ANNUAL STATE OF CROSS BORDER OPERATIONS REPORT

FIRST REPORT

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TABLE OF CONTENTS

Contents

ABBREVIATIONS

Abbreviation	Meaning
BCOCC	Border Control Operational Coordinating Committee
BMA	Border Management Agency
C-BRTA	Cross-Border Road Transport Agency
COMESA	Common Market for Eastern and Southern Africa
CONDEP	Container Depot
CSF	Critical Success Factor
CU	Customs Union
DCT	Durban Container Terminal
DFID	Department of International Development
DHA	Department of Home Affairs
DOT	Department of Transport
DPW	Department of Public Works
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EU	European Union
FESARTA	Federation of East and Southern African Road Transport Associations
FY	Financial Year
GDP	Gross Domestic Product
GIS	Geographical Information System
GVM	Gross Vehicle Mass
ICT	Information and Communications Technology
JC	Joint Committee
MCLI	Maputo Corridor Logistics Initiative
MDC	Maputo Development Corridor
MEC	Member of the Executive Council
MoU	Memorandum of Understanding
MS	Member State
NDP	National Development Plan
NFLS	National Freight Logistics Strategy
NLTA	National Land Transport Act
NMTT	National Ministerial Task Team
NSC	North South Corridor
NTB	Non-tariff barrier
NWR	NorthWest Rail Company Limited
OCAS	Operator Compliance Accreditation Scheme

OSBP	One Stop Border Post
POE	Port of Entry
PPDF	Project Preparation and Development Facility
PPIU	Project Preparation and Implementation Unit
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South Africa
PRC	People Republic of China
PRE	Provincial Regulatory Entity
PTCM	Protocol on Transport Communications and Meteorology
RAF	Road Accident Fund
REC	Regional Economic Community
RFA	Road Freight Association
RI	Regional Integration
RIDMP	Regional Infrastructure Development Master Plan
RTRN	Regional Trunk Road Network
RUC	Road User Charge
SACU	Southern African Customs Union
SAD	Single Administrative Document
SADC	Southern African Development Community
SANRAL	South African National Roads Agency
SARS	South African Revenue Service
SDI	Spatial Development Initiative
STER	Single Transport Economic Regulator
TMSA	TradeMark Southern Africa
TNPA	Transnet National Ports Authority
UK	United Kingdom
USA	United States of America
USD	United States Dollar
WBCG	Walvis Bay Corridor Group
WTO	World Trade Organisation

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

The Cross-Border Operations Report serves to inform the Minister of Transport and other relevant public and private sector stakeholders of challenges and developments taking place within the cross-border road transport industry. This report also proposes a number of recommendations that intend to address cross-border road transport constraints.

The C-BRTA was established as a regulatory authority under the Cross-border Road Transport Act No 4 of 1998, as amended, to spearhead economic development within the Southern African Development Community (SADC) through facilitating the unimpeded flow of cross-border road transport movements. The Agency performs 4 functions towards the delivery of its mandate. These functions revolve around, advising all role-players of cross-border road transport developments, regulating market access through the issuing of cross-border road transport permits, establishing co-operative and consultative structures between public and private sector institutions, and undertaking road transport law enforcement.

Currently, the unimpeded flow of cross-border road transport movements is undermined by the existence of various hard and soft infrastructure impediments. Hard infrastructure constraints revolve around poorly maintained regional road networks, missing links along the Regional Trunk Road Network (RTRN) and inefficient land borders; whereas soft infrastructure impediments is caused by the inability of member states (MS's) to harmonise road transport rules and standards and liberalise market access for road freight transport.

As a result of the above-mentioned impediments, cross-border operators experience a number of delays when transporting traffic along regional road transport corridors. Delays result in higher trade and transport costs which erode the competitiveness of the cross-border road transport industry. Furthermore, it discourages MS's from trading with each other, with a resultant decrease in the demand for cross-border road transport services. Currently, SADC obtains the majority of her imports from and exports to overseas markets. Intra-regional imports and exports account for a mere 10 per cent of SADC's total imports and exports, whereas Africa's contribution to world trade is below 3 per cent. As a result of these impediments, Africa in general, and SADC in particular remains uncompetitive in terms of intra-regional trade, as well as competing against other continents.

The efficiency of the cross-border road transport industry is further undermined by a number of operational constraints which impede the seamless flow of traffic within the SADC. These impediments, which all manifest in delays for cross-border operators, include, but are not limited to:

- Severe congestion at formal ranking facilities, caused by the absence decided cross-border ranking facilities. This results in congestion, illegal and unsafe practices and the frequent late departure of public cross-border passenger transport vehicles;
- The uneven spread of weighbridges along strategic road transport corridors, coupled with operational constraints at weighbridge stations (e.g. uncalibrated weighbridge

scales result in different readings) cause delays and result in additional transport costs for cross-border road transport operators;

- Due to the inability of MS's to harmonise third-party motor liability insurance cover in the SADC, South African operators are compelled to take out additional insurance cover at various strategic border posts before they may proceed with their journey;
- The non-existence of bilateral road transport agreements between South Africa and selected MS's (e.g. DRC, Angola, Tanzania) result in operational complexities and cause delays in solving operational challenges faced by South African operators in countries where no bilateral agreements are in place;
- The issuing of cross-border road transport permits without detailed route descriptions creates an uneven playing field since operators in possession of these permits are not confined to specified ranking facilities. Instead, they can pick up and drop off passengers at various locations at departure and arrival cities;
- The issuing of permits without detailed route descriptions has given rise to the establishment of illegal ranking facilities;
- The unfair treatment of South African operators at the Zimbabwean side of the Beitbridge border post and along Zimbabwean routes discourage them from using Zimbabwe as a transit country. Instead, South African operators have to divert to other, less direct routes, with a resultant increase in transport costs;
- The South Africa-Lesotho taxi issue has been on-going for years and poses a threat to the sustainability of cross-border passenger transport operations between the Free State and Lesotho. This problem is of a political nature and needs to be contained to prevent it from sprawling to other provinces;
- The existence of bribery and corruption along various road transport corridors results in additional costs for cross-border operators and undermine the credibility of the cross-border road transport industry;
- Differences in road user charges (RUC) across the SADC put South African operators in a disadvantaged position since they are subjected to more RUC's than foreign operators.

Transport infrastructure can either stimulate, or impede regional integration (RI) efforts. At present, transport infrastructure and operations do not support SADC's quest for deeper economic integration. The existence of various infrastructure and operational constraints undermine the creation of efficient, cost-effective and integrated transport networks that support the free flow of production factors within the SADC.

For transport to play its rightful role and to impact effectively on the integration of the SADC, multi-modal transport systems should be developed. The SADC regional infrastructure development master plan (RIDMP) represents a step towards the creation of integrated regional transport infrastructure and operations insofar it identifies various transport projects within each transport sub-sector, aimed at integrating transport infrastructure; inter alia through the construction of missing links, as well as through the establishment of multi-modal interchange facilities along strategic transport development corridors.

Since the adoption of the RIDMP by MS's in 2012, showcasing of prioritised infrastructure projects have been enthusiastically pursued at various regional and international platforms. These efforts have paid off, with substantial financial resources committed towards the implementation of various transport projects. Currently, a number of road transport, border post, rail transport and maritime projects are unfolding throughout the SADC with assistance from the project preparation and development facility (PPDF) that assist MS's in packaging projects for investor funding.

Further to the above, a number of initiatives are currently unfolding in South Africa. The review of the White Paper on National Transport Policy and National Freight Logistics Strategy (NFLS) aim to align these documents to the changing needs of the country, thereby ensuring that legal instruments enhance the attainment of key domestic policy objectives and those articulated in regional legal instruments. Furthermore, the movement towards establishing a single Border Management Agency (BMA) will result in improved border post efficiency, inter alia, through streamlining border processes and reducing the duplication of functions at inland borders.

In line with the above "positive" developments, the following recommendations are proposed to overcome, or at least reduce some of the operational constraints faced by cross-border road transport operators:

Operational Constraint	**Report Recommendation(s)**
Provision of cross-border ranking facilities	➢ A holistic approach should be adopted that brings together all role-players to ensure that decisions surrounding the location of cross-border ranking facilities are informed by developments in the external environment; ➢ The management of cross-border ranking facilities should become the joint responsibility of the C-BRTA and local authorities.
Weighbridges	➢ Law enforcement inspections at weighbridge stations in South Africa should be centralised to allow for joint law enforcement inspections by all relevant stakeholders; ➢ South Africa should participate in the development of a regional weighbridge location plan to reach mutual agreement on the location, design and implementation of weighbridge stations in the SADC; ➢ South Africa should promote the harmonisation of road transport rules and <u>standards</u> (e.g. gross vehicle mass limits) by all MS's to move towards the mutual recognition of weighbridge certificates in the SADC.
Third-party insurance requirements	➢ MS's should pursue a framework for the mutual recognition of existing insurance covers held by cross-border road transport operators;

Operational Constraint	Report Recommendation(s)
	➢ Member states should sign agreements which recognise the co-existence of different third party insurance systems; ➢ South Africa should consider charging third-party insurance on foreign operators to level the playing field.
Bilateral road transport agreements	➢ South Africa should lead the way in negotiating bilateral road transport agreements with countries with whom no agreements are in place; ➢ Over the medium term, a review of bilateral road transport agreements should be conducted to incorporate regulatory reform requirements and programmes (e.g. accreditation schemes) into bilateral road transport agreements.
Route descriptions on cross-border vehicles	➢ All MS's should issue permits with detailed route descriptions, that specify which ranking facilities should be used by cross-border operators; ➢ MS's should comply with the referral process, as indicated in bilateral road transport agreements. This implies that route descriptions are subjected to approval by regulatory authorities in the respective MS's.
Relations with Zimbabwe	➢ Process flows at the Beitbridge border post should be reviewed to improve the seamless flow of traffic through this land border; ➢ Joint Committee meetings between South Africa and Zimbabwe should centre around reaching agreement on the acceptance of South African vehicle standards by Zimbabwean law enforcement officials; ➢ The C-BRTA should promote the integration of systems at the Beitbridge border post as a means to alleviate soft infrastructure constraints at this inland border.
South Africa and Lesotho conflicts	➢ The National Ministerial Task Team should advance talks with all relevant role-players to review proposed solutions and to agree on a lasting resolution that will enable legitimate cross-border operators to conduct normal passenger transport operations between South Africa and Lesotho.
Informal costs in certain member states	➢ MS's should demonstrate the political will to find solutions to the various impediments faced by road transport operators along regional road transport corridors; ➢ Cross-border road transport operators should be encouraged to report incidents of crime and corruption to the secure toll-free hotline;

Operational Constraint	Report Recommendation(s)
	➢ Corridor management committees should take a firm stance against crime by reporting incidents of crime and corruption to corridor members.
Road user charges	➢ MS's should demonstrate the political will to find solutions to the various impediments faced by operators along regional road transport corridors; ➢ South Africa should promote the implementation of a harmonised road user charging system for the SADC; ➢ South Africa should enforce the collection of additional road user charges (e.g. entry fees payable by foreign registered vehicles, weight-distance type charges) upon foreign vehicles to eliminate inequalities imposed by MS's.

Further to the above recommendations, MS's should create partnerships with the private sector to secure additional funds for the execution of priority transport projects, set out in the RIDMP. Additional funds should also be secured for the PPDF to enable this unit to accelerate the timeous implementation of prioritised regional transport projects. These interventions will have a positive bearing on the RI agenda insofar it represents a step towards the creation of integrated regional transport infrastructure and operations.

Given the size of the South African economy relative to MS's and acknowledging South Africa's advanced manufacturing and service industries and technical know-how, South Africa can play a leading role in driving the RI agenda forward. However, the successful implementation of strategic transport projects will ultimately depend on the stability and strength of MS's political will. Without a consistent belief that the establishment of integrated road transport infrastructure and operations is the preferred way forward, it is doubtful whether MS's will render their support towards the timeous implementation of transport projects and the advancement of the RI drive.

1. OVERVIEW OF THE REPORT

1.1 Introduction

The Cross-Border Operations Report serves to inform the Cross-Border Road Transport Agency (C-BRTA's) political principal (Minister of Transport), the Department of Transport (DOT) and other key national (public and private) stakeholders of challenges and developments that impact on the cross-border road transport industry. This report also provides a package of solutions that can be implemented to overcome cross-border constraints. It is anticipated that by providing this information key stakeholders will be able to consider some of the solutions that can be deployed towards enhancing efficiency and productivity of the cross-border road transport industry, thus enabling the industry to play a strategic role in economic growth and development.

To start off, the C-BRTA was established as a regulatory authority under the Cross-Border Road Transport Act No 4 of 1998, as amended, to:

- Improve the unimpeded flow of commercial freight and passenger road transport flows within the SADC;
- Introduce regulated competition in respect of cross-border road passenger transport;
- Reduce operational constraints for the cross-border road transport industry as a whole;
- Liberalise market access progressively in respect of the cross-border road freight transport;
- Strengthen the capacity of the public sector in support of its strategic planning and enabling functions;
- Empower the cross-border road transport industry to maximise business opportunities and to incrementally regulate themselves to improve safety, security, reliability, quality and efficiency of services.

Towards the delivery of its mandate, the Agency performs four core functions. Table 1.1 below illustrates these functions in more detail:

Table 1.1: C-BRTA Mandate

Advise	The Minister of Transport, as the need arises or upon request of the Minister, on cross-border road transport policy matters, including strategies to counteract restrictive measures implemented by other countries, the phasing in of measures to liberalise market access, strategies to reduce operational constraints and training needs within the cross road border road transport industry. The Agency is also required to advise and provide information to the Minister and the DOT on the negotiation and renegotiation of cross-border road transport agreements.

Regulate	Providing access to the cross-border road freight and road passenger markets through the issuing of permits
Facilitate	The establishment of co-operative and consultative relationships and structures between public and private institutions with an interest in cross-border road transport: i) Collection, processing and dissemination of relevant information, and; ii) Provision of training, capacity building and the promotion of entrepreneurship generally and, in particular, in respect of small, medium and micro-enterprises with an interest in cross-border road transport.
Undertake	Transport law enforcement

Source: Government Gazette. 1998.

Apart from enhancing the resolution of challenges facing the cross-border road transport industry, this report is also a direct response to some of the Agency's mandate obligations, based on its legislated mandate. It is therefore envisaged that, by providing the information in this report to stakeholders, the Agency will be executing its mandate on the one hand, while also improving the interests of industry stakeholders.

Further to the Cross-Border Road Transport Act 1998, the functions of the C-BRTA are also derived from other **national legislation** (e.g. National Land Transport Act No 5 of 2009, National Road Traffic Act No 93 of 1996, the Tourism Act No 3 of 2014), **regional instruments** (e.g. SADC Protocol on Transport, Communications and Meteorology, Southern African Customs Union Memorandum of Understanding) and bilateral road transport agreements concluded between South Africa and selected SADC MS's. The objectives of these instruments are articulated later in this report.

It is important to know that cross-border road transport plays an important role in facilitating trade flows between MS's within the SADC. Six countries in the region are landlocked, which means that they rely on coastal countries to access global markets. From this perspective, it becomes imperative that the SADC establishes and maintains an efficient cross-border transport system to reach domestic and global markets.

Additionally, the cross-border road transport industry is dynamic in nature and therefore subjected to constant changes. Due to changes in the macro and market environments, road transport operator's needs and challenges evolve at a rapid pace, even faster than the pace at which solutions are found and implemented.

Reality on the ground indicates that regulatory authorities in MS's are unable to respond to operator challenges in an urgent and timeous fashion, owing to a number of reasons that include, regulations which have remained stagnant over the years and a lack of political will by relevant public stakeholders to effectively respond to market needs.

In order to effect change, regulatory authorities should assume a paradigm shift in the way they operate to deliver on their mandates effectively if they are to effectively resolve cross-border road transport challenges. Thus, it is envisaged that this report will provide a platform for engagement on cross-border challenges, with a view to finding lasting solutions and also to present solutions that can be considered towards enhancing the performance of the cross-border road transport industry as a whole.

1.2 Problem Statement

The development of this report was informed by the need to find solutions to number of constraints (also referred to as impediments or challenges) faced by operators in the domestic and regional environments that undermine the efficiency of the cross-border road transport industry. These challenges include, but are not limited to the following:

- **Inadequate road infrastructure** – Due to insufficient investment in road infrastructure over the years, road conditions within the SADC have deteriorated. Currently missing links along regional road transport corridors and inefficient land borders act as blockages to the seamless flow of traffic across national borders;
- **Impotent soft infrastructure** – Due to stagnation in the regulatory and legislative environments in South Africa and most other MS's, the regulatory and legislative frameworks are no longer able to effectively respond to changing needs and expectations on the role of transport towards enhancing trade, economic growth and RI;
- **Road blocks** – In this regard commercial vehicles are stopped at various inter and intra country road blocks even where there is no proof that traffic being transported is of a suspicious nature. This is exacerbated by the mushrooming of illegal road blocks in some MS's;
- **Inspection procedures** – In this respect, delays in the inspection of commercial vehicles, coupled with cumbersome and costly quality inspection procedures result in impediments and increased costs for commercial road transport operators;
- **Transiting procedures** – The non-harmonised transport rules and standards (e.g. road user charges, cross-border charges and motor insurance schemes) inhibit the seamless movement of traffic along regional road transport corridors;
- **Customs documentation and administrative procedures** – The non-standardised systems for imports declaration and payment of applicable duty rates, non-acceptance of certificates and trade documentation, incorrect tariff classifications, limited and uncoordinated customs working hours, non-acceptance of certificates of origin, application of discriminatory taxes and other charges on imports originating from MS's and cumbersome procedures for verifying containerised imports increases the turnaround time and costs for cross-border operators. (TradeMark Southern Africa. 2011: 5).

It is important to note that the cross-border road transport environment is characterised by the above hard and soft infrastructure impediments which negatively impacts on the performance of the cross-border road transport industry. The cost of transport, in particular road transport, is directly related to the time taken for a journey. Longer journeys lead to higher production costs and poor productivity at transport operator, industry, country and regional levels. Needless to say, it also leads to poor regional competitiveness.

The severity of this matter necessitates regular interaction between public and private sector role-players and intervention at operational and strategic (highest political) levels to identify and implement solutions that will reduce the said challenges and improve the uninterrupted flow of traffic along regional road transport corridors.

1.3 Purpose of this Report

The purpose of this report is to:

- Identify and provide the Minister of Transport and other key national stakeholders with a comprehensive list of road transport challenges (hard and soft) experienced in the cross-border road transport industry, including regional road transport corridors (roads and border posts) that impact negatively on the cross-border road transport industry and which influence the competitiveness of the SADC;
- Inform the Minister of Transport of initiatives/developments that will influence the cross-border road transport industry;
- Propose recommendations (interventions) which aim to address hard and soft infrastructure challenges in the industry and along regional road transport corridors to enable decision-making bodies to implement solutions that will improve the seamless flow of cross-border road transport movements within the SADC.

2. CURRENT STATE OF THE CROSS-BORDER ROAD TRANSPORT INDUSTRY

This chapter articulates the current state of the cross border road transport industry. Specific attention is paid to constraints that impede the optimal performance of this industry. This will lay the foundation for the identification of interventions (recommendations) to address corridor constraints, which will be outlined in chapter 4. The chapter also concluded with a high-level overview of initiatives currently underway in the SADC to improve the seamless flow of traffic along regional road transport corridors between origin and destination points.

2.1 Background

It is important to begin by indicating that cross-border transport and economic development have a two-way relationship. On one hand changes in the supply of transport may affect the level of economic activity and development, while on the other hand the level of economic activity and development affects the demand for cross-border transport.

Cross-border road transport plays a fundamental role towards economic development in South Africa, as well as in the SADC. The economic importance of transport can be assessed from a macro-economic (importance to the whole economy) and micro-economic (importance to specific parts of the economy including transport operators) perspective. Concisely, cross-border road transport enables local industries to access the region market for both resources and the selling of goods manufactured in a MS country. As such, it contributes to inducement of economic development to adjacent communities through economic trickle down effects into the hinterland along regional corridors, provides millions of jobs directly and indirectly, facilitates regional trade and RI and enhances the strategic position of South Africa on the African continent.

South Africa is the second biggest economy on the African continent and the biggest in the SADC. The fact that South Africa has the most advanced economy in Africa means that it is highly likely that the South African economy are linked to many economic nodes on the continent. To this end, cross-border road transport ensures that there is a sustainable and effective economic value chain interaction along the trade chain in the region. The fact that most landlocked countries (e.g. Botswana, Zimbabwe and Zambia) rely on South Africa's transport system for exports and imports to international markets, increases the demand for cross-border road transport.

2.2 Importance of the Cross-Border Road Transport Sector

Roads affect all aspects of development in the SADC. Businesses depends on efficient roads to transport goods between origin and destination points, industries rely on roads for delivery of materials and people require roads to travel between different destinations to satisfy their needs.

Over the years, road transport has become the dominant land transport mode for the movement of freight and passengers within the SADC, having an average share of 80% of regional traffic. This is mainly due to the availability of an extensive road network and the inherent flexibility and convenience of road transport compared to the other transport modes. Currently, the SADC regional road network is regarded as one of the region's largest public sector assets.

The RTRN totals approximately 62 000 km of strategic, intra-regional routes that link capital cities, key economic nodes, major regional ports like Maputo, Durban and Walvis Bay, and other areas of economic importance. Less than 3 per cent of the RTRN is made up of multi lanes of which the majority are in South Africa (SADC Regional Infrastructure Development Master Plan 2010:80). The significance of this point is that the road network system in South Africa is more developed than in the rest of the SADC.

Details on the RTRN are displayed in table 2.1 below

Table 2.1: Regional Trunk Road Network

Country	Reference Roads (km)	Intermediate Roads (km)	Branch links & Connecting Roads(km)	Total	Kilometres Percentage
Angola	4 600	300	3 600	8 500	14%
Botswana	1 700	1 200	100	3 000	5%
DRC	3 900	300	8 900	13 200	21%
Lesotho	200	-	900	1 100	2%
Madagascar	1 300	-	-	-	-
Malawi	4 000	400	200	1 900	3%
Mauritius	-	-	-	-	-
Mozambique	-	1 400	300	5 700	9%
Namibia	2 700	1 200	800	4 700	8%
Seychelles	-	-	-	-	-
South Africa	4 200	2 100	2 400	8 700	14%
Swaziland	200	-	200	400	1%
Tanzania	3 300	1 900	1 900	7 100	11%
Zambia	1 400	1 700	1 400	4 500	7%
Zimbabwe	1 600	1 000	1 100	3 700	6%
TOTAL	**29 300**	**11 600**	**21 700**	**62 600**	**100%**

Source: SADC Regional Infrastructure Development Master Plan, as amended. August 2012.

From the statistics displayed in table 2.1, it is evident that the Democratic Republic of the Congo (DRC) comprises the greatest part of the RTRN, followed by South Africa and Angola respectively. Together these 3 countries comprise almost 50% of the RTRN. South Africa possesses the most advanced network in terms of length (kilometre).

Despite the existence of an extensive road network in SADC, the African continent's economic performance in the global arena remains unsatisfactory. Currently, Africa accounts for around 3 per cent of world trade. The level of intra-African trade is also low and measured at approximately 10%, compared to about 40% in North America and about 60% in Western Europe. (Pearson, M. 2011:1). This tendency reveals that the majority of African exports are destined for overseas markets.

A number of reasons are cited for the low level of intra-Africa trade. Of specific importance are deteriorating road conditions along certain sections of the RTRN due to inadequate maintenance over the years and missing links along the RTRN owing to under-investment, which results in huge time delays and high transport costs for cross-border road transport operators. More information on the current state of the regional road transport sector is given in sub-section 2.2.1.

2.2.1 Condition of the Regional Road Transport Network

While the SADC has an extensive road network, there is a variation between MS's in the general condition of their respective road networks. Road infrastructure in the eastern and southern parts of the region is fairly dense and in reasonably good condition, albeit with an on-going need for periodic maintenance, rehabilitation and upgrading. In the western part of the region, the prolonged civil wars in Mozambique, Angola and the DRC resulted in significant damage to road networks, as well as underinvestment in these countries.

As a result, certain key locations still have missing road links, disabling efficient road transport along strategic road transport corridors. These missing links are mostly found in Angola and the DRC. Both countries have large extractive industries that rely heavily on roads to facilitate trade through transport. At present the optimal performance of these industries are undermined by inefficiencies that exist in the road sector these two countries.

Furthermore, the high cost of road maintenance remains an issue for the region as a whole. While MS's recognise the importance of an efficient, integrated regional road network, funding is often diverted to other economic sectors. In cases where sufficient funds have been allocated to road maintenance at MS level in the past, funds were not efficiently managed by governments in the respective MS's to maintain road networks in MS's. Since revenues and RUC's are not ring-fenced in MS's, it opens opportunities for diversion of funds should other demands arise. This often culminates in delayed infrastructure investment.

In order to address road infrastructure inefficiencies within the SADC, a concerted effort has recently been undertaken at regional level (involving MS's, private sector and donor agencies) to identify transport infrastructure projects that will enhance multimodal transport linkages and improve interconnectivity. This process has resulted in the released of a RIDMP, which is aligned to the Programme for Infrastructure Development in Africa. The RIDMP identifies a number of priority infrastructure projects in 6 sectors, including the transport sector.

The *SADC corridor approach* to regional development was adopted as point of departure in identifying strategic projects within the transport industry that will enable the creation of integrated road transport networks that support sustainable economic growth and development. In line with the corridor approach, most road infrastructure projects revolve around design, development, construction, maintenance and rehabilitation of regional infrastructure networks to improve intra-regional traffic flows.

2.3 Regulation of the Cross-Border Road Transport Sector

2.3.1 Regional Road Transport Industry

The road transport sector accounts for the vast majority of surface transport activity in the SADC. Given the fact that transport has a global and regional character, this sector is regarded as a prerequisite for the promotion of economic growth and development, not only in South Africa, but also in the region.

However, the effectiveness of the role played by transport is to a large extent dictated by the soundness and extend of recognition of legal transport instruments (treaty's, protocols and agreements) which indicate how MS's should cooperate towards building an efficient, cost-effective, productive, safe and integrated regional transport infrastructure.

Some regional transport instruments, notably the SADC PTCM, are not legally binding documents. It therefore does not tie or compel MS's to reform their policies/legislation to enable the region to function as an integrated whole. Progress is dependent upon the commitment and willingness of individual countries to conform their national legal instruments to regionally recommended guidelines. Unfortunately SADC MS's have a poor track record when it comes to the implementation of legal instruments. This is mainly the result of:

- MS's do not uniformly follow SADC PTCM guidelines which have been designed to bring harmony and integration to the region;
- Multiple membership of MS's to different RECs in the region result in misaligned priorities and procedures;
- Differences in MS capacity regarding resources, technology and development;
- Mis-prioritisation of reform efforts and resource allocations between MS;
- Political disharmony between MS;
- MS's regard sovereignty a higher priority than the facilitation of trade and cross-border movements;
- Lack of communication and distrust between MS's deter countries from working together.

The above-mentioned factors have resulted in a fragmented regional road transport industry. Each MS has its own regulatory mechanism that determines market access, operating requirements and rules and regulations that must be adhered to by transport operators. Due to different regulatory requirements in the SADC, operators must comply with different operating procedures as they traverse regional road transport corridors.

a) Multilateral Agreements

- **SADC Protocol on Transport, Communications and Meteorology**

The SADC Treaty provides that member states should conclude protocols as may be necessary in each area of cooperation in order to spell out the objectives, scope and institutional mechanisms required to enable cooperation and integration.

The SADC PTCM deals with transport systems / infrastructure, telecommunications and meteorology. South Africa, as a legitimate member and signatory of the PTCM, acknowledges that transport, communications and meteorology are a pre-requisite to sustainable economic growth and development. The general objective of the PTCM is to "*establish transport, communications and meteorology systems which provide efficient, cost-effective and fully integrated infrastructure and operations, which meet the needs of customers and promote economic and social development while being environmentally and economically sustainable".*

In essence the objective of the PTCM is to make it as easy as possible for cross border road transport operators to move from one country to the next through reducing non-tariff barriers, improving harmonisation, providing adequate transport infrastructure and facilitating trade and transport movements along regional road transport corridors. The Protocol also provides for interventions and actions which responsible authorities in MS's should perform at operational level to improve cross border road transport movements.

The SADC PTCM stipulates that competent authorities in the respective MS's should take up the role of championing regional integration by facilitating the unimpeded flow of cross-border freight and passengers by road in order to promote economic and social development within the region. Chapter 3 provides more information in progress made towards integrating road transport infrastructure within the SADC.

- **Southern African Customs Union Memorandum of Understanding on Road Transportation**

South Africa, Botswana, Namibia and the Kingdoms of Lesotho and Swaziland are all signatories to the Southern African Customs Union (SACU) Memorandum of Understanding (MoU) on Road Transportation, which seeks to support trade within the SACU through facilitating the seamless flow of traffic between MS's.

As far as the issuing of cross-border road transport permits are concerned, the SACU MoU authorises MS's to issue cross-border permits on a reciprocal basis, according to the 50:50 principle. In practice, this principle is not adhered to. This is mainly due to the level of economic development within Swaziland and Lesotho. Due to low economic growth rates in these countries, the demand for cross border travel is lower. Furthermore, domestic operators do not always have suitable vehicles to transport export commodities. As a result, permission is granted to South African operators to transport goods, originating in Lesotho and Swaziland, to export harbours, mainly to the port of Durban.

- **Trans-Kalahari Corridor MoU on Road Transportation**

South Africa, Botswana and Namibia are signatories to the Trans-Kalahari Corridor MoU on road transportation, which seeks to improve regional trade and economic development through the provision of efficient transportation infrastructure and services. Although this MoU was signed by all MS's it has not yet been ratified and is therefore not used to guide permit issuing decisions. However, MS's agreed to ensure the attainment of its broad objective on enabling trade and economic development through the provision of efficient cross-border transport infrastructure.

b) Bilateral Road Transport Agreements

Cross-border road transport is also regulated through bilateral road transport agreements concluded between South Africa and selected SADC MS's, under the auspices of the DOT. These agreements provides for formal acknowledgement of the need to facilitate cross border road transport movements. Furthermore bilateral agreements lay down the conditions for equal treatment of transport operators and reciprocity between the 2 MS's.

An assessment of legal instruments reveal that such instruments are not always aligned to each other. The SACU MoU on Road Transportation for example, prohibits cabotage and Third Country Rule under Article IV (3) and (4) respectively. This contradicts SADC efforts to promote liberalisation of road freight transport, as stipulated in article 5.3 of the SADC PTCM that states "*member states shall progressively introduce measures to liberalise their market access policies in respect of the cross-border carriage of goods".*

Reality on the ground indicates that most member states prohibit cabotage and the third country rule. South Africa, Lesotho and Namibia however, review applications for cabotage permits, depending on the merits or demerit of the case. The resistance of Ms's to adhere to regionally recommended rules and standards restrict the opening of SADC transport markets (market liberalisation), thereby restricting the seamless flow of traffic within the SADC. Section 2.4.4 presents more information on the current state of bilateral road transport agreements.

Given the fact that MS's do not always adhere to the provisions of multilateral and bilateral road transport agreements, the SADC road transport industry has become less attractive to private stakeholders and potential investors, which state of affairs impact negatively on industry stakeholders and role-player as well as on the socio-economic well-being of SADC MS's.

2.3.2 The South African Road Transport Industry

The South African road transport industry is made up of various public and private stakeholders and other industry role-players. The DOT, C-BRTA, Department of Trade and Industry (Dti) and the South African Revenue Services (SARS) are examples of public stakeholders, whereas, private stakeholders include private transport companies and freight forwarding companies. The Road Freight Association (RFA) is an example of an industry role-player.

The industry is highly regulated due to the fact that public role-players all have set regulatory requirements to industry members with the intention to ensure compliance with their respective mandates. In general compared to other SADC MS's, the road transport infrastructure (hard infrastructure) in South Africa is in a fairly good condition. However, soft infrastructure impediments such as regulatory restrictions seem to present a greater challenge to the local road transport industry.

Road transport developments in South Africa are not always aligned to SADC initiatives, or initiatives introduced by other MS's. This silo approach is a result of various factors such as:

- Political disharmony between local public stakeholders;
- Lack of communication, coordination and cooperation between public stakeholders and between public and private stakeholders (distrust);
- Lack of information sharing;
- Technical incapacity of the local industry;

- Lack of resources.

Although road infrastructure programmes undertaken in South Africa intend to improve traffic flows along South African roads, such improvements will have a limited impact on traffic flows in the SADC if they are not aligned, coordinated and extended to the SADC.

2.4 Major issues facing the Cross-Border Road Transport Industry

Section 1.2 alluded to the existence of infrastructure impediments along regional road transport corridors that undermine the optimal performance of the cross-border road transport industry. These constraints manifest themselves in two dimensions, namely *hard* and *soft infrastructure impediments*. Hard infrastructure impediments revolve mainly around:

- **Road Condition**
  - Roads not properly maintained due to the high cost of infrastructure;
  - Poor condition of roads due to conflict and neglect.
- **Road Continuity**
  - Missing links along the RTRN.
- **Bottlenecks**
  - Traffic delays in MS's where bypasses have not been built;
  - Capacity constraints on roads with significant grades where climbing lanes have not been provided;
  - Delays at border posts.

Soft infrastructure impediments on the other hand, revolve around the inability of MS's to:

- Harmonise road transport rules, standards and policies;
- Liberalise market access for road freight transport.

Further to the above hard and soft infrastructure constraints, the efficiency of cross-border operations is further undermined by a number of *operational constraints* that impede the seamless flow of goods and passengers within the SADC. More information on these constraints is presented in sub-sections 2.4.1 – 2.4.9.

2.4.1 Inadequate cross border ranking facilities

In South Africa, responsibility for the provision of ranking facilities vests with local government (municipalities). Limited funds allocated to public transport infrastructure provision, coupled with a surge in the demand for local and regional (cross-border) public passenger travel resulted in an increase in the demand for public ranking facilities.

Currently, the demand for ranking facilities exceeds the supply of such facilities, leading to congestion. Public transport ranking and holding facilities are used collectively by local and cross-border road transport operators and commuters. This practice creates congestion, which often results in insufficient space allocated to cross border commuters and the late departure of taxis and buses.

In Johannesburg, two dedicated cross-border ranking facilities serve cross-border commuters exclusively. *Fleet Africa* is used exclusively by cross-border public bus services, whereas *Powerhouse* (located in close proximity to the Park City Hub) is an informal cross-border ranking facility, used by bus operators from Zimbabwe, Malawi and Zambia.

Park City is another ranking facility in Johannesburg used by cross-border taxi operators and long distance, and inter-provincial bus operators. The existence of criminal activities at Park City affects the safety of local and cross-border passengers. Operators who offer services from Park City claim that they were forced to locate to this ranking facility. Due to its poor location, Park City is currently not fully utilised.

Ranking facilities in Durban and Cape Town are operating well. Adequate provision is made at these facilities for cross-border buses and taxis. Although ranking facilities in both Durban and Cape Town are owned by the Passenger Rail Agency of South Africa (Prasa) and private interests, they are managed by local metros.

Further to the ranking facilities in Johannesburg, cross-border passenger operations are also offered from various bus/taxi departure points within the same municipal jurisdictions (e.g. Benoni, Boksburg and Kempton Park). In some cases, similar services are offered within a radius of as little as 20 kilometres from each other. Since public transport operators compete for passengers on the same route(s), this practice also causes conflict amongst existing operators.

The above constraints point to the absence of a coordinated approach to the regulation of cross-border public transport departure points, which has given rise to the establishment of informal ranking facilities in urban areas (e.g. Park City in Johannesburg), as well as at commercial border posts. Tempelhof is an example of a taxi rank, located next to the N1 highway just before the Beitbridge border post. The loading and off-loading of passengers in close proximity to this busy border, further obstruct the seamless flow of traffic between South Africa and Zimbabwe.

Further to the above, the existence of informal ranking facilities close to border posts also pose health hazards and safety risks, particularly to women, children, the old-aged and people with disabilities. It is therefore imperative that solutions be sought to remove informal ranking facilities further away from commercial border posts.

A task team has recently been set up to investigate the capacity of ranking facilities in Johannesburg, and to propose solutions. The C-BRTA participates in task team discussions. One proposal on the table is that Power House be legalised to enable buses, originating from various MS's to rank at this facility.

2.4.2 Weighbridges

Overloading is a serious problem in the SADC. Estimates released by the Federation of East and Southern African Road Transport Associations (FESARTA) reveal that between 10-50% of the vehicles operated in the region are overloaded. (Formulation of the SADC Regional Infrastructure Development Master Plan. 2010: 48).

South Africa possesses a total of 118 weighbridges, which are strategically spread across all nine provinces (see table 2.2. below). Currently approximately 66% of the country's weighbridges are non-operational and of those that are working only a handful operates 24 hours per day, 7 days per week. Weighbridges with a status of non-operational are weighbridges currently not being used but that can be made operational through regular maintenance or upgrading. Weighbridges with a status of in disuse are sites that have been abandoned.

Table 2.2: Summary of Weighbridge per Province and Current Status

PROVINCE		**Current Status**		**TOTAL**
	Operational	**Non-Operational**	**In disuse**	
Eastern Cape	3			3
Free State	2	1		3
Gauteng	13	6	1	20
KwaZulu Natal	16		4	20
Limpopo	7		5	12
Mpumalanga	19		17	36
Northern Cape	3			3
North West	6	3	3	12
Western Cape	9			9
South Africa	**78**	**10**	**30**	**118**

Source: Roux. 2010.

Although weighbridges are located along regional corridors within the SADC, the positioning of weighbridge stations is not evenly spread, as noted in the multiple scattering of weighbridges along various road transport corridors. A problem experienced with the frequent introduction of weighbridges along these corridors is that it causes delays for corridor users, with a resultant increase in transport costs. Table 2.3 outlines weighbridge positions along the North South Corridor (NSC).

Table 2.3: North South Corridor Weighbridge Positions

Weighbridge	**Number of Weighbridges**	**Number of Police Checkpoints**
KwaZulu Natal		
Westmead N3	1	1
1Mkondeni N3	1	1
Ladysmith N3	1	1
Gauteng		
Heidelberg North Bound	1	1

Weighbridge	Number of Weighbridges	Number of Police Checkpoints
N3		
Limpopo		
Mantsole	1	1
North Bound N1	1	
Polokwane N1	1	1
Musina N1	1	1
Zimbabwe		
Beitbridge VID	2	1
Birchenough Br	2	1
Masvingo VID	1	1
Eastlea VID	1	1
Chirundu VID	1	1
Zambia		
Kafue	1	1
Kafulafula	1	1
Kapiri Mposhi	1	1
Ndola	1	1
DRC		
Whisky Village	1	1
Kasanga (Entrance to Lubumbashi)	1	1
Kasumbalesa		1
Kisanga		1

Source: C-BRTA. 2014.

In terms of vehicle overload control, the majority of MS's adhere to a decision undertaken by the Ministers of Transport during a meeting, held in Swakopmund, Namibia in 2009. During this meeting a resolution was reached by consensus that the permissible maximum combination mass of heavy vehicles should be 56 tons, whereas a mass tolerance of 5 per cent on axle, axle unit, vehicle and vehicle combination mass should apply. South Africa does not adhere to the recommended 5% tolerance level since the impact of this intervention would cause too much damage to the country's road network. Subsequently, a 2 per cent tolerance level is enforced on South African roads. This practice clearly illustrates that the harmonisation of road transport rules and standards is yet to be accomplished within the SADC.

Another challenge experienced with weighbridges in the SADC is that there is no mutual recognition of weighbridge certificates amongst MS's. Furthermore, weighbridge operation procedures are not properly documented and the procedures that are employed differ from one country to the next. The absence of standardised, documented procedures for carrying out weighbridge operations has led to inconsistency in overload control activities across the region. Furthermore the limited sharing of information amongst relevant stakeholders reduces the efficiency and effectiveness of overload control operations within the SADC.

Although weighbridges serve an important role in curbing overloading, they currently represent a non-tariff barrier (NTB) to cross border operators. This especially applies to weighbridges located outside South Africa. A number of weighbridges in the SADC are not calibrated. Divergent readings at different weighbridges cause huge confusion and attract additional costs for companies. Most weighbridge stations accept only cash for payment of overloaded vehicles, often leaving truckers in the difficult position of having to abandon their vehicles to seek a bank point several hundred kilometres away. This problem is aggravated by a lack of secure parking for trucks. Bribery and corruption at weighbridge stops further deters the introduction of fair competition within the road freight industry.

In line with its law enforcement function the C-BRTA is authorised to weigh cross-border vehicles to establish whether these vehicles are loaded within legal limits. C-BRTA inspectors used to perform weighbridge checks on cross-border vehicles travelling between Botswana and South Africa through the Grobler's Bridge border post. This practice has stopped after both mobile scanners, used to perform weighbridge checks were stolen, and not replaced.

2.4.3 Third-Party Insurance Requirements

Cross-border road transport operators are required to obtain third-party motor liability insurance to cover the costs of accidents that may occur in foreign countries. In the SADC, the implementation of a harmonised motor vehicle insurance scheme is still outstanding. Currently, MS's apply the following types of motor vehicle liability insurance schemes:

- Cash payments at land borders, which are country based and follow the laws of the country of entry;
- A fuel levy, which entails indirect payments for third-party motor insurance assessed on purchases of fuel; and
- The Yellow Card System, which allows for the pre-purchase of motor insurance in local currency at the country or origin, with the insurance honored by all participating countries.

Cross-border road transport operators are sometimes subjected to double insurance in the SADC, depending on origin and destination. The Southern African Customs Union (SACU) MS's use the fuel levy system, while most Common Market for Eastern and Southern Africa (COMESA) MS's resort to the "Yellow Card" system, which is currently applied in Burundi, the DRC, Eritrea, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe.

According to the SACU fuel levy system, foreign motorists are covered under the presumption that they have or will contribute to the levy through the purchase of fuel. An exception to this rule is found in Botswana. To be covered under the fuel levy in Botswana, all foreign operators have to purchase a token for five pula, which is valid for one year.

In recent years, the SADC has advocated that all MS's adopt the COMESA yellow card system in order to move towards the implementation of a harmonised motor vehicle insurance scheme for the region. At a recent South African Ministerial Committee meeting, which included the participation of C-BRTA and cross border operators, a resolution was taken that South Africa will not support the adoption of the Yellow Card System. The Committee however, made a commitment to continue to urge MS's to recognise and accept South Africa's comprehensive motor vehicle insurance cover.

South Africa does not reject the Yellow Card Scheme but chooses not to participate in this scheme since it already resorts to the fuel levy system, which covers all road users (local and foreign vehicle drivers and passengers) against third-party liabilities and medical expenses should they suffer any injuries as a result of an accident occurred on South African roads. Insured people are compensated by the Road Accident Fund (RAF).

Another reason why South Africa does not participate in the Yellow Card scheme is that the administration of this system is cumbersome and managed from a centralised point. Furthermore, the maximum amount that can be claimed from the Yellow Card System is $5000, whereas the maximum amount that can be claimed from the RAF is much higher.

Although the fuel levy system is applied in a non-discriminatory manner in South Africa, MS's do not always recognise the insurance hold by South African operators. As a result, operators from the SACU are required to buy third party insurance when they leave the SACU, on entering the yellow card countries. This is an unnecessary burden that operators are subjected to and need to be resolved as it unnecessarily delays and increase the cost of doing business on the African continent.

In the past Malawi, Mozambique, Zambia and Zimbabwe refused to acknowledge the comprehensive insurance cover that South African operators have with reputable insurance companies in South Africa. In order to address this constraint, the C-BRTA engages with MS's on a frequent basis to find a solution that will benefit South African cross border operators. The C-BRTA met with counterparts from Malawi, Mozambique and Zimbabwe during February and April 2015. During engagements with Malawi and Mozambique, both countries indicated their willingness to further talks to find a solution that will not discriminate against South African operators.

Legislation already exists in Mozambique which exempts foreign operators from taking out additional insurance cover at the Mozambique border post(s). Mozambique counterparts (Ministry of Transport and Financial Services Board) however request that South African operators produce the following documents at Mozambique land borders to obtain approval for the insurance held by South African transporters:

- A letter from the operator's insurance company which state that the South African operator is covered against third party claims then travelling in Mozambique;
- A clearance letter from the Financial Services Board (FSB) in South Africa, which states that the insurance company is in good standing and registered with the FSB.

The C-BRTA has secured a follow-up meeting with Mozambique counterparts, which will most likely take place during late August, or early September 2015. It is expected that this meeting will result in the signing of a bilateral agreement that will exempt South African operators from taking out additional third party insurance cover when travelling in Mozambique.

2.4.4 Bilateral Cross-Border Road Transport Agreements with SADC Member States

Bilateral road transport agreements between South Africa and selected member states, as well as the SACU Memorandum of Understanding (MoU) outline the conditions under which cross-border road transport operations should be performed between South Africa and MS's with which agreements are in force. To date, South Africa has entered into bilateral road transport agreements with Malawi, Mozambique, Zambia and Zimbabwe.

The C-BRTA, as a cross-border road transport regulator, fully supports the implementation of bilateral road transport agreements since they aim to improve the seamless flow of cross-border road transport movements between 2 MS's. The C-BRTA meets with SADC counterparts on a regular basis to discuss and address cross-border road transport operational matters. Despite constant engagements, the pace at which solutions are sought and implemented to address infrastructure inefficiencies is much slower.

Adherence to the provisions of signed agreements is also a cause for concern. Bilateral road transport agreements permits cabotage under certain conditions. This provision is not applied by all MS's. Although South Africa issued cabotage permits to foreign operators in the past, MS's have been reluctant to follow suit.

Despite the existence of a bilateral agreement between South Africa and Zimbabwe, South African operators experience various challenges when traversing on Zimbabwean roads. One challenge pertains to South African vehicle standards and driver requirements, which is not accepted by Zimbabwean law enforcement officials. Due to a lack of commonly recognised vehicle standards, driving license and vehicle registration certificates, South African operators are subjected to fines or non-compliance when travelling through Zimbabwe.

During previous engagements between the C-BRTA and Zimbabwean counterparts it became clear that the Ministry of Transport in Zimbabwe does not always communicate matters pertaining to foreign operators to their law enforcement operations on the ground, despite numerous requests from South Africa (C-BRTA) to do so.

Existing bilateral road transport agreements were concluded almost 2 decades ago (during 1996 and 1997). Given the significant amount of changes that occurred in the internal and external environment in recent years (particularly in regard to policy imperatives, emerging regional transport agenda, new challenges faced by transport operators); the C-BRTA initiated a review of bilateral and multi-lateral agreements during 2014. During the review process, all relevant stakeholders were consulted through written letters and C-BRTA workshops. Since this process has not yielded any response from interested parties, no changes were made to existing agreements.

Problems encountered by South African operators in countries with whom no bilateral road transport agreements are in force (Angola, DRC and Tanzania) cannot be addressed in the same fashion as they would if legally binding agreements were in place.

2.4.5 Lack of Detailed Route Descriptions on Cross-Border Passenger Permits

South Africa's neighbouring countries issue cross-border passenger transport permits without detailed route descriptions. This practice creates a challenge insofar foreign operators often rank and park at illegal locations in South Africa's urban areas. In doing so they create disorder and cause conflict with operators that are authorised to park at formal (legal) ranking facilities.

In 2013, Mozambique indicated that they are in the process of phasing out hand written permits. Electronic permits, with detailed route descriptions, were supposed to be introduced by mid-2013. This goal has not yet been achieved. Currently, electronic permits are issued by a number of MS's (e.g. Zimbabwe, Namibia and Swaziland). There permits however do not all display detailed route descriptions. In the absence of route descriptions, operators can capture a greater portion of the market by picking up and dropping off passengers at various locations at departure and destination points.

The taxi permit issued by Mozambique for example only states that taxi's depart from Maputo and arrive in Johannesburg. Given the vague route description, passengers are dropped off at various points in Johannesburg. This measure is discriminating against other cross-border operators (e.g. South African operators) who are obliged to use dedicated ranking facilities

2.4.6 Relations with Zimbabwe

Zimbabwe is a land-locked country, strategically positioned along strategic regional corridors, notably the NSC. South African operators experience a number of challenges when traversing through Zimbabwe. These challenges, which result in delays and additional costs for South African operators include, but are not limited to:

- A lack of clarity on the border processes and fees collected at the Zimbabwean side of the Beitbridge border post;
- South African vehicles are often diverted to a Container Depot (CONDEP) for further inspections. CONDEP is privately owned and operators therefore have to incur additional costs for inspections. Apart from the financial burden associated with this practice, the slow pace in which inspections are conducted can result in time delays of up to 3 days;
- South African vehicle standards (e.g. driver's licence, vehicle registration certificates and reflecting tape on vehicles) are not accepted in Zimbabwe, resulting in various law enforcement checks and penalties imposed on South African operators when travelling

through Zimbabwe. An example is the difference between the South African and Zimbabwean drivers licence, which often results in the issuing of fines for non-compliance by foreign operators by law enforcement officials of both MS's.

All of the above constraints impede the seamless flow of traffic through the Beitbridge border post, as well as within Zimbabwe in as much as they contribute to higher operational costs for transport operators. Operational constraints are discussed at Joint Committee (JC) between South Africa and Zimbabwe. Although agreement is often reached between relevant role-players on operational matters, the pace in which decisions are implemented is slow, implying that constraints that require immediate attention are not addressed in an urgent fashion, thus leading to prolonged and delayed resolution of constraints.

2.4.7 South Africa-Lesotho Cross-Border Passenger Road Transport Conflicts

The South Africa/Lesotho taxi operation issue has remained a major challenge for the South African government for the almost two decades and has resulted in a number of casualties and deaths in the past.

This problem, which is of a political nature, revolves around the interpretation of various pieces of legislation. Taxi operators in the Free State are of the opinion that certain pieces of legislation, particularly the National Land Transport Act No 5 of 2009 (NLTA) and the Free State Public Transport Act, allow them to transport passengers across or close to the Lesotho borders without a cross-border road transport permit. Although taxi operators acknowledge the NLTA, they disregard certain provisions of this Act, notably Section 75 that deals with the interface between public transport and cross-border transport.

The Free State Department of Police, Roads and Transport does not recognise that cross-border road transport operations are the sole responsibility of the C-BRTA. Due to differences in the interpretation of legislation, the operating licence issued by the Free State Department of Police, Roads and Transport to local (Free State) taxi operators are used by taxi operators to transport passengers to the South African/Lesotho border posts. Section 75 of the National Land Transport Act No. 5 of 2009, clearly states that operators who drop off and collect passengers within a radius of 2 kilometres from a border post should be in a possession of a cross-border road transport permit, which Free State operators do not have.

The above practice aggravates cross-border road transport operators who feel that Free State operators interfere with their market share. At the same time, Free State operators feel marginalise and have voiced their dissatisfaction with long distance (cross-border) taxi operators transporting passengers through their area of business (Free State province).

The South Africa/Lesotho issue has received attention from various stakeholders in the past. During the early months of 2015, several high-level meetings, involving representatives from the C-BRTA, the DOT and Member of the Executive Council (MEC) for Police, Roads and Transport in the Free State, was conducted. Furthermore, a National Ministerial Task Team (NMTT) has been established by the Minister of Transport, comprising of representatives from the C-BRTA, DOT and the Free State Department of Police, Roads and Transport, to find a solution to the long-standing Free State/Lesotho taxi issue.

The above engagements resulted in the issuing of a directive by the Minister of Transport to the C-BRTA 8 July 2015 which instructs the C-BRTA to issue temporary cross border road transport permits to no more than 26 verified cross border vehicles. The C-BRTA has implemented the said directive.

Engagements will all relevant stakeholders will continue in a quest to find a sustainable solution that will restore normal passenger movements on Free State routes, which lead to Lesotho. Failure to do so will have a ripple effect to other provinces that have border towns where legitimate cross-border operators may be prevented from conducting their normal operations by local and provincial operators. This tendency is currently witnessed in Musina where the Provincial Regulatory Entity (PRE) issues operating licences to local taxi operators to enable the transportation of passengers to and from Tempelhof. Since this taxi facility is located within a 2 kilometre radius from the Beitbridge border post, many Musina operators fail to comply with section 75 of the National Land Transport Act, since they are not in possession of a Cross-Border Road Transport permit.

2.4.8 Informal Costs in Angola, the DRC and Tanzania

Bribery and corruption poses a major cost to cross-border road transport operators. Long waiting times along regional road transport corridors, especially at border posts, create a perfect opportunity for officials to elicit bribes to speed up processes. This problem is particularly severe in Angola, the DRC and Tanzania.

In a survey on bribery as a barrier to trade in the East African Community (EAC), it was found that at most of the customs stations on the Kenya-Tanzania border, cross-border operators spent 68 hours on average to get customs clearance. Of the transporters surveyed, 82% from Tanzania admitted to paying bribes. The annual cost incurred on trade due to bribery in Tanzania makes up about 19% of the value of goods transported across Tanzanian borders. (Business Report. 2013).

Further to the problems experienced in Tanzania, cross-border operators also face excessive costs when conducting road transport operations in the DRC. Informal costs due to corruption are estimated around $ 4000 per company per year. In addition RUC's of approximately $ 2000 are imposed upon foreign road transport operators who enter the DRC via the Kasumbalesa border post. (Curtis, B. 2014:40). These costs increase the cost of doing business in Africa and should be minimised before the African continent will succeed in performing more effectively on global markets.

The problems associated with RUC in the SADC are discussed in greater detail here-under.

2.4.9 Road User Charges

The SADC PTCM distinguishes between 8 types of RUC's that MS's can impose upon local and foreign registered vehicles for the use of the road networks in the respective MS's. These charges are:

- Fuel levies (designated as road charges);
- Vehicle licence fees;
- Road tolls;
- Abnormal and awkward load charges;
- Weight-distance type charges;
- Cross-border road user charges;
- Entry fees payable by foreign registered vehicles;
- Parking and traffic congestion costs.

Considerable effort has been made over the years to develop a harmonised RUC system for the SADC, with previous studies dating back to the early 1980s. Although a harmonised RUC system was developed and approved by MS's in principle in 2007, the recommended RUC have not yet been implemented as MS's are still in the process of reaching agreement on two major issues:

- Different unit costs of road infrastructure between MS's linked to traffic volumes; and
- Different road financing arrangements (e.g. toll roads) that exist within SADC.

In the absence of a uniform RUC system for the region, the onus vests on MS's to decide which charges will be imposed on national and foreign road transport operators. The impact of different RUC's is illustrated by referring to RUC's that apply along a section of the NSC. This corridor which stretches from Dar es Salaam in Tanzania to the port of Durban in South Africa has different route options. Route 1 runs from South Africa, through Botswana and Zambia to reach the DRC. Cross-border operators can enter Botswana via 2 border posts, Martins Drift and Tlokweng, as illustrated in Figure 2.1 below.

Figure 2.1: NSC Route 1

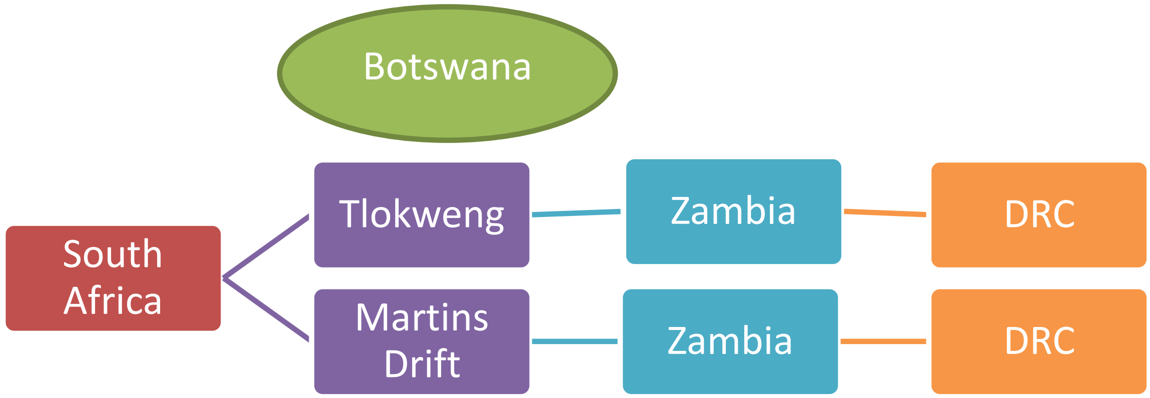

Table 2.4 identifies which type of RUC's are imposed on local and foreign operators in South Africa, Botswana, Zambia and the DRC. The areas highlighted in red indicate the RUC's that are not imposed upon domestic (local) operators.

Table 2.4: NSC - Route 1 via Botswana

	Via Tlokweng Border Post		Via Martins Drift Border Post	
		US$		
South Africa	Transport Permit	258	Transport Permit	258
	Permit application fee	74	Permit application fee	74
	Durban-Marianhill toll	6	Durban-Marianhill toll	6
	Marianhill-JHB toll	125	Marianhill-JHB toll	125
	JHB-Skilpadhek toll	49	JHB-Warmbaths toll	8
		512	Warmbaths-Nylstroom toll	8
				479
Botswana	***Kopfonteinhek/Tlokweng Border post***		***Groblersbrug/Martins Drift Border post***	
	TS-Transport permit SACU	98	TS-Transport permit SACU	98
	Permit application fee	11	Permit application fee	11
	Road safety tax T/Tractor exp 31 Dec	2	Road safety tax T/Tractor exp 31 Dec	2
	Road safety tax Trailer exp 31 Dec	2	Road safety tax Trailer exp 31 Dec	2
	MVA(Accident fund) valid for 3 mnths	6	MVA(Accident fund) valid for 3 mnths	6
		119		119
Zambia	***Kazungula border post***		***Kazungula border post***	
	Ferry Kazangula (US$70 x2)	140	Carriers licence p/a	113
	Carriers licence p/a	113	Yellow card over 7mnths truck tractor	67
	Yellow card over 7mnths truck tractor	67	Municipality fee (Council Levy)	20
	Municipality fee (Council Levy)	20	Carbon tax US$ 1 month	38
	Carbon tax US$ 1 month	38	Parking fee - Kasumbalesa	5
	Parking fee - Kasumbalesa	5	RUC	200
	RUC	200	Crossing fee- Kasumbalesa	250
		583		693
DRC	***Kasumbalesa border post***		***Kasumbalesa border post***	
	Entry per person (2weeks)	55	Entry per person (2weeks)	55
	Border crossing fee (Kasumbalesa)	200	Border crossing fee (Kasumbalesa)	200
	Parking fees (first 24 hrs free)	10	Parking fees (first 24 hrs free)	10
	Government tax	65	Government tax	65
	Carbon tax (each entry)	35	Carbon tax (each entry)	35
	Visa veh. Card entry	15	Visa veh. Card entry	15
	Insurance - trucks with 2 or more axles p/	465	Insurance - trucks with 2 or more axle	465
	Disinfection (Ministry of Health)	50	RUC	79
	RUC	79	Tourism yellow fever vaccination	35
	Tourism yellow fever vaccination	35	Photocopies	10
	Photocopies	10	No yellow card	8
		1019	Fumigation each entry	50
			Kasumbalesa to Kolwezi (return)	900
			Breakbulk cargo	20
				1947

Source: Table specifically compiled for study

In Botswana, national operators are exempted from all RUC's. Both Zambia and the DRC impose RUC's over and above those stipulated in the SADC PTCM. The following additional charges apply to foreign operators in Zambia:

- Municipality fee - $20;
- RUC ($10 per 100 kilometres travelled) - $200.

In the DRC, the following additional charges are imposed upon foreign operators:

- Entry per person (valid for 2 weeks) - $55;
- Government tax - $65;
- Visa card entry -$15;
- Tourism yellow fever vaccination $35.

Table 2.4 further reveal the following inconsistencies in RUC's.

- **Zambia**

If entry into Zambia is obtained via Tlokweng, a ferry Kazangula charge of $140 is levied, where else access via Martins Drift border post has a crossing fee Kasumbalesa of $250. Hence the ultimate charges are not the same as reflected in the total Zambia RUCs.

- **DRC**

Entry into the DRC via Tlokweng has a disinfection charge imposed by the Ministry of Health of $50, where else access via Martins Drift has the following additional charges:

- No yellow card - $8;
- Fumigation each entry - $50;
- Kasumbalesa to Kolwezi - $900;
- Breakbulk cargo $20.

The above charges amounts to $978, hence the huge discrepancies in the total amount of the RUC levied in the DRC. Further to the above, it is evident that excessive RUC's are imposed on foreign operators who enter the DRC. Entry through the Martins Drift border post cost foreign operators almost $1000 more than if they used the Tlokweng border post.

The comparison of the two different routes through Botswana is stipulated in table 2.5. From the figures displayed in this table it is clear that South African operators are paying more RUC's than counterparts.

Table 2.5: Total Charges for NSC Route 1

Country	Tlokweng Border Post ($)	Martins Drift Border Post ($)
South Africa	2233	3238
Botswana	2114	3119
Zambia	2013	3018
DRC	2063	3068

Source: Table specifically compiled for study

Table 2.5 reveals that there is a lot of disparities and inconsistencies in RUC's levied upon operators when traversing through South Africa, Botswana, Zambia and the DRC. South African cross-border operators are put in a discriminatory position since the same RUC's that are imposed upon foreign operators in South Africa are also levied on local (South African) operators.

2.5 Regional and National Transport Initiatives

2.5.1 Regional Initiatives

Currently, a number of transport initiatives are managed and supported by various role-players (e.g. SADC Secretariat, SACU MS governments and the private sector) in the SADC. Reform initiatives for the transport sector focus particularly on addressing hard and soft infrastructure transport constraints, to ease the manner in which MS's conduct business in the region.

Intra-regional transport is concentrated in corridors which generally follow well defined routes with road and rail infrastructure that is long established and in good condition. Since transport corridors are one of the main infrastructure focuses for the SADC, the transport corridor approach has guided the development of a SADC Infrastructure Development Master Plan (RIDMP) that identifies a number of infrastructure projects in six priority sectors. These sectors are: Energy, Transport, Tourism, Information and Communications Technology (ICT), Meteorology and Water.

Sub-section 2.5.1 outlines progress made towards implementing infrastructure projects in the transport sector.

a) SADC Regional Infrastructure Development Master Plan

The SADC RIDMP was adopted by the SADC heads of state and government in August 2012. This master plan is regarded as the infrastructure development blueprint of the region to "guide to development of seamless, cost-effective trans boundary infrastructure" in each of the six priority sectors.

According to anticipated project implementation dates, all 222 transport projects outlined in the RIDMP will be implemented in three five year intervals: 2012-17 representing the short term; 2017-22 representing the medium term; and 2022-27 representing the long term.

The majority of transport projects are road transport projects, of which 73 road transport projects are earmarked for implementation between 2012 and 2027. The majority of road transport projects are directed towards hard infrastructure improvements in the western and central parts of the SADC. For Angola alone, 18 projects are identified that focus on road rehabilitation/maintenance and bridge construction.

South Africa will only participate in the execution of one regional road transport project, which deals with the construction of a bridge between South Africa and Botswana. The limited number of hard infrastructure projects involving South Africa serves as proof that South Africa's road infrastructure is in a far better condition, compared to MS's.

- **Border Post Projects**

SADC border posts are characterised by various hard and soft infrastructure deficiencies which slow down traffic flows through land borders, with a resultant increase in trade and transport costs. Since SADC border posts obstruct, rather than stimulate traffic movements, the SADC has identified a number of border post projects along regional road transport corridors where trade flow interruptions and inefficiencies are most acutely experienced.

The SADC RIDMP identifies eighteen (18) border post projects, which all aim to transform prioritised border posts into One Stop Border Posts (OSBP). OSBP's entails joint controls and management of border crossing activities by agents of the adjoining countries, using shared facilities, systems and streamlined procedures.

Table 2.6 here-under outlines progress made to date on the establishment of OSBP's in the SADC.

Table 2.6: Progress on OSBP's in the SADC

Corridor	Border Crossing	Countries	Status
NSC	Chirundu	Zambia Zimbabwe	➢ MOU signed in 2008; ➢ OSBP infrastructure, processes and staffing in place; ➢ Physical facilities re-designed and constructed; ➢ OSBP law in place in both countries; ➢ Officially opened in December 2009 as a OSBP.
	Kazungula	Zambia Botswana	➢ Construction started in 2014 and is projected to last 4 years; ➢ Project includes design and construction of fixed road and rail bridge to replace

Corridor	Border Crossing	Countries	Status
			the ferry and construction of OSBP facilities on both sides; ➢ A project office has been established by Botswana/Zambia and is operational in Kasane, Botswana.
	Beitbridge	Zimbabwe South Afric	➢ Draft MOU developed; ➢ South Africa / Zimbabwe joint institutional structures to manage the Border Efficiency Management Project, established at operational, technical, senior officials and ministerial levels, but limited progress made; ➢ Action plan developed and adopted; ➢ Action plan still awaits implementation.
	Kasumbelesa	DRC Zambia	➢ Several diagnostic studies conducted but never fully implemented; ➢ No integrated OSBP in place; ➢ Zambia outsourcing of infrastructure provision and management reversed; ➢ Joint programme under agreed MoU and institutions needs to be developed to ensure a coordinated approach; ➢ This critical border post serves as a major bottleneck in the region.
	Martin's Drift / Grobler's Bridge	Botswana South Africa	➢ No joint plan for establishment of OSBP.
Trans Caprivi	Katima Mililo / Wenela	Namibia Zambia	➢ Feasibility study completed in 2007 funded by JICA; ➢ Implementation of OSBP conversion measures slow; ➢ No institutional arrangements in place; ➢ No funding support.
Trans Cunene	Oshikango Santa Clara	Namibia Angola	➢ Feasibility study completed in 2007, funded by JICA; ➢ Implementation pending funding and establishment of institutional structure and adoption of Action Plan.
Trans Kalahari	Trans Kalahari Mamuno	Namibia Botswana	➢ Feasibility study completed for Trans Kalahari Mamuno border crossing; ➢ Institutional arrangements are set up; ➢ Implementation plan developed; ➢ OSBP policy and legislation under development, including operating manuals.
Nacala	Mchinji / Mwami	Zambia	➢ OSBP are included in the Nacala corridor

Corridor	Border Crossing	Countries	Status
	Mandimba/ Chiponde	Malawi Mozambique Malawi	road studies project; ➢ Construction of OSBP is expected to commence in 2015.
Maputo	Ressano Garcia / Lebombo	Mozambique South Africa	➢ MoU signed in 2007; ➢ Draft legal documents ready and pending review and adoption.
Dar-es-Salaam	Tunduma / Nakonde	Tanzania Zambia	➢ Zambia and Tanzania established committees; ➢ MoU signed, institutional framework and a joint work plan are in place; ➢ Zambia is construction new facilities on its side.
	Songwe / Kasumulo	Tanzania Malawi	➢ Feasibility studies planned; ➢ Currently work is undertaken to establish ICT connectivity between the two customs agencies.

Source: SADC. 2015

From the information displayed in table 2.6 it is evident that OSBP projects are in various stages of development. Chirundu is already operating as a OSBP, whereas much progress has been made towards transforming the Lebombo/Ressano Garcia border crossing into a OSBP. To date, the governments from South Africa and Mozambique have signed the OSBP agreement, which stipulates that all cargo utilising the Lebombo/Ressano Garcia border post will be cleared at KM4 in future.

Since stakeholders from both countries will be operating from KM4, they are currently undergoing training to facilitate the speedy clearance of freight at this location. One up-coming training event is the presentation of the new road cargo manifest procedure by Mozambique customs, which intend to improve clearing times and reduce delays at KM4. This meeting is scheduled to take place under the auspices of the Maputo Corridor Logistics Initiative (MCLI) on 9 September 2015 in Nelspruit

The C-BRTA stays up to speed with border-related developments through participating in national and regional meetings/platforms (BCOCC discussions). Various stakeholders participate in BCOCC meetings which serve as platform for discussing border post constraints, proposing reforms and tracking progress on border post developments. The C-BRTA also participates in the Beitbridge Efficiency Management System Committee, which is a sub-committee of the BCOCC. This committee proposes that the integration of systems should precede the integration of infrastructure and services as a platform for the exchange of ideas amongst public sector stakeholders.

The South African cabinet has recently approved the establishment of a Border Management Agency (BMA) to among other things; integrate the functions of all government departments and agencies that operate at border posts. The actual aim of this body is to consolidate the management of border security and control into a single agency that will have the overall mandate of overseeing the border environment.

The process is well underway, with a multi-party agreement currently being signed by the Director's General involved in the border environment. Also underway is the development of a Border Management Agency Bill, to be submitted to Parliament in September 2015. This development intends to reduce congestion at inland borders through streamlining processes and eliminating the duplication of processes at border posts.

- **Progress made towards implementing RIDMP Projects**

Since the adoption of the RIDMP, showcasing of infrastructure projects has been vigorously pursued in various regional and international platforms. Recent showcasing events include the Africa Infrastructure Investment Conference held in March 2015, and the Japan Infrastructure Investment Conference held in May 2015.

The concerted efforts to market investment opportunities presented by the RIDMP are beginning to pay off. The RIDMP has taken off ground after the 34th SADC Heads of State and Government Summit, held in August 2014 at the Victoria Falls in Zimbabwe. During this meeting, the SADC approved US$997 million towards moving ahead with the implementation of various transport projects in the sub-sectors of road, rail, ports, inland waterways and air transport networks. The SADC Council of Ministers that preceded the Summit approved the list of potential regional infrastructure investment projects to be considered for funding under the 2015/16 action plan. (Tralac. 28 August 2014).

Although finances have already been committed towards a number of road and border post projects, additional funds are required to ensure that all transport projects are implemented within pre-set time frames. MS's do not possess the technical or financial means to implement projects at MS level. In order to assist member states in obtaining funds for project execution, SADC has launched the PPDF in November 2013 and has begun accepting projects for preparation. To date the PPDF has received funding from the EU and the SADC Secretariat is engaging other partners to attract more contributions so as to accelerate project preparation.

b) Adopting a Corridor Approach towards Regional Infrastructure Development: North South Corridor Approach

As noted earlier, the SADC corridor approach has guided the development of the RIDMP. Before the release of this master plan, the Regional Economic Communities (RECs) that comprise the so-called "Tripartite" launched a pilot transport corridor programme, titled the "North-South Corridor Aid-for-Trade Programme".

The Tripartite includes the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Community (SADC). Together these RECs are working towards deepening regional economic integration through a number of initiatives, including the "North South Corridor (NSC) Aid-for-Trade Programme", which aims to improve the reliability of transport corridors through addressing hard and soft infrastructure impediments, operational inefficiencies, and institutional and funding constraints.

The NSC Aid-for-Trade road network includes the NSC, Dar es Salaam Corridor and segments of the Trans-Kalahari and Nacala corridors. This road network, which runs through 8 countries, is 10, 647 kilometre long. (North South Corridor Project. Accessed electronically at https://en.wikipedia.org/wiki/North%E2%80%93South_Corridor_Project).

The NSC Aid-for-Trade programme is unique insofar as it presents a *regional approach* to the development and rehabilitation of surface transport infrastructure along transport corridors. It therefore promotes a *holistic approach* to transport infrastructure planning and maintenance across national boundaries. Because regional transport corridors traverse through various MS's it becomes apparent that project success depends on the willingness of MS's to cooperate during all phases of the project to ensure trans-boundary projects are implemented within specified time frames.

South Africa has been charged with championing the NSC Aid-for-Trade programme, as part of the Presidential Infrastructure Championing Initiative. This programme connects South Africa with the landlocked countries of Botswana, DRC, Malawi, Zambia and Zimbabwe. While these countries are glaringly different, they share similar core issues around underdeveloped infrastructure. For landlocked countries in particular this initiative is essential to expanding their economic potential. For a country like South Africa on the other hand, this programme offers revenue generating potential, inter alia, through expansion of the port of Durban.

The COMESA-EAC-SADC Tripartite has established a *Project Preparation and Implementation Unit* (PPIU) to coordinate, manage and monitor tripartite infrastructure projects in the Southern and Eastern African region. The PPIU will prepare infrastructure projects to a bankable stage once these projects have been identified by the Tripartite. The total financing required to prepare all priority NSC projects currently in the PPIU pipeline amounts to approximately $20.3 million. However, the total financing required to implement all projects along the North-South corridor amounts to approximately $3.5 billion. (Transport World Africa. 2014:28-29).

The United Kingdom (UK) Department of International Development (DFID) has been supporting the Tripartite in its efforts to plan, implement and finance the NSC Aid-for-Trade-programme, mainly through one of its regional integration programmes – TMSA. DFID has terminated its financial contribution to TMSA in 2014, which resulted in the official closing of TMSA in March 2014.

In light of the above development, South Africa as the project champion of the NSC Aid-for-Trade programme should take the lead in establishing sound working relationships with relevant stakeholders - including RECs, MS governments, private sector and project donors - to ensure that momentum is not lost on the delivery of NSC Aid-for-Trade Programme.

c) Rail Initiatives in the Region

SADC has an extensive railway network which complements the regional road network in moving freight commodities between different locations. Unfortunately the railway network faces a number of gaps that need to be addressed before the rail sector will be able to compete more effectively with road competition and African development requirements. Gaps include, but are not limited to:

- Poor rail reliability;
- Ineffective rail tracking systems;
- High accident and failure rates;
- Inadequate customer communications, due to poorly coordinated cross-border matters;
- Low rail volumes compared to road transport;
- High rail operating costs.

The above impediments can be attributed to insufficient funds allocated to maintaining rail track and rolling stock over the years which created a situation whereby the rail transport sector, in its present state and condition, is not operationally sustainable. Angola and the DRC have the worst rail network conditions.

Railway development along the Maputo Development Corridor (MDC) on the other hand has attracted significant investment over the years following the decision by the Ministers of Transport of Mozambique and South Africa in 1995 to re-establish the railway link between Gauteng in South Africa and the port of Maputo in Mozambique. Since then the MDC has developed into a major trade route and continues to grow at a rapid pace. This on-going development has made the corridor very attractive to stakeholders and investors. Maputo port and Matola are also served by cross-border rail services to and from Swaziland via the Lomahasha/Namaacha border post, and Zimbabwe, by Swazi Rail.

In recent years the MDC has emerged as a highly successful Spatial Development Initiative (SDI). The existence of an efficient multi-modal transport system along this corridor enables the seamless movement of traffic (people and goods) between South Africa, Swaziland and Mozambique.

Following the success of the MDC, MS's has come to appreciate that the development of *cross-border rail corridors,* which link SADC MS's, is the most effective way to take pressure off the road transport sector and to stimulate sustainable economic growth and development within the region. Government and institutional support for a grand regional railway sector revival has increased in recent years. Currently, a number of cross-border rail corridor projects are unfolding within SADC. Of particular importance area the following projects:

- **North-South Corridor Railway Project**

The NSC railway project seeks to establish collaboration between rail authorities from five SADC countries (South Africa, Zambia, Zimbabwe, DRC and Swaziland) as a means to unlock the rail network for the SADC region. This project focuses on infrastructure upgrades within the mentioned countries to accommodate increasing volumes of mining commodities (originating from Zambia and the DRC) along the NSC to the port of Durban.

- **Trans Kalahari Railway Project**

In 2014, a bilateral agreement was signed between the governments of Botswana and Namibia to construct a 1 500 kilometre railway line that will be used for the transportation of coal from Botswana to the port of Walvis Bay in Namibia.

A feasibility study, completed in March 2015, concludes that the success of the Trans Kalahari railway project depends on the coal price which will ultimately determine the demand (and volumes) of coal transported along this railway line. Namibia's High Commissioner to Botswana, Mbapeua Muvangua, recently indicated that the Botswana government has given the go-ahead for the construction of the Trans-Kalahari railway line, which will be developed through a public-private partnership.

- **Chingola-Jimbe Railway Project**

The outcome of a feasibility study, concluded in 2014 has laid the foundation for the construction of the Chingola—Jimbe railway line. NorthWest Rail Company Limited (NWR) has been awarded the exclusive rights to build, operate and maintain a new railway from Chingola in the heart of the old Zambian Copperbelt to Jimbe, a town on the Angolan border. From this point the railway will connect with a branch line from Luacano on the recently re-opened Benguela Railway. Predictions indicate that the new railway line will significantly improve freight transport movements between Zambia and Angola, upon completion.

d) Port Developments in the Region

The ports of Southern Africa play an important role in the economies of MS's. At present a number of port initiatives/developments are taking place within the SADC region. The following initiatives are note-worthy:

- **Development of the SADC Gateway Terminal**

The port of Walvis Bay in Namibia is a deep-water harbour offering larger ships access to docking facilities. This port is ideally positioned as the preferred route to emerging markets in Botswana, Zambia, Zimbabwe, Angola, Malawi and the DRC.

The SADC gateway terminal project seeks to extend the port of Walvis Bay to accommodate the building of a new container terminal between Walvis Bay and Swakopmund. Upon completion, the SADC Gateway Terminal will cover a total for 1,330 hectares of port land with 10 000 meters of quay walls and jetties providing at least 30 large berths. The new port will feature world class ship and rig repair yards, oil and gas supply base, an undercover dry bulk terminal, a car import terminal and a passenger terminal. (Massive SADC Gateway port for Namibia. Assessed electronically at http://mpoverello.com/2014/01/17/massive-sadc-gateway-port-for-namibia/).

The SADC Gateway terminal project is still in the concept phase. Although this development was considered as a long-term plan for the port of Walvis Bay's expansion, plans have been brought forward mainly due to the construction of the Trans-Kalahari railway project that will export coal from Botswana to the port of Walvis Bay.

To date pre-feasibility studies have been concluded and geo-technical evaluations have commenced to determine the structure of the ground in the area to be dug out. Engagements with the Municipality of Walvis Bay have also commenced to acquire land for construction.

The infrastructural upgrades and expansion occurring at the port of Walvis Bay are being supplemented with the maintenance and development of four transport corridors that link the Namibian ports of Walvis Bay and Lüderitz to strategic points throughout Southern Africa by road and rail. These corridors, collectively referred to as the Walvis Bay Corridor Group (WBCG), have the potential to provide the shortest possible route for SADC to markets in Europe and the Americas.

- **Infrastructure Improvements at the Port of Lobito**

The President of Angola, his Excellency Mr. Jose-Eduardo dos Santos has inaugurated a new mining and container terminal and a dry port at the port of Lobito in August 2014. This development represents an impulse for economic development of the central and southern regions of Angola; while also creating opportunities for landlocked MS's to access the port of Lobito through the Benguela railway line. In recent months infrastructure improvements at the Lobito port have enabled the shipment (exportation) of higher volumes of mineral commodities, which originate from the mines in Katanga and the DRC.

In addition to infrastructure improvements at the port, improvements to the national railway network of Angola are also foreseen in the near future. Once rail infrastructure improvements have been executed, the national railway line will unify three lines, linking the Luanda-Malanje, Lobito-Luau, and also create three essential lines, titled: the North/South and the coastline, North/South and the Centre, and North/South and the East. The prospect of extending the Angolan rail network to the regions neighbouring the DRC, Zambia and Namibia will establish linkages with established points of high population density.

- **Infrastructure Improvements at the Port of Maputo**

Substantial investments at the port of Maputo over a number of years gave rise to port expansions (e.g. establishment of a vehicle terminal) and improvements (restoration of water depth at the quays). Furthermore, infrastructure improvements enabled Maputo port to accommodate much larger vessels, thereby becoming a major competitor to the port of Durban.

During financial year (FY) 2014, approximately 17.3 million tons of cargo was handled at Maputo port. The installation of capacity to handle ferro-chrome is expected to boost cargo volumes even further in future. (Mozambique: Maputo Port hits new record. Accessed electronically at http://allafrica.com/stories/201412120077.html).

- **Infrastructure Improvements at the Port of Durban**

The port of Durban is South Africa's premier multi-cargo port and is counted among the busiest ports in Africa, handling over 80 million tons of cargo per annum. This port is acknowledged as the international commercial gateway to South Africa and is strategically positioned on the world's major shipping routes. Given the fact that approximately 60% of all imports and exports pass through the port of Durban, this port assumes a leading role in facilitating economic growth in South Africa.

In recent years, shipping companies have criticised severe congestion at Durban port as a major impediment which obstruct the movement of goods within the harbour and pushes up costs. Access to Durban's container terminal is particularly problematic and trucks often have to queue for hours before being able to access the container terminal.

In light of the above constraints, Transnet has made significant investments over the past number of years to address infrastructure and operational constraints at this port. During the early months of 2015, Transnet National Ports Authority (TNPA) has committed to spending R17-billion on infrastructure upgrades at the Port of Durban by 2023. Furthermore, Transnet Port Terminals will invest a further R7, 4 billion over the same period. (TNPA continues R17bn infrastructure spend at Durban port. Accessed electronically at http://www.engineeringnews.co.za/print-version/tnpa-continues-r17bn-infrastructure-spend-at-durban-port-2015-02-27).

A new project, titled "Durban port upgrade and expansion project" seeks to enlarge the port, inter alia, through developing a fifth berth at Bayhead; as well as to increase the handling capacity of the Durban Container Terminal (DCT), which is the biggest and busiest container terminal in the Southern hemisphere. The expectation is that infrastructure improvements at the port of Durban will enable the port to accept larger ships. Furthermore, it will eliminate bottlenecks that have constrained the efficient functioning of Durban port in the past.

2.5.2 National Initiatives

a) The National Development Plan

The National Development Plan (NDP), a key stone shaping South Africa's development trajectory towards 2030 identifies the need for the right economic infrastructure as a vital input to the attainment of the socio-economic development aspirations of the country. Transport is one of the economic infrastructures that serve as input to the delivery of the NDP.

The NDP asserts the role of transport as a facilitator for regional trade, economic development and RI. In this regard, there is rising acknowledgement of the role that cross-border road transport plays towards the attainment of the said NDP objectives. As such, regulatory entities, particularly the C-BRTA, are required to improve the performance of the cross-border industry in order to enhance the attainment of the NDP objectives.

With an efficient cross-border industry, it is envisaged that South Africa will be able to tap into regional markets effectively, thereby realising sustainable economic growth and development and improved RI. Since the NDP attaches high priority to the role of the cross-border road transport industry, the C-BRTA must find lasting solutions to challenges in the industry and implement fit-for-purpose interventions (e.g. efficient regulatory programmes) to ensure that cross-border road transport services are provided in a cost-effective, safe, seamless and productive manner.

b) Review of the White Paper on National Transport Policy of 1996

The White Paper on Transport Policy of 1996 is the bedrock upon which the transport sector is shaped in regard to regulatory and institutional frameworks. The White Paper is currently undergoing review with the aim to align this policy document to new developments that reflect the changing needs of the country.

The review process centres around creating an environment that would enable the transport sector to:

- Operate efficiently, cost-effectively, reliably, dependably, safely, accessibly and productivity at domestic level. To this end the review of the White Paper must set the scene for the resolution of challenges centred on the inefficiency of the road transport legislative and regulatory frameworks, funding models for entities such as the C-BRTA and the funding of major initiatives aimed at improving the performance of the South African transport sector and economy;
- To integrate the domestic (South African) transport system with the regional transport system to enhance the attainment of key domestic policy objectives and those articulated in regional legal instruments (e.g. SADC PTCM, SACU MoU and bilateral road transport agreements).

The review of the White Paper provides a perfect opportunity for South Africa to overcome the challenges facing the transport sector. The C-BRTA engages in the review process and will continue to do so to advance the views raised in the White Paper and to find solutions to the challenges that undermine the performance of the transport sector.

c) Review of the National Freight Logistics Strategy, 2005

The National Freight Logistics Strategy (NFLS) of 2005 is undergoing review. It is of utmost importance that the review process addresses the weaknesses of the current strategy, notably inefficiencies in the regulatory and legislative frameworks to ensure the domestic freight and logistics system integrate seamlessly to the regional, continental and global systems. In this regard, it is imperative that the review process be underpinned by the need to:

- Enhance regulatory and legislative efficiency;
- Align the NFLS to new policy directives and objectives;
- Find sustainable funding models for institutions to enhance their operational capability;
- View the domestic freight and logistics industry as a component of the regional and international freight and logistics value chains;
- Address corridor challenges retarding productivity and efficiency and not just inefficiencies at border posts;
- Ensure commercial domestic road transport has mechanisms to monitor quality and regulatory compliance in the face of deregulation;
- Embrace Operator Compliance Accreditation Schemes (OCAS) in the freight industry in order to advance self-regulation;
- Enhance innovation in regard to vehicle performance dynamics, standards, size and capacity to enhance productivity;
- Set institutional structures in the road freight transport sector that will enhance industry efficiency, cost-effectiveness and productivity; and
- Take an overhaul approach in regard to the deployment of efficient corridor and border management systems.

The national freight and logistics industry is a component of regional, continental and global freight and logistics value chains, which enable end-users to access continental and global markets. For this reason, the NFLS review process is centred on a systems approach that acknowledges that the domestic freight and logistics value chain(s) is a component of a bigger system, to ensure that it:

- Enhances the integration of the domestic system to the regional freight and logistics systems;
- Act on the objectives of cross-border road transport bilateral and multi-lateral agreements;
- Responds to the vision and objectives of the NDP and White Paper on Transport Policy of 1996 that is currently under review;
- Reacts to the needs of the country at domestic level, while also fulfilling the regional targets of the country, particularly on the role of cross-border road transport in enhancing regional trade and economic development;
- Achieves high levels of productivity and minimise the cost of doing business through implementing fit-for-purpose regulatory systems that will address regulatory inefficiencies; and introducing efficient corridor management systems that will reduce delays along local and regional logistics value chains.

d) Development of a Roads Policy

The DoT is in the process of developing a roads policy that will shape the development of the road transport sector of South Africa through addressing address hard and soft infrastructure impediments that undermine the optimal performance of the road sector. The C-BRTA is a member of the Steering Committee, which guides the development of the roads policy.

It is important that the development of the roads policy be informed by the need to:

- Enhance the regulatory and legislative frameworks of the road transport sector;
- Create a conducive environment for regulatory authorities to discharge their respective roles;
- Capacitate regulatory authorities in regard to operational funding.

e) The National Transport Forum

The C-BRTA is a member of the National Transport Forum. This body is composed of key regulatory role-players across all three spheres of government. Through engaging in this platform, the forum shall continue to contribute towards shaping the country's transport sector. During platform discussions, the C-BRTA emphasises the strategic role of the transport sector in achieving the objectives of the NDP from a domestic and regional perspective.

f) SARS Customs Modernisation Programme

The South African Revenue Services (SARS) customs modernisation programme was officially launched in South Africa in 2009 to streamline customs clearance processes. This programme entails the electronic processing of customs declarations, coupled with automated risk assessments to differentiate between low-risk and high-risk trade. Essentially, these changes aim to facilitate trade by speeding up the movement of trucks through land borders, replacing stamps and paper with electronic processing and using resources more effectively by centralising declaration processing.

The implementation of the SARS Customs Modernisation Programme has brought about greater efficiency to customs clearing processes on the South African side of the border. This programme therefore supports improved cross-border road transport movements.

g) Border Management Agency

In 2013, Cabinet designated the Department of Home Affairs (DHA) as the lead department in establishing an integrated Border Management Agency (BMA) for the country. The rationale for this body is to provide a sustainable solution to the structural and systemic challenges of border security, control and coordination, through offering a new model of integration of the current disparate functions, roles and responsibilities in the border environment.

An international study tour was undertaken to the People's Republic of China (PRC) and Russia in October 2014 with the primary focus of assessing international best practice approaches to effective and efficient integrated border management in these countries. The study tour was critical in guiding the most appropriate model for South Africa, based on lessons learnt from the named countries.

The PRC experiences similar challenges than South Africa in relation to border management. Currently the model used is that of cooperation and coordination. However the PRC is moving towards the establishment of a single border management agency concept through the execution of a phased approach methodology, as noted in a reduction in the number of border management departments 14 in 1998 to 4 in 2015. Furthermore, the PRC has a dedicated Ministry that assumes responsibility for the establishment of port of entries (POE's), as well as demarcating and delineating borders. Given the similarities between the PRC and South Africa, South Africa should consider the need for a dedicated entity to continuously review and maintain the South African border line.

Russia maintains good bilateral and multilateral relations with its neighbours who assist Russia with border management. Currently, border management functions are executed by key agencies that collaborate with relevant departments on an ad-hoc basis. The streamlining of border management functions have resulted in improved service delivery and a reduction in duplications at border crossings. Cooperation between border stakeholders is noted in joint inspections at prioritised border crossing points.

South Africa can draw valuable lessons from the PRC and Russia. As far as the PRC is concerned, the creation of a single border management agency will go a far way towards streamlining process flows and eliminating the duplication of process at South African POE's. Upon establishment, this agency can also assume responsibility for continuously reviewing South Africa's borderline. Increased cooperation between border stakeholders (e.g. joint inspections at border posts) on the other hand, is a lesson learned from Russia that will go a far way towards improving border post efficiency, through deducing time spent at South African POE's.

h) Beitbridge Tolling

The C-BRTA has been tasked to develop a business proposal for the collection of user access fees at the new Limpopo Bridge in Musina. Since the collection of user access fees does not form part of the Agency's mandate, the C-BRTA entered into discussions with SANRAL to enter into a cooperative agreement, which allows the C-BRTA to collect fees on SANRAL's behalf.

Through discussions with SANRAL, an agreement was reached that the SANRAL weighbridge (located approximately 2 kilometres from the Beitbridge border post) should be used as the collection point. Although discussions with SANRAL are on-going, the Beitbridge tolling initiative has stalled due to the challenges experienced with finalising and signing an agreement between South Africa and Zimbabwe. Currently Zimbabwean counterparts are delaying the finalisation of this agreement, thereby denying South Africa the right to earn revenue by levying user access fees on foreign vehicles entering South Africa.

i) C-BRTA and other Road Transport Regulatory Authorities Mandate Review

The C-BRTA welcomes the decision taken by the DOT to review the mandate of road transport regulatory authorities. The C-BRTA anticipates that the mandate review will:

- Address legislative harmony, while also eliminating duplications and overlaps in the mandate of road transport regulatory entities;
- Address funding challenges faced by the C-BRTA;

- Build strong capability for the C-BRTA to enhance value add, efficiency, productivity, sustainability and cost effectiveness in the cross-border road transport industry;
- Capacitate the C-BRTA to deal with emerging issues in the COMESA, EAC, SADC tripartite region, as well as new challenges in the industry;
- Capacitate the C-BRTA to respond to imperatives articulated in the NDP as they pertain to the need for an efficient cross-border road transport system that is capable of supporting the growth of the South African economy through enhancing intra-Africa trade and regional integration;
- Capacitate the Agency to respond to the objectives of both domestic and regional transport policies, bilateral road transport agreements and MoU's, as well as international conventions ratified by the country; and
- Enable the Agency to deploy effective and fit-for-purpose regulatory programmes.

The C-BRTA anticipates that the mandate review will be executed with a full understanding of the regional and international commitments South Africa has in respect of cross-border transport. In order to play its rightful role in the cross-border industry, the C-BRTA needs to be capacitated to deal with operational matters in the regional road transport environment, given the fact that by its very nature, cross-border operations are extra-territorial and trans-boundary.

j) Single Transport Economic Regulator

The South African transport sector is characterised by a fragmented approach to economic regulation. Each transport regulator has its own regulatory mechanism, which determines market access, operating requirements and rules and regulations that must be adhered to by transport users.

In order to address the above-mentioned regulatory constraints, the DOT has recently announced its plans to establish a single transport economic regulator (STER) that will act as a juristic person to consolidate the economic regulation of transport services in South Africa. The central mandate of the STER will be to achieve economic efficiency within the transport sector through improving economic outcomes in terms of the quality, volume and output price of transport services. The narrow definition of economic regulation typically provides the regulator with some combination of the following powers:

- The ability to intervene in prices, which may take a number of forms, from single price monitoring to actual price setting;
- Quality monitoring, to prevent price regulated firms from increasing their margins by decreasing the quality of the product provided;
- Some control over the ability of firms to enter and exit the market, for example via licensing powers;
- The ability to intervene in investment planning, as many of the industries which require economic regulation are characterised by high fixed costs

Progress towards establishing a STER is noted in the establishment of a STER project steering committee and the circulation of the Economic Circulation of Transport Bill, 2014 for comment.

2.6 Conclusion

Cross-border road transport plays an important role in facilitating the movement of traffic between MS's in the SADC region. Currently, trade flows among African countries is measured at a mere 10 per cent, which reveals that the majority of African exports are destined for overseas markets.

Currently, the existence of various hard and soft infrastructure impediments along regional road transport corridors inhibit the seamless movement of freight and passengers between MS's, and result in high operational costs for cross-border road transport operators. Transport challenges range from lack of intermodal integration, insufficient and poorly maintained infrastructure, which culminates in poor regional connectivity and excessive delays experienced at border posts due to soft infrastructure constraints.

In order to address inefficiencies within the transportation sector, a number of initiatives have been identified at local and regional level. In South Africa a review of the White Paper on National Transport Policy and NFLS are currently conducted to address weaknesses of both documents and to align them to developments in the local and regional transport environments.

The mandate review of road transport regulators seeks to eliminate duplications and overlaps in the mandate of regulatory bodies, while also addressing funding constraints experienced by them.

In the SADC, a number of transport projects are currently being executed, which are in various stages of completion. All projects aim to develop and integrate transport infrastructure/networks along strategic development corridors in line with the SADC corridor approach. Although some progress has been made in respect of corridor development (e.g. strategic corridors have been defined), ultimate success depends on the political will of MS's to cooperate on matters of mutual concern and to secure sufficient funding to execute prioritised transport projects.

3. REGIONAL INTEGRATION

3.1 Background / Importance of Regional Integration

RI has been a longstanding goal of the African continent. Currently Africa accounts for less than 3 per cent of world trade, whereas the level of intra-Africa trade also remains low compared to other developing regions. Africa has the highest export concentration of any continent, reflecting continued reliance on primary commodity exports to primarily the European Union (EU), United States of America (USA) and China. (Pearson, M. 2011: 1).

The 15 countries that make up SADC present a formidable market. The region is home to 16.7 per cent of Africa's population and is responsible for over 40 per cent of Africa's gross domestic product (GDP), valued at nearly US$430 billion. (African Development Bank Group. 2011: 5). As a region well-endowed in a variety of natural resources, it presents numerous prospects for energy generation, agro-processing and many value added productive activities. SADC as a whole therefore constitutes an enormous opportunity for growth and poverty reduction. Yet, this region accounted for less than 1 per cent of global trade in 2008.

In light of the continent's unsatisfactory economic performance, African countries are increasingly realising the relevance of RI to boost economic growth and development. Yet the persistent hard and soft constraints on effective integration, notably multiple and concurrent memberships of different REC's and the existence of a poorly developed network of regional infrastructure, especially in transport cannot be ignored.

Multiple and concurrent memberships of numerous RECs present a daunting challenge to economic RI within the SADC. There are several complexities and implications associated with multiple and concurrent memberships, notably that of overlapping. South Africa, Namibia, Botswana, Lesotho and Swaziland are members of both the SACU and the SADC. Of the 15 SADC MS's, 9 countries also belong to COMESA. Differences in approaches to integration add to confusion and inconsistencies. The fact that SACU is already a Customs Union (CU) and SADC wants to achieve the same status raises questions of legality since according to World Trade Organisation (WTO) rules, a MS can only belong to one CU at a time (Saurombe, A. 2009: 102).

Although a number of infrastructural projects have been undertaken under the auspices of the SADC to rehabilitate roads, rail and harbours as a way of improving the seamless flow of traffic across the region, a number of transport challenges still prevail. These constraints, which range from disjointed planning and policy setting at regional level to inefficient transport regulation, lack of intermodal integration and inadequate and poorly maintained transport infrastructure, culminates in poor regional connectivity and impede the SADC integration efforts. (Engineering News. September 2014).

Furthermore transport inefficiencies increase the cost of doing business in Africa and discourage MS's from trading with each other, despite the inherent advantages (e.g. economies of scale) that can be obtained if African countries increase their trade relationships with each other. More information on intra-Africa trade patterns are presented in the next section.

3.2 Intra-Africa Trade

An assessment of intra-Africa trade patterns, reveals that trade flows in Africa have been generally low compared with the continent's inter-continental trading partners. More than 80 per cent of Africa's exports are still destined for external markets, with the EU and the United States accounting for more than 50 per cent of total exports. Simultaneously, Africa imports more than 90 per cent of her goods from outside the continent, despite the fact that the continent possesses the resource endowments to supply in her own needs.

Although intra-regional trade flows in Africa have been generally low compared with other regions, intra-REC exports and imports have been growing in *value* across African RECs in recent years.

Table 3.1: Intra-REC exports, 2000-2009 (US$ millions)

RECs	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average 2000-09
COMESA	1442.8	1626.3	1739.1	2004.2	2293.2	2694.6	2917.7	4021.2	6676.1	6114.2	3152.9
EAC	689.4	753.3	804.4	878.5	1006.3	1075.3	1061.5	1385.2	1797	1572.2	1102.3
ECCAS	181.6	193.4	186.4	183.2	218.9	254.6	312.8	385.4	449.2	378.3	274.4
ECOWAS	2714.9	2241.9	3135.9	3037.2	4366.1	5497.5	5901.6	6716.7	9355.2	7312.0	5027.9
SADC	4460.7	4047.7	4597.1	5649.5	6636.2	7769.6	8598.2	11873.7	15895.6	11599.4	8112.8

Source: Hartzenberg, T. 2011.

From the statistics displayed in table 3.1, it is evident that SADC obtained the highest average export growth of the five African REC's, reflecting an increase of 38% from approximately US$ 4,460 000 000 in 2000 to US$11,599 000 000 in 2009. The Economic Community of West African States (ECOWAS) reflected the second highest export average, followed by COMESA in the third place.

In 2009, intra-REC exports accounted for 10, 8 per cent of total exports in SADC, 9, 9 per cent in ECOWAS, and 7, 1 per cent in COMESA. This clearly illustrates that African REC's export more goods to global markets, than to African countries.

Within SADC, ECOWAS and COMESA, one or a few countries dominated exports. In SADC, 62 per cent of exports came from South Africa. In ECOWAS, 77 per cent of exports came from Nigeria and Cote d'Ivoire; whereas in COMESA, 67 per cent of exports originated from Kenya, Egypt, Urganda and Zambia. (Hartzenberg, T. 2011: 11).

The value of intra-REC imports have also increased between 2000 and 2009, as evident from the statistics displayed in Table 3.2.

Table 3.2: Intra-REC Imports, 2000-2009 (US$ millions)

RECs	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average 2000-09
COMESA	1394.6	1674.4	1871.4	2203.2	2424.3	3998.1	4461.8	4644.5	7756.9	6890.7	3732.0
EAC	512.3	489.9	551.8	786.9	895.7	1170.4	1160.7	1515.2	1969.4	1723	1077.5
ECCAS	207.3	218.5	186.3	213.5	242.1	281.6	346.0	426.2	496.8	418.4	303.7
ECOWAS	2473.6	2695.6	2477.9	3293.1	4718.7	5835.0	6391.8	7281.0	10142.0	7950.3	5325.9
SADC	4026.3	4061.5	4415.0	4831.4	6973.9	7743.1	9654.9	12447.2	16687.0	12089.9	8293.0

Source: Hartzenberg, T. 2011.

Import growth revealed the same growth trend than export growth, with SADC obtaining the highest average import growth for the period under review. Between 2000 and 2009, SADC reflected an import growth of around 200%, while ECOWAS and COMESA recorded increases of 221 and 394 per cent respectively. In 2009, intra-REC imports accounted for 10 per cent of SADC's total imports, 8,1 per cent for ECOWAS and 5,8 per cent for COMESA, This trend clearly illustrates that African countries increasingly rely on overseas countries to supply commodities/goods that will satisfy their needs.

A significant portion of imports of SADC, ECOWAS and COMESA were going to a few individual countries. In SADC, 66% per cent of imports were destined for South Africa, Zambia, Zimbabwe and Mozambique. In ECOWAS, 58 per cent of imports were directed to Cote d'Ivoire, Ghana and Nigeria, whereas 47 per cent of COMESA imports were going to Sudan, the DRC, Uganda and Egypt. (Hartzenberg, T. 2011: 12).

3.2.1 SADC's Performance against other African REC's

In a globalised context, a country's trade performance, export sophistication and diversification are critical indicators of its competitiveness and therefore drivers of economic performance. An assessment of the various REC's in Africa reveals that SADC includes three of the top five most competitive countries in sub-Saharan Africa (South Africa, Botswana and Mauritius) making it the best performing REC overall.

A comparison of intra-REC exports and imports (tables 3.1 and 3.2) reveals that intra-REC exports and imports account for a mere 10 per cent of SADC's total exports and imports. This figure clearly indicates that the majority of imports and exports are obtained from, and destined for other continents. It also outlines an opportunity for reversing this trend.

Transport is an important driver of economic growth and development. In order to stimulate sustainable economic growth and development in the SADC, the impediments facing the transport sector should be addressed to encourage African countries to trade with each other. Section 3.3 provides a synopsis of hard and soft infrastructure challenges which undermine the optimal performance of the road transport sector and weaken the integration of road transport infrastructure in the region.

3.3 Status of Road Transport Integration in SADC

3.3.1 Road Freight Transport

The SADC PTCM sets out guidelines on how MS's can expand and deepen their co-operation in the transport infrastructure and services field to move towards the development of integrated regional transport infrastructure and operations that will yield benefits such as increased economies of scale and lower transport costs to cross-border road transport operators. The PTCM covers the entire transport sector in each MS and the SADC region.

The overarching aim of the PTCM is to promote economically-viable integrated transport service provision to support the development of major regional development corridors and to facilitate travel between countries. Evidence on the ground reveals that the SADC goal of establishing integrated regional transport infrastructure and operations has not yet been accomplished in the road transport sector. This is mainly due to the existence of various hard and soft infrastructure constraints that impede the seamless flow of traffic along regional road transport corridors.

Table 3.3 provides a synopsis of the current state of road freight integration, measured against various hard and soft infrastructure elements.

Table 3.3: Status of Road Freight Integration in the SADC

Type of Infrastructure	Area of Integration	Background and Progress made to Date
Hard Infrastructure	*Regional Road Network*	➢ Seventeen major road transport corridors traverse the SADC. A number of corridors are characterised by missing links and deteriorating feeder roads, which inhibit the seamless flow of traffic within the region. ➢ In line with the SADC Corridor Approach, the RIDMP prioritises 73 road transport projects which aim to address infrastructure inefficiencies along strategic road transport corridors. The majority of projects focus on road construction and rehabilitation, mostly in the western and central parts of the SADC. ➢ Details on the current status of prioritised road transport projects are not readily available. An assessment of road transport project sheets in March 2014 revealed that most projects were in the planning/conceptual phases at that time.
	Border Posts	➢ Currently lengthy delays are experienced at inland borders. Hold-ups at border posts result in the slow average movement of freight along strategic road transport corridors. ➢ The SADC RIDMP identifies 18 border post projects, which all aim to transform prioritised land borders into OSBP's. ➢ Currently, OSBP projects are in various stages of development. Chirundu is already operating as a OSBP, whereas much progress has been made in transforming the Lebombo/Ressano Garcia border post into an OSBP. Both governments have signed the OSBP bilateral agreement. Currently relevant border stakeholders are exposed to various training programmes to equip them with the necessary skills to expedite the speedy clearing of cargo at KM4 once the OSBP becomes operational.
Soft Infrastructure ***Harmonisation of transport rules and standards***	*Road User Charges*	➢ Considerable effort has been spent over the years to develop a harmonised RUC for the SADC. Although a harmonised RUC was approved by MS's in 2007, the recommended RUC have not yet been implemented as MS's still need to reach agreement on a number of issues, notably differences in unit costs of road infrastructure between MS's linked to traffic volumes. ➢ In the absence of a harmonised system, the onus vests on MS's to decide which charges will be imposed on national and foreign road transport operators. This practice creates inconsistencies in charges levied through-out the region. ➢ Most MS's protect their national operators through exempting them from certain RUC's. This is not the case in South Africa where the same RUC's are imposed upon national and foreign operators.

Type of Infrastructure	Area of Integration	Background and Progress made to Date
	Vehicle Weight Limits	➢ Harmonised vehicle weight limits are not enforced in the SADC. ➢ Although most MS's have adjusted to the regionally recommended limit of 56 tons gross vehicle mass (GVM), a few countries still enforce lower GVM limits upon foreign vehicles. This means that heavy vehicles need to comply with the lowest load limit along a particular route. ➢ Vehicle tolerance limits also vary between MS's. As a result cross-border operators are subjected to fines for overloading in MS's who resort to lower tolerance levels. ➢ At a regional level, the mutual recognition of axle load control certificates by all MS's will ensure that vehicles declared roadworthy in one MS are of an acceptable condition to other MS's. ➢ All MS's should agree on the axle load limit and well-managed weighbridge stations should be positioned along regional road transport corridors prior to resorting to mutually recognised axle load control certificates within the SADC.
	Vehicle Dimensions	➢ Harmonised vehicle dimensions are not enforced in the SADC. ➢ Although SADC member states have generally agreed on the maximum vehicle dimensions (e.g. height, width and length) that should apply in the region, laws still need to be enacted at MS level to oversee the enforcement of regionally accepted vehicle dimension standards.
	Third Party Insurance	➢ Three different types of third party motor vehicle liability insurance systems apply in the SADC. ➢ At regional (SADC) level, the adoption of the yellow card system is promoted as means to move towards the implementation of a harmonised regional motor vehicle insurance scheme. ➢ South Africa does not support the yellow card system since it resorts to a fuel levy which covers all road users against third-party liabilities and medical expenses should they suffer any injuries due to accidents occurred on South African roads. ➢ Although the fuel levy system is applied in a non-discriminatory manner in South Africa, MS's do not always recognise the insurance hold by South African operators. South African transporters are therefore forced to take out additional insurance cover at some border posts.

Type of Infrastructure	Area of Integration	Background and Progress made to Date
	Regional Customs Bond Guarantee	➢ A regional customs bond that will allow transporters to take out a single bond covering the entire journey, is still due for implementation within the SADC. ➢ During 2008/09, SADC has piloted a regional customs bond guarantee system along a portion of the NSC. ➢ Although approved by MS's the regional customs bond guarantee has not rolled out fully as some MS's requested a review of certain clauses. ➢ Furthermore, a number of constraints; including lack of SADC level decision on review of the regional customs bond piloted along the NSC, ICT impediments and overlapping memberships to more than one REC are cited as reasons why a regional customs bond guarantee has not yet been implemented within the SADC.
	Simplification of Customs Procedures	➢ In the absence of harmonised customs laws within the SADC, cross-border operators are subjected to lengthy delays at border posts. ➢ Currently, customs agencies use different documents and forms to facilitate the implementation of approved SADC instruments. ➢ The use of different software programmes by customs authorities, make information sharing difficult and result in the duplication of processes by customs stakeholders on both sides of the border. ➢ Since 2009, SARS has launched a customs modernisation programme at various strategic land borders, according to which customs clearing processes takes place before goods arrive at the border. The overall impact of this initiative has been limited since operators/traders still have to complete forms for other border stakeholders when passing through South African border posts, resulting in delays. Currently electronic integration of customs information is limited to SARS and little information is shared with other border stakeholders.
	Single Administrative Document	➢ The adoption and use of a Single Administrative Document (SAD) is widely acknowledged as a means to speeding up customs clearing processes through the electronic transfer of information between customs authorities. ➢ The SAD 500 has been piloted along the Trans-Kalahari, Dar es Salaam and Maputo corridors. However, the actual adoption of the SAD 500 has not been widespread. Currently inconsistency in the application of some codes and differences in the level of automation by customs administrations of MS's makes it difficult to transfer information directly between customs agencies without the re-entry of data.

Type of Infrastructure	Area of Integration	Background and Progress made to Date
Soft Infrastructure **Liberalisation of market access**	*Cabotage*	➢ Cabotage is domestic transport undertaken by a foreign carrier. Due to limited progress in the phased implementation of liberalisation initiatives, cabotage in the road transport sector is subject to the national regulatory regimes of each MS. ➢ South Africa is one of only a few MS's that issue cabotage permits to foreign operators. These permits are expensive and valid for a limited period only. Since the same treatment is not afforded to South African carriers by MS's, South African operators are put in a discriminatory position.
	Third Country Rule	➢ According to the third country rule, trucks registered in a third country are allowed to transport goods between two other MS's. ➢ Currently, the third country rule is only applied on a reciprocal basis between South Africa and selected member states (e.g. Zimbabwe).

Source: Table specifically compiled for study

3.3.2 Road Passenger Transport

Full economic integration within the SADC can only materialise if all SADC citizens enjoy freedom of movement within the region. Given the economic landscape in the SADC, there is a relatively high demand for passenger transport emanating from migrant labour, visiting relatives and friends, travelling to and from economic hubs to acquire goods for household consumption, as well as for small-scale retail. Estimates reveal that in 2013, over 4 million migrants resided in the SADC. (Chibira, E & Mokonyama, M. 2014:42).

The SADC Protocol on Facilitation of Movement of Persons seeks to fulfil the objectives of the SADC Treaty that requires member states to develop policies aimed at the progressive elimination of obstacles to the free movement of capital and labour, goods and services and of the people of the region. By February 2013, 13 MS's had signed this Protocol to promote the free movement of persons within the region. However, its ratification and domestication remains a problem, as a number of restrictive practices undermine the seamless movement of people within the region. Of specific importance are the following impediments:

- Stringent visa requirements;
- Different requirements for the registration of foreign businesses;
- Non-recognition of relevant educational qualifications obtained in other MS's;
- Strict entry requirements in certain sectors (e.g. medical and legal).

Table 3.4 outlines the status of road passenger integration in the SADC, measured against best-practices adopted by other REC's on the African continent to facilitate the free movement of people.

Table 3.4: Status of Road Passenger Integration in the SADC

Best Practice	SADC Status
Relaxation of Visa Requirements	➢ In SADC, 90 days visa free stays is granted through the signing of bilateral agreements between MS's. To date the C-BRTA has entered into bilateral road transport agreements with 4 MS's (Malawi, Mozambique, Zambia and Zimbabwe) only. ➢ In order to move towards the free movement of all citizens within the SADC, citizens from all 15 MS's should be granted a 90 day visa in any MS.
Use of Regional Passports	➢ ECOWAS issues regional passports to MS citizens to improve the free movement of citizens within this REC. ➢ SADC does not issue regional passports. The free movement of people within the region therefore depends on the stipulations of bilateral agreements between MS's.

Best Practice	SADC Status
Right of Establishment	➢ The right of establishment permits citizens from MS countries to settle in each other. ➢ Articles 18 and 19 of the Protocol on Facilitation of Movement of Persons outline guidelines aimed at furthering the right of establishment in the SADC. This protocol however is not a legally binding document and progress is therefore dependent on the commitment and willingness of MS's to grant permission in terms of national laws, for the establishment of citizens of MS's in other MS countries.

Source: Table specifically compiled for study

3.3.3 Moving Forward - Establishing Road Transport Integration in the SADC

From the information displayed in tables 3.3 and 3.4 it is evident that efforts to integrate the road transport sector have yielded mixed results. The existence of various hard and soft infrastructure constraints noted in missing links along the RTRN, inefficient land borders, application of different road transport rules and standards by MS's, cabotage restrictions and restrictive practices to the free movement of people within the region serve as barriers to the advancement of RI.

Further to the above it becomes clear that countries in the SADC need to develop an understanding of the importance of being connected in order to be able to access natural resources, to collaborate on the production of a particular product or service or to move goods across the region in a more cost effective manner.

Further to the above, a number of critical success factors (CSF) underlie the establishment of integrated road infrastructure in the SADC. Of specific importance are the following pre-conditions:

- MS's should demonstrate the political will to cooperate with each other and implement agreements reached under various integration arrangements that aim to eliminate hard and soft infrastructure constraints and improve the free flow of goods and passengers within the SADC region;
- Sanctions should be instilled against defaulting MS's who signed agreements, but refuse to participate;
- MS's should create partnerships with the private sector (through encouraging public private partnerships) to package RIDMP projects in such a way that it attracts investor funding, thereby ensuring that sufficient funds are available for infrastructure upgrades and construction along prioritised road transport corridors;
- Monitoring and evaluation systems should be set up at MS level to facilitate the monitoring of transport projects at national (MS) level.

3.4 Impact of Road Transport Barriers on the Cross-Border Road Transport Industry

Road transport is the dominant mode of transport in the SADC and accounts for more than 80% of cargo volume. Currently, SADC region faces a significant number of hard and soft infrastructure impediments which impact negatively on the performance of the cross-border road transport industry. These inefficiencies impact on the cross-border road transport industry in the following manner:

- Increase in delays at various points along strategic road transport corridors;
- Increase in transport costs and risks associated with transport operations;
- Increase in retail prices;
- Increase in corruption and illicit trade along strategic road transport corridors;
- Reduction in intra-Africa trade;
- Decrease in foreign direct investment;
- An uncompetitive cross-border industry.

The above challenges prevent the emergence of a regionally integrated road transport network. Given the interrelationship between transport and economic growth, road transport impediments also undermine the competitiveness of Africa in general and the SADC in particular in terms of international and intra-regional trade. As a result, Africa accounts for a mere 3 per cent of world trade, whereas intra-African trade is measured at 10%.

The impact of the above impediments on the ground has far reaching consequences. The typical charge for a stationary truck in the COMESA-EAC-SADC region varies between US$200 to US$400 a day. Therefore, if a truck takes 3 days to clear a border (which is not excessive in the Tripartite) an additional cost of US$600 to US$1,200 will be incurred. This will, in turn, be passed on to the importer's client and ultimately, to the consumer.

Similarly, it costs between US$5,000 to US$8,000 to ship a 20 feet container from Durban to Lusaka, compared to only US$1,500 to ship the same container from Japan to Durban. Inland producers relying on imported materials or components must absorb this extra transport cost. It is often more economical to export a raw material, or a semi-processed raw material (such as copper concentrate as opposed to copper wire) than to import and process the materials and to then export the processed good. (TradeMark Southern Africa. Accessed electronically at http://www.trademarksa.org/about_us/programme_news/tmsa-supports-trade-and-transport-facilitation-programme-comesa-eac-sadc-reg).

Until the underlying causes of high transport costs are addressed, African countries will remain high-cost producers, characterised by low economic growth and high poverty levels. It is therefore important that interventions be executed at regional and member state level to minimise road transport inefficiencies. The next chapter presents a number of solutions that will enable national and regional decision-making authorities, within their respective jurisdictions, to introduce solutions (reforms) that will address cross-border road transport constraints.

4. REPORT FINDINGS AND RECOMMENDATIONS

The previous chapters of this report revealed that the efficiency of the cross-border road transport industry is undermined by a number of challenges that impede the seamless flow of traffic within the SADC. This chapter presents a number of report findings and recommendations. Once buy-in has been obtained into proposed recommendations, it will enable decision making authorities within their respective jurisdictions to introduce reforms, aimed at addressing cross-border road transport constraints.

4.1 Findings and Recommendations to Operational Challenges

The following recommendations intend to eliminate operational constraints, faced by cross-border road transport operators when travelling in the SADC.

4.1.1 Provision of Cross-Border Ranking Facilities

a) Findings

An increase in the demand for cross-border road transport, coupled with limited public financial resources created a situation whereby the demand for cross border ranking facilities exceed the supply of such facilities. With the exception of Johannesburg, public ranking facilities in other urban areas are used collectively by local and cross border commuters, resulting in congestion and unsafe practices. This tendency points to the need for the establishment of dedicated cross- border ranking facilities in South Africa.

b) Recommendations

In order to address the problems currently experienced at ranking facilities in South Africa, the following recommendations are proposed:

- A holistic approach should be adopted during the planning process, whereby all relevant role-players (including the C-BRTA) are brought together to ensure that decisions surrounding the location of cross-border ranking facilities are informed by other developments in the external environment;
- Task team discussions around the capacity of ranking facilities in Johannesburg should be fast tracked and findings should be shared with all role-players for approval in order to move ahead with the establishment of dedicated cross-border ranking facilities;
- The management of cross-border ranking facilities should become the joint responsibility of the C-BRTA and local authorities. The C-BRTA should take up its responsibility of inspecting ranking facilities, a function that it has not performed in the past. In the short term, C-BRTA law enforcement officials can be deployed at ranking facilities to carry out inspections on buses and taxis prior to departure;
- Cross-border operators should be informed about the positioning of new ranking facilities in advance and these facilities should be designed to meet their needs in terms of safety, sleeping, ablution and storage facilities;

- The scheduling of local feeder services to ranking facilities should be aligned to cross border bus arrival and departure times to ensure the timeous departure of cross-border buses;
- The use of informal ranking facilities by local operators for the drop off and collection of cross-border passengers within a 2 kilometre radius of border posts should be prohibited unless such operators are in possession of a valid cross border road transport permit. C-BRTA law enforcement officers should be positioned at informal ranking facilities to conduct inspections to ensure that all operators (local and cross-border) comply with regulatory requirements.

c) Value Adds and Benefits

Once implemented, dedicated cross-border ranking facilities will yield the following benefits:

- Improved safety at ranking facilities;
- Enhanced driver health and wellness;
- Timeous departure or cross-border buses and taxis;
- Reduction in the number of illegal cross border road transport operators since C-BRTA inspectors will verify the validity of cross-border permits at cross-border ranking facilities;
- Improved value-add for operators at ranking facilities (e.g. sleeping and ablution facilities).

4.1.2 Weighbridges

a) Findings

Currently weighbridges in the SADC represent a NTB to cross border road transport operators. The positioning of weighbridges along regional corridors is not evenly spread and a number of weighbridges are not calibrated. Divergent readings at different weighbridge stops results in additional costs for cross-border operators and increase the cost of doing business in the region.

Within South Africa, a number of law enforcement checks are conducted at weighbridge stations by different role-players (e.g. provincial traffic officers). Due to limited cooperation and coordination amongst law enforcement officials, inspections are conducted separately instead of jointly.

b) Recommendations

The following recommendations are proposed to address inefficiencies experienced at weighbridge stations in South Africa, as well as in the SADC:

- Law enforcement inspections at weighbridge stops in South Africa should be centralised to allow joint law enforcement inspections by all relevant role-players, including the C-BRTA;
- In line with the new global thinking that acknowledges weighbridges as important freight data collection points, the information captured at weighbridge stations should be shared with all stakeholders, including border management agencies (e.g. customs) to further

reduce delay times at border posts. This ability will however require integrating and correcting the calibration of all weighbridges in the SADC;

- South Africa should participate in the development of the regional weighbridge location plan to reach agreement on the location, design and implementation of weighbridge stations within the region;
- South Africa should promote the implementation of the regionally recommended GVM limit by all MS's in order to move towards the mutual recognition of weighbridge certificates within the SADC.

c) Value Adds and Benefits

The implementation of the above recommendations will result in:

- Accurate and on the spot vehicle permit verification;
- Independent verification of permit information by C-BRTA inspectors without third-party interference;
- Improved safety/security along road transport corridors since illegal operators will be detected and removed from road networks;
- Reduction in fraud and bribery as manipulation of information will not be possible;
- Reduction in the number of compulsory stops for operators along road transport corridors, which will improve the seamless flow of traffic and reduce delays, trade and transport costs.

4.1.3 Third-Party Insurance Requirements

a) Findings

Different types of third-party motor liability insurance schemes are used in the SADC. MS's do not always accept the insurance cover hold by South African operators who has to take out additional insurance cover at SADC border posts before obtaining permission to cross into MS's .

Given the fact that MS's belong to multiple and concurrent memberships, it is unlikely that political consensus will be reached in the short-term on the adoption of one motor liability insurance scheme for the SADC.

b) Recommendations

The following recommendations are proposed to address problems currently experienced with regard to third-party motor vehicle insurance in the SADC:

- MS's should pursue a framework for mutual recognition of existing insurance covers held by cross-border road transport operators. This implies that MS's should either sign an MoU or agreement which recognises the co-existence of different third party insurance systems;
- In order to create a level playing field, South Africa should consider charging third-party insurance on foreign operators entering South Africa as a form of reciprocity.

c) Value Adds and Benefits

Mutual recognition of insurance cover held by cross-border road transport operators will result in:

- Improved co-operation and information sharing and the building of trust amongst border management agencies in the SADC;
- Reduction in time delays at strategic border posts, with a resultant decrease in trade and transport costs;
- Improved traffic flows along regional road transport corridors.

4.1.4 Bilateral Road Transport Agreements

a) Findings

To date, South Africa has entered into bilateral road transport agreements with Mozambique, Malawi, Zimbabwe and Zambia only. These agreements are very much operational agreements that aim to promote, facilitate and regulate the movement of cross-border traffic between South Africa and the countries with whom agreements are in place. In the absence of agreements with other MS's (e.g. DRC, Angola, Tanzania), operational constraints faced by South African operators in these countries cannot be addressed in a timeous manner.

b) Recommendations

The following solutions are proposed to address the impediments associated with bilateral road transport agreements:

- South Africa should lead the way in negotiating bilateral road transport agreement with countries with who no agreements are in place. In doing so, operational constraints will be addressed in a quicker fashion, while South African operators will also be given the opportunity to capitalise on business opportunities that derive in these countries;
- Although the C-BRTA regularly meets with counterparts from Zimbabwe, Zambia, Mozambique and Malawi to find solutions to operational constraints, the pace in which agreed solutions are implemented is slow. This necessitates a player (like the C-BRTA) to educate role-players (in terms of its advisory function) on the collective benefits that can be obtained for all cross-border operators if operational impediments are addressed in an urgent fashion;
- Over the medium term, a review of bilateral road transport agreements should be conducted to include regulatory reform requirements and programmes, (e.g. accreditation schemes) into road transport agreements.

c) Value Adds and Benefits

The implementation of the above recommendations will result in:

- Improved co-operation between regulatory authorities in the SADC;

- Reduction in the number of operational constraints encountered along regional road transport corridors;
- Enhanced traffic and trade flows along road transport corridors;
- Economic growth and development in the SADC.

4.1.5 Lack of Detailed Route Descriptions on Cross-Border Permits

a) Findings

The use of hand written permits and permits without detailed route descriptions undermine the efficiency of cross-border road transport operations. Although a number of MS's have moved to the electronic issuing of permits, the majority of permits still lack detailed route descriptions. This practice creates an uneven playing field whereby some cross-border operators are restricted to the use of prescribed ranking facilities, and others have the freedom to collect and drop off passengers at various location points in urban centres.

b) Recommendations

In order to create a level playing field, the following solutions are proposed:

- All MS's should issue permits with detailed route descriptions, which specify which ranking facilities should be used, thereby ensuring that all cross-border road transport operators are treated in the same manner;
- MS's should comply with the referral process as indicated in the respective road transport agreements. This means that proposed route descriptions are subject to approval by the respective regulatory authorities and municipalities.

c) Value Adds and Benefits

The issuing of electronic permits with detailed route descriptions by all MS's will result in:

- Improved management of formal ranking facilities;
- Reduced conflict amongst cross-border road transport operators;
- Timeous departure of cross-border road transport vehicles.

4.1.6 Relations with Zimbabwe

a) Findings

South African cross-border operators face a number of challenges when traversing through Zimbabwe. Currently public sector stakeholders at the Beitbridge border post are pulling in different directions at different times with the sole purpose of adding delays and cost at the border post. These stakeholders all pursue different agendas regardless of the consequence to the country and the region at large. Furthermore, delays experienced along Zimbabwean roads result in additional costs for cross-border operators, discouraging them from using Zimbabwe as a transit route.

b) Recommendations

The following solutions are proposed to address operational challenges experienced by cross-border road transport operators in Zimbabwe:

- Process flows at the Beitbridge border post should be reviewed with the aim of improving the seamless flow of traffic through this border post. An inclusive stakeholder engagement process should be adopted, which include public and private sector stakeholders in seeking solutions that will eliminate time delays experienced at the Beitbridge border post;
- Joint Committee (JC) meetings between South Africa and Zimbabwe should centre around reaching agreement on the acceptance of South African vehicle standards by Zimbabwe law enforcement officials;
- The C-BRTA, as a participant in the Beitbridge Efficiency Management System Committee should encourage the integration of systems at the Beitbridge border post as a means to alleviate soft infrastructure constraints at this border.

c) Value Adds and Benefits

Improved relations with Zimbabwe will yield the following benefits for cross-border road transport operators:

- A reduction in delays and improved trade and traffic flows along strategic road transport corridors that traverse Zimbabwe;
- Decrease in the duplication of processes at the Beitbridge border post, with a resultant increase in border post efficiency;
- Improved traffic movements through Zimbabwe.

4.1.7 South Africa and Lesotho conflicts

a) Findings

The South Africa/Lesotho taxi issue has remained an unsolved issue for almost two decades. Despite various high-level engagements, involving representatives from the DOT, C-BRTA and MEC for Police, Roads and Transport in the Free State, a long-term solution has not yet been reached. In response to this problem, the Minister of Transport has issued a directive to the C-BRTA in July 2015 to provide short-term solutions for the restoration of law and order over the various road transport routes leading to Lesotho. The C-BRTA has implemented the said directive.

b) Recommendations

The following interventions are proposed to resolve the South Africa/`Lesotho taxi issue:

- Given the fact that the demand for cross border road transport permits on the South African/Lesotho route(s) exceeds the current supply of such permits, the NMTT should advance talks with all relevant stakeholders to review proposed solutions and to agree on a lasting resolution to enable legitimate cross-border operators to conduct normal passenger transport operations between South Africa and Lesotho.

c) Value Adds and Benefits

The implementation of a long-term solution to the South Africa/Lesotho taxi issue will result in:

- Restoration of law and order on the various road transport routes leading to Lesotho;
- Improved safety and security of people moving between South Africa and Lesotho, with a resultant increase in traffic flows between the two countries;
- Improved diplomatic relationships between South Africa and Lesotho.

4.1.8 Informal Costs in Certain Member States

a) Findings

Long delays along regional road transport corridors and at border posts has created a situation whereby many cross-border operators pay bribes to reduce delay times on-route to their final destination. In turn, this NTB discourages investor's confidence.

b) Recommendations

The following solutions aim to eliminate challenges experienced with bribery and corruption on the African continent:

- MS's should demonstrate the political will to find solutions to soft infrastructure impediments along regional road transport corridors. If unnecessary stops and delay times are minimised, operators will be less inclined to pay bribes;
- Cross-border operators should be encouraged to report incidents of crime and corruption to the secure toll-free hotline;
- Corridor management committees should take a firm stance against crime and corruption. Reported cases of crime and corruption should be communicated to corridor members.

c) Value Adds and Benefits

A reduction in bribery and corruption along regional road transport corridors will result in:

- A reduction in delays along regional road transport corridors;
- Improved safety and security along road transport corridors;
- Improved cross border road transport operations.

4.1.9 Road User Charges

a) Findings

Differences in RUC across Southern Africa are not in line with the SADC agenda of regional integration. Despite the fact that a harmonised RUC system was developed and approved by MS's in 2007 already, this system still awaits implementation. As a result there are a lot of disparities and inconsistencies in the charges through-out the region. Most MS's protect their national operators through exempting them from certain RUC's. This is not the case in South Africa where the same RUC are imposed upon national and foreign operators.

b) Recommendation

The following recommendations are proposed to move towards the adoption of uniform RUC's in the SADC:

- South Africa should operators should be exempted from certain RUC's when conducting business in South Africa;
- South Africa should spearhead the implementation of a harmonised RUC system for the SADC;
- South Africa should enforce the collection of some or all of the following RUC's, in order to level the playing field for all cross-border road transport operators:
  - Abnormal and awkward load charges;
  - Weight-distance type charges;
  - Entry fees payable by foreign registered vehicles;
  - Parking and congestion costs.

c) Value Adds and Benefits

The adoption of a harmonised RUC for the SADC will result in the following benefits for cross-border road transport operators:

- A reduction in delays along regional road transport corridors;
- A level playing field, whereby the same RUC's apply to all cross-border road transport operators;
- A reduction in the costs associated with cross-border road transport operations.

4.2 Findings and Recommendations to Regional Integration Challenges

4.2.1 Findings

Despite the inherent advantages of RI, the SADC has not yet achieved most of its regional integration economic targets. Acknowledging the fact that transport is a precursor to sustainable economic growth and development, it is evident that full economic integration can only be achieved if an integrated transport infrastructure exists that supports the seamless movement of traffic within the SADC.

Currently the regional road transport sector is plagued by various hard and soft infrastructure impediments that result in high trade and transport costs and discourage MS's from trading with each other. Infrastructure development, which is recognised as an important constraint on intra-regional trade is already enjoying focus through several large-scale projects to develop integrated transport infrastructure in the region. While there is no doubt that the development of physical infrastructure is essential, it is not sufficient to ensure that infrastructure services are efficiently provided. Soft infrastructure challenges have to be addressed at the same time.

For transport to play its rightful role and to impact effectively on the integration of the SADC, multi-modal transport systems - whereby roads, railways, airlines, and shipping operate in harmony - should be developed. The SADC corridor approach to regional development is based on both well-maintained, operated infrastructure and the provision of seamless transport services. Although finances have already been committed towards a number of transport projects, additional funds are required to ensure that all transport projects are implemented within pre-set time frames. MS's do not possess the technical or financial means to implement transport projects at MS level.

Although the RIDMP represents a step towards the creation of an integrated regional transport system, the fate of RI depends on the stability and strength of MS's political will. Cross-border infrastructure projects display a regional character, which involves various MS's. Without a consistent belief that the establishment of an integrated road transport infrastructure is the preferred way going forward, it is unlikely the MS's will cooperate and secure sufficient funding to allow the implementation of priority transport projects within anticipated time-frames.

Further to the above, sub-section 4.2.1 proposes a number of recommendations to integrate transport infrastructure in the SADC.

4.2.2 Recommendations to Regional Integration Challenges

a) Implement Prioritised Regionally linked Transport Infrastructure Projects

- MS's should create partnerships with the private sector through PPP's in regional infrastructure development;
- Policies and strategies on PPP's should be developed at MS and regional level in order to attract PPP oriented investments;
- Efforts should be made to regional level to attract more funds to the SADC PPDF to accelerate project preparation. Furthermore, project preparation activities should be supported through related capacity building for MS's and the SADC Secretariat.

Value Adds and Benefits

The implementation of regionally linked transport projects will result in the following benefits / value-adds:

- A reduction in delays along regional road transport corridors;
- Cost and time savings for cross-border road transport operators due to improved traffic flows along regional transport corridors;
- Improved intra-REC trade flows;
- Economic growth and development in the SADC.

b) Encourage Multi-Modal Transport

- In order to keep momentum on the execution of prioritised transport projects in all sub-sectors (dry port developments included), all role-players should join forces in enhancing multi-modal collaboration;
- Given the renewed emphasis on the development of cross-border rail corridors and in light of major railway development in the SADC, a regional railway authority should be established to coordinate traffic, rolling stock and freight tariffs;
- Within the airline industry, the establishment of a regional airline will enable the achievement of greater economies of scale. At the same time, the introduction of more frequent air transport services that will benefit intra-regional leisure and business travel.

Value Adds and Benefits

The implementation of multi-modal transport infrastructure and systems will result in:

- The seamless flow of cross-border traffic along strategic regional transport corridors;
- Creation of efficient cross-border road transport infrastructure and services;
- Enhanced intra-SADC trade flows;
- Sustainable regional economic growth and development.

c) Establish Political Will amongst Member States

- Political consensus and trust should be built amongst all MS's to increase the ratification of protocols and agreements and to ensure the enforcement of legal instruments. Involving MS's in regional integration matters and moving them towards the signing of legal instruments are paramount in moving forward;
- Sanctions should be instilled against defaulting MS's;
- At present the SADC Secretariat has no legal basis to ensure accountability and to enforce MS's to implement regional decisions. This gap emphasises the need for the creation of a supra national authority that will be mandated to enforce regional decisions.
- The C-BRTA should participate in national and regional platforms to create political dialogue between relevant stakeholders. During discussions, the Agency should advise role-players of the collective benefits that can be obtained if decisions reached at regional level are implemented by MS's within specified time-frames.

Value Adds and Benefits

If political consensus is reached amongst relevant public and private sector stakeholders who operate in the cross-border environment, it will lead to:

- Improved coordination and cooperation and the building of trust amongst relevant stakeholders;
- Improved intra-regional trade flows;
- Poverty alleviation in the SADC;
- Enhancement of the RI agenda.

Given the size of the South African economy relative to other SADC countries and acknowledging South Africa's advanced manufacturing and service industries and technical know-how, South Africa can play a leading role in driving the regional integration agency forward. By integrating the region, transport challenges along regional road transport corridors and border posts will be reduced. At the same time, intra-regional and inter-regional trade flows along strategic road transport corridors within the SADC, and the rest of the continent will increase.

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