



United Nations
Economic Commission for Africa

Regional Cooperation: Impact of COVID-19 on Transport and Trade in Africa

Economic Commission for Africa



10 September 2020
Addis Ababa, Ethiopia

Background & Objective



- **Joint UN project launched May 2020**
 - **ECA's focus:** regional cooperation for mitigating border disruptions
- **Phase 1: Identify critical areas** for immediate actions
 - **Collect data** on the impact of COVID-19 on transport and trade
 - **Document responses** by RECs and members at ports and crossings
 - Briefly **assess the impact** of these measures on trade and transport
 - **Suggest possible policy recommendations** that support regional cooperation and areas for further work to inform Phases 2 and 3

Approach & Methodology

- Cross-border trade & transport along corridors
- Mechanisms for regional integration
 - **RECs:** Coordination framework for policy guidelines
 - **CMI:** Data and monitoring
- **Case Studies:** COMESA and Northern Corridor
- **Methods:** secondary data and data analysis of transit and trade flows
- Preparation for survey of key stakeholders & expansion of methodology



Preliminary Findings: Regional Response

Documentation of measures of RECs

- Building on CBT project
- Including ECCAS and transport/transit focus

Coordination at REC Level:

- Coordination Committees (Hospital/Ministerial/Technical/Operational)
- Agreed Policy Guidelines for Coordinated Action at National & Regional Levels
- Follow-up Actions at National Level



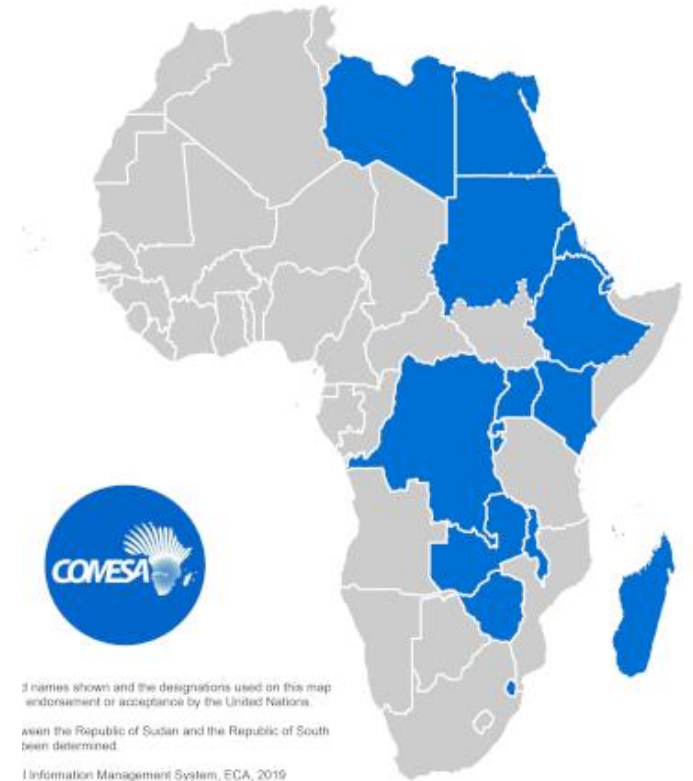
Impact on Trade for LLDCs & SIDS – Case Study: COMESA

- **Trade Flows in 5 Countries**

- Malawi, Zambia (SADC LLDC); Rwanda, Uganda (EAC LLDCs); Madagascar (SIDS)

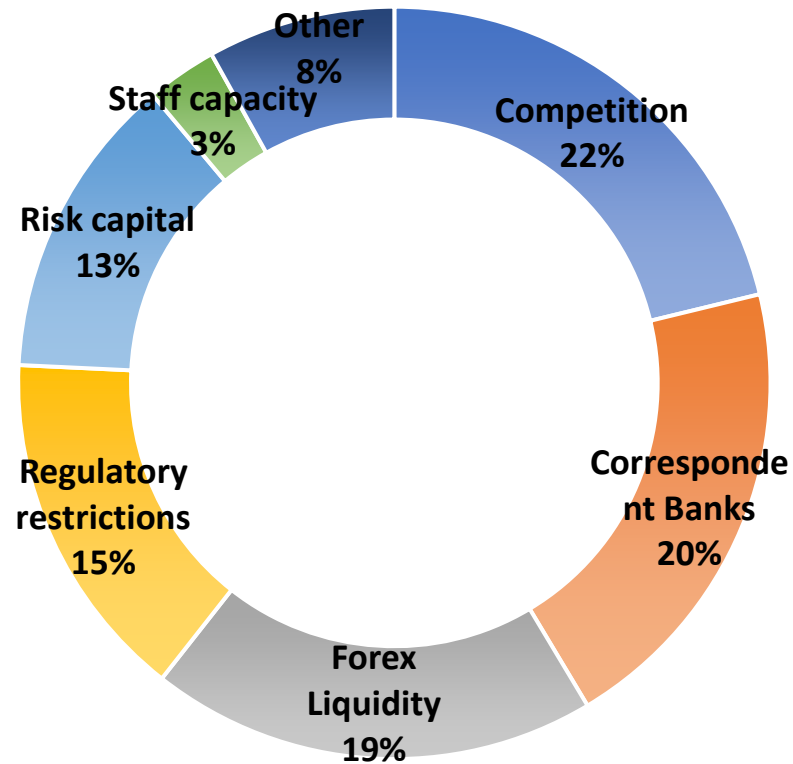
- **All countries report immediate significant drops in all aspects of trade** (imports, exports, customs duty receipts), March-April 2020

- **Reported challenges** include increased time taken due to COVID-19 measures, low customs receipts, low use of e-payments



Finance for Trade Facilitation

Constraints to Trade Finance Supply



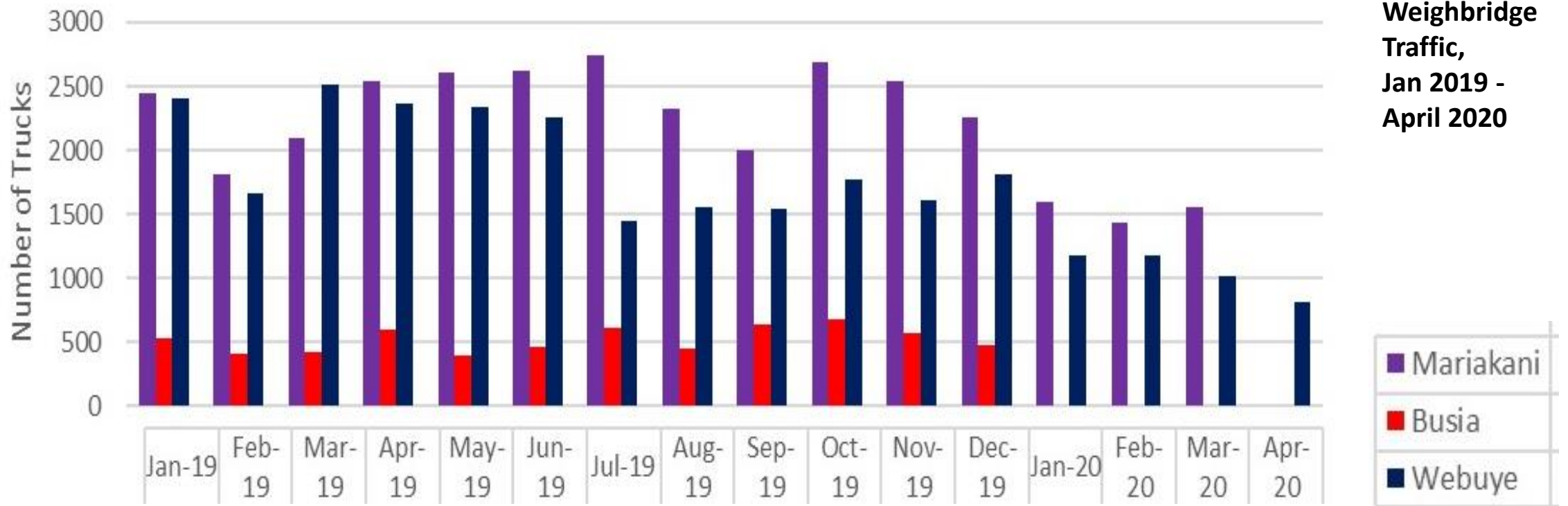
- Trade finance gap estimated at USD 82 billion (AfDB, 2020)
- Measures introducing flexibility most widespread across COMESA
- Rapid emergency facilities for banks and SMEs in critical sectors required
- Financing should support trade facilitation
- AfCFTA implementation supports resiliency

Source: Authors' calculation based on Afreximbank Trade Finance Survey, 2020

Impact on Transport – Transit Case Study: Northern Corridor

Port of Mombasa: Reduced traffic but no major impact on operations

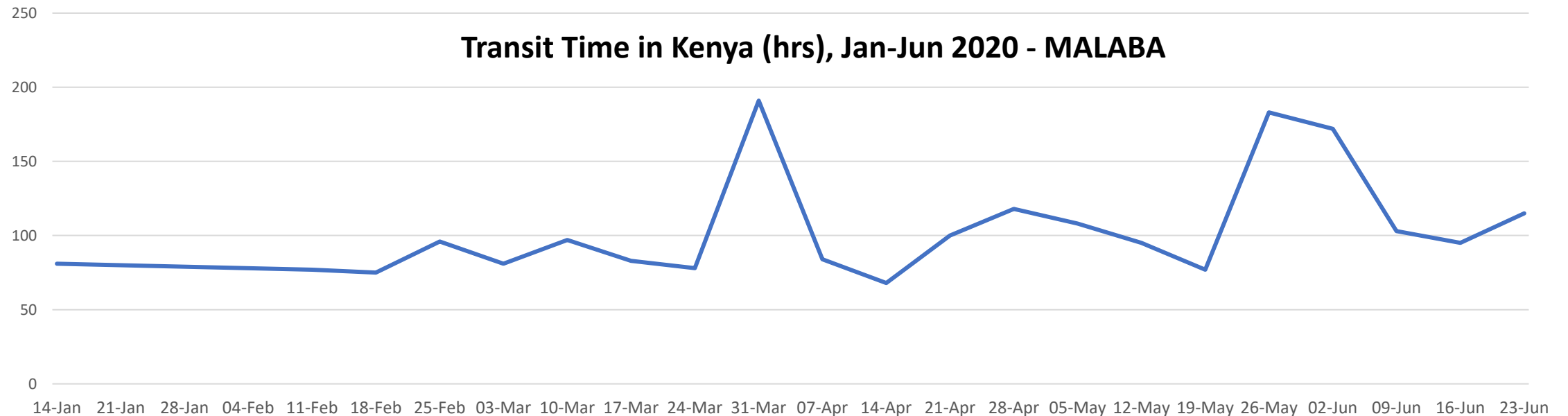
- Interventions implemented before COVID-19 at borders have maintained transit times



Impact on Transport – Transit Case Study: Northern Corridor

Corridor Transit Times: No major disruptions (except in Rwanda)

- **From Mombasa port:** Significant increase Jan to March, decline in June
- **Rwanda:** trends follow COVID-19 measures after reduced times in 2019
 - Road improvements, one-stop border points, and single customs territory



Source: Authors' calculation based on Northern Corridor Observatory Dashboard

Impact on Transport – Transit Case Study: Northern Corridor

Border Crossing Points: Major delays due to health checks, customs operations

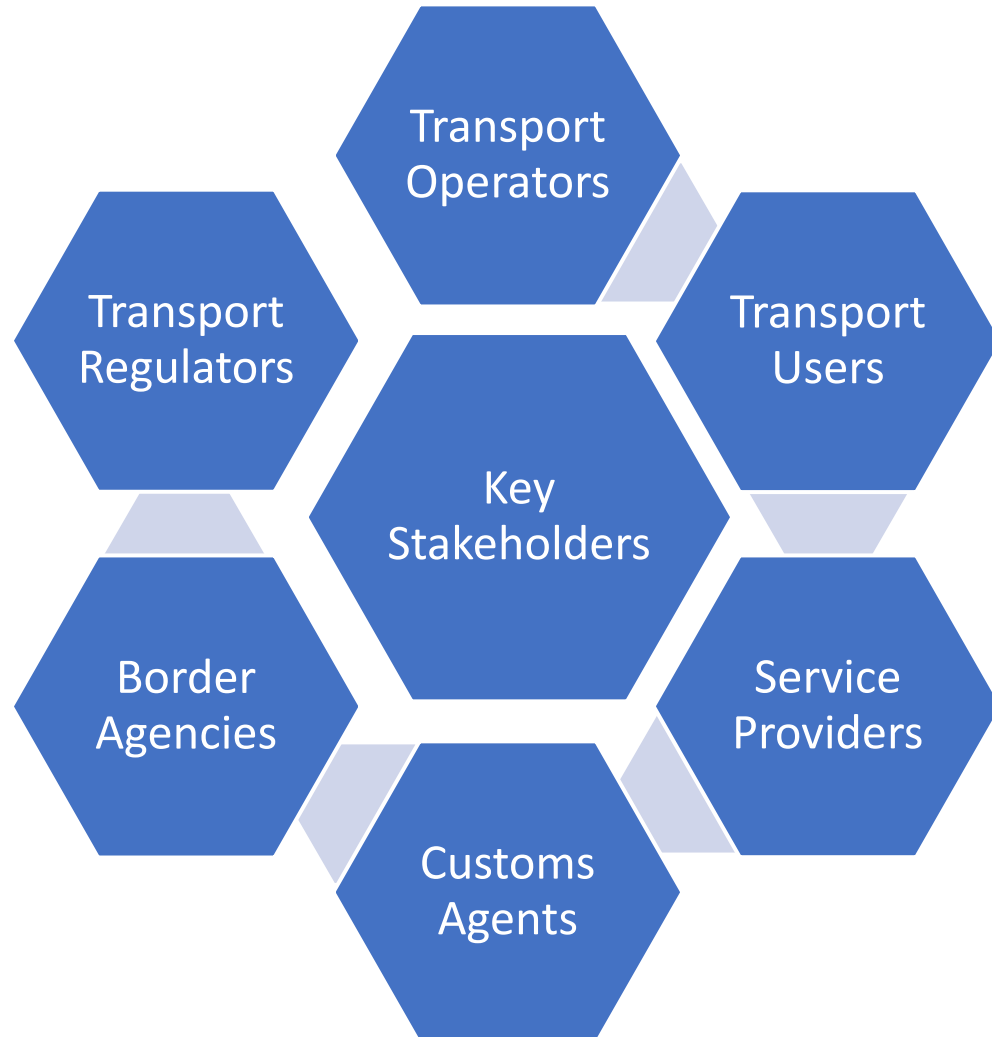
- National measures at entry points at designated weighbridges
- Digital surveillance tracker for drivers adopted by EAC
- Public-private partnership – National Logistics Platform



Truck drivers stuck along Bungoma-Malaba highway

Source: AFP

Critical Areas Identified: Impact on Key Stakeholders



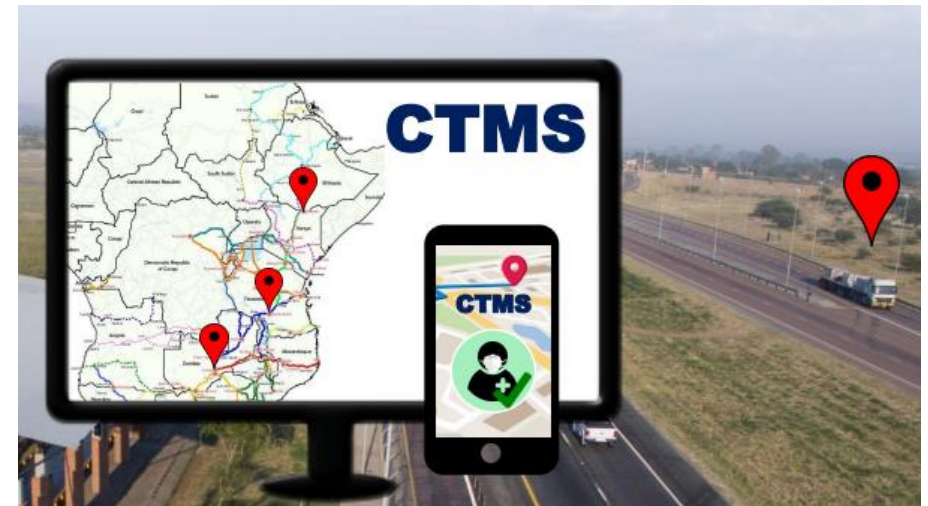
Areas for investigation:

- (a) Trade and trade-related measures
- (b) Port Operations
- (c) Transport Logistics
- (d) Border Controls
- (e) Customs Control
- (f) Highway Operations

Policy Recommendations

1. Increased use of ICT Capabilities and Digital Solutions

- Develop/implement Corridor Trip Monitoring System, vehicle monitoring/tracking systems
- Implement COMESA Digital Free Trade Area
- Use mobile tech to improve contact tracing
- Promote use of single windows, trade info portals, e-commerce, mobile payments, required infrastructure, and related policies
- Investigate successes and apply across RECs



Corridor Trip Monitoring System

Source: SADC, Aug 2020

Policy Recommendations

2. Development of Multi-modal and Inter-modal Transportation Systems

- Develop ICD to decongest seaports & border posts for customs clearance and as advanced logistics hub
- Rehabilitate and extend rail services
- Rehabilitate, upgrade marine transportation



3. Development of Roadside Truck Stops along Transit Corridors

- Develop roadside stations, wellness centres, as multi-purpose facility
- Minimise possible interaction between truck drivers and local communities
- Serve as checkpoints for tracing drivers

Additional Recommendations

- Development of **transport corridor observatories**
- **Enhanced role of private sector** in regional cooperation on transport/trade
- **AfCFTA implementation** to enhance regional cooperation
- **Trade finance** for recommended trade facilitation measures
- Regional cooperation for **countering the illicit trade** of pharmaceuticals
- Diversification of sources of **sustainable energy**
 - Particular attention to **LLDCs and SIDS**



Way Forward: Phases 2 and 3

- Peer review to validate findings, recommendations
- Consider implications for future work and collaboration

Phase 2

- **Replicate methodology** for other corridors
- **Conduct survey** of key stakeholders
- **Investigate link between regional measures and trends** in transport and trade flows, volumes, and transit times
- Focus on **inclusive scale-up of digital solutions** for resilience
- Understand how to **sustain increased regional cooperation** for trade facilitation

Phase 3

- **Recommend measures for regional cooperation** to support transport and trade facilitation during border disruptions, with UNCTAD and RCs
- **Host capacity building webinars** for RECs and CMIs with experts and partners
- Where possible, **support implementation of recommendations** and assessments of effectiveness





THANK YOU!

Ideas
to
Action