Strengthening regional cooperation on coordinated trade and transport policy response to covid-19
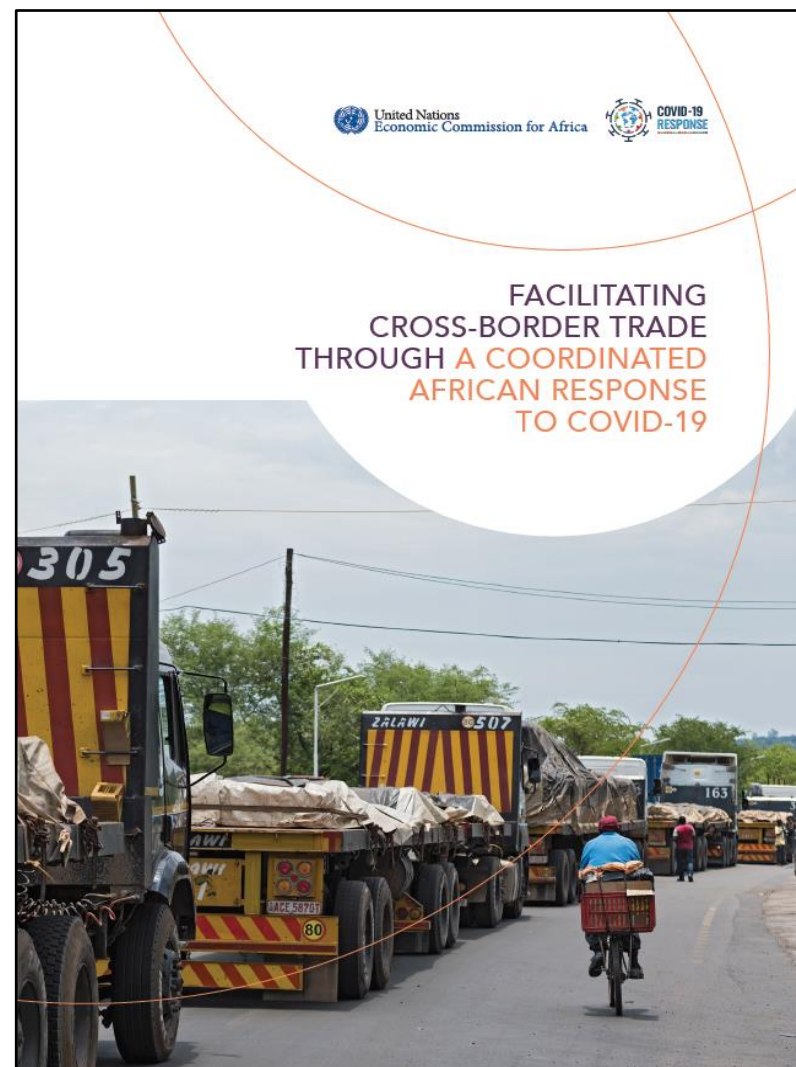
Soteri Gatera
Senior Economic Affairs Officer / UN ECA
22nd June 2022/
Geneva

ECA COVID-19 Cross-Border Trade Report

CONTENTS

United Nations Economic Commission for Africa — COVID-19 RESPONSE

FACILITATING CROSS-BORDER TRADE THROUGH A COORDINATED AFRICAN RESPONSE TO COVID-19
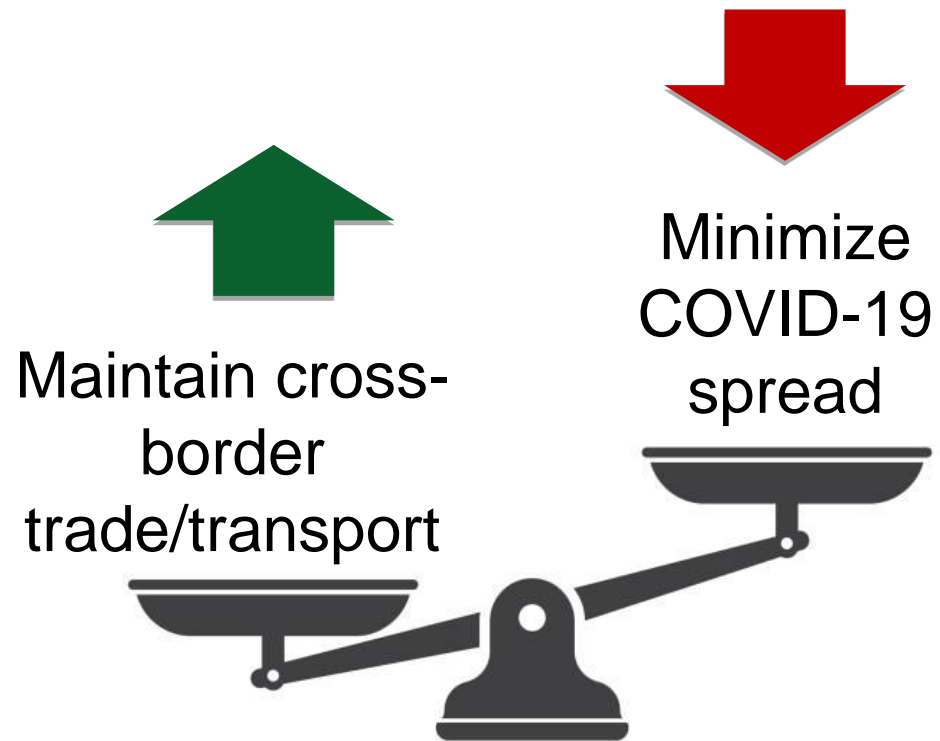
Safe trade: a balancing act

Closures: 38 and 17 countries announced land and sea border closures, respectively on the outset of covid-19
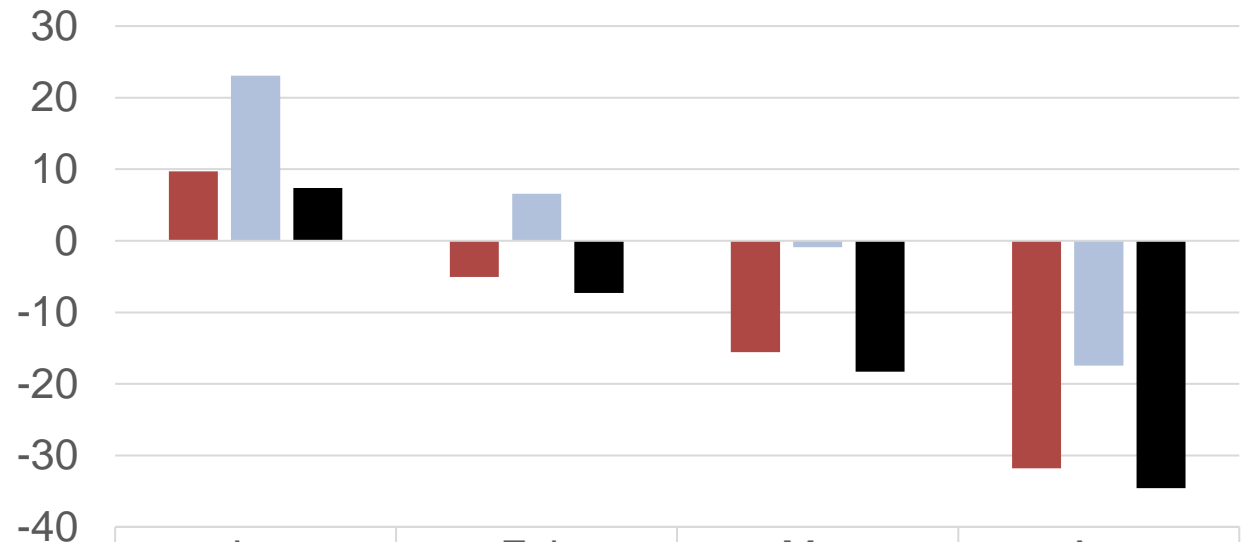
Target: under strict regulations, closures targeted reducing movement of people, while exempting essential supplies

Regulations: mandatory testing, sanitizing trucks, limiting crew members, and designated transit resting areas etc.

Maintain cross-border trade/transport

Minimize COVID-19 spread

Slowdown in Africa's trade

Africa's exports, monthly (year-on-year % changes, 2020 vs 2019)

	Jan	Feb	Mar	Apr
■ Total African Exports	9.72	-5.06	-15.56	-31.80
■ Intra-African Exports	23.05	6.55	-0.88	-17.43
■ Africa's Exports to ROW	7.39	-7.29	-18.28	-34.59

Source: Data from UNCTAD - based on national statistics from 2019 and 2020. Statistics for April 2020 are preliminary.
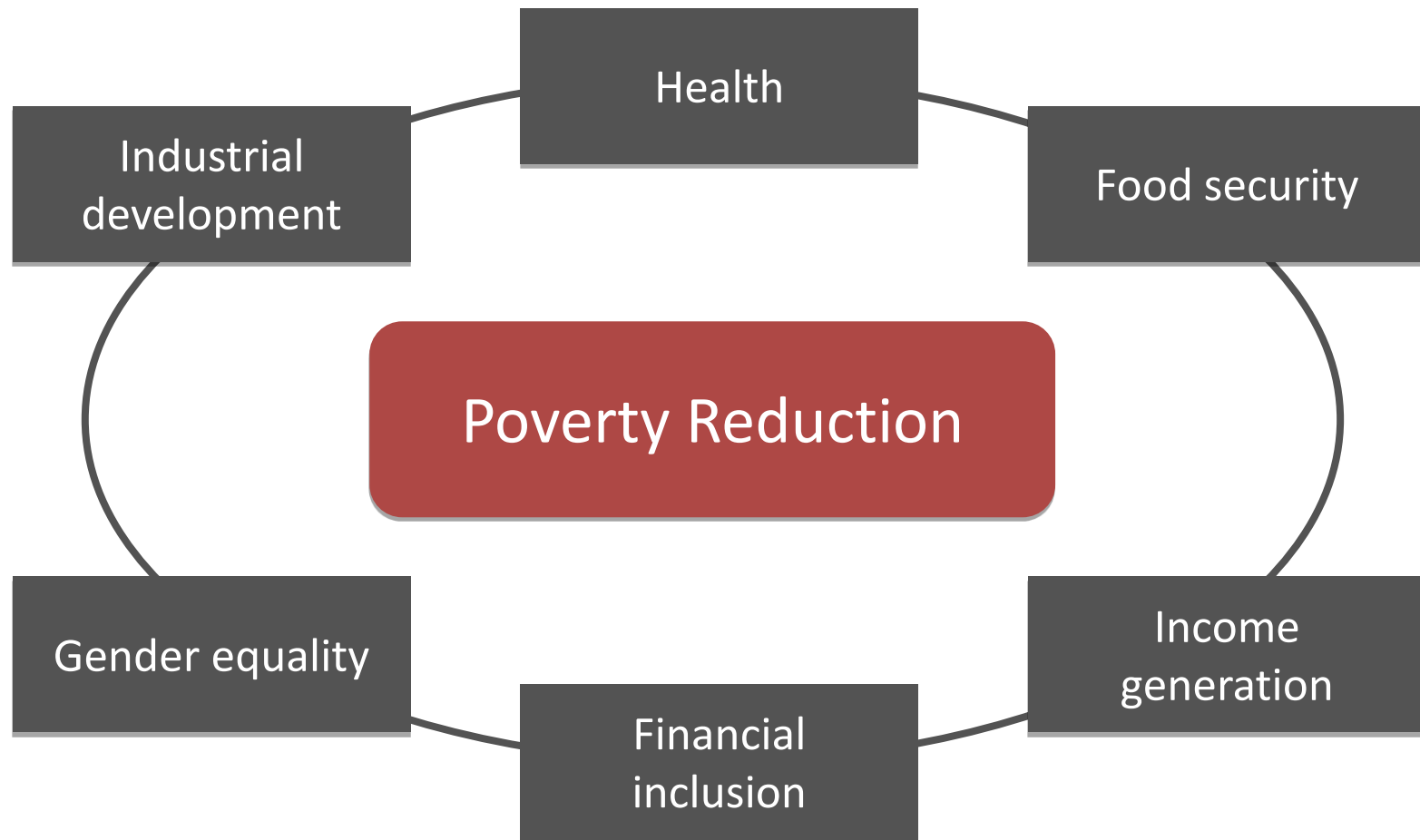
IdeastoAction   www.uneca.org

Cross-border trade disruptions

Trucks at the Malaba border in Uganda, 27 May 2020

Source: Eastern Africa Grain Council

Cross-border transport and trade challenges

Health

Industrial development

Food security

Poverty Reduction

Gender equality

Income generation

Financial inclusion

Comparison of REC COVID-19 guidelines

	COMESA	EAC	ECOWAS	SADC
Trade facilitation of essential supplies	X	X	X	X
Cross-border freight transport operations	X		X	X
Air transport	X		X	
Handling of cargo at seaports	X	X	X	
Transit deliveries	X	X		
Trade in services	X		X	X
Payments and communications		X		
Inspection and quality control		X		X
Advocacy, capacity building and information sharing		X	X	
Gender considerations			X	
Monitoring and evaluation	X	X	X	X

Best practice COVID-19 border responses across RECs

Health Screening

- Mandatory health screening of drivers and crew
- Coordinate health screens when there is a functioning OSBP
- Ensure all border points have requisite personnel

Testing and Certification

- Deploy mobile labs and test kits to border posts
- Immediately isolate positive cases at borders
- Develop regional test certificate and expedite clearance

Hygiene and PPE

- Provide hygiene facilities and supply PPE at all border posts
- Make mask-wearing and sanitary products mandatory
- Provide disinfecting facilities

Crew Size

- Introduce regulation to limit size of crew

Best practice COVID-19 border responses across RECs

Border Management

- Apply risk management on essential supplies only if high-risk
- Pre-clear goods and coordinate inspections / single window processing
- Designate priority lanes and safe parking facilities

Information Sharing

- Publish border measures taken to fight COVID-19
- Distribute information at customs offices and border crossings
- Publish route maps and facilities' locations for truck drivers

Digital Solutions

- Use electronic cargo tracking systems to facilitate contact tracing
- Automate trade facilitation processes
- Encourage e-payment platforms

Operational Mechanisms

- Carry out capacity building of border staff
- Establish a body to coordinate implementation of border regulations
- Assist Member States to implement COVID-19 guidelines
- Publish revised guidelines as may be required

Longstanding trade facilitation challenges

African Costs of Transportation
are **63% higher** than developed countries

Freight Costs as % of Import Value
are **11.4% for Africa** vs. 6.8% for developed countries

Customs Transactions include
20-30 different parties, **40** documents, **200** data elements

Customs Processing Delays
can cost **$185 per consignment for each day** of delay

The crisis had **magnified** Africa's cross-border inefficiencies

Increased **urgency** to do better and find innovative solutions to facilitate safe and efficient cross-border trade

Trade facilitation tools can be made COVID-19 **relevant**

One Stop Border Posts

Regional Transit Guarantee Schemes

Simplified Trade Regimes

Traffic Light System
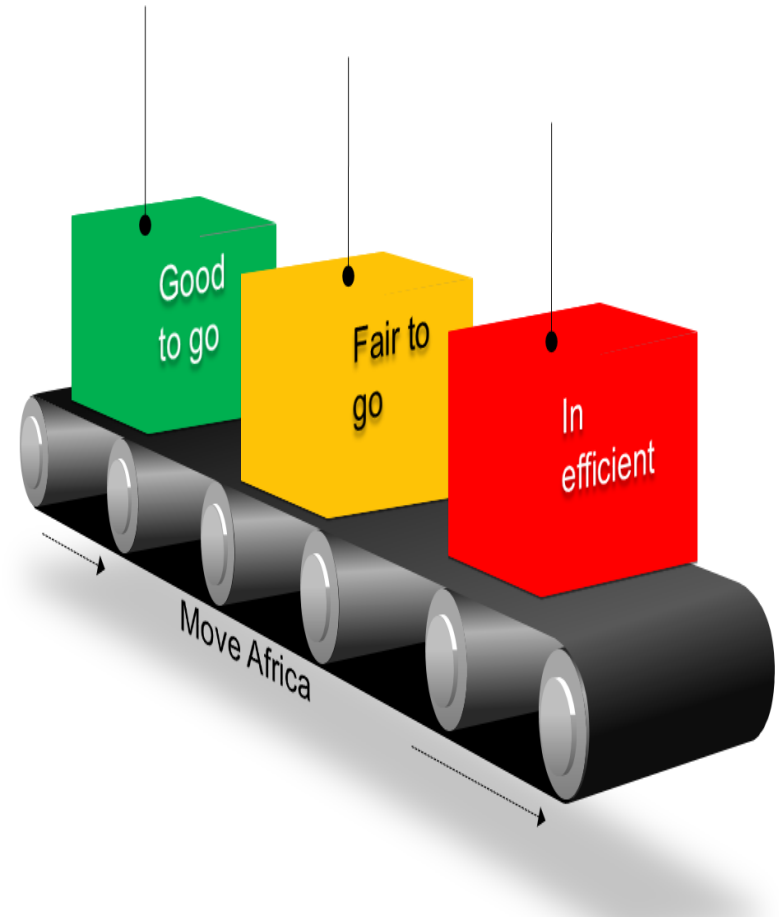
Making TLS COVID-19 relevant

AUDA-NEPAD Traffic Light System

Ranks performance of border posts and
identifies bottlenecks and corrective actions

Successfully **piloted**: EAC, ECOWAS, SADC

Update to make COVID-19 relevant

1. Update existing indicators: reflect specific
   COVID-19 specific border challenges

2. Include new health & safety indicators

3. Regularly publish assessments

Good to go

Fair to go

In efficient

Move Africa

Policy recommendations for action

Increased use of ICT Capabilities

Development of Pharmaceutica Industries in Africa

Development of Multi-modal and Inter-modal transportation systems

- Development of Road-side truck stopsCus along transit corridors
- Development of Transport Corridor Observatories
- Diversification of sources of sustainable enery

Key Results so far

COMMON AU COVID-19 GUIDELINES

> **The African Union Commission (AUC) with technical assistance from UN ECA, developed Continental Guidelines on Trade and Transport Facilitation for the management of persons, goods and services across Africa during the Covid-19 pandemic.**

- **RECs and Border authorities established committees** to coordinate guidelines implementation and resolved border issues
- This was important given **shared trade and transport facilitation goals of the AfCFTA**
- Was **built drawing upon existing REC guidelines** and "best practices"
- **A common AU COVID-19 Test Certificate** for transport workers was required to facilitate a harmonized approach to certifying test results

MAINTAIN AFCFTA MOMENTUM

- **Speeding up AfCFTA operationalization to** hasten economic recovery
- African counties can start to **implement "ready-to-go" elements** of the Agreement including NTB mechanism and Annexes on Trade Facilitation and Customs Cooperation

Key Results

USE OF TRADE FACILITATION TOOLS

- **AUDA-NEPAD Traffic Light System was updated** to include COVID-19
- **Regularly published information on "relative" ease of movement** and clearance at border posts to better inform logistical planning

DEPLOYMENT OF DIGITAL SOLUTIONS

- **Electronic Cargo Tracking Systems** scaled up and replicated
- **Mobile banking and payment systems** encouraged to reduce contact
- **AfCFTA to be utilized to fast track digitalization** of procedures and systems to enhance competitiveness of African exporters

INFORMAL TRADERS PROTECTED

- Governments to take steps to **reopen informal cross-border trade** across official border crossings with sanitary, testing and quarantine facilities
- Governments to **assist small-scale traders and** provide relief to informal traders
- **Full implementation of Simplified Trade Regimes to** help to incorporate informal traders into official trading systems

THANK YOU!