OSBP CASE STUDY
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OSBP OBJECTIVES

- To reduce the number of stops incurred in a cross border trade transaction by combining the activities of both countries’ border organisations at a single location [in each direction for juxtaposed facilities].

- To increase the effectiveness of cross-border controls through greater data sharing and cooperation.
TIME AND COST DISTRIBUTION (2009)
THE NEED – SPEED MATTERS

• Trade has been a major driver of African economic growth and receives increasing emphasis in national development plans.

• Shippers demand high performing corridors that reduce cost and time spent on transport and logistics and increase the reliability and predictability of the corridors.

• Developing countries generally hold double the inventory of industrialized countries. At 15-20% interest rates, high inventories can cost 2% of GDP.

• Trade facilitation is key to continued trade growth. WB Study indicated 75% of delays worldwide are facilitation, only 25% are infrastructure.
THE COST OF DELAYS

• Cost of 3-5 days at the border
  • Daily fixed cost per truck: US$250-600
  • Total 3 days: US$750–US$1800
  • Total 5 days: US$1250–US$3000

• Cost of increased inventory
  • Goods worth US$2-5000 per tonne
  • Cost of increased inventory per day per tonne: US$0.75–$2.5
  • Load of 28 tonnes, predictability hedge of 30 days
  • Unnecessary inventory cost: US$630 – $2100

• One day’s delay is estimated to reduce trade by 1% or the equivalent of distancing a country from its partners an additional 70 km.
TIME TO EXPORT IN DAYS

- Angola
- Botswana
- DRC
- Lesotho
- Malawi
- Mozambique
- Madagascar
- Mauritius
- Namibia
- Seychelles
- South Africa
- Swaziland
- Tanzania
- Zambia
- Zimbabwe

- Inland transportation and handling
- Port and terminal handling
- Customs clearance and technical control
- Documents preparation
MAKING THE MOST OF THINGS!
BORDERS

• Challenges
  • Increasing number of agencies at border each with its own controls and own management
  • Two national systems
  • Increasing traffic at borders
  • Little increase in staff levels

• New Trends
  • JBP
  • Integrated border management
  • Increased use of ICT
CURRENT BORDER CROSSING PROCEDURES

Zimbabwe

Pol | Imm | Cus | MoT | Other
---|-----|-----|-----|-----
Pol | Other | MoT | Cust | Imm

Zambia

Pol | Imm | Cust | MoT | Other
---|-----|------|-----|-----
Pol | Other | MoT | Cust | Imm

POL | IMM | CUS | MOT | OTHER
---|-----|-----|-----|-----
TRAFFIC FLOW

Southbound Traffic

- Red: Passenger Traffic
- Green: Cargo Traffic
USING EXISTING INFRASTRUCTURE

- Baseline Study
- Loaded vehicles and delays North-bound.
- Separated passenger traffic to one lane bridge.
- Concentrate on freight delays.
- Created a fast track and freight booth.
- System depended on ICT connection within the common control zone.
PROCEDURE FLOW

Northbound Traffic

- Accredited cargo
- Non-accredited cargo
- Coaches
- Old Bridge
- New Bridge

Legend:
- Red: Passenger Traffic
- Green: Cargo Traffic
CHIRUNDU ONE STOP BORDER POST

- Traffic leaving Zimbabwe
- Traffic entering Zimbabwe
- Traffic leaving Zambia
- Traffic entering Zambia

Zimbabwe: Exclusive Use Areas
Common Control Areas with secure perimeter
Zambia: Exclusive Use Areas

Offices
Public Processing Area
Zimbabwe exit controls & Zambia entry controls

Corridor Development Consultants
OSBP

- **Hard Components**
  - Purpose-built facility
  - ICT single data entry

- **Soft Components**
  - Streamlined procedures
  - Supporting legal framework

Seamless flow for user and agency officers

- Developing a border management information system
- Developing IT border applications

- Reduced forms
- IT inspections
- Swift handoffs

- Law: executing controls across borders
  - Bilateral Agreement: establishing operating principles

CDC

- Corridor Development Consultants
DOMESTIC IBM

- OBAs access declarations in ASYCUDA
- OBAs’ risk selectivity profiles entered in ASYCUDA
- Alerts to OBAs on consignments of interest
- Coordinated, parallel interventions
- Systematic handling of clearance risks
- Integrate border and corridor transit systems
CLEARANCES
BENEFITS

- At Chirundu clearances for buses and passenger cars is about half what it was previously.
- Freight times have also been reduced quite dramatically – from three days to one for most.
- There is greater sharing of information on risks
- Greater coordination of clearances
- Sharing of equipment
- Continual improvements in processing
BEFORE AND AFTER
LESSONS LEARNT

• Select a lead Ministry
• Select a project manager
• Involve all agencies at hdqrs and border
• Simplify procedures, expedite transit, insure connectivity, improve use of ICT applications
• Begin legal framework early
• Plan for efficient workflow and coordination
• Training before opening and after is essential
• Steering Committee and Border Committee
TRANSPORT CORRIDORS

- Approximately 22 Corridors under consideration for OSBP conversion.
- Some Feasibility Studies.
- Once law passed nationally can apply to any border. BA model.
- Customs working groups, add OBAs to procedures work.
- Important to connect corridor CCZ, borders on Corridor— ”clearing in motion”
- Smart Corridors.
SOURCE BOOK OBJECTIVE

• Provides useful information on OSBP implementation and management
• Captures lessons learned to 2011 and case studies
• Presents them in a topical way for easy reference as specific problems are faced
• Will be updated as new information is available – an evolving source book
OTHER REGIONS

**East Africa**
- Over 8 under construction
- About 20 total, mostly juxtaposed
- Control zone, national, extraterritorial jurisdiction required.
- Regional Act, CU Act, common regulations and procedures; need OSBP procedures
- ICT applications/training in process

**West Africa**
- 3 under construction
- About 20 planned, mostly wholly in one country
- Control zone transferred to REC, extraterritorial jurisdiction required.
- Regional Act; procedures in process
- Electronic transit approved for pilot
NIGER/BENIN BORDER
WEST AFRICAN MODEL
WEST AFRICAN MODEL