THE IMPLEMENTATION OF THE COMESA TRANSIT TRANSPORT FACILITATION INSTRUMENTS

Background to Transit Transport Facilitation Instruments in the COMESA Region
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Introduction

• Transport is a critical element in the ability of our countries to produce and trade
• In Africa transport costs are some of the highest compared with the rest of the world
• In landlocked countries such as Burundi and Malawi transport costs may comprise up to 50 % of the landed value of goods
• This makes our countries less competitive in both regional and international markets
• Transport costs are high not only due infrastructure problems but also because of various regulatory and administrative constraints that prevail in the region
Regional Integration Agenda

• The regional integration agenda in COMESA is anchored on the following:
  - Trade Promotion
  - Promotion of Investment
  - Development of Physical Infrastructure in transport, communications and energy
  - Trade and Transport Facilitation

• Similar elements are applicable in other integration groupings globally- eg. the EU, ASEAN NAFTA etc.

• COMESA has over the years developed various transport facilitation instruments jointly with:
  - Other RECs such as EAC and SADC
  - Specialised IGOs such TTCA, IGAD and ISCOS
Trade Promotion

• Regional Trade Preferences
• COMESA Free Trade Areas (FTA) established in 2000
• Establishment of Common External Tariff (CET) to be established in 2008
• Removal of Non tariff Barriers
• Regional Payments System
Promotion of Investment

- Common Investment Area
  - Harmonisation of Investment Policies
  - Regional Investment Centre
- Private Sector Development
- CAADP
- Sanitary and Phytosanitary (SPS)
- Capacity Building for SMEs
Development of Physical Infrastructure

• Development of Regional Connectivity in Transport, Communications and Energy
  – Transport including road, rail, ports, airports etc.
  – ICT Projects (COMTEL, SRII and EASSy)
  – Power Generation and Regional Interconnector Projects

• COMESA Priority Infrastructure Projects
  – Compendium of Infrastructure Projects
  – Infrastructure Database

• COMESA Infrastructure Fund
RECs Transport Facilitation Programmes

• Development of Regional Facilitation Instruments

• Corridor Infrastructure Development
  - Identification of projects on transport corridors
  - Ports investment along corridors

• Establishment of Corridor Management Structures

• Capacity Building in Corridor Networks
COMESA Transit Transport Facilitation Instruments

- COMESA Carrier Licence
- Harmonised Road User Charges
- Axle Load Limits
- Overload Control Certificates
- Third Party Motor Insurance (Yellow Card)
- Corridor Management
- Inter Railway Operations Agreements
- One Stop Border Posts
COMESA Transit Transport Facilitation Instruments

- Customs Instruments
  - COMESA Customs Document (CD)
  - Regional Customs Bond Guarantee (RCBG)
- These instruments are best fast tracked by IGOs such as TTCA and IGAD
- The current project to scale up implementation is a joint initiative between COMESA and TTCA
- It covers 5 TTCA member states and the Sudan
Status of Implementation of Facilitation Instruments

• The status of implementation varies among countries shown in Annex I

• Main features
  - COMESA Carrier License
  - Harmonised Road User Charges
  - Axle Load Limits
  - Overload Control Certificate – none
  - Yellow Card
  - Corridor Management – TTCA, pilots in CDC, TAZARA
  - One Stop Border Posts – pilots in Malaba and Chirundu
  - COMESA Customs Document
  - RCBG – pilot implementation on NC
Constraints in Implementation of Facilitation Instruments

- Lack of Harmonised policies and regulatory regimes across countries
- Guidelines and Procedures not set out clearly on a regional basis
- Countries aware of what to implement but not how to do it
- Lack of mutual recognition of certification and other oversight documents in countries (in maritime transport and civil aviation such mutual recognitions exist)
- High turnover of experts and regulatory staff
- Capacity constraints
Effects of Lack of Implementation

- Transit delays at ports, en route and at border posts
- Double or multiple licenses
- Multiple payments of transit bonds tying up funds for long durations
- Multiple payments of third part insurance covers
- Lack of competition among transport service providers
- High transaction costs and low competitiveness in global markets
Way Forward

• Strengthening the Corridor System
• Implementation of Common Instruments along Corridors
• Development of Corridor Observatories
• Stakeholder Participation in Corridor Management
• Assistance to Member States to implement trade and transport facilitation instruments
• Capacity Building
ESA Main Transport Corridors

- Djibouti Corridor
- Mombasa Corridor
- Dar es Salaam Central Corridor
- TAZARA Corridor
- Nacala Corridor
- Beira Corridor
- Maputo Corridor
- Walvis Bay Trans Kalahari and Trans Caprivi
- North South Corridor (Durban Corridor)
- Benguela Corridor
End

Thanks for your attention