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Q1: Respondent details

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Q2: Country or Customs territory

GERMANY

Q3: Organization

Public sector

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Q4: Title of case story

Trade Facilitation along the Dakar-Bamako Corridor

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

The project "Trade Facilitation along the Dakar-Bamako Corridor" is a measure of the "Trade Policy and Trade Promotion Fund", commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für internationale Zusammenarbeit GmbH (GIZ). It aims to improve the conditions for a reduction of the transport costs and delays along the trade corridor Dakar-Bamako. The project supports the simplification and harmonization of the port and customs administration's processes and electronic systems as well as the harmonization of the national transit systems by providing advisory services to relevant parties. It also supports the provision of information on transit- and other relevant regulations to users of the corridor. It successfully supported the partners in establishing a coordination mechanism for continued cross-border cooperation and for planning trade development along the corridor in a sustainable manner.

Q7: Who provided funding?

Bilateral donor

Q8: Project/Programme type

Multi-country

Q9: Your text case story

The challenge

Imagine you were using the Dakar-Bamako corridor. If you were a truck driver, it would take you about three days to cover the distance of around 1500 kilometers of the North corridor from the port of Dakar in Senegal to Mali's capital Bamako. You would cross the border with about 300 to 400 other truck drivers. You would have to go through 18

customs controls, eleven on the Senegalese side, plus seven on the Malian side. These add up to the numerous check points from other authorities, like the police and weighing stations. Because your truck is a non-sealable model, it needs to be physically escorted by customs on the Senegalese side, which is very expensive. Because there is a shortage of border post and opening hours of the different offices you need to go to vary, you are expecting to experience long waiting times. You would like to get some rest in the meantime, but there are not many areas provided where this would be possible.

As this example shows, transporting goods between Dakar and Bamako is an expensive and lengthy process in which long delays are common. More generally speaking, the delays and high costs of trade along the Dakar-Bamako Corridor can be attributed to infrastructure problems in the port, a wealth of often inefficient and non-transparent administrative processes, differing national transit systems and long waiting times at the border because of a shortage of border posts. Other reasons include numerous checks by police and customs officials along the route and fees for the mandatory physical customs escort of non-sealable trucks.

As direct neighbors in West Africa, Senegal and Mali wish to facilitate trade between their two countries. As a land-locked country, Mali is dependent on a functioning connection between the Senegalese port of Dakar and its capital, Bamako. Meanwhile, Senegal wants to promote the economic potential of its port and transport sector and of the country as a place to do business.

The approach

To help Senegal and Mali to address the current situation, the German Federal Ministry for Economic Cooperation and Development (BMZ) commissioned the Deutsche Gesellschaft für internationale Zusammenarbeit GmbH (GIZ) to implement the project "Trade Facilitation along the Dakar-Bamako Corridor" as a measure of the "Trade Policy and Trade Promotion Fund". Having started in 2015, the project's objective is to improve the conditions for reducing transport costs and delays along the Dakar-Bamako trade corridor. Project partners are the Malian Ministry of Commerce and the Senegalese Ministry of Investment Promotion.

To achieve its objective, the project focuses on providing advisory services in the following areas:

At the institutional level, the port and customs administrations are supported in simplifying their processes. Customs administrations in Mali and Senegal are also receiving advice on harmonizing their existing electronic systems and on establishing new truck-tracking systems. The advice for the port administration includes streamlining of procedures in the port.

Another field of action is the harmonization of the different national transit systems that are being used (S110 in Senegal and TRIE in Mali). This includes for example interlinking the two customs IT systems, the harmonization of the customs guarantee systems and the reduction or abolition of escort fees. In this area, the project cooperates closely with the regional BMZ project "Supporting the ECOWAS Commission through strategic managerial and technical advice".

Another focus area is to provide information on transit regulations and other relevant regulations to users of the corridor in order to enhance transparency and contribute to the professionalization of the transport sector. For this purpose, the project collaborates closely with private sector associations.

Finally but very importantly, the project supports the partners with establishing a coordination mechanism for continuing cross-border cooperation and for planning trade development in a sustainable manner along the corridor. To this end, workshops are held in which coordination structures and communication processes are defined and subsequently tested in practice.

Outcomes and impact

Given the variety of actors and interests involved, the establishment of national as well as bilateral coordination committees was a major success which was achieved with the support of the project. The national corridor committees consist of representatives of ministries and border agencies as well as of the private sector. They are embedded into existing structures and cooperate closely with the national Trade Facilitation Committees. The national corridor committees established a cross-border committee, whose secretariat is run by the Senegalese investment promotion agency Agence nationale chargée de la promotion des investissements et des grands travaux (APIX) und by the Malian Cellule Technique des Reformes du Climat des Affaires (CTRCA), both key implementing partners of the corridor project. The committees, which meet on a regular basis for exchange, have worked out an action plan for the future development of the corridor and operational plans for each committee, defining which activities will be carried out and by whom.

Information on transit processes for traders have been documented on the Malian side and will be provided online in a next step. The collected information will also serve as a basis for discussing possible simplifications. An information pack specifically directed at drivers has been updated in both countries to enhance their security. In Mali as well as in Senegal, events were organized in order to spread information about the transit systems and train carriers on topics such as loading techniques and financial management. These are important first steps towards enhanced transparency of transit processes and professionalization of the transport sector.

Another important success was that escort fees for trucks in Senegal have been halved. The project helped to communicate this information to all relevant stakeholders, so that everyone, including forwarders, could profit from the decision.

Overall, the project contributes to implementation of the WTO Trade Facilitation Agreement in both countries. A reduction of transport and transaction costs resulting from trade facilitation measures has positive effects like enhancing the competitiveness of the private sector and reducing consumer prices, especially in the landlocked country Mali. Mali will be better connected to international markets and can increase its attractiveness as a place for doing business while Senegal enhances its competitiveness as a turnover place.

Last but not least, the project helps to foster regional integration and can serve as a pilot for similar projects in the region.

Q10: Lessons learnt

Facilitating trade along the trade corridor is for both countries, Senegal and Mali, an important issue and they are both highly motivated to act on it. However, the involvement of a variety of actors – different ministries, agencies and the private sector – who all are burdened with other tasks at the same time, turns communication and coordination processes into a complex, longsome process. Therefore, it was of utmost importance that coordination committees have been established on different levels, national as well as bilateral, so that common interests could be discussed, responsibilities defined and action plans drafted. The fact that the committees are anchored in already existing structures facilitates a continuation of their activities after the end of the project so that the partners can keep working on facilitating trade along the corridor in a sustainable manner.
