



World Customs Organization
East & Southern Africa
Regional Office for Capacity Building

The Effects of Emerging Issues on the Role of Customs and Trade



3rd WCO ESA Regional Research Conference

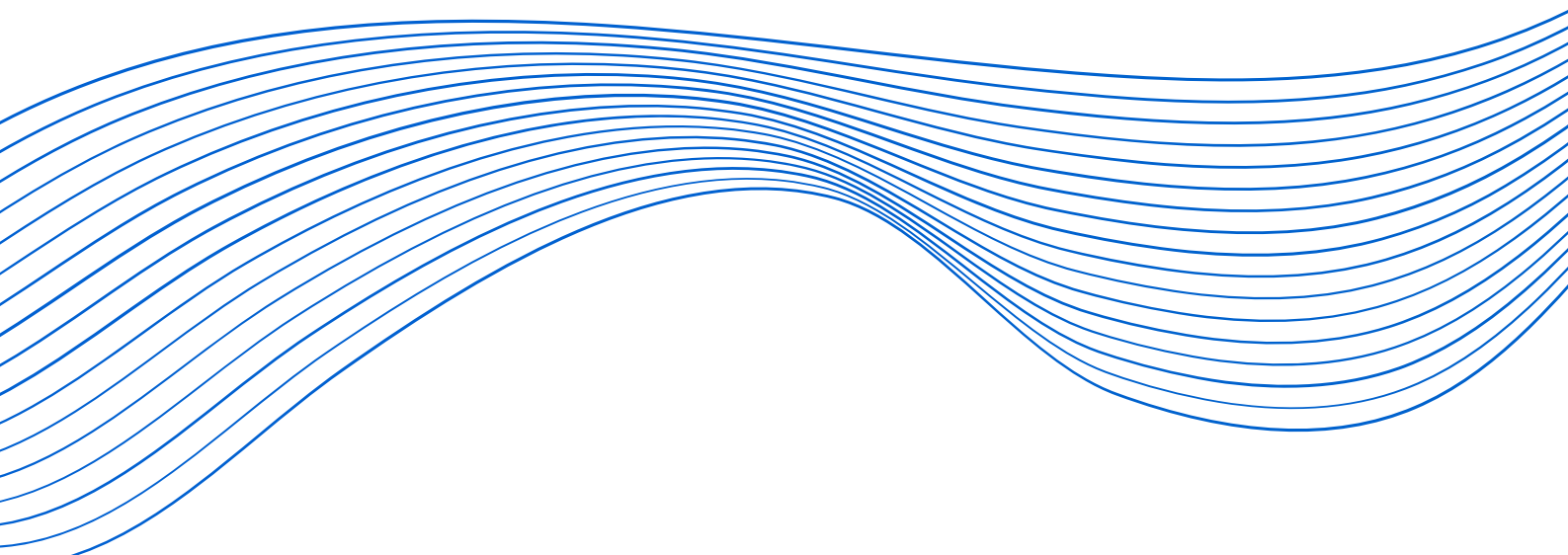
Larry Liza
Nellie Mupanduki
Dennis Ndonga



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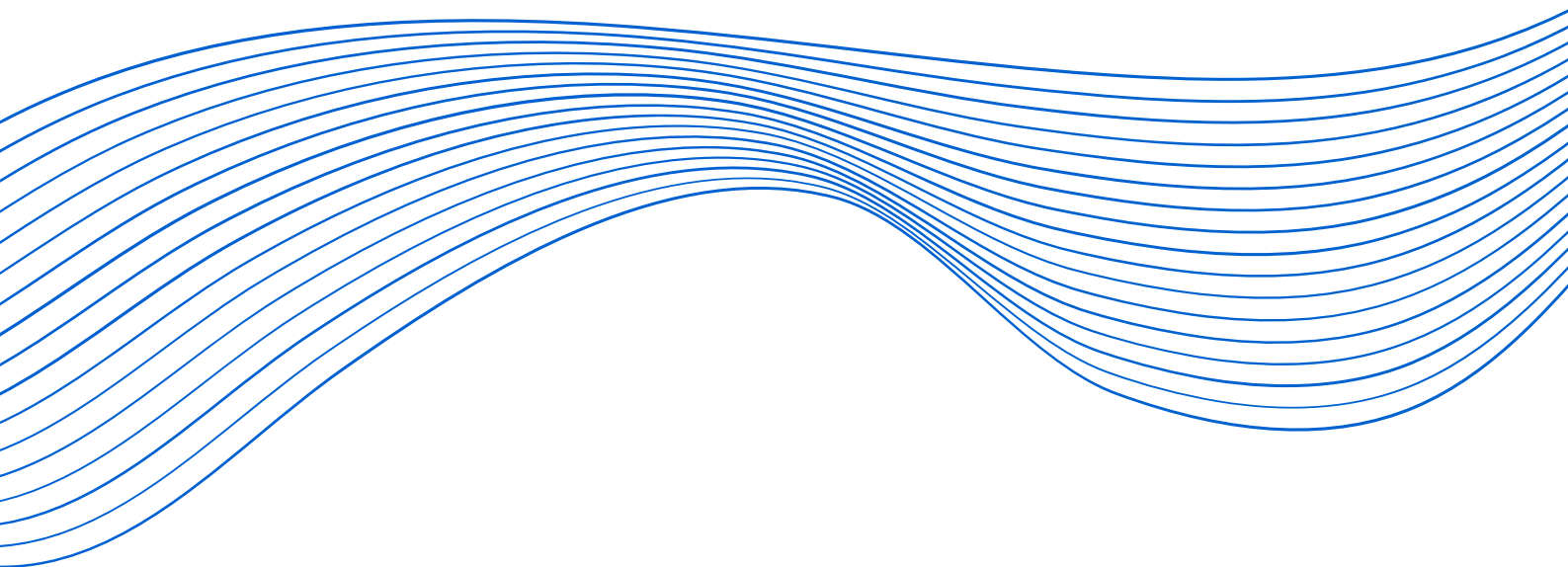


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PART I

Acknowledgements

Background





ACKNOWLEDGEMENTS

The 3rd World Customs Organization, East and Southern Africa (WCO ESA) Regional Research Conference was successfully held during the COVID-19 pandemic and attracted over 150 delegates from across the globe, is a testament of the resilient spirit of human beings to thrive no matter the circumstances. The conference was co-organized by the WCO ESA ROCB and the WCO Regional Training Centre (RTC) Mauritius with the support of Regional Training Centre (RTC) Kenya. We appreciate our Members and the Governing Council's unwavering support, without which, this fete would have been impossible to achieve. We also salute the WCO Secretary General Dr. Kunio Mikuriya for supporting this programme, and for his presence and remarks during the conference.

We witnessed the spirit of brotherhood and sisterhood during a time of unfathomable loss and here we are to celebrate the gains of our survival spirit, through the publishing of yet another regional research book, this time titled: "The effect of emerging issues on the role of Customs and Trade". We are thankful to the research team at the World Customs Organization, who have been resolute in supporting the ESA Region Research Programme. We acknowledge the WCO ESA Project II funded by the Finnish Government for supporting and funding the 3rd ESA Research conference.

We salute our researchers who worked tirelessly to deliver insights and invaluable research in their respective topics. With the passage of time, a reduced number of researchers finalized their papers towards this publication. We appreciate the support and cooperation of the African Union Commission, the Regional Economic Communities, the private sector, regional entities, and all development partners.

To Dr. Dennis Ndonga of Murdoch University, Australia, and Dr. Nellie Mupanduki Dhaerah of Zimbabwe Revenue Authority, thank you, once again, for your dedication and for partnering with the region to deliver yet another successful conference and research book, through your crucial roles as supervisors to the research candidates.

Larry Liza
Director

BACKGROUND

This research book presents the papers, report and outcomes of the 3rd WCO ESA Regional Research Conference which was held on the 23rd and 24th November 2021. It was co-organized by the ROCB and WCO Regional Training Centre (RTC) Mauritius with the support of WCO Regional Training Centre (RTC) Kenya and the WCO ESA Project II funded by the Government of Finland. The conference was attended by more than 150 participants from across the world and held virtually as a result of the COVID-19 pandemic. Participants included researchers and officials from various member customs administrations in the East and Southern Africa Region, WCO ESA Regional Training Centres (RTCs), the WCO, the African Union, the private sector, academia, and other cooperating partners. The conference was also graced by the presence of a high level delegation including: The Minister of Land Transport and Light Rail & Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, the Honourable Alan Ganoo; and the World Customs Organization Secretary General, Dr. Kunio Mikuriya.

The theme of the conference was “The effects of emerging issues on the role of Customs and Trade” in East and Southern Africa, covering: Potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and Customs; Security and development: Challenges and opportunities presented by technologies and emergence of new trade practices and their potential effects on security; Gender Equity, Equality and Diversity: Highlighting opportunities presented in the integration of gender practices and promotion of diversity in Customs and Trade; Enhancing trade facilitation and impact of cross border e-commerce on Customs and International trade; and an overview of digitization and its effect on AfCFTA, Gender and cross- border Trade as well as Trade Facilitation in General. Panel discussions focused on Return to Normalcy & Impact of Virtual Engagements following the COVID-19 pandemic and on the Effect of COVID-19 Pandemic on Revenue Collection. Two key note addresses were delivered on: “The effect of emerging and ongoing issues on the role of Customs and Trade” and “Enhancing the Movement of Medicines and Medical Equipment in East and Southern African Region Amidst Covid-19 Pandemic.”

The World Customs Organization, East and Southern Africa Region launched the ESA Regional Research Programme in 2013, aiming to build institutional capacity and the body of knowledge in Customs through research. The programme also aims to enhance the region’s capacity to showcase its own research globally.

The 1st WCO ESA Regional Research Conference was hosted by the Zimbabwe Revenue Authority in 2014 in Harare, Zimbabwe, themed “Customs and Trade Facilitation: Building Institutional Capacity and the body of knowledge in Customs through research”. The 2nd conference took place in 2017, hosted by the Regional Training Center(RTC), Kenya. The theme of the conference was “Impacts and Implication of the Trade Facilitation Agreement and the WCO Mercator Programme to the ESA region”.

PART II

RESEARCH PAPERS



Sendra Chihaka

ABSTRACT

Gender equity, equality and diversity dimensions remain poor in Sub-Sahara Africa (SSA) in general and in particular in East and Southern Africa (ESA) despite them being topical as an engine of sustainable development and growth, in contemporary trade discourse. The pivotal role that gender equity and equality plays in influencing sustainable economic development has further been accentuated by the numerous gender initiatives that have been rolled out by various global institutions. While various roles of women in the global trading system and the impact of trade liberalisation on gender equality have been the focus of several studies, this paper focuses on the opportunities that gender equality can bring to Customs and trade in ESA. The aim of this research is to identify the benefits which arise as a result of integrating gender practices and promotion of gender diversity in Customs and trade activities within the ESA region through a meta-analysis approach. This paper is informed by the smart economics approach to gender and development which perceives gender equality as a vehicle for women to expend their potential in economic development issues. Findings indicate that gender inequality is a barrier to trade and development in ESA. In order for gender equality to promote economic growth in the region, the research recommends that economic growth be responsive to influence by gender equality policies for instance in relation to human capital. The research also recommends that ESA countries take advantage of the implementation of the African Continental Free Trade Area (AfCFTA) to strengthen gender equality through incorporating enforcement mechanisms which will see the implementation of gender policies in African countries.

1. INTRODUCTION

Gender equity, equality and diversity dimensions remain poor in Sub-Sahara Africa (SSA) in general and East and Southern Africa (ESA) in particular despite them being topical in contemporary trade discourse as an engine of sustainable development and growth. According to the United Nations Development Programme (UNDP) Gender Inequality Index (2017), countries in SSA recorded the highest gender inequality of an average of 0.569 compared to highly developed regions like Europe and Central Asia (0.270) and East Asia and the Pacific (0.312). This seems to suggest that gender equality has a level of influence on economic growth and development.

Contemporary trade debates on the multilateral trading system are taking place at a time when there is reconceptualization of development itself. The new trend points towards moving from measuring development using market criteria such as consumption and income to measuring development based on human well-being especially of the marginalized in society such as women.[1] Cognisant of the critical role played by gender dimensions in international trade and economic development, various international conventions and institutes have made gender equity, equality and diversity part of their objectives.

The articles of the Universal Declaration for Human Rights apply to men and women equally, in particular Article 2 states that:

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.[2]. (2015, p.2).

Furthermore, Sustainable Development Goal number 5 seeks to '[A]chieve gender equality and empower all women and girls' (UNDP, n.d, p.20). The Joint Declaration on Trade and Women's Economic Empowerment on the occasion of the World Trade Organisation (WTO) Ministerial Conference in Buenos Aires in December 2017 also acknowledged 'the importance of incorporating a gender perspective into the promotion of inclusive economic growth, incorporating a gender perspective into the promotion of inclusive economic growth, and the key role that gender-responsive policies can play in achieving sustainable socio-economic development'. The Africa Continental Free Trade Area (AfCFTA)'s preamble (AU, 2018, p.1) refers to '[R]ecognising the importance of international security, democracy, human rights, gender equality and the rule of law, for the development of international trade and economic cooperation'.

For the first time, the World Bank Doing Business 2017 incorporated a gender dimension to three indicators i.e. starting a business, enforcing a contract and registering property. [3]. The World Bank also recognises gender equality as 'smart economics' in the sense that it can improve economic efficiency and other development outcomes. [4]. The Addis Ababa Action Agenda of 2015, an integral part of the 2030 Agenda, recognizes '[T]he crucial role of women, as producers and traders' and thus the need to 'address their specific challenges in order to facilitate women's equal and active participation in domestic, regional and international trade, (United Nations, 2015, n.p). All this highlights the importance placed on gender dimensions as an enabler of trade and development.

1.1 Initiatives to Integrate Gender in Customs and Trade

Recognising the important role of integrating gender dimensions to trade and development, various initiatives have been developed in order to make gender equality a priority. Such initiatives include a Trade and Gender Toolbox, which was developed by the United Nations Conference for Trade and Development (UNCTAD) in order to provide a systematic framework to assess the impact that trade reforms have on women as well as gender inequalities before implementation of the reforms.

[1] Nillufer Cagatay (1998), "Social Development and Poverty Elimination Division", (Working Paper, WP5, UNDP, May 1998), available at: <https://www.undp.org/content/dam/aplaws/publication/en/publications/poverty-reduction/poverty-website/gender-and-poverty/GenderandPoverty.pdf> (accessed 12 November 2019).

[2] United Nations, Universal Declaration for Human Rights, (UN, 2015) available at: <file:///E:/WCO%20ESA%20CALLS%202019/TRADE%20AND%20GENDER/FINAL%20PUSH%20ESA/UNIVERSAL%20DECLARATION%20OF%20HUMAN%20RIGHTS%20P6.pdf> (accessed 17 November 2019).

The toolbox includes a quantitative analysis of the expected consequences of the trade reform on the economy and on women's participation in the economy in particular as well as the descriptive analysis of gender inequalities and the economic context of the country at stake. [5].

The World Customs Organization (WCO) has come up with various initiatives to promote gender equity, equality and diversity in its capacity building agenda. With regards to trade facilitation, possibly the most notable initiative has been the WCO's Gender Equality Organizational Assessment Tool (GEOAT) designed to enable Customs administrations to assess their activities and processes in order to address gender equality issues. This tool aims at ensuring gender mainstreaming in the design as well as implementation of WCO capacity building initiatives supporting Customs reform and modernization processes. [6] The other initiatives include the launching of the WCO Virtual Working Group for Gender Equality and Diversity with a specific section in the CliKC! Platform as well as hosting of a number of events on the topic of Gender Equality and Women in Trade.

The WCO Virtual Working Group for Gender Equality and Diversity is a working group whose objectives include gathering good practices on gender equality and diversity initiatives implemented by Members. It provides a platform for exchange of experiences in order to raise awareness of the GEOAT and to discuss new ideas on how WCO can further promote gender equality and diversity in its activities.

Despite the foregoing initiatives, studies show that gender inequality still poses a threat to Customs and trade performance within the ESA region, [7]. The fact that various regional and international organisations acknowledge gender equality as a prerequisite for growth and development means that there are benefits, which come with integrating gender practices in trade. Studies (for instance by Vyas-Doorgaspersad, 2017) [8] have shown that gender equality leads to sustainable economic growth.

While various roles of women in the global trading ecosystem and the impact of trade liberalisation on gender equality have been the focus of many a research, the uniqueness of this study is that it focuses

[3] World Bank, "Doing Business: Equal Opportunities for All: 14th Edition" (2017), available at: <https://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB17-Chapters/DB17-Mini-Book.pdf>.

[4] The World Development Report (2012) "Gender Equality and Development: Conceptual Turning Point but No Change in Practice?" (Briefing Paper 2, WDR, 2012) available at: https://www.files.ethz.ch/isn/140979/2_2012%20e.pdf.

[5] Taneja, Nisha; Joshi, Sanjana; Prakash, Shravani and Bimal Samridhi, 'Trade Facilitation Measures to Enhance Women's Participation in Cross-border Trade in BBIN' (Working Paper No. 350, Indian Council for Research on International Economic Relations, January 2018), available at: <https://www.researchgate.net/directory/publications>

focuses on the opportunities that gender equality can bring to Customs and trade in ESA. The aim of this research is therefore to identify the benefits which arise as a result of integrating gender practices and promotion of gender diversity in Customs and trade activities within the ESA region. The ESA region is made up of regional economic blocks such as Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the East African Community (EAC) which have designed gender equality programmes and will therefore provide a good analysis of the initiatives.

Issues to be looked into include what lessons can other ESA member countries with lower gender equality levels draw from their more gender-equal counterparts? The paper further examines the extent to which WCO gender equality initiatives have been implemented in the various ESA countries as well as other national initiatives aimed at addressing historical gender disparities. What do these countries stand to gain if they develop gender-sensitive Customs and trade procedures?

The study will adopt a two-pronged approach in looking at gender equity, equality and diversity in Customs working environment as well as focusing on small-scale cross border traders who in most cases are women.

In order to achieve its aim, this study employs a systematic literature review (meta-analysis) approach to make inferences into the likely impact of integrating gender practices and promotion of diversity in Customs and trade in ESA. Meta-analysis is a statistical assessment of the data provided from multiple studies or sources, which attempt to ask or answer the same question. The approach was employed in this study in order to infer into experiences of other countries on the effect of integrating gender practices in Customs and trade and deduce lessons that ESA member countries can adopt. The Ibrahim Index of African Governance (IIAG), the UNDP Gender Inequality Index (GII) case studies, and the experiences of both male and female staff of ZIMRA as well as informal traders were used to get a balanced view of gender inequality, equity and diversity.

[6] *Ibid.*

[7] Michael Mwendha, Tina Kaidu Barugahara, Mwajumah Nakku Mubiru, Sarah Wasagali Kanaabi and Milly Isingoma Nalukwago, 'Why African tax authorities should employ more women: Evidence from the Uganda Revenue Authority', (Working Paper 85, The International Centre for Tax and Development at the Institute of Development Studies, Brighton BN1 9RE, UK, 2018).

[8] Shikha Vyas-Doorgapersad, 'Gender Mainstreaming in Local Economic Development Processes: A South African Perspective' (2017), Vol 9, No 2, *International Journal of Economics and Finance Studies*, ISSN: 1309-8055 (Online).

The rest of the paper is structured as follows: Part 2 focuses on the definition as well as theoretical perspectives of Gender equality, gender equity and gender diversity. The next part looks at Gender Equality levels across Sub-Sahara Africa. Part 4 focuses on integrating gender practices in Trade and Customs in ESA exploring the justifications and likely benefits to be achieved from such reforms while Part 5 concludes with recommendations.

2. GENDER EQUITY, GENDER EQUALITY AND GENDER DIVERSITY: THEORETICAL PERSPECTIVES

Gender equity refers to ‘fairness of treatment for women and men, according to their respective needs in order to achieve gender equality,’ (UNESCO 2003, p. 1). [9]. It usually requires differential treatment of women and men (or specific measures) so as to compensate for the social and historical disadvantages that prevent men and women from sharing a level playing field (as illustrated in Figure 1 below).

On the other hand, gender equality means that ‘the different behaviour, aspirations and needs of women and men are considered, valued and favoured equally’ (UNESCO 2003, p. 1). [10].

[9] UNESCO glossary online 2003, ‘gender equity’, viewed 27 April 2019, <http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/BSP/GENDER.pdf>

[10] UNESCO glossary online 2003, ‘gender equality’, viewed 27 April 2019, [http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/BSP/GENDER/PDF/1.%20Baseline%20Definitions%20of%20key%20gender related.pdf](http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/BSP/GENDER/PDF/1.%20Baseline%20Definitions%20of%20key%20gender%20related.pdf)

[11] Shikha Vyas-Doorgapersad, ‘Gender Mainstreaming in Local Economic Development Processes: A South African Perspective’ (2017), Vol 9, No 2, *International Journal of Economics and Finance Studies*, ISSN:1309-8055 (Online).

[12] Yancey Martin, ‘Gendering Practices, Practicing Gender. *Gender & Society*’ in Ferree, M. M. (2003). *Practice Makes Perfect? A Comment on Yancey Martin’s Gendering Practices, Practicing Gender. Gender & Society*, 17(3), 373–378. <https://doi.org/10.1177/0891243203017003005>.

It affords both men and women equal enjoyment of human rights, opportunities and resources. Vyas-Doorgaspersad (2017) [11]. defines gender equality as referring to women and men being equal to one another and sharing the same rights (as illustrated in Figure 1)

Gender diversity refers to equitable or fair representation of people of different genders usually in the workplace. Equity leads to equality. Equity means that there is a need to continue taking differential actions to address historical inequality among men and women and achieve gender equality.

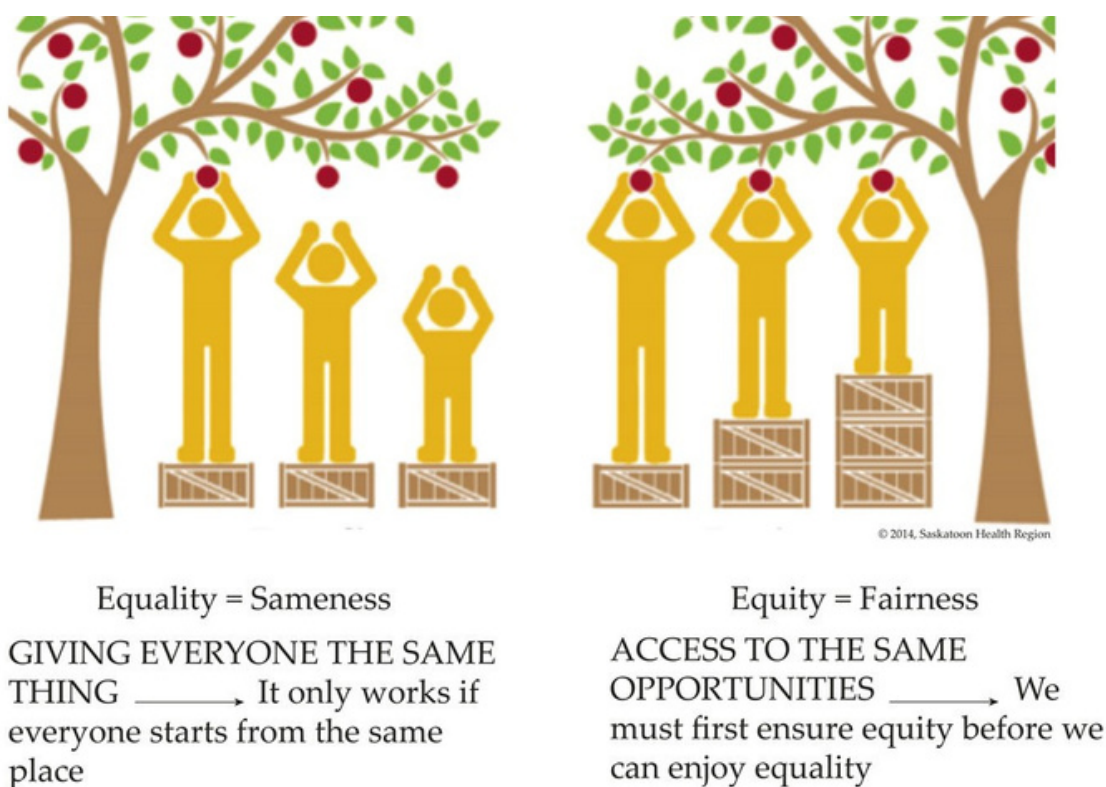
The difference between boys and girls at birth is their sex; but as they grow up society gives them different roles, attributes, opportunities, privileges and rights that in the end create the social differences between men and women (gender). According to Martin (2003, p.354), [12]. gender practices refers to ‘a set of activities available to be performed in accordance with cultural gender expectations’. Gender practices may also be demonstrated in the way people talk about concepts or position themselves relative to others. [13]. Engaging in gender practices brings about the gender order of society.

Gender equality, equity and diversity have long been identified as fundamental ingredients for the achievement of sustainable development and growth. They have, however, become one of the barriers to ESA's trade and development. The importance of integrating gender practices into development dates back to the 1970s. When studies by Ester Boserup (1970) and others indicated that the status of women was deteriorating due to practices of development programmes, international social movements emerged and advocated for change and reformulation of development policies and strategies to implement more gender-sensitive policies. This resulted in the Women-in-Development (WID) regime. Development organisations followed a pattern of adapting their policies to include women but not fundamentally changing their policies and practices. [14].

Criticisms against the WID regime led to the search for alternative approaches. This gave birth to Women and Development (WAD) in the late 1970s. This was meant to be a conscious move from liberal and neo-classical theories (Rathgeber, E.M, 1989). The WAD perspective focused on the relationship between women and development processes rather than purely on strategies for the integration of women into development. Recognising that women-only projects of WAD were not having the desired effect resulted in Gender and Development (GAD), which emphasized gender rather than women.

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Figure 1: Pictorial depiction of equality and equity



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Unlike WID, the GAD approach is not concerned specifically with women, but with the way in which a society assigns roles, responsibilities and expectations to both women and men. GAD applies gender analysis to uncover the ways in which men and women work together, presenting results in neutral terms of economics and efficiency. In an attempt to create gender equality, GAD policies aim to redefine traditional gender role expectations. Women are expected to fulfill household management tasks, home based production, bearing and raising children as well as caring for family members. The role of a wife is largely interpreted as 'the responsibilities of motherhood' [15].

Men, however, are expected to be breadwinners who are associated with paid work, and market production.

The current wave of gender and development is the smart economics approach advocated for mainly by the World Bank, which dates back to the 1980s.

The smart economics approach defines gender equality as an integral part of economic development. It stresses that the gap between men and women in human capital and economic opportunities is a chief obstacle in achieving more efficient development.[16] As an approach, it is a direct descendant of the efficiency approach taken by WID, which “rationalizes ‘investing’ in women and girls for more effective development outcomes”[17]. Its approach identifies women as a relatively underinvested source of development and it defines gender equality as an opportunity of higher return investment. Smart economics therefore, perceives gender equality as a vehicle for women to “expend their potential in economic development issues[18].” This paper is informed by the smart economics approach to gender and development.

[13] Rhoton, Laura Anne, "Practicing gender or practicing science? Gender practices of women scientists" (2009), (Graduate Theses and Dissertations, IOWA University), 10756.
<https://lib.dr.iastate.edu/etd/10756>.

[14] Elizabeth Asiedua Asante (2000), 'Gender and Development Theory, Policy and Practice Through a Feminist Postmodern Lens: A Case Study of CIDA's Policies On Women 1995-2000', Master's thesis, Queen's University, Canada, viewed 27 April 2019), available at:
<https://www.collectionscanada.gc.ca/obj/s4/f2/dsk2/ftp01/MQ52970.pdf>.

[15] Ibid.

[16] Ibid.

[17] Ibid.

3. GENDER EQUALITY LEVELS ACROSS AFRICA

About 43% of African trade is informal cross-border trading (OECD, 2017). Statistics indicate that of those who work in the informal sector, 70% are women in SADC and 60% in Central and West Africa. [19] Women contribute 55% to regional trade in Sub-Sahara Africa [20] though this is not being recorded due to its mostly informal nature. Much of the recorded formal trade is carried out by men in ESA since they usually have access to finances and markets compared to their female counterparts.

Besides the general barriers faced by both male and female cross-border traders, women in ESA face additional barriers in the form of regulatory and cultural barriers such as property right laws.[21]. According to the Ibrahim Index of African Governance (IIAG) which measures among other governance indicators, gender equality in Africa based on eight variables

which include gender in the workplace and promotion of gender equality; gender equality in SSA stood at 55.8% in 2018 (Figure 2).

Integrating the informal and usually unrecorded trade activities carried out by mostly women calls for a shift from gender-neutral Customs and trade policies to gender-sensitive policies. One of the reasons for gender inequality in the workplace is the perception that women are less committed workers compared to their male counterparts [22]. Employers are reluctant to hire women as they usually have to take time-off to take care of children (maternity leave), the sick and elderly [23].

[18] Ibid.

[19] African Development Bank, 'Financial Inclusion in Africa', 2012

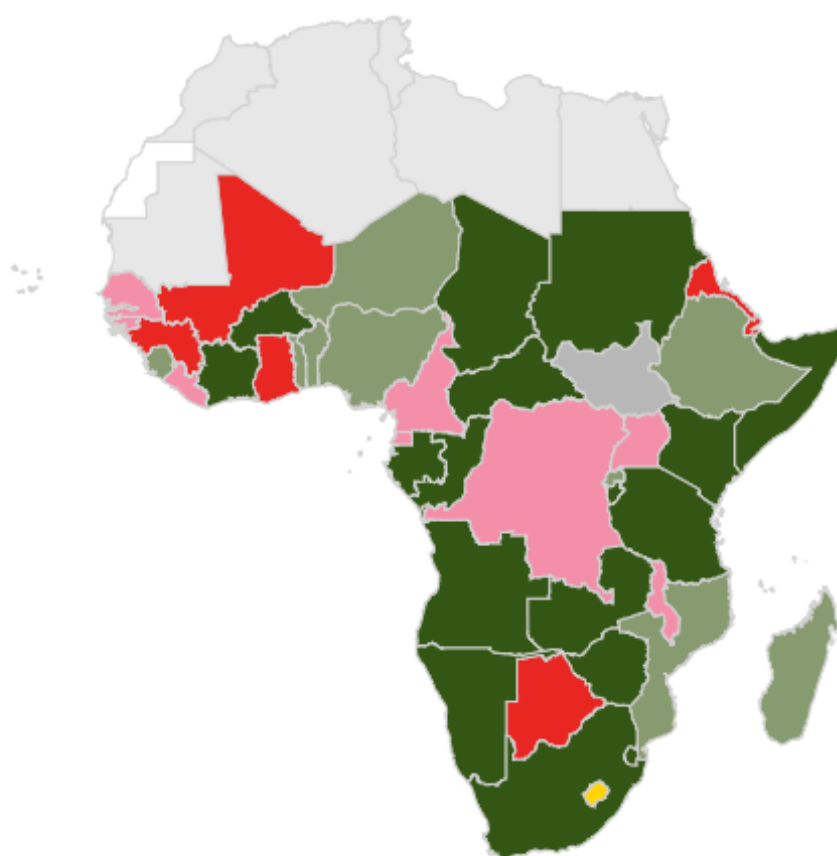
[20] FAO, 'Regional Overview of Food Security and Nutrition. Addressing the threat from climate variability and extremes for food security and nutrition', (2018 Accra. 116 pp).

[21] Alicia Frohmann, 'Gender Equality and Trade Policy', (Working Paper No. 24/2017, World Trade Institute, December 2017).

[22] Marketa von Hagen, "Trade and Gender-exploring a reciprocal relationship; Approaches to mitigate and measure gender-related trade impacts", (GIZ GmbH, 2014)

[23] Ibid

Figure 2: Mo Ibrahim's Gender Inequality status in SSA



Classification	Characteristic
	<u>Improved</u>
Increasing Improvement	Progress over the last ten years, with the rate of improvement increasing
Slowing Improvement	Progress over the last ten years, with the rate of improvement slowing
Warning Signs	Progress (or no change) over the last ten years, but showing recent decline *
	<u>Deteriorated</u>
Bouncing Back	Decline (or no change) over the last ten years, but showing recent progress *
Slowing Deterioration	Decline over the last ten years, but the rate of decline is slowing
Increasing Deterioration	Decline over the last ten years, with the rate of decline increasing

Source: Ibrahim Index of African Governance (2018)

For the 3 regional blocks which form ESA, SADC performs the best (61.2%), followed by COMESA (54.9%) and EAC (54%) on the overall gender equality score of the Ibrahim Index of African Governance. In terms of promotion of gender equality and workplace gender equality, SADC scores 58.1% and 45.3% respectively, COMESA 57.1% and 40.8% respectively and EAC 49.4% and 42.3% respectively. Notable improvements have been realized in gender equality in most of ESA countries over the past 10 years, with the exception of countries like Botswana, Malawi and the Democratic Republic of Congo (DRC), which have experienced deterioration in gender equality.[\[24\]](#) Likely causes of these trends in Botswana are the persistence of patriarchal attitudes by the ruling elite with only 10% of members of parliament and 25% of cabinet being women leaving the country far from achieving 50% of women in decision-making as stipulated by the SADC Protocol on Gender and Development. [\[25\]](#) In Malawi, the likely causes are women's little decision-making power whereas in the DRC, civil wars are most likely to have reversed that gains towards improving gender equality.

Data from the Global Inequality Index (2017) indicates that countries which have low gender inequality seem to perform well economically and the opposite also holds. For example, South Africa (0.389) and Mauritius (0.373) have low levels of gender inequality compared to countries like Zimbabwe (0.534) and Malawi (0.619). South Africa's performance is most likely linked to women being more financially included than men (Appendix 2) mainly driven by most women receiving social grants through a South African Social Security Agency card.[\[26\]](#)

According to the UNDP, Human Development Report (2018), gender inequality levels vary across the ESA region. As demonstrated in Figure 3, most of the countries show decline in gender inequality though in differing magnitudes. DRC, Malawi and Eswatini had high levels of gender inequality (around 0.7) in 2017.

The lowest levels of inequality in 2017 were recorded in Tunisia and Libya (below 0.3 and 0.2 respectively). However, there has been a decline in gender inequality in countries such as Mozambique, Namibia and Rwanda over the period 2010 to 2017 while Mauritius, Tunisia and Libya have been stagnant for some time. Zimbabwe and Kenya had a significant decrease in gender inequality (about 0.05) for the period 2012-2013.

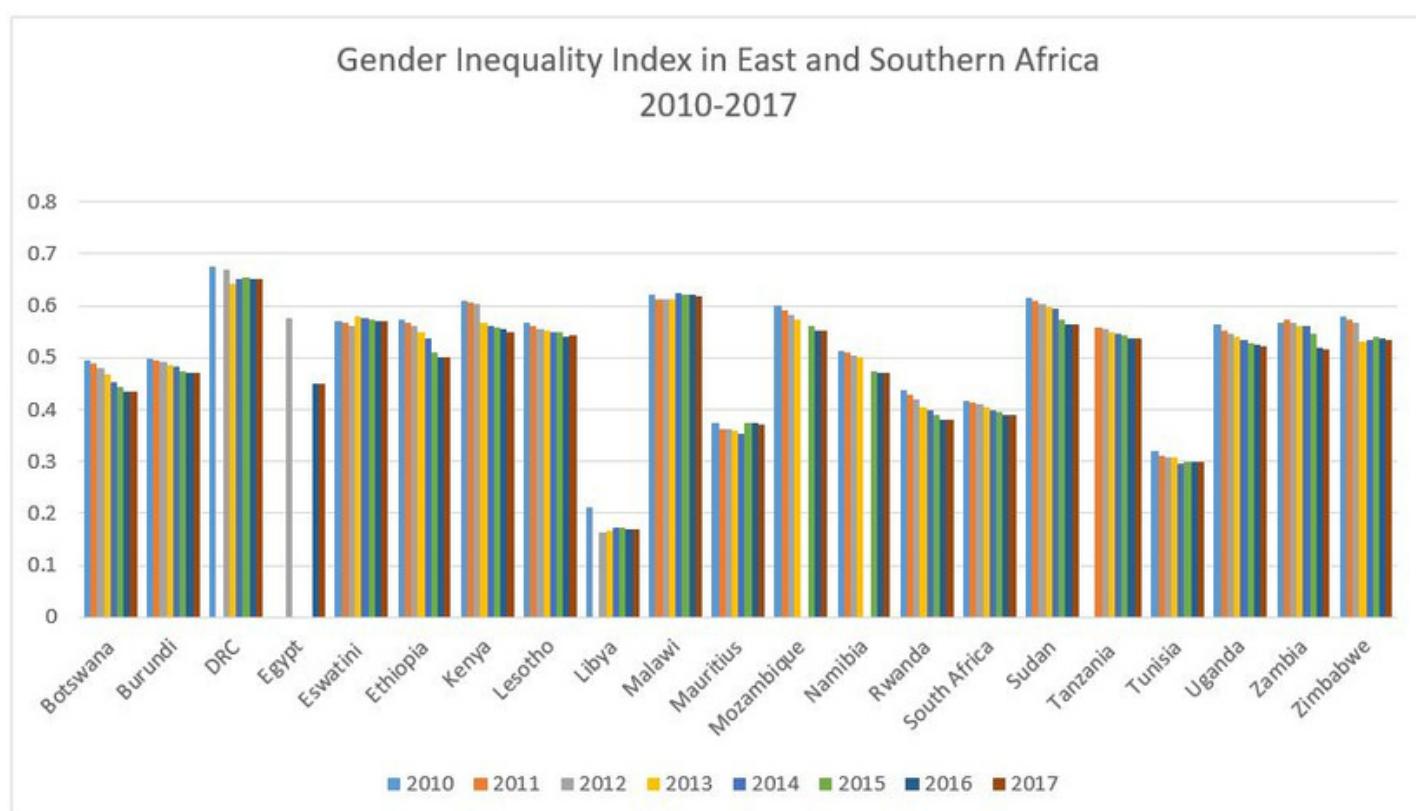
Gender inequality in ESA is mostly exacerbated by the traditional patriarchal nature of most societies. Women in most African countries are socialised to be care givers and be dependent on males. However, globalisation has resulted in the erosion of the African culture in some countries more than in other countries which has resulted in varying degrees of inequality in so far as gender issues are concerned.

[24] Ibrahim Index of African Governance, Index Report, (Mo Ibrahim Foundation,2018).

[25] Gender Links, 'For Equality and Justice',GL Botswana viewed 21 November 2019, https://genderlinks.org.za/wp-content/uploads/2016/03/BOTSWANA_Strategy2016to2020_ahgrmf_271015.pdf.

[26] Finmark Trust, 'Gender and Financial Inclusion: Analysis of Financial Inclusion of Women in the SADC Region, 'August 2016 available: <http://www.finmark.org.za/wp-content/uploads/2016/08/gender-and-financial-inclusion.pdf>.

Figure 3: Gender Inequality Index in East and Southern Africa (2010-2017)



Source: UNDP, Human Development Report (2018)

3.1 Gender Mainstreaming in ESA

In order to address gender inequality, the three RECs in ESA have come up with various initiatives to mainstream gender practices in trade in order to foster economic development. COMESA has a Gender and Social Affairs Division, COMESA Gender Policy and Gender Mainstreaming Strategy as well as a Gender Mainstreaming Toolkit was developed. COMESA has been implementing the Gender Mainstreaming Strategic Action Plan since 2009. [27] Part of COMESA's major achievements is the development of the Gender mainstreaming

manuals, which act as guidelines for mainstreaming gender perspectives in the region's integration agenda especially trade.

On the other hand, the EAC has a gender theme as well as a Gender and Community Development Framework, which include a trade component as well as a Gender-sensitization training manual on the EAC Treaty in development. The EAC Treaty has been operationalized in various EAC policy frameworks...

[27] COMESA, *Gender Mainstreaming Strategic Plan*, 2009, viewed 5 May 2019, https://www.comesa.int/wp-content/uploads/2019/02/COMESA-Communication-Strategy.-_final_web_email.pdf.

...that recognise the paramount role of women in driving the EAC's regional integration agenda. Such frameworks like the EAC Gender and Community Development Strategic Plan provide guidelines for the mainstreaming of gender in EAC policies and programmes. [28]

SADC has a Gender Unit, a Gender Mainstreaming Strategy and Gender Mainstreaming Toolkit. Gender Equality has been supported in SADC by various policy commitments made by member States such as the Dakar Platform for Action (1994) and the SADC Declaration on Gender and Development (1997). Although measures like the Strategic Implementation Framework on Gender and Development have been put in place to make these policies operational, the status of gender inequality in the region indicates that more action is still needed. [29] This has prompted SADC member States to set goals designed to address gender inequality in all sectors through gender mainstreaming in all projects and programmes in order to address issues of women's empowerment. Individual countries have also come up with policies and strategies to mainstream gender. Zimbabwe, for instance, has a National Gender Policy, which is currently acting as a guideline to gender mainstreaming in economic matters.

Most African Regional Trade Agreements (RTAs) have been criticised for coming up with brilliant gender mainstreaming blueprints which, however, suffer from lack of implementation. Critics like Frohmann (2017) [30] argue that specific gender concerns have been absent in the RTAs. In COMESA, for instance, Special Economic Zones (SEZs) due to trade liberalisation, have resulted in new gender inequality patterns and vulnerability. This has been brought about by loss of tax revenue brought about by SEZs adversely affecting health and education services thereby relegating women to care-giving roles.[31] The implementation of the African Continental Free Trade Area (AfCFTA) can be an opportunity to strengthen the role of women and address gender concerns by incorporating enforcement mechanisms which will see the implementation of gender policies in African countries.

[28] EAC, *Gender and Community Development Strategic Plan*, viewed 5 May 2019, <https://www.eac.int/documents>.

[29] SADC, *Gender Mainstreaming Resource Kit*, viewed 5 May 2019, https://www.sadc.int/files/2114/0558/6128/SADC_GENDER_MAINSTREAMING_RESOURCE_KIT.pdf.

[30] Alicia Frohmann, 'Gender Equality and Trade Policy', (Working Paper No. 24/2017, World Trade Institute, December 2017).

[31] International Institute for Environment and Development, 'On a learning curve towards gender mainstreaming', viewed 5 May 2018, <https://www.iied.org/learning-curve-towards-gender-mainstreaming>.

4. INTEGRATING GENDER PRACTICES IN CUSTOMS AND TRADE IN ESA: LESSONS AND LIKELY BENEFITS

4.1 Overview of Gender in Customs Administrations in ESA

The majority of Customs administrations in ESA are male-dominated (Source: Various revenue authorities' websites as at 21/04/19). Most revenue authorities in ESA are currently headed by male Commissioner Generals/ Directors with the exception of the likes of the Zimbabwe Revenue Authority (ZIMRA) and Kenya Revenue Authority (KRA) has a female Commissioner of Customs. A bird's eye view of Customs administrations in ESA also indicates that the executive management teams are also male-dominated (e.g. only 25% for Rwanda, 35.71% for Zimbabwe, 20% for South Africa, 35.71% for Uganda and 40% Malawi are women; (Source: Various revenue authorities' websites as at 21/04/19, Refer to Appendix 1). The majority of women occupy the lower and non-policy making ranks compared to their male counterparts. For instance, according to ZIMRA's human resources statistics from 2012-2019 show that male employees have accounted for more than 55% of the total employees over that period.

4.2 Lessons and Likely Benefits of Integrating Gender Practices in ESA

There is overwhelming evidence pointing to the positive impact that gender mainstreaming has had on the performance of Custom administrations in particular and economies in general. According to the World Bank Doing Business Report (2017), [32] there is evidence that economies which have highly integrated women into their workforce have enhanced international competitiveness achieved mostly through developing export-oriented manufacturing industries that have a bias towards the employment of women.

There are a number of studies that have looked at some of the key benefits behind integrating gender issues in Customs and trade policies.

A study by Mwendha M, et al (2018), [33] which focused on female leadership within the URA found that women had a superior work ethic and were likely to focus on getting their work done compared to men who were found to be more motivated by the prospect of extra earnings. This was further reflected on the length of employment of women within the URA serving an average period of 12.3yrs compared to the men who averaged 11.6yrs. The study also found that women employees received better performance appraisals than their male co-workers.

Walle (2013) [34] sought to prove the hypothesis that greater female leadership within an organization contributes to lower levels of corruption by studying women in decision-making in Customs administrations. The scholar concluded that when women break into higher management positions in Customs, they contribute to a lower level of corruption. He further concluded that organizations that integrate diversity and inclusiveness perform better as a result of broader perspectives and new ideas. Considering the wide diversity of tasks within a Customs organization it is an excellent opportunity to mobilize the talents of diverse employee groups. Women leaders, who are generally inclined to adopt more participatory and inclusive management style, are well positioned to oversee such processes in organizations, including Customs organizations.[35]

Klasen (1999) [36] simulated the effect on growth if Sub-Saharan Africa, South Asia and Middle East and North Africa (MENA) had the same initial female to male enrollment ratio as East Asia did in 1960 and had closed their gender gaps in schooling at the same rate as East Asia did between 1960 and 1992. In order to reduce gender inequality, many countries in Southeast Asia implemented strong programmes that urged basic education for all, which particularly benefited young women and girls. Furthermore, key export industries such as textiles and electronics relied heavily on relatively unskilled, but generally literate, women.

[32] World Bank, 'Doing Business: Equal Opportunities for All: 14th Edition' (2017), available at: <https://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB17-Chapters/DB17-Mini-Book.pdf>.

[33] Michael Mwondha, Tina Kaidu Barugahara, Mwajumah Nakku Mubiru, Sarah Wasagali Kanaabi and Milly Isingoma Nalukwago, 'Why African tax authorities should employ more women: Evidence from the Uganda Revenue Authority', (Working Paper 85, The International Centre for Tax and Development at the Institute of Development Studies, Brighton BN1 9RE, UK, 2018).

[34] Van de Walle, N. *Tipping Games: When Do Opposition Parties Coalesce?* in Schedler, A. (ed.) *Electoral Authoritarianism: The Dynamics of Unfree Competition*. Boulder, CO: Lynne Rienner. 2006.

[35] *Ibid.*

[36] Klasen Stephan, 1999, 'Does gender inequality reduce growth and development: evidence from cross-country regressions', *Policy research report on gender and development working paper series; no. 7*. Washington, D.C, The World Bank. <http://documents.worldbank.org/curated/en/612001468741378860/Does-gender-inequality-reduce-growth-and-development-evidence-from-cross-country-regressions>.

This resulted in women making up 26-31% of the labour force in Indonesia, Malaysia and Singapore in 1970. By 1995, women's share in the labour force had risen to between 37% and 40%. [37] Klasen (1999) concluded that average per capita growth over the period would have been 64% higher in Sub-Saharan Africa, 40% higher in South Asia and 32% higher in MENA if initial gender enrollment conditions and enrollment gender gaps had mirrored those in East Asia. However, Seguino (2000) argues that gender inequality stimulated growth in Asian economies as low wages for women propelled investment as well as exports through lowering labour costs.

According to Frohmann (2018, p. 20), [38] Latin America designs and implements trade policy that mainstreams gender into national and regional trade agreements and negotiations. It also generates gender-specific data and engages in gender-sensitive impact assessments while addressing the needs of women-led businesses in order to promote economic empowerment. This has resulted in greater participation of women in development issues.

In order to identify the challenges and impediments faced by women in engaging in cross-border trade, North Bengal, Bangladesh, Bhutan and Nepal applied gender mainstreaming in trade policies. [39] The outcome of the initiatives pointed out that neglect of gender specific constraints within the overall framework of trade facilitation has serious implications not just for women's empowerment but also for productivity and growth potential of these economies.

Research by McKinsey revealed that women-owned export businesses are more productive than non-exporting women-owned ones. Thus he concluded that advancing gender equality could result in an additional \$28 trillion to global GDP by 2025. This will then mean better economic development for communities and the nation at large. The relationship between gender and economic development is two-way. Gender equality can lead to economic development and economic development can lead to gender equality, but the bottom line is that they are positively related.

[37] Ibid.

[38] Alicia Frohmann, 'Gender Equality and Trade Policy', (Working Paper No. 24/2017, World Trade Institute, December 2017).

[39] Taneja, Nisha; Joshi, Sanjana; Prakash, Shravani and Bimal Samridhi, 'Trade Facilitation Measures to Enhance Women's Participation in Cross-border Trade in BBIN', (Working Paper No. 350, Indian Council for Research on International Economic Relations, January 2018), available at: https://www.researchgate.net/publication/329775703_Trade_Facilitation_Measures_to_Enhance_Women's_Participation_in_Cross-border_Trade_in_BBIN (accessed 20 September 2019).

Nonetheless the focus of this paper is on the former relationship. According to UNCTAD (2014), [40] improvement in gender equality is not necessarily due to economic development but policies and resource allocation for gender equality. Gender equality can result in economic growth through expanding human capital since women with better education are able to undertake high-value economic activity.

Klassen [41] (1999) argues that poor countries are characterised by gender inequality especially in education. They estimate loss of growth in Sub Saharan Africa at 0.38% per annum as a result of gender inequality in education, which accounts for the difference between the region and other regions like East Asia and the Pacific.

4.3 Justifications for Mainstreaming Gender in Customs and Trade

People are the most important asset in any organization including Customs. Thus, a conducive working environment has to be created for effective performance. Being mostly male-dominated, the Customs working environment in ESA should also take into consideration gender equity, equality and diversity, which are part of the WCO's reform programme. [42]

Historically, Customs tariffs have been collected almost entirely by men hence the current legacy of mostly male-dominated Customs administrations. This is partly a mirror of patterns of authority in the African society as well as the fact that tariffs have generally been collected in a context of confrontation between Customs and the trader, with the risk of coercion or violence [43].

[40] UNCTAD, 'Looking at trade policy through a "gender lens": Summary of seven country case studies conducted by UNCTAD', (United Nations publication UNCTAD/DITC/2014/3, 2014), available at: https://unctad.org/en/PublicationsLibrary/ditc2014d3_en.pdf.

[41] Klasen Stephan, 1999, 'Does gender inequality reduce growth and development: evidence from cross-country regressions', Policy research report on gender and development working paper series; no. 7. Washington, D.C, The World Bank. <http://documents.worldbank.org/curated/en/612001468741378860/Does-gender-inequality-reduce-growth-and-development-evidence-from-cross-country-regressions>.

[42] World Customs Organisation Capacity Building available at: <http://www.wcoomd.org/en/topics/capacity-building.aspx>

The evolution of trade has brought with it the evolution of methods used to collect tariffs which have moved from being mostly face-to-face to minimal human interface. With the Customs modernisation reforms, payments are done at the banks and the introduction of risk assessment measures, declaration processing centres and Authorised Economic Operators (AEOs) means that post clearance audits are the preferred method of Customs work, resulting in minimal human interface. Modern Customs reforms have resulted in more of trade facilitation and less of gate-keeping. This means that more skills are required in data analysis and compliance rather than enforcement, thus the need to improve in areas of gender equity, equality and diversity.

Studies, for instance by Mwendha M, et al. (2018) [44] show that encouraging gender equity and diversity in the workplace results in innovation as well as improved individual and organizational performance. In order to exploit the full potential of the workforce, the Customs working environment should take into consideration gender diversity as well as gender equity in order to avoid unfair advantage or disadvantage on some group(s) of workers.[45]

In as much as gender equality and diversity are important in the Customs working environment, they are equally important when Customs interacts with traders. Customs and trade have a symbiotic relationship as they cannot do without each other. Customs has direct effect on traders meaning that Customs processes and procedures should account for their impact on small-scale traders who are mostly women when they compete with large-scale traders who are mostly men. [46] This means that Customs administrations can either support or hinder empowerment of women. Consultations with women traders on Customs procedures create transparency thereby playing a pivotal role in supporting the economic empowerment of women mostly in their role in global trade.

However, theory and research suggest that socio-cultural patterns of gender inequality are reproduced in organizations, interactions and practices. [47] Men subordinate women in organisations through gender practices, which consider men as the superior sex (Bird and Sokolofski 2005). According to (Martin 2003, p.354), gender practices refers to ‘a set of activities available to be performed in accordance with cultural gender expectations’.

[43] Michael Mwendha, Tina Kaidu Barugahara, Mwajumah Nakku Mubiru, Sarah Wasagali Kanaabi and Milly Isingoma Nalukwago, ‘Why African tax authorities should employ more women: Evidence from the Uganda Revenue Authority’, (Working Paper 85, The International Centre for Tax and Development at the Institute of Development Studies, Brighton BN1 9RE, UK,2018).

[44] Ibid.

[45] World Customs Organisation Capacity Building available at: <http://www.wcoomd.org/en/topics/capacity-building.aspx>.

[46] World Customs Organisation; Gender Equality Organizational Assessment Tool, available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/media/newsroom/press/gender-equality-assessment-tool.pdf?db=web> (accessed 1 September 2019).

Gender practices may also be demonstrated in the way people talk about concepts or position themselves relative to others. [48] Engaging in gender practices brings about the gender order of society. Thus, by ensuring there is gender equity, equality and diversity through the integration of gender practices in Customs and trade in ESA, greater benefits are likely to be realised. [49]

5. FINDINGS AND RECOMMENDATIONS

Experiences from some Customs officials in Zimbabwe indicate that work in some sections of the organisation is still allocated along gender lines. To some extent, beliefs that women are less committed to formal work compared to men still exist due to women's pivotal role in caring for the family. For instance, some female Customs officials in Zimbabwe who were interviewed during the course of this research cited situations where some superiors preferred working with men because they are most unlikely to take time off to take care of the family and even work at odd hours unlike their female counterparts. Some even claimed that men were more likely to get promoted because they had less family commitments than women.

Although WCO has come up with toolkits that Customs authorities can use to assess GE in their organisations like the GEOAT, it appears such information is unknown to human resources personnel in the Zimbabwe Customs. This makes one wonder whether GE is a priority. However, monthly personal provisions take into account gender differences. According to ZIMRA Customs interviewed female, Customs officers get double the amount of sanitary provisions compared to male officers.

From the meta-analysis, gender equity and equality as well as diversity were found to result in reduced corruption (Walle, 2006)[50] increased stock of human capital, superior work ethic (Mwondha et al 2018)[51] as well as greater participation of women in development issues (Frohmann,2018).[52]

An analysis of national, SADC, COMESA and EAC gender policies indicated that blueprints have indeed been created but what lacks is the implementation. Guidelines have been developed at regional and national levels but more enforcement needs to take place.

From the foregoing, it can be concluded that gender inequality is a barrier to trade and development in ESA. In order for gender equality to promote economic growth in the region, economic growth must be responsive to influence by gender equality policies for instance in relation to human capital. According to UNCTAD (2014), [53] improvement in gender equality is not necessarily due to economic development but policies and resource allocation for gender equality. In order for improvement in gender equality, national and regional gender policies with enforcement mechanisms are a good starting point to drive implementation of such. Since AfCFTA will build on existing RECs, it will be a good opportunity to look at gender enforcement mechanisms from the onset and not fall in the same pit as existing RECs which lack enforcement mechanisms.

Customs administrations can play an influential role in supporting women's economic empowerment through modernisation activities and engaging more with the private sector. Modernization initiatives by

[47] Rhoton, Laura Anne, 'Practicing gender or practicing science? Gender practices of women scientists' (2009), (Graduate Theses and Dissertations, IOWA University), 10756. <https://lib.dr.iastate.edu/etd/10756>.

[48] Ibid.

[49] Ibid.

Customs, especially those that reduce direct interactions between traders and Customs e.g. Authorised Economic Operators, Post Clearance Audits, Single Window can benefit women since they minimise potential avenues for abuse.

in order for gender equality to promote diversity in Customs and trade in ESA. Without gender equality, sustainable development is not sustainable and is not development.

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- [50] Van de Walle, 'Tipping Games: When Do Opposition Parties Coalesce?' in Schedler, A. (ed.) *Electoral Authoritarianism: The Dynamics of Unfree Competition*. Boulder, CO: Lynne Rienner. 2006
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/406346/corruption-evidence-paper-why-corruption-matters.pdf.
- [51] Michael Mwendha, Tina Kaidu Barugahara, Mwajumah Nakku Mubiru, Sarah Wasagali Kanaabi and Milly Isingoma Nalukwago, 'Why African tax authorities should employ more women: Evidence from the Uganda Revenue Authority', (Working Paper 85, The International Centre for Tax and Development at the Institute of Development Studies, Brighton BN1 9RE, UK, 2018).
- [52] Alicia Frohmann, 'Gender Equality and Trade Policy', (Working Paper No. 24/2017, World Trade Institute, December 2017).
- [53] UNCTAD, 'Looking at trade policy through a "gender lens": Summary of seven country case studies conducted by UNCTAD', (United Nations publication UNCTAD/DITC/2014/3, 2014), available at:
https://unctad.org/en/PublicationsLibrary/ditc2014d3_en.pdf.
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6. CONCLUSION

The study made use of meta-analysis to draw lessons from experiences of countries which are doing better than ESA countries in the area of gender equity, equality and diversity. The World Bank 'smart economics' approach to gender which perceives gender equality as a vehicle for sustainable economic growth was used in this study. From the foregoing discussion it can be concluded that gender inequality in Customs administration in ESA is still high compared to other regions in the world and can be improved through implementation of gender guidelines in national strategies.

Customs administrations can play a pivotal role in gender equality through modernisation of Customs processes which can result in more participation of female employees in Customs activities. Most importantly, the study recommends that trade be responsive to influence by gender equality policies in order for gender equality to promote diversity in Customs and trade in ESA. Without gender equality, sustainable development is not sustainable and is not development.

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Appendix 1

Executive Management Structures of Selected Customs Organisation

Organization	Total	Male	Female	% of females
Malawi Revenue Authority	15	9	6	4%
Rwanda Revenue Authority	20	15	5	25%
South Africa Revenue Services	15	12	3	20%
Uganda Revenue Services	28	18	10	35.71%
Zimbabwe Revenue Authority	14	9	5	35.71%

Source: Various revenue authorities' websites as at 21/04/19

Appendix 2

Percentage of adult population making financial decisions alone

Country	Male	Female
Botswana	38.30%	32.5%
DRC	39.2%	21.5%
Malawi	39.0	24.3%
Mauritius	32.0	20.0%
Mozambique	26.0%	24.0%

Source: Finmark Trust, 2016

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REGIONAL ELECTRONIC CARGO TRACKING SYSTEM: IMPLICATIONS ON SMUGGLING BY YOUTH ALONG THE NORTHERN CORRIDOR IN UGANDA

Dr. Geoffrey Okoboi and Mr. Michael Kyanzi

ABSTRACT

This study examined the likely effect of implementation of the Regional electronic cargo tracking system (RECTS) on smuggling. The focus was on youth along the Northern Corridor in Uganda. Specifically, the study assessed the effect of RECTS implementation on transit time; the extent of youth involvement in smuggling; the effect of RECTS implementation on smuggling of sensitive products in and out of Uganda; and the effect of RECTS on livelihood of people involved in smuggling.

The results of this study show that the majority of transit cargo through Uganda exits to Democratic Republic of Congo; transit time of cargo trucks monitored under RECTS has reduced; male youth are the dominant category of people involved in smuggling in Uganda; RECTS implementation has heightened the risk of smuggling of RECTS-monitored goods but there is no evidence that youth have given up smuggling; and youth involved in smuggling have taken up Boda-boda to camouflage, supplement and/or compliment smuggling.

Based on the findings of this study, its recommended that government of Uganda should amend the law on smuggling and institute high penalties to dis-incentivise the vice; Trade Mark East Africa (TMEA) should support countries neighbouring Uganda including Tanzania, Democratic Republic of Congo and South Sudan so as to extend and enhance the footprint of RECTS to the whole Northern Corridor; and government should target and help youth smugglers to prepare for a career change -through programs such as Operation Wealth Creation or Business, Technical, Vocational Education and Training (BTVET).

1. INTRODUCTION

Uganda is known for many things -among others, for having the youngest population in world -with the highest growth rate. Over 78 percent of Uganda's population is below the age of 30 years and the youth (18 – 30 years)[1] comprise 23% of the population (Uganda Bureau of Statistics, 2016).

According to the World Population Review website[2], -as of 14 April 2018, Uganda's population stood at 44.27 million, with growth rate of 3.28% per annum and the country is ranked number 32 in the world in population size. The population of Uganda is projected to grow to 83.6 million in 2040 and the country will be ranked number 20 in the world in population size. About four decades ago (i.e. in 1975), Uganda's population was just 10.8 million only (World Population Review website).

The effects of a rapid population growth on a developing economy can be a blessing or a curse and differ greatly from country to country. In the case of Uganda, the rapid population growth is outstripping the growth in vital services, including education, health, housing, utilities and employment (United Nations System in Uganda, 2009). Specific to the youth, the 2008 World Bank Report revealed that the share of unemployed youth among the total unemployed persons in Uganda is as high as 83% (The World Bank, 2009).

Various literature generally point to the fact that people without opportunities (that is unemployed) seek alternative strategies for securing an income,

including in some cases engaging in criminal activities (Britt, 1997), (Buonanno & Montolio, 2008), (Elliott & Ellingworth, 1998), (Kapuscinski, Braithwaite, & Chapman, 1998), (Lin, 2006).

The United Nations Development Assistance Framework (2009) report for Uganda observed that Uganda's burgeoning youth population with ambition and no opportunities increases vulnerability as well as civil unrest.

In Uganda, unemployed youth –especially in towns adjacent to Kenya, Rwanda, South Sudan and Democratic Republic of Congo borders are vulnerable to involvement in smuggling. According to various accounts[3], even with the introduction of Universal Primary Education in Uganda, children as young as five years at Uganda/Kenya border take days off school to participate in merchandise smuggling. In West Nile region of Uganda, smuggling by youth and even women, through the porous borders between Uganda, DRC and South Sudan is so pervasive that it has led to loss of revenue and market share for local goods[4].

Smuggling in Uganda is generally associated with goods that are highly marketable (such as sugar, wheat flour, and cigarettes); and attract high tariffs such as cigarettes; and prohibited or restricted goods such as timber, body lightening creams -cosmetics containing mercury, and illicit drugs.

[1] *The National Youth Policy (2016) defines youth as all young persons, female and male, aged 18 to 30 years. The early policy (National Youth Policy, 2001) defined youth as all young persons, female and male, aged 12 to 30 years.*

[2] <http://worldpopulationreview.com/> is a data website dedicated to tracking live the growth in the world's population – country by country. The database is based on World Population Prospects (2017 Revision) - United Nations population estimates and projections.

[3] See for example story in New Vision of 29th June 2012
https://www.newvision.co.ug/new_vision/news/1303139/smuggling-thrives-kenya-uganda-border

[4] For further details see <http://www.monitor.co.ug/News/National/Why-smuggling-thrives-in-WestNile.html>

According to URA, the most rampant form of smuggling of goods into Uganda is the short-landing of goods. This is whereby goods destined for Uganda are off-loaded at a border town of neighboring country such as Kenya and then ferried in smaller quantities by smugglers -thereby avoiding payment of duties. Other rampant forms of smuggling involve diversion and off-loading of some or all transit goods and/or re-export goods onto the Ugandan market. Such forms of smuggling of goods include siphoning of fuel from tankers that is rampant on the northern corridor highway. The full list of transit goods considered by URA as high risk for smuggling is shown in Table A1 in the Appendix. Besides the above, other forms of smuggling include under declaration, undervaluation and/or misclassification of goods; falsification of documents; and mis-declaration of country of origin of the consignment.

1.1 Brief on Northern Corridor and Regional Electronic Cargo Tracking System

The Northern Corridor is a principal and crucial trade and transport route that links the landlocked countries of the Great Lakes Region [Uganda, Rwanda, Burundi, Democratic Republic of Congo (Eastern), Tanzania (Northern)] as well as South Sudan with the Kenyan maritime seaport of Mombasa[5].

The Member States of Burundi, Democratic Republic of Congo, Kenya, Rwanda, and Uganda established the corridor in 1985 through the Northern Corridor Transit and Transport Agreement (NCTTA) to facilitate interstate and transit trade among the countries. South Sudan became a member of the Northern Corridor in 2012. Figure 1 is the Northern corridor road network.

Through revisions of the NCTTA in 2007, the corridor has been upgraded from a mere road-network to a multi-modal corridor, consisting of road, rail, pipeline, and inland waterways transport (JICA, 2016).

Uganda's portion of the Northern Corridor runs from Malaba (Uganda-Kenya border) to various border points with Rwanda, Democratic Republic of Congo, Tanzania and South Sudan. Uganda's infrastructure linked to the Northern Corridor is shown in Figure 2. That includes the road-network, Uganda Revenue Authority (URA) customs stations and One-Stop-Border-Posts (OSBP).

[5] For more details visit the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) website at <http://www.ttcanc.org/page.php?id=11>

Figure 1. Northern corridor road network



Source: Northern Corridor Transit and Transport Coordination Authority

Figure 2: Uganda infrastructure linked to the Northern Corridor



Source: URA Customs

The Regional Electronic Cargo Tracking System (RECTS) is a web-based (ICT-based) mechanism that enables real-time monitoring of goods in transit along the Northern Corridor from Mombasa seaport (Kenya) up to Kigali, the Rwanda Capital.

The electronic cargo tracking system (ECTS) was first introduced by Uganda Revenue Authority (URA) in 2013 and thereafter and within the same period, Kenya and Rwanda revenue authorities rolled out separate ECTS. Uganda's ECTS was funded by Trade Mark East Africa at a cost of US\$ 5.2 million[6].

In 2016/2017, however, the ECTS of Kenya, Uganda and Rwanda were interlinked to form the RECTS. United Kingdoms' Department for International Development (DFID) through Trademark East Africa (TMEA) funded the RECTS to a tune of US\$ 4.4 million[7], and the system was launched in in Kampala on 24 February 2017 [8].

ECTS uses mobile phone (GPS/GPRS) technology; whereby trucks, tankers and containers ferrying transit goods are fitted with a seal and tracking device, which sends information in real time to a monitoring center. For RECTS, the monitoring centers are in Nairobi, Kampala and Kigali, the seal status, truck location and any seal violation information. Once the seal is activated, the truck is expected to move along gazetted geo-fenced routes and cargo is monitored from start to destination.

Following the implementation of the RECTS, as of December 2017, up to 24% of transit, re-export and export cargo –which formerly was prone to diversion is now monitored through (RECTS report, 2017).

The list of cargo monitored among others includes motor vehicle units, sugar, fuel, rice, cigarettes, wines, spirits and beer.

1.2 Research issue

Smuggling is a perennial problem in many countries around the world and Uganda is not an exception. Smuggling in Uganda includes acts such as outright avoidance of official customs controls across the borders for example on lake victoria, overland on road, rail and often through the bush ways (Uganda Revenue Authority –URA, 2012). Smuggling in Uganda is generally associated with highly marketable goods such as Sugar, wheat flour, cigarettes; goods of high tax value such as cigarettes; and prohibited or restricted goods such as body lightening creams -cosmetics containing mercury, and illicit drugs.

According to various accounts[9], the most notorious category of people involved in smuggling in Uganda are the youth. Youth involvement in smuggling has a negative effect of the socio-economic growth of the country. At the national level, smuggling for example leads to loss of tax revenue, collapse of industries, unemployment by people formerly working in collapsed industries, and distortion of markets prices (URA, 2015-16). At individual level, youth involved in smuggling are mostly school drop outs and are at high risk of imprisonment and/or death when caught by law enforcement officers.

[6] Further details available at <http://www.observer.ug/news-headlines/24330-ura-introduces-electronic-cargo-tracking-system>

[7] Details available at <https://www.trademarkkea.com/news/regional-electronic-cargo-tracking-system-unveiled/>

[8] For further details on RECTS launch, visit <http://www.wcoomd.org/en/media/newsroom/2017/february/kenya-rwanda-and-uganda-officially-launch-regional-electronic-cargo-tracking-system.aspx>

[9] See for example https://www.newvision.co.ug/new_vision/news/1303139/smuggling-thrives-kenya-uganda-border

As one of the stopgap measures to smuggling, Uganda, Kenya and Rwanda introduced the RECTS. By monitoring transit, re-export and export cargo through RECTS to minimise cargo diversion and loss, this implies that people previously involved in cargo smuggling have been affected. Nonetheless, the extent to which the implementation the RECTS has affected the livelihood of smugglers in Uganda –most of whom are youth, is not yet known. Furthermore, following the implementation of RECTS, not much is known how smugglers have adapted. That is, have smugglers for example changed smuggling tactics or exited smuggling?

1.3 Study aim and questions

The aim of this study is to explore the effect of RECTS implementation on smuggling in general and the activities of youth involved in smuggling in particular. Based on the research aim, two questions below were proposed and answered.

- (i)What is the effect of RECTS implementation on transit time?
- (ii)To what extent are youth involved in smuggling?
- (iii)What is the effect of RECTS implementation on smuggling of sensitive products such as fuel, cigarettes, etc. into and out of Uganda?
- (iv)How has the implementation of RECTS affected the socio-economic activities of youth involved smuggling?

2. REVIEW OF LITERATURE

According to (Heidari & Shafii, 2015), smuggling means importing or exporting goods into or out of the country illegally without submission of tax returns and payment of customs duties. According to (Nouri, 2013) commodity smuggling refers to customs fraud that includes displacement of commodities along the customs border in a secret way so as to escape from customs verification.

Smuggling thrives as a result of two major reasons, the first being scarcity of better opportunities and the second being price distortions across the border (Okuro, 2011) According to (Okuro, 2011), along Uganda Kenya border for example, in most instances, smuggling has been carried out by women, especially those who are uneducated, as a response to declining economic opportunities in the wage economy by moving into grey areas of ‘illegal’ trade.

(Norton, 1985) analysed the constructs of smuggling. The results of his study indicated that an increase in the tax rate and/or fines increases the optimal choice of smuggled goods and the number of firms that are involved in this operation.

Smuggling can be a small-scale as well as massive scale. According to (Aluko & Oduwole, 2011), small-scale smuggling may involve people with relatives across the borders with whom they connive to carry out the smuggling. In this case, the relatives visit each other every day and carry goods across the borders disguised as gifts.

Youth involvement in smuggling is well documented. In a study by (Pettersson, 2003), it was found out that youth participation in smuggling involved the coordination of a considerable number of people in the planning and execution of illegal acts. Youth operated as primary members in the organised groups that finally build a hierarchical structure. In a study by (Olufemi Dada Ojo, 2015), he observed that youth involvement in smuggling entailed many organised groups that were well departmentalized.

Smuggling can have both positive and negative effects on the economy. In a study by (Farzanegan, 2008) smuggling effects on the Iranian Economy, he found out that smuggling had a negative effect on real governmental revenues and the import price index but the positive effect on consumption of smuggled goods.

According to (Niger-Thomas, 2000), whereas smuggling deprives the state in various ways including tax revenue, it brings considerable wealth to the people who have no other means of acquiring it.

(Martin & Panagariya, 1984) analysed the effect of increased enforcement of laws against smuggling. The results of their study indicated that increased enforcement raises real per unit costs of smuggling and the domestic price of importables but lowers both the absolute quantity and the share of illegal imports in total imports.

(Siror, Guangun, Kaifang, Huanye, & Dong, 2010), examined the impact of tracking export goods (from factory to the port) in Kenya on cargo diversion. The initiative was to address diversion of export goods into the local markets. Results of the study demonstrated that cargo tracking led to significant curtailing of cargo diversion, increased efficiency and reduced turn-around time.

(Hsu, Shih, & Wang, 2009), explored the effect electronic cargo tracking technology. Results from their study indicated that cargo tracking markedly improved the efficiency of cargo processes, with considerable savings on inventory and labour cost.

(Miler K. R., 2015), in a study on electronic container tracking systems revealing that cargo tracking led to significant economic and security benefits including minimal loss of cargo.

3. METHODS AND DATA

3.1 Approach

This study followed the mixed methods research approach –whereby both quantitative and qualitative data were collected and analyzed. Quantitative trade-flows data was found suitable to answer the first research question while primary qualitative data was considered suitable to address research questions (ii) to (iv) that were on the sensitive subject of smuggling. Details on data type

and source follow in the next section.

3.2 Data

In this study, two sets of data are used. That is secondary and primary data. Secondary data was obtained from URA customs Asycuda[10] and RECTS database while primary data from key informants along the Malaba/Busia - Katuna road of the Northern Corridor is used. The key informants included truck drivers, merchandise traders, small-scale fuel vendors and Boda-boda (motorcycle) transporters in the towns of Malaba, Busia, Bugiri, Musita and Katuna were sampled and interviewed to generate the data.

Secondary data consisted of trade (import, export, re-export, transit) flow data records for the period January 2012 to April 2018. However, for this study, the data of interest was that of before and after implementation of RECTS and specifically for only commodities that are being tracked under RECTS. That is motor vehicle units, fuel, sugar, rice, cigarettes, wines, spirits and beer.

For that reason, trade flow data for the year 2012 (January to December) was obtained to represent the period before implementation of RECTS and that May 2017 to April 2018 to represent the period after implementation of RECTS. We zeroed on 2012 as the period before because in FY 2013/14 URA implemented ECTS, the country's version of RECTS. After all daily trade flow data was aggregated into monthly data for the specified tracked commodities, 30,944 observations were obtained for 2012 and 47,315 for the period May 2017 to April 2018.

For primary data, a semi-structured questionnaire to collect data was developed in tandem with specific objectives (ii) to (iv) of the study. Considering the fact that smuggling is a sensitive issue and there is hardly any quantitative data, the questions in the research instrument were qualitative in nature with Likert 5-point ordinal scale responses (See questionnaire in Appendix 3). The objective here...

...was to solicit as closely true as possible opinions of key informants on the issues at hand. The data was collected through face-to-face interview of the respondents. The respondents were identified purposively through snow-ball sampling technique.

3.3 Data analysis

To assess the likely effect of RECTS implementation on transit time of cargo, customs data on departure time and destination arrival time of trucks from one URA customs station to another; before RECTS implementation (i.e. 2014) and after RECTS (i.e. 2018) was analysed. Specific focus was on a sample of transit time data from the major departure stations (Malaba, Busia and Kampala) to the major destinations (Kampala, Katuna, Elegu and Goli). See Figures A1 and A2 in the appendix for volume of trucks that pass through various URA customs stations.

To analyze if there were any significant differences in the transit time of tracked cargo from the point of departure to the destination station, before and after implementation of the RECTS, a t-test analysis was performed and the differences in transit time converted into percentage for better understanding.

For Likert scale data, it is argued that descriptive statistics of means and standard deviations alone have unclear meanings[11]. Instead, the median is recommended as a measure of central tendency for Likert scale data (Jamieson, 2004). Moreover, for Likert scale data analysis to be more meaningful, it is argued that the distribution (normality or non-normality) of the data needs to be understood.

Thus, in this study, primary data –which were largely Likert scale responses were analyzed in terms of mean, median, standard deviation. Furthermore, the normality of the data was assessed using the Shapiro-Wilk (SW) test (Gould & W. H, 1991). The null-hypothesis of SW test is that the data is normally distributed and for a given n, the possible z-values of the SW test (W) lie between 0 and 1 ($0 < W \leq 1$). If the probability value (p-value) of the SW test is less than 0.05, then the null hypothesis that the data are normally distributed is rejected. Otherwise the null hypothesis is not rejected.

To neatly tie-up the relationship between RECTS implications and the coping mechanism of smugglers, a structural equation modeling (SEM) was performed. SEM is a procedure for specifying and estimating models of linear relationships among variables (MacCallum & Austin, 2000). SEM is an extension of the general linear model (GLM) that enables testing of a set of regression equations simultaneously[12],

In SEM, the regression model is specified as a path diagram. In this study, the SEM was specified and estimated in STATA SE 14 using the path diagram (See Figure A3), with a more detailed output in tabular form. Table 2.1 is the description of the variables included in the SEM.

[10]Asycuda is an acronym that stands for Automated System for Customs Data. The current version of that URA is using is Asycuda World. Before 2013, URA was using Asycuda++.

[11] This observation is made by the editorial in Journal of Graduate Medical Education, December 2013. DOI: <http://dx.doi.org/10.4300/JGME-5-4-18>

[12] For more details on SEM, see for example the introductory notes on SEM by The Division of Statistics + Scientific Computation, The University of Texas at Austin. Available at https://stat.utexas.edu/images/SSC/Site/AMOS_Tutorial.pdf

Table 2.1: SEM dependent and observed variables

S/N	Dependent variable	Observed variable	Description of variable
A	Smuggling risky		Latent variable ¹³
1		Bus_vol	Business volume in area of study
2		Gds_smuggle	Perceived level of smuggling of merchandise in area of study
3		Fuel_smuggle	Perceived level of smuggling of fuel in area of study
4		Truck_vol	Perceived volume of cargo trucks stopping-over in area of study
5		Truck_time	Perceived volume of cargo trucks stopping-over in area of study
6		Profit_smuggle	Perceived financial returns from smuggling
B	Abandon_smuggling		Latent variable
1		Coping_farming	Farming as perceived alternative to smuggling
2		Coping_Boda	Boda-boda as perceived alternative to smuggling
3		Coping_Sch	Going to as perceived alternative to smuggling
4		Coping_goway	Going away from area as perceived alternative to smuggling
5		Youth_abandon	Perception of youth abandoning smuggling
C	Abandon_smuggling		Latent variable
1		Smuggling_risky	Riskiness of smuggling, outcome of model A

The priori logic behind the path diagram is that as a result of implementation of RECTS, there is a direct relationship between the perceived riskiness of smuggling and the day-to-day livelihood choices of smugglers.

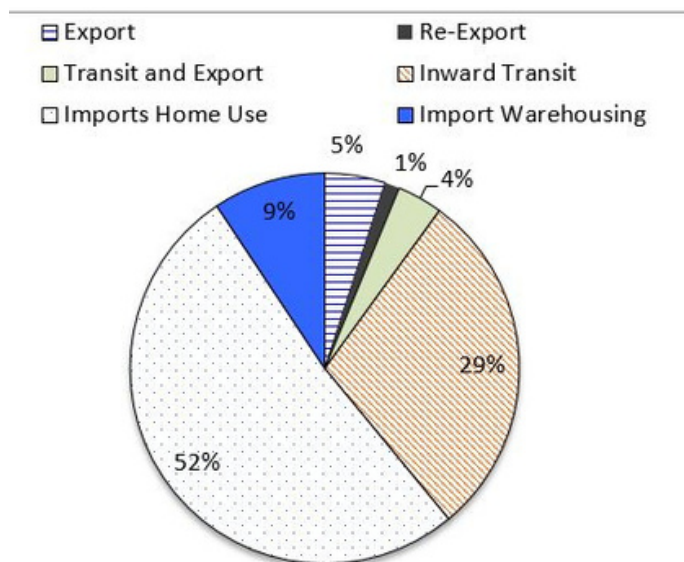
[13] A latent variable is, according to various literature (see for example MacCallum & Austin, 2000), a hypothetical construct that cannot be directly measured.

4. RESULTS AND DISCUSSION

4.1 Trade flows into, through and out of Uganda, 2017/18

Figure 3 shows the volume (shipments) of goods that were imported into, exported from and/or transited through Uganda in May 2017 to April 18. The figure indicates that over 60% of the shipments through Uganda's customs are imports for home use including warehousing while only 5% are direct exports.

Figure 3: Trade flows into, through and out of Uganda, 2017/18



About one-third of all custom shipments into Uganda are transit goods, which are either transit directly through Uganda (transit and export -4%) or temporarily warehoused in the country before they are shipped out (inward transit - 29%).

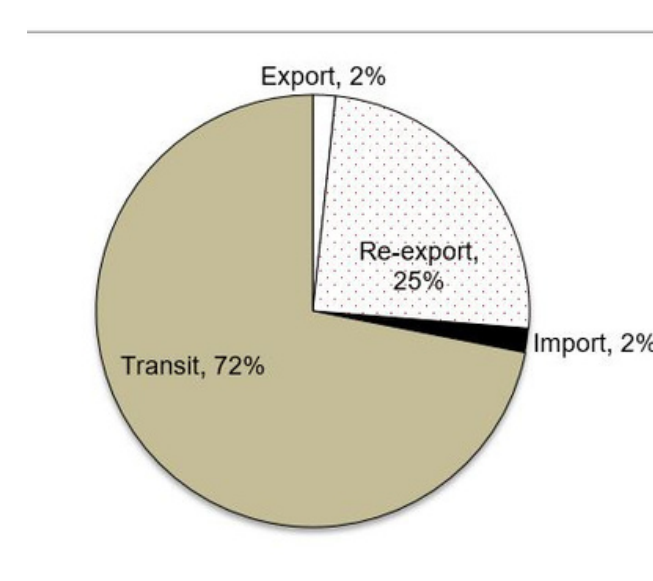
Re-exports –which is just 1% of Uganda customs shipments refer to foreign goods that were previously imported to Uganda, for customs warehousing or commercial free zone for export to the rest of the world.

This is common for people from other countries who come into and out of Uganda with their own goods such as vehicles. Such goods are categorized as temporary imports for return to the same country of origin (re-export).

4.2 RECTS tracked trade flows into, through and out of Uganda

Figure 4 shows the shipments of goods into, exported from and/or transited through Uganda in May 2017 – April 2018 that are monitored through RECTS. The figure indicates that transit goods (72%) and re-exports (25%) are two categories of shipments across Uganda's customs stations that are closely monitored. The categories of transit goods that are monitored include inward transit and through transit (fuel and dry cargo) as well as outward transit from customs warehouse.

Figure 4: Customs shipments monitored under RECTS



From Figure 4 it can be noted that much as re-exports as indicated in Figure 3 are a tiny fraction (1%) of the overall shipments through customs, they are highly monitored (25%) through RECTS. This is because re-exports –which are first registered as temporary imports into the country do not pay duties and hence are highly prone to smuggling –if not monitored. Categories of good classified as re-exports are shown in Box 1.

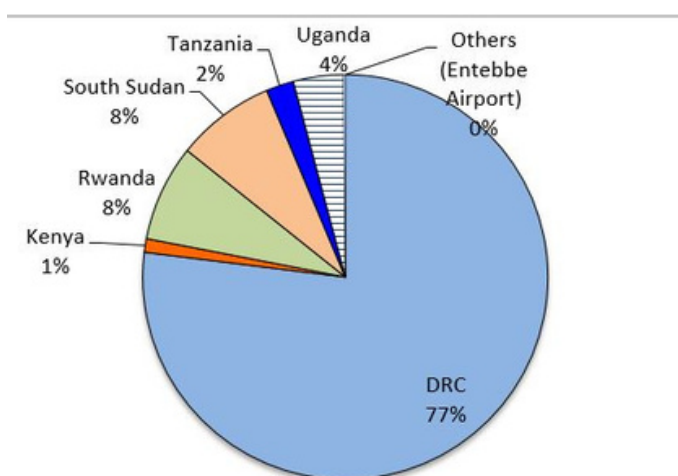
Box 1: Categories of re-exports monitored

1	Re-export of goods not previously entered for any customs regime
2	Re-export after previous direct import
3	Re-export of goods after direct import for drawback claim to be made
4	Re-export after Temporary import for return in same state
5	Re-export after Temporary import for inward processing
6	Re-export after Temporary import of samples and advertising materials
7	Re-export after Temporary import for exhibition or entertainment
8	Re-export after Temporary import for repair
9	Re-export after Temporary import of motor vehicles
10	Re-export after Temporary import of goods for an approved project
11	Re-export after Temporary import of aircraft tools for rescue operations
12	Re-export after customs warehousing

Source: URA ASYCUDA ++ Trade Manual, edition: ASY 12.05/5

Figure 3 shows the destination of shipments through Uganda's customs that are monitored under RECTS. The figure indicates that over three-quarters of shipments through Uganda's customs that are monitored under RECTS go to the Democratic Republic of Congo (DRC).

Figure 3: Destination of shipments monitored under Uganda RECTS



4.3 Effect of RECTS on transit time

Table 1 shows the transit time of trucks moving from and to selected customs stations, before (2012) and after (2017/18) RECTS implementation. The results indicate that in all sampled routes, after implementation of RECTS, there is a marked reduction in transit time, with over reduction of 22%.

Table 1: Transit time of shipments before and after RECTS

From and to customs station	Before RECTS (transit time - days)	After RECTS (transit time – days)	Transit time reduction (%)
Kampala CBC to Katuna	1.47	1.18	20%
Kampala CBC to Elegu	2.25	1.62	28%
Kampala CBC to Goli	1.52	1.17	23%
Malaba to Kampala CBC	1.77	1.13	36%
Malaba to Katuna	2.05	1.72	16%
Malaba to Goli	2.75	2.13	23%
Malaba to Elegu	2.78	2.07	26%
Busia to Kampala CBC	1.82	1.37	25%
Busia to Katuna	1.99	1.67	16%
Busia to Goli	2.75	2.35	15%
Busia to Elegu	2.86	2.37	17%
Overall	1.95	1.51	22%

The observed reduction in transit time of cargo monitored under RECTS is due to the fact that unlike before RECTS implementation, now trucks monitored move along geo-referenced routes and stopover only in designated places. Any deviation from the route or stopover in undesignated place is a violation of RECTS rules.

Key informant interviews with respondents in Bugiri and Musita towns indicated that transit trucks no longer stopover in the area -as was before RECTS implementation. Interviews of URA revenue protection officers indicated that unlike before when transit trucks stopped in almost every township on the Northern Corridor, they now stopover in only in Malaba, Jinja, Kampala, Masaka, Mbarara and Katuna customs stations. In case of emergency stopover, monitored trucks have to alert the RECTS monitoring center and the allowed emergency time is 30 minutes only unless this event requiring the stopover is exceptional.

4.4 Extent of youth involvement in smuggling

Table 2 reports respondents' ranking of persons (along the Northern Corridor) involved in smuggling. The highest rank being 5 and lowest 1.

Almost all respondents ranked male youth as the primary group of people involved in smuggling, followed by adult men and school-going children. Women in general and female youth in particular were ranked as people least involved in smuggling.

Table 2: Ranking of persons involved in smuggling (N=100)

Category	Mean	Mean	Std. Dev.	SW normality test	
				W	p-value
Youth (male)	5	4.82	0.39	0.94	0.00
Youth (female)	1	1.07	0.26	0.79	0.00
Adult (men)	4	3.89	0.46	0.97	0.00
Adult (women)	2	1.93	0.26	0.77	0.00
Children (5-17 years)	3	3.23	0.42	0.96	0.00

Shapiro-Wilk (SW) test results In Table 2 indicate that all the variables are non-normal ($p < 0.01$). That is, respondents' responses in each variable are skewed to one particular side. It can be concluded therefore that there is a general consensus among the respondents' assessments of categories of people's involvement in smuggling.

4.5 Implication of RECTS on smuggling

Table 3 reports respondents' perception with respect to the implication of RECTS on smuggling-related activities. The ranking is in hindsight to the situation before RECTS. The results indicate that in present, most respondents' rank smuggling as an activity of low importance. Results indicate that respondents no longer value smuggling in general and merchandise and fuel smuggling in particular as profitable. Respondents contend that as a result of RECTS implementation, economic activity in their respective towns is low.

Table 3: Implication of RECTS on smuggling (N=100)

Category	Median	Mean	Std. Dev.	SW normality test	
				W	p-value
Extent of merchandise smuggling in area	2	2.32	0.93	0.96	0.01
Extent of fuel siphoning in area	2	2.06	0.85	0.98	0.07
Number of transit-trucks in area	4	3.56	1.83	0.97	0.06
Duration of transit-trucks in area	1	1.44	0.52	0.92	0.00
Profitability of smuggling as business	2	2.39	1.06	0.97	0.02
Riskiness of smuggling as business	3	3.56	1.06	0.99	0.95
General business volume in area	2	2.35	1.05	0.97	0.01

The SW test results in Table 2 indicate that some variables are non-normal at $p < 0.05$ while others are not. This implies that there is some but not universal consensus among the respondents on the perceived effect of RECTS on smuggling.

Given the differing perceptions of respondents on the likely effect of RECTS implementation on smuggling, further analysis of the perceived effects of RECTS was undertaken -disaggregated by location and categories of respondents. The results are reported in Figures 1a and 1b.

Figure 1a: Perceived effect of RECTS by location of respondents

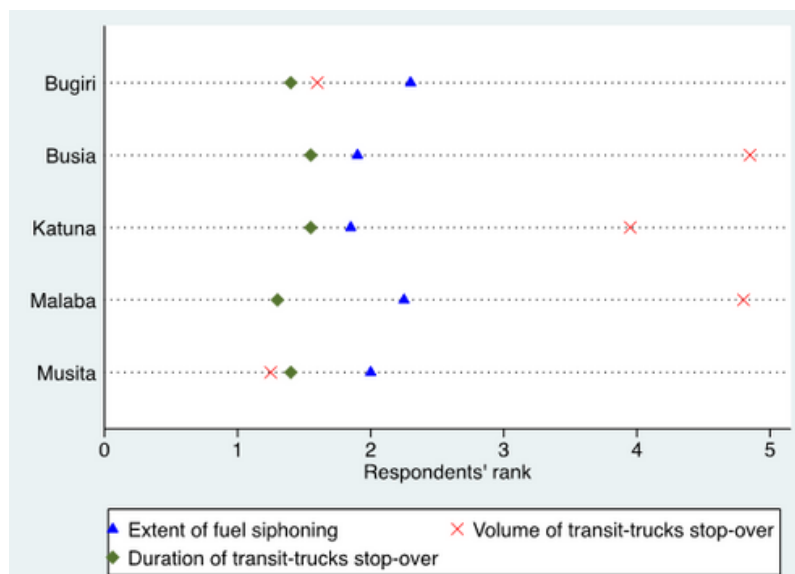
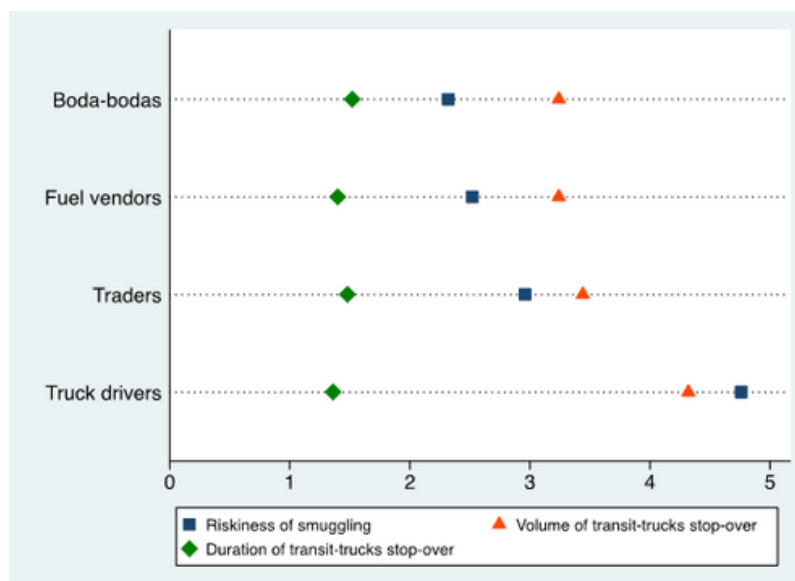


Figure 1b: Perceived effect of RECTS by respondent category



Note: rating of importance: 1= Very low, 2= Low, 3= Neutral, 4= High, and 5= Very high

In Figure 1a, the results indicate that there is a unanimous perception among respondents in Bugiri and Musita of the low volume of trucks stopover in their towns in the era of RECTS implementation. On the other hand, respondents in Malaba, Busia and Katuna towns perceive a higher volume of trucks. Interview of URA officers revealed that following the implementation of RECTS monitored trucks unlike before stopover in only gazetted locations – which do not include Bugiri and Musita towns.

In Figure 1b, the results indicate that truck drivers perceive smuggling to be a very risky venture. This result is in confirmation of the fact that truck drivers are heavily penalised for any violation of RECTS procedures –which among others include stopping over in un-gazetted without due notice to and permission from RECTS monitoring centres in Nairobi, Kampala or Kigali.

4.5 Coping mechanism of smugglers in era of RECTS

Table 4 reports respondents' perception with respect to the coping choices of people involved in smuggling in the era of RECTS. The results indicate that most respondents agree that some smugglers have gone into the Boda-boda industry[14] and are not very certain (neither agree or disagree) of other socio-economic activities smugglers have resorted to.

Table 4: Coping due to riskiness of smuggling (N=100)

Category	Median	Mean	Std. Dev.	SW normality test	
				W	p-value
Coping_Agric.	3	2.96	1.25	0.98	0.07
Coping_Boda-boda	4	3.66	0.96	0.97	0.01
Coping_school	3	2.67	1.02	0.97	0.04
Coping_go away	3	3.15	0.86	1.00	0.99
Youth abandon smuggling	3	2.63	1.02	0.97	0.01

The observation that some smugglers have gone into Boda-boda is most likely true given that most of those engaged in smuggling are male youth who shun farming –due to the fact that it is considered as a dirty job, menial in nature, has long gestation, and barely provides a decent living (CUTS International, 2013). Besides, respondents observed that smugglers go into boda-boda for various reasons including using Boda-boda to ferry smuggled goods, diversifying their sources of income, and even acting as camouflage for their involvement in the smuggling syndicate.

From Table 4, most respondents were non-committal (i.e. neither agree nor disagree, $p=0.01$) to the perception that youth have abandoned smuggling. This finding reinforces respondents' opinion that smugglers only change tactics or relax the frequency but seldom quit the smuggling vice.

4.7 Structural equation modelling of RECTS implications

Figure A3 in the Appendix and Table 5 present the Structural Equation Modelling (SEM) of respondent's observed implications of RECTS implementation in the study area and the coping mechanisms of persons engaged in smuggling. Table 5, displays -for each structural path, the regression estimate (observed coef.), its standard error (abbreviated OIM Std. Err.), z-value (estimate

divided by the standard error), and the p-value (probability value associated with the null hypothesis that the test is zero).

The SEM in the figure and table has two latent variables: "Smuggling risky", and "Abandon smuggling". It was assumed in this study that there is a direct effect of perceived riskiness of smuggling on abandonment of smuggling. Thus, the direct path from Smuggling risky to Abandon smuggling; and hence the variables "Abandon smuggling" is endogenous and "Smuggling risky" is exogenous.

[14] Boda-boda is a type of motorcycle or bicycle with a space for a passenger or for carrying goods, often used as a taxi – Oxford Learners Dictionary.

4.7 Structural equation modelling of RECTS implications

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Table 5: SEM of RECTS implications on smuggling and coping mechanisms

	Observed Coef.	OIM Std. Err.	z	P>z
Structural model				
Smuggling risky <--- Abandon smuggling	1.21	0.07	18.04	***
Latent variable - smuggling risky				
Bus. Vol. <--- smuggling risky	1.00			
Goods smuggling <--- smuggling risky	0.94	0.05	18.59	***
Fuel smuggling <--- smuggling risky	0.85	0.04	20.27	***
Truck Vol. <--- smuggling risky	1.20	0.06	20.72	***
Truck stopover time <--- smuggling risky	0.58	0.03	20.10	***
Profit from smuggling <--- smuggling risky	1.02	0.05	22.36	***
Latent variable - Abandon smuggling				
Coping_farming <--- Abandon smuggling	1.00			
Coping_Boda-boda <--- Abandon smuggling	1.35	0.06	20.90	***
Coping_School <--- Abandon smuggling	0.86	0.04	19.39	***
Coping_go away <--- Abandon smuggling	0.83	0.05	18.26	***
Youth abandon <--- Abandon smuggling	2.09	0.09	22.93	***
Number of obs.	100			
LR test of model vs. saturated (chi ²) (54)	73.31			0.04

Note: OIM means observed information matrix; LR means log likelihood ratio; and *** implies $p \leq 0.01$.

In research, it is standard practice to have a goodness of fit test before interpreting the results. This helps to understand how well model fits the data.

In SEM, there are various methods of testing the goodness of fit of a model –but the default is the χ^2 LR test of model vs. saturated. Theoretically, χ^2

ranges from 0 (perfect fit) to $+\infty$ (poor fit). The lower the χ^2 , the better the model fit, and is considered satisfactory when χ^2 is non-significant ($p > .05$).

In Table 5, $\chi^2 = 73.31$ and $p = 0.04$. This implies that the model fit is somewhat poor but tolerable. The fairly poor fit is due to the non-normality of data of some variables as indicated by the SW test statistics in Tables 3 & 4.

The structural paths in Figure A3 and regression coefficients in Table 5 represent the amount of change in the latent construct (dependent or mediating variable) for each one unit change in the observed variable(s) predicting it. For example, in the table, "Abandon smuggling" increases 0.79 for each 1.00 increase in "Smuggling risky".

All the regression coefficients in Table 5 are significantly different from zero beyond the 0.01 level. This implies that there is a likely strong relationship between the latent constructs and the manifest variables.

5. CONCLUSION AND POLICY IMPLICATIONS

The results of this study can be summarised as follows: (i) the majority of transit cargo through Uganda exits to Democratic Republic of Congo; (ii) transit time of cargo trucks monitored under RECTS has reduced; (iii) male youth are the dominant category of people involved in smuggling in Uganda; (iv) RECTS implementation has heightened the risk of and smuggling of goods monitored under RECTS and there is a strong perception that smuggling is now risky. Nonetheless, there are mixed opinions on whether or not youth have abandoned smuggling; and lastly, (v) youth involved in smuggling have taken up Boda-boda services to camouflage, supplement and/or compliment smuggling enterprise.

Based on the results of this study, the following conclusions and recommendation are made.

(I) Even with the implementation of RECTS, youth have not entirely abandoned smuggling. This is because smuggling is still considered a “low-risk, high-reward” enterprise. It is recommended that government should revise the law on smuggling to make it a “high-risk, low-reward” activity.

(II) Smuggling of cargo into and out of Uganda is across all borders. Yet, under RECTS, Uganda Revenue Authority is collaborating with only Kenya and Rwanda customs agencies. It is recommended that RECTS initiative –which has been supported by Trade Mark East Africa (TMEA) be extended to other countries neighbouring Uganda including Tanzania, Democratic Republic of Congo and South Sudan.

(III) Youth are involved in smuggling partly to due to lack of better income generating opportunities. It is recommended that government through initiatives such as Operation Wealth Creation or Business, Technical, Vocational Education and Training (BTVET) should target and help youth smugglers prepare for a career change.

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APPENDIX

Table A1: URA risk matrix for targeting transit cargo for RECTS

CRITERIA	HIGH RISK	HS Codes
Item (Nature of goods)	High performance vehicles	8703.24.90 -- Of a cylinder capacity exceeding 3,000 cc: 8703.33.90 -- Of a cylinder capacity exceeding 2,500 cc: 8704.23.90 -- g.v.w. exceeding 20 tonnes:
	Wines and Spirits	2204.10.00 - Sparkling wine 2204.21.00 Other wine prevented from fermentation/arrested 2204.29.00 -- Other wines, 2208.30.00 - Whiskies
	Neutral spirits and ethanol	2207.10.00 - Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher 2207.20.00 - Ethyl alcohol and other spirits, denatured, of any strength
	Beer	2203.00.10 --- Stout and porter 2203.00.90 --- Other beer
	Cigarettes	2402.20.10 ---Of length not exceeding 72 mm in length incl the filter tip 2402.20.90 --- Other
	Rice	1006.10.00 - Rice in the husk (paddy or rough) 1006.20.00 - Husked (brown) rice 1006.30.00 - Semi-milled or wholly milled rice, whether or not polished 1006.40.00 - Broken rice
	Non-ind sugar.	1701.99.90 --- Other
	Used clothing	6309.00.10 --- Worn items of clothing 6309.00.20 --- Worn items of footwear 6309.00.90 --- Other worn items
	Textiles	5512.11.00 -- Unbleached or bleached or other 5512.19.00 5513.11.00 -- Of polyester staple fibres, plain weave 5513.41.10 --- Khanga, Kikoi and Kitenge
	Garments	Chapters 60, 61, 62
	Tyres	4011.10, 4011.20, 4011.40, 4011.50, 4012.11, 4012.12,
	Powder milk	0402.10.00, 0402.21.00, 0402.29.00, 0402.91.00, 0402.99.00
	Wheat flour	1101.00.00
	Petroleum (Fuel & lubs)	2710.19.31 (AGO), 2710.12.20 (PMS), 2710.19.21 (JETA1) 2710.19.51 (Lubricants)
	Batteries for domestic use	8506.10.00, 8506.30.00, 8506.40, 8506.50, 8506.60, 8506.80 primary cells 8548.10.00, 8548.90.00 primary cells scrap
COD	DRC, South Sudan	
Exit station	Busia, Ntoroko, Padea, Afogi Moyo	
Regime	Re-export (EX8)	
Importer	Number of cases, Severity of the offence, Amendment of manifests, First time importer with large volumes	
Declarant	Number of cases-Severity of the offence -Amendment of manifests -Irregular business trend	
Transporter	Number of cases-Severity of the offence -Previous involvement diversion-Frequent off-routes.	

APPENDIX

Table A1: URA risk matrix for targeting transit cargo for RECTS

CRITERIA	MEDIUM RISK	HS Codes
Item (Nature of goods)	Edible oils	1511, 1512, 1515
	Electronics (HSC to be specified)	8517, 8518, 8525, 8523 8528, 8471, 8443, 8528
	Motor vehicle and motor cycle Spare parts (HSC to be specified)	8714 8708
	Cosmetics	3301 3303 3304 3305 3307 3401
COD	Central Africa Republic -Tanzania	
Exit station	-Rusizi	
Regime	-Dutiable exports -High value exports	
Importer	-Amendment of entry details	
Declarant	-Amendment of entry details	
Transporter	-Frequent trans-shipment process.-Frequent breakdowns	

CRITERIA	LOW RISK	HS Codes
Item (Nature of goods)	Cement	2523.21 2523.29 2523.30
	All other products	

Table A2: Questionnaire

1. Name of Town of respondent:

1. Gender ☐ Male ☐ Female

2. Your age group? ☐ below 18 years ☐ 18 – 21 years ☐ 22 – 30 years

☐ 31 -40 years ☐ 41 – 50 years ☐ 51 – 60 years ☐ above 60 years

For each statement in the table, please indicate by ticking in the box ☐ the response that best matches your acceptance of the opinion

Response: 1=Strongly disagree, 2=Disagree, 3=Neither disagree nor agree, 4=Agree, 5=Strongly agree

	Opinions	Response				
		1	2	3	4	5
A	Category of people involved in smuggling					
1	School-going children (5 -14 years) are the main category of people involved in smuggling					
2	Male youth (15-30 years) are the main category of people involved in smuggling					
3	Female youth (18-30 years) are the main category of people involved in smuggling					
4	Male adults (18-30 years) are the main category of people involved in smuggling					
5	Female adults (18-30 years) are the main category of people involved in smuggling					
B	Implication of RECTS on smuggling					
1	Compared to 5 years ago, the extent of merchandise smuggling in this area has increased					
2	Compared to 5 years ago, the extent of fuel smuggling in this area has increased					
3	Compared to 5 years ago, the volume of cargo trucks stopover in this area has increased					
4	Compared to 5 years ago, the stoppage time of cargo trucks in this area has increased					
5	Compared to 5 years ago, the profitability of smuggling as an enterprise in this area has increased					
6	Compared to 5 years ago, the riskiness of smuggling as an enterprise in this area has increased					
7	Compared to 5 years ago, the general business in this area has increased					
C	Coping mechanism of smugglers in era of RECTS					
1	People involved in smuggling in this area have gone into farming					
2	People involved in smuggling in this area have gone into Boda-boda					
3	People involved in smuggling in this area have gone back to school					
4	People involved in smuggling in this area have gone away					
5	General youth have abandoned smuggling					

Figure A1: Departure station of RECTS tracked Uganda in-bound and transit cargo

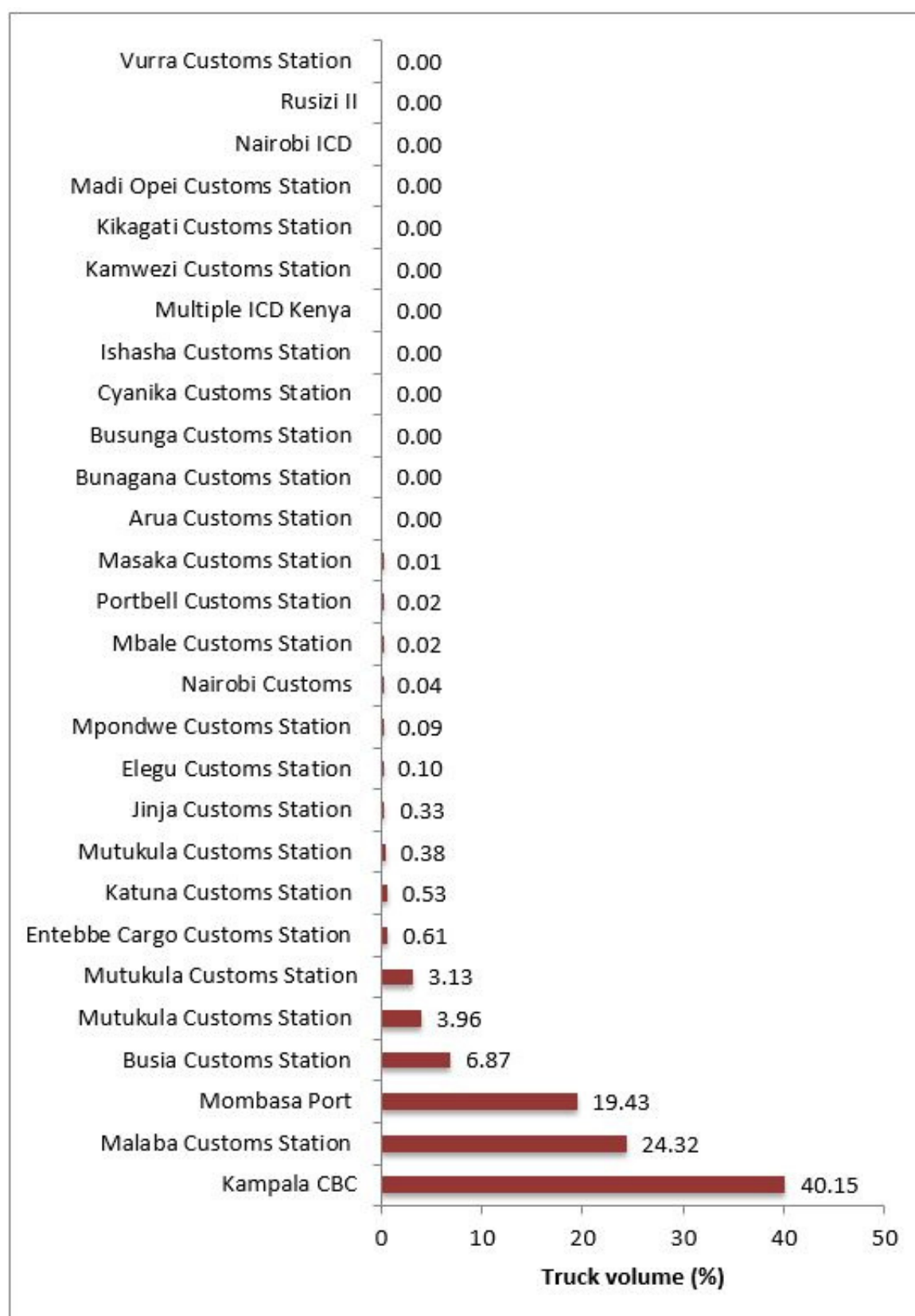


Figure A2: Destination station of RECTS tracked Uganda export and transit cargo.

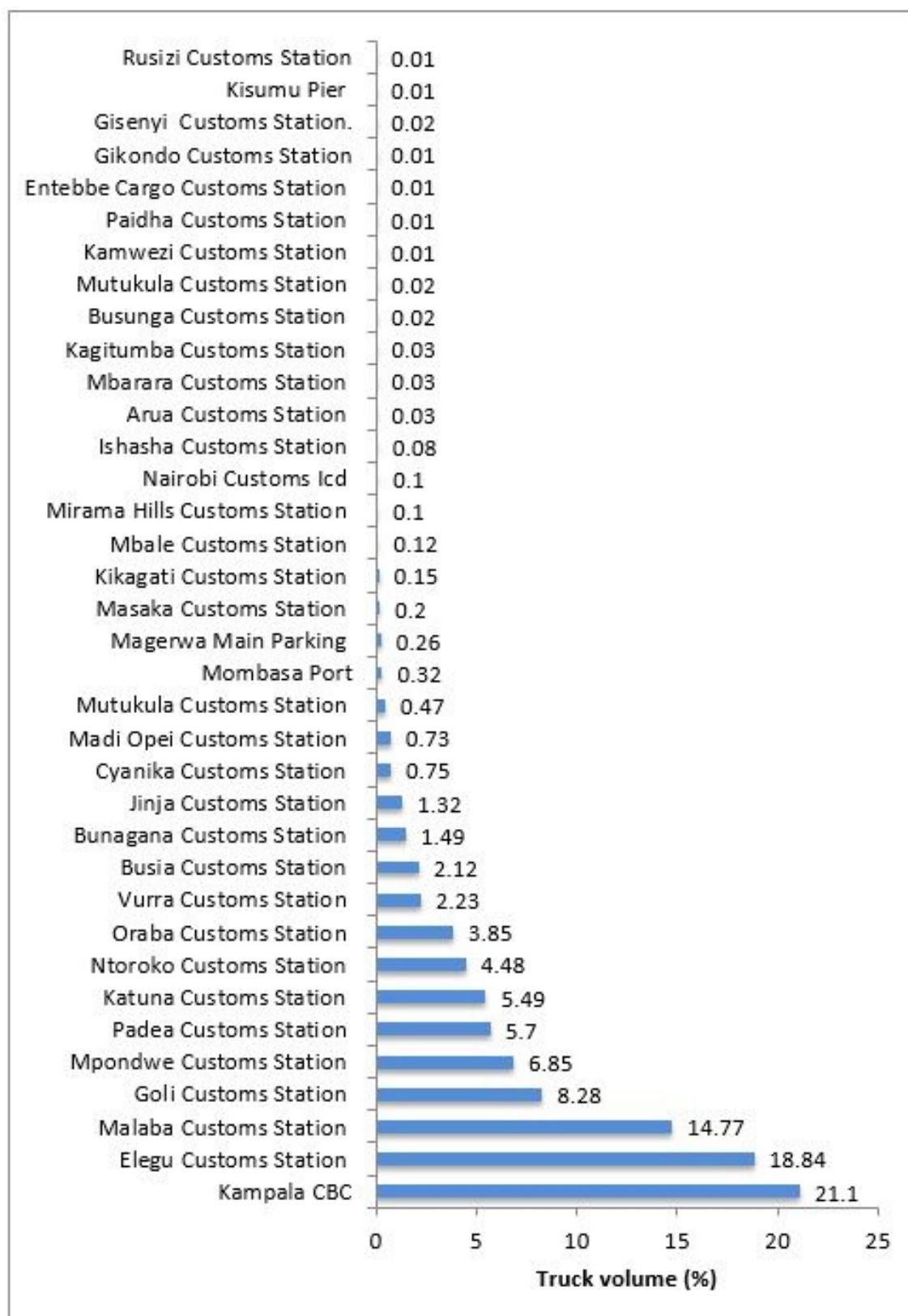
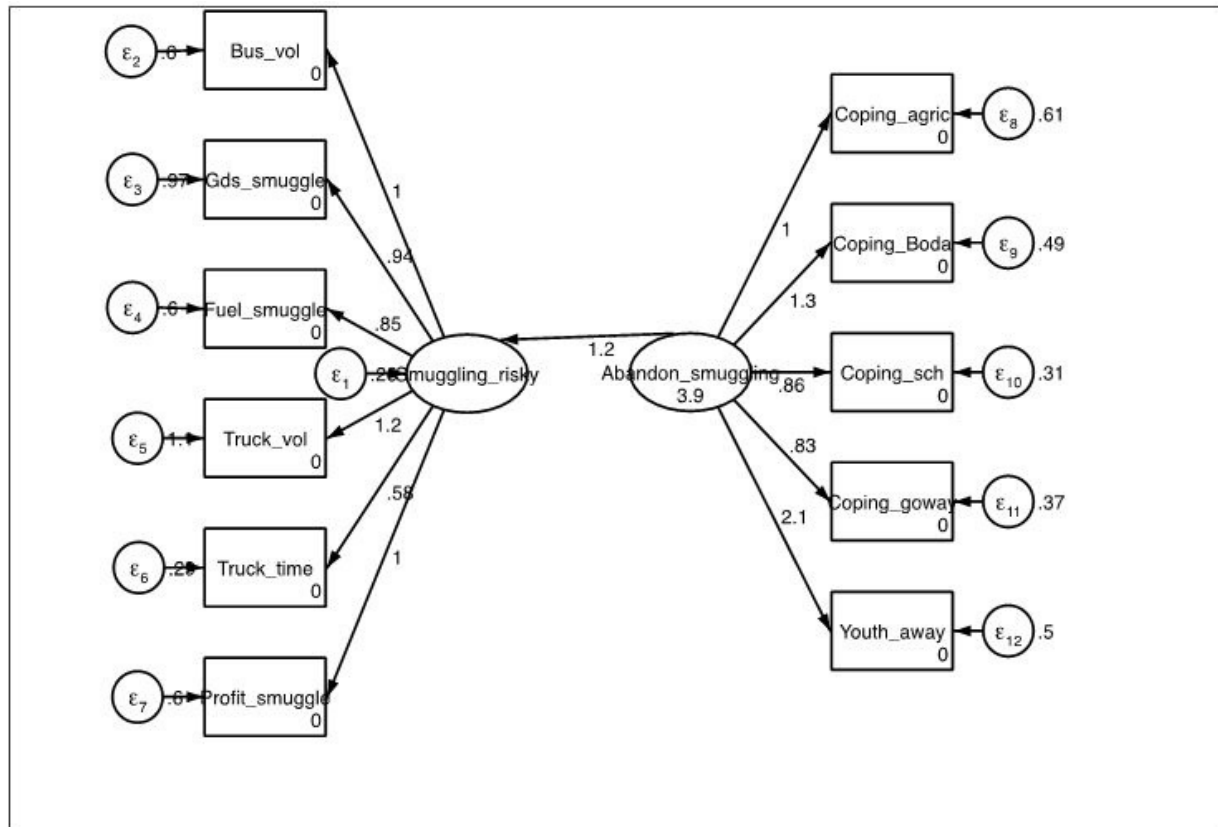


Fig A3: SEM of RECTS implications on smuggling and coping mechanisms





3

POTENTIAL EFFECTS OF IMPLEMENTATION OF THE AFRICAN FREE TRADE AREA (AfCFTA) ON TRADE AND CUSTOMS IN EAST AND SOUTHERN AFRICA

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ABSTRACT

This article discusses the potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and customs in East and Southern Africa. The authors shed light on the objectives of establishing the AfCFTA. The discussion reflects on the regulatory framework directing customs administrators in the AfCFTA. The role of customs is discussed in the context of agreements and policies that enable customs automation; modernisation through Information Computer Technologies; improvement of infrastructure at borders; management of intra Africa transit cargo; facilitation and security of trade. The paper recounts the developments and innovations that will promote intra-Africa trade, economic integration, and social and economic development. More importantly, the paper describes how the AfCFTA will affect customs and trade administration operations, proceeding to discuss how customs administrations in East and Southern Africa can adapt and innovate to be relevant within the context of the AfCFTA. Customs administrators need to be aware of their important role within the AfCFTA and should be prepared to undergo changes.

Keywords: Continental Free Trade, Customs administration, Trade

1. INTRODUCTION AND BACKGROUND

At the Seventh Ordinary Session of the African Union Conference of Trade Ministers which ran from 29 November 2011 to 3 December 2011, a decision was made to ‘enhance sustainable economic development through a continental free trade area which was to be known as the AfCFTA’ (AU 2011, p. 1). In 2015 African leaders adopted Agenda 2063 out of the realisation that the African continent had mainly been inclined towards ‘political issues such as decolonization, fighting apartheid and gaining political independence since the inception of the Organization of the African Union (OAU) in 1963’ (AUC 2015, p.11). Under the African Union’s (AU) Agenda 2063, the continent refocused on the Pan African Vision and the emphasis was on ‘social and economic development; integration; democratic governance; peace and security’ (AUC 2015, p.11). Under the circumstances, issues such as decolonisation and apartheid had become less relevant. To achieve sustainable economic development under Agenda 2063 there was need to enhance integration of Africa’s economy into the global economy through boosting intra-African trade. To attain sustainable economic development, an Action Plan for Boosting Intra-African Trade (BIAT) was adopted to support Agenda 2063.

Initially, the aim was to establish the African Community in six stages which would include establishing a ‘common market and economic and monetary community’ (UNCTAD 2016, p.5). However, it was realised at the AU Assembly of Heads of State and Government in 2012, that it would be a complicated undertaking to harmonise trade and economic policies of African countries and existing Regional Economic Communities (RECs). A less complicated and practical approach was pursued; the AU decided to concentrate on creating the Continental Free Trade Area (CFTA) by 2017.

While it may be a plausible argument to proclaim that RECs have not achieved much owing to numerous challenges, it is pertinent to realise that the AfCFTA was built on the platform set by RECs. These RECs

include the Arab Maghreb Union (AMU/UMA), Economic Community of West African States (ECOWAS), East African Community (EAC), Intergovernmental Authority on Development (IGAD), Southern Africa Development Community (SADC), Common Market for East and Southern Africa (COMESA), Economic Community of Central African States (ECCAS) and the Community of Sahel-Sahara (CENCAD). The Lagos Plan of Action and Abuja Treaty endorsed what was referred to as the bottom-up process which entailed building the AfCFTA through strengthening of existing RECs and establishing of new RECs in regions where they did not exist (UNCTAD 2016, p.2). Despite the significance and multiplicity of RECs, the AfCFTA agreement would prevail over RECs in circumstances where there are inconsistencies. Developments within regional groupings had a direct positive impact on the attainment of the continental free trade area.

From the onset, COMESA was set out to create a Free Trade Area, customs union, and a common market with the aim of ultimately creating an economic union. These objectives conform to the objectives of the AfCFTA and attaining them at the regional level provided a launchpad for success at the continental level. Admittedly, policy inconsistency, multiple membership, and failure to implement recommendations have all affected the effectiveness of RECs as a vehicle for setting up an effective AfCFTA.

The Tripartite Free Trade Area (TFTA) integrates three economic communities: COMESA, EAC and SADC. The adoption of the idea of the CFTA programme by African Heads of State and Government in January 2012 strengthened the need for deeper integration. African countries aspired for economic integration at regional and continental level. To pursue this aspiration there was need to adopt a gradual approach starting at regional level, moving towards merging regions and then integration at continental level. According to the

Lagos Plan of Action and the Abuja Treaty a bottom-up approach is more effective as opposed to a top-down approach. A bottom-up approach relies on strengthening RECs which will in turn merge to become a continental bloc. According to Article Six of the Abuja Treaty, there is need to strengthen existing RECs and at the same time supporting the establishment of new ones (UNCTAD 2016, p.2). Ultimately, RECs are the basis upon which the continental body was established. The AfCFTA brings together more than one billion people and a combined Gross Domestic Product (GDP) of more than USD 3.4 trillion (AUC 2018b, p.2) while the TFTA has a population of 632 million and a GDP of USD 1.3 trillion (Adengo 2017, p.1). The large size of the continental body requires a gradual bottom-up approach bringing into sync diverse individual member states and RECs.

Globalisation is characterised by increased political and economic interdependence among countries. In response to globalisation of the world economy 'African governments aspire to access larger markets, foreign technologies and investments' (Schiff & Winters 2003, p.6.) in order to benefit from economies of scale in the world economy. African governments have realised the importance of regional and continental economic integration of markets, industry, agriculture, and infrastructure development. It was an important milestone when the operational phase of the AfCFTA was launched on 7 July 2019, following the ratification of the agreement by 27 member States (AU2019, p.2). As of July 2019, the Agreement had been signed by 54 countries out of the 55 African countries with trade commencing on 1 January 2021. As previously highlighted there are many challenges to establishing FTAs, chief among them is the fact that trade policy in many African countries does not support regional market integration in Africa (FTAs and Customs Unions), but supports trade with developed countries which include China (Mangeni 2014, p.3). In this regard, African countries tend to maintain trade ties with their former colonisers and other developed countries. Intra-Africa trade stood at around 15.2 % in the period 2015-17

compared to 47.4%, 61.1%, 67.1 and 7.2% intra bloc trade that had been achieved by America, Asia, Europe and Oceania respectively (UNCTAD 2019, p.20). Consequently, to achieve the AfCFTA's vision, the focus or thrust of Africa's customs and trade policies should be geared towards facilitating intra-Africa trade. The researchers seek to examine the role of customs within the AfCFTA. It cannot be disputed that it will not be business as usual for customs. This paper will go a step further by identifying and discussing how new developments under the AfCFTA will affect customs operations. The analysis of how customs administration will be affected shall be done within the context of Article XXIV of the General Agreement of Trade and Tariffs (1994), the World Trade Organization Trade Facilitation Agreement (WTO TFA) Articles; the Protocol on Trade in Goods under the Kigali Agreement establishing the AfCFTA and the Action Plan for Boosting intra-African Trade (BIAT), which seeks to overcome factors that constrain the growth of intra-African trade. Cohesion among AfCFTA member countries depends upon fast tracking trade facilitation under the WTO TFA. The AfCFTA further strengthened member states to honour their WTO TFA commitments. Intra-regional and continental economic integration is enhanced by trade facilitation measures which reduce delays in cargo clearance, high cost of doing business and unpredictable customs procedures. Within this context of the four policies, this paper shall endeavour to identify areas that need the attention of customs administrators.

The AfCFTA will no doubt have an immense effect on trade and customs policies because of its yearning towards integration and intra-Africa trade. There are, however, concerns that the AfCFTA may affect customs procedures rendering some of them redundant, unsuitable, and ineffective, if administrators are not proactive. There may be the need to adapt customs functions to fulfil the new requirements under a continental free trade area. Other customs functions may become irrelevant or may impede free or improved intra-Africa trade if

they do not adapt to the requirements of economic integration at a continental level. Economic integration among AfCFTA member countries may be improved through modernisation and innovation of customs policies and procedures. Modernisation and innovation entails further automating customs procedures to reduce barriers to trade (Stiftung 2017, p.10). Under these circumstances customs administrators and trade experts should step forward and demonstrate that they will implement policies and instruments capable of mitigating the harmful effects of disparities and lack of harmony among member states. In this context the challenge at hand for customs administrators and trade promotion experts is to implement policies that reduce the negative impact. Customs administrators and trade experts play a pivotal role in enhancing trade cooperation and connectedness among member states. Failure to reconcile policies and procedures in customs administration and trade policies will give way to a dysfunctional CFTA, which is not capable of operating effectively as a single unit composed of 55 African states. The circumstances of individual member states and regional groupings such as the TFTA need to be taken into consideration. Policy makers would do well if they are sensitive to the challenges of member states. Special Differential treatment provisions under the WTO TFA Article XIII: Institutional Arrangements and Article 6 under the Protocol on Trade in Goods in the Agreement establishing the AfCFTA ensure that special circumstances of member states are taken into consideration when implementing the agreements. Under the special arrangement, depending on their circumstances, member states may be given more time to implement some commitments, or they may be given more opportunities to increase trade or to safeguard their trade interests.

The article will explore how customs administrators and trade experts will be affected by the integration provisions under the AfCFTA and suggest how they may overcome setbacks and hindrances to the creation of a functional CFTA. Trade experts should be knowledgeable about the circumstances in their

countries providing advice on which special differential treatment their countries may benefit from. Trade data pertaining to individual countries should guide trade experts to craft national trade policies that integrate member states into the continental body. The researchers anticipate that customs administrators will realise the importance of their role in supporting the AfCFTA and will receive some guidance and tips from trade experts on how they can be better prepared to support the AfCFTA as trade policy implementers. The researchers will review literature on the AfCFTA with emphasis on developments that have a bearing on customs operations. Secondary sources consisting of technical reports, conference proceedings agreements and treaties will be used as the main source of secondary and archival data. Recommendations and conclusions will be based on secondary data discussions.

2. IMPLICATIONS OF THE AfCFTA ON TRADE IN AFRICA

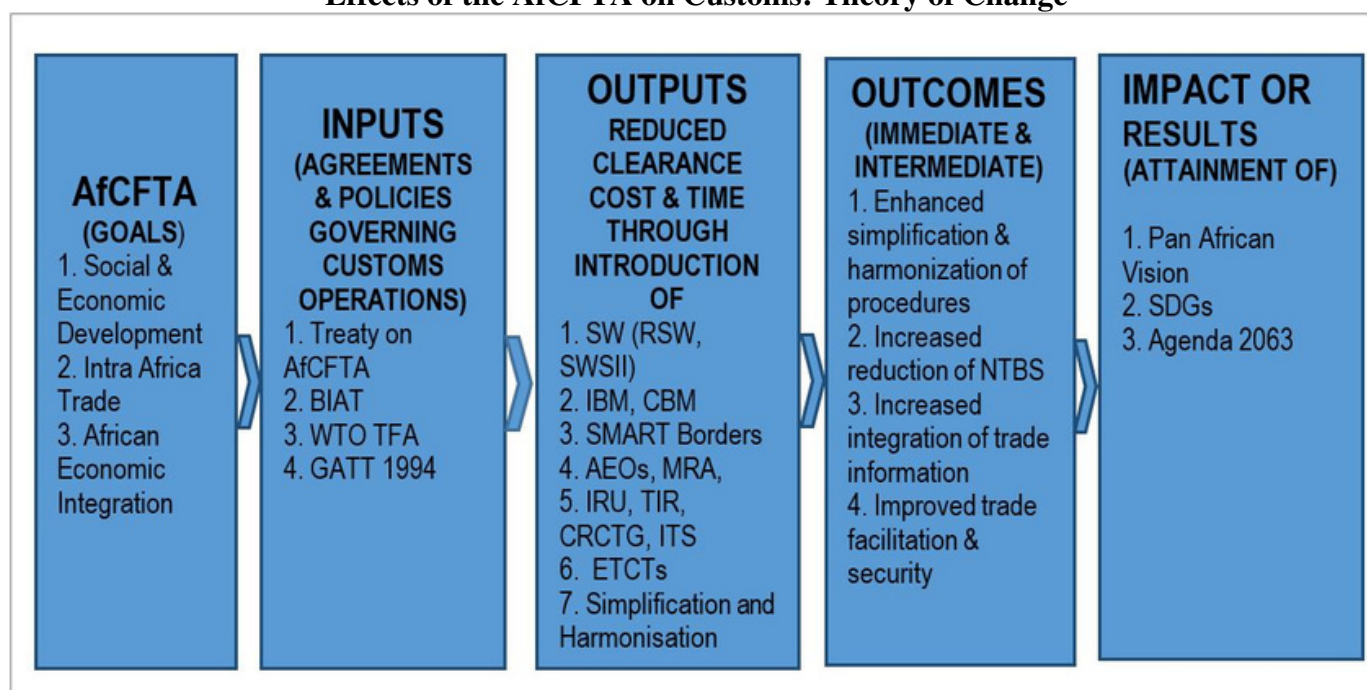
The AfCFTA will create an enabling environment for Africa to stand as one block trading with the rest of the world in contrast to a fragmented approach where countries mostly engage individually in global trade. Some of the benefits of continental integration are the capacity to promote greater economies of scale, creation of wider markets with enhanced industrial efficiencies, and reduction of external dependency and vulnerability (Djoumessi et al. 2017, p.2). The AfCFTA will become a single unit combining African states trading with other world economies. International trade across many African countries is dependent on raw material exports (Mangeni 2014,p.8). The AfCFTA, in supporting Agenda 2063, places emphasis on value addition of exports. Agenda 2063 outlines industrialisation and value addition as one of i Africa's priority areas. This contrasts with the idea of exporting low value primary products in their raw state. The AfCFTA further aims to boost intra-Africa trade which has the potential to reduce external dependency and vulnerability of the African continent.

3. THEORY OF CHANGE: EFFECTS OF THE AfCFTA ON CUSTOMS

The AfCFTA will trigger major changes in customs and trade issues, and this may be captured in the context of the Theory of Change. Viewed in the context of the Theory of Change customs administrators should react to changes brought about by efforts to achieve goals and expectations of the AfCFTA triggering a process of causal linkages which may be categorised as follows: inputs; outputs; immediate and intermediate outcomes and impact or long-term results.

XXIV on customs unions and FTAs. The discussion on the role of customs will take place within the contextual framework of these policies and agreements. The Agreement Establishing the AfCFTA is relevant to the discussion because it is the principal document regulating AfCFTA operations. The agreement provides for and enables all operations of the AfCFTA. On the other hand, BIAT is critical in outlining the actions or activities required in boosting intra-African trade; it is a key ingredient of the AfCFTA which includes activities or actions to be

Effects of the AfCFTA on Customs: Theory of Change



Own Source

As previously noted, this paper is concerned with how the AfCFTA will affect customs operations and how customs administrators should adapt. The inputs in the model are in the form of policies and agreements that will guide customs operations within the AfCFTA. It is the authors' opinion that the following documents have a far-reaching impact on customs operations within the AfCFTA: The Agreement establishing the AfCFTA and its Protocol on Trade of Goods together with the annexes; BIAT and the seven clusters that spell out its objectives; the WTO TFA with its articles; GATT 1994- Article-

executed by customs administrations. The WTO TFA is important because 44 African countries are part of the WTO and as of 2021 the AfCFTA agreement had been ratified by 38 African WTO member states. The WTO TFA is pivotal because it seeks to overcome trade barriers and to boost intra-Africa trade through trade facilitation measures cited in its thirteen articles. GATT 1994 specifically deals with FTAs and informs their operations. If the prescriptions in the policies and agreements are effectively implemented, they will result in several outputs. Some examples of outputs are the number of One-Stop Border Posts (OSBPs); number of administrations that adopt the Single Window (SW)

concept, Integrated Border Management (IBM) and Coordinated Border Management (CBM); proliferation of the common Transit Bond System (TBS), and number of countries subscribing to the Mutual Recognition Arrangement (MRA). However, once customs administrations implement these measures, they should ensure that they lead to positive outcomes such as increased reduction of Non-Tariff Barriers (NTBs); enhanced trade facilitation and security; increased integration of trade information and enhanced simplification and harmonization of customs and trade procedures throughout the AfCFTA. Finally, the impact or long-term result should be realisation of the Pan African Vision, Sustainable Development Goals (SDGs) and Agenda 2063.

4. HOW THE AfCFTA WILL AFFECT CUSTOMS AND TRADE IN AFRICA

Trade and customs operations will be affected in several ways by the AfCFTA which is guided by new goals and objectives. To achieve the new goals and objectives, it will become imperative to modernise at a greater pace and this will entail embracing Information Communication Technologies (ICTs). Due to the reduction and elimination of duties in the AfCFTA, revenue from imports will be depleted and governments will need to boost revenues through industrialization which will entail increasing exports. Strengthening inland taxation systems to mitigate the reduction in revenue foregone because of trade-offs brought about by integration efforts. Taxation in the informal sector can also be intensified plugging tax evasion and avoidance through strong legislation. AfCFTA will progressively eliminate tariffs on intra-African trade resulting in less duties being collected on goods traded within Africa. As a result, customs administrators will be expected to collect less duties and taxes.

The customs role of revenue collection will be diminished, and, in its place, customs administrators will place more emphasis on the role of ensuring

trade facilitation and security. Customs administrators should be geared to adopt policies and procedures that promote faster and expedient trade reducing NTBs and delays at borders. As national borders become more open trade security risks will increase and customs administrators need to invest in risk assessment and management. This involves embracing modern ICT based systems for detecting fraud with the anticipated increased fast-moving cargo.

4.1 The Critical Role of Customs in the Use of Computer Technologies to Overcome Non-Tariff Barriers in the AfCFTA

Information Computer Technologies (ICTs) are critical for automation and modernisation of customs procedures and processes' to support Integrated Border Management (IBM), Coordinated Border Management (CBM) and electronic data processing which are vital for economic continental integration. The current global trend is that manual paper-based customs procedures are being replaced with more efficient electronic procedures and operations. The adoption of electronic or digital customs initiatives supports a modern customs environment that is in sync with global practices and developments (Mikuriya 2016,p.9).

The Agreement establishing the AfCFTA seeks to promote 'Customs Cooperation and Mutual Administrative Assistance' (AUC 2018a p.27). Annex 4 of the Protocol on Trade in Goods, Article 17 emphasises the need to use ICTs citing that each member country shall strive to use ICTs (AUC 2018a, p.85). The importance of improving ICTs within the AfCFTA is also shared under the BIAT initiative under its Productive Cluster which calls upon member states to integrate and connect trade information systems (AU 2012, p.10). The WTO TFA, Article XII on 'Customs Cooperation' urges member states to prioritise ICTs for the purpose of improving interconnectedness.

Given the magnitude of the CFTA, a wide support system based on ICTs, cloud technologies, mobile data and the internet is imperative for the free flow of data, enhancing payment systems and integrated value chains based on automation of customs processes and procedures. In a report, Deloitte & US-Asean Business Council (2016, p.3), assert that the digital economy should be embraced as a catalyst for the attainment of economic integration. The assertion was in reference to countries in South East Asia, however, this could equally apply to integration within the context of the TFTA and the AfCFTA. The digital economy is instrumental in ensuring that more than one billion people in the AfCFTA and 632 million people in the TFTA will become interconnected through harmonized and automated customs procedures. Furthermore, the digital economy will support increased productivity due to technological innovation and enhanced networking in supply chains (Deloitte & ASEAN-US Business Council 2016). The cost of trade logistics and transaction costs between African countries will fall and access to investment and markets will increase because of interventions supported by the digital economy driven by ICTs.

It has become a common feature for strategic plans of customs authorities to indicate plans and strategies to enhance the use of ICTs. A random survey of strategic plans for African countries was carried out, revealing that the Kenya Revenue Authority (KRA) Seventh Corporate Plan had as part of its key initiatives the need ‘..to review systems and automate’(KRA 2019, p.43). South Africa Revenue Service (SARS) also aspires to ‘..improve capability in ICTs’(SARS 2017 p.48).The Zimbabwe Revenue Authority (ZIMRA) is no exception as it aspires to enhance integrated data management, modernisation and innovations in its 2019 to 2023 Strategic Plan (Vinga 2018, p.1).This demonstrates that commitment to attain digital operations is at strategic level and what remains is to implement the plans.Any customs administration that does not want to be caught flat-footed by the AfCFTA should include automation, modernisation and data integration based

on ICTs in its Strategic Plan.

Automation and modernisation of systems may help in achieving IBM and interconnectness among stakeholders at borders. The Single Window (SW) system is effective in enhancing integration or interconnectness at the border. The SW is an electronic data information exchange platform. The SW concept is premised on ‘...government to government, government to business and business to business inter linkages.’(Zubkov 2018 p.41). The SW integrates border screening and clearance procedures cutting on movement time from one stakeholder office to the other. Data is entered into one electronic system and all stakeholders involved in clearances can make use of the data. The convergence of data on a single platform enables sharing of information pertaining to licences, permits and conformity requirements allowing shorter turnaround times for clearance of goods. If the SW system is implemented on the back of digital systems with the capacity to enable intense exchanges between traders and governments, NTBs will have limited adverse effects. NTBs can be addressed through “....accurate exchange of advanced electronic data between Customs and e-commerce...” (Zubkov 2018, p.40). The NTBs present a major challenge to free movement of goods within Free Trade Areas, with some member states resorting to NTBs as a way of restricting intra-COMESA-trade (Nsubuga& Musengele 2014). Such unorthodox practices have made it difficult to do away with NTBs as a result measures such as automation have become an important tool of neutralizing their effect. NTBs pose a threat to FTAs and the solution lies in customs automation and modernization. NTBs exist in various forms, the most common being import and export licenses, Sanitary and Phytosanitary (SPS) requirements, standards, and conformity requirements. The requirements are legitimate and there is need to reduce their adverse effects of retarding or restricting trade. According to Annex 5 of the Treaty establishing the AfCFTA, apart from National NTB Committees each member state should build institutional structures to eliminate NTBs.

These are practical solutions over, and above ICT based solutions for the elimination of NTBs that may be pursued by member states. The SADC Treaty (SADC 1992) forbids quota restrictions promoting unlimited exports and imports within the bloc. In 2015 EAC passed the East African Community Elimination of NTBS Act (EAC 2017, p.6) which operates on three mechanisms: establishment of Monitoring Committees, prohibition of activities that create NTBs and elimination of cumbersome customs procedures. The EAC initiative has been supported by automation and modernisation being one of the first trading blocs that has effectively implemented the SW system. Such measures are consistent with the ideals of the AfCFTA and there is need to strengthen and replicate these initiatives in the larger CFTA by enacting similar legislation within the AfCFTA. BAIT seeks to reduce NTBs through harmonizing and simplifying customs procedures in a way that will enable freer movement of goods while the WTO TFA cites as one of its requirements, under Article 10 the need to simplify formalities and documentation requirements through automation and modernisation as a way of reducing or eliminating NTBs. Efforts to eliminate or reduce NTBs are evident in trading blocs and the most important task at hand is to ensure that these efforts are embraced and replicated by customs administrators in the AfCFTA. Article 11 of the Protocol on Trade in Goods of the AfCFTA Agreement seeks to promote the reduction of NTBs through automation and modernisation. The SW system is useful to customs operations as it enables accurate and timely exchange of information to stakeholders. The African Alliance for E-Commerce (AAEC) notes that the functions of the SW should transcend the national context (AACE 2016, p.13). There are three levels of interoperability. The SW system operates at the following three levels: ... domestic, regional and international interoperability..."(Chowdhury & Sadek 2013, p.22.). Regional and international operability are suitable for trans-border transactions such as those in the AfCFTA. Single Window System International Interoperability (SWSII) refers to a SW system which

is capable of operating across borders (APEC 2018, p.22). Against this background it is proposed that there should be a migration from the National Single Window (NSW) to the Regional (RSW). The RSW is more appropriate given the international nature of the AfCFTA. In that regard, plans should be afoot to migrate to the RSW. Interoperability in reference to the SW concept refers to exchange of data and documentation. 'Interoperability of the SW concept should be supported by political will, leadership skills and experiences; legal readiness, and technological capacity'(APEC 2018, p.22). It is imperative that customs legislation should provide for not only the SW concept but also the aspect SWSII. Above that customs should be technically capacitated to handle the international nature of transactions. Future Customs plans or strategic plans should reflect that readiness and international perspective of the SW system.

Some of the other conspicuous and celebrated efforts that are sustained by ICTs are the Authorised Economic Operators (AEOs) concept, which may be extended to the "Mutual Recognition Arrangement (MRA)" (UNESCAP 2013, p.81), the establishment of SMART Borders, and most recently the Electronic Transporters Internationaux Routiers (eTIR). The success of these initiatives is hinged upon the innovativeness and adaptation of customs. These initiatives enable accurate faster exchange of data and streamlining of customs processes and procedures.

NTBs may be overcome by IBM and CBM which facilitate seamless movement of goods within the trade area across borders. IBM and CBM initiatives are supported by WCO international instruments such as the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures and the SAFE Framework of Standards to Secure and Facilitate Global Trade. These two WCO instruments advocate for the creation of an enabling environment for international data exchange.

International data exchange and harmonisation across borders is also promoted through the SADC Guidelines for CBM (SADC 2011). The SADC guidelines resonate with the WCO instruments in the quest to improve the exchange of information within customs territories. The AfCFTA may build on such regional initiatives to exchange data at continental level. Article 12 of the WTO TFA seeks to also promote data exchange as it emphasises the importance of customs cooperation and coordination to attain economic integration. This initiative has its roots in the basic tenets of the concept of promoting trade facilitation. Integration among member states is strengthened through a framework for cooperation that ‘..places a responsibility on member states to share information’(ITC 2013, p.3). Automation of information based on digital economies ensures effective customs control and IBM. The digital economy has the technological capacity, not only to integrate economies but also to drive innovation, ensuring development and growth within a single market and production framework.

The AfCFTA brings together 55 countries with a combined population more than one billion. Managing transactions within the AfCFTA may be beyond the scope of traditional methods due to the difficulties associated with collecting, managing, interpreting, and using voluminous and complex data. Sophisticated and innovative means of handling the information effectively will become a necessity. Customs administrators in the Southern Africa Customs Union (SACU) have faced setbacks in facilitating trade as well as economically integrating the region. This is mainly due to “....lack of connectivity, delays and inaccuracies associated with paper based exchange of information”(Nxumalo& Magagula 2018, p.50). If such problems are left unresolved at regional level, they may have a negative effect at continental level. The CFTA and the TFTA both build on regional economic integration and the success of regional integration contributes to the strengthening of the AfCFTA. The failures or successes in regional integration have an impact on economic integration at continental level.

It is likely that the inability of SACU to effectively attain regional economic integration will also affect economic integration at continental level.

Free movement of goods or trade facilitation is largely dependent on reduction of NTBs through modernisation and automation. There is need for member states and in turn trade experts and customs administrators to embrace automation and modernisation, such efforts should start at national level and should also be taken up at regional and continental level.

4.2 Customs and Trade Practitioners to Prioritise Infrastructural Development

Intra-Africa Free Trade cannot be advanced in the absence of a developed road network and ports of entry. Emphasis is placed on the need to improve infrastructure in the BIAT initiative under the ‘Trade Cluster’ with proposals to establish high-quality multi-country infrastructural programmes and to enable the private sector to develop infrastructure. The need for setting up OSBPs is underscored in BIAT under its infrastructural development cluster. Chirundu Border post between Zimbabwe and Zambia is an example of a successful OSBP with reasonably developed infrastructure for smooth movement of goods. In East Africa the OSBP between Kenya and Tanzania has boosted commercial and tourist activities. Notably, tourism activities within Arusha , Tsavo and Serengeti Parks....” (ADB 2018, p.3) have boosted the national economy of Tanzania. Such developments will significantly contribute to the success of the AfCFTA since they promote national economic growth giving justification for developing infrastructure. There is a need to reinvigorate the quest for developing infrastructure for customs and trade purposes. The initiative will be supported by Safety, Mobility, Automated, Real-Time Traffic Management (SMART) Borders which rely on information-based technologies. SMART Borders are instrumental to the creation of a Smart Corridor

whose major characteristics are the use of Intelligent Transport Systems (ITS), quality infrastructure, logistical facilities between countries, intra-regional and intra-regional facilities for expediting the passage of goods and cargo, provision of real-time information on movement of cargo and conducive policies for movement of cargo. It is evident that the attributes of SMART borders across Africa will enable more effective trade and customs administrators need to identify and prepare for their role in SMART borders among other initiatives to improve infrastructure at border posts in response to the requirements of the AfCFTA.

4.3 Adapting to the increase in Intra - Africa Transit Cargo

Under the Protocol on Trade in Goods in the AfCFTA Agreement, state parties are urged to take appropriate measures to promote trade which include arrangements to facilitate transit cargo. Member states need to ensure that customs administrators and trade officials are prepared to handle transit cargo in an efficient and secure manner. Within the AfCFTA, cargo transiting through member states needs to be expedited. This is particularly difficult given that the countries are not well interconnected in terms of harmonization and sharing of documentation. Transit trade is important especially for land-linked countries. One of the reasons for low intra-Africa trade are the difficulties associated with expediting transit cargo on the African continent. The most crucial provision for transit is captured in the Agreement for the Establishment AfCFTA under the protocol on trade in goods, Annex 4, Article 16 stipulating that each country should ensure that there is freedom of transit in its territories. According to Article V of GATT 1994 and Article 11 of the WTO TFA, transparency and fairness are cardinal principles in processing transit cargo. These provisions compel member states in AfCFTA to be fair and transparent when dealing with transiting goods.

In Africa, there are three systems used to process

transit cargo: a national bond; 'the COMESA Regional Transit Guarantee (CRCTG); and the IRU TIR Carnet'(Fitzmaurice 2016, p.2). A National Transit bond covers procedures in one customs territory. A national transit bond controls entry and exit in one customs territory. In contrast, international transit bonds are bilateral, regional or lateral. They cover transit across more than one customs territory. The CRCTG is a regional bond since it is meant to cover customs territories within the COMESA region. The IRU TIR Carnet is multilateral, spanning across regions. Regrettably, even some member states in the same REC are not using the same Transit Bond System (TBS) in Africa. There is no universally used system as such there is a high level of variation bringing about a challenge for all efforts to harmonise and simplify transit procedures within regions. Harmonisation is a key task for customs administrators under the Revised Kyoto Agreement on Harmonisation and Simplification of procedures. It remains to be seen which system member states will select for cost effective and reliable management of transit cargo for their customs administrators in the AfCFTA. Whatever decision will be made by member states should be based on its appeal in terms of international usage and its ability to secure revenue.

All transit procedures whether national regional or multilateral should be supported at all levels within customs territories. Movement of transiting cargo should be facilitated as much as possible, avoiding practices that frustrate traders through delays and unnecessary charges. Post importation roadblocks by customs or by traffic police may become a source of frustration if overdone. The BIAT initiative emphasizes the need to reduce roadblocks by 50% whether by customs or police along all routes including transit routes.

Interpretation and processing of documents becomes faster in situations where there is simplification and harmonisation of procedures across customs territories. This also improves data exchange. The BIAT initiative

concur with the Revised Kyoto Agreement in advocating for simplification and harmonization of transit procedures, documents, and regulations for post importation audits.

While it is important for any AfCFTA country to have a transit system which is simplified and harmonised it is also important to adopt a complimenting system which secures revenue. The system should make it difficult for goods in transit to be consumed locally. The system should also allow speedy clearance of goods. A good example of such a system which combines trade facilitation and security is the Electronic Transit Cargo Tracking System (ETCTS). The introduction of the ETCTS in Zimbabwe which compliments the transit bond system is lauded for its ability to secure transit cargo by plugging revenue leakages and at the same time promoting timely clearances (Chingwere 2019, p.9). It is a system which most African countries would do well to adopt to facilitate as well as to secure transit cargo for effective integration into the AfCFTA.

For the AfCFTA a multilateral transit bond system would be appropriate since it has the capacity to cover all customs territories in Africa. The CRCTG is regional in its perspective and is limited to the COMESA region. The AfCFTA may identify multilateral transit bond systems which will support economic integration. The eTIR is international in its perspective. The eTIR, ‘...is based on the United Nations TIR Convention first developed in the 1950s.’(Kern & Sceia 2016 p.21). TIR is heavily reliant on the ICTs for digital data exchange between transport operators and customs. The TIR system does not only facilitate efficient movement of cargo, but it ensures security of cargo since it provides financial guarantees for payment of suspended duties and taxes which are managed by IRU an international organisation.

The AfCFTA will result in an increase in trade among African countries. This increase in intra- Africa trade will need to be supported by an efficient system with the capacity to support and account for all transit

procedures. Without an efficient bond transit system leakage of revenue and delays will be experienced. BIAT aspires to increase transit cargo and customs administrators must be prepared for this development which will require improved measures for regulating transit cargo. The rationale behind the eTIR is to reduce International transit costs and also increase security.(Kern & Sceia 2016, p.21). The eTIR concept is grounded in the WCO SAFE Framework to Secure and Facilitate Global Trade. It has an international perspective and a global outlook which is consistent with the idea of CFTAs of promoting unrestrained international trade with minimal delays and leakages along the value chain.

4.4 Emphasis on Facilitation and Security

Customs and trade officials have an important role to play in ensuring trade facilitation and security are both achieved. The AfCFTA aspires to fulfil the following objectives under the Protocol for Trade in Goods and the Protocol for Trade in Services: cooperation of customs authorities; mutual administrative assistance; promotion of measures and arrangements for trade facilitation, transparency in clearance procedures and provision of security measures. Trade facilitation and security are among these important objectives that must be fulfilled by customs administration. Grainger sums it up asserting that trade facilitation is an inquiry into how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives. The assertion captures the objective of facilitating trade and providing trade security.

The AfCFTA Agreement demonstrates its commitment to trade facilitation by adopting the principles captured in the WTO TFA articles such as transparency, publication, notification, cooperation, and mutual recognition of standards. Such principles have the effect of reducing the cost and complexity of trade transactions. Considering the thrust towards promoting trade facilitation customs administrators

must be prepared to promote unrestricted movement of goods through simplifying trade procedures and processes.

The main aim of BIAT under its trade facilitation cluster is to “reduce the time it takes to move goods from point A to point B by 50%” (AU 2012, p.7). This general objective resonates with the principles of trade facilitation. The Action plan proceeds to identify the following specific action plans to attain the main objective such as addressing complex customs and administrative procedures and regulations; inefficient and costly transit systems; differences in rules of origin trade documents and standards. For each one of these identified objectives BIAT sets out activities, outputs and assigns the responsibility to ensure execution of the tasks to Member States, RECs, and the African Union. By assigning the activities to Member States the implication is that member states have government departments and agencies such as customs which will be directly involved in activities such as simplifying complex customs procedures, rules, and regulations. As previously alluded to, customs has the task of addressing the issue of transit bonds. Although customs administrators do not come up with legislation on rules of origin their task is to advise, interpret and implement the rules. For each of these activities BIAT ensures execution of the tasks by setting time frames. Under the trade facilitation cluster, the time frames are short term and customs administrators should be able to operate effectively within these constrained time frames.

Intra-Africa trade should be promoted by facilitating or expediting trade at the same time ensuring that there are no threats to security. Customs administrators need to be mindful of the need to ensure expediency at the same time maintaining security concerns. The AfCFTA agreement specifies that each member state has the right to secure compliance with its laws or regulations through customs enforcement (AUC2018a, p.27). If customs administrators are to facilitate trade at the same time ensuring security of cargo, they should adopt an

advanced risk assessment system which identifies risk through risk analysis and risk prioritisation. Risk prioritisation avoids a situation where resources are needlessly spent on monitoring cargo that does not pose revenue loss or breaches controls. As one of its action plans, BIAT highlights the need to set up an ICT based regulatory framework to automate and modernise customs risk profiling procedures. Setting up effective automated risk profiling systems is the responsibility of customs.

The WCO Safe Framework of Standards to Secure and Facilitate Global Trade encourages the establishment of customs Risk Committees at national and regional level. The AfCFTA requires the use of ICTs for automation and modernisation. However, the increased use of ICTs has the potential to undermine security. ICTs pose a serious threat to security since it becomes easier to bypass borders using ICTs. For example, it is estimated that three-dimension (3D) printing alone could lead to 100 billion (USD) intellectual property loss annually (Canham & Voet 2016, p.27). This alone explains the scepticism towards digital operations in some sections, particularly customs agencies which lose revenue as borders are bypassed” (Canham & Voet 2016, p.27). The prevalence of bypassing borders could increase especially with non-member states of the Preferential Tariff Area (PTA) which do not enjoy preferential treatment. If non-member countries gain access into a PTA without being subjected to External Country Tariffs (ECTs) it defeats the purpose of establishing PTAs. By passing of borders, apart from revenue losses also poses a security threat with substances which are injurious to communities being imported. “In a traditional supply chain, agencies follow a ‘paper trail’ and assess risk as goods pass from manufacturer to warehouse to store.” (Canham & Voet 2016, p.27). In the case of Digital operations or supply chains there is no paper trail as goods or services are moved through digital communications. The proliferation of digital transfers places a complicated task on customs administrators who will find it difficult to control movement of electronic data worth millions.

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There are various automation measures that may be adopted by customs to enhance security of cargo such as embarking on electronic ICT based monitoring methods as opposed to paper-based methods and use of non-intrusive search methods which are efficient. The use of scanners, preclearance procedures and AEO facilities may be useful in facilitating trade at the same time promoting trade security.

Customs administrators are duty bound to implement measures that facilitate and secure trade in the AfCFTA which is premised on expedient movement of goods.

5. OVERVIEW OF THE ANTICIPATED IMPACT OF THE AfCFTA ON CUSTOMS

The secondary data reviewed which included journals, technical reports, agreements, and policies reveals that the AfCFTA will enhance future economic growth prospects for Africa through greater markets. The nature of trade will be significantly changed in Africa due to industrialization, changing the scope of work for customs officers to lean towards trade facilitation and security as opposed to revenue collection.

African countries have shown political and organizational commitment to enter into the AfCFTA through strategic plans and national policies. Despite the commitment, cross border connectedness has not reached desirable levels and there is still room for improvement.

It has been demonstrated that customs and trade operations will be affected by the coming of the AfCFTA, but it is beyond doubt that with some adaptation and innovation customs and trade policies have an indispensable role in strengthening the AfCFTA. Some countries have shown an unexplained propensity to continuously revert back to manual systems which are incapable of supporting operations of the AfCFTA, even when they have advanced ICT systems. Modernization and automation have the potential to overcome NTBs especially if supported by competent and innovative customs administrations. Modernization and harmonization of customs and trade to ensure border connectedness and security cannot be under stated as it will sustain the AfCFTA. Automation is key in adapting to the AfCFTA and customs should remain abreast with technological innovations that will guarantee effectiveness in the AfCFTA.

6. CONCLUSION: THE FUTURE POLICY DIRECTION

To guarantee success AfCFTA member states should be guided by the Agreement of the Establishment of the AfCFTA, WTO TFA, BIAT and GATT 1994. These documents offer guidance to customs administrations on how to operate effectively within the AfCFTA. These four documents are not the only ones that may influence policy direction but as a starting point, they may be helpful.

Each member state should introspect and reflect on the factors that might hold back its customs administration from being effective. It is incumbent upon each member to understand how its customs and trade policy will be affected by the AfCFTA and offer technical and political support. There is a need to be innovative and adopt policies to suit the requirements of the AfCFTA. Adaptation and innovation will mainly be in the area of harmonization of procedures through modernization and automation.

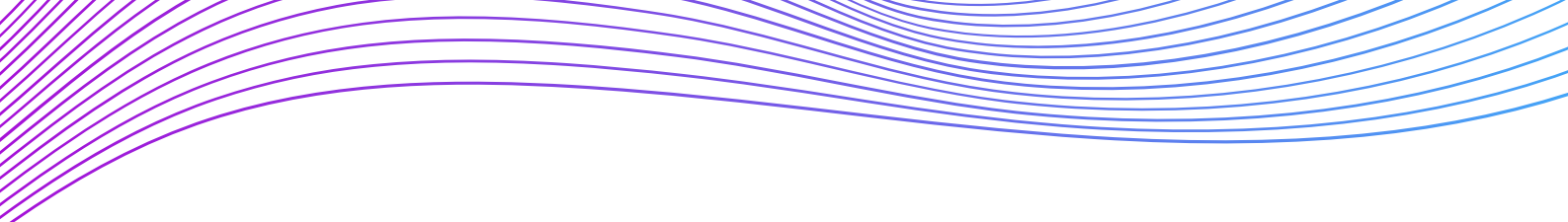
The cost of Intra Africa Trade is unsustainably high owing to poor infrastructure, and this is a priority area if there is to be any meaningful trade among African countries. The starting point is to appreciate that ICTs are an integral part of developing FTAs. This is demonstrated by the use of ICTs in the developed world in integrating economies as in the case of the European Union and South East Asia-APEC. The researchers perceive that the most critical intervention that is needed to serve as a catalyst for the attainment of deeper economic integration are ICTs.

There is a need to engage in continuous improvement supported by research and development. Customs Audit manuals should be crafted to operate in an e-commerce environment where e-payments are the order of the day and electronic declarations are used. National legislation for member states should also support e-commerce.

SMART borders and OSBPs provide conditions that are suitable for the AfCFTA. Governments should

raise capital for infrastructural development or create an environment which enables the private sector to contribute towards infrastructural development. Lack of capital for infrastructural development has been an enduring challenge. The possibility of finding solutions to the problem of lack of capital opens up an opportunity for further study on ways of raising capital for developing infrastructure that supports customs operations. Measures such as Aid for trade, or the COMESA Adjustment Facility have been largely ineffective in raising revenue foregone as a direct consequence of the establishment of the Free Trade Areas which reduce revenue from imports. Although the COMESA Adjustment Facility offers some respite and also Aid for trade there is need to look for other means to finance infrastructural needs. SMART borders and OSBPs need substantial capital. The major challenge lies in securing finance for such ambitious capital projects in countries which are still grappling with basic health food and education needs. This remains a yawning gap where governments are trying to mobilize funds to upgrade border posts. Inquiries into the possibility of financing schemes are crucial with options such as Public-Private-Partnerships or Build Operate and Transfer Schemes. These are just a few examples of financing options; it is up to the governments to rigorously explore options of financing infrastructure that can support customs controls.

The researchers noted that automation needs to be supported by political will and organizational strategies. The researchers contend that in Africa, from the few countries assessed in the research, namely, Kenya, South Africa and Zimbabwe, there are discernable efforts at a strategic organizational level to automate within customs operations. Above all Strategic Plans need to be operationalized. Automation and modernization should be extended throughout all member states to ensure the success of the AfCFTA in attaining the Pan African Vision, Sustainable Development Goals and Agenda 2063 once there is support from strategic management level.



The literature reviewed particularly from South East Asia gives a lot of insights on the wonders that have been achieved through ICTs and modernisation. Governments in Africa need not reinvent the wheel, rather, they need to borrow from the experiences in other regions. In earlier sections, the paper examines the achievement of the Asia-Pacific Economic Cooperation (APEC) in embracing and putting Digital operations to maximum use. It may be helpful if the African countries benchmark using experiences and achievements of APEC. In crafting policies, valuable lessons may be drawn from their experiences.

Customs administrations, in defiance of the WCO Revised Kyoto Convention, continue to use manual or paper-based controls. There are a number of reasons for this, and it warrants an inquiry to understand the reason for this defiance. In some countries this defiance may be as a result of lack of capital. However, there are countries such as South Africa with relatively high per capita GDPs which continue to use manual systems at times. Could it be that manual systems are conducive for rent-seeking behavior? This needs to be investigated and understood and if there is need for policy guidelines this needs to be implemented.

Governments have a role to protect citizens, facilitate trade and mobilize resources for the provision of public services. The proliferation of digital information especially in the expansive AfCFTA gives birth to digital value chains which are not easy to monitor.

The integrated economies may present a challenge as governments are not able to account for all imports and duties since some transactions and goods use obscure digital value chains. The intellectual property easily bypasses border points without detection. Goods that are injurious to citizens of member countries may find passage in the AfCFTA given the trade facilitation drive which may inadvertently compromise the level of scrutiny. In order to detect such activities, there is the need for customs to sharpen its security in trade facilitation in line with the WCO SAFE Framework of Standards to Facilitate Safe Global Trade. Automation and modernization enable the use of sophisticated methods of carrying out physical examinations such as scanners electronic systems of controlling transit cargo.

While there is a lot of work to be done, collaboration and coordination supported by the modernization of customs administrations in member states will help to boost intra-Africa trade to realise Agenda 2063 and more importantly the Pan African Vision which has been hitherto evasive.

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REPORT ON THE 2ND WCO ESA REGIONAL RESEARCH CONFERENCE

1. BACKGROUND

The World Customs Organization, East and Southern Africa, Regional Office for Capacity Building (WCO ESA ROCB) launched the ESA Regional Research Programme in 2013, aiming to build institutional capacity and the body of knowledge in Customs through research. The programme also aims to enhance the region's capacity to showcase its own research globally.

The 1st WCO ESA Regional Research Conference was hosted by the Zimbabwe Revenue Authority in 2014 in Harare, Zimbabwe, themed “Customs and Trade Facilitation: Building Institutional Capacity and the body of knowledge in Customs through research”. The 2nd conference took place in 2017, hosted by the Regional Training Center (RTC), Kenya. The theme of the conference was “Impacts and Implication of the Trade Facilitation Agreement and the WCO Mercator Programme to the ESA region”. It was attended by more than 200 participants from 20 nations.

2. INTRODUCTION AND OPENING REMARKS

The 3rd WCO ESA Regional Research Conference was held virtually due to the COVID-19 pandemic and took place on the 23rd and 24th November 2021. It was co-organized by the ROCB and RTC Mauritius with the support of RTC Kenya and the WCO ESA Project II funded by the Government of Finland. The conference was attended by more than 150 participants from across the world. Participants included researchers and officials from various member customs administrations in the East and Southern Africa Region, WCO ESA Regional Training Centres (RTCs), the WCO, the African Union, the private sector, academia, and other cooperating partners. The conference was also graced by the presence of a high level delegation including: The Minister of Land Transport and Light Rail & Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, the Honourable Alan Ganoo; the WCO ESA Vice Chair, Mr. Adrian P. Swarres, Zimbabwe; the World Customs Organization

Secretary General, Dr. Kunio Mikuriya; the Director General, Mauritius Revenue Authority, Mr. Sudhamo Lal; and the WCO ESA ROCB Director, Mr. Larry Liza;

The theme of the conference was “The effect of emerging issues on the role of Customs and Trade” in East and Southern Africa, covering: Potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and Customs; Security and development: Challenges and opportunities presented by technologies and emergence of new trade practices and their potential effects on security; Gender Equity, Equality and Diversity: Highlighting opportunities presented in the integration of gender practices and promotion of diversity in Customs and Trade; Enhancing trade facilitation and impact of cross border e-commerce on Customs and International trade; and an overview of digitization and its effect on AfCFTA, Gender and cross-border Trade as well as Trade Facilitation in General. Panel discussions focused on Return to Normalcy & Impact of Virtual Engagements following the COVID-19 pandemic and on the Effect of COVID-19 Pandemic on Revenue Collection. Two key note addresses were delivered on: “The effect of emerging and ongoing issues on the role of Customs and Trade” and “Enhancing the Movement of Medicines and Medical Equipment in East and Southern African Region Amidst Covid-19 Pandemic.”

WCO ESA ROCB Director, Mr. Larry Liza, welcomed the delegates to the conference and highlighted that the conference was initially supposed to be held in Mauritius, hosted by RTC Mauritius, however this was not possible due to the COVID-19 pandemic. He informed the delegates that in future, the region and the world at large will be having a more blended approach to missions, meetings, trainings, and all other capacity building activities.

The Director thanked the entire team that made the conference possible including the people and government of Mauritius, RTC Kenya, the supervisors, the researchers, the team at the ROCB, the WCO, and the WCO ESA Project and the Lawyer's Hub in Kenya.

Annex 1: Speech of the WCO ESA ROCB Director, Mr. Larry Liza at the opening of the 3rd ESA Research Conference

WCO ESA Vice Chair, Mr. Adrian P. Swarres, Zimbabwe, on behalf of the ESA Management Committee and the Governing Council, congratulated the ROCB and Mauritius Revenue Authority for finally hosting the conference pointing out that conference was postponed twice due to various challenges, especially the COVID-19 pandemic. He stressed that the ESA regional research programme is a priority for the Governing Council, which directed the ROCB to run it in order to improve on the institutional capacity and the body of knowledge in Customs through research.

He further pointed out that the World Customs Organization developed novel ways and means to guide Customs in delivering its mandate during unprecedented times, and so did member administrations, the private sector and other partners. He also informed the meeting that the world is recrafting new strategies at a regional and global level.

Finally, he called for robust discussions along the theme of the conference, emerging issues on Customs and Trade and encouraged delegates to not only consider the challenges but also reflect on the opportunities presented by these emerging issues, and employ foresight towards a better future of the region.

Annex 2: Speech of the WCO ESA Vice Chair, Mr. Adrian P. Swarres, at the opening of the 3rd ESA Research Conference

World Customs Organization Secretary General, Dr. Kunio Mikuriya, congratulated the Region for holding

its third conference and ensuring continuity of the ESA Research Programme. He expressed his gratitude to the Vice-Chair, ROCB and the RTC in Mauritius for organizing the conference that attracts not only Customs officers, but also Customs partners in governments, regional organizations, academia and the private sector. Dr. Mikuriya pointed out that Customs is often at the center of economic activities and provides useful information to governments and business.

He informed the conference, that while the WCO PICARD Conference for research was created with the future vision for Customs in mind, the regional chapter of research conference is more than welcome as sharing knowledge is often most effective when using a regional platform. He further emphasized that as the world is struggling to move towards the post-pandemic era, it would be important to take stock of what we have learned from this emergency situation to aim at building a sustainable and resilient supply chain, embodied in the theme of this year.

Finally, he pointed out that the WCO has been closely collaborating with the AfCFTA Secretariat and other Regional Economic Communities in supporting the creation of one market in Africa, because Customs plays a critical role in this respect and wished the delegates successful deliberations.

Annex 3: Speech of the World Customs Organization Secretary General, Dr. Kunio Mikuriya, at the opening of the 3rd ESA Research Conference

Guest of Honour – Director General, Mauritius Revenue Authority – Mr. Sudhamo Lal, welcomed all delegates to the conference and thanked Honourable Alan Ganoo, Minister of Land Transport and Light Rail, and Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, for gracing this conference despite his busy time schedule. He mentioned that the Conference was initially planned to be held physically in 2019 but had to be postponed on several occasions due to the on-going COVID-19 pandemic.

However, given the resounding success of the first two conferences, it was agreed to go ahead with this conference virtually due to the prevailing sanitary conditions. He noted that this clearly demonstrates the importance that the MRA and the region gives to Customs research as well as the commitment for the advancement of the ESA region.

He pointed out that research and development is a vital element in the learning process. It unlocks the unknowns and gives the opportunity to explore different perspectives, expands the knowledge base and fuels a deeper understanding. Research also provides the latest information, new ideas and novel problem solving approaches. In some fields or certain organizations, research can be an essential part of success. He further pointed out that Customs operates in a dynamic and ever evolving environment due to changes in trade patterns, new commercial imperatives, changing aspirations of the business community, developments in technology and major events happening worldwide. There are always new things in Customs and new ways of doing things. Customs needs to be innovative and adapt to changes in the environment.

He recognized the WCO's proactiveness to managing changes in the Customs environment. Moreover, by having a dedicated unit for research- the WCO Research Unit in the office of the Secretary General, is also testimony of the high importance that the WCO attaches to research. This Unit is mandated to produce research and policy analysis on Customs and international trade matters as well as organize research conferences where academics and practitioners present their work.

Finally, he wished the delegates fruitful discussion and declared the conference open.

Annex 4: Speech of the Guest of Honour, Director General, Mauritius Revenue Authority – Mr. Sudhamo Lal, at the opening of the 3rd ESA Research Conference

3. PROGRAMME OF THE CONFERENCE

The programme of the conference included two panel discussions on Return to Normalcy & Impact of Virtual Engagements following the COVID-19 pandemic and the effect of COVID-19 pandemic on revenue collection, keynote speeches, and various presentations on: cross-border e-commerce: Enhancing trade facilitation and impact of cross-border e-commerce on Customs and international trade in East and Southern Africa; Effects of the implementation of the African Continental Free Trade Area (AfCFTA) and the Trade Facilitation Agreement in East and Southern Africa; Security and development: Challenges and opportunities presented by technologies and emergence of new trade practices and their potential effects on security; Gender Equity, Equality and Diversity: Highlighting opportunities presented in the integration of gender practices and promotion of diversity in Customs and Trade in East and Southern Africa; and Compliance and Enforcement: Essential tools in enhancing revenue collection, safety and security.

Annex 2: Programme of 3rd ESA Research Conference

4. KEYNOTE ADDRESS 1: *The Effect of Emerging and Ongoing Issues on the role of Customs and Trade - Minister of Land Transport and Light Rail & Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, the Honourable Alan Ganoo.*

Honourable Ganoo, focused on a variety of issues aimed emphasizing the role of research for any successful organization/institution. He highlighted the importance of research especially in the ongoing COVID-19 pandemic, in the development of much needed treatments, vaccines or medicines. Research can thus help find answers to things that are unknown, fill gaps in knowledge and change the way we work.

He highlighted that the MRA has incorporated research in its institutional framework through the

Research, Policy and Planning Department while the WCO has a dedicated unit for research in the office of the Secretary General. The PICARD Conference and the regular Research Papers are laudable initiatives of the WCO. This perfectly illustrates the importance given to Customs research by the Customs community.

He reflected on the important mandates of Customs and revenue authorities. He highlighted the fiscal function which consists of collecting and protecting government revenue in the form of customs duty, excise duty, VAT and other taxes under Revenue/Customs Laws. He stressed that this contribution to the government budget enables the government to support our social, security and welfare systems as well as carry out important development works in the country.

He pointed out that in this digital era, it is very essential for Customs to leverage on technology for implementing effective controls, and in facilitating trade through accelerated processes. This will benefit not only traders but governments and citizens at large. One of the most recent trends in global business, especially during the period of COVID-19 pandemic, is the unprecedented growth in trade in cross border e-Commerce in physical goods, commonly known as E-Commerce. This has revolutionized the way businesses and consumers market, sell, and purchase goods, providing wider choices, advance shipping, payment and delivery options.

He encouraged Customs authorities worldwide to have the twin objective of facilitating trade while at the same time enhancing control. To strike the right balance between these two objectives, it is vital for Customs to make judicious use of the vast amount of data and information available internally and externally.

He also stressed the importance of ratifying various conventions and agreements to expedite the movement, release and clearance of goods, including goods in transit and boost trade and investment especially intra-regional trade in the ESA region.

Annex 5: Keynote Address 1: The effect of emerging and ongoing issues on the role of Customs and Trade, Minister of Land Transport and Light Rail & Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, the Honourable Alan Ganoo at the opening of the 3rd ESA Research Conference

5. KEYNOTE ADDRESS 2: Enhancing the Movement of Medicines and Medical Equipment in East and Southern African Region Amidst Covid-19 Pandemic - Ms. Virginie Bohl, Coordinator - IMPACCT

The keynote address was delivered by Ms. Virginie Bohl, Coordinator – IMPACCT. In her address, Ms. Bohl informed the meeting that the IMPACCT working group was created in 2017, and represents a network of strategic partners, such as WCO, UNCTAD, IFRC, MSF, Save the Children, IHC in Dubai among others. The mission of IMPACCT aims for countries and humanitarian organizations to be comprehensively prepared to effectively manage customs clearance and importation processes for disaster and crisis relief goods and equipment.

To achieve its mission, partners come together to develop collective and coordinated approaches and tools to support national coordination mechanisms related to customs and importation processes for disaster relief goods and equipment.

She pointed out that members have identified the common inter-agency constraints in the importation of medicines and medical equipment during the response to natural disasters, complex emergencies or disease outbreaks. 15 primary constraints have been listed, such as the list of documentation that are required to receive an import license or the lack of national guidelines on humanitarian medical importation versus commercial importation.

Based on this list, IMPACCT looks at who, how, when, where and with whom to address the bureaucratic impediments and how to overcome the obstacles. In particular, IMPACCT considers how to get the information that humanitarian health actors

need on regulations, permits and customs procedures in the countries that have a humanitarian response plan in place. This is aimed at supporting importing countries to anticipate and manage disease outbreaks through facilitating exceptional fast-tracking procedures. These fast track procedures are communicated to all humanitarian health partners. She informed the meeting that to achieve these objectives, the Working Group (WG) is about to release the result of a survey that was sent to humanitarian partners to understand the 5 main challenges (out of the 15 primary constraints that I have mentioned earlier) in the countries where they operate. The WG will also look at the provisions of the existing agreements such as the TFA, the RKC, the AfCFTA and its annex 2 on rules of origin for example, or annex 5 on non-tariff barriers and also the customs regulations of SADC, the EAC manual etc.

She further informed the delegates the African Union, GS1, WCO ROCB ESA and IMPACCT will convene a virtual meeting to explore how the regulatory objectives for trade and border controls can be aligned with the needs of the humanitarian logistics community. This meeting will be held in early December, on 7th and 9th December, Customs administrations, health regulatory agencies, humanitarian health partners have been invited to attend.

She stressed that enhancing coordination and collaboration at the national and the international level between all stakeholders is key to the success of such a project and encouraged delegates to join the discussion with their extensive experience in this area of work. She expressed her gratitude for being given the opportunity to talk about the importation of medicines and medical equipment in the response to complex emergencies or disease outbreaks.

Annex 6: Keynote Address 2: Enhancing the Movement of Medicines and Medical Equipment in East and Southern African Region Amidst Covid-19 Pandemic - Ms. Virginie Bohl, Coordinator - IMPACCT

PANEL DISCUSSIONS

PANEL DISCUSSION 1: *Return to Normalcy & Impact of Virtual Engagements following the COVID-19 pandemic*

Introduction

The moderator, Mr. Gumani Mugeru, South Africa, introduced members of the panel who included WCO (Taeil KANG - Director, WCO Capacity Building Directorate), Madagascar (Lainkana Zafivanona - Director General), and Eswatini (Gugu Zwane- Customs Modernisation, Reform and International Liaison, ERS). He briefly introduced the topic while expressing his hope that soon there will be a return to normalcy in Customs operations.

The ROCB Director, Mr. Larry Liza, provided a report on the return to normalcy and effectiveness of virtual engagements. It was noted that the ROCB conducted a survey on exploring the possibilities of the return to normalcy in the delivery of our mandate as Customs, especially in capacity building and making physical meetings. From the survey the ROCB was able to assess how ESA Administrations interact with their internal and external Customers and Shareholders, a majority preferring a blended approach (Both physical and virtual) depending on the nature of the meeting ensuring that COVID-19 guidelines are adhered to. It was also observed that ESA Administrations staff have physical representation at their offices, a blended approach has been adopted and no staff is exclusively working from home.

It was further noted that Virtual meetings and online trainings are in full effect in the ESA region but experiencing various challenges such as network and connectivity among many others, that would be ruled out with the physical presence of technical experts.

In conclusion, it was noted there is progressive and steady return to normalcy and the information obtained in the September 2021 survey which to an extent may change in the first quarter of 2022.

Discussions

The WCO Director for Capacity Building, Mr. Taeil Kang, informed the meeting that during the COVID-19 pandemic, it was hard to provide capacity building programs to the members because of travel restriction. To overcome this challenge, the WCO INTRODUCED online workshops as well as the virtual reality and assisted training.

Mr. Kang, highlighted two crucial projects being run by the WCO currently; BACUDA (supporting Customs with data analytics) and Virtual reality and assisted training. He informed the meeting that BACUDA (data analytics virtual reality assisted programme is a collaborative research project between Customs and data scientists whose objective is to develop data analytics methodologies, including algorithms in open-source programming languages (R1 or Python2). The WCO BACUDA project was launched in September 2019. With the participation of Nigeria Customs Service (NCS), BACUDA experts successfully developed the DATE model, and have been implementing a pilot test to verify its performance with real-time import data of the two Nigerian ports in Tin Can (in Lagos) and One (in Port-Harcourt) since March 2020. The model employed a cutting-edge Artificial Intelligence (AI) mechanism called “ATTENTION” that is used as a language translation tool and for self-driving cars. Due to this innovative technology, the model has outperformed other traditional machine learning models (such as XGBoost) in detecting potential fraudulent transactions.

The model noticeably outperforms even with relatively small-sized training data (from countries with low trade volumes) and low inspection rates (from countries with huge trade volumes).

The delegates noted that data analytics online training has been provided on the CLiKC platform and arrangements are underway to provide physical trainings to Members. It was also noted that the WCO has introduced the Virtual reality and assisted

training which is a highly interactive, instructor-led training class, with defined learning objectives and participants who come together using a web-based classroom platform.

Lainkana Zafivanona, Director General, Madagascar, informed the meeting that indeed Madagascar is one of the countries that have kept COVID cases low compared to the rest, with 43,000 cases and under 1,000 deaths. Customs adopted various measures in order to ensure business continuity including; provided PPEs for frontline Customs staff as well as other OGAs stationed at the borders. Rotational working arrangements/ working in shifts were implemented to ensure social distancing at their respective places of work. Staff were also given remote access authorization to facilitate working from home.

He pointed out that island nations face various challenges occasioned by the ever changing Customs environment including but not limited to; high communication costs often made worse by poor maritime and air connectivity; inadequate institutional capacity, making islands less inclined to accede to international conventions; lack of connectivity to global value chains which negatively impacts their share of international trade and investment; remoteness from large markets resulting in increased transportation costs; proneness and vulnerability to natural disasters, due in part to climate change among others.

Mr. Lainkana, further informed the meeting that Madagascar has put in place various measures to ensure return to normalcy and as a result was looking forward to hosting the region at the earliest possible opportunity.

Gugu Zwane, Eswatini Revenue Service, agreed that indeed there has been low provision of vaccines to Africa and ESA in general. Nevertheless, Eswatini has vaccinated over 20% of its population, which is higher than the regional overage of less than 10%. This success story was attributed to the way the government

approached the vaccination programme in Eswatini. At the beginning of the vaccination programme the government identified the so-called front liners as health workers, elderly persons and security forces who were in charge of enforcing the COVID regulations; this group included those working at the borders and other essential services.

The government further conducted engagements with individual organizations prioritizing the front-line workers which also gave officers an opportunity to ask questions and clarify some beliefs and myths and further created massive awareness (among all stakeholders including Chiefs and Community leaders and health promotion in general. Planning phase prioritized those highly at risk such as nurses as well as people with compromised health such as the elderlies. The first vaccination batch received positive uptake.

Other measures included; Decentralization of vaccination centres – at rural community centres as well as all health facilities around the country; Vaccination on site- e.g. at the ERS; since People really wanted to return to normalcy such as entertainments and tourist attraction activities such as football stadiums, some events require the vaccination certificate as a prerequisite to participate in their activities. This has also increased the number of youth who have been resisting the vaccination drive when it was initially rolled out; Some employers forced their employees to take the vaccines e.g. KFC; and Diversity of the vaccines (Jonson and Jonson, Pfizer and AstraZeneca)- people are able to select which vaccine they want.

It was also noted that the ERS classifies importers, those from the formal and informal trade. It was further noted that women basically form a large percentage/majority of informal trade and hence do benefit from a number of simplified trade regimes amongst which the COMESA initiative will be included once its implementation is complete.

The ERS has experienced both benefits and challenges regarding virtual meetings and online capacity building initiatives which have been and that the best way forward will be to adopt a blended approach.

PANEL DISCUSSION 2: *The Effect of COVID-19 Pandemic on Revenue Collection*

Introduction

The moderator, Mr Batsirai Chadzingwa, Zimbabwe, introduced members of the panel, including Zambia (Sydney Chibbabbuka – Commissioner of Customs), Uganda (Abel Kagumire – Commissioner of Customs), and the RPSCG (Dr. Juanita Maree – CEO SAAFF (RPSCG Representative). He briefly introduced the topic and reflected on the challenges and opportunities that had arisen as a result of the ongoing pandemic.

Discussions

Sydney Chibbabbuka, Commissioner of Customs, Zambia, informed the meeting that Zambia exceeded their revenue target by 30% in the first quarter of the year and are on course to meeting and surpassing the financial year target as well. He pointed out that given the disruptions occasioned by COVID-19 pandemic, it was expected that revenue collection would be affected severely. However, Zambia put in place various measures to mitigate these challenges including, announcing a waiver of fines/penalties on voluntary tax declarations, this was intended to caution taxpayers against the negative effects of the pandemic and support them in meeting their tax obligations. Zambia also provided PPEs for frontline Customs staff as well as other OGAs stationed at the borders. Rotational working arrangements were implemented to ensure social distancing. It was noted that while other staff worked in shifts, others were allowed to work from home/accessed the systems remotely. It was further noted that there was redistribution of workload at the regional processing centres among other measures.

He further pointed out that the private and public sector need to co-exist/have a symbiotic relationship. Without Government regulations the trading scene would be chaotic. The main role of Government is to facilitate trade facilitation, this will in turn support the private sector in maximizing profit and hence meeting their tax obligations. This will be thus a win-win situation.

Abel Kagumire, Commissioner of Customs, Uganda, pointed out that Illicit Financial Flows (IFFs) have been defined as all cross-border financial transfers which contravene national or international laws. According to the Economic Development in Africa Report 2020 by UNCTAD, Uganda is estimated to lose shs 2trillion annually to illicit financial flows. They predict it could get worse with commercial oil production. These IFFs from trade mis-invoicing, tax abuse, cross-border corruption, illegal wildlife trade and transnational financial crime drain resources from the economy and worsen inequalities, fuel instability, undermine governance as well as damaging public trust.

It was noted that Uganda still has many porous borders which could explain the continued illicit trade. Whereas Customs has opened many border stations with state of the art equipment that leverage on technology, in a bid to evade taxes, traders still use ungazetted routes. This illegal trade costs Uganda Billions in taxes annually. For instance, one of the most commonly smuggled items (Cigarettes) robs the government of over UGX 30bn (US\$ 8m) in revenue each year. To put it in context, an estimated 19% of all cigarettes sold around the country are contraband. As well as physical movement of goods, smuggling also gives rise to flow of illicit funds, corruption and establishment of organised crime groups.

It was noted that the African Union Agenda 2063 to which Uganda subscribes states that stemming inflow and outflow of money-laundering linked to terrorism, organized crime, corruption and other crimes would make a significant contribution to economic growth. UNCTAD also estimates that curbing IFFs would

reduce the \$200 billion annual financing gap Africa faces by half. A salient lack of data as well as accepted method for monitoring IFFs limits their understanding and efforts to curb them. However, these should not stop continuous action to fight this growing problem.

The enablers of these IFFs are well known, however tackling them remains a monumental task. In the midst of this Covid-19 crisis, the Chinese character would serve well as we must consider this an opportunity to invest in and foster societies that are resilient to future threats to our economies. We thus must ensure more balanced drug control, stronger measures against organized crime, terrorism and violence. We also need to protect our economies from the embedded corruption, economic crime and illicit financial flows. Uganda has taken measures to promote financial transparency through ensuring correct registration of companies, including easy identification of true beneficial of a company which can increase financial transparency. In addition, Uganda established a competent authority - The Financial Intelligence Authority(FIA) which is our National centre for the receipt of financial data, analysis and dissemination of financial intelligence to authorities.

The Financial Intelligence Authority was established by the Anti-Money Laundering Act, 2013(AMLA) and has the mandate to combat money Laundering, countering Terrorism financing and countering Proliferation. Its objectives are not limited to; enhance the identification of the proceeds of crime and the combating of money laundering & terrorism financing; ensure compliance with this Anti-Money Laundering Act 2013 (as amended); enhance public awareness and understanding of matters related to money laundering, terrorism financing and proliferation financing; make information collected by available to competent authorities and to facilitate the administration and enforcement of the laws of Uganda; and exchange information with similar bodies whose countries have treaties, agreements or arrangements with the Government of Uganda

regarding money laundering and similar offences. The Financial Intelligence Authority was established by the Anti-Money Laundering Act, 2013(AMLA) and has the mandate to combat money Laundering, countering Terrorism financing and countering Proliferation. Its objectives are not limited to; enhance the identification of the proceeds of crime and the combating of money laundering & terrorism financing; ensure compliance with this Anti-Money Laundering Act 2013 (as amended); enhance public awareness and understanding of matters related to money laundering, terrorism financing and proliferation financing; make information collected by available to competent authorities and to facilitate the administration and enforcement of the laws of Uganda; and exchange information with similar bodies whose countries have treaties, agreements or arrangements with the Government of Uganda regarding money laundering and similar offences.

It was noted that Customs uses a risk management approach which assesses risks to trade mis-invoicing, security and overall abuse of trade channels before streamlining any compliance procedures and then classifying high risk or vulnerable areas. COVID-19 has been the most disruptive phenomenon to impact the world in the last two decades and presented the most pressing health challenge which has disrupted trade supply chains across the globe. Africa in particular has faced the brunt of it as a result of over-reliance on global value chains especially for goods from china.

Revenue collection on which our economies heavily rely has not been spared and we have had to dig deep to replenish the coffers. During the FY 2020/21, Customs revenue collection was at Ushs 7.49Tn against a target of Ushs 8Tn, reflecting a performance of 93.7% and thus posting a deficit of Ushs 512.405Bn. The drop in performance was attributed to the COVID-19 pandemic which affected international commerce and global supply chains.

It was noted that there was change in the majority

traded commodities with an increased shift towards medical and food items as well as related items. Overall, in order to manage revenue collection mandate during this time of COVID-19, Uganda Revenue Authority adopted a number of progressive measures such as; Operationalization of the Single Transactional Portal under the Electronic Single Window System. One stop centre for MDAs; where traders apply online for export certificates, permits and licenses; Extended the time for filing of corporation tax returns. A grace period of two months, i.e. from 31 March 2020 to 31 May 2020 was granted to tax payers; Deferment of tax payments due under instalment arrangement MOU's; Reinvigorated the Regional Electronic Cargo Tracking System (RECTS). URA is also a stakeholder in the implementation of the Regional Electronic Cargo and Driver Tracking System (RECDTS).

Commissioner Kagumire pointed out that RECDTS is designed as a mobile phone application that enables the issuance of the EAC COVID-19 digital certificates that are mutually recognised by EAC Partner States. It was noted that waiver of penalty and interest upon voluntary disclosure has generated shs16bn so far, as a result of this measure.

Other measures put in place include; Extended warehousing duration, Uganda has only organized two public auction of goods since March 2020; Encouraged the use of online services. Most services are online and there are some staff in the office to facilitate tax payers; Help tool system was upgraded to include all customs process across the entire customs business units; NDA, KPA and KRA Single Customs Territory office were integrated on the help tool system; Increased the number of staff at the call centre; Limited receipt of physical documents to only scans/soft copies; Re-awakened usage of barcode readers at for border clearance at barrier points as a way of avoiding touching of physical documents; All staff in their respective desks had to adhere to service in a protective manner.e.g sanitising, washing hands, protective gears, social

distance etc; and Physical examination, arming of RECTS and photo validation are executed in a protected manner.

Dr. Juanita Maree – CEO SAAFF (RPSCG Representative) highlighted various challenges faced by the private sector and arising from the ongoing COVID-19 pandemic including: flexible consumption and companies whose primary business is in service-related sectors such as leisure and hospitality, travel, and logistics have experienced a sharp fall in demand and consequent profit; Disruptions to the global and local supply chains (due to Covid-19 restrictions and changed consumer behaviour) have adverse effects on companies' inventory levels due to delays and increased freight costs, affecting profits; Landlocked countries especially took the brunt of the pandemic, as trade lanes were disrupted and the flow of goods dried up. Therefore, the global impact of higher freight rates, longer delays in obtaining goods, and overall congestion were elevated during the pandemic; The overall economy has intensely felt the impact of massive layoffs, absences, and reduced compensation; and the old infrastructure of African borders, ports, and airports was emphasized during the pandemic. Unfortunately, these critical nodes are not compatible with technological developments to ease the flow of goods and reduce "touchpoints".

It was noted there were some gains arising from the pandemic including; E-commerce companies and shipping lines recorded extremely high profits during and after the onset of the Covid-19 pandemic due to an increase in demand (or a sudden lack of supply due to changing shipping patterns) and subsequent profit; There was a significant uptake in a dialogue between critical role players in the private and public sectors. This uptake has enabled the sharing of essential information and ever-changing procedures, which has (and still is), in turn, helped prevent hiccups and delays and helped lessen the overall gaps between public and private sectors; Stronger, risk-based, and futuristic contingency plans were created as necessities, as customs and businesses had

no choice but to fast track the adoption of technology and digital connectivity; There has been an improved level of trust and transparency in doing business during and post the pandemic. Indeed, there has been a fast-tracking of improved cross-border activities revolving around operating procedures. Collectively, there has been a drive to simplify cross-border activities – which are especially important in the ESA region, as more than 80% of the trade takes place via the road modality; Heightened consultation across the different stakeholders, including customs administrations, other governmental agencies, and the private sector; and a general business gain has been adopting a hybrid working strategy by implementing a virtual and on-site approach to doing business.

Dr. Juanita further pointed out the various measures put in place by the private sector to ensure business continuity including; Technological advances that allow business continuity without human intervention where possible. Furthermore, this approach will enable us to shift the risk profiling of traders and goods away from the frontline and future up and down the supply chain; Joint operations were created in some sectors to cooperate and target the challenges created by the pandemic. These included linking the medical industry and their supply of essential goods with the extended supply chain operators to expedite clearance and speed up the necessary flow of goods; Remote-working conditions have formed part of long-term plans and are used to attract the talent needed to operate in the unpredictable business environment. In addition, this measure creates the potential to re-engineer workflows and innovate existing surroundings for the better; Further measures were put in place revolving around ongoing public-private dialogue in most sectors. This measure was predominantly in the logistics and supply chain environment and increased dialogue between companies' operations and management teams; Notably, the collective private sector has unlocked pain points in the logistics and supply chain movements by adopting a centralized best-practice approach; while Africa has

for too long relied on manual process flows and paper submissions. The potential pitfall is that paper processes create the potential for fraud to flourish. Instead, by adopting electronic documentation practices, the supply chain is further secured.

She further highlighted the importance of Customs-Business partnership during the pandemic and in general and pointed out the following: Such partnerships encourage a climate of shared responsibility and ownership towards developing sustainable outcomes, policies, and procedures; It allows Customs to better align its plans and policies with the changing needs and demands of business, especially during and after the pandemic. Ultimately, it will lead to a more flourishing and compliant trading/business environment, mutually beneficial for Customs and Business. It was noted that such a partnership brings life to an appreciation for each other and the overall service culture amongst all. It is vital to emphasize the critical role that Small and Medium Enterprises play within the East and Southern African trading environment. Such a partnership can help build the pillars needed to help these enterprises grow and it allows for a shared insight into the pain points within the trading environment and helps to establish mutual beneficial solutions.

6. PRESENTATIONS OF RESEARCH PAPERS

i. Potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and Customs in East and Southern Africa.

Researchers: **Ferdinand Ntuli & Fungayi Dube**
Zimbabwe Revenue Authority

The researchers highlighted rationale/objectives of AfCFTA including: to enhance sustainable economic development through a continental free trade area; to support Agenda 2063; Boosting Intra Africa Trade; promote trade facilitation and security; and achieving greater economies of scale and wider markets. They

highlighted the benefits of overcoming Non- Tariff Trade Barriers through the use of Information and Communication Technology (ICT) within the AfCFTA and emphasized the need to embracing ICT at strategic level within customs Administrations to enhance automation and modernization.

It was noted that ICT enhanced Integrated Border Management (IBM); Coordinated Border Management (CBM) and data processing. It was pointed out that the aim of trade facilitation is to reduce the time it takes to move goods from point A to B. Trade Security involves regulating global trade in conformity with national legislation which aims to safeguard the wellbeing of citizens. The role of customs in this regard includes but not limited to: addressing complex customs and regulations; inefficient and costly transit systems; Enhancing automated risk profiling; Embracing guidelines of the WCO Safe Framework of Standards to Secure and Facilitate Global Trade; and Establishment of National, Regional Risk Committees.

The recommendations from the research include: AfCFTA Member states should be guided the AfCTATreaty, BIAT, WTO TFA, GATT 1994 Article XXIV; To pursue Public-Private-Partnerships (PPP) or Build Operate and Transfer (BOT) for infrastructural development programmes ; To capacitate and extend initiatives such as COMESA Infrastructure Fund and Aid for Trade; To craft legislation and manuals to operate in an e-commerce environment; Borrowing from experiences in other regions (e.g. South East Asia); Electronic data processing as opposed to paper based controls ; and to capacitate customs administrations in controlling digital value chains.

Annex 7: Presentation on potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and Customs in East and Southern Africa.

Discussions

It was noted that with the right policies and infrastructure in place, Customs administrations have implemented various measures to curb corruption among the customs officers since this is one of the hiccups experienced in trade facilitation.

ii. Regional electronic cargo tracking system: implications on trade facilitation and smuggling by youth in Uganda along the Northern Corridor.

Researchers: **Geoffrey Okoboi** (Electricity Regulatory Authority) & **Michael Kyanzi** (Uganda National Oil Company)

The researcher highlighted that currently, there is a high rate of youth unemployment, approximately 83% of total unemployed people. This has resulted in increased levels of poverty among youths and hence leading to increased youth unrest and involvement in criminal activities including smuggling.

It was noted that smugglers deny Uganda \$700m in unpaid taxes. In 2016, Uganda, Kenya and Rwanda introduced the RECTS to monitor transit, re-export and export cargo to minimize diversion and loss. As a result, people previously involved in cargo smuggling have been affected.

The following conclusions were drawn from the research; Most transit cargo go through Uganda to DRC; Transit time of cargo trucks monitored under RECTS has reduced; Male youth dominant smugglers in Uganda; RECTS implementation has heightened risk of and smuggling of goods RECTS monitored; the youth have not abandoned smuggling; and that the youth have gone into boda-boda (motor bikes) for ferrying smuggled goods, diversifying income, and camouflage.

The recommendations from the research include: government should revise the law on smuggling to make it a “high-risk, low-reward” activity; RECTS

initiative be extended to Democratic Republic of Congo, Tanzania and South Sudan; and target Government initiatives to help youth smugglers prepare for a career change.

Annex 8: Presentation on the Regional electronic cargo tracking system: implications on trade facilitation and smuggling by youth in Uganda along the Northern Corridor

iii. A Meta-analysis of the opportunities likely to be presented in the integration of gender practices and promotion of diversity in customs and trade in ESA.

Researcher: **Sendra Chihaka**
Zimbabwe Revenue Authority

The researcher introduced his topic of study and pointed out that gender equity, equality and diversity dimensions are poor in ESA despite being topical in contemporary trade discourse as an engine of sustainable development and growth. Gender inequality in SSA averages 0.569 compared to highly developed regions like Europe and Central Asia (0.270) and East Asia and the Pacific (0.312). (UNDP Gender Inequality Index ,2017) and may point to the fact that economic growth and development go hand in hand with high gender equality.

It was noted that her research work was aimed at identifying likely benefits of integrating gender practices and promotion of gender diversity in Customs and trade activities within ESA region.

She pointed out that majority of customs administrations in ESA are male-dominated; partly a mirror of patterns of authority in the African society and the fact that tariffs have generally been collected in a context of confrontation between Customs and the trader, with the risk of coercion or violence. Modern Customs reforms have resulted in more of trade facilitation and less of gate-keeping-more skills required in compliance rather than enforcement,

thus the need to improve in areas of gender equity, equality and diversity. Some superiors prefer working with men because they are most unlikely to take time off to take care of the family and even work at odd hours unlike their female counterparts.

It was also noted that: national, SADC, COMESA and EAC gender policies blueprints have been created but lacking implementation; guidelines have been developed at regional and national levels but more enforcement needs to take place; gender equality results in economic growth through expanding human capital as women with better education are able to undertake high-value economic activity; and gender inequality is a barrier to trade and development in ESA.

The recommendations from the research include: Customs' direct interaction with traders means that Customs processes should consider the impact they have on small-scale traders who are mostly women ; modernization of customs processes can result in more participation of female employees in customs activities, trade and economic growth must be responsive to influence by gender equality policies; creation of national and regional gender policies with enforcement mechanisms and AfCFTA a good opportunity to look at gender equality enforcement mechanisms from the onset.

The conclusions drawn from the research include: initiatives to address gender inequality in ESA have not yielded the desired results of improving gender equality; Customs administrations can play an influential role in promoting gender equality and diversity in trade through modernization activities and engaging more with the private sector; gender equality is a necessary condition for economic development and not an afterthought and without gender equality, sustainable development is not sustainable and is not development.

Annex 9: Presentation on A Meta-analysis of the opportunities likely to be presented in the integration of gender practices and promotion of diversity in customs and trade in ESA.

iv. Enhancing trade facilitation and impact of cross border e-commerce on Customs and International trade in East and Southern Africa.

Researcher: **Yolanda Mampana**

South Africa Revenue Services

The Researcher introduced her topic of study and pointed out the world is increasingly becoming interconnected with improvements in communication and technology. One of the areas which have been greatly impacted by this is the buying and selling of products and services as this is now being done on electronic and usually internet based platforms. This has been termed as e-commerce. E-commerce is the fastest growing area in the global economy and has helped in the shortening of distance and other barriers between buyers and sellers.

She informed the meeting that when e-commerce transactions are conducted in different areas or countries by using information and communication technology (ICT), it is called cross-border e-commerce (CBE) with goods and services flowing from across international borders passing through customs. According to CBEC (2014) in 2012 cross border e-commerce sales reached \$300 billion with China and US leading the way.

It was noted that traditionally, the customs played a narrow role, which was focusing primarily on the collection of duties and taxes on imported goods, and later on to include ensuring legitimacy, safety, and security of these goods. This role has changed with customs administrators now expected to take the role of trade facilitator by international customs and trade organizations such as World Customs Organization and World Trade Organization (WTO). This has resulted in countries undertaking several types of customs reform such as the use of online single window systems to streamline customs paperwork and improve transparency; the adoption of 'trusted trader' programs and risk assessment tools which helps to speed customs clearance at border checkpoints.

It was further noted that the establishment of the electronic exchange of data in the transportation and border clearance processes of international consignments, thus diminishing the amount of paper documentation and reducing administrative costs. In addition to this, countries are now seeking to harmonize customs processing among regional trading partners using guiding principles from international organizations such as the World Trade Organization's Trade Facilitation Agreement.

Challenges being faced by Customs within Southern and Eastern Africa due to CBE include; the lack of standardized procedures within the region; lack of adequate information with regard to the rules and regulations in place, to be able to comply with them and pay any applicable duties/taxes; and Postal services often do not have the necessary mechanisms to exchange information electronically.

Annex 10: Enhancing trade facilitation and impact of cross border e-commerce on Customs and International trade in East and Southern Africa

7. SPECIAL PRESENTATIONS

i. Bird's eye view from the Private Sector - an overview of digitization and its effect on AfCFTA, Gender and cross- border Trade as well as Trade Facilitation in General.

Presenter: **Louise Wigget**
Global Trade Solutions

Ms. Louise Wigget, GTS, informed the delegates that Customs is working with OGA 's to strengthen mutual trust and transparency to secure and facilitate legitimate trade. The SAFE Framework and AEO ensure all parties in supply chain are safe and secure. It was also noted that rapid and safe movement of people and goods across borders encourages trade, travel and transport and that physical security enables digital visibility.

Ms Wigget pointed out that being SMART invariably refers to the implementation of solutions that are automated hence resulting in; a less cumbersome border environment where data is mined, shared and effectively analyzed, an advanced cargo and customs declaration, reduced friction and dwell times in supply chain reduces opportunities for crime and corruption as automated payment processes reduce "Cash" incentives.

It was noted that easy flow of goods and people, strengthening supply chain integrity, and mitigating potential security threats are achievable through a "Risk Management-based" approach. Identifying potential risks and reducing reliance on physical inspection of consignments by using predictive analytics, profiling techniques and biometrics is highly encouraged in facilitating legitimate trade, strengthening supply chain integrity, and mitigating potential security threats.

She further pointed out that technology is the main driver to open the opportunities of the digital age, Blockchain, 3D printing and cloud computing are currently being used in addition to new technologies such as geo-spatial data, artificial intelligence, robotics, and drones. Thanks to technological advancements and public/private partnerships we will be able to trade smarter, compliant and safely.

Annex 11: Presentation on the Bird's eye view from the Private Sector - an overview of digitization and its effect on AfCFTA, Gender and cross- border Trade as well as Trade Facilitation in General.

ii. Enhancing Trade Facilitation & Border Management under COVID-19 in Africa

Presenter: **Dhunraj Kasee** (AUC) & **Mark Goodger** (GMLS)

Mr. Dhunraj Kasee (AUC), informed the meeting that in the wake of the unprecedented impact of the COVID-19 in Africa, in 2020 the Regional Economic Communities (RECs) of the East and Southern region, namely COMESA, EAC and SADC developed several guidelines and compendiums to sensitize and assist Member/Partner states to deal with the pandemic. In the same vein, the AU Sub Committee of Directors General of customs (AUSCDGC) had also issued to Communique to all Customs Administrations requesting them to implement bold measures that can mitigate the negative impact while also ensure the smooth supply chain of essential goods (including masks, medicines, sanitizers, etc at the first instance and then general goods.

Taking cognizance of the adverse effects that the Pandemic can have in other regions and more importantly in other sectors such as maritime, air and services, the AUC Department of Economic Development Trade Industry and Mining (ETIM) started collaborating with the UNECA and AUDA NEPAD to develop a more comprehensive guideline now called the AU Continental guidelines on trade and transport facilitation for the movement of persons, goods and services across Africa during the COVID-19 pandemic. The document is a humble attempt building on currently existing REC and the Tripartite guidelines and expanding their scope to offer a harmonized approach to trade facilitation on the continent, while adopting “best practices” from within and outside the continent to optimize trade flow across borders, all while limiting the spread of COVID-19.

The guidelines facilitate and support the efforts of Member States to implement the policies and measures to combat COVID-19 that have been

recommended by Africa CDC, the African high-level task force on recovery of air transport, IATA, ICAO, IMO, IOM, UNCTAD, OCHA, WCO, WHO and WTO.

It's worth noting that, the Guidelines were considered by the AU Sub Committee of Directors General of Customs in November 2020 and also endorsed by the Specialized Technical Committee of Trade Industry and Mining (STC-TIM) comprising of AU Ministers responsible for trade matters in September 2021. The Ministers sensitized Member States on the urgency of implementing the Guidelines in conjunction with other regional and international instruments and best practices. They also underlined the necessity for the African Union Commission to support Member States efforts towards the implementation of the relevant measures of the Continental Guidelines as a means of mitigating the negative effects of the Pandemic on the African economies and people.

In conclusion, it is indispensable that AU Member States invest in long term supply chain resilience and thereby adopt these guidelines as minimum uniform regulations, procedures and standards in order to reduce the spread of COVID-19, minimize disruptions in the supply chain, and facilitate the movement of goods and services across the continent during the COVID-19 pandemic period. The Guidelines have been shared to all African Customs Administrations for consideration and implementation.

Finally, it will also be worth sharing that the Department of Economic Development Trade Industry and Mining collaborated with the African Capacity Building Centre (ACBC) of the International Organization of Migration (IOM) and the WCO ESA ROCB to organize a joint training workshop for Customs Administrations of the ESA region with the theme “**Enhancing border management in East and Southern Africa Amidst COVID 19 Pandemic**” held on 20th -21st October 2021. He further informed the delegates the African

Union, GS1, WCO ROCB ESA and IMPACCT will convene a virtual meeting to explore how the regulatory objectives for trade and border controls can be aligned with the needs of the humanitarian logistics community. This meeting will be held in early December, on 7th and 9th December, Customs administrations, health regulatory agencies, humanitarian health partners have been invited to attend.

Mr. Mark Goodger (GMLS), informed the meeting that Customs Authorities, being aware of the challenges of COVID-19 and supplies allied to ensure ramp up in vaccinations and boosters should put in more measures to facilitate trade in such critical supplies. It was noted that vaccinations come from well-known global suppliers that can be easily identified and the importers from such suppliers are by majority, the same that import the allied supplies of PCR equipment's, garments, and other products required to administer and deliver such crucial supplies and hence should be facilitated faster especially given the urgency of the situation at hand.

Customs authorities have provision for expedited clearance and advance information in risk management, however, the private sector reports that they are still major delays at the release point. Added to the burden, is the time consuming clearance procedures and uncoordinated inspections by different authorities at the border.

It was proposed that advance declaration be implemented with Post Clearance Audits to serve any additional risk management checks. Justification of and evidence of order on such global suppliers can be managed within a system that will alleviate the burdens and in fact, be to the benefit of our respective nations.

Dr Dennis Ndonga, Murdoch University Australia, informed the meeting that over the course of the conference, delegates heard briefings and panel discussions focused on the effect of the COVID-19 pandemic on revenue collection, business operation and the need to facilitate disaster relief goods. Delegates also heard research presentations themed around the African Continental Free Trade Area (AfCFTA); digitization of cross-border operations and logistics chains; gender equality and equity; and enhancing trade facilitation. Some of the discussions have noted ongoing challenges and the presenters have provided recommendations on how to address them. This is a good outcome for the conference. A research conference partly seeks to inform and create an open forum for the dissemination of ideas.

Dr Ndonga pointed out that based on what was covered by the conference, participants are better informed about the key themes and topics that have been covered. However, a research conference further aims to stimulate new ideas. The information gathered from the conference should help Customs and Trade anticipate new related challenges. All details covered in this conference can be summarised to two new challenges that Customs administration and key stakeholders need to reflect on as they move forward.

8. OUTCOMES OF THE 3RD ESA REGIONAL RESEARCH CONFERENCE

Dr Dennis Ndonga, Murdoch University Australia, informed the meeting that over the course of the conference, delegates heard briefings and panel discussions focused on the effect of the COVID-19 pandemic on revenue collection, business operation and the need to facilitate disaster relief goods. Delegates also heard research presentations themed around the African Continental Free Trade Area (AfCFTA); digitization of cross-border operations and logistics chains; gender equality and equity; and enhancing trade facilitation. Some of the discussions have noted ongoing challenges and the presenters have provided recommendations on how to address them. This is a good outcome for the conference. A research conference partly seeks to inform and create an open forum for the dissemination of ideas.

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i. The impact of COVID-19 on Customs Operations

The presentations covered in the conference focused on the immediate impact of COVID-19 and the measures undertaken by different administrations and stakeholders as part of trying to adapt to the new operational environment. Africa is still lagging in terms of vaccination rate and, with the exception of a few, most countries are yet to fully vaccinate at least 40% of their population. Therefore, we are still in a situation of adapting to the virus and our discussions

in this conference have pointed towards the initial challenges. However, we need to be able to reflect beyond the current situation and anticipate the operational challenges that will arise when we get to a COVID-normal environment. The world is moving towards COVID travel passports and proof of vaccination as part of the cross-border requirements. We need to reflect on how this will impact Customs operations in our region. We have our unique situation where informal traders are a significant part of cross-border movement in many parts of Africa. How will Customs work to facilitate the movement of such traders as well as prevent the spread of the virus?

ii. Implementation of the AfCFTA

The conference presentations have noted that Customs plays a big part in securing the success of the AfCFTA. This is only the beginning of the conversation. We have learnt that Customs needs enhanced capability for integrated border management as well as adopt several trade facilitation tools to support the cross-border movement of goods and services being promoted under the AfCFTA. The questions to reflect on are, what measures does your national Customs administration need to implement? How can they go about addressing these measures?

There are still some unresolved issues under the AfCFTA, which will have a direct impact on Customs operation. For instance, the member countries will soon agree on the AfCFTA Rules of Origin. Therefore, an area to reflect on is how will Customs adapt to the new RoO once they are in force?

For Customs administration and key stakeholders, we need to get ahead of these challenges and place ourselves in a position where we can be proactive rather than reactive.

If there's one key lesson that we can draw from the pandemic is that being unprepared does have serious consequences. The entire world was caught off guard by this pandemic and for that we can take some credit in the efforts and measures taken to mitigate the situation. However, it will not be prudent to continue being reactive to the foreseeable challenges. One of the main ways of in being proactive in preparing for the new challenges is through supporting regional research.

With regional/ home-grown research we can have a regional lense to our problem. By supporting researchers from within our regional Customs administrations and participating private sector, we will be able to draw on the knowledge of researchers who have a better appreciation of our unique set of circumstances. Researcher who would also be invested in the work. Such researchers would be able to customise regional solutions to our problems.

From this conference we have been able to see the quality of work that can be produced by researchers who work within our member countries Customs administrations. Some of the researchers who presented over the course of the conference were drawn from the Zimbabwe Revenue Authority (ZIMRA), South African Revenue Service (SARS), Uganda Revenue Authority (URA) and other regional stakeholders. What this demonstrates is that the human resource is there. Moreover, this being a capacity building forum we provide the support in

helping such researchers improve on the quality of their work. As an academic supervisor, Dr. Ndonga together with the help of Dr Nellie Mpanduki, worked with the researchers to help them improve on the quality of their research and writing. It is important to note that part of the research work has been presented for publication in reputable international journals including the Journal of Southern African Studies and the World Customs Journal.

In conclusion:

- To the Customs officials who are interested in research and want to contribute to finding solutions to the problems faced by their Customs administration, there is a forum for you to develop your research work. The WCO ESA regional Customs research conference will.
- To the regional Customs administrations, there is a need to find a regional lense and regional solutions to the challenges across the region. This can be achieved by investing in research within your relevant administrations as well as supporting the work of the WCO ESA regional Customs research conference.

9 LISTING OF ANNEXES

Annex 1: Speech of the WCO ESA ROCB Director, Mr. Larry Liza at the opening of the 3rd ESA Research Conference.

Annex 2: Programme of the 3rd ESA Research Conference.

Annex3: Speech of the WCO ESA Vice Chair, Mr. Adrian P. Swarres, at the opening of the 3rd ESA Research Conference.

Annex 4: Speech of the World Customs Organization Secretary General, Dr. Kunio Mikuriya, at the opening of the 3rd ESA Research Conference.

Annex 5: Speech of the Guest of Honour, Director General, Mauritius Revenue Authority – Mr. Sudhamo Lal, at the opening of the 3rd ESA Research Conference.

Annex 6: Keynote Address 1: The effect of emerging and ongoing issues on the role of Customs and Trade, Minister of Land Transport and Light Rail & Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius, the Honourable Alan Ganoo at the opening of the 3rd ESA Research Conference.

Annex 7: Keynote Address 2: Enhancing the Movement of Medicines and Medical Equipment in East and Southern African Region Amidst Covid-19 Pandemic - Ms. Virginie Bohl, Coordinator – IMPACCT.

Annex 8: Presentation on potential effects of the implementation of the African Continental Free Trade Area (AfCFTA) on trade and Customs in East and Southern Africa.

Annex 9: Presentation on the Regional electronic cargo tracking system: implications on trade facilitation and smuggling by youth in Uganda along the Northern Corridor.

Annex 10: Presentation on A Meta-analysis of the opportunities likely to be presented in the integration of gender practices and promotion of diversity in customs and trade in ESA.

Annex 11: Enhancing trade facilitation and impact of cross border e-commerce on Customs and International trade in East and Southern Africa.

Annex 12: Presentation on the Bird's eye view from the Private Sector - an overview of digitization and its effect on AfCFTA, Gender and cross- border Trade as well as Trade Facilitation in General.

Annex 13: Presentation on Enhancing Trade Facilitation & Border Management under COVID-19 in Africa.

10. CONFERENCE ORGANIZING TEAM AND REPORT SECRETARIAT

CONFERENCE ORGANIZING TEAM

RTCs		WCO ESA ROCB	
RTC Mauritius		1.	Mr. Larry Liza - Director
1.	Aroona Mugon – Director's Office	2.	Ms. Faith Mosongo - Programme Officer
2.	Nemraj Dayal – RTC Mauritius	3.	Mr. Eric Kaburu - ICT Officer
RTC Kenya			
1.	Ms. Eunice Njenga - Chief Manager		
2.	Mr. Robert Kihara - Design		

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Sendra Chihaka

Sendra Chihaka is Revenue Supervisor with the Zimbabwe Revenue Authority (ZIMRA) with 16 years' experience in Customs operations. She is a passionate and regular contributor to the WCO ESA quarterly newsletter with articles ranging from One Stop Border Posts as Trade Facilitation Tools, the effect of COVID-19 on customs operations, customs officials' awareness of the Africa Continental Free Trade Agreement among others. She took part in the 2nd WCO ESA Conference in Nairobi Kenya in 2017. She is currently ZIMRA's representative in the WCO ESA Gender and Diversity Virtual Working Group.

Sendra holds Master of Science degrees in International Trade Policy and Trade law from Lund University (Sweden) and in Development Studies from the National University of Science and Technology (Zimbabwe) in addition to numerous post graduate qualifications in trade and development studies.

Geofrey Okoboi

Geofrey Okoboi, is a PhD holder and the Director Economic Regulation in Uganda Electricity Regulatory Authority.

Dr. Geofrey Okoboi is the Director Economic Regulation at the Electricity Regulatory Authority of Uganda. He is in charge of electricity supply industry pricing, planning and research. He is passionate in policy and academic research, sharing research findings with the research community and publishing. Dr. Okoboi holds a Doctorate (PhD), Masters (MA) and Bachelors (BSc) degrees in Economics.

Michael Kyanzi

MICHAEL KYANZI is an official of Uganda Revenue Authority with a keen interest in Research Planning and Development.



Ferdinand Ntuli

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