subsistence reasons. It is worth noting that there are a number of possible reasons that explain these figures. One of them is the fact that CBTs were initially injecting low capital into the business as such the relationship between investment and profits was directly proportional. Secondly some of the CBTs highlighted that at some point they had lost their goods during the transportation process which negatively affected their profit margins. Thirdly, the high competition levels amongst CBTs resulted in CBTs reducing the prices of their goods as such break even or realising loss. The fourth reason was the failure to effectively manage and track business finances by CBTs. This is especially true considering the fact that amongst the sampled CBTs only 50 (22%) highlighted that they once did a financial management course whilst the remaining 180 (78%) had not. Furthermore, out of the 230 CBTs only 80 (35%) highlighted that they had put in place some form of financial tracking system, this was done mainly through physical books, while the bulk 150 (65%) did not track their finances. This resulted in the failure of CBTs to effectively conduct their businesses. However, when asked if they would welcome some financial management trainings out of a total of 213 responses 202 (95%) of the CBTs agreed that they need such training so that they can effectively manage their finances. A significant number of the CBTs also highlighted that they would welcome the introduction of an application that would help them to effectively track their finances.

The results further showed that out of 102 CBTs who saved their profits a total of 94 (92%) saved their money at home, while only 8 (8%) saved it at the bank. From the key informant interviews CBTs highlighted that they did not have confidence in the banking system as such keeping their money at home was better. Furthermore, CBTs showed that they also use other methods of saving money which included Village Banking (a community based savings initiative were 20 members on average come together and form a group were they save money on a weekly or monthly basis, with a view to growing it by lending to each other with a small interest, most popular in Zambia), Stokvel (similar to Village Banks which also uses the same model as Village Banking and done weekly, bi-weekly and monthly but most popular in South Africa,

Zimbabwe and Botswana with an average of 12 members) and Chilimba (where a group of members mostly not more than 10, put money together every month and give to each other on rotational basis without interest) , which are all group savings initiatives that allow group members to pool their funds together based on trust, to grow their businesses and improve their livelihoods. However, a significant number of CBTs lamented on the fact that such an initiative was not effective as they have been experiencing lots of challenges/problems that included Poor Record keeping, errors, mistrust, and lack of transparency from the administrators of the groups. As such, some CBTs had their savings lost through some unscrupulous people who disappeared with the money.

The analysis of the baseline survey and one on one interviews with the cross-border traders, were that the results showed that only 22% have had some form of financial management training and 78% have not. Furthermore, it concluded that most of the problems with human errors and lack of trust among members came from lack of understanding of basic savings and financial management, especially when it came to group savings, and projections of savings growth in the cycle. Secondly, only 35% indicated that they had used some tracking system in their group savings which they indicated were books and excel sheets. 65% had not used any tracking system at all. VillageSavers therefore will help eliminate those challenges and problems by providing the following solutions.

a) Savings and basic financial Management training – which will include formation of savings groups, procedures, group MoU (Constitution) and other guiding principles to effective and transparent group savings. This is one of the areas where VillageSavers helps groups with no experience to fast track and get on the savings journey.

b) Introduction and roll out of the VillageSavers App – this will expose them to digital tracking of their savings using the VillageSavers System, which they will be able to download and install on their Smartphones and computers. The App will have digital Constitutions, procedures, and all guidelines to savings and financial management.

Sustainability of the proposed solutions

VillageSavers App is a web App, and will be downloadable on Apple Store, Google Play, and straight from the web. This means it will work on smartphones as mobile apps as well as on computers as on the website. Once the group is formed, the Creator/Admin would then invite group members through a link unique to only that group via email, phone or just copying and sharing with the members of the group. After the member confirms by signing up and confirming via email/phone, they will be able to use the App anytime, anywhere, provided they use a computer or smartphone. They can check their savings or loan obligations in real time. The UNDP support will provide the groups with free access to the App for a period of 12 months, after which, they will be required to pay a ZMW 20 monthly subscription fees for use of the App for each member. That fee will go towards Web Management, Hosting services and Data Security for their financial data. New groups outside of the UNDP support will have to start with a 3 months free access after which they will be put on the same ZMW 20 subscription fee per month for each member of the group. These groups provide for social funds of up to ZMW30 paid monthly together with their savings which is used for management and administration of the groups. It is from these funds that we hope to be collecting the subscription from, so that the savings are not disturbed. Additionally, to cater for cross border traders that do not have smart phones/computers to access the App, VillageSavers has gone further to engage Zambia Information and Telecommunication Authority (ZICTA) in Zambia so as to acquire an Unstructured Supplementary Service Data (USSD) code (i.e *255#) for them to also be able to access the services on their small phones. Once the UNDP-ABC Project starts, VillageSavers plans to also engage the Postal and Telecommunications Authority through Thumeza to be able to extend the USSD services to the CBTs in Zimbabwe.

The Thumeza App is a Web-based Application downloaded and accessible straight from the Web that provides delivery solutions that quote, provide invoicing, receipt, tracking and proof of delivery based on check in's at set points during the goods transit and Goods In transit insurance to provide assurance to the shipper that goods will arrive. The envisaged scenario is where there is a set route initially from Livingstone to Victoria Falls (based on the most popular route played by CBT's) with pickups set

at strategic points along that route i.e. from a store in Livingstone where goods are recorded as dropped off, processed by the shopkeeper for delivery and a check in taking place by the transporter place at the border from our cross border clearance partner indicating current location in transit and delivery at a set shop for pick up by the shopkeeper. Alerts will take place via SMS and or WhatsApp to limit the need for data usage by the shipper. By focusing the need for off-platform data to the shop keepers we will ensure greater uptake as we will be assimilating with the current communal infrastructure in place, ensuring that there is consistent usage of the platform that is embraced by the community as a whole as funds will be visibly flowing within it. Proposed initial costs are at 5 USD per 50kgs for both the taxis and trucks gauged against the carrying capacity of a people carrier. Competitors in the space are minibuses that are already plying the route, taxis stationed at the border posts and truck operators plying that route.

Conclusions

The baseline report has brought out great insights on the operations of the cross-border traders both in Zimbabwe and Zambia. It brought out a clear understanding of the challenges they face when trading across borders in this era of the COVID-19 global pandemic. Furthermore, most are breadwinners of their households and support large families fueling desperate attempts to trade and survive. Most importantly, the report gathered enough data on what solutions need to be implemented in order to help them mitigate the challenges they are facing. Cost of doing business has gone up due to the COVID-19 pandemic, driving up the costs of transportation of goods across borders, and travel for the traders to go and buy the goods or resale. For most, cross border trading is their only source of income and the restrictions to travel, high transport costs, high COVID-19 test certificates and depreciation of the local currencies to major international convertible currencies are some of the problems that came out strongly in the survey. Most of the respondents are or have been in savings groups to try and work with other traders with the same line of businesses, but several problems have been experienced by the CBTs in the savings groups including poor record keeping, human errors and lack of transparency. Therefore the solution that will support easy to book, safe and secure passage of

goods across borders is gravely needed by the CBTs. Equally, digital solutions that will help CBTs improve their savings and financial management, is highly needed as that will give them access to collateral free financing to improve their businesses and livelihood.

Recommendations

From the findings of the survey, the following are the recommendations

1. The CBTs need a reliable low-cost logistics Application that they can use to book and transport their goods to their various border posts without having to travel by themselves.
2. Provide ongoing support in the form of resources as well as alerts to possible resources CBT's may qualify for in real time to minimise exclusion
3. The CBTs need to form partnerships with each other and do group orders to create synergies and reduce cost of transportation.
4. The CBTs need to be trained in Savings and Financial Management to help them manage their finances and savings.
5. The CBTs need to create savings groups and create a peer-to-peer accountable revolving fund to help themselves with access to financing for their small businesses
6. Create and facilitate a match making networking platform for CBTs in the same line of businesses to create partnerships and networks for them to transact with each other without having to travel across the border.
7. Train CBTs from both Victoria Falls and Livingstone on how to navigate through Thumeza and VillageSavers Apps.
8. Create a simple to use Marketplace Mobile App where goods that are commonly sold by the CBTs can be posted on both sides of the borders.
9. Possible facilitated collaboration between ZIMRA, ZRA and COMESA desks to adequately explain to CBT's how the Simplified Trade Regime (STR) and tax exemptions work for goods available for import and export
10. Reach out to Telecommunication service providers for possible addition of internet hotspot areas, which are governed by a Stationary Internet Gateway

(SIG) which is connected to the Internet either directly or through a backbone network and are usually low cost or free at the Internet Providers discretion. This would be to support CBT's interaction with the innovator applications after the initial testing phase to gauge CBT user frequency of the applications and if any constraints to accessibility can be attributed to high data costs. Provision of hotspot areas would be by internet providers who have extensive fibre networks in Victoria Falls and Livingstone as well as a history of providing hotspot areas in congested areas e.g. Zol and its presence at the Bulawayo Centre Mall. This would be rolled out in trading spots in Victoria Falls e.g. COMESA Market and Zimbabwe Market in Livingstone where there are a large number of traders engaging in similar activities. To limit possible abuse of bandwidth, the access to the internet would be limited to the innovation partner's applications, WhatsApp and Facebook to facilitate marketing and communication activities.

11. Ensure support for applications have strong ties to WhatsApp to ease any possible transition pains
12. Onboard shopkeepers where a large number of the popular goods are bought i.e Groceries 41% and Clothes 37% adoption rate to act as the facilitators of ordering of goods, transportation of goods, short-term storage of goods as well as interaction with the innovators platform for those unable to access them.
13. Provide for a USSD code for CBTs that do not have access to smart phones for them to access the VillageSavers and Thumeza Services on their analogue mobile phones.