

United Nations Conference on Trade
and Development (UNCTAD)



POLICY ACTION PLAN (PAP) FOR TRANSPORT SERVICES IN ETHIOPIA

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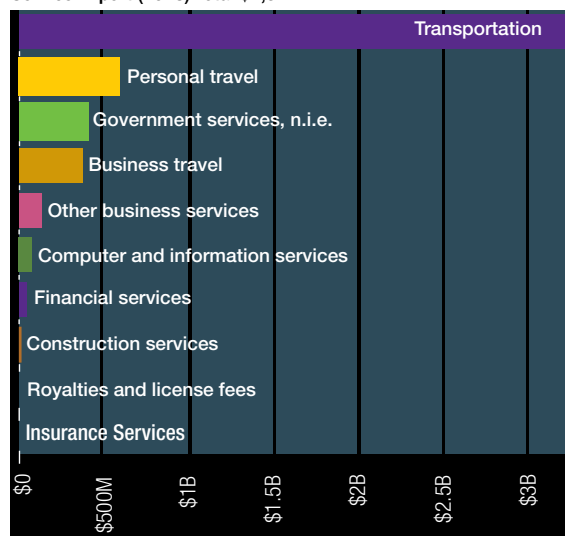


Introduction: Background

The structure of international trade in today's global economy is undergoing transformation. The increase in the importance of services is a clear trend. This is mainly manifested by flourishing international trade and the share of services in GDP. These trends are also observed in Ethiopia. It has a significant impact on growth and efficiency across a wide range of industries and overall economic performance. Thus, foreign trade in services has been one of the drivers of the country's high economic growth in recent years. In 2018, for instance, the total value of exports and imports of services represented nearly 21% of GDP. Transport services were the most significant contributor to the positive balance of trade in services over the period 2010 – 2018.

Transport services (TS) play an important role in influencing international and regional trade flows. Conversely, trade barriers play an important role in influencing the scope and scale of trade flows in transport services. Impediments to Ethiopia's TS trade generally consist of a mix of policy-related barriers (such as tariffs, quotas or standards), natural barriers (such as time, distance, landlockedness or language), and barriers associated with the costs of international transport services, internal infrastructure and intra- and inter-sectoral coordination. These include the numerous service sectors that enable or facilitate international and regional trade in goods. Hence, integration into value chains depends on, to a large extent, the ease and cost of international flows of goods, services, capital, knowledge, people, etc. They are the focus of this TsPAP¹.

Service Export (2018) Total:\$4.92B



¹In this PAP, the term "transport services" is used broadly to denote any service that is useful in accomplishing international and regional merchandise trade. This definition is similar to what Deardorff (2001) calls "trade services", and which he defines as, "any service the demand for which arises directly from trade itself, presumably from trade in other industries."

The PAP has identified transport policy gaps and their implementation frameworks to catalyze growth of the sub-sector and enhance the country's position in RVCs by promoting seamless transport service trade solutions. Improvements in transport service performance not only aids the development of RVCs in that sector, but also supports their advancement in other sectors, improves the tradability of goods and services, and increases the share of Ethiopia's penetration into RVCs or production networks. The potential development implications of upgrading this sector – both direct and indirect – are therefore significant, as highlighted in two previous studies. One key insight is that, in modern transportation systems, the transport services industry is intertwined in complex ways with other industries and strategic sectors.

From a policy point of view, there is a clear need for a better understanding of the ways in which TS markets interact with R/GVC business models to produce observed and concrete outcomes. Even so, from a commercial point of view, this type of business model is simply impractical without a strong transport service performance for the investor. Value chain actors need to manage cost and risk at all points in the process. This means that transport service costs must be kept down, times must be kept low and uncertainty has to be minimized. Additionally, the transport chain can involve numerous stakeholders from the public sector and the private sector with varied and sometimes conflicting interests. Stated differently, value chains raise the penalties for countries like Ethiopia that seek to expand their exports through using their policy space to build competing domestic production networks; high border and regulatory barriers will only result in high-cost local production and poor connectivity to the global market.

A key premise of this report is that the sectoral, transversal key action areas and recommendations from the two-case study inform the PAP exercise on key policy issues in Ethiopia's transport services sector. In addition, the policy framework was as flexible as it was integrated; it consists of a four-step approach to help the Ministry plan and implement priority actions to attain its aspiration, to tackle national supply-side constraints and operational

difficulties to participate in and upgrade RVCs, which leads to a faster post-COVID-19 recovery.

Moreover, it builds on and refers to the two studies that investigate the role played by freight transport services in coffee and cut flower VCs, and all existing policies, bilateral-agreements on trade and transport facilitation, and strategies at both the national and regional levels; it is designed to be used by government bodies to facilitate multisectoral and integrated transport planning. However, the lead ministry has the prerogative to select and choose the steps, actions and components of the framework for GVC-driven development and implementation of the TsPAP based on their context. As a result, there appears to be a real opportunity to promote and support the extension of RVC measurement to various sectors and ancillary services in the country by improving the quality and coherence of all datasets. The priorities revealed by this report could help to establish closer co-operation and synergies between the public and private sectors in identifying policy gaps, financing their implementation, improving their monitoring and impact assessment, and ultimately increasing the competitiveness and effectiveness of the local chain actors and becoming more integrated into international production networks.

Context and What it is?

The transport service value chain is notable for the variety of lead firms involved with it – including major shipping, express delivery, truckers and freight forwarding firms – and the range of local operators they partner with. The current importance of services' value added follows decades of sustained growth in the contribution of the services sector to GDP, which is also mirrored in employment statistics and other development indicators. Looking at developments over the past years in the country, a significant shift of employment from the agriculture and industry sectors to the services-producing sector can be observed (increased by 35 % points).

Transport and logistics are one of the key sectors of the Ethiopian economy, with almost 15% of GDP and employing more than 200 thousand people directly and indirectly. Its importance is determined not only by its own potential, but by its role in the efficient functioning of the entire economy. The economic

growth and, as a result, thriving international and regional trade create excellent prospects for the development of the country's transport service market within and outside.

The project has sought to provide Ethiopia with a better understanding of how transport services feed into regional value chains to inform policymaking, and how much of the value is added by domestic and foreign freight operators, particularly in relation to coffee and cut-flower value chains, the country's key commodities for export. However, there are precedents for GVCs in the transport services sector and structural issues for their having significantly positive development effects in the long run. More so, a lack of quantifiable and timely data on RVCs to understand their drivers and impacts, as well as institutional capacity and clarity of roles and responsibilities among the different agencies and chain actors engaged in this exercise, may challenge PAP implementation.

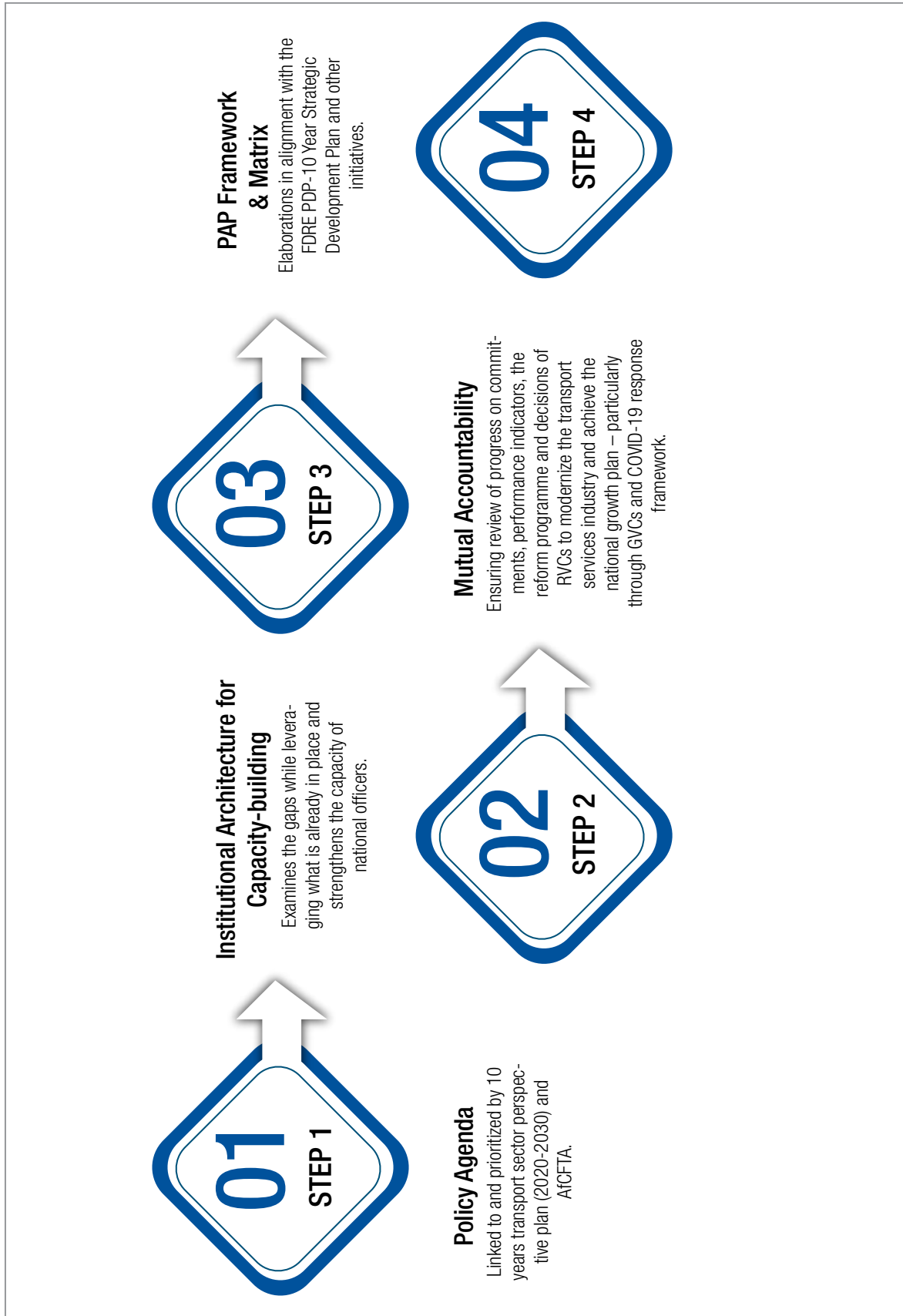
Therefore, when finalizing the action plan (PAP), the following issues were considered to improve the understanding of the Ministry's technical experts, policy advisors and transportation planners

- 1) Who would be interested in this policy change? Who are the clients/constituents/beneficiaries of this policy change? Ministers? sectoral groups? The private sector?
- 2) Who should be reported to regarding carrying policy actions forward? Who will "champion" the policy action?
- 3) What should be done to create more "demand" for the MoT team's policy engagement?
- 4) Take stock of the methodologies of all the initiatives and explore the potential for developing synergies, a common action plan and mechanisms for closer collaboration, including institutional and implementation arrangements.

The bottom line is that Ethiopian-level transport policies increasingly need to incorporate a service perspective or operations, and not focus exclusively on goods, manufacturing or infrastructure facilities. Policymakers and those who support them need to ensure a balanced and inclusive approach — all the more so since transport services have the capacity to be more welcoming to new entrants to the industry.

KEY ELEMENTS OF POLICY ACTION PLAN (PAP)

A prioritized policy framework and action steps to tackle national supply-side constraints and operational difficulties to ensure Ethiopia's better integration into the RVCs



1. Policy Action Plan Agenda

Steps and actions are needed at three levels:

Step/Action	Specific Tasks	Who	How	Timeframe
<p>Level 1: Investment in trade and transport-related infrastructure</p> <p>(i.e., quality transport infrastructure or efficient transport services implies lower transit times and trade service costs)</p>	<p>1.1. Improve roads, rail links (branch lines), (dry) ports, internal container depot, truck rest stops and airports, including cold chain equipment (CCE) and facility</p> <p>(i.e., productive investment on transport inputs/infrastructure, such as traditional/physical “hard” investments, have become important for improving the competitiveness of the country)</p>	<p>ERA, MoF, ES-LSE, ERC, EDRC, ET/EAE</p>	<p>Attract finance for infrastructure development or productive investments via mobilizing domestic resources, such as taxes, Eurobond issue</p> <p>Upgrade feeder roads</p> <p>Maintain smart corridors and developing new transport nodes</p> <p>Tackle the first and last mile for the railway transport connectivity</p> <p>Expand dry ports, capacity and intermodal terminals</p> <p>Sustainable maintenance, with the associated proper cost recovery schemes, technological know-how and managerial skills, needs to be addressed and secured</p>	<p>Short – to long-term</p>
	<p>1.2. Rapid diffusion of ICT, TT digitalization and customs automation to improve transit and clearance time</p> <p>(i.e., enhance accessibility & facilitate the linking of remote activities through “soft” infrastructure components — facilitating policies, procedures and institutions)</p>	<p>ESW system, 16 regulatory agencies, including the MoR</p>	<p>Authorized economic operator (AEO) system, based on World Customs Organization standard</p> <p>Environmentally friendly technological and organisational solutions adopted in transport</p> <p>Concept of sustainable growth, including new transport technologies, such as low carbon modes of transport</p>	<p>Medium</p>
	<p>1.3. Transport sector regulation amendment</p> <p>(i.e., effective regulation and regulatory institutions to create a competitive, market-based and green- transport services industry by dealing with restrictive policies and regulations)</p>	<p>FTA, HoPR, RTB</p>	<p>Regional or bilateral transit arrangements</p> <p>Liberalisation and structural reform on the supply side</p> <p>Anti-trust laws are in place to prevent private anti-competitive behavior and practices</p> <p>Trade liberalization in the form of a decrease in tariffs led to an increase in shipping costs</p>	<p>Intermediate</p>
	<p>1.4. RVCs sourcing networks and investment decisions</p> <p>(i.e., lower investment barriers facilitate integration, which creates a conducive business environment for attracting FDI, ODA and local private firms' investment)</p>	<p>MoF, MOTL, NBE, EIC</p>	<p>Provide an all-encompassing service</p> <p>Fair competition practices</p> <p>Reduce supply chain barriers</p> <p>Credible local partner & affordable lending to businesses</p> <p>Access to quality information is imperative for newcomers</p> <p>Access to trade finance</p>	<p>Short-term</p>

Step/Action	Specific Tasks	Who	How	Timeframe
Level 2: Customs and other border procedures (i.e., cross-border coordination & trade facilitation measures)	2.1. Upgrading the customs clearing system and trade facilitation performance (i.e., improvements in policy initiatives, such as transit rules/visa regimes and customs administrations under the heading of the trade facilitation agreement - TFA)	MoT, MoTL, MoR	Work towards developing harmonized transit and customs procedures for efficient transit regimes Bilateral or regional transit agreements Advocate for infrastructure development through private concessions	Short to medium-term
	2.2. Improve supply chain performance (i.e., Successful supply chains are lean, cost-efficient and dependable. It's a process, and continuous improvement is the ultimate goal)	FTA, MoR, ESLSE	Devise a strategy for a supply chain resilient Automate supply chain processes Use demand planning Eliminate data silos Best use of the third-party logistics (3PL) providers Monitor the system/ platforms to identify weak points Availability of logistics services, management of rolling stock and location of demand in relation to key nodes in the transport chain. Rent seeking by transport operators (for example, trucking cartels) and regulated access to the market (for example, quota systems for national truck companies) have been identified as major problems in some parts of routes Eliminate transport-related risks to society	Intermediate
	2.3. Successful red tape reforms (i.e, single window; electronic data interchange; extended customs' operating hours; improvements in dry-ports and road infrastructure, as well as reductions in the number of checkpoints along the corridors & industrial parks)	MoT, FTA, LTO, ERA	Transit or cross-border road (rail, and the like) transport agreements Inefficient market structure, rent seeking and other detrimental practices, including inefficiency of individuals, overregulation and corruption Improve the reliability and predictability of transit time and cost in a given transport corridor	Short-term

Step/Action	Specific Tasks	Who	How	Timeframe
Level 3: Private Services and Regulation (Policymakers and sectoral regulators ensure that further private sector upgrading is not inhibited by an unduly restrictive regulatory environment)	3.1. Improvements in the regulatory measures and transit procedures (i.e., reduces trade times - internal transit, document preparation, and customs and border formalities; national vehicle standards, service pricing restrictions)	MoTL, ESLSE, MoT, ECA	Functional custom transit procedure/systems Strict documentary follow-up on the transit movement Minimize the interference, and yet offer maximum safeguard Training of customs officers Smooth regulations and less costs associated with various formalities Security or solvency on the part of the transporter	Short-term
	3.2. Conduct trade and transport facilitation assessment (TTFA) and improve market access (i.e., identify the obstacles to the fluidity of TS trade supply chains)	ECX, MoT, MoJ	National self-assessment of needs and priorities and the cost implications of possible measures Revise Commercial Code Avoid rent seeking by transport operators (e.g., trucking cartels), and regulated access to the market (e.g., quota systems for national truck companies)	Intermediate
	3.3. Develop and adopt a framework for regulatory cooperation (i.e., address road transport regulatory fragmentation among trading partners of Ethiopia)	MoTL, ERA, MoT	"Freedom of Transit" introducing notions of reciprocity Regulatory and competition policy reforms that are politically feasible in a multilateral agreement Create financial/tax incentives for SMEs, such as operators and forwarders	Short-term

2. Action Plan for Institutional Architecture for Coordination and Capacity-building

Steps and actions are needed at four levels:

Step/Action	Specific Tasks	Who	How	Timeframe
Level 1: Coordination and collaboration (i.e., complete and confirm diagnostics to clarify components and status of institutional architecture)	1.1. Inter-ministerial Committee (IMC) (i.e., ensuring strong, policy-level commitment to drive reform and TFA in transport services)	Council of Ministers	At the highest-level, establish a new institutional and coordination framework with clarity of roles to avoid overlapping duties or mandates through joint agreement on commitments and of performance assessment Reforms that reduce the “costs of doing business” Local policy experimentation	Intermediate
	1.2. Roles and responsibilities clarified (i.e., avoid overlapping duties and conflict with existing legal mandate)	Council of Ministers	Develop coordination mechanisms to facilitate implementation Responsibility is allocated amongst various levels of government & stakeholders, which allows for direct communication for lucid implementation	Intermediate
	1.3. Border agency cooperation and co-ordination (i.e., integration or co-ordination of information requirements of different border authorities)	MoTL, DPC, MoT, MoR, MoP	Strengthen policy coherence and synergies among border agencies	Intermediate
Level 2: Mechanisms/ groups across TS trade policy areas for coordination established and functional (i.e., build a support programme and partnerships to strengthen the institutional architecture)	2.1. Establish a policy steering committee/coordination group (i.e., set-up & chaired by the identified policy area coordinator)	Council of Ministers	Political economy considerations with regards to the feasibility of such programmes/interventions. In particular, vertical specialisation	Short-term
	2.2. Roles and responsibilities clarified (i.e., avoid overlapping tasks)	MoTL, PM Office	Inter alia: inclusive and institutional governance for the implementation Clarity of roles to avoid overlapping duties or mandates	Short-term
Level 3: Groups for each TS trade policy area established and functional (i.e., establish coordination mechanisms to support / facilitate implementation of the support programme / partnership)	3.1. Work on/with border agencies (such as health, quarantine, customs and police authorities) (i.e., Improving border procedures, as well as reducing red tape & trade barriers)	MoTL, DPC, MoT, MoR, MoP, RS	Develop a systematic way to examine border processing that can be interpreted within trade models and be useful in evaluating costs and policies Policy experiments – simplification, modernization, harmonization of trade processes Datasets for trade processing costs	Intermediate
	3.2. Interagency working group (IWG) created and supervised by the PM office/NPC (IWG includes liaisons, senior officials appointed by agency heads to provide overall coordination with the PAP initiative)	National Planning Commission (NPC; coordination tasks along with PM Office & MoTL)	Coordinate interagency efforts to deliver on solutions; a locally led, nationally scaled effort to capture more of the value-added in each TS chain Convene to discuss the progress made-to-date in implementing PAP.	Intermediate

Step/Action	Specific Tasks	Who	How	Timeframe
Level 4: Capacity building programme (i.e., strengthening the capacity of national officers & private operators to measure & analyze how transport services contribute to the level and scope of the country's integration into RVCs)	4.1. Compilation of TIVA and RVC indicators in accordance with internationally recommended methodologies (i.e., TS trade statistics)	Development and Planning Commission, Central Statistics Agency	Assess the capacity of national statistical systems Strengthen the capacity of national statistical officers & private operators to develop, produce & update national statistics used for the construction of Input-Output (IO) tables and the compilation of TIVA and GVC indicators Enhanced statistics Coordinated revision of the SNA International and regional institutions to provide effective compilation guidance/methodological work Statistical framework for measuring transport trade in services	Short- to medium-term
	4.2. Input-output datasets created, improved and available for timely TIVA and SAM estimates (i.e., corresponding databases)	DPC, CSA, FTA, NBE	Efforts by national agencies to employ the appropriate methodologies Combine ITRS & enterprise surveys to collect statistics Translate statistics into simple and readily understandable information for non-specialists Consistency between the results and indicators	Short- to medium-term
	4.3. Prepare training modules, and follow-up on national workshops and technical assistance (i.e., training on using EORA database and TIVA)	MoT, DPs, CSA, NPC	Statistics on transport & trade in services to address problems of asymmetries Assess data quality Public access to the data Help agencies to compile national SUTs and other key statistics	Short- to medium-term

3. Action Plan for Mutual Accountability

Steps and actions are needed at three levels

Step/Action	Specific Tasks	Who	How	Timeframe
Level 1: Freight Transport Strategy (i.e., a strategy that can address the needs of tomorrow's modern freight transport systems)	1.1. Develop and implement tailored sustainable freight transport strategies (i.e., a checklist of considerations is given, as well as freight transport-related policies, plans, operations and investment decisions)	MoTL, NPC, FTA	Provide coherence to the sustainable freight initiatives (concerted policy measures) Create synergies through partnerships Ensure high level political affirmation	Intermediate
	1.2. Incorporate sustainable freight transport considerations into existing public and private sector investment (i.e., develop inventory of commitments made to support the above framework, applicable to different stakeholders, within and across modes of transport)	MoTL	Optimal integration of modes of transport through efficient inter-modal interfaces	Intermediate
Level 2: Public-private dialogue with national authorities (i.e., frame and define the joint development agreement (JDA), related commitments, and collect, analyze, publish findings reviewing progress in meeting commitments and achieving objectives of JDA)	2.1. Diagnoses that aim to identify "problems" in the freight transport sector that need to be addressed (i.e., establish technical working group to collect data/quantitative assessment, and to identify the main challenges that undermine the freight transport sector and examine their underlying causes)	MoTL	Safe and accessible (social), efficient, reliable and resilient (economic), and fit to reduce greenhouse gas emissions, pollution and climate related disruptions (environment)	Short-term
	2.2. Stakeholder Mapping (i.e., identify relevant players involved in freight transport activities, and clarify transport services to be rendered/technical review group)	DPC, MoTL	Stakeholder analysis to group chain actors by their power and interest Visualization (or roadmap)	Short-term
	2.3. Vision and Goal Setting (i.e., develop a vision that adequately reflects local operators' needs)	DPC, MoTL	Clear vision, objectives, enabling conditions and priority areas for policy action	Short-term
	2.4. Engaging the business/ authorised operator's community (i.e., meetings to ensure more consistent uniform application, sector-wide approaches)	DPC, MoTL	Strengthen governance for sustainable freight transport at national level Build the capacity of transport officials to mainstream sustainability considerations in freight transport, including in gathering and analysing related statistics Promote the use of transformative transport technologies, particularly, digitalization.	Short-term

Step/Action	Specific Tasks	Who	How	Timeframe
Level 3: Develop and adopt a policy framework for regulatory cooperation (i.e., implement joint sector review (JSR) and measure progress made on commitments, performance and impacts, and adjust plans as needed)	3.1. Working party on regulatory cooperation and standardization policies (i.e., produce JSR report that includes developing recommendations/adjustments in TS trade agreements, undertakes sectoral initiatives and capacity-building activities)	ESA, MoTL	Encourage increased regulatory coherence in TS sectors that have a critical impact on sustainable transport and promote greater resilience to COVID-19 hazards. Transparency	Short-term
	3.2. Co-ordination of a wide range of bodies, including government authorities, regulatory bodies, the private sector and administrations (i.e., create/organize public/private sub-sector review platforms that make up Ethiopia's quality data)	ESA, MoTL	Promote the use of standards by policymakers and business as a tool for reducing technical barriers Advocate the use of standards in the implementation of the PAP	Short-term
	3.3. Establish customs union (i.e., simplify compliance to reduce transaction costs, clarify dates for establishment, define roles, responsibilities, workplan, RM and timeline to start)	Private Operators, FTA	More alignment and reduction of barriers in goods/services Improve urban freight logistics Simplify compliance and reduce costs	Short-term

4. PAP Framework & Elaboration(wxpo²)

Focus areas/ identified action steps and measures	Target Date	Resources Required/ Sources of Funding	Lead Person/Org. Responsible	Expected Outcomes/ Anticipated Result	Status/Progress Notes (e.g., Not Started, In-progress, Completed)
The business environment—including regulatory transparency	Jan. 2022	National budget (\$65,000 USD), bilateral and multi-lateral donors (\$35,000 USD)	Federal Government, DPs	Regulatory reform to ensure that firms/operators have non-discriminatory access Establish an efficient regulatory regime that fosters a competitive environment Ensuring a business-friendly environment and Openness Improving governance, integrity, transparency, and communication	Not started
Measuring the performance of a supply chain – performance indicators	June 2023	National budget \$20,000 USD	LTO, EMAA	Improve the reliability and predictability of transit time and cost in a given transport corridor - <u>speed and accuracy</u> Bring reliability and predictability to transit time	Not started
Revised investment law	April 2020	IFC \$50,000 USD	Ethiopian Investment Board, EIC, TAs	Private sector-led growth and lifting the restriction in transport services, particularly the logistic industry, which was exclusively reserved for Ethiopian nationals	In-progress
Standardization, technical assistance, and capacity building	Nov. 2021	TA \$33,000 USD	UNCTAD/ECA/MoT	Strengthen the capacity of national officers (statisticians, multimodal transporter operators, logistics service providers, etc.) to develop, produce and update national statistics used for the construction of Inter-Country Input-Output (ICIO) tables and the compilation of TiVA and global value chain (GVC) indicators	In-progress
Supply chain impediments and barriers to transport services trade	Jan. 2022	\$75,000 USD	LTO, MoT- EMAA	Successful red tape reforms	Not started
Road Transport Fragmentation of regulatory instruments, regulatory regimes and technical standards	Dec. 2021	MoT/MF/MoR (\$10,000 USD)	MoT, Trading partners (Djibouti, Sudan, Kenya, Somalia)	Efficiencies in the cross-border road transport systems and enforcement procedures Harmonised and integrated systems and manual procedures Real-time data and tracking capabilities	Not started

² Throughout the PAP exercise, consultation and transparency were stressed.

Focus areas/ identified action steps and measures	Target Date	Resources Required/ Sources of Funding	Lead Person/Org. Responsible	Expected Outcomes/ Anticipated Result	Status/Progress Notes (e.g., Not Started, In-progress, Completed)
Establish customs unions	Feb. 2022	National budget (\$150,000 USD)	Ethiopian Customs Authority (ECA)	Simplify compliance and reduce costs	Not started
TTFA Assessment	Jan. 2022	Bilateral and multilateral donors (\$90,000 USD)	Customs and other border agencies, transport regulators, freight forwarders, transport operators, ports and others	Improve logistics performance among its three main dimensions: infrastructure, services, and procedures and processes	Not started
COVID-19 preparedness and response framework	April 2020	Government budget and donors (\$ 82.6 million USD IDA financing)	All modes of transport A joint committee chaired by the Ethiopian Deputy Minister of Transport Access to finance – SMEs	Resilience of transportation systems Introduce arrangements to support financial sustainability of transport operators, as well as mothballing arrangements for fleets Provision of short-term emergency support for redundant or temporarily laid-off workers	In-progress
Ensuring AfCFTA is implemented and applied	Jan. 2022	Development partners (\$1.5 million USD) and federal budget (\$500,000 USD)	Businesses/firms-SMEs/ transport operators/FF/ RECs... etc.	Tap into opportunities provided by the AfCFTA agreement – liberalized single market Identify key transport services, as well as markets that Ethiopia will prioritize as it seeks to boost its exports to the rest of the continent Compliance mechanisms J& implementation strategies	Not started
Increase capacity & supply lines	Oct. 2021	Ethiopian Shipping and Logistics Services Enterprise (\$5 million USD)	Planned purchase of containers and trucks facilitates	Strive to meet the ever-rising container demand Purchase more containers and trucks to help augment the national economy slackened by COVID-19 and internal conflict	In-progress
Training and skills development, and building in-country training capacity	Sept. 2022	\$120,000 USD	CSA/MoT Technical Assistance from UN agencies/WBG/EU/JICA	Meet some of the initial priority needs of Ethiopia's CSA as part of what will necessarily be a long process to develop the country's capacity to gather, organize, analyze, disseminate, and use statistics for its IOTs	Not started

Alignment with FDRE PDP-10 Priorities and other initiatives			
Objectives #	Market/Scope	Vision/Goal	Major initiatives or priority
1. Reduce freight transport empty trips	National/Corridor	Help companies advance supply chain sustainability by measuring, benchmarking and freight transportation efficiency	Cross-Border Freight Transport Owners' Association Agrifood Cooperatives Axle load regulations
2. Reduce logistics cost by improving fuel efficiency	Shipper, supply chain manager, carrier, retailer, wholesaler, freight transport/logistics service provider	A decoupling between freight transport and traffic has been achieved, with continued economic growth	Logistics Transformation Office (LTO) Trade liberalization - Home-grown Economic Reform Agenda
3. Increase rail freight transport mode share	Corridor	Transport freight reliably and efficiently by near-zero emission equipment wherever feasible, powered by clean, low-carbon renewable energy	East African Railway Master Plan LAPSSET Economic Transport Corridor
4. Improve travel time, facilitate efficient cross-border movements (<i>seamless movement of goods and services</i>)	Regional	To drive efficient and sustainable freight logistics that balance the needs of a growing African economy, with the quality-of-life aspirations of the continent – <i>the Africa We Want</i> .	AfCFTA One-stop border-post (OSBP) eSW <i>*Transport is one of the five priority services sectors in the AfCFTA</i>
5. Transport sector's responses to COVID-19	Global	Tackle the crisis in the transport sector and maintain essential mobility for people, and the transport of critical goods & services	Leverage innovative forms of mobility Channel cross-border travel via dedicated entry points Ensure the short-term financial viability of the transport sector/enterprises...etc.
6. Capacity-building meprogram	Global	Expand the country coverage of the OECD TiVA database Compile national SUTs and other key statistics	Joint OECD-WTO African TiVA project

Aspiration: By 2030 TPAP will:

◇ With all conditions favourable, TsPAP could potentially:

- Increase the value added of transport services from 16,5 billion in 2019 to 68,4 billion birrs in 2030 (or a 5% real growth per year).
- Increase the number of jobs in the transport sector from an average for 2012 to (an additional jobs) and a potential 500,000 jobs by 2030.
- So, the PAP suggests the above steps and specific tasks under the Mutual Accountability Framework, such as revising the existing transport strategies and regulations, can address the needs of tomorrow's modern transport systems in Ethiopia.
- To enable Ethiopia to capture more of the value-added along the TS value chain, it is necessary to strengthen backward linkages with the local economy. Poorly designed transport policies could, however, create new barriers to interconnectivity, undermine Ethiopia's participation in transport service value chains and leave it open to challenges for operations and facilities. Therefore, it is essential for the government to consider the above-identified policy areas that are compatible with value chain participation, such as schemes to reward local sourcing, or policies to build the local capacities of operators that respond to the needs of lead firms nationally and regionally.
- The analysis of agri-food and transport services (esp. logistics) value chains highlights that Ethiopia is integral to these value chains and can use its participation in them to achieve growth, employment, and poverty reduction objectives. However, the project highlights that there is much scope to improve Ethiopia's participation, with many firms paying a competitive penalty due to inefficient border procedures, high tariffs, non-tariff barriers that unnecessarily constrain transport services trade, restrictions on the flow of information, impediments to FDI, and restrictions on the movement of people.
- The challenge for Ethiopia is to design and implement broad strategies and action plans that tackle these key barriers and gaps to integration and upgrading in value chains. The best part of the exercise is that the PAP provided clear guidance about where transport services could help the country connect to value chains. Government bodies and commercial parties must understand the benefits derived from the implementation of this PAP framework and corrective measures and adopt a positive attitude towards them.

