EXPLANATORY NOTE

The HoAI Trade Facilitation Roadmap 2026–2031: Towards a Regional Architecture for Trade and Economic Integration

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1. Introduction

The HoAI Trade Facilitation Roadmap 2026–2031 introduces a common approach to trade-, customs- and transport-related constraints that have traditionally been addressed through national reform programmes in the HoAI participating countries. It starts from a simple reality: the institutions governing trade are typically organised nationally, while commercial transactions usually extend across several jurisdictions. A shipment moving through the Horn encounters customs administrations, transport authorities, standards and regulatory agencies, ports, licensing systems, digital platforms and documentary requirements whose interaction can determine the time, cost and predictability of the transaction.

The Roadmap, developed for Djibouti, Ethiopia, Kenya, Somalia and South Sudan, builds on the previous 2022–2025 framework and establishes a five-year regional programme covering border procedures, non-tariff barriers, digital trade, transport and transit facilitation, trade information, standards and common procedures, institutional coordination, and the implementation of regional and continental commitments within a common framework. The significance of this approach lies in where trade costs are generated. A shipment can encounter little difficulty within one jurisdiction and still face substantial delay when it reaches the next. Requirements may be duplicated; information produced by one administration may not be recognised by another; permits may lack mutual recognition; and regulatory requirements may interact in ways that increase uncertainty even where each individual procedure is justified on national grounds. The problem therefore lies not only within national systems, but at the interfaces between them.

This gives regional coordination a practical economic function. Interoperability, mutual recognition, information exchange and corridor-level coordination can reduce the costs created by those interfaces without requiring countries to adopt identical institutions or regulations. The objective is therefore not **institutional uniformity**, but **functional alignment**: enabling different national systems to work together while retaining their distinctiveness.

2. From National Trade Facilitation to Regional Systemic Coordination

The institutional organisation of trade facilitation follows national jurisdictions, while the commercial processes it seeks to facilitate extend across them. This creates a structural gap between the *locus* of reform and the geography of trade. Customs and border control procedures, licensing requirements, transport regulation and documentary processes are administered nationally, yet a shipment moving along a regional corridor crosses several jurisdictions as part of a single commercial operation. Its performance consequently depends not only on how these national institutional and regulatory arrangements function individually, but, critically, on how they interact where they meet.

This distinction is particularly important for understanding the relationship between infrastructure and trade facilitation. Roads, ports, border facilities and transport corridors provide the physical capacity for movement. They do not, by themselves, determine whether that capacity can be used efficiently. A corridor can provide physical access between production and consumption markets while remaining functionally fragmented because procedures are

duplicated, information cannot be exchanged effectively between the agencies and systems involved, transport permits or trade-facilitation schemes such as AEO programmes are not mutually recognised, or regulatory requirements disrupt the movement of cargo and vehicles.

“Physical connectivity creates the possibility of movement, but it is the institutional and regulatory environment that determines whether that possibility can be realised. The Roadmap therefore addresses a dimension of regional connectivity that physical infrastructure alone cannot resolve: the systems, procedures and information flows through which movement across borders actually takes place.

This also changes the nature of trade-facilitation reform. Transit procedures, electronic cargo tracking, transport permits, border information systems, trade-information mechanisms and non-tariff-barrier management may be implemented nationally, but their effectiveness increasingly depends on what happens beyond the national border. A procedure that performs well domestically can still generate regional costs if the information, document or regulatory decision it produces cannot be used by the next jurisdiction.

The appropriate objective is therefore not to make national trade systems identical, but to make them functionally compatible where their operations intersect. This approach recognises that the countries of the Horn have different administrative structures, legal frameworks and institutional capacities, and that effective regional coordination does not require these differences to be eliminated. Nor does it imply identical implementation timetables: where institutional, technical or digital capacity differs, reforms can be sequenced so that more demanding regional arrangements build on the necessary foundations in each country. What matters is ensuring that national systems can work together at the critical interfaces through which cross-border transactions take place.

The same principle applies where security conditions constrain movement. Trade facilitation does not remove legitimate customs, regulatory or security controls; rather, the objective is to make those controls more predictable, risk-based and compatible across borders. Where security conditions lead to additional controls, temporary restrictions or border closures, the regional challenge is to ensure that the resulting measures are managed with as much coordination and transparency as possible so that disruption does not compound across the corridor.

Digitalisation makes the distinction particularly clear. Converting a manual procedure into an electronic one may improve an administration’s internal efficiency without materially improving the regional transaction or facilitating customs clearance across borders. If countries digitise independently, traders may still have to submit the same information repeatedly, national systems may require different data, and information generated in one jurisdiction may have little value in another. Digitalisation becomes transformative when systems can exchange, recognise and reuse information across borders. Its regional value therefore lies not simply in replacing paper, but in allowing information to travel with the transaction.

This is also relevant to small-scale and informal cross-border trade. Traders operating at smaller scales are particularly sensitive to the cost of repeated documentation, unclear requirements and limited access to information. Digital and procedural reforms therefore need to be designed not only for large formal operators, but also with the accessibility, simplicity and information needs of smaller traders in mind. At the same time, greater facilitation should remain compatible with the regulatory and security requirements governing cross-border movement.

3. The Architecture of the 2026–2031 Roadmap

The Roadmap translates this regional perspective into a structured programme comprising 14 strategic goals and 51 activities. The Roadmap addresses regulatory and procedural reform, diagnostic studies, institutional arrangements, capacity development, digital solutions, process improvement, common procedures and standards, and mechanisms for inter-agency and cross-border coordination. This breadth follows from the nature of the problem: the constraints affecting regional trade rarely reside in a single procedure or institution, but emerge from the interaction of multiple systems across the transaction.

The corridor perspective is particularly important. A corridor is not simply a physical route between two points; it is a continuous process in which multiple institutional and logistical interactions shape the movement of a shipment from origin to destination. Its performance is therefore cumulative. Delay, uncertainty or duplication at one point can propagate through the transaction and diminish gains achieved elsewhere.

This creates a fundamental problem of bottleneck displacement. Removing a constraint in one jurisdiction may improve performance locally without improving the corridor as a whole if another constraint remains elsewhere along the transaction. The constraint is therefore displaced, rather than removed. Regional trade facilitation consequently requires attention to the chain of interactions through which a transaction moves, rather than the isolated optimisation of individual components.

This matters particularly for smaller firms and cross-border traders, for whom fixed compliance, information and procedural costs can represent a larger share of transaction value than they do for larger enterprises. The usability of regional markets consequently depends not only on the formal conditions of market access, but also on whether firms can satisfy the requirements surrounding that access at a cost and level of predictability compatible with commercial activity.

4. Institutional Coordination as the Missing Regional Layer

The regional dimension of the Roadmap requires an institutional mechanism capable of sustaining coordination beyond the adoption of the framework itself. The **Regional Trade Facilitation Committee (RTFC)** occupies this space by bringing together three levels of the trade-facilitation system.

At the implementation level, government agencies with trade-related responsibilities provide operational knowledge and identify national constraints arising from the application of customs, trade and transport procedures. At the business level, traders and their national associations provide evidence of how those procedures affect actual commercial transactions. At the policy level, Ministers responsible for Trade have the mandate to determine the regional response and decide on reforms requiring political action.

The value of the RTFC lies in connecting these levels. It will bring operational evidence and commercial experience into a regional forum, help distinguish problems that can be resolved nationally from those requiring coordination across jurisdictions, and provide Ministers with an informed basis for regional decisions. It thus serves as an institutional interface between implementation, commercial experience and policy decision-making.

Three functions are particularly important. First, the Committee must provide a mechanism for identifying constraints that arise at the intersection of national systems and considering them collectively. Second, it must help translate national priorities into regional initiatives with defined responsibilities and institutional ownership. Third, it must monitor whether the reforms and measures set out in the Roadmap are being concretely implemented, rather than merely recording activities and projects as completed.

This last function is particularly critical. To support this function, work is under way to develop a **regional Trade Facilitation Scorecard** through which the RTFC can monitor the implementation of trade-related projects and initiatives supported by development partners in the Horn. The Scorecard is intended to consolidate information on interventions and their implementation status and, over time, provide a basis for assessing their contribution to identified trade-facilitation constraints. Its planned public online accessibility will also provide governments, businesses, development partners and other stakeholders with a common picture of progress across the regional agenda. Its usefulness will depend in part on whether implementation can be tracked through a limited set of concrete indicators alongside project status: for example, border dwell or processing time at selected border posts, informed where appropriate by Time Release Studies that identify delays and bottlenecks, corridor transit time, transport costs, and the time required for cross-border exchange of trade-related data. Such indicators would help distinguish the completion of an intervention from a change in the conditions it was designed to address.

5. Trade Facilitation and the Economics of Regional Integration

The HoAI Roadmap operates within an existing and overlapping architecture of regional and continental economic integration. The participating countries are linked through several integration frameworks: several are members of the EAC and COMESA, while almost all have ratified the African Continental Free Trade Area (AfCFTA). These frameworks establish the legal basis for preferential market access and the reduction of trade barriers.

But the legal possibility of trade and the commercial possibility of trade are different things. The AfCFTA illustrates the distinction. Its continental framework can create opportunities for firms to sell, source and invest across African markets. Using those opportunities, however, requires firms to navigate customs procedures, regulatory requirements, standards, transport arrangements, information systems, payments and other processes extending across jurisdictions. Preferential access does not eliminate the transaction costs or uncertainty associated with reaching a market. Its economic value depends partly on whether firms can use it at a cost and level of predictability compatible with commercial decisions.

This is where the HoAI Roadmap performs a distinct regional function. It operates at the point where commitments established through regional and continental integration frameworks encounter the practical systems through which trade takes place. It does not create new market-access commitments. It seeks to improve the institutional, regulatory, procedural and operational conditions under which existing commitments can be used.

This matters particularly in the Horn because countries occupy different positions within regional trade. Some are important markets and production centres; others provide port access or transit routes; several perform more than one of these functions. Their regional economic significance depends on the connections between them. A production base contributes to regional integration when it can reach suppliers and markets beyond its domestic economy. A port acquires regional significance when cargo can move efficiently between the gateway and the economies it serves. A transit route creates regional value when goods can cross the jurisdictions along it with sufficient predictability and at commercially viable cost.

Regional integration therefore becomes economically meaningful when these different national functions can operate together as parts of a connected economic system.

The implications extend beyond faster border clearance. Lower and more predictable transaction costs can influence where firms source inputs, hold inventory, locate production, serve markets and invest. A transaction that was previously too costly or uncertain to undertake

may become commercially viable once the surrounding administrative and regulatory conditions improve.

Trade facilitation can therefore change the economic geography of the region. It can affect not only the efficiency of trade that already exists, but also which markets firms can serve, which suppliers they can reach and which cross-border activities become worth undertaking.

6. Conclusion

The HoAI Trade Facilitation Roadmap 2026–2031 marks a substantive shift in the regional trade-facilitation agenda. Its importance lies in recognising that the cost and predictability of a cross-border transaction are shaped across the transaction itself, including at the points where goods, information and regulatory decisions encounter different national systems.

This gives regional coordination an economic purpose. The value of a reform in one jurisdiction may depend on whether another jurisdiction can recognise and use the information, document, permit or regulatory decision it produces. The relevant unit of analysis is therefore not the individual procedure, but the transaction that passes through multiple systems.

The institutional architecture of the Roadmap will determine whether this insight produces sustained results. The RTFC and its monitoring mechanisms can provide the regional layer through which cross-border constraints are identified, national reforms are connected to regional priorities, and implementation is tracked against the measures set out in the Roadmap. The real measure of progress will not be the number of activities completed, but the extent to which persistent constraints on regional transactions are actually removed.

The deeper issue is **economic usability**. Preferential market access creates an opportunity; trade facilitation helps determine whether firms can use it. When the costs and uncertainty surrounding a cross-border transaction fall sufficiently, markets that were previously beyond a firm's practical reach can enter its economic geography. In that sense, trade facilitation is not merely about moving goods faster. It can change what is commercially possible.

This is ultimately where the Roadmap meets the wider project of regional integration. The Horn is already a connected geography. What remains is to give that geography greater institutional continuity. Markets, corridors, ports and economic activity already extend across borders, but their economic value is constrained when transactions lose continuity at those borders.

The challenge, therefore, is not to create connectivity from nothing. It is to make existing connections work.

The ultimate test of the Roadmap will be whether it can turn proximity into connectivity, and connectivity into economic circulation: making it possible for goods, information and transactions to cross borders with enough continuity, predictability and commercial viability for the region's economic geography to function as an integrated space.