



**REPORT OF THE STANDING COMMITTEE ON TRADE, INDUSTRY,
FINANCE AND INVESTMENT (TIFI) OF THE SADC PARLIAMENTARY
FORUM TO THE 49TH PLENARY ASSEMBLY SESSION HELD FROM 25TH TO
27TH JUNE, 2021**

***Theme: 'Enhancing Regional Economic Integration through
Infrastructure Development: A case of One Stop Border Post'***

Madam President, I beg to move that this Plenary Assembly do adopt the Report of the Trade, Industry, Finance and Investment (TIFI) Standing Committee to the 49th Plenary Assembly Session of the SADC Parliamentary Forum.

1.0 PREAMBLE

Madam President, the Trade, Industry, Finance and Investment (TIFI) Standing Committee, guided by its mandate in terms of Rule 42(d) of the SADC PF Rules of Procedure, met virtually on 11th April, 2021.

2.0 PRESENT

The meeting of the TIFI Standing Committee was attended by the following Members:

Hon. Anele Ndebele	(Chairperson)	Zimbabwe
Hon. Ruth Mendes	(Vice Chairperson)	Angola
Hon. Dumelang Saleshando		Botswana
Sen. Isaac MmemoMagagula		Eswatini
Hon. Tsepang Tsita-Mosena		Lesotho
Hon. Denis Namachekecha		Malawi
Hon Marie Joanne Sabrina Tour		Mauritius
Hon. Audrey Vidot		Seychelles
Hon. Hlengiwe Mkhali		South Africa
Hon. Dr.Situmbeko Musokotwane		Zambia

An apology from the Parliament of Madagascar was noted.

3.0 WELCOMING REMARKS

The Chairperson of the Standing Committee on Trade, Industry, Finance and Investment (TIFI), Hon Anele Ndebele, welcomed the Members and resource persons to the meeting. The Chairperson extended a special word of welcome to Hon. Audrey Vidot, Member of Parliament from Seychelles, who had been nominated to the Standing Committee on TIFI by her Parliament and was attending the Committee meeting for the first time.

In view of the Covid-19 Pandemic, the Chairperson acknowledged that the theme *Enhancing Regional Economic Integration through Infrastructure Development: A case of One Stop Border Posts (OSBPs)* was very relevant to modern day trade in an effort to minimise the cost of trade.

Hon Ndebele informed the Committee that Infrastructure development was central in catalysing regional economic integration and intra-African trade and particularly the movement of goods and services. This was also reflected in the African Union (AU) Agenda 2063 which aspires to put in place the necessary infrastructure to support Africa's accelerated integration and growth, technological transformation, trade and development, among others.

He expressed concern that although the anticipated benefits of the OSBP Model were largely positive, very little was known regarding the progress and trajectory of implementing the Model in the SADC Region. The Chairperson expressed hope

that the meeting would bring Honourable Members to speed on the progress made in the implementation of the OSBPs in Africa in general and in southern Africa in particular, and the challenges thereof.

In conclusion, the Chairperson condemned the insurgency situation in Mozambique and registered the support of the TIFI Committee to a peaceful SADC and pledged to support the initiative by SADC Presidents and Heads of State to send experts to Mozambique to assess the situation on the ground.

4.0 ENHANCING REGIONAL ECONOMIC INTEGRATION THROUGH INFRASTRUCTURE DEVELOPMENT: A CASE OF ONE STOP BORDER POSTS

The TIFI Standing Committee received presentations from resource persons from the Common Market for Eastern and Southern Africa (COMESA), Zambia Revenue Authority (ZRA), Zimbabwe Revenue Authority (ZIMRA) and Southern African Cross Border Traders' Association.

4.1 The Standing Committee on TIFI received and considered an expert presentation from Mr Tasara Muzorori, a cross border trade expert from COMESA. Mr. Muzorori's presentation highlighted the important issues as summarised below.

4.1.1 **WHEREAS** the TIFI Committee discussed the OSBP Model in terms of its concept and its role in regional economic integration and trade facilitation;

4.1.2 **NOTING** that Africa's competitiveness in global trade is greatly affected by the performance of the transport and logistics industry as well as border procedures;

4.1.3 **UNDERSTANDING** that the concept of OSBPs is a legal and institutional framework, facilities, and associated procedures that enable goods, people, and vehicles to stop in a single facility in which they undergo necessary controls following applicable regional and national laws to exit one state and enter the adjoining state;

4.1.4 **CONFIRMING** that COMESA adopted OSBPs as part of its corridor strategy to address congestion at border stations along major traffic corridors to complement other transit instruments and cross border transport facilitation programmes;

4.1.5 **COGNISANT** that as a trade facilitation tool applied at borders, the OSBP concept promotes a coordinated and integrated approach to facilitating trade, the movement of people, and improves security;

4.1.5 **HIGHLIGHTING** that only three OSBPs are operational namely Chirundu OSBP, Tunduma OSBP and Kazungula OSBP while a few others are under construction and others are at planning stage;

4.1.6 **FULLY UNDERSTANDING** the demonstration by the COVID-19 Pandemic that even if significant progress on digital transformation and the e-

Commerce Agenda is to be achieved, goods and people still need to physically cross borders and undergo all necessary border procedures;

- 4.1.7 **DEEPLY CONCERNED** that inadequate functional border facilities, shortage of requisite operational equipment, cumbersome procedures, uncondusive policy and legislative environment, weak coordination, limited and slow uptake of ICT based systems, corruption, skills and capacity deficiencies among parties are some of the major challenges affecting operations at the Chirundu OSBP;
- 4.1.8 **STRESSING** the role of national Parliaments in advocating for the establishment of OSBPs to facilitate regional trade through passing relevant pieces of national legislation, adequate budget allocation for trade infrastructure and particularly OSBPs;
- 4.1.9 **SUPPORTING** the resolution of the 37th Meeting of the COMESA Council of Ministers held in 2017 urging Member States and the COMESA Secretariat to improve border management processes through OSBPs and e-logistics Integrated Border Management (IBM);
- 4.1.10 **STRESSING** the recommendation by COMESA Member States to fully utilise the OSBP Sourcebook (2nd Edition, May 2016) as a basic and useful tool for the development and implementation of the OSBP with their neighbours and facilitate the conclusion OSBP bilateral agreements;

THE TIFI STANDING COMMITTEE NOW THEREFORE RESOLVES TO:

- i. **STRONGLY URGE** SADC Governments to demonstrate strong leadership and commitment in developing infrastructure that facilitates cross border trade such as OSBPs and roads, among others in order to enhance trade facilitation including advancement of Regional economic integration.
- ii. **ENCOURAGE SADC** Parliamentarians to fully advocate and support relevant pieces of legislation that provide for establishment of OSBP including supporting Bilateral Agreements aimed at establishing OSPB.
- iii. **CALL** on National Parliaments to advocate for adequate budget allocations for establishment of OSBPs and other relevant and related infrastructure aimed at improving border management processes.
- iv. **APPEAL** to SADC Parliamentarians to robustly exercise their Legislative Mandate in providing oversight on resources allocated towards the development of OSBPs and ensure that value for money is achieved.
- v. **REITERATE** the resolution of the 37th Meeting of the COMESA Council of Ministers held in 2017 urging SADC Governments to improve border management processes through OSBPs and e-logistics Integrated Border Management (IBM).

- vi. **ENCOURAGE** SADC Countries to fully utilise the OSBP Sourcebook (2nd Edition, May 2016) as a basic and useful tool for the development and implementation of the OSBP with neighboring Countries and facilitate the conclusion of OSBP bilateral agreements as recommended by COMESA.
- 4.2 The Standing Committee on TIFI received and considered an expert presentation from Mr Mark Mupishi, Project Manager- Customs Division from the Zambia Revenue Authority (ZRA). Mr Mupishi's presentation highlighted matters as outlined below.
 - 4.2.1 **WHEREAS** the TIFI Committee discussed the Chirundu OSBP Model in terms of its achievements, benefits, prospects and Challenges;
 - 4.2.2 **UNDERSTANDING** that Chirundu OSBP was the first fully functional OSBP in Africa;
 - 4.2.3 **NOTING** that one of the major achievements in implementing the Chirundu OSBP is the streamlining of the repetitive clearance procedures into a single-stop for both trade and travel;
 - 4.2.4 **FURTHER NOTING** that enhanced trade facilitation through reduced processing time at the border and Chirundu being a preferred entry point on the North-South Corridor for commercial traffic into Zambia are some of the major achievements of the OSBP;
 - 4.2.5 **COGNISANT** that fast clearance and movements of trucks through the border leading to enhanced trade facilitation, reduced costs of doing business and time at the border and improved information sharing among parties are some of the benefits recorded at Chirundu OSBP;
 - 4.2.6 **CONCERNED** about the existing challenges at Chirundu OSBP affecting the flow of trade and individuals such as misaligned and inadequate hard infrastructure, lack of ICT equipment by many border agencies, inadequate passenger sheds/inspection bays on the Zambia side; lack of interface of ZIMRA/ZRA ASYCUDA World systems; inadequate signage within the border and low use of pre-arrival processing of goods;
 - 4.2.7 **ACKNOWLEDGING** that ICT is an enabler of OSBP and as such, misaligned ICT infrastructure or its limited access affects the spirit of OSBPs;
 - 4.2.8 **NOTING** the necessary strategies to improve operations at the Chirundu OSBP such as coordinated border management, fast tracking implementation of Single Window environment, finalisation of the ZIMRA/ZRA electronic data exchange development, Use of wider communication platforms to promote pre-arrival processing (Pre-registration and Pre-clearance) and electronic payments, improved signage, and OSBP training and capacity building with support from COMESA and Japan International Cooperation Agency (JICA);

THE TIFI STANDING COMMITTEE NOW THEREFORE RESOLVES TO:

- i. **DIRECT SADC** Governments to ensure that matters of ICT are adequately managed by concerned parties at any given OSBP before commencement of operations to avoid disruptions in trade facilitation processes.
 - ii. **STRONGLY RECOMMEND** SADC Governments to, as much as possible, ensure that border officials from the countries involved in a particular OSBP are subjected to common training and other capacity building programmes in order to provide uniform and professional services to traders and travellers at OSBPs.
 - iii. **CALL** on SADC Members Countries to ensure that all required and appropriate physical infrastructure such as inspection bays, passenger sheds and adequate signage among others are prioritised and operational before commencement of operations so as to actualise the intended benefits of the OSBP.
- 4.3 The Standing Committee on TIFI also received and considered an expert presentation from Mr Bastirai Chadzingwa - Head Excise Management at ZIMRA. A summary of the presentation was as outlined below.
- 4.3.1 **WHEREAS** the TIFI Committee received and discussed the operations of Chirundu OSBP since it started operating in 2009;
 - 4.3.2 **UNDERSTANDING** that the Border plays a vital role in Africa's North-South Trade Corridor, which links travel and economic activities from eight countries, namely, Botswana, Democratic Republic of Congo, Mozambique, Malawi, South Africa, Tanzania, Zambia and Zimbabwe;
 - 4.3.4 **AWARE** that Prior to 2009, Chirundu Border Post existed as two separate borders, on the Zimbabwe side to do exit formalities and another in Zambia to carrying out entry formalities, and vice versa.
 - 4.3.5 **ACKNOWLEDGING** that some of the major drivers of the OSBP are to accelerate trade facilitation; harmonise procedures to ensure efficient processes flow; expedite traffic movement through the border and minimise congestion; reduce time spent at the border and increases the effectiveness of border controls, maximise the benefits of an integrated border management system and attain best practice standards;
 - 4.3.6 **RECOGNISING** that the many border agents operating at the OSBP and the lack of common border management present non-tariff barriers (NTBs) contribute to corrupt activities and other negative vices;
 - 4.3.7 **NOTING** that the design of the Chirundu OSBP infrastructure was inconsistent with the desired structure of the OSBP and that essentially affects procedures within the border;
 - 4.3.8 **FURTHER NOTING** the high levels of corruption at borders which involve a number of different actors such as customs officials, immigration officers, border guards, among others, with different levels of discretionary powers and opportunities to extract bribes;

- 4.3.9 **COGNISANT** that Chirundu OSBP was initially not operating 24 hours save for the period of the COVID -19 Pandemic;

THE TIFI STANDING COMMITTEE NOW THEREFORE RESOLES TO:

- i. **URGE** SADC Members Countries to ensure that Coordinated Border Management strategies are fully operational at existing OSBPs in order to maximise the benefits of an integrated border management system and attain best practice standards.
- ii. **PROPOSE** that OSBPs must offer 24 hour services to OSBPs users to enable seamless flow of goods and services and reduce the time and cost of trade;
- iii. **STRONGLY CALL** on SADC Governments to seriously address vices of corruption which contribute to the cost of cross border trade in the SADC Region and ultimately reduce potential revenue by SADC Governments;

- 4.4 The Standing Committee on TIFI also received and considered an expert presentation from Mr Jacob Makambwe, the Secretary General of the Southern African Cross Border Traders' Association. A summary of the presentation was as outlined below.

- 4.4.1 **WHEREAS** the TIFI Committee discussed the concept of OSBP with a focus of informal cross border trade;
- 4.4.2 **NOTING** that Informal Cross Border Trade (ICBT) is an economic activity that engages a high percentage of women in the region;
- 4.4.3 **DEEPLY CONCERNED** that women in the SADC, COMESA and EAC regions are at the forefront of cross – border trade both as a source of income and employment yet their experiences are not being adequately documented to advocate for improved trade conditions;
- 4.4.4 **FURTHER CONCERNED** that while women play a key role in cross border trade activities and poverty reduction at household level and in the region at large, they sadly face key challenges such as gender discrimination, corruption and inconsistent border procedures;
- 4.4.5 **UNDERSTANDING** that trade among women constitutes a significant proportion of regional cross-border commerce in many African countries with between 30 to 40 per cent of total intra-SADC trade attributed to ICBT while the average estimated value of ICBT from this region is \$17.6 billion annually;
- 4.4.6 **HIGHLIGHTING** that among the initiatives to reduce border crossing time was the development of OSBPs and the Simplified Trade Regimes (STRs) through the establishment of trade information desks (TIDs) at selected border areas;

- 4.4.7 **STRESSING** that the import duty rates outlined in Zimbabwe's Tariff Handbook were quite different from Zambia's and were a source of confusion to cross border traders;
- 4.4.8 **FINALLY** some penalties and fines and other punishable offences that were considered as serious offences in Zambia were not considered as serious offences in Zimbabwe;

THE TIFI STANDING COMMITTEE NOW THEREFORE RESOLVES TO:

- i. **REITERATE** that SADC Governments must seriously address vices of corruption which contribute to the cost of cross border trade in the SADC Region and reduced revenue collection by SADC Governments.
- ii. **RECOMMEND** SADC Governments to develop deliberate measures to incentivise women traders in order to reduce the cost of trade for women with a view to eliminate household poverty, promote regional integration including expansion of the customer base for women traders.

Hon. Anele Ndebele
CHAIRPERSON

Ms Edna K Zgambo
COMMITTEE SECRETARY