

# DEEPENING REGIONAL INTEGRATION AND PROMOTING COOPERATION

*"...the Horn of Africa Initiative provides a suitable platform for countries to act decisively and in a more coordinated manner."*



## HORN OF AFRICA INITIATIVE



## Regional Trade Facilitation Roadmap 2022-2025



**Horn of Africa Secretariat**

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## List of Acronyms

AEO	Authorized Economic Operator
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFD	Agence Française de Développement
BCOCC	Border Control Operational Coordination Committee
BICs	Border Information Centers
BMC	Border Management Committee
CoC	Certificate of Conformity
DPs	Development Partners
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
ECTS	Electronic Cargo Tracking System
ENALCO	Ethiopian National Logistics Coordination Council
ERA	Ethiopian Roads Authority
ERC	Ethiopian Railway Corporation
FTA	Free Trade Area
HoA	Horn of Africa
HoAI	Horn of Africa Initiative
KEBS	Kenya Bureau of Standards
ICT	Information and Computing Technologies
IEP	Institute for Economics & Peace
IGAD	Intergovernmental Authority on Development
IAG	Ibrahim Index of African Governance
IFC	International Finance Corporation
IOM	International Organization for Migration
IT	Information Technology
ITC	International Trade Centre
ITS	Intelligent Transport System
JOCs	Joint Operations Centers
JBCs	Joint Border Committees
LaNAA	Laboratoire National d'Analyses Alimentaires (Djibouti)
LAPSSET	Lamu Port-South Sudan-Ethiopia-Transport
LPI	Logistics Performance Index (WB)
MRA	Mutual Recognition Agreement
NCTTCA	Northern Corridor Transit and Transport Co-ordination Authority
NMCs	National Monitoring Committees
NTBs	Non-Tariff Barriers
NTFC	National Trade Facilitation Committee
OCR	Optical Character Recognition
OECD	Organization for Economic Co-operation and Development
OSBP	One Stop Border Post
POS	Point of Sale
PPP	Public-Private Partnership
PSI	Pre-Shipment Inspection
PVoC	Pre-Export Verification of Conformity
RAMS	Road Asset Management System
RECTS	Regional Electronic Cargo Tracking System
RFID	Radio Frequency Identification
RKC	Revised Kyoto Convention (WCO)
RMIS	Road Management Information System
RRMIS	Regional Road Management Information System
SADC	Southern African Development Community
SGR	Standard-Gauge Railway
SSCBTI	Small Scale Cross Border Trade Initiative
STR	Simplified Trade Regime
SW	Single Window
TF	Trade Facilitation
TIDOs	Trade Information Desk Officers

TFA	Trade Facilitation Agreement (WTO)
TFIs	Trade Facilitation Indicators (OECD)
ToR	Terms of Reference
TFA	Trade Facilitation Agreement (WTO)
TMEA	TradeMark East Africa
TRS	Time Release Study
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nation Economic and Social Council, Economic Commission for Africa
UNECE	United Nation Economic Commission for Europe
USAID	United States Agency for International Development
VoC	Verification of Conformity
WB	World Bank
WTO	World Trade Organization
WCO	World Customs Organization

## INTRODUCTION

*This Regional Trade Facilitation Roadmap has been developed according to the methodology described in the “Guide to drafting a National Trade Facilitation Roadmap” of the United Nations Economic Commission for Europe (UNECE)<sup>1</sup>, appropriately adapted in order to be applicable in a regional, rather than National context, as well as the International Trade Centre (ITC) guidelines on designing a regional trade facilitation roadmap<sup>2</sup>. Its purpose is to provide the Horn of Africa Initiative (HoAI) member States with a common vision to ensure that all Trade Facilitation (TF) stakeholders (including public and private agencies) are aligned on the strategic Goals indicated in this document so that they are able to move in the same direction and achieve better results.*

*The document opens with a vision statement for implementing TF reforms in the Horn of Africa (HoA) that is further developed in a series of strategic Goals to be achieved within the next three years, with a description of the Activities that is necessary to put in place in order to reach them, including milestones and indicators for measuring performance.*

*This Roadmap is mainly addressed to policymakers in HoAI member countries, Multilateral Financial Institutions and other donor agencies that plan to fund or implement trade facilitation measures in the region, and provides guidance for setting up objectives, timelines, responsibilities and technical assistance programmes needed for implementing the Goals and Activities described.*

*The elaboration of the HoAI Regional Trade Facilitation Roadmap has been preceded by an analysis of the current actions and initiatives in the HoA in areas relevant to trade facilitation, in order to ensure that it builds on any existing initiatives such as those under COMESA and IGAD. To this end, a series of consultations have been arranged in HoAI member States with key Ministries and government agencies responsible for trade matters. Moreover, the Roadmap takes into account the World Trade Organization (WTO) TF Needs Assessments and National TF Implementation strategies developed by those HoA member States that have adopted these plans, and complements other TF planning tools such as the Consolidated Priority Matrix for TF in the HoA elaborated by delegations of officials from the governments of Ethiopia, Kenya, Somalia and Djibouti during the HoAI Trade Workshop held in Nairobi on 6 and 7 April 2022.*

*The Consolidated Priority Matrix, which is annexed to this document, was presented at the 12<sup>th</sup> Ministerial Meeting of the HoAI Ministers of Finance in Washington of 21 April 2022 and to the World Bank, the African Development Bank and the European Commission, who*

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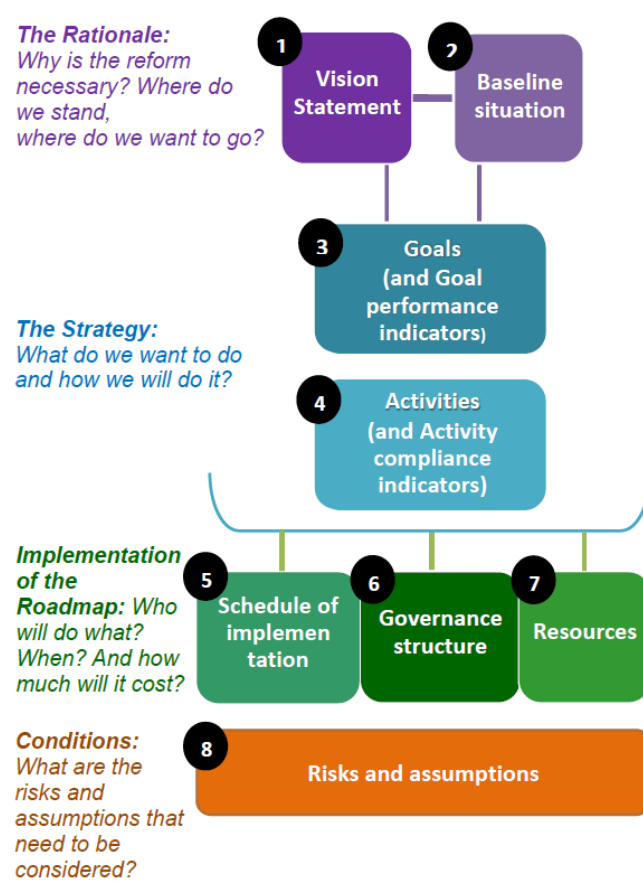
<sup>1</sup> ECE/TRADE/420, 2015, available at: <https://unece.org/DAM/trade/Publications/ECE-TRADE-420E.pdf>

<sup>2</sup> Charting a roadmap to regional integration with the WTO Trade Facilitation Agreement, Chapter 5, “Designing a Regional Trade Facilitation Roadmap”, International Trade Centre, Geneva, December 2017.

endorsed the document. It identifies a series of priority actions that HoAI countries governments should pursue in the short and medium term in order to facilitate trade and increase regional integration in the Horn. The priority actions in the matrix have been further developed on the basis of the feedback and comments provided by stakeholders from Ministries of Finance, Trade and Transport as well as Customs, roads authorities and other government agencies consulted during the national validation process of this Roadmap in Kenya, Somalia, Ethiopia and Djibouti.

This document contains eight Chapters. The graphic below visually guides the reader through its structure and gives an overview of the content of each Chapter. A Summary Table in Chapter IX recapitulates the intended Goals to be reached, the Activities leading to the achievement of the planned targets and the agencies responsible for guiding the development of project concept notes related to the implementation of each Activity indicated in this document. A series of compliance indicators and Goal Performance Indicators are used to monitor and evaluate the successful completion of each Activity.

Figure 1: Structure of the Roadmap document



## I. VISION STATEMENT

The HoAI Vision statement for implementing TF reforms in the region is to achieve a more integrated Horn of Africa with coordinated public policy responses to the common development challenges that hamper the economic growth of its member States. These reforms would also help ensure better exploitation of economic corridors and amplify the impact of infrastructure investments.

## II. BASELINE CURRENT SITUATION

The objective of this Chapter is to assess the current TF situation in the HoA in order to identify the challenges and gaps that need to be filled to meet the Goals defined in Chapter III, with a description of the trade policies and the initiatives put in place so far by HoA countries to improve the trade facilitation environment.

This assessment is based on a study conducted by the HoAI Secretariat in November 2020 (subsequently updated in June 2021) that analyzed the incidence of Non-Tariff Barriers (NTBs) in the region and identified a series of Trade Integration and Facilitation Reforms to be pursued in the short/medium term by the HoA nations. These reforms are deemed essential to increase convergence and harmonization of national trade policies and regulations, to simplify the business environment for traders, reduce unnecessary administrative burdens, enable trade and logistics communities to operate effectively and efficiently within the HoA and to solve a series of specific challenges that are described in the following Sections.

### 1. Low trade integration in the HoA and main causes

With a **6 percent** average of intra-regional trade<sup>3</sup>, the HoA is currently one of the least integrated regions in Africa, well below the continental intra-Africa average, estimated in 2018 at **16.1 percent**<sup>4</sup>. High trade and logistics costs, uncoordinated trade and transport policies, low trade complementarity and lack of product diversification are some of the factors that impact trade integration. A key reason for high trade costs in the HoA is the **gap in transport, Information and Computing Technologies (ICT), and institutional infrastructure connectivity**.

Although road transport dominates the passenger and freight transportation markets in all HoAI countries, the transport infrastructure gap is particularly acute as inter-State road

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<sup>3</sup> HoAI Secretariat, Trade Integration and Facilitation Reforms in the Horn of Africa and Way Forward, updated June 2021, p. 11. Similar estimates are provided by the Intergovernmental Authority on Development (IGAD) in its Regional Trade Policy 2022-2026.

<sup>4</sup> United Nation Economic and Social Council, Economic Commission for Africa (UNECA), Assessment of progress on regional integration in Africa, E/ECA/COE/39/7, 8 January 2021 Original, available at: <https://www.uneca.org/sites/default/files/com/2021/E2100029-Feb%2019-CoM%2021-English-Assessment-progress-regional-integration-Africa.pdf>



corridors are few, most of them not suitable for trade because of missing links, complex geographical conditions of the territories where they are located, and their poor condition and maintenance. This causes premature or accelerated wear and tear of vehicles, highest incidence of breakdowns and, consequently, greater operational costs for transport service providers. Moreover, dilapidated conditions of roads force trucks to drive at low speeds, which increases the risk of attacks by bandits and robberies, phenomena that are particularly frequent on HoA roads, especially in borderland areas. There is also a need to launch updated studies to assess the level of traffic accidents along the main corridors in the region and at what extent road conditions contribute to cause such accidents, as the latest available data are referred to 2016<sup>5</sup>.

Because of the above described factors, road transport unit costs per freight/tonne are among the highest in Africa, with many transport companies avoiding the use of roads in this region because of their unwillingness to expose their vehicles and consignments to risk. This situation also explains why high-value shipments along the HoA roads are practically absent.

Railway communication networks are also poorly developed. This has given impetus for a considerable growth of the road trucking industry in each HoA country, leading to an excess of internal capacity, often with an expansion of road transport services to other neighboring countries<sup>6</sup>. At the moment, the only two countries in the HoA that are linked by a railway line are Djibouti and Ethiopia (the Ethio-Djibouti railway, that currently moves about 25 percent of Ethiopian trade, mainly from the port of Djibouti to the hinterland). Ethiopia and Kenya, the largest economies in the region, are connected with each other only through a single road (linking Addis Ababa to Nairobi via the border crossing point of Moyale), although the Kenyan and Ethiopian governments have in place since 2012 a Bilateral Agreement to jointly pursue the development of the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Standard Gauge Railway, that will connect the port of Lamu in Kenya to Addis Ababa in Ethiopia through three (3) separate sections: 1) Lamu-Isiolo (530 Km), Isiolo-Moyale (448 Km), and Moyale-Addis Ababa (Ethiopia). Construction works, however, have not started because the financial coverage of the project has not yet been secured, despite feasibility studies and the master plan have been completed in 2011.

Railway links are also lacking between Ethiopia and Sudan, although in June 2020, the African Development Bank approved a USD 1.2 million grant to the Ethiopia's government to finance a feasibility study for the construction of a 1,552 km Standard-Gauge Railway (SGR) connecting Addis Ababa to Port Sudan via the Metema border, of which 500 km located in Ethiopia and more than 1000 km in Sudan. The purpose of the study is to assess the technical, economic, environmental and social viability of the project, and to explore financing options

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<sup>5</sup> This is the case for instance of the World Health Organization Global status report on road safety and of the World Bank's Road safety facility data. More updated sources of information on road accidents, such as the Road safety annual report 2021 of the International Transport Forum do not provide specific information on road fatalities on HoA road corridors.

<sup>6</sup> This is the case for instance of Somalia, where road transporters have a widespread presence in all the HoA region.

for its construction, including a Public-Private Partnership (PPP) scheme. When finalized, the study will unlock investments for the project. Regarding the interconnection of the Ethiopian railway network to the other country's neighbors, a series of pre-feasibility studies have been recently undertaken by the Ethiopian Railway Corporation (ERC) - the national railway operator of Ethiopia - to evaluate the development of railway links from Ethiopia to the Berbera (Somalia), Lamu (Kenya), and Assab and Massawa (Eritrea) ports, but implementation works are still far from being commenced, due to the need first to secure their financial coverage<sup>7</sup>.

## 2. Imbalanced nature of trade flows between HoA nations

Trade flows between the HoA member States are largely imbalanced due to the fact that cargo moves predominantly from the seaports in the region to inland destinations, while movements in the opposite direction are few. This is because in all HoA countries imports are much more than exports, the latter being concentrated mainly in primary and agricultural exports. Truckers carrying out inter-State transport operations in the HoA find therefore extremely hard to secure a return cargo, despite the role played in some countries by Transport Associations (e.g., Ethiopia) in facilitating the matchmaking between supply and demand of transport services. As in the HoA goods predominantly move from ports to inland destinations, while cargo movements in the opposite direction are very low, trucks are in most cases obliged to run empty on one leg of the trip, transferring the cost of travelling back empty to the exporter. This practice increases both the cost of transport and the truck turnover times along road corridors in the region, due to the increased idle time spent by drivers in waiting for the availability of a back load to avoid returning empty to the point of origin of the shipment.

A joint report published in 2020 by the International Finance Corporation (IFC) and Google<sup>8</sup> concludes that this problem is one of the main factors increasing the final price of goods in Africa, in a measure ranging from 40 percent to 60 percent. According to the report, one of the solutions that can address this challenge is the adoption of e-logistics and truck aggregator solutions able to facilitate the matching of the supply and demand of transport services. If incorporated in the design of transport corridor packages, these solutions can be particularly impactful on transport costs and optimize usability of trade routes. Another problem that negatively impacts on the high cost of road transport is the segmentation of the trucking industry and the lack of effective coordination of transporters with other agents in the transport chain (e.g., shipping agents, freight forwarders and customs clearing agents). Specifically, in the HoA, transport operations are mostly carried out by a large number of small operators operating a single or few trucks with medium- or low- capacity. The predominance of small-size transport operators in the region makes road transport inefficient. First, because small companies generally operate smaller and older trucking fleets with higher operating and maintenance costs (which reduce truck utilization rates). Second, because smaller operators tend to increase their competitiveness and to compensate the lower levels of utilization of their

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<sup>7</sup> Endale, A., New railway to connect Ethiopia with Assab, Berbera, Lamu Ports, published in The Reporter, Ethiopia, 12 February 2022.

<sup>8</sup> Available at: <https://www.ifc.org/wps/wcm/connect/e358c23f-afe3-49c5-a509-034257688580/e-Conomy-Africa-2020.pdf?MOD=AJPERES&CVID=nmuGYF2>

trucks by overloading, as this practice allows them to maximize revenue per trip. However, overloading affects the quality of the regional road infrastructure and fuels corruption by road authorities, that often tolerate it against payment of bribes. On the other hand, the lack of effective coordination of transporters with other agents in the transport chain does not allow them to arrange the timely pick up or delivery of cargo or to rapidly submit the required documentation to the port and customs authorities, incurring in additional delays and costs for storage of cargo that further inflate transport costs.

A project for the development of web-based platform and a related uber-like app capable to facilitate the matching supply and demand of transport services along the main trade corridors in the HoA can help to balance trade flows and have a disruptive effect on transport prices, increasing turnover rate of trucks on the main corridors in the region<sup>9</sup>.

### 3. Unknown volumes of informal trade at HoA borders

The exact volume of exchanges at HoA borders that occurs informally, and therefore is not captured by the official statistics of Customs or national statistic agencies is largely unknown. Many studies however report this kind of trade as very high and continually growing, as it plays a major role in meeting consumption demands, providing livelihood for large numbers of people in the region<sup>10</sup>. Livestock trading is by far the biggest commercial activity informally conducted at HoA borders. Food commodities, leather products, cereals and pulse products are other major export items that are traded informally, with transactions usually undertaken in cash, often intermediated by costly brokers who link sellers to buyers.

Typically, small-scale trade volumes fluctuate seasonally depending on extreme climate changes that reduce availability of products, variable trade barriers and regulatory compliance costs, as well as temporary emergence of alternative income sources for communities typically engaging in trade<sup>11</sup>. Moreover, the fact that HoA borders are not marked by clear geographical or social separators - with extremely porous boundaries - do not allow security agencies to

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<sup>9</sup> Truck aggregation solutions became very popular in Africa in the last decade. Examples of e-logistics providers offering such solutions are TAI+, Sendy and Amitruck (Kenya), Lori Systems, a cloud-based platform launched in Kenya and Uganda that is now used in other nine countries in Africa, Truckr in Ghana, Kobo360, in Nigeria, Cloud-Fret in North Africa. All these e-logistics providers have developed mobile apps or websites where transport companies can access to transport requests, choosing cargo according to their nature, volume, weight, and on the basis of pickup and drop-off location. An example of web platform aggregating supply and demand of transport services is the NFLIP (National Freight and Logistic Information Portal) portal, an online marketplace for freight and logistic stakeholders in Tanzania which was launched in December 2019 by the Tanzania Private Sector Foundation with the support of Trademark East Africa (TMEA). The portal allows cargo owners to publish their requests for transportation of cargo and to transport service providers to find cargo to transport.

<sup>10</sup> Little, P., Unofficial Trade When States are Weak: The Case of Cross-Border Commerce in the Horn of Africa, United Nation World Institute for Development Economics Research (WIDER), Research Paper No. 2005/13, April 2005.

<sup>11</sup> Walkenhorst, P., Brenton, P., Keyser, J., Monitoring small-scale cross-border trade in Africa, International Bank for Reconstruction and Development/The World Bank, 2020.

efficiently control the movement of people and goods. As a result, smuggling and illicit trade is largely conducted outside the official border crossings, despite the large presence of patrols, checkpoints and roadblocks along main roads.

One of the main reasons why traders in the HoA prefer to exchange goods informally at borders is that the process of obtaining the documentation needed for their export is cumbersome and costly. Selling such goods informally allows them to avoid strict and lengthy health, veterinary and sanitary inspections in the importing country<sup>12</sup>, and to circumvent costly Verification of Conformity (VoC) programmes that are implemented by national Bureaus of Standards in HoA nations which significantly increase the final price of products.

As informal trade is an important economic activity in Africa that provides livelihood for many people, including women and youths, some Regional Economic Communities such as COMESA, EAC and SADC have developed Simplified Trade Regimes (STRs) to facilitate such traders. Such facilitation schemes have however not yet been embraced by HoA nations at their internal borders, despite the high incidence of informal trade in the region. The governments Ethiopia and Kenya are however negotiating a Bilateral Agreement aimed at simplifying formalities for informal traders at the Moyale border with regard to a mutually agreed list goods, with an exoneration from the payment of customs duties on transactions under a threshold value which is in line with the COMESA STR, corresponding to USD 2,000 per consignment. However, an agreement is yet to be reached about the practical modalities of implementation of this scheme, including the frequency limits for its use (how often informal traders will be allowed to trade their goods duty-free across the border within the agreed threshold). Ethiopia also signed in 2015 a Bilateral Trade Agreement with Djibouti containing provisions on the simplification of border formalities for informal traders at the Galafi border, but this scheme has never been made operational. On the other hand, IGAD launched in 2018 a Policy Framework on the nexus between Informal Cross-Border Trade and Cross-Border Security Governance which proposed to develop a regional STR for its members largely modelled upon the COMESA STR. The legal framework for this facilitation regime, however, has never been developed.

**A priority for HoA countries is to facilitate informal traders by putting in place a number of policy actions aimed at promoting their transition to the formal economy, mainly by simplifying regulatory requirements for cross-border trade (e.g., STR), but also by offering technical support to help traders to regularize, understand and comply with existing customs and trade regulations and procedures.**

## 4. Road insecurity

The Institute for Economics & Peace (IEP), the world's leading think tank dedicated to developing metrics to analyze peace and to quantify its economic value, classifies the HoA as

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<sup>12</sup> For instance, import of plant and plant materials (e.g., seeds, fruits and vegetables, etc.) in most cases require an Import Permit . For products destined to human consumption, an import health certificate (issued by the Port Health Services) is also required.

one of the most conflict-affected and unstable areas in Africa<sup>13</sup>. This is confirmed by the 2020 Ibrahim Index of African Governance (IIAG)<sup>14</sup>, that shows in the latest years a deteriorating trend for most of the States in the HoA region for what concerns the security and rule of law dimension (see Table 1).

**Table 1: 2020 Ibrahim Index of African Governance**

2020 Ibrahim Index of African Governance | [iiag.online](http://iiag.online)



Security & Rule of Law for Djibouti, and 5 others

LOCATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	AT '10-'19
Djibouti	44.0	43.7	43.1	43.5	44.0	44.1	43.2	41.2	41.2	41.3	-2.7
Eritrea	24.2	24.3	23.8	23.4	24.4	24.7	24.1	24.1	23.4	23.7	-0.5
Ethiopia	42.7	43.8	42.8	43.5	47.4	44.9	44.2	40.4	41.8	47.9	+5.2
Kenya	58.6	58.9	57.2	57.2	57.6	60.8	61.1	59.9	55.9	56.3	-2.3
Sudan	25.9	24.7	23.1	20.5	19.5	18.8	18.6	22.8	23.6	27.4	+1.5
Somalia	14.3	14.3	13.9	15.6	16.3	17.5	16.3	18.5	14.0	13.8	-0.5

The rise of extremist political violence in recent years has led to a heightened sense of insecurity in the region because of the frequent internal and cross-border conflicts, territorial disputes and terrorist infiltrations that have led to more restrictive migration policies by the HoAI nations. The fragile security situation in the HoA also negatively impacts on trade and transit of goods, which is disrupted by frequent border closures and strict controls dissuading cross-border activities, a situation that has been recently exacerbated by the Covid-19 pandemic. More generally, the HoA lacks a coherent system for facilitating the movement of vehicles, people and livestock, with the presence of several barriers to the entry of vehicles into the territories of its countries. An example is Ethiopia, where the Federal Ministry of Transport requires trucks registered in neighboring countries to apply for a cross-border road permit each time they enter in its territory for pick up or delivery of cargo<sup>15</sup>. This causes pressure and long waiting times at border points with additional transshipment operations that further escalate transport costs.

<sup>13</sup> Institute for Economics & Peace, Global Peace Index 2021.

<sup>14</sup> Available at: <https://mo.ibrahim.foundation/sites/default/files/2020-11/2020-index-report.pdf>

<sup>15</sup> Previously, the authority responsible for issuing the cross-border transport permits was the Federal Transport Authority. Such authority was suppressed in October 2021, and its functions transferred to the Federal Ministry of Transport. According to Ethiopian authorities, the cross-border road permit is needed mainly in order to avoid that foreign-registered vehicles are illegally sold once introduced in the country, evading the payment of customs duties, and - in the case of Kenyan trucks, as they are right-handed - because import of right-handed vehicles is prohibited in the country. Similar to Ethiopia, in Kenya import of left-handed vehicles is not allowed, except for diplomatic staff and returning residents who had previously owned and used them (Source: KRA Guidelines for duty-free vehicles by Kenya residents returning from countries that operate left-hand drive vehicles).

The relationship between conflicts and insecurity and trade has been explored in many studies<sup>16</sup>, arguing that a higher level of trade integration between nations can reduce the possibility of conflicts<sup>17</sup>. This is because countries generally do not go into wars with their trading partners. And the more two States are integrated and mutually dependent on each other in terms of trade, the less willing they are to enter into a conflict, as the costs they would incur would be catastrophic to their economies and citizens, due to the severe disruptions in supplies they would be subject to. The theory that free trade decreases the possibility of conflicts has some empirical evidence in the HoA region. Somalia and Kenya for instance, two countries that frequently face tensions in diplomatic relations and territorial disputes, are little integrated in the trade dimension, compared to their other trading partners.

**A higher level of trade in the HoA is a factor that the HoAI Ministers of Finance pursue with decision, aware that a higher level of trade integration equals to less risks of conflicts between HoAI countries.** In order to do so, this Roadmap supports the adoption of facilitative trade policies, including trade liberalization policies, and joint cross-border management strategies.

## 5. Non-Tariff Barriers identification

In the HoA, Non-Tariff Barriers (NTBs)<sup>18</sup> are reported by traders as very high<sup>19</sup> and this presents a serious challenge to regional trade and integration. Moreover, they are not particularly easy to detect, due to the rare use of surveys to gauge the level of obstacles to trade in the region<sup>20</sup> and the very limited adoption by HoA traders of the available mechanisms for identification and reporting of such barriers.

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<sup>16</sup> See for instance Polachek, S., “Why democracies cooperated more and fight less: The relationship between international trade and cooperation” (Review of International Economics, 1997).

<sup>17</sup> The World Trade Organization (WTO), aware of the importance of trade in reducing possibilities of conflicts between nations, launched in December 2017, at the 11<sup>th</sup> WTO Ministerial Conference in Buenos Aires, the Trade for Peace Programme, which aims at leveraging the multilateral trading system for achieving peace and stability in those countries affected by fragility and conflicts. The programme is articulated in 4 Pillars of Collaboration: (i) political engagement, (ii) public dialogue and outreach, (iii) research, and (iv) capacity building. In March 2021, the WTO also launched the Trade for Peace Network, a platform for regular exchange between policymakers and experts from the trade, peace and humanitarian communities to explore the nexus between the multilateral trading system, peace and security.

<sup>18</sup> NTBs are defined as any barrier to trade other than import and export duties. This includes import bans, government monopolies, cumbersome documentation requirements and restrictions resulting from prohibitions, conditions or specific market requirements that make the importation or exportation of products difficult and/or costly.

<sup>19</sup> HoAI Secretariat, Trade Integration and Facilitation Reforms in the Horn of Africa and Way Forward, updated June 2021, pp. 15-19.

<sup>20</sup> A series of NTBs surveys covering Kenya, Ethiopia and Sudan have been conducted by the International Trade Centre (ITC) respectively in 2014, 2018 and 2021, while similar studies with regard

The COMESA-EAC-SADC (Tripartite) NTBs reporting and monitoring platform ([www.tradebarriers.org](http://www.tradebarriers.org)), for instance, shows very few complaints concerning HoA countries, most of them referred to Kenya and Ethiopia. On the other hand, Djibouti, Somalia and Sudan traders have reported no NTBs, while with regard to Eritrea, the only complaint lodged against this nation is referred to the rejection by Eritrean Customs of the COMESA Certificate of origin on processed meat exports from Kenya. Conversely, the African Continental Free Trade Area (AfCFTA) online NTBs reporting mechanism ([www.tradebarriers.africa/home](http://www.tradebarriers.africa/home)) does not show any complaint on the part of HoA countries with regard to the existence of NTBs.

There is therefore the need to strengthen collaboration mechanisms for identification, reporting and resolution of NTBs in the region, which should be done through the establishment of coordination practices between the National Trade Facilitation Committees (NTFCs) and Non-Tariff Barriers (NTBs) National Monitoring Committees (NMCs) active in each HoA country, encouraging the creation of such entities where they do not exist<sup>21</sup>, and strengthening skills and competences of those that are already active<sup>22</sup>. An efficient and harmonized institutional framework in the HoA with effective dialogue mechanisms between bodies responsible for NTBs identification at national level is also necessary.

The lack of harmonization between the trade, customs and transport policies and regulatory frameworks of HoA countries is another element that requires attention by policymakers. An example is the different axle load, vehicle dimension, and gross vehicle mass (weight) limits, which differ in each nation in the region, hindering trucks registered in a HoA country from continuing their trip in the neighboring States' territory because of the unharmonized load limits. A consequence of such unharmonized regulation is that truckers have to underutilize their vehicle load space, this contributing to raise their overall transport costs. Alternatively, they have to offload cargo at the border so that it can be split in two or more consignments that are thereafter picked up and delivered by other trucks to the destination points. These transshipment operations further escalate transport costs being in most cases conducted manually. Another consequence of the different axle load limits implemented by HoA countries is that the results of weighbridge tests carried out by the respective traffic authorities

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to other HoA countries are missing. The Ethiopian survey, in particular, revealed that 96% of Ethiopian traders face a high presence of such barriers in the country, including burdensome clearance formalities and conformity assessments programmes, as well as excessive administrative burdens especially for exports (<https://intracen.org/media/file/2603>). In Kenya, on the other hand, two-thirds of companies surveyed indicated difficulties in complying with technical requirements due to red tape and delays in administrative procedures. The Kenyan survey also highlighted the difficulty for exporters to access to regulatory information in some destination markets (<https://intracen.org/media/file/11021>).

<sup>21</sup> NTFCs exist in all HoA countries, except Eritrea (source: UNCTAD Database of National Trade Facilitation Committees). Concerning the NTBs National Monitoring Committees, the only HoA country that has established such a kind of bodies is Kenya.

<sup>22</sup> In case of the Ethiopian NTFC (Ethiopian National Logistics Coordination Council, ENALCO), there is a need to restructure this body by expanding its mandate, as its competence currently focuses mainly on the coordination of the logistics system of the country and on the provision of recommendations for its improvement, with trade facilitation issues that are discussed only incidentally, when related to specific logistics challenges.

in one country are not accepted in the territory of the others, which obliges HoAI road authorities to carry out multiple weight measurements before a truck arrives at destination, adding further delays to shipments. A harmonization of such limits would significantly facilitate the movement of trucks and commercial vehicles between HoAI nations contributing to the achievement of a more integrated and efficient road transport industry. A process for the harmonization of national vehicle load limits and mass limits (that should ideally be the same in the region), should therefore be initiated, with transparent and harmonized rules concerning the enforcement of fines aimed at avoiding excessive frustration of transporters.

## 6. Lack of transparency of regulatory information

An additional problem in the HoA region that also represents a considerable obstacle to trade, is the limited availability of national regulatory information, that is often not easily accessible by traders and other trade intermediaries, especially in those nations that have not yet implemented information or knowledge portals with a description of laws and regulatory requirements on customs, trade and transport procedures applicable to cross-border transactions (e.g., Djibouti, Sudan and Eritrea). Moreover, information is often available in only one language. This is the case of Ethiopia, for instance, where rules and procedures for the issuance of cross-border road transport permits (required for all trucks and commercial vehicles entering into Ethiopia for delivery or pickup of cargo, except Djibouti) are available only in paper-format and exclusively in Amharic.

Predictability in the interpretation and application of regulations and procedures, as well as in terms of time for release of goods, is critical to business because it makes transactions smoother and reduces the possibility to incur in hidden costs. Moreover, transparent procedures enable traders to fully understand the conditions for, and constraints, on imports, exports and transit operations, allowing them to gain an accurate picture of possible costs<sup>23</sup>.

## 7. Cumbersome and uncoordinated procedures at border posts

Most border points in the HoA suffer from a lack of modern trade infrastructure (both hard and soft). At the moment, the only One Stop Border Post (OSBP) existing at internal borders between the HoAI countries is Moyale, between Kenya and Ethiopia, built with a funding of the African Development Bank. Although construction works were already completed in 2016 in the Kenyan side and in 2017 on the Ethiopian side, this facility has suffered for long from significant delays and duplication of procedures at the border, due to delays in the adoption of the joint operational manual for coordinating operations between the border agencies of the two countries<sup>24</sup>. This manual was finally adopted on 15 September 2021, even though the

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<sup>23</sup> World Customs Organization, “Transparency and Predictability Guidelines”, July 2016.

<sup>24</sup> Traditional border crossing posts are characterised by the “double stop” concept, where two separate sets of activities are performed in the country of exit first and in that of entry after. Once the exit



level of coordination between border agencies on both sides of the border is still suboptimal and not at the desired level. This underscores the importance to mainstream “soft” elements in physical infrastructure investments from the design stage through implementation, so to optimize their usability and avoid redundant administrative operations at the border that affect fluidity of trade.

## 8. Mandatory testing and verification requirements

All HoAI countries currently implement Verification of Conformity (VoC) programmes that although aimed at protecting local consumers against the risk that imported products are unsafe or compliant with quality standards, end up causing significant costs to traders in the region. Ethiopia, for instance, requires a Certificate of Conformity (CoC) from an accredited agency or laboratory in the exporter’s country on a category of 124 types of goods (including food products, chemical products, textile, leather, plastic and rubber, construction materials, electrical & electronics). The CoC, once obtained, has to be transmitted to the Ethiopian importer for clearance purposes, a procedure that further increases the cost of importation of such goods.

Ethiopia also introduced on 15<sup>th</sup> February 2022 a Pre-Export Verification of Conformity (PVoC) Program on solar batteries and a specific list of solar products<sup>25</sup>. Kenya, through the Kenya Bureau of Standards (KEBS), implements a similar scheme for imports (with a few exceptions), which requires most of products to be accompanied by a CoC issued by an accredited third-party service provider in the country of origin of the shipment which states their compliance with the regulations and standards applicable under the laws of Kenya.

Sudan, on the other hand, implements a VoC programme on a large list of products<sup>26</sup>, while Djibouti requires all imported food products (with a few exclusions) to be tested and obtain a certificate of conformity from the National Laboratory of Food Analysis (*Laboratoire National d’Analyses Alimentaires, LaNAA*) once entered in its territory.

Concerning Pre-Shipment Inspection (PSI) programmes, following the entry into force of the WTO Trade Facilitation Agreement (TFA), WTO members have been allowed to continue to use them on condition that they are not aimed at assessing the tariff classification and the value of goods (Article 10.5, TFA). At the moment, in the HoA, the only country that still maintains a PSI aimed at verifying the correctness of the declared value of goods is Somalia. Mutual Recognition Agreements (MRA) or equivalence agreements between such programmes among the HoAI countries are lacking, with the consequence that a product that has been tested and certified as compliant with safety and quality standards in a HoAI State

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procedures are completed in the country of exit, similar procedures and inspection processes need to be fulfilled in the country of entry.

<sup>25</sup> More information on the Ethiopia PVoC is available here: <https://verigates.bureauveritas.com/news/ethiopia-ecae-pre-export-verification-conformity-program-stand-alone-solar-products>

<sup>26</sup> Such products include wheat and wheat flour, sugar, asphalt, cement, steel, fertilizer & pesticides, tyres, electric and electronic products, computer and accessories, photocopier and accessories, mobile phone and accessories, home appliances, plumbing material, marble and granite

is not accepted by the other HoAI nations, except in the case it is subject to additional testing or certification. Engaging mutual recognition agreements and accreditation processes is important in order for the different regulators to accept each other's conformity assessment procedures and programmes. This requires the HoAI Ministers of Trade in the region to liaise with each other in negotiating such agreements.

## 9. Limited availability of banking services at the HoA borders

The limited availability of banking services at the HoA borders obliges transporters and traders to travel with large amounts of cash to pay customs duties and other levies (including fees and other charges) to border agencies. In some cases, where banking services are available at the border, banks refuse to convert one currency into another because of the instability in their value, which creates opportunities for black market operators and compels traders to access to informal lending mechanisms charging extremely high interest rates.

Mobile money offers the possibility to make payments across borders bypassing the need for currency conversion. Moreover, it enables individuals to store and transact money in digital form without the need of a bank account, thus making currency exchange transactions faster and safer. Encouraging the use of mobile payment for payment of customs duties and taxes also reduces phenomena of corruption at borders. Kenya border agencies already allow cashless payment of taxes and fees at the country's borders. This possibility should be introduced by the other HoAI member States and over the entire region through the establishment of a regional framework to regulate the use of mobile money transfers for payments to border agencies.

### III. GOALS

Based on the Baseline in Chapter II, this Chapter defines the future outcomes that need to be achieved in order to contribute to the achievement of the Vision Statement. Each Goal is specifically linked to the challenges described in the previous Chapter.

#### 1. Goals description

**Goal 1:**

Strengthen collaboration mechanisms for identification, reporting and resolution of NTBs in the region.

NTBs are among the main factors hampering the smooth movement of goods in the HoA region, but they are not simple to detect as in most cases they are not recorded officially. Most of HoAI member States, such as Kenya, Djibouti, Somalia and Sudan, have established National Trade Facilitation Committees (NTFCs) and in the case of Kenya, also a National Monitoring Committee (NMCs) responsible for oversight on NTBs. However, capacity on NTBs identification, reporting and resolution in the region remains low because of the lack of appropriate dialogue and consultation mechanisms between the structures responsible for conducting such activities in each HoAI member State. Due to the high degree of opaqueness of NTBs, there is a need to have in place better mechanisms for identification, reporting and resolving of NTBs through the establishment of strong collaboration links between the national bodies competent for their identification and expeditious resolution. There is also need to

sensitize users such as truck drivers and small-scale traders who encounter these NTBs, as they need to know what is an NTB and where or how they can report an NTB each time they encounter one. Coordination and cooperation practices between the NTFCs/NMCs of HoAI member States can be achieved by establishing an **HoA Regional Trade Facilitation Committee** (RTFC) made up of representatives from all these national bodies who should meet regularly for discussing reported cases of NTBs having a regional or multi-country scale. Such a regional body should adopt harmonized procedures for identification, reporting and solving of such barriers, and capacity building activities should be provided to NTFCs for their implementation. The HoA-RTFC should also publish periodic reports on the status of NTBs elimination.

Currently, two RTFCs are operational in Africa. The Economic Community of Central African States (ECCAS) established such a body in 2018 with the aim of creating a framework for consultation between stakeholders at regional level for coordination of actions regarding facilitation of transit and for the implementation of the WTO Trade Facilitation Agreement. The Economic Community of West African States (ECOWAS) also established a similar structure in June 2021<sup>27</sup> with the purpose of enhancing trade facilitation in the HoA through the cooperation and coordination between the ECOWAS NTFCs for a harmonized implementation of national, regional, continental and international trade facilitation reforms.

The HoA-RTFC should cover the following main roles:

- To provide a regional platform for the exchange of experiences and expertise.
- To serve as a regional platform for a harmonized implementation of national, regional, continental and international trade facilitation reforms by HoAI Member States and for technical assistance projects, including the development of awareness and sensitization campaigns.
- To provide advisory recommendations to the HoAI member States regarding the implementation of all instruments associated with the simplification of export, import and transit procedures.

**Goal 2:**

Adopt joint TRSs at border posts and/or at corridor level between adjoining HoAI countries or at regional level, followed by the adoption of bilateral/regional action plans for implementation of recommendations formulated in the joint TRSs.

Time Release Studies (TRSs) are one of the measures recommended by the World Customs Organization (WCO) for assessing the performance of Customs and other border agencies and for identifying bottlenecks in the clearing process so that the most appropriate corrective measures can be taken to address them. TRSs measure the average time taken between the arrival of the goods and their release, as well as other relevant aspects of the effectiveness of

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<sup>27</sup> Decision C/DEC.1/6/21 relating to the Establishment, Organization and Function of the ECOWAS Regional Trade Facilitation Committee. The ECOWAS RTFC had its first Meeting in Lomé, Togo, from February 21 to 23, 2022.

operational procedures that are carried out by Customs and other regulatory actors in the standard processing of import, export and transit consignments. TRS are usually carried out at national level, but there are many cases where they are conducted at bilateral, regional or at corridor level. HoAI member States that periodically conduct TRSs are Kenya (that however discontinued such studies in 2018 due to a lack of financial resources); Sudan, that conducts them every two years (in total, 4 TRSs have been completed so far from 2015 to 2021), while Ethiopia, Djibouti and Eritrea have undertaken only a TRS (in 2017), within a project launched by COMESA with the support of the African Development Bank for the elaboration of a **regional TRS** at selected border posts between COMESA member States.

An example of countries that periodically conduct bilateral TRSs are Australia and New Zealand, that launched since 2010 the “Trans-Tasman Time Release Studies” for measuring the performance of import and export clearance processes for cargo traded between their respective territories<sup>28</sup>. Instead, an example of TRSs at corridor level is the Northern Corridor Time Release Study undertaken by the Northern Corridor Transit and Transport Co-ordination Authority (NCTTCA) Secretariat in 2016<sup>29</sup>.

**Goal 3:**

Implement the COMESA STR or STR equivalents at HoA borders with other regulations on minimum standards for the treatment of small-scale cross-border traders (Traders Charter of Rights and Obligations). This includes the introduction of cooperation practices between the HoAI countries to facilitate legitimate trade, while ensuring that appropriate standards of customs control are implemented at their respective borders.

The Revised Kyoto Convention (RKC) on the Simplification and Harmonization of Customs Procedures, at the Transitional Standard 4.13 allows the Parties to the Convention to exonerate traders from the payment of customs duties and taxes for transactions under a minimum value and/or when the amount of duties and taxes is under a minimum threshold to be specified by the national legislation. The WCO Guidelines to the RKC further recommend to exonerate traders from payment of duties and taxes for negligible amounts of revenue that incur costly paperwork, both for Customs and the importer/exporter.

Based on these provisions, COMESA, EAC and SADC have all developed Simplified Trade Regimes (STRs) to facilitate traders exchanging small quantities of goods at their internal borders in the fulfilment of customs formalities. A similar regime is under development at continental level by the African Union for supporting the participation of African small-scale traders in the new export opportunities created by the AfCFTA<sup>30</sup>. The STR initiative responds to a key challenge for African small-scale trades, that in most cases find extremely difficult to

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<sup>28</sup> Source: <https://www.homeaffairs.gov.au/research-and-stats/files/trans-tasman-timereleasestudy2010lowres.pdf>

<sup>29</sup> The Northern Corridor Time Release Study 2016 is available here: [http://www.ttcanc.org/documents/NC\\_TRS\\_ENG.pdf](http://www.ttcanc.org/documents/NC_TRS_ENG.pdf)

<sup>30</sup> “AfCFTA boss speaks on the New Age of African Enterprise”, published on Angel Fm Online, news portal of Ghana, June 30, 2021.

deal with complicated and lengthy procedures and documentation requirements at borders, which encourages them to prefer trading such goods informally, without declaring them at Customs. However, the implementation of such regime among the HoA nations needs to be carefully balanced with the need to exert a strict control over trade of illicit and counterfeit products, whose volumes are continually increasing, causing significant damage to the economies in the region<sup>31</sup>.

The COMESA STR, that is applicable to all the countries member of this Organization (including the HoAI member States, as they are all members of COMESA), exonerates traders from the payment of customs duties on consignments whose value is not more than USD 2,000<sup>32</sup>. A condition for COMESA members States to implement the STR at their borders is that they fully participate to the COMESA Free Trade Area (FTA), as only those countries that are part of such FTA can trade among themselves without the application of customs duties. However, member States not participating to such FTA (such as Ethiopia, Eritrea and Somalia) can apply “**STR equivalents**” by adopting bilateral arrangements where they agree a **common list of goods** in relation to which a simplified customs declaration can be filled out and submitted to Customs directly at the border post. Goods included in the Common List are also exonerated from the presentation of a certificate of origin<sup>33</sup>. An example of such arrangements is the Bilateral Trade Agreement signed in 2015 between Djibouti and Ethiopia, currently under revision, which introduces a series of provisions aimed at facilitating small-scale trade of goods that are most commonly traded at their borders under a threshold initially set at 1,000 USD and that the two governments plan to raise at 2,000 USD. However, the facilitation regime introduced by such Agreement has never been implemented.

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<sup>31</sup> A national baseline study conducted by the Anti Counterfeit Authority in Kenya between October 2019 and February 2020 revealed that 40 percent of consumer products sold in the country are illicit and that such a trade causes tax losses to the Kenyan revenues of more than USD 900 million per year ([https://www.aca.go.ke/images/2020/National\\_Baseline\\_Survey\\_Counterfeit\\_and\\_Illicit\\_Trade\\_In\\_Ke\\_nya.pdf](https://www.aca.go.ke/images/2020/National_Baseline_Survey_Counterfeit_and_Illicit_Trade_In_Ke_nya.pdf)). The growth of illicit trade is also a matter of growing concern in Ethiopia where in the latest years the government has adopted strict trade controls to combat such activities aimed at dismantling criminal groups networks involved such phenomenon (see “Ethiopia Pushes to Curb Illicit Trade”, Ethiopian Monitor, August 8, 2019, “Ethiopia's Fight Against Illicit Trade”, Ethiopian Herald, 5 January 2021, “Customs Officers Seize Contraband Goods worth 44.4 Million Birr in a week”, Ethiopian Monitor, October 12, 2021, “Ministry revokes 830 business licenses of Khat exporters due to misuse, illegal activities”, Addis Standard, May 27, 2022, and “Ethiopia Revokes Licenses of 972 Miners”, Fana BC, Jun 22, 2022).

<sup>32</sup> COMESA indicates 2000 USD as the recommended STR threshold. However, some of its member States have adopted different values, such as Malawi (3,000 USD), while Burundi and the Democratic Republic of Congo are currently involved in negotiations for the implementation of the COMESA STR with regard to goods whose value is equal USD 500 or less per batch.

<sup>33</sup> Goods imported and exported under the COMESA STR must in any case comply with the normal food safety, plant and animal health regulations including environmental protection. In case the goods require specific import or export permits, these ones also have to be submitted to Customs or the other competent authorities at the border post.

In 1994, the COMESA Council of Ministers adopted a **Charter on the minimum standards for the treatment of small-scale cross-border traders**<sup>34</sup>, a soft law tool<sup>35</sup> aimed at protecting the basic rights of small-scale traders - especially women - in the COMESA region, which engages governments to conduct regular training and sensitization activities among border officials, traders and other target beneficiaries (e.g., trade associations) on key issues related to cross-border trade. The Charter, among others, urges customs officials to refrain from asking traders to pay fees or charges that are not published, and to record all payments received and physical checks carried out at the border.

COMESA, within a European Union-funded programme called “Small Scale Cross Border Trade Initiative” (SSCBTI), is implementing together with the International Organization for Migration (IOM) and the International Trade Centre (ITC) a project for the establishment of series of Trade Information Desk Offices (TIDOs) at selected border posts in the region<sup>36</sup>. The main task of TIDOs is to assist small scale cross-border traders in understanding and fulfilling formalities at the border, encouraging them to trade their goods formally. A similar initiative has been developed in West Africa where a series of help desks have been developed with the support of the United States Agency for International Development (USAID) and West Africa Trade Hub, called Border Information Centers (BICs). Basically, the purpose of BICs is to disseminate information to small-scale traders to facilitate their compliance with cross-border formalities, thus reducing their cost in trading across borders. Information is mainly focused on customs procedures, documentation needed for goods, vehicles and drivers, traffic laws and transport regulations, protocols on transport and transit and other aspects related to the movement of goods and vehicles across borders and along road corridors.

**Goal 4:**

Adopt a Regional/Bilateral Agreement(s) allowing truckers registered in a HoAI country to enter in other HoAI nations on the basis of a permit issued in the country of origin of the shipment recognized by the state of delivery of cargo.

Rules and procedures for the issuance of cross-border road transport permits necessary for carrying out inter-State transport operations in the HoA region are currently not harmonized. As a result, road authorities of the HoAI member States do not recognize cross-border permits issued by the country where the truck is registered and require an additional permit in order to circulate in their territory for delivery or pick-up of cargo. The request of such permit is a

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<sup>34</sup> Available at: [https://glitfp.comesa.int/wp-content/uploads/2017/09/The-CHARTER\\_translation.pdf](https://glitfp.comesa.int/wp-content/uploads/2017/09/The-CHARTER_translation.pdf)

<sup>35</sup> The term "soft law" refers to all those phenomena of self-regulation that are different from traditional regulatory instruments that are the result of a formal process of legislative production by bodies vested with the relevant power (so-called "hard law" instruments). Although soft law tools lack of a direct binding force, they can give rise to disciplinary sanctions towards those who are responsible of their inobservance (Desiderio, D. "The concepts of 'soft law' and 'lex mercatoria' in international trade law", published on *Altalex*, 26/01/2005).

<sup>36</sup> In February 2021, a group of Trade Information Desk Offices (TIDOs) were trained on the COMESA Simplified Trade Regime (STR), in view of their assignment to the border posts of Chirundu (Zambia/Zimbabwe), Kasumbalesa (DR Congo/Zambia), Mwami/Mchinji (Malawi/Zambia) and Nakonde (Zambia/Tanzania).

cumbersome formality that further delays and increases the cost of transport and it should be eliminated.

**Goal 5:**

Develop a strategy for interconnecting national ECTSs or, alternatively, a regional ECTS for monitoring the movement of goods along the main trade corridors in the HoAI countries from origin to destination of shipments.

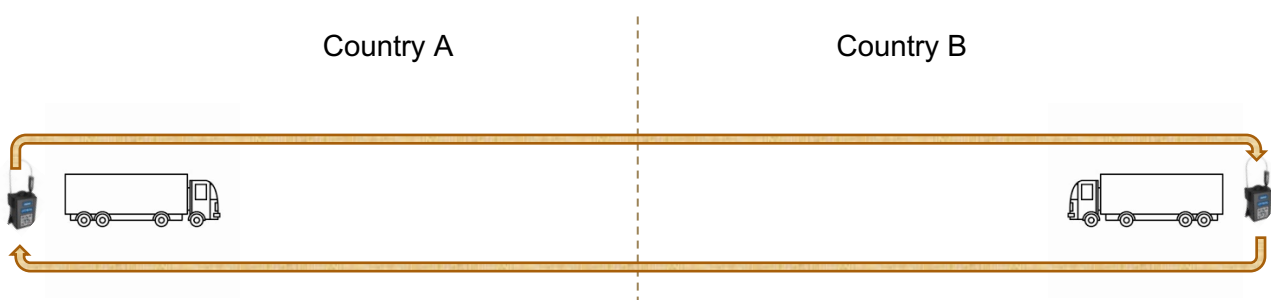
Electronic Cargo Tracking Systems (ECTSs) are a tool based on GPS devices, Wi-Fi, cellular data or Radio Frequency Identification (RFID) used by Customs to ensure the integrity of cargo moving in transit through their territories. Kenya implements such a system along the Northern Corridor, a multimodal trade route linking the landlocked countries of the Great Lakes Region with the seaport of Mombasa. Ethiopia and Djibouti also started the implementation of an ECTS in 2012 along the Djibouti-Addis Ababa corridor, even though this system has been used so far very limitedly by transporters due to its high cost. Recently, TradeMark East Africa (TMEA) and the Agence Française de Développement (AFD), with a funding of the European Union, have launched a proposal within the project “Improving the competitiveness of the Djibouti corridor”, to implement a new ECTS along the same corridor to monitor the movement of transit cargo from end to end at a more reasonable cost. However, the technology to be used for tracking cargo (GSM technology, RFID, satellite navigation systems such as GPS, or their combination) is yet to be defined. On the other hand, no ECTS has been deployed in Eritrea, Somalia and Sudan.

ECTSs allow Customs to monitor electronically the movement of transit cargo in their national territory so to avoid risks of diversion of goods in not authorized places, so evading payment of customs duties and other taxes. ECTSs also reduce delays and transit time for transported goods, with substantial cost savings for transport companies, as they eliminate the need for customs escorts, increasing visibility of cargo and reducing the possibility of offloading it while in transit. If accompanied by the deployment of field patrols or rapid response units along the transit routes, alerts sent by the ECTS can allow such authorities to promptly intervene for real time enforcement of violations. Lastly, as ECTS utilization reduces the risk of malpractices or the possibility that transporters abuse the insurance covers, these systems can lead to significant reductions in the premiums to be paid to insurance companies for the transport of cargo, with a positive effect on overall transport prices.

The interconnection between the ECTSs of those HoAI member States that have adopted such systems or the creation of a Regional Electronic Cargo Tracking System (RECTS) for monitoring goods in transit can ensure the integrity of cargo from origin to destination along the main inter-State road corridors in the region. If extended to railway, these systems can also promote multimodal transport by ensuring full traceability of cargo moving through combined road-rail transport. However, there are three main issues in the use of such technology. First, purchase of electronic seals and their operating and maintenance costs can be high, and in most cases, they are charged on economic operators. In order to reduce such costs, ECTS utilization should not be limited to Customs, but be open to other stakeholders such as truck owners (so that they can use it as a fleet management system for tracking their vehicles and drivers), insurance companies (monitoring driving behavior), police (speed and accident control) or Ministries of Transport (monitoring of logistics flows and trucks movements along corridors). This way each one of such entities can financially contribute to their

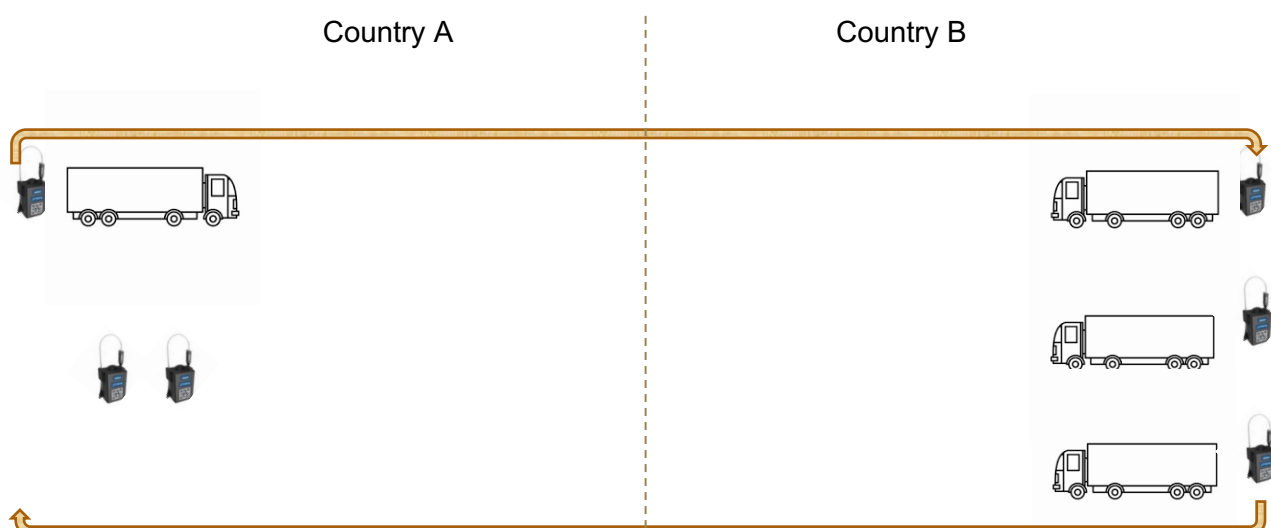
coverage. Second, electronic seals work well with containerized cargo (as they can safely close the container where goods are loaded), while they are less efficient if used on trucks transporting bulk cargo, which represents the majority of cargo that moves in the HoA region. Third, if implemented only in a national context, once the vehicle reaches the border, seals need to be removed and replaced by a new seal to monitor of cargo in the country where it is destined for, an operation which can cause delay and queues at the border. A cargo tracking system on a regional basis would avoid such problems as once affixed at the point of departure of cargo, the seal will be removed as it reaches the destination, even if this place is situated in the territory of an adjoining country. Once completed the trip, the device can be removed and affixed to another truck that moves in the opposite direction, being therefore re-used for an indefinite number of trips, from one country to another as shown in the example below.

**Figure 2: Reuse of electronic seals in ECTSs**



In order to be economically sustainable, the number of trucks moving from country A to B must be equal to the number of trucks transporting cargo from B to A, because if this is not the case, seals will accumulate and remain unutilized in the location toward which truck movements are higher, as there are no sufficient trucks travelling in the opposite direction that can be used to return them, as shown in Figure 3.

**Figure 3: Utilization of electronic seals in case of unbalanced traffic flows**



Usually, utilization of ECTSs also include the deployment of Rapid Response Units established along corridors to quickly intervene when irregularities are detected. Kenya, which adopted such a solution in partnership with the revenue administrations of Uganda and



Rwanda along the Northern Corridor, has obtained a significant improvement in transit time from 11 days to 4 days and a drastic reduction in cases of diversion of goods<sup>37</sup>.

**Goal 6:**

Develop an IT-based Regional Road Management Information System (RRMIS) for monitoring the usability of priority trade corridors in the region.

Maintenance of road corridors is crucial for the economic development in the HoA, as the region relies on a few roads that in most cases are insecure and not suitable for trade due to their poor status. Improving usability of such corridors and keeping them in a good status can avoid serious disruptions in logistics and supply chains along the HoA road network.

To monitor the condition of main trade corridors, allowing roads and traffic authorities to rapidly intervene in case of maintenance needs, incidents, or other road traffic interruptions, many countries deploy **Road Management Information Systems (RMISs)**. A RMIS is a GIS-based technology that provides real-time information on traffic and on the status of roads, by sending alerts to road and traffic authorities, so that immediate maintenance interventions can be actioned. If made available to road users, information on traffic and the status of the different sections of road corridors can contribute to reduce congestion and increase safety, by indicating alternative routes that truck drivers can take in order to continue their trip without running into the interruptions.

Currently, the Ethiopian Roads Authority (ERA) adopts an RMIS called RAMS (Road Asset Management System) to identify and prioritize road maintenance projects. Information on condition of roads is collected through vehicle-mounted sensors that periodically inspect road pavement status to provide empirically-based surface assessments that are used by ERA for planning road maintenance operations. A similar system is adopted by the Kenya Road Board (the authority responsible for the management of the Road Maintenance Levy Fund and for coordinating maintenance, rehabilitation and development of roads in Kenya), while the other HoA countries do not have in place such systems. The adoption of a RRMIS in the HoA allowing the sharing of data on traffic between the national road authorities in the region can be a solution able to significantly contribute to a better management and maintenance as well as to an improved usability of corridors, also improving their security. To this end, Intelligent Transport Systems (ITS) need to be integrated in such a system to leverage information technologies for addressing and alleviating transportation congestion problems, for example, using video-surveillance systems for detecting bottleneck situations and direct truck drivers to alternative routes before they develop into serious traffic jams, with beneficial effects also on lower carbon emissions on roads<sup>38</sup>.

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<sup>37</sup> Kenya Revenue Authority (KRA), Leveraging on the Regional Electronic Cargo Tracking System for Fair Trade Facilitation, published on 21/11/2018 on the KRA blog (<https://www.kra.go.ke/news-center/blog/429-leveraging-on-the-regional-electronic-cargo-tracking-system-for-fair-trade-facilitation>).

<sup>38</sup> Ethiopia has planned the deployment of ITS technologies along the Mojo-Awasa and the Addis Ababa-Adama-Awash expressways through a dedicated IT system to be managed by the Ethiopian Toll Road Enterprise, even though its functionalities have at the moment not yet been defined.

**Goal 7:**

Develop a regional coordination forum for sustained dialogue between the highest authorities of all the Ministries/Government Agencies involved in cross-border trade in HoAI countries. This includes the institutionalization of Joint Border Committees (JBCs) at HoA border posts.

Most of border agencies in the HoAI member States are characterized by a highly hierarchical structure where officers stationed at border posts have little autonomy in taking decisions. Moreover, as guidance on how to manage operations and controls at these sites is generally lacking, such officials need to obtain each time the prior approval of their supervisors for every initiative to be taken in case a controversial issue is raised by traders or their agents at the border. To date, the only HoAI member State that has in place a high-level overarching structure responsible for effective border management and for ensuring effective inter-agency cooperation is Kenya. This structure, called **Border Control Operational Coordination Committee (BCOCC)**, operates under the authority of the National Security Advisory Council (NSAC) and is chaired by the Principal Secretary of the Ministry of Interior. Its members are high representatives of all the Ministries/Government Agencies involved in cross-border trade at the level of General Director or similar. The BCOCC tasks include: a) the formulation of policies and programmes for the management and control of designated border points (airports, seaports and land borders); b) the co-ordination of the exchange of information between agencies responsible for the security and management of the borders at ports of entry to ensure compliance with standards by the respective agencies and c) the effective and efficient management of operations at border points. The BCOCC also exercises oversight authority over operations of border agencies in view of enhancing border efficiency and inter-agency coordination in border management, and operates through a series of Border Management Committees (BMCs) and Joint Operations Centers (JOCs) established at several land borders, airports and seaports which are made up of representatives of all national border agencies responsible for coordinating border operations and addressing border threats at these locations.

Structures similar to the Kenyan BCOCC should be created in the HoAI member States to ensure high level strategic direction for effective border management and inter-agency cooperation. Subsequently, a **regional forum** of such bodies should be established for sustained dialogue between their members, and for promoting exchange of experiences/expertise and the application of coordinated management practices at the HoAI internal borders. At border post level, **Joint Border Committees** (JBCs) should also be created for joint discussion and resolution of cross-border issues, with the development of appropriate joint training and programs for exchange of border officials seconded at HoAI borders for reinforcement of their skills and competences. JBCs are typically established within OSBPs, but their presence in ordinary border posts is a good practice that should be encouraged in the HoA as it can contribute to improve coordination at both intra-agency (between border agencies in the same State) and inter-agency (between border agencies in adjoining States) level, in view of achieving greater efficiencies over managing trade and travelers' flows.

**Goal 8:**

Develop agreements on data sharing and ICT integration between Customs, Immigration and other border agencies of HoAI countries and strengthen data and documentation exchange between border agencies in HoAI countries.

The integration of the Revenue/Customs IT Systems and between automation systems adopted by border agencies of HoAI nations sharing common borders can allow seamless exchange of customs, trade and transport documents, data and information among these authorities, thus accelerating clearance at HoA borders. Where Single Window (SW) systems are available<sup>39</sup>, the interconnection between such systems or the development of a regional SW platform linking the SW systems adopted by HoAI countries is desirable, as it would enable trade and customs documents transmitted by traders to the exit country border authorities to be used as entry documentation in the importing or transit country. This would avoid redundances and duplication in the transmission of such information.

The development of agreements on data sharing and ICT integration between Customs, Immigration and other border agencies of HoAI countries and the strengthening of data and documentation (certificates and permits) exchange between border agencies in the HoAI countries is an objective that should be pursued also by identifying of appropriate digital/ICT tools as well as equipment necessary to implement procedure and formality simplifications nationally and at HoA borders. This can include the instalment of special equipment at border points with elevated volume of traffic able to accelerate the movement of vehicles and reduce delays in control procedures, such as Smart Gates with Optical Character Recognition (OCR) to capture vehicle plates for identification and registration.

**Goal 9:**

Develop dedicated fast-track lanes at HoA borders for Authorized Economic Operators (AEOs).

Many countries in various parts of Africa, especially those that have established OSBPs at their common borders, currently adopt special arrangements for those operators who have been granted with the AEO status, having being judged by Customs in the countries where they are established as reliable in the context of their customs-related operations. Dedicated fast-track lanes at border posts allow such category of operators to benefit from simplified and faster border procedures and from clearance of goods outside business hours, usually on a 24/7 basis. However, in order to implement such facilitation measure, it is necessary that operators holding an AEO authorization in the HoAI nation where are established are granted with equivalent levels of facilitation in the HoAI States where they ship cargo. This implies the conclusion of a Mutual Recognition Agreement (MRA) between the AEO programmes of their respective countries.

As all HoAI member States are member of COMESA, the implementation of the COMESA AEO (regional) scheme is recommended. To this end, COMESA developed specific

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<sup>39</sup> This is the case of Kenya and Ethiopia, while Djibouti, Eritrea, Somalia, and Sudan have not yet adopted such systems. Djibouti launched a project for the development of a single window (Guichet Unique du Commerce Extérieur) in 2019, while in Sudan a feasibility study establishing modalities for its development has been conducted with the Technical Assistance from the United Nations Economic and Social Commission for Western Asia (UNESWA). At the moment, both systems are not yet operational.

Guidelines for the various steps to be undertaken<sup>40</sup>. Currently, AEO programmes are operational in Kenya, Ethiopia, and Sudan<sup>41</sup>.

**Goal 10:**

Creation of a regional framework for use of digital payments over cash for payment of customs duties, border agencies fees, and other levies at HoA cross-border posts and for acceptance of digital proofs of payments.

Traders and transporters encounter huge difficulties at the HoA borders in converting their national currencies into the ones adopted by their neighboring States for the purpose of paying import duties and other levies, including border agencies fees and charges. The limited availability of banking services at the HoA borders and the lack of Point of Sale (POS) terminals for carrying out such payments via ATM or credit/debit cards, obliges transporters and traders to travel with large amounts of cash. Cashless payments of customs duties and taxes through the use of mobile phones can facilitate cross-border transactions and fight corruption<sup>42</sup>, but they require the integration of national mobile money platforms in HoAI countries by virtue of specific arrangements to be adopted between national Telecom operators, with the establishment of a regional framework to regulate the use of mobile money transfers for payments to border agencies.

## 2. Goals performance indicators

For implementing this Roadmap, it is necessary to identify objectively verifiable indicators that measure the progress made and if a Goal will be successfully achieved or an Activity effectively implemented. Goal performance indicators used in the roadmap are based on international rankings for logistics and other trade facilitation indicators such as the World Bank's (WB) Logistics Performance Index (LPI) and the Organization for Economic Co-operation and Development (OECD) Trade Facilitation Indicators (TFIs). The latest rankings available show that apart from Kenya, on average, all HoAI nations perform very bad in terms of trade facilitation, as shown in the follow Tables, where the lowest scores are marked in red. The target of this Roadmap is to obtain, by end of 2025, at the closure of the implementation period, an improvement in all the rankings marked in red, and in particular to achieve a minimum ranking of **2.50** in the next editions of the WB LPI and of **1.00** in the OECD-TFIs.

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<sup>40</sup> Available at: <https://www.comesa.int/wp-content/uploads/2019/10/ANNEX-III-ENG.pdf>

<sup>41</sup> The Sudanese AEO program, nicknamed "Golden List", is currently open only to importers, while other actors of the logistics chain are excluded (e.g., exporters, customs clearing agents, forwarding agents, shipping agents, warehouse keepers, terminal operators, etc.). This makes the access to the AEO status particularly restrictive, as proven by the fact that currently, in the country, only 5 companies hold this status.

<sup>42</sup> Barasa L., Mobile Money Payment: An Antidote to Petty Corruption?, African Economic Research Consortium (AERC), Research Paper 453, August 2021.

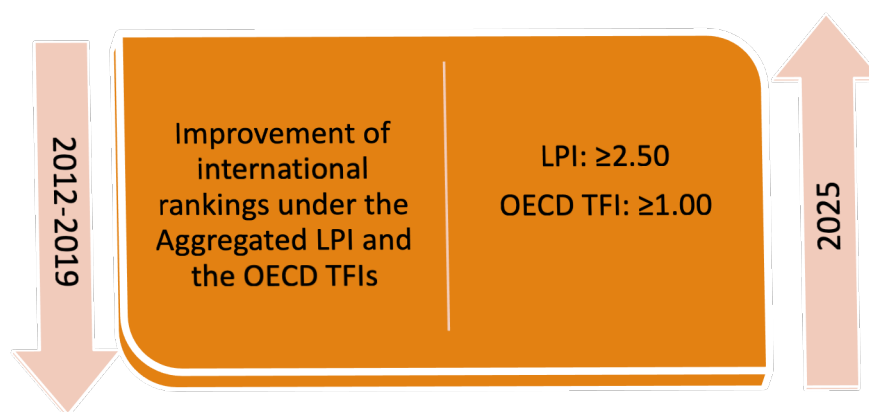
**Table 2: Aggregated LPI (2012-2018), World Bank\***

Indicator	Ethiopia	Kenya	Djibouti	Sudan	Somalia	Eritrea
Customs	2.54	2.66	2.29	2.13	1.81	2.05
International shipments	2.54	2.86	2.33	2.49	2.24	2.12
Logistics quality & competence	2.39	2.88	2.14	2.41	2.07	2.19
Tracking and tracing	2.24	3.11	2.46	2.45	1.94	2.09
Timeliness	2.49	3.35	2.91	2.73	2.18	2.31

\* The Aggregated LPI combines the latest LPI editions (2012, 2014, 2016 and 2018) into one single weighted average score.

**Table 3: TFIs (2019), OECD**

Indicator	Ethiopia	Kenya	Djibouti	Sudan	Somalia	Eritrea
Average TF performance	0.736	1.284	0.353	0.500	N/A	N/A
Information availability	0.90	1.35	0.42	0.47	N/A	N/A
Involvement trade community	0.86	1.43	0.00	1.00	N/A	N/A
Advance rulings	0.286	1.000	0.571	0.000	N/A	N/A
Appeal procedures	1.25	1.67	0.25	0.67	N/A	N/A
Fees and charges	1.15	1.69	0.83	1.00	N/A	N/A
Documents	0.38	1.13	0.75	0.75	N/A	N/A
Automation	0.60	1.40	0.11	0.30	N/A	N/A
Procedures	0.88	1.19	0.73	0.84	N/A	N/A
Intra-agency cooperation	0.50	0.73	0.09	0.36	N/A	N/A
External border agency coop.	0.40	1.10	0.00	0.00	N/A	N/A
Governance and impartiality	0.89	1.44	0.13	0.85	N/A	N/A



## IV. ACTIVITIES

This Chapter defines how the set Goals listed in the previous Chapter will be achieved, by describing which Activities need to be implemented in order to achieve them. In the context of the Roadmap, an Activity is a specific action or project that will implement a trade facilitation instrument or solution. As the Roadmap will be implemented over a **three-year period**, the description of Activities is broad and just indicates **what** these Activities are and not which

methodologies or approaches will be used to implement them. The description of *how* each Activity will be implemented will be contained in the **project concept notes** that will be developed during the start-up phase of the implementation of the Roadmap (see Chapter V).

<b>Goals</b>	<b>Activities</b>
<p><b>1.</b> Strengthen collaboration mechanisms for identification, reporting and resolution of NTBs in the region</p>	<p><b>a.</b> <i>Establish a permanent and regular coordination forum of HoA NTFCs/NMCs or, alternatively, a HoA Regional Trade Facilitation Committee made up of representatives of NTFCs of each HoAI country open to the participation of focal points of NMCs of HoA countries.</i></p>
	<p><b>b.</b> <i>Develop action plan/road map to eliminate potential NTBs identified in HoAI countries.</i></p>
	<p><b>c.</b> <i>Develop a regional strategy for eliminating NTBs aimed at: a) improving the current mechanisms for dialogue between public authorities and the private sector with the purpose of reinforcing the current procedures and mechanisms for NTBs identification and reporting; b) adopting online tools/mechanisms for monitoring, reporting and elimination of NTBs and maintain an updated NTB reporting file (online) that records NTBs when identified by the private sector with the status of resolution of such NTBs.</i></p>
	<p><b>d.</b> <i>Organize sensitization activities for the public and private sector to promote the use of existing communication channels (both online and in-person) for NTB reporting.</i></p>
<p><b>2.</b> Adopt joint TRSs at border posts and/or at corridor level between adjoining HoAI countries or at regional level, followed by the adoption of bilateral/regional action plans for implementation of recommendations formulated in the joint TRSs.</p>	<p><b>a.</b> Start consultations between revenue/customs authorities in HoAI countries.</p>
	<p><b>b.</b> Develop ToR for adoption of joint TRSs that cover all the relevant border agencies.</p>
	<p><b>c.</b> Establish links with the main private sector organizations at both regional and national level to be involved in the elaboration and validation of the joint TRSs.</p>
	<p><b>d.</b> Publish TRS times and monitor performance over an annual basis.</p>
<p><b>3.</b> Implement the COMESA STR or STR equivalents at HoA borders with other regulations on minimum standards for the treatment of small-scale cross-border traders (Traders Charter of Rights and Obligations). This includes the introduction of cooperation practices between the HoAI countries to facilitate legitimate trade, while ensuring that appropriate standards of customs control are implemented at their respective borders.</p>	<p><b>a.</b> Map goods that are most traded informally at the main border points in the HoA region.</p>
	<p><b>b.</b> Assess formalities and tariffs/taxes to be paid at the border in relation to the trade of such goods, in view of simplification and harmonization of regulations and standards for small-scale traders.</p>
	<p><b>c.</b> Adopt Bilateral Agreements/Protocols establishing lists of common goods covered by the simplification measures.</p>
	<p><b>d.</b> Promote the establishment of traders' associations (where not existing) and launch sensitization programs to increase awareness of trade procedures and traders' rights.</p>
	<p><b>e.</b> Establish Trade Information Desks at HoA borders and Integrate design of trade information desks for SMEs.</p>
<p><b>4.</b> Adopt a Regional/Bilateral</p>	<p><b>a.</b> Initiate a sub-committee dialogue at HoAI level between</p>

Agreement(s) allowing truckers registered in a HoAI country to enter in other HoAI nations on the basis of a permit issued in the country of origin of the shipment recognized by the state of delivery of cargo.	transport authorities and other government agencies involved in implementation of transport and road security regulations and standards.
	<b>b.</b> Develop an action plan/strategy for implementation.
	<b>c.</b> Identify other opportunities for simplification of transport-related policies, laws, regulations and standards across HoA borders.
<b>5.</b> Develop a strategy for interconnecting national ECTSs or, alternatively, a regional ECTS for monitoring the movement of goods along the main trade corridors in the HoAI countries from origin to destination of shipments.	<b>a.</b> Develop a roadmap for identifying the HoA corridors where ECTS interfacing or RECTS establishment can be piloted and implemented (this should include strategies to improve truck load factors and enhance transport efficiency, particularly for outbound trips to the ports, with the analysis of the possibility to establish corridor-level authorities/observatories for data collection and monitoring and identification of bottlenecks).
<b>6.</b> Develop an IT-based Regional Road Management Information System (RRMIS) for monitoring the usability of priority trade corridors in the region.	<b>a.</b> Develop a study for examining the possibility to link the national RMIS of HoAI member States to a central server exchanging information on the road network condition.
<b>7.</b> Develop a regional coordination forum for sustained dialogue between the highest authorities of all the Ministries/Government Agencies involved in cross-border trade in HoAI countries. This includes the institutionalization of JBCs at HoA border posts.	<b>a.</b> Establishment in each HoAI country of a structure at national level responsible for high level strategic direction for effective border management among border agencies leveraging on the experience of the Kenyan BCOCC (including the possibility to organize study visits to examine the operational practices of this body)
	<b>b.</b> Adoption of Bilateral agreements/Protocols, and ToR for establishment of Joint Border Committees (JBCs).
<b>8.</b> Develop agreements on data sharing and ICT integration between Customs, Immigration and other border agencies of HoAI countries and strengthen data and documentation exchange between border agencies in HoAI countries.	<b>a.</b> Develop a regional trade automation and data sharing roadmap/legal framework that includes the analysis of the possibility of interfacing Single Windows and/or automation systems adopted by border agencies in HoAI countries in order to allow mutual exchange of data and information through a common format.
	<b>b.</b> Map current trade infrastructure gaps at HoA border crossing points, with a focus on OSBPs.
	<b>c.</b> Conduct feasibility studies for the establishment of OSBPs at HoA borders across the major trade corridors in the region (with highest volume of traffic), and develop a regional OSBP strategy identifying gaps in policies and procedures to ensure effective implementation of OSBPs. Where OSBPs are not feasible due to small transit volumes, other scalable measures should be adopted <sup>43</sup> .

<sup>43</sup> In the HoAI package, a total of 13 OSBPs has been prioritized along main corridors in the region (see the HoAI Project Profiles at <https://hoainitiative.org/wp-content/uploads/2021/03/HoAI-Project-Profiles.pdf>). Where OSBPs are not financially viable due to the reduced traffic flows that do not justify

<b>9.</b> Develop dedicated fast-track lanes at HoA borders for AEOs.	<b>a.</b> Introduce Authorized Economic Operators (AEOs) programmes in those countries that have not yet adopted them (Eritrea, Djibouti and Somalia)
	<b>b.</b> Compare AEO programmes adopted by HoAI States to verify that they set out equivalent requirements and levels of facilitations.
	<b>c.</b> Conclude Mutual Recognition Agreements (MRA) between HoAI countries having already adopted AEO programs (Kenya, Ethiopia, and Sudan).
	<b>d.</b> Develop a roadmap for implementation of the COMESA AEO (regional) scheme.
<b>10.</b> Creation of a regional framework for use of digital payments over cash for payment of customs duties, border agencies fees and other levies at HoA cross-border posts, and for acceptance of digital proofs of payments.	<b>a.</b> Adopt agreements with main Telcom operators in the HoA region to allow the use of digital payments platforms/mobile money systems for payment of border agencies fees, customs duties and other charges for import, export, or transit at cross-border points.
	<b>b.</b> Develop sensitization campaigns for traders and other stakeholders on use of digital payments/mobile money solutions for payment of border taxes and fees.

### 3. Prioritization of Activities

The Activities described in this Chapter are organized in this Section according to their prioritization and interdependency, where interdependency means that some measures can only be achieved after others have already been implemented. Prioritization is the process of evaluating the effort and time needed to implement an Activity and the impact it will have on the Goals compared to other Activities. Activities that are easy to implement and have a big impact have a higher priority than those that are difficult to implement and only bring little improvements.

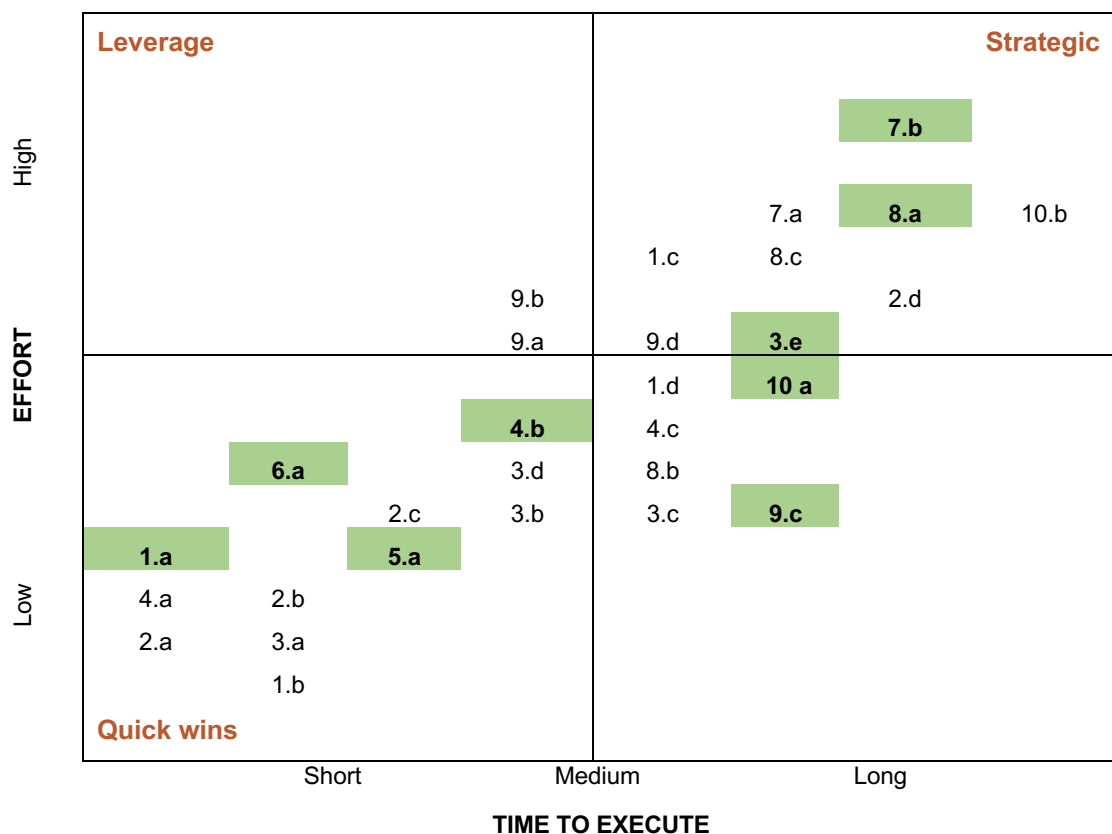
The development of Activities emerged as a result of discussions and meetings with stakeholders from the HoAI countries and Development Partners during the HoAI Nairobi Trade workshop of 6-7 April 2022. During this workshop, a number of proposals were analyzed, discussed and prioritized. Prioritization of Activities is reflected in the graphic below, that shows in the lower left quadrant those that are easy to implement (quick wins), while Activities on the top left are those that can be quickly implemented but take more effort. On the other hand, Activities on the top right take more effort and a longer time to implement. Those ones that can bring a big improvement are marked in green.

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the investment necessary for their construction, financiers should mainstream in the design of the corridor projects other scalable measures.



Figure 4: Prioritization of Activities diagram



## V. IMPLEMENTATION SCHEDULE

This Roadmap establishes a framework of Activities to be implemented over a period of three (3) years. For this period, an overall calendar that schedules their implementation is developed. The Implementation Schedule calendar will help to monitor the state of implementation of the Roadmap, with an articulation in three phases:

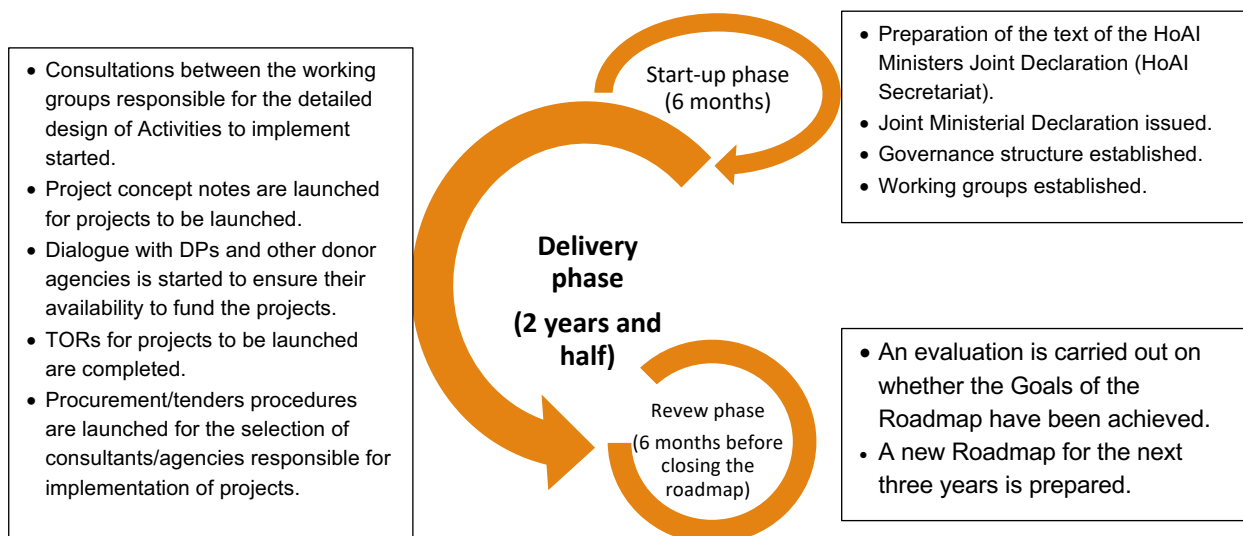
- Start-up phase:** During this 6-months phase, that will start immediately after the validation of the Roadmap, a **Governance Structure** needs to be established in order to manage and implement the various Activities listed in Chapter IV of the Roadmap. To this end, a **Joint Declaration of Ministers of Finance** should be adopted at the next Ministerial Meeting, planned end of June 2022, that apart from validating this Roadmap, will establish the Governance Structure for its implementation and its composition. The Joint Declaration is a reaffirmation of political commitment at the highest level in pursuing the Goals described in the Roadmap and should encourage the HoAI Member States national institutions to cooperate in the development of the Activities of common interest for the HoAI Member States that are identified in this document, inviting them to collaborate in its implementation, through the elaboration of **project concept notes** to be submitted to Development Partners and other donor agencies for funding.
- Delivery phase:** The Delivery Phase consist in the detailed design, submission to donors and launch of projects focusing on the implementation Activities described in this Roadmap, to be achieved over a period of three years. This phase starts with consultations between the Thematic Working Groups (gathering government agencies from HoAI nations

responsible for detailed design of Activities to be implemented) in order to identify modalities and budget needs for their execution. This will be followed by the preparation of project concept notes for projects to be launched with budget estimates (resource plans) for their implementation, to be submitted to DPs and other donor agencies to secure their funding. The last steps in this phase are the preparation of **Terms of Reference (TORs)** for each project chosen for implementation and the launch of procurement and tendering procedures (in coordination with DPs) for selection of consultants or agencies that will implement each project. During this Phase, the Goal Performance Indicators at Section 3 of Chapter III need to be thoroughly monitored in order to make sure that the HoAI countries interested by the TF reforms are on the right track to achieve the Goals identified in the same Chapter.

- **Review phase:** This phase aims at: 1) evaluating whether the Goals of the Roadmap have been met, by comparing the results achieved with the Goal Performance Indicators; and 2) drafting a new Roadmap for the next three years. This Phase will start six months before the end of the period covered by the Roadmap (June 2025).

The 3 phases of the implementation of the Roadmap are graphically represented in the Figure below:

**Figure 5: Roadmap Implementation Schedule**

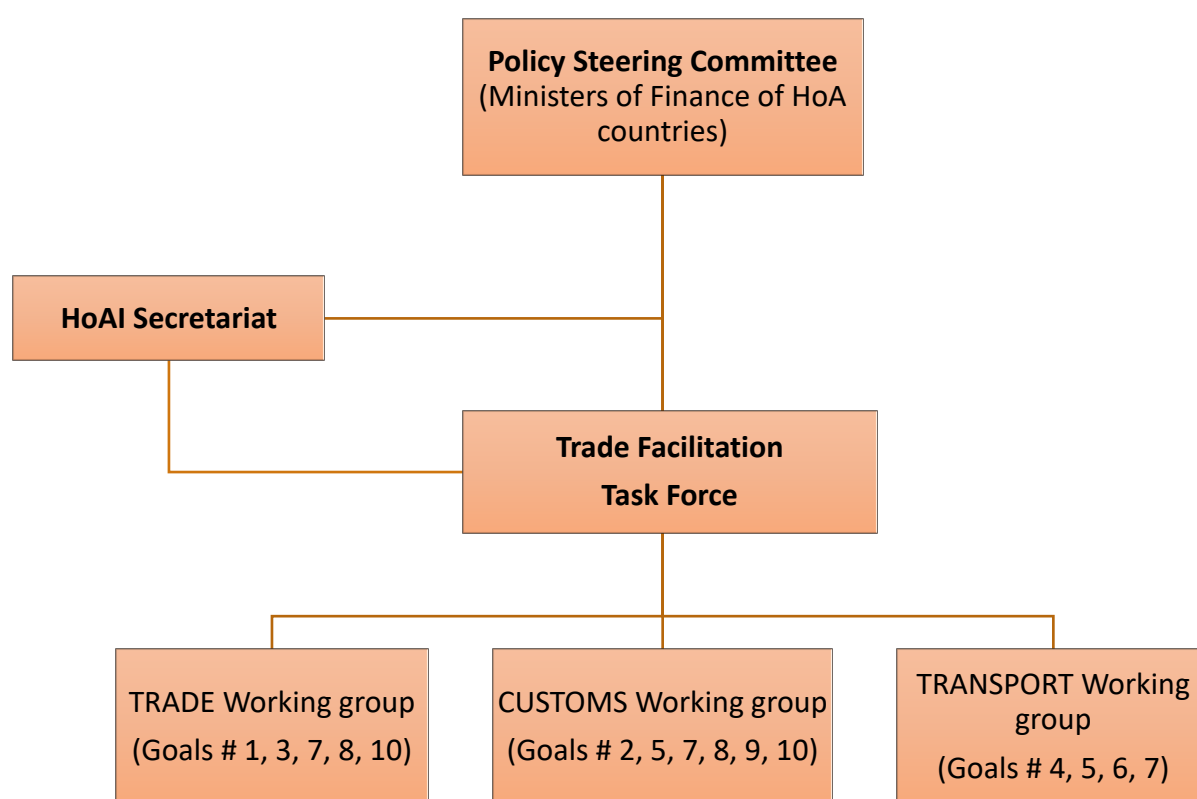


## VI. GOVERNANCE STRUCTURE

The Governance Structure required to manage and implement the Activities described in this Roadmap is described in this Chapter, based on three layers, with a Policy Steering Committee on the top made up of the Ministers of Finance of the HoAI, coordinated by the current Chairman of the HoAI Secretariat, and a central role played by the Trade Facilitation Task Force, made up of the Thematic Leaders for Trade, Customs and Transport of HoAI

Member States. Both bodies are supported by the HoAI Secretariat, while the detailed design and preparation of projects to be launched under the Initiative falls in the responsibility of three thematic Working Groups (Trade, Transport and Customs), made up by representatives of the Ministries of Trade, Transport and of Customs and Revenue administrations in the HoAI countries involved in each project to be launched. Each of these Thematic Working Groups will be responsible for the detailed design of the Activities falling under the Goals assigned them, as shown in the Figure below. It must be noted that the responsibility for some Goals (namely, Goals n. 5, 7 and 10) is assigned in this Roadmap to two or all the Thematic Working Groups. Details on responsible (leading) agencies are in the Summary Table at Chapter IX.

Figure 6: Governance structure for the Roadmap management



**Functions and responsibilities of each layer of the governance structure:**

<b>Policy Steering Committee</b>	<ul style="list-style-type: none"> <li>Supervises the overall implementation of the Roadmap</li> <li>Directs the work of the Trade Facilitation Task Force</li> </ul>
<b>HoAI Secretariat</b>	<ul style="list-style-type: none"> <li>Manages the Roadmap implementation under the supervision of the Policy Steering Committee</li> <li>Liaises with Ministries, Regional Economic Communities (e.g., COMESA, IGAD, etc.), Development Partners and other donor agencies for the launch and implementation of HoAI-related projects</li> <li>Facilitates the discussions between the members of the Trade Facilitation Task Force</li> </ul>

<b>Trade Facilitation Task Force</b>	<ul style="list-style-type: none"> <li>• Responsible for the delivery of the Roadmap</li> <li>• Provides mandates and supervises the working groups</li> <li>• Approves and controls implementation of the activities of the Roadmap</li> <li>• Addresses and resolves conflicting objectives and priorities</li> <li>• Ensures inter-ministerial/inter-agency collaboration</li> </ul>
<b>Implementation Level Working Groups</b>	Project working Groups are made up by decision makers from those Ministries and government agencies that will follow the detailed design and preparation of the Activities described in Chapter IV, to be described in project concept notes that will be presented to DPs and other donor agencies for funding. They are established in relation to each Activity and can include technical experts and trade facilitation experts supporting the implementation.

## VII. RESOURCE MOBILIZATION

The necessary human and financial resources needed for the implementation of the Activities described in the Roadmap as well as the associated costs are not known at this stage. Accordingly, the development of resource plans for each Activity in the Roadmap will constitute one of the activities to develop during the Start-up phase of the implementation schedule described at Chapter V. However, during exchanges with national trade delegations, it was highlighted that the implementation of Activities described at Chapter IV and, in particular the completion of the actions described in the table at Chapter VIII (in the column “Assumption”) require the provision of resources for technical assistance, capacity building, workshops, study tours, etc. for which necessary financial support should be mobilized.

## VIII. RISKS AND ASSUMPTIONS

In the context of this TF Roadmap, a risk is defined as an uncertain threat that, if it occurs, can have a negative impact in the completion of an Activity. An assumption, on the other side, is a *sine qua non* condition for the successful completion of each Activity.

Goal	Activity	Risk	Assumption
1	a	<ul style="list-style-type: none"> <li>• Linguistic barriers (English/French) between the members of NTFCs/NMCs can hamper the functioning of the RTFC</li> <li>• RTFC members do not meet regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Ministries of Trade of HoAI countries must link their NTFCs/NMCs with the HoAI Secretariat</li> <li>• Ministers of Trade of HoAI countries adopt a joint decision/agreement that establishes the Regional TFC (RTFC) and rules of procedure of such a Committee are adopted.</li> <li>• Harmonized practices need to be agreed upon by NTFCs for identification, reporting and solving procedures of NTBs having a multi-country or regional scale. This includes the need to provide capacity building to NTFCs.</li> <li>• The HoAI Secretariat facilitates the organization of the first forum (virtual)</li> </ul>
	b	Delays in the preparation of the action plan/roadmap	Supporting technical staff capable to draft the action plan/roadmap is involved in the

			RTFC discussions
	c	Delays in the preparation of the regional strategy	Adequate technical staff and experts are involved in the elaboration of the regional strategy for eliminating NTBs
	d	Lack of participation, lack of interest by the audience	Contacts with media need to be activated at national levels
2	a	Linguistic barriers (English/French) between participants can hamper the discussions	<ul style="list-style-type: none"> <li>Revenue and Customs administrations of HoAI countries must be linked with the HoAI Secretariat that can offer support in organizing the consultations</li> </ul>
	b	Delays in the preparation of the ToR	Technical staff and experts needed for drafting ToR
	c	Delays/resistance from Revenue/Customs administrations in sharing data.	<ul style="list-style-type: none"> <li>Communication à envoyer aux organisations du secteur privé dans chaque pays de la CdA concernant le lancement de l'initiative.</li> <li>Identification d'interlocuteurs clés du secteur privé pour participer à l'élaboration des TRS régionaux ou conjoints.</li> </ul>
	d	Lack of staff with the needed expertise	Staff from Revenue/Customs administrations in each HoAI country must be deployed to monitor the status of implementation of the corrective actions recommended by the TRS.
3	a	Lack of staff with the needed expertise	Technical staff and experts are needed in each HoAI country for mapping goods traded informally at their borders
	b	<ul style="list-style-type: none"> <li>Lack of staff with the needed expertise</li> <li>STR/STR equivalents are currently not yet implemented at borders among HoAI countries. Support from COMESA is needed to plan and organize possible study visits in other countries that have implemented such schemes.</li> </ul>	Technical staff and experts are needed in each HoAI country for assessing formalities and tariffs/taxes to be paid at their borders, including the possibility to organize study visits at border posts where the STR/STR equivalents are already implemented.
	c	Delays, lack of participation to the bilateral/regional consultations	<ul style="list-style-type: none"> <li>Common Lists of goods to be prepared on the basis of the mapping/assessing exercise conducted during the activities a and b of this Goal.</li> <li>Traders Charter of Rights and Obligations to be negotiated between HoAI countries.</li> <li>Strong political commitment of Ministers of Trade in the HoA countries is needed.</li> </ul>
	d	Lack of participation, lack of interest	Meetings need to be organized with communities of small-scale cross border traders to encourage them to establish Associations
	e	<ul style="list-style-type: none"> <li>Lack of financial resources for hiring the required staff</li> <li>Delays in the operationalization of the desks due to need to train adequately the trade desk information officers</li> </ul>	<ul style="list-style-type: none"> <li>Locations close to the border need to be identified for installing the Trade Information Desks</li> <li>Staff needs to be hired to be dedicated to the Desks and trained on formalities applicable at the border</li> </ul>

4	a	Lack of participation, lack of interest	<ul style="list-style-type: none"> <li>• Road and transport authorities of HoAI countries must be linked with the HoAI Secretariat, who can offer support in facilitating the consultations</li> <li>• Strong political commitment of Ministers of Transport in the HoA countries is needed</li> </ul>
	b	Lack of staff with the needed expertise	<ul style="list-style-type: none"> <li>• Adequate technical staff and experts are involved in the preparation of the action plan/strategy</li> </ul>
	c	Lack of staff with the needed expertise	<ul style="list-style-type: none"> <li>• Technical staff and experts who were involved in the preparation of the action plan/strategy need participate to this exercise</li> </ul>
5	a	Delays in securing the funds for hiring the international consultant and in the selection process	<ul style="list-style-type: none"> <li>• Experts need to be hired and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)</li> </ul>
6	a	Delays in securing the funds for hiring the international consultant and in the selection process	<ul style="list-style-type: none"> <li>• Experts need to be hired and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)</li> </ul>
7	a	Delays in organizing consultations	Strong political commitment of Ministers of Interior, Finance, Trade, Transport in the HoA countries needed
	b	Lack of staff with the needed expertise	Technical staff and experts needed for drafting the Bilateral agreements/Protocols, and ToR for establishment of JBCs
8	a	Delays in securing the funds for hiring the international consultant and in the selection process	Experts need to be hired and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)
	b	Delays in securing the funds for hiring the international consultant and in the selection process	Experts need to be hired and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)
	c	Delays in securing the funds for hiring the international consultant and in the selection process	Experts need to be hired and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)
9	a	Delays in securing the funds for hiring the international consultant and in the selection process	<ul style="list-style-type: none"> <li>• Strong political commitment of Ministers of Finance of HoAI countries is needed for introducing AEO programmes.</li> <li>• Experts may be necessary to support Customs in the design of such programmes, and adequate funds needs to be allocated (need to secure adequate funds from donors for hiring an international consultant)</li> </ul>
	b	Delays in securing the funds for hiring the international consultant and in the selection process	<ul style="list-style-type: none"> <li>• Need to secure adequate funds from donors for hiring an international consultant</li> </ul>
	c	Delays in consultations and negotiation of MRAs	<ul style="list-style-type: none"> <li>• Strong political commitment of Ministers of, Finance of HoAI countries needed</li> </ul>

	d	Delays in securing the funds for hiring the international consultant and in the selection process	<ul style="list-style-type: none"> <li>• Dialogue with COMESA to be initiated for supporting the process</li> <li>• Need to secure adequate funds from donors for hiring an international consultant</li> </ul>
10	a	Delays in consultations and design of the regulatory framework	<ul style="list-style-type: none"> <li>• Dialogue avec les banques centrales des pays de la CdA et les principaux opérateurs de télécommunications de la région de la CdA à entamer</li> </ul>
	b	Lack of participation, lack of interest	<ul style="list-style-type: none"> <li>• Meetings and awareness campaigns need to be initiated for communities of small-scale cross border traders to promote knowledge of cashless payments.</li> <li>• To overcome the literacy barrier, local languages need to be used in marketing and communication strategies to explain the benefits of cashless payments</li> </ul>

## IX. SUMMARY TABLE

The following table is an instrument to support the management of the Roadmap implementation. It gives an overview of: (a) the Goals to be reached; (b) which Activities will lead to those Goals; (c) which will be the leading agency/agencies responsible for the development of project concept notes related to the implementation of the described Activities; (d) how long will the implementation of each Activity take.

Goals	Activities	Leading agency for the implementation of the Activity	Implementation timeline
1. Strengthen collaboration mechanisms for identification, reporting and resolution of NTBs in the region	<i>a. Establish a permanent and regular coordination forum of HoAI NTFCs/NMCs or, alternatively, a HoA Regional Trade Facilitation Committee made up of representatives of NTFCs of each HoAI country open to the participation of focal points of NMCs of HoAI countries.</i>	<b>HoAI Ministries of Trade</b>	<i>Within 6 months</i>
	<i>b. Develop action plan/road map to eliminate potential NTBs identified in HoAI countries.</i>		<i>Within 10 months</i>
	<i>c. Develop a regional strategy for eliminating NTBs/NTMs aimed at: a) improving the current mechanisms for dialogue between public authorities and the private sector with the purpose of reinforcing the current procedures and mechanisms for NTBs identification and reporting; b) adopting online tools/mechanisms for monitoring, reporting and elimination of NTBs and maintain an updated NTB reporting file (online) that records NTBs when identified by the private sector with the status of resolution of such NTBs.</i>		<i>Within 20 months</i>
	<i>d. Organize sensitization activities for the public and private sector to promote the use of existing communication channels (both online and in-person) for NTB reporting.</i>		<i>Within 20 months</i>
2. Adopt joint TRSs at border posts and/or at corridor level between adjoining HoAI countries or at regional level, followed by the adoption	<b>a. Start consultations between revenue/customs authorities in HoAI countries.</b>	<b>HoAI Customs/Revenue administrations</b>	<i>Within 6 months</i>
	<b>b. Develop ToR for adoption of joint TRSs that cover all the relevant border agencies.</b>		<i>Within 10 months</i>
	<b>c. Establish links with the main private sector organizations at both regional and national level to be involved in the elaboration and validation of the joint TRSs.</b>		<i>Within 10 months</i>



of bilateral/regional action plans for implementation of recommendations formulated in the joint TRSs.	<b>d.</b> Publish TRS times and monitor performance over an annual basis.		<i>Within 30 months</i>
<b>3.</b> Implement the COMESA STR or STR equivalents at HoA borders with other regulations on minimum standards for the treatment of small-scale cross-border traders (Traders Charter of Rights and Obligations). This includes the introduction of cooperation practices between the HoAI countries to facilitate legitimate trade, while ensuring that appropriate standards of customs control are implemented at their respective borders.	<b>a.</b> Map goods that are most traded informally at the main border points in the HoA region.	<b>HoAI Ministries of Trade</b>	Within 10 months
	<b>b.</b> Assess formalities and tariffs/taxes to be paid at the border in relation to the trade of such goods, in view of simplification and harmonization of regulations and standards for small-scale traders.		Within 16 months
	<b>c.</b> Adopt Bilateral Agreements/Protocols establishing lists of common goods covered by the simplification measures.		Within 20 months
	<b>d.</b> Promote the establishment of traders' associations (where not existing) and launch sensitization programs to increase awareness of trade procedures and traders' rights.		Within 16 months
	<b>e.</b> Establish Trade Information Desks at HoA borders and Integrate design of trade information desks for SMEs.		Within 24 months
<b>4.</b> Adopt a Regional/Bilateral Agreement(s) allowing truckers registered in a HoAI country to enter in	<b>a.</b> Initiate a sub-committee dialogue at HoAI level between transport authorities and other government agencies involved in implementation of transport and road security regulations and standards.	<b>HoAI Ministries of Transport</b>	Within 6 months
	<b>b.</b> Develop an action plan/strategy for implementation.		Within 16 months
	<b>c.</b> Identify other opportunities for simplification of transport-related policies,		Within 20 months

other HoAI nations on the basis of a permit issued in the country of origin of the shipment recognized by the state of delivery of cargo.	laws, regulations and standards across HoA borders.		
<b>5.</b> Develop a strategy for interconnecting national ECTSs or, alternatively, a regional ECTS for monitoring the movement of goods along the main trade corridors in the HoAI countries from origin to destination of shipments.	<b>a.</b> Develop a roadmap for identifying the HoAI corridors where ECTS interfacing or RECTS establishment can be piloted and implemented (this should include strategies to improve truck load factors and enhance transport efficiency, particularly for outbound trips to the ports, with the analysis of the possibility to establish corridor-level authorities/observatories for data collection and monitoring and identification of bottlenecks).	<b>HoAI Ministries of Transport + HoAI Customs/Revenue administrations</b>	Within 10 months
<b>6.</b> Develop an IT-based Regional Road Management Information System (RRMIS) for monitoring the usability of priority trade corridors in the region.	<b>a.</b> Develop a study for examining the possibility to link the national RMIS of HoAI member States to a central server exchanging information on the road network condition.	<b>HoAI Ministries of Transport</b>	Within 10 months
<b>7.</b> Develop a regional coordination forum for sustained dialogue between the highest authorities of all the Ministries/Government Agencies involved in	<b>a.</b> Establishment in each HoAI country of a structure at national level responsible for high level strategic direction for effective border management among border agencies.	<b>HoAI Ministries of Transport + HoAI Ministries of Trade + HoAI Customs/Revenue administrations</b>	Within 26 months
	<b>b.</b> Adoption of Bilateral agreements/Protocols, and ToR for establishment of Joint Border Committees (JBCs).		Within 30 months

cross-border trade in HoAI countries. This includes the institutionalization of JBCs at HoA border posts.			
8. Develop agreements on data sharing and ICT integration between Customs, Immigration and other border agencies of HoAI countries and strengthen data and documentation exchange between border agencies in HoAI countries.	a. Develop a Regional trade automation and data sharing roadmap/legal framework that includes the analysis of the possibility of interfacing Single Windows and/or automation systems adopted by border agencies in HoAI countries in order to allow mutual exchange of data and information through a common format.	<b>HoAI Customs/Revenue administrations</b>	Within 30 months
	b. Map current trade infrastructure gaps at HoA border crossing points, with a focus on OSBPs.		Within 20 months
	c. Conduct feasibility studies for the establishment of OSBPs at HoA borders across the major trade corridors in the region, and develop a regional OSBP strategy identifying gaps in policies and procedures to ensure effective implementation of OSBPs. Where OSBPs are not feasible due to small transit volumes, other scalable measures should be adopted.		Within 26 months
9. Develop dedicated fast-track lanes at HoA borders for AEOs.	a. Introduce Authorized Economic Operators (AEOs) programmes in those countries that have not yet adopted them (Eritrea and Somalia)	<b>HoAI Customs/Revenue administrations</b>	Within 16 months
	b. Compare AEO programmes adopted by HoAI States to verify that they set out equivalent requirements and levels of facilitations.		Within 16 months
	c. Conclude Mutual Recognition Agreements (MRA) between HoAI countries having already adopted AEO programs (Kenya, Ethiopia, Djibouti, Sudan).		Within 26 months
	d. Develop a roadmap for implementation of the COMESA AEO (regional)		Within 20 months

	scheme.		
<b>10.</b> Creation of a regional framework for use of digital payments over cash for payment of customs duties, border agencies fees and other levies at HoA cross-border posts and for acceptance of digital proofs of payments.	<b>a.</b> Adopt agreements with main Telcom operators in the HoA region to allow the use of digital payments platforms/mobile money systems for payment of border agencies fees, customs duties and other charges for import, export, or transit at cross-border points.	<b>HoAI Ministries of Trade + HoAI Customs/Revenue administrations</b>	Within 24 months
	<b>b.</b> Develop sensitization campaigns for traders and other stakeholders on use of digital payments/mobile money solutions for payment of border taxes and fees.		Within 32 months

## Annex I - Consolidated Priority Matrix for Trade Facilitation in the HoA region

Policy area	Recommended policy measure	Objective	Specific actions needed for implementing the recommended policy measure	<ul style="list-style-type: none"> <li><b>Timeline</b></li> <li><i>Short term: &lt; 12 months</i></li> <li><i>Medium term: &lt; 3 years</i></li> </ul>
<b>Trade policy harmonization</b>	Strengthen collaboration mechanisms for identification and resolution of NTBs in the region through a coordination of the activities of National Trade Facilitation Committees (NTFCs) and of Non-Tariff Barriers (NTBs) National Monitoring Committees (NMCs) of each HoA country.	Establishment of strong collaboration links for the joint identification and resolution of NTBs in the HoA, which are among the main factors hampering the smooth movement of goods in the region. Coordination of HoA NTFCs/NMCs or discussions between members of the HoA Regional Trade Facilitation Committee can be conducted both through periodical physical meetings and videoconferencing platforms.	<ul style="list-style-type: none"> <li>• Establish a <b>permanent and regular coordination forum of HoA NTFCs/NMCs</b> or, alternatively, a <b>HoA Regional Trade Facilitation Committee</b> made up of representatives of NTFCs of each HoA country open to the participation of focal points of NMCs of HoA countries.</li> <li>• Develop action plan/road map to eliminate potential NTBs identified in HoA countries.</li> <li>• Development of a regional strategy for eliminating NTBs/NTMs aimed at:               <ul style="list-style-type: none"> <li>a) improving the current mechanisms for dialogue between public authorities and the private sector with the purpose of reinforcing the current procedures and mechanisms for NTBs identification and reporting.</li> <li>b) adopting online tools/mechanisms for</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Short term</b></li> </ul>

			<p>monitoring, reporting and elimination of NTBs and maintain an updated NTB reporting file (online) that records NTBs when identified by the private sector with the status of resolution of such NTBs.</p> <p>c) Organize sensitization activities for the public and private sector to promote the use of existing communication channels (both online and in-person) for NTB reporting.</p>	
	<ul style="list-style-type: none"> <li>Adopt joint Time Release Studies (TRSs) by Customs of adjoining HoAI countries (or at regional level). TRS could be conducted both at border posts and/or at corridor level.</li> <li>Develop a regional action plan for implementation of recommendations formulated in the joint Time Release Studies.</li> </ul>	Such studies are key for assessing performances of Customs and other border agencies at HoA borders, identifying bottlenecks, costs and delays in border procedures that can be addressed through regulatory and procedural changes.	<ul style="list-style-type: none"> <li>Start consultations between revenue/customs authorities in HoAI countries.</li> <li>Develop ToR for adoption of joint TRSs that cover all the relevant border agencies.</li> <li>Establish links with the main private sector organizations at both regional and national level to be involved in the elaboration and validation of the joint TRSs.</li> </ul>	Short term
			<ul style="list-style-type: none"> <li>Publish TRS times and monitor performance over an annual basis.</li> </ul>	Medium term
<b>Facilitate small-scale trade and formalization by</b>	<ul style="list-style-type: none"> <li>Implement the COMESA Simplified Trade Regimes (STR) or STR equivalents at HoA borders, and other</li> </ul>	Informal small-scale cross-border trade (ICBT) is prevalent at HoA borders and represents an important sector of the economies of the HoAI nations.	<ul style="list-style-type: none"> <li>Map goods that are most traded informally at the main border points in the HoA region.</li> <li>Assess formalities and tariffs/taxes to be paid at the border in relation to the trade of such goods, in view</li> </ul>	

<p><b>reducing harassment and costs at the border</b></p>	<p>regulations on minimum standards for the treatment of small-scale cross-border traders (Traders Charter of Rights and Obligations).</p> <ul style="list-style-type: none"> <li>• Introduce cooperation practices between the HoAI countries to facilitate legitimate trade, while ensuring that appropriate standards of customs control are implemented at borders.</li> </ul>	<p>Supporting small-scale trade and promoting formalization by simplifying customs and border procedures. and increasing their understanding, will contribute to improve livelihood of traders and their families, as well as to increase both revenue collection and compliance with regulations (for example, those designed to limit the spread of pests and animal disease). As women traders are particularly vulnerable to harassment and exploitation, the adoption of simplified trade regimes at HoA borders can be very beneficial to them, especially if supported by the adoption of Charters for Cross-Border Traders to protect the basic rights of traders by border officials, introducing effective mechanisms for reporting of abuses.</p>	<p>of simplification and harmonization of regulations and standards for small-scale traders.</p> <ul style="list-style-type: none"> <li>• Adopt Bilateral Agreements/Protocols- establishing lists of common goods covered by the simplification measures.</li> <li>• Promote the establishment of traders' associations (where not existing) and launch sensitization programs to increase awareness of trade procedures and traders' rights.</li> <li>• Establish Trade Information Desks at HoA borders and Integrate design of trade information desks for SMEs.</li> <li>• Integrate design of trade information desks for SMEs and other specific features for women traders in OSBP feasibility studies.</li> <li>• Provide capacity building/knowledge transfer for informal traders on cross-border simplifications available to small-scale traders under the STR/STR equivalents.</li> <li>• Develop MoU between Customs and other border agencies of HoAI countries for mutual assistance aimed at ensuring that appropriate standards of customs control are adopted at HoA borders.</li> </ul>	<p>Short term</p>
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<p><b>Harmonization of key transport-related policies, laws, regulations and standards across HoAI borders</b></p>	<ul style="list-style-type: none"> <li>• Adopt a Regional Agreement or a series of Bilateral Agreements allowing truckers registered in a HoAI country to enter in other HoAI nations on the basis of a permit issued in the country of origin of the shipment recognized by the state of delivery of cargo.</li> <li>• Develop a strategy for interconnecting national Electronic Cargo Tracking Systems (ECTSs) or, alternatively, a regional ECTS for monitoring the movement of goods along the main trade corridors in the HoAI countries from origin to destination of shipments.</li> <li>• Operationalization of Rapid Response Units to quickly intervene where irregularities are detected (e.g.,</li> </ul>	<ul style="list-style-type: none"> <li>• The coordination between transport-related policies of HoAI countries aims at reducing cost and delays for moving goods across HoA borders by facilitating the movement of trucks and commercial vehicles registered in one HoAI nation to other countries in the region.</li> <li>• All these solutions are aimed at addressing problems of safety of roads in the region through better visibility and security of cargo and monitoring of the usability of priority trade corridors in the region.</li> </ul>	<ul style="list-style-type: none"> <li>• Initiate a sub-committee dialogue at HoA level between transport authorities and other government agencies involved in implementation of transport and road security regulations and standards.</li> <li>• Develop an action plan/strategy for implementation.</li> <li>• Identify other opportunities for simplification of transport-related policies, laws, regulations and standards across HoA borders.</li> <li>• Develop a roadmap for identifying the HoA corridors where ECTS interfacing or RECTS establishment can be piloted and implemented (this should include strategies to improve truck load factors and enhance transport efficiency, particularly for outbound trips to the ports, with the analysis of the possibility to establish corridor-level authorities/observatories for data collection and monitoring and identification of bottlenecks).</li> </ul>	<p>Medium term</p>
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	<p>prolonged stops of trucks in non-authorized locations along corridors).</p> <ul style="list-style-type: none"> <li>• Development of an IT-based regional Road Management Information System (RMIS) for monitoring the usability of priority trade corridors in the region (e.g., monitoring congestion/road accidents and any other disruptive event impacting on circulation of vehicles, with alert mechanisms allowing roads and traffic authorities to rapidly intervene in case of such events, and alerts to road users on traffic and on the status of roads).</li> </ul>			
<b>Inter-agency coordination</b>	<ul style="list-style-type: none"> <li>• Development of a regional coordination forum for sustained dialogue between the highest authorities of all</li> </ul>	<p>These measures aim at increasing collaboration between border agencies of HoA countries with a view of enhancing border efficiency and</p>	<ul style="list-style-type: none"> <li>• Establishment in each HoA country of a structure at national level responsible for high level strategic direction for effective border management among border agencies (to date, this structure is operational only in Kenya, where a Border Controls and</li> </ul>	<p>Short term</p>

	<p>the Ministries/Government Agencies involved in cross-border trade in HoAI countries.</p> <ul style="list-style-type: none"> <li>• Institutionalization of Joint Border Committees at HoA border posts for joint discussion and resolution of cross-border issues.</li> <li>• Development of joint training of border officials seconded at HoA borders for reinforcement of skills and competences, and adoption of programs for exchange of border officials at selected borders.</li> </ul>	<p>inter-agency coordination in border management in the region. Joint Border Committees are a good practice at One Stop Border Posts (OSBPs). Their establishment also within ordinary border posts can increase and promote approximation of collaborative working practices between customs officials, immigration and officials of other border agencies, as well as security services, increasing efficiency and avoiding redundancy/duplications in control and inspection activities at HoA borders.</p>	<p>Operations Co-ordination Committee/BCOCC is established since 2011).</p>	
			<ul style="list-style-type: none"> <li>• Adoption of Bilateral agreements/Protocols, and ToR for establishment of Joint Border Committees.</li> </ul>	<p>Medium term</p>
	<ul style="list-style-type: none"> <li>• Develop agreements on data sharing and ICT integration between Customs, Immigration and other border agencies of HoAI countries and strengthen data and</li> </ul>	<p>The integration of the Revenue/Customs IT Systems and between automation systems adopted by border agencies can allow seamless exchange of customs, trade and transport documents, data and information among the HoA</p>	<ul style="list-style-type: none"> <li>• Map national automation systems in place in each HoAI country and identify gaps that prevent interoperability and data and information sharing.</li> <li>• Develop a roadmap for integration of the Customs/Revenue IT Management Systems and those of other border agencies in the HoAI countries for electronic sharing of such data and</li> </ul>	

	<p>documentation (certificates and permits) exchange between border agencies in HoAI countries.</p> <ul style="list-style-type: none"> <li>Identify appropriate digital/ICT tools as well as equipment needed to implement procedure and formality simplifications nationally and at borders. This would include, for example: OSBPs to be fitted with Smart Gates with Optical Character Recognition systems (OCR) to capture vehicle plates for identification and registration.</li> </ul>	<p>countries, thus accelerating formalities at HoA borders. Where Single Window (SW) systems have been developed, the interconnection between such systems or linking national SWs in a regional system would enable trade and customs documents transmitted by traders to the exit country border authorities to be used as entry documentation in the importing or transit country, avoiding any duplication in the transmission of such information.</p>	<p>information.</p>	<p>Short term</p>
			<ul style="list-style-type: none"> <li>Develop a Regional trade automation and data sharing roadmap/legal framework that includes the analysis of the possibility of interfacing Single Windows and/or automation systems adopted by border agencies in HoAI countries in order to allow mutual exchange of data and information through a common format.</li> <li>Map current trade infrastructure gaps at HoA border crossing points, with a focus on OSBPs.</li> <li>Conduct feasibility studies for the establishment of OSBPs across the major trade corridors in the HoA, and develop a regional OSBP strategy identifying gaps in policies and procedures to ensure effective implementation of OSBPs.</li> </ul>	<p>Medium term</p>
<p><b>Facilitation of trusted traders</b></p>	<p>Development of dedicated fast-track lanes at HoA borders for operators that have been recognized by Customs in HoAI countries</p>	<p>Extending the facilitations granted by national AEO programmes to the territory of other HoA states.</p>	<ul style="list-style-type: none"> <li>Introduce Authorized Economic Operators (AEO) programmes in those countries that have not yet adopted them.</li> <li>Compare AEO programmes adopted by HoA States</li> </ul>	

	as reliable in the context of their customs-related operations.		<p>to verify that they set out equivalent requirements and levels of facilitations.</p> <ul style="list-style-type: none"> <li>• Conclude Mutual Recognition Agreements (MRA) between HoAI countries having already adopted AEO programs (namely: Kenya, Ethiopia, and Sudan).</li> <li>• Develop a roadmap for implementation of the COMESA AEO (regional) scheme.</li> </ul>	Medium term
<b>Facilitation of payment of customs duties, border agencies fees, and other levies at HoA cross-border posts</b>	Creation of a regional framework for use of digital payments over cash for payment of customs duties, border agencies fees, and other levies at HoA cross-border posts.	Transporters in the HoAI countries have huge difficulties in converting currency at borders for paying duties or other fees in the importing country. This problem is exacerbated by the limited availability of banking services at these locations, which obliges transporters and traders to travel with large amounts of cash.	<ul style="list-style-type: none"> <li>• Adopt agreements with main Telcom operators in the HoA region to allow the use of digital payments platforms/mobile money systems for payment of border agencies fees, customs duties and other charges for import, export, or transit at cross-border points.</li> <li>• Develop sensitization campaigns for traders and other stakeholders on use of digital payments/mobile money solutions for payment of border taxes and fees.</li> </ul>	