

HARMONISED ROAD USER CHARGES SYSTEM IN EAST AND SOUTHERN AFRICA

Session: Monitoring and Elimination of Non-Tariff Barriers

**Africa Road Transport Forum 2013
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AFRICA
**ROAD
TRANSPORT**
FORUM 2013



Solutions for intraregional trade



OUTLINE

- Importance of Road Maintenance Funding
- Overview of SADC Protocol
- Previous initiatives
- Extent of Network considered
- Charges considered
- Proposed Charges
- Solutions for Collection of Charges
- Conclusions



IMPORTANCE OF FUNDING FOR ROAD MAINTENANCE

Lack of road maintenance has been major contributory factor in deterioration of SADC road network

Adequate funding of road maintenance critically important for safeguarding investments in road Infrastructure

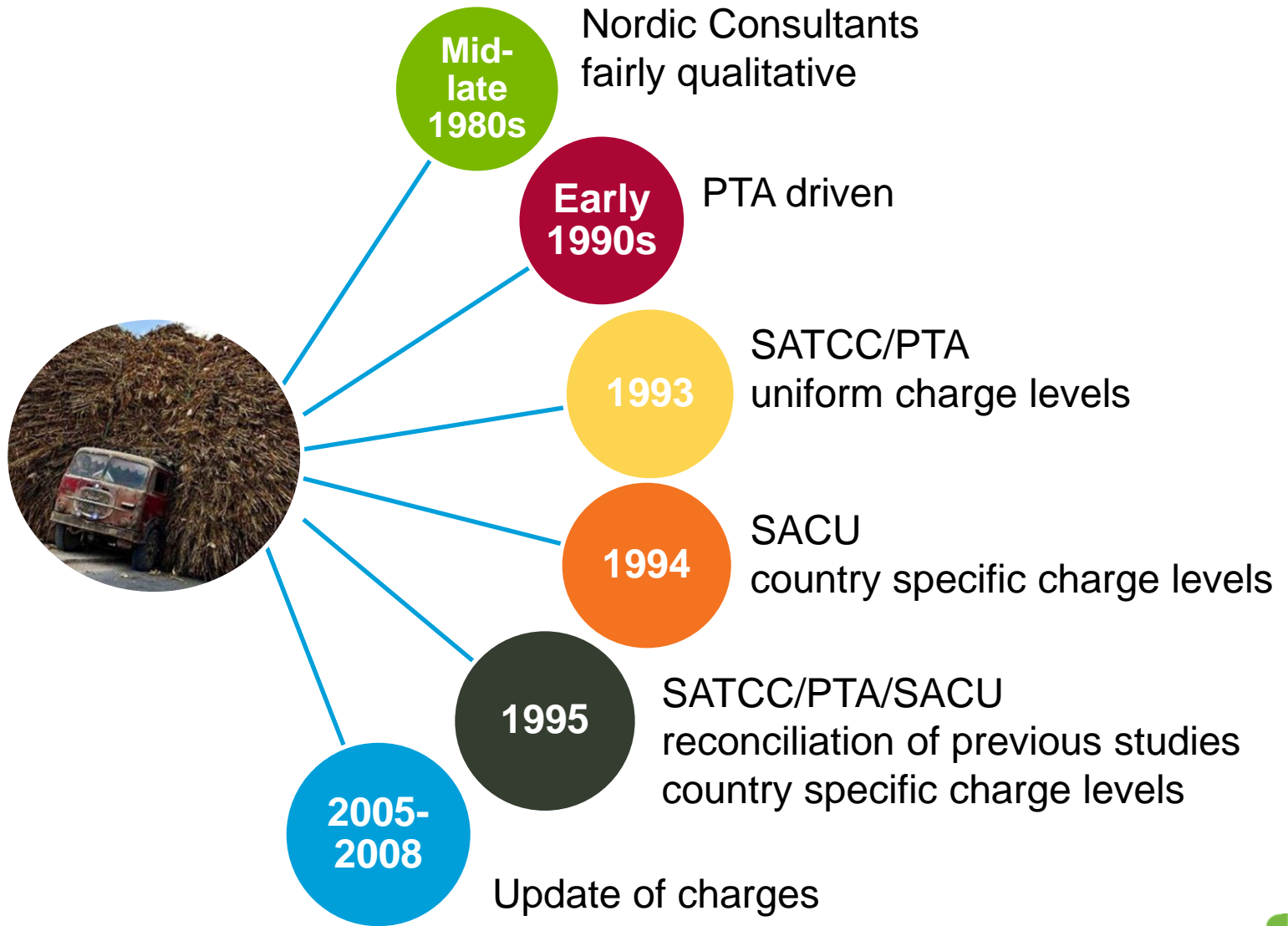
Appropriate system of cost recovery through levying of a RUC generally viewed as an efficient instrument for providing a source of funding for road maintenance



OVERVIEW OF SADC PROTOCOL

- **Article 4.2-Road Infrastructure Policy:** “In order to attain road infrastructure objectives, Member States agree to develop a **harmonized** regional road infrastructure policy...”
- **Article 4.3-RTRN and Route Numbering System:** “Member States shall adopt a **common definition of the RTRN...**, which shall serve as basis for a co-ordinated plan for the construction and development of roads of regional and continental importance...”
- **Article 4.5.2-Funding Sources :** “In order to promote harmonized national RUC systems, Members States shall develop a **common understanding** in respect of the **types of road user charging** and the **levels** of such charges and introduce in their respective territories on basis of regular exchange of information”

PREVIOUS INITIATIVES ON RUC



PRINCIPLES OF SATCC/PTA/SACU STUDY

Non-discrimination

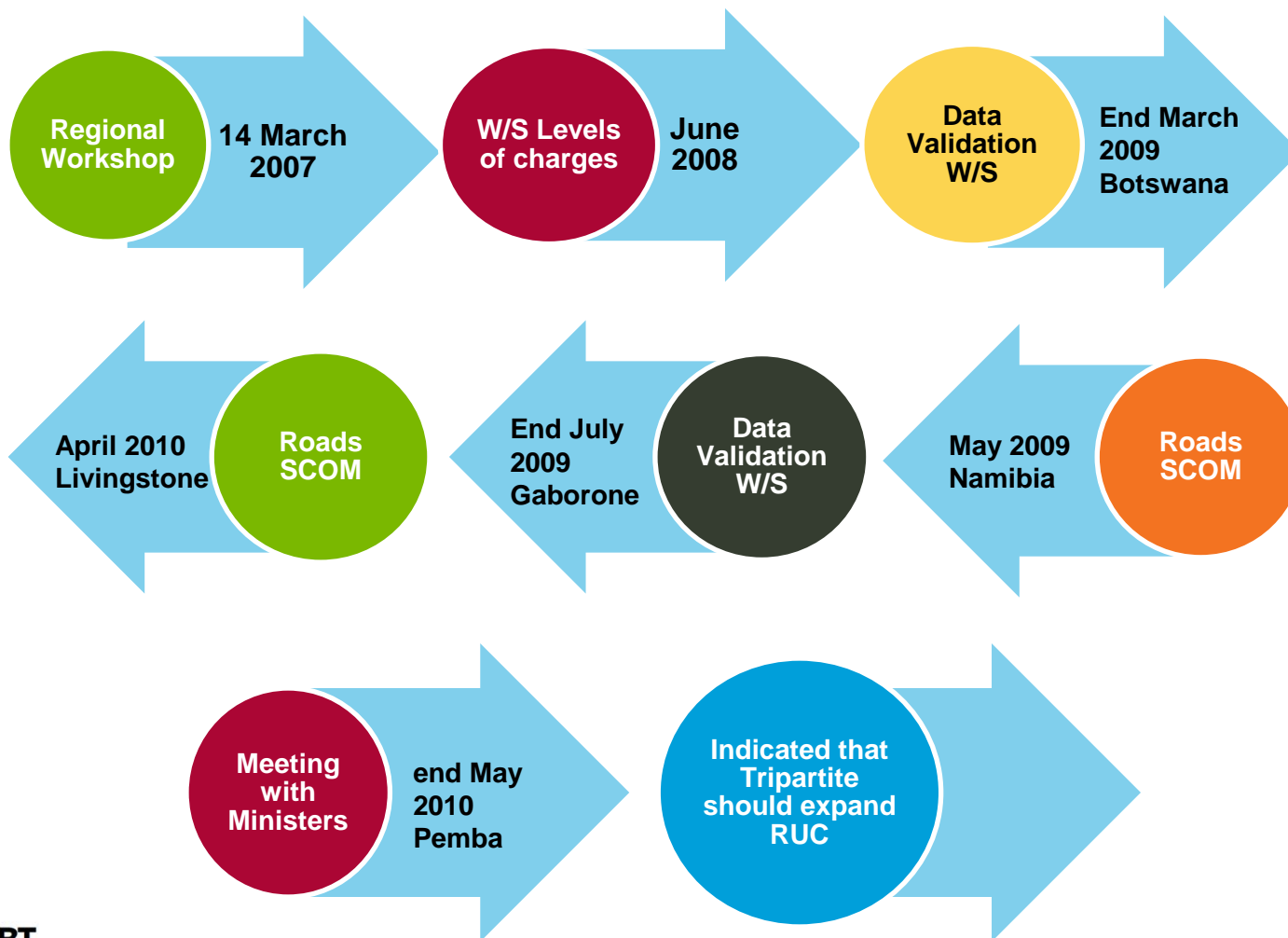
Equity

Transparency

Foreign operations
to pay in host
country

Operators to pay
for use of network

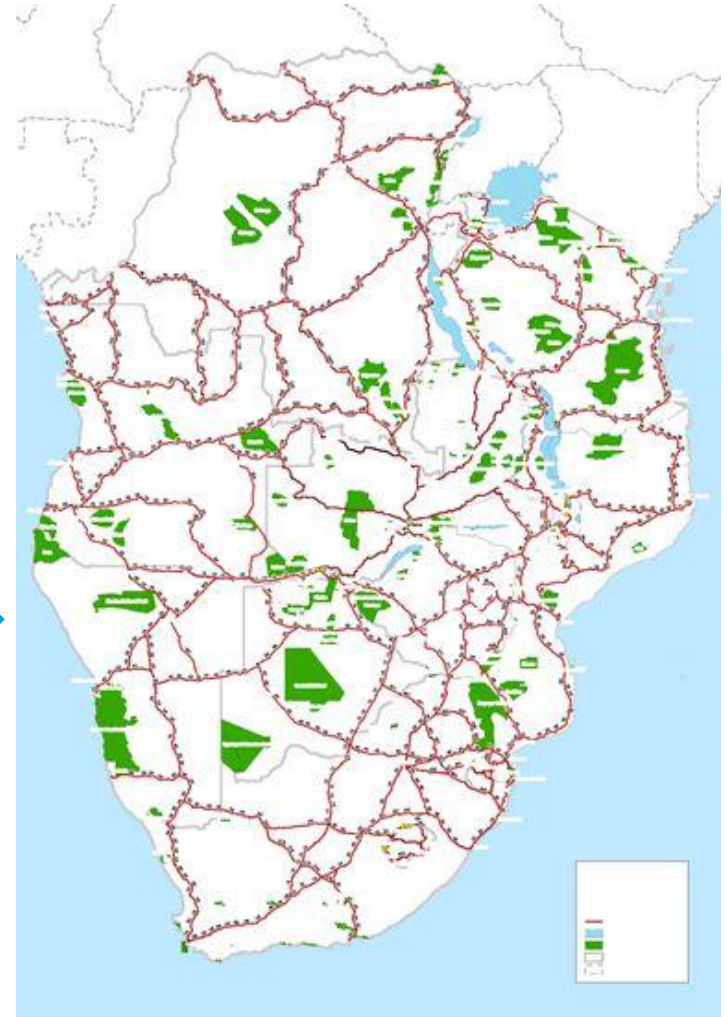
HARMONISATION OF RUC IN SADC



EXTENT OF THE NETWORK CONSIDERED



2006/07 RUC Study



2008/09 ASANRA REVIEW OF RTRN

EXTENT OF THE NETWORK CONSIDERED

Country	Extent of the Network Considered (km)			
	RUC 2006/07	SADC 1998	Difference	% Difference
Angola	7,096	8,215	(1,119)	-13.6%
Botswana	2,831	2,847	(15)	-0.5%
DR Congo	8,370	8,370	-	0.0%
Lesotho	1,075	942	133	14.1%
Malawi	1,400	1,800	(400)	-22.2%
Mozambique	5,692	5,407	285	5.3%
Namibia	3,748	4,580	(831)	-18.2%
South Africa	10,458	7,470	2,988	40.0%
Swaziland	440	326	114	35.3%
Tanzania	6,866	7,384	(517)	-7.0%
Zambia	2,968	5,355	(2,387)	-44.6%
Zimbabwe	2,848	3,232	(384)	-11.9%
TOTAL	53,794	55,928	(2,133)	-3.8%

CHARGES CONSIDERED

RUC Category	Charge Type	Country											
		Ang	Bot	DRC	Les	Mal	Moz	Nam	SA	Swazi	Tan	Zam	Zim
Compulsory Access Fee	Transit Charges/Fees/Tolls	X				X	X			X	X	X	X
	Foreign Vehicle Permit Fees										X		
	Cross-Border Charges							X					
	Road Transport Permit Fees		X										
	Entry Card Fees			X									
	Insurance Fees			X									
	Container Fees			X									
	Fumigation Fees			X									
	Toll Fees			X									
	Road Tollgate Fees				X								
	Carbon Taxes											X	X
Surveillance Fees			X										
Domestic Fees	Annual Vehicle License Fees	Excluded for Cost Recovery Purposes											
Other Fees	Fuel Levies		X		X	X	X	X			X	X	X
	Fuel Taxes			X					X	X			
	Tolls						X		X				

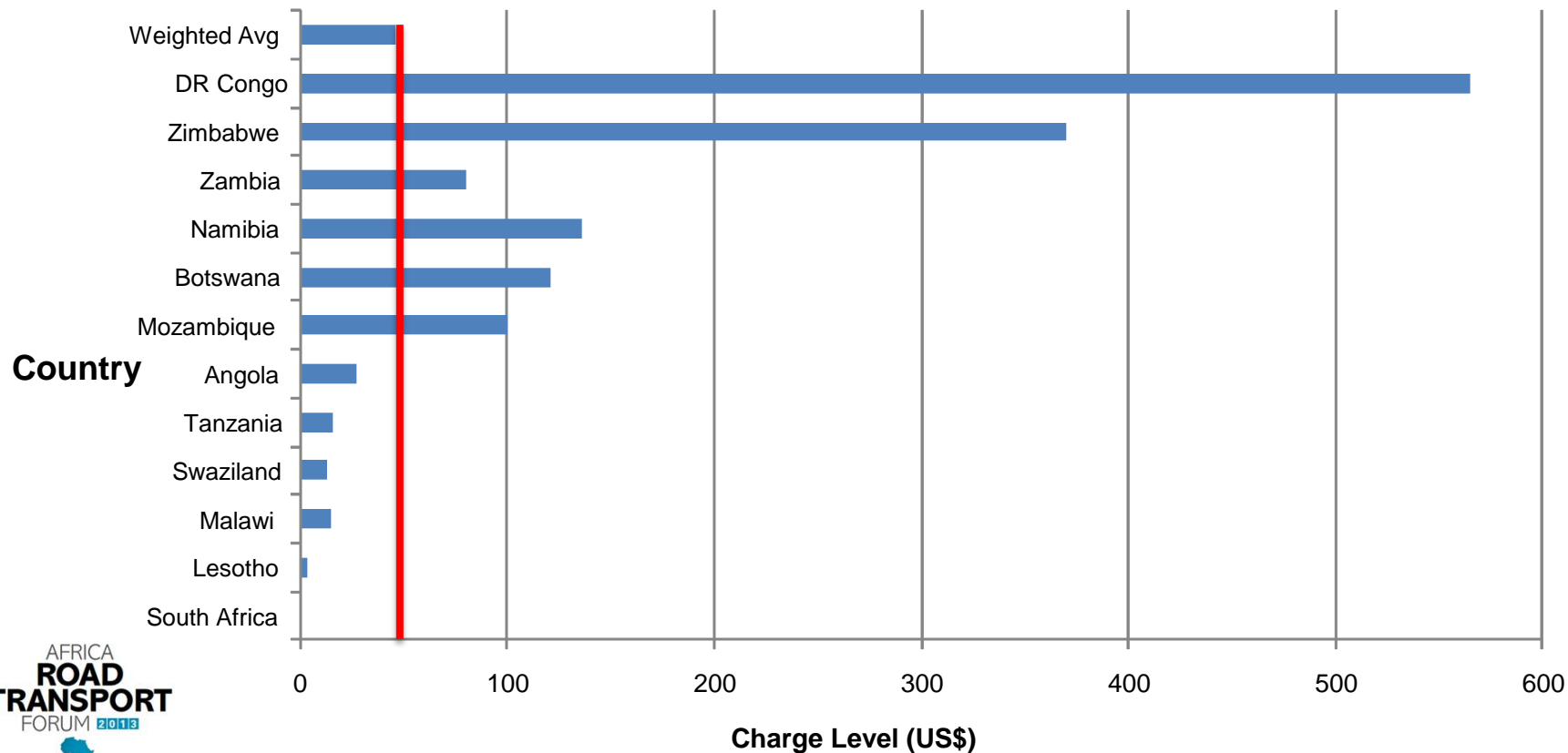


COMPARISON OF CHARGES PAYABLE AT BORDER POSTS

Country	Charge (US\$/100km)					Weighted Average
	LV	BUS	2-3 HV	4-5 HV	6 & 6+	
South Africa	0.00	0.00	0.00	0.00	0.00	0.00
Lesotho	0.81	2.42	2.42	4.03	4.03	1.39
Malawi	0.00	6.00	8.00	15.00	15.00	1.96
Swaziland	8.06	12.90	12.90	12.90	12.90	8.82
Tanzania	20.00	6.00	16.00	16.00	16.00	18.02
Angola	14.53	26.83	26.83	26.83	26.83	19.60
Mozambique	0.00	0.00	100.00	100.00	100.00	23.62
Botswana	9.19	33.09	36.76	71.69	121.32	25.85
Namibia	14.97	42.74	43.47	106.39	136.34	29.91
Zambia	35.07	75.13	76.13	80.13	80.13	50.50
Zimbabwe	142.00	365.94	367.81	370.00	370.00	206.32
DR Congo	255.00	265.00	565.00	565.00	565.00	280.00
Weighted Average	8.54	33.98	37.20	17.95	46.49	13.57

COMPARISON OF CHARGES PAYABLE AT BORDER POSTS (6 & 6+ AXLE Vehicles)

Charge Levels payable by 6 & 6+ Axle HV at Border Posts (US\$/100km)



TYPES OF CHARGES PAYABLE AT BORDER POSTS

Transit Charge Levied	Ang	Bot	DRC	Les	Mal	Moz	Nam	RSA	Swz	Tan	Zam	Zim
Fixed Fee per Entry	X	X	X	X		X	X		X	X		
Distance based					X					X	X	X
Foreign registered + domestic vehicles				X								
No Charge								X				



CHARGES BASED ON COST RESPONSIBILITY LEVELS

Country	Proposed Charge Levels (US\$/100km) 2009/10				
	LV	BUS	2-3 HV	4-5 HV	6 & 6+ HV
Angola	1.57	9.61	15.06	22.91	29.88
Botswana	0.27	2.60	3.35	5.79	8.14
DR Congo	6.21	30.13	55.28	75.80	91.96
Lesotho	1.31	9.40	13.52	21.77	29.39
Malawi	5.35	7.16	7.17	8.99	10.81
Mozambique	0.73	4.96	7.39	11.60	15.44
Namibia	1.29	9.45	12.86	21.64	29.95
South Africa	0.19	1.11	1.79	2.68	3.46
Swaziland	0.54	3.43	5.24	8.10	10.67
Tanzania	0.67	4.15	6.29	9.81	13.00
Zambia	1.21	9.17	12.77	21.02	28.74
Zimbabwe	0.62	4.94	6.68	11.23	15.53
Average	0.50	3.21	4.65	7.24	9.57

SOLUTIONS FOR COLLECTION OF CHARGES



Measurement
methods



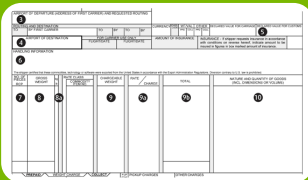
Payment
methods



Collection
methods

MEASUREMENT METHODS

Types



Simplified System

- Distances based on – destinations on waybills for heavy goods or stated destination for other vehicles
- Zambia and Zimbabwe make use of schedule



Hub odometer

- To monitor actual km
- Tampering – fairly easy
- Discontinued in Australia



Transponders / Route tracers / Electronic number plates

- Passing vehicle at signpost registered via transponder / route tracer and communicated to database where km is calculated



GPS-based with GSM/RF technology

- Uses satellites to determine coordinates
- km calculated and communicated to central database through utilisation of GIS

PAYMENT METHODS



Cash

- Possible revenue leakage
- Security concerns



Debit cards and credit cards

- Point of sale (POS) terminals and manual imprinting facilities needs
- Risk of credit card fraud



Coupons

- User friendly system
- Operated satisfactorily and efficiently between Malawi, Mozambique and Zimbabwe (1984 – 1992)
- Evasion and pilferage minimised
- Demise of system primarily due to political rather than economic considerations

COLLECTION METHODS



By Government Department

- Not user friendly and robust



By designated Commercial Bank

- Issue coupons to transit transport operators
- Remit collected revenue to account designated by receiving government



Outsourcing to private company

- Namibia
- Higher efficiency
- Service fee increases cost

EVALUATION OF APPROACHES



Measurement Methods

Ultimately GPS-based with GSM/RF technology

For interim:
Simple system recommended



Payment Methods

Use of coupons = viable system

Payment to take place at border post, or in advance at designated agencies



Collection Methods

Contracting collection to private sector

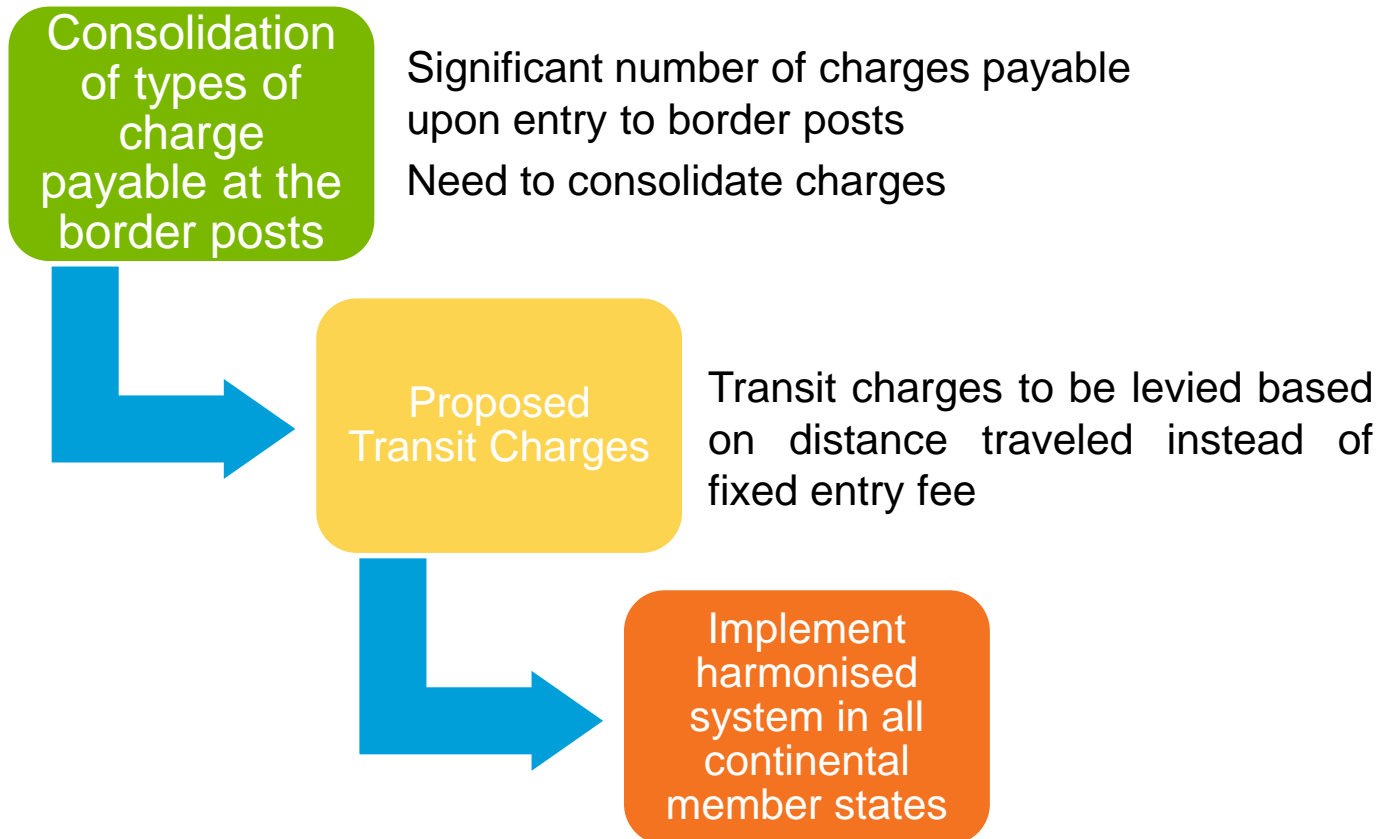
Charge commission for services rendered

Each government to enter into contract with selected institution/organisation

DRAFT MOU

- **Article 1:** Definitions
- **Article 2:** Principles for harmonization of road user charges
- **Article 3:** Harmonization
- **Article 4:** Regional network of cross-border road user charging systems
- **Article 5:** Regional performance audits
- **Article 6:** Combating corruption
- **Article 7:** Exchange of information and public awareness
- **Article 8:** National consultative and co-ordinating structures
- **Article 9:** Regional Cross-Border Road User Charging Association (e.g. ASANRA)
- **Article 10:** Regional implementation target dates
- **Article 11:** Consultation
- **Article 12:** Signature, ratification and accession

CONCLUSIONS





- COMESA/EAC/SADC signed declaration for the establishment of FTA – June 2011
- The Common Market for COMESA-EAC-SADC comprises 26 countries, population 600 million people and GDP of US\$1.0 trillion
- Main objective of COMESA-EAC-SADC Tripartite is strengthening and deepening economic integration of the southern and eastern Africa region
- Achieved through harmonisation of policies and programmes in 3 RECs in the areas of trade, customs and infrastructure development