



Enhancing Zimbabwe's Global Competitiveness

Impact Assessment on the Control of Goods (Open General Import License) Standards Assessment - Consignment Based Conformity Assessment (CBCA) Notice, 2024 (S.I. 35 of 2024)

APRIL 2025

1.0 INTRODUCTION

- 1.1 The Zimbabwean Government, through the Control of Goods (Open General Import License) Standards Assessment – Consignment Based Conformity Assessment (CBCA) Notice, 2024 (S.I. 35 of 2024), seeks to regulate imports by enforcing conformity to set standards. The regulation replaces the 2015 CBCA notice (S.I. 132 of 2015) and subsequent amendments.
- 1.2 Zimbabwe’s CBCA program is being implemented by Bureau Veritas, Cotecna, and EAA Company which are global conformity assessment companies, and is overseen by the Ministry of Industry and Commerce (MIC). The Standards Association of Zimbabwe (SAZ) is responsible for inspections at destination. Zimbabwe Revenue Authority (ZIMRA) enforces CBCA requirements at borders by ensuring that only certified goods are cleared for entry. These implementing bodies ensure that imported goods meet national quality and safety standards before entering the country. Each agent performs a distinct function as outlined below:
- i. *Bureau Veritas, Cotecna, EAA Company* – Responsible for conducting pre-shipment verification of conformity (PVoC) in exporting countries before goods are shipped to Zimbabwe.
 - ii. *Ministry of Industry and Commerce (MIC)* – Oversees the policy and regulatory framework for CBCA.
 - iii. *Standards Association of Zimbabwe (SAZ)* – Issues the relevant Zimbabwean standards and provides technical guidance and conducts destination inspection.
 - iv. *Zimbabwe Revenue Authority (ZIMRA)* - enforces CBCA at all the country’s ports of entry.

2.0 INTERNATIONAL BEST PRACTICE WHEN CONDUCTING REGULATION IMPACT ASSESSMENT

- 2.1 The world has adopted the Regulatory Impact Assessment (RIA) framework as a new way to assess new and existing regulations on their impact on productivity, competitiveness and growth. Under the RIA framework, a new regulation is analyzed from identifying the problem the regulation aims to address, defining the objectives of the regulation, identifying alternative solutions, stakeholder consultations, cost-benefit analysis, identification of potential risks, enforcement mechanisms, and monitoring & evaluation. For an existing regulation, there is need to explore possible alternatives such as amendments, deregulation, self-regulation or co-regulation, and adoption of non-regulatory policy options. An impact analysis is

finally conducted with recommendations proffered, develop indicators and methods for ongoing monitoring with timelines and responsibilities for future evaluations or reviews.

Conformity Assessment International Best Practice

2.2 International best practices in conformity assessment emphasize the following:

- **Risk-Based Approach:** Targeting high-risk goods for rigorous checks.
- **Transparency and Efficiency:** Reducing bureaucracy and delays in trade.
- **Mutual Recognition Agreements (MRAs):** Harmonizing standards with regional and global partners.
- **Independent and Accredited Assessment Bodies:** Ensuring impartial testing and certification.
- **Use of International Standards:** Aligning with International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), and WTO Technical Barriers to Trade (TBT) Agreement.

2.3 The CBCA is hereby analyzed using the RIA framework, to ascertain its impact on the country's competitiveness.

3.0 CBCA ASSESSMENT IN ZIMBABWE

3.1 Problem Statement for the Introduction of CBCA in Zimbabwe

3.1.1 Zimbabwe has faced persistent challenges related to the importation of substandard, counterfeit, and hazardous goods, which pose risks to consumer safety, public health, and the environment. The lack of stringent pre-shipment quality control measures gave poor-quality products easy access to the local market, thereby subjecting domestic industries adhering to high standards to unfair competition against importers of low-cost substandard products. Additionally, Zimbabwe suffered ineffective post-market surveillance, leading to difficulties in removing non-compliant goods after they have already entered the country.

3.1.2 To address these challenges, the Government of Zimbabwe, through the Ministry of Industry and Commerce, introduced the CBCA program. This program ensures that all regulated goods undergo pre-

shipment verification to comply with Zimbabwean standards, thereby enhancing consumer protection, supporting local industries, and preventing environmental and health hazards, which are instrumental in enhancing nation productivity and competitiveness.

3.2 Objectives of the Regulation

3.2.1 The enactment of this Regulation was meant to fulfil the following four main objectives.

- i. *Improve Quality Assurance:* Ensure imported goods meet prescribed standards before entry into the country by preventing substandard, counterfeit, or hazardous goods from entering the market.
- ii. *Enhance Trade Compliance:* Align Zimbabwean import procedures with international best practices.
- iii. *Reduce Risk of Unsafe Imports:* Protect consumers from harmful products, especially electrical appliances, food products, motor vehicles, and chemicals.
- iv. *Strengthen Regulatory Oversight:* Empower the Ministry of Industry and Commerce to enforce strict compliance through Conformity Assessment Bodies (CABs).

3.3 CBCA Procedure in Zimbabwe

3.3.1 Goods destined for Zimbabwe must be inspected by the Conformity Assessment Bodies at source markets, and the importer is issued a Certificate of Conformity prior to shipment. Goods arriving in Zimbabwe without a Certificate of Conformity may be subjected to inspection, testing, or penalties of 12% of CIF. The program covers various products, including electrical goods, food, chemicals, and machinery, to ensure compliance with health, safety, and environmental standards. However, while the program aims to safeguard quality, concerns have been raised regarding its implementation costs, trade delays, and impact on importers, which negatively impacts on competitiveness.

3.4 Policy Options Considered

i. No Regulation

3.4.1 This entails maintaining the status quo, allowing continued importation of substandard goods posing higher risks to consumers and local industries' competitiveness from poor quality inputs. This option

would lead to increased detrimental effects to the public and the environment, and loss of Government revenue due to non-availability of fees.

ii. **Stronger CBCA Measures (Current Regulation - S.I. 35 of 2024)**

3.4.2 This requires pre-shipment conformity assessment for specified goods and enforces penalties for non-compliance (12% CIF value). The option promotes standardization and protects domestic markets.

iii. **Alternative Quality Control Measures (Non-CBCA)**

3.4.3 Use domestic testing laboratories for conformity assessment instead of pre-shipment checks and enhancement of market surveillance mechanisms. This option comes with high infrastructure costs and delays at ports of entry, and higher potential costs for importers.

3.5 Impact Analysis

3.5.1 The analysis of Zimbabwe's CBCA program is based on the survey conducted by the National Competitiveness Commission (NCC) to ascertain the impact of this regulation to business and national competitiveness and benchmark against international best practices, in comparison with other SADC countries.

Economic Impact

3.5.2 *Revenue Generation:* The regulation imposes assessment fees, penalty fees (12% of CIF), and inspection costs, which contribute to government revenue.

3.5.3 *Boost for Local Industries:* The regulation reduces unfair competition from substandard imports, thereby promoting productivity and competitiveness, effectively working as a mitigatory measure against dumping of inferior products

3.5.4 *Long-Term Competitiveness:* Some stakeholders believe that by fostering a culture of adherence to high standards, the program enhances the overall competitiveness of the market and subject local manufacturers to fair competition. It also sets a quality barometer for local companies to aspire to.

3.5.5 *Short-Term vs. Long-Term Trade-Offs:* While there is concern about the short-term financial burden, some responses acknowledged that the long-term benefits of a more robust regulatory framework, such as enhanced product quality and safety, lead to improved competitiveness.

3.5.6 *Cost Impact on Businesses:* Survey findings indicated that the CBCA programme imposes additional costs on businesses such as assessment fees, penalties and compliance costs, particularly affecting Small and Medium Enterprises (SMEs). The need for periodic assessments and potential delays in consignment clearance were frequently noted as factors that increase operational expenses, making the regulation a potential barrier to trade. In addition, compliance costs are transferred to consumers in the form of higher consumer prices.

Social Impact

3.5.7 *Consumer Protection:* Ensures safer goods for the nation, alleviating risks associated with defective vehicles, inferior substances, and counterfeit products. CBCA reduces consumer exposure to harmful chemicals, substandard electronics, and non-compliant auto parts towards enhanced public health and safety.

3.5.8 *Improved Compliance and Safety Standards:* A notable positive aspect identified in the responses is that the CBCA program is driving higher compliance with safety and quality standards. This, in turn, builds greater consumer and international market confidence in Zimbabwean products.

3.5.9 *Risk of Corruption on Transparency:* Several respondents warned about the possibility of corruption if the assessment process is not managed with high levels of transparency and accountability. This includes fears that the system might be exploited for unofficial benefits.

3.5.10 *Uneven and Inconsistent Application:* The feedback also pointed to instances of uneven implementation across different regions or sectors, which could result in an uneven playing field and create uncertainty among affected businesses.

Environmental Impact

3.5.11 *Reduction of Harmful Imports:* Restrictions on petroleum, chemicals, and substandard vehicles help to conserve the environment.

3.5.12 *Better Waste Management:* Non-compliant goods are rejected before entry, minimizing disposal challenges. However, there is a risk of increased dumping as unsold non-conforming goods may be dumped in neighboring countries.

Regulatory and Administrative Impact:

- 3.5.13 *Bureaucratic Delays and Uncertainty:* Several respondents expressed concerns about bureaucratic inefficiencies. Issues such as inconsistent enforcement, unclear timelines for assessments, and ambiguous regulatory guidelines were highlighted as potential hurdles that could undermine the overall effectiveness of the program.
- 3.5.14 *Need for Streamlined Processes:* There was a consensus on the necessity for clearer, more streamlined procedures. Respondents stressed that improved regulatory efficiency, possibly through digitized processes and better stakeholder engagement, would help mitigate delays and reduce compliance costs.
- 3.5.15 *Strengthens Institutional Capacities:* CBCA enhances the Ministry of Industry Commerce, ZIMRA, SAZ and other regulatory bodies' enforcement capabilities. However, there is a risk of bureaucratic delays from increased paperwork and inspections that slow trade, and the CBCA has limited recognition of regional standards. Some traders complain about rejection of goods that meet SADC standards but not Zimbabwe's specific requirements.

Optimizing Impact

- 3.5.16 *Enhanced Stakeholder Engagement:* Respondents strongly recommended more inclusive consultations with industry players to tailor the regulatory framework to practical realities.
- 3.5.17 *Clearer Guidelines and Digital Solutions:* There were calls for the publication of clear, unambiguous guidelines and for leveraging technology to manage the assessment processes more efficiently. Digital platforms could facilitate quicker turnaround times and improve overall transparency.
- 3.5.18 *Capacity Building:* Some responses emphasized the importance of investing in the training and capacity building of regulatory staff to ensure that the CBCA program is administered effectively and consistently.
- 3.5.19 *Engagement of more Conformity Assessment Bodies:* Currently only three (3) conformity assessment bodies do pre-shipment inspections. Some respondents are of the view that more service providers need to be engaged to ensure smooth flow of processes without delays, and this improves transparency.

4.0 BENCHMARKING

- 4.1 Several SADC nations have implemented conformity assessment programs with varying degrees of success.

i. South Africa – National Regulator for Compulsory Specifications (NRCS) and South African Bureau of Standards (SABS) Conformity Assessment

4.2 South Africa uses SABS and NRCS. The country focuses on high-risk goods like electrical products, automotive parts and food. International and regional standards such as ISO, IEC, SADC standards are recognized making this system more efficient than Zimbabwe's CBCA due to reliance on post-market surveillance rather than strict pre-shipment verification.

ii. Zambia – Pre-Shipment Verification of Conformity (PVoC)

4.3 PVoC was introduced in 2016 and implemented by Bureau Veritas, like Zimbabwe targeting high-risk goods such as electrical appliances, food and chemicals. The major challenge was the initial resistance from importers due to extra costs and delays.

iii. Tanzania – Pre-Shipment Verification of Conformity (PVoC)

4.4 PVoC is implemented by the Tanzania Bureau of Standards (TBS) and covers imports in 12 product categories. This programme is more streamlined than Zimbabwe's CBCA due to digitalization and integration with customs systems.

iv. Rwanda – Pre-Export Verification of Conformity (PVoC)

4.5 PVoC is implemented by the Rwandese Government to prevent substandard goods from entering Rwanda. Like Zimbabwe's CBCA, the PVoC demands certificate of conformity and applies to a defined list of regulated products (electricals, food, cosmetics). Inspections, sampling, and testing are also done in the exporting country and failure to present conformity certificates results in goods being denied entry or are retested at importer's cost. However, Rwanda's PVoC promotes use of harmonized East African Community (EAC) standards. The main notable difference is that Rwanda places more emphasis on regional standards, giving it a more integrated regional trade compliance framework.

v. Mauritius – No CBCA Equivalent, but Strict Import Control Mechanisms

4.6 Import control systems are administered by Mauritius Standards Bureau (MSB), Mauritius Revenue Authority (MRA), and other sector specific regulators to ensure imported products meet safety and quality standards. There are selective import permit requirements based on product type, random inspections and sampling done at the port of entry and heavy reliance on post-shipment inspection and market surveillance. For sensitive goods such as pharmaceuticals and electricals, conformity or test certificates may be requested.

5.0 CONCLUSION

- 5.1 Zimbabwe's CBCA program aligns with international best practices in consumer protection and quality assurance, though it needs improved efficiency, regional standard recognition and digitalization. Countries like South Africa and Tanzania provide useful examples of more streamlined conformity assessment frameworks.
- 5.2 Although the CBCA programme is seen as a positive step towards ensuring higher standards in product quality and safety, the responses revealed a mixed impact. The additional costs and potential bureaucratic inefficiencies create short-term challenges for businesses, possibly affecting Zimbabwe's competitiveness. However, if the recommended improvements are implemented, especially those focused on process streamlining, digitalization, and increased transparency, the long-term benefits could include a more robust regulatory environment that enhances both domestic and international market confidence.
- 5.3 The regulatory impact assessment concept suggests that while there are significant challenges to be addressed, a well-implemented CBCA program has the potential to contribute positively to the country's regulatory framework and economic competitiveness over time.

6.0 PROPOSED RECOMMENDATIONS FOR ZIMBABWE

- 6.1 Based on the survey findings, SADC benchmarking and comparison with other better performing economies like Rwanda, Zimbabwe is recommended to align with international best practices, and should:
 - 6.1.1 *Strengthen Regional Harmonization:* Recognize SADC, AU and African Continental Free Trade Area (AfCFTA) standards to reduce trade barriers.
 - 6.1.2 *Enhance Digital Integration:* Adopt electronic certification to reduce processing time and corruption risks.
 - 6.1.3 *Improve Stakeholder Engagement:* Work closely with importers to ensure fair application of CBCA requirements.
 - 6.1.4 *Adopt Risk-Based Approach:* Focus on high-risk goods instead of applying CBCA universally, reducing unnecessary costs.
 - 6.1.5 *Enhance Capacity of Conformity Assessment Bodies (CABs):* More accredited agencies should be appointed to prevent delays.
 - 6.1.6 *Introducing Digital Submission of Compliance Certificates:* To speed up customs clearance.

- 6.1.7 *Fee Review*: Consider phasing in penalties and assessment fees for small-scale traders or low-risk goods to reduce trade shocks.
- 6.1.8 *Gradual Implementation*: Allow a transition period for businesses to adjust to the new requirements.
- 6.1.9 *Establish Mutual Recognition Agreements (MRAs) and Trade Facilitation Measures*: Negotiate with key trading partners for mutual recognition of standards to reduce assessment redundancy.