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Enhancing Border Management in SADC to support the Consolidation of deeper Regional Integration

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Overview of Presentation

• The Approach to Regional Integration
• Practical Challenges
• Some Implications for Border Management and Customs Administration
• What is the latest thinking?
• Improving Legal and Institutional Arrangements re Border Management
• Concluding Observations
The Approach to Regional Integration (RI)

- **Mega picture:** Underdevelopment, small markets, fragmented, many landlocked/linked countries, absence of economies of scale.
- Ambitious RI schemes = key to continental development effort & political solidarity
- RECs to become FTAs - Customs Unions – Common Markets at predetermined dates. These goals elusive
- Protecting sovereign policy space
- SACU: different history & unique features
- Tripartite FTA and eventually Continental FTA
Practical Challenges

- FTAs still about trade in goods; not services
- Customs revenue important—tariffs therefore NB
- Informal trade remains significant
- Asymmetry re compliance/implementation in RECs
- Regional Secretariats cannot monitor
- Major trade facilitation challenges
- Overlapping membership:
  - Why so widespread? It is costly.
  - Legal uncertainties: e.g. re Rules of Origin
  - Expectations about RI affected
  - Cannot belong to more than one CU
Some Implications for Border Management and Customs Administration

• If emphasis is still primarily on revenue collection & Immigration?
• If there are major trade facilitation challenges?
• How do 2 states coordinate the management of their border?

➤ Physical infrastructure of border posts
➤ Legal basis

• Integration is about many related matters --- harmonised regulations for axle weights etc
• Customs Union e.g. requires one Tariff Book for CET
What is the latest thinking? Annex 5 TFTA Agreement

Article 4 Harmonisation of Valuation Laws and Practice

Tripartite Member States **undertake to adopt** a system of valuing goods for Customs purposes based on principles of transparency, equity, uniformity and simplification of application in accordance with the WTO Valuation System.

Article 5 Simplification and Harmonisation of Customs Procedures

1. Tripartite Member States and Customs Territories **undertake to incorporate** in their Customs Laws provisions aimed at simplifying Customs procedures in accordance with internationally accepted standards, recommendations and guidelines particularly those in......

(a) World Customs Organisation (WCO);
(b) United Nations Economic Commission for Africa (UN-ECA)
(c) International Maritime Organisation (IMO);
(d) International Civil Aviation Association (ICAO);
(e) International Standards Organisation (ISO);
Annex 5 TFTA....continued

(f) International Chamber of Commerce (ICC);
(g) International Air Transport Association (IATA); and
(h) International Federation of Freight Forwarders Associations (FIATA).

2. Tripartite Member States and Customs Territories undertake to adopt in their Customs Laws, common principles approved by the Tripartite Council for the Customs procedures for intra-Tripartite trade including the following:

(a) Customs formalities applicable to commercial means of transport;
(b) clearance for home use;
(c) outright exportation;
(d) Customs transit;
(e) drawback;
Improving Legal and Institutional Arrangements re Border Management

- Domestic reforms key: Intra – inter-agency & Int.
- Coordination between national border agencies
- Political commitment – part of general reforms
- Continue with the political will and oversight
- Legal certainty – dedicated legal instrument
- Lead agency – but vested interests........
- Bilateral Agreements linked to Regional Protocols
- Single Window still distant ideal
- For Customs admin: Use WCO model instruments
Concluding Observations

• On regional level: target NTBs, rethink linear RI
• Importance of services (transport, logistics, finance)
• Legal/ institutional reforms: rules-based governance
• For customs in RI - use Int. Models (Guidelines for the Collection and Transmission of Customs Information, Model Bilateral Agreement, Convention on Mutual Administrative Assistance in Customs Matters)
• The capacity issue: Ad hoc & management of skills
• Monitor the T-FTA Negotiations -- Annex on Customs as part of this inclusive approach
• Ultimately it is about development: Cross-border production networks still absent
• How does one eat an Elephant?