

# REPORT

## Tripartite (COMESA, EAC and SADC) Regional OSBP Workshop

26 and 27 October 2011  
Johannesburg, South Africa

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## Tripartite (COMESA, EAC and SADC) OSBP Workshop

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The Southern African Development Community (SADC) invited member states to a Workshop designed to introduce them to the *One Stop Border Post Source Book* as a resource for developing One Stop Border Posts (OSBP), to discuss the development of a common strategy for OSBP development in SADC, and to discuss a policy for concessioning of border posts in the SADC region. SADC has 35 commercial border posts with significant traffic volumes on its identified corridors, 22 of which are under consideration for conversion to OSBP. This made the workshop central to informing and harmonizing these initiatives.

The *One Stop Border Post Source Book* was initiated by the East African Community (EAC), the Infrastructure Consortium for Africa (ICA) and Japan International Cooperation Agency (JICA) to capture what has been learned thus far about the implementation of OSBPs in Africa. A copy was distributed at the conference and it can be downloaded from the EAC website, [http://infrastructure.eac.int/index.php?option=com\\_docman&task=cat\\_view&gid=78&Itemid=143](http://infrastructure.eac.int/index.php?option=com_docman&task=cat_view&gid=78&Itemid=143). Corridor Development Consultants (CDC) was selected as the Study Team to research and draft the *Source Book*. They also organized this workshop on behalf of the Tripartite, JICA and TMSA.

### 1. Program Summary

The agenda began with official welcomes by the Deputy Executive Secretary for SADC and the Resident Representative for the JICA Southern Africa Office. This was followed by a statement from SADC of the specific objectives for the two days and how it fits within broader objectives for corridor development and facilitation. Then two major concepts forming current trends and best practice were introduced: OSBPs and Coordinated Border Management (CBM). Concrete examples were provided for both. The operation of the pilot OSBP at Chirundu and lessons that can be learned from the implementation were described as well as CBM initiatives of the USAID Global Competitiveness Trade Hub. Next members of the JICA Study team highlighted the key *OSBP Source Book* findings on legal frameworks, procedures, ICT, infrastructure, facility management and institutional structures. This led directly into breakout sessions where the participants could share insights and propose areas that should be incorporated into a regional strategy. Reports highlighted the conclusions of each breakout session.

The second topic was the recent experience with border post concessioning in the region. A presentation on current concessioning and the potential impact on transport cost and trade facilitation was given followed by breakout sessions where each group discussed a series of questions designed to elicit consideration of the issues and report back to the plenary. The final session was a discussion of recommendations to emerge from the workshop and road map for the way forward.

The workshop generated interest and considerable consensus on issues and the way forward. The delegates expressed a great deal of satisfaction in the workshop, although they would have liked to have more time for discussion of all the issues raised in the two days. Delegates have requested that there is need for follow up at the national level so the full group of agencies and private sector involved in the establishment of OSBPs could be involved. It would provide a useful meeting to inform and motivate all the stakeholders at the national level to begin the process of drafting a legal framework and organizing for tasks related to simplification and harmonization of procedures, increased use of IT and review of border post condition and design for conversion to OSBP operations. (Agenda, Annex 2)



## 2. Participants

SADC invited each member state involved in mainland transport corridors to send four delegates to the workshop. Participation was diverse including border control agencies, ministries of trade, foreign affairs, regional integration and so forth. There were also representatives of the Federation of Eastern and Southern Africa Road Transport Associations, the Federation of Clearing and Forwarding Agents of Southern Africa and the Southern African Railways Association. Development Partners were also invited to attend and were represented by JICA, TMSA, ICA and the USAID Global Competitiveness Trade Hub. (List in Annex 1)

## 3. Program Description

### 3.1 Initial Presentations

#### *Keynote Statement and Opening Remarks*

A keynote address was provided by the Deputy Executive Secretary for Regional Integration, Eng. Joao Samuel Caholo, on behalf of SADC Secretariat and member states. The address traced the performance of Africa and the RECs on transport corridors in general. It went on to emphasize the need for integration amongst the trading blocs of East and Southern Africa in order to facilitate trade. It reiterated the need to improve trade effectiveness by working with the International cooperating partners. The development of *OSBP Source Book* for border crossings was essential to improve current operations along the corridors, borders and ports in SADC sub-region. (Text in Annex 3)

Toshiyuki Nakamura, Resident Representative of JICA South Africa, presented opening remarks that spelt out the objectives of JICA's support to OSBPs amongst African states and the development of the *OSBP Source Book*. His address introduced the rationale for OSBPs, the *OSBP Source Book* and the expectations for the workshop. (Text in Annex 4)

### *Objectives and Outcomes of Workshop: SADC Secretariat*

Lovemore Bingandadi, Corridor Advisor to the SADC Secretariat and Chair of the workshop, invited the delegates to make self-introductions. All expressed the desire to learn more about OSBPs through the Workshop and to interact with their fellow delegates to gain from their experience. Mr. Bingandadi presented the background, objectives and expected outcomes of the workshop. He pointed out that under the SADC trade and transport facilitation strategies, the main objective was to remove nontariff barriers to trade in order to make SADC goods and services more competitive.

### *OSBP Concept and Source Book*

Lynn Harmon, JICA Study Team/CDC team leader, introduced the OSBP concept, rationale and benefits. The cost of being slow is sizable. A three to five day wait at the border can cost \$750 to \$3000 and leads to increased inventory costs and loss of competitiveness. One day's delay has been estimated to reduce trade by 1% or the equivalent to distancing a country an additional 70 km from its trading partners. The presentation provided a review of OSBP operations and the current trends and international best practices in trade facilitation. It also reviewed the objectives, organization and content of the *OSBP Source Book*.

### *Lesson Learnt from Chirundu OSBP Pilot and the Concept of Border Management*



The two Revenue Authority managers at Chirundu border, Arnold Nkoma and Tichaona Phiri, presented their experiences in the development of the OSBP at Chirundu between 2007 and 2009 and with OSBP operations since 5 December 2009. Chirundu is located on the Zambezi River between Zimbabwe and Zambia necessitating a juxtaposed facility in which exit controls are carried out in the country of entry enabling a single stop in each direction. The managers explained the role of the legal framework and the principles guiding OSBP operations. They reviewed the flow through the border post and the way in which existing buildings have been modified to enable OSBP operations. Joint operations and inspections are important to improve the efficiency of the border and need to be carefully planned and updated on a continuing basis.

The key challenges were highlighted. One was lack of connectivity between the two sides on the control zone. Officers on either side of the border conduct their exit operations manually and then capture the transactions in their computer systems later, sometimes after two days. The connectivity is expected to be operational in the next few months as fiber optic is laid along the corridor and extended within the common control area. ICT installation should be planned from the beginning and incorporated in the consideration of simplified and harmonized procedures.

It is important to involve all the stakeholders in the development of the procedures and to build consensus amongst border agencies and also between the adjoining Governments. Ownership and responsibility for the project must be clear. A proper action plan is essential for effective results. Increased use of risk management and coordinated border management provide tools for building efficiency and agency coordination into the procedures developed. Infrastructure development and ICT issues should be assessed and agreed upon by all stakeholders. A change management program for local residents, officers and the private sector should be carried out to build receptivity to new ways of doing controls. Training for government officials and the private sector will ease the transition. Leadership at border post level is critical. At Chirundu, the Joint Steering Committee created to guide implementation was converted to a Joint Border Committee to make major policy decisions regarding the overall operation of the OSBP and maintain commitment at senior levels of government in both countries. A Joint Operations Committee, composed of representatives of border control agencies working at the border and private sector users, meets monthly to address issues that arise in the day to day operation, management and maintenance of the facility. Governments should have an obligation to set up an OSBP fund for administration of meetings. Ownership of the project must be clear from the outset and accompanied by the strong political and technical will.



There were other aspects that should be considered for the future development of OSBPs. The OSBP model, process flow and clearance procedures should dictate infrastructure needs and layout, not the reverse. Facilities and infrastructure requirements should be carefully planned, jointly with all users. There are other fundamental expectations due to various issues such as client public relations, agreement on hours of operations and adequate signage to guide users through the facility and to understand where specific functions are carried out. Focused training on basic ethics for all staff in the CCZ and working side by side with officers of the other country with clear operational procedures will tend to discourage various forms of corruption sometimes found at border posts. Base line data should be collected during the preparation and a performance monitoring mechanism by the management committee/authority is necessary to seek continuous improvement in operations.

The two OSBP Managers were queried about the issue of who heads the OSBP at Government level, the availability and ownership of land, duplication of scanners services and absence of signage for new travelers. They responded that the two Governments decided the lead agencies. In Zambia, Ministries of Commerce, Trade & Industry has the lead and, in Zimbabwe, the Ministry of Regional Integration and International Cooperation has the lead. They also discussed the importance of insuring that land could be acquired for future expansion and that equipment usage was shared. They explained the issues about shared use at Chirundu, which is complicated by the fact that the

facilities were not built to be an OSBP. The managers indicated that Customs clearance takes 30 minutes on average and that overall clearance generally is accomplished in a day.

### *SADC Coordinated Border Management (CBM)*

Willie Shumba, Senior Officer (Customs), SADC Secretariat, presented CBM as a preferred border management approach, which includes coordination and cooperation by all relevant agencies at one side of the border crossing. The Tripartite (COMESA, EAC & SADC) has agreed to consider CBM guidelines and how domestic agencies can use them to cooperate on one side of the border. Godwin Punugwe, Senior Transport Advisor for the USAID Southern Africa Trade Hub, described their work on CBM as an example of what can be implemented under this important initiative.

Questions were raised regarding the efficiency of the OGAs' IT and clearance systems, human resources and corruption. The private sector has a challenge supporting training for their agents. The South African Revenue Services (SARS) representative urged other Revenue Authorities to extend training services to OBAs in their technical and administrative domain if CBM is to become implemented at the borders.

The SADC Deputy Executive Secretary raised a concern on the level of Member States representations were high enough to commit their home Governments. He reiterated that the OSBP initiative requires high level Government involvement and participation. The integration process and agenda is slow because SADC lacks supra-national organs. Multi-disciplinary approaches by the national institutional mechanisms are required at this stage. He proposed that an OSBP project requires a high level Government intervention such as the cabinet to lead the initiative. The implementation challenges can be handled by the relevant portfolio ministers.

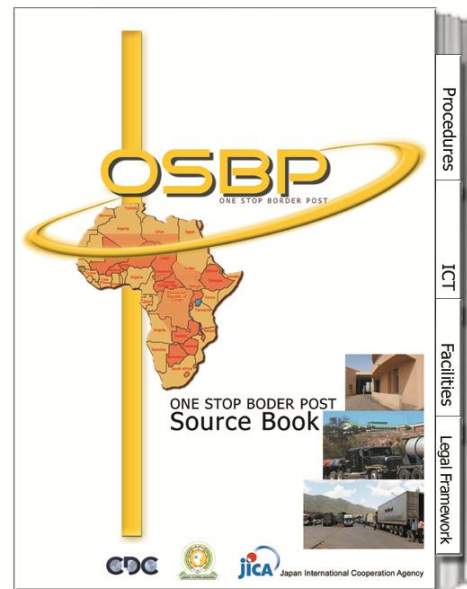
It was further observed that an OSBP is a means to an end. Therefore, border agencies' sensitivity and concerned with the unknown is unwarranted. The border agencies inability to interface is due to lack of automation and high costs associated with IT systems. SADC should come up with an integration platform to support OSBP initiatives and some border agencies those immediate resources.

### **3.2 Critical Issues in OSBP Implementation from the Source Book**

The JICA Study Team highlighted critical issues covered in the Source Book. The presentations were also used to stimulate discussion among delegates during the breakout sessions.

### 3.2.1 Legal

The presentation highlighted the OSBP concept as entailing the performance of border controls by officers of one State from the territory of another within a specified common control zone that must be specifically authorized in the laws of both States. Thus the underlying legal principles to the OSBP concept include extraterritorial jurisdiction and hosting arrangements. The process of crafting the legal framework for the establishment of OSBPs invariably begins with an analysis of existing border control legislation for provisions entrenching or limiting the said underlying OSBP legal principles and coming up with potential legal instruments through which these can be enacted.



At the bilateral level, it was highlighted that appropriate legal instruments could take the form of an MOU, MOA, Protocol, Treaty, Constitution, Convention or some other bilateral agreement between any neighbouring States in conjunction with the enactment of a National OSBP Act in each of the States. At the regional levels, multilateral arrangements could take the form of a REC Act and Regulations (especially where there is a regional legislative assembly) or a REC Protocol, Multilateral Agreement, Treaty, Constitution, Convention or some other agreement in conjunction with the enactment of National Acts in each of the States (especially where there is no regional legislative assembly). It was emphasized that where any of the above multilateral instruments exist authorizing the establishment of OSBPs (e.g Protocol on Transport, Communications and Meteorology or Protocol on Trade in SADC), the legal instrument could take the form of an Annex to the existing Protocol.

Various sections in the *OSBP Source Book* dealing with the essential elements of the OSBP legal framework, the processes of enacting various legal frameworks and suggested implementation process were highlighted. The presentation further outlined the parameters for crafting a regional strategic legal framework to guide harmonized and standardized processes of establishing OSBPs in a region.

### 3.2.2 Procedures and ICT

Harmonizing and simplifying procedures requires reviewing the transaction documents in use, re-engineering procedures for greater efficiency and then automating to heighten performance and coordination. An OSBP is designed to facilitate officers from adjoining states working together and coordinating to carry out joint activities or carrying out controls simultaneously rather than consecutively as much as possible. In an OSBP, it is easier to share and optimize use of facilities and equipment. Within the common control zone, inspection and examination of goods should be conducted once in the presence of all relevant agencies. To keep clearance activities moving, it is necessary to agree on common hours with a commitment to move toward a 24 hour, 7 days a week schedule with adequate, professional staffing.



A series of steps should be taken to improve the OSBP performance. The first is to review data, documentation and processes to determine how they can be simplified and harmonised. Once this has been done, the procedures can be re-engineered for OSBP operations. The re-engineering should incorporate IT applications, wherever appropriate. Opportunities for delegation of authority should be identified and systems developed for delegation, sharing facilities and joint inspections. Agencies have several tools they can apply to improve controls and operational efficiency. These include risk management that identifies goods for a fast (green) channel and those for inspection (red channel). Software has been developed for Customs, but can be used by other agencies as well to enhance planning for the total clearance process. Authorized economic operator programs are also being developed to provide expedited clearance for compliant clients. Through coordinated border management arrangements, repetitive examinations can be avoided. Where joint equipment use is introduced, the results will be shared among agencies. The procedures are mapped and displayed electronically through soft or hard notice boards to give predictability and location of the process chain.

Establishing IT systems for implementation by the border agencies is a key driver to support OSBP projects. It is critical to do a needs assessment on the existing systems and on functionality that will be needed to support the OSBP operations. If lacking, a business case should be developed for procurement and funding. Within countries there are usually leading IT service providers to connect to their national networks. Agencies ought to use compatible systems for connectivity to national IT systems. The introduction of community-based systems or a single window platform brings a single portal for communication/interface with clients. Other IT related tools, such as cargo tracking systems and the regional interconnectivity, assist in establishing a region-wide network of national systems. The operating staff for border agencies and all users will require continuous capacity building and training



### 3.2.3 *Infrastructure and Institutions*

Key lessons have been learned from the current implementation of OSBPs in Africa. Physical facilities should be planned after the design or re-engineering of procedures. The functionality of the design should be reviewed by officers working at the border and by border users. Connectivity within the common control zone and ICT applications should be planned from the beginning.

Depending on the design and condition of the existing border post, new facilities can be designed for OSBP operations or existing facilities can be modified to operate as OSBPs. Since most of the border posts in the SADC region are in reasonably good condition or recently built, many OSBP will be based on modifying existing facilities. The presentation provided designs for three very different

border posts and the recommendation in each case for modifying the facility for OSBP operations depending on the position, layout, existing facilities and type of traffic. The slides pointed out some of the issues that would need to be addressed in considering the design of the terminal and facilities. These include traffic flow, processing requirements, scanning and inspection facilities, security, parking, public service areas, office requirements, staff housing and commercial facilities.

It is important to carry out a baseline survey before initiating the project. It will provide data for designing the facility, data against which to measure impact, existing and projected traffic by volume and type, and data to prepare plans that meet near-term needs while also providing for expansion to meet traffic growth. Types of data to be collected include: traffic type and volume, commodities and special clearance requirements, current procedures and time for each step in the clearance process, agencies at the border and their interventions, current staffing and housing arrangements.

Leadership and management are major issues in an OSBP, both during implementation and operation. There are many agencies at borders, each reporting to their own headquarters. Therefore it is important that there is a management structure that takes ownership of the project. Representatives from border agencies are needed to ensure the practical application of proposals and from headquarters to ensure the project complies with agency policy and regulation and to ensure senior level buy-in is maintained. The management structure has generally consisted of a Steering Committee, co-chaired by Permanent Secretaries of the lead Ministries and composed of representatives of all border agencies. Once operational, this committee can become a Joint Border Commission to take policy level decisions for the OSBP, while day to day issues are resolved by a Joint Operations Committee at the border which meets monthly to assess progress and resolve issues that have arisen. Other management approaches are the issuance of a private sector maintenance contract and creation of a border authority operating at the national or corridor level. Task teams and timelines are useful tools to ensure successful implementation of an OSBP: procedures, ICT, facilities and legal framework. These topics are all fully explored in the *OSBP Source Book*, which can inform the development of these topics for the regional strategy.

#### **4. Breakout Sessions and Reports: Aspects of an OSBP Strategy**

##### **4.1 Legal Framework Breakout Session**

During the breakout session, the legal framework group determined that the two underlying legal principles of extra-territorial jurisdiction and hosting arrangements are considered adequate to underpin the establishment of OSBPs in the SADC region as these have not been legally challenged as yet. The group further determined that the SADC Protocol on Transport, Communications and Meteorology and the Protocol on Trade provide adequate authority under which the regional legal framework for OSBPs could be established in the form of an Annex to a protocol. It was resolved that such Annex would cover a SADC Regional OSBP Strategy, Model OSBP Guidelines, a Model Bilateral OSBP MoU and a Model National OSBP Law. The group further went on to outline the strategic steps required to implement the regional legal framework as incorporating the development of a SADC Regional OSBP Strategy, the convening of a multi-sectoral meeting of senior officials with border controls responsibilities to review a draft strategy and roadmap, the convening

of a multi-sectoral meeting of Ministers to approve the same and the crafting of an implementation plan. Reasons for delays in concluding and signing legal instruments establishing OSBPs and enactment of appropriate legislative instruments were mooted with a view to suggesting pre-emptive measures in this regard.

At the plenary session to discuss the above presentation, it was reconfirmed and emphasized that SADC was not a supra-national institution and thus whatever is agreed at the regional level would need to be domesticated by way of national legislation by the member States for such to have legal effect. It was further emphasized that in order to obtain the requisite commitment from member States, appropriately designated senior officials in terms of the SADC Treaty should be obliged to attend meetings as will be scheduled. Whilst accepting the resource constraints member States face in this regard, the session agreed on the need to prioritize the development of OSBPs along existing regional transport corridors. The need for a multi-disciplinary consultative process at all levels involving all public and private sector stakeholders with an interest in border issues was re-emphasized. It was concluded that there was a need to review the number of protocols for the region as these have largely remained unimplemented and ineffective.

#### **4.2 Procedures and ICT Breakout Session**

One Stop Border Posts (OSBPs) have been recognised as an essential component of trade facilitation. To achieve OSBP efficiency, agencies should be better coordinated in the application of their controls through the principles of Coordinated Border Management (CBM). Through CBM there is need for a common procedures framework with due regard to harmonisation, simplification, application of ICT and use of joint controls in the clearance process by all agencies.

The performance of OSBPs has an impact at national and regional levels and affects the effectiveness of regional transport corridors. Due to the fact that OSBPs are not only national, but bi-national undertakings with regional and corridor dimensions, their procedures and ICT changes should come from regional, corridor and national institutions. Breakout participants deliberated on required changes to procedures and ICT application at the three levels and recommended the following:

##### *Regional level*

1. There is need to reduce excessive transactional documents involved in the conduct of trade by:
  - i) Simplification and Harmonisation: Documents differ from one country to another though they serve the same purpose. It is necessary that these documents are simplified and harmonised so that their usage can transcend borders and ease operations at the OSBPs.
  - ii) Automation: Due to increasing regional trade and the need for better information management, the simplified and harmonised documents should be automated. At the regional level, there should be guidelines on how automation of procedures and documents could be done for successful performance of OSBPs.

- iii) Single Window: Even if automation could be achieved at agency level, there would be need for agencies' systems to be linked to one another for the common purpose of carrying out coordinated controls through CBM. The region needs guidelines on how to achieve the inter-phasing, especially guidelines for the creation of national Single Windows (SWs) with a view to establishing a regional Single Window.
2. It was observed that there is a general perception that installation of automated systems at the border is sufficient to improve operations at the OSBP. However, the workshop recommended that in addition to automation of simplified and harmonised procedures and documents, there must be:
  - i) Balancing between control and facilitation that would result in greater OSBP efficiency. The region should promote the use of risk management in OSBPs within the context of CBM so that there is optimum performance by all agencies to establish similar or uniform standards in developing risk management selectivity profiles and registers in the region. Carrying out some controls inland would reduce dwell time at the borders and improve border efficiency.
  - ii) Capacity building programmes for trade and border activities have focused on government agencies with little recognition of other players involved in trade. For OSBP to function more efficiently, capacity building programmes should be formulated and implemented for all OSBP stakeholders, including the private sector, e.g. clearing agents.
3. The automation of documents and procedures is not adequate without management and supervision to monitor the efficiency of procedures and performance of various players in the OSBP. The workshop recommended that there must be the following management tools in the OSBP:
  - i) Procedure monitoring tools: There must be tools to assess the duration of various stages of procedures in the clearance process. This is one way of instituting continuous improvement. The region could develop guidelines on how such tools could be deployed and expected critical stages that need to be measured.
  - ii) Performance monitoring tools: Along with procedure monitoring tools, there must be tools to monitor the performance of OSBP personnel to identify areas of time loss in clearance and identify where there is need for capacity building.
4. In some regional groupings, especially in Asia, there are initiatives to establish regional single windows to facilitate trade. This was found to be necessary for the SADC region to promote CBM and introduce high levels of efficiency. It is expected that a regional single window will develop from national single windows, hence the need for regional guidance in the development of national single windows.
5. It was observed that in borders and OSBPs there is lack of transparency, predictability and consistency in activities of border agencies. To resolve these problems the workshop recommended that there must be:

- i) **Publicity:** Procedures and regulations governing clearance and various controls in the OSBPs must be publicised so that the travelling public can be better informed. This would improve transparency, predictability and compliance that would lead to reduced clearance time. The region can give guidelines on publicity requirements at the OSBP so that countries embarking on OSBPs can adopt such standards.
  - ii) **Service standards:** In an OSBP and in the context of CBM, the presence of a service charter to which all agencies ascribe would result in consistency in levels of service. Due to differences in the number of border agencies for countries operating OSBPs, there is need for some guidelines to be followed that would help OSBPs in creating their respective charters.
6. There is a view that there are too many agencies enforcing controls at the borders, which contributes to delays. It was resolved that some border agencies should delegate their functions to others as it would lead to reduced interventions that would lead to reduction in clearance times, optimal use of resources (material and human) as less equipment, accommodations and personnel would be required at the OSBPs and this would lead to reduced costs to both the trading community and Governments.

#### *Corridor level*

Since transport corridors include several borders along the route, the performance of each border has an impact on the overall efficiency and performance of the corridor. OSBPs can facilitate efficiency on corridors by reducing processing times and promoting trade facilitation. On the other hand, Corridor Management Institutions can contribute to efficiency of OSBPs by continuous monitoring of OSBP performance ensuring that agreed clearance procedures are followed and ensuring adequate policy changes and implementation to support improved corridor performance.

#### *National Governments*

1. It is acknowledged that coordinated operations at the border could result in improved performance of OSBPs. However, the modalities of proceeding to coordinated operations are not readily available in most government agencies. It was recommended that national governments should:
  - i) Adopt principles of CBM to improve their border operations and impact positively on OSBPs when they are created.
  - ii) Establish Standard Operating Procedures (SOPs) for all agencies to guarantee OSBP standards
  - iii) Work towards establishing Single Windows that would promote greater CBM and overall border efficiency that could impact positively on the performance of OSBPs.
2. There is need for the adjoining governments of the OSBP to work towards reducing and harmonising different documents used in trade across borders by forming joint task teams to examine and harmonise procedures so that service levels within the OSBP are uniform

and produce working guidelines that would orient border agencies in the conduct of their duties to ensure predictability and assurance of level of service.

3. Whilst CBM can be implemented in a manual environment, the achievement of best results would be supported by the use of ICT in sharing information. Therefore, it was recommended that national governments should work towards establishing SWs.
4. An efficient border must have cost effective, trade friendly clearance processes that still maintain regulatory controls. To strike a balance between facilitation and control that would promote efficiency in OSBPs, national governments should adopt and/or strengthen risk management use.
5. It has been observed that some delays are the result of poor compliance by trade operators. To improve compliance, national governments should build capacity in all border stakeholders, including the private sector, promote public awareness about changes and operating procedures for all agencies at the borders and demonstrate commitment to achieving unified trade facilitation.
6. ICT was identified as an important tool in achieving cost-effective border clearances, especially when supported by simplified procedures. The types of technology and its deployment could have an effect on the overall performance of the OSBP. In this regard, the workshop recommended the use of:
  - i) Automated document processing by employing machine readable passports and electronic permits and licences
  - ii) Biometrics for passenger processing
  - iii) Electronic profiling for cargo clearance
  - iv) Use of Wide Area Networks to encourage central processing of information, better transit management and usage of scanner images for controls
7. The establishment of OSBPs and changes in the conduct of certain procedures and processes require institutional commitment, overcoming vested interests and employing change management. To achieve success in establishing OSBPs and implementing required changes, policy makers should balance demands for sovereignty and objectives of regional integration, embrace a change of mindset by looking at new ways of doing the same things by adopting international best practices in border management, demonstrate commitment to regional undertakings, agreements and protocols, and explain to politicians and Heads of Government the benefits of OSBPs.

#### **4.3 Infrastructure and Management Breakout Session**

The Group outlined the information that should be availed from a baseline study for the design of an OSBP as being inclusive of traffic counts, land ownership and the terrain where the border is located and highlighted the relevance of such information to the design decisions. It further highlighted the need for wide consultations involving public and private sector stakeholders, local communities and

representatives of the users of borders in crafting the OSBP designs that must conform to the dictates of the baseline study information. The Group recommended the provision of facilities such as scanners in both common control zones where these are juxtaposed. It however suggested that weighbridges should be located outside the control zone as they cause unnecessary delays, but should be linked to scanning systems. The facilities must also meet the requirements of the two countries and be as cost effective and streamlined as is possible. The Group took cognizance of the three possible OSBP models namely; juxtaposed, straddle and single country and the pros and cons of each model. With respect to maintenance of the facilities, the Group observed that the juxtaposed model poses fewer problems as each country would be responsible for the facilities in its territory whereas for the other models periodic responsibilities for shared maintenance could be adopted. It recognized the need for stable communication links, which could include radios, LANs linked to national networks, community radio station and a local database system. It further suggests that the private sector needs to be provided with adequate facilities including intranet and offices and be included in the fora of the various stakeholders within the control zone. Whilst acknowledging the existence of various models that could be used to manage the border post facilities, the group recommended that this be done by government entities due to inherent security considerations at such utilities.

On the issue of creation of a border authority for border management at national level or corridor level, the Group was of the view that such an authority at national level to provide and maintain all border facilities countrywide is necessary. Such an authority would also regulate private sector operations at the borders and report to the lead ministry. The activities of the border authority would need to be complemented by a steering committee during the transition period and a border operations committee to oversee operations at the border and report problems to the border authority. These structures should be complemented by the appointment of a lead agency at the border for coordination of the activities of all the agencies at the border.

During the plenary session on this subject of infrastructure, the rationale for a community radio station at the border was questioned and no justification was given. It was observed that there would be need for flexibility in terms of the models to be adopted and in respect of process formulation depending on the level of computerization of the processes. For instance, it was remarked that there would be no need for a physical presence of clearing agents at the border if declarations can be processed electronically. It was also recommended that the issue of a border authority be left to each country to determine the necessity thereof. It was emphasized that border infrastructure should be purpose built and that what is critical is for the infrastructure to complement the procedures and processes and assist in achieving efficiency of process flows.



#### 4.4 Institutional Framework Breakout Session

Border posts are complex as they involve as many as 5 – 14 agencies, all carrying out controls under individual national laws and regulations. One stop border posts add the dimension of two countries seeking to operate from the same facility carrying out national law, but working jointly as much as possible. The group discussed how to use existing regional, corridor and national structures to support a harmonized approach to OSBP development throughout the SADC region.

The group determined that one of the issues is that OSBPs are multinational projects yet implementation is largely at the national and bi-national levels. The number of agencies at the border demands a harmonized approach, yet they make this challenging to achieve. Because of this complexity, the initiative requires many stakeholders to be involved from the beginning so that there is good buy-in on the OSBP initiative and so as to structure their involvement. The group agreed that SADC should take the lead while including representatives from government, users, security agencies and the lead Ministry responsible for OSBPs from each country.

At the **regional level**, there is no need to create new institutions. SADC can guide the harmonization and monitoring process at the regional level. The group felt that development of the legal framework and standard operating procedures is critical to maintaining a common approach in the region. They put high priority on completing the agreed strategy and putting the strategy into a legal instrument to be applied for all OSBP. SADC could also play a key role in providing training and for compiling and analysing lessons learnt as Member States proceed with implementation. It would also be helpful to arrange exchange visits among OSBPs in the region. **Corridor institutions** have a significant role to play in ensuring an integrated approach for the corridor and in providing input on procedures and facility design from the private sector. Since most border agencies and private sector users are members of the corridor committees it is a good place for vetting new approaches and obtaining buy-in. The **national level** is the implementing level. The legal framework recommended at regional level will need to be adopted at national level or incorporated into bilateral agreements for the establishment of specific OSBPs. Bilateral agreements will need to address sharing of resources, facilities and information on operations. Continuous training from experts and development partners will be important for the national level to be effective. Joint committees will help to harmonize preparations on the two sides of the border and be used after the opening to make decisions regarding new issues that arise.

## 5. Concessioning of Border Posts

### 5.1 Presentation on Concessioning of Border Posts

The previous Zambian Government signed an agreement with a private company to construct and manage five border posts. The first one to be operational is Kasumbalesa on the Zambian DRC border. The border posts at Nakonde on the Zambian/Tanzanian border and Kazungula on the Zambian/Botswana border are also understood to be part of this agreement. The same company has built a new border post on the DRC side at Kasumbalesa and is understood to have negotiated a BOT agreement for Tunduma border post in Tanzania opposite Nakonde. At Kasumbalesa, this concessionaire charges US\$133 on the Zambian side and US\$100 on the DRC side. If the same



charges are implemented on the Tunduma/Nakonde border, a return trip between Dar es Salaam and Lubumbashi will cost US\$932 in border fees alone. The argument is made that this added charge will be offset by the reduction in time spent. Time savings are generally the result of improved procedures and ICT use, but the concessionaire is not involved in the clearance procedures. These uncoordinated investments in infrastructure on borders will make implementing OSBPs more difficult, because the commitments to the concessionaire may be contrary to the OSBP requirements. The net result is higher costs, loss of facilitation on major corridors and some time savings that are unrelated to improved agency procedures. This presentation was made to alert the workshop participants to the issue and the need for a regional strategy.

## 5.2 Breakout Sessions and Reports on Concessioneering of Border Posts

1. Border posts serve governmental functions of revenue collection, safety and security and trade facilitation. Due to the emerging trend of allowing private sector organisations to construct and manage border facilities, the workshop examined who should be the principal financier of border infrastructure – governments and/or the private sector.



The participants conclude that

- i) It is better for government to fund border infrastructure due to the high financial requirements.
- ii) Borders are used by governments for enforcement of national security, revenue collection and other controls.
- iii) If a government builds border infrastructure, then there is no need to factor-in cost recovery, which tends to result in charging user fees.
- iv) If there is a separate funding mechanism for establishment of a border other than financing from government, the costs should not be passed to end-users

Therefore the obligation is with government to fund border infrastructure.

- i) There is a perceived inherent conflict of interest in private funding of border infrastructure as operators may focus solely on profits at the expense of trade facilitation. The workshop examined how concession agreements could be structured to achieve an optimum balance between trade facilitation and investment incentives. It was concluded that concessioneering is against lowering costs of doing business which is against the concept of OSBP. To recover costs, concessionaires

must build auxiliary infrastructure from which they can recover costs rather than charging transporters for crossing border.

- ii) If more flexibility is applied, border facilities can be built by different interest groups - transporters, cargo owners, bilateral partners, corridor states or the whole region. Participants recommended that the building of borders should be left to government, which can build infrastructure, as it builds government offices, without a charge to users to recover costs. Further, it was observed that when borders are made efficient, there would be more investment which will grow economies/trade and generate more revenue for government cost recovery.
- iii) In instances where governments partner with the private sector, they could share the cost of infrastructure. The private investor would require recovering the cost and making a return on investment. Participants recommended that any cost sharing mechanism should not result in charging fees to border users. Moreover, it was concluded that concessioning is not the best option and where possible should be avoided.
- iv) Border posts and their activities even have wider reaching impact and therefore require consultations prior to their construction. It was recommended that besides consulting national stakeholders, corridor stakeholders (facility users and governments) should also be consulted.
- v) Since private operators have started operating border facilities and charging fees, the workshop examined what could be the reasonable level of fees for equitable cost recovery and profit. It was recommended that in circumstances where there are user fees the investor should not charge exorbitant fees but should just charge reasonable fees that allow for cost recovery and an acceptable profit.
- vi) Where concessioning is likely to happen or where it is the best available option, Regional Economic Communities should give guidelines to users on how much it would cost to move goods along corridors with concessioned borders. Further, RECs should issue policy guidelines on how concessioning should be carried in order to mitigate negative effects.

## 6. Summary OSBP Strategy Recommendations

This Workshop was designed to introduce Member States to the *One Stop Border Post Source Book* as a resource for developing One Stop Border Posts (OSBP) in the SADC Region, to discuss the development of a common strategy for OSBP development in SADC, and to discuss a strategy on concessioning of border posts in the SADC region. SADC has 35 commercial border posts on its identified corridors, 22 of which are being considered for conversion to OSBP or significant upgrading and efficiency improvements. A summary of the workshop recommendations for a SADC OSBP strategy follows. The workshop assigned the SADC Secretariat to develop a regional strategy, detailed roadmap and implementation plan and to carry forward these recommendations.

## **A SADC regional OSBP strategy should cover the following:**

Preamble: Trade facilitation tools – OSBP, Single Window, CBM

1. OSBP concept and definition
2. Vision
3. Objectives and benefits
4. OSBP models
5. Legal Framework
6. Procedures
7. Infrastructure (Buildings, facilities, access roads, support structures including amenities for staff).
8. ICT
9. Institutions and management and performance monitoring/change management
10. Financing strategy / model
11. Appendices



- a) Model bilateral MoU
- b) Model national OSBP law
- c) OSBP guidelines–design, management and performance monitoring and measurements.
- d) Criteria and Schedule of candidate border posts for upgrading to OSBP

## **Recommended Regional Legal Framework**

The SADC Protocols on Trade and Transport are considered as adequate, however, there is need to develop an Annex that would include:

1. SADC Regional OSBP Strategy
  2. Model OSBP (Corridor) Guidelines
  3. Model bilateral OSBP MoU
  4. Model OSBP national law
  5. Model OSBP Free Movement of Persons legal instrument
- i) Models should be broad and flexible to allow Member States to adapt and modify them as part of the process to domesticate them.
  - ii) Planning and coordination can be regional or corridor-based, but implementation will be national.

## **Strategic Steps to Implement the Strategy**

1. Secretariat develops a detailed Roadmap for development of an OSBP Strategy and Plan
2. Secretariat and “OSBP working group” develops the Regional OSBP Strategy that will become an Annex to a current Protocol (Trade or Transport).
3. Convene meeting of Ministers (preceded by senior officials) from Ministries with a mandate on trade and transport facilitation, immigration and border safety and security, border post construction and management to approve the draft OSBP Strategy, Implementation Plan and Roadmap.
4. Implementation Plan
  - i) Establish coordination institutions-national, corridor, SADC Secretariat
  - ii) Mobilise resources for procedures/ICT improvement, feasibility design and construction.
  - iii) Train staff and build capacity

## **Who should be involved in implementing Strategy and Program?**

1. SADC Secretariat
2. National Government through Ministries.
3. Government Departments / Agencies.
4. Corridor Management Committees
5. Users
6. Regional organizations, e.g. freight forwarders, railways, road transporters
7. Identify a lead Ministry/Agency to coordinate processes at national level

## **7. Recommendations for a Border Post Concessioning Strategy**

Following the thought provoking presentation on the emerging trends whereby Governments are allowing private sector organisations to design, construct and manage border facilities on a BOT basis as a concession, the breakout groups critically examined the efficacy of the concept based on experiences so far at Kasumbalesa (and plans for Beit Bridge, Nakonde and Tunduma) in Southern Africa and Cinkanse in West Africa. There was strong consensus on the underlying fundamental principle that border posts serve governmental functions of revenue collection, safety and security and trade facilitation. Based on their function, it was concluded that it should remain the sole responsibility of governments to provide border infrastructure and facilities.

It was further concluded that there is an inherent conflict of interest between private funding of border infrastructure and trade facilitation as private funding entails a need to recover investment from the funded facilities at a profit on the one hand, whilst trade facilitation aims at reducing the costs associated with crossing borders. An optimum balance could be achieved between the two if the charge levied for utilisation of private sector-funded facilities is lower than the benefits derived by users from the efficiencies and time reduction arising from use of the facilities. The delegates emphasized that facilities alone will not bring significant benefits to the users, unless they are coupled with efficiency enhancing procedures and process flows.

On the issue of who should bear the costs of private funding of border facilities, there were varied views with the majority consensus being that governments should bear such costs. It was, however, pointed out that the very reason why governments are resorting to private funding of public facilities is resource constraints and thus cannot be expected to do so. This position was countered by the argument that trade facilitation results in greater trade and economic growth and the increased government tax base enables governments to bear the related costs of border facilities. Whilst the subsequent discussion did not resolve this issue conclusively, there was general consensus that whoever eventually bears the cost of such infrastructure should not pass it on to the extent that it makes the cost of doing business along a transport corridor higher than it presently is. The expectations of the users are that whatever model of funding facilities is used, such improved facilities coupled with efficient procedures and process flows should result in significant reduction in the cost of doing business along the trade corridors. It was further suggested that consideration should be given to introducing the “user-pay” principle to any funding model. This is obviously an issue that will require further research, analysis and consideration by the relevant stakeholders.

There was consensus on the need for governments to consult as widely as is practical before decisions to concession the provision of border facilities. Such consultation should not only encompass private and public sector stakeholders at the local, national and corridor levels but also other governments and relevant regional institutions. The rationale being that such decisions invariably affect economies of countries dependent on corridors where such border facilities are located. The workshop participants were of the view that border posts are regional rather than national facilities. They are national in terms of jurisdiction and control, but regional in terms of effect and consequences. It is on this premise that the workshop delegates felt that RECs should develop and adapt policy measures and guidelines to avoid and mitigate any negative effects of concessioning of border infrastructure and facilities may have on regional trade and the cost of doing business on regional corridors.

In conclusion, on the issue, the need for transparency in the processes of awarding such contracts was emphasized where it was deemed necessary to adopt the private sector funding model for such facilities. Specific reference was made of the need to address the private sector complaints that have arisen with respect to Kasumbalesa border post and the workshop resolved that the private sector should proceed to utilise the SADC institutions and procedures to seek appropriate redress to any issues it may have.

The meeting also agreed that the proposed OSBP strategy should address the subject of infrastructure financing and offer options and directions to governments.

**ANNEX 1**  
**List of Participants**



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Johannesburg, South Africa  
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## **ANNEX 2**

### **Agenda**



## **Draft Proposed Agenda for Tripartite (COMESA/EAC/SADC) OSBP Workshop on 26-27 October 2011 (Rev NO 1)**

**Birchwood Hotel & OR Tambo Conference Centre  
Johannesburg, South Africa**

### **Wednesday, 26<sup>th</sup> October 2011**

- 08:30 - 08:40** Key Note Address  
Eng. Joao Samuel Caholo  
Deputy Executive Secretary (Regional Integration)  
SADC Secretariat
- 08:40 - 08:50** Opening Remarks  
Mr. Toshiyuki Nakamura  
JICA Resident Representative  
JICA South Africa
- 08:50 - 09:10** Introductions, Background, Objectives and Outcomes of Workshop:  
Mr. Lovemore Bingandadi  
Program Manager - Corridors  
SADC Secretariat
- 09:10 - 10:00** OSBP Concept, Rationale, Benefits and a Review of Current Trends and International Best Practices  
Ms. Lynn Harmon  
Team Leader, JICA Study Team/Corridor Development Consultants
- 10:00 - 10:30** **Tea break**
- 10:30 - 11:30** Lessons Learnt from Chirundu Pilot OSBP Project  
Mr. Arnold Nkoma  
Assistant Commissioner - Chirundu  
Zambia Revenue Authority  
  
and

Mr. Tichaona Phiri  
Station Manager – Chirundu  
Zimbabwe Revenue Authority

- 11:30-12:30** SADC Coordinated Border Management Programme  
Mr. Willie Shumba  
Senior Programme Officer - Customs  
SADC Secretariat
- 12:30 - 13:00** Coordinated / Integrated Border Management Activities- An Example  
Mr. Godwin Punungwe  
Senior Transport and Trade Facilitation Advisor  
USAID Southern African Trade Hub.
- 13:00 - 14:00** **Lunch break**
- 14:00 - 15:30** Critical Issues in Implementing OSBP: Using the OSBP Source Book as a Resource
- i) Legal Framework  
Mr. Francis Chirimuuta  
Attorney and Legal Expert for OSBP  
JICA Study Team/Corridor Development Consultants
  - ii) Procedures and ICT  
Mr. Charles Nuwagaba  
Procedures and ICT Expert  
JICA Study Team/Corridor Development Consultants
  - iii) Infrastructure and Institutional Organization  
Ms. Lynn Harmon  
Team Leader and OSBP/Trade Facilitation Expert  
JICA Study Team/Corridor Development Consultants
- 15:30 - 15:45** **Tea break**
- 15:45 - 17:00** **Towards a regional strategy and policy framework on the design, development and management of OSBP projects.** *Breakout Group Discussions on the key elements of an OSBP Strategy and how it should be implemented based on country experiences in implementing OSBP and border modernisation projects.*

**Thursday, 27<sup>th</sup> October 2011**

- 08:30 – 10:00** Breakout Group Reports to Plenary
- 10:00 - 10:30** **Tea break**
- 10:30-11:30** Challenges and Current Lessons Learnt from Outsourcing Border Infrastructure Provision-Kasumbalesa Case Study:  
Mr. Kingsley Chanda

Trade Facilitation Advisor  
COMESA Secretariat/TMSA

**11:30 - 13:00** Breakout Groups on Outsourcing Border Infrastructure  
Reports to the Plenary

**13:00 - 14:30** **Lunch break**

**14:30 - 15:30** Summary, Recommendation and Roadmap  
Mr. Lovemore Bingandadi  
Program Manager - Corridors  
SADC Secretariat

- i) Drafting a strategy framework on outsourcing/concessioning border infrastructure provision.
- ii) Developing a regional strategy and policy framework on the design, development and management of OSBP projects.

**15:30 - 16:00** Closing statement by host country (South Africa)

**ANNEX 3**  
**Keynote Statement -- Eng. Joao Caholo**  
**SADC Deputy Executive Secretary**



**Key note statement to the Tripartite  
(COMESA/EAC/SADC)  
OSBP Workshop  
26-27 October 2011**

**Birchwood Hotel & OR Tambo Conference Centre  
Johannesburg, South Africa**

**By**

**Eng. Joao Caholo  
Deputy Executive Secretary, (Regional Integration)  
SADC Secretariat**

## Greetings and salutations

- Delegates from member states and sub regional organisations
- Representatives of International Cooperating Partners-AfDB, DBSA, JICA, TMSA, USAID SATH
- Fellow Experts from COMESA, EAC, SACU and SADC Secretariats
- Workshop Organizers-Corridor Development Consultations.

A warm welcome to all of you who responded to our invitation to participate in this workshop on One Stop Border Posts (OSBP). We trust that your journey and stay here will be beneficial as we collectively take another step at developing policy and regulatory frameworks of integrating our East and Southern African region.

## Background

- 1) Africa's share accounts for less than 2.5% of world trade. The level of intra-African trade is also low - 10%, compared to about 40% in North America and about 60% in Western Europe.
- 2) Africa also ranks low on trade policy and facilitation performance, with seven African countries listed in the bottom ten most restrictive trade regimes. In general, and compared to other countries, African countries have performed poorly in terms of logistics. Markets remain fragmented and borders are difficult to cross, which prevents the emergence of regionally integrated industries and supply chains.
- 3) In the COMESA-EAC-SADC Tripartite region the costs of transport, in particular road transport (which accounts for about 95% of the volume of cargo transported in the region), is directly related to the time taken for the journey. The typical charge for a stationary truck is between US\$200 to US\$400 a day. Therefore, if a truck takes 3 days to clear a border (which is not excessive in the COMESA-EAC-SADC region) the transporter will pass on an additional cost of between US\$600 to US\$1,200 for the cost of the truck sitting idle at the border to the importer. This will, in turn, be passed on to the importer's client and ultimately, to the consumer.
- 4) Similarly, it costs US\$5,000 to US\$8,000 to ship a 20ft container by road from Durban to Lusaka, compared to the costs of US\$1,500 to ship the same container from Japan to Durban. This means that a producer that relies on imported components for his manufacturing business that is based in Lusaka would need to absorb this extra transport cost compared to his competitor near the port. It is often more economical to export a raw material, or a semi-processed raw material (such as copper concentrate as opposed to copper wire or sugar as opposed to confectionary) than to import the materials needed to process the material and to then export the processed good.

- 5) Until the underlying causes of these high costs of transport are addressed African countries will remain high-cost producers, with no major direct investments taking place in non-mineral sectors, restricted economic growth opportunities and slow progress made in poverty alleviation.
- 6) In an effort to address these challenges and to improve market access for producers and traders in the Eastern and Southern Africa region the Member States of the three Regional Economic Organisations of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) launched the COMESA-EAC-SADC Tripartite Free Trade Area on 12<sup>th</sup> June 2011. The Tripartite Free Trade Area aims to reduce tariffs imposed on goods originating in the region and traded in the region. However, in addition to tariff barriers, the region's producers and traders also face a number of non-tariff barriers and high cross-border trade and transport costs. An integral part of the Tripartite Free Trade Area is the design and implementation of a programme that is aimed at improving trade and transport measures and reducing non-tariff barriers to trade. The aim of this paper is to describe the main components of the Tripartite trade facilitation and non-tariff barrier programmes and put these programmes into a regional and a multilateral context.

### **Tripartite**

- 7) As you aware some of our member states belong to COMESA, EAC and SADC. In order to avoid a situation where the Regional Economic Communities of COMESA, EAC and SADC took contradictory/overlapping implementation decisions on trade policy, trade facilitation, investment issues or infrastructure development that would either slow down or weaken the process of continental regional integration, it was agreed between the three Regional organisations of COMESA, EAC and SADC to work closely together in the form of a Tripartite process.
- 8) To this end the COMESA, EAC SADC Tripartite Summit, meeting held in Kampala Uganda in October 2008, directed the three Secretariats to develop a common development framework. As defined in the joint communiqué of the inaugural Tripartite Summit, the regional development framework was targeting the following priority sectors/activities:
  - a) Trade Policy (Free Trade Agreement)
  - b) Trade Facilitation
  - c) Infrastructure Development
  - d) Policy, Legal and institutional harmonisation, and
  - e) Resource Mobilisation
- 9) Recently, the COMESA, EAC SADC Tripartite Summit met again in Sandton South Africa in July 2011 and the outcomes included but not limited to the following:
  - a) adoption of developmental integration approach built on the three pillars of industrial development; infrastructure development and market integration;



- b) directed the Tripartite Task Force to develop a programme on the industrial development pillar;
  - c) encouraged more programmes on the infrastructure development pillar; and
  - d) launched the negotiations on the establishment of the Tripartite Free Trade Area open to participation by the 3 RECs and/or Member or Partner States on the market integration pillar.
- 10) To address these challenges the COMESA-EAC-SADC Tripartite has launched the Comprehensive Trade and Transport Facilitation Programme (CTTTFP) which is a series of initiatives from different Regional Economic Communities that have been brought together into one large integrated trade facilitation programme that includes:
- a) The NTB Monitoring, Reporting and Removal System
  - b) Border and Customs procedures (one-stop border posts; Integrated Border Management, regional customs bond, transit management);**
  - c) Simplification and harmonisation of immigration procedures;
  - d) Transport procedures (regional 3<sup>rd</sup> party insurance, vehicle standards and regulation, self-regulation of transporters, overload control, harmonised road user charges, regional corridor management systems; and
  - e) The establishment of the Joint Competition Authority linked to air transport liberalisation.
- 11) The objectives to be addressed through the CTTTFP are to:
- a) Increase trade and promote economic growth in Eastern and Southern Africa by supporting improvements in policies and in the regional regulatory and economic environment;
  - b) Reduce high costs of trading in the region and help the national administrations, working through the RECs, to address barriers to trade and growth;
  - c) Reduce transit times and transaction costs along the principal corridors in eastern and Southern Africa through better infrastructure, faster border crossings and harmonised trade and transit regulations; and
  - d) Improve aid effectiveness by coordinating donor funding for priority Aid-for-Trade programmes.
- 12) The above programmes and activities are on-going with the active participation of member states and all RECs.

### **Development of OSBP Source Book.**

- 13) An important initiative related to the trade and transport facilitation has been the development of the OSBP Sourcebook funded by JICA. The OSBP Source Book is designed to provide information to policy makers and implementation agents involved in the development and implementation of regulations and operational guidelines for OSBPs. The first sensitization and validation meeting to review the Draft OSBP Source Book was held

during 23<sup>rd</sup> – 25<sup>th</sup> May 2011 in Arusha, Tanzania. The primary audiences were stakeholders from East Africa Community countries. However others RECs including SADC participated at the level of the Secretariats.

- 14) The SADC Secretariat has been involved in the development of the Source Book which is relevant to the promotion and development of OSBP along the regional transport corridors. OSBP are an integral part of the development of regional transport corridors. Member States and corridor management committees have been requesting for guidance in developing OSBP projects and this Source Bok will address the need.
- 15) Following the finalization of the OSBP Sourcebook, SADC with the support of JICA and TMSA decided to hold this workshop (26-27 October 2011) in Johannesburg, South Africa.
- 16) The objective is to facilitate the process of actualizing the OSBPs projects and to develop a coordinated OSBP strategy and way forward.

**Participants:**

- 17) To ensure broad-based participation, key stakeholders have been invited from the following:
  - a) Member states; Senior Officials who have responsibility for the design and implementation of border improvements programs including OSBP projects. These would typically be from the Finance/Customs, Immigration, Trade, Transport, Police/Security ministries/departments or agencies.
  - b) COMESA and EAC Secretariats; Expert dealing with coordination of OSBP projects.
  - c) Regional Organisations; SARA-Southern Africa Railways Association, FESARTA-Federation of Southern Africa Road Truckers Association and FCFASA-Federation of Clearing and Forwarding Association of Southern Africa and Corridor Management Secretariats from Trans Kalahari, Dar es Salaam and Maputo Corridors.
  - d) International Cooperating Partners supporting OSBP projects-AfDB, DBSA, JICA, TMSA and USAID
- 18) As part of the Tripartite our hope and aim is to facilitate policy dialogue leading to the development of harmonised policies, laws, regulations, systems and procedures that guide policy makers and development practitioners in the designing and managing OSBP projects.
- 19) With these remarks, I wish to declare this workshop open and look forward to receiving sound advice and recommendations for policy formulation in this key area that affects trade, transport and therefore economic development in our region.

Thank You.

**ANNEX 4**  
**Welcoming Remarks – Mr. Toshiyuki Nakamura**  
**JICA Resident Representative**

Distinguished guests, ladies and gentlemen, good morning. It is my privilege to address you during the opening of this significant workshop.

Some of you may be familiar with the Tokyo International Conference on African Development or TICAD for short, a platform created by Japan for deliberations with African leaders on the growth of the continent. The most recent TICAD, TICAD IV, was held in May 2008 in Yokohama. Over 3 000 participants attended, amongst others 51 African countries including 41 heads of state. At TICAD IV, Japan announced its commitment to double its ODA to Africa by 2012, such ODA including technical, grant and loan assistance, as well as disbursements to parties such as the African Development Bank.

Whilst TICAD is held in Japan every five years, follow-up meetings are held annually on African soil. The third TICAD IV Ministerial Follow-up Meeting was held in May 2011 in Dakar, Senegal. During this meeting, Japan expressed its gratitude for the support and solidarity shown by the international community, including African countries, in response to the Great East Japan Earthquake that struck on 11 March 2011.

The Yokohama Action Plan as product of TICAD IV focuses on three areas, namely boosting economic growth, ensuring human security, and addressing environmental issues and climate change.

As for boosting economic growth, infrastructure features prominently, in particular the sectors of transport and energy, both sectors promoting regional infrastructure development to connect African countries. As you may be aware, Africa needs to enhance its infrastructure to ensure economic growth. However, African countries remain challenged by the development and expansion of cross-border infrastructure and power networks.

Since the TICAD IV announcement, Japan has embarked on 14 projects in Africa aiming to construct regional roads and networks, and to facilitate cross-border procedures such as OSBP. Also, distribution lines for development of power infrastructure were developed.

In the same time frame, Japan has steadily been implementing technical, grant and loan assistance in the field of infrastructure. SADC in particular has been benefiting from many transport infrastructure projects including cross-border projects. For example, the Chirundu Bridge between Zambia and Zimbabwe was constructed with grant assistance in 2002, with further technical assistance to the OSBP facility itself.

As for ongoing projects, Japan is offering technical assistance for the establishment of the OSBP between Botswana and Namibia at the Mamuno / Trans Kalahari Border Post. Also, the Kazungula Bridge Construction Project linking Botswana and Zambia, to be co-financed by ADB and JICA, is about to commence.

Japan is dispatching a JICA expert to each of the REC secretariats in Sub-Saharan Africa, for example IAC, UEMOA, EAC and SADC. This dispatch aims to enhance information sharing and partnership strengthening between JICA and RECs, and among RECs themselves.

As some of you may know, a number of OSBPs have been independently designed and implemented in various African countries. With 50 OSBPs planned in Africa, it was important to gather experiences and lessons learnt so that implementers facing challenges can readily locate useful information. In this context, an OSBP Source Book was developed to provide this useful information.

The Infrastructure Consortium for Africa or ICA for short, recognized the urgent need for developing the Source Book and initiated the project in January 2011. JICA is now financing the project in partnership with the EAC. The Source Book provides guidance for all stakeholders including government officials, RECs and ICPs to implement OSBPs in Africa.

To share the Source Book with RECs and agencies involved in border operations, JICA held the first sensitization workshop in May 2011 in Arusha, Tanzania, attended by about 50 technical representatives of major agencies concerned with trade facilitation, as well as representatives of RECs and ICPs. By integrating comments transpiring from the workshop, the Source Book was completed in September 2011. The Source Book can now be downloaded from the EAC website.

Following these activities, SADC expressed an interest in holding a similar workshop involving its member states and agencies involved in OSBP implementation. JICA agreed to co-sponsor the workshop with TMSA. The purpose of this two-day workshop is firstly to introduce the Source Book to members of the public and private sectors in SADC and COMESA as a tool for designing, implementing and operating OSBPs, secondly to create a forum for discussing experiences and lessons in OSBP implementation, and thirdly to discuss a proposed strategy for implementation of OSBPs in the tripartite countries.

We have invited three to four participants from 12 SADC and some COMESA member states and representatives from SADC, COMESA, the EAC Secretariat, the Dar es Salaam Corridor Committee, the Trans Kalahari Corridor Management Committee, and the Maputo Corridor Logistic Initiative. We have also invited representatives from development partners active in OSBP development. With this in mind, we regard this workshop as a rare opportunity to share our experiences, to seek ways to enhance each other's achievements, and to find ways to cooperate and reinforce each other's efforts.

We wish you a fruitful workshop and enjoyable stay in Johannesburg.

Thank you.

**ANNEX 5**  
**Group Breakout Discussion Framework**  
**26 October 2011**

## **Ingredients for Procedures in the OSBP Concept**

One Stop Border Posts (OSBP) and Trade Facilitation builds on the principles of Co-ordinated Border Management. OSBP is now being recognized as an essential component of trade facilitation. An efficient OSBP can contribute to a region's growth by reducing bureaucracy and clearance times at borders and presenting a more attractive environment for traders. There is urgency for a common procedure framework established by all border agencies while taking into consideration harmonization, simplification, joint controls and ICT applications & systems in place.

What procedures can be instituted to make OSBP attainable at the regional, corridors and national levels?

### **Regional**

1. What can be done to reduce excessive transactional documents?
2. Is the usage of automated systems sufficient in border activities?
3. What border management tools should be incorporated?
4. How do you deal with the challenge of lack of transparency, predictability and consistency in the border agency activities?
5. Would you consider the regional Single Window System necessary? Why?
6. What are your views on the aspect of delegated authority by participating OSBP agencies?

### **Corridor Level**

1. What role do OSBP's play in the corridor procedures and performance?
2. What can be done at corridor level to increase efficiency at OSBPs?

### **National Governments**

1. How can border agencies establish coordinated operations within each country?
2. How should the adjoining governments of at OSBP work towards reducing and later on harmonising the numerous and different number of documents used for trading goods across these borders?
3. What electronic information sharing mechanism can be introduced to link all border agencies for data sharing and to allow for joint inspections and shared risk management?
4. How can agencies develop and implement cost effective, trade friendly clearance processes and mechanisms while maintaining regulatory control?
5. How can compliance be encouraged at OSBP?
6. What information and communications technology (ICT) can be designed and deployed to achieve the most cost effective border clearance processes?
7. How can policymakers build and maintain the political will and institutional commitment to overcome strong vested interests and to manage change?

## **Infrastructure and Border Management**

OSBP need to be built based on a functional design. The project should be initiated with a traffic and operational baseline survey for the existing border and projections of traffic growth. Construction should follow the development of OSBP procedures that will provide the requirements in terms of traffic flow and location of controls in a systematic flow through the facility for different kinds of goods. ICT is a key component of achieving efficiency and should be planned in the facility design and construction.

OSBP management has proven to be a difficult and critical issue. One issue is the facility management and maintenance. Another is the coordination among agencies at the border and whether one agency is formally the lead agency at the border. The third is the lead agency that ensures senior policy level support for the OSBP development during implementation and afterwards.

### **Border Infrastructure**

1. What information should be available from a baseline survey for the design of an OSBP?
2. What stakeholder consultation should take place during the design stage?
3. What traffic flow patterns should be in a strategy for OSBPs and which will be unique to the terrain, types of traffic, etc.?
4. What is the optimal location of scanners, weighbridges and inspection facilities? Should they be discussed in the strategy?
5. How can facilities be designed to meet the needs of two countries in terms of work areas, offices, common conference and training facilities, etc.?
6. There are three models for OSBPs: straddle, single country and juxtaposed. Should the strategy cover all three? What is the advantage of each arrangement? What are the special design considerations for each?
7. How should utilities and their maintenance be shared between countries in the OSBP?
8. What communication links and IT systems will be essential to OSBP operations?
9. What access and facilities should be included for the private sector within the Common Control Zone? What can be done in the design to facilitate private sector efficiency in carrying out their functions?

### **Border Management Considerations**

10. How can maintenance of the facility best be done – government agency or private sector facility maintenance contract?
11. Would you support creation of a border authority for border management at national level or corridor level?
12. Or a two tier committee system with a bi-national interagency Policy Steering Committee and Border Operations Committee?
13. Should there be a lead agency at the border post? Should there be a lead agency responsible for senior policy making and passage of the legislative framework?



## **Designing a Regional Institutional Framework**

Border posts are complex as they involve as many as 5 – 14 agencies all carrying controls under individual national laws and regulations. One stop border posts add the dimension of two countries seeking to operate from the same facility carrying out national law, but working jointly as much as possible. There are plans for about 18 OSBPs in SADC. There is need for a common framework while taking into account the local terrain, national laws and border practices. The goal is similar operations as much as possible so that

- common documents are used and border processing is simplified and harmonized throughout the region to expedite transit
- ICT tools are implemented to support transit regimes across the region
- physical facilities are built to function with common approaches to traffic flow, process flow and management, and
- basic legal principles applied are similar throughout SADC and ultimately the tripartite region.

What institutions can be deployed to make this happen at the regional, corridor, and national levels?

### **Regional:**

1. What can be done at the regional level to achieve a common approach to OSBPs in the region?
2. What kind of institution might be created? What existing organizations should play a part?
3. How should they operate?
4. What tools do they have at their disposal?
5. How do they promote implementation of common practices at all OSBPs?

### **Corridor Institutions:**

1. What stake do corridor institutions have in the successful harmonization of OSBPs?
2. What unique attributes do they have to ensure successful implementation at OSBPs?
3. A major time-saver at OSBP is preclearance. How can corridor groups help to ensure that initiatives to share declarations and other documents between borders and other facilitation measures that facilitate OSBP operations are implemented?

### **National governments:**

1. Ultimately laws, regulations and procedures that affect border operations are set at national level. What can be done to facilitate common practices at OSBP throughout the region? At a single border? Or borders on a corridor?
2. What can be done to ensure that measures agreed are implemented? For borders to be effective, measures must be implemented in both countries in a coordinated way. How can this be achieved.
3. A major delay factor is interagency coordination. How can this coordination be achieved?