



## RECORD OF THE 6<sup>TH</sup> NORTHERN CORRIDOR TRADE AND TRANSPORT LOGISTICS CHAIN STAKEHOLDERS CONSULTATIVE FORUM MEETING HELD AT CENTRE ROMEO GOLF KINSHASA, DEMOCRATIC REPUBLIC OF CONGO 03<sup>RD</sup> APRIL 2012

### I. INTRODUCTION

1. The Northern Corridor Stakeholders Consultative Forum was formed as an annual consultative meeting coordinated by the Northern Corridor Transit Transport Coordination Authority (NC-TTCA) Secretariat under the chairmanship of the Kenya Revenue Authority. The main purpose for the Forum is to bring together Economic Operators in the region to consult with key Government and Private sector institutions in the area of trade facilitation i.e. Customs, freight clearance, cargo handling, transport infrastructure, transport policies and other cross cutting trade issues. The 6<sup>th</sup> Forum was held on 03<sup>rd</sup> April 2012 at Romeo Center Kinshasa, DRC under the hostess of the Direction Generale des Douanes et Accises (DGDA).
2. The Forum was attended by a cross section of private economic operators, representatives of Government institutions from Burundi, Democratic Republic of Congo, Kenya, Rwanda and Uganda as well as representatives of international organizations and development partners; EAC Secretariat, UNECA – SRO-EA, USAID-COMPETE. South Sudan attended as an observer.

### II. OPENING CEREMONY

#### (a) Speech by the Chairperson of the Stakeholders Forum

3. The Chairperson Ms. Beatrice Memo; the Commissioner Customs Services, Kenya Revenue Authority (KRA) welcomed the Stakeholders to their 6<sup>th</sup> Consultative Forum and conveyed greetings and apologies from the Commissioner General, KRA, Mr John Njiraini, who was unable to attend due to some pressing engagements.
4. Ms. Memo thanked the Direction Generale des Douanes et Accises (DGDA) DRC for hosting the meeting and for the courtesies extended to the Stakeholders since their arrival in Kinshasa. She thanked the Stakeholders for sparing their



invaluable time and resources to come and contribute valuably to deliberations of the 6<sup>th</sup> Forum. She further thanked the Northern Corridor Permanent Secretariat whose efforts greatly contribute the success of the Forum.

5. The Chairperson highlighted some of the issues to be discussed during the 6<sup>th</sup> Forum to include; the achievements and progress made since the last forum held in Kampala in July 2011, and the Trade and Transport Modernization initiatives being under taken within the Corridor through the efforts of the various Government Agencies, Private Stakeholders and our Development Partners.
6. Ms. Memo pointed out that Kenya Revenue Authority has made tremendous efforts in the facilitation of trade such as; playing an active role in the decongestion of the Port of Mombasa and extending this initiative to the border stations beginning with Malaba; KRA has also successfully rolled out the Manifest Management System and is in the process of piloting with a similar system for the air cargo. Furthermore, KRA will soon participate in the WCO sponsored AEO/PCA/RM pilot project within the EAC region. She said these initiatives will go a long way to lessen clearance time and reduce the cost of doing business for the traders.
7. In conclusion, Ms. Memo urged all the participants to appreciate one another as partners in the improvement of Trade and Transport Logistics and not lay blame on each other whenever there are challenges encountered along the Corridor. She called upon the Stakeholders to try and accommodate each others' points of view and to expeditiously implement the actions agreed upon to make the Forum a great success in the Northern Corridor. She wished the Stakeholders fruitful deliberations and was confident that the Stakeholders were all equal to the tasks.

#### **(b) Speech by the Executive Secretary NC-TTCA**

8. The Executive Secretary of the NC-TTCA, Mr. Donat Bagula Mugangu welcomed the delegates to the 6<sup>th</sup> Stakeholders Consultative Forum. In his opening remarks Mr. Bagula thanked the Government and the people of the Democratic Republic of Congo for the hospitality extended to the delegates since their arrival in Kinshasa. He particularly thanked the Guest of Honor, the Minister of Transport and Ways of Communication, Honorable Joseph Martin Kitumba for sparing his invaluable time to grace the Forum, and the Commissioner Customs and Excise and his staff for the excellent organization towards hosting the Forum.



9. The Executive Secretary observed that the meeting was taking place as a result of the Northern Corridor Transit Agreement signed in 1985 to facilitate trade and transport in the region with the aim of contributing to economic growth and development of its member States.
10. He said that the role of the NCTTCA Secretariat is not limited to providing the member States with pertinent information for them to make informed decisions towards facilitation of trade and transport. But also to put in place a mechanism for following up implementation of the decisions made and providing advice to guarantee competitiveness of the Northern Corridor through implementation of the recommended worldwide best practices to eliminate non tariff barriers along the Corridor.
11. The Executive Secretary recalled that the Analytical Comparative Transport Cost Study along the Northern Corridor carried out by the Secretariat in 2010 revealed that the cost of road transport accounts for 77% of the total cost of transport for goods imported into the region. Furthermore, 35% of the transport logistical costs were indirect costs notably hidden costs linked to delays.
12. He informed the meeting that with the support of Development Partners; SSATP-World Bank and TradeMark East Africa. The TTCA Secretariat is setting up a Transport Observatory for the Northern Corridor that will help monitor the performance of the transit nodes along the Corridor and provide timely data to Stakeholders to make informed decisions.
13. He further informed the meeting that the NCTTCA Strategic Plan 2012 – 2016 was under process and some of the activities will provide for implementation of some of the recommendations in the previous studies carried out by the Northern Corridor Secretariat such as the Northern Corridor Infrastructure Master Plan. He called upon the private sector to take advantage of the immense investment opportunities available in the region highlighted in these studies, not only in the area of transport infrastructure but also extractive and manufacturing industry.
14. Mr. Bagula recalled that the Northern Corridor Stakeholders Consultative Forum was put in place to enhance dialogue between the public and private sector Stakeholders. The Forum provides a platform for collecting views and challenges



faced by the Stakeholders which are analyzed by the Forum before coming up with the required probable actions for approval by the NCTTCA Policy Organs.

15. The Executive Secretary remarked that the 6<sup>th</sup> Forum meeting among other issues was to focus on reduction of cost of doing business through the proper use of Inco-terms and innovative use of information technology through the implementation of the electronic Single Window System (e-SWS). He concluded by wishing the participants fruitful deliberations and a happy Easter.

**(c) Speech by the Representative from the Government of South Sudan**

16. The representative from the Government of South Sudan Eng. Lado T. Tombe, Director of Road Transport and Safety Republic of South Sudan conveyed greetings from the Minister of Transport South Sudan and thanked the NCTTCA for accommodating South Sudan as an observer to its meetings.
17. Eng. Tombe emphasized the need for South Sudan to join the Northern Corridor given that more than 90% of its imports and exports are transported by road through the Northern Corridor to the Port of Mombasa.
18. Eng. Tombe said South Sudan is very eager to become a full member of the NCTTCA. The Government of South Sudan submitted its application for membership to the NCTTCA and awaits consideration of its application by the member States of the Northern Corridor.

**(d) Speech by the Director General Customs and Excise DR Congo**

19. On behalf of the Directorate of Customs and Excise, DRC and on his own behalf, the Director General Customs and Excise, Mr. Deo Rugwiza Magera thanked the delegates for their response to participate in the 6<sup>th</sup> Stakeholders Consultative Forum Meeting and in particular thanked the NC-TTCA Permanent Secretariat for giving the Democratic Republic of Congo the opportunity to host the meeting.
20. Mr. Rugwiza recalled that during the last Stakeholders Consultative Forum meeting held in Kampala on 29<sup>th</sup> July 2011, the Government and Private Sector agencies agreed to continue to consult with each other in order to improve trade and flow of traffic along the Northern Corridor. He said that the Democratic Republic of Congo gives a lot of importance to facilitation of the movement of



people, goods and vehicles along the Northern Corridor and DRC is committed to promotion of trade between the member States which are cardinal tenets of the NC-TTCA.

21. Mr. Rugwiza noted with concern that the Northern Corridor is ranked among the most costly transport corridors in Africa. He observed that more than 40% of the price of goods on the market is attributed to the cost of trade arising from non tariff barriers (NTBs). He further regretted the concerns raised by traders in Kampala about the theft of their goods along the Northern Corridor which requires to be addressed by the member States.
  22. Mr. Rugwiza informed the meeting that the DRC Customs was undertaking several initiatives to secure cargo and facilitate trade along the Northern Corridor through improvement of procedures. He said under the Modernization Program the DRC Customs is undertaking several activities which include;
    - Automating its border posts along the Northern Corridor with Burundi, Rwanda and Uganda for future joint management of transit cargo;
    - Setting up electronic Single Window Systems at the border posts of Goma, Bunagana, Ishasha, Beni, Butembo and Kasindi;
    - Making efforts to connect to RADDeX;
    - Negotiations to set up One Stop Border Posts (OSBPs) with Rwanda and Uganda;
    - Implementation of the Authorized Economic Operator (AEO) and
    - Enhancement of cooperation with the Northern Corridor member States through representation at Mombasa Port.
  23. Mr. Rugwiza concluded by wishing the participants successful deliberations.
- (e) Speech by the Guest of Honor**
24. The Guest of Honor, the Minister for Transport and Ways of Communication, Honorable Joseph Martin Kitumba Gagedi welcomed the delegates to the Democratic Republic of Congo. He congratulated the Direction Generale des Douanes et Accises and the NC-TTCA Permanent Secretariat for successfully organizing the Meeting.



25. The Honorable Minister reiterated the commitment by the Government of the Democratic Republic of Congo of its full support to the spirit of integration as contained in the Northern Corridor Transit Agreement 1985 and as revised in 2007. He said the Government of DRC believes that African Unity will be achieved through strong integrated economic blocks.
26. Honorable Kitumba noted with appreciation that developing common transport infrastructure and facilitation of trade and transport along the Northern Corridor had virtually made DRC Coastal to the Indian Ocean despite being 2000km away from the Indian Ocean. The Northern Corridor has rendered the big market of DRC accessible to products from East Africa and Asia. He observed that DRC was to become a linkage between Eastern and Western Africa economies thanks to the development of transport infrastructures of the Ports of Kisangani and Banana.
27. Honorable Professor Kitumba observed that cooperation among Northern Corridor States may not lead to any development without the private-public partnership. He thanked the Permanent Secretariat for including Inco-terms and the electronic Single Window experience as items on the agenda. The Minister challenged the participants to work towards implementation of these tools in the whole Northern Corridor region for facilitation and promotion of trade.
28. Honorable Professor Kitumba affirmed that partnership between the public and private sectors with a view of improving the performance of the Northern Corridor would prove to be one of the ways to reducing poverty among the people of the region. He appealed to the meetings of the Consultative Forum to always be driven by this conviction.
29. The Honorable Minister called upon the meeting to come up with strong commitment regarding solving constraints in order to improve the climate of business, especially removal of non tariff barriers. He concluded by thanking all technical and financial partners whose prime concern is facilitation of transport and trade along the Northern Corridor and requested them not to stop their support along the way. He wished the participants a pleasant stay in DRC and fruitful deliberations.

### **III. Adoption of the Agenda and Program of Work**

30. The following agenda was adopted by the meeting:
  - a. Progress of Activities by NCTTCA Secretariat



- b. Progress by the member States on the Implementation of the Recommendations in the Report of the 5<sup>th</sup> Stakeholders Consultative Forum and the Recommendations in the Stakeholders Survey of the Northern Corridor Section of Mombasa - Malaba.  
Discussions on Matters Arising from Session above (i.e. A and B)
- c. Presentation of Paper on Inco-terms 2010 by Kenya Maritime Authority
- d. Presentation on Implementation of the Electronic Single Window System (e-SWS) by KENTRADE
- e. Presentation on Implementation of the e-SWS by Rwanda  
Discussion and Matters Arising from Session above (i.e. C, D and E)
- f. Emerging Trade Facilitation Issues
  - a. Republic of South Sudan
  - b. Issues arising from the Private Sector:
    - i- Burundi Private Sector representative
    - ii- DRC Private Sector representative
    - iii- Kenya Private Sector representative
    - iv- Rwanda Private Sector representative
    - v- Uganda Private Sector representative
  - c. Development Partners:
    - i- African Development Bank
    - ii- COMESA
    - iii- East African Community (EAC)
    - iv- UNECA SRO-EA
    - v- USAID – COMPETE
    - vi- TradeMark- East Africa

Discussion and Matters Arising from Session above (i.e. F)
- g. Recommendations
- h. Date and Venue of the next Meeting



- i. Closure of the meeting

**A. Progress of activities by the Northern Corridor Permanent Secretariat:**

31. The Permanent Secretariat gave a brief summary of the key activities recently accomplished by the Secretariat which include;
  - Northern Corridor Spatial Development Program (SDP) Scoping Study;
  - Analytical Comparative Transport Cost Study along the Northern Corridor Region (2010);
  - Survey of the Mombasa to Malaba Northern Corridor Transit Section (2011);
  - Development of the Northern Corridor Transport Policy Common Guidelines and its Implementation Plan (2011) and the
  - Infrastructure Master Plan (2011).
32. The reports arising from these activities were submitted to the member States and some stakeholders have already implemented some of the recommendations in the reports. The stakeholders are urged to implement the recommendations in these reports in order to achieve the objectives of the studies.
33. The Secretariat further highlighted the major ongoing activities which include;
  - Evaluation of the 2007 – 2011 NCTTCA Strategic Plan;
  - Formulation of the 2012 – 2016 NCTTCA Strategic Plan;
  - Ratification of the 2007 Agreement and its Domestication in National Legislations;
  - Development of the Northern Corridor Transport Observatory;
  - Performance Audit for Malaba, Busia and Katuna/Gatuna Border Posts;
  - Survey of the Mombasa Transit Node;
  - Feasibility Study and Detailed Engineering Designs for the 3 OSBP's of Mpondwe/Kasindi, Gisenyi/Goma and Akanyaru/ Kanyaru Haut);
  - Study on implementation of the COMESA Trade Facilitation Instruments and Strengthening the Northern Corridor Stakeholders Committees/Forums and
  - Development of the Northern Corridor SDP Business Plan and Investment Promotion Strategy.



34. The Secretariat upon completion of these activities will hold validation workshops before disseminating the final reports to the stakeholders.

**B. Progress by the member States on the Implementation of the Recommendations in the Report of the 5<sup>th</sup> Stakeholders Consultative Forum and the Recommendations in the Stakeholders Survey of the Northern Corridor Section of Mombasa – Malaba**

35. The Secretariat presented an update of the implementation of the recommendations made in the 5<sup>th</sup> Northern Corridor Stakeholders Consultative Forum held on 29<sup>th</sup> July 2011 in Kampala, Uganda and the recommendations in the Stakeholders report of the May 2011 Survey of the Northern Corridor transit Section of Mombasa to Malaba. The stakeholders present during the meeting gave the following update on implementation of the recommendations in the reports:

**36. Electronic Cargo Tracking Systems ECTS:**

- The 5<sup>th</sup> Stakeholders Forum recommended that the member States implement compatible technologies for the ECTS to minimize costs incurred by the transporters in acquiring ECTS;
- DRC: Initiated studies towards implementation of the ECTS with the Southern Corridor Tanzania;
- Kenya: Implementation of ECTS is on voluntary basis pending disposal of a case in court;
- Rwanda is at the stage of bid processing;
- Uganda commenced process of procurement; Uganda reported that they were collaborating with Rwanda in order to procure compatible ECTS.
- Burundi has not yet embarked on the implementation of ECTS.

**37. Regional Customs Transit Guarantee:**

DRC reported that it had commenced the process of ratification of the COMESA RCTG Instruments. NCTTCA to follow up with the EAC harmonization of the EAC - RCTG regulations with those of COMESA after completion of the study on implementation of COMESA trade facilitation Instruments along the Northern Corridor.

38. **Axle Load Controls:**

- Kenya National High Ways Authority (KeNHA) is using weigh in motion weighbridges along the Northern corridor and AWIMS computer software which will enhance sharing of data collected at weighbridges with other stakeholders.
- Uganda National Highways Authority (UNRA) is upgrading its weighbridges along the Corridor to weigh in motion, the weigh bridges are automated and interlinked, sharing of data obtained at weighbridges with other stakeholders is upon request.
- There is need to sensitize the transporters and drivers on the importance of implementing axle load limits.

39. **Cancellation of Customs Transit Guarantees by KRA:**

KRA is enhancing its SIMBA system to automatically cancel bonds upon exit of goods from Kenya to eliminate delays in bond cancellation.

40. **Theft of goods in Transit along the Northern Corridor:**

Kenya Police and Uganda Police reported stepping up their patrols to counter theft of goods in transit. They were requested to publicize their hotlines to enable the public reach them when in need of their services.

41. **24/7 operations by OGEFREM Office at Mombasa:**

OGEFREM reported that its office at Mombasa is open up to 05:00 p.m. daily; OGEFREM is on call for those that may require its service outside the scheduled office hours. OGEFREM was requested to publicize its contact line to enable those in need of their services outside the scheduled working hours to access them.

42. **Integrity Issues:**

Curriculum for training Clearing Agents on integrity is being developed by FEAFFA.

43. **Delays of release of cargo from the Mombasa Port:**

Rapid Results Initiative (RRI) that comprised of operators at the Port was set up by the Permanent Secretary, Ministry of Transport, Kenya to address the issue of Port Congestion at Mombasa Port. Some positive results have already been registered by the RRI. Nevertheless, economic operators using the Port of Mombasa are called upon to timely collect their goods from the Port in order to ease congestion at the Port and to minimize storage charges.

44. **Customs IT System Breakdowns:**

- The slow speed of the KRA SIMBA System and its frequent breakdown was mainly attributed to the increased volume of transactions it processes. KRA is upgrading its systems to cater for connectivity to the systems used by other stakeholders in the supply chain and the increasing volumes of transactions being processed.
- DRC is automating its border stations in the Eastern DRC, DRC also uses Asycuda.
- URA is migrating to AsycudaWorld which will improve connectivity with other systems.
- Rwanda is using the AsycudaWorld and is rolling out the e-SWS.
- Burundi is automating its customs stations and rolling out AsycudaWorld.

**C. Presentation on proper use of Inco-terms by Kenya Maritime Authority, KMA:**

45. Mr. John Omingo the Head of Commercial Shipping, Kenya maritime Authority (KMA) presented a paper on Inco-terms:
46. INCO-TERMS in full International Commercial Terms were devised by the International Chamber of Commerce and they reflect generally recognized principles and practices of the terms in the contract of sale.
47. Inco-terms apportion responsibilities and transaction costs between the buyer and seller of goods involved in international trade. The process of importation/exportation of goods involves many different activities such as transport (inland and sea), customs clearance, port clearance, insurance and



payment of taxes. Inco-terms spell out the party responsible for the different activity as well as meeting the cost for that activity, they also spell out at what point in the process of importation of the goods the risk passes from the seller to the buyer as well as the documents the seller is to pass over to the buyer.

48. The quest to reduce the cost of doing business by the trader begins at the point of how the trader purchases his goods. Understanding Inco-terms enables the trader to choose the most cost effective terms of sale during the purchase of the goods. Furthermore, Inco-terms spell out what adjustments customs can make when determining the customs value of imported goods, and the documents they may demand from the trader in support of the different transaction costs incurred by the importer during the process of importation.

**D. Presentation on Implementation of the Electronic Single Window System (e-SWS) by KENTRADE:**

49. Mr. Daniel Kiange of the Kenya Trade Network Agency (KENTRADE) made a presentation on implementation of the electronic Single Window System (e-SWS) in Kenya. KENTRADE was set up in 2011 by the Government of Kenya to establish and manage the e-SWS in Kenya.
50. Goods involved in international trade go through several processes and require clearance by several Stakeholders (Government and Private) before they reach the final consumer. The stakeholders exchange many documents among themselves and frequently end up sending the same documents many times to the different interested stakeholders. Exchange of information (documents) is in hard copies and to great extents the stakeholder's process information manually leading to delays in cargo clearance, high trade transaction costs, recipe for corruption and loss of competitiveness for the locally manufactured goods.
51. The electronic Single Window facility allows parties involved in trade and transport to lodge standardized information and documents once through a single entry point to fulfill all import, export, and trade related regulatory requirements by the different stakeholders. The Trader or his Agent submits all information required for clearance of the cargo once to the electronic Single Window Service. Responses from various Regulatory Authorities and Financial Institutions are returned to the Trader or his Agent through the same entry point.



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52. The e-SWS provides an electronic platform for submission, receipt and processing of trade related information (documents), enables automated exchange and processing of cargo clearance information (by use electronic documents) and enables electronic payment of duties and taxes on goods imported/exported.
53. The benefits of the e-SWS include;
- Reduced transaction costs i.e. reduced delays, inefficiencies, corruption, manual documents/paperwork and demurrage costs;
  - The trader can lodge documents from anywhere at any time;
  - The e-SWS provides for integration with other electronic systems used by other stakeholders such as weighbridges, ports, customs and will also provide for integration with the Regional e-SWS;
  - The e-SWS will enable greater coordination by Government agencies.

#### **Steps towards implementation of the e-SWS by Kenya:**

54. The key milestones completed include; formulation of e-SWS Project Charter; development of a Project Master Plan; Business Process Re-Engineering; System Requirements Specifications; Stakeholder's Needs Assessment Survey and set up of KENTRADE.
55. Planned key milestones to be achieved:
- i. Commence System Implementation - May 2012
  - ii. System go live - Phase 1- March 2013; this will involve implementation of the: Manifest Module for Sea & Air transport, Declaration Module for Sea & Air transport, License & Permit Module for the Tea Board, HCDA and for the Pharmacy & Poisons Board, E-Payment Facility, Dynamic Risk Management, Integration with SIMBA, KWATOS and KEBS
  - iii. System go-live – Phase 2 – August 2013; this will involve: Integration with Weighbridges and Other Government Agencies, Land Manifest Module, Declaration Module for Land and National Electronic Payment System Gateway (NPS)



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iv. Way Forward for the Region:

- Sensitization of the Single Window Concept in Region
- Advocate establishment of electronic Single Window Systems in Region
- Advocate creation of a Regional Platform to integrate the National Single Window Systems of the Northern Corridor member States

**E. Presentation on Implementation of the e-SWS by Rwanda**

56. The Government of Rwanda opted to set up e-SWS to make the process of international trade as simple and efficient as possible for the traders, concerned public authorities and private sector players.

**57. e-SWS implementation journey in Rwanda:**

- i. During the last quarter of 2008, the Government of Rwanda (GoR) commissioned a project feasibility study and technical requirement gathering;
- ii. The GoR invited joint venture companies to implement e-SWS in Rwanda;
- iii. One selected company presented a third party solution and started negotiations with the GoR, however, it was realized that, the cost of operational will be high hence increasing the cost of doing business;
- iv. The GoR decided to implement the project using its own funds (GoR and Donors) with the possibility of transferring it to the private sector in the future by negotiating the contract directly with the owner of the system;
- v. In December 2009 the owner of the solution was contacted to take over the project whereby technical and financial proposals were submitted to the Rwanda Revenue Authority (RRA);
- vi. November 2010 a solution demo was received by RRA and it was clearly noted that the integration with Asycuda++ presented challenges to this vendor and his customs management system desired a lot in customs basic functionalities;
- vii. In March 2011 RRA decided to conduct due-diligence exercise of all possible customs and single products available to enable the assessment of the systems suitable to RRA's requirements;
- viii. RRA invited 5 leading customs and e-SWS solution providers.



**58. Solutions Review Process:**

- i. Set up a panel to review the interested bidders. The panel was comprised of RRA staff from IT, staff from Customs Reforms and Modernization, and an ICT specialist from TradeMark East Africa.
- ii. Putting into consideration many parameters, UNCTAD emerged the best solution provider to supply the e-SWS and the CMS (Customs Management System).

**59. Considerations made when selecting the solution:**

Considerations made when choosing e-SWS solution for Rwanda included:

- i. System that will help RRA build on human resource investment already within RRA on four fronts (IT technical staff, Business analysts, Customs officers and customs agents)
- ii. System that required very limited investment on ICT infrastructure as Rwanda already had enough infrastructure to migrate to AsycudaWorld.
- iii. System that uses existing technical support within RRA especially IT (Linux, Vmware, Oracle, Javan, Cisco) software.
- iv. System that provides easy data migration key for smooth switching to new systems
- v. System that provides smooth migration without operation interruption
- vi. Availability of source code increases to increase RRA ownership and easy future RRA customization and development
- vii. Value for money
- viii. Reliability and continuity of the solution provider
- ix. Financially affordable solution
- x. Experience in the use of the proposed solution in other countries.

**60. Progress of implementation of e-SWS in Rwanda:**

- i. Asycuda World was selected as reputable system and an agreement with UNCTAD was reached and signed in August 2011.
- ii. Project started immediately
- iii. Migration and testing of AsycudaWorld done



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- iv. Four pilot agencies implementation done by 1<sup>st</sup> Feb. 2012.
- v. Pilot site implementation with 4 Other Government Agencies connected (1<sup>st</sup> Feb. 2012)
- vi. Quality control at pilot site (Feb – April 2012) done
- vii. National roll out started, 1<sup>st</sup> April 2012, three stations added.

#### 61. **Project Governance:**

- UNCTAD and RRA have dedicated a full time Project Team to implement the project and recruited a fulltime e-SWS consultant to assist the team. The team reports to the Steering Committee.
- The Project Team is comprised of: a Project Manager, a Technical advisor to the Project (expert in Single window projects), full time local customs expert and a full time local IT expert.
- The Steering Committee is comprised of: Rwanda Revenue Authority (Chair), RDB (Vice Chair), Rwanda Bureau of Standards, Ministry of Agriculture, Ministry of Finance, Ministry of Commerce, MINISANTE and the Private Sector Federation.

#### F. **Emerging Trade Facilitation Issues**

##### (a) **Republic of South Sudan**

62. The representative from the Government of South Sudan gave the following updates as part of the efforts by south Sudan towards facilitation of trade:
  - South Sudan applied to become a member of the Northern Corridor transit Transport Coordination authority.
  - The two major South Sudan border entry points with the Northern Corridor member States are at Nimule/Eregu-Bibia with Uganda and at Lokichoggio with Kenya. South Sudan is about to complete upgrading the road linking Juba to Nimule (border with Uganda)



- Trade with DRC has been hampered by insecurity in the area, as the areas become more secure cross border trade between South Sudan and DRC is expected to pick up.
- The Government of South Sudan has applied to UNCTAD to provide it with the ASYCUDA to manage their customs business processes.
- TradeMark East Africa agreed to extend support to South Sudan on issues relating to trade facilitation.

**(b) Issues arising from the Private Sector:**

63. RVR made a presentation on the efforts being undertaken to improve carriage of cargo by rail. RVR is planning to invest US \$287m to improve the railway infrastructure and equipment. The current share of traffic by rail is 6% after the planned investments the share of traffic is targeted to increase to 20% of the total volume of cargo through the port of Mombasa.
64. So far US \$49m has been disbursed to; replace 70 Kms of old rails with new rails along the Mombasa- Nairobi line (Main Line), rebuild 9 culverts along Tororo - Jinja Section, overhaul 13 locomotives and refurbish 480 wagons. RVR is to purchase maintenance equipment as well as equipment used in loading and offloading of cargo.
65. The Governments of the Northern Corridor member States are urged to observe the principle of reciprocity in the issuance of entry visas. Furthermore, in the spirit of promotion of trade among the member States the Governments of the member States are requested to consider abolition of entry visas fees for citizens of the Northern Corridor member States entering their territories.
66. The transporters from DRC are still faced with the challenge of having to obtain transit goods licenses from the other Northern Corridor member States. The other member States requested the Government of DRC to harmonize and submit to them a harmonized transit Goods license issued by DRC for recognition to eliminate the requirement for another License by the other member States.



67. The traders using the Port of Mombasa thanked Kenya Ports Authority and Kenya Police for their improvements on the security of goods in transit. However, they raised a complaint about the slow speed of compensating traders whose goods were stolen at the Port/CFS's.
68. The control post set up along Kasindi - Kisangani road through Mufutabangi forest to Luna has become a source of delay and harassment of traders/transporters using this road. The relevant authorities were requested to remove it but no response yet.
69. Recently Uganda started enforcing vehicle load limits basing on axle load and group axle load limits. Kenya is enforcing load limits basing on Gross Vehicle Weight (GVW). Lack of harmony in the regulations pertaining to vehicle load limits is proving a challenge to the transporters along the Corridor. A truck which is cleared to be complaint with the load limits in Kenya may be found at fault and penalized in Uganda. It was observed that along the way even if one has not added more cargo, at times the goods shift in the container thereby exerting more weight on one of the axles.
70. It was observed that there were no private sector representatives from Burundi, Rwanda and Uganda. Attendance of the Forum by Private Sector Stakeholders is a challenge. The Permanent Secretariat during its study on implementation of the COMESA trade facilitation instruments along the Northern Corridor, the consultant will also undertake a study to strengthen the Northern Corridor Stakeholders Committees. This study is expected to give proposals of how to address this challenge.

**(c) Development Partners:**

**(i) East African Community (EAC)**

71. The representative from the EAC informed the meeting that the harmonization workshop for vehicle weight regulations under the tripartite (COMESA, EAC and SADC) is scheduled to take place in May 2012.
72. Concerning One Stop Border Posts (OSBP) he informed the meeting that the EAC Secretariat is working on the framework for managing OSBP's in the region.



## (ii) UNECA SRO-EA

73. The representative from UNECA called upon the member States to hasten the implementation of the e-SWS not only as a tool for exchange of information among the stakeholders but a tool for trade facilitation and reduction of the cost of doing business. He further said that there is need to develop regional e-SWS for the Northern Corridor.
74. The representative from UNECA appreciated the efforts by RVR to revamp the railway systems and called upon them to hasten their investments in the railway system in order to improve efficiency.

## (iii) USAID – COMPETE

75. The representative from USAID-COMPETE outlined some of the issues impacting negatively on trade facilitation in the region to include:
  - i. Trade Facilitation Mind Set: Limited awareness by public authorities of the wider impact their actions have upon international supply chains and its consequences on the wider economy,
  - ii. Conflict Between Public and Private Sector: Poor understanding between public and private sectors,
  - iii. Disconnect With Headquarters: Poor vertical communication between borders and headquarters,
  - iv. Excessive Control and Regulation: Challenge in striking the right balance between trade facilitation vs. revenue collection , border controls and security
  - v. Incompetence and Corrupt Practices: Private Sectors' low compliance and understanding of trade laws and regulations,
  - vi. Poor Infrastructure and Manpower: some border posts lack office space, have regular unreliable power and internet connectivity, low staffing and poor parking areas.
  - vii. Turf Wars: lack of horizontal inter-agency collaboration

viii. Unprofessionalism: Lack of a professional knowledge based service culture at the borders.

76. Integrated Border Management is being fronted in order to address some of the challenges above at the borders. USAID-COMPETE has been collaborating with several agencies to form Joint Border Committees at the key border station in the region. Joint Border Committees enhance formal multi-sector collaboration between key Government agencies and the Private Sector players involved in the clearance of cargo for the purpose of:

- Defining of critical operational challenges at the borders
- Creating a trade facilitation mind set
- Defusing tension and conflict between public and private sector
- Eliminating the disconnect with Headquarters and
- Rationalizing control and regulation at the border

## G. Summary of Key Recommendations of the 6<sup>th</sup> Northern Corridor Stakeholders Forum

77. The 6<sup>th</sup> Stakeholders Forum noted that progress has been made in implementing recommendations of the 5<sup>th</sup> Stakeholders Forum and urged all stakeholders involved to continue implementing the resolutions of the 5<sup>th</sup> Stakeholders Forum meeting held in Kampala focusing on the following:

- a) Burundi and DRC should fast track ratification of the Regional Customs Transit Guarantee (RCTG)
- b) Kenya Revenue Authority requested to effect automatic cancellation of Transit Customs Bonds as soon as cargo concerned has exited the country
- c) Kenya Ports Authority and Kenya Revenue Authority urged to continue to pursue measures to reduce delay of release of cargo from the port
- d) Kenya and Uganda Police urged to continue improving the security of transit cargo along the Northern Corridor. Police was encouraged to step



- up surveillance and patrols along the Corridor and at border stations where incidences of theft frequently occur.
- e) Revenue/Customs authorities urged to install backups for IT failures that affect cargo clearance (borrow experience of Rwanda which has contracted more than one Internet Service Provider for that purpose).
78. The Forum called upon the stakeholders both from private and public sectors involved in clearance of cargo at the port of Mombasa and at the borders stations to work 24/7.
79. The forum recommended that the Permanent Secretariat in collaboration with the member States sensitize stakeholders about the benefits of Inco-terms.
80. Member States are requested to work together towards the implementation of electronic Single Window System and may borrow from Rwanda experience which is at an advanced stage of implementation. Furthermore, during the process leading to the implementation of the e-SWS, Government Agencies of the member States given the mandate of implementing the e-SWS are urged to closely collaborate with the public and private sector stakeholders involved in the supply chain.
81. Member States are requested to harmonized axle load limits and the gross vehicle weight as per the Tripartite Regulations.
82. Kenya Maritime Authority to work with the Secretariat in organizing a meeting with shipping lines to request for the extension of the grace period for return of empty containers to Mombasa by operators located at the far end of the Corridor.
83. The Government of DRC is requested to accelerate the process of harmonization and submission of the Transit Goods License for its recognition by the EAC Partner States.
84. Member States requested to embrace the principal of reciprocity in the issuance of visas; furthermore, the Permanent Secretariat in collaboration with the member States should continue pursuing the issue of abolishing entry visas fees for citizens from the Northern Corridor member States.



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85. Member States are requested to form Joint Border Committees at their border stations where such committees do not exist in order to enhance collaboration between the Public and Private Sector players involved in the handling and clearance of cargo across the borders.

#### **H. Date and Venue of the next Meeting:**

86. The next meeting will be held in the Republic of Burundi in May 2013 on a date to be confirmed by the Northern Corridor Secretariat.

#### **I. Closure of the meeting**

87. The meeting closed at 06:30p.m.