CONTINENTAL TRADE & TRANSPORT CONFERENCE

30 JUL - 1 AUG 2024
CAPITAL ON THE PARK, SANDTON, SOUTH AFRICA

# TECHNICAL FEEDBACK REPORT

transport
Department:
Transport
REPUBLIC OF SOUTH AFRICA

CROSS-BORDER
ROAD TRANSPORT AGENCY

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# ACRONYMS

| Abbreviation | Meaning |
|---|---|
| **AEO** | Authorised Economic Operator |
| **AfCFTA** | African Continental Free Trade Area |
| **ANPR** | Automatic Number Plate Recognition System |
| **ANTT** | National Land Transport Agency |
| **ARTIN** | African Regional Transport Integration Network |
| **AUC** | Africa Union Commission |
| **BOT** | Build-Operate-Transfer |
| **CMI** | Corridor Management Institution |
| **CTMS** | Corridor Trip Monitoring System |
| **DBSA** | Development Bank Southern Africa |
| **DFI** | Development Finance Institutions |
| **DIA** | Department of Home Affairs |
| **ECD** | Economic Corridor Development |
| **GHG** | Greenhouse Gas |
| **ICT** | Information and Communication Technology |
| **IRU** | International Road Transport Union |
| **ITS** | Intelligent Transport System |
| **JIT** | Just in Time |
| **JLEO** | Joint Law Enforcement Operation |
| **KM** | Kilometre |
| **MCBRTA** | Multilateral Cross Border Road Transport Agreement |
| **MDC** | Maputo Development Corridor |
| **NCTTFA** | Northern Corridor Transit and Transport Coordination Authority |
| **NTIS** | National Transport Information System |
| **OCAS** | Operator Compliance Accreditation Scheme |
| **OSBP** | One Stop Border Post |
| **PIDA** | Programme for Infrastructure Development Africa |
| **PPP** | Public-Private Partnership |
| **REC** | Regional Economic Community |
| **RIA** | Regulatory Impact Assessment |
| **SAATM** | Single African Air Transport Market |
| **SARS** | South African Revenue Service |
| **SGR** | Standard Gauge Railway |
| **SMART** | Specific, Measurable, Achievable, Relevant, Time-bound |
| **TFTA** | Tripartite Free Trade Area |
| **TKC** | Trans Kalahari Corridor |
| **TKCS** | Trans Kalahari Corridor Secretariat |
| **TRIPS** | Transport Registers and Information Platform system |
| **TTTFP** | Tripartite Transport and Transit Facilitation Programme |
| **US** | United States |
| **VLMA** | Vehicle Load Management Agreement |
| **VLMIS** | Vehicle Load Management Information System |
| **WTO** | World Trade Organisation |

CONTINENTAL TRADE & TRANSPORT CONFERENCE

2 - 4 JULY 2024
CAPITAL ON THE PARK, SANDTON, SOUTH AFRICA

## 1. Introduction & Background

This report provides technical feedback on deliberations made during the Cross-Border Road Transport Agency (C-BRTA) Continental Trade and Transport Conference which took place between 30 July – 01 August 2024 at the Capital on the Park, Sandton in South Africa.

## 2. Purpose Of The Workshop

The purpose of this conference was to provide a platform to corridor stakeholders (e.g. Regional Economic Communities (RECs), Transport authorities, Banking sector, Academia and Transport operators) with an interest in transport and trade to have honest and critical discussions on how to address issues that hinder intra-Africa trade, with specific focus being paid infrastructure development and financing.

## 3. Workshop Structure

The workshop took place over a period of 3 days, with a key theme devoted to each day:

- **Day 1:** Status Quo Analysis of Transport Infrastructure and Systems;
- **Day 2:** Future Agenda for Transport Infrastructure and Systems; and
- **Day 3:** Financing of Transport Infrastructure and Systems.

## 4. Conference Deliberations

Presentations during the C-BRTA Continental Trade & Transport Conference covered a wide array of topics. Presenters highlighted different strategies on solving challenges that impede cross-border trade and transport facilitation on the continent. Representatives from the banking institutions also spoke about their capacity to fund and prepare bankable projects. The discussion below briefly summarises key discussion points of conference speakers.

# 4.1
# DAY 1:
# STATUS QUO ANALYSIS OF TRANSPORT INFRASTRUCTURE

### 4.1.1 REGIONAL INTEGRATION: AN AFCFTA PERSPECTIVE

***Speaker: Ms. Daphine Lekipaika, AfCFTA Secretariat***

The presentation focused on the integration efforts on Transport Services, with emphasis on obstacles impeding regional infrastructure integration efforts on the continent. Opportunities in Transport highlighted aimed at capitalising on AfCFTA and Transport Services were discussed, with solutions for implementing infrastructure projects highlighted.

With regards to regional integration, the speaker cited several efforts underway including the following:

- Programme for Infrastructure Development in Africa (PIDA);
- Single African Air Transport Market (SAATM);
- Regional Economic Communities (RECs);
- Northern Corridor Transit and Transport Coordination Authority (NCTTCA);
- Trans-African Railway Projects;
- African Maritime Transport Charter;
- African Regional Transport Integration Network (ARTIN);
- African Continental Free Trade Area (AfCFTA).

Ms. Lekipaika acknowledged the major obstacles hampering regional infrastructure integration efforts on the continent, the main ones being inadequate funding for large-scale integration projects, political Instability, trade barriers, diverse regulations, institutional weaknesses, and the lack of Harmonisation of regulatory regimes and standards.

Despite the challenges, she conceded that there are opportunities to be exploited and these include the following:

- **Increased Intra-Regional and Continental Trade**: Leveraging the AfCFTA framework to facilitate the movement of goods and services across borders, thereby boosting intra-African trade volumes;
- **Strategic Infrastructure Development**: Investing in key transport corridors and hubs that enhance connectivity between major economic centres and regions, such as the Trans-African Highway network and regional rail projects;
- **Public-Private Partnerships (PPPs):** Engaging the private sector through PPPs to fund, build, and operate transport infrastructure projects, bringing in expertise and efficiency while reducing the burden on public finances.
- **Technological Advancements:** Utilising modern technologies such as digital logistics platforms, intelligent transport systems (ITS), and blockchain for supply chain management to improve efficiency, transparency, and reliability in transport services.
- **Air Transport Optimisation:** Developing and optimising air cargo routes to facilitate the quick and efficient movement of high-value and time-sensitive goods, enhancing trade competitiveness.
- **Intermodal Transport Solutions:** Promoting the integration of different modes of transport (road, rail, air, and sea) to create seamless and efficient logistics networks across the continent.

In her concluding remarks, she noted that the continent stands to gain greatly from the liberalisation of trade in services under the AfCFTA. She cited the significant progress the Secretariat has been made in the finalisation of trade in services negotiations, with *22 adopted schedules* of specific commitments, and the request-offer process is at an advanced stage. Additionally, progress is being made toward the development of sector-specific regulatory frameworks on Transport Services. The start of trading under the AfCFTA has begun, allowing the tremendous benefits that have been predicted to begin to materialise. She underscored the need to address the challenges in regional integration that is crucial to support the work under the AfCFTA.

### 4.1.2 KEY INFRASTRUCTURE DEVELOPMENTS AT CONTINENTAL LEVEL

***Speaker: Ms. Rirhandzu Mashava, DDG Dot: ITP***

The presentation focused on the state of transport infrastructure on the Continent, Strategic initiatives and frameworks as well as transport infrastructure projects.

It was observed that the continent does not have adequate roads, airports and railways, attributing this to under-developed infrastructure. She underscored the dilemma of having a significant portion of the roads unpaved and in a deplorable state. With regards to rail, Ms. Mashava described the continent's networks as often outdated, limited in coverage with incompatible network gauges which constrains regional integration.

She acknowledged developments in the maritime sector where ports expansion and modernisation is taking place to cater for the increasing volumes of trade. She cited Maputo Port (Mozambique), Port of Lagos (Nigeria) and Port of Mombasa (Kenya). According to Ms. Mashava, there is also infrastructure improvements in the aviation sector, aimed at developing new airports and upgrading existing ones. Nevertheless, she lamented the safety and regulatory concerns which she says remain a challenge in some parts of the continent.

While she acknowledged the various infrastructure development efforts happening, she observed the significant ***funding gaps***. This, according to her compromises the quality of infrastructure delivery leading to rapid deterioration thereof. Such challenges have had negative implications on infrastructure maintenance as well due to budgetary constraints and institutional capacity. Ms Mashava summarised the continent's infrastructure challenges in terms of 9 distinctive pillars.

#### 1. FUNDING AND INVESTMENT

Due to limited financial resources, there is a high dependence on loans, donor funding and private-sector investment. Most of the loans result in high debt accumulation and repayments

#### 2. INFRASTRUCTURE MAINTENANCE

Inadequate maintenance has resulted in:

- Deterioration of the rail network(s);
- Port congestion, and
- Poor road conditions.

#### 3. REGULATORY AND POLICY ISSUES

- The non-harmonisation of regulatory prescripts has resulted in inconsistent standards, and inefficient customs and border controls. This results in higher delays and increases the cost of transport operations.

#### 4. TECHNOLOGICAL CHANGES

- Outdated technologies in transport infrastructure affect competitiveness.

## 5. INTEGRATION AND COORDINATION

- Lack of seamless integration due to interoperability issues; and
- Lack of coordination in infrastructure development initiatives (priorities and capacity)

## 6. SAFETY AND SECURITY

- Cargo theft due to theft and vandalism; and
- Inadequate safety measures.

## 7. ECONOMIC AND POLITICAL INSTABILITY

- Inconsistencies in initiating and leading projects; and
- Economic challenges which make it difficult for countries to fund and sustain projects.

## 8. INSTITUTIONAL AND CAPACITY CONSTRAINTS

- Shortage of skilled professionals and technical expertise; and
- Inefficient governance structures leading to mismanagement of projects.

## 9. GEOGRAPHIC AND CLIMATE CHALLENGES

- Extreme climate challenges; and
- Challenges with the terrain.

Ms. Mashava concluded by noting that albeit the fact that the Continent is marred by challenges in transport infrastructure, there exist opportunities for improvement. She cited the continental initiatives such as the African Union Agenda 2063, PIDA, as well as the AfCFTA, which all seek to address infrastructure gaps, improve connectivity and boost intra-African Trade.

### 4.1.3 FUNDING OF TRANSPORT INFRASTRUCTURE

***Speaker: Mr. Cyprian Marowa, DBSA***

Mr. Marowa shared with the delegates, the role of the Development Bank of Southern Africa (DBSA) in the financing of projects on the continent. He explained how the bank has funded a wide range of infrastructure projects, proving metrics and the bank's infrastructure development scope and its Pan African geographic reach (see Table below).

In terms of scope Mr. Marowa indicated that the sectors that the DBSA focuses on include Transport, Water and Sanitation, ICT/Digital, Energy, Education Health and Human Settlement. However, for purposes of this report the focus is on the transport sector. As of 31 January 2024, the exposure of the bank in various parts of the continent is depicted in Table 2 below.

**Table 2: Pan African Geographic reach of the DBSA**

| SADC | | EAC) | ECOWAS | | OTHER |
|---|---|---|---|---|---|
| Angola | Mauritius | Burundi | Benin | Liberia | Cameroon |
| Botswana | Mozambique | Kenya | Burkina Faso | Mali | Djibouti |
| Comoros | Namibia | Rwanda | Guinea-Bissau | Niger | Ethiopia |
| Democratic Republic of Congo | Seychelles | Uganda | Côte d'Ivoire | Nigeria | Gabon |
| Eswatini | South Africa | South Sudan | Ghana | Sierra Leone | Republic of Congo |
| Lesotho | Tanzania | | Cabo Verde | Togo | Sao Tome and Principe |
| Madagascar | Zambia | | Guinea SB | Senegal | |
| Malawi | Zimbabwe | | Gambia | | |

**Table 3: Top exposure in the rest of the continent**

| SADC | | OUTSIDE SADC | |
|---|---|---|---|
| **COUNTRY** | **EXPOSURE** | **COUNTRY** | **EXPOSURE** |
| Angola | ZAR 8.2 bn | Ghana | ZAR 5.2 bn |
| Zambia | ZAR 6.5 bn | Côte d'Ivoire | ZAR 4.7 bn |
| Zimbabwe | ZAR 1.4 bn | Nigeria | ZAR 0.9 bn |
| Mozambique | ZAR 1.2 bn | Ethiopia | ZAR 0.8 bn |
| Tanzania | ZAR 1.1 bn | Senegal | ZAR 0.8 bn |

Mr. Marowa cited several transport projects that the bank either has already funded or still under way. The following are some of the transport projects funded by the DBSA:

- **THE GAUTRAIN PHASE 1 EXPANSION**

This entails the construction, operation and financing of approximately 80 km railway lines with 10 stations, between Johannesburg and Pretoria, and Sandton and OR Tambo International Airport in South Africa.

- **TSHWANE BUS RAPID TRANSIT PROJECT**

The second project the funding of an Integrated Mass Rapid Public Transport Network which includes rail, taxi and bus services.

- **RAVINALA AIRPORT**

The project involved the financing of the rehabilitation, upgrade, expansion, operation and maintenance of the two largest airports in Madagascar: the Ivato Airport serving the capital city of Antananarivo and the Fascene airport located on the island of Nosy Be.

- **TANZANIAN SGR**

Tanzania's Standard Guage Railway (SGR), a new 1225km railway line on the Central corridor linking the port of Dar es Salaam to the Great Lakes region of Rwanda, DRC, Burundi, and Uganda to address the regional integration agenda and low intra-African trade on the Central Corridor.

- **ETHIOPIAN RAILWAYS CORPORATION**

The Awash-Woldia railway line is an ongoing standard gauge railway project that connects northern and central Ethiopia (in Awash). The project comprises 400 kms of a new railway line, 40kms of maintenance lines and 18kms of station lines. New tunnels, 3 terminal stations 6 intermediate stations.

Mr. Marowa explained how the DBSA leverages its strategic partnerships with other Developmental Financing Institutions (DFIs). Through its partners the bank has managed to provide infrastructure financial services across the continent.

The presentation concluded by emphasising that everything was interlinked i.e. Growth → Trade → Investment → Development → Economic benefits → Prosperity → Regional Integration. The importance of partnerships and collaboration for the success of the continent was stressed.

### 4.1.4 ROAD TRANSPORT HARMONISATION IN THE TRIPARTITE RECS

***Speaker: Mr. Gerrit Fisher, TTTFP Consultant***

The presentation focused on road transport harmonisation & transit facilitation in the Tripartite of COMESA-EAC-SADC. The context was to share the outcomes of the Tripartite Transport & Transit Facilitation Programme (TTTFP) and its contribution in responding to Africa's trade & transport challenge. This was contextualised with expected increase in transport needs for the continent.

Mr Fisher stressed that harmonised **QUALITY** regulation of cross border road transport based on **harmonised standards** requires **ICT based monitoring systems** for data sharing. It requires authentication & efficiency National Transport Information System (NTIS), Vehicle, Driver, Operator, Transgression, Accident & Infrastructure Modules. Hence the development of Vehicle Load Management Information System (VLMIS), Corridor Trip Monitoring System (CTMS) Transport Registers and Information Platform System (TRIPS).

The success of the Programme Deliverables according to Mr Fisher is demonstrated by the following outcomes:

- **REGULATORY FRAMEWORK SET BY:**
  - Multilateral Cross Border Road Transport Agreement (MCBRTA);
  - Vehicle Load Management Agreement (VLMA); and
  - Five (5) Model Laws to enable domestication.

- **REGULATORY FRAMEWORKS ADOPTED BY THE TRIPARTITE MINISTERIAL COMMITTEES ON:**
  - Infrastructure on 31 Oct 2019 in Lusaka, Zambia;
  - Legal Affairs on 18 Sep 2020 in a Virtual Meeting;
  - Adopted by the Tripartite Council of Ministers on 29 March 2023; and
  - Awaiting adoption and signature by the Tripartite Summit.

- **REGULATORY FRAMEWORKS ADOPTED BY THE AFRICAN UNION**
  - Regulatory frameworks were also adopted by the African Union during the 4th Ordinary Session of the Specialised Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy in Zanzibar during Sep 2023.

- **DOMESTICATION OF REGULATORY FRAMEWORKS**
  - Vehicle Load Management Model Law & Regulations;
  - Road Traffic Model Law & Regulations;
  - Cross Border Road Transport Model Law & Regulations;
  - Road Traffic & Transport Transgressions Model Law & Regulations; and
  - Transport of Dangerous Goods by Road Model Law.

- **MODEL LAWS & REGULATIONS BEING CUSTOMISED FOR DOMESTIC PROMULGATION (12 MS)**

Regulatory frameworks (model laws and regulations) are currently being customised for domestic promulgation in Angola, Botswana, Djibouti, Eswatini, Kenya, Lesotho, Namibia, Rwanda, Tanzania/Zanzibar, Uganda, Zambia & Zimbabwe. Ethiopia is only customising the VLM strategy.

- **TWELVE AFRICAN CONTINENTAL STANDARDS PUBLISHED BY ARS ALREADY ADOPTED BY THREE MEMBER STATES**

Eswatini, Zambia & Zimbabwe, with 4 in progress in progress (Angola, Lesotho, Mozambique & Uganda) and several others in process of adoption. Further 45 Standards under development.

- **VLM STRATEGY – IN VARIOUS STAGES OF IMPLEMENTATION IN 12 COUNTRIES AND 7 CORRIDORS**

Three MS are in COMESA, 3 in EAC and 6 in SADC. The 7 corridors are: Dar es Salaam, Central, Maputo, Northern, North-South, Trans Kalahari, Walvis Bay-Ndola-Lubumbashi.

- **PREPARATION OF STANDARDS**

Six draft Standards are prepared for ARSO TC29 – Equipment, Systems, Procedures, Accreditation, static scale & WIM scale system verification.

In terms of the way forward, the following was recommended:

i. Continue with multilateral approaches to regulating cross border transport and logistics services at Corridor, REC and Continental levels, which are aligned;
ii. Quality regulation of transport facilitates trade and transport instead of quantity regulation;
iii. Business process re-engineering must inform reforms & redesign of trade carrying infrastructure & integrated ICT systems;
iv. Given the dominant role of road transport in the short and medium term:
    - Continue implementation of road transport sector reforms (e.g. TTTFP successor programmes to address overlapping REC memberships & align with the Tripartite Free Trade Area (TFTA), AfCFTA and Corridor Development initiatives;
    - Implement the Tripartite Vehicle Load Management Agreement to protect road infrastructure – upscale to continental framework;
    - Accelerate border modernisation including efficiency of ICT driven solutions in OSBP design, construction and management towards achievement of SMART Border Posts
v. For maximum efficiency it is important to address transport, logistics and customs reforms concurrently;
vi. A comprehensive integrated corridor wide programme should be designed and implemented; and
vii. Accelerate domestication of regional, continental & international trade and transport facilitation conventions & agreements.

# 4.2
# DAY 2:
## STATUS QUO ANALYSIS OF TRANSPORT INFRASTRUCTURE

### 4.2.1 FUTURE FACE OF TRANSPORT CORRIDORS: SMART CORRIDOR CONCEPT

***Speaker: Ms. Barbara Mommen***

The SMART corridor concept was adopted by the Africa Union Commission (AUC) in 2016 to transform African transport corridors. The word SMART stands for Safety, Mobility, Automated, Real-time and Traffic Management.

A SMART corridor can be defined as "*A modal or multimodal surface transport corridor with quality infrastructure and logistic facilities, between two or more countries, used to carry intra-regional and international cargo and passengers facilitated by the latest trade facilitation tools and conducive policies. The corridor includes innovative Intelligent Transport Systems (ITS) aimed at facilitating trade through simplification of transport administrative processes and providing real-time information to key corridor stakeholders to monitor cargo clearance and movement*"

From the definition, SMART corridors require quality infrastructure, integration of ITS, simplified processes and systems to enable the release of accurate information in real-time. Key components and processes associated with the deployment of ITS along value chains are depicted in Figure 1.

Key characteristics of SMART corridors include:

- Monitoring of traffic movements and providing real-time information to stakeholders;
- Paperless trade and transport administrative, clearing and logistics processes and procedures;
- Implementation of key World Trade Organisation (WTO) and Regional Economic Community (REC) transport and trade facilitation tools, including electronic National Single Windows, One Stop Border Posts and Weigh-in-Motion Weighbridges; and
- Provision and maintenance of quality transport corridor infrastructure and safety enhancement measures.

While several benefits are associated with SMART corridors, including increased use of real time traffic data, improved safety and security of transport services and enhanced access for land-locked countries to intra-regional and international trade, the SMART corridor concept has not yet been implemented in Africa. Reality on the ground shows that most transport corridors on the continent have not been automated. Furthermore, little progress is noted with the simplification of processes / documentation to enhance trade facilitation.

Delays at border posts are mostly caused by soft challenges (e.g. unharmonised rules, procedures, and systems) that materialise in excessive border crossing times. In 2017 the Programme for Infrastructure Development in Africa (PIDA) published figures stating that inefficiencies in the African regional corridor infrastructure network amount to approximately $75 billion per annum. Transport costs in Africa are among the highest in the world and is cited as a key cause for the low level of intra-regional trade.

Ms. Mommen pointed out that most SMART corridors in the United States (US) are urban transport corridors, and not trade corridors. In her closing remarks, she alluded that the SMART corridor concept may not be the immediate solution for Africa. While the SMART corridor initiative is ambitious, African countries must first harmonise / simplify systems and establish seamless ICT connectivity amongst relevant role-players before the benefits associated with SMART corridors will materialise.

Consideration should rather be given to adopt the ***Economic Corridor Development*** (ECD) framework that focuses on spatial development. The rationale behind ECD is that movement corridors (transport and trade) are necessary, but not sufficient to accrue economic development along the corridor. For this reason, transport and trade corridors are not acknowledged as economic corridors.

ECD encompasses more than just transport connectivity but goes hand in hand with developments in human capital, policies and reforms to develop the primary, secondary and services sectors. The clustering or concentration of industries, businesses and services in a specific area is key and could result in increased productivity and economies of scale derived from the sharing infrastructure.

## 4.2.2 PROPELLING GREEN TRANSITION UNDER THE AFCFTA

***Speaker: Mr. Ben Pullen, Smarter Mobility***

In this opening remarks, Mr. Pullen informed the audience that the Smart mobility initiative focuses on improving how people and goods move through employing data-driven solutions (ITS). Within urban areas, the adoption of Smart mobility poses several benefits, including improved quality of life, enhanced safety, energy savings and data-driven decision making. Green transition under the AfCFTA covers 3 areas, which are depicted in Figure 2.

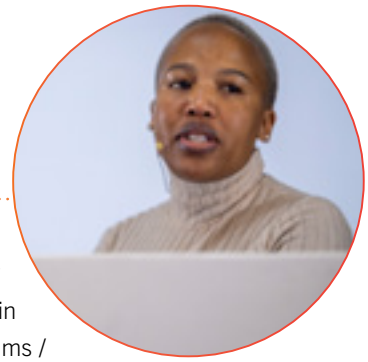
**Figure 1: Green Transition under the AfCFTA**


The road to decarbonise the transport sector goes hand in hand with the use of renewable sources of energy, including hydro, geothermal, wind and solar to minimise the release of Greenhouse Gas (GHG) emissions and air pollution.

Green transport involves moving away from the use of conventional technologies (e.g. gasoline and diesel vehicles) to the introduction of eco-mobility transport forms, including electric, hydrogen, and hybrid vehicles. The use of electric vehicles may not be feasible for long-distance (cross-border) road transport since many African countries do not have adequate and reliable energy grids to develop charging stations at regular intervals along transport corridors. Also, many manufacturers have not yet ventured into the manufacturing of hydrogen trucks.

A movement to green transport requires major investments from government, public and private sectors for green infrastructure projects. It is important however that care be taken to ensure that financial support is consistent with a pathway towards low GHG emissions and climate-resilient development.

### 4.2.3 THE ROLE OF RISK-BASED SYSTEMS IN FACILITATING TRADE FLOWS: AEO-OCAS PILOT PROJECT



***Speaker: Ms. Thethiwe Jika***

Risk-based reforms seek to improve the regulatory environment through enhancing regulatory efficiency, operator compliance and road safety. Several risk-based reforms are unfolding in the SADC region. Trade facilitation is based on ***security.*** Examples of risk-management systems / initiatives include the Operator Compliance Accreditation System (OCAS) driven by the C-BRTA and the Authorised Economic Operator (AEO) programme, led by SARS.

OCAS was conceptualised as an intelligent risk-based regulatory tool to certify and license South African cross-border road transport operators. This system is underpinned by the introduction of market access criteria, auditing, operator registration, registration of responsible competent persons, operator profiling and certification. In essence, OCAS aims to enhance the efficiency and safety of cross-border road transport by ensuring that cross-border operators comply with set standards and regulations.

Several benefits are associated with OCAS, including:

- **Improved efficiency** – through harmonising and automating accreditation processes, optimising resource allocation and encouraging transport operators to regulate themselves without the need to constant external oversight;
- **Reducing delays** – through employing predictable processes and faster inspections;
- **Enhancing security** – through targeting the monitoring of cross-border operators and regular audits to ensure that transport operators adhere to safety and regulatory standards; and
- **Improved road safety** – through enforcing stringent safety standards on cross-border road transport operators.

The C-BRTA identified an opportunity for joint pilot exercises of the OCAS and AEO programmes. Since 2021, the C-BRTA and SARS worked tirelessly to explore the compatibility of the 2 programmes with a view to improve compliance while also offering complimentary benefits to common compliant clients.

To date, 2 joint AEO-OCAS pilots have been conducted along different sections of the N4 corridor in South Africa. The first pilot was conducted in March 2022 between Pretoria and the Lebombo/Ressano Garcia border post, while the second pilot took place between February and March 2024. The focus area of the second pilot was between Zeerust and the Skilpadshek border post.

The findings of both pilot exercises revealed significant time savings for SARS traders and C-BRTA cross-border road transporters over sections of the road networks leading to border posts. Time savings equate to money savings and clearly illustrate the benefits that risk-based systems hold for accredited parties.

### 4.2.4 HOW ROAD TRANSPORT AND FACILITATION COULD DRIVE TRADE CONNECTIVITY AND ECONOMIC DEVELOPMENT IN AFRICA

***Speaker: Ms. Tatiana Rey Bellet & Mr. Jean Acri***

The International Road Transport Union (IRU) promotes and enhances dialogue between inter-governmental bodies, international organisations, and stakeholders concerned by the road transport industry. Since its formation, the IRU has become the trusted voice for mobility and logistics and facilitating the transport of people and goods. The IRU works closely with many role-players, including national road transport associations, chambers of commerce, multinational companies, insurance companies, recruitment agencies, research and academic institutions, public sector authorities and non-government bodies.

The presenters alluded to the fact that the efficiency of the road transport sector in Africa is undermined by several challenges, including:

- **Trade structure** – high-number of land-locked countries who lack direct access to African seaports;
- **Weak governance** - weak regulations, coupled with an unstructured and weak road transport sector and low level of professionalism of logistics players undermine trade performance on the continent; and
- **Deficient market structures** – outdated market access rules and the unregulated nature of road transport intermediaries obstruct trade facilitation among countries.

The road transport sector remains the dominant mode of transport in Africa, with most surface movements taking place in road vehicles. It is critical that road transport inefficiencies be addressed to enable the continent to leverage on AfCFTA opportunities. The AfCFTA will require African countries to harmonise the rules governing the road transport sector at continental level. Success depends on the adoption of a coordinated approach by role-players to harmonise regulations and in creating a level playing field for road transporters.

The use of key international references assists role-players in formalising and professionalising the road transport industry. An example includes the Road Freight Services reform report that was commissioned by the World Bank, in collaboration with the IRU. This report provides tools and examples to support policy makers in their reform endeavours.

The adoption of international standards and adaption of standard to continental requirements poses several benefits for Africa, including:

- Promoting legal and economic harmonisation;
- Creating ground for equal competitive conditions to ensure the progressive liberalisation of transport services;
- Ensuring sustainability and enhanced trade security;
- Contributing to road safety improvements; and
- Preserving road infrastructure.

The African road transport sector can promote continental trade and preserve transport infrastructure in several ways, inter alia, through:

- Using the principles of international framework agreements to facilitate trade and transport movements;
- Using best practices in trade, transport and transit facilitation; and
- Using tools which support the practical implementation of principles and best practices.

Examples of transport and transit facilitation tools include:

- **Revised Koyoto convention** that provides guidelines for simplifying and harmonising customs procedures;
- **World Trade Organisation Trade Facilitation Agreement** that contains provisions for expediting the movement, release and clearance of goods, including goods in transit; and
- **SAFE framework** that provides standards to secure and facilitate global trade

### 4.2.5 SMART LAW ENFORCEMENT TOOLS AND SYSTEMS: TCK CASE STUDY

***Speaker: Mr. Leslie Mpofu, Trans Kalahari Corridor***

The Trans-Kalahari Corridor (TKC) was jointly developed by the governments of Botswana and Namibia in the 1990s. The TKC stretches over 1,900 km from the port of Walvis Bay through Windhoek, Gaborone (Botswana) to the cities of Johannesburg and Pretoria in South Africa. The TKC is complemented by the Maputo Development Corridor (MDC) on the east coast of Africa, thus forming a transport corridor over the entire breadth of Southern Africa.

Although the TKC road network is in a good condition, the entire road network is not a dual carriage way that results in bottlenecks along certain sections of the road corridor. Corridor safety is further compromised by a shortage of formal truck stops along the corridor. Effective law enforcement is required to maintain law and order over the TKC road network. Increased law enforcement visibility plays a major role in reducing road accidents and serves as a platform for the collecting of corridor data.

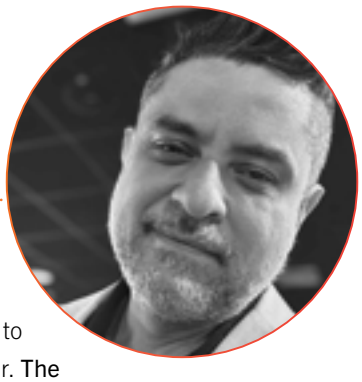
The Trans Kalahari Corridor Secretariat (TKCS) conduct Joint Law Enforcement Operations (JLEO) each year. Since 2016, 14 JLEO have been conducted, with the last operation conducted in South Africa during the last week of August. The objectives of JLEO are to:

- Promote compliance on the TKC;
- Increase law enforcement visibility on the corridor;
- Promote road safety and security; and
- Enforce applicable laws and regulations with a view to improve road safety.

TKC hosting countries used different type of technologies and equipment during law enforcement inspections which vary in design and application, from basic systems (verifying driver license cards) to advanced applications that include the use of smart law enforcement vehicles that can perform multi-functional activities at a given time.

Smart vehicles are equipped with Automatic Number Plate Recognition Systems (ANPR) that can read number plates from a certain range. License plate recognition cameras, fitted in the roof of smart vehicles, transmit vehicle registration numbers to a Joint Information System (JIS) to cross reference vehicle registrations with various data bases.

### 4.2.6 TRANSPORT REGULATION IN FUTURE: FROM QUANTITY REGULATION TO QUALITY REGULATION



***Speaker: Mr. Diógenes Correia , ANTT, Brazil***

The National Land Transport Agency (ANTT) is a regulatory agency in Brazil, linked to the Ministry of Transport. The ANTT was established in June 2001 with the mission to contribute to national development through effective regulation and supervision of the land transport sector. The ANTT is responsible for regulating the following areas:

- Rail passenger and cargo transport;
- Operation of railway infrastructure;
- Interstate and international road passenger and freight transport;
- Operation of highway infrastructure;
- Intermodal transport; and
- Transport of hazardous cargo on highways and railways.

The ANTT regulatory cycle consists of 4 stages, namely:

- Regulatory planning;
- Development and Implementation of Regulation;
- Market Surveillance; and
- Regulatory Stock Management.

The last stage (Regulatory stock management) is a systematic process of reviewing the stock of regulation to ensure that regulations remain up to date, cost-justified, cost-effective and consistent, and deliver the intended objectives.

The ANTT employs a biennial planning tool, titled “Regulatory Agenda” that outlines regulatory topics that require priority action. Thirty-five projects have been approved, and 13 completed. An online tool is used to track project progress. The ANTT conducts Regulatory Impact Assessments (RIA) after project execution to determine the impact of programmes / projects, and the findings of this exercise is documented.

The ANTT provides incentives to selected clients. The Regulatory Sandbox refers to a limited form of regulatory waiver or flexibility for firms (businesses) to help them to test new business models with reduced regulatory requirements.

# 4.3
# DAY 3:
## FINANCING OF TRANSPORT INFRASTRUCTURE AND SYSTEMS

### 4.3.1 CHALLENGES EXPERIENCED IN INFRASTRUCTURE PROJECT PREPARATION

***Speaker: Mr. Garba Sani, AUDA-NEPAD***

Mr. Garba Sani from the AUDA-NEPAD addressed the challenges experienced in infrastructure project preparation. Key points from his presentation are presented below:

#### 1. FUNDING AND FINANCIAL CONSTRAINTS

- Difficulty in securing adequate funding for large-scale infrastructure projects often delay the timeous completion of projects.

#### 2. REGULATORY AND POLICY BARRIERS:

- Inconsistent policies and regulations create significant obstacles to project implementation and underpin the importance of adopting harmonised regulatory frameworks across African countries.

#### 3. TECHNICAL AND CAPACITY ISSUES

- There is a shortage of technical expertise and capacity in many regions, which hampers the effective planning and execution of infrastructure projects.

#### 4. STAKEHOLDER COORDINATION

- Effective coordination among various stakeholders, including governments, private sector and international organisations is critical. A lack of coordination often results in misaligned priorities and inefficient use of resources.

#### 5. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

- Addressing environmental and social impacts is essential for sustainable infrastructure development. If these impacts are neglected it may lead to community resistance and project delays.

#### 6. DIGITAL TRANSFORMATION

- The integration of digital technologies in project preparation and execution is imperative to enhance efficiency and transparency.

Mr. Sani's presentation underscored the importance of collaborative efforts and innovative solutions in addressing the above-mentioned and in advancing infrastructure development in Africa.

### 4.3.2 INFRASTRUCTURE FINANCING TRENDS IN AFRICA

***Speaker: Dr. Crynos Mutendera, C-BRTA***

Dr. Crynos Mutendera from the C-BRTA delivered a presentation on Infrastructure Financing Trends in Africa. Key points from his presentation are captured below.

#### 1. CURRENT FINANCING LANDSCAPE

- The financing landscape in Africa is involving and noted by an increase in public and private sector investments. Innovative financing mechanisms is required to bridge the infrastructure gap.

#### 2. PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

- PPPs is becoming increasingly important in financing large-scale infrastructure projects. There are several case study examples of successful PPPs in delivering infrastructure programmes in Africa.

#### 3. INTERNATIONAL FUNDING AND AID

- Significant contribution (funding and technical expertise) s are received from international financial institutions and development agencies for infrastructure development programmes in Africa.

#### 4. CHALLENGES IN FINANCING

- Several challenges, including high project costs, political instability and regulatory hurdles deter potential investors from financing infrastructure programmes in Africa.

#### 5. FUTURE TRENDS

- Looking ahead, a shift towards more sustainable and resilient infrastructure investments is foreseen. It is imperative that transport projects / programmes do not only address current demands but also anticipate future growth and environmental considerations.

#### 6. RECOMMENDATIONS

- To overcome financing challenges, it is important to enhance regional cooperation, improve regulatory frameworks and leverage digital technologies to streamline project preparation and execution.

### 4.3.3 EXPLORING INNOVATIVE FINANCING OPTIONS TO CLOSE THE INFRASTRUCTURE GAP IN AFRICA

***Speaker: Mr. Malesela Montja, Nedbank***

Mr. Malesela Montja from Nedbank delivered a presentation on "Exploring Innovative Financing Options to Close the Infrastructure Gap in Africa." **Key take-aways from his presentation include:**

#### 1. BLENDED FINANCE

- Blended finance, which combines public and private funding sources are important to mitigate risks and attract more investment into infrastructure projects.

#### 2. GREEN BONDS AND SUSTAINABLE FINANCING

- Green bonds and other sustainable financing instruments that are designed to fund projects that offer positive environmental and social impacts, and which are aligned with global sustainability goals, are gaining in Africa.

#### 3. DEVELOPMENT FINANCE INSTITUTIONS (DFIS)

- Development Finance Institutions (DFIs) fulfil an important role in providing long-term financing and technical assistance for infrastructure development and fill the gap when commercial banks are hesitant to finance infrastructure programmes.

#### 4. PUBLIC-PRIVATE PARTNERSHIPS

- Mr. Montja echoed the sentiment from other speakers that PPPs are important in mobilising resources and expertise from the public and private sectors to deliver large-scale infrastructure projects. African governments should adopt a collaborative approach when partnering with other role-players.

#### 5. INNOVATIVE FINANCIAL INSTRUMENTS

- Various innovative financial instruments, including infrastructure bonds and diaspora bonds are available. African governments should tap into new sources of capital for infrastructure development.

#### 6. RISK MITIGATION STRATEGIES

- Examples of risk mitigation strategies include political risk insurance and credit enhancement mechanisms.

#### 7. REGIONAL COOPERATION

- Regional cooperation and integration are important to create larger, more attractive markets for investors and to ensure the sustainability of infrastructure projects in Africa.

### 4.3.4 PROBLEMS ENCOUNTERED IN PREPARING PROJECTS FOR BANKABILITY AND MAPPING THE WAY FORWARD

***Speaker: Mr. Mr. Ntlai Mosiah – Director, Autonomi Capital***

Key discussion points from Mr. Mosiah's presentation are listed below:

#### 1. IDENTIFYING BANKABLE PROJECTS

- On-going challenges remain in identifying projects that are attractive to investors. Many projects lack the required feasibility studies and risk assessments to be considered bankable.

#### 2. REGULATORY AND POLICY HURDLES

- Regulatory and policy inconsistencies across different African countries, complicate preparation and approval processes for infrastructure projects.

#### 3. FINANCIAL STRUCTURING

- The complexity of financial structuring is a significant barrier to infrastructure funding in Africa. Many projects struggle to find the right mix of debt and equity financing.

#### 4. STAKEHOLDER ENGAGEMENT

- Effective stakeholder engagement is crucial for project success. Inadequate communication and coordination among stakeholders often lead to delays and increased costs.

#### 5. CAPACITY BUILDING

- There is a need for capacity building in project preparation. Mr. Mosiah stressed the importance of training and developing local expertise to improve the quality of project proposals.

#### 6. INNOVATIVE FINANCING SOLUTIONS

- Innovative financing solutions, such as blended finance and public-private partnerships (PPPs) should be explored to enhance the bankability of projects.

#### 7. RISK MITIGATION

- Risk mitigation strategies should be adopted to make projects more attractive to investors.

#### 8. MAPPING THE WAY FORWARD

- Moving forward, all role-players (African governments, private sector and international organisations) should adopt a collaborate approach to improve the bankability of infrastructure projects. Also, African countries must adopt a standardised framework for project preparation.

# 5. IMPORTANT POINTS RAISED DURING PANNEL DISCUSSIONS

The conference included panel discussions on all 3 days. The purpose of these discussion was to allow the panelists to share their wisdom and to provide insights to create real value and takeaways for the audience. Important points raised by panel member are highlighted below in no order of importance:

- Corridor stakeholders should adopt an ***inclusive approach*** and work in harmony, instead of against each other. Consensus among all corridor players is required on what should be done to address infrastructure gaps. Engagements between the public and private sector should focus on the end goal. Communication channels should be open to bring all parties on board. Information sharing platforms are important to facilitate discussion / dialogue among interest groups and to build trust.
- Regulations should focus on best practices and should not restrict the seamless movement of people and goods along transport corridors;
- Strong institutions are needed to manage strategic transport corridors. Currently only 3 regional corridors have management committees. It is important to have intermediaries between government and the private sector. This role can be performed by Corridor Management Institutions (CMIs);
- Law enforcement inspections along regional transport corridors constrain traffic movements. A balancing act should be established between minimising cross-border threats and facilitating traffic movements. ***Joint law enforcement operations*** can play a significant role in minimising delays and disruptions along road transport corridors;
- A corridor approach should be adopted to resolve corridor challenges. Focus on individual corridor segments will lower the impact of reforms on the entire corridor;
- Solutions should not only be discussed, but also implemented to improve trade and transport conditions across the continent;
- The role of the ***private sector*** in financing and managing transport infrastructure and systems is often neglected. Apart from assisting with funding, private sector players can also perform other functions such as managing/maintaining truck stops and vehicle testing facilities that do not require public funding;
- The viability of projects is a top priority for commercial banks. Projected cash-flows should show viability. Project preparation is key, and assistance is required across the continent to help MS to prepare projects for bankability. The private sector will only fund projects if they are commercially viable and if projected benefits outweigh projected costs;
- An enabling environment is a requirement to attract players (other than government) to finance infrastructure programmes. Governments should approach infrastructure development with the private sector to ensure they understand the risks from the private sector perspective. They should also properly allocated risks and provide appropriate risk-adjusted returns. Political stability lowers perceived risks. Clear rules should be provided for the full spectrum of public procurement options (including PPPs);
- Multilateral Development Banks often step where commercial banks don't want to venture. Cross-border projects do not always render financial returns over the short- medium term due to their nature (involving many countries and stretching over a long distance). Social considerations (e.g. upliftment of communities) are an important consideration for multilateral development banks;

- China has become a prominent force in funding infrastructure programmes across Africa. Chinese sponsors have shown their resilience in absorbing risk. They often take on the entire corridor project (e.g. developing seaports and border posts) instead of financing certain corridor components only. Also, they offer a one-stop shop, providing consultancy services, engineering, financing and re-financing. They don't restrict themselves to only one area;
- The successful implementation of key continental and regional initiatives depend on strong ICT connectivity and systems integration. The benefits foreseen with TTTFP and SMART corridors will not materialise in the absence of integrated ITC systems across the continent. A key focus area of TTTFP is the establishment of an online platform (TRIPS) that will capture information on cross-border operators, drivers and fleet. Key hosting sites have been identified in Namibia (West coast) and Kenya (East coast). It is important that African countries support TRIPS and domesticate legal frameworks in their territories to enable the online capturing and sharing of data through TRIPS;
- ***Border posts*** remain problematic. Soft infrastructure inefficiencies, notably unharmonised rules and procedures and poor ITC integration materialise in significant time delays at inland borders. Simplification of border processes is key to improve trade facilitation through border posts. Poor cooperation among border role-players is noted with the construction of the Beitbridge One Stop Border Post (OSBP). Construction work on the Zimbabwean side is complete, while it is yet to start in South Africa. The Border Post upgrade (for South African side) is currently in the procurement phase. Bids have been submitted to the Department of Home Affairs (DHA). Nedbank will co-finance infrastructure developments at the border on the South African side;
- The ***rail transport sector*** should be revitalised across Africa. Multi-modal transport arrangements are a solution to preserve road infrastructure and to ease congestion. A certain portion of traffic carried by road, should be moved to rail. To succeed, the problems related to interconnectivity and customs processes at border posts should be addressed to facilitate seamless cross-border road movements;
- Infrastructure programmes should prioritise ***"quick-wins"*** that will render results over the short-term. Visible improvements can be realised through the harmonisation of rules and regulations that will be less capital-intensive than hard infrastructure reforms;
- Infrastructure developments should acknowledge the movement to ***Green Transport.*** Environmental criteria should be integrated into all stages of transport system development. Green transport transitions will not only accrue environmental benefits, but the transition itself will open employment, entrepreneurship and skills transfer; and
- Hard infrastructure reforms are more costly and long-term in nature that soft reforms. The private sector can sponsor hard infrastructure programmes in several ways, for example through Build-Operate-Transfer (BOT) agreements.

# 6.

# SUMMARY OF FINDINGS AND WAY FORWARD

## 6.1 CONFERENCE FINDINGS

Key points raised by conference speakers and deliberations from conference participants elevated several key points that require further deliberations amongst all role-players.

### 6.1.1 ADOPTING A COLLABORATIVE APPROACH IS KEY TO IMPROVING THE IMPLEMENTATION STATUS OF CONTINENTAL & REGIONAL PROGRAMMES

The poor implementation status of infrastructure projects can partially be attributed to poor communication and adherence to a silo mentality by African role-players. A review of flagship progammes (PIDA & PICI) reveals that most project are still at the project preparation stage, showing limited progress.

To expedite the timeous delivery of flagship infrastructure reforms, engagement / dialogue among role-players should intensify. Regular information sharing platforms (like the C-BRTA trade and transport conference) provides a platform for the exchange of information and sharing of ideas to create a common understanding among all parties as to what is required to affect lasting change and to deliberate on solutions. Conversations should focus on finding collective solutions to corridor constraints. For example, what should be done to create more efficient borders and improve the regulatory environment.

### 6.1.2 INSTITUTIONAL CAPACITY SHOULD BE STRENGTHENED

Only 3 corridors in the SADC region – Walvis Bay, Trans Kalahari & Lobito – have functioning CMI's who are instrumental in facilitating dialogue between corridor role-players and in harmonising procedures and documentation used in transport and transit operations along the corridor. Funding arrangements for existing corridor groups are constrained. Given the strategic role that CMIs perform in managing corridor affairs, it is critical that alternative funding arrangements be sourced to ensure all strategic corridors traversing the region have functioning CMIs.

### 6.1.3 CONTINENTAL INTEGRATION UNDER THE AFCFTA RELIES ON EFFICIENT, INTEGRATED TRANSPORT INFRASTRUCTURE

The creation of the AfCFTA provides a unique opportunity to boost growth, cut poverty and reduce Africa's dependence on foreign countries as export destinations and sources of imports and investment. Africa has the resources and population to increase trade and to increase its trade performance with fellow African countries.

The envisioned benefits of the AfCFTA will however not occur automatically. One of the biggest obstacles to realising the AfCFTA's full economic potential is the poor quality of surface (road and rail) infrastructure in Africa. To optimise corridor performance, choke points along transport corridors should be identified and addressed at the same time. Given the shortage of public-sector funds, African governments must become more receptive to adopting alternative funding solutions. The private sector can join forces with government (through PPPs) to execute infrastructure programmes in time.

### 6.1.4 THE TTTFP IS A PRECURSOR TO THE CONTINENTAL HARMONISATION DRIVE

Phase 1 of the TTTFP has been concluded and resulted in the adoption of 2 agreements and 5 model laws by the Tripartite Council of Ministers. Phase 2 commenced in 2023 and is scheduled for completion in 2028.

The African Union Commission (AUC) adopted the TTTFP framework/instruments in principle for roll-out across the entire continent in a bid to develop a comprehensive continental transit and transport facilitation programme that acknowledges on-going initiatives on harmonisation of road transport instruments within RECs outside the Tripartite.

African RECSs who have not yet developed harmonised regional road transport legal and regulatory instruments should consider adopting the instruments approved at Tripartite level as reference point to develop their own legal text.

### 6.1.5 QUALITY REGULATION REQUIRES HARMONISED POLICIES & REGULATIONS

The purpose of the TTTFP is to develop and implement harmonised road transport policies, laws, regulations and standards for efficient cross border road transport. The Multilateral Cross-Border Road Transport agreement (M-CBRTA) serves as primary legal instrument to introduce quality regulation in the Tripartite (medium-term), and Africa (long-term).

Implementation of programmes takes place at MS level. To improve the implementation status of regional commitments, strong political commitment is required from all African countries to align their legislation to the requirements set out in the M-CBRTA and to introduce quality regulation in their territories.

### 6.1.6 BORDER IMPROVEMENT PROGRAMMES SHOULD BE PRIORITISED

Inefficient regional connectivity and burdensome cross-border procedures hinder trade competitiveness and increase transport costs. Transport costs in Africa are among the highest in the world and hinder the competitiveness of African countries in the global arena.

It is imperative that border challenges be addressed through border improvement programmes, including OSBPs. SMART borders require full scale digitalisation and integration of a range of systems. Many problems experienced at inland borders are caused on the customs side. It is thus important that customs processes be simplified and digitised to expedite seamless traffic movements across national borders.

### 6.1.7 INFRASTRUCTURE PROGRAMMES SHOULD PRIORITISE QUICK WINS

Cross-border traffic movements are constrained by hard and soft infrastructure inefficiencies. Hard cross-border infrastructure projects are capital-intensive, long-term in nature and often involves more than 1 MS. Soft infrastructure constraints are often easier and less costly to address. For example, the execution of joint law enforcement programmes along transport corridors and is not a capital-intensive reform, but one that will accrue tangible results, in the form of time and cost savings in the short-term.

### 6.1.8 MOVEMENT TO GREEN TRANSPORT

African governments should support the drive towards green transport and implement interventions to reduce GHG emissions. While the global drive towards the decarbonisation of the transport sector goes hand in hand with the phasing out of the production of internal combustion engine vehicles, and the use of electric vehicles, many African countries do not have adequate and reliable electricity grids. Therefore, the road to decarbonisation in Africa should be approached in a phased manner.

Moving forward, it is imperative that African governments intensify dialogue with interest groups to build consensus on the development of sound policies and strategies that support the movement towards green transport. Legal and regulatory frameworks should be amended to incorporate tax incentives (e.g. exemptions and bonus-malus schemes) that favour clean vehicles, outline permissible vehicle emissions and impose stricter regulations on second-hand polluting vehicles. Relevant metrics and analytical tools should be developed to monitor progress towards a green economy.

### 6.1.9 FUTURE FACE OF TRANSPORT CORRIDORS

The SMART corridor concept is currently being promoted by the African Union as a solution to modernising Africa's key transport corridors. SMART corridors rely on the harmonisation of systems and deployment of Intelligent Transport Systems (ITS) and intelligent equipment in the design and operation of transport corridors to facilitate the unimpeded flow of traffic.

Limited progress is witnessed across Africa in transforming transport corridors into SMART corridors. While the SMART corridor initiative is ambitious, African countries must first harmonise / simplify systems and establish seamless ICT connectivity amongst all role-players before the benefits associated with SMART corridors will materialise.

The status quo may require that African government re-thing their approach. While the SMART corridor initiative is ambitious, African countries must first harmonise systems and establish seamless ICT connectivity amongst relevant role-players before the benefits associated with SMART corridors will materialise.

### 6.1.10 ADOPTING A SUPPLY CHAIN APPROACH IS IMPERATIVE TO ELIMINATE CORRIDOR EFFICIENCIES

Overall corridor performance is the result of the combination of individual performances of corridor components. Attending to individual corridor components (e.g. border posts) in isolation will limit the overall impact of reforms on corridor performance, since corridor delays will be moved to another point along the corridor. It is thus important that corridor inefficiencies along the entire corridor (between origin and destination) be prioritised and attended to at the same time.

### 6.1.11 INNOVATIVE FUNDING SOLUTIONS IS REQUIRED TO CLOSE THE INFRASTRUCTURE GAP

African governments remain the biggest financier of infrastructure programmes. Since governments continue to face budgetary constraints, they must explore innovative financing solutions to expedite the timeous delivery of infrastructure projects.
To eliminate the infrastructure gap in Africa, African governments must seek alternative funding sources to bring infrastructure projects to implementation. The private sector, together with DFIs can fulfil an important role in bridging the infrastructure gap. DFI's (e.g. DBSA) often step in when commercial banks reject projects as being too risky.

While African governments are becoming more receptive to private investment, the continent must urgently scale-up capacity for project preparation in terms of resources, skills and the development of bankable project pipelines to create enough jobs for the large African youth population, entering the labour market. This is where the private sector can play an important role in joining forces with the public sector to create a conductive environment that will attract investments.

## 6.2 WAY FORWARD

Following the success of the first Continental Trade and Transport Conference, the C-BRTA undertook to make this an annual event. The position taken is that the event going forward shall be a collaboration effort among all relevant stakeholders in both public and private sectors.

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