The third African Transformation Report " <a href="Integrating to transform">Integrating to transform</a> ", published by the African Center for Economic Transformation (ACET) explores how to give impetus to Africa's transformation agenda in the aftermath of the debilitating COVID-19 pandemic that has set back development across much of the continent and undermined progress on reducing poverty. Transport regulation harmonisation is indicated among the key sectors where to promote convergence, in view of a reduction of trade costs.

The ACET report observes that while hard regional transport infrastructure is improving in Africa, logistics markets are not, because of their poor level of integration. One reason for this is that as African infrastructure straddles jurisdictions, transport regulatory frameworks for cross-border transport should be harmonised in order to facilitate these operations. To date, road transport in Africa is mainly regulated at national level, with many bilateral agreements that have been concluded by pairs of African States to regulate cross-border operations in their respective territories. Such regulations are usually restrictive and still protect domestic transport firms from competition from foreign operators through a series of strict compliance requirements, cargo allocation schemes or road transport quotas.

Quoting a study titled <u>Regionalising Infrastructure Reform in Developing Countries</u> (2010), the report argues that regionalisation of infrastructure regulation (i.e. the convergence of transport regulatory frameworks towards harmonized regulations adopted at regional level), could yield significant benefits that go beyond exploiting economies of scale in both infrastructure industries and regulatory institutions.

An example of such regional approach is the <u>MCBRTA</u>, a multilateral agreement on road transport which is being promoted by the Tripartite for development of a more competitive, integrated and liberalised regional road transport market in the member states of COMESA, EAC and SADC.

The conclusion is that harmonization of quality standards for transport services and operators, or recognition agreements among neighbouring countries for mutual recognition of infrastructure operators would reduce trade costs.

But because this would require delegating authority to a supranational level, and given the reluctancy of African nations to accept limitation of sovereignty or a transfer of powers to

Regional organizations, this process is uncertain.

The harmonization of regulatory frameworks, specifically in the cross-border road transport sector, is a topic that has not yet been addressed in the negotiations at continental level within the recently concluded AfCFTA Agreement. Yet, at the <a href="31st AU Summit held in Nouakchott">31st AU Summit held in Nouakchott</a>, Mauritania from the 25th of June to 2nd July 2018, the Assembly of Heads of State and Government identified transport as a key sector to prioritise (together with business services, tourism, finance and ICT), and where an increased regulatory cooperation and convergence must be reached. So far, however, nothing yet has been done to achieve this objective.