



## **Tripartite Non Tariff Barriers Reporting, Monitoring & Eliminating Mechanism**

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# **1. BACKGROUND**

## **TRIPARTITE ARRANGEMENTS OF COMESA, EAC & SADC**

**☐ COMESA-EAC-SADC Regional Economic Communities achieved Customs Union and FTA**

**☐ COMESA launched Customs Union 2010**

**☐ EAC Customs Union**

**☐ SADC arrangements to launch Customs Union advanced stage**

**☐ Minimum 85% goods traded at Zero duty in the three RECs**

**☐ Negotiations to establish Tripartite FTA by the 26 Countries commencing 2012**



# 1. BACKGROUND

## COMESA-EAC-SADC TRIPARTITE REGION

- ❑ Three RECs comprising 26 Countries
  
- ❑ Combined Population over 400million
  
- ❑ COMESA = 19 members ( 14 FTA) and launched Custom Union
  
- ❑ EAC customs union = 5 members
  
- ❑ SADC =15 Members (12 FTA) and working towards Customs Union
  
- ❑ SACU = 5 members (Customs Union 101years old)



# Tripartite Countries



1. Angola
2. Burundi
3. Botswana
4. Comoros
5. Djibouti
6. DRC
7. Egypt
8. Eritrea
9. Ethiopia
10. Lesotho
11. Libya
12. Kenya
13. Madagascar
14. Malawi
15. Mauritius
16. Mozambique
17. Namibia
18. Rwanda
19. Seychelles
20. South Africa
21. Sudan
22. Swaziland
23. Tanzania
24. Uganda
25. Zambia
26. Zimbabwe

**[14 COMESA FTA Countries]**

**[13 SADC FTA Countries]**

**[5 EAC Customs Union Members]**

## 2. TRIPARTITE ARRANGEMENTS OF COMESA;EAC & SADC



- ❑ Heads of State Decision in Kampala 2008 to Establish Tripartite FTA comprising COMESA, EAC and SADC Regional Economic Communities (RECs)

- ❑ Tripartite countries cooperating under MOU framework signed by REC CEOs in January 2011

- ❑ Tripartite Arrangements building from gains achieved by three individual RECs to achieve deeper intra and inter REC integration

- ❑ Seven Priority Areas being implemented by individual RECs to facilitate Trade

- ❑ Tripartite Agreed to Eliminate Non Tariff Barriers and Refrain from introducing new ones by invoking REC Treaty/Protocol provisions



## **2. TRIPARTITE ARRANGEMENTS OF COMESA, EAC & SADC LEGAL FRAMEWORK**

**☐ COMESA, EAC- SADC Cooperating under MOU signed January 2011 by the three RECs to achieve deeper integration**

**☐ Programme Implementation for Elimination of NTBs governed by the REC Treaties/ Protocols**

**☐ COMESA: Articles 47 & 50**

**☐ EAC: Article 75 (5) of Treaty and Article 13 of EAC Customs Union Protocol**

**☐ SADC : Article 6 of SADC Protocol on Trade**



### 3. Why Focus On NTBs ?

- ❑ Global experience indicates as tariffs fall away, countries seek protectionism from non-tariff barriers,
- ❑ Whilst intra-REC trade has increased over the years, full potential is stifled by NTBs which including RoO
- ❑ NTBs here are largely pervasive, difficult to identify and eliminate as they come in different shapes and colours
- ❑ NTBs are not meant to prevent trade but make it difficult for the exporter/importer by raising the cost of doing so
- ❑ However, Some NTMs exist for genuine reasons:
  - ❑ Public safety, consumer protection, revenue loss
  - ❑ Competitiveness concerns, food security etc.
- ❑ NTMs become genuine barriers when:
  - ❑ There is lack of transparency (not notified)
  - ❑ Arbitrary, inconsistent, obstructive
  - ❑ Discriminate in favour of locals



### **3. ELIMINATION OF NON TARIFF BARRIERS TO TRADE**

#### **NTBs Eliminating Mechanisms**

REC Eliminating mechanism existed since 2004 (Offline systems of collection and consideration of NTBs by policy organs)

2008: Joint COMESA-EAC-SADC online NTB reporting, monitoring and eliminating mechanism developed and piloted in COMESA region

System undergoing continuous improvement to meet the dynamics of international trade and specific requirements of the three RECs

categorization of NTBs in accordance to WTO NTB categorization methodology.

Sub-Categories based on WTO examples for each NTB category

#### **Objective:**

accurate reporting and monitoring of complaints, resulting in effective resolution of Non Tariff Barriers

Data base for NTBs encountered in the Regional Economic Communities.



## 3 REMOVAL OF NON-TARIFF BARRIERS

### Definition

What are NTBs to Trade?

⇒ Any Measures that impede international trade

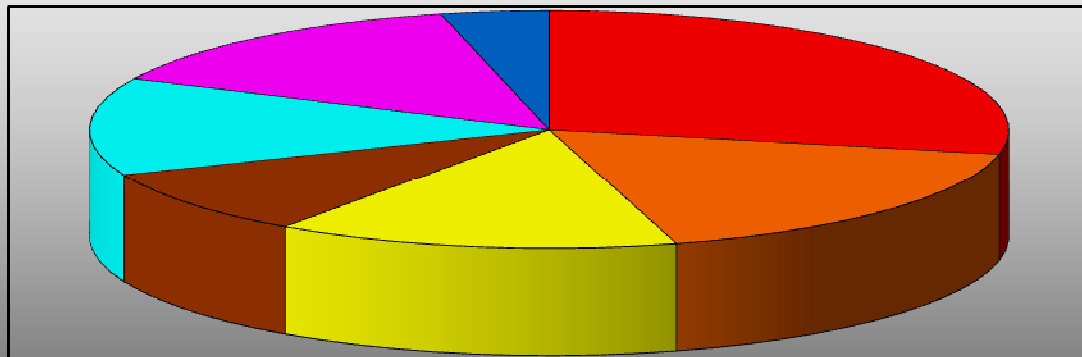
### How Are NTBs Classified?

#### **WTO categorization methodology**

- I. Government Participation in Trade & Restrictive Practices  
Tolerated by Governments
- II. Customs and Administrative Entry Procedures
- III. Technical Barriers to Trade (TBT)
- IV. Sanitary & Phyto-sanitary (SPS) Measures
- V. Specific Limitations
- VI. Charges on Imports
- VII. Other (Procedural Problems)



## NTBS IN THE TRANSPORT SECTOR



■ Toll fees (direct costs)

■ tolls stop/start fuel consumption

■ downtime

■ User Charges

■ border post

■ weighbridges

■ harbour

# 3 REMOVAL OF NON-TARIFF BARRIERS



## Categories Relevant to Corridor Activities

### Category 2: Customs and Administrative Entry Procedures

- 2.8 Lengthy and costly customs clearance procedures
- 2.9 Issues related to transit fees
- 2.10 Inadequate or unreasonable customs procedures and charges
- 2.11 Lack of control in Customs infrastructure
- 2.12 Lack of capacity of Customs officers

### Category 6: Charges on imports

- 6.2 Administrative fees
- 6.5 Variable levies
- 6.6 Border taxes



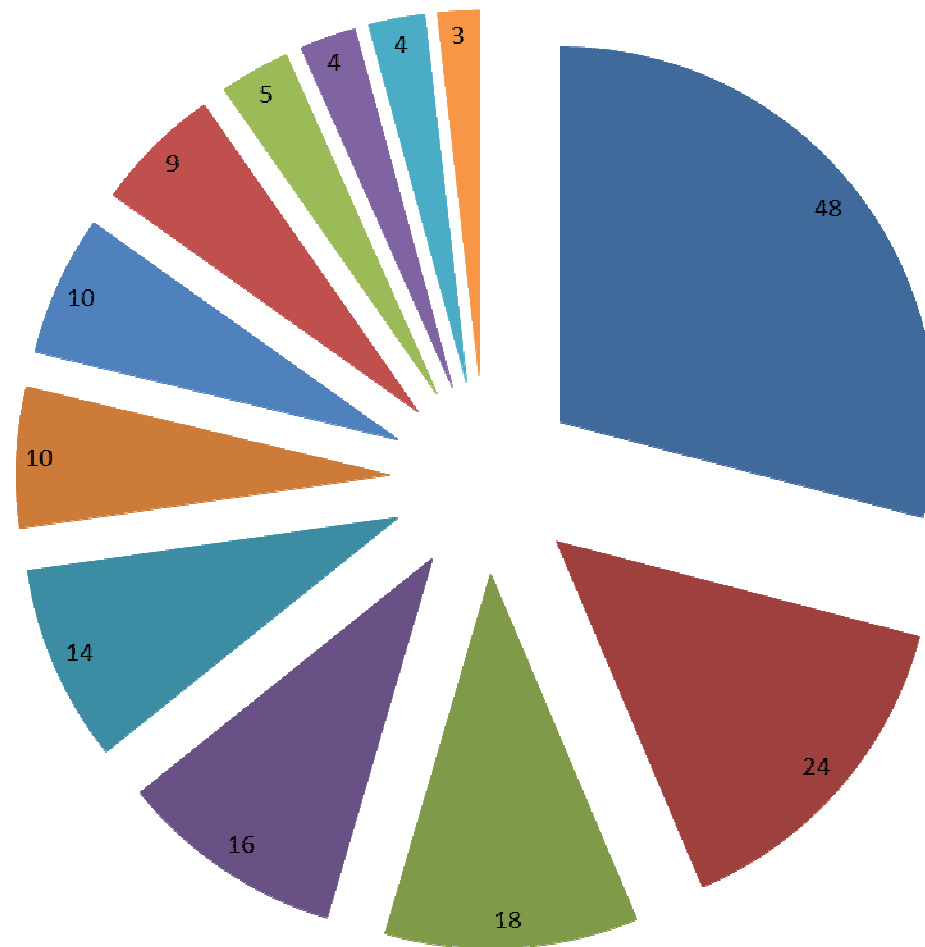
## Categories Relevant to Corridor Activities

### **Category 7: Other (procedural problems)**

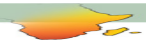
- 7.1 Arbitrariness in the application of rules
- 7.2 Discrimination
- 7.3 Corruption along major highways and at entry/exit points
- 7.4 Costly procedures ( Other encountered and not defined elsewhere)
- 7.5 Lengthy procedures- ( cause delays in clearance and increases transit time)
- 7.6 Lack of information on procedures (or changes thereof)
- 7.7 Complex variety of documentation required
- 7.8 Consular and Immigration Issues
- 7.9 Inadequate trade related infrastructure ( Ports; storage facility; parking space etc. clearing facility )
- 7.10 Costly Port/Rail/Road user charges /fees ( Road blocks, charges resulting from faulty weigh bridges; numerous weighbridges



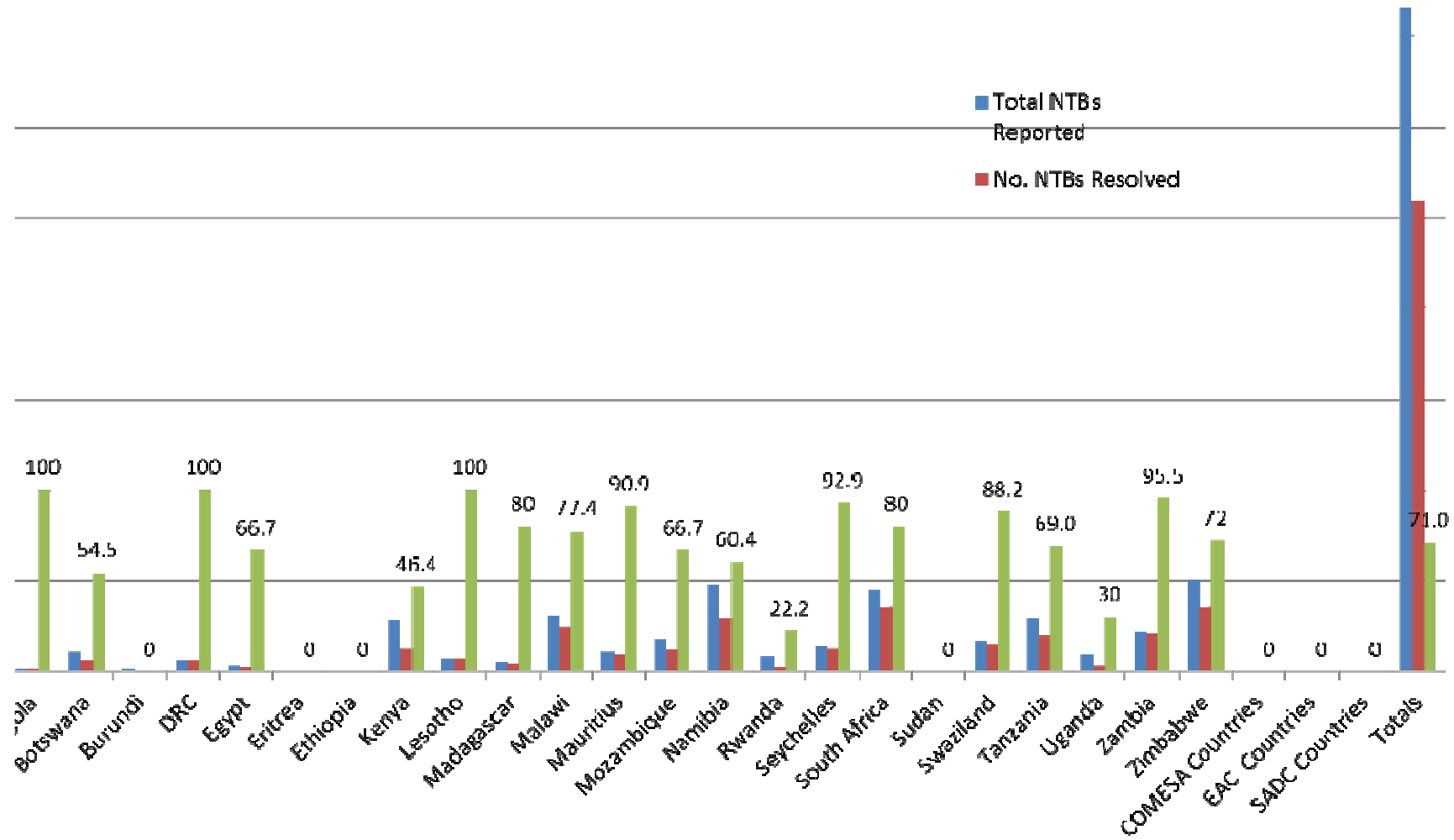
## No. NTB Reported



- 2.8. Lengthy and costly customs clearance procedures
- 7.9. Inadequate trade related infrastructure
- 7.10. Costly Road user charges /fees
- 2.7. International taxes and charges levied on imports and other tariff measures
- 2.10. Inadequate or unreasonable customs procedures and charges
- 2.9. Issues related to transit fees
- 7.6. Lack of information on procedures (or changes)
- 7.8. Consular and Immigration Issues
- 7.4. Costly procedures
- 7.1. Arbitrariness
- 7.3. Corruption
- 7.7. Complex variety of documentation required

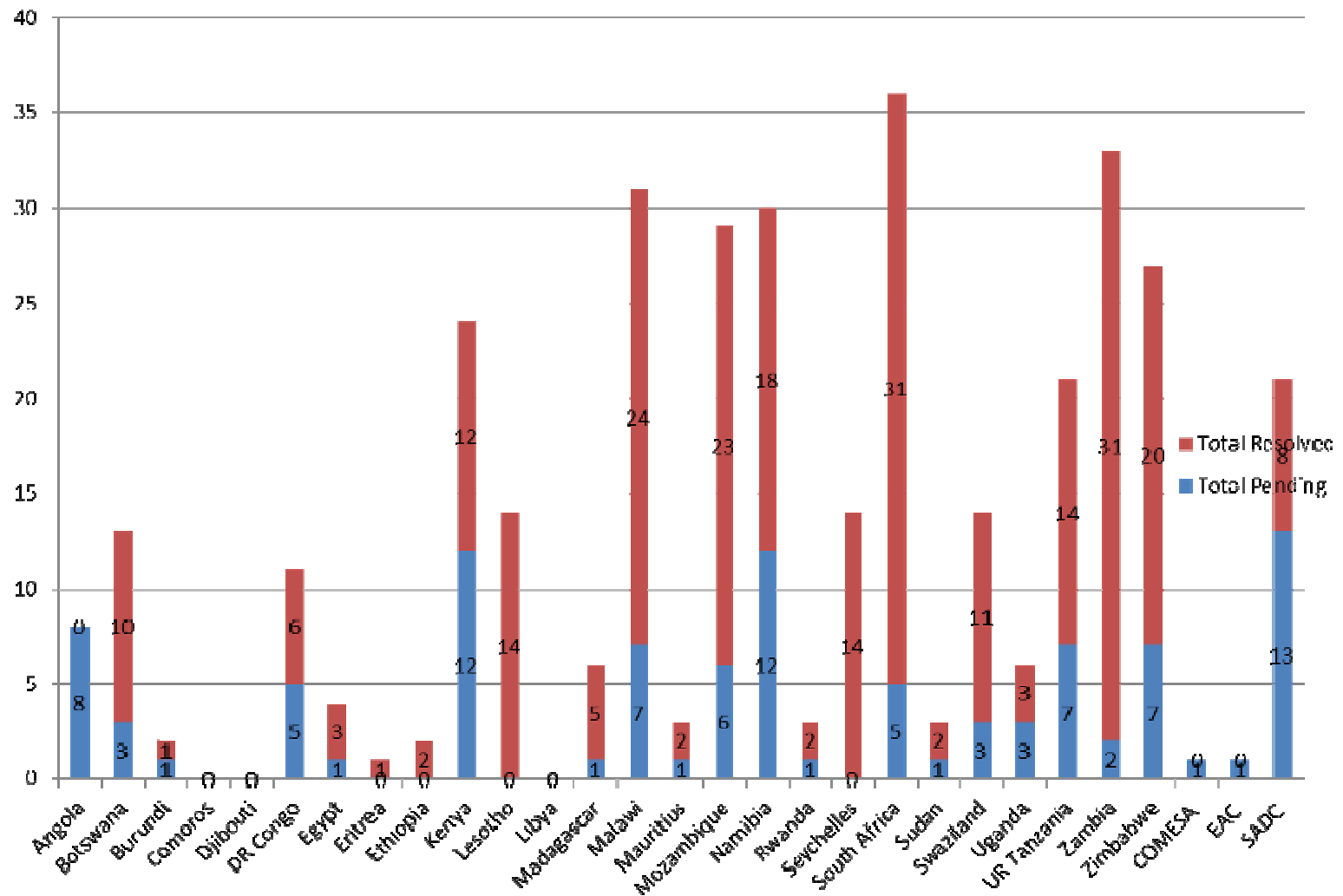


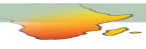
# STATUS OF RESOLUTION OF NTBS REPORTED BY TRIPARTITE COUNTRIES





# TOTAL NTBS PENDING BY IMPOSING MEMBER STATES





# Tripartite Arrangements for Eliminating NTBs

- Tripartite Process for Eliminating NTBs build up from REC Mechanisms
  - Harmonisation existing REC reporting & Monitoring mechanism
  - Harmonisation of processes , reporting and monitoring tools for elimination
  - Developing improved reporting and monitoring mechanisms
- Harmonising NTBs structures at national and regional level
  - National NTBs Focal Points
  - Private sector Focal Points
  - National NTBs Monitoring Committees
  - Regional NTBs Units at Secretariats



# TRIPARTITE NTBs Reporting, Monitoring & Eliminating Mechanisms

## 1. Offline reporting and eliminating Mechanism

1. NTBs Elimination Plan/Matrix administered by RECs since 2004
2. Report through NTBs National Focal Points in the Ministries of Trade; and
3. Private sector Focal Points in selected Chambers of Commerce
4. Matrix developed/compiled from online /offline reports
5. Elimination Tool for National Monitoring Committees
6. Plan identifies impact of NTB to business, priority actions required for addressing reported NTB & constraints.
7. Plan stipulates time frames for addressing reported

# Online Reporting, Monitoring and Eliminating Mechanism



- ❑ Developed for COMESA, EAC & SADC in 2008
- ❑ Piloted in COMESA in 2008
- ❑ A dynamic system for Reporting, Processing, Monitoring and Elimination NTBs online
- ❑ Website : [www.tradebarriers.org](http://www.tradebarriers.org)



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# Non-Tariff Barriers

Reporting, Monitoring and Eliminating Mechanism



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## Active Complaints

102 in total

Search complaints

Complaint number	NTB Type	Date of incident	Location	Reporting country	Status	Actions
NTB-000-419	2.10. Inadequate or unreasonable customs procedures and charges	2011-04-20	Mozambique: Delegacao Aduaneira de Machipanda (Rodoviário)	Mozambique	In process	<a href="#">View</a>
<b>Complaint:</b>	Perishable goods for export (cheese) are being held up for several hours despite documents having been pre-cleared, due to key staff (in this case the director) being absent from their posts					
<b>Products:</b>	040630: Processed cheese, not grated/powdered					



## Functions of Online System

- ❑ Regional Tool for Implementation of the NTBs elimination programme at Tripartite level
- ❑ Stakeholders report NTBs and Other barriers encountered as they undertake day to day
- ❑ Processing and monitoring of reported barriers by Focal Points and REC NTBs units
- ❑ Public Monitoring progress towards resolution and elimination of reported barriers
- ❑ Regional NTBs database – facilitating storage and retrieval of information
- ❑ Provides Information on NTBs
- ❑ It facilitates information dissemination on NTBs



# How Do Stakeholders Report an NTB Online?

Three Methods of Reporting into the Online system

1.SUBMIT REPORT ONLINE

2.TELEPHONE /FAX REPORTING FORM TO FOCAL POINT FOR UPLOADING

3.REPORT TO TRADE/INDUSTRY ASSOCIATION FOR THEM TO UPLOAD ON YOUR BEHALF



## NTBs Institutions Managing Elimination of NTBs Mechanisms

1. National NTBs Focal Points (NNFPs) (manages system at national level)
2. Private Sector Focal Points (PFPs) (monitoring, facilitating resolution)
3. National Monitoring Committees (NMCs) ( National Trade facilitation , facilitates resolution of reported barriers)
4. Regional NTBs Units ( REC) ( Custodian & Regional management of system )
5. Regional Trade Facilitation Committees ( Sectoral Committees – Trade, Transport, Customs, SPS, TBT,



## **Implementation Challenges -Policy**

- Classification of NTBs not user friendly**
  
- Untimely response to NTB complaints from member states (Administrative lags)**
  
- Imposition of new trade requirements outside the treaty and relevant protocols**
  
- Lack of Elaborate dispute resolution mechanism**
  
- Under- Utilisation of reporting & Monitoring tool for NTBs**
  
- Insufficient budgetary allocation for trade coordination units at country level.**



## RECOMMENDATIONS

- Corridor Management to promote online reporting of all NTBs encountered by Transport Sector
  
- Ensure Transport Committees Members of NMCs
  
- Close collaboration Between NTBs focal Points and Corridor management Committees on matters relating to elimination of NTBs
  
- Corridor management to Report all NTBs online and follow up on Resolution



# THANK YOU FOR YOUR ATTENTION

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