

**TRANSPORT AND TRADE FACILITATION
ALONG THE NORTHERN CORRIDOR:
DOMESTICATE AN EXISTING MULTILATERAL
LEGAL FRAMEWORK AS
A DRIVER FOR WTO TF AGREEMENT
ENFORCEMENT**

Donat M. BAGULA

Executive Secretary,

**Northern Corridor Transit and Transport Coordination
Authority**



Outline

2

- Introduction
- Northern Corridor Transit & Transport Agreement
- Experiences, Recent ICT initiatives and Best Practices
- Conclusion



Ulaanbaatar, 2-3 June 2014

**HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'**

What is the Northern Corridor?

3

- The Northern Corridor is a multi-modal corridor, encompassing: Road, rail, pipeline and inland waterways transport
 - Busiest and most important transport route in East and Central Africa
 - Providing gateway linking Kenya's Maritime Port of Mombasa to the landlocked economies of Uganda, Rwanda, Burundi and South Sudan. It serves also the Eastern Part of DR Congo, Northern Tanzania, Somalia and Ethiopia.

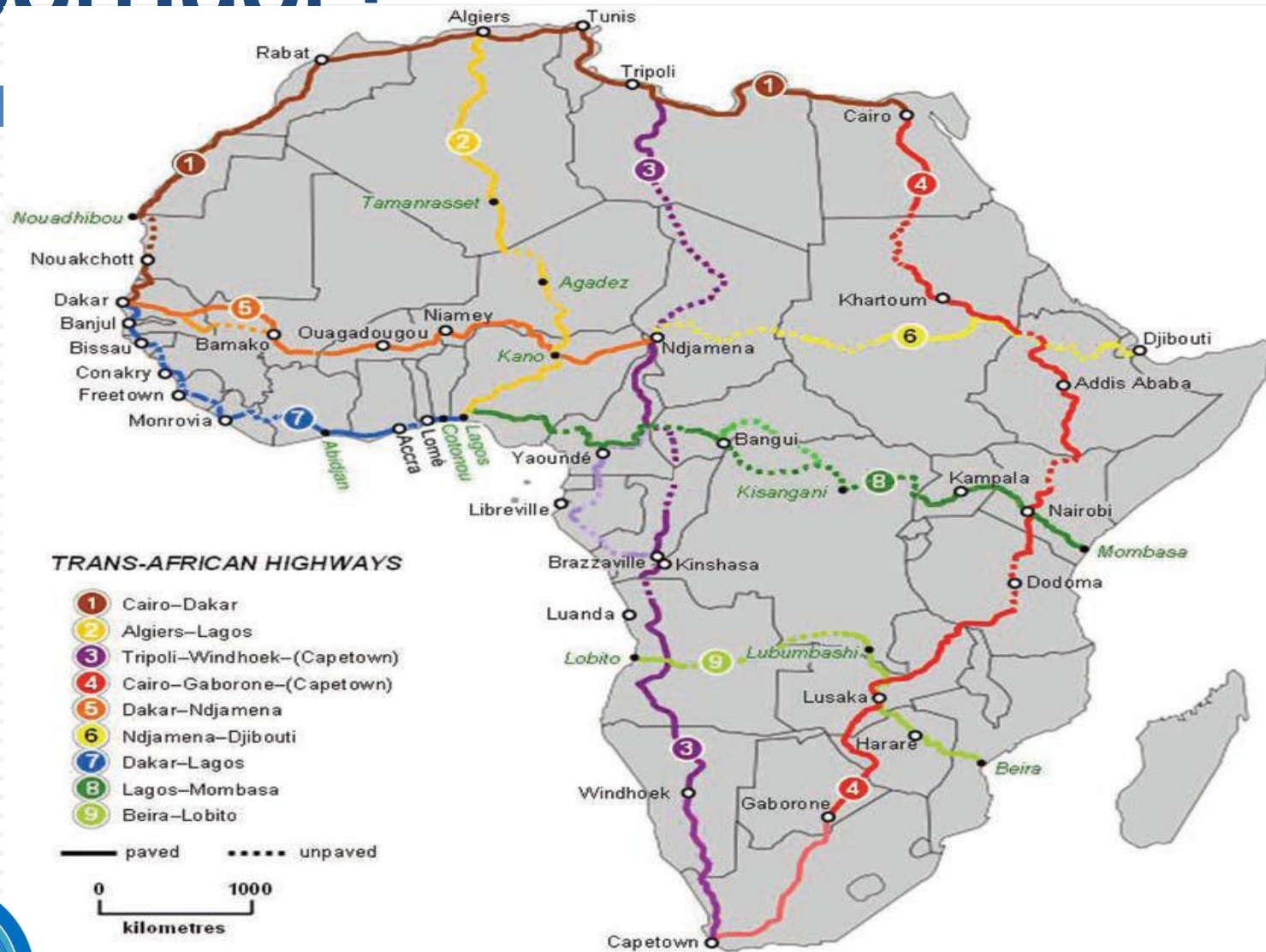


Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Where is the Northern Corridor?

4



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Which Legal framework for the Northern Corridor?

6

- The Northern Corridor Transit and Transport Coordination Authority (NCTTCA), whose Secretariat is based in Mombasa, Kenya; was:
 - Established in 1985 to coordinate and oversee the implementation of the Northern Corridor Transit and Transport Agreement (NCTTA) provisions, ratified by Member States (MS) in 1986 which are Kenya, Rwanda, Burundi, Uganda. The DR Congo joined the Organization in 1987 and recently in December 2012, the South Sudan acceded to the NCTTA.
 - The NCTT Agreement's main objectives includes: (Reviewed in 2007)
 - Facilitate and Enhance the seamless movement of trade and traffic across the region.
 - Stimulating economic and social development in the Contracting parties
 - Transforming the Corridor into a development corridor
 - Implementing strategies for offering safe, fast, competitive transport and ensuring environmental sustainability



Legal Framework...

7

- The Revised in 2007 NCTT Agreement's main objectives are:
 - Facilitate and Enhance the seamless movement of trade and traffic across the corridor.
 - Guarantee the freedom of transit (art.5),
 - no discrimination, use of ICT, simplification of customs and procedures(art.4)
 - Stimulate economic and social development in the Contracting parties
 - Transform the Corridor into a development corridor
 - Implement strategies for offering safe, fast, competitive transport and ensuring environmental sustainability



Legal Framework...

8

- ❑ **Encompass 11 Protocols(Part of the Agreement):**
 - ❑ **Protocol 1. Maritime Port Facilities**
 - ❑ **Protocol 2. Routes and facilities**
 - ❑ **Protocol 3. Customs control and Operations**
 - ❑ **Protocol 4. Documentation and Procedures**
 - ❑ **Protocol 5. Transport of Goods by rail**
 - ❑ **Protocol 6. Transport of Goods by Road**
 - ❑ **Protocol 7. Inland Waterways Transport**
 - ❑ **Protocol 8. Transport by Pipeline**
 - ❑ **Protocol 9. Multimodal Transport of Goods**
 - ❑ **Protocol 10. Handling of Dangerous Goods**
 - ❑ **Protocol 11. Measures of Facilitation for Transit Agencies, Traders and Employees**



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Challenges

9

- Lack of implementation by MS of various protocols on trade and transport facilitation
- Low level of awareness of laws, regulations & agreements/conventions
- Lack of facilitation mindset
- High costs of doing business:
 - 37% of Total logistics costs in Landlocked NC's Member States are attributable to road transport costs
- High costs of transport and delays
 - Delays on the northern corridor is estimated to cause a loss of an estimated \$ 800 per day per truck
- Numerous NTBs and associated administrative costs along the transit chain:
- Limited capacity to package bankable projects



Ulaanbaatar, 2-3 June 2014

HIGH LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Experiences, Recent ICT initiatives and Best Practices

10

- ❑ Some recent initiatives and Best practices includes:
 - Development of Infrastructure Master Plan developed in 2010(22 OSBP, 8200km Roads, Port, Railways, Pipeline,..)
 - Strategic Plan 2012-2016 towards a seamless and smart transport corridor outlining the key strategic areas:
 - Harmonization and streamlining of policies and legal framework for transport and trade facilitation
 - Development of opportunities for private sector investment and participation in the NC
 - Expansion and improvement of transport infrastructure and services



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON WTO Agreement on
Trade Facilitation: Implications for
LLDCs"

Experiences, Recent ICT initiatives and Best practices

11

- Institutionalization of Joint Borders Committees(JBCs) to streamline transit nodes operations
- RADDEX(Revenues Authorities Documentation and Data Exchange)
- Joint Verifications by Agencies at set time on daily basis
- Electronic Single Windows(ESWs) underway to integrate Operators Systems at country level
- Electronic Cargo Tracking Systems (Kenya, Uganda,...)



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Experiences, Recent ICT initiatives and Best practices

12

- Migration to ASCUDA World underway by Customs Authorities
- KWATOS system in place for Management of Port Terminal operations
- 24hr operations at the Port
- Axle load Control (WIM):
 - removal of Roads blocks in Kenya,
 - Reduction of Weigh bridges from 7 to 4 towards 2.
- Pilot Single Customs territory: stationing Uganda and Rwanda Customs Officers at Mombasa Port



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Experiences, Recent ICT initiatives and Best practices

13

- Regular Roads surveys undertaken to guarantee best practices and align procedures and operations with the NCTTA provisions
- Transport observatory(web based system) to monitor the corridor performance; launched in Dec. 2012.



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

...Identification of Causes of delays

14

- The Transport Observatory Portal(TOP) is a web based system to monitor the Northern Corridor Performance by
 - Identifying and map the various bottlenecks/NTBs and the causes of delays: IT data, GPS, Surveys
 - Diagnosing and Analyzing a set of 25 indicators on volume& capacity, transit time and delays, rates and costs, efficiency and productivity
 - Identifying of areas for improvement vs. targets /benchmarks
 - Creating a database towards establishing an evidence-based regional platform being used by the policy and decision makers:
<http://top.ttcanc.org> or www.ttcanc.org
 - Facilitating formulation of policies leading to better transit and trade facilitation, partnership and cooperation between NC's MS



Conclusion: Domestication....

15

- Enforcement of Multilateral Legal Framework rely on Domestication and compliance
 - Domestication in National Laws
 - Compliance by Stakeholders, Users
- Advocacy and Strategic partnership at 3 Levels:
 - International: WTO, UN-OHRLLS, UNCTAD, WCO, WB, AfDB, ...
 - Regional: Regional Bodies/Grouping: NCTTCA, EAC, COMESA, ...
 - National(Regulators, Users)
- Definition of a strong mechanism aligning of financing mechanisms and enforcement



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'

Conclusion

16

- **Capacity building and sustaining the Willingness of regional organizations to harmonize their policies and regulations; i.e. Tripartite (COMESA, EAC, SADC) and Corridor Authorities**
- **Definition of a strong M&E mechanism fostering a national & regional ownership of the New APoA**



Ulaanbaatar, 2-3 June 2014

HIGH-LEVEL INTERNATIONAL
WORKSHOP ON 'WTO Agreement on
Trade Facilitation: Implications for
LLDCs'



Thank you for your Attention

Website: www.ttcanc.org
top.ttcanc.org

Email: ttca@ttcanc.org