



The First COMESA BUSINESS COUNCIL (CBC)
Transporters Dialogue- Regional Positions of Industry-
draft.

Call for final input on recommendations- deadline 12th October, 2015

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1. Introduction

The COMESA Business Council (CBC) convened the 1st COMESA Transporters & Logistics Services Industries Regional Dialogue from the 17th-18th September, 2015 in Nairobi, Kenya. The Dialogue was held under the theme, “Towards improved trade facilitation and reducing the cost of doing Business in the Transport and logistics services industries”.

The objective of the dialogue was to engage key public authorities on private sector positions and recommendations on reducing transport costs to doing business in the region. The Dialogue focused on harmonizing common positions of the businesses in the Transporters and Logistics industry, through core discussions on pertinent issues that are directly and indirectly contributing to the high costs of business along the transport corridors.

More than Sixty (60) participants from Companies and associations coming from 15 countries in the COMESA region, ranging from Freight forwarders, logistics companies, cargo handlers, transporters and truckers were among the businesses who participated at the Dialogue. Below are the adopted positions of the CBC Transporters Workgroup, formed on the 18th September, 2015- during the above said Public Private Dialogue.

Below is the position paper of the Transporters and Services Logistics Industry, to be presented to the “**Ninth Joint Meeting of the Committees on Transport and Communications, Information Technology and Energy**” on the 26- 28 October, 2015, in Bahr Dar, Ethiopia.

2. On Investment in Rail-Road and Maritime in infrastructure development

The meeting noted the work has been done in mobilizing funds through Public- Private Partnerships at the continental and regional level for road, rail and maritime transport. The meeting recognized the strength of political will that has seen the fast tracking of infrastructure corridors along Eastern and Southern Africa.

The meeting recommended that;

- **Member states are requested to use a balanced approach in allocating investment to both road and railway transport.**
- **Member states are called to recognize that Infrastructure alone cannot improve transport efficiency; there is need for technological advancement in the systems, especially in regard to capacity strengthening of the managers of the corridor.**
- **Member states should look at more inclusive innovative financing mechanisms to mobilize funds for rail-road-maritime, infrastructure and inland waterways through levies among other models.**

3. On improving services efficiency along the Borders

The meeting noted some operational setbacks of the corridors have led to significant transport delays. Secondly, increased transport costs hinge around differing regulations in some of the countries along the transit corridors. Some of the issues noted are i) non-harmonized customs border procedures and documents, Inefficient border services (i.e. un-harmonized weighbridge equipment, overload control certificates, differing axle load limits and vehicle dimensions between countries among others.

The meeting recommended that:

- **Member states are called to consider that when improving the road networks along the corridors, there is a need to ensure that hard and soft IT infrastructure networks do not adversely affect the existing road systems in the region.**
- **Member states are requested to ensure that the COMESA Virtual Regional Trade Facilitation System should also have an inclusivity of cargo tracking along the rail systems. Further recommends that the CVTFS should have a keen focus on transport efficiency, instead of focusing on illegal imports and embargos.**
- **Member states are called upon to adopt an African standard on key products that are traded in the region and in international markets as common standards would greatly improve trade facilitation.**
- **Member states are called upon to further improve and simplify customs requirements and documentation needed, in an effort to improve on trade facilitation and efficiency.**

4. On establishment on a Pan African Logistics Information hub/facility

The meeting noted the challenges businesses face when trying to put in place all the necessary documents needed to handle a consignment from country to country. Occasional delays are caused by requests for additional information and documents, which results in time and cost losses. There is need for a collective platform of information on customs documentation in the region.

The meeting recommends that;

- **Member states are requested to support the request for a Pan African Logistics information hub which will be a depository of documentation required to for movement of goods between countries. The facility should be accessible to all corridor users, ranging from manufacturers, logistics services and other stakeholders along the corridors.**

- The private sector is requested to support the COMESA Business Council Transporters Workgroup, in the collection of the necessary documents needed to facilitate import-export of goods when doing business along the corridor. This can be established as an information portal under the CBC.

5. On Communication between regulatory and customs authorities and private sector;

The meeting noted the challenges faced by companies and logistics services when there is an immediate application of adjustments are made to existing operations along the corridor- in terms of additional documents required and system changes. This has led to delays at the border where goods cannot be cleared due to limited or in some cases lack of knowledge on the changes made by the corridor users.

The meeting recommended as follows;

- Member states are requested to allow effective timelines of adjustments for new requirements of documents or procedures along the borders. In this regard the private sector called for a sufficient two week notice for the implementation of such requirements and documents- to all stakeholders involved- inclusive of public and private sector.

6. On delays due to physical verification and risk management systems

The meeting noted the delays at the border due to verification procedures as well as the need to upgrade inspection facilities to ensure non- intrusive methods that do not damage the cargo shipments.

The meeting recommended as follows;

- On physical inspection, member states are called upon to explore of non-intrusive methods of inspection, to essentially allow that products remain intact upon delivery to the buyers/consumers.
- Member states are called upon to provide a mechanism to support reverse logistics flow of merchandise which could have been wrongly shipped into a country.
- For transit goods, member states are called upon to upgrade existing facilities to allow technology efficiency in inputting of cargo information into the systems from the point of entry and not at every border point
- Member states are called upon to adopt similar value standards on weighbridges, axle-loads.

7. On Accelerated Implementation of Regional Customs Bond Guarantee System

The meeting noted the need to Increase Regional Cooperation through the implementing of trade facilitation instruments as necessary to for the reduction of costs. The RCTG was extensively discussed as an instrument that can reduce time, and huge costs incurred through the current transit bonds that countries still implement.

The meeting recommended as follows;

- **Member states are called to move towards the full implementation of the Regional Customs Transit Guarantee System across the region as key to reducing costs for business. There should be an agreement to allow the phasing out of national transit bonds. The fees, levies and maximum threshold premiums should be standardized across the region and formally gazetted regionally.**
- **COMESA Secretariat should ensure that the RCTG is implemented across the board. The fees, levies should be documented, gazetted and legalized**
- **There is a need to sensitize the users on the RCTG across the member states**
- **There should be a review of the number of participants who can implement the system within a phased timeframe.**
- **It should be noted the COMESA can work with NCTTCA to work on the challenges in the implementation of the RCTG and how to solve**

8. On the acceleration of the COMESA Customs Union and a Single Customs Territory

The meeting noted the need to have the COMESA member states move towards the a customs union and as such begin the implementation of a Single Customs Territory. This would facilitate the removal of many stumbling blocks and ensure the harmonization of customs processes and laws across the 19 countries, hence facilitating trade along the North South Corridor .

Member states recommended the following;

- **Member states are requested to recognize that South Sudan is a key player in the Northern Corridor but is not part of EAC or COMESA and has trade restrictive regulation and restrictions on the movement of persons. There is need to lobby South Sudan on trade facilitation reforms to facilitate trade for the Northern Corridor.**
- **Member States to adopt and implement the COMESA Virtual Trade Facilitation System; which provides a regional mechanism to cater with a number of key challenges on data management, strengthens risk management systems and**

leads to reduction of time and processes through a One Stop Shop system. The implementation of the COMESA Virtual Trade Facilitation system should take key cognizance of all stakeholders and ensure value for all stakeholders; including ensuring efficient service delivery.

9. On Private Sector Coordination through the CBC Transporters Workgroup and representation at the policy organ level

The meeting noted the great need to form a Regional sectoral workgroup to increase collaboration amongst the private sector stakeholders for development of common positions and sharing of information and best practices on trade and transport facilitation.

The meeting recommended as follows;

- Member states are called upon to recognize the formation of the CBC Transporters workgroup as a sectoral committee of businesses who will provide key services on harmonization of industry positions to the policy organs, information intelligence, businesses and partnerships across the COMESA region. The workgroup will represent the interests of the transporters at all levels of decision making through the CBC Board of Directors.
- Member states are called upon to recognize that the CBC Transporters Workgroup is represented by the Zambia Truckers Association and the Uganda Transporters Alliance, under the governance of the Chairperson of the CBC.
- Member states are called upon to note that sub- sectoral workgroups will be formed within the overall work group, depending on the demand of the committee membership.
- The first action of the CBC Transporters Workgroup is to form
 - COMESA regional shippers logistics sub- sector workgroup ;
 - To create a depository of the necessary information and documentations required to facilitate cargo movements along the corridors of the 19 countries.
- There is a need to have a Transporters committee meeting held alongside the Policy organ meetings in support of the public- private engagement initiatives towards improved trade facilitation agenda.

10. On Access to Information on Trade Facilitation Instruments

The meeting noted the clear relevance of having information sharing platforms such as the COMESA Transporters Dialogue, which has raised awareness on key contentious

issues and critical trade facilitation instruments that were not fully utilized due to the lack of adequate information on their benefits to business.

The meeting made the following recommendations;

- **Member states are called upon to develop an awareness campaign to the private sector on COMESA Trade Facilitation instruments; and for stakeholders to take advantage of the instruments like the COMESA Yellow Card, regional Customs Bond Guarantee. Awareness mechanism should target all key stakeholders involved; border agencies, police, general public and private sectors.**
- **Member states are called upon to develop key training modules for equipping operators and stakeholders along the corridors, as this ensures operational efficiency along the corridors.**

11. On uncompetitive Business Practices

The meeting noted some of the challenges faced by inter- industry partners namely the manufacturers and logistics services providers. The meeting noted the need to ensure business compliance in standards requirements and ensuring partnerships with legitimate companies.

The meeting recommended as follows;

- **Member states are called upon to assist the private sector to ensure improved business practices through sound Service Level Agreements between manufacturers and transport and logistics services providers.**
- **Member states are called upon to support transparent business practices which provide safeguards to protect regional businesses from exploitation by unrecognized international businesses.**
- **Member states are called upon to improve business services through training logistics services providers- with a specific focus on technology efficiency, value addition and integrating logistics services.**

12. On Port Efficiency and Cargo Handling

The meeting noted that improving port efficiency is necessary to facilitate trade and transportation of goods, especially for the landlocked countries. There is need to adopt measures that increase port efficiency and cargo handling through use of upgraded technology, inter- agency coordination among other technical and skills capacity training. There is also the need to provide enough information to cargo handlers and partners on monitoring consignments along the corridor. The meeting noted that existing efforts to provide such a facility have not been performing efficiently.

The meeting recommended as follows;

- **Member states should adopt 24/7 working systems at the ports, and this should be seamlessly done across the region. should be mindful that there should be collaboration across ports, to ensure efficiency in technology and a regional standardized approach to port management .**
- **Member states are called upon to work with COMESA Secretariat to develop indicators on port collaboration to allow member states to monitor port performance, so as to move towards improved standardized, quality port management.**
- **Member states are called upon to develop a One Stop Centre for all the agencies (clearing and forwarding procedures) at the port.**
- **Member states are called upon to ensure transparency in the monitoring of consignments as they move along the corridor- by providing an open e-information sharing platform for the stakeholders. It should be noted that the existing tracking platforms provide limited information on this.**

13. On Addressing Freight Forwarding constraints to business

The meeting noted that the freight forwarding services faces challenges in automation of business processes, with an increased resistance of moving manual to online services. The meeting also noted the challenges faced by businesses in risk management and compliance when it comes to investing in upgrading systems and operational methods. The issues of skills and capacity building; as part of quality management also contributes to inefficiencies on managing consignments along the corridors.

The meeting recommended as follows;

- **Member states are called upon to work with the private sector to build on human capital through training their people, improving business model operations and building process requirements for increased efficiency. Understanding on business requirements.**
- **Member states are called upon to encourage value standards amongst the freight forwarders to ensure quality management in services provided.**
- **Member states are called upon to engage in Public Private Partnerships that can set up automated business processes to improve corridor efficiency for all stakeholders and corridor users.**
- **Member states are called upon to improve private sector facilitation in policy formulation- most especially in areas of policy compliance as end users of the corridors.**

- **Member states are called upon to put a special intervention on including women in the freight logistics sector.**

14. On curbing Illicit Trade and counterfeits, and road safety requirements

The meeting noted that there are various best practices at the international level which can be replicated within the region with regards to curbing illicit trade and road safety. The meeting recognized work done by the CBC on developing a regional framework as guidance on putting together a protocol on anti-illicit trade.

On Road Safety; the meeting recommended as follows;

- **Member states are called upon to request the CBC and the COMESA Secretariat, to work in liaison with the World Customs Organization to raise awareness on health and safety hazards, smuggling, drug trafficking, counterfeits, weapons along the transit routes/ borders.**

On Illicit trade; the meeting recommended the following ;

- **Member states are called upon to increase awareness through information sharing on the control of illicit trade along the borders .**
- **Member states are called upon to review various regulations that indirectly contribute to breeding of illicit businesses, due to their stringent requirements.**
- **Member states are called upon to improve inter agency cooperation in areas of customs, law enforcement, anti-counterfeit, standards to ensure a coordinated business friendly approach to curb illicit trade.**

The above recommendations were adopted on the 18th day of September, 2015, at the 1st CBC Transporters and Logistics Services Dialogue, in Nairobi, Kenya.