Addressing the Challenges Facing One-Stop Border Posts in Africa: Lessons from Chirundu

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Introduction

- African Continental Free Trade Area (AfCFTA) & expected gains

 Single continent-wide market
- Success dependent on border integration measures
 - Efficient movement across national boundaries
 - Border delays increase trade costs
- Current situation
 - Traditional two-stop border posts
 - Long ques, delays along transport corridors
- Improving Africa's interconnectedness through One Stop Border Posts (OSBP)
 <u>Focus</u>
- Using Chirundu OSBP as case study draw out lessons to inform implementation of OSBPs

Chirundu OSBP: Implementation & Initial Success

- Chirundu opened juxtaposed OSBP in 2009
- Heavy delays experienced prior to construction of OSBP

 Average border crossing time for trucks: 2 9 days
- Improvements in periods immediately after OSBP

Average border crossing time for trucks < 24hrs
 Fast-track preclearance <5hrs

• Resulting improvement in traffic along route

Average daily no. of trucks increase: 100 trucks in 2004, 260 trucks in 2010, & 470 trucks in 2011

- Exposed overlooked border management & infrastructural issues
- Heavy congestion & traffic since 2013
 - \circ Long cues up to 5km
 - Complaints lodged through Tripartite NTBs reporting mechanism
 - Waiting times >36hrs (2019)

Chirundu OSBP: Challenges Affecting Operations

Two main challenges affecting success of Chirundu OSBP:

- Border management challenges
- Infrastructure challenges

Chirundu OSBP: Border Management Challenges

- I. Lack of Alignment of Procedures and Formalities at the National Level
- Inadequate coordination & cooperation among national border agencies
- Clearance involving multiple national agencies
 - ZRA & ZIMRA designated as lead agencies but enforcement still split across other national agencies
 - ZRA introduced Integrated Border Declaration Form (IBDF), but doesn't cover trucks, imports
 & exports
- Lack of shared ICT infrastructure

• Both ZRA & ZIMRA use ASYCUDA World but not integrated with other national agencies

II. Lack of Interoperability of Systems Across Partner Countries

- Lack of connectivity & data sharing between Zambia & Zimbabwe authorities
- Lack of data sharing has allowed for fraudulent activity

Chirundu OSBP: Infrastructure Challenges

- Juxtaposed OSBP intended to expedite movement through combined Common Control Zone (CCZ)
- Chirundu's physical infrastructure not optimally designed to maximise operations as OSBP

The two CCZ are not structurally identical
Insufficient parking bays on Zambian side
Few inspection bays on both sides
Poor lighting & inadequate signage

Poor connectivity & communication setup

○ *Poor & inconsistent internet connectivity*

• Frequent power cuts – officials reverting to manual operations

Way Forward in Implementing OSBPs

- I. Comprehensive Approach to OSBP Infrastructure Funding
- Both countries opted to upgrade existing structures rather than incur cost of constructing new purposefully designed facilities
- Financial constraints faced by many African countries
- Reliance on donor funding poses challenges
 - \circ Insufficient funding force countries to work with restricted budget
 - $_{\odot}$ Covid-19 shifted donor priorities to the health sector
- Viable option to finance through BOT model
 - \circ Cost burden of supplying new infrastructure shifted to private sector
 - Successful in implementing Cinkansé OSBP
 - 2018 Zimborders Consortium won concession to modernise Beitbridge border post

Way Forward in Implementing OSBPs

- II. Harmonizing Border Clearance through Single Window (SW) Systems
- Making greater use of national SW systems
- Zambia & Zimbabwe committed to implement SW under WTO TFA
 - \odot Zimbabwe by 2029 & Zambia by 2030
- SW implementation can be achieved in a much shorter period
 - \circ RRA began implementing ReSW in 2011 and launched by 2013
- Further effort to allow for cross-jurisdictional integration of systems
 - $_{\odot}$ To allow for sharing of information between the two national authorities
 - Achievable through regional SW integrating national SWs into single multi-country portal
 - E.g. ASEAN SW allows for exchange of mutual ASEAN Customs Declaration Document

Conclusion

- Inefficient cross-border processes restrict intra-African trade
- Implementation of OSBPs would contribute to achieving the projected benefits under the AfCFTA
- African countries need to draw lessons from Chirundu's OSBP experience
 - Ensure they address border management challenges & infrastructure challenges as part of OSBP implementation