

EAST AFRICAN COMMUNITY EAST AFRICAN LEGISLATIVE ASSEMBLY

REPORT FOR AN ON-SPOT ASSESSMENT ON THE CHALLENGES OF IMPLEMENTATION OF THE COMMON MARKET PROTOCOL ALONG THE NORTHERN AND CENTRAL CORRIDORS BY THE COMMITTEE ON REGIONAL AFFAIRS AND CONFLICT RESOLUTION

November 4th - 10th, 2012

Clerk's Chambers

EAC Headquarters' Building

Arusha, TANZANIA

December 2012

TABLE OF CONTENTS

TABLE	OF CONTENTS II
1.0	INTRODUCTION
2.0	OBJECTIVES 2
3.0	EXPECTED OUTPUTS
4.0	METHODOLOGY3
5.0	COMMITTEE OBSERVATIONS AND EMERGING ISSUES
5.1	COMMITTEE OBSERVATIONS AND EMERGING ISSUES FROM THE CENTRAL CORRIDOR
5.2	COMMITTEE OBSERVATIONS AND EMERGING ISSUES FROM THE NORTHERN CORRIDOR
6.0 CC	MMITTEE RECOMMENDATIONS
7.0	CONCLUSION10
8.0	ACKNOWLEDGEMENT11

1.0 INTRODUCTION

The East African Legislative Assembly's (EALA's) Committee on Regional Affairs and Conflict resolution (RACR) conducted an on spot assessment of the security related operational challenges for implementing the Common Market Protocol along the Central and Northern Corridors of Dar-Es-Salaam via Rusumo to Kigali and Mombasa via Malaba, Katuna and or Gatuna to Kigali from November 4th – 10th, 2012 (both dates inclusive). The on spot assessment exercise aimed at appreciating first-hand information on the existing security related operational challenges of implementing the Common Market Protocol along the two corridors; non-tariff barriers (NTBs) constraints i.e. the numerous police road blocks and check points; and the ongoing reforms and projects being undertaken related to ease cargo transportation to the EAC neighbouring landlocked member states of Burundi, Rwanda and Uganda.

The RACR Committee is mandated according to Rule 79 of the EALA Rules of Procedure (2008) among others, to advise and assist in the exercise of the representative, legislative and oversight roles of the EALA as provided under Chapter 17, 23, 26 and 27 of the Treaty for the Establishment of the East African Community (EAC).

2.0 OBJECTIVES

The overall objective of this activity was to fulfil Committee mandate to oversee the implementation of EAC programmes and projects related to the implementation of the Common Market Protocol.

The specific objectives of the on spot assessment were:

- (i.) To comprehend and appreciate the implementation of the Common Market Protocol along the northern and central corridors;
- (ii.) To understand the functioning of the security related EAC Projects in the context of free movement of labour, persons, services and capital; rights of establishment and permanent residence;
- (iii.) To brainstorm on the challenges faced in the implementation of the Projects;
- (iv.) To visualize challenges; and
- (v.) To carry out a comprehensive review of the activities and report to the Assembly.

3.0 EXPECTED OUTPUTS

The expected outputs of this exercise were as following:

- (i.) EAC Projects related to the implementation of the Common Market Protocol activities comprehended and appreciated;
- (ii.) The EAC free movement of labour, persons, services and capital; rights of establishment and permanent residence functioning as Projects understood;
- (iii.) Challenges faced in the implementation of the Project brainstormed;
- (iv.) Project challenges visualized; and
- (v.) Report produced and submitted to the House for consideration and approval.

4.0 METHODOLOGY

In carrying out this activity, the Committee divided itself into two teams of seven (7) and eight (8) members respectively and employed various methods that included:

- (i.) review of literature on Common Market Protocol issues in all EAC partner states;
- (ii.) review of media reports including radio, print and electronic;
- (iii.) participant observation;
- (iv.) administer a checklist;
- (v.) hold meetings, discussions and interactions with various stakeholders on the subject matter in the four partner states visited. They included:

(vi.)

- a) The Ministries of East African Community Affairs;
- b) The Ministries of Internal Affairs;
- c) The Police Forces' authorities;
- d) The Port authorities in both Mombasa and Dar-es-Salaam habours;
- e) The Immigration authorities;
- f) The Customs authorities;
- g) The Police officers along the two corridors and their road blocks;
- h) The truck drivers along the two corridors; and
- i) The Transporters' Associations.

5.0 COMMITTEE OBSERVATIONS AND EMERGING ISSUES

Arising out of the on spot assessment on the two corridors, the Committee noted the following emerging issues, challenges and or observations in implementing the Common Market Protocol:

5.1 Committee Observations and Emerging Issues from the Central Corridor

- (i) It was apparent that the existing non-tariff barriers (NTBs) along the central corridor are as a result of multiple structural bottlenecks. These include:
 - (a) inadequate government structures and or procedures;
 - (b) erratic application of rules;
 - (c) lengthy customs administrative documentation procedures;
 - (d) lengthy and duplicated immigration procedures;
 - (e) cumbersome inspection requirements;
 - (f) un-harmonized standards; and
 - (g) police road blocks and or check points.
- (ii) Due to the existence of NTBs along the central corridor, most traders tend to opt for alternative means of moving their goods from one country to another;
- (iii) The Committee was informed that security of people and their goods along the central corridor has greatly improved compared to the past two years;
- (iv) The Committee noted that the strategic location of the Dar-es-Salaam port has given her a key advantage of serving a big hinterland consisting of Tanzania and six-land locked countries (i.e. Zambia, Malawi, Eastern DRC Congo, Burundi, Rwanda and Uganda). It further noted that the Dar-Es-Salaam port has the capacity to handle 30 per cent of the total cargo traffic;
- (v) The Committee also noted that 40 per cent of the cargo from the Dar-es-Salaam port is transit cargo. Out of the 40 per cent cargo, only 7.1 per cent goes to the EAC Member States of Burundi, Rwanda and Uganda. And out of the 7.1 per cent cargo, 4.6 per cent is cargo for Rwanda, which has the highest number of cargo via Dar-es-Salaam port compared to the other Member States;
- (vi) It was revealed that the police check points, border clearance and several weighbridges along the central corridor affect port clearance at the Dar-Es-Salaam port. An example was cited of 500 containers being discharged per day, but can't be removed hence congest the port;
- (vii) The Committee observed lack of harmonized working hours of various stakeholders and or institutions at the Dar-es-Salaam port, along the central corridor weighbridges and checkpoints as well as border posts. For example, while the Tanzania Port Authority (TPA) works 24 hours a day and 7 days in a week, the Tanzania Revenue Authority (TRA) work for only 8 hours a day and 5 days in a week;
- (viii) The Committee physically visited seven (7) weighbridges/checkpoints from Dar-Es-Salaam to Rusumo in the border between Rwanda and Tanzania. The

weighbridges/checkpoints which the Committee visited and interacted with stakeholders along the central corridor included at the following TANROAD, TRA and Police weighbridges and or check points:

- (a) Coastal Region Kibaha and Misugusugu;
- (b) Morogoro Region Mikese and Dumila;
- (c) Singida Region Njuki weighbridge;
- (d) Shinyanga Region Mwendakulima; and
- (e) Kagera Region Nyakahura.
- (ix) The Committee observed two types of checkpoints along the central corridor at which truck drivers are stopped: TANROAD weighbridges where TRA and Police officers were also present. As already pointed above, 7 TANROADS weighbridge checkpoints were found along the central corridor from Dar-es-Salaam-Isaka-Rusumo route while only 3 check points were found from Ushirombo to Rusumo border;
- (x) The Committee noted however that stops at TANROAD weighbridges were consistent, while police checkpoints were unpredictable as a truck driver must stop only when ordered by police;
- (xi) There was a general consensus among various stakeholders that much as weighbridges seem to act as non-tariff barriers to slow the smooth movement of goods and persons, they are still very important to protect the expensive tarmac roads constructed by using tax payer's money to last longer;
- (xii) The Committee observed insufficient facilities which can't cope with the long queues and congestion of trucks and other vehicles which weigh 3.5 and above tonnes between the Kibaha weighbridges in the Coastal region to Mikese weighbridge in Morogoro region;
- (xiii) It was observed that the deteriorating railway infrastructure i.e. the Tanzania central railway and TAZARA has decreased the cargo handling capacity of the Dar-es-Salaam port and impacted negatively on the expensive tarmac roads which were constructed not to carry heavy goods;
- (xiv) It was reported to the Committee at the Rusumo border, Tanzania side that the border lacks facilities like sufficient parking bays, reliable electricity, office space, vehicles, hospital, banking facility, among others. These have impacted negatively on the efficiency operation of the border;
- (xv) It was further reported that from January to November 2012 a total of 67,235 Tanzanians and Rwandese entered and existed via the Rusumo boarder. Besides, a total of a hundred vehicles pass via the Rusumo border per day;

- (xvi) The TANROAD officials reported to the Committee that they were highly impressed by the attitude and practice of long truck drivers from Rwanda of not breaking the law by bribing to government officials;
- (xvii) Despite the above mentioned challenges, the Committee appreciates the Government of the United Republic of Tanzania initiative in general, and the Tanzania Police Force in particular, of reducing the number of check points from the main Dar-es-Salaam port along the Dar-es-Salaam Rusumo Highway from 58 to the current 15. This has greatly eased the cost of transporting goods from the main port of Dar-es-Salaam to Rwanda and Burundi;
- (xviii) The Committee observed a scanner at Rusumo border in the Rwandan side for use on risk based approach;
- (xix) The Committee was impressed to have not seen any road blocks and or check points between Rusumo and Kigali;
- (xx) The Committee was informed by the Tanzania and Rwanda authorities that that Tanzania, Rwanda and Burundi have signed a simplified trade regime for cross boarder trade among the boarder communities;

5.2 Committee Observations and Emerging Issues from the Northern Corridor

- (i) Lengthy border documentation procedures exacerbated by uncoordinated border management systems leading to wastage of time: It was noted that it takes at least two days to clear a truck across the border between Kenya and the neighboring partner states. This was however disputed by the KRA citing the EAC /World Customs Union/USAID Time Release Study which reduced the clearing time to hours based on actual data;
- (ii) Multiple inspections and Police checks: It was noted that numerous Police Checkpoints and weighbridge inspection points inhibit free movement of trucks. The Kenya Police informed the stakeholders that Police checks are classified as follows:
- (iii)
- (a) Police road-blocks-these are characterized by spikes laid on the road. The Committee was informed that there are 15 Police Roadblocks between Mombasa and Malaba. Plans are underway to reduce these to 9.They are intended to support detection of crimes other than traffic offences
- (b) Traffic Police Checks: these are manned by Police Officers to detect commission of traffic offences and do not involve spikes. These remain an ordinate responsibility of the local Police units.

- (iv) The Committee was informed that Police manning traffic checks are under instruction not to interfere with transit vehicular traffic;
- (v) With respect to weighbridges, the Committee was informed that there are four existing static weighbridges between Mombasa and Malaba. These are stationed at Mariakani, Athi River (Mlolongo), Gilgil and Webuye. An additional mobile weighbridge is operated from Mai Mahiu. It was noted that all these weighbridges are being operated by the Kenya National Highways Authority (KENHA) and target traffic originating from Nairobi and other centres along the corridor;
- (vi) The Committee was further informed that the weighbridges that were being operated at Malaba, Kisumu and Eldoret have all been removed to facilitate better flow of traffic;
- (vii) The Committee was informed that on September 7th, 2012 a meeting was held by the Kenya International Freight and Warehousing Association with representative from Uganda and South Sudan Traders to discuss the Kenya Revenue Authority requirements for cash deposit or bank guarantee for transit cargo;
- (viii) It was reported that the ultimate role of police at Mariakani is provision of security to all goods on transit between Mariakani to Nairobi in a convoy. It was further reported that areas between Mariakani, Athi River and Nairobi were not safe;
- (ix) Prohibition of transit trucks from carrying return cargo: The Committee was informed that the EAC Customs Management Act prohibits returning transit trucks from transporting back goods destined for the local market unless under special dispensation as provided in the Act. This provision effectively transfers the full cost of the return journey on the transporters who transfer the same to their clients thus resulting in higher transportation costs. It was noted that vehicles fitted with Electronic Cargo Tracking System are exempt from this requirement on voluntary basis;
- (x) Corruption and arbitrary charges: These related to corruption opportunities created by long procedures along with charges introduced by partner states that negate the spirit of integration;
- (xi) Poor infrastructure: poor or inadequate road network, insufficient parking bays at border points, outdated and poorly standardized weigh bridges;
- (xii) Harmonization of local travel documents: the Committee was informed that some partner states issue local temporary travel documents at the border posts while some don't;
- (xiii) Smuggling and other cross border criminal activities including drug and human trafficking, terrorism etc. These are being handled through existing security arrangements (i.e. police and immigration officers) but the

Committee was informed that they pose a challenge to the enjoyment of rights and freedoms enshrined in the various integration instruments;

- (xiv) Political Environment: it was noted that integration is partly politically driven. Successful implementation of the Common Market Protocol largely depends of the political goodwill among the EAC regional governments. A degree of mistrust has resulted into delays in implementing the Common Market Protocol;
- (xv) It was noted at Malaba border that the implementation of One Stop Border Post (OSBP) is in progress, expected to be completed next October. Both the Uganda Revenue (URA) and the Kenyan Revenue Authority (/KRA) officials sit in one office on each side of the border;
- (xvi) It was reported that weighbridges still existed as mobile weigh bridges. Levies on local goods like maize, beans, etc. negate free movement of goods, contrary to the provisions of the simplified certificate of origin;
- (xvii) It was also reported that Local Authority in Malaba in the Ugandan side are imposing levies to traders, which hinder trade by raising the cost of trade. The practice has led to the traders filing cases in court and the matter is still in the court pending its verdict;
- (xviii) KRA official further reported to the Committee that levies are not taxes, but relate to service charges like permits. At times Institutions request KRA to collect such levies on their behalf. For example, the levies in question are collected on behalf of the ministry of agriculture. Work permits tagged to many conditionalities on the Kenyan side. The investor must demonstrate or declare financial capacity;
- (xix) It was reported that national laws governing immigration in Kenya were still at play. Anybody wishing to do business in Kenya was required to follow the normal procedure to lodge an application for a permit. In case of doctors/teachers or any civil service job, one was required to present their CV;
- (xx) Arbitrary arrest of hawkers in Kenya: It was reported that Ugandan transboundary communities who cross to the Kenyan side to sell nuts and bananas are arrested, imprisoned and or fined in Bungoma, before release. In addition, corruption and lack of professionalism on the police, particularly on the Kenyan side was reported. Prohibition on hawking within the customs yard must be publicized for effective enforcement.
- (xxi) It was reported that Malaba border handles 700 trucks (inflows) and 600 trucks (outflows) per day. A truck takes about 15 minutes to clear on each side of the border. Uganda uses ASYCUDA++ while Kenya uses SIMBA. Each country collects their revenue. The border handles about 10,000 people per month.

- (xxii) It was observed that at Malaba border post lacks notable facilities such as parking bays, office space, clinics, fire-fighting equipment to handle big fires, among others;
- (xxiii) It was also reported that about 2,800 to 3,200 people cross the borders daily at Katuna/Gatuna border. Both borders operate 24 hours and communities within a given radius are allowed to move across both borders;
- (xxiv) It was further reported to the Committee that Rwanda visas are issued up to 6 months for non-Rwandese. Other countries are still issuing up to 3 months;
- (xxv) It was also revealed that Rwanda work permits are issued free of charge for East African citizens;

6.0 COMMITTEE RECOMMENDATIONS

Arising from the observations and emerging issues during the on spot assessment exercise along the central and northern corridors, the Committee recommends to the Assembly:-

- (i) That while appreciating the role of security there is need to enhance security along the two corridors to promote the implementation of the Common Market Protocol smoothly and should not act as new NTBs;
- (ii) That there is a need to increase the capacity of weighbridge facilities between Dar-Es-Salaam port and Morogoro region to handle, cope with the long queues and congestion of trucks and other vehicles which weigh 3.5 and above tonnes along the corridor. This should include rationalization of weighbridges to ensure no repeat time wasting weighing-ins along both the central and northern corridor routes;
- (iii) That the EAC partner states should fast track:
 - a) the upgrading of the Dar-es-Salaam to Isaka railway line as well as the construction of the Isaka-Kigali and Msongati railway; and
 - b) the upgrading of the Mombasa to Kampala railway line to ease the cargo congestion at the Dar-Es-Salaam and Mombasa ports as well as the load on the costly EAC road networks;
- (iv) That EAC partner states should invest in infrastructure (ports, railways, electricity, and telecommunications) in East African in general, and along the central and northern corridors in particular, in order to reduce the cost of doing business and facilitate efficiency in production, transportation and delivery of goods and services to the people of East Africa;
- (v) Wider and deeper sensitization should be undertaken to enable both the government officers, including the police, security and the business

community along the central and northern corridors to appreciate and have sufficient knowledge on their rights and responsibilities along with benefits entailed in the operationalization of the Common Market Protocol and other integration stages;

- (vi) That EAC partner states should set up a single authority to oversee the management of border posts with the necessary enabling legislations clearly defining scope and giving it the necessary power to execute its mandate. Such authority must have the support of all regional governments;
- (vii) That EAC should institute load control limits; fast-track the EAC vehicle load control bill that seeks to harmonize load limits and axle load weights across the region. This should subsequently be adopted by all the EAC partner states in a move to harmonize respective country laws with the EAC law.
- (viii) That the EAC integration process should be driven by professionals devoid of political interference as both national and regional politics along with the resultant decisions with limited professional inputs are negatively impacting on the implementation of the regional initiatives;
- (ix) That EAC partner states should promote joint regular border meetings to address issues affecting transboundary communities. Such meetings to involve security and local leaders within the borders;
- (x) That there was need to harmonize travel documents including students' passes to East African partner states on gratis basis;

7.0 CONCLUSION

The issues raised in this report reflect the opinions of stakeholders on the EAC integration efforts in general, and the operationalization of the Common Market Protocol in particular. All the stakeholders who interacted with the Committee in the two corridors expressed strong support for the EAC economic integration and were generally impressed by the work so far done.

A number of stakeholders however expressed concern about the slow implementation of the Common Market Protocol. Many stakeholders felt that it was important to fully implement especially those so called '*small things'* that mean a lot to the common man like free movement of people and goods across East Africa. Every business person seeks to minimize overheads and maximize on profits. Therefore, operational costs must be brought to manageable levels. Reduction and or elimination of NTBs is imperative for the East African citizenry to feel the benefit of integration. Mitigation mechanisms must reflect fairness and should be implemented in a standardized manner.

Again the issue of public awareness about EAC featured prominently in a number of interactions with the Committee. EALA members, as true elected representatives of the peoples of East Africa must be fully involved in the process.

8.0 ACKNOWLEDGEMENT

Finally, the Committee would like to thank the following personalities and institutions for having facilitated it to build its capacity to discharge its mandate effectively and efficiently:

- (i) The Rt. Hon. Speaker EALA for facilitating and making sure that the Committee was able to fulfill its activity in the EALA annual calendar of activities;
- (ii) The Governments of Kenya, Uganda, Tanzania and Rwanda in general and the EALA Chapters in the four partner states for the warm reception, hospitality and courtesies extended to the Committee during its seven-day on-spot assessment exercise along the two corridors;
- (iii) Partnership Fund for financing the on-spot assessment exercise;
- (iv) The Office of the Clerk for ensuring that all logistics were in order prior to the on-spot assessment along the two corridors ; *and*
- (v) All Members of the Committee, stakeholders, national focal persons as well as police officers in Kenya, Uganda, Tanzania and Rwanda for having facilitated the Committee fully during the on-spot assessment exercise along the two corridors.
- (vi) Last but not least the Committee Clerk, Mr. Charles Kadonya, Committee Secretary, Ms. Priscilla Amoding and EAC Peace and Security Expert Mr. Leonard Onyonyi for their diligence and technical input in the planning and facilitation of the exercise.

ON SPOT ASSESSEMNT ON THE IMPLEMENTATION OF THE COMMON MARKET PROTOCOL ALONG THE CENTRAL AND NORTHERN CORRIDORS: $4^{TH} - 10^{TH}$ NOVEMBER 2012

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7.	Hon. Chris Opoka-Okumu	
8.	Hon. Fred Mbidde Mukasa	
9.	Hon. Mike Sebalu	
10.	Hon. IssaTwahaTaslima	
11.	Hon. Charles Makongoro Nyerere	
12.	Hon. Musomi Bernard Murunya	
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Hon. Pierre-Celestin Rwigema		