



**1er Congrès et Exposition
des Transports Publics Africains**

**1st African Public Transport
Congress and Exhibition**

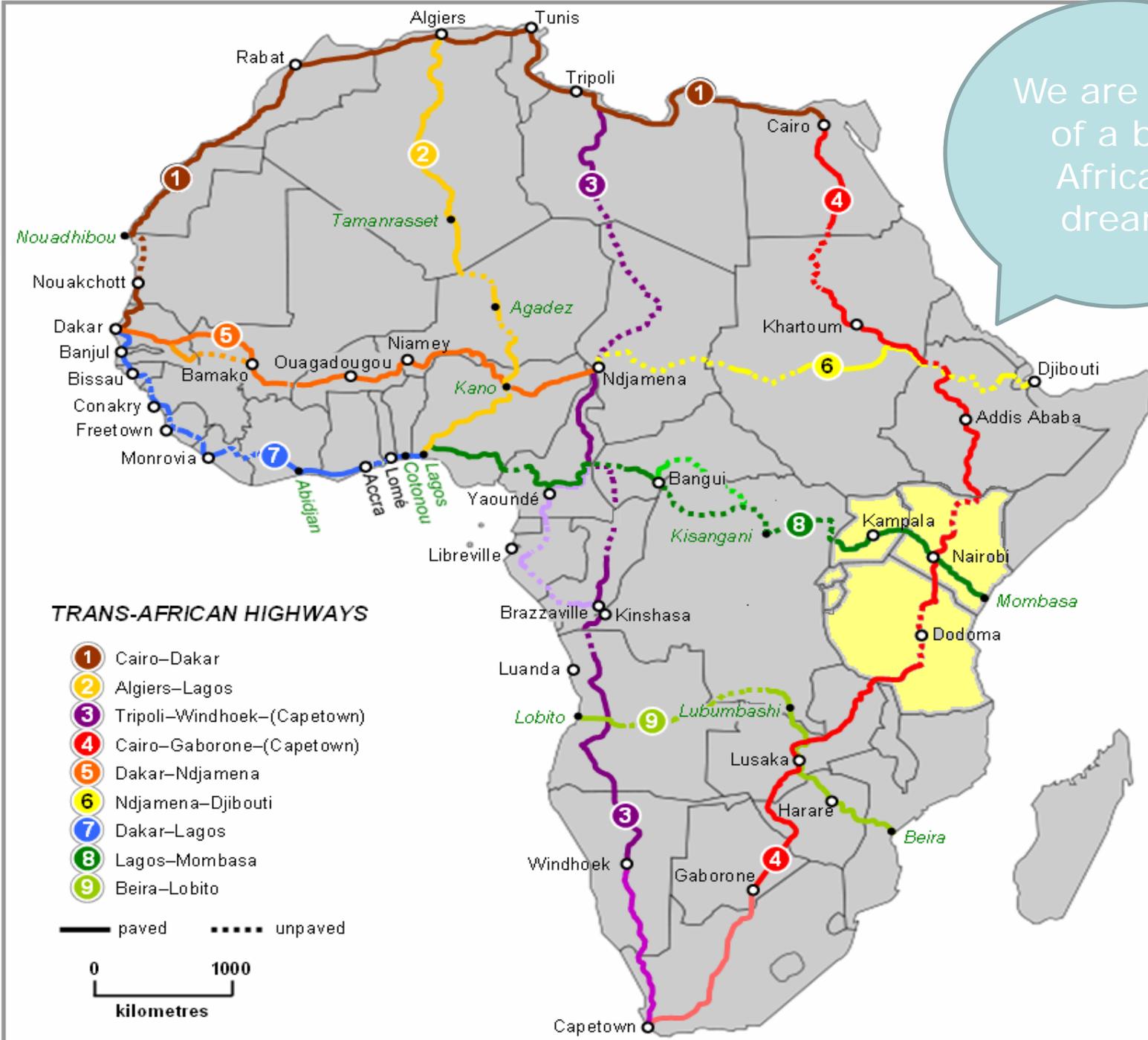
**Dakar, Sénégal/Senegal
3-7 Octobre/October 2010**

Regional Integration and Inter- States Trade: the ESA OSBP Experience



**Hosea Nyangweso
Principal Civil Engineer
East African Community**

We are part of a big African dream



TRANS-AFRICAN HIGHWAYS

- 1 Cairo–Dakar
- 2 Algiers–Lagos
- 3 Tripoli–Windhoek–(Capetown)
- 4 Cairo–Gaborone–(Capetown)
- 5 Dakar–Njamena
- 6 Njamena–Djibouti
- 7 Dakar–Lagos
- 8 Lagos–Mombasa
- 9 Beira–Lobito

— paved unpaved



Who is EAC?

- A customs Union established between Burundi, Kenya, Rwanda, Tanzania and Uganda in 2005.
- Its objectives are:
 1. Further liberalisation of intra-regional trade in goods.
 2. Promotion of efficiency in production within the Community;
 3. Enhancement of domestic, cross-border and foreign investment in the Community; and
 4. Promotion of economic development and diversification in industrialisation in the Community.
 5. Deepening and widening political, social and economic cooperation.

This is our journey.....

Customs
Union
2005

Common
Market
2010

Monetary
Union
2012

Political
Federation
?

EAC today....

- A customs Union established between Burundi Kenya, Rwanda, Tanzania and Uganda in 2005.
- A Common Market (Established in July 2010)

The Customs Union

What is a Customs Union?

A legally binding voluntary commitment of cooperation/integration by neighboring countries to

- ❑ Dismantle trade barriers amongst themselves
- ❑ Adopt harmonized intra –trade regimes

Tenets of the EAC Customs Union

- ▶ Gradual elimination of internal tariff;
- ▶ Application of a Common External Tariff;
- ▶ Removal of NTBs;
- ▶ Trade Facilitation;
- ▶ Cooperation in prevention, investigation and suppression of offences;
- ▶ Joint Institutional framework on Customs and Trade management

THE EAC COMMON MARKET

- **What is a Common Market ?**
- A legal and binding commitment to a deeper and Stronger functional integration by member Countries to-:
- Remove all trade barriers on goods and services;
- Liberalize the movement of the factors of production amongst themselves;

Features of a Common Market

- ➡ Additional integration of the factor market on top of the product market integration -:
- ➡ Free trade in goods
- ➡ Free trade in services
- ➡ Freedom of movement of capital
- ➡ Freedom of movement of labour and the right of Establishment and Residence

NTBs in East Africa

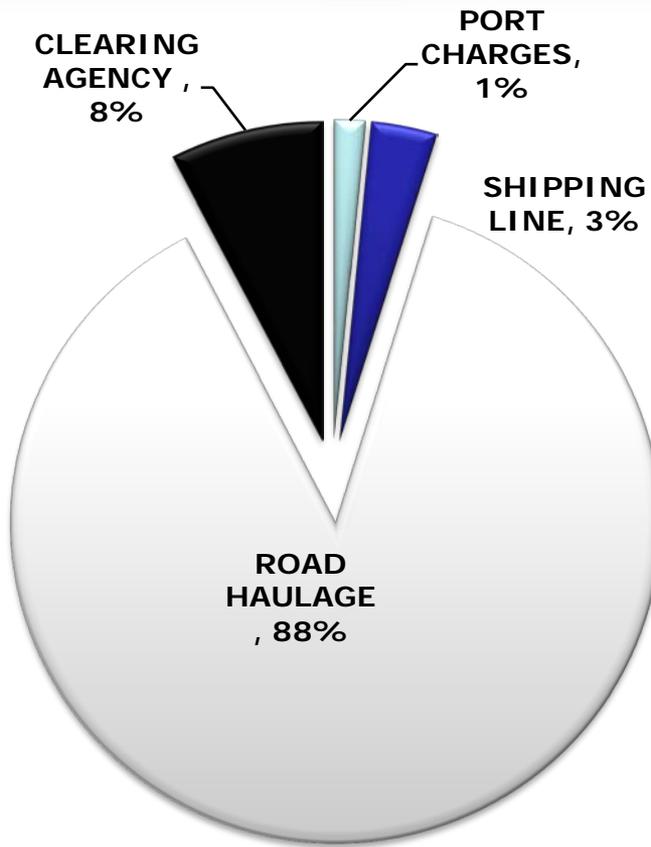
- 45 Identified in various sectors
- 15 are surface transport related and include:
 - Delays at the Ports (Mombasa & Dar)
 - Varying application of axle load specifications
 - Excessive number of weighbridges
 - Transit charges not harmonized
 - Lack of electronic cargo tracking
 - Corruption along the transit Corridors
 - **Delays at borders**

EAC Article 90: Roads and Road Transport

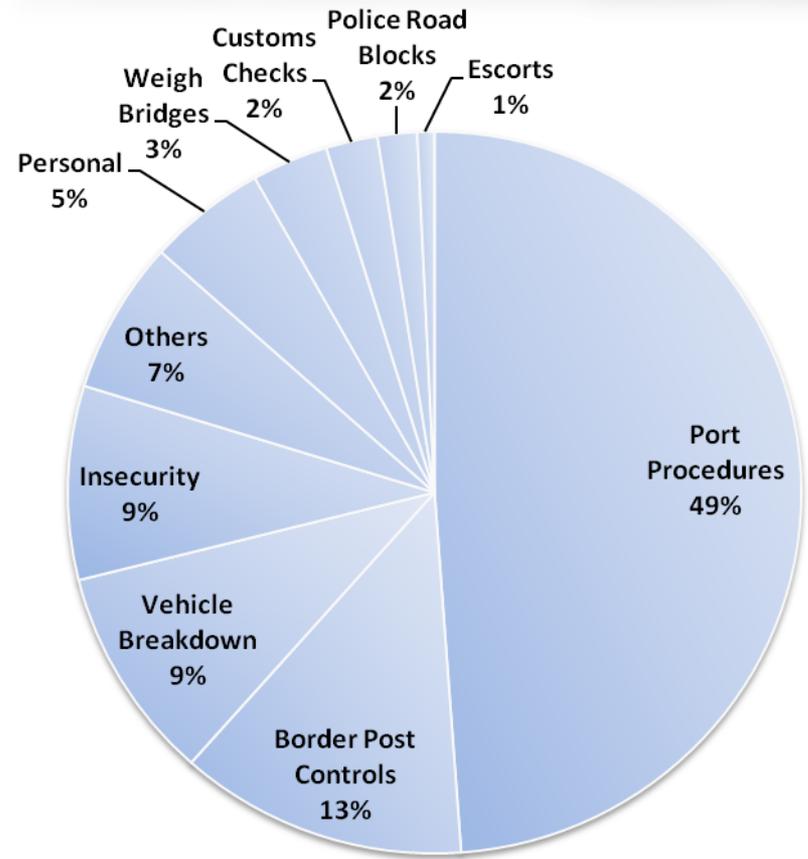
- ratify or accede to international conventions on road traffic and road signs
- harmonise their traffic laws, regulations and highway codes
- adopt common requirements for the insurance of goods and vehicles
- adopt and establish common road safety regulations
- co-ordinated approach in the implementation of trunk road projects

Evidence Based Decision-Making

KEY TRANSIT COST PARAMETERS



PRIMARY CAUSES OF LONG TRANSIT TIMES



Step 1

- **Joint Border Inspections**

Step 2

- **Integrated Border Management (IBM)/OSBP**

Step 3

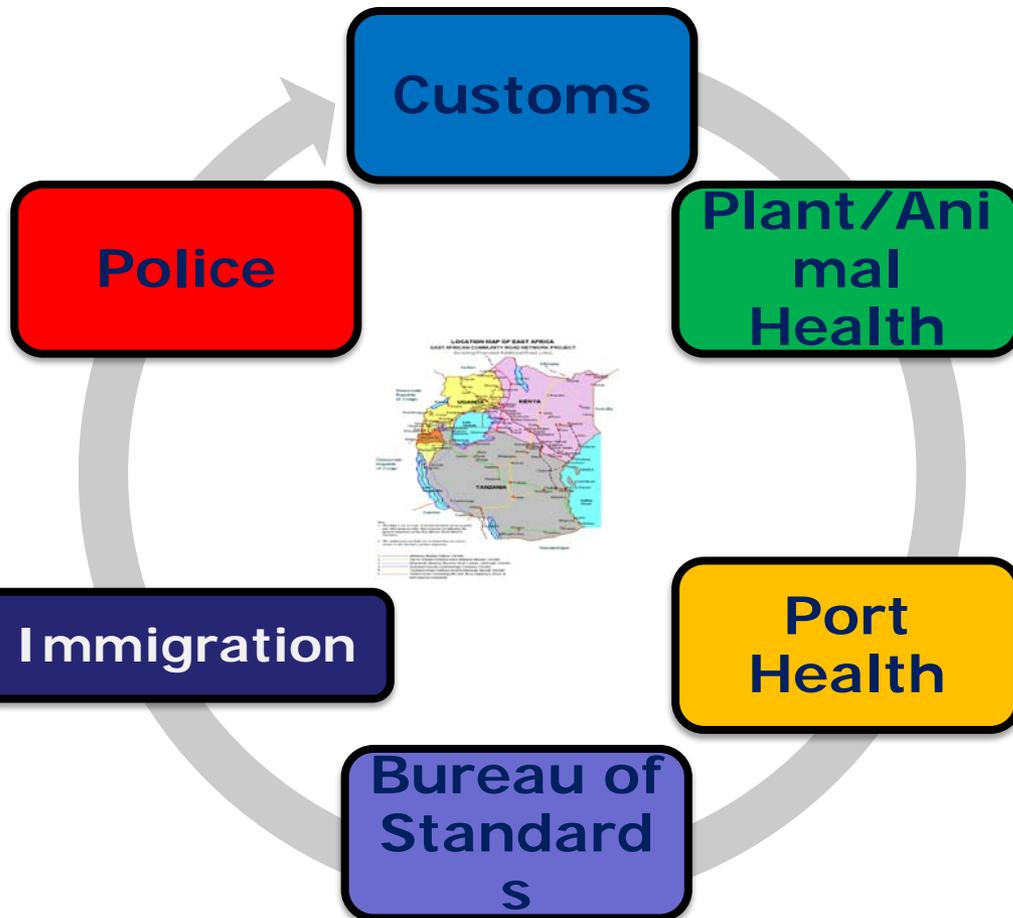
- **Single Window Systems (SWS)**

Joint Inspections at Borders

BORDER AGENCIES SHOULD FACILITATE THE MOVEMENT OF PEOPLE AND GOODS ACROSS BORDERS WHILE MEETING NORMAL NATIONAL/REGIONAL TRADE REQUIREMENTS

CRITICAL REQUIREMENTS:

- **Appreciate of Each Other's Responsibilities and Roles**
- **Streamline and Simplify Documentation and Procedures**
- **Put in Place Systems that Support Cooperation and Collaboration**
- **Undertake Joint Inspections**
- **Agree on Performance Benchmarks and Targets and Customer Service**



Characteristics of EAC Borders

- Immigration, customs and police at all borders.
- Other agencies (bureau of standards, plant health, human health, veterinary controls, food and drug safety, etc) at certain borders
- Scarcity of staff at borders
- Agencies operate under separate legal mandates with little overall coordination
- Minimal facilities
- Some problems with power and connectivity; not all borders computerized
- Need greater simplification and harmonization of standards and required documentation

CURRENT BORDER CROSSING PROCEDURES



B
O
R
D
E
R

C
R
O
S
S
I
N
G

Pol	Imm	Cus	MoT	Other
Pol	Other	MoT	Cust	Imm

Pol	Imm	Cust	MoT	Other
Pol	Other	MoT	Cust	Imm





PRIVATE DEVELOPMENT ENCROACHING BORDER POSTS LAND



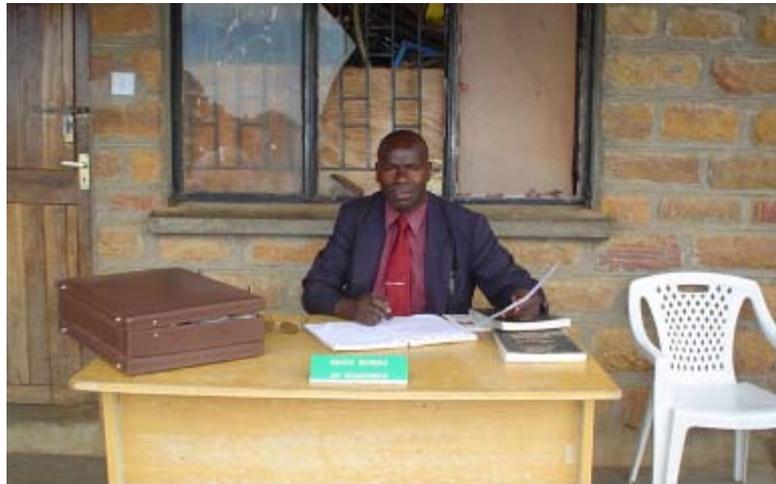
PHOTO 4-BUSINESS PREMISES AND BORDER POST OFFICES INTERSPERSED



PEDESTRIAN AND MOTORISED TRAFFIC NOT SEGREGATED



SMALL SCALE IMPORTERS GOODS VERIFIED ON OPEN YARD - ISEBANIA



STAFFER WITH NO OFFICE ACCOMMODATION



VERIFICATION IN PROGRESS AT SIRARI

One Stop Border Concept

- To reduce the number of stops incurred in a cross border trade transaction by combining the activities of both countries' border organisations at a single location [in each direction for juxtaposed facilities].
- To increase the effectiveness of cross-border controls through greater data sharing and cooperation.

OSBP Benefits

- Faster clearances
 - Coaches and passengers in roughly half the time
 - Freight in less time due to more effective risk management, joint scanning and inspections, more sharing of information
- Opportunity for ICT solutions
 - Single entry of data
 - Shared information among agencies
 - Management information systems
- Joint training and facilities
- Facilitate introduction of regional-wide systems

ONE STOP BORDER POST



Traffic leaving Tanzania

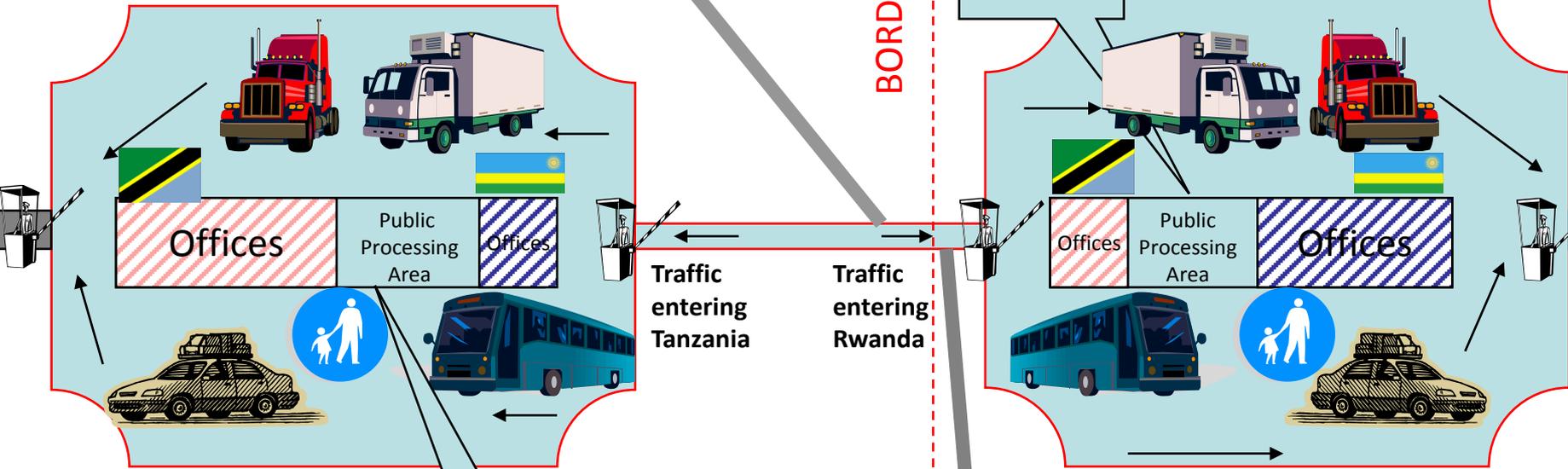
BORDER

Tanzania exit controls & Rwanda entry controls

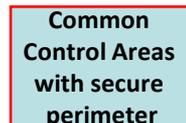
Traffic entering Tanzania

Traffic entering Rwanda

Traffic leaving Rwanda



Rwanda exit controls & Tanzania entry controls



CONNECTIVITY & COMPETITIVENESS

Income Category	Rank in Income Group	Networked Readiness Index - Rank	Global Competitiveness Index - Rank
HIGH INCOME (46)			
Sweden	1	1	4
Trinidad & Tobago	46	79	86
UPPPER MIDDLE INCOME (32)			
Malaysia	1	27	24
Suriname	32	126	102
LOW MIDDLE INCOME (31)			
China	1	37	29
Bolivia	31	131	120
LOW INCOME (24)			
Vietnam	1	54	75
Chad	24	133	131

CONNECTIVITY & COMPETITIVENESS

Country	Income Category	Rank out of 133 Countries NRI	Networked Readiness Index (NRI) (Rank Out of 133 Countries)	Global Competitiveness Index (GCI) (Rank out of 133 Countries)
South Africa	UM	62	3.78	45
Egypt	LM	70	3.67	70
Senegal	LO	75	3.63	92
Botswana	UM	86	3.47	66
Kenya	LO	90	3.4	98
Zambia	LO	97	3.26	112
Malawi	LO	119	3.01	119
Nigeria	LM	99	3.25	99
Zimbabwe	LO	132	2.67	132
Chad	LO	133	2.57	131
HI – High Income		UM – Upper Middle Income	LM – Low Middle Income	LO – Low Income

PILLARS OF OSBP AND LESSONS

Infrastructure

- Design Options
- Budgetary Allocations
- Maintenance & Ownership

Legal Framework

- Regional
- Bilateral
- Operationalization & Enforcement

Operational Framework

- Systems Integration
- IT Platforms
- Joint Operations
- Service Delivery Charters

Characteristics of Chirundu OSBP

Modern Facilities



Traffic Segregation



ICT Infrastructure

Joint Operations



Commercial Traffic



Cross-Border
Trade

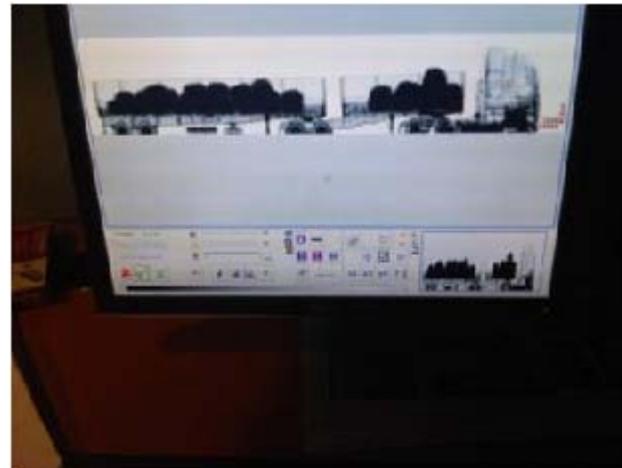
Modern Infrastructure at Chirundu



THEME 4 – ICT Solutions



USE OF ICT AT CHIRUNDU OSBP



Simplified Trade Regime (STR)



Support Compliance and Advocacy



Enhanced Compliance by Shippers to Trade Rules and Regulations



Evidence Based Advocacy to Reduce the Cost of Doing Business



Compliance to International Best Practice and Common Certification



Enhanced Capacity for Sustainable Private Sector Advocacy

VALUE ADDED SOLUTIONS

On-Going –
Need
Consolidation &
Acceleration

↓
Customs
Automation

↓
One Stop Border
Posts

Proposed –
Need
Investment &
Commitment

↓
National Single
Window Systems

↓
Integrated ICT
Based Logistics
Solutions