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OSBP Development and Operationalization in Africa



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Japan International Cooperation Agency (JICA)

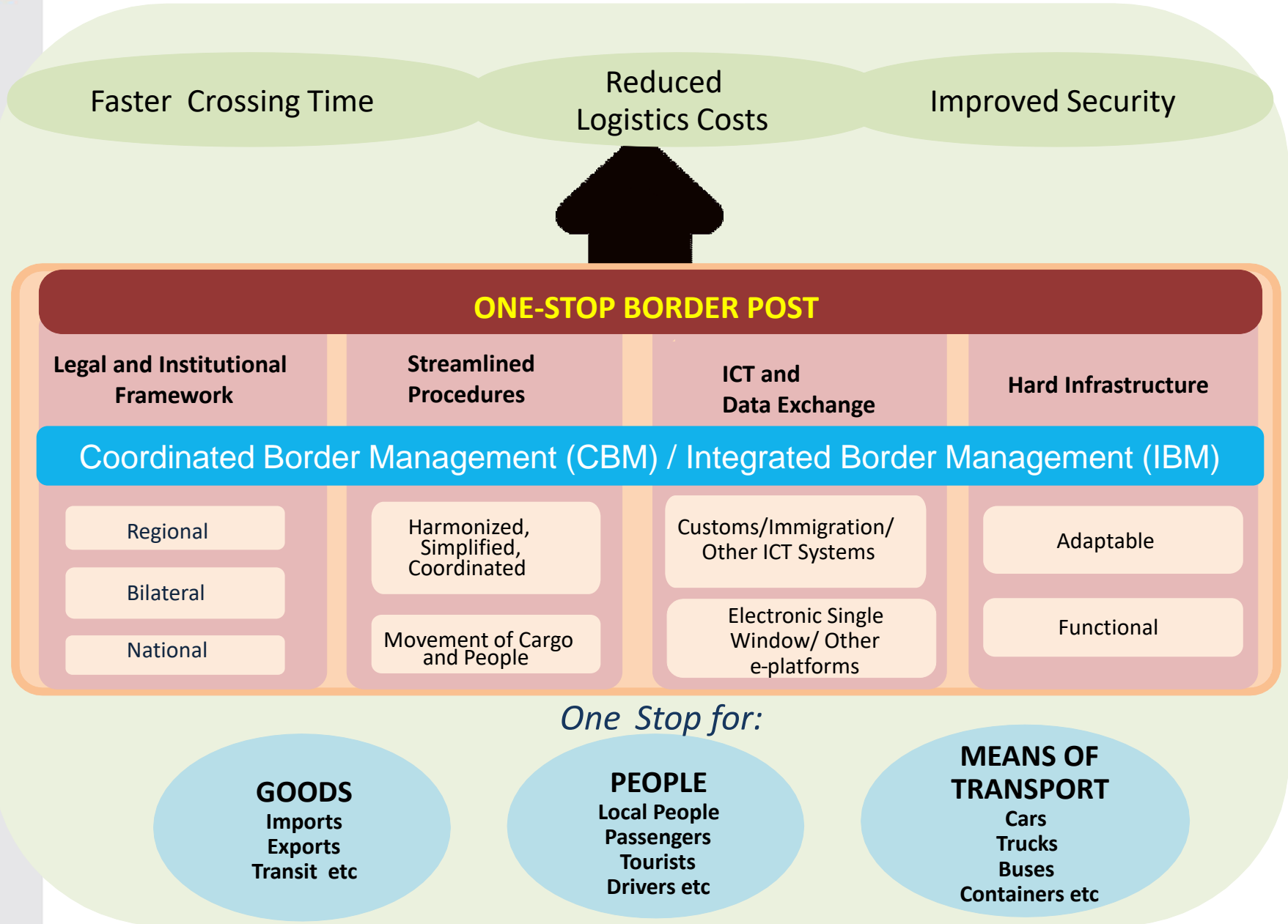
Japan International Cooperation Agency

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1. OSBP Concept

1.1 OSBP Concept : Broad Sense



1.2 The OSBP Concept as One of the Many Tools of Trade Facilitation, Regional Integration, and Economic Development

Objective

Regional Integration

Trade Facilitation

Strategies

POLITICAL
FEDERATION

MONETARY
UNION

COMMON
MARKET

FREE TRADE
AGREEMENT

CUSTOMS
UNION

Corridor Development

Pillars/Tools

Legal
Framework

National / Bilateral / Corridor/ Regional / International

Procedures

Joint Control / Single Bond / Trusted Trader Schemes (e.g., AEO)

ICT

Single Window / Customs Data Exchange / Cargo Tracking Systems /
Others

Hard
Infrastructure

Port

Dry Port/
Warehouse

OSBP
Facility

Dry Port/
Warehouse

Road / Weighbridge, Scanner, etc.

Port

Border

Origin/Destination

2. JICA's Cooperation on Trade Facilitation in Africa

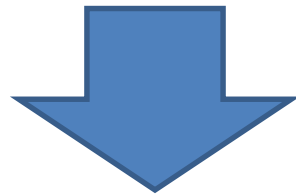
2.1 JICA's activities on Trade and Transport Facilitation under TICAD V (2013-2017)

1. Address the Infrastructure gap

- Financial assistance of **USD 6.5 billion** equivalent for Infra. Development (TICAD V)

2. Comprehensive Economic Corridor development

- Support development of **5 major growth corridors**
- Support formulating **10 strategic master-plans** for transportation / infrastructure planning
- ***Capacity building of 300 people in 20 countries to function OSBP (One Stop Border Post)***



These Commitments were re-emphasized on during **TICAD VI** which was held in Aug in Nairobi and continue to implement toward TICAD VII (2019 in Japan)

2.2 Regional Trade and Transport Facilitation in Africa supported by JICA

West Africa Growth Ring (ECOWAS, UEMOA)

(Abidjan-Ouaga, Accra-Ouaga, Lome-Ouaga, Abidjan-Lagos)

UEMOA Capacity Development for Customs Administration (2012~2015)

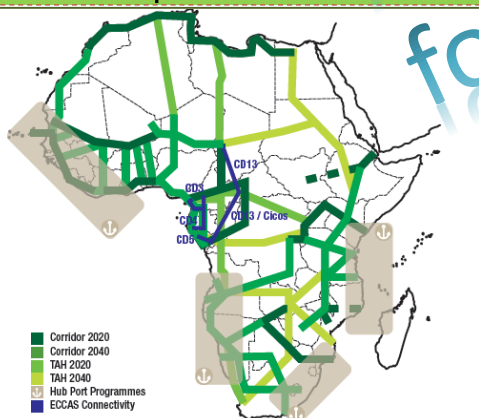
UEMOA Training for Facilitation of Commerce (2016~2018)

UEMOA Grant Aid for interconnection of customs clearance system (2016~2017)

JICA's Assistance on Custom Sector

5 Major Economic Corridors

Transport Sector in PIDA



Nile Corridor, Djibouti-Addis Ababa Corridor (IGAD)

South Sudan : Project for Capacity Development of South Sudan Customs Services for Introduction of Harmonized System Code (2016~2019)

Northern and Central Corridor (EAC)

Project on Capacity Development for International Trade Facilitation in the East African Region (2013.12~2017.12)

Project on Capacity Development for Trade Facilitation and Border Control in East Africa (12.2017-06.2021)

Botswana/Namibia OSBP Facilitation of Introduction of OSBP with Improving Customs Administration (2015~2017)

North-South Corridor, Nacala Corridor (SADC)

2.3 East Africa/EAC

[Technical Assistance] Project for Capacity Development of South Sudan Customs Services for Introduction of Harmonized System Code

- Objectives: Modernization of customs based on Harmonized System (HS) code is introduced in South Sudan
- The project includes the following components
 - ❑ Introduction of HS Code
 - ❑ HS training to customs clearing agents
 - ❑ Introduction of statistical analysis based on HS code

[Grant Aid] Construction of new Rusumo International Bridge and OSBP

- The bridge crossing the border and OSBP facilities are constructed/funded by Japan's Grant Aid

[Loan] Namanga OSBP between Kenya and Tanzania

- JICA is co-financing with AfDB for construction of roads and OSBP

[Expert] EAC Infrastructure Advisor

- Facilitation of OSBP act and regulations

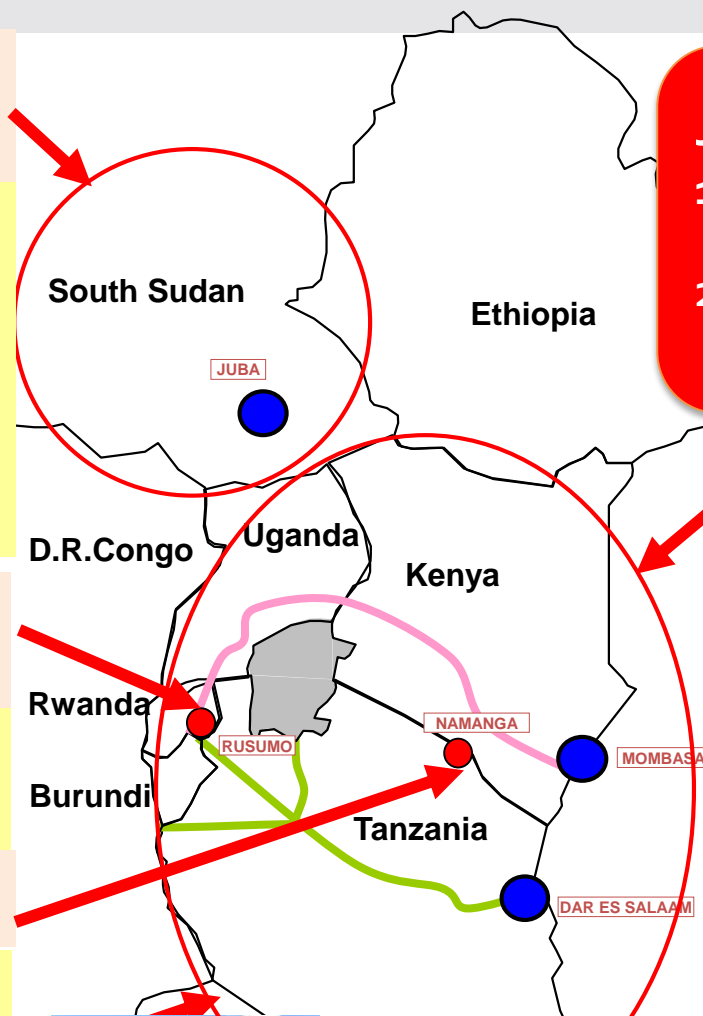
JICA focuses on:

1. OSBP Operationalization
(Rusumo, Namanga)
2. Modernization of Customs
(EAC Partner States)

[Technical Assistance] Project on Capacity Development for International Trade Facilitation in the Eastern African Region

- Objectives: Enhancement of the capacity for efficient border clearance at the subject border crossing points
- The project includes the following components
 - ❑ Operationalization of OSBP
 - ❑ Capacity development for customs
 - ❑ Capacity development for CCFA (customs clearing forwarding agents)

[Technical Assistance] Project on Capacity Development for Trade Facilitation and Border Control in East Africa



(Left) Rusumo OSBP in Rwanda side



(Right) Ceremony of Opening at Rusumo OSBP

2.4 West Africa/UEMOA

[Training] Project for Facilitation of Commerce in the UEMOA region

- Training in Japan in the domain of Modernization of Customs.
- The contents of Training are
 - Risk Management
 - AEO (Authorized Economic Operator)
 - Post Clearance Audit

[Grant Aid] Project for the interconnection of customs clearance systems

- Amend the systems of Customs Clearance in Burkina Faso and Togo to facilitate interconnectivity of both systems.
- This cooperation is extended through the UEMOA Commission.

[Expert] UEMOA Customs Advisor

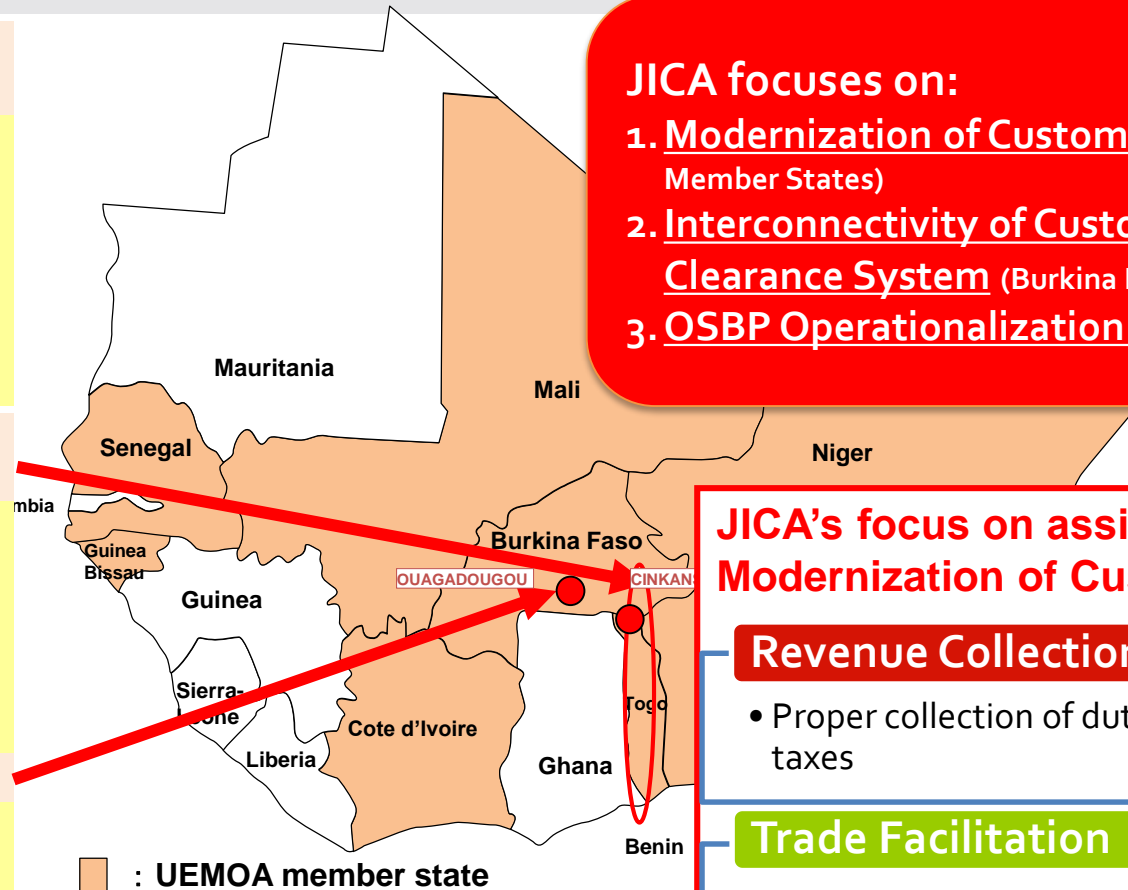
- Advise Trade Facilitation and Customs Modernization (Proper collection of tariff, anti-smuggling)

[Expert] Infrastructure Development Advisor to UEMOA

- Advise the issues of Infrastructure Development to UEMOA
- Advise facilitation of Cinkansé OSBP (between Burkina Faso and Togo)

JICA focuses on:

1. Modernization of Customs(UEMOA Member States)
2. Interconnectivity of Customs Clearance System (Burkina Faso-Togo)
3. OSBP Operationalization (Cinkanse)



Picture of the two main office Blocks at Cinkansé OSBP

JICA's focus on assisting Modernization of Customs

Revenue Collection

- Proper collection of duties and taxes

Trade Facilitation

- Better business environment

Social Protection

- Protection from weapons, drugs and other harmful items

2.5 Southern Africa

[Technical Assistance] Chirundu OSBP

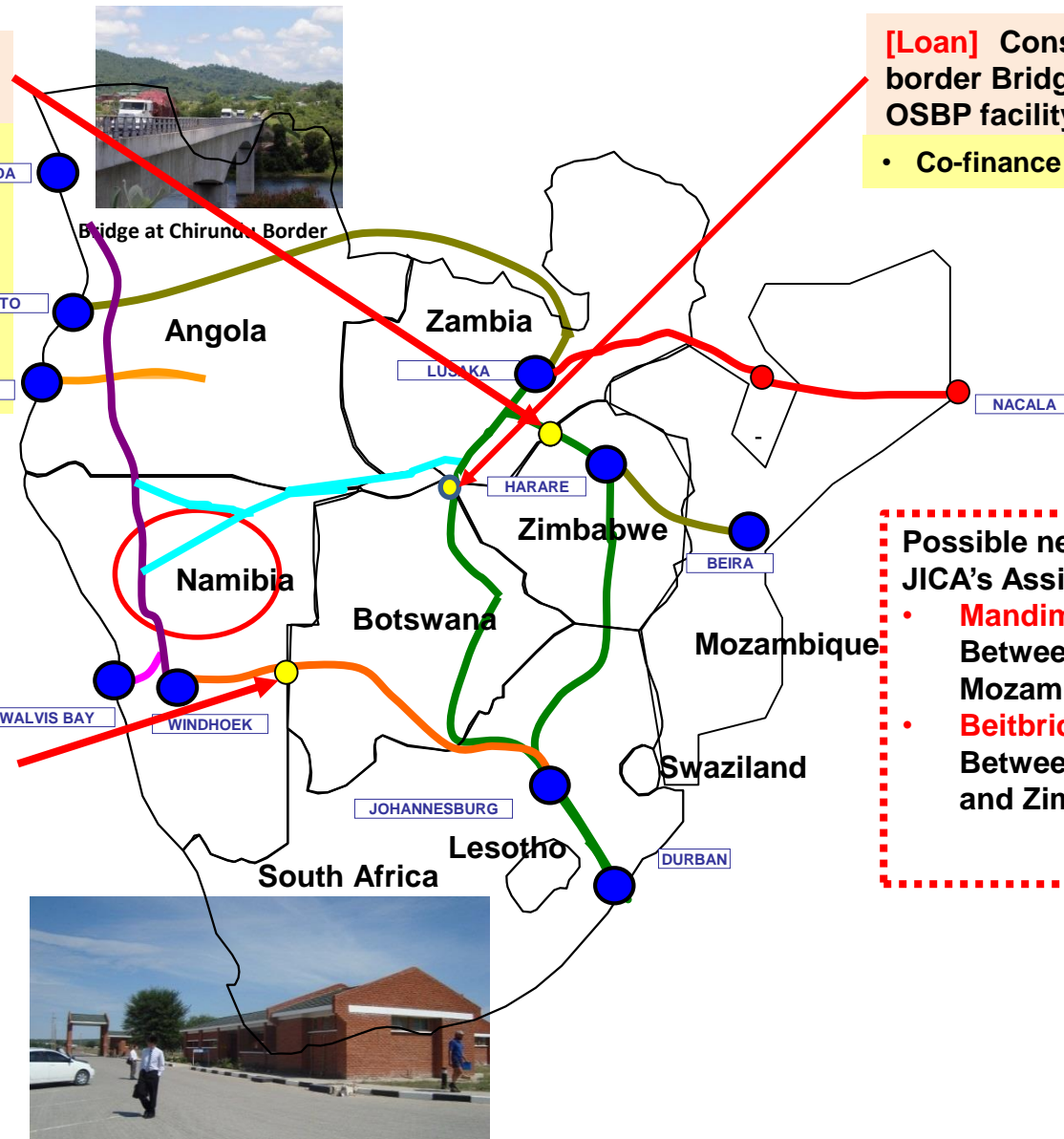
- Facilitating bilateral agreement
- Capacity building of customs officers at border utilizing local consultants
- Dispatching Volunteers for supporting communities around the border

[Grant Aid] Construction of a bridge at Chirundu Border

[Technical Assistance] Project on the establishment of OSBP between Botswana and Namibia at Mamuno/Trans Kalahari Border

[Expert] OSBP Facilitation of Introduction of OSBP with Improving modernization of customs

[Loan] Construction of Roads crossing Kalahari



[Loan] Construction of border Bridge and Kazungula OSBP facility

- Co-finance project with AfDB

Possible new requests for JICA's Assistance

- **Mandimba Border** Between Malawi and Mozambique
- **Beitbridge Border** Between South Africa and Zimbabwe

Border post at Mamuno/Trans Kalahari

3. OSBP Sourcebook 2nd edition

3.1. Background of OSBP Sourcebook

**More than 80 border post is identified potential OSBP
27 of them are either the stage of construction and 10
OSBPs are functionalized in EAC.**

75 OSBP projects out of 433 decomposed PIDA projects



**Only a few OSBP is functioning as OSBP
Soft Infrastructure and knowledge sharing is not
catching the speed of construction**



**Urgent needs of sharing best practices and
lessons learned to support those borders
introducing OSBP in efficient and effective manner**

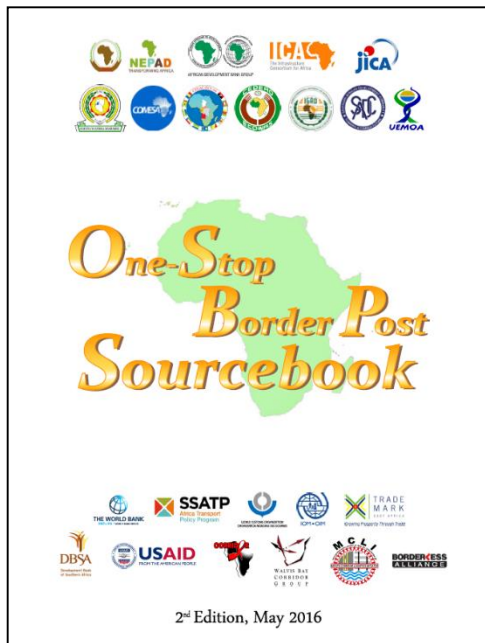
3.2. Content of OSBP Sourcebook

OSBP Sourcebook was divided into three parts

Part 1
OSBP Concept

Part 2
Critical issues in the
implementation of OSBP

Part 3
Case Studies of
OSBP Introduction



Launching of OSBP Sourcebook @TICAD VI, Aug 2016, Nairobi

4. Case Study: Operationalization of Rusumo OSBP

by Ms. Yoko KONISHI, JICA Expert

4.1 Rusumo OSBP (Rwanda/Tanzania)

WCO/JICA focuses on:

- 1.OSBP
Operationalization
- 2.Modernization of Customs
(EAC Partner States)

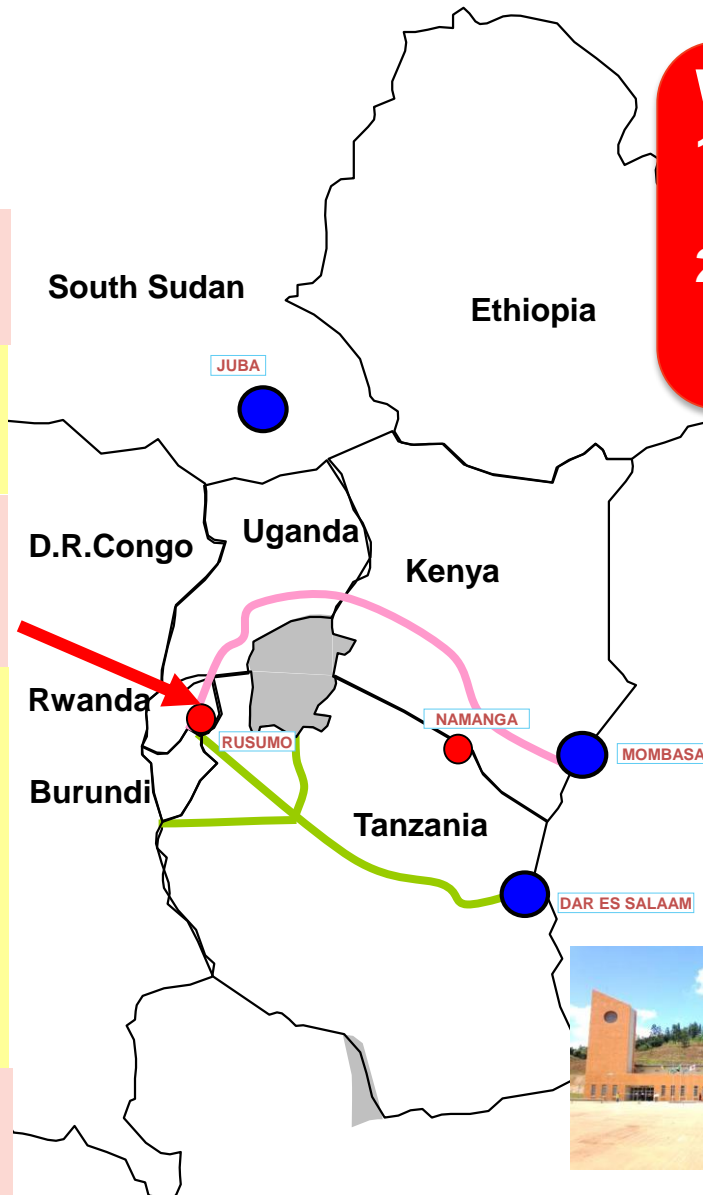
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(Left) Rusumo OSBP in Rwanda side



(Right) Ceremony of Opening at Rusumo OSBP

Rusumo OSBP and Bridge: Background

- Oct 2009 –Jul 2017 **Infrastructure Advisor to East African Community**
- March 2010 **Bilateral Agreement** between Tanzania and Rwanda
EAC OSBP Bill was drafted and approved
- Feb 2011 Rusumo Bridge and Facilities **Detailed Design**
- Mar 2012 - Dec 2014 **Construction** of Bridge and OSBP facilities
(USD40 million Grant Aid by Japan)
- Apr 2014 – Dec 2017 **Technical cooperation project for Rusumo OSBP**
operationalization – Joint meetings to develop OSBP operational
manual for Rusumo, Training and sensitization
- Sep 2014 **Single Customs Territory** process started in Rusumo
- June 2015 Joint Border Surveillance started



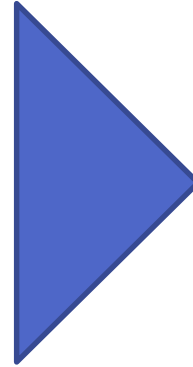
- Oct 2016: **EAC OSBP Act**
- April 2017 **EAC OSBP Regulations**
- Oct 2017 Rusumo operates **24/7**
- Feb 2018 **EAC OSBP Procedures Manual** approved
- Present **Monitoring and Operationalization**

Central Corridor Development

Rusumo Bridge and OSBP (Before and After)



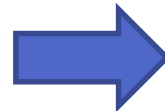
Before



After completion (Jan 2015)



- Shared one-lane
- Axle load limit: 8 tons
- Speed limit: 5 km/hr



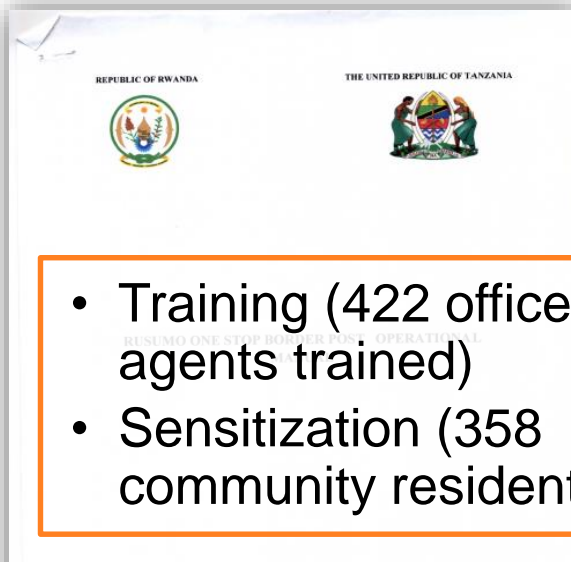
- Separate lane (both ways)
- 20 tons
- 30 km/hr

Technical Cooperation for Operationalization

- Establishing Joint technical committees (JTC), Joint Border Coordination Committee (JBCC)



- Development of Action plan, bilateral OSBP manual



- Training (422 officers & agents trained)
- Sensitization (358 community residents)

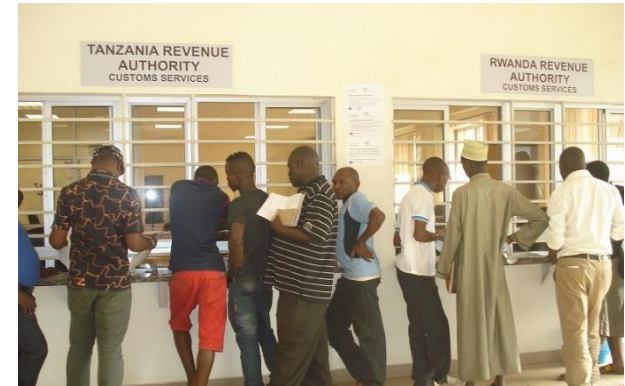


- Monitoring (including Time survey), follow-up

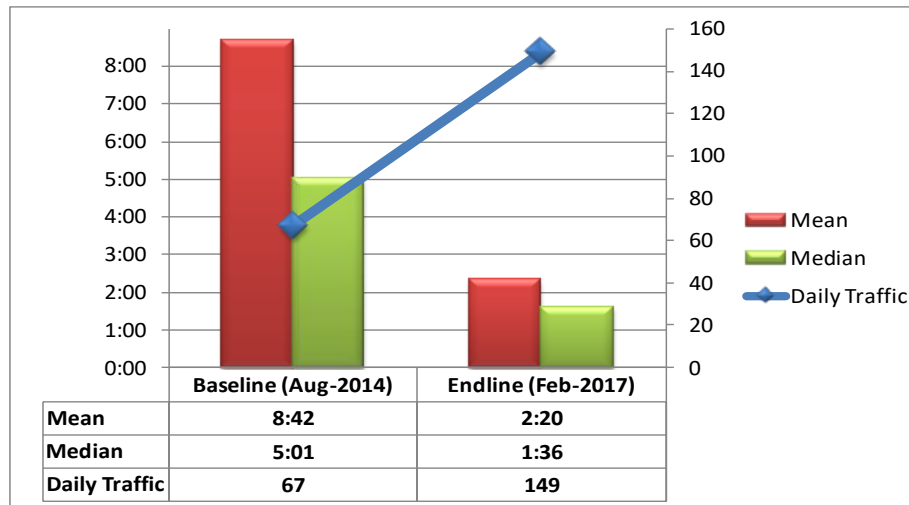
Impact of OSBP



Smooth & Sequential Flow
Reduced Clearance Time



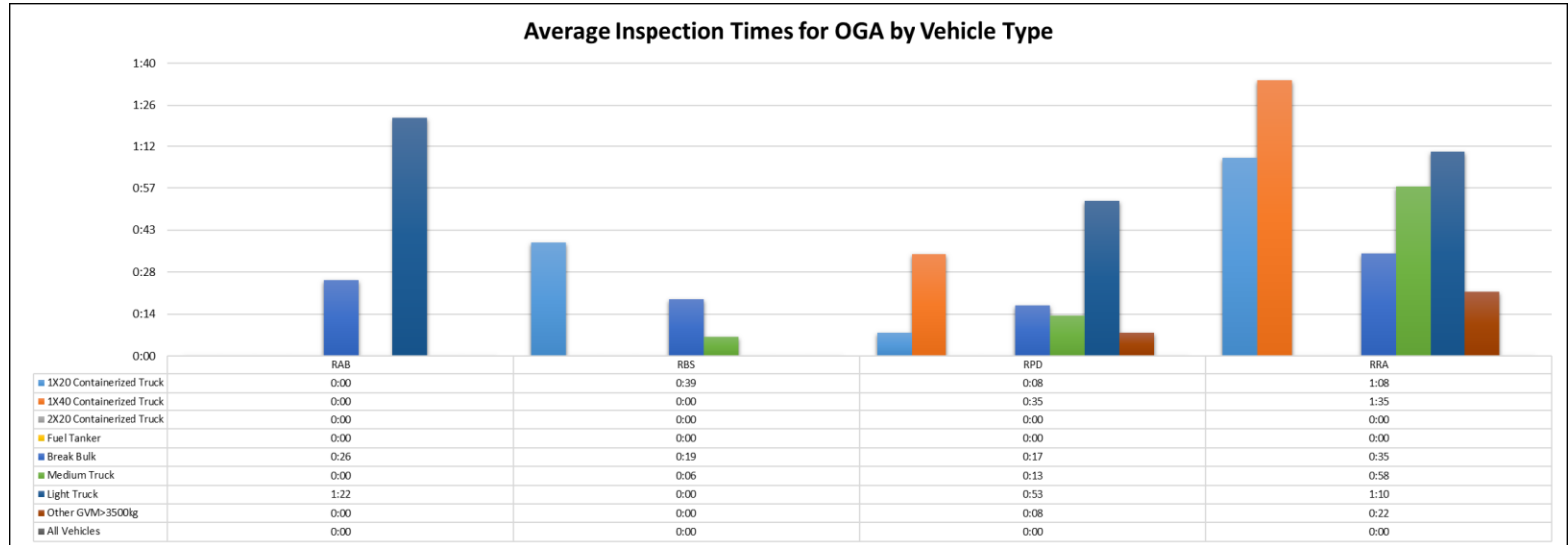
Joint Work & Coordination



Customer-friendly Environment
(Data Center for Agents)

Cargo (TZ to RW) 8h42min (2014) → 2h20min (2017) (73 % time reduction)
Number of Truck/day (TZ to RW) 75 trucks (2009) → 126 trucks (2017)

Inspection by Customs and OGAs at border (Rusumo)



Inspection time is more for consolidated cargo, local agriculture products

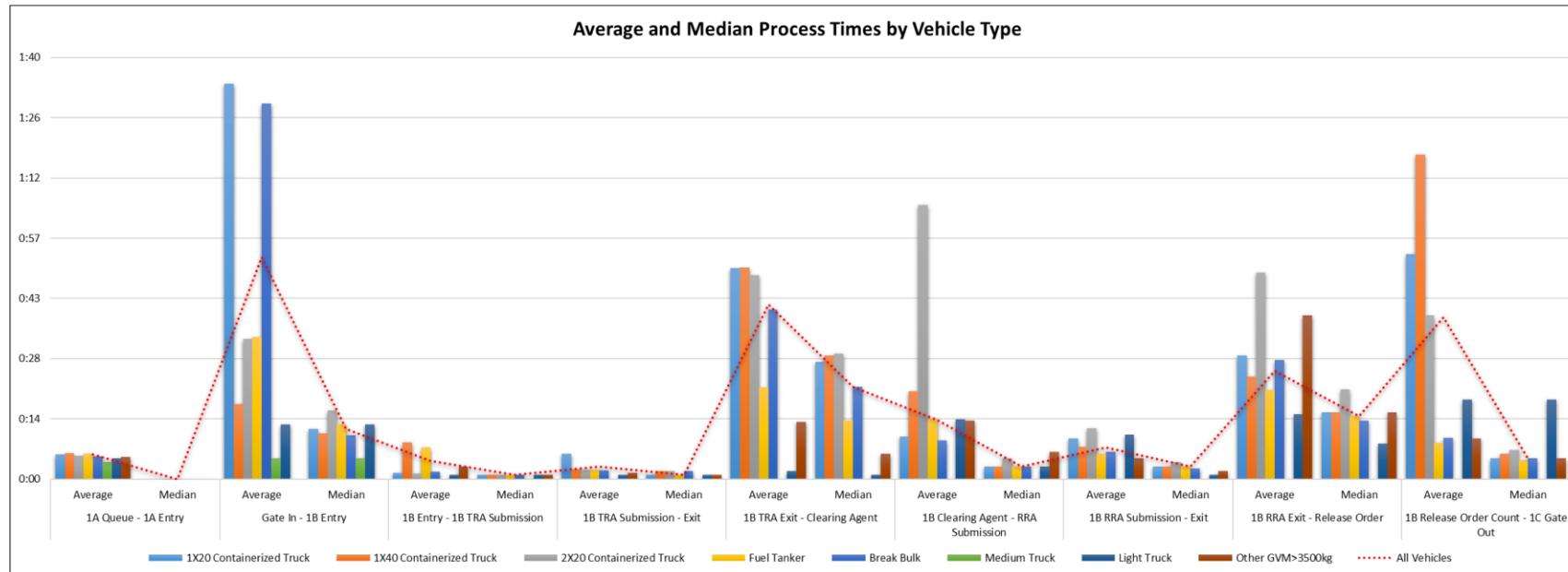
40 ft containerized cargo inspection by customs, enforcement

Breakbulk Cargo inspection by agriculture, customs

20f containerized cargo inspection by agriculture, customs, enforcement

Most inspections are done jointly (customs, standard, agriculture etc.)

Where does it take more time at border? (Rusumo)



From Gate-in to the submission of documents to customs office (53min)

Agent preparation from exit to entry (41min)

After release order to gate-out (38min)

takes most time at the control zone

(exit customs 7 min, entry customs to release 32 min)

1. Lack of feasible planning

⇒ Involvement of OSBP consultant from the planning stage

2. Misconception about infrastructure and ICT

⇒ Well-consideration of the flow of procedures in design

⇒ Minimizing all complications, but well including necessary functions in design such as AEO etc.

3. Lack of ICT connectivity and installation

⇒ Preparing early enough with sufficient budget

4. Lack of baseline survey, impact assessment and monitoring of OSBPs

⇒ necessity of performance indicators before and after implementation of the OSBP that can be used for benchmark measurements

5. Lack of commitment, coordination and consultation

⇒ Continuous Gov't commitment and coordination/consultation with all stakeholders from planning stage to implementation stage

6. Lack of Problem Solving Mechanism (Decision Making Organ)

⇒ Set up Institutional Framework at all level not just only preparation period but after implementation of OSBP.

OSBP requires Trial and Error process to achieve efficiency!!

Thank you for your attention!

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