

Customs administrations in the various regions of the world rely more and more on the latest available technology to track goods in transit and combat fraud. In Africa, many Regional Economic Communities (RECs) have developed automated transit management systems where interconnected customs can exchange among themselves electronic transit messages to confirm the entry and exit of cargo from their territories. Probably the most known regional transit system in Africa is the COMESA RCTG scheme, also known as RCTG Carnet, which according to the COMESA Secretariat has reduced the cost of transit in the region between 10% to 15%, with trucks now spending no more than 30 minutes at border crossing points, in contrast to a previous waiting time up to 2-3 days needed for truckers holding national transit bonds and causing them additional costs of approximately 500 USD per trip. In the Economic Community of West African States (ECOWAS) a project called “ALISA”, was launched by the ECOWAS Commission in 2000, subsequently renamed SIGMAT, to interconnect customs in the region so that they can exchange electronically transit messages as cargo moves through the countries of departure, transit and destination. Therefore, the system avoids traders to submit repetitive declarations to Customs at each border through which the consignment moves. The automation of such formalities and procedures leads to a reduction of the cost and time for goods in transit. Moreover, it makes it easier to track goods, increase transparency and fight fraud.

A report from UNCTAD titled “ [The SIGMAT System - The ASYCUDA Journey in West Africa: Facilitating Cross-Border Transit Trade](#) ”, describes the various stages of the journey which has conducted to the implementation of the SIGMAT system. This success was possible thanks to the drive of Côte d'Ivoire which, with the support of European Union, worked with Burkina Faso, Mali, and Senegal, to establish the functional and technical specifications of the system. Afterwards, with the support of the World Bank and the German Agency for International Cooperation (GIZ), ECOWAS and UNCTAD the system was finally operationalized.

The SIGMAT journey, however, is not yet finished, as it still needs to be extended to other ECOWAS countries. Moreover, the report points out that as other African RECs have similar systems in force (we have seen the example of COMESA, but also the EAC and SADC are in different states in the implementation of similar systems), the future challenge for Africa will be to interconnect and make interoperable all these systems in order to make smoother and cheaper the movement of goods from coastal states to landlocked countries, by using a single transit guarantee recognized by all countries where cargo moves, even if passing through the territory of different RECs. In fact, the electronic regional transit systems that are operational today work only within specific regions of Africa, while a transit system at continental level currently do not exist yet. We raised the same need during a side-event to the [7th Program for Infrastructure Development in Africa, \(PIDA\) Week](#) held in Nairobi in March 2022.

Just over 1 year and half ago, Afreximbank launched a project called “ [Afreximbank-African Collaborative Transit Guarantee Scheme](#)

” (ACTGS), to reduce the bottlenecks and costs associated with the movement of transit goods across borders within Africa. This scheme aims at providing eligible beneficiaries, in collaboration with local guarantors affiliated to the Bank (insurance or other financial institutions in the different countries implementing the project), a transit guarantee to cover the risk of loss of import duties or other revenues for customs authorities in the event that the transit procedure is not discharged properly (e.g. consignments illegally diverted into the transit market or for which no evidence that they left the transit country has been produced). On March 2021, COMESA and Afreximbank signed an agreement to pilot the initial implementation of the scheme in the COMESA Region, with plans to progressively extend the scheme to the other RECs in Africa, and tendentially, over the entire Continent. However, so far no progress has been made.

Yet, this project is extremely important as it can significantly contribute to reduce transport costs in Africa that, compared to other regions in the world, are prohibitive due to the presence of many landlocked countries (the continent hosts half of the landlocked countries in the world), which means that in many cases products exported/imported in Africa to/from other extra-continental destinations need to cross several countries to reach ports from where they depart or inland cities where they are destined to. This aspect needs to be addressed urgently, as it will be critical to the successful implementation of the AfCFTA, which as it is known, aims at achieving a single and integrated African market. And no integration is possible if transit operations in Africa will continue to be encapsulated in a patchwork of fragmented and disjointed regional frameworks.