

**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT OF THE SUB-COMMITTEE ON THE ON-SPOT  
ASSESSMENT OF THE EAC CENTRAL CORRIDOR, EAC NORTHERN  
CORRIDOR, EAC INSTITUTIONS, PROJECTS AND FACILITIES BY  
THE EAST AFRICAN LEGISLATIVE ASSEMBLY**

**FROM 11<sup>TH</sup> TO 23<sup>RD</sup> FEBRUARY, 2018**

**Clerk's Chamber  
EAC Headquarters  
EALA Wing, 3<sup>rd</sup> Floor  
Arusha, TANZANIA**

**18<sup>th</sup> April 2018**

<b>TABLE OF CONTENTS</b>	4
<b>ACRONYMS</b>	6
<b>1.0 INTRODUCTION</b>	8
<b>2.0 OBJECTIVES OF THE ACTIVITY</b>	8
<b>3.0 EXPECTED OUTCOMES OF THE ON SPOT ASSESSMENT</b>	9
<b>4.0 METHODOLOGY</b>	9
<b>5.0 FINDINGS</b>	9
<b>5.1 CENTRAL CORRIDOR</b>	9
<b>5.1.1 KISWAHILI COMMISSION</b>	12
<b>5.1.2 MALINDI PORT AND THE NEW CARGO PORT PROJECT IN MARUHUBI</b>	12
<b>5.1.3 DAR ES SALAAM PORT</b>	13
<b>5.1.4 TANZANIA REVENUE AUTHORITY (TRA)</b>	15
<b>5.1.5 VIGWAZA WEIGHBRIDGE</b>	17
<b>5.1.6 COURTESY CALL ON THE MINISTRER OF FOREIGN AFFAIRS AND EAST AFRICAN COOPERATION OF THE UNITED REPUBLIC OF TANZANIA</b>	19
<b>5.1.7 KABANGA ONE STOP BORDER POST (OSBP)</b>	19
<b>5.1.8 KOBERO ONE -STOP BORDER POST</b>	23
<b>5.1.9 COURTSEY CALL ON THE MINISTRER IN THE PRESIDENT'S OFFICE IN CHARGE OF EAC AFFAIRS</b>	25
<b>5.1.10 EAST AFRICA HEALTH RESEARCH COMMISSION</b>	25
<b>5.1.11. RUHWA ONE STOP BORDER POST</b>	28
<b>5.1.12 RUSUMO ONE STOP BORDER POST</b>	29
<b>5.1.13. Regional RUSUMO FALLS HYDROELECTRIC POWER PROJECT (RRFHP)</b>	31
<b>5.2 NORTHERN CORRIDOR</b>	33
<b>5.2.1 KENYA PORTS AUTHORITY</b>	33
<b>5.2.2 KENYA REVENUE AUTHORITY (KRA)</b>	37
<b>5.2.3 COURTESY CALL ON THE GOVERNOR OF MOMBASA COUNTY</b>	38
<b>5.2.4 TAVETA/HOLILI ONE STOP BORDER POST</b>	39
<b>5.2.5 NAMANGA ONE STOP BORDER POST</b>	42
<b>5.2.6 COURTESY CALL ON THE GOVERNOR, NAIROBI COUNTY</b>	45
<b>5.2.7 COURTESY CALL ON THE GOVERNOR, NYAMIRA COUNTY</b>	45
<b>5.2.8 LAKE VICTORIA BASIN COMMISSION (LVBC)</b>	46
<b>5.2.9 COURTESY CALL ON THE GOVERNOR, KISUMU COUNTY</b>	50

<b>5.2.10 MALABA ONE STOP BORDER POST.....</b>	<b>50</b>
<b>5.2.11 LAKE VICTORIA FISHERIES ORGANISATION (LVFO) .....</b>	<b>52</b>
<b>5.2.12 EAST AFRICAN DEVELOPMENT BANK (EADB).....</b>	<b>54</b>
<b>5.2.13.....INTER-UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)</b> <b>.....</b>	<b>56</b>
<b>5.2.14 CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY.....</b>	<b>58</b>
<b>(CASSOA).....</b>	<b>58</b>
<b>5.2.15 KATUNA/GATUNA ONE STOP BORDER POST.....</b>	<b>59</b>
<b>5.2.16 COURTESY CALL ON THE MINISTER OF FOREIGN AFFAIRS, COOPERATION</b> <b>AND EAC AFFAIRES, RWANDA.....</b>	<b>60</b>
<b>5.2.17 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION .....</b>	<b>61</b>
<b>(EASTEKO).....</b>	<b>61</b>
<b>6.0 GENERAL OBSERVATIONS.....</b>	<b>63</b>
<b>7.0 GENERAL RECOMMENDATIONS.....</b>	<b>64</b>

## **ACRONYMS**

CASSOA	Civil Aviation Safety and Security Oversight Agency
CFAs	Clearing and Forwarding Agents
DEG	Development Finance Institution
EAC	East African Community
EADB	East African Development Bank
EAKC	East African Kiswahili Council
EALA	East African Legislative Assembly
FMO	Netherlands Development Finance Company
ICAO	International Civil Aviation Authority
IUCEA	Inter University Council for East Africa
IT	Information Technology
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
LVBC	Lake Victoria Basin Commission
LVFO	Lake Victoria Fisheries Organisation
LWATSAN	Lake Victoria Water and Sanitation
OSBP	One Stop Border Post
RECTS	Regional Electronic Cargo Tracking System
RSS	Republic of South Sudan
SBIC	Small Business Investment Companies
SCT	Single Customs Territory
SDG	Sustainable Development Goal

SGR	Standard Gauge Railway
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
WHO	World Health Organization

## **1.0 INTRODUCTION**

The East African Legislative Assembly (EALA) is one of the Organs of the Community that is provided for under Article 9 and 49 of the Treaty for the establishment of the East African Community (EAC). The Assembly has established itself as a strong and effective Regional Legislature and registered a number of achievements, through fulfilling its mandates: legislation, oversight and representation.

The Members of the 4<sup>th</sup> EALA conducted an on-spot assessment of the EAC Institutions, projects and major facilities that support the Customs Union and Common Market in the EAC Partner States, from 11<sup>th</sup> – 23<sup>rd</sup> February 2018. This activity was expected to provide the new Members with a better understanding of the EAC regional projects and programs, integration achievements and challenges.

The assembly formed two delegations, one for the Central Corridor and another for the Northern Corridor.

The Central Corridor delegation was composed of the following Members:

1. Hon. MUHIA Wanjiku
2. Hon. ADEN Omar Abdikadir
3. Hon. AHINGEJEJE Alfred
4. Hon. ALI Ibrahim Fatuma
5. Hon. Dr. AROL Garang Aher Gabriel
6. Hon. BARIMUYABO Jean Claude
7. Hon. BURIKUKIYE Victor
8. Hon. DENG Gai
9. Hon. DUOP Kim Gai Ruot
10. Hon. Dr. KALINDA François Xavier
11. Hon. KALONZO Musyoka Kennedy
12. Hon. KARERWA Mo-mamo
13. Hon. KIMBISA Adam Omar
14. Hon. LEMOYAN Josephine Sebastian
15. Hon. LUGIKO Happiness Elias
16. Hon. Dr. MAGHEMBE Ngwaru Jumanne

**Team Leader**

17. Hon. Dr. MAKAME Adbullah Hasnuu
18. Hon. Eng. MAASSAY Pamela Simon
19. Hon. MUHIRWA Jean Marie
20. Hon. MUKASA Fred Mbidde
21. Hon. MUSAMALI Mwasu Paul
22. Hon. NAMARA Dennis
23. Hon. NDANGIZA Fatuma
24. Hon. NZEYIMANA Leontine
25. Hon. Dr. ODOK Woda Jeremiah
26. Hon. RUTAZANA Francine
27. Hon. SERGON Jematiah Florence
28. Hon. YAHYA Maryam Ussi

The Northern Corridor team was composed of the following Members;

1. Hon. KASAMBA Mathias - **Team Leader**
2. Hon. ABURI Mpuru Lawrence
3. Hon. AKOL Rose Okullu
4. Hon. AYASON Mukulia Kennedy
5. Hon. BAHATI Alex
6. Hon. BURIKUKIYE Marie Claire
7. Hon. DENG Dut Gatkek Thomas
8. Hon. NOORU Adan Mohamed
9. Hon. GARANG Alaak Gabriel
10. Hon. GASINGIZWA Oda
11. Hon. Dr. LEONARDO Itto Anne
12. Hon. MBUGUA Nganga Simon
13. Hon. Eng. MNYAA Mohamed Habib
14. Hon. MUGYENYI Mary
15. Hon. NAKAWUKI Susan Nsambu
16. Hon. NDUWAYO Christopher
17. Hon. NKUHI Fancy Haji
18. Hon. NSAVYIMANA Sophie

- 19.Hon. Dr. OBURU Oginga
- 20.Hon. ODONGO George Stephen
- 21.Hon. OPOKA-OKUMU Christopher
- 22.Hon. RURAKAMVYE Pierre Claver
- 23.Hon. RWIGEMA Pierre Celestin
- 24.Hon. THOAR Gatpan Gideon
- 25.Hon. UWUMUKIZA Francoise

## **2.0 OBJECTIVES OF THE ACTIVITY**

The objectives of the activity were:

- i. to appreciate the operations of the EAC Institutions and Authorities/Agencies that provide services that facilitate EAC integration;
- ii. to create awareness to the East Africans on the role of the EALA in the integration process, on the benefits of integration and to experience the challenges of the EAC integration;
- iii. to enhance mutual relationships and sustainable networking between the EALA and the people of East Africa; and
- iv. to get feedback and recommendations from the citizens on their perception of the EAC integration efforts so far.

## **3.0 EXPECTED OUTCOMES OF THE ON SPOT ASSESSMENT**

The following were the expected outcomes:

- i. enhanced awareness and understanding of the current overall integration process;
- ii. enhanced understanding of the achievements, challenges and opportunities of integration;
- iii. enhanced mutual relationships and sustainable networking between EALA and the people of East Africa;
- iv. deepened appreciation of the stakeholders' evaluation of the integration process; and
- v. adoption of the necessary policy/legislative recommendations for the purpose of improving on areas where challenges were identified.



## **4.0 METHODOLOGY**

In order to execute the on-spot assessment effectively, Members of the Assembly were divided into two groups, one group covered the Northern Corridor while the other group visited the Central Corridor and both of them converged in Kigali Rwanda. The delegation conducted the on-spot assessment using a participatory approach which combines the methods of interactive sessions, briefings and observation.

## **5.0 FINDINGS**

### **5.1 CENTRAL CORRIDOR**

#### **5.1.1 KISWAHILI COMMISSION**

##### **5.1.1.1 Establishment and Mandate**

The East African Kiswahili Commission (EAKC) is an Institution of the Community established by a Protocol (The Protocol for the Establishment of the East African Kiswahili Commission) signed on 18<sup>th</sup> April 2007.

The mandate of the Commission is to advise the Partner States on research, teaching, learning and development of Kiswahili through policy formulation, knowledge generation, and curriculum review, standardization of terminology and to promote Kiswahili as the *lingua franca* of the Partner States (Article 3 of the Protocol).

##### **5.1.1.2 Achievements**

- i. It was observed that the offices of the Kiswahili Commission are located in a historical building, which was formerly the office of the East African Centre for Research on Oral Traditions and African National Languages. The Management of the Commission has renovated and preserved not only the building, but the historical value of site in general and Kiswahili culture and language in particular.
- ii. The Commission has managed to develop its first Five Years Strategic Plan (2017-2022). The plan charts the direction of the Commission in the next five years, including priority activities, projects, key stakeholders and a framework for monitoring and assessing progress of the Commission towards achieving its objectives.

- iii. The Commission's Strategic Plan (2017-2022) is presented in both English and Kiswahili languages.

### **5.1.1.3 Challenges**

#### **i. Funding**

The delegation observed that the Commission does not have enough resources to implement its Strategic Plan for 2017-2022. For the financial year 2017-2018, for example, the Commission annual budget was USD 4.5M but it only received approximately 30% of it.

Furthermore, the delegation noted that the disbursement of funds for the Commission is delayed leading to non-implementation of certain activities, hence low absorption of the approved budget.

#### **ii. Staffing**

The Commission is heavily understaffed with only six (6) staff against the establishment of 31 according to its Human Resource Manual and Structure.

#### **iii. Legal Framework**

The Commission is operating under the Kiswahili Protocol not an Act of the Community. Article 10 of the Protocol provides for the reporting structure of the Commission whereby it is required to operate within the existing structure of the Sectoral Council responsible for Kiswahili and not as a semi-autonomous Institution as envisaged by the Community.

Article 9 of the Protocol provides for 12 members from each Partner State to be part of the Commission Board. Considering that the Community has now six (6) Partner States, the Commission would end up with a board of 72 people, which would be too big to manage.

#### **iv. Absence of Kiswahili Councils in most of the Partner States**

The Protocol requires that Governments put in place Kiswahili Councils across the Partner States. These Councils are supposed to coordinate, formulate, implement and promote Kiswahili in the Partner States. The delegation noted that, with exception of the United Republic of Tanzania, none of the other Partner States have established these Councils. The delegation was informed that *Baraza la Kiswahili Tanzania*

(*BAKITA*) which is the Kiswahili Council for Tanzania, was established by an Act of Parliament in 1967 and amendments in 1983.

It was also noted that Uganda has developed a white paper for establishing the Kiswahili Council but it is still at Cabinet level.

**v. Fraudulent Transfers from the EAKC Bank Account**

The delegation was informed that there was a fraudulent transaction on the EAKC's KCB bank Account where USD 38,000 was transferred. However, when the fraud was discovered and the office of EAKC started conducting investigations, the money was anonymously returned to the Commission's Account. The matter was reported to the Council of Ministers which directed the Commission to report the incidence to the Police and the Ministry of Foreign Affairs of the URT. Until the time of this on-spot assessment, the Commission had not received feedback. The culprits have never been exposed.

**vi. Residence and Work Permits for Staff of the Commission**

The delegation was informed that due to the institutional structure of the URT, staff of the EAKC face some challenges in processing their residence and work permits. Immigration authority in Zanzibar require them to seek residence permit in Zanzibar while at the same time, they have been granted residence permit in the URT.

**5.1.1.4 Recommendations**

- a. The Council to direct the URT to resolve the issue of work and resident permit of the staff of the Commission.
- b. EALA Committee on Accounts to follow up the matter of the fraudulent bank account transaction and report to the Assembly.
- c. The Council to urgently amend the Protocol for the Establishment of Kiswahili Commission in order to make it effective, in terms of operations and the number of its Board, among others.
- d. The Council to direct all Partner States that are yet to establish Kiswahili Councils to establish them.
- e. The Council to provide adequate human and financial resources to enable the EAKC discharge its mandate.

## **5.1.2 MALINDI PORT AND THE NEW CARGO PORT PROJECT IN MARUHUBI**

### **5.1.2.1 Overview of the Operations of the Malindi Port**

Malindi Port is exactly located in the west of Stone Town as a multi-purpose port. It was originally built in 1925 and reconstructed in 2005- 2008. It is currently the largest port in Zanzibar with approximately 160,000 tons of general cargo and 25,000 tons of liquid bulk cargo annually, handling more than 90% of Zanzibar's cargo.

### **5.1.2.2 Challenges Identified at the Malindi Port**

The operations of the Malindi port face the following challenges:

- i. limited wharf length, poor condition, lack of effective handling equipment and lower terminal;
- ii. limited berthing capacity which cannot accommodate large-scaled vessels, which retards business development;
- iii. insufficient stacking yard and stacking capacity;
- iv. its location is not complying with the tourism-related activities' development orientation of stone town, which was recognised as a UNESCO world heritage site in 2000; and
- v. strong siltation which results in the higher maintenance dredging fees and danger to accommodate large-scaled vessel.

### **5.1.2.3 The Construction of the Muruhubi Port Project**

The delegation was informed that the aforementioned challenges that constrain the performance of the Malindi port have motivated the Revolutionary Government of Zanzibar to undertake the construction of a new cargo port in Maruhubi.

The proposed port will include container terminals, multi-purpose terminals, dry dock, dhow basin and industrial zone and city area, the total of which cover an area of 375ha.

The delegation observed that the construction of Maruhubu Port would go a long way in preserving Zanzibar City as the UNESCO world heritage site.

The delegation was informed that the Revolutionary Government of Zanzibar is negotiating with the China Exim Bank a loan facility for the construction of the proposed Maruhubi Port.

#### **5.1.2.4 Recommendations**

The delegation recommends the Revolutionary Government of Zanzibar to expedite the development process of the Maruhubi Port.

### **5.1.3 DAR ES SALAAM PORT**

#### **5.1.3.1 Overview of the Operations of Dar Es Salaam Port**

Dar es salaam Port is a major economic infrastructure not only for the URT but also for the EAC region. The port handles over 90% of the Tanzania seaborne trade, and, at the same time, serves eight (8) land-linked countries of approximately 200 million people, namely the Republic of Burundi, the Democratic Republic of Congo (DRC), Malawi, Mozambique, the Republic of Rwanda, the Republic of Uganda, Zambia and Zimbabwe.

The delegation was further informed that Dar es Salaam port is a starting point for the two major transport corridors : (1) the Central Corridor served by Tanzania Railway Line (1.0m gauge) to Mwanza & Kigoma, thus connecting the port with Burundi, DRC Congo, Rwanda and Tanzania Northern hinterland and (2) the Dar es Salaam Corridor served by TAZARA railway line (1.067m gauge) and connecting the port with Zambia, Malawi and Tanzania Southern hinterland.

#### **5.1.3.2 Achievements**

Dar es Salaam port has recorded the following performance indicators from 2012/2013 to 2016/2017:

- i. improved ship turnaround time from 4.9 to 3.0 days/ship in 2016/17;
- ii. improved Motor vehicles handled /shift from 672 to 679 MV / shift;
- iii. improved Import container dwell time (days/container) from 14.8 to 8.2; and
- iv. improved crane moves/24 hours (gross) from 458 to 611 for Tanzania International Container Terminal Services Ltd(TICTS) and from 244 to 390 for Tanzania Ports Authority.

### **5.1. 3.3 Ongoing Key Projects**

The delegation was informed that the following projects are ongoing at the TPA:

- i. strengthening and deepening of berth 1-7;
- ii. dredging of entrance channel and turning Basin;
- iii. construction of berth 12,13 and 14;
- iv. improving the existing railway line;
- v. revamping the TAZARA railway capacity; and
- vi. construction of the dry port in KWARA to partially reduce the number of trucks coming to the port.

The delegation was further informed of the plans by the Government of the URT to undertake the construction of the Standard Gauge Railway (SGR) line linking the Commercial City of Dar es Salaam with the capital city (Dodoma) up to Mwanza. The team noted that the SGR will link Tanzania with other regional countries including Burundi, DRC, Rwanda, and Uganda. The SGR is expected to play a significant role in decongesting the port of Dar es Salaam thus enhancing its efficiency.

### **5.1.3.4 Challenges**

Dar es Salaam port is facing the following challenges:

- i. the Cargo delivery by rail has decreased from 1% of cargo take off to 0.1% from 2012 to 2017 due to poor infrastructure of railway systems and unreliable locomotives and wagons;
- ii. congestion;
- iii. the shipping lines raised their concerns over some cases of maritime frauds by using forged company registration and documentation by clients originating from Uganda (10 bills of lading) that lead to cargo disappearance;
- iv. the shipping lines also complained of the delay of clients from Burundi and Rwanda to clear their cargo and thus causing storage charges and problems at the Port.

### **5.1.3.5 Recommendations**

The delegation recommends the URT to apply a fast and comprehensive approach in developing the Standard Gauge Railway such that it can improve cargo delivery by Dar es Salaam Port.

### **5.1.4 TANZANIA REVENUE AUTHORITY (TRA)**

#### **5.1.4.1 Operations of TRA in the EAC Single Customs Territory (SCT)**

The delegation was informed by TRA that the SCT operates through the customs systems of the Partner States which have been interfaced to enable data transmission, so as to support fast clearance of imported goods.

However, the delegation noted that the Partner States are operating different customs managements Information and Technology (IT) systems. Burundi, Rwanda and the Uganda use ESCUDA World, while Kenya is using SIMBA and the URT operates in TANCIS system.

In addition, the delegation was informed that the Commissioners General (CGs) of the Revenue Authorities of the Partner States agreed to harmonise domestic taxes and address the issue of double taxation, through the Committee of Customs under the EAC. While Kenya, Rwanda and Uganda have ratified the EAC Double Taxation Agreement, Burundi and the URT are yet to ratify it.

The delegation observed that the Republic of South Sudan (RSS) is not yet integrated in the EAC Single Customs Territory.

#### **5.1.4.2 Challenges faced by different Stakeholders Operating in the SCT**

TRA and other stakeholders who interacted with the delegation raised the following issues which still hamper the smooth functioning of the SCT:

- i. ineffective interface of the customs management IT systems operated by the Partner States;
- ii. delays in clearance of goods due to erroneous declarations lodged by the customs clearing and forwarding agents (CFAs);
- iii. CFAs complained over the provisions of sections 147-148 of the EAC Customs Management Act, 2004 relating to penalties for wrong customs declarations.

The provisions apply sanctions to agents instead of to owners of the cargo. The agents would like the sanctions provided for to apply only to the owners or consignees who know well the cargo they are shipping;

- iv. CFAs also mentioned that the provisions of the EAC Customs Management Act, 2004 relating to customs warehouse rent cause a lot of difficulties in their implementation;
- v. CFAs further complained of the short duration of their license (only one year as opposed to the five years requested);
- vi. non-ratification of the EAC Double Taxation Agreement by Burundi and the URT;
- vii. lack of harmonisation of domestic taxes.

#### **5.1.4.3 Recommendations**

- a. The Council to direct the Partner States to ensure effective interface of their customs management IT systems to facilitate the smooth functioning of the Single Customs Territory.
- b. The Council to fast-track the process of integrating the Republic of South Sudan into the Single Customs Territory.
- c. The Council to initiate a review of Sections 147 and 148 of the EAC Customs Management Act, 2004 to address the issue of penalizing clearing and forwarding agents for wrong declarations and to clarify the provisions relating to customs warehouse rent.
- d. The Council to direct the Republic of Burundi and the URT to ratify the EAC Double Taxation Agreement.
- e. The Council to direct the Partner States to harmonise their domestic taxes.
- f. EALA Committee on Trade and Investment to further engage the representatives of freight shipping lines and customs agents on the challenges facing the sector and the laws that require review.
- g. the EAC Secretariat to conduct training and sensitization of clearing and forwarding agents on the functioning of the EAC Single Customs Territory and its implications on their customs operations.



## **5.1.5 VIGWAZA WEIGHBRIDGE**

### **5.1.5.1 Overview of the Operations of Vigwaza Weighbridge**

The delegation was informed that Vigwaza weighbridge is among the three stations constructed under the East Africa Trade and Transport Facilitation Project. It is a One Stop Inspection Station constructed in 2014. Once completed, it will amalgamate the services of Police, TRA and the weighbridge. However, apart from the weighbridge, the infrastructure for those other services are yet to be constructed.

Vigwaza weighbridge has got two weighing scales: weigh in motion and the static weigh scale. The weigh in motion scale weighs transit vehicles while in motion and it can detect whether the vehicle is overloaded or not. Once a vehicle is suspected to be overloaded, it is redirected and subjected to the actual static weighing scale for verification. If the vehicle is not overloaded, it is allowed to proceed without stopping at the static weighing scale.

The weighbridge station is connected to the National Communication Backbone. The Government of the URT is in the final stages of installing the CCTV management system which will access the online monitoring from the Tanzania National Road Agency (TANROADS) headquarters, Ministry of Works, Transport and Communication, the Road Fund Board and TANROADS regional offices.

The delegation observed that the weighbridge lacks suggestions boxes that would facilitate getting the feedback from the stakeholders necessary for improving service delivery.

### **5.1.5.2 Achievements**

The Weighbridge station weighs average of 1670 vehicles a day. Its operations have resulted into the following advantages:

- i. reduced traffic congestion;
- ii. the data is captured automatically as opposed to the manual data capture;
- iii. there is relative transparency in the operations of the weighbridge which was enhanced by installation of remote displays;

- iv. it has reduced customer complaints on weighing delays as the vehicles are weighed once in operation; and
- v. it has reduced overloading of trucks hence protecting the roads from unnecessary damage by overloaded vehicles and fast deterioration.

The delegation was however informed that the URT is still applying the 1973 Road Traffic Act as opposed to the EAC Vehicle Load Control Act, 2014. The officials at the Vigwaza weigh bridge alleged that this is due to the fact that the Ministry responsible for transport has not received guidance from the Office of the Attorney General of the URT on the implementation of the EAC Vehicle Load Control Act 2014.

#### **5.1.5.3 Challenges**

Vigwaza weighbridge operations are still constrained by the following challenges:

- i. the fast-changing technologies of the vehicles posing challenges for vehicle classification;
- ii. unstable connectivity caused by poor functioning of the CCTV system;
- iii. fluctuations of the electric power that causes unexpected damage of electrical and electronic equipment;
- iv. lack of rest center for drivers where all the transit trucks must stop after travelling 12 hours a day;
- v. the delegation interacted with some drivers who complained of payments for stickers to enable them get facilitated to stop on few weighbridges for inspections;
- vi. the delegation was also informed by some drivers that the different weighbridges in Tanzania do not give the same weight results for the same cargo.

#### **5.1.5.4 Recommendations**

- a. The Council to direct the URT to ensure that all the weighbridges are standardised to produce similar weight results for the same cargos.
- b. The Council to direct the URT to implement the EAC Vehicle Load Control Act 2014.

- c. The Council to direct the URT to set up adequate infrastructure for other stakeholders like the police and TRA at the Vigwaza weighbridge since their services are complimentary.
- d. The Council to direct the URT to improve on the functioning of the CCTV system;
- e. The Council to direct the URT to set up rest centers for drivers.
- f. The EAC Secretariat to conduct awareness among the users, especially the drivers and other road users on the importance of the road safety and usage.
- g. The Council to direct the URT to address the issue of fluctuations of the electric power for the safety of electrical and electronic equipment at Vigwaza weighbridge.

#### **5.1.6 COURTESY CALL ON THE MINISTER OF FOREIGN AFFAIRS AND EAST AFRICAN COOPERATION OF THE UNITED REPUBLIC OF TANZANIA**

On Thursday 15<sup>th</sup> February 2018, Members paid a courtesy call on his Excellency the Minister of Foreign Affairs and East Africa Cooperation of the URT, Hon. Ambassador Dr. Augustine MAHIGA.

Ambassador Mahiga commended the EALA for undertaking the on-spot assessment and pledged to work hand in hand with the Assembly in addressing the issues which would be raised in the on-spot assessment report.

The Minister emphasized the need to fast track the construction of the SGR that would link Dar es Salaam port with the landlocked countries of Burundi, Rwanda and Uganda.

#### **5.1.7 KABANGA ONE STOP BORDER POST (OSBP)**

##### **5.1.7.1 Operations of KABANGA OSBP**

Kabanga OSBP is at the border between Burundi and the URT, and it was opened in 2015. Kabanga OSBP is on the URT side while on the Burundi side is Kobero OSBP. These OSBPs are separated by a distance of 2 km. The immigration and customs officials from both countries occupy the same offices and sit adjacent to each other. The clearance process by customs officials is done at the entrance of each side of the border. The delegation noted that this OSBP operates from 7 AM to 6 PM.

There are a number of Government agencies and private stakeholders operating at the OSBP such as health services, immigration services, customs services, warehouses, clearing and forwarding agents, transporters, insurance, banks and forex bureaus.

The delegation was informed that the certificates of origin are issued by the private sector (Tanzania Private Sector Federation) in the URT while for Burundi, the customs officers at Kabanga OSBP are allowed to issue them.

In respect of the free movement of goods and people, the delegation was further informed that under the Foreign Vehicles Transit Charges Act 2006, the URT charges 6\$ or its equivalent in convertible currency for every 100km on motor vehicles which does not exceed 8 axles and \$16 for motor vehicles exceeding 3 axles for every 100km as transit charges.

In addition, every foreign vehicle entering the URT is given a maximum of 7 days stay in the Country. Any overstay is charged \$ 20 per week. The delegation noted that this charge hinders the movement of East Africans who are likely to travel within the Community for longer periods such as business people, persons attending burials, weddings or seminars.

The delegation further received the complaint of Tanzanian customs officials of the road toll charged by Burundi for returning trucks when they are loaded unlike when they are empty.

#### **5.1.7.2 Objectives**

The main objective of the OSBP is to enhance trade facilitation, through efficient movement of goods, persons and services between the two countries and adjoining regions. Specifically, the OSBP aims at:

- i. minimizing the number of required stops during the cross-border trade;
- ii. amalgamating the activities of agencies operating at the border points of the two countries, with simple procedures, for a shared process, as well as for inspections and;
- iii. minimizing the time used for clearing the goods and passengers at the border post.

It is important to note that these objectives are the same for all the OSBPs established in the EAC region.

### **5.1.7.3 Achievements**

The delegation was informed that since its operationalisation, the OSBP has achieved the following results:

- i. reduced clearing time for passengers and goods;
- ii. facilitation of free movement of the border communities due to the implementation of the "*Ujirani mwema*" policy;
- iii. limited escapes because the clearance is done at one stop point; and
- iv. strengthened cooperation among the different agencies operating at the border.

### **5.1.7.4 Challenges**

- i. The border is manned by only three immigration officials and these are not enough to provide prompt and fast services for the travelling passengers.
- ii. There are acute housing challenges faced by the Burundi and Tanzania Immigration and Customs Officials.
- iii. Only one vehicle is allocated to this post for surveillance, transport and administrative work.
- iv. There a number of national laws that are not harmonized with the EAC Customs Management Act, 2004 and the EAC One -Stop Border Posts Act, 2016 and consequently still hamper the smooth functioning of the OSBP and the SCT. These laws include Transit Charges Act, Fuel and Road Tolls Act, Road and Traffic Act, and Foreign Vehicles Transit Charges Act.
- v. Lack of enough parking yard to accommodate goods and motor vehicles at the OSBP.
- vi. Lack of enough knowledge by business communities, transporters, CFAs Agents on border operations and applicable EAC laws and regulations.
- vii. Lack of common body/organization to issue certificates of origin in each Partner State.

- viii. Some drivers and transporters have reported to the OSBP authority security issues and roadblocks along the central corridor.
- ix. Lack of a common customs management IT systems between Burundi and URT.
- x. Difference in official languages has been also an issue as customs documents from Burundi are written in French while those from URT are in English.
- xi. Lack of adequate facilities for persons with disabilities, such as toilets.

#### **5.1.7.5 Recommendations**

- a. The Council to direct the Partner States to harmonise all national laws that are hampering the smooth functioning and operations of the Single Customs Territory and the OSBPs.
- b. The Council to direct the Partner States to harmonise their customs management IT systems.
- c. The Council to direct the EAC Secretariat to carry out a sensitization campaign for transporters, Clearing and Forwarding Agents, and border communities on OSBP operations and applicable EAC laws and regulations.
- d. The Council to direct the Republic of Burundi to also use English language for all customs documents communicated to the other EAC Partner States.
- e. The Council to direct the Republic of Burundi and the URT to address the transport and accommodation challenges for the staff working at the Kabanga / Kobero OSBP.
- f. The Council to direct the Republic of Burundi and the URT to address the issue of parking yard and provide adequate facilities for persons with disabilities, ambulance, firefighting equipment, quarantine, testing/laboratory equipment, staff accommodation and transport and armoury at Kabanga / Kobero OSBP.
- g. The Council to direct the Republic of Burundi and the URT to increase personnel at Kabanga/Kobero OSBP.

## **5.1.8 KOBERO ONE -STOP BORDER POST**

### **5.1. 8.1 Overview of Operations of Kobero OSBP**

Kobero OSBP was opened at the same time and for the same objectives as for Kabanga OSBP. Regulatory services operating at Kobero OSBP are similar to those at Kabanga OSBP.

It was observed that Kobero OSBP offers cargo tracking services to ensure that trucks destined to Bujumbura are not diverted along the way.

The delegation was also informed that the OSBP is not yet working for 24 hours. It operates from 7AM to 6 PM. Passengers arriving after closing hours have to wait for another day to be served. The delegation was further informed that the drivers of trucks have been requesting for the authorization to sleep inside their trucks however this is not allowed by the responsible officials in Burundi.

The delegation noted that the officials were working in very limited office space because the OSBP building was being renovated.

The delegation received the complaint of the users of this OSBP of the double customs inspection system operated by Burundi. Firstly, the trucks carrying goods and other vehicles are stopped at the entrance of the OSBP for verification of customs documents, thus blocking the road and causing traffic jam. After entering the OSBP premises, another verification of customs documentation is carried out. This duplication causes delay and cost of doing business.

It was observed that the time taken to clear goods is still too long. The process can take 4 to 6 days. The delegation was informed that this delay is brought about by poor internet connectivity and traders who submit incomplete or outdated documents or owners of the imported goods who do not have the required money to pay the customs duties while their trucks are already in the OSBP premises.

### **5.1.8.2 Achievements**

The achievements of Kobero OSBP include:

- i. facilitation of the free movement of people crossing the border; and
- ii. collaboration between border officials of Burundi and URT.

### **5.1.8.3 Challenges**

The delegation noted the following challenges:

- i. unstable and unreliable internet connectivity;
- ii. lack of a software for scanning the passports of the passenger;
- iii. duplication of customs verification process;
- iv. language barrier to communicate with non-French and Kirundi speakers;
- v. lack of appropriate testing equipment and facilities at the border which entails that samples have to be taken to Bujumbura capital (4 hours' drive);
- vi. lack of enough accommodation and transport facilities for the officials operating at the border;
- vii. limited staff, particularly for the standards and the phytosanitary departments;
- viii. lack of enough parking facilities to accommodate goods and motor vehicles;
- ix. lack of storage and quarantine space for goods or phytosanitary products; and
- x. alleged cases of corruption on the part of Tanzania.

### **5.1.7.4. Recommendations**

The delegation recommends the Council:

- a. to direct the Republic of Burundi to urgently address the issue of internet connectivity;
- b. to direct the Republic of Burundi to address the issue of software for scanning passports;
- c. to direct the Republic of Burundi to simplify/streamline the customs verification process;
- d. to direct the Republic of Burundi to equip Kobero OSBP with enough staff, laboratory, parking, staff accommodation, staff transport, storage and quarantine facilities;
- e. to direct the Republic of Burundi to address the issue of language barriers for some users at the OSBP; and
- f. to direct the URT to verify and address the issue of alleged corruption practices of its officials at Kabanga OSBP.



### **5.1.9 COURTESY CALL ON THE MINISTER IN THE PRESIDENT’S OFFICE IN CHARGE OF EAC AFFAIRS**

On Monday 19<sup>th</sup> February 2018, Members paid a courtesy call on the Assistant Minister responsible for EAC affairs, Ms Clarette INAMAHORO. The Assistant Minister commended the Assembly for conducting the on-spot assessment activity, for visiting Burundi and requested the Members to be the ambassadors of Burundi on the recovered peace.

### **5.1.10 EAST AFRICA HEALTH RESEARCH COMMISSION**

#### **5.1.10.1 Establishment and Mandate**

The East African Health Research Commission (EAHRC) is an Institution of the EAC established by a Protocol (the Protocol for the Establishment of the EAHRC), signed by the Partner States in 2008. Its Secretariat was officiated in May 2015. Its headquarters is in Bujumbura, in the republic of Burundi.

The Commission is mandated “to coordinate and promote the conduct of health research, source, gather and disseminate the findings for the purpose of policy formulations, which can be applied towards the enhancement of the health of the people in the region and in order to fulfil the mandates as spelt out in Article 118 of the Treaty for the establishment of the Community” (Article 6 of the Protocol).

#### **5.1.10.2 Achievements**

Since its establishment, the Commission have made the following achievements:

- i. development of the strategic plan 2016-2021;
- ii. establishment of database on Health-related research findings accessible via the website of the Commission; and
- iii. launch of health research journal.

The delegation noted that the RSS is not integrated in the ongoing programmes and projects of the EAHRC.

### **5.1.10.3 Challenges of the Commission**

#### **i. Delayed Headquarters procurement processes**

The delegation was informed about the procurement process for the Commission's offices which had been initiated before 2015 but failed until 1<sup>st</sup> February 2018 when the Commission started the process of relocation from the EAC Secretariat in Arusha. So far, 60% of the staff is operating in the new Headquarters in Bujumbura.

#### **ii. Problems affecting the land allocated by the Government of Burundi to the Commission**

In 2015, the Government of Burundi granted the Commission a land of approximately 7,174.94 squares meters. The land has three problems. Firstly, it was registered in the name of the Ministry in charge of health in Burundi. Secondly, the Commission is required to pay one hundred seven million and nine hundred twenty-four thousand two hundred fifty Burundi francs (107,924,250.00 FBU) which is approximately 68,000 USD for the land, yet it had been given for free. Thirdly, the land is located in a residential area, which renders it not suitable for hosting a research institution that intends to install laboratories for carrying out scientific research.

#### **iii. Limited Budgets and overdependence on Donations**

The budgets allocated to the Commission are not sufficient to carry out the planned activities under the approved strategic plan of the Commission. This funding gap has resulted into dependency on Development Partners who contribute over 70% of the funding.

#### **iv. Understaffing**

The Commission staffing levels for 2016-2021 has been approved with a structure for implementation. A staffing plan has been approved but the recruitment process takes much time and this has resulted into delays in implementing the mandate of the Commission.

**v. Delay in Amending the East African Health and Research Commission (EAHRC) Protocol**

The 12<sup>th</sup> Ordinary Meeting of the Sectoral Council of Ministers of Health directed the EAHRC Secretariat to prepare and submit a draft amendment of the Protocol establishing the East African Health Research Commission. The main reason to amend the protocol is to rationalize the number of members of the Governing board which is too big as per article 9 of the protocol establishing the Commission. The draft amendments to the Protocol were submitted to the Partner States, but there is a delay in the process of the amendment.

**vi. Delayed process of enactment of the EAHRC Bill**

The East African Health Research Commission Bill 2011 adopted by the 6<sup>th</sup> Meeting of the Sectoral Council on Health in April 2011 and updated in 2015 is yet to be considered and passed by the EALA.

**5.1.10.4 Recommendations**

- a. The Council to direct the Republic of Burundi to find an alternative land suitable for health research in accordance with the WHO standards.
- b. The Council to expedite the process of recruitment to fill the vacant positions at the Commission.
- c. The Council to explore more alternative funding mechanisms for the Commission in order address the funding gaps.
- d. The Council to direct the Partner States to amend the Protocol establishing the EAHRC and subsequently initiate a regional Research Bill to regulate research in the East African Community region.
- e. The Council to direct the Commission to fast track the process of integrating the RSS into its programs and activities including redesign of the Commission logo to integrate South Sudan colors.

## **5.1.11. RUHWA ONE STOP BORDER POST**

### **5.1.11.1 Overview of the Operations of the OSBP**

Ruhwa is an OSBP between Burundi and Rwanda. The OSBP was established in 2013. The delegation observed that the OSBP has provided for enough and decent accommodation for the officials of the two Partner States.

Ruhwa OSBP serves as the shortest, safest and most efficient link between the central corridor and the largest Lake city in the Eastern DRC-Bukavu. Travel time from Kabanga/Kobero border between the URT and Burundi is between 5-6hours covering a distance of 344 kilometers as compared to Rusumo where it takes 11-12 hours covering a distance of 372 kilometers.

However, the delegation noted that the OSBP is not functional due to the disagreements between the Governments of the two Countries.

### **5.1.11.2 Challenges**

The delegation was informed that the OSBP closed in 2016 due to disagreements between the Governments of Rwanda and Burundi over a number of issues, such as:

- i. installation of CCTV Cameras before proper consultations;
- ii. security agencies accessing the OSBP on numerous occasions with arms that are not registered as required by the OSBP operational manual;
- iii. loss of lives; and
- iv. ban of exports of food products.

Due to the above issues, there is limited trade between Burundi and Rwanda through Ruhwa border post. The customs officials informed the Team that they clear only one truck per week.

Despite the challenges, the delegation noted from both Partner States the willingness to resolve the issues and resume the operations of this OSBP.

### **5.1.11.3 Recommendations**

The delegation recommends to the Assembly to establish a select Committee comprising some Members who toured the Central Corridor to oversee the matter and explore avenues of normalizing the operations of Ruhwa OSBP.

### **5.1.12 RUSUMO ONE STOP BORDER POST**

#### **5.1.12.1 Operations of the OSBP**

Rusumo OSBP started its operations on 1<sup>st</sup> March 2016 before the Heads of State of the Republic of Rwanda and the URT officially launched it on 6<sup>th</sup> April 2016.

The OSBP co-locates exit and entry controls of both countries in one common facility combining the activities of both countries' border organizations at a single location with simplified procedures and joint controls.

Unlike the other OSBP visited by the delegation, the Rusumo OSBP is equipped with a Real Time Monitoring System/Cargo Control System, which facilitates border operations. Likewise, the OSBP health services are equipped to provide yellow fever vaccine for travellers without yellow fever vaccination cards.

Unlike for Ruhwa OSBP, CCTV cameras have been installed without causing any problems between the officials of the two Partner States.

Since October 2017, the OSBP is operational 24 hours/7days a week. Special arrangements have been made to facilitate small traders and the movement of cross border communities. Small traders are facilitated through simplified trade regimes and border communities cross by using a simplified travel document (*Jetton/ujirani mwema*), which is valid for one day and allows them to move within 20 kms radius of both sides of the border.

The delegation was informed that the management of the OSBP hold cross border meetings on a monthly basis, chaired on a rotational basis, to address all the issues raised.

The delegation was further informed that the OSBP have already received visitors from other countries such as the Republic of South Sudan among others on a learning mission.

### 5.1.12.2 Achievements

RUSUMO OSBP is functioning smoothly and has already achieved the following results:

- i. **reduced clearance time:** The delegation was informed that a time measure survey recently conducted has revealed that it takes 2 hours to clear a truck and only 5 minutes for clearing passengers. However, the delegation interacted with some drivers who alleged that it can take a whole day to clear their trucks.
- ii. **increase in commercial vehicle traffic and passengers travel:** The reduction of the time of clearance of documents and dwell time has impacted positively on the development of business around the border as statistics show that there are 174 vehicles and 1800 persons crossing the border on a daily basis;
- iii. **improved cooperation among the border agencies** through coordinated approach to border operations and information sharing; and
- iv. **harmonized procedures** in clearing persons, goods and vehicles, in infrastructure management and cross-border risk assessment.

### 5.1.12.3 Challenges

Despite the foregoing achievements, Rusumo OSBP still faces the following challenges:

- i. lack of holding facilities for passengers suspected with contagious diseases;
- ii. lack of an armoury for weapons on the Rwanda border;
- iii. lack of an ambulance to transport emergence cases;
- iv. lack of a health centers to take care of the border community which keeps growing following the construction of the Hydroelectric Project on Rusumo River;
- v. lack of firefighting equipment at the border yet it is in the proximity of the Rusumo Hydroelectric project in addition to being a transit for many trucks to Kigali and DRC with highly inflammable products;
- vi. lack of enough housing facilities for staff working at Rusumo OSBP; and
- vii. some drivers alleged that there are cases of theft on the two hilly parts of the road near the Rusumo river on the way to Kigali when they travel at night. They however indicated that the police was already informed and has taken measures to address it.

#### **5.1.12.4 Recommendations**

- a. The Council to direct the Republic of Rwanda and the URT to jointly address the issues of firefighting equipment and facilities, staff housing facilities, quarantine and holding facilities, standby ambulances, and health centers at Rusumo OSBP.
- b. The Council to direct the Republic of Rwanda to provide armoury facilities at the OSBP.

#### **5.1.13. Regional RUSUMO FALLS HYDROELECTRIC POWER PROJECT (RRFHP)**

##### **5.1.13. 1 Overview of the Project**

The Regional Rusumo Falls Hydroelectric Project (RRFHP) is located along the Kagera River, a shared water resource by Burundi, Rwanda and the URT. The main objective of the project is to increase supply of electricity to the national grids of the three countries.

The hydroelectric project is a flagship project of the Nile Basin Trust fund that is moving towards implementation after being launched February 2017 and is expected to be completed by 2020. The construction is funded by World Bank as a full loan to the URT, half loan to Rwanda and full grant to Burundi.

The project's estimated US\$ 468.6M cost is to be covered by the World Bank (US\$ 340M for the power plant) and by the African Development Bank (US \$ 128.6 M) for the transmission lines), that will connect the power plant to the national grids of Burundi and Rwanda. The project will also supply electricity to western Tanzania, which is not connected to the national grid.

The Rusumo Power Company Limited (RPCL) was formed by the three States to manage the project, which is implemented by Nile Equatorial Lakes Subsidiary Action Program (NELSAP) on behalf of the RPCL. The Company is registered in Rwanda though more than 80% of the project activities are carried out on the side of Tanzania.

The implementation of the project has been subject to an Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP), which were finalized in 2013. They resulted in the plans to mitigate the Environmental, Social, Health and

Safety (ESHS) impacts, the Livelihood Restoration Programme (LRP) and the Local Area Development Plan (LADP).

The delegation was informed that the project will generate the capacity of 80 MW to be equally shared among the three States, create job opportunities for about 400 skilled, non-skilled and casual workers drawn from the three countries, in addition to improving the livelihoods of 7,000 households of the beneficiary districts under the development programme and another 188 households directly affected by the project through the livelihood restoration programme.

#### **5.1.13.2 Challenges**

The ongoing RRFHP is already facing the following challenges:

##### **i. Governance and implementation challenges related to Free movement of Workers and Services**

The delegation was informed that there are challenges related to processing work and residence permits in the URT for workers originating from Burundi and Rwanda. It was further noted that the engineers working on the project were required to register themselves with the board of engineers of Tanzania.

The delegation was also informed that there were challenges in implementing the policy of hiring local staff. While the Project specifies that local staff for handling casual labour operations ought to be drawn from the local catchment area, namely Ngara District of the URT, the local representative lamented that almost all of the existing casual laborers are coming from scores of kilometers away from Ngara and mainly cross border areas. However, the Project's public relations officer informed the visiting Members that this concern has been noted and was being worked on so as to be in conformity with the original agreement.

##### **ii. Conflict of Laws**

The delegation was informed of challenges relating to the conflict of laws troubling the project, particularly the governing law. The company managing the project was registered in Rwanda, while the majority of the land on which the project is being implemented on is under the jurisdiction of Tanzania. The company has to employ, in



equal number, workers from each of the three States, on the site of the Project in Tanzania. The laws of Tanzania are also consequently in application.

The delegation was informed that there are issues related to conflict of laws regarding tax exemption for imports of the company, payment of employment tax and social security contributions due to un-harmonized national laws of the three countries.

### **5.1.13.3 Recommendations**

The delegation recommends the three Partner States to solve the underlying issues through the established Board of Directors of Rusumo Power Company Limited.

## **5.2 NORTHERN CORRIDOR**

### **5.2.1 KENYA PORTS AUTHORITY**

#### **5.2.1.1 Overview of the Operations of the Kenya Ports Authority**

The Members visited Kenya Ports Authority (KPA) where they were informed that KPA was established in January 1978 under an Act of Parliament. KPA is mandated to manage and operate the Port of Mombasa and all scheduled seaports along Kenya's coastline that include Lamu, Malindi, Kilifi among others. The Port of Mombasa is the gateway to East and Central Africa and is one of the busiest Ports along the East African Coastline. The Port provides direct connectivity to over 80 ports worldwide and linked to a vast hinterland comprising Uganda (82.4%), Southern Sudan (7.8%), East DRC (4.2%), Tanzania (3.1%), Rwanda (2.1%), Burundi (0.3%) and others (0.2%).

Members were further informed that KPA uses information technology in its operations. By automating all its operations, KPA has become paperless, it has linkages with the Kenya Revenue Authority (KRA) and clearance of cargo is on-line/automated. KPA has continued to benchmark its services to other world-class ports like Singapore, Shanghai and Durban.

Members were also informed that for transit cargo, a trader is given 9 days to clear the same. Failure to comply, the cargo attracts penalties for the maximum of twenty-one days. Once this period lapses, the goods are auctioned. The auction is done within the laws of Kenya. This is done by gazetting and advertising in the local and regional dailies.

With regard to verification of cargo, it was mentioned that the contents of all containers are verified and must match the manifest lodged by the shipping line.

Members noted that some EAC Partner States have deployed customs officials at the port of Mombasa to facilitate the operations of the Customs Union while others are yet to deploy their staff at this port.

It was also noted that Kenya has an active Anti-Counterfeit Agency in place, which has been in operation since 2010. Counterfeit goods that are discovered at the Port are impounded and destroyed. However, it is worthwhile to note that not all the EAC countries have enacted the counterfeit laws. This has made it difficult to stop counterfeit goods from accessing the East African region.

It was observed that the Port has gone through tremendous changes. However, port users pointed out that some laws are passed against the rules of natural justice and bureaucracy still increases the cost of doing business.

Members were informed that the Kenya Ports Authority has over 500 cameras on sight. CCTV cameras have been installed on the port perimeter wall, both on sea and land. All port users are expected to obtain digitalised security cards to gain access to the port. All systems are integrated and interfaced with each other while Community based systems are being used.

Members were further informed that due to the issue of piracy, there has been a decline in the operations of the passenger ships.

It was mentioned that the number of weighbridges and other related NTBs have considerably reduced albeit a few weighbridges, which are still operational along the Northern Corridor.

KPA leadership informed the meeting that it operates under performance contract basis. Balanced Score Card system is used and the Institution ensures that the Key Performance Indicators are achieved.

It was also noted that KPA offers capacity building programs for example, it was observed that students from the Republic of Burundi were undergoing training under the sponsorship of KPA.

### **5.2.1.2 Achievements and other Development Strategies for KPA**

The Members were informed that to remain responsive to the maritime opportunities and demands, KPA laid down the following development strategies:

- i. expansion of the Mombasa Container Terminal to handle 1.5 million Twenty Foot Equivalent Units (TEUs) per annum. Phase one with a capacity of 550,000 TEUs was completed and commissioned in 2016;
- ii. development of a new Crude Oil Handling Facility with a capacity to accommodate four and bigger tankers up to 200,000 dead weight tonnage (dwt);
- iii. Dongo Kundu Special Economic Zone and Freeport, which is located west of the Port of Mombasa, the project is one of the flagship projects to be implemented under Kenya's vision 2030;
- iv. development of small Ports: Shimoni Port in the South Coast has been a national priority and is in line with the National Transport Sector Policy and KPA Strategic Plan;
- v. development of Kisumu Port and other Lake Victoria Port into a modern commercial Lake Port to serve the growing trade in the EAC region;
- vi. development of a comprehensive master plan to expand across the lake;
- vii. Capital Dredging was carried out in two phases. Phase 1 was completed in 2012. Phase 2 is required to accommodate the development of various upcoming projects such as the Dongo Kundu Freeport, among others;
- viii. adoption of a Green Port Policy is a pro-active, comprehensive approach to address the environmental impact of port activities and operations;
- ix. construction of Port at Lamu and LAPPSET Transit Corridor: Lamu Port is one of Kenya's Vision 2030 flagship projects, with regional outlook. It will provide a reliable access to the sea for Northern/Eastern parts of Kenya, South Sudan and Ethiopia, which hitherto remained without direct access to the sea;
- x. Bandari College will serve as a maritime institution of excellence. This Institution will serve the whole of East Africa;

- xi. construction of the first three berths has begun. The first berth will be ready by August 2018;
- xii. the Standard Gauge Railway will also contribute to the reduction of time for transport of cargo as well as the cost to import and to export.

### **5.2.1.3 Challenges**

At the port of Mombasa, the following challenges were identified:

- i. security and safety incidents such as loss of containers;
- ii. greater operational complexity as a result of much bigger ships bringing in congestion thus high cargo traffic coming in and not going out;
- iii. transshipment of loose cargo from Mombasa to Zanzibar island or Pemba where over 200 ships stay for six days without clearance;
- iv. implementation of rigid rules and regulations leading to increase of storage charges; and
- v. incurring double storage charges on the same cargo in the same period of time.

### **5.2.1.4 Recommendations**

- a. The Government of Kenya should ensure enough security at the port and along the Northern Corridor.
- b. The Council to direct the Republic of Kenya to undertake continuous sensitization programs to create awareness among the port.
- c. The KRA should consult with the Revenue Officials of the country of destination of the goods to be auctioned and advertise the auctioning in the country of destination of the goods.
- d. Kenya Ports authority should create more and enough space at the port to address issues of congestion.
- e. Kenya Ports Authority in consultation with the Port users should review the storage charges at the port.
- f. Transshipment of loose cargo between Mombasa and Zanzibar should permanently be resolved to avoid loss of revenues.
- g. The Council to direct Partner States to harmonize their Laws on counterfeits.

## **5.2.2 KENYA REVENUE AUTHORITY (KRA)**

### **5.2.2.1 Overview and Mandate**

Members were received at Customer Services and Border Control Department under the Kenya Revenue Authority. They were informed that Kenya started the implementation of the SCT clearance procedures at the end of 2013. The SCT aims at clearing of goods at first port of entry. It reduces the cost of doing business by eliminating duplicating of processes. It also reduces administrative costs, regulatory requirements and the risks associated with non-compliance on the transit of goods.

Members were also informed that primarily, the department operates under the legal framework comprising of the following:

- i. national laws such as Customs and Excise Act, VAT Act CAP 476, the Agency Act and Road Maintenance Levy (RML) among others;
- ii. regional laws such as the Treaty for the establishment of East African Community, the East African Customs Union Protocol, the East Africa Customs Management Act, 2004, the EAC Common External Tariff Act, and COMESA Agreements; and
- iii. global Agreements such as Revised Kyoto Convention, World Customs Organization and World Trade Organization.

Members were further informed that the mandate of the Customer Services Border Control include security and border control, protection of society through enforcement of prohibitions and restrictions, trade facilitation, revenue collection and accounting.

### **5.2.2.2 Challenges faced at the Kenya Revenue Authority**

- i. Insecurity of cargo due to the lack of a Regional Electronic Cargo Tracking Systems (RECTs) seals.
- ii. Transshipment of loose cargo. This encourages smuggling since goods do not reach their destination.
- iii. Systems interface to facilitate trade in the region is not integrated. These are considered as some of the non-tariff barriers and they limit business transactions.
- iv. Work permits for staff from other Partner States take too long to the extent that one is not even able to get a simple document like a driving licence to facilitate work at the Port.

- v. Revenue authorities keep increasing penalties, which are beyond the capacity of traders. This usually encourages corruption.
- vi. Single Customs Territory has not been fully implemented and has also not been embedded in the EAC Customs Management Act, 2004.
- vii. Lack of sensitisation of the users on the required documents of importation for cargo.
- viii. Restricted Movement of people and goods.
- ix. Lack of systems to ensure implementation of the Single Customs Territory.
- x. Lack of public participation during law making processes.
- xi. The RSS is not integrated in the Single Customs Territory; this makes it difficult to use the Regional Electronic Cargo Tracking System (RECTS) and leads to smuggling of goods.

### **5.2.2.3 Recommendations**

- a. The KRA should put in place appropriate measures to address smuggling issues.
- b. The Government of Kenya should fast track the issuance of works permits to staff from other Partner States.
- c. Partner States should invest more to avail the RECTS for goods in transit.
- d. Joint operation should be carried by both KPA and KRA.
- e. The Council should fast track the integration of South Sudan into the SCT.
- f. KPA and the EAC Secretariat should carry out Continuous Sensitisation activities among the users with regard to operations and legislation.

### **5.2.3 COURTESY CALL ON THE GOVERNOR OF MOMBASA COUNTY**

Members paid a courtesy call on H.E. Ali Hassan Joho, Governor of Mombasa County, who welcomed them to tour tourist sites and enjoy their hospitality. The Governor invited EALA to hold a sitting in Mombasa County. He mentioned that serious transformation had taken place due to the construction of the Standard Gauge Railway (SGR), which will link Mombasa to other cities in the region.

## **5.2.4 TAVETA/HOLILI ONE STOP BORDER POST**

### **5.2.4.1 Overview of the Operations of the OSBP**

Members were informed that the Holili/Taveta OSBP was the first facility, which was constructed as a pilot study in the EAC. The construction of the facility under the support of Trade Mark East Africa (TMEA) at the Holili side started in 2011. The building was completed and handed over to TRA on 3<sup>rd</sup> February, 2014. Taveta side in the Republic of Kenya completed the pilot operation as OSPB from 4<sup>th</sup> May 2015. The facility was officially launched as Holili/Taveta OSBP on 27<sup>th</sup> February 2016. There are more than ten government departments/regulatory authorities operating at the OSBP.

Members were informed that the priority for construction of the OSBP was based on the need to offer an alternative route to Northern Tanzania from Kenya with a view to reducing the amount of time to transport goods to and from Mombasa port.

Initially, the only route to transport goods from Mombasa port to Arusha and the Northern part of Tanzania, was through Namanga Border, which makes a distance of 613.4 Km. With the new route of Mombasa-Holili- Arusha, the distance is 379.7 km. The difference between the two routes for a person transporting the goods to Arusha from Mombasa Port is more than 200 km. It goes without saying that the decision to construct Holili/Taveta OSBP and improve the road infrastructure through this facility has positive economic implication due to reduction in transport cost and clearance time.

### **5.2.4.2 Achievements**

With the operationalization of Holili/Taveta OSBP, completion of Taveta – Mombasa tarmac road and introduction of single Customs Territory (SCT) as well as Simplified Trade Regime (STR), there has been a significant increase in cross border movement of goods and people as demonstrated in the table below:

**CROSS BORDER MOVEMENT OF GOODS AT HOLILI/TAVETA OSBP**

<b>VOLUME OF TRADE THROUGH HOLILI-TAVETA</b>						
<b>S/N</b>	<b>YEAR</b>	<b>NO. OF CONTAINERS SHIPPED THROUGH MOMBASA</b>	<b>NO. OF MVs WITH GOODS FROM KENYA</b>	<b>WEIGHT (MT)</b>	<b>VALUE IN TSHS.</b>	<b>TEMPORARY IMPORTED VEHICLE</b>
1	2014/2015	2,156	693	79,011.35	165,458,930,702.79	5,669
2	2015/2016	2,924	1,584	108,678.89	284,450,464,267.82	8,068
3	2016/2017	3,416	2,321	111,799.05	302,514,222,040.29	8,433
4	June 2017 to Dec	932	699	53,152.86	171,838,775,267.45	3,713
	<b>TOTAL</b>	<b>9,428</b>	<b>5,297</b>	<b>352,642.15</b>	<b>924,262,392,278.35</b>	<b>25,883</b>



<b>VOLUME OF EXPORT TRADE THROUGH – HOLILI/TAVETA OSBP</b>				
<b>S/N</b>	<b>YEAR</b>	<b>WEIGHT</b>	<b>VALUE (TZS.)</b>	<b>COMMODITIES</b>
1	2014/2015	80,708.60	20,398,249,607.86	<b>Avocados</b>
2	2015/2016	18,174.26	4,424,274,518.81	<b>Green</b>
3	2016/2017	10,693.13	106,920,018,387.36	<b>beans/haricots/dry</b>
4	JUL-DEC 2017	24,528.72	11,449,572,797.02	<b>beans</b>
	<b>TOTAL</b>	<b>134,104.71</b>	<b>143,192,115,311.05</b>	<b>Pigeon peas</b> <b>Maize</b> <b>Perishable</b> <b>agricultural</b> <b>products –</b> <b>Vegetables</b> <b>and</b> <b>fruits</b>

*SOURCE – TANZANIA CUSTOMS INTEGRATED SYSTEM (TANCIS)*

#### 5.2.4.3 Challenges at the Holili/Taveta OSBP

- i. The original structure of the building did not put into consideration holding areas for Animals/quarantine.
- ii. Lack of a thermo scanner for early detection of Viral Haemorrhagic Fever (VHF) diseases.
- iii. Lack of designated areas/ground to accommodate large groups of people in case of pandemics and asylum seekers.
- iv. Inadequate water supply.
- v. The route has been used for human trafficking for citizens of Ethiopia and Somalia because they consider it convenient.
- vi. Un-harmonized laws and regulation on the immigration and custom legal frameworks within the two countries.
- vii. Limited of awareness about the operations of the OSBP.
- viii. Porous and illegal routes along the border.

- ix. Passport is still the only required document for identification of persons at Taveta/Holili OSBP, thus making free movement of persons a challenge. The reason given to this, is that Tanzania has no National Identity Cards yet. However, border communities are given simplified travel document (*Ujiranimwema*) to move freely within a radius of 16km thus catering for school going children and for local traders within the border communities.
- x. The destruction of chicks from Kenya which was due to the lack of harmonised phyto-sanitary standards.

#### **5.2.4.4 Recommendations**

- a. The Council to direct Partner States to harmonize the phyto-sanitary standards as well as immigration and custom laws.
- b. The Council to direct all Partner States to establish EAC focal office at the border.
- c. EAC Secretariat should conduct regular sensitization activities for the boarder communities about the better understanding of OSBP, common market and customs protocols.
- d. The Governments of Kenya and Tanzania should fast track the process of supplying water at the border.
- e. The OSBP Authorities should make provisions for enough space to accommodate quarantine and other designated areas.

#### **5.2.5 NAMANGA ONE STOP BORDER POST**

##### **5.2.5.1 Overview of Operations of the OSBP**

Namanga OSBP is located between Kenya and Tanzania. The OSBP was constructed with the financial contributions from the African Development Bank and Japan International Cooperation Agency (JICA). Namanga OSBP operates on a 24-hour basis and the clearing of cargo takes a maximum of 2-3 hours to obtain the approval for further transportation.

##### **5.2.5.2 Achievements**

Members at Namanga were informed that this OSBP had managed to make tremendous achievements and these include:

- i. implementation of the OSBP has led to enhanced information sharing between other Government Agencies;
- ii. interagency cooperation and creation of Border Management Committee and Joint Operations Centre, which leads to, coordinated border management;
- iii. electricity connectivity to the area;
- iv. improved security and safety at the border due to the establishment of a joint operation centre;
- v. improved infrastructure such as trucks parking yard, all weather verification area, adequate customs warehouse, well-ventilated offices;
- vi. seamless process flow;
- vii. improved working environment;
- viii. increased simplification and harmonization of procedures led to a reduction in clearance time for both passengers and goods, which resulted in increase in business between Kenya and Tanzania;
- ix. employment of local communities;
- x. capacity building on management, laws and procedures for officers, stakeholders and the border community.

#### **5.2.5.3 Challenges faced at Namanga OSBP**

- i. Lack of non-intrusive inspection tools for cargo such as scanners, laboratory equipment among others.
- ii. Inadequate budgetary allocation to run the OSBP.
- iii. Low staffing levels in government departments operating at the OSBP.
- iv. There is need for mindset change of the officials at the OSBP as far as facilitation of free movement of people and goods is concerned.
- v. Porous /unmanned borders which are used by smugglers.
- vi. Incomplete harmonization of immigration laws as per the EAC protocol.
- vii. Failure by some exporters/importers to fully utilize the pre-clearance module prior to cargoes arrival at the border.
- viii. Animal/livestock holding area is lacking within the infrastructure since it's a cattle corridor.

- ix. Lack of interconnectivity of the systems within the border which has led to non-uniform operations.
- x. Difference in the axle weight between Tanzanian and Kenya, which poses high cost of doing business due to penalties.
- xi. No space was provided to the local Masai women within the community to carry out trade of their handmade crafts.
- xii. It was said that Tanzanians are allowed to carry out business in Kenya while Kenyans are not allowed to do the same in Tanzania, thus leading to conflicts between small traders at the border.
- xiii. Un-harmonised taxes and other hidden charges levied at departmental levels by Government agencies at the border, for example cereals such as maize are tax-free but still incur unseen taxes or charges.

#### **5.2.5.4 Recommendations**

- a) The OSBP authorities should ensure multi-stakeholder collaboration and partnership amongst border communities and other relevant agencies.
- b) Council to direct the Partner States to fast track efforts to harmonise policies in order to facilitate cross border trade within the region.
- c) Council to direct the Partner States to introduce attitudinal development, continuous monitoring and mentoring of the officials of the OSBPs, in respect of fast-tracking free movement of people, goods, services and implementation of integration programmes.
- d) The EAC Secretariat should undertake regular sensitization activities to Border Agencies and other relevant stakeholders on the EAC projects, policies and regulations.
- e) The Governments of Kenya and URT should enhance the public private dialogues between Governments and business community.
- f) The Partner States should harmonise the laws on phyto-sanitary standards.

### **5.2.6 COURTESY CALL ON THE GOVERNOR, NAIROBI COUNTY**

Members paid a courtesy call on H. E. Mike Mbuvi Sonko, Governor of Nairobi County, who welcomed them to Nairobi. The Governor informed the members that his mission was to make Nairobi a center of excellence and transit route for the East African Hub.

He further informed them that Nairobi as a County had several challenges but the greatest one was solid waste management. The County of Nairobi was consulting with other investors to construct a waste management plant in order to make the Nairobi County green again.

The Governor mentioned that the Standard Gauge Railway (SGR) was already operational from Nairobi to Mombasa and vice versa. The Republic of Uganda is also embarking on construction of the SGR. Kenya and Uganda are working on a joint framework to finance the railway from Nairobi to Kampala. Negotiations to have one financing agreement are on course.

Members emphasised that the issue of waste management should be addressed at regional level through the implementation the principle of the 3Rs (Reduce, Reuse, Recycle).

Members also observed that there is need for East African Partner States to organise cities conventions and have convergence points regularly, which would encourage integration of cities within the region.

### **5.2.7 COURTESY CALL ON THE GOVERNOR, NYAMIRA COUNTY**

Members paid a courtesy call on H. E. John Nyangarama, the Governor of Nyamira County. The Governor thanked EAC for identifying Nyamira County as one of the beneficiaries of its projects particularly related to Lake Victoria. The Governor informed the Members that his ambition was to make sure that before his term comes to an end, the forest cover in Nyamira County has increased. He reminded Members that trees are environmentally important. He stated that he was creating awareness on the dangers eucalyptus trees. He also informed the Members that Nyamira had acquired a second land equivalent of 4 acres, received two tractors, two Lorries and two skippers for garbage collection.

The Governor highlighted briefly on the Lake Victoria Water and Sanitation Project II, where he mentioned that the construction of the line from Nyangori to Keroka faced a lot resistance from the local community because of the uncertainties of the benefits that would be realised.

Members advised that the local community should be involved at all stages of project planning and development.

Members further advised that, projects need to be audited and evaluated so as to appreciate the value for money as well as impact assessment.

## **5.2.8 LAKE VICTORIA BASIN COMMISSION (LVBC)**

### **5.2.8.1 Establishment and Mandate**

Members were informed that the Lake Victoria Basin Commission (LVBC) is a specialized Institution of EAC established by the Protocol for the Sustainable Development of the Lake Victoria Basin, pursuant to Art.114 2 (b) (vi) of the Treaty for the establishment of the East African Community. The Protocol was ratified by the Partner States in December 2004 and became operational in April 2006.

The Commission is mandated to coordinate the sustainable development and management of the Lake Victoria Basin in the Partner States. The EAC designated lake Victoria Basin as an area of high economic interest and a regional economic growth zone to be developed jointly by the Partner States. The population of the basin includes, Tanzania (7.4 million/44%), Kenya (15.9 million/21.5%), Burundi (5.3 million/7.2%), Rwanda (8.8 million/11.4%) and Uganda (7.5 million/15.9%).

### **5.2.8.2 Challenges facing LVBC**

- i. Introduction of Nile Perch and over-fishing has depleted lake resources.
- ii. Urban and Industrial effluent, fluctuating water level, invasive weeds, over release/abstraction from rivers/lake.
- iii. Construction and farming in shoreline, conversion of wetlands into housing/industrial parks.
- iv. Deforestation, sediment loads, poor land use practices.
- v. Atmospheric deposition of Nitrogen and Phosphorous: transported into the basin by air.
- vi. Climate change (floods and severe droughts).

- vii. Population Explosion (human and livestock population).
- viii. Oil/toxic chemical spills.
- ix. Weak enforcement of laws/regulations.
- x. Slow uptake of regional laws and policies (e.g. the regional effluents standards).
- xi. Delayed or limited allocation of resources from Partner States;
- xii. Disparity in privileges and immunities for LVBC Staff. The Staff of the Commission are treated differently from the staff of the EAC Secretariat.
- xiii. Weakness in the Legal framework of the Lake Victoria Basin Commission. The Commission is established by a Protocol with limited legal powers and therefore faces a lot of problems for example when the Commission has to sign a financing agreement, the same has to first be taken to the Secretary General and a subsidiary agreement has to be written between the LVBC and the EAC Secretariat;
- xiv. Delayed construction of the Headquarters: The Kenya Government has donated land for construction of the LVBC Headquarters. However, the Commission has no funds for construction;
- xv. Limited scope in management of transboundary ecosystems;

### **5.2.8.3 Lake Victoria Water and Sanitation (LWATSAN) Project**

#### **5.2.8.3.1 Project Components and Implementation**

Members were informed that LWATSAN is a project under LVBC. The objective of the project is to contribute to the improvement of the livelihoods and health of communities in the basin, by reversing the pollution of the lake through improvements in sustainable water supply and sanitation infrastructure.

The project has five main components that include:

- i. water supply;
- ii. sanitation;
- iii. solid waste management;
- iv. storm water drainage; and
- v. capacity building and training.

The interventions of LWATSAN project are implemented in phases. The implementation of the first phase (LWATSAN I) focused on 10 towns within the

founding Partner States of Uganda, Kenya and Tanzania, with the support of UN-HABITAT. These towns included: Kisii, Homa Bay and Bondo in Kenya, Nyendo/Ssenyange, Bugembe and Kyotera in Uganda, as well as Bukoba, Bunda and Muleba in Tanzania, and the border town of Mutukula.

With the Republics of Burundi and Rwanda joining of the EAC, the second phase (LVWATSAN II) was expanded to cover 15 towns – three from each of the five Partner States. The activities of the Phase II Program were undertaken in the following focal towns in the Partner States: **Burundi:** Ngozi, Musinga and Kayanza; **Kenya:** Keroka, Kericho and Isebania; **Rwanda:** Kayanza, Nyagatare and Nyanza; **Tanzania:** Geita, Sengerema and Nansio and; in **Uganda:** Mayuge, Buwama-Kayabwe-Bukakata and Ntungamo.

The Programme ran up to 2015 and it is envisaged to be expanded to other towns in the basin in subsequent phases. The LVWATSAN II has not yet been implemented in the Republic of South Sudan. It was noted that the Project was financed 90% by the African Development Bank and 10% is being financed by the EAC Partner States.

#### **5.2.8.3.2 Project's Achievements**

- i. 16 Boreholes have been drilled mainly in Tanzanian and Uganda and the citizens in the targeted districts are getting clean water for domestic use.
- ii. 5 Treatment Plants have been rehabilitated and currently operational in Kenya and Tanzania while construction for 14 treatment plants is ongoing except Kericho where rehabilitation was done under Short Term Interventions.
- iii. 2 Water treatment plants have been constructed in Uganda while the construction for 11 plants is ongoing.
- iv. 20 Public water Fountains have been constructed under short term interventions and others are under construction through longer term interventions in the 5 EAC Partner States.
- v. 88 public toilets have been constructed to ensure hygiene and sanitation in the East African Community Partner States.
- vi. 423.4 km of new water pipe have been constructed.



- vii. 1190 water connections have been made.
- viii. 2562 peers & facilitators trained in Hygiene and Sanitation, about 50% are women.

#### **5.2.8.3.3 Challenges in the Implementing of LVWATSAN II Project**

- i. There was resistance by the local citizens because water pipe line from Nyangori to Keroka passed through their land.
- ii. Nyang'ori Project consumes a lot of water, therefore alternative source of water needs to be sourced for the sustenance of the project.
- iii. Weak implementation mechanism of the project as a result of lack of monitoring and evaluation.
- iv. Low levels of awareness by the project beneficiaries.
- v. Absence of Community User Committees for improved visibility of the project and its impact to the communities.
- vi. Poor action plans for sustainability of projects.
- vii. It was observed there is no distribution and supply of water to the communities, yet the water is leaving the source and there is some revenue paid for water by undisclosed customer.

#### **5.2.8.4 Recommendations**

- a. EAC should allocate more resources to LVBC to execute its programs efficiently and effectively.
- b. The project should ensure proper distribution and supply of water to its target communities.
- c. Council should streamline privileges and immunities of staff in the service of the Community in the Partner States.
- d. LVBC should mobilize funds for the construction of its Headquarters.
- e. EALA should make a follow -up to ensure compliance and value for money.
- f. EALA should make regular visits/missions to organs and institutions to engage stakeholders on the challenges and to come up with a way forward.
- g. The LVBC should come up with a plan for sustainability of its projects.
- h. The county governments should fully participate at all stages of the project put in place to ensure continuity and impact to the communities.

- i. EALA should enact a law that captures all water bodies in the Partner States.
- j. Communities should be educated on matters related to the exploitation of resources to accumulate wealth.

### **5.2.9 COURTESY CALL ON THE GOVERNOR, KISUMU COUNTY**

Members paid a courtesy call on H. E. Peter Anyang' Nyong'o, the Governor of Kisumu County who welcomed Members to Kisumu. He informed them that Kisumu is a great strategic locus for East Africa. He noted that it was important that awareness on the EAC integration process be conducted regularly.

The Governor further informed Members that the Lake Victoria was drying up because of the pollution by effluence from people, factories and rivers.

The Governor mentioned that Kenya and Uganda should not have wrangles/misunderstandings over Migingo Island; they should instead settle their differences amicably.

The Governor further noted that the EAC Partner States should ensure that there is a good transport network to allow citizens to fly from Kisumu to Bukoba and Mwanza.

### **5.2.10 MALABA ONE STOP BORDER POST**

#### **5.2.10.1 Overview of the Operations of the OSBP**

Malaba OSBP is located between Uganda and Kenya. At this OSBP, all the traffic coming from Kenya only stops at the Ugandan side for joint inspection by Ugandan and Kenyan Customs and other border officials. People crossing the borders only stop once at the country of destination where they are cleared by immigration and other border officers from both countries.

In terms of improving technology, it was mentioned that KRA was to receive a scanner in the next 6 months and this would help to improve on the turnover time for the trucks that go through this border.

### **5.2.10.2 Achievements**

- i. It was noted that the average time taken to clear a long-haul truck carrying goods across the border had reduced to an average 5-10 minutes in 2018 compared to the 2-3 days in 2015.
- ii. More effective and efficient use of resources.
- iii. Better co-ordination and co-operation between government agencies and the trade community.
- iv. Improved trader compliance.
- v. Better risk management and enhanced security through Joint operations.
- vi. Increased integrity and transparency.
- vii. Increased revenue yields (Before it was UGX 600bn but now UGX1,620bn per annum).
- viii. Reduced smuggling.
- ix. Investigation made easy on both sides.
- x. Improvement in infrastructure.
- xi. Information sharing.
- xii. Improved relationships between the border officials of the two Countries.
- xiii. Damages reduced due to joint handling.
- xiv. Turnaround time reduced (Traffic flow was 180,000 trucks per annum but now it is 324,000).
- xv. Diversion of goods reduced since system is checked by the 2 authorities.
- xvi. Close working relationship with other agencies within the same country.
- xvii. Monitoring of activities by the lead agency.

### **5.2.10.3 Challenges**

- i. Smuggling of goods such as Illicit alcohol, ethanol, cannabis sativa, polythene paper bags after a ban was imposed by NEMA in Kenya.
- ii. Incomplete road infrastructure within OSBP (Outgoing road, Receiving/incoming barrier, sighting booth and canopy);

- iii. Unreliable network inter-connectivity, pending installation of air-condition system affecting work-environment and unreliable power-backup (generator) affecting operations at the border.
- iv. Persistent lack of water due to inadequate supply from the borehole.
- v. Constant power outage mostly caused damaged cables.
- vi. Limited awareness of the EAC programs and policies.
- vii. Un-harmonised Customs Systems between URA and KRA.
- viii. Loss of income to local community as a result of reduced procedures.
- ix. Non-Tariff Barriers affecting revenue collection at the border and along the corridor.
- x. Roads are in bad condition resulting in long queues at the border.

#### **5.2.10.4 Recommendations**

- a) The Council to direct the two Partner States (Uganda and Kenya) to expedite the completion of the infrastructure facilities and equipment (road, bridge, cable.) to ease the congestion at the OSBP.
- b) EALA should constitute a Committee to fast track and ensure that the infrastructure and other facilities are completed at the OSBP.
- c) The customs authorities should consider the possibility of opening public markets on gazetted days to enhance the free flow of goods from one end of the border to another.

#### **5.2.11 LAKE VICTORIA FISHERIES ORGANISATION (LVFO)**

##### **5.2.11.1 Establishment and Mandate**

Members were informed that LVFO is a specialised institution under the East African Community (EAC). The convention for the establishment of LVFO was signed by the Republics of Uganda, Kenya and Tanzania on 30<sup>th</sup> June 1994 and amended on 29<sup>th</sup> January 2016 by the Council of Ministers of LVFO with a view to, inter alia, opening membership to all EAC Partner States and extending the competence of institution to

the fisheries and aquaculture resources of the East African Community water bodies. The amendment entered into force on 28<sup>th</sup> February 2016.

LVFO is mandated to coordinate the management and development of fisheries and aquaculture resources in the EAC region.

#### **5.2.11.2 Achievements**

The LVFO has so far registered a number of achievements that include:

- i. drafted fisheries and aquaculture policy for East Africa;
- ii. developed a Strategic Plan for 2016-2020;
- iii. carried out a Biennial Frame Survey Data;
- iv. carried out a catch assessment surveys;
- v. developed various management plans like the fisheries Management plan (2016-2020) and the Nile Perch fisheries Management plan (2015-2019);
- vi. provided information on the lake productivity processes and on the health of the fish habitat and how they relate to fish production;
- vii. carried out research on fisheries socio-economics, trade, marketing and aquaculture and this has provided information on species to be cultured, quality fish seeds and feeds, culturing technologies and site identification;
- viii. established a Database development and management system to be used in decision-making;
- ix. disseminated information to resource users and managers;
- x. provided a legal framework for the development of aquaculture in the region; and
- xi. fisheries inspectors in the region maintained high standards which have qualified fish from Lake Victoria to access markets in the European Union, United States of America, Japan and China especially for Nile Perch.

#### **5.2.11.3 Challenges**

- i. Under funding and donor dependency syndrome, which leads to projects implementation according to the Development Partners' interests.
- ii. Weak enforcement of fisheries regulations and lack of mechanisms to enforce compliance at national level.

- iii. Incomplete harmonization processes for policies, regulations and guidelines at regional level and this exacerbated by weak fisheries governance.
- iv. Limited capacity building programs and limited knowledge and applications in aquaculture practices.
- v. Poor communication strategies and limited collaboration and linkages.
- vi. Limited research and extension linkages and the results are not implemented.
- vii. Local and regional trade on undersize fish.
- viii. Pollution.

#### **5.2.11.4 Recommendation**

- a. The Council should rename the institution as the East African Fisheries Organisation. This is because the institution deals with all matters fisheries in the East African Region.
- b. EALA should enact a law to protect and manage fisheries resource in the region.
- c. The Council to provide the necessary resource to address the donor dependency syndrome.
- d. Council should direct the Partner States to harmonise Fisheries' policies, regulations and laws and undertake joint operations to protect the fish reserves.
- e. The Council should direct the Partner States and the EAC Secretariat to enhance capacity building programs on fisheries.

#### **5.2.12 EAST AFRICAN DEVELOPMENT BANK (EADB)**

##### **5.2.12.1 Establishment and Mandate**

EADB was established in 1967 under the Treaty of the defunct East African Community. After the collapse of the East African Cooperation, it was the only EAC Institution that continued to exist and it was re-established under its own Charter in 1980.

The mission of the EADB was to promote sustainable socio-economic development in East Africa by providing Development Finance, Support and Advisory Services. Since then, the roles and responsibilities have evolved with the changing economic landscape. It should be noted that in the 1970's, the bank was a sole provider of equity and long-term capital, while in the 1980's it began supporting small and medium enterprises in East Africa. In the 1990's the bank pioneered in issuance of

bonds in the region and in the 2000's it extended frontiers of development banking into new products and services.

EADB has two categories/classes of shareholders, Class A is made of shareholders made up of four East African Community Partner States including Kenya, Uganda, Rwanda and Tanzania. EADB is in dialogue with the Republic of Burundi through the Ministry of Finance to bring the country on board as shareholder.

Class B is comprised of Shareholders of Development Finance Institutions such as the African Development Bank, FMO (Netherlands), DEG (Germany) and Commercial Banks like the Commercial Bank of Africa (Nairobi), SBIC Africa Holdings (Johannesburg), Nordea Bank (Stockholm), Standard Chartered Bank (London) and Barclays Bank PLC (London).

Members were informed that the shareholding is made up of 12% (Class B shareholders) and 88% (Class A shareholders).

It was further noted that the Bank provides wide range of financial products and services which include long term loans, asset leasing, short term/working capital loans, trade finance facilities, equity investments, agency for donor funds, real estate and property development loans and long-term loan guarantees.

Members were further informed that the EADB is engaged in productive sectors of the regional economies. Some of the sectors include forestry and paper, agro marine and food processing, construction, building materials and real estate, oil and gas, electricity and water among others.

#### **5.2.12.2 Achievements of the East African Development Bank**

- i. The Bank enjoys Preferred Creditor Status in all its Member Countries.
- ii. Credit Rating of Baa3 with stable outlook (August 2017) from Moody's Investor Service.
- iii. Rated the best performing Development Finance Institution (DFI) in Africa by Association of African Development Finance Institution (AADFI) in 2015.
- iv. Balance Sheet size: USD 394.15 million.

- v. Loan Portfolio: USD 190.06 million.
- vi. Shareholder's Equity: USD 251.17 million.
- vii. Net income: USD 7.58 million.

As part of its Corporate Social Responsibility, Members were informed that the Bank had embarked on training for medical practitioners in the field of neurology and oncology. The training is a four-year program. The aim is to train 600 medical professionals specialising in cancer treatment in the East African region. The Bank has started on training public lawyers and judges in matters related to the extractive industries.

#### **5.2.12.3 Challenges facing EADB**

- i. Difficulties in mobilising resources due to the wide range of clientele and providing lines of credit to Commercial Banks.
- ii. Volatile financial environment which affects the bank's profitability.

#### **5.2.12.4 Recommendations**

- a. Council to direct Partner States to increase funding to EADB in order to improve its liquidity.
- b. Council to review the structure of EADB for it to have closer links with the EAC.

### **5.2.13 INTER-UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)**

#### **5.2.13.1 Establishment and Mandate**

IUCEA was originally established in 1970 as a Committee to coordinate university education for three institutions in the region that were the University of Nairobi, Makerere University and University of Dar es Salaam. IUCEA is recognized as one of the surviving institutions of the defunct EAC. In 1980 it was transformed from interuniversity Committee to the Interuniversity Council for EAC.

Members were informed that in 2002, the IUCEA was re-established using a protocol ratified by Uganda, Kenya and Tanzania as provided for under the Treaty. The IUCEA Act was enacted in 2009. IUCEA Membership includes National Commissions and Councils for higher education to develop standards and guidelines, benchmarks in various fields, which include business education, agriculture and engineering.



IUCEA is an Institution of the EAC mandated to coordinate the development of higher education and research in EAC that support human and socio-economic development and regional integration.

#### **5.2.13.2 Achievements**

IUCEA has made the following achievements:

- i. it introduced the East African High-Quality Framework on education as a facilitation unit for World Bank on skills development;
- ii. it has developed the fees structure model, which was approved at all stages and circulated in all universities; and
- iii. it developed a policy document to implement an East African qualification Network Register to document all qualifications offered by Universities in the region.

#### **5.2.13.3 Challenges**

- i. The IUCEA Act does not capture the extended mandate of the Institution in common higher education area. This makes it difficult to implement the fees structure model across East African Universities.
- ii. Delays in the Amendment of the Protocol establishing IUCEA of 2002 and IUCEA ACT, 2010.
- iii. Staff complained on discrimination in offering diplomatic number plates of vehicles to different categories of staff at IUCEA.
- iv. Limited awareness of the existence of IUCEA and its benefits to the Community.

#### **5.2.13.4 Recommendations**

- a. Council to expedite the process of amending the Protocol establishing IUCEA of 2002 and IUCEA ACT, 2010.
- b. The IUCEA should undertake sensitization aimed at making East Africans aware of its existence and how it benefits the Community.
- c. The IUCEA should ensure that all Universities in the region effectively implement the fees structure model.
- d. The IUCEA, in collaboration with National Commissions and Councils, should urgently develop a regional harmonized examination system.

## **5.2.14 CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY (CASSOA)**

### **5.2.14.1 Establishment and Mandate**

CASSOA was established by the CASSOA Act, 2009 and the CASSOA Protocol of 2007 pursuant to Article 92 of the EAC Treaty. CASSOA is headquartered in Entebbe, Uganda.

CASSOA is mandated to undertake to make air transport services safe, efficient and profitable, adopt common policies for the development of civil air transport in the region, harmonise civil aviation rules and regulations and coordinate measures and cooperate in maintenance of high security.

The agency has continued to develop and amend harmonised model civil aviation act, civil aviation regulations and technical guidance materials for adoption and use by Partner States.

### **5.2.14.2 Achievements**

- i. Capacity building: CASSOA has organised and coordinated trainings in the region in order to address the ever-increasing demands in the aviation sector. CASSOA inspectors were recently trained on the European Co-ordinated Centre for Accident and Incident Reporting (ECCAIRS) version 5.0, a necessary tool for accident reporting as required by ICAO and Safety Assessment of Foreign Aircraft (SAFA).
- ii. CASSOA has been on the forefront in harmonising the Civil Aviation Regulations and Procedures in the Partner States to ensure compliance with ICAO standards and recommended practices (SARPS).
- iii. CASSOA was ranked the second to EASA (European Aviation Safety Agency) according to a report that was issued in March 2017 in the International Civil Aviation Forum held in Swaziland.
- iv. At the regional level, the Agency has undertaken a project for automatic validation of personnel licences.

### **5.2.14.3 Challenges**

- i. Lack of sustainable funding mechanism.

- ii. The budget management system (BMS), which was developed and installed in all EAC institutions, was not fully being implemented by the CASSOA.
- iii. Understaffing in CASSOA. It was noted that due to limited staff, many activities were not implemented as per their approved calendar of activities. In addition, there is also high turnover of the existing staff as CASSOA often loses very qualified personnel to international organisation in the Aviation Industry.
- iv. Inadequate expertise in the region.
- v. Low Quality/standards of Aircrafts flown in the region.
- vi. Technical expertise in aviation is limited in the region.

#### **5.2.14.4 Recommendations**

- a. CASSOA should undertake continuous capacity building for staff on Budget Management System (BMS) so that they can execute their operations effectively.
- b. Council to improve the staffing levels and offer adequate remuneration to ensure staff retention at CASSOA.
- c. CASSOA should make sure that the quality and safety of the aircrafts flowing the EAC airspace are of update standards.
- d. CASSOA should offer expertise services and become a centre of excellence in aviation safety in the region.

#### **5.2.15 KATUNA/GATUNA ONE STOP BORDER POST**

##### **5.2.15.1 Overview of the Operations of the OSBP**

Katuna/Gatuna OSBP is a border between Uganda and Rwanda. This a busy border and it operates on a 24-hour basis. The OSBP infrastructure is still under construction and both Governments have agreed to ensure that the infrastructure is complete despite the delays on the Ugandan side to facilitate seamless movement of goods, people and services.

The Governor Northern province of Rwanda, Hon. Gatabazi Jean Marie Vianney, informed Members that EAC does not need borders to form the United States of Africa.

He pointed out that East Africans should not look at infrastructure to integrate but rather a clear mind-set.

#### **5.2.15.2 Achievements**

- i. Due to the integrated Single customs Territory in place at Gatuna/Katuna OSBP, clearance has reduced from two weeks to four days thus improving the movement of goods.
- ii. Improved information sharing between border officials of the Countries.
- iii. Increased business flow at the border.

#### **5.2.15.3 Challenges**

- i. Delays in completing the construction of the OSBP infrastructure due to funding issues.
- ii. Existence of a swamp that hinders the construction of the road.
- iii. Un-harmonised policies and regulations that hinder free movement of people and goods.
- iv. Delayed clearance at immigration desks because it is not integrated in the OSBP operations at the border.

#### **5.2.15.4 Recommendations**

- a. The Council should direct the Republic of Rwanda and Uganda to expedite the delayed construction of the OSBP.
- b. Border agencies should collaborate with other relevant stakeholders to sensitise traders on the EAC policies and regulations.
- c. The EAC Secretariat should undertake capacity building and sensitization activity of the border communities on OSBPs operations.

#### **5.2.16 COURTESY CALL ON THE MINISTER OF FOREIGN AFFAIRS, COOPERATION AND EAC AFFAIRES, RWANDA**

On Friday 23<sup>rd</sup> February, 2018, the two delegations paid a joint courtesy call on the Minister of Foreign Affairs, cooperation and EAC Affairs in Kigali, Rwanda where they interacted with Mr. Claude Nikobisanzwe, the Permanent Secretary and Mr. Anaclet Karibata, the Director General of Immigration and Emigration.

The Rwandan authorities discussed with the Members the preliminary findings of the tour of the Central and Northern Corridor. They also provided additional information on the closure of operations of Ruhwa OSBP. The Rwandan authorities expressed the willingness of their country to end its disagreement with Burundi on the operations of Ruhwa OSBP if the issues raised were addressed.

## **5.2.17 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTEKO)**

### **5.2.17.1 Establishment and Mandate**

East African Science and Technology Commission (EASTEKO) is a semi-autonomous Institution of the EAC, which was established by a protocol signed on 18<sup>th</sup> April 2007. EASTCO is based in Kigali Rwanda, and the headquarters agreement between the EAC and the Government of Rwanda was signed on 25<sup>th</sup> February 2014. EASTECO commenced its operations in July 2015.

The Commission is mandated to facilitate and coordinate the development and implementation of policies and strategies for integrating Science, Technology and Innovation (STI) into their respective national development processes.

### **5.2.17.2 Achievements**

The Commission has achieved the following results so far:

- i. assessment of existing knowledge and technology transfer institutions in the EAC region, and identification of potential regional centres of Excellence;
- ii. validation of the regional science, technology and innovation priority areas;
- iii. development of a Five-Year Strategic Plan, 2017/2018-2021/22; and
- iv. establishment of East African Journal on Science, Technology and Innovation whose objective, scope and themes have been adopted by its stakeholders.

### **5.2.17.3 Challenges**

- i. Inadequate funding.
- ii. Understaffing and lengthy recruitment process.
- iii. Delays in disbursement of contributions by Partner States.

- iv. Inadequate and costly rented office space.
- v. Slow process of amending the EASTECO Protocol.

**5.2.17.4 Recommendations**

- a. The Council to ensure that EASTECO gets enough funds and staff for its institutional growth and sustainability.
- b. The Council to direct the Partner States to ensure timely and adequate remittances of funds to EASTECO for smooth operations.
- c. The Council to fast track the process of amending the Protocol establishing EASTECO.

## **6.0 GENERAL OBSERVATIONS**

- i. Slow pace of implementation of the commitments made by EAC Partner States in the integration process.
- ii. Inadequate sensitisation and awareness creation on the integration process.
- iii. Delays in remittances of approved budget, limited funding, overdependence on development partners, funding and understaffing of the EAC institutions to execute their mandate.
- iv. It was observed that the projects implemented by the EAC Institutions are not adequately impacting the communities.
- v. Although most of the OSBPs visited have tremendously reduced the cost of doing business in EAC, they still need some important facilities such as firefighting equipment, ambulance, storage and quarantine, testing and laboratory equipment, adequate facilities for people with disabilities, accommodation for staff, health services, livestock area at the border posts, among others.
- vi. Different Customs Management IT systems operated by the Partner States.
- vii. Un-harmonised laws, policies and regulations within the Partner States that the implementation of the Customs Union and Common Market.
- viii. Some weighbridges within Partner States at times don't give the same weight for the same cargo, which frustrates the business community.
- ix. There is need for a Standard Gauge Railway connection from ports of entry to all Partner States to reduce time and cost of doing business;
- x. It was observed that most of the basic facilities for convenience such as public toilets, resting centres, restaurants among others are missing along the two corridors.
- xi. Members were informed that students are not well facilitated to get their study permits across the EAC.
- xii. It was observed that there are some customs and immigration officials are still operating in a bureaucratic manner and mindset barriers.

## **7.0 GENERAL RECOMMENDATIONS**

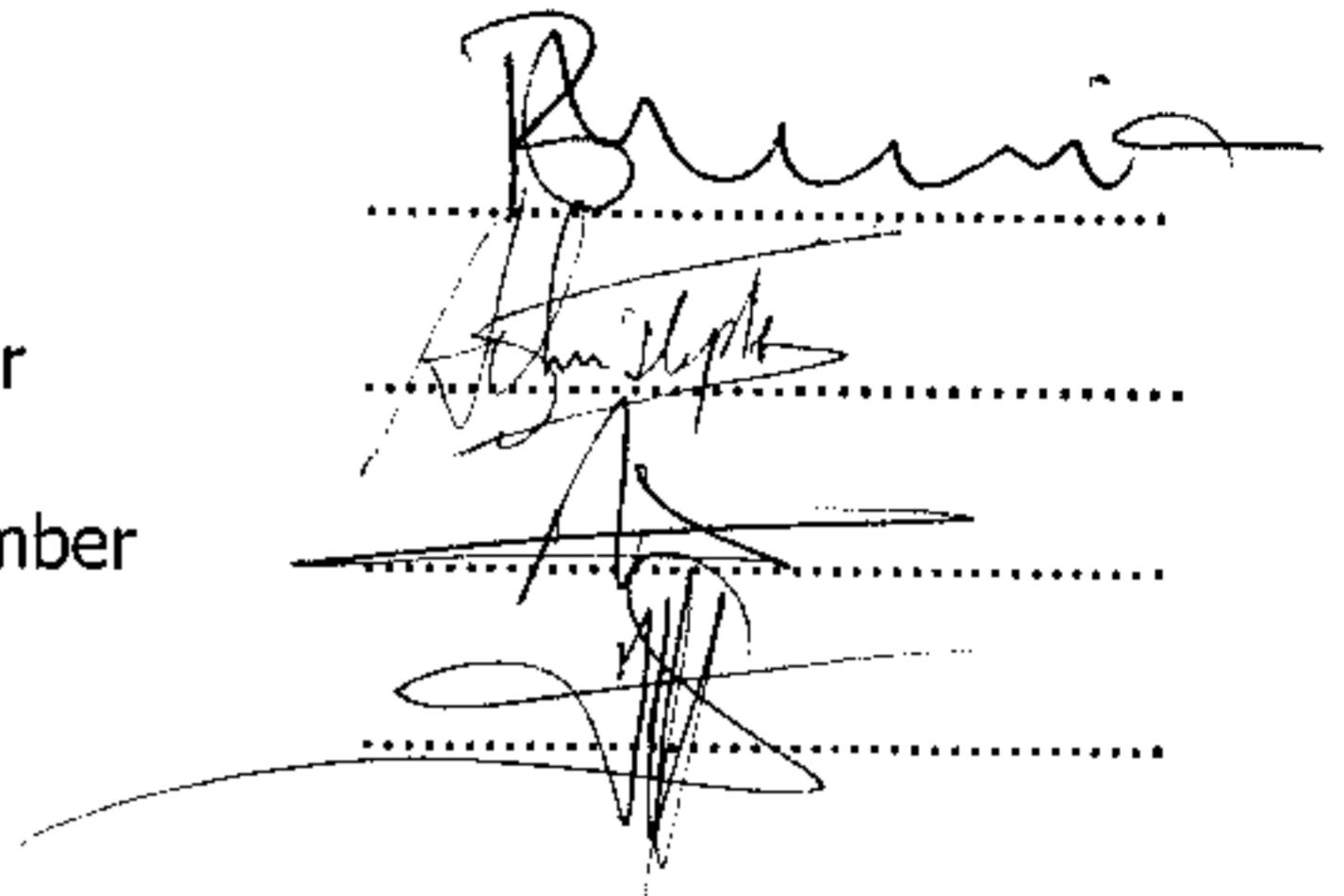
- a. The Council to develop an enforcement mechanism for the implementation of the commitments agreed by Partner States.
- b. The Council to intensify sensitization programs about the EAC integration and its benefits.
- c. The Council to ensure that all the projects implemented by the EAC Institutions are well integrated into the communities.
- d. The Council to direct the Partner States to ensure timely and adequate remittances of funds to EAC Institutions for their smooth functioning.
- e. The Council to increase the funding to the Institutions of the Community for their growth and execution of their mandate.
- f. The Council to ensure adequate staffing within the Institutions to effectively discharge their mandate.
- g. Council to direct Partner States to put in place the missing facilities at the OSBPs and along the Corridors.
- h. Council to direct Partner States to ensure effective interface of different Customs IT Systems for seamless operations.
- i. Partner States to ensure multi-stakeholders collaboration and partnerships amongst border communities and other relevant agencies.
- j. Partner States need to fast track efforts to harmonise laws, policies and regulation and in order to facilitate cross border trade within the region.
- k. EALA should enact enabling laws to facilitate EAC regional integration.
- l. EALA should strengthen its oversight mandate through more regular visit/missions to Organs and Institutions to engage stakeholders on their challenges and to come up with the way forward.
- m. Council to direct the Partner States to facilitate free movement and issuance of residence permits for students across the Community.
- n. Council to direct the Partner States to introduce attitudinal development, continuous monitoring and mentoring of the officials of the OSBPs for mind-set change, in respect of fast-tracking free movement of people, goods, services and implementation of integration programmes.



**A REPORT OF THE SUB-COMMITTEE ON THE ON-SPOT ASSESSMENT  
ON THE CENTRAL CORRIDOR, NORTHERN CORRIDOR, EAC  
INSTITUTIONS, PROJECTS AND FACILITIES BY THE EAST AFRICAN  
LEGISLATIVE ASSEMBLY**

**FROM 11<sup>TH</sup> TO 24<sup>TH</sup> FEBRUARY 2018**

1. Hon. Wanjiku Muhia, Chairperson
2. Hon. Christopher Nduwayo, Member
2. Hon. Gabriel Aher Garang Arol, Member
3. Hon. Mathias Kasamba, Member



Four handwritten signatures are present on the right side of the page, each written over a horizontal dotted line. The signatures are: 1. Wanjiku Muhia (Chairperson), 2. Christopher Nduwayo (Member), 2. Gabriel Aher Garang Arol (Member), and 3. Mathias Kasamba (Member).

