

**ESA REGION – REGIONAL PRIVATE SECTOR GROUP  
PROGRESS REPORT  
APRIL 2019**

## ESA Region - Regional Private Sector Group

### Progress Report

April 2019

#### About this report:

This report provides an overview of the progress made by the WCO ESA Region - Regional Private Sector Group (RPSG) since its formation at the end of 2018. From the perspective of the ESA-RPSG, key aspects concerning customs and trade related issues being addressed within the region include Customs-to-Customs collaboration, AEO programs, bond guarantees, ease of doing business and the mandate of the region.

This report is the first of its kind. Future reports on the progress of the region will be published quarterly in July, October and January.

#### A note on the ESA-RPSG:

The ESA-RPSG was formed for the purpose of verifying the implementation, monitoring and assistance of various instruments in the WCO Toolkit that will make trade easier without comprising or imposing a higher risk profile. This will also allow private sector to articulate their challenges in the Regional integration well and possible solutions for addressing the known obstacles, as we need to address them effectively to ensure we create a safe, fair and compliant environment for all. (Special note: Country specific issues are outside the scope the ESA-RPSG)

#### Progress update:

	Description	Status
1	Terms of Reference	Delivered
2	Database for Participants	In Progress
3	Quarterly Report	Delivered
4	Webinar	In Progress
5	Monitoring & Evaluation	To Be Engaged

#### **1. Terms of Reference (TOR):**

The TOR was circulated to all prospective participants before each Webinar. So far, no comments/suggestions and/or amendments have been recommended or made to the TOR. Consequently, the participants from the member countries consider the TOR as the agreement going forward. Progress on the TOR is therefore considered as concluded.

#### **2. Contacts database for participants:**

A database has been created and continually updated throughout proceedings. Currently, the database contains around 140 contacts from the 24 member countries within the region. Some countries are particularly well represented, while others are not. The key would of course be to obtain contacts from all of the respective countries. Progress on the database is therefore considered as ongoing (and will be going forward as more participants indicating a willingness to engage are added).

### 3. Quarterly Report

The Quarterly Report, which will be published at the end of each quarter, serves as one of the key deliverables of the ESA-RPSG. This progress report therefore serves as the first of its kind. Subsequent reports on the progress of the ESA-RPSG will be issued on a similar quarterly basis in July, October and January. Progress on the first Quarterly Report is therefore considered as concluded.

### 4. Webinar

It was agreed that the communication platform of the ESA-RPSG will be handled via a webinar conference. So far, three webinars have been hosted. However, poor participation in the attempted second webinar resulted in an informal discussion. Therefore, the ESA-RPSG do not consider this webinar as an official communication between participants. Consequently, a second official webinar was hosted a week thereafter. Although the technical approach of the webinars will change somewhat, the webinar platform will be used going forward. See below for a list of the engagements to date. Progress on the webinar is therefore considered as ongoing.

### 5. Monitoring and evaluation

Evident from the discussions in the webinars hosted to date, various participants agree to the importance of the monitoring and evaluation of customs and trade related issues in the ESA region. However, progress has been constrained due to the lack of clarity in some matters. These include matters such as conducting a Time Release Study similar to those done by the World Bank. Various performance indicators (such as Ease of Doing Business, Documentary Compliance, AEO Programs and maturity thereof) have been circulated. Please see the Annexures containing in this report. A number of key action plans that have been identified in the webinar, have not been thoroughly monitored and evaluated. Progress on the monitoring and evaluation therefore needs to be engaged in the future.

#### **Webinars hosted:**

<b>Date</b>	<b>Comments</b>
22 November 2018	First Webinar for ESA RPSG
29 March 2019	Short Webinar (non-official)
4 April 2019	Second Webinar

The first webinar was hosted on 22 November 2018. The participants present included stakeholders from South Africa, Kenya, Lesotho, Swaziland and Rwanda. The webinar lasted about an hour and was considered a success.

A second webinar was scheduled and hosted on 29 March 2019. However, due to minimal participation (only one participant - Mauritius - present) and poor connectivity issues (other participants - whom indicated their willingness to engage - were unable to connect). Consequently, the discussion was more informal in nature and therefore not considered as an official webinar.

The third (or rather second official) webinar was hosted on 4 April 2019. The participants present included stakeholders from SADC, Mozambique and Uganda. The webinar lasted for

around 45 minutes, with some issues mentioned largely echoing those brought up in the first webinar, as well as additional important matters pertaining to the respective countries.

### **Webinars practice:**

From the experience gathered so far, certain technical changes to the webinars are proposed. The major reason being a technical one.

The discussions will remain similar, but it is suggested that the platform evolve from a webinar (dial-in) to a full video conference whereby participants will physical see each other. Therefore, both audio and visual will be present.

It is further proposed that webinar should take place on Thursday mornings.

The aim of the initial set of webinars was to include a total of 8 countries. Future engagements will rather target 4 membership countries in order to focus and streamline the discussions and obtain a clear picture of trade and customs issues within the respective countries.

Lastly, it was agreed that the matters arising from the webinars will be constructed and circulated within 2 working days of the webinar.

### **Action items originating from the Webinars:**

Various important issues were raised in the webinars hosted. Agreeing on the importance of the respective issues, the key action items listed specifically are:

- 1. Customs-to-Customs collaboration as per WCO SAFE Pillar II**
- 2. AEO Programs**
- 3. Bond Guarantees**
- 4. World Bank Ease of Doing Business**
- 5. Increase the mandate of Private Sector**

Specifically, these were the key matters arisen:

#### **1. Customs-to-Customs collaboration as per WCO SAFE Pillar II**

Customs administrations within the region need to strengthen and improve the level of collaboration and connectivity between each other. Various processes have been known to be duplicated at either ends of the borders. This was especially mentioned to be the case in the Mozambique-Zimbabwe border.

#### **2. AEO Programs**

The uptake of Authorized Economic Operators (AEO) within the region needs to increase. For various stakeholders, the benefits of AEO are not clear, especially for SMEs. These benefits therefore need to be articulated and link with SAFE. Furthermore, the Mutual Recognition Agreements needs to be communicated and monitored in order to realize the impact thereof. Customs Administrations serve to greatly gain form any Mutual Recognition Agreements in the Region and trade fail to understand the failure for driving this critical instrument. AEO is a promised program for the future, however AEO needs to be extended to all of the role in the extended supply chain and needs to have an impact on border crossings especially. Note Annex B listing the various AEO programs currently within the region, as well as their respective levels of maturity.

### **3. Bond Guarantees**

The manner in which Bond Guarantees are handled also seems to be of particular interest and concern. A need arises to create a synergy in the methodology and handling of guarantees as these link back to risk remedies within Customs. Too often, traders are left paying large amounts to Customs Administrations in order to secure the movement of cargo across the border.

### **4. World Bank Ease of Doing Business**

The respective Ease of Doing Business – Trading Across Borders have been circulated to member countries. The low rankings of a number of the countries within the ESA Region greatly indicated the potential scope of influence of the RPSG. Note Annex C listing the respective Ease of Doing Business – Trading Across Borders rankings. In addition to the Trading Across Border, note the ranking on Documentary Compliance, which is listed in Annex D.

### **5. Increase the mandate of Private Sector**

An increase of the mandate of the private sector has also been realized. Customs and private sector needs to create sustainability within their handover strategy. Customs- Business regular consultation and partnership will lead to a mutually beneficial situation. It encourages a climate of shared responsibility and ownership towards developing sustainable goals, policies and programs. It helps to develop consensus on reform policies, to anticipate and manage emerging issues and to improve decision-making and operational performance by allowing Customs to align its management plan and actions with the expectations, needs and demands of business. As the relationship deepens, new opportunities for cooperation will emerge, leading to increased mutual benefits for all.

### **Progress on the action items originating from the Webinars:**

Actionable progress on these important items have been as follows:

#### **1. Customs-to-Customs collaboration as per WCO SAFE Pillar II**

Proposed collaboration between Customs Administrations have been tabled at the WCO, as well as the SADC Business Council. Since the various Customs Administrations within the ESA Region is making use of different systems (WCO Asycuda; iCBS; etc., note Annex A) a need arises to have some sort of interconnectivity in order to streamline C-2-C communications within the region.

#### **2. AEO Programs**

AEO programs throughout the region has reached various levels of maturity and implementation. A number of countries within the region (12 in total) currently have AEO (or Preferred Trader) programs up and running. Furthermore, two countries are expected to launch their programs in 2019. The other 10 countries have not implemented an AEO program. See Annex B for a full list.

#### **3. Bond Guarantees**

No progress has been made as of yet. A proposed engagement with the World Road Transport Organization (IRU) will be initiated.

#### 4. World Bank Ease of Doing Business

Ease of Doing Business: Three engagement with the World Bank has been made. Patrick Gyan will provide feedback on the alignment of Time Release Studies (TRS) that have been actioned in various Customs Administrations. The drawback of these TRS has been the methodology that has not been shared/disclosed. For this action items, the aim is to share the information in order to benefit from it.

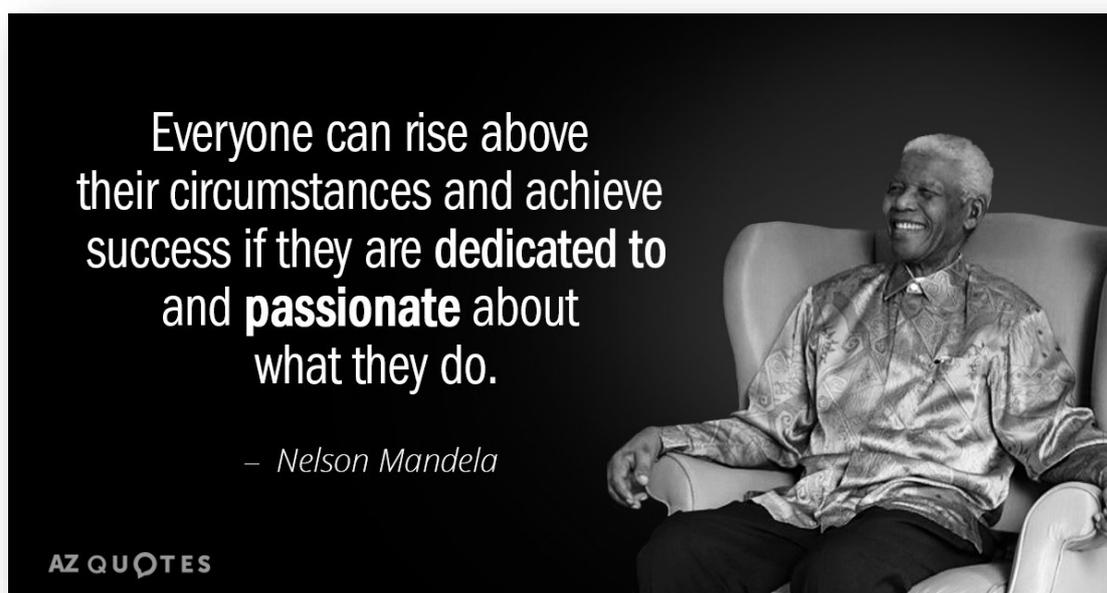
#### 5. Increase the mandate of Private Sector

Increase the mandate of the Private Sector: No progress has been made as of yet.

#### Assistance for the WCO-PSCG:

The following five items will greatly aid in assisting with C-2-B relationship with specific focus on monitoring and evaluation in the ESA Region. Efforts can be initiated to help developing strong partnerships, however the guidance is needed from the WCO-PSCG as this body was instrumental in the successful development and maintenance of the WCO-SAFE Instrument. This WCO Instrument found its value in the three pillars of engagement, C-2-C, C-2-B. C-2-other Government law enforcement agencies around the world:

1. Innovative thinking – for exploring and identifying the pertinent issues in the ESA Region
2. Guidance – on the ESA Region's approach in solutions around the pertinent issues in the region
3. Best Practice Examples – the work that has been done in other regions can be replicated in the ESA Region, therefore best practices should be identified
4. Knowledge sharing – taking the best practices from around the world and sharing them throughout the region
5. Training – increase the capacity building and awareness in the Private Sector



**ANNEXURE A:**

**EAST AND SOUTHERN AFRICA**

**CUSTOMS INTERFACE PLATFORM (2019)**

Country	Platform
 Angola	ASYCUDA
 Botswana	BURS Customs Management System (CMS) - Crimson Logic
 Burundi	ASYCUDA
 Comoros	ASYCUDA
 Djibouti	ASYCUDA
 Eritrea	ASYCUDA
 Eswatini	ASYCUDA
 Ethiopia	ERCA Electronic Customs Management System (eCMS)
 Kenya	KRA Integrated Customs Management System (iCMS)
 Lesotho	ASYCUDA
 Madagascar	ASYCUDA
 Malawi	ASYCUDA
 Mauritius	MRA Customs Management System (CMS)
 Mozambique	Mozambique Customs Management System (MCMS)
 Namibia	ASYCUDA
 Rwanda	ASYCUDA
 Seychelles	ASYCUDA
 Somalia	-
 South Africa	SARS Interfront Customs and Border Management Solution (iCBS)
 South Sudan	-
 Tanzania	Tanzania Customs Integrated System (TANCIS)
 Uganda	ASYCUDA
 Zambia	ASYCUDA
 Zimbabwe	ASYCUDA

**ANNEXURE B:**

**EAST AND SOUTHERN AFRICA**

**AEO/PT PROGRAMS**

Country	Program Title	Maturity Level	Program Launched	Number of Operators
 Angola	Angola AEO Program	-	2019 (estimate)	-
 Botswana	Trans Kalahari Accreditation Scheme	Low	2010	-
 Burundi	AEO	Medium	2014	11
 Comoros	-	-	-	-
 Djibouti	-	-	-	-
 Eritrea	-	-	-	-
 Eswatini	-	-	-	-
 Ethiopia	-	-	-	-
 Kenya	AEO	High	2010	64
 Lesotho	Preferred Trader Programme pilot	Low	2014	-
 Madagascar	Accelerated Clearance Program	High	2011	108
 Malawi	-	-	-	-
 Mauritius	AEO	High	2007	33
 Mozambique	AEO	Low	2012	6
 Namibia	-	-	-	-
 Rwanda	Compliant Trader schemes	Medium	2008	22
 Seychelles	AEO	-	2019 (estimate)	-
 Somalia	-	-	-	-
 South Africa	Preferred Trader Program	Medium	2017	55
 South Sudan	-	-	-	-
 Tanzania	Compliant Traders' Scheme	High	2007	52
 Uganda	AEO	Medium	2013	36
 Zambia	Customs Accredited Clients Program	Medium	2012	12
 Zimbabwe	-	-	-	-

**ANNEXURE C:**

**EAST AND SOUTHERN AFRICA**

**WORLD BANK: Ease of Doing Business (2019) - Trading across borders**

Country	Rank (out of 190)	Score (out of 100)	Score Change (2018)
 Angola	174	36.15	10.87
 Botswana	55	86.65	-
 Burundi	169	47.34	0.32
 Comoros	118	66.87	-
 Djibouti	145	59.37	7.50
 Eritrea	189	0.00	-
 Eswatini	32	92.92	-
 Ethiopia	154	56.00	10.66
 Kenya	112	68.06	0.43
 Lesotho	38	91.86	0.26
 Madagascar	138	60.95	-
 Malawi	126	65.29	-
 Mauritius	69	81.00	1.10
 Mozambique	91	73.84	6.59
 Namibia	136	61.47	-
 Rwanda	88	74.98	2.54
 Seychelles	95	71.79	-
 Somalia	164	51.60	-
 South Africa	143	59.64	1.63
 South Sudan	180	26.19	-
 Tanzania	183	20.21	-
 Uganda	119	66.73	4.65
 Zambia	156	56.88	-
 Zimbabwe	157	54.34	-1.13

**ANNEXURE D:**

**EAST AND SOUTHERN AFRICA**

**WORLD BANK: Documentary Compliance (2019)**

Country	Cost to Export (US\$)	Time to Export (Hours)	Cost to Import (US\$)	Time to Import (Hours)
 Angola	240	96	460	96
 Botswana	179	18	67	3
 Burundi	150	120	1025	180
 Comoros	124	50	93	26
 Djibouti	95	60	100	50
 Eritrea	..	..	..	..
 Eswatini	76	2	76	4
 Ethiopia	175	76	750	194
 Kenya	191	19	115	60
 Lesotho	90	1	90	1
 Madagascar	117	49	150	58
 Malawi	342	75	162	55
 Mauritius	128	9	166	9
 Mozambique	160	36	60	16
 Namibia	348	90	63	3
 Rwanda	110	30	121	48
 Seychelles	115	44	93	33
 Somalia	350	73	300	76
 South Africa	55	68	73	36
 South Sudan	194	192	350	360
 Tanzania	275	96	375	240
 Uganda	102	24	296	96
 Zambia	200	96	175	72
 Zimbabwe	170	99	150	81
<b>Average</b>	<b>173</b>	<b>62</b>	<b>231</b>	<b>78</b>