ANNUAL STATE OF CROSS-BORDER OPERATIONS REPORT

Celebrating 20 YEARS OF SERVICE

MARCH 2019

(ASCBOR COMPLETED DURING 2018/19)

Regulation • Facilitation • Law Enforcement • Advisory

CROSS-BORDER ROAD TRANSPORT AGENCY

TABLE OF CONTENTS

ACRONYMS ..... **V**

LIST OF TABLES ..... **VIII**

LIST OF FIGURES ..... **IX**

EXECUTIVE SUMMARY ..... **X**

1. OVERVIEW OF REPORT **1**

1.1 Introduction and Background 1

1.2 Problem Statement 2

1.3 Purpose of Report 3

1.4 Report Methodology 4

1.6 Scope of Report 4

2. CONSTRAINTS FACING CROSS-BORDER OPERATIONS **12**

2.1 Introduction 12

2.2 Hard and Soft Infrastructure Challenges 13

2.2.1 Poor road network connectivity 13

2.2.2 Disjointed regulatory frameworks and systems 14

2.2.3 Inefficient regulatory regimes and systems 14

2.2.4 Weak institutions 14

2.2.5 Lack of harmonised transport rules, standards and tariffs 14

2.2.6 Ineffective border management systems 15

2.2.7 Numerous uncoordinated (official and unofficial) road blocks 15

2.3 Operational constraints facing Cross-Border Operations 15

2.3.1 Road Passenger Operations 15

2.3.2 Road Freight Operations 20

2.3.3 Challenges Applicable to Both Road Passenger and Road Freight Transport 25

2.4 Priority Intervention Areas 27

2.5 Conclusion 36

3. REGIONAL INTEGRATION **37**

3.1 Introduction 37

3.2 Tripartite Free Trade Area Initiative 39

3.2.1 Establishment of a Tripartite Free Trade Area 40

3.3 Overview of Trade in Africa 43

3.3.1 Overview of Intra-Regional Trade 43

3.4 Level of Road Transport Integration in Africa 45

3.4.1 Moving Forward: Establishing Integrated Road Transport Network(s) 48

3.5 Conclusion 48

4. TRACKING DEVELOPMENTS 50

4.1 Introduction 50

4.2 Assessment of Reforms 50

4.2.1 Continental Reforms 50

4.2.2 Tripartite Reforms 62

4.3 Moving Forward – From Project Planning to Project Implementation 67

4.3.1 Lack of Ownership for Continental and Regional Projects 67

4.3.2 Differences in National and Regional Legal Systems 67

4.3.3 Under-Resourced and Poorly Skilled Regional Bodies 68

4.3.4 Inadequate Financing for Regional Infrastructure Development 68

4.3.5 Absence of Regional Parliaments 68

4.4 Conclusion 68

5. CORRIDOR PERFORMANCE MONITORING 70

5.1 Introduction 70

5.2 Corridor Components and Indicators 71

5.2.1 Corridor Components 71

5.2.2 Corridor Categories 72

5.3 Review of Existing Corridor Performance Monitoring Systems 73

5.3.1 Corridor Performance Measuring System for East and Southern Africa 73

5.3.2 Implementing a Corridor Performance Monitoring System for the Trans-Kalahari Corridor 75

5.4 Conclusion 78

6 .FINANCING OF INFRASTRUCTURE REFORMS 79

6.1 Introduction 79

6.2 Current Infrastructure Investment Requirements 79

6.2.1 G-20 Estimates 79

6.2.2 African Finance Development Bank 80

6.2.3 Programme for Infrastructure Development in Africa (PIDA) 81

6.3 Infrastructure Financing Trends in Africa 82

6.3.1 Sector-wise Trends in Infrastructure Financing 83

6.4 Public-Private Partnership in Infrastructure Financing 84

6.5 Challenges of Infrastructure Investing 87

6.5.1 Limited Public Sector Capacity 87

6.5.2 Lack of Political Will 87

6.5.3 Policy Uncertainty 88

6.5.4 Weak Regulatory Environments 88

6.5.5 Technical Skills Shortages 88
6.5.6 Financial Complexity 88
6.6 Emerging Best Practices for Government and Private Investors 89
6.6.1 Emerging Best Practices for Government 89
6.7 Emerging Best Practices for Private Investors 90
6.8 Learning by Doing – Case Study in African Infrastructure Investment 91
6.8.1 Case Study 1: Rift Valley Railways Project 91
6.8.2 Case Study 2: Construction of Henri Konan Bédié Bridge 92
6.9 Viable Financing Options for Tripartite Countries 93
6.10 Conclusion 94
7. IDENTIFICATION OF REFORMS 95
7.1 Introduction 95
7.2 Existing Reforms 95
7.2.1 Implement Prioritised Road Infrastructure Projects 95
7.2.2 Establish Regional Parliaments 96
7.2.3 Harmonise Regulatory frameworks and Implement Quality Regulation 97
7.2.4 Operationalise One Stop Border Posts 99
7.2.5 Develop and Implement a Corridor Performance Monitoring System for the Tripartite 101
7.3 New Reforms 102
7.3.1 Boost Private Infrastructure Investing in Africa 102
7.3.2 Establish Monitoring and Evaluation Bodies 103
7.3.3 Coordinate the Provision of Ranking Facilities 105
7.3.4 Implement Harmonised Cross-Border Charges Framework 106
7.3.5 Implement Mandatory Joint Law Enforcement Operations 106
7.3.6 Implement Technology for Law Enforcement Operations 107
7.3.7 Implement Risk Based Regulatory and Law Enforcement Tools or Systems 108
7.3.8 Capacitate Regulatory Authorities and Implement required ICT systems 109
7.4 Recommended Reforms and Action Plans 110
7.4.1 Existing Reforms 111
7.4.2 New Reforms 113
7.5 Role of C-BRTA in Implementing Corridor Reforms 115
7.6 Conclusion 116
REFERENCES 117
ELECTRONIC SOURCES 119

ACRONYMS

Abbreviation	Meaning
AFC	African Finance Corporation
AfDB	African Finance Development Bank
AID	African Infrastructure Database
AU	African Union
AUC	Africa Union Commission
ASCBOR	Annual State of Cross-Border Operations Report
ASYCUDA	Automated System for Customs Data
BA	Botswana Annual Transport Permit
CFA franc	West African franc
CFTA	Continental Free Trade Area
CFTM	Continental Free Trade Market
CMC	Corridor Management Committee
CONDEP	Container Depot
COMESA	Common Market for Eastern and Southern African States
CPI	Corridor Performance Indicator
CPMS	Corridor Performance Monitoring System
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institutions
DHA	Department of Home Affairs
DoT	Department of Transport
DRC	Democratic Republic of the Congo
Dti	Department of Trade and Industry
EAC	East African Community
EC	European Commission
EIB	European Investment Bank
EU	European Union
EXCO	Executive Committee
FTA	Free Trade Area
G8	Group of 8
G20	Group of 20
GPS	Global Positioning System
HSGOD	Heads of State and Government Orientation Committee
ICA	Infrastructure Consortium for Africa
ICD	Inland Container Depots
ICT	Information and Communications Technology
JICA	Japan International Cooperation Agency
JRMG	Joint Route Management Group
LAP	Linking Africa Plan
LCD	Least Developed Countries
MCBRTA	Multilateral Cross-Border Road Transport Agreement
MDB	Multi-lateral Development Banks
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding

Abbreviation	Meaning
NAFTA	North America Free Trade Area
NEPAD	New Economic Partnership for Africa's Development
NLTA	National Land Transport Act
NMTT	National Ministerial Task Team
NPCA	NEPAD Planning and Coordination Agency
NSC	North South Corridor
NTB	Non-tariff barrier
OAU	Organisation of African Unity
OCAS	Operator Compliance Accreditation Scheme
PICI	Presidential Infrastructure Champion Initiative
OSBP	One Stop Border Post
PIDA	Programme for Infrastructure Development Africa
PIDA-PAP	Programme for Infrastructure Development in Africa Priority Action Plan
PPIU	Project Preparation and Implementation Unit
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South Africa
PRE	Provincial Regulatory Entity
RC	Route Committee
RCBG	Regional Customs Bond Guarantee
RAF	Road Accident Fund
REC	Regional Economic Community
RVR	Rift Valley Railways
RUC	Road User Charge
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADC-PF	Southern African Development Community Parliamentary Forum
SDM	Service Delivery Mechanism
SP	Service Provider
SARS	South African Reserve Bank
SSA	Sub-Saharan Africa
TAH	Trans African Highways
TBs	Tarrif barrier
TFTA	Tripartite Free Trade Area
TKC	Trans Kalahari Corridor
TKCMC	Trans Kalahari Corridor Management Committee
TLS	Traffic Light System
TOR	Terms of Reference
TRIPS	Transport Register Information Platform System
TTB	Technical Trade Barriers
TTT	Technical Task Team
TTTFP	Tripartite Transport and Transit Facilitations Programme
TTTFP-PAP	Tripartite Transport and Transit Facilitations Programme Priority Action Plan

Abbreviation	Meaning
UN	United Nations
UNECA	United Nations Econmoic Commission for Africa
USAID	United States Agency for International Development
VLM	Vehicle Load Management
VPIC	Virtual PIDA Information Centre
ZIMRA	Zimbabwe Revenue Authority

LIST OF TABLES

Table 1: Tracking Progress with respect to Implementation of 2017 ASCBOR Reforms 5
Table 2: Tracking Progress with respect to Implementation of 2017 ASCBOR Reforms 9
Table 3: Condition of Public Ranking Facilities in South Africa & Zimbabwe 16
Table 4: Priority Intervention areas: Hard and Soft Infrastructure 28
Table 5: Priority Intervention Areas: Cross-Border Passenger Transport 30
Table 6: Priority Intervention Areas: Cross-Border Freight Transport 33
Table 7: Priority Intervention Areas: Cross-Border Passenger and Freight Transport..... 35
Table 8: Africa's Trade with its Top Global Partners..... 43
Table 9: Intra-Regional Trade 44
Table 10: Road Network in Sub-Saharan Africa..... 46
Table 11: Trans African Corridor Highway Links 47
Table 12: Condition of the Main Links of the Trans-African Highways 47
Table 13: Progress made Towards Implementing PICI Projects..... 55
Table 14: Harmonisation Elements 63
Table 15: Corridor Indicators..... 73
Table 16: CPMS Tracking Points 74
Table 17: Key Stakeholders 77
Table 18: African Finance Development Bank Estimates on Investment Needs (US$ bn.).. 80
Table 19: Project Financing Options 85
Table 20: Action Plan Reform 1 111
Table 21: Action Plan for Reform 2 111
Table 22: Action Plan for Reform 3 111
Table 23: Action Plan for Reform 4 112
Table 24: Action Plan for Reform 5 112
Table 25: Action Plan for Reform 6 113
Table 26: Action Plan for Reform 7 113
Table 27: Action Plan for Reform 8 113
Table 28: Action Plan for Reform 9 114
Table 29: Action Plan for Reform 10 114
Table 30: Action Plan for Reform 11 114
Table 31: Action Plan for Reform 12 115
Table 32: Action Plan for Reform 13 115

LIST OF FIGURES

Figure 1: Tripartite Country Membership to Regional Economic Communities 38
Figure 2: Tripartite Integration Process 39
Figure 3: Milestones towards Establishing a Tripartite Free Trade Area 40
Figure 4: Provisions of Tripartite Free Trade Agreement 41
Figure 5: Intra-Africa trade versus Africa-World Trade (2015) 45
Figure 6: Total Capital Cost of PIDA's PAP by Sector 51
Figure 7: Total Capital Cost of PIDA's PAP by Region 51
Figure 8: Status of PIDA Projects 52
Figure 9: The Logic of the Linking Africa Plan 61
Figure 10: Corridor Components 72
Figure 11: Corridor Categories 72
Figure 12: CPMS Fact Sheet 74
Figure 13: Region-wise Infrastructure Investment Gap (Expressed as %) 80
Figure 14: Region-wise Share in Total Capital Cost of PIDA's PAP through 2020 81
Figure 15: Sector-wise Share in Total Capital Cost of PIDA's PAP through 2020 81
Figure 16: Infrastructure Financing in Africa (US$ billion) 82
Figure 17: Total Infrastructure Financing by Source 83
Figure 18: Sector-wise share in Total Infrastructure Financing 84
Figure 19: Implement Prioritised Road Transport Projects 96
Figure 20: Establish Regional Parliaments 97
Figure 21: Harmonise Regulatory Frameworks & Implement Quality Regulation 98
Figure 22: Establish One Stop Border Posts 99
Figure 23: Update the Corridor Performance Monitoring System for East and Southern Africa 101
Figure 24: Boost Private Infrastructure Investing in Africa 102
Figure 25: Establish Monitoring and Evaluation Bodies 104
Figure 26: Coordinate the Provision of Cross-Border Ranking Facilities 105
Figure 27: Implement Harmonised Cross-Border Charges Framework 106
Figure 28: Implement Mandatory Joint Law Enforcement Operations 107
Figure 29: Implement Technology for Law Enforcement Inspections 108
Figure 30: Implement Risk-Based Law Enforcement 109
Figure 31: Capacitate Regulatory Authorities 110

EXECUTIVE SUMMARY

The Annual State of Cross-Border Operations Report (ASCBOR or Report) is compiled annually to advise the Minister of Transport, the Department of Transport (DoT), fellow industry regulators in the cross-border road transport environment, cross-border road transport operators and other stakeholders with a role or interest in cross-border regulatory and operational matters; of major challenges, and developments that impact on cross-border road transport operations as well as solutions that may be implemented to address such challenges.

In pursuit of the above objective, it is envisaged that this report serves as an input for decision-making with regards to enhancing cross-border road transport system efficiency, linking regional economies and the African continent at large and enhancing regional and intra-Africa trade. It is important to appreciate that a region or a country's ability to compete in world markets, growing economics and fostering industrialisation is strongly influenced by its ability to move goods, services and people quickly, safely and cost effectively. Hence the needs to address constraints facing the cross-border road transport industry in the Tripartite.

This sixth report focuses on the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC). These three Regional Economic Communities (RECs) are commonly referred to as the EAC-COMESA-SADC Tripartite or Tripartite.

The report seeks to equip stakeholders with invaluable information that will enable them to:

- Make informed strategic, policy and regulatory decisions with respect to cross-border road transport and trade issues;
- Understand the nature and context of constraints, including Tariff and Non-Tariff Barriers (TBs and NTBs) facing cross-border road transport operators along strategic road transport corridors in Africa;
- Track trade and transport developments unfolding in the Tripartite and the Continent at large which seeks to achieve seamless cross-border road transport movements;
- Establish progress made in implementing corridor performance monitoring systems along strategic road transport corridors in Africa that measure corridor performance while also determining drivers of inefficiencies;
- Understand progress made to date in establishing a Tripartite Free Trade Area (TFTA) that serve as a building block towards accomplishing regional integration through the creation of a Continental Free Trade Market (CFTM);
- Determine interventions that can be implemented to address tariff and NTBs (TBs and NTBs) along strategic corridors; and
- Determine financing options that can be explored by Tripartite countries for the implementation of recommended interventions.

In line with the above objectives, it is important to highlight that transport corridors play an important role in facilitating the movement of traffic (people, goods and services) and in linking various disparate, smaller economies. Their importance is more profound in the case of the African continent, where they play a pivotal role of linking many fragmented economies to create a bigger and stronger African market that can compete with other global players.

In Africa, the importance of the road transport system is more significant, because sixteen countries are land-locked and therefore rely on efficient transport systems to conduct trade effectively (Kingombe: 2017).

Despite its strategic importance, in the past, the transport sector has been neglected, with inadequate funding allocated to infrastructure construction and maintenance. This tendency is noted in poorly maintained road sections and missing links along regional road transport corridors that result in time delays and additional transport costs for cross-border road transport operators.

Due to various infrastructure deficiencies, Africa is the least integrated continent from a physical and economic point of view. All strategic road transport corridors that traverse through the Tripartite region faces numerous hard and soft infrastructure challenges that require urgent intervention. Examples of road transport challenges include the following:

- Inadequate and poorly maintained road networks, which are characterised by missing links along sections of regional road transport corridors;
- Various hard and soft infrastructure efficiencies at border posts, including:
  - Inadequate approach roads to border posts;
  - Lack of and/or insufficient signage;
  - Inefficient border management systems;
  - Inadequate parking within border precincts;
  - Inadequate space for inspection of cross-border vehicles;
  - Outdated and inappropriate Information and Communications Technology (ICT) for the exchange of information;
- Disjointed regulatory frameworks, characterised by variability in regulatory requirements between Member States (MS);
- Insufficient funds for infrastructure maintenance and construction;
- Inadequate skills levels within public sector transport institutions;
- Limited private sector participation in the road transport and trade industries,
- Market access restrictions, which inhibit free movement of goods within and between African countries;
- Discrepancy in the level of Road User Charges (RUC) imposed on cross-border road transport operators; and
- Various formal and informal inspection sites along strategic road transport corridors.

The above challenges culminate in delays, traffic congestion, long transit times, reduced safety and generally high cost of doing business, arguably a key contributor to the low level of intra-African trade, which is estimated at around 16% (Export-Import Bank of India report: 2018) Given Africa's geographical landscape, it becomes clear that improved transport services will stimulate trade between MS that in turn, will reduce the vulnerability of African economies to external shocks.

In order to address challenges facing the cross-border transport and trade environments, various initiatives (reforms) have been approved at *Continental* (e.g. Programme for Infrastructure Development in Africa) *Regional* (e.g. Tripartite Transport and Transit Facilitation Programme and *National levels* (e.g. One Stop Border Posts). Unfortunately, documented evidence reveals that many initiatives are still in the planning/preparatory phases of the project life-cycle.

This report acknowledges existing initiatives unfolding at Continental and Regional (REC) level since their execution poses direct benefit(s) to cross-border road transport operators. In addition to existing initiatives, several new reforms are proposed which seeks to address the challenges identified in this Report to improve the cross-border road transport and trade environments.

Against this background, the 2018/19 ASCBOR propose that the following reforms be executed by Tripartite MS:

- Implement prioritised road transport projects / programmes;
- Establish Regional Parliaments where they do not exist;
- Harmonise regulatory frameworks and implement of Quality regulation;
- Operationalise prioritised One Stop Border Posts;
- Develop and implement a Corridor Performance Monitoring System for the Tripartite;
- Boost private infrastructure investment in Africa;
- Establish Monitoring and Evaluation Bodies;
- Coordinate the provision of cross-border transport infrastructure;
- Implement a harmonised cross-border charges framework / system;
- Implement mandatory joint law enforcement operations;
- Implement technology for all law enforcement operations;
- Implement risk-based law enforcement tools / systems; and
- Capacitate Regulatory Institutions and Implement requisite ICT systems.

The implementation of most interventions requires coordination and collaboration between national and regional stakeholders (from planning to designing and implementation). Limited cooperation among stakeholders will make it more difficult to implement certain elements of the proposed reforms and limit their impact.

The benefits associated with the successful implementation of the above reforms includes, but are not limited to, improved cross-border road transport system efficiency, a reduction in NTBs and operational constraints faced by cross-border traders and transport operators and an increase in intra-regional trade and investment opportunities. Successful implementation requires political support and funding, and this implies that in moving forward, governments should provide sufficient backing, and partner with private sector players not only to secure funding, but also to obtain support for regulatory reforms.

While the need for improved hard physical infrastructure is important, it is imperative that corridor stakeholders acknowledge that cross-border challenges and corridor inefficiencies are also caused by soft infrastructure failures, such as fragmented regulatory frameworks, funding constraints and skills shortages. Ultimate success in eliminating the infrastructure gap therefore depends on the ability of relevant role-players to attend to both hard and soft infrastructure constraints simultaneously.

1. OVERVIEW OF REPORT

1.1 Introduction and Background

The Annual State of Cross-Border Operations Report (ASCBOR or Report) is compiled annually to advise the Minister of Transport, the Department of Transport (DoT), fellow industry regulators in the cross-border and transport environments, cross-border road transport operators and other stakeholders with a role or interest in cross-border policy, strategic, regulatory and operational matters; of major challenges, and developments that impact on cross-border road transport operations as well as solutions that may be implemented to address the challenges.

In pursuit of the above objective, it is envisaged that this report serves as an input for decision-making with regards to enhancing cross-border road transport system efficiency, linking regional economies and the African continent at large, enhancing regional and intra-Africa trade, and accomplishing regional integration.

It is important to appreciate a region or a country's ability to compete in world markets or achieve significant growth in terms of socio-economic development is strongly influenced by its ability to move goods, services and people quicker, safely and cost effectively, hence; the need to address constraints facing the cross-border road transport system in Africa arises.

The report seeks to equip stakeholders with invaluable information that will enable them to:

- Make informed policy, legal, regulatory and strategic decisions with respect to cross-border road transport and trade issues;
- Understand the nature and context of the constraints including tariff and Non-Tariff Barriers (NTBs) facing cross-border road transport operators and trade along strategic road transport corridors in Africa;
- Track trade and transport developments unfolding in the COMESA-EAC-SADC Tripartite, as well as at continental level that seek to achieve seamless cross-border road transport movements;
- Track progress made in establishing corridor performance monitoring systems along strategic road transport corridors in Africa that measure corridor performance while also determining the drivers of inefficiencies;
- Understand progress made to date in establishing a Tripartite Free Trade Area that serve as a building block towards accomplishing regional integration through the creation of a Continental Free Trade market;
- Determine interventions that can be implemented to address operational constraints, tariff and NTBs along strategic corridors; and
- Determine financing options that can be explored for implementation of the recommended interventions.

This is the sixth report after the successful completion of the first report in 2014, two that were finalised in 2015, one in 2016 and one 2017. The 2014 and 2015 reports largely focused on challenges that were faced by the cross-border road transport industry, progress made towards integrating the road transport environment in the SADC, assessment of the status of commercial border posts and road safety and operator compliance in South Africa. The 2016 ASCBOR focused on trade and transport flows along prioritised corridors in the SADC, whereas the 2017 Report focused on selected transport corridors in the Tripartite.

The past reports were shared with various stakeholders including relevant government departments in the region, regional secretariats, corridor management institutions and policy and regulatory institutions. Some of the interventions / reforms recommended in past ASCBOR reports were implemented and some are currently being implemented in the region.

The focus of the 2018/19 ASCBOR is once again on the Tripartite that include the three largest RECs in Africa; COMESA, EAC and the SADC. These three RECs are commonly referred to as the EAC-COMESA-SADC Tripartite, or Tripartite.

The report tracks progress with respect to implementation of recommended interventions in previous ASCBOR reports, identifies infrastructure challenges and pays specific emphasis on operational constraints faced by cross-border road freight and passenger road transport operators along regional road transport corridors. Furthermore, it provides a package of solutions (reforms) inclusive of action plans that indicate how each reform can be operationalised to bring about improvement. It is recommended that both the reforms and actions plans presented in the 2018 ASCBOR be tailor-made to suit the needs of the specific environment at the time of implementation.

1.2 Problem Statement

Trade whether within countries, with neighbours, or at global level means moving goods, people and services. The cost of transport and related logistics is therefore a key element for competitiveness and navigating through regional corridors remains a daunting task for cross-border road transport operators and traders. The Tripartite and Africa's transportation system is deficient in terms of both quantity and quality of infrastructure and level of logistics services and as a result, the continent is not able to move goods, people and services as fast as its competitors do.

Because of infrastructure inefficiencies, transport costs in Africa are high, in many cases higher that the value of goods transported. This increases the cost of trade and makes products produced or traded uncompetitive on African and international markets. The high cost of doing business reduces the competitiveness of the African economy, undermines socio-economic growth and development and affects the overall efficiency of cross-border trade and transport systems.

Road transport is the dominant mode of transport carrying between 80% and 90% of cross border freight and passenger trips respectively (Carruthers et.al: 2012). Despite its prominence, this sector faces a plethora of hard and soft infrastructure challenges, the main ones being:

- Poor road network connectivity characterised by missing links along various regional road transport corridors;
- Poor road conditions along sections of regional road transport corridors;
- Inadequate interchange facilities and poorly located and maintained public transport infrastructure (e.g. international ranking facilities);
- Disjointed regulatory framework and systems characterised by variability in regulatory requirements and standards between trading partners;
- Inefficient regulatory regimes and systems, often focused on quantity regulation rather than quality regulation;
- Weak institutions tasked with the responsibility of regulating cross-border transport movements and the implementation of regional transport programmes;

- Lack of harmonised transport tariffs, rules and standards;
- Ineffective border management systems;
- Variability in ICT and customs data systems between border agencies on both sides of the border;
- Numerous uncoordinated (official and unofficial) road blocks and inspection points along regional transport corridors;
- Uneven spread of weighbridges along regional transport corridors, which also face calibration challenges; and
- Corruption and bribery by law enforcement along regional transport corridors

These challenges (which are largely NTBs) culminate in regulatory inefficiencies, long transit times, high transport costs, compromised safety and security and low productivity of the cross-border value chain. It is clear from the list of constraints that the challenges facing the cross-border road transport sector go beyond the construction and upgrade of hard infrastructure (e.g. physical structures and nodes such as roads, bridges and interchange facilities). Attending to soft infrastructure aspects (e.g. institutional and regulatory issues) is equally important. If NTBs are not attended to simultaneously; cross-border operators and traders will continue to face lengthy delays along transport corridors, unpredictable transit times and high transportation costs which impede regional trade and economic growth.

The Tripartite has prioritised infrastructure development in Eastern and Southern Africa through their respective treaties, protocols, agreements and programmes. The goal is to establish seamless, integrated and cost-effective cross-boundary infrastructure networks and services that will link African countries, enhance regional trade and integration, alleviate poverty and improve regional competitiveness. Despite the identification and approval of various strategic transport programmes, unfortunately most of them still await implementation due to funding limitations. This illustrates that although Tripartite governments recognises infrastructure problems, they either do not have the financial resources nor the technical ability to close the infrastructure gap(s) that exists.

Against this background, this report seeks to equip respective stakeholders with solutions (reforms) that the Tripartite can implement to eliminate, or at least reduce hard and soft infrastructure challenges experienced by cross-border traders and road transport operators along strategic transport corridors in the Tripartite.

1.3 Purpose of Report

The purpose of this report is to:

- Provide information to relevant stakeholders in the cross-border value chain that should be considered for decision-making at strategic and operational levels;
- Provide information to key stakeholders in the trade and cross-border road transport environment on tariff, NTBs and other constraints that affect cross-border trade by road and cross-border road transport operations;
- Outline tariff, NTBs and other constraints faced by cross-border operators in the Tripartite;
- Provide relevant stakeholders with an update on progress achieved with respect to the implementation of reforms recommended in the 2016/17 and 2017/18 ASCBOR reports;
- Inform stakeholders of events and developments unfolding along transport corridors at Continental and Tripartite level which impact cross-border trade and road transport operations;

- Identify corridor categories and indicators for each category used by Corridor Management Committees (CMC) in Eastern and Southern Africa to measure corridor performance and propose interventions for improvement;
- Outline the challenges of infrastructure investing, emerging best practices for government and the private sector and the financing options available for implementing approved infrastructure programmes in the Tripartite; and
- Outline reforms and action plans that may be considered for implementation in pursuit of addressing and / or eliminating transport challenges in the Tripartite.

1.4 Report Methodology

This report was compiled mainly from information obtained through qualitative research (e.g. textbooks, publications and electronic sources.) The literature review was complimented with engagements of industry experts, national and regional public-sector stakeholders (regional secretariats, relevant departments of governments, regulators and law enforcement) and cross-border road transport operators. Personal engagements with cross-border road transport operators provided valuable insight and appreciation of the real (operational) constraints faced by South African operators who conducting business for reward in Africa.

In addition to one-on-one engagements with selected parties, valuable information was obtained from various technical workshops, conferences, operator forums and Joint Route Management Committees. Engagements with stakeholders at transport and trade conferences and workshops also proved invaluable in obtaining first-hand data and information emerging trade and transport developments in Africa.

1.6 Scope of Report

The 2018/19 ASCBOR is structured as follows:

Chapter 1: Covers the introduction, problem statement, purpose of the report and progress with respect to the delivery of the 2016 and 2017 ASCBOR Action Plans.

Chapter 2: Provides an overview of the current state of cross-border road transport infrastructure and highlights tariff, NTBs and other constraints experienced by cross-border operators and trade when moving traffic along regional road transport corridors.

Chapter 3: Articulates progress made towards regional integration and establishing a TFTA with specific focus on the role of transport in supporting regional integration.

Chapter 4: Assesses status of the implementation of strategic Continental and Tripartite reforms and identifies impediments that deter programmes from being implemented.

Chapter 5: Identifies corridor categories and corridor performance indicators used to measure corridor performance and reports on the status of corridor performance monitoring in the Tripartite.

Chapter 6: Outlines the challenges to infrastructure investing, informs on emerging best practices for government and private investors and distinguishes between financing options available to MS to fund corridor reforms.

Chapter 7: Identifies reforms that Tripartite MS can implement to improve corridor efficiency, with a clear distinction between current (existing) and new reforms.

Table 1: Tracking Progress with respect to Implementation of 2017 ASCBOR Reforms

Recommendation	Action Plan	Envisaged Impact	Responsibility	Progress as of February 2019
Establish an Independent Regional Body tasked to monitor implementation of regional agreements and relevant regional programmes by MS.	Corridor role-players should establish a Regional Parliament.	• Improved delivery of regional agreements, commitments and programmes which will lead to improvement of transport efficiency, trade and regional integration; • Improved governance, transparency and accountability at MS level.	• SADC MS	• Discussions on this reform are on-going. The Cross-Border Road Transport Regulators Forum that was established by the Council of Ministers in November 2017 in Malawi will play a key role towards lobbying for the establishment of a SADC Parliament.
Fast-track the implementation of the Multilateral Cross-Border Road Transport Agreement (MCBRTA).	MS should adopt and implement the MCBRTA.	Implementation of the MCBRTA will lead to: • The implementation of quality regulation in the Tripartite; • Improved transport system performance; • Harmonisation of regulatory frameworks; • Creation of a single competitive regional road freight market; • Improved intra-regional trade and transport flows; • Improved decision-making processes due to the availability of real-time data;	• SADC MS.	• Baseline Surveys have been conducted to determine the status of each country in relation to the MCBRTA requirements and standards. • Country consultations led by the Tripartite Programme Office are currently underway. • The MCBRTA is in a Final Draft format and awaits final approval by the Council of Ministers. • Model laws and standards for implementation of the MCBRTA are being work-shopped by MS for input before adoption • Some MS are already reviewing their domestic transport policies / legislations /regulations / systems to align it to the MCBRTA and standards.

Recommendation	Action Plan	Envisaged Impact	Responsibility	Progress as of February 2019
		• Sustained economic growth and development.		
Transform Prioritised Border Posts into One Stop Border Posts (OSBPs)	MS should implement prioritised OSBP along major road transport corridors in the region.	The implementation of OSBPs will result in: • Improved border post efficiency; • Reduction in time spent at border posts; • Reduction in total travel time and costs; • Reduction in the cost of doing business; • Improvement in transport and trade turnaround times; • Increased economic growth and development in the SADC region.	• SADC MS • SADC PPDF	• Construction of OSBP facilities is underway at the Kazungula and Kasumbalesa border posts. • OSBP facilities have been built at the Lebombo / Ressano Garcia border post. This border will be transformed into an OSBP once the legal frameworks have been signed by the governments of Mozambique and South Africa. • Signing of a MoU by the governments of Botswana and Namibia to establish the Mamuno / Trans-Kalahari OSBP.
Establish Roadside Stations / Truck stops	Corridor Management Committees should lead the implementation of truck stops along regional road transport corridors.	The implementation of strategically located Truck Stops will: • Reduce driver fatigue and the risk of accidents; • Improve road safety along regional road transport corridors; • Boost local economies with a continuous stream of travellers passing through;	• Corridor Management Committees • SADC MS • Private Sector	• Feasibility study into the establishment of truck stops along the Trans Kalahari corridor revealed several suitable locations for truck stop establishment. • Consultations led by CMCs with relevant stakeholders are on-going to promote the truck stop initiative.

Recommendation	Action Plan	Envisaged Impact	Responsibility	Progress as of February 2019
		• Improve vehicle and cargo security and safety along regional road transport corridors; • Reduce the risk of contracting HIV/AIDS and sexually transmitted infections for drivers.		
Establish Corridor Road Transport Observatories.	Corridor Management Committees with support of MS should implement corridor road transport observatories.	The Implementation of observatories will: • Enhance the availability of real-time data on traffic flows; • Enable evidence-based transport policy making; • Improve decision-making by public sector bodies and corridor users; • improve the facilitation of trade and transport flows along strategic regional road transport corridors; • Improve transport competitiveness.	• Corridor Management Committees; • SADC MS; • Private sector.	• Road transport observatories have been developed and implemented along the Northern and Central Transport Corridors in the EAC. • A corridor performance monitoring system has been developed and is constantly being updated to monitor the performance of several corridors in the Eastern and Southern African regions.
Develop suitable Funding Frameworks.	SADC MS should establish and implement appropriate funding frameworks.	The implementation of appropriate funding frameworks will: • Improve delivery on regional commitments;	• MS; • Private sector	No information was available with respect to progress at time of completing this Report. Progress will be provided in the next Report.

Recommendation	Action Plan	Envisaged Impact	Responsibility	Progress as of February 2019
		• Enable the introduction of private sector technology and innovation through PPPs; • Lead to improve trade and transport flows; • Stimulate economic growth and development.		

Source: Table created for study

Table 2: Tracking Progress with respect to Implementation of 2017 ASCBOR Reforms

Recommendation	Action Plan	Envisaged impact	Responsibility	Progress as at February 2019
Establish Corridor Performance Monitoring System for the Tripartite	Corridor role-players should participate in developing a corridor performance monitoring tool for the Eastern and Southern African regions	• Availability of real-time data on traffic flows; • Evidence based transport policy making by Tripartite governments; • Improved decision-making by public sector bodies and corridor users; • Improved traffic flows along Tripartite corridors; • Increase in intra-REC trade; • Economic growth and development.	• Tripartite MS; • Public sector role-players; • Private sector; • Tripartite Secretariats; • Tripartite Coordination Mechanism and Coordination unit; • Cross-border road transport operators	• A web-based corridor performance monitoring system that measures border crossing and route trucking time according to various indicators for a number of corridors in the East and Southern African region, has been developed and is operational. This on-line tool is constantly being upgraded.
Implement the Multilateral Cross-Border Road Transport Agreement	Tripartite countries should implement quality regulation	• Harmonisation of regulations, instruments, systems and standards; • Reduction in the number of road accidents; • Creation of a single regional road freight market; • Improved inter and intra-regional trade and traffic flows; • Improved decision-making due to the availability of real-time data on corridor traffic	• Tripartite MS; • Council of Ministers; • RECs.	• Baseline Surveys have been conducted to determine the status of each country in relation to the MCBRTA requirements and standards. • Country consultations led by the Tripartite Programme Office are currently underway. • The MCBRTA is in a Final Draft format and awaits final approval by the Council of Ministers. • Model laws and standards for implementation of MCBRTA are being work-shopped by MS for input before adoption • Some MS are already reviewing their domestic transport policies / legislations / regulations / systems to align it to the MCBRTA and standards

Recommendation	Action Plan	Envisaged impact	Responsibility	Progress as at February 2019
Implement One Stop Border Posts (OSBPs)	Tripartite countries should implement OSBPs	• Shorter clearance time at border posts due to improved border management processes; • Reduction in time spent at OSBPs; • Reduction in total travel time and cost; • Increases in inter and intra-REC traffic flows; • Economic growth and development	• Tripartite MS	• Construction of OSBP facilities is underway at the Kazungula and Kasumbalesa border posts. • OSBP facilities have been built at the Lebombo / Ressano Garcia border post. This border will be transformed into an OSBP once the legal frameworks have been signed by the governments of Mozambique and South Africa. • Signing of a MoU by the governments of Botswana and Namibia to establish the Mamuno / Trans-Kalahari OSBP.
Address Skills Gaps and Strengthen Institutional Capacity	Public sector institutions in the Tripartite should eliminate the skills gap through up-skilling of human resources.	• Improved transparency and governance; • Improved delivery on regional commitments; • Creation of a conducive environment for private sector participation; • Enhanced economic growth and development.	• Public sector institutions; • Regional bodies.	• This is a newly proposed reform. Information on the skills gap(s) in public transport institutions is not readily available. The next ASCBOR will provide an update on progress made. • However, various institutions embarked on skills development in key areas (road transport standards).

Recommendation	Action Plan	Envisaged impact	Responsibility	Progress as at February 2019
Obtain Alternative Sources of Funding for Infrastructure Development	Tripartite countries should obtain alternative sources of funding for infrastructure development.	• Timeous completion of prioritised projects • Improved delivery on regional commitments; • Improved monitoring of projects during and after delivery; • Improved traffic flows along Tripartite corridors; • Economic growth and development.	• Tripartite MS; • Private sector	• Within the Tripartite, public financing still constitute the bulk of resources allocated towards infrastructure projects. This gap underpins the need for Tripartite MS to explore feasible and alternative financing solutions for infrastructure development.

Source: Table created for study

2. CONSTRAINTS FACING CROSS-BORDER OPERATIONS

2.1 Introduction

Road transport is the dominant mode of transport and is responsible for the conveyance of the bulk of traffic (more than 80%) in the Tripartite region. Despite the strategic significance of the road transport sector, this sector is plagued by various constraints (which are mainly NTBs) that culminate in delays, long transit times, reduced efficiency and productivity, and increased cost of doing business for traders and transport operators. Since road transport impediments impact negatively on the competitiveness of the cross-border road transport sector, existing challenges require urgent and ardent attention to ensure that the Tripartite region is competitive.

To be competitive and compete against other regions, Tripartite MS must be able to move goods, services and people faster or at par with what other regions are able to do. This requires greater cooperation and coordination among *public sector agencies* in the region (e.g. regional transportation secretariats, transportation policy and planning authorities), *trans-jurisdictional structures* (e.g. Cross-border road transport regulators forum) and *corridor groups* and *regional associations* (e.g. Trans Kalahari Corridor Secretariat, and Federation of East and Southern African Road Transport Associations).

African countries are struggling against extreme poverty. Africa is divided into 54 economic spaces, including 16 land-locked and at least 34 Least Developed Countries (LDC) (Kingombe: 2017). According to the United Nations (UN), LDC exhibits the lowest indicators of socio-economic development, with the lowest Human Development Index of all countries in the world. Given the fact that 63% of all African countries are categorised as LDC, it is not surprising that Africa is also regarded as the poorest continent. The need for cross-border infrastructure to change the economic fortunes of African countries is apparent.

Cross-border infrastructure can be defined as the infrastructure required for the transportation that crosses multiple national boundaries. This infrastructure includes both physical *"hard infrastructure",* such as ports, railway lines, roads, border crossings, bridges, weighbridges and Inland Container Depots (ICDs), as well as *"soft infrastructure"*, such as institutions, transport laws and regulations and systems and resources that deals directly with service delivery and that is required for the smooth operating and maintaining of the transport system (JICA: 2015).

Despite its dominance, the road transport sector is plagued by various infrastructure inefficiencies (hard and soft aspects) that materialise in long transit times and high transportation costs for transporters, which has huge consequences. An example of a soft infrastructure impediment is found in a truck stationed at inland borders, where the typical charge for a stationed truck varied between US$200 and US$400 per day in 2012. If a truck takes three days to clear a border (which is not excessive in the Tripartite), the transporter will pass an additional expense (between US$600 and US$ 1, 200) on to the importer for the cost of the truck being stationed at the border. This, in turn, will be passed on to the importer's client and, ultimately, to the consumer. (Pearson & Chaitezvi: 2012).

Infrastructure inefficiencies undermine the growth of the cross-border industry and are partly to blame for the low level of intra-regional trade that stood at 18% of Africa's total exports in 2015. (Africa Economics Outlook: 2017). During 2015, trade within the European Union (EU) was measured at 63% of all EU exports, while trade within the North American Free Trade

Area (NAFTA) was measured at 50%. (https://www.wto.org/english/res_e/statis_e/wts2017_e/wts2017_e.pdf).

Consensus exists among African policymakers that poor transport infrastructure serves as a major contributor to Africa's marginal role in world trade, with African exports representing only 2,4% of global exports (https://www.swpberlin.org/fileadmin/contents/products/projekt_papiere/Africas_Position_in_Global_Trade.pdf).

Dismantling barriers to moving goods and people between and across African countries will impact positively on the growth of the cross-border industry, insofar cross-border operators will enjoy benefits associated with the seamless movement of traffic along integrated road transport corridors (e.g. lower transportation costs, quicker turnaround times and increased profitability).

This chapter highlights key constraints faced by commercial cross-border road freight and road passenger operators along strategic road transport corridors in the Tripartite. It is important to flag that many of the constraints faced by transport operators are because of inadequate infrastructure, weaknesses with respect to the regional road transport policy and regulatory frameworks and lack of (coordinated) implementation and alignment of regional road transport regulatory instruments. This chapter therefore also covers these issues, as they have a huge impact on the overall performance of the cross-border road transport system.

2.2 Hard and Soft Infrastructure Challenges

2.2.1 Poor road network connectivity

Transport corridors are currently the best way to address connectivity challenges facing the continent and most regional road infrastructure projects are developed along various corridors linking different countries on the continent. The Trans African Highways (TAH) initiative provides the main road network linking MS and economic hubs on the continent. Strategic corridors linking the Tripartite are connected to and forms part of the TAH which is about 52,450 km, with an overlap of 1,670 km. (AfDB. 2003:16) Most inland trips are conducted in road vehicles due to low investment levels in rail transport and coastal shipping which have significantly declined over the years.

The condition of the roads in the Tripartite is in a poor state due to a lack of maintenance over several years (the result of inadequate fiscal funding and technical resources). Just recently, most African governments started implementing user pay principles involving the private sector through toll roads to address the poor condition of road networks, missing links between key origins and destinations, bridge capacity and safety constraints. South Africa is one of a few African countries where the adoption of the user pay principle has been successful. In the rest of the continent, this mechanism is still being developed.

The lack of funding impacts negatively on road density in the Tripartite and the Continent at large and remains very low, compared to other parts of the world. Road density determines how well-connected key areas within a country are. Africa has a road density of only 16.8 kilometres per 1,000 square kilometres, comparatively lower than other low-income regions with a density of 37 kilometres per 1,000 square kilometres. (https://icwa.in/pdfs/VP/2014/AdvancingRegionalIntegrationVP3 0032016.pdf).

The implementation of the many infrastructure programmes (e.g. road, bridge and border posts projects prioritised in the SADC Regional Infrastructure Development Master Plan) has been very slow. Hence most missing links need to be eliminated before regional integration will be accomplished. Once missing links have been removed, the movement of goods, passengers and services will improve significantly in the Tripartite region, positioning the Tripartite as a competitive hub and market.

2.2.2 Disjointed regulatory frameworks and systems

The cross-border road transport industry faces many challenges, including fragmented regulatory and legislative frameworks, disjointed planning and policy setting at regional level and a lack of governance systems. The consequence of these soft infrastructure challenges is manifested by failure of authorities and the cross-border road transport industry to effectively enable road transport to advance the regional agenda on improving intra-Africa trade, reducing the cost of doing business, facilitating regional integration and regional trade.

2.2.3 Inefficient regulatory regimes and systems

The Tripartite region regulates cross-border road transport based on different quantity regulation systems. Currently, regulators in Tripartite MS issue cross-border road transport permits to road transport operators to conduct business for reward on the Continent. The current system focuses on controlling the supply of transport services in the market. Quantity regulation creates artificial supply levels which is not necessarily demand driven. This creates inefficiencies and undermines the competitiveness of road transport services and systems.

2.2.4 Weak institutions

Many regulatory institutions face financial and human resources constraints. Poor institutional capacity prevents institutions from performing their mandates effectively and addressing the needs of the transport sector. These challenges are exacerbated by the misalignment of and sometimes inappropriate institutional arrangements, lack of regional policies and non-conformity of national policies to regional policies.

At an operational level, weak institutions manifest in inadequate stakeholder coordination, duplication of processes and procedures, inefficiencies in managing transport externalities, disharmony in standards and operating procedures and non-implementation of high impact regulatory mechanisms to facilitate the unimpeded flow of traffic. In regard to transport operators, institutional weaknesses manifest in heavy corridor delays / congestion and high transportation costs.

2.2.5 Lack of harmonised transport rules, standards and tariffs

Tripartite MS levy different cross-border charges on cross-border road transport operators in line with the regional and national policy frameworks. Such charges are collected in pursuit of funding for road construction projects, as well as for improving road safety and law enforcement operations.

Cross-border charges are levied on foreign cross-border road transport operators (freight, bus and taxi vehicles). While most countries in the Tripartite have implemented cross-border charges, a few have not, an example is South Africa. The current state of affairs (un-harmonised road transport environment) creates an un-level playing field whereby additional costs are imposed on some cross-border operators, creating conflict and undermining sustainability in the long-run.

2.2.6 Ineffective border management systems

Many border posts, especially key border posts along strategic corridors linking Tripartite MS are still operating as traditional two-stop border posts. These border posts are characterised by various inefficiencies, which include: inadequate infrastructure, too many stakeholders working in silos, lack of collaboration and direct information exchange between border stakeholders, lack of systems integration and misaligned working hours on either side of the border.

Whilst work is on-going at some prioritised border posts to convert them into OSBPs (e.g. Kazungula and Lebombo) progress has been very slow with respect to other borders (e.g. Beitbridge).

2.2.7 Numerous uncoordinated (official and unofficial) road blocks

Various law enforcement authorities conduct inspections along regional corridors. These authorities mostly operate in isolation and rarely share law enforcement intelligence. This practice results in duplication of efforts, wastage of resources and potential conflicts between law enforcement authorities. Furthermore, uncoordinated operations culminate in unnecessary delays and long transit times for cross-border road transport operators and often create opportunities for bribery and corruption.

2.3 Operational constraints facing Cross-Border Operations

As stated in earlier sections of this report, cross-border road transport operators are subjected to various infrastructure impediments along regional road transport corridors in the Tripartite region. For purposes of discussion, operator constraints are classified under the following headings:

- Road passenger operations;
- Road freight operations; and
- Constraints that apply to road passenger and road freight operators.

2.3.1 Road Passenger Operations

2.3.1.1 Inadequate Cross-Border Ranking Facilities

The responsibility for the provision and maintenance of ranking facilities in most Tripartite countries vests with local government. Insufficient funds for the construction of new facilities and maintenance of existing ones, coupled with a spike in the demand for local and cross-border public passenger travel, has created a situation whereby the demand for ranking facilities exceeds the supply of such facilities.

This matter is aggravated by the fact that public transport ranking facilities and holding areas are used collectively by local and cross-border road transport operators and commuters. This tendency aggravates congestion, which often results in insufficient space allocated to cross-border commuters and the late departure of public transport vehicles (taxis and buses).

An exception is found in Johannesburg, South Africa where two dedicated cross-border ranking facilities are established. Fleet Africa is used exclusively by cross-border public buses services, whereas Powerhouse (located near the Park City Hub) is an informal cross-border ranking facility, used by bus operators from MS (e.g. Zimbabwe, Malawi and Zambia). Park

City is an example of another ranking facility in Johannesburg that is 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. Due to its poor location, Park City is currently not fully utilised.

Further to assessing the condition of ranking facilities in South Africa (Gauteng, Mpumalanga and Limpopo), a team of C-BRTA delegates paid site visits to a number of ranking facilities in Zimbabwe during 2017 to determine the condition of such facilities. The observation exercise to Zimbabwe was prioritised since Zimbabwe currently ranks the top destination in terms of cross-border passenger movements for South African citizens.

The site observation exercise revealed that there are few dedicated cross-border ranking facilities and most ranking facilities are used by both local and cross-border traffic. The current state of affairs aggravates congestion and often results in the late departure of public transport vehicles. Table 3 outlines the condition of ten (10) ranking facilities, located in South Africa and Zimbabwe. Measurement was done according to various criteria (e.g. availability and condition of lighting, shelter, ablution facilities and ground surface). A scale rating was used where “Poor is represented by x, Fair by ∞ and Good by √.

Table 3: Condition of Public Ranking Facilities in South Africa & Zimbabwe

Name of Facility	Lights	Security	Ablution structure	Shelter	Luggage storage	Luggage weighing	Passenger washing facility	Formal passenger resting area	Ground Surface	Formal / informal retail
Bulawayo Bus Terminus	√	∞	∞	√	X	X	X	X	√	√
Gweru Bus Terminus	√	∞	∞	X	X	X	X	X	√	√
Harare Bus Terminus	√	√	√	√	√	√	√	√	√	√
Mutare Bus Terminus	∞	X	∞	X	X	X	X	X	X	√
Thohoyandou Bus Terminus	√	X	√	X	X	X	X	X	√	√
Bosman Bus Terminus	√	∞	√	∞	X	X	X	X	√	√
Bosman Taxi	√	X	√	√	X	X	X	X	√	√
Belle Ombre Taxi	∞	X	X	∞	X	X	X	X	X	X
Mbombela Taxi	√	X	√	∞	X	X	X	X	X	√
Rustenburg Taxi										

Source: C-BRTA. 2017

Based on the information on Table 3 above, the following deductions were made:

- Most facilities do not support the operational requirements for international travel as noted in the wide-spread absence of dedicated security and weighing facilities and refreshment amenities for commuters;
- Most of the facilities face safety and security constraints. The absence of fencing and too few security officers at ranking facilities open opportunities for criminal activities to take place;
- Loading spaces allocated to cross-border vehicles is not sufficient. The loading of personal effects often take place outside ranking facilities, with the resultant late departure of cross-border vehicles.

Discussions with selected law enforcement officials in Tripartite MSs point to the absence of a coordinated approach to the regulation of cross-border public passenger departure points which culminated in the establishment of informal ranking facilities in urban areas and near 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 near this border further obstructs the flow of traffic between South Africa and Zimbabwe.

To improve the status quo, cooperation between all stakeholders (e.g. public and private sector) is required. Considering public sector funding constraints, private sector support, especially in terms of funding and management of the construction and maintenance of raking facilities should be considered.

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

Tripartite countries are guided by domestic legislation when decisions are made regarding the issuing of permits for the conveyance of passengers across national borders. Although a number of countries issue electronic permits, these permits do not display detailed route descriptions. This practice enables foreign operators to capture a greater portion of the market since they are not bounded to specified departure and drop-off points and creates conflict with other cross-border operators (e.g. South African and Lesotho operators).

For some countries such as South Africa, all cross-border bus and taxi permits issued by the Cross-Border Road Transport Agency stipulate the pick- up points (in the country of origin) and drop-off points (in the destination country). Since ranking facilities are managed by local metros (municipalities), the C-BRTA liaises closely with relevant metros when identifying suitable pick-up points in South Africa. In most cases, formal ranking facilities are assigned.

Although cross-border taxi permits issued by Mozambique specific pick-up and drop off points in Johannesburg (China point and Hotel Oribi) these informal locations do not have suitable ranking facilities, neither has the City of Johannesburg granted permission to use these facilities for the transfer of cross-border passengers.

2.3.1.3 Return of Passenger Lists and Expired Permits

According to section 28 of the Cross-Border Road Transport Act, No. 4 of 1998, as amended, cross-border operators must return completed passenger lists and expired permits to the C-BRTA. Failure to do so result in penalties and may lead to refusal by the Regulatory Committee to re-issue permits to non-compliant operators. The return of passenger lists and expired

permits creates dissatisfaction amongst South African bus and taxi operators who feel that the administrative burden (time and costs) associated with this action should be eliminated.

In the absence of cross-border legislation in other Tripartite countries, cross-border permits issued by MS do not stipulate that expired permits and passenger lists be returned to regulatory authorities.

Since additional requirements are imposed on South African operators, the request is often made that the C-BRTA align itself to the global trend that present a shift towards a paperless environment. The Agency will further create a level playing field whereby all cross-border passenger operators are treated equally if they relief South African operators from the burden of returning expired permits and passenger lists to the Agency. Before this requirement can be met however, the C-BRTA has to amend existing regulations.

2.3.1.4 Regulation of Market Access

Regulatory instruments (e.g. bilateral agreements) between MS stipulate the number of permits that can be issued to cross-border public bus and taxi operators over specified cross-border routes.

As far as South Africa is concerned, several cross-border routes, especially the South Africa – Zimbabwe and South Africa – Mozambique routes are highly trafficked routes, characterised by severe traffic congestion. Permit applications of new entrants to conduct business over these routes is often denied by the Regulatory Committee of the C-BRTA since the supply for cross-border services exceed demand.

The status quo creates unhappiness amongst cross-border bus and taxi operators who regularly voice their concerns at cross-border bus and taxi forums that market access restrictions do not only reduce the size of their market(s), but also reduce their profitability. This practice is furthermore aggravated by the great number of illegal operators conducting cross-border transport without valid cross-border permits.

Dissatisfied cross-border bus and taxi operators also feel that the management systems used to control access to foreign markets are increasingly insufficient and lack the necessary scientific rigour.

2.3.1.5 Business Visas

Travel for business purposes is treated differently to travel for leisure, with some countries actively seeking out such business travellers by relaxing entry requirements for them and others charging a higher visa fee, seeking to benefit financially from the business community. In the SADC, Zambia, Zimbabwe, Namibia, Botswana, Malawi and Tanzania offer business visas on arrival for foreign business travellers visiting the respective countries.

Angola is by far the most difficult country for which to secure a business visa. A number of cumbersome and costly requirements have to be completed before travelling, and this is compounded by the confusion over where visas can be applied for and a lack of resources at visa processing centres. The processing fee for an Angolan business visa is around R8,000.00. The authorities require a personal interview with the traveller, sometimes in Johannesburg and sometimes in Pretoria, in order to collect biometric data.

Furthermore, the traveller's passport is held for up to two weeks, preventing other travel during this time. Language is an additional barrier, as Angolan visas are printed in Portuguese and all non-Portuguese documents have to be translated. These delays are compounded by a lack of resources and poor management – severe delays have been caused by a shortage of visa stickers at the visa-processing centre. (https://www.saiia.org.za/special-publications-series/609-sadc-business-barriers-case-5-sadc-univisa-why-the-lack-of-progress/file).

The situation is similar for the DRC that also requires foreign travellers to secure a business visa. In addition to biometric data, business travellers need a letter of invitation from the host company in the DRC. Furthermore, only cash payments are allowed. (https://www.saiia.org.za/special-publications-series/609-sadc-business-barriers-case-5-sadc-univisa-why-the-lack-of-progress/file).

South Africa and Mozambique also require business visas to be processed before arrival, but this process is far easier and more efficient than in the Angolan and DRC cases. There is however, some confusion about the requirements for Mozambique, with some travellers being able to secure a business visa on arrival when they were told by other sources that this would not be possible.

Although the administrative burden in obtaining business visas does not influence cross-border road transport operators directly, this impediment discourages MS from trading with each other. Low levels of intra-Africa trade in turn, impedes the growth of the cross-border road transport industry and income generated by cross-border road transport operators.

2.3.1.6 Issuance of Organised Party Permits

Organised party permits are permits issued by regulatory authorities in Tripartite countries for special and / or unforeseen events (e.g. funerals and weddings) that take place outside their countries and which requires the transportation of people in public transport vehicles (e.g. minibus taxis).

Regulatory authorities issue organised party permits on condition that the applicant provides proof of the special event taking place (e.g. death certificate for funerals and wedding invitation for weddings). Furthermore, the applicant must submit a list with the names of people that will attend the once-off event, including their biographical details (passport numbers and contact numbers). If supporting documents look doubtful, the regulator attempts to verify its authenticity, if not, the documents are not verified. Applicants of organised party permits must return expired permit(s) and passenger lists after the event has taken place.

Cross-border taxi operators have voiced their concern at national and regional platforms that organised party permits are often not limited to the special event, but also used to convey passengers for reward over highly trafficked cross-border routes, thereby taking away business from existing operators. This matter undermines the integrity of the permit issuing process in MS and calls for improvements to the permit issuing system(s) to better control the manner in which organised party permits are issued.

2.3.1.7 Adherence to Bus time tables

Cross-border bus operators conduct business according to time tables. When applying for permits, bus operators state the points along the corridor where they will stop. The number of stops is taken into account when regulatory authorities in the respective MS determine what

time a bus should arrive at its final stop in the destination country. Late arrival results in penalties for non-compliance.

A complaint frequently raised by cross-border bus operators is that clearance processes at border posts is very slow and that excessive time delays at borders often result in the late arrival of cross-border buses in the destination country. This problem is specifically experienced at the Beitbridge border post.

During a Trilateral meeting between South Africa / Zambia and Zimbabwe in June 2018 a concern was raised that clearance processes on the Zimbabwean side takes around 30 minutes, whereas the clearance time on the South African side varies between 3 to 4 hours. The reason for the time deviation is attributed to fewer DHA officials assigned on the South African side of the border.

2.3.2 Road Freight Operations

2.3.2.1 High Cost of Freight Permits

The cost of cross-border road freight permits is high and is often cited as a key contributing factor to the high cost of doing business in Africa. In most instances the cost to obtain cross-border road freight permits is much higher than the cost of cross-border road passenger permits. This does not only go against the principles of trade facilitation, but also causes dissatisfaction amongst cross-border freight operators, who believe that the playing field is not level.

2.3.2.2 Return of Permits and Consignment Notes

According to the stipulation of regulatory frameworks, cross-border road freight operators conducting business for reward in the Tripartite have to return consignment notes and expired permits to regulatory authorities in their countries. Failure to comply with this requirement will result in penalties.

The case is no different in South Africa, where section 28 of the Cross-Border Road Transport Act, No. 4 of 1998, as amended, stipulates that cross-border road freight operators have to return consignment notes and expired permits to the C- BRTA. South African cross-border road freight operators often request that they should be relieved from the administrative burden of returning expired permits and consignment notes. Complaining operators also feel that the categories listed on consignment note is too general and not aligned to SARS codes. As a result, many consignment notes are returned, but not completed in full. This practice undermines the integrity of information extracted from consignment notes.

2.3.2.3 Driver Conflict

A frustration experienced by many South African drivers engaged in cross-border road transport is that their jobs are filled by foreign citizens. Since foreign drivers are not represented by Unions, transport companies are inclined to pay foreign drivers less, while also imposing strict conditions of service (e.g. longer working hours) on them. Irrespective of the fact that national law prescribes that a quota system be followed, South African companies often deviate from the stipulations.

The employment of foreign drivers aggravates xenophobic attacks. According to an article, published in the Fleetwatch magazine, the burning of 32 trucks near Mooi River in KwaZulu Natal in April 2018 was fuelled by the fact that vehicles were driven by foreigners who,

according to South African citizens, have taken jobs away from them. (https://citizen.co.za/news/south-africa/1911614/govt-to-blame-for-xenophobic-n3-truck-torchings-adf/).

Engagements with South African companies who engage in cross-border operations revealed another perspective, namely that South Africans citizens are often not willing to travel to many African countries (e.g. Mozambique and the DRC). Reported incidents exist where South African truck drivers abandoned trucks in some MS (e.g. Mozambique).

A request of cross-border road freight operators is that government should acknowledge the fact that the cross-border industry is unique industry that covers various African countries and that special consideration should be given to the uniqueness of the industry when national legislation is drafted. In this regard, a request has been made by a few South African companies who engage in cross-border operations, that the regulations which deal with the quota system (e.g. percentage split foreign vs. national drivers) to be amended. In order to solve this problem, the C-BRTA is engaging with other sector role-players (e.g. Department of Home Affairs, Department of Labour) to seek a long-lasting resolution to this matter.

2.3.2.4 Inefficiencies at Beitbridge Border Post

Zimbabwe is a land-locked country, strategically positioned along the North South Corridor (NSC). The majority of South African road freight operators undertake trips to Zimbabwe and Zambia, as evident in permit statistics released by the C-BRTA. During FY 2016/17 the C-BRTA issued 11 511 cross-border freight permits to allow the conveyance of goods to Zimbabwe, whereas 13 044 permits were issued to transport goods to Zambia (C-BRTA: 2018).

The most direct route for South African road transport operators heading up North (towards Zimbabwe and Zimbabwe) is to exit South Africa and enter Zimbabwe through the Beitbridge border post, near Musina in the Limpopo province. Over the years this border has emerged as one of the biggest impediments to trade and transport, with freight vehicles often queuing at this border between 3 and 5 days. Main inefficiencies experienced at the Beitbridge border include, but are not limited to the following:

a) Unharmonised Border Operating Hours

Although the Beitbridge border post functions as a 24-hour border post, not all border stakeholders (private and public sector) adhere to 24 hour operations. In this regard the Container Depot (CONDEP) where inspections are performed on trucks is only open between 06:00 and 22:00 hours. This practice results in traffic flow challenges within the CONDEP and additional charges imposed on truckers.

b) Inefficiencies at CONDEP

Once South African trucks have cleared border processes and checks upon entry into Zimbabwe, most freight vehicles are diverted to CONDEP for inspections. This depot is privately owned, and operators must pay the inspection fee out of their own pockets.

The Zimbabwe Revenue Authority (ZIMRA) supervisor at CONDEP has the discretion to waive physical inspections. The reputation of the transporter conveying the cargo, the results of the scanned images uploaded onto the Automated System for Customs Data (ASYCUDA), and the type of cargo being conveyed are the deciding factors whether to waive or not waive a

truck from being inspected. Feedback from South African road freight operators reveal that the ASUCUDA system is often off line, which causes additional time delays for them.

CONDEP operates on a first come, first serve basis and its layout can only accommodate twenty trucks at a time. Physical inspections are carried out by two officers working side by side, with 6 officers assigned to each shift. Five inspection bays exist, and the length of inspections varies between 60 and 120 minutes, depending on the type of cargo being inspected. In many cases goods have to be off-loaded, inspected and reloaded onto the vehicle. Since the responsibility for unpacking and reloading cargo vests with the driver, local labour is contracted to assist drivers with this task. Due to human resource constraints and space limitations within CONDEP, traffic flow problems are a common occurrence at CONDEP.

In terms of costs, the following charges are levied on freight vehicles for inspections:

- Horse and trailer - $ 34.50; and
- Rigid truck - $17.50.

If physical inspections are not carried out within 24 hours of entering CONDEP, the transporter is liable to pay demurrage charges for failing to load and offload the truck within the prescribed time interval. The demurrage charges vary as follows:

- Horse and trailer - $ 51.75 per night;
- Trailer - $46 per night; and
- Rigid truck - $23 per night.

Further to the above expenses, the transporter also has to pay the accommodation cost of the driver since drivers are not allowed to sleep inside their trucks at CONDEP. During a C-BRTA visit to CONDEP in April 2018, the Agency met with officials from CONDEP, ZIMRA, and the Ministry of Transport and Industrial Development to propose the following solutions to alleviate time delays and other inefficiencies at CONDEP:

- The operating hours of CONDEP should be aligned to border operating hours (24 hours per day); and
- Additional resources should be assigned to speed up inspections.

No resolution has yet been reached and further engagements will be conducted with relevant stakeholders to find a solution that benefits cross-border road freight operators.

c) Time delays along Zimbabwe roads

In addition to border post inefficiencies, South African transporters experience a number of problems when traversing along road networks in Zimbabwe. 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. Due to differences in driver's licences issued by South Africa and Zimbabwe, South African transporters are often subjected to fines for non-compliance by Zimbabwean law enforcement officials.

All of the above constraints impede the seamless flow of traffic through the Beitbridge border post and Zimbabwe insofar they contribute to higher operational costs for cross-border operators. In response to the prevailing problems, many cross-border operators nowadays re-route their journeys through Botswana to reach Zambia and countries up North (e.g. DRC) even though the journey through Botswana is longer.

2.3.2.5 Completion of the Kazungula Bridge

The Kazungula border post is a busy border that has become increasingly popular to freight transporters shipping goods along the NSC between the port of Durban and Lusaka, the mining towns of Northern Zambia and the Katanga province in the DRC.

Currently cross-border operators have to cross the border by ferry to move goods across the Zambezi river. Since the ferry only moves a limited number of trucks per day, severe bottlenecks and delays are experienced at the Kazungula border post. To bring about improvement, this border has been prioritised as an OSBP candidate. Construction activities include the design of a bridge, linking Botswana and Zambia over the Zambezi River to replace the existing ferry, and a one-stop border facility at Kazungula.

The importance of the Kazungula bridge project is that it will open up the transport corridor between Zambia and Botswana, a move that will enable cross-border road freight operators to avoid the payment of various (formal and informal) RUC when transporting goods in Zimbabwe, through re-directing their journey through Botswana and Zambia.

Apart from reduced transit time for freight and passengers, the bridge is also expected to improve border management operations arising from the new one-stop border facilities, with increased traffic flows anticipated along the North-South Corridor once the bridge has become operational. The completion and handover of the project (bridge) to the governments of Botswana and Zambia is expected to be in March 2019. (http://www.engineeringnews.co.za/article/kazungula-bridge-set-to-open-corridor-between-zambia-botswana-2018-03-14/rep_id:4136).

2.3.2.6 Adherence to National Customs Bonds

In the COMESA and SADC transporters involved in transit operations must buy a customs bond at least equal to the duty payable on the cargo, for each border crossed. Typically, customs clearing and forwarding agents or insurance companies sell these bonds, which act as a guarantee or insurance should the cargo be diverted illegally to domestic use or any other customs transgressions be committed. However, having to buy a bond at each border adds to the cost and complexity of cross-border trade in the regional context

Both SADC and COMESA comprise many landlocked countries. This implies that goods often have to cross several inland borders to reach their final destination. Imports to Zambia, for example, arriving at the port of Durban in South Africa must pass from South Africa through Zimbabwe, or sometimes Botswana to reach their destination. Passing through three or four countries thus requires acquiring three or four customs bonds. Since customs bonds vary from one MS to the next, the cost of acquiring bonds is significant. Furthermore, releasing bonds to the intended national authority takes time and can fluctuate from one day to a week, or even more, resulting in monies being tied up in the various national bonds.

In order to bring about improvement COMESA has developed and implemented a Regional Customs Transit Guarantee (RCTG-GARNET) that allow transporters to take out a single bond covering the entire trip to fast-tract the movement of goods in the COMESA-EAC-SADC region under Customs seals. The benefits associated with this trade facilitation initiative include a reduction in transit time, simplified customs clearing and reduced transit costs, to name a few.

To date only 13 Tripartite MS has signed and ratified the RCTG. These countries are: Burundi, Djibouti, DRC, Ethiopia, Madagascar, Malawi, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda and Zimbabwe. Furthermore, the RCTG has only been fully implemented along the Northern and Central transport corridors to facilitate the movement of goods from the ports of Dar es Salaam and Mombassa to landlocked countries in the EAC. (http://rctg-mis.comesa.int/)

Engagements with South African cross-border road freight operators indicate that there is a general lack of awareness of the regional transit bonds among stakeholders, especially border officials, which nullifies the benefits associated with this initiative (e.g. time savings and cost reductions).

2.3.2.7 Weighbridges

Weighbridges constitute a fixed delay point along regional road transport corridors. As a result road freight operators are subjected to time delays when their vehicles are weighed at various weighbridge stops in the Tripartite. Time delays at weighbridge stations are caused by various factors, i.e. insufficient space to load and offload vehicles; limited resources allocated to conduct inspections and poorly maintained weighbridge scales.

In addition to the above impediments, the efficiency of weighbridge stations in the Tripartite is further undermined by the following factors:

- Many weighbridges in the Tripartite are not calibrated. This causes problems for transport operators since different readings are obtained at different weighbridges resulting in penalties for transporters of overloaded vehicles;
- Most weighbridge stations accept only cash as payment of overloaded vehicles. This leaves truckers in a difficult position of having to abandon their vehicles to seek a bank, which may be several kilometres away. This problem is aggravated by a lack of secure parking for trucks; and
- Absence of mutual recognition of weighbridge certificates amongst MS. The lack of standardised, documented procedures for carrying out weighbridge operations has led to inconsistency in overload control activities in Eastern and Southern Africa. Furthermore, the limited sharing of information amongst relevant stakeholders reduces the efficiency and effectiveness of overload control operations within the Tripartite.

In order to bring about improvement the Tripartite is currently pursuing the Tripartite Transport Transit Facilitations Programme (TTFP) that will materialise in the adoption and implementation of the Tripartite Vehicle Load Management Strategy. Prior to implementation, Tripartite countries will sign the Vehicle Load Management Memorandum of Understanding (VLM MOU), one of the legal instruments that will drive the harmonisation or related regulations, standards and systems in the Tripartite region.

2.3.3 Challenges Applicable to Both Road Passenger and Road Freight Transport

2.3.3.1 Exploitation of Foreign Operators by Law Enforcement Officials

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. Corruption does not only compromise road safety but also national security and is a threat to legitimate cross-border trade.

Reported incidents exist of South African cross-border operators being exploited by border officials in Botswana, Zimbabwe and Mozambique. All foreign cross-border vehicles (including South African vehicles) must purchase the Botswana Annual Transport Permit (BA) upon arrival at Botswana borders irrespective of the fact that they are already in possession of a valid cross-border permit. This permit is commonly regarded as a form of a RUC in Botswana and is issued each time cross-border vehicles enter Botswana. Operators that refuse to acquire the BA are denied entry into the country.

Similar situations are experienced at Mozambique and Zimbabwe border posts where additional RUC are imposed on cross-border passenger and freight transport vehicles upon arrival at border posts. Since border officials do not issue receipts to drivers to account for the money spend, these payments are regarded as informal payments. Refusal to pay additional RUC results in the confiscation of cross-border permits and impounding of cross-border vehicles.

Further to the above, cross-border operators also face excessive costs when conducting road transport operations in the DRC. Additional RUC's of approximately $2000 are imposed upon foreign road transport vehicles that enter the DRC via the Kasumbalesa border post. (Curtis: 2014). These costs increase the cost of doing business in Africa and serve as impediment to intra-Africa trade.

2.3.3.2 Third- Party Liability insurance

The lack of harmonised road transport rules / standards is evident when assessing the current state of third-party liability insurance schemes in the Tripartite where the following insurance schemes are currently effective:

- Cash payments;
- Fuel levy system; and
- COMESA yellow card.

Because of different systems being used, cross-border operators are exposed to various payments and double insurance charges when transiting between the three Tripartite RECs. The Southern African Customs Union (SACU) MS's use the fuel levy system, while most COMESA MS's resort to the "Yellow Card" system, which is currently applied in various MS (e.g. 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 must purchase a token, which is valid for one year.

As part of the TTTFP initiative that promotes the adoption and implementation of a harmonised motor vehicle insurance scheme, all Tripartite MS's are encouraged to adopt the Yellow Card scheme. Although South Africa does not reject the Yellow Card Scheme, it does not 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).

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 countries that adhere to the yellow card system.

If a South African cross-border driver is involved in an accident in non SACU MS, the driver is arrested, irrespective of whether he / she caused the accident. The situation is far worse when people die, in which event the driver (company) is liable for the cost of the funeral. Furthermore, investigations are not always conducted to determine cause of the accident.

Although third party insurance schemes should cover third-party liabilities and medical expenses of South African operators who are injured on road networks outside South Africa, practice reveals otherwise, with cross-border companies often having to cover the costs associated with accidents. In Mozambique for example, insurance premiums are collected by the private sector who normally finds reasons not to approve / process claims. The current state of affairs imposes an unnecessary burden on cross-border operators and needs to be resolved to lower the cost of doing business in the Tripartite.

2.3.3.3 Inefficient Border Posts

Most border posts in the Tripartite face various hard and soft infrastructure challenges that disrupt the seamless flow of cross-border freight and passenger movements through inland borders. According to the findings of a recent study, around 78% of all complaints captured by a reporting mechanism on NTB set-up by African RECs are accounted for by border delay issues, clearing issues and other border post problems. (https://www.businesslive.co.za/bd/opinion/2018-04-10-dianna-games-african-trade-is-crippled-for-a-reason-and-fine-words-will-not-change-that/).

The majority of cross-border operators conduct business along the NSC, moving goods between South Africa, Zimbabwe, Zambia and the DRC. If the most direct (shortest) route is followed, cross-border operators have to move goods through a number of commercial border posts, i.e. the Beitbridge, Chirundu, Kazungula and the Kasumbalesa borders.

Although all of the above borders have been prioritised as OSBPs, only one border, Chirundu, has been operationalised into a fully functioning OSBP. Although it worked well for a while, congestion is currently worse than ever, not because the plan is poor but because its application is problematic, with unnecessary cargo searches holding up hundreds of trucks that regularly moves through this border crossing.

The case is no different at the Beitridge, Kazungula and Kasumbalesa border posts. Key issues experienced at Beitbridge include congestion at the port entrance and CONDEP, inadequate immigration resources to accommodate large volumes of human traffic as well as the continued breakdown of the ASYCUDA system on the Zimbabwean side of the border that results in huge delays in the movement of cargo.

Even on a good day Kasumbalesa is a problematic border, characterised by delays and inefficiency. Due to the non-existence of integration of customs systems trucks can get stuck for days and even weeks at this border, compromising the safety of drivers and cargo. Long queues are particularly evident on the Congolese side, where roads are poor and few roadside facilities exist.

Crossing at the Kazungula border is still done by a ferry moving only a limited number of trucks per day. This practice results in excessive delays at the border post. Other border constraints include a lack of security at the border entrance which results in criminal activities and duplicated processes. The construction of a fixed road and rail bridge over the Zambezi River is progressing well and the expected completion date is in the early months of 2019. The building of OSBP facilities on both sides of the border is also underway, with some of the offices already occupied. Many economic spinoffs, such as reduced border transit time, improved procedures on trade facilitation and improved border management operations are expected once the bridge and OSBP infrastructure has been built and has become operational.

Fewer problems are experienced with border crossings in the EAC, with a number of border posts already functioning as OSBPs. Since the launch of one-stop borders along the Central and Northern Corridors that link the ports of Dar-es-Salaam and Mombassa to the interior, transportation costs and time delays along both corridors have reduced significantly.

Despite the successes experienced in the EAC, most commercial border posts in the SADC and COMESA still act as impediment to trade and travel. Excessive delays at inland borders add hours or even days to total transit times, resulting in high transportation costs for cross-border operators. These costs are ultimately passed on to the end-user.

2.4 Priority Intervention Areas

This chapter highlighted several constraints that cross-border bus, taxi and freight operators face in the Tripartite. The current state of affairs undermines cross-border trade and is partly to blame for the low level of infra-Africa trade. Moving forward, solutions need to be sought and implemented by relevant corridor stakeholders to bring about lasting improvement.

The proposed interventions set out in Tables 4 to 7 expresses the views of the C-BRTA towards solving, or at least minimising existing operator constraints.

Table 4: Priority Intervention areas: Hard and Soft Infrastructure

	Nature of Constraint	Proposed Intervention
1	***Poor road network connectivity*** Various road transport corridors that run through the Tripartite comprise of missing links that force cross-border road transport operators to take alternative (often longer) routes that increase transportation costs.	• Prioritise funding at MS level to rehabilitate portion of regional road network that run through specific MS. • Obtain private sector funding for road infrastructure programmes. • Introduce fully funded road maintenance programmes • Invest in road maintenance technologies.
2	***Disjointed regulatory framework and systems*** Each Tripartite MS has its own regulatory mechanism that determines market access and regulatory requirements which must be adhered to by cross-border operators. As a result, road transport operators must comply with different rules and standards when they traverse through various MS	• Tripartite MS should review and align regulatory frameworks, systems and standards.
3	***Inefficient regulatory regimes and systems*** Regulatory regimes in the Tripartite focus on quantity regulation that controls the supply of transport services and which creates inefficiency in service delivery.	• Implement harmonised regulatory systems / regimes that are demand driven and which focus on quality control.
4	***Weak institutions*** Public sector transport institutions in the Tripartite often lack technical expertise to drive the implementation of trade and transport facilitation initiatives. This tendency is partly to blame for the slow pace of implementing regional programmes.	• Capacitate public transport institutions tasked to regulate cross-border road transport. • Review the mandates of transport institutions. • Review the funding frameworks of transport institutions. • Train and develop staff. • Implement robust institutional processes / systems.

	Nature of Constraint	Proposed Intervention
5	***Lack of harmonised transport rules, standards and tariffs*** Since each Tripartite MS has its own regulatory mechanism, transport rules and standards imposed on cross-border road transport operators, vary from one MS to the next.	• Tripartite MS should implement harmonised transport rules, standards and tariffs that apply to cross-border road transport operators that conduct business for reward in the Tripartite.
6	***Ineffective border management systems*** Most border posts in the Tripartite still operate as traditional two-stop borders. These borders are characterised by various hard and soft infrastructure inefficiencies that result in excessive time delays for cross-border road transport operators.	• Implement efficient border management systems such as Single Window systems and OSBPs. • Move towards a regional community which is technically borderless
7	***Numerous uncoordinated road blocks*** Various law enforcement authorities conduct their own inspections at various points along regional road transport corridors. Uncoordinated inspections culminate in unnecessary delays and long transit times for cross-border road transport operators.	• Law enforcement authorities should combine their effort / resources to conduct joint law enforcement inspections. • Unofficial road blocks should be eradicated.

Source: Table created for study.

Table 5: Priority Intervention Areas: Cross-Border Passenger Transport

	Nature of Constraint	Proposed Intervention
1	***Inadequate Cross-Border Ranking Facilities*** Most ranking facilities are collectively used by both local and cross-border commuters and many of them do not support the operational requirements for international travel as noted in the wide-spread absence of dedicated security and weighing facilities and refreshment amenities for commuters.	• Tripartite MS should intensify talks with relevant stakeholders to adopt a coordination approach to the regulation of cross-border ranking facilities. • In terms of funding, private sector participation (e.g. PPPs) should be considered to fund infrastructure improvements and / or manage ranking facilities
2	***Lack of Detailed Route Descriptions on Cross-Border Permits*** Most cross-border road transport permits issued by regulatory authorities in Tripartite Ms, do not stipulate pick up and drop off points, thereby allowing operators to load and off load passengers at various locations. Some countries however, (e.g. South Africa) specify locations where passengers should be loaded and off-loaded. This practice benefits operators who are not subjected to specific pick-up and drop off points. These operators can capture a larger share of the cross-border	• Existing regulatory instruments should be amended to favour the adoption of harmonised rules and standards with regards to route descriptions. • Regulatory authorities in Tripartite countries should engage with each other to reach agreement on the use of the same standards.
3	***Return of Passenger Lists and Expired Permits*** In the absence of cross-border legislation, most Tripartite countries do not compel cross-border operators to return passenger lists and expired permits to regulatory authorities. An exception is found in South Africa, where South African cross-border road transport operators have to return these documents to the C-BRTA. This practice is cumbersome and costly. Penalties are imposed upon non-compliant operators.	• Regulatory authorities in Tripartite countries should engage to reach agreement on the way forward. If consensus is reached that cross-border operations should be relieved from the administrative burden to return expired documents to regulatory authorities, legal instruments (e.g. regulations) should be amended and ratified by national parliaments.

Nature of Constraint		Proposed Intervention
4	***Regulation of Market Access*** Legal instruments concluded between Tripartite MS stipulate the number of cross-border bus and taxi permits that can be issued over specific routes. Permit applications of new applicants is sometimes refused since the maximum number of permits have been issued over specific routes. This creates dissatisfaction amongst new applicants who feel that the stipulations of regulatory instruments restrict their access to new markets.	• Tripartite countries should develop and implement scientific tools to regulate market access that balances available capacity (infrastructure) with the demand for cross-border road passenger services.
5	***Business Visas*** The stipulations according to which business visas are issued vary from one MS to the next. Some countries attempt to relax entry requirements, while others do the opposite. Cumbersome processes and high costs in some MS (Angola and DRC) discourage business travel and intra-Africa trade.	• Tripartite Member states should adopt harmonised standards that encourage business relations between MS.
6	***Organised Party Permits*** Organised party permits are issued by regulatory authorities in Tripartite countries for unforeseen events (weddings and funerals) taking place in other (African) countries. Although the applicant has to submit proof of the event taking place (e.g. wedding invite) alongside the names of travellers that will attend the event, regulatory authorities do not always verify the accuracy of supporting documents***.***	• Regulatory authorities in the Tripartite should verify supporting documents of all applicants before issuing organised party permits. • The duration of organised party permits should be restricted to the duration of the special event to prevent applicants from conducting normal cross-border business.

Nature of Constraint		Proposed Intervention
	Reported incidents exist of applicants using organised party permits to conduct normal cross-border operations after the special event has taken place. In doing so, they capture market share from existing cross-border operators.	
7	***Adherence to Bus Time tables*** Cross-border bus operators conduct business according to fixed time tables. Due to various stoppage points along transport corridors (especially at border posts), cross-border buses often arrive late in the destination country. Late arrivals results in penalties for non-compliance.	• Corridor role-players should agree on minimising unnecessary stops for cross-border bus operators. Where possible, joint inspections should be conducted at pre-determined points along regional road transport corridors to minimise the number of law enforcement checkpoints.

Source: Table created for study

Table 6: Priority Intervention Areas: Cross-Border Freight Transport

	Nature of Constraint	Proposed Intervention
1	***High Cost of Freight Permits*** The cost of cross-border road freight permits is higher than the cost of cross-border road passenger permits. This creates unhappiness and dissatisfaction amongst road freight operators.	• Regulatory authorities in Tripartite countries should attempt to align the cost of cross-border freight and cross-border passenger permits.
2	***Return of Permits and Consignment Notes*** South African cross-border road freight operators must return consignment notes and expired permits to the C-BRTA, despite the fact that regulatory authorities in many Tripartite MS do not apply the same rule. Given the time and cost associated with returning expired documents, South African cross-border road freight operators have requested, on many occasions, that existing regulations be amended to relief them from this burden.	• The C-BRTA should consider amending existing regulations to exempt road freight operators from the requirement to return consignment notes and expired permits to the Agency. Depending on the outcome, legal instruments (regulations) may need to be amended.
3	***Driver Conflict*** Currently, several South African companies who engage in cross-border road transport employ foreign drivers. The working conditions of foreign drivers differ from South African drivers. Since foreigners are not protected by Unions, their working hours are often longer for less pay. The employment of foreign drivers over South African drivers creates tension and has led to reported incidents of xenophobic attacks of foreign drivers.	• The C-BRTA has to engage with relevant authorities (e.g. Department of Home Affairs and Department of Labour) to find a lasting solution to this problem. The possibility of amending the quota system should be investigated.

Nature of Constraint		Proposed Intervention
4	***Inefficiencies at Beitbridge Border Post*** Foreign cross-border drivers are subjected to excessive time delays at the Beitridge border posts due to inefficient border processes. Similar problems are experienced along Zimbabwean roads. Various law enforcement checkpoints and the non-acceptance of vehicle standards by Zimbabwean law enforcement authorities result in additional costs (penalties) for road freight operators from Tripartite countries.	• Engagements at regional level (e.g. Trilateral meetings) should be intensified to seek solutions to border impediments and to find a way towards harmonising road transport rules and standards.
5	***Completion of the Kazungula Bridge*** Cross-border operators are subjected to lengthy delays at the Kazungula border since they must cross the border by ferry to move their load (goods) across the Zambezi river.	• The construction of the Kazungula road and bridge link is currently underway. The expected delivery date is in March 2019.
6	***Adherence to National Customs Bonds*** Currently road freight operators have to acquire customs bonds at least equal to the duty payable on their cargo for each MS that they transit. Customs bonds vary from one MS to the next and the cost of acquiring bonds is expensive.	• Regulatory authorities in the Tripartite should intensify engagements to agree on and promote the adoption of regional / uniform road transport standards.
7	***Weighbridges*** Various problems are encountered at weighbridge stations in the Tripartite. In addition to the non-calibration of weighbridges and space limitations within weighbridge stations, there is no mutual recognition of weighbridge certificates amongst MS which increase the time spent at weighbridges.	• Role-players (e.g. law enforcement officials) from Tripartite countries should engage in national and regional platforms to voice their support for the adoption of the Load Management Strategy that will harmonise weighbridge procedures and axle loads limits in the Tripartite.

Source: Table created for study

Table 7: Priority Intervention Areas: Cross-Border Passenger and Freight Transport

	Nature of Constraint	Proposed Intervention
1	***Exploitation of Foreign Operators by Law Enforcement Officials*** Cross-border operators are exposed to various formal and informal charges when traversing along road transport corridors in the Tripartite. RUC varies from one MS to the next with some countries (Botswana and the DRC) imposing excessive charges on cross-border operators. Long waiting times at border posts create an opportunity for border post officials to elicit brides to speed up border post processes.	• RUC levied upon cross-border operators should be harmonised across all 3 Tripartite RECs to create a level playing field for cross-border road transport operators. • Cross-border operators should be encouraged to report incidents of bribes (e.g. on toll free lines, FESARTA website) and maximum penalties should be imposed on all public-sector officials found guilty of taking bribes.
2	***Third Party Liability Insurance*** Various third-party liability schemes are used in the Tripartite. As a result cross-border operators are exposed to various payments and double insurance charges when transiting between the 3 Tripartite RECs. This practice increases the cost of doing business and discourages cross-border trade.	• All Tripartite MS should adopt the Yellow Card system.
3	***Inefficient Border Posts*** Except for functioning OSBPs, most commercial border posts in the Tripartite are plagued by various infrastructure inefficiencies that materialise in excessive time delays for cross-border operators. The majority of reported NTBs in the Tripartite relate to border delay issues.	• Tripartite countries should expedite the implementation of OSBP. • Private sector involvement in funding and managing OSBPs should be encouraged to create a favourable business environment.

Source: Table created for study

2.5 Conclusion

Cross-border road transport operators are subjected to various infrastructure impediments along road transport corridors when conducting business for reward in the Tripartite. Although operational constraints are discussed at regional platforms (e.g. JRMC meetings) and despite that fact that agreement is often reached between relevant role-players on operational matters, the pace in which decisions are implemented is slow, leading to prolonged and delayed resolution of constraints.

It is therefore important that political will be established between all public-sector stakeholders operating in the cross-border sphere to ensure that decision-making authorities move beyond participating in national and regional platforms towards implementing regional decisions at MS level.

3. REGIONAL INTEGRATION

3.1 INTRODUCTION

Chapter 2 revealed that the road transport sector in Africa, despite its prominence, does not adequately support intra-regional trade and connectivity. Within the Tripartite, various hard and soft infrastructure inefficiencies prevent the establishment of integrated road transport networks and undermine the seamless movement of cross-border traffic.

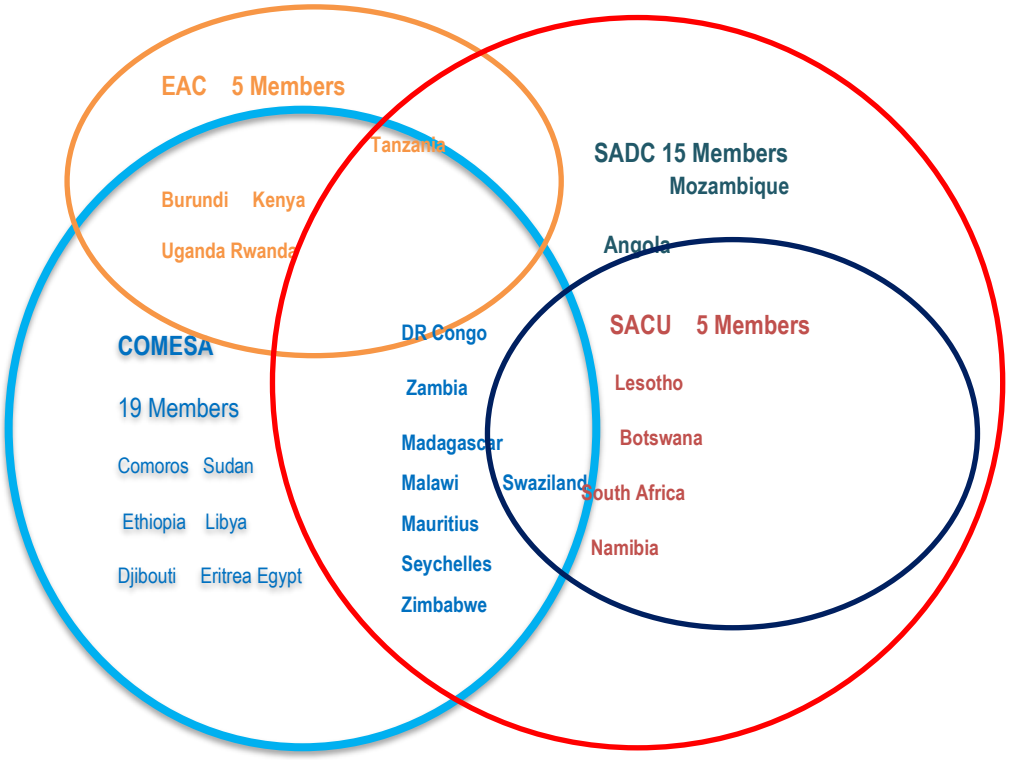
The importance of regional integration in supporting Africa's economic growth and development has long been recognised by African leaders who consistently expressed political consensus to build a common market for goods and services. Since the establishment of the Organisation of African Unity (OAU) in 1963, Africa has been promoting the notion of an integrated continent to address the limitations of its geographical landscape (many countries are land-locked and too small to operate as independent countries).

Africa has the advantage of a young and growing population and is projected to have the fastest urbanisation of all continents. Furthermore, Africa has huge potential to develop a strong manufacturing sector that can support economic development of the continent. However, Africa is yet to climb the value chain of mineral processing and manufacturing, which would help it to unlock its full potential of natural resources.

One of the major factors that restrict Africa from participating in the global value chains is the huge deficit in the infrastructure sector. Statistics reveal that approximately 60% of the continent's population lacks access to modern infrastructure, which isolates communities, prevents access to health care, education and jobs and impedes intra-regional trade and economic growth. Currently, inadequate transport infrastructure adds around 30 to 40% to the cost of goods traded among African countries (Export-Import Bank of India: 2018).

Further to inadequate transport infrastructure, overlapping memberships of MS belonging to different RECs discourage African countries from trading with each other. In Eastern and Southern Africa there is significant overlap in membership - eight SADC countries are also members of COMESA, while one SADC country (Tanzania) is also a member of the EAC. Furthermore, four COMESA countries hold membership with the EAC (see Figure 1). Overlapping REC memberships create a complex web of competing commitments together with different rules and standards, which results in high costs to intra-Africa trade.

Figure 1: Tripartite Country Membership to Regional Economic Communities



Source: Figure created for study

In order to deal with some of the contradictory and duplicative implementation decisions linked to overlapping memberships in East and Southern Africa, countries of the Tripartite RECs agreed to collaborate on the establishment of a Tripartite process to support the creation of one regional market.

Negotiations culminated in the signing of a declaration by the Heads of State and government of the EAC, COMESA and SADC on 12 June 2011 to establish a Tripartite Free Trade Area (TFTA) that has been heralded as one of the most important developments in African regional integration. The main objective of the TFTA is to strengthen and deepen economic integration in East and Southern Africa, inter alia, through the harmonisation of policies and programmes across all three RECs in the areas of trade, customs and infrastructure development.

The TFTA also serves as the main stepping stone towards the gradual establishment of a Continental Free Trade Area (CFTA), which is a priority area under the African Union's (AU) Agenda 2063 and is used as a basis for engaging in the on-going CFTA negotiations. Progress towards establishing a CFTA is noted in the signing of the CFTA Agreement by heads of state of forty-four members of the AU in Kigali, Rwanda in March 2018. Essentially the CFTA will bring together all of the AU member states, creating a combined market of more than one billion people and a Gross Domestic Product of around US$3,4 trillion (SADC Today: 2018).

Although there has been much hype around the launch of the TFTA and the CFTA, literature sources reveal that the anticipated benefits from these agreements are likely to be many years away. Political will and commitment must be demonstrated by all role-players to enjoy the envisaged benefits associated with the creation of a Tripartite market and later, a common African common market.

Against this background chapter 4 provides detailed information on the status of regional integration, with specific emphasis on the following themes:

- Tripartite Free Trade Area Initiative;
- Overview of trade in Africa; and
- Level of transport integration in Africa.

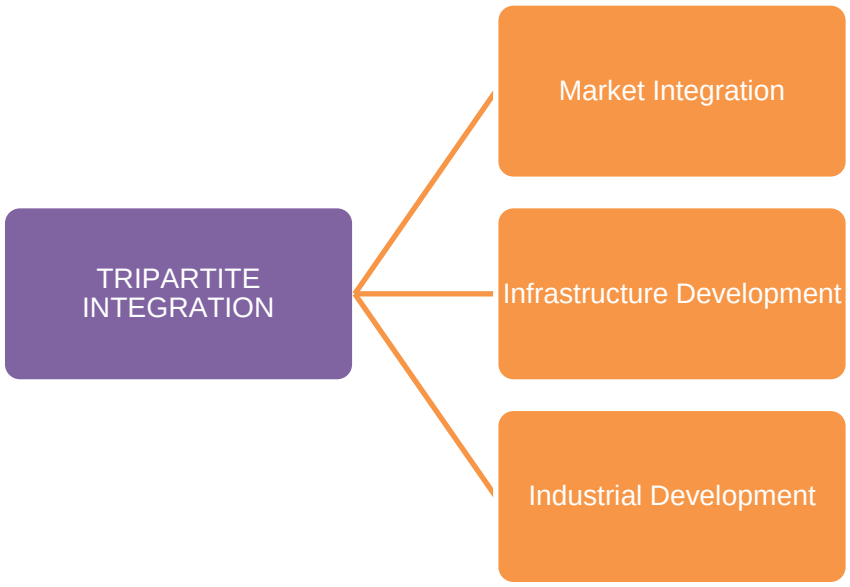
3.2 Tripartite Free Trade Area Initiative

The Tripartite Free Trade Area Initiative serves as a framework for intra-regional cooperation, coordination and integration among the EAC-COMESA-SADC RECs. This initiative is overseen at the highest political level through Summits of Heads of State and Government of all three participating RECs.

Figure 2 illustrates that *Tripartite i*ntegration is based on a 'developmental regionalism approach', which is anchored on three pillars:

- *Market integration* – entails the establishment of a free trade area, including free movement of business people;
- *Infrastructure development* – entails improving regional transport (roads, rail, air and water), trade-related infrastructure and ICT to enhance connectivity and reduce costs; and
- *Industrial development* – to be achieved through addressing the supply side by promoting value addition, diversification, higher productivity and competitiveness.

Figure 2: Tripartite Integration Process



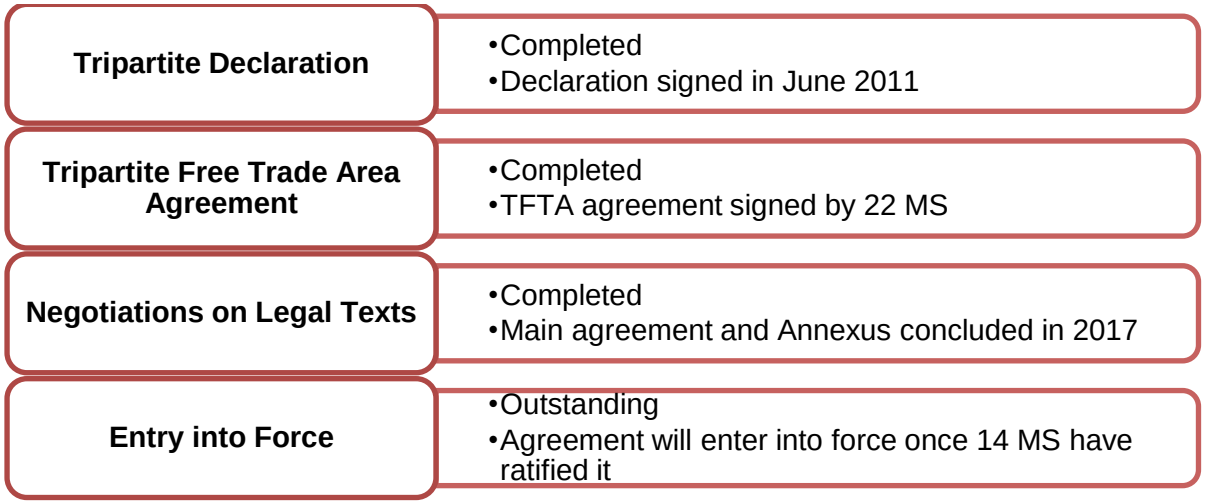
Source: Figure created for study

3.2.1 Establishment of a Tripartite Free Trade Area

The TFTA will be the largest free trade zone in Africa, linking twenty-six countries through their memberships to the 3 Tripartite RECs. The TFTA agreement was officially launched on 10 June 2015 while negotiations of the legal texts (the main Agreement and its Annexes) were concluded in May 2017.

To date, 22 countries have signed the Agreement, including South Africa (in June 2017), clearly emphasising the country's commitment to regional integration. The TFTA agreement will only enter into force once it has been ratified by 14 MS. During July 2018 only, Egypt and Uganda have ratified the Agreement. Figure 3 illustrates the milestones reached towards establishing the TFTA.

Figure 3: Milestones towards Establishing a Tripartite Free Trade Area



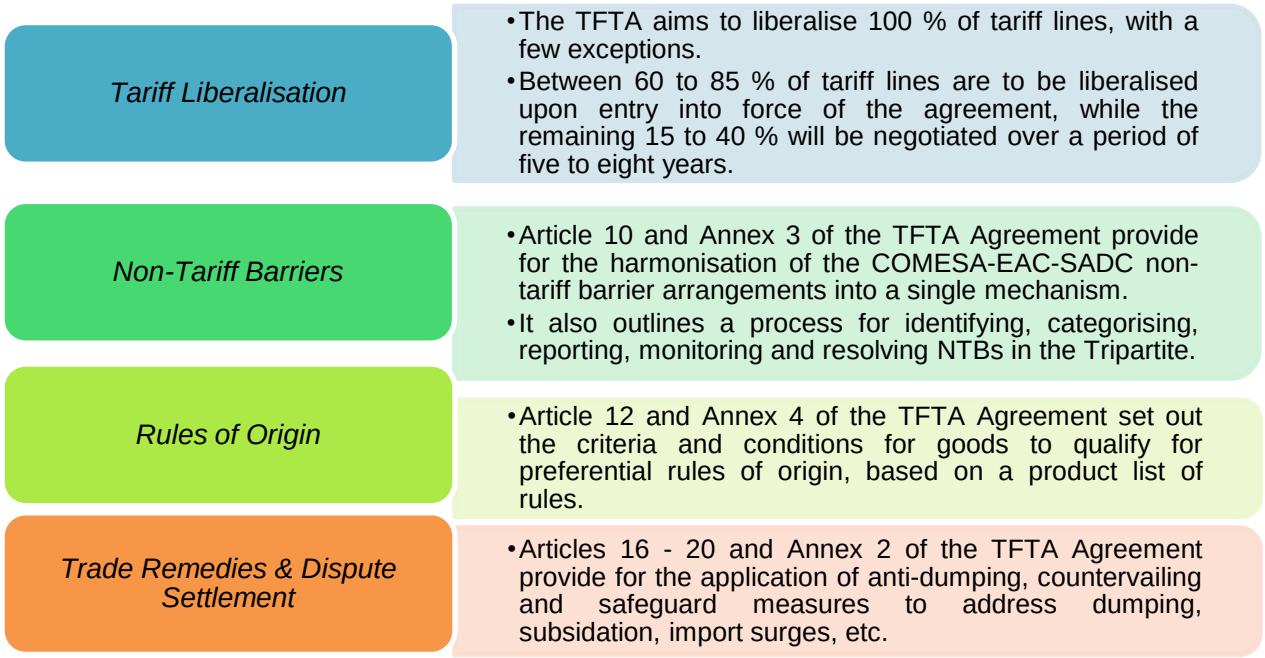
Source: Figure created for study

The TFTA, if fully and effectively implemented could have a substantial impact on intra-regional trade within East and Southern Africa, including major trade gains in industrial goods, especially light and heavy manufacturing.

3.2.1.1 Provisions of the Tripartite Free Trade Agreement

The TFTA consists of 45 Articles and 10 Annexes. The core of the agreement covers tariff liberalisation, disciplines on NTBs, Rules of origin, trade remedies and provisions for dispute settlement, as depicted in figure 4 below.

Figure 4: Provisions of Tripartite Free Trade Agreement



Source: Vickers, B. 2017, as amended.

Other provisions include those on the elimination of quantitative restrictions, customs cooperation, trade facilitation and transit trade, infant industries and balance of payments among others. These are generally consistent with obligations under the World Trade Organisation and international best practice.

3.2.1.2 Progress Made towards Establishing a Tripartite Free Trade Market

Section 3.2 alluded to the fact that the Tripartite integration process is based on three pillars. The following progress is noted in each of the pillars:

i. Market Integration

A TFTA is yet to be established. The current state of play with regards to market integration in each Tripartite REC looks like follows:

➢ **East African Community**

The EAC is a *functioning customs union* with a common external tariff. It launched a common market in 2010 and has liberalised its trade in services, substantially in priority sectors such as business, communication, distribution, education, financial, tourism and transport services.

➢ **Common Market for East and Southern Africa**

The COMESA is a *functioning Free Trade Area* with 15 MS trading at zero tariffs on 100% of all traded originating products. Even though COMESA launched a customs union in 2009 the implementation of a common external tariff remains a challenge. COMESA has commended trade in services liberalisation focusing on business, communication, construction, energy, finance, tourism and transport.

- **Southern African Development Community**

The SADC is a *functioning Free Trade area* with approximately 90% of originating products being traded at zero tariff. Five SADC MS are already in the SACU customs union and these have liberalised 100% of the tariff lines to the SADC market.

Further to the above it is clear that each of the Tripartite RECs has made progress towards advancing inter-REC market integration. In terms of intra-REC integration however, limited progress is noted. The TFTA agreement will only enter into force once 14 MS have ratified the agreement. Strong political will amongst all MS is therefore key towards moving forward with establishing a single regional market that links all 26 Tripartite countries.

ii. Infrastructure Development

Infrastructure is a critical determinant of growth in East and Southern Africa. The Tripartite adopted a *corridor development approach* to deal with the challenges of interconnectivity and transportation of goods to markets. To date the Tripartite has initiated various transport projects / programmes to improve the seamless movement of traffic along strategic road transport corridors.

Selected projects / programmes are at different levels of the project life cycle and their impact will only be visible once they have been fully implemented. Since most programmes will be implemented at MS level, a Project Preparation and Implementation Unit (PPIU) has been established at regional level to assist MS in preparing and developing projects, including executing feasibility studies and presenting bankable projects to financiers. More information on strategic transport initiatives unfolding at Continental and Regional level is presented in Chapter 4.

iii. Industrial Development

The Tripartite has adopted modalities on cooperation and a draft work programme and roadmap for the Tripartite pillar on industrial development, taking into account the industrialisation policies, strategies and best practices of the three RECS. The work programme also identifies priority actions that must be executed to improve productivity and competitiveness along regional value chains

Studies on industrial capacities and the agro-processing value chain have commenced. The value chain study is expected to contribute to the agro-processing value-chain(s) development support plan for Tripartite countries, while the industrial statistics study is expected to facilitate support to augment industrial statistics collection and compilation capacities in all Tripartite countries.

Even though some progress is noted in each of the 3 Tripartite integration pillars, the TFTA agreement will only enter into force once it has been ratified by 14 MS. Ultimate success therefore depends on strong political at the highest political level in all Tripartite countries to strengthen cooperation and collaboration efforts in moving forward towards establishing a single regional market.

3.3 Overview of Trade in Africa

Although governments, financial institutions and the private sector have played an instrumental role in boosting regional integration in Africa, the levels of continental integration remain relatively low. Africa is one of the least integrated continents in the world. Trade barriers among African countries are often higher than those between them and the rest of the world, yet they are so close to one another.

Table 8 below illustrates Africa's trade with its top 9 global partners for the years 2010 and 2015.

Table 8: Africa's Trade with its Top Global Partners

Trading Partner	Total Value of Trade in Goods (US$ billion)		Share in Africa's global trade in goods (%)		Rank among Africa's trade	
	2010	2015	2010	2015	2010	2015
China	93.9	135.9	11.4	15.9	2	1
India	37.5	51.5	4.6	6.0	4	2
France	53.2	50.1	6.5	5.9	3	3
United States	98.4	45.3	13.8	12.1	1	4
Spain	31.6	37.0	3.9	4.3	7	5
Germany	33.9	34.8	4.2	4.1	5	6
Italy	33.9	31.5	4.2	3.7	6	7
Netherlands	29.7	27.1	3.6	3.2	8	8
United Kingdom	21.3	23.1	2.7	2.7	10	9

Source: African Economic Outlook. 2017

It is evident from Table 8 that trade in Africa is outward looking with the European Union (EU) the biggest single customer for Africa. During 2015, the EU countries collectively accounted for around 24% of Africa's global trade.

China however is becoming a more prominent player and ranked as Africa's top trading partner in 2015, with the value of goods traded amounted to $135.9 billion. During the same year, the United States ranked in second place with a 12,1% share of Africa's global trade and the total value of goods traded amounting to $45,3 billion.

3.3.1 Overview of Intra-Regional Trade

Table 9 illustrates trade between the eight recognised RECs in Africa for the years 2012 and 2015.

Table 9: Intra-Regional Trade

RECs	REC Member Country (% share)		Non-REC African Country (% share)		Non-African Country (% share)	
	2012	2015	2012	2015	2012	2015
SADC	17.3	19.5	2.3	2.7	80.4	77.7
EAC	19.7	18.1	13.9	15.2	66.4	66.6
ECOWAS	7.6	12.1	5.0	6.3	87.4	81.6
IGAD	14.4	12.0	12.8	14.2	72.8	73.8
COMESA	7.6	11.7	3.4	5.6	89.0	82.7
CEN-SAD	6.8	10.4	3.1	4.7	90.1	84.9
UMA	2.1	3.4	1.3	2.7	96.6	93.9
ECCAS	0.8	1.5	4.1	4.9	95.1	93.6

Source: C-BRTA. 2017

Despite the fact that trade between African countries has the greatest potential for building sustainable economic development, table 9 illustrates that Africa's exports to non-African countries are much higher that its exports to African MS. ECOWAS is the top-ranked regional community for facilitating free movement of persons across borders and yet only 12% of its exports went to MS, 6% to other African countries and about 81% outside of Africa in 2015.

The trade picture for the Tripartite looks as follows based on 2015 figures:

Inter-REC trade:

- SADC – 19,5%;
- EAC – 18,1%; and
- COMESA – 11,7%.

Intra-Africa trade (REC and non-REC MS):

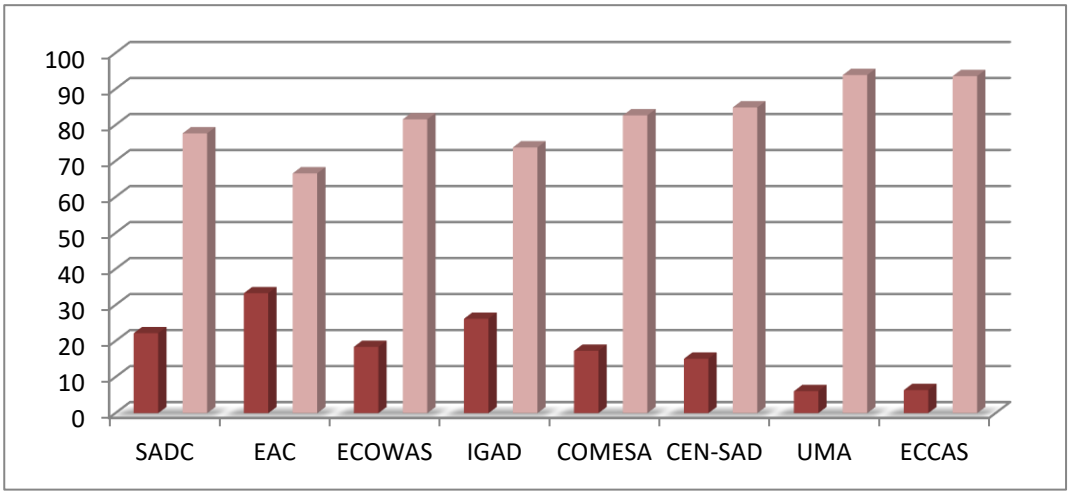
- SADC – 22,2%;
- EAC – 33,3%; and
- COMESA – 17,3%.

Non-African trade:

- SADC – 77,7%;
- EAC – 66,6%, and
- COMESA – 82,7%.

Figure 5 shows that most of the exports from African RECs are destined for markets outside Africa.

Figure 5: Intra-Africa trade versus Africa-World Trade (2015)



Source: C-BRTA. 2017

Africa's share in world trade remains small notwithstanding its rich endowments of mineral resources as well as some of the world's highest quality agricultural crops such as cocoa, coffee and tea, amongst others. All African RECs trade far more with foreign countries than they do with African countries. The majority of African exports (around 80%) are destined for other continents (Europe, United States and Asia). Of the 8 RECs, the EAC with a share of around 33% ranked the best performer in terms of intra-Africa trade in 2015.

Given the unsatisfactory performance of the African RECs in promoting intra-regional trade, it is clear that major constraints (gaps) exist that discourage African countries from trading with each other. As stated in earlier sections of this report, the absence of adequate transport infrastructure serves as one of the stumbling blocks towards the creation of a TFTA. The next section provides more information on the current state of road transport infrastructure and progress made to date towards integrating road transport networks on the continent.

3.4 Level of Road Transport Integration in Africa

Roads dominate the transport sector in most African countries, covering more than 80% of passenger and freight traffic. Most rural areas of Africa completely depend on roads for connectivity to open remote areas and improving access to other African markets. Furthermore, the geographic and economic landscape of Africa (high number of land-locked countries and small sized economies) requires integrated road networks to facilitate intra-regional trade and exports.

Table 10 illustrates road network densities in Sub-Saharan Africa, including East and Southern Africa where the three Tripartite RECs reside.

Table 10: Road Network in Sub-Saharan Africa

Region	Existing Network	% Share	Paved Roads	Paved Roads (% of total)	Paved Roads in Good condition (%)	Road Network Density per Population (km/1000 persons)	Road Network Density per Land Area (km/1000km2)
Central Africa	344,083	12,1	79,139	23,0	58,7	2,1	36,5
Eastern Africa	850,710	30,0	250,959	29,5	49,0	1,2	127,9
Southern Africa	998,334	35,3	353,410	35,4	47,8	5,5	99,8
Western Africa	638,982	22,6	116,934	18,3	43,2	2,3	83,7
Sub-Saharan Africa	2,832,109	100,0	800,442	28,3	48,6	2,7	-

Source: Export-Import Bank of India. 2018

From Table 10 the following findings are deduced:

- Southern Africa has the highest percentage of paved roads in Sub-Saharan Africa (35,4%) followed by Eastern Africa (29,5%) and Central Africa (23%) in second and third positions;
- Except for Central Africa, less than 50% of paved roads are in a good condition in the Eastern, Southern and Western African regions; and
- Eastern Africa has the highest road density per land area (127,9 km) in Sub-Saharan Africa, followed by Southern Africa (99,8 km) and Western Africa (83,7km).

Acknowledging the above statistics and bearing in mind that road densities in Sub-Saharan Africa lags far behind the world average of 944 km per 1,000 square kilometres (Export-Import Bank of India: 2018), it becomes clear that seamless, integrated road transport networks are yet to be established on the continent.

The dream of integrating Africa through the establishment of integrated land transport systems (road and rail networks) was conceived in the early 1970s after African countries emerged from colonialism. The dream was called the Trans African Highways (TAH) that envisioned the creation of integrated road transport networks through the construction of 9 road links (corridors).

The nine road links would ultimately connect the capitals of all African countries from North to South and from East to West, thereby opening the continent to internal and international trade and allowing farmers and miners to transport commodities to markets and sea ports. (see table 11).

Table 11: Trans African Corridor Highway Links

Highway Links	Length
Cairo – Dakar	8 636
Algiers – Lagos	4 504
Tripoli – Windhoek – Cape Town	10 808
Cairo – Gaborone	10 228
Dakar – N'djamena	4 496
N'djamena – Djibouti	4 219
Dakar – Lagos	4 010
Lagos – Mombasa	6 259
Beira - Lobito	3 523
Total	**56,683**

Source: Mining Review Africa

Progress towards constructing the 9 TAH links has been slow and more than 40 years later the dream of integrated road networks remains unfulfilled. To date around 50% of the total network (56 683 km) has been paved and maintenance remains a problem. There are still numerous links in the network where tracks are impassable. Table 12 provides a synopsis of the condition of each of the 9 TAH links.

Table 12: Condition of the Main Links of the Trans-African Highways

Name	Condition
Cairo – Dakar	Section of the road closed between Morocco and Algeria since 1994.
Algiers – Lagos	Substantially complete.
Tripoli – Windhoek – Cape Town	Has the most missing links and requires most construction.
Cairo – Gaborone	The Southern half is complete but the crossing at the Egypt-Sudan border by road is prohibited. For this reason the vehicle ferry on Lake Nasser is used instead.
Dakar – N'djamena	About 80 of the road section is complete with all but 775 km being paved.
N'djamena – Djibouti	Less than half of the road network is paved and a significant section of that is in a poor condition.
Dakar – Lagos	Approximately 80% of the road network is complete. Around 32% is in a poor condition, whereas 9% is good and 59% is fair.
Lagos – Mombasa	This road corridor has no practical use in the central section.
Beira - Lobito	Substantially complete in the south eastern half but the western half consists of earth tracks.

Source: Mining Review Africa

As seen from Table 12 none of the TAH links has yet been fully developed. Missing links along each link obstruct the fast and seamless movements of traffic across the continent and impedes trade integration efforts.

3.4.1 Moving Forward: Establishing Integrated Road Transport Network(s)

In order to establish integrated road transport networks, the African Union Commission (AUC), in partnership with the United Nations Economic Commission for Africa, Development Bank of Southern Africa (DBSA) and the New Partnership for Africa's Development (NEPAD) Planning and Coordination Agency, completed the PIDA that displays a regional approach to infrastructure development.

This continental initiative, based on regional projects and programmes in each of the transport sub-sectors (Transport, Energy, Water and ICT) seeks to address the infrastructure deficit that severely hampers Africa's competitiveness in the world market. The Priority Action Plan (PAP) of PIDA encompasses 51 programmes of regional importance in each of the transport sub-sectors, including 24 transport projects that focus on connectivity, corridor modernisation, ports, railways and air transport modernisation. One of the prioritised transport projects focuses on the completion of missing links along the TAH by 2030.

It should be noted that the execution of PIDA projects and programmes will cost around US$ 360 billion between 2011 and 2040, with significant investments required by 2020. Such costs are beyond the financing capacities of African governments or even Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs) (NEPAD Planning and Coordination Agency, et al: 2017).

Considering the existing infrastructure gap it is clear that a concerted effort has to be made to bring on-board all stakeholders that can pool in funds towards financing the PIDA. Attracting private sector participation through Public-Private Partnerships (PPPs) is essential for the delivery of various infrastructure projects envisioned under PIDA. However, for private investors to come on board, African governments need to create an investment climate which favours private sector initiatives and PPPs. This requires that a level playing field be created between the private and public sectors.

More information on the status of the TAH project and other prioritised transport projects / programmes is presented in Chapter 4 that tracks major infrastructure developments at Continental and REC level.

3.5 Conclusion

African is the world's least integrated continent, both physically and economically, with low levels of intra-regional trade and the smallest share of global trade in the world. To overcome the geographic and economic handicaps of the continent (remoteness from other continents, high number of small, landlocked economies) African leaders have voiced their support for regional integration, with the pathway to African integration been marked by a series of initiatives and major political decisions.

The establishment of a TFTA will bring South African exporters a step closer to enjoying preferential treatment under the TFTA. At the same time a single Tripartite market is seen as an important milestone towards establishing a CFTA that will create a combined market of more than one billion people and a Gross Domestic Product of around US$3, 4 trillion.

Although there has been much type around the launch of the TFTA and the CFTA, the anticipated benefits from these agreements are likely to be many years away. In terms of market integration, the Tripartite integration progress has achieved several milestones. Both

SADC and COMESA are functioning as FTA's while the EAC is a functioning customs union. Limited progress is however noted in terms of intra-REC market integration.

The picture is no different for the other 2 integration pillars (infrastructure and industrial development). Although various reforms have been approved at continental and regional level to eliminate infrastructure inefficiencies and accelerate industrial development, documented evidence of the impact of most initiatives remain limited, with most projects and programmes still in the planning / conceptual phases of the project life cycle.

Ultimately, the anticipated benefits associated with regional integration will only be accrued if political will is secured from public sector role-players. If political stakeholders do not support prioritised continental and REC reforms, they will not implement programmes at MS level. Thus, the benefits associated with the creation of a single Tripartite market and eventually an African common market will be lost.

While the need for better physical infrastructure (e.g. the necessary completion of the four-decade old TAH system) plays a role, transport impediments are also caused by soft failures such as ineffective regulatory regimes, poor governance practices, funding constraints and a shortage of technical skills. It is therefore imperative that hard and soft infrastructure impediments be attended to simultaneously to reap the benefits associated with regional integration.

Several trade and transport facilitation initiatives have been approved at continental and regional level to address the multiplicity of hard and soft infrastructure impediments that impede trade and transport integration efforts in Africa. More information on these reforms is presented in chapter 4 of this report.

4. TRACKING DEVELOPMENTS

4.1 Introduction

In response to infrastructure inefficiencies, various strategic transport projects / programmes have been approved for implementation by various structures at Continental and Tripartite level to create integrated transport infrastructure that supports the continental regional integration agenda.

Given the vast number of reforms that has been approved for implementation and acknowledging the fact that information on the implementation status and impact of reforms is not readily available, this chapter does not dwell on all reforms. Instead the discussions that follow are limited to strategic initiatives unfolding at Continental and Tripartite level that have the potential to enable trade and transport integration in Africa, once implemented. The reforms in this chapter are divided as follows:

Continental Initiatives

- Programme for Infrastructure Development Africa (PIDA);
- Presidential Infrastructure Champion Initiative (PICI);
- Move Africa Initiative; and
- Linking Africa Plan (LAP).

Tripartite Initiatives

- Tripartite Transport and Transit Facilitation Programme (TTTFP)
- Multilateral Cross-Border Road Transport Initiative (MCBRTA); and
- North-South Corridor Programme.

4.2 Assessment of Reforms

4.2.1 Continental Reforms

4.2.1.1 Programme for Infrastructure Development Africa

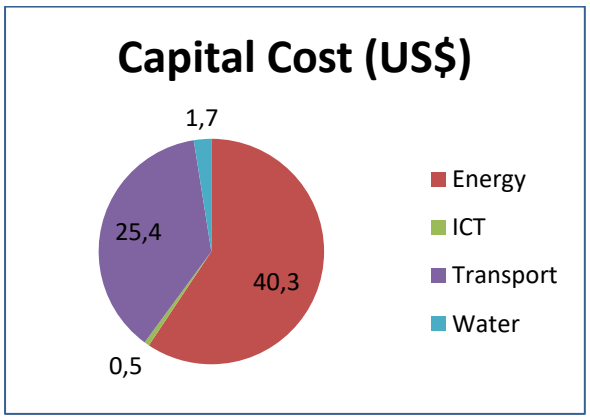
The PIDA for infrastructure development in Africa promotes regional economic integration through building mutually beneficial infrastructure, strengthening the abilities of countries to trade and establishing regional value chains for increased competitiveness. PIDA's main purpose is to strengthen the consensus and ownership of large cross-border infrastructure projects in the following infrastructure sub-sectors:

- Transport
- Energy,
- ITC, and
- Trans-boundary water.

The PIDA Priority Action Plan (PIDA-PAP), which extends to 2020, comprises 51 priority infrastructure back-bone projects, divided into over 400 sub-projects and programmes which are spread across the four infrastructure sectors. While it is difficult to accurately project the capital cost of PIDA's long-term implementation through 2040 (currently estimated at more

than $360 billion), the overall capital cost of delivering the PAP from 2012 through 2020 is expected to be nearly US$68 billion, as illustrated in figure 6 below.

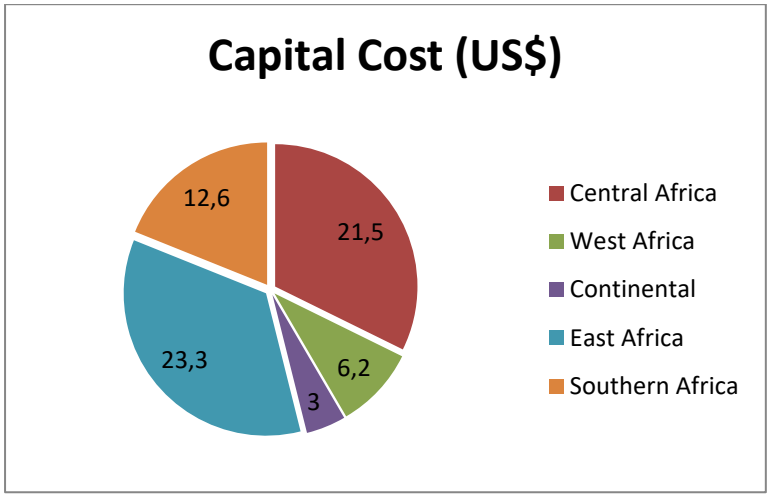
Figure 6: Total Capital Cost of PIDA's PAP by Sector



Source: NEPAD.

The greatest percentage of infrastructure spend ($40.3) will be directed towards the energy sector which accounts for 60% of the PIDA PAP programme, followed by transport ($25.4) at 37%. This clearly demonstrated the critical need for transformative investments in these sectors to promote African trade and promoting economic growth. Investment needs for ICT and water represent lower percentages. The ICT sector will receive less than 1% of total infrastructure spent since the basic ICT infrastructure network in Africa is largely in place. Figure 7 illustrates the total capital cost by Region.

Figure 7: Total Capital Cost of PIDA's PAP by Region



Source: NEPAD

As far as infrastructure spending per region is concerned, the biggest portion will be directed to the East ($23.3) and Central African ($21.5) regions, with the remainder divided between Southern Africa ($12.6), West Africa (6.2) and the Continent ($3).

➢ Status of PIDA

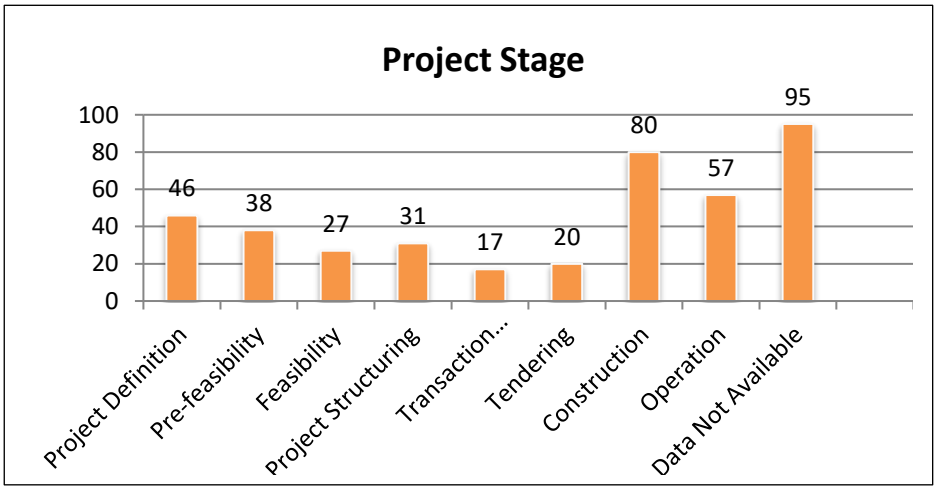
The 2017 PIDA PAP Progress Report provides a summary update of progress made in implementing the programme. Data was collected from questionnaires, sent to PIDA stakeholders, where updates were gleaned from progress reports of various PIDA programmes.

The AUC, in collaboration with the NEPAD Planning and Coordination Agency (NPCA) convened two regional workshops on data collection and validation of PIDA. The main objectives of these workshops were to review, collect and validate new information on PIDA projects from regional and national stakeholders, while to establishing a mechanism for the provision of infrastructure data in Africa. During this process, the enhanced African Infrastructure Database (AID) and the Virtual PIDA Information Centre (VPIC) was presented, with training provided to participants on how to update the projects information in the AID.

THE VPIC is an online knowledge portal that provides content on activities related to PIDA by all parties involved in accelerating the PIDA PAP. The purpose of this tool is to facilitate the sharing of PIDA-PAP information, promoting participation in PIDA implementation, enabling the tracking and reporting of progress in PIDA-PAP implementation and promoting investment opportunities in PIDA-PAP projects.

Figure 8 represents the status of PIDA projects as per the information displayed on the PIDA website. For more information on specific project status, the reader is advised to visit http://www.au-pida.org/

Figure 8: Status of PIDA Projects



Source: http://www.au-pida.org/pida-projects/

From Figure 8 it is evident that around 25% of PIDA projects are still in the early stages of the project life-cycle (project definition, pre-feasibility & feasibility). Around 19% of the projects are in construction stage, while the project status is not available for 23% (95) of the prioritised PIDA projects. The unobtainability of data can be attributed to the challenges experienced with regard to data collection, verification and analysis. In many cases information on projects are still incomplete, partly inaccurate and out-dated. In order to address this concern, the NEPAD Agency and AUC have recently renewed their efforts to improve the data collection, validation and dissemination for PIDA-PAP projects.

- **PIDA Service Delivery Mechanism**

The PIDA Service Delivery Mechanism (SDM) is an instrument that tackles the lack of technical and financial capacity during the project preparation phase via technical advisory in order to give initial momentum to PIDA projects to be tunnelled through the project preparation cycle. The SDM's mission is to make Africa's cross-border infrastructure projects technically sound, economically feasible and politically acceptable.

The traditional project preparation facilities focus on the mid to late stages of project preparation within a particular context of the capacity and resource constraints in many countries and lead infrastructure agencies. As a result, many regional priority projects struggle in gaining support to progress from concept to point where they meet the application criteria for assistance by Project Preparation Facilities.

The NEPAD Agency, as the PIDA SDM's host institution, responds directly to this gap and is mandated to support a cohort of activities at project origination stage. The SDM works as a pool of resources seeded to jumpstart the procurement of high-quality expertise and to provide project preparation and enabling environment. The clients of the SDM advisory services are national lead agencies, in collaboration with RECs involved in the implementation of regional infrastructure projects, to get projects technically ready for feasibility studies.

Furthermore, the SDM assists regional project owners with advisory services for early-stage project preparation to move projects from concept stage to the point where feasibility studies can commence.

- **Capacity Building to Regional Economic Communities**

Under the over-arching umbrella of the PIDA capacity building project, NEPAD continues to provide capacity building to African RECs, both on the human and institutional aspects. During 2017, the NEPAD Agency has deployed technical infrastructure champions to regional transport corridors authorities at seven RECs. Infrastructure champions are fully integrated in the infrastructure teams at regional level and serve as communication channel between the NEPAD headquarters and the regions. They support the preparation of projects within the respective RECs.

4.2.1.2 Presidential Infrastructure Champion Initiative

One of Africa's greatest challenges is regional infrastructure and intra-Africa trade. In response to the need for infrastructure development, former President Jacob Zuma of the Republic of South Africa, during the 23rd NEPAD Agency Heads of State and Government Orientation Committee (HSGOC) meeting in Kampala, Uganda, on 24 July 2010, proposed that the implementation of regional and continental infrastructure projects be accelerated through political championing.

The AU leaders agreed with this proposal and re-emphasised the importance of accelerating regional infrastructure development through committed political leadership, sponsorship and the championing of specific regional infrastructure projects. At the same AU Summit, the study for the Presidential Infrastructure Champion Initiative (PICI) was launched.

The role of the champions is to bring visibility, unblock bottlenecks, co-ordinate resource mobilisation and ensure project implementation. It presents the opportunity for African Heads of State and Government to be actively involved in the development and implementation of projects.

Initially eight projects were identified to be championed by seven selected Heads of State and Government. Most of these projects were endorsed by the 16th AU Assembly in January 2011 in Addis Ababa, Ethiopia. The LAPSSET Corridor Project, later joined the PICI family thus making the total number of projects nine, championed by Heads of State and Government. South Africa chairs the PICI.

The names of the nine PICI projects are listed below:

- Missing links on the Trans-Sahara Highway;
- Optic fibre link between Algeria and Nigeria via Niger;
- Nigeria-Algeria Gas Pipeline Project;
- Dakar-Ndjamena-Djibouti Road/Rail project;
- North-South Corridor Road/Rail project;
- Kinshasa-Brazzaville Bridge Road/Rail Project;
- Unblocking political bottlenecks for ICT broadband and optic fibre projects linking neighbouring countries;
- Construction of navigational line between Lake Victoria and the Mediterranean Sea; and
- LAPSSET corridor project.

➢ Status of PICI

The NEPAD Agency, acting as the Secretariat and Executing Agency of the PICI and working closely with the country focal points of the respective MS, the AUC, AfDB and the United Nations Economic Commission for Africa (UNECA), continues to monitor the progress on the implementation of PICI projects.

Regular Technical Task Team (TTT) workshops are being held to monitor the progress of the projects and to provide a platform to share experiences on project implementation. Table 13 provides an update on the status of the 9 PICI projects.

Table 13: Progress made Towards Implementing PICI Projects

	Project Name	Background	Current Status and Next Steps
1	*Missing links on the Trans-Sahara Highway*	The Trans-Sahara Highway is an important regional trade route spanning Algeria, Niger, Nigeria, Tunisia, Mali and Chad. Approximately 85% of the highway is paved. The project entails the construction and renovation of the missing links on the Trans-national highway. It is expected that the upgrading of the highway will boost regional integration and trade and allow for seamless road transport movements between Algiers in Algeria and Lagos in Nigeria.	• The project reached financial closure in 2013. The project is divided into two work packages: the Arab Bank for Economic Development in Africa funds 125 km while the AfDB finances 100 km. • Tender processes for both packages have been completed. The construction of the first work package (125 km) commenced in Niger in November 2014, while the construction of the second work package was expected to commence in 2015. • Progress is noted in the completion of construction work on 1 600 km of the highway that traverse Algeria.
2	*Optic fibre link between Algeria and Nigeria via Niger*	The 4 500 km optic fibre line will run from Algeria (2 500 km), through Niger (950 km) to Nigeria (850 km), along the Nigeria-Algeria Gas Pipeline (Trans-Sahara Gas Pipeline). Improved internet access and speed will not only connect the countries involved to the rest of the continent, but also to global trade partners. Better network availability will lead to reduced costs for ICT services.	• The Algeria section (2 700 km) has been completed and is fully operational. • This project was extended in 2014 to include Chad. The AfDB is funding the feasibility studies for the Niger and Chad sections. • The project champion is continuing its efforts to establish coordination between MS and to obtain funding for utstanding components.
3	*Nigeria-Algeria Gas Pipeline Project*	The proposed gas pipeline will stretch 1 037 km from Nigeria to the Niger border, 841 km from Niger to Algeria, 2 303 km across Algeria and 220 km from Algeria to Spain. It will have an estimated annual capacity of 30 billion cubic litres of natural gas.	• This project will be completed in phases – conceptual design, feasibility study and definition, and construction. • The Nigerian Government has included this project in its National Infrastructure Development Programme and has committed $400 million to the project, while also raising an additional $450 million through Euro Bonds.

	Project Name	Background	Current Status and Next Steps
		The pipeline will ensure closer co-operation and integration between neighbouring countries and will ultimately allow for the diversification and marketing of Nigeria's natural gas export route.	• The domestic component of the project has been divided into three phases (early gas, phase 1 and phase 2). • Progress includes the completion of engineering designs for Calabar and completion of the 48" pipeline from Calabar to Kano. • In August 2018 the project has run beyond schedule. Difficult topography and security concerns along the pipeline route (Niger Delta) discourages investors from investing in this project.
4	*Dakar-Ndjamena-Djibouti Road/Rail project*	The project spans ten countries and has both a road and rail component. The road component comprises the construction/renovation of the road between Dakar and Djibouti by combining two Trans-African Highway (TAH) Programme initiatives, TAH 5 (Dakar to N'djamena) and TAH 6 (N'djamena to Djibouti). Around 1 276 km of the missing link falls in the TAH 6 Corridor, 611 km is in Sudan and 665 km in the Ethiopia-Djibouti stretch. There are no missing road links on TAH5. The total road project will span 8 715 km, whereas the completed rail network will cover a distance of approximately 3 871 km. Since the project will cross the entire continent from east to west, it will enhance regional integration and trade, and will specifically improve trade and import and export opportunities for landlocked countries.	• The West African Economic and Monetary Union (WAEMU) has committed to funding the technical studies, while the government of Senegal is negotiating with various Chinese companies and other potential funding partners for the project. • The project will commence once sufficient funding has been secured.
5	*North-South Corridor Road/Rail project*	The project is defined as a multi-modal trans-continental interconnector that will ultimately connect Cape Town in the south and Cairo in the north. It entails several	• The Bulawayo-Beitbridge Road will undergo a major facelift, with rehabilitation done in 2 parts - Bulawayo to Gwanda and Gwanda to Beitbridge.

	Project Name	Background	Current Status and Next Steps
		components, all of which are in various stages of the development lifecycle. Upon completion, the NSC will improve border crossings that, in turn, will speed up regional integration and will increase regional trade.	• Zambia's Road Development Agency signed two contracts for the construction of the Mufuchani Bridge in Kitwe, which includes the upgrading of the Monze-Niko Road in the Southern Province. • A feasibility study for the Tunduma-Nakonde OSBP has been completed, while a Masterplan for the Beitbridge OSBP has been released.
6	*Kinshasa-Brazzaville Bridge Road/Rail Project*	The project comprises the construction of a combined road and rail bridge over the Congo River; the implementation of an OSBP; and the design, construction and operation of a railway line connecting Kinshasa and Brazzaville, and linking with the existing Lubumbashi-Ilebo line. Ultimately the road-railway bridge project will strengthen regional economic integration and trade within other RECs.	• The AfDB has pledged to fund the entire project through the African Development Fund window. • A feasibility study was completed in 2016 that prioritised Maloukou Techot as the best location for the rail/road bridge crossing. • The project is proposed for a period of 75 months. Construction is unlikely to occur until 2020.
7	*Unblocking political bottlenecks for ICT broadband & optic fibre projects linking neighbouring MS*	This project aims to find ways of removing political barriers and bottlenecks which hampers the development of ICT infrastructure across the continent. A harmonised enabling environment for ICT infrastructure roll out will accelerate the spread of broadband access on the continent and will provide the structural foundations for the setting up of e-businesses which will connect Africa with the rest of the world.	• Work is well underway to establish a One Africa Network that aims to lower the cost of communication and boosting African trade. Kenya, Rwanda and Uganda have all been connected on one network, with South Sudan to join in the near future, followed by Tanzania and Burundi. • The call is for other RECs to adopt the One Network concept in their regions, which would ultimately lead to a One Africa Network.
8	*Construction of navigational line between Lake Victoria and the Mediterranean Sea*	This project promotes intermodal transport by integrating river, rail and road transport facilities along the Nile Corridor and to develop river management capacity.	• Pre-feasibility study completed in 2015. Feasibility study currently being conducted by a German – Belgian international consultancy office.

	Project Name	Background	Current Status and Next Steps
		Intermodal transport integration will include sections along the TAH (e.g. Ndjamena-Djibouti and Cairo-Dakar), various railway lines, as well as the big harbours in Alexandria, Suez Canal, Mombasa and Dar es Salaam.	
9	*LAPSSET corridor project)*	The LAPSSET Corridor Program is a regional flagship project that aims to create seamless connectivity between the East African Countries of Kenya, Ethiopia and South Sudan. This project comprises of the following key infrastructure project components: • Building of Lamu port at Manda Bay, • Construction of standard railway line to Juba in South Sudan and Addis Ababa in Ethiopia; • Building of International highway; • Construction of oil pipelines, • Construction of oil refinery; • Building of three airports; and • Construction of three resort cities.	• Implementation works have commenced for various components while other project components are currently at the project preparation phase. • Construction works has commenced for the first three berths of Lamu Port, the Isiolo-Moyale-Hawassa Road, connecting Kenya and Ethiopia and power transmission lines connecting various key points along the corridor.

Source: Table compiled from various sources

The information displayed in Table 13 clearly illustrates that PICI projects are in various stages of project life-cycle. Some projects (projects 6 and 8) still await the completion of feasibility studies before they can be packaged to attract investor funding. Other projects (project 1) reveal more progress with construction activities already taking place along certain sections of the Trans-Sahara road network.

4.2.1.3 Move Africa

NEPAD has launched the Move Africa Initiative in May 2016 in Kigali, Rwanda. This continental initiative seeks to address policy hurdles to trade across the continent in an attempt to enhance intra-Africa trade through comprehensive corridor development.

Comprehensive corridor development goes hand in hand with the provision of adequate *"hard"* infrastructure (e.g. physical structures such as roads, railway lines and bridges) and *"soft"* infrastructure such as cross-border transport laws and regulations related to border crossings (e.g. customs clearance, quarantine) and organisational systems and resources to ensure the smooth operation and maintenance of hard infrastructure across all transport modes. Both "hard" and "soft" infrastructure is critical to unlocking the continent's economic potential.

Corridor development across Africa is inhibited by several complex factors and it is impossible to fully improve the entire cross-border transport system by focusing on either the hard or soft side of infrastructure in isolation. For this reason, a holistic approach is required when planning is undertaken for corridor development.

While PIDA articulates prioritised programmes for hard infrastructure, the Move Africa Initiative, which fits squarely within the PICI objectives, aims to package soft infrastructure issues to reduce transport costs along corridors, while at the same time promoting a multi-sectoral and comprehensive approach for corridor development. Ultimate success depends on bringing both private and public sector representatives together to work together in lowering transport costs across Africa.

This continental initiative also entails the development of a Traffic Light System (TLS) to unlock some of the transport challenges along transport corridors. The TLS is tool for monitoring and evaluating the performance of transport corridors, inter alia, through assessing the performance of OSBPs.

- **Status of Move Africa**

Since the launch of Move Africa, the NEPAD Agency convened a number of high-level dialogue sessions at continental and international level to attract development community and private sector support for the implementation of prioritised projects. NEPAD has also partnered with JICA to reduce processing inefficiencies and delays at inland borders through the implementation of OSBPs, which will be monitored in its TLS.

The SADC Committee of Ministers of Transport has endorsed four OSBPs to pilot the Light Traffic System. These borders, which will also act as roadmap for implementation of the TLS, are:

- Beitbridge,
- Kazungula,
- Kasumbalesa; and
- Chirundu.

The roadmap for the implementation of the TLS on the pilot border posts will be done in a 3-phase approach:

- *Phase 1* - Will look at the reporting of different indexes and sources;
- *Phase 2* – Will look deeper into the market dynamics, investment potential vis-à-vis risk assessments to ascertain the type and level of effort needed in a particular corridor by classifying the One-Stop Border Posts into A, B or C categories.
- *Phase 3* - Will give the overall ranking based on the variables in the first two sections to arrive at the traffic light categories of Green, Orange and Red.

The design of the Traffic Light System was scheduled for completion by the end of November 2017 with the piloting to commence during the early months of 2018.

4.2.1.4 Linking Africa Plan

Even though Africa is endowed with precious raw materials and a population of 1.2 billion, the continent has not been able to transform its comparative advantage(s) to its benefit through intra-continental trade and industrialisation. Currently Africa lags behind the rest of the world in terms of economic development and industrialisation.

Approximately 80% of African countries trade is with countries outside the continent, while the level of intra-African trade varies between 16-18%. Most of African exports are primary commodities and minerals, which gives rise to most of African exports under-going little processing before they are exported. Trade statistics reveal that approximately 26% of Africa's countries rely on one or two resource commodities for at least 75% of their exports, while about 60% rely on up to five commodities. The perpetual dependency on raw products exposes the continent to exogenous shocks (C-BRTA: 2018).

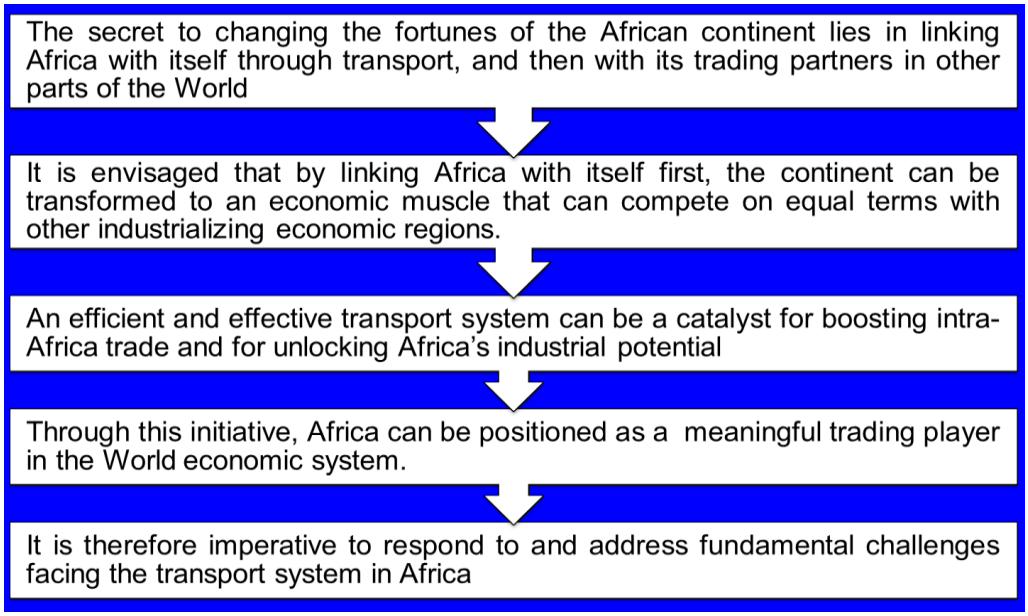
Further to the above, the continental transportation system is characterised by various hard and soft infrastructure inefficiencies that results in long journeys, high transportation costs and poor connectivity. To change the economic fortunes of African countries the C-BRTA, in consultation with various regional stakeholders embarked on development of the Linking Africa Plan (LAP) in 2017.

The LAP builds on the momentum of regional integration initiatives, enshrined in various African Union programmes (e.g. Africa 2063 Agenda: The Africa we want) and Tripartite programmes (e.g. Tripartite Transport and Transit Facilitations Programme). The LAP therefore does not seek to replace programmes being implemented, but rather compliments them and seeks to attend to, and address the soft issues which, historically have been neglected.

The LAP answers questions beyond the physical barriers that are constraining the linking of the continent. The Plan is therefore essentially focused on trade and transport regulatory issues and seeks to give effect to the task of harmonising cross-border trade and transport governance matters. Furthermore, it is concerned with partnering with, and working with private sector players to address issues such as creating conditions of predictability for cross-border road transport operators, cargo owners, traders of cross-border goods and services, freight forwarders and many other players in the cross-border trade and transport value chain.

Further to the above, the LAP is developed as a transport and trade integration campaign that positions transport and trade as twin partners to serve as catalysts for growth. The LAP seeks to connect the economies of the African continent through the creation of seamless, integrated transport infrastructure / systems, while transforming and diversifying African economies by creating new markets within Africa itself. Economic growth will spur the development of logistics clusters and hubs of differentiated specialisation. Figure 9 captures the logic of the LAP.

Figure 9: The Logic of the Linking Africa Plan



Source: C-BRTA. 2018

- **Status of Linking Africa Plan**

From the outset, the C-BRTA has worked closely with selected national, regional and continental stakeholders in developing the LAP. The draft plan was presented to corridor role-players at the OR Tambo Road Transport Indaba, hosted by the C-BRTA in partnership with the DOT and with support of the SADC Secretariat, in October 2017 in Pretoria, South Africa. The Indaba was attended by various government and regulatory stakeholders from various MS in the East and Southern African region, cross border road transport operators, donor and development partners, and academia and industry experts.

Inputs received from delegates were incorporated into the LAP and assisted with the identification of key implementation reforms. As already mentioned, the LP focus mainly on addressing soft issues (challenges) facing the transport, trade and industrial sectors. The reason for prioritising soft issues is that the mandate of public sector role-players (including the C-BRTA) enables relevant parties to work together in jointly addressing soft infrastructure issues. Furthermore, solutions to soft issues are less costly to implement and their benefits are visible over a shorter period of time.

Since the LAP compliments existing continental and regional initiatives, the importance of adopting a coordinated and collaborative approach to align the LAP with continental and regional programmes / initiatives cannot be over-emphasised.

4.2.2 Tripartite Reforms

Further to continental initiatives, a number of strategic trade and transport facilitation reforms have been approved and are currently being implemented by the EAC-COMESA-SADC RECs More information on these reforms is presented below.

4.2.2.1 Tripartite Transport and Transit Facilitation Programme

Tripartite MS launched the Tripartite Trade and Transport Facilitation Programme (TTTFP) in 2017 to facilitate the development of a more competitive, integrated and liberalised regional road transport market in the Tripartite through:

- Increasing trade and promoting economic growth in the East and Southern African regions;
- Reducing the high cost of trade in the Tripartite and assisting national governments to address trade barriers;
- Reducing transit times and transaction costs along strategic corridors in East and Southern Africa through improved infrastructure, faster border crossings and harmonised trade and transit regulations; and
- Improving the effectiveness of aid by coordinating donor funding for priority Aid-for-Trade programmes.

The TTTFP combines a series of initiatives of all three REC into a single trade facilitation programme that provides for:

- A mechanism for reporting, monitoring and eliminating NTBs;
- Border and customs procedures for OSPBs, coordinated border management, regional customs bonds and transit information management systems;
- Immigration procedures; and
- Transport procedures (regional third-party insurance, vehicle standards and regulation, self-regulation of transporters, overload control, harmonised road user charges and regional corridor management systems).

There are four major areas where key results are expected to be implemented by 2022:

Result 1: Implementation of Tripartite Vehicle Load Management Strategy;
Result 2: Establishment of a Transport Register Information Platform System (TRIPS) through an ICT system which enable information sharing;
Result 3: Implementation of harmonised vehicle regulations and standards; and
Result 4: Improved efficiency of regional transport corridors.

The harmonisation of legislation is an enormous task which is being funded by the European Union (EU) over a four-year period. This exercise will provide essential learning for the harmonisation of legislation on all transport corridors across the African continent. The programme focuses on the establishment of minimum standards, instruments, enabling regulation and systems for 11 key elements of road transport activities set out in Table 14:

Table 14: Harmonisation Elements

	Key Elements of Road Transport Activities	Output
1.	Vehicle Overload Control	Development of harmonised regulations and standards and uniform management & control systems to support weighbridge developments and permit inter-state coordination.
2.	National Transport Operator Registration	Development of a uniform and harmonised system of operator registration, backed by a uniform national transport information system.
3.	National Transport Information System	Establishment of TRIPS to permit harmonisation, coordination and joint control of cross-border road transport in the region and the sharing of information on drivers, vehicles and operators involved in cross-border road transport operations and services.
4.	Vehicle Dimensions	Development of harmonised regulations and standards.
5.	Vehicle Testing Stations and Inspection	Development of harmonised regulations, standards and procedures.
6.	Training, Testing and Licensing of Drivers	Development of harmonised regulations, standards and procedures.
7.	Transportation of Abnormal Loads	Development of harmonised regulations, standard procedures and support systems.
8.	Transportation of Dangerous Goods	Development of harmonised classifications and training standards, regulations and procedures.
9.	Third Party Motor Vehicle Insurance Schemes	Development of harmonised cross-border third party motor vehicle insurance schemes.
10.	Vehicle Load Management MoU	Signing / ratification of Tripartite Vehicle Load Management MoU
11.	Multilateral Cross-Border Road Transport Agreement	Development and implementation of the Multilateral Cross-Border Road Transport Agreement.

Source: MCLI Newsletter. 29 March 2018.

The successful implementation of the TTTFP depends on Tripartite MS signing and implementing the:

- Vehicle Load Management Memorandum of Understanding (VLM MoU), and
- Multilateral Cross-Border Road Transport Agreement (MCBRTA).

The above instruments serve as the *primary legal instruments* to drive the harmonisation of related regulations, standards and systems. Harmonisation can however not be introduced in the absence of a supporting statutory framework in the form of enabling legislation. For this reason, the TTTFP will develop Model Laws and a framework for common systems and exchange of information among MS.

The following model laws will be developed under the TTTFP:

- Vehicle Load Management Model Law;
- Vehicle and Driver Quality Model Law;
- Cross-Border Road Transport Model Law;
- Dangerous Goods Model Law; and
- Model Law on Decriminalisation of Road Traffic and Transport Offences and Demerit Points System.

The following support will be provided to the selected MS, corridor institutions and other stakeholders:

- Training of experts;
- Institutional capacity building in preparation for implementation;
- Implementation of harmonised legislation, regulation, systems and procedures;
- Development, implementation and commissioning of transport information management systems; and
- Evaluation of lessons learnt on selected corridors and making of recommendations for roll-out to other corridors.

➢ Status of the Tripartite Transport and Transit Facilitations Programme

The Tripartite Sectoral Committee of Ministers of Infrastructure at their inaugural meeting on 26 October 2017, in Dar es Salaam, Tanzania officially launched the TTTFP. The Minister of Transport and Works in Uganda - Hon. Agrey Henry Bagiire - has been appointed to champion the TTTFP.

To date, baseline surveys have been conducted and baseline reports prepared to assess the extent of compliance with baseline requirements by each of the 19 Tripartite MS that signed the TTTFP agreement.

Progress towards implementing the TTTFP is noted in the following achievements:

- Endorsement of the TTTFP by the Project Champion to accelerate the pace of harmonisation;
- Execution of baselines surveys and preparation of baseline reports for the 19 MS that signed the TTTFP agreement to measure their level of compliance with baseline requirements;
- Provision of assistance to MS to close the gap between the current status in MS relative to the Tripartite harmonisation requirements; and
- Development of a monitoring and evaluation system; based on the results of baseline survey(s) to track and measure the pace of policy and regulatory convergence.

4.2.2.2 Multilateral Cross-Border Road Transport Agreement

Regulatory instruments in the Tripartite (e.g. Protocols, Treaties, Bilateral agreements) are still based on the assumptions of quantity regulation and "supply-side" control of the movement of freight and passenger transport vehicles, while international best practice has shifted from quantity to quality control as a means to enhance efficiency and reduce costs.

In line with international best practice, the Tripartite has adopted the MCBRTA drive that seeks to change regulation by quantity to the regulation of quality road transport in the region. Essentially quality regulation implies that the bilateral issuing of cross-border road transport permits between 2 MS will be abolished in favour of the adoption of a MCBRTA that supports the creation of a single regional road freight market, which is characterised by the uninterrupted flow of road freight movements in the region (Tripartite).

As already stated, the MCBRTA will act as a primary legal instrument towards implementing the TTTFP. In this regard, it provides for the establishment of the TRIPS that will capture information on cross-border operators, drivers and fleet. It is envisaged that the TRIPS will allow regulators to improve their monitoring and enforcement functions via accessing real-time information on registered operators and vehicles. Operator misconduct will be identified through operator profiling, audits and random inspections and will be registered against the operator's profile.

- **Status of the Multilateral Cross-Border Road Transport Agreement**

The adoption of the MCBRTA is a requirement towards introducing a harmonised regulatory framework in the Tripartite. Progress towards implementing quality regulation in the Region is witnessed in the following accomplishments:

- Development of the draft MCBRTA;
- Conceptualisation and development of guidelines for TRIPS; and
- Kick-start of validation workshops with signatory states to validate draft standards;

Outstanding actions include:

- Signing of the MCBRTA by the Council of Ministers of Transport after validation workshops have been concluded;
- Domestication of the MCBRTA at MS level;
- Establishment of structures to coordinate the implementation of the MCBRTA;
- Development and implementation of TRIPS; and
- Implementation of the MCBRTA.

According to planning estimates, the MCBRTA will be operationalised between the years 2017 and 2022. All signatory MS will therefore have to migrate to quality regulation by 2022.

4.2.2.3 North South Corridor Programme

The North-South Corridor Programme is an example of Aid for Trade in action working to unlock the economic potential of landlocked countries in East and Southern Africa. The NSC corridor links the port of Durban to the Copperbelt in the DRC and Zambia and has spurs linking the port of Dar es Salaam to the Copperbelt and Durban to Malawi.

The COMESA-EAC-SADC Tripartite leads this programme, which stretches over a distance of 8,599 km through seven countries. The uniqueness of the NSC programme lies in the fact that it represents an innovative approach to supporting and developing physical infrastructure (hard infrastructure) while also addressing trade facilitation and regulatory needs and deficiencies (soft infrastructure) along the corridor in a coherent and holistic manner.

The NSC is a key infrastructure development programme for the Tripartite and has been prioritised as one of the PIDA PAP, which is meant for implementation up to the year 2020. The responsibility for the coordination, implementation and supervision of the NSC Programme vests with the Tripartite Task Force, who receives technical and financial support from TradeMark Southern Africa.

To date the Tripartite has received a grant financing of $4.9 million to undertake project preparation studies to improve the condition of some critical road sections along the NSC, and these sections include: (NEPAD Planning and Coordination Agency: 2017)

- The 64 kilometre stretch between Pandamatenga and Nata in Botswana;
- The 111 kilometre stretch from Palapye in Botswana to the Martins Drift Border post;
- The 234 kilometre stretch between Kamuzu International Turn Off and Mzimba Turn Off in Malawi;
- The 120 kilometre stretch from Bulawayo to Gwanda in Zimbabwe, and
- The 200 kilometre link from Gwanda to Beitbridge in Zimbabwe.

The costs of rehabilitating and maintaining the entire NSC road network to a good standard is estimated at around US$9 billion of which US$5.9 billion is for capital investment and US$3.1 billion is recurrent costs. (https://www.icafrica.org/en/topics-programmes/north-south-corridor/)

➢ Status of the North South Corridor Programme

Progress in implementing transport projects / programmes along the NSC reveals mixed results. Although construction has commenced for some programmes (e.g. building of Kazungula bridge at the Kazungula border post), several projects are still in the planning / conceptual phases of the project development cycle.

Progress in implementing prioritised transport projects is hindered by operational challenges, notably poor coordination between donors and financiers, and funding constraints. In response to these challenges, the following actions have been launched:

- Establishment of the Tripartite Trust Account and the Friends of the Tripartite, a forum of donors and international cooperating partners that meets regularly to improve donor coordination and cooperation;
- Development of a pipeline of priority projects (e.g. North-South Corridor Road / Rail project) to secure adequate funding for project execution;
- Establishment of a central project preparation mechanism - the Tripartite Project Preparation and Implementation Unit (PPIU) to facilitate better coordination between role-players, to leverage adequate funding for preparing Tripartite infrastructure projects to a bankable stage and to provide technical support throughout the project lifecycle; and
- Assigning of technical resources to the PPIU to accelerate project preparation.

South Africa as the project champion of the NSC programme has initiated working relationships with various role-players. Negotiations has materialised in the signing of the NSC MoU by SADC Transport Ministers in July 2017 that will serve as an inter-governmental framework for managing the NSC and delivering cross-boundary infrastructure.

4.3 Moving Forward – From Project Planning to Project Implementation

Even though various transport projects and programmes have been approved for execution at continental and regional (Tripartite) level, evidence of the impact of such initiatives remains limited, outside a few examples. One reason for this tendency is that many projects are still in the planning/conceptual phases. Their impact will thus only be visible once they have been implemented.

However, there are also other challenges that deter project progress. Examples include, but are not limited to the following factors:

4.3.1 Lack of Ownership for Continental and Regional Projects

Political leaders and decision-makers need to demonstrate ownership of a common agenda for establishing extensive infrastructure to eliminate the transport gap that weakens intra-African trade and which prevents Africa's competitiveness in the global arena. While recent years have seen an increased focus on regional infrastructure projects, the delivery of these large and complex projects remain difficult. It often happens that projects end incomplete or without adequate ownership responsibility for continued work and maintenance.

Africa's size, jurisdictional fragmentation (including overlapping memberships to different RECs) and variable capacity at MS level add further degrees of complexity when infrastructure projects have trans-national dimensions. Since regional infrastructure development is a long-term effort, the importance of obtaining political commitment that transcends political parties and presidents cannot be over-emphasised. Trust should be built between leaders of neighbouring countries on the win-win benefits of regional programmes and projects.

The PIDA represents a step in the right direction, with Heads of State and Government driving the execution of key infrastructure programmes in the four transport sub-fields (transport, water, energy and ICT). Ultimate success however depends on Heads of State serving as champions for these projects, providing critical leadership and showing unwavering commitment to integrated policies and projects to ensure that flag ship projects are delivered in time.

4.3.2 Differences in National and Regional Legal Systems

The implementation of key continental and regional transport programmes (e.g. OSBPs) requires that MS review their respective transport laws and regulations to align these to regional and continental initiatives. Each MS needs functioning legal and regulatory framework(s) that supports intercontinental infrastructure initiatives, and which are ratified by their National Parliaments.

History has revealed that the successful delivery of regional and continent al reforms largely depends on the willingness of MS to domesticate regional decisions at national level. Unfortunately, the enforcement of regional reforms seems to be lacking at MS level. This gap underpins the importance of establishing autonomous bodies at regional level to enforce MS to implement regional agreements, once member countries have ratified such agreements.

4.3.3 Under-Resourced and Poorly Skilled Regional Bodies

Though much progress has been made, regional bodies still lack the authority, legal framework and resources to provide efficient leadership in project design, while also acting as promoters and sponsors of projects. These shortcomings result in poor project planning and preparation and inadequate coordination and cooperation with relevant role-players to obtain support for strategic reforms.

Although regional bodies are becoming stronger and more pro-active thanks to initiatives such as the AfDB funded PIDA capacity building project that aims to enhance the technical capacity of RECs, regulatory capability is also lacking at MS level in most African countries. Combined with weak regional bodies, this creates uncertainty and risk regarding the current and future operating environment for regional projects. It also emphasises the importance of creating a technical base at regional and MS level, capable of implementing and overseeing project implementation.

4.3.4 Inadequate Financing for Regional Infrastructure Development

Finance set aside for infrastructure development falls short of the levels needed to cure the continents infrastructure deficit within any reasonable time-frame. Within the Tripartite, public financing still constitutes the bulk of resources allocated towards infrastructure projects, with tax revenues making up a large portion of these funds.

Moving forward, African countries must look beyond public funds to mobilise alternative sources of funding for infrastructure development. They will have to mobilise their own public and private domestic resources and attract foreign private investment. Projects will only be funded if they are financially viable and sustainable. It is therefore important to accrue sufficient money for project preparation (that includes pre-feasibility and feasibility studies) to move projects to bankability.

4.3.5 Absence of Regional Parliaments

Although eight RECs are recognised by the AU, not all of them have regional parliaments. RECs with a functioning independent legislative authority, like the EAC has witnessed a high implementation rate of transport reforms (e.g. OSBPs) in recent years. Given its independent character, the EAC Parliament can enforce the implementation of regional decisions and impose sanctions upon defaulting MS.

Neither the SADC nor COMESA has regional parliaments in place to oversee the implementation of regional projects. In the absence of independent regional legislatures, the implementation of strategic continental and regional reforms remains problematic since execution depends on the willingness and political will of MS governments to carry out continental and regional decisions at MS level. This gap underlines the importance of establishing regional legislatures (for all RECs) to fundamentally restructure the governance paradigm in Africa.

4.4 Conclusion

Although various transport reforms have been approved at continental and regional level, documented information on their impact is not readily available. This is partly due to the fact that many reforms are still in the early stages of the project development phases and has not yet reached bankability.

However, experience reveals that African countries have a poor track record when it comes to the implementation of continental, regional and national commitments (projects). Various reasons are cited for this, notably poor political leadership, absence of an enabling environment for private sector participation and over-reliance on public sector funding for infrastructure development.

Narrowing Africa's infrastructure deficit requires major investment in regional transport infrastructure, clear and transparent regulatory frameworks to create a conducive business environment and strong institutions (at regional and member state level) to facilitate dialogue between various role-players and to assist with the preparation of projects to bankability stage.

The successful delivery of regional infrastructure projects will rely on all actors at all levels of the African development process taking coordinated action i.e. the AUC at continental level to monitor and advocate the implementation process, the RECs at regional level to implement soft policy measures, drive regional integration and monitor project progress and at national level, the individual countries that will carry out implementation on the ground.

Implementing infrastructure project is complex, especially for regional projects with many stakeholders. Therefore, Heads of State and Government must set the tone, keep the momentum alive and provide critical leadership by working together and showing an unwavering commitment to the timeous delivery of strategic transport projects. At the same time financial leadership is also important to avoid the mistakes of past regional infrastructure efforts.

5. CORRIDOR PERFORMANCE MONITORING

5.1 Introduction

Earlier chapters of this report identified several infrastructure inefficiencies along transport corridors in the Tripartite that undermine corridor performance and which increase the cost of doing business in Africa. Before corridor role-players can solve infrastructure impediments they must be able to measure corridor performance, and at the same time, understand the nature and extent of the problem(s) that hinders optimal corridor performance. Thus, measuring corridor performance is a pre-requisite to improving corridor efficiency and addressing cross-border impediments, outlined in earlier sections of this report.

Corridor performance monitoring systems are a very vital tool for facilitating the unimpeded flow of cross-border transport. It is a tool with which impediments can be identified for purposes of channelling interventions and investment to eliminate obstacles and improving seamless trade and transport movements.

Within the Tripartite, the EAC has taken the lead in developing and launching online electronic platforms (transport observatories) along the Central and Northern transport corridors that monitor corridor performance along both corridors. The launch of the Central and Northern Corridor transport observatories yielded several benefits, including a reduction in transit times and fewer delays along both corridors that manifested in time-savings for cross-border operators. Given the availability of real-time data, operators can also respond to corridor constraints immediately and adjust their routes if bottlenecks occur along the Central and Northern Transport corridors.

The same benefits have not yet been realised along other transport corridors that traverse through the SADC and COMESA regions. In the absence of online corridor performance monitoring systems that avail real-time data, corridor impediments in both regions are not always detected and responded to in a timeous fashion.

A new initiative unfolding in the Tripartite, is noted in the development and launch of a web-based corridor performance monitoring system that measure border crossing and route trucking time according to various indicators for several corridors in the Eastern and Southern Africa regions. Although this on-line platform is already operational, it is constantly updated.

Chapter 5 acknowledges work already done in the Tripartite in seeking to identify Corridor Performance Indicators (CPI) that can be used to measure corridor performance along strategic road transport corridors where performance monitoring is not yet exercised.

It is envisaged that selected CPIs will be implemented along strategic corridors, such as the Trans Kalahari Corridor (TKC), which spans over a distance of 1 900 kilometres from the port of Walvis Bay across the territories of Namibia and Botswana into South Africa. The TKC has positioned itself as a strategic route-of-choice for cross-border road transport operators, with linkages between the Americas, East European markets and the Southern African hinterland. Infrastructure improvements at the Port of Walvis Bay, road transport improvements along the Trans-Kalahari highway and efficient corridor management exercised by the Trans Kalahari Corridor Management Committee (TKCMC) are contributory factors to a well-functioning and efficient cross-border transport corridor.

Due to funding and human resources constraints the TKCMC has not yet been able to develop and implement a corridor performance monitoring system for the TKC and has approached the C-BRTA for assistance in this regard. The CPI identified in this chapter will be presented to the TKCMC and updated with their assistance. The intention is to pilot approved CPI's, initially only over a section of the TKC, before rolling it out to the entire corridor.

5.2 Corridor Components and Indicators

Measuring corridor performance is essential to assess whether the transport system is fulfilling its role as enabler and catalyst of development through trade growth, or if it constitutes an obstacle, and needs fixing. Earlier chapters of this report indicated that road transport corridors in the Tripartite are characterised by various inefficiencies, which do not only increase the cost of doing business in Africa, but also discourage trade and traffic movements within, and between Tripartite MS.

In order to change the status quo, transport inefficiencies should be identified and prioritised and this is where the importance of corridor performance monitoring comes to play. Transport inefficiencies can only be addressed if they are known. The process of identifying suitable CPIs however, should reconcile two different perspectives on corridors, namely:

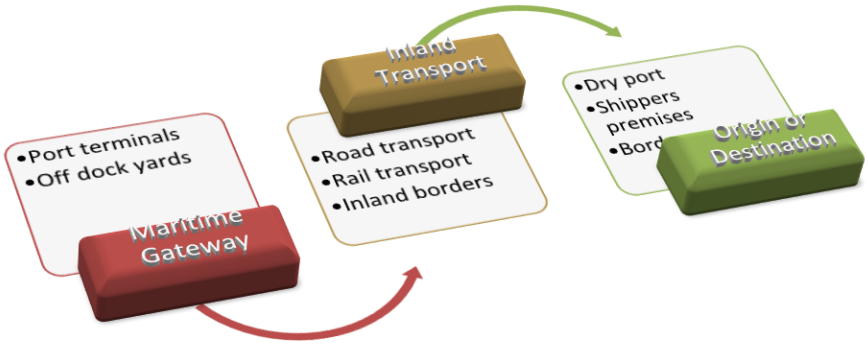
- The *perspective of the trader* who is primarily concerned by the impact of corridors on its competitiveness, through the cost of moving goods, the time duration associated to this movement, and also the uncertainties on the delays, which may prevent the trader from meeting delivery deadlines; and
- The *perspective of policy-makers* who have the responsibility to ensure the long-term adequacy between demand (expressed by trade volumes), and the offer, expressed by the characteristics of the infrastructure and the logistics services delivery.

5.2.1 Corridor Components

A typical transport corridor consists of three functional components, namely the maritime gateway, the inland transport and the destination (or origin). Each of these corridor components in turn is a complex entity combining multiple interventions by logistics operators and control agencies across several locations:

- The maritime gateway can include off-dock yards to alleviate congestion within the port;
- The inland transport segments can be segmented into different modes and include one or more border crossings; and
- The origin and / or destination can be a dry port close to the consumption area, the shipper's premises, or simply the border.

Figure 10: Corridor Components

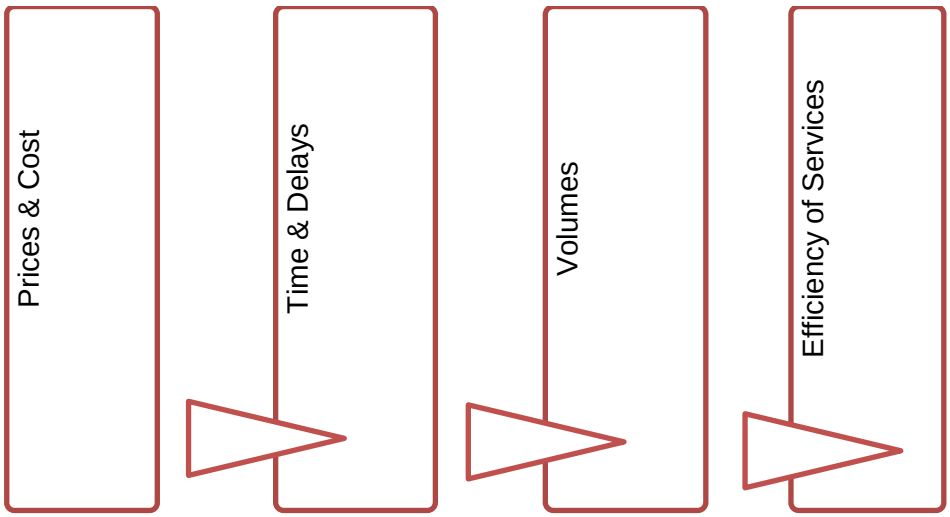


Source: Hartman.2013, as amended

5.2.2 Corridor Categories

To determine if the level of performance of a corridor is satisfactory it is imperative to have a reference for comparison, and also to compare measures which are comparable. Corridor performance is normally measured according to several categories, or dimensions, as illustrated in Figure 11.

Figure 11: Corridor Categories



Source: Figure compiled for study

- *Prices and Cost* – refers to prices for trader, but also the cost factors for logistics service providers and control agencies entering into the composition of that price, across the main corridor components;
- *Time and Delays* – corresponds to the combination of individual processes times and the idle time between successive processes. It also refers to the variation of times resulting in the uncertainties of delays, for port dwell time, transport time, and final clearance;
- *Volumes* – refers to volumes by corridor routes and components (modes and nodes) and by nature (intra-regional, international, transit); and

- *Efficiency* - refers to the efficiency of transport infrastructure and service in terms of design capacity and efficiency for each of the main corridor modes and nodes.

For each of the above-mentioned corridor components, there are several indicators. Essentially an indicator is a summary of a few observations. Table 15 here-under outlines corridor indicators associated with each category.

Table 15: Corridor Indicators

Category	Indicators
Prices & Cost	✓ Port charges; ✓ Charges by customs and transit agencies; ✓ Cost of road transport; ✓ Road maintenance cost.
Time & Delays	✓ Stoppage time at weighbridges, police checkpoint and border posts; ✓ Transit time to destination; ✓ Average number of stops per truck per country.
Volumes	✓ Overall cargo traffic at sea port; ✓ Volume of imports and exports by country; ✓ Ratio of trucks per country.
Efficiency	✓ Dwell time; ✓ Customs release time; ✓ Ship & truck turnaround time.

Source: Hartman, 2013, as amended

It is important to note that corridor performance indicators are not just important to measure performance, but also in determining the drivers of inefficiencies, which is a key in determining the areas in which interventions are required and the nature of interventions needed.

5.3 Review of Existing Corridor Performance Monitoring Systems

5.3.1 Corridor Performance Measuring System for East and Southern Africa

The Corridor Performance Monitoring System (CPMS) is a web-based transport tracking platform, sponsored by the United States Agency for International Development (USAID), and operated by Crickmay & Associates, a South African supply chain management company.

Crickmay & Associates has agreements with major Global Positioning System (GPS) Tracking Companies, whose partnerships with transporters inform CPMS' billions of raw data points related to commercial transport. CPMS provide data on border crossing and transport times for various routes, as presented in the fact sheet below.

Figure 12: CPMS Fact Sheet

CPMS FACT SHEET	
Number of Routes	3000
Trade / Transport Corridors	10
Border Posts	294
Focus areas	Border Crossings
	Dry ports
	Weighbridges
	Sea and river ports
	Major cities
Coverage area	Botswana
	Burundi
	DRC
	Kenya
	Lesotho
	Malawi
	Mozambique
	Namibia
	Rwanda
	South Africa
	South Sudan
	Swaziland
	Tanzania
	Uganda
	Zambia
	Zimbabwe

Source: Table created for study

The CPMS focuses specifically on choke points along strategic trade / transport corridors to determine inefficiencies that materialise in time delays for cross-border operators. Table 16 presents a list of CPMS tracking points.

Table 16: CPMS Tracking Points

Category	Locations
Seaports	Cape Town, Coega, Maputo, Walvis Bay, Beira, Nacala, Port Elizabeth, Mombassa, Durban, Luderitz & Dar es Salaam
Inland Border Posts	Kasungula, Ressano Garcia, Beitbridge, Chirundu, Kasumbelesa, Nakonde/Tunduma, Martin's Drift/Groblersburg, Trans Kalahari/Mamuno, Kopfontein, Vic Falls/Livingstone, Nyampanda/Cuchamano Forbes, Machipanda, Kacherbere Busia/Malaba, Gatuna/Katuna, Kagitumba/Mirmar, Oshoek/Ngwenya, Maseru/Ladybrand, Vioolsdrift/ Noordoewer, Bwera/Kasindi, Ishahsa, Bunagana, Cyangugu, Thornwood/Milange
Dry ports	Magerwa, City Deep
Inland ports	Bujumbura, Kigoma & Mpulungu

Category	Locations
Economic areas	Kigali, Bujumbura, Kampala, Lilongwe, Blantyre, Windhoek, Maseru, Mbabane, Gaberone, Gauteng, Copperbelt DRC, Copperbelt Zambia, Harare, Lusaka, Nairobi

Source: Information extracted from https://www.corridorperformancemonitoringsystem.com/

The need for corridor performance monitoring and application of corridor performance monitoring in regional corridors is essential as it enables stake-holders, especially regulatory authorities and policy makers to determine key chock-points in corridors that affect the efficiency of cross-border road transport and cross-border trade. It is therefore vital that authorities implement tools (e.g. Corridor performance indicators) as they provide invaluable information for developing and implementing legal frameworks (e.g. policies, legislation) and interventions needed for improving the seamless movement of cross-border transport and trade movements.

5.3.2 Implementing a Corridor Performance Monitoring System for the Trans-Kalahari Corridor

The Trans Kalahari Corridor Secretariat is currently driving an initiative that revolves around developing a corridor monitoring system to improve on the performance of the corridor by way of reducing transit times and delays for cross-border road transport operators. As already mentioned, the TKC Secretariat has approached the C-BRTA to assist with the development of CPIs for the TKC that will reveal bottlenecks along the entire corridor.

By identifying choke-points along the TKC, relevant role-players will be able to prioritise and direct infrastructure spending to the area(s) where the greatest impediment(s) and time delays occur. The TKC Secretariat and the C-BRTA, in collaboration with other corridor role-players will work together in identifying and implementing suitable CPIs to measure corridor performance along the TKC.

5.3.2.1 Identification of Corridor Categories and Key Performance Indicators

It is recommended that the same corridor categories / indicators as those displayed in Table 14 be used to measure corridor performance along the TKC. Other corridors, notably the Central and Northern corridors, have obtained significant success (e.g. reduced transport costs and time savings along the corridors) after developing online electronic platforms (transport observatories) that measure corridor performance according to the same corridor categories and CPIs outlined in Table 15.

- **Prices and Cost**

The following KPIs are important measurements of Prices and Cost:

a) Port charges at the port of Walvis bay;
b) Charges imposed by customs authorities and transit agencies at the Buitepos / Mamuno and the Pioneers Gate and Skilpadhek border posts, and along the entire corridor;
c) Road transport costs; and
d) Costs associated with maintaining the 1900 kilometre road network from the port of Walvis Bay, through Namibia and Botswana into South Africa.

- **Time and Delays**

KPIs for this corridor performance category include the following:

a) The number of stoppage points and time spent at fixed delay points along the entire corridor (e.g. weighbridges, border posts and law enforcement checkpoints); and
b) Total transit time between origin and destination points (e.g. Port of Walvis Bay and inland terminal in Botswana or South Africa).

From the above, it is evident that parameter entails a combination of individual processing time(s) and idle time between successive processes. It is imperative that time delays at individual chock-points be measured and incorporated into the analysis since it will provide an accurate picture of inefficiencies along the entire corridor. In turn, decision-makers will be in a position to prioritise infrastructure spending to eliminate, or at least minimise time delays along the entire corridor.

- **Volumes**

KPIs for this corridor performance category include the following:

a) Cargo volumes handled at the Port of Walvis Bay (imports and exports);
b) Volume of imports and exports by country;
c) Nature of cargo handled (e.g. break-bulk, containerised, vehicles);
d) Origin and Destination of traffic (e.g. intra-regional, international or transit); and
e) Ratio of trucks moving through Namibia, Botswana and South Africa.

- **Efficiency**

KPIs for this corridor performance category include the following:

a) Dwell time at the Port of Walvis Bay;
b) Ship and truck turnaround time at the Port of Walvis Bay;
c) Truck turnaround time at dry ports;
d) Customs release time at the Buitepos / Mamuno and Pioneer Gate / Skilpadshek border posts;
e) Idle time at traffic control points to conduct law enforcement checks.

5.3.2.2 Mapping the Way Forward

In terms of mapping the way forward, it is proposed that the CPI proposed in this report be presented to the TKC Secretariat for approval. Furthermore, the C-BRTA and the TKC Secretariat should identify key stakeholders, identify their role and liaise with them to agree on the modalities of implementing CPIs for the TKC. The feasibility of each CPI must be ascertained beforehand in terms of the availability of the requisite data.

Table 17 sets out the role-players and the role of each stakeholder.

Table 17: Key Stakeholders

STAKEHOLDER	ROLE
TKC Secretariat	Lead the implementation and coordination
C-BRTA	Support the TKCS and mobilising operators
WBCG	Custodian of coordinating various parties (users and port operator)
Customs (Namibia, Botswana, South Africa)	Facilitate access to border posts and points of cargo clearing
Clearing Agents	Agents for cargo owners that process cargo documentation
Immigration (Namibia, Botswana, South Africa)	Allow access to border facilities and controlling movement of persons
Security agents (Namibia, Botswana, South Africa)	Law enforcement
Operators	Provide vehicle equipment and partners
Regulatory authorities (Transport)	Provide information and support

Source: Table created for study

The TKC Secretariat is expected to play a leading role as the custodian of the corridor. It is proposed that the TKC Secretariat work jointly with the Walvis Bay Corridor Group in the coordination of this initiative. The C-BRTA will play a supporting role in advocating the benefits associated with the implementation of CPIs. The C-BRTA will also assist in bringing on board cross-border road transport operators who travel along the TKC. Ultimate success depends on the availability of real-time data, and valuable data can be obtained from GPS monitoring systems within cross-border vehicles.

It is imperative that cross-border vehicles selected for the exercise be fitted with the requisite on-board vehicle monitoring equipment. Care should be taken in ensuring that the equipment used to develop the monitoring system is compatible with the equipment fitted on vehicles. Standardisation of software systems is a critical success factor. There is also scope to involve the USAID Trade Hub as they have sponsored the development of an electronic platform (the CPMS) that is already operational and, which tracks cross-border vehicle movements moving along various routes in the study area (Namibia, Botswana and South Africa). It is imperative however that agreement is reached on the CPIs used to measure corridor performance.

After the determination of CPIs, the development of a corridor performance monitoring system can commence. Upon completion, it is proposed that the system be tested along a section of the TKC and that the system be refined after this exercise.

The implementation of a corridor performance monitoring system will provide invaluable intelligence such as choke-points on the corridor, which drive transport and logistics costs upwards. The availability of intelligence will also allow authorities to address bottlenecks that currently reduce the efficiency of the TKC. Real-time data will assist in in identifying sections of the corridor where investment should be directed to for improving the performance of the corridor, thereby promoting trade and economic development for the benefit of not only the three countries, but also for the SADC region and the Tripartite Alliance.

5.4 Conclusion

Various inefficiencies along transport corridors in the Tripartite undermine the ability of MS to trade with each other and threaten the establishment of a TFTA within anticipated time frames. Infrastructure impediments can only be addressed once they have been measured. Ultimately, success depends on the availability of accurate and specific data on those components of transport corridors that are not working well to influence policy-makers to direct infrastructure spending to specific points along the corridor where the greatest costs are incurred.

Despite its inherent benefits, corridor performance monitoring is applied over only a few transport corridors in the Tripartite. Although the TKC is a relatively well functioning corridor, its performance can be optimised once real-time data is available to identify key chock-points along the corridor and interventions are developed for improvement. It is easier to build trust when facts are shared with corridor role-players. The CPI proposed for implementation along the TKC can also be used to measure corridor performance along other transport corridors in the Tripartite.

6 . FINANCING OF INFRASTRUCTURE REFORMS

6.1 Introduction

Earlier chapters of this report indicated that Africa has a significant deficiency in the transport sector and that interventions are required at Continental, Regional and MS level to eliminate the existing infrastructure gap that prevents the continent from meeting continental aspirations, set out in Agenda 2063, released by the Africa Union Commission (AUC) in 2015.

To eliminate the existing infrastructure gap concerted effort is required from African MS to mobilise alternative sources of funding for infrastructure development. According to the PIDA-PAP, approximately US$ 68 billion is needed over the short-term (between 2012 -2020) to implement prioritised infrastructure projects. These costs are beyond the financing capacities of governments and donors.

Since regional infrastructure projects transcend national borders such projects involve a lot of challenges and requires multi-faceted considerations covering financing, sectoral reforms, institution building, improvement in investment climate, addressing issues pertaining to operation and management and establishing favourable Public Private Partnerships (PPPs).

Within the Tripartite, public financing still constitutes the bulk of resources allocated towards infrastructure projects, with tax revenues making up a large portion of these funds. Given the scarcity of public funds, Tripartite countries are left with no choice but to explore other feasible and alternative financing solutions for infrastructure development if they want to eliminate the infrastructure gap in the region.

Against this background, Chapter 5 addresses:

- Current infrastructure investment requirements for Africa;
- Infrastructure financing trends in Africa;
- PPPs in Infrastructure Financing;
- Challenges of infrastructure investing in Africa;
- Emerging Best Practices for Government and Private Investors; and
- Learning by Doing: Case Study in African Infrastructure investment.

6.2 Current Infrastructure Investment Requirements

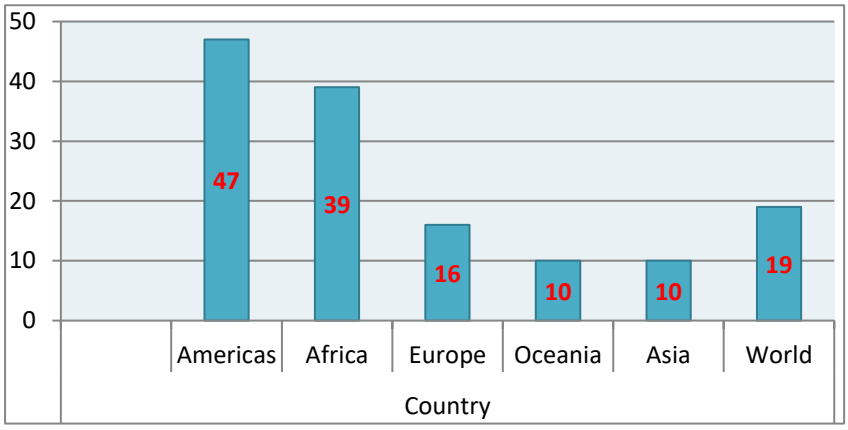
To date various institutions / organisations have undertaken studies to determine the exact investment requirements in Africa. The findings of these studies are presented here-under.

6.2.1 G-20 Estimates

The G20 (or group of twenty) is an international forum for the governments and central bank governors from Argentina, Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States.

The G-20 global infrastructure outlook of 2017 reveals that many RECs across the globe currently face an infrastructure gap. However, the infrastructure investment gap varies from one region to the next, as indicated in Figure 10 below. The projected timespan is 2016 – 2040.

Figure 13: Region-wise Infrastructure Investment Gap (Expressed as %)



Source: Export-Import Bank of India. March 2018

Figure 13 shows that the infrastructure investment gap is the biggest for the Americas (that include the developing countries of South America) with a score of 47%, followed by Africa at 39%. The gap in Africa is almost double the world score (19%). According to G-20 global infrastructure outlook estimates for Africa, the total infrastructure investment requirement for the continent will be US$ 4.3 trillion by 2040 or US$174 billion per annum. The projected figures clearly indicate that the estimated investment need in Africa is greater than investment expected under current trends by 2040.

6.2.2 African Finance Development Bank

According to preliminary estimates released by the AfDB an annual cost of US$ 130 billion to US$170 billion is required by 2025 to bridge the infrastructure financing gap in Africa. Estimates for each of the four infrastructure sub-sectors are presented in Table 18.

Table 18: African Finance Development Bank Estimates on Investment Needs (US$ billion)

Infrastructure Sub-sector	Target by 2025	Annual Cost US$ billion
Power	➢ 100% urban electrification ➢ 95% rural electrification	35-50
Water Supply and Sanitation	➢ 100% access in urban areas ➢ 100% access in rural areas	56-66
Information & Communication Technology	➢ Mobile universal coverage ➢ 50% of population within 25 km of a fiber backbone ➢ Fiber to home / premises ➢ Internet penetration rate (10%0	4-7
Road and other Transport Sectors	➢ 80% preservation ➢ 20% development	35-47
TOTAL		130-170

Source: Export-Import Bank of India. March 2018

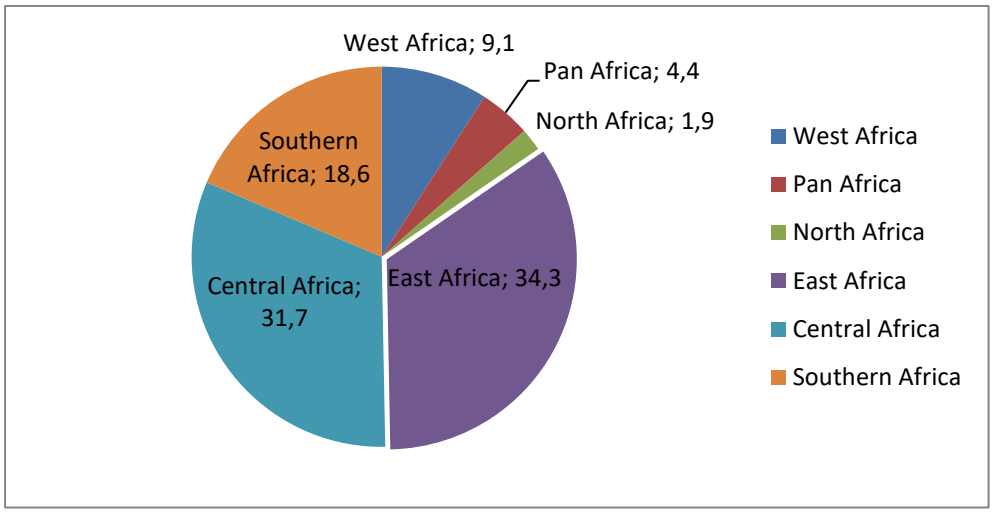
It is evident from table 14 that between US$ 35 and 47 billion will be needed by 2025 to close the transport gap. Of the total around 80% will be directed towards preservation of current networks, whereas 20% is required for development / construction of new infrastructure.

6.2.3 Programme for Infrastructure Development in Africa (PIDA)

The PIDA initiative is a major initiative to bridge the infrastructure gap in Africa. This continental initiative promotes regional economic integration through the construction of integrated transport infrastructure and regional value chains that support increased competitiveness.

The PIDA-PAP encompasses 51 programmes of regional importance in the transport sub-fields (transport, water, energy, ICT). Africa's continental infrastructure needs for PIDA projects are estimated at US$360 billion up to 2040. In the short-term, PIDA's PAP for 2012-2020 is expected to cost US$ 68 billion. (Export-Import Bank of India. 2018: 41). East and Central Africa together account for around 66% of the total capital cost required for implementing PIDA's PAP, as illustrated in Figure 14.

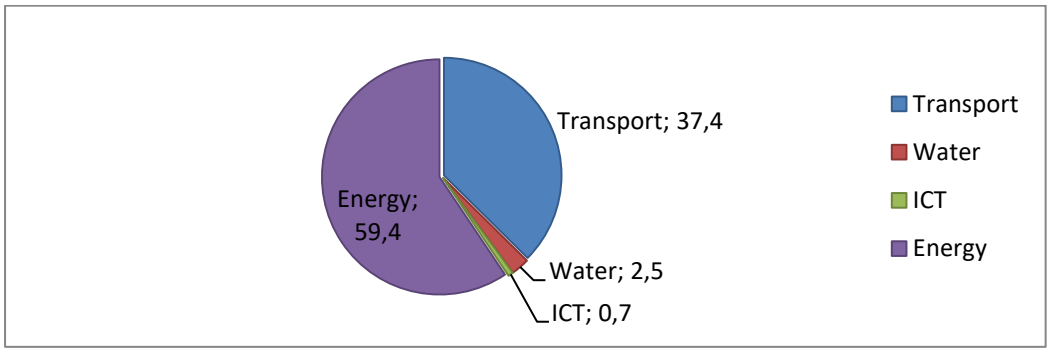
Figure 14: Region-wise Share in Total Capital Cost of PIDA's PAP through 2020



Source: Export-Import Bank of India. March 2018

The sector-wise share in total capital cost of PIDA's PAP through 2020 is presented in figure 15.

Figure 15: Sector-wise Share in Total Capital Cost of PIDA's PAP through 2020



Source: Export-Import Bank of India. March 2018

Figure 15 clarifies that the energy and transport sectors account for around 97% of the total cost of financing regional infrastructure in the African continent. The energy sector would require around US$ 40.3 billion, followed by the transport sector (US$ 25.4) for implementing PIDA by 2020 (Export-Import Bank of India: 2018).

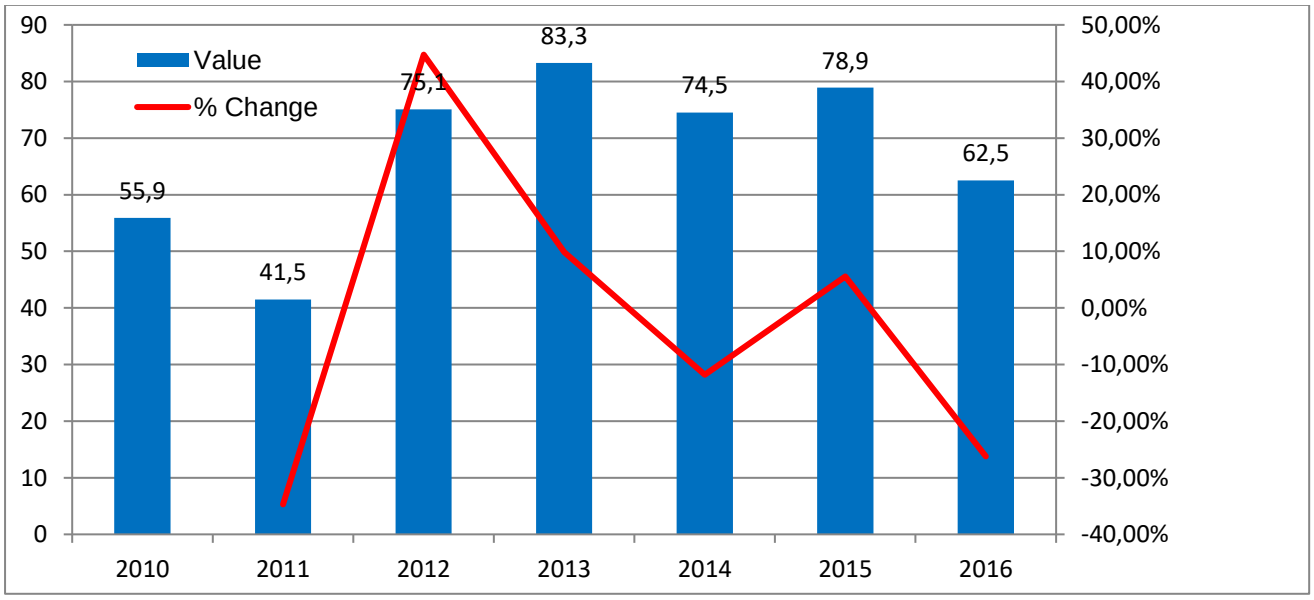
Although the transport infrastructure plan of PIDA has a wide array of projects including corridors, road modernisation, port hub, railway and air transport related programmes, earlier discussions of this report (section 4.2) that the majority of transport projects are still in the planning phases of the project life-cycle and still need to reach the bankability stage.

Although the infrastructure requirement estimates released by the G20, AfDB and PIDA vary from one another, one common theme emerges, namely: the infrastructure investment requirement in Africa is huge. In order to meet investment requirements, innovative funding solutions should therefore be employed to address infrastructure deficiencies that prevail on the continent.

6.3 Infrastructure Financing Trends in Africa

According to the Export-Import Bank of India (2018) US$ 62,5 billion new commitments were made to Africa's infrastructure sector during 2016, both at national and regional level. Infrastructure financing trends in Africa between 2010 and 2016 are presented in Figure 16 below.

Figure 16: Infrastructure Financing in Africa (US$ billion)

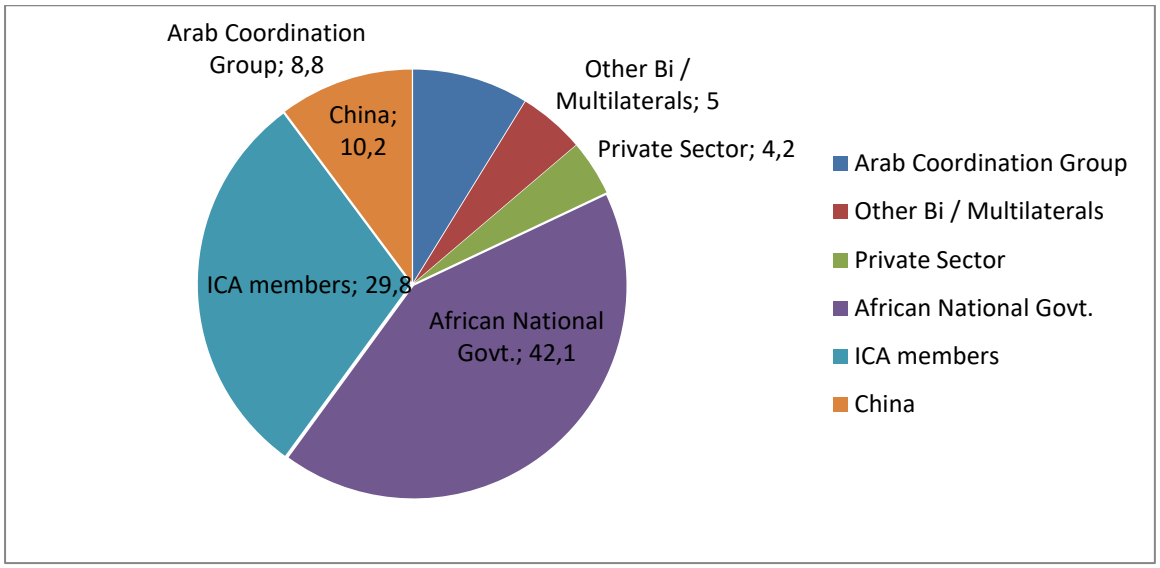


Source: Export-Import Bank of India. March 2018

It is clear from the above figure that financing commitments varied over the period under review, with the greatest commitment ($83,3bn) pledged in 2013. Between 2015 and 2016 new commitments declined by 21% from $78.9 billion to $62.5 billion. One reason for the decline in infrastructure commitments is that the financiers are increasingly strained for resources.

Figure 17 indicates total infrastructure financing by source for 2016.

Figure 17: Total Infrastructure Financing by Source



Source: Export-Import Bank of India. March 2018

Figure 17 clearly reveals that budget allocations from African national governments accounted for the bulk of infrastructure financing commitment at US$ 26.3 billion (42.1% share of total commitment) in 2016. National governments are traditionally among the most active participants in infrastructure financing and can provide debt financing through state-owned banks. They could also take equity stakes in projects and provide upfront capital grants.

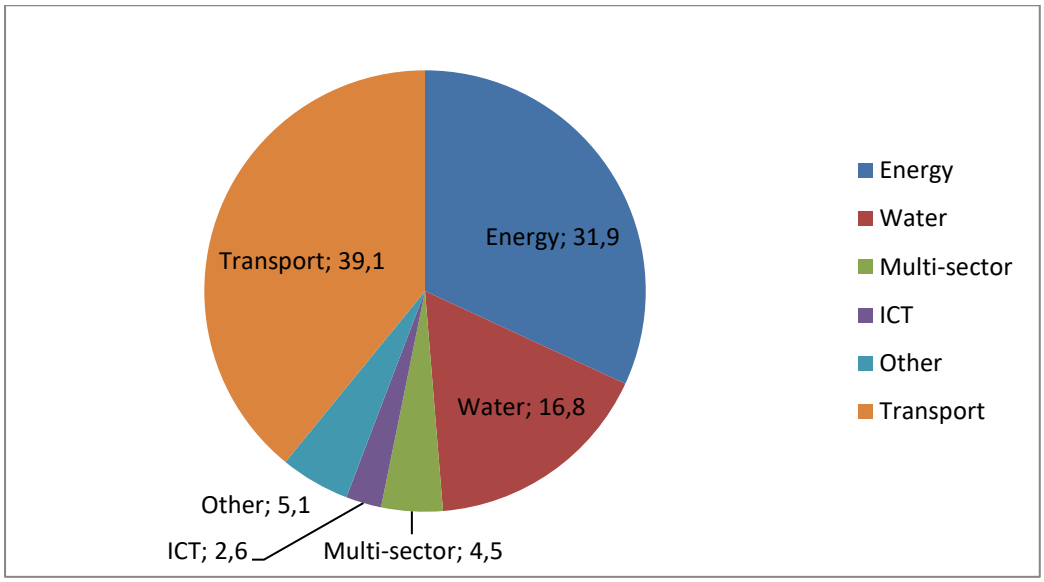
The members of Infrastructure Consortium for Africa (ICA) comprising of the DbSA, European Commission (EC), European Investment Bank (EIB), Group of 8 (G8) countries, the Republic of South Africa and the World Bank Group accounted for 28,8% of financing in the same year. The private sector committed a mere US$2,6 billion (4,2% share of total commitment) which creates an opportunity for greater private sector participation in the financing of infrastructure projects on the continent.

Given the fact that governments across the world and more so in Africa are facing increasing budget pressures, the involvement of other players, notably multilateral development banks and the private sector are important for financing infrastructure projects. Although Multilateral Development Banks (MDB) is an important source of infrastructure financing, they also play a major role in the mobilisation of private sources of financing in countries where private lenders may not otherwise be comfortable taking risk.

6.3.1 Sector-wise Trends in Infrastructure Financing

Figure 18 indicates how the US$62.5 billion in new commitments for Africa's transport sectors were allocated to the various transport sub-fields.

Figure 18: Sector-wise share in Total Infrastructure Financing



Source: Export-Import Bank of India. March 2018

The above figure reveals that the largest financial commitments were in the transport sector (share of 39,1%), followed by the energy sector (31,9%), water (16,8%), multi-sector (4,5%) and ICT sector (2,6%).

Even though the transport sector received the largest financial commitment during 2016, pledged commitments for this sector fell sharply in 2016 to US$ 24,5 billion, compared with the US$ 34,4 billion recorded in 2015 and 2014 respectively (Export-Import Bank of India. 2018:45). In 2015, the transport sector benefitted from Chinese support, whereas budget allocations to the transport sector from national government peaked in 2014.

6.4 Public-Private Partnership in Infrastructure Financing

The fiscal constraints of government and limited opportunities for borrowing are a major bottleneck for financing of regional infrastructure projects on the African continent. Since government budgetary resources are not enough to meet the infrastructure funding requirements of Africa, Public-private partnerships (PPPs) have emerged as a popular mechanism for governments to procure and implement public infrastructure and / or services using the resources of the private sector without incurring any borrowings for project implementation.

PPP financing may come from various sources, including:

- *Public sector* – governments can provide a part of a project's upfront capital costs through grants or viability gap funding, state-owned enterprises investing equity and state-owned banks extending loans;
- *Private sector* – includes equity through the project's developer or project finance debt through private lenders; and
- *Development Finance* – provides various forms of support, particularly to low-to-middle income countries.

Further to the above it is evident that a PPP involves financing from various sources, in some combination of *equity* and *debt*, and the ratios of these different contributions depend on negotiations between the lenders and the shareholders. Table 19 summarises suitable project financing options for PPP projects.

Table 19: Project Financing Options

Options		Key Characteristics
1	*Loans*	• Long-term loans are provided by investment and commercial banks and IFIs • Financing conditions depend on the project type and the security offered by 3rd parties • Interests can be fixed, reversible or convertible • Repayment is normally on a semi-annual or annual basis • Grade period for capital repayment may be granted for the construction phase of projects
2	*Equity*	• Equity is usually provided by the private sector investors acting as project sponsors • The project development company may include one contractor that will build the facility and another one that will operate the facility during the project life • A large part of the equity provided by the investors may be in the form of shareholders subordinated debt, for tax and accounting benefits • Since equity holders bear primary risk under a PPP project, they will seek a higher return on the funding they provide.
3	*In-Kind Contribution*	• This is a form of financing provided by the Public Sector partner, notably as in-kind equity contributions to a PPP project through the transfer of existing transport infrastructure assets.
4	*Grants*	• Are unremunerated equity provided by the public sector • Grants may come in the form of investment grants or tax cuts subsidies aimed at reducing the initial investment and overall project cost • On certain projects grants may be needed to make a project bankable or affordable.
5	*Loan Guarantees*	• Is a form of indirect contribution provided by the banks, private sector sponsors or IFIs on behalf of the public sector partner, aimed at helping a PPP project company to secure the amount of debt capital required to finance the project or a loan at favourable interest rates.
6	*Blended Financial Products*	• Blended finance is increasingly being used by international development partners to boost up infrastructure financing in Africa • The aim is to transform available resources, normally grants into financial products such as loans, guarantees, equity and other risk-bearing mechanisms • Blended financial products differ from conventional ones in that they embed grant money, which is often critical to enable the issue of the product itself • The lead development partner would ensure the establishment of a fund where other multilateral development partners or bilateral partner countries can contribute.

Options		Key Characteristics
7	*Cash-flow Guarantees*	• Is particularly critical for transport infrastructure projects to cover the revenue risk for the project company which cannot otherwise be effectively managed or mitigated by the private sector partner • Cash flow guarantees substantially enhance credit quality, thereby encouraging a reduction of risk margins in the interest rates applied to senior project loans • Savings made on lower interest rates should surpass the cost of the guarantee; • Guarantees have a limited duration, usually lasting from 5 to 7 years after project completion.
8	*Project Bonds*	• Regarded as an innovative financing tool whose objective is to stimulate capital market financing for large-scale transport infrastructure projects • It is a debt instrument issued by private companies to attract additional private sector finance from institutional investors (e.g. pension funds) that are looking for long-term investments.
9	*Pension Funds*	• In situations of low bond marked yields, pension funds may look for attractive long-term investment opportunities to diversify their holdings and meet their long-term payment obligations • PPP project developers and governments in developed and developing countries have turned their attention to capturing the financing potential of pension funds through project bonds instruments • The use of these instruments in most African countries remain a challenge when it comes to infrastructure development • Investors are concerned with issues such as the absence of permanent stable cash flows and the lack of expertise by pension fund managers to assess construction risk.
10	*Local-currency bond markets*	• Present a potentially important vehicle for developing the domestic investor base for mobilising domestic savings to support public and private investment in the transport sector • Local bond markets in many African countries remain underdeveloped and government action from the responsible ministries and Central Banks is required to strengthen local financial markets and financial institutions.
11	*Diaspora Bonds*	• Are debt instruments issued by a government, a sub-sovereign entity, or a private corporation aimed at raising finance from its overseas diaspora citizens • Bonds are often marketed at sensible times in a country and appeal to the diaspora's patriotic feelings.
12	*Sovereign Wealth Funds*	• Are regarded as an attractive source of financing for major transport projects, especially for African countries possessing considerable oil or mineral resources reserves • Such funds are directly or indirectly owned by governments, which would allocate a substantial portion of current and future oil or mineral extraction revenues towards the fund.

Source: Source: European Development Fund. September 2016

6.5 Challenges of Infrastructure Investing

Literature resources reveal that successful private investment in infrastructure in Africa depends on the ability of investors, governments and other stakeholders to recognise the challenges that exist that make the unique investment climate in Africa different and distinctive. According to the Boston Consulting Group (2017) the most pressing challenges facing infrastructure development in Africa are:

- Limited public sector capabilities;
- Lack of political will;
- Policy Uncertainty;
- Weak regulatory environments;
- Technical Skills Shortages; and
- Financial Complexities.

6.5.1 Limited Public Sector Capacity

Most African governments lack human and financial capacity. As a result, public sector institutions have trouble in funding deals, developing projects and enforcing legislation. The current state of affairs leads to delays in project approval that, according to some experts, can take twice as long as in other regions. It also hinders project development.

In many parts of the developing world – particularly the Gulf region – governments act as project developers, and private investors come in when the project is ready to be executed. In Africa, private investor s must also act as project developers, adding between 10 and 15% to the project cost and lengthening the project life-cycle (Boston Consulting Group: 2017).

6.5.2 Lack of Political Will

Corruption and a lack of transparency in public sector processes still afflict Africa. If African countries want to attract private investment, the mind-set of people should change. Although governments widely acknowledge the need for private sector investment in some infrastructure sub-sectors (e.g. power generation, roads and railways), this awareness generally does not apply to other types of transport infrastructure, such as seaports and airports.

Governments often think that, once they sign the PPPs or similar agreements, their role is finished, and they have no further responsibility for its success. Governments ultimately remain responsible for delivering infrastructure to their people, even when a PPP is present. In order to succeed, political will should be established, and adequate coordination should take place between different public sector ministries.

To enable the timeous delivery of infrastructure projects, detailed work must be done throughout the whole life cycle of infrastructure programmes and governments need to be active drivers of this process. This implies that they must remove any obstacles that may present themselves during the project execution process.

6.5.3 Policy Uncertainty

The vital role of the public sector and the lengthy time frame of infrastructure projects pose a threat to policy discontinuity. It is a reality that policies, regulations and political will supporting a project can change when a new administration comes into power, or even when a new minister take office within the same administration.

Prospective investors should approach the environment aware of the risks. One way of limiting the risks of changes in governance and people is to assure buy-in at several levels in public sector organisations, instead of focusing exclusively on the head figures.

6.5.4 Weak Regulatory Environments

Although regulatory environments have improved in recent years with the enactment of various laws designed to encourage private investment in infrastructure, there is still a long way to go. A few countries (e.g. DRC) still lack the legal framework needed for private sector investment in transport infrastructure outside individually negotiated once-off government deals. As a result, private investors often have to co-develop legal agreements with governments to enable the implementation of projects.

6.5.5 Technical Skills Shortages

The implementation of infrastructure projects is hindered by the limited pool of people possessing the right technical skills, ranging from trained engineers, transport planners and financiers to construction workers with basic technical and vocational skills. Exacerbating this problem is a long-term tendency to award public infrastructure contracts to non-African companies, limiting skill and technology transfer. As a result, project costs escalate, local talent is not developed, and immigrant talent is imported to fill the gaps.

The shortage of technical skills presents an opportunity to governments and the private sector (at least in the more engineering aspects of projects) to conduct vocational education. India, when faced with a similar skills gap, established an ambitious programme to provide technical training to tens of millions of people in specific vocational fields, eventually spawning an entire technical training industry. Similar solutions may help Tripartite MS to attract infrastructure investment and may even create additional benefits along the way.

6.5.6 Financial Complexity

Africa is handicapped by narrow financial markets and weak underlying currencies. The continent has more than 40 different currencies of which most are volatile and not exchangeable, even with other African countries. Most investors provide capital in foreign currency, but take their revenue in local currencies, creating a substantial currency mismatch that involves a very high risk.

Aside from those in Nigeria and South Africa, most commercial banks lack the financial muscle and institutional experience to finance major infrastructure projects. In this regard, pension funds and insurance resources that are huge pools of capital for infrastructure investment in other countries are rarely used outside South Africa.

Hedging mechanisms in infrastructure may eliminate this currency risk for private investors by transferring the risk to the government, but unfortunately such risk transfers impose a substantial burden on the finances of the guaranteeing government. This calls for the need to

develop an appropriate framework to tap into local financing, especially to cover some local costs, to enhance project viability and sustainability.

6.6 Emerging Best Practices for Government and Private Investors

6.6.1 Emerging Best Practices for Government

Government's role in private infrastructure development inevitably differs from the private sector. Typically, private investors aim to make profits, whereas governments want to improve the well-being of their citizens through improved infrastructure.

Literature sources reveal that emerging practices for the public sector centre on creating a conducive environment that helps infrastructure investors operate successfully. Governments therefore need to adopt a holistic approach when identifying roles and responsibilities. They also need to acknowledge that private investors need to see a return on their investment. While governments may focus on beneficial social impacts, the private investor expects monetary rewards.

In its study on infrastructure financing in Sub-Saharan Africa, the Boston Consulting Group (2017) proposes that government adopt a general *subsidiary approach* to infrastructure investment, leaving – when appropriate – profitable investments to the private sector, and freeing up as many public resources as possible for needed but generally non-profitable investments. Such an approach would involve the following policy priorities:

- Adopt state-of-the-art public tendering and data disclosure practices to ensure transparency along the entire project chain from project origination to preparation to implementation;
- Provide the right enabling environment and appropriate strategic subsidies (e.g. tax incentives) for projects that may be profitable with some government support;
- Create an enabling and stable environment to encourage investors to invest in infrastructure projects that are profitable without government subsidies; and
- Strengthen regional collaborations to connect markets across the continent, thereby strengthening small and landlocked countries.

Priority actions for governments include the following:

- Appreciate the importance of private sector involvement in the infrastructure space
  - ✓ Governments should be stable – from their top officials to local administrators – in their attitude and speech regarding the need for private investment participation in infrastructure programmes.
- Establish a solid legal framework and guarantee its enforcement and stability
  - ✓ Private infrastructure investors need a solid legal framework and structure to support their activities;
  - ✓ Reliable law enforcement is paramount to ensure stability and strong political will that are powerful magnets for foreign investment.
- Enhance individual capabilities with training and build institutional capabilities in specialised PPP units
  - ✓ The public sector needs to grow in-house capabilities and know-how. While attracting high-quality staff through attractive pay and career prospects, it should also provide on-the-job training to build capacity, particularly engineering and financial skills

- Formulate an integrated infrastructure plan and create a steady pipeline of new projects
  - ✓ Most African countries would benefit from having a national master plan for involving private investors in developing their economies. Where possible, the scope of such a plan should be both regional and continent-wide. Solid planning with well-defined priorities in place would give investors a clear view of both short- and long-term opportunities
- Develop domestic capital and debt markets to increase investors' access to local currency financing for infrastructure projects
  - ✓ To unlock infrastructure investment, African countries need to develop their financial markets. In this regard, the continent needs banks that has the financial muscle and internal capability to finance large, transformative infrastructure projects. Small banks have neither.
- Insist on transparency, enforce anti-corruption standards and strengthen anti-waste capabilities
  - ✓ More than anything, the public sector needs to counter corruption and vested interests that hinder the enactment of regulations and the implementation of infrastructure projects.
- Ensure that government follows up on projects through the end of construction and into on-going operation
  - ✓ Government should recognise that its work does not end when projects are implemented. Monitoring and evaluation remains important to identify challenges and to provide solutions.

6.7 Emerging Best Practices for Private Investors

This discussion presents the emerging best practices for private investors as presented by the Boston Consulting Group (2017: 28):

- **Adopt an integrated project life-cycle approach**

Investors in African projects need an integrated approach, starting as sponsors, taking the project the bankability, closing the financing and then supervising and controlling the execution. At every stage, they must have a deep understanding of the characteristics and dynamics of local environments and have good negotiation skills to address problems. Projects that lack an integrated end-to-end approach and in-house skills are much likelier to fail.

- **Community Engagement as a Priority**

A critical success factor to success is taking communities into account or to engage them adequately. Engagement goes beyond the immediate host community if the infrastructure is to benefit a larger population. New tolls or higher tariffs should not be introduced without attending public relations and marketing campaigns and communities must be persuaded of the benefit of paying, particularly where previous provision was cheaper, or free.

The following best practices have emerged for project development:

- ✓ Find a champion in the government;
- ✓ Set up co-funding of feasibility studies and other development expenses;
- ✓ Work with the right combination of partners;
- ✓ Maintain precise documentation and aim for balanced deals;
- ✓ Attempt to secure financial closure within one administration; and
- ✓ Set clear rules of engagement within one administration.

As far as project implementation is concerned, the following best practices should help investors avoid some common mistakes:

- ✓ Ensure structured management by establishing clear milestones and deadlines, and a project management office with direct access to decision-makers;
- ✓ Plan the handover from construction to operation well in advance;
- ✓ Create adequate maintenance plans and ensure their execution; and
- ✓ Avoid charging users for partially completed projects.

6.8 Learning by Doing – Case Study in African Infrastructure Investment

The following 2 case studies, drawn from high-profile projects completed in Africa over the past decade, offer real-life illustrations of the challenges of infrastructure investment in Africa. The first case (Rift Valley Railways project) serves as cautionary tale of what can go wrong, while the other (Henri Konan Bédié Bridge project) serve as an example of best practice. Information was extracted from a research report, published by the Boston Consulting Group into infrastructure financing in Sub-Saharan Africa (2017).

6.8.1 Case Study 1: Rift Valley Railways Project

The Rift Valley Railways (RVR), a consortium created in 2005 to manage the state-owned railways of Kenya and Uganda, was one of the first cross-border private-sector infrastructure deals in Africa.

RVR was enabled by the Kenyan Railway Act of 2004 and parallel Ugandan legislation. The new laws created a Joint Railway Commission, which included as members, the managing directors of both national railway systems, as well as senior civil servants from the two nations to oversee the concession and to measure performance against agreed metrics. The countries designated Kenya Railways as the concession regulator.

In 2006, Kenya and Uganda signed separate concession agreements, promising compensation to RVR if either government introduced new railway infrastructure projects. The concession was awarded to a consortium led by Sheltam Railway, a South African company with experience in managing railway systems for South African mines. Sheltam's partners included TransCentury, one of Kenya's leading private equity firms, and the government of Uganda, fulfilling the requirement that each country own at least 15% of the concession company.

The winning consortium signed a 25-year concession agreement, with an option to renew for another 10 years, mandating it to rehabilitate and manage the entire railway infrastructure, that included the 2,350 kilometres of track from Mombasa, Kenya on the East coast, to Kampala, Uganda, via the Kenyan cities of Nairobi and Kisumu; the branch lines, rolling stock, workshops, all equipment, and the railway staff. The concession fee for the government was an attractive 11,1% of revenue.

Sheltam made only limited investments and as a result, the consortium struggled with meeting performance targets from the start. The consortium eventually returned the Mombasa-Nairobi-Kisumu passenger service concession to government, while retaining the more profitable cargo concession. In 2010, Sheltam was bought out by Citadel Capital (now Qalaa Holdings), an Egyptian private equity firm with a broad vision for investing in and linking water and rail transport networks across Africa. Relations between Citadel and TransCentury were poor.

Over the years, RVR's debt was refinanced and TransCentury tried to buy out Citadel but the opposite occurred, with Citadel buying TransCentury. Today, Citadel holds 85% of RVR and Bomi Holdings, a Ugandan investment firm, owns the remaining 15%. There is no longer any Kenyan ownership. Meanwhile, numerous changes have occurred in management agreements, with South African, Australian and Brazilian companies providing management services at different times during the concession period.

Citadel has invested more than $305 million in RVR, including money to repair damaged tracks between Mombasa and Nairobi and to rehabilitate tracks in northern Uganda. Currently the concession is more stable and management is optimistic that it can reduce transport costs in the region by 50% and grow RVR's cargo business within 5 years from 1 million tons to 5 million tons. However, fresh competition looms – the Kenyan government recently awarded a contract to a Chinese company to construct a new standard gauge railway line.

The RVR project serves as example of what can happen if the concession company lacks the experience and capital needed to meet aggressive performance targets. The Rift Valley Railways case study emphasises the following important aspects that influence project success:

- ✓ Bidders should have undertaken projects of a similar nature and be financially stable to start-up the business
- ✓ Investors should be cautious in appraising their investment capabilities since a lack of investment muscle can end a project; and
- ✓ Investors should carefully assess, align and manage stakeholder dynamics throughout the entire project life-cycle since volatile and non-aligned shareholder groups can result in project failure.

6.8.2 Case Study 2: Construction of Henri Konan Bédié Bridge

The Henri Konan Bédié Bridge first appeared in development plans in 1952, but the government of Côte d'Ivoire only created the regulatory framework for private road concessions in 1997 with the signing of an agreement with a subsidiary of the Bouygues Group (Socoprim) to construct and operate the bridge.

Although the deal was finalised and work was ready to commence in 1999 the project halted when a military coup occurred, leading to nearly a decade of political unrest and civil war. The project remained suspended until the return of peace and stability in 2011. During the same year construction started, with the signing of an agreement for a 30-year operation period, after which the bridge would become government property. Construction was completed in 2014 and the bridge became operational during the same year.

The post-conflict environment made the project risky and for this reason government made two additions to the original concession agreement – a sizable subsidy of 50 billion CFA francs (around $81 million) and a minimum revenue guarantee during the loan repayment period. The Bouygues Group as the anchor investor of Socoprim, lead the project throughout as the main sponsor. It carried out the construction, organised the operation phase and staff training and provides assistance with infrastructure management (especially tolling) and maintenance.

Other investors and lenders include the African Finance Corporation (AFC), AfDB and the Pan African Infrastructure Development Fund to name a few. The AFC committed $55 million, including loan facilities and equity investment and played a role as lead arranger of the mezzanine tranche of the financing.

The negotiation process, which proved crucial to the successful delivery of the project, was balanced for all sides with all parties recognising that the bridge was a necessity. Political will existed from the outset. To ensure that the project would be accepted by the community, serious efforts went into explaining why the bridge was needed, and in particular why tolls would be charged. Transport users were informed that the tolled bridge would save motorists considerable time.

Investors followed World Bank guidelines on community engagement and environmental issues. The project has built capacity and provided jobs in the local community by investing heavily in training in civil engineering and other key skills, which were previously lacking and the government undertook full responsibility for compensating and resettling nearly 2 500 people that were displaced by the bridge's construction.

The Henri Konan Bédié Bridge project is regarded as one of the most successful infrastructure projects funded by private investment in Sub-Saharan Africa. It offers a best-practice example of assembling a diverse and strong investment group and of pursuing a sound policy of community and public engagement.

Although conflict and civil war halted this project for more than a decade, a solid partnership, involving the original promotor, the finance community and the government brought it to completion. Effective community engagement has ensured that the bridge, despite charging tolls, is used intensively in Abidjan. Since the completion of the bridge, the following benefits were recorded:

- Improved traffic flows;
- Reduction in traffic congestion;
- Reduction in travel time for commuters (between 15 minutes and 2 hours); and
- Significant reduction in CO2 emissions annually.

In terms of lessons learned, the following aspects are noteworthy:

- ✓ Strong political will existed throughout the project lifecycle;
- ✓ Community involvement was maintained throughout the entire project; and
- ✓ All relevant parties (project sponsor, government and community) played their part in executing the project.

6.9 Viable Financing Options for Tripartite Countries

Although budget allocations from African governments still account for the bulk of infrastructure financing, the status quo is not sustainable and can therefore not be maintained.

Moving forward, Tripartite governments should adopt innovative solutions that combine international, public and private sources of funding for infrastructure development. The private sector is worldwide playing an increasing role in funding infrastructure programmes through various forms of PPPs, with funding secured from either conventional or innovative financing sources. Partnering with the private sector will not only relief government from the burden of funding infrastructure projects on its balance sheet, but will also infuse private sector expertise and skills transfer.

In light of the new commitments made toward infrastructure financing in Africa (section 6.3) it is clear that investor appetite for well-structured infrastructure projects exist. African governments should however create a conducive environment in terms of clear regulatory frameworks, policy certainty and transparent processes without corruption, to unlock opportunities for private investment in infrastructure projects.

In addition to private sector funding, Tripartite countries can also seek financial assistance from MDB (e.g. World Bank, AfDB) who have increased their presence in the development of Africa's infrastructure over the years. MDB play an important role in leveraging private funding, especially in cases where private lenders may not otherwise be comfortable taking the risk. In this regard, intervention from MDB improves the bankability of infrastructure projects.

Tripartite countries should be cautious when considering financial assistance from emerging countries, especially China who has off-set a portion of its investment through extracting natural resources from African countries to expand its own fast-growing economy. Member States should therefore be informed about what is at stake and what they can offer before entering and concluding negotiations with China and other emerging partners. Negotiations should be firm on the use of local labour in infrastructure projects to stimulation job creation and skills transfer amongst the African workforce.

6.10 Conclusion

Transport infrastructure in Africa does not currently support the seamless flow of traffic along regional road transport corridors. Due to inadequate maintenance of transport infrastructure over the years and a shortage of funds for the construction of new infrastructure, Africa remains one of the least integrated continents of the world.

Various RECs across the globe are experiencing an infrastructure gap. However, the gap in Africa (estimated at 39%) is almost double the world average of 19%, indicating that investment needs in Africa is far greater than investment accrued for infrastructure development

Governments across the world and more so in Africa, are facing increasing budget pressures, making the involvement of other players, notably multilateral development banks and the private sector important for financing infrastructure projects. The status quo however reveals that public financing still constitutes the bulk of resources (around 42%) allocated to infrastructure projects in Africa, with the private sector financing only 4,2% of all infrastructure programmes. If Africa wants to close the existing infrastructure gap, African heads of state have to adopt a new mind-set which includes exploring feasible and alternative financing solutions for infrastructure development.

Experience has revealed that private sector involvement in infrastructure development in Africa can yield the desired results if a number of key success factors are met. Of specific importance is the establishment of strong regulatory frameworks that permit private investment in infrastructure, upholding political will throughout project execution; conducting regular engagements with key role-players and equipping public sector institutions with the right technical skills sets, while also retaining scarce skills.

Lastly, irrespective of whether Tripartite countries opt for international or private sources of funding, effective monitoring throughout the entire project life cycle is imperative to ensure satisfactory long-term service delivery and non-reversible risk transfer.

7. IDENTIFICATION OF REFORMS

7.1 Introduction

Previous sections of this report pointed to the multitude of constraints faced by cross-border road transport operators s when conducting business in the Tripartite. The existence of hard and soft infrastructure inefficiencies is partly to blame for the low level of intra-African trade and the inability of Africa to strengthen its participation in global value chains.

In response to the challenges, several reforms (interventions) are recommended for implementation at Continental, Regional and Member State level. While a number of interventions have been packaged into transport programmes / projects, some of which have already received funding, the majority are still in the planning, conceptual phase, prefeasibility and feasibility phases. .

As an active stakeholder in the cross-border environment, the C-BRTA supports existing Continental and Regional infrastructure reforms that seek to yield positive benefits for cross-border operators and the continent at large. The reforms presented in this chapter are categorised under *existing* reforms (e.g. on-going reforms that are in various stages of implementation) and *new* reforms that are recommended for implementation in the Tripartite to bring about improvement.

7.2 Existing Reforms

7.2.1 Implement Prioritised Road Infrastructure Projects

This report recommends the implementation of prioritised transport projects / programmes at Continental and Tripartite level. Examples of continental initiatives include the PIDA, PICI, Move Africa Initiative, while examples of Tripartite reforms include the TTTFP Programme.

Essentially all prioritised road infrastructure reforms focus on eliminating hard and soft infrastructure inefficiencies, which include missing road links along regional road transport corridors, lack of bridges (e.g. at the Kazungula border) and low bridge capacity, inadequate parking within border precincts, lack of harmonised road transport rules / standards, and fragmented regulatory frameworks. Once infrastructure constraints along regional road transport corridors have been eliminated, or at least minimised, the seamless flow of cross-border road transport and traffic in general, will become a reality. The lack of funds however, remains a major challenge to the timeous implementation of strategic Continental and Tripartite road transport projects / programmes.

Figure 19 illustrates the actions associated with this reform.

Figure 19: Implement Prioritised Road Transport Projects

Source: Figure created for study

Political will is key and should be established amongst political leaders, and all public-sector role-players to move them from signing continental and regional agreements to implementing them (step 1). Once political will has been secured, public sector role-players should create a conducive business environment (step 2) that attracts private sector participation in infrastructure projects, not only as project funders, but also to impart private sector expertise and skills transfer (step 3).

Once sufficient funding has been secured, projects can move from planning / conceptualisation to implementation (step 4). Strong regulatory frameworks and political will should be upheld during the entire project life cycle and projects should continuously be monitored (even after implementation) to ensure satisfactory long-term service delivery and non-reversible risk transfer.

7.2.2 Establish Regional Parliaments

Eight RECs are recognised by the AU as African RECs. However, not all of them have a regional legislative assembly (Parliament) that holds MS accountable for the implementation of continental and regional decisions. RECs with a functioning independent legislative authority, like the EAC has witnessed a high implementation rate of trade and transport reforms (projects and programmes) in recent years. Given its independent character, the EAC Parliament can enforce the implementation of regional decisions and impose sanctions upon defaulting MS.

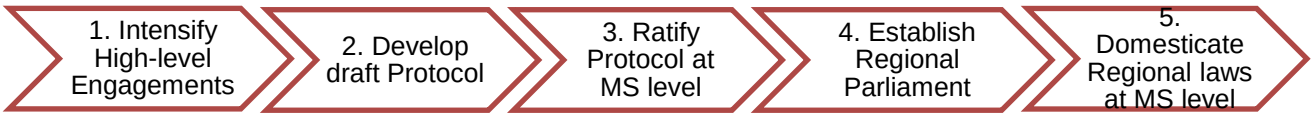
Neither SADC nor COMESA have a regional parliament in place and both RECs have experienced less success in terms of the implementation of approved continental and regional reforms. Since African RECs are the building blocks through which continental and regional programmes (e.g. Tripartite Free Trade Area) are implemented, the existence of independent legislatures to oversee the timeous implementation of continental and regional programmes will go a far way towards meeting regional and continental aspirations.

Progress is noted within SADC where talks are on-going to establish a regional parliament that will restructure the governance paradigm within the region. In the absence of a regional legislature, the SADC Parliamentary Forum (SADC-PF), composed of Members of Parliament

from national parliaments in all MSs, currently provides a framework for dialogue on issues of regional interest and concern.

Figure 20 illustrates the actions that are proposed to operationalise this initiative.

Figure 20: Establish Regional Parliaments



Source: Figure created for study

Step 1 entails conducting extensive stakeholder engagements with relevant role-players (public, private, civil society) to obtain support for the establishment of regional parliaments. Representatives from each MS should be encouraged to participate in regional platforms. Once buy-in has been obtained from participating parties, step 2 revolves around developing a draft Protocol on the establishment of regional (SADC and COMESA) Parliaments, which will define the powers, functions and relational linkages among the proposed Parliamentary body, national Parliaments and other relevant regional organs.

Once the draft Protocol has been completed it should be presented to MSs for approval / ratification (step 3) where after regional parliaments will be established (step 4) to enforce the domestication of regional laws at MS level. It is foreseen that regional laws will be debated by national assemblies, where-after they will be ratified and domesticated to form part of the legislature of SADC and COMESA MSs (step 5).

The importance of establishing political will throughout the entire process cannot be over-emphasised. Ultimately success depends on the willingness of MSs to cede a degree of sovereignty by national parliaments and MSs before regional Parliaments will be empowered to legislate.

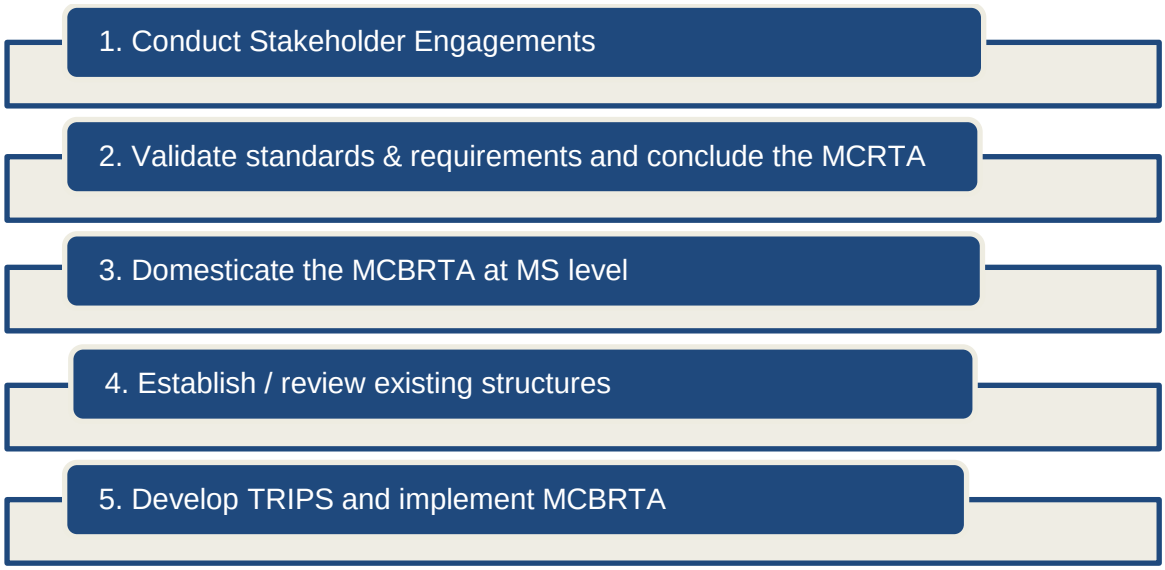
7.2.3 Harmonise Regulatory frameworks and Implement Quality Regulation

The Tripartite is currently pursuing an initiative that revolves a shift away from quantity control that focuses on controlling the “supply side” of transport services through the issuing of cross-border road transport permits between MS, towards quality regulation. The implementation of quality regulation seeks to address various challenges which include:

- Fragmented regulatory frameworks and variability in regulatory requirements, standards and practices between MS;
- Generally low-quality transport services rendered, owing to weaknesses in the quantity regulatory regime that compromises the extent to which road transport supports cross-border trade in the region;
- Too many road blocks and inspection points along regional road transport corridors that increases journey times and reduces productive times; and
- Corrupt practices along many regional road transport corridors.

The Multilateral Cross-Border Road Transport Agreement (MCBRTA) is one of the legal instruments that drives the harmonisation of related transport regulations, standards and systems and the implementation of quality control. Once this agreement has been signed by MS they will be compelled to introduce quality regulation in their territories. Since this initiative is on-going, a lot of ground work has already been covered and significant progress made. Figure 21 maps the actions that should be performed to ensure this initiative is implemented within time-frames.

Figure 21: Harmonise Regulatory Frameworks & Implement Quality Regulation



Source: Figure created for study

Stakeholder engagements should be conducted throughout the entire process to secure political will amongst all Tripartite countries that will move them towards adopting quality control in their territories (step 1). During stakeholder engagements agreement should be reached on the scope of the MCBRTA and associated standards.

MS should validate and adopt standards and requirements in respect of quality regulation before they can conclude and domesticate the MCBRTA. In practical terms this means that MS must review their respective institutional structures, policies, legislation and regulations to incorporate recommended regional standards into domestic legislation (steps 2 and 3).

Meanwhile, a regional structure will be tasked to coordinate the implementation of the MCBRTA, whereas regulatory institutions at MS level will handle operator registration and manage the TRIPS system. These institutions should be equipped with appropriate staffing, facilities and budget to fulfil their functions effectively (step 4).

The development and implementation of TRIPS that captures information on cross-border operators, drivers and fleet is a key to success since the MCBRTA depends on the availability of real-time data to monitor operator conduct in the Tripartite. Although the guidelines for TRIPS have been designed, it has not yet been approved by all countries. Objecting parties do not favour the development and implementation of a single electronic cross-border transport information platform since they want to develop their own system that is aligned to TRIPS guidelines. This may develop the roll-out of this initiative since the development and approval of TRIPS is a pre-requisite to implementing the MCBRTA that will introduce quality regulation in the Tripartite.

The C-BRTA in consultation with various regulatory authorities is currently championing the development of the Operator Compliance Accreditation Scheme (OCAS) that will operationalise the MCBRTA in the region. OCAS seeks to redefine regulatory processes, procedures and practices that will enable MS to harmoniously domesticate the MCBRTA. OCAS is thus aligned to the MCBRTA reform in so far it seeks to achieve re-engineering of regulatory processes, procedures and practices at MS level.

7.2.4 Operationalise One Stop Border Posts

Most intra-regional traffic movements occur along regional road transport corridors that cross-national boundaries via inland border posts. The Tripartite has many border posts of varying sizes, designs and capacity. Navigating through these borders is difficult since many borders in the region are associated with various challenges that include inadequate approach roads to borders, lack of traffic separation within the border precinct, uncoordinated inspection points and unstandardized procedures. In response to border post constraints, border posts have emerged as a major stumbling block to cross-border road transport movements.

Border post challenges are acknowledged at continental level and to bring about improvement around eighty borders have been prioritised as OSBPs. Except for the EAC where construction work to more than ten OSBPs has been completed, progress towards constructing OSBPs in the SADC and the COMESA has been slower. Chirundu already functions as an OSBP, whereas construction activities at Kazungula border are nearing completion. Although OSBP infrastructure have been built at the Lebombo / Ressano Garcia border, this border has not yet been operationalised as an OSBP although it functions as an OSBP during peak periods (Christmas and Easter).

Figure 22 indicates the steps that are associated with the implementation and operationalisation of OSBPs.

Figure 22: Establish One Stop Border Posts

Source: Figure created for study

Step 1 in the process is to conduct stakeholder engagements to provide a solid platform for planning and the establishment and / or strengthening of political will for the implementation of this reform. Under international law, it is generally agreed that the application of national laws is limited to the territory of a country. Consequently, OSBPs rely on the principle of extra-territorial application of laws, which allows a country to extend the application of specific national laws outside of its own territory.

The implementation of OSBPs therefore requires a detailed analysis of the legislative, regulatory and institutional frameworks governing the operations of border agencies. Numerous agencies are involved in border operations. These agencies need to operate in a coordinated manner to minimise duplications. The appointment of a lead management agency will assist the process of coordinating OSBP preparatory activities and post-implementation coordination. However, the choice of a lead agency by any MS should purely be based on national considerations.

The legal and regulatory review (step 2) should culminate in the conclusion of bilateral agreements between neighbouring countries in which the parameters of establishing OSBPs are spelled out. It also required that such arrangement be entrenched in the domestic laws of each country by way of an appropriate Act of Parliament with an overriding effect over all border control legislation as to give legal effect to the provisions of the MoU and the principles of extra territoriality and hosting arrangements.

Step 3 involves the establishment of a joint technical working group, comprising technical officials of both countries. The composition of this working group should comprise of representatives of all the border agencies operating at the border. It is proposed that the chairing of the technical working group and hosting of meetings be conducted on a rotational basis between the two MS.

The OSBP reform goes hand in hand with the establishment of collaborative single window systems (step 4). In moving towards single window systems, border crossing procedures should firstly be simplified and harmonised to enable the electronic capturing and sharing of information amongst border agencies. ICT therefore serves as a critical component of collaborative single window systems. ICT allows for the efficient use of limited resources to manage borders by facilitating intra-inter connectivity of agencies for implementing responsible risk management systems and for understanding mobility and trade patterns.

A baseline survey should be carried out for every border that is to be transformed into an OSBP (step 5). The purpose of this survey is to assess the situation prevailing at both sides of the border that are to be merged into an OSBP before any activities commence. Information that should be collected includes traffic flows through the border, disaggregated as much as possible (e.g. passenger vehicles, small buses, medium buses, taxis, container carriers, break-bulk vehicles and tankers) and average time taken to clear the borders for each class of vehicle. This information should be used to project traffic flows over the long-term (10 to 20 years) and design the OSBP so that it is able to accommodate increases in traffic flows.

Further to addressing soft infrastructure components, OSBP facilities such as offices for border officials, equipment, warehouses and parking need to be designed and constructed / expanded to facilitate seamless traffic movements through OSBPs (step 6). Once funding has been secured for construction, TOR drafted, and SPs appointed, the actual construction of OSBPs will commence. While all border posts require physical facilities for border operations, the level of facilities required depends on the type and size of operations at a border post. Once all 6 steps have been attended to the border post should be transformed into an OSBP.

7.2.5 Develop and Implement a Corridor Performance Monitoring System for the Tripartite

The Tripartite is currently developing a web-based corridor performance monitoring system that provides a list of indicators for measuring border crossing and route trucking time for several corridors in the East and Southern African region. A web-based performance monitoring system that monitors the performance of various points of interest (e.g. sea port, inland border posts, dry ports) along strategic transport corridors has been developed and launched. This online monitoring tool map bottlenecks and assist decision-makers in identifying areas that need improvement along key transport corridors.

Since this initiative is on-going, a lot of groundwork has already been covered and significant progress is noted. The online monitoring tool has been developed and is constantly being updated / approved. Figure 23 depicts actions that can be perused to improve the online tool and extend its geographical scope.

Figure 23: Update the Corridor Performance Monitoring System for East and Southern Africa

Source: Figure created for study

The corridor performance monitoring system for East and Southern Africa currently distinguishes between 5 corridor categories, namely: inland border posts, sea ports, economic areas, dry ports and inland ports. It is proposed that other existing online platforms, notably the Central and Northern transport observatories, be accessed to determine whether the corridor performance monitoring system can be enhanced through adding new corridor categories and indicators to the online platform (step 1).

To enable the online sharing of corridor data between different online platforms, ICT systems and procedures should be harmonised (step 2). Furthermore, additional funds should be sought to enable constant updating of the online monitoring system (step 3). Additional financial resources will allow system developers to expand the scope of the online monitoring platform through collecting information on new corridors that are currently excluded.

Step 4 entails piloting the online monitoring system on a regular basis to test for system failures and to improve / update the existing system. Once refinements have been made (step 5) the corridor performance monitoring system will be extended to new corridors. In doing so, a clear picture will be provided of the efficiency of transport corridors in the Tripartite that, in turn, will enable decision-making authorities to direct infrastructure spending to higher order needs.

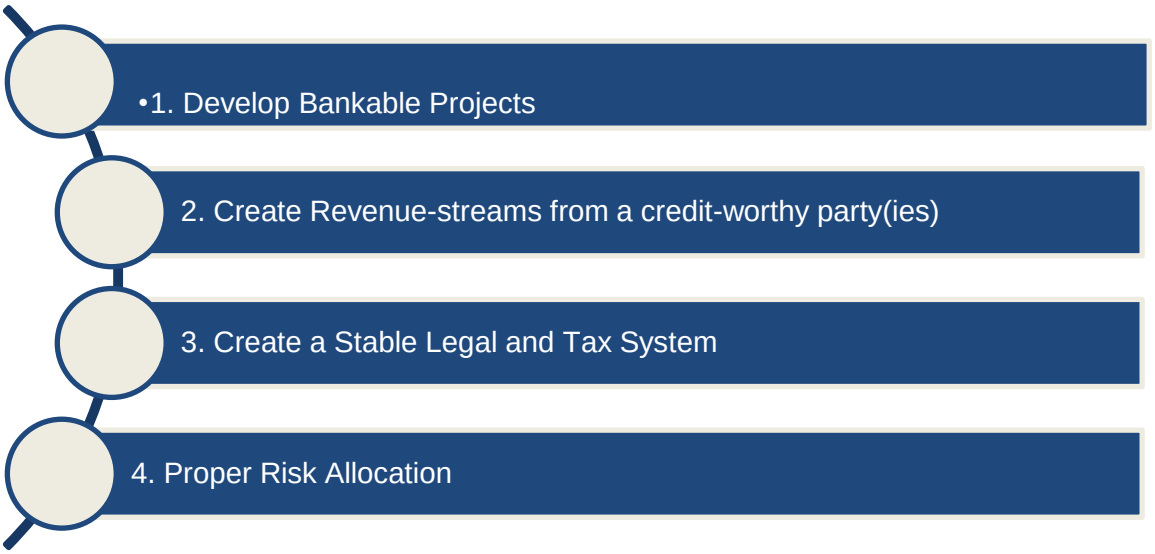
7.3 New Reforms

7.3.1 Boost Private Infrastructure Investing in Africa

Private investment in infrastructure in Africa remains weak and underdeveloped compared to investment in other emerging regions. Although Africa is heralded as the continent of the future, it needs to reduce the infrastructure deficit before it can realise its potential. Written resources clearly stipulate that the current shortage of private sector infrastructure investment in Africa (measured at only 4, 2% in 2016) is not caused by a lack of interest or a lack of funds, but rather by a lack of bankable projects.

Further to the above, this reform proposes several actions to encourage an increase in private sector investment in infrastructure programmes in Africa. These actions are depicted in figure 24 below.

Figure 24: Boost Private Infrastructure Investing in Africa



Source: Figure created for study

Infrastructure projects will only be sponsored if they are bankable. Therefore, step 1 entails structuring projects in a manner that they are likely to provide debt and equity providers with returns that are proportionate with they risk they are taken. Determining whether a project is bankable however, is a complex process with many variables. There are many components to creating a bankable project that a government can directly influence, e.g. ensuring that projects have sufficient, reliable and predictable revenue streams, creating a stable legal and tax environment and understanding project financing and various equity structures that will allow governments to properly allocate risks among government and private sector investors.

A revenue stream from a credit-worthy party forms a critical component of bankability (step 2). Revenue streams must be sufficient to operate the project throughout the entire project lifecycle, repay project debt financing and provide a risk-adjusted return to the equity. Project often fail because revenue generated during the project is too little to cover expenses.

A country's legal system should provide comfort to private sector investors that the country's legal and tax systems are stable and predictable (step 3). Unfortunately, most African countries have not yet build a track record to give private investors comfort that their investment is safe. This emphasises the importance of incorporating stabilisation clauses into

contracts. Stabilisation clauses are either statutory provisions, or contractual obligations of the government that guarantee private investors that any change in law, including tax law, that has an adverse impact on the project will not apply to the project, or will be made whole by the government.

Different types of projects present different risks and these risks should be monitored throughout the project life-cycle (step 4). Although some project sponsors can finance projects 'on a balance sheet', in other words, providing all the costs of developing and constructing the projects themselves without resorting to the debt or private equity markets, this financing structure is relatively rare in developing markets.

The most common structure for most infrastructure projects that involve the private sector is project financing where lenders rely on the cash flow generated from the project the repay the debt, instead of the balance sheet of deep pocket entities. The remaining portion of the project costs are funded with equity. Another variation is the entrance into the market of private equity investors, often in the form of investment funds.

For governments to properly determine how to allocate risk, it is important that the government liaise with financial and legal advisors with substantial expertise in project financing private equity and the relevant sector. The type of expertise necessary to properly structure these transactions is gained only with many years of experience that very few government officials, regardless of the country, have. Government needs to understand the risks from the private sector perspective; allocate those risks and provide appropriate risk-adjusted returns.

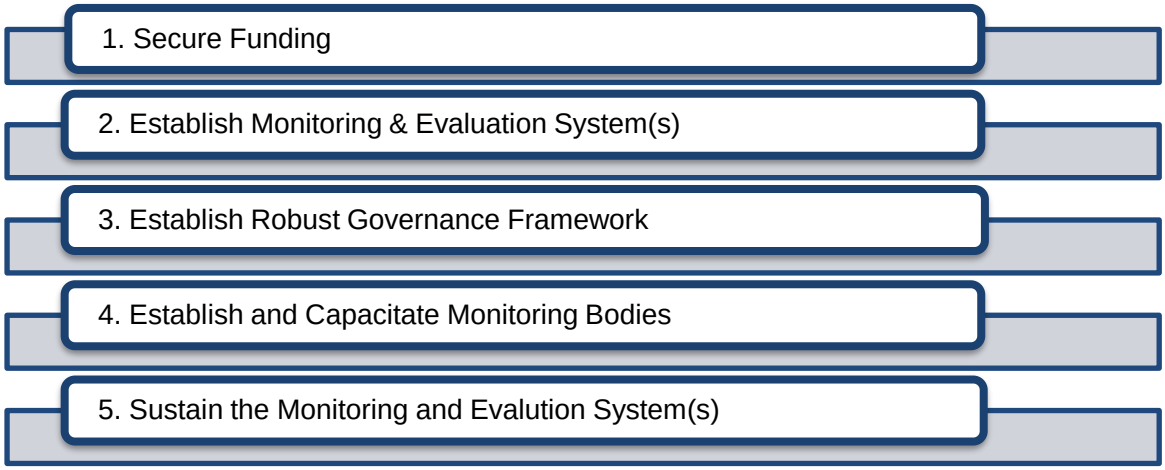
7.3.2 Establish Monitoring and Evaluation Bodies

Despite recognition of their importance in enabling economic growth and development, nearly three quarters of all infrastructure projects in Africa are not getting off the ground. These projects are almost always large scale and very complex. Since infrastructure projects often cost millions of dollars, any mistakes can have detrimental effects on the costs, timeframe and quality of projects. Furthermore, the complexity of infrastructure projects means that there are multiple stakeholders, all who can influence the successful and timely delivery of projects.

Although various reasons are cited for the poor delivery on infrastructure projects, the absence of monitoring and evaluation bodies to provide sound project management, thereby ensuring that strategic infrastructure projects are completed in time are regarded as a major cause of failure.

Against this background, this reform proposes the establishment of regional monitoring and evaluation (M&E) bodies to observe and review the progress of strategic infrastructure projects, thereby ensuring that infrastructure projects run on time, within budget and according to quality specifications, becomes apparent. The steps associated with executing this reform are highlighted in figure 25.

Figure 25: Establish Monitoring and Evaluation Bodies



Source: Figure created for study

Although significant funds have been dedicated to strategic infrastructure projects in Africa, additional financing will be needed to establish and capacitate M&E bodies at regional level to monitor the execution of strategic regional and continental projects (step 1). During this stage, strong will should be displayed by political leaders to give financiers peace of mind that they are committed to improving the timeous delivery of strategic infrastructure projects through the establishment of M&E bodies that will track the implementation of transport programmes and determine when change is needed.

Before the status of projects can be monitored, agreement should be reached on the type of M&E systems that will be used by M&E bodies to track project performance (step 2). This requires adherence to several steps, which include:

- Agreeing on the outcomes to monitor and evaluate;
- Agreeing on the type of ICT systems that will be used to enable the sharing of data;
- Developing key indicators to monitor outcomes;
- Gathering baseline data on indicators;
- Planning for improvements;
- Monitoring for results;
- Analysing and reporting findings; and
- Using the findings

The establishment an enabling environment which incentivises the delivery of good quality monitoring and evaluations is an important foundation in project management. In essence this means embedding the requirement for monitoring and evaluation into a framework for corporate governance (step 3) so that it becomes part, and remains part, of key decision-making processes of monitoring and evaluation bodies.

The next step (step 4) revolves around establishing M&E bodies at regional level (EAC, COMESA and SADC). These bodies can resort either under the Ministries of Transport, or Regional Secretariats, or they can be stand-alone structures. M&E bodies should be adequately staffed, especially with the resources that possess statistical and project management skills to collect and analyse data, as well as managing projects from inception

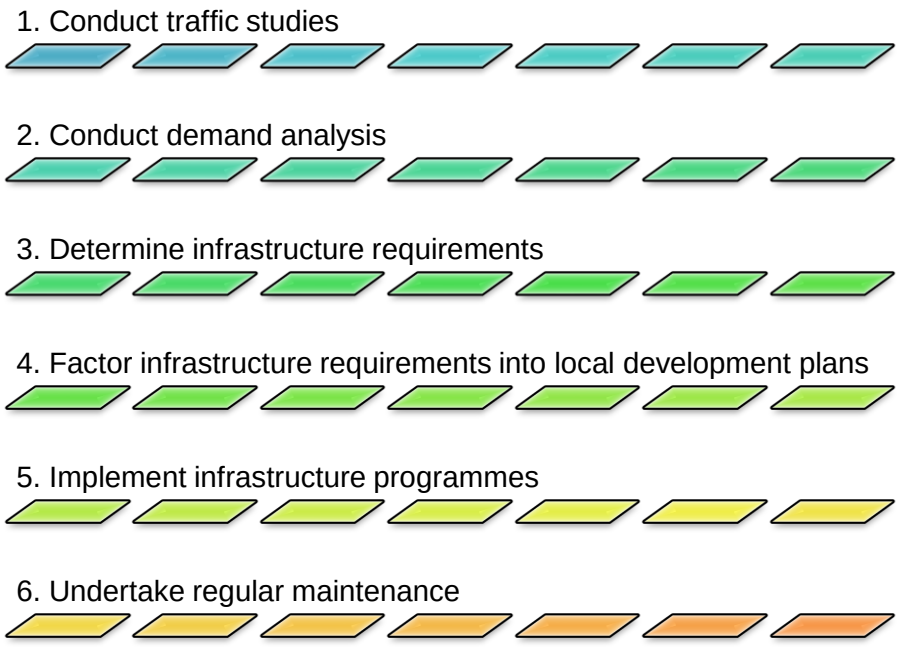
to post-completion phases. Enough flexibility should be granted to data analysts to make changes where the data indicate that changes are needed. In the absence of these conditions, the monitoring and evaluation process may be a waste of time.

Step 5 acknowledges the long-term process involved in ensuring the longevity and sustainability of M&E bodies. M&E is a long-term process; therefore, several criteria should be adhered to in order to ensure the sustainability of M&E systems. Of specific importance are the following dimensions: trustworthy and credible information, accountability, capacity and incentives. M&E bodies should regularly attend to each dimension to ensure that M&E systems are viable.

7.3.3 Coordinate the Provision of Ranking Facilities

MS need to undertake coordinated planning and policy development to ensure cross-border road transport infrastructure requirements are factored in local area development plans, integrated transport plans and spatial development plans of local authorities. Relevant documents should outline the requirements for cross-border ranking facilities and other ancillary requirements. Figure 26 outlines the envisioned steps to implement this reform.

Figure 26: Coordinate the Provision of Cross-Border Ranking Facilities



Source: Figure created for study

Steps 1 and 2 entails conducting extensive research (e.g. demand analysis and traffic impact studies) to determine current and future demand requirements for cross-border infrastructure (step 3).

Research findings should be factored into the development of local development plans, integrated transport plans and spatial development plans (step 4) to ensure that cross-border infrastructure (e.g. interchange facilities) provided by local authorities support the timeous departure of cross-border vehicles. These plans should also outline predicted future demand

levels and propose alternative sources of funding to execute infrastructure improvement programmes.

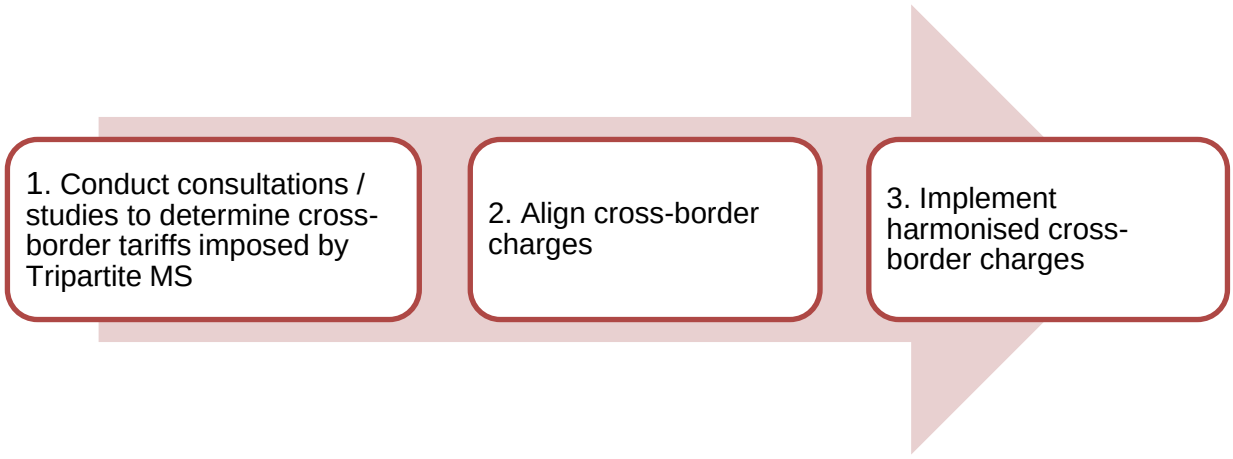
Step 5 entails the implementation of cross-border programmes to improve the seamless departure of cross-border buses and taxis, whereas step 6 deals with the execution of preventative and routine maintenance to cross-border infrastructure facilities to ensure these facilities meet their expected life-span.

7.3.4 Implement Harmonised Cross-Border Charges Framework

Although most MS charge cross-border charges on foreign operators entering their territories, the amounts imposed by Tripartite countries vary from one country to the next. It is important that MS align tariffs (charges) paid by cross-border operators in foreign jurisdictions.

This may require that the region do not only implement a harmonised road user charging system but also adopt and implement a harmonised cross-border charges framework to level the playing field for local and foreign cross-border road transport operators. The following steps are recommended for achieving this reform:

Figure 27: Implement Harmonised Cross-Border Charges Framework



Source: Figure created for study

Step 1 entails conducting extensive stakeholder engagements with all corridor role-players that levy cross-border charges on cross-border road transport operators. For transparency purposes, the charges currently imposed by each MS should be shared to establish areas of commonality and to reach agreement on which charges should remain.

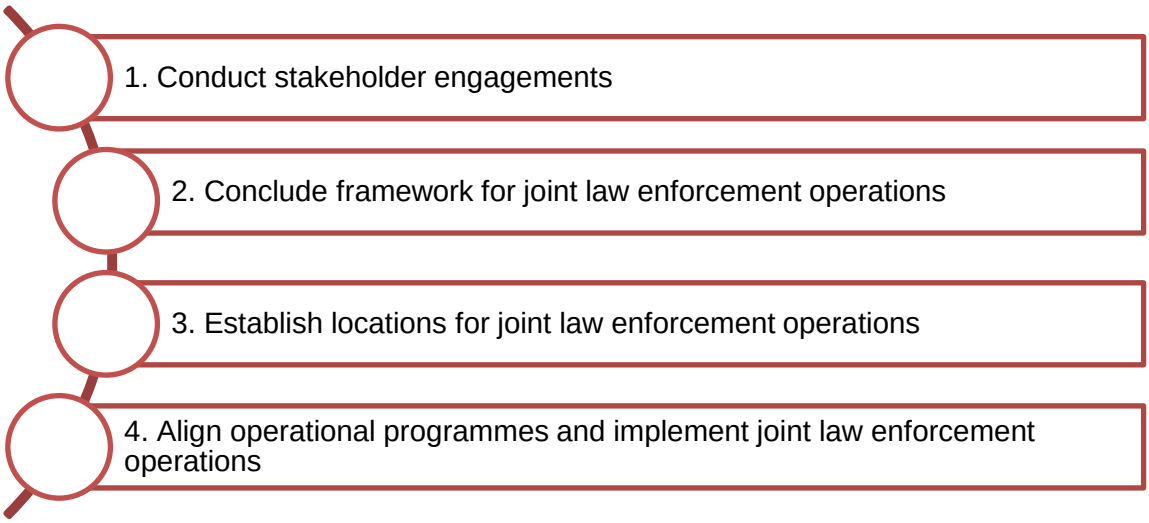
The implementation of a harmonised cross-border charges framework requires that each Tripartite MS review its legislative and regulatory framework(s) to align domestic legal instruments to the regional accepted framework (step 2). Next, Tripartite countries should implement the harmonised cross-border road charges framework that will eliminate disparities and inconsistencies between cross-border charges imposed by Tripartite MS.

7.3.5 Implement Mandatory Joint Law Enforcement Operations

While some Tripartite MS conduct voluntary joint law enforcement inspections / operations on cross-border vehicles within and between countries, these should operations should be made mandatory. Joint law enforcement operations serve various purposes. In this respect, it does not only establish whether cross-border vehicles meet prescribed requirements (e.g. vehicles

fitness, valid cross-border permit), joint law enforcement operations also provide a platform for information gathering and exchange. The following steps are associated with implementing this initiative.

Figure 28: Implement Mandatory Joint Law Enforcement Operations



Source: Figure created for study

Step 1 entails conducting local and regional engagements with role-players involved in cross-border operations (inspections) along regional road transport corridors. The purpose of engagements would be to create a platform of the exchange of information and sharing of ideas. Emphasis should be placed on the benefits (e.g. time savings, sharing of intelligence) that can be accrued once law enforcement operations are streamlined and joint law enforcement inspections are conducted.

Once political will has been established for this initiative, affected role-players should draw up a framework that sets out infrastructure requirement and operational requirements and guidelines for conducting joint law enforcement operations (step 2). Guidelines should stipulate the distance interval and locations along prioritised corridors where joint inspections will take place. The selection of corridors should preferably be guided by traffic flows and the existence of efficient CMC. In terms of location points, road-side inspections are not recommended, since limited space on the shoulder of the road interrupt traffic movements, while also posing a safety threat since stationery vehicles obstruct the view of drivers.

Lastly, law enforcement agencies should align their operational programmes to incorporate joint law enforcement inspections, where after this initiative should be operationalised. (step 4).

7.3.6 Implement Technology for Law Enforcement Operations

Law enforcement officials should embrace developments and trends in the industry and implement ICT based strategies that will enable them to use smart technologies for law enforcement operations. Figure 29 illustrates the steps associated with implementing this reform.

Figure 29: Implement Technology for Law Enforcement Inspections

Implement Technology	1. Developed ICT based law enforcement strategy
	2. Acquire Funding
	3. Acquisition of smart technologies
	4. Train law enforcement officials on the use of smart technologies
	5. Implement smart technologies
	6.Monitoring and Improvement

Source: Figure created for study

Prior to adopting and acquiring smart technology for law enforcement inspections, a harmonised ICT strategy should be developed that outline ICT system and software requirements to enable the electronic capturing and sharing of data (step 1). The ICT strategy should specify which ICT tools (smart technologies) and software should be acquired and used by law enforcement officials to enable the electronic capturing and sharing of information.

Next, funding should be secured to acquire smart technologies (e.g. mobile scanning devices and scanners) to be used during joint law enforcement operations (steps 2 and 3). The goal is that information obtained during cross-border road transport inspections will feed into a single electronic platform that can be accessed by regulatory authorities in the Tripartite region. Since this reform is capital intensive, it is proposed that private sector players are bring on board to assist with funding (e.g. PPP).

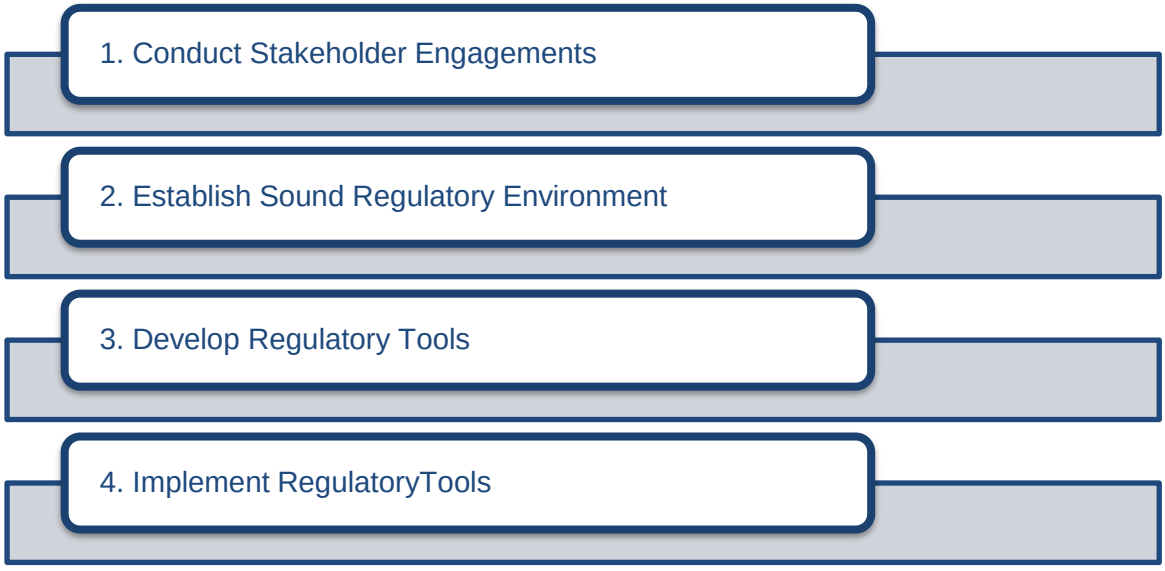
Prior to implementing smart technologies, law enforcement officials should undergo proper training so that they can familiarise themselves with the applications / use of smart technologies (step 4). The implementation of this reform (step 5) could yield several benefits, notably a reduction in fraudulent activities and time savings for cross-border operators who will be subjected to fewer law enforcement stops and shorter time intervals spent at joint law enforcement checkpoints. Once smart technologies have been implemented, constant monitoring is required to enable quick response to detected problems and to enable continuous improvement. (step 6).

7.3.7 Implement Risk Based Regulatory and Law Enforcement Tools or Systems

Regulators and law enforcement should implement risk based regulatory and law enforcement systems to enable law enforcement officers to monitor operator conduct along regional road transport corridors in terms of quality criteria (e.g. driver and vehicle fitness). This will enable profiling of operator risks and in turn inform law enforcement deployment and strategies. Meanwhile, compliant operators will be rewarded for good behaviour and will be subjected to fewer law enforcement stops / inspections.

The following steps are associated with implementing risk-based law enforcement:

Figure 30: Implement Risk-Based Law Enforcement



Source: Figure created for study

Stakeholder consultations should be conducted with national and regional role-players (e.g. inspectors, regulatory authorities) to reach consensus on the development and implementation of risk-based regulatory tools to guide joint law enforcement inspections along regional road transport corridors (step 1).

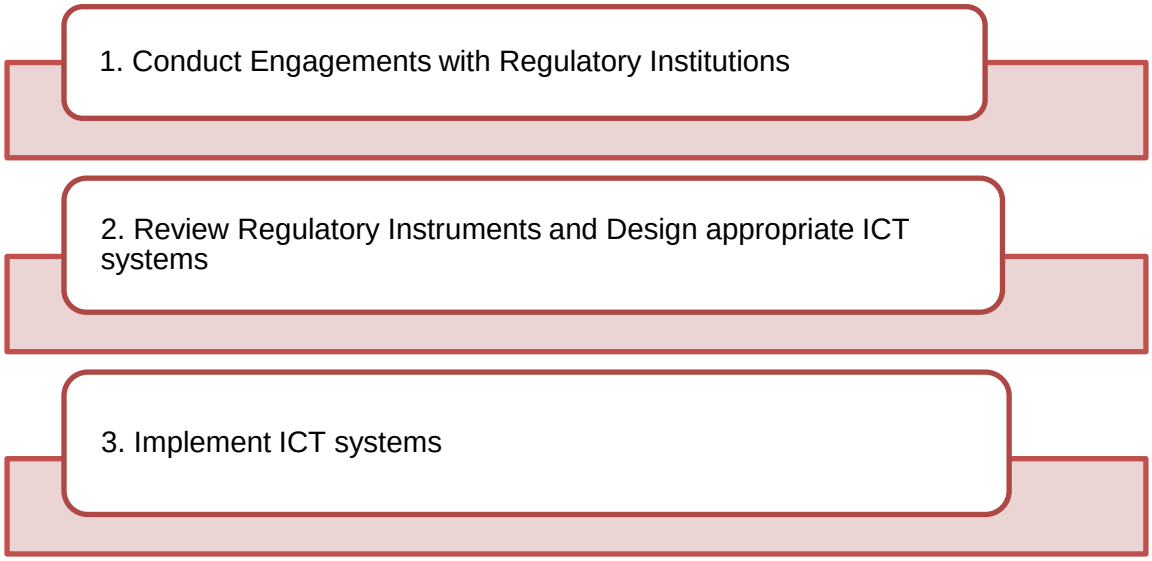
Once political will has been established, role-players should go back to their jurisdictions to amend existing legal instruments (laws and regulations) where after such instruments will be ratified by MS Parliaments to become law (step 2). Legal frameworks will outline the regulatory tools (step 3) that can be used by law enforcement authorities / officials to harmonise joint law enforcement inspections. Such tools will provide incentives to law abiding (compliant) operators who will be subjected to fewer stops / inspections. Once regulatory tools have been developed and approved, risk-based law enforcement tools will be implemented (step 4).

7.3.8 Capacitate Regulatory Authorities and Implement required ICT systems

Regulatory authorities in Tripartite MS should adhere to the global trend that represents a shift towards a paperless business environment and implement appropriate ICT systems to enable cross-border operators to submit required permit information (e.g. passenger lists and consignments notes) electronically, improve communication and overall efficiency in rendering services.

Figure 31 outlines the steps associated with implementing this initiative.

Figure 31: Capacitate Regulatory Authorities



Source: Figure created for study

Consultations should be conducted with regulatory authorities in the Tripartite region to obtain their support for the implementation of this Initiative (step 1). To move towards the harmonisation of transport policies / regulators, it is imperative that regulators agree on the type of ICT software / systems that will be used moving forward.

Once agreement has been reached, regulatory authorities should go back to their territories and review regulatory instruments (e.g. Cross-Border regulations) to make provision for the electronic submission of relevant permit documents. Once the required legislative changes been ratified by MS Parliaments, regulatory authorities should design the appropriate ICT systems and implement it (steps 2 and 3). Since this initiative is capital-intensive, regulatory authorities should include this cost item in their annual budgets.

7.4 Recommended Reforms and Action Plans

It is proposed that the reforms presented in this report be presented to various structures and institutions in the Tripartite. Those that are already being implemented should be supported, while the new reforms must be lobbied through various structures for buy-in. It is envisaged that the implementation of the reforms will enhance the seamless movement of traffic in the Tripartite, thereby enhancing inter and intra-regional trade and supporting the establishment of a continental free trade area.

The action plans here-under provide a high-level overview of the envisioned steps that stakeholders should take towards implementing the reforms. It should be noted that the establishment of trust / political will is a pre-requisite to success as none of the reforms can be fully operationalised if political support is not secured.

7.4.1 Existing Reforms

7.4.1.1 Action Plan for Reform 1: Implement Prioritised Road Transport Projects

Table 20: Action Plan Reform 1

Action Plan	Envisaged Impact	Responsibility
Implement prioritised cross-border road transport projects / programmes.	✓ Improved cross-border movements; ✓ Time and cost savings for cross-border road transport operators; ✓ Just-in-time deliveries; ✓ Improved economic growth and development.	✓ Tripartite MS; ✓ Private Sector; ✓ Development Finance Institutions.

7.4.1.2 Action Plan for Reform 2: Establish Regional Parliament(s)

Table 21: Action Plan for Reform 2

Action Plan	Envisaged Impact	Responsibility
Establish Regional Parliaments to improve delivery of regional commitments.	✓ Improved governance, transparency & accountability at MS level; ✓ Decrease in corruption and misuse of public money; and ✓ Improved delivery on regional commitments.	✓ COMESA & SADC MS.

7.4.1.3 Action Plan for Reform 3: Harmonise Regulatory Frameworks and Implement Quality Regulation

Table 22: Action Plan for Reform 3

Action Plan	Envisaged Impact	Responsibility
Harmonise regulatory frameworks and implement quality regulation.	✓ Improved cross-border road transport movements; ✓ Harmonisation of regulatory frameworks; ✓ Improved decision-making processes; ✓ Creation of a single regional road freight market; ✓ Intensification of regional integration efforts and progress towards establishment of a continental free trade area.	✓ Tripartite MS.

7.4.1.4 Action Plan for Reform 4: Implement One Stop Border Posts

Table 23: Action Plan for Reform 4

Action Plan	Envisaged Impact	Responsibility
Implement OSPBs	✓ Time savings at border posts due to improved border management processes; ✓ Reduction in total travel time and transport costs; ✓ Improved reliability / predictability; ✓ Increases in inter and intra-REC traffic flows; ✓ Enhanced economic growth and development.	✓ Tripartite MS.

7.4.1.5 Action Plan for Reform 5: Develop Corridor Performance Monitoring System

Table 24: Action Plan for Reform 5

Action Plan	Envisaged Impact	Responsibility
Develop and Implement a Corridor Performance Monitoring System for East and Southern Africa.	✓ Availability of real-time data on traffic flows; ✓ Improved decision-making by public sector role-players; ✓ Improved traffic flows along road transport corridors; ✓ Increase in intra-REC trade; ✓ Economic growth and development.	✓ Tripartite MS; ✓ Public sector role-players; ✓ Private Sector; ✓ Tripartite Secretariats; ✓ Tripartite Coordination Mechanism & Coordination Unit; ✓ Cross-border road transport operators.

7.4.2 New Reforms

7.4.2.1 Action Plan for Reform 6: Boost Private Infrastructure Investing in Africa

Table 25: Action Plan for Reform 6

Action Plan	Envisaged Impact	Responsibility
Obtain alternative sources of funding for infrastructure development.	✓ Improved monitoring and evaluation of key projects; ✓ Improved delivery on strategic infrastructure projects / programmes; ✓ Improved return on investments; ✓ Enhanced cross-border traffic flows; ✓ Improvements in inter & intra-regional growth and development.	✓ Tripartite MS; ✓ Public Sector Funding; ✓ Private Sector Funding; ✓ Development finance.

7.4.2.2 Action Plan for Reform 7: Establish Monitoring and Evaluation Bodies

Table 26: Action Plan for Reform 7

Action Plan	Envisaged Impact	Responsibility
Establish M&E bodies.	✓ Improved delivery of regional projects through continuous monitoring and correction; ✓ Improved return on investment.	✓ Political heads of Tripartite countries; ✓ Private Sector;

7.4.2.3 Action Plan for Reform 8: Coordinated Provision of Ranking Facilities

Table 27: Action Plan for Reform 8

Action Plan	Envisaged Impact	Responsibility
Coordinated Provision of Ranking Facilities.	✓ Incorporation of cross-border infrastructure requirements in local development plans, integrated development plans and integrated transport plans; ✓ Adequate provision of ranking facilities.	✓ Departments of Transport; ✓ Regulators; ✓ Provincial and local authorities.

7.4.2.4 Action Plan for Reform 9: Implement a Harmonised Cross-Border Charges Framework

Table 28: Action Plan for Reform 9

Action Plan	Envisaged Impact	Responsibility
Develop and implement a harmonised cross-border framework / system.	✓ Coordinated implementation of harmonised cross-border charges; ✓ Levelling of playing field for operators; ✓ Fair competition.	✓ Departments of Transport; ✓ Regulators.

7.4.2.5 Action Plan for Reform 10: Implement Mandatory Law Enforcement Operations

Table 29: Action Plan for Reform 10

Action Plan	Envisaged Impact	Responsibility
Implement Mandatory Joint Law enforcement.	✓ Reduction in duplications; ✓ Reduction in delays and transit times; ✓ Optimisation of resources; ✓ Improved productivity; ✓ Reduced cost of doing business; ✓ Elimination of silo operations.	✓ Departments of Transport; ✓ Regulators; ✓ Law enforcement.

7.4.2.6 Action Plan for Reform 11: Implement Technology for Law Enforcement Operations

Table 30: Action Plan for Reform 11

Action Plan	Envisaged Impact	Responsibility
Implement technology in law enforcement operations.	✓ Reduction in delays and transit times; ✓ Optimisation of resources; ✓ Collection and processing of information; ✓ High productivity;	✓ Departments of Transport; ✓ Regulators; ✓ Law enforcement.

Action Plan	Envisaged Impact	Responsibility
	✓ Reduced cost of doing business; ✓ Reduction in bribery and corruption.	

7.4.2.7 Action Plan for Reform 12: Implement Risk Based Law Enforcement Tools / Systems

Table 31: Action Plan for Reform 12

Action Plan	Envisaged Impact	Responsibility
Implement Risk Based Law Enforcement Tools / Systems.	✓ Reduction in delays and transit times; ✓ Optimisation of resources; ✓ High productivity; ✓ Reduced cost of doing business; ✓ Reduction in bribery and corruption.	✓ Departments of Transport; ✓ Regulators; ✓ Law enforcement.

7.4.2.8 Action Plan for Reform 13: Capacitate Regulatory Authorities and Implement Required ICT Systems

Table 32: Action Plan for Reform 13

Action Plan	Envisaged Impact	Responsibility
Capacitate Regulatory Authorities and Implement required ICT systems.	✓ Shorter turnaround times; ✓ Optimisation of resources; ✓ Improved productivity; ✓ Reduced cost of doing business; ✓ Reduction in bribery and corruption.	✓ Departments of Transport; ✓ Regulators; ✓ Law enforcement.

7.5 Role of C-BRTA in Implementing Corridor Reforms

The C-BRTA is one of many players operating within the cross-border road transport environment. Ultimate success in improving corridor performance depends on all role-players acknowledging gaps which exist and working in concert towards solving them through implementing existing and newly proposed reforms. Each stakeholder will have to play their part in ensuring that challenges cross-border road transport and trade faces are effectively dealt with.

The C-BRTA supports current initiatives in the region, notably the establishment of regional parliaments, migration to quality regulation through implementing the MCBRTA and the establishment of OSBP's since these on-going initiatives will improve the seamless flow of traffic within and between MS, thereby stimulating intra-regional trade and development.

Given the strategic importance of reforms proposed in this report and the envisioned benefits they pose to the Tripartite (e.g. enhanced trade and transport flows, reduced transport costs, economic growth and development), it is imperative that the C-BRTA engages with South African public sector players (e.g. DoT, DHA, SARS & Dti) private sector players (e.g. freight forwarders, clearing agents and financial institutions) and cross-border road transport operators to obtain local support and buy-in. This will ensure that South African role-players are united and voice their collective support for strategic reforms when participating in regional forums. Since all reforms display a regional character, ultimate success however depends on political buy-in from both national and regional role-players (MS governments, private sector, CMC and community) to adopt the same vision and work together towards realising each reform.

Given its advisory role, the C-BRTA is ideally positioned to champion implementation and provide advice to task team audiences on the advantages and potential risks associated with each reform. It is believed that by promoting and encouraging an approach of facilitation and discussion, rather than disinterest and sovereign prioritisation, the C-BRTA can plant the seeds of change in the minds of public sector role-players that currently prevent or frustrate progress in achieving the seamless movement of cross-border traffic along regional road transport corridors.

7.6 Conclusion

The implementation of the reforms proposed in this report will go a far way towards creating road transport corridors that facilitate intra-regional trade, investment opportunities, development, regional integration and sustainable growth. Regional integration goes hand in hand with the establishment of integrated road transport networks that will stimulate the growth of the cross-border market, with cross-border operators being exposed to fewer stops, new markets, quicker turnaround times, lower transport costs and improved profitability levels.

The successful execution of existing and new reforms depends to a large extent on securing political will and adequate funding to execute projects and programmes. Moving forward, an inclusive approach that involves all role-players in the cross-border sphere joining hands and working together throughout the project execution process should be adopted, since all reforms display a regional character, each MS has to mobilise stakeholders within their jurisdiction to act as implementation agents, while at regional level, coordination will be required to ensure that there is a common purpose and convergence to the approach that will be taken to implement agreed reforms.

Further to the above, M&E bodies will play a key role in ensuring that sound project management is maintained throughout the entire project life cycle - from inception to implementation – as well as measuring the impact of reforms thereafter.

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