The East and Southern Africa (ESA) region will be trooping into Mauritius this November for key regional meeting, graciously hosted by Mauritius Revenue Authority (MRA) in Port Louis, Mauritius.

The meetings include the Regional Training Centres (RTC) Heads meeting (comprising Kenya, Mauritius, South Africa and Zimbabwe) which will take place on the 3rd and 4th November, the Regional Steering Group (RSG) meeting (7th to 9th November) and the Strategy Development meeting (10th and 11th November, 2016). Representatives from the 24 ESA Member countries have been invited to the meetings.

The ESA Governing Council, which comprises the heads of the 24 Member Administrations,
EDITORIAL

I am pleased to extend to you Mr. Larry Liza, the ROCB Director and Chief Editor’s appreciation for the contributions you have made in sharing your stories through Articles presented to the Region and to the world at large through this Newsletter. We acknowledge your works in promoting this Newsletter by submitting well articulated articles. We welcome you as our Members, Regional Economic Committees, partners and stakeholders to actively and continually share your stories for the Region and the global Customs family.

Through this issue, we invite the Region to participate in the upcoming Regional Steering Group meeting and other key meetings which will be hosted by Mauritius Revenue Authority (MRA). We also share on the ESA Finance and Governance Committee (FGC) which was established to ensure good governance practices are observed in conducting activities in the region, and Capacity Building delivery agenda, particularly on programmes we have recently been running. Additionally, we are happy to share various perspectives and progress reports from some of our Members.

We remain committed to ensuring the flow of interesting stories your way and to make our Newsletter unique and loveable to every reader.

DAVID LADU
Programme Officer & Managing Editor.

World Customs Organization

East and Southern Africa Region

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Mauritius Welcomes ESA for Regional Meetings this November

Continued from page 1

Participants at the 24th RSG meeting in Maseru, Lesotho.

held its 21st meeting in Maseru, Lesotho. It decided on the Strategy Development meeting takes place back-to-back with the other meetings, in order to further the development of a new Regional Strategy and Implementation Plan. The RTC Heads meeting and the RSG meeting will further deliberations coming from the previous meetings, as well as topical issues in the world of Customs, including the WTO Trade Facilitation Agreement, the WCO and ESA Strategy, Capacity Building activities, Digital Customs, Security, Customs Cooperation, among others.

ESA FINANCE AND GOVERNANCE COMMITTEE (FGC)

By CPA Andrew Odhiambo

The Regional FGC was established to ensure good governance practices are observed in conducting activities in the region. The FGC serves as an advisory body to the Governing Council and is expected to proactively provide advice and recommendations on any governance related issues.

Members to the FGC are appointed by the Governing Council, and can be removed by the council at its own discretion. The current members are Swaziland (Chair), South Sudan (Vice Chair), Madagascar (Member) and Zambia (Member).

The key functions of the FGC are:

- To examine the audit report and make recommendations to the Governing Council accordingly.
- Budget review and monitoring.
- To examine governance related matters referred to it by the Governing Council and the Regional Vice Chair and make recommendations accordingly.

- To pro-actively raise any governance issues requiring urgent attention to the Vice Chair for appropriate action.

Means of operation

The FGC elects a Chair and a Vice Chair amongst members of the Committee at their first sitting. The quorum for the conduct of business of the FGC is three members. The FGC meets at least twice a year.

The 11th FGC meeting is slated for 12th to 13th October 2016 in Madagascar. It will consider among others, the 2016/17 ESA ROCB unaudited financial statements.
The Second Training of Trainers (ToT) workshop took place from the 26th to the 30th October, 2016 in Port Louis Mauritius. This workshop was subsequent to the 1st ToT workshop held earlier in the year which involved training on the standards, techniques and methodology in delivery of training. The 2nd workshop focused on Risk Management, and aimed to empower the trainers with knowledge and training materials on technical subjects. This meeting was organized by the ROCB and the WCO in partnership with the Mauritius Revenue Authority (MRA), and made possible by the financial support from the Department for International Development (DfID).

Prior to the workshop, the ROCB and a technical team comprising officials from South Africa (lead), Mauritius, Swaziland and Zimbabwe, alongside the WCO worked on Evaluation Standards for the ESA Training of Trainer (ToT). The standards highlight the WCO Regional Training Charter, the scope, listing the principle methods of delivery, Documentation and steps in setting up and conducting a workshop.

The WCO ESA Training of Training (ToT) programme aims to develop a regional pool of experts in ToT for use in the region as well as by their respective national administrations in the dissemination of training. The Regional Training Centres (RTC), in conjunction with the ROCB, the WCO and RECs (COMESA, EAC & SADC) developed the modules of the training.

Botswana Hosts Trade Facilitation Agreement Workshop

The Regional TFA workshop meeting was hosted by the Botswana Unified Revenue Services (BURS) in Gaberone, Botswana from 20th to 23rd September, 2016. This meeting was organized by the WCO and the ROCB in partnership with the Botswana Unified Revenue Services (BURS), and made possible by the financial support from the Department for International Development (DfID).

The workshop focused on technical issues and allowed discussions on individual TFA Articles, including discussions on legal requirements, benefits, available implementation tools and Members’ experiences. The workshop was attended participants from Customs of Members of ESA Region, as well as representatives from the WCO, WCO ESA ROCB and development Partners.

Opening remarks were delivered by Mr. B. M. Mudongo, the General Manager (Regions and Compliance), Botswana Unified Revenue Service (BURS), on behalf of the Commissioner General, (BURS); Mr. Larry Liza, the ROCB Director; and Patrick Gyan, the

Continued on the next page
WCO ESA Regional Development Manager, Mr. Mudongo welcomed the participants to the workshop, noting it was a follow up of the workshop conducted in September 2015 in Johannesburg, South Africa. He highlighted the developments have since taken place at national, regional and international levels, including the 10th Ministerial Conference (MC10) in Nairobi in December 2015, which provided a good opportunity to take stock of the work undertaken collectively by the WCO, its membership and partners in terms of support for implementation of the WTO TFA.

Participants at the Trade Facilitation Agreement workshop, Gaborone, Botswana.

WCO assists Burundian Revenue Authority

Under the WCO-EAC CREATE Project funded by the Swedish Government, the World Customs Organization mounted a mission in Burundi from 25 to 29 July 2016 at Roca Golf Hotel, Bujumbura. The objective of the mission was to assess the capacity of the administration to implement effectively the East African Community (EAC) Authorised Economic Operators (AEO) Programme. Mr Richard Chopra, Director of the WCO-Sweden Programme and Mr Axel Nalbone, WCO Accredited Expert on Post Clearance Audit (PCA) facilitated the Workshop. The Workshop was attended by representatives from various stakeholders implicated in the supply chain including the public and the private sector such as the Customs, the national and regional AEOs, the Bureau of standards, the immigration, Interpol, clearing and forwarding.

By Christophe NDAYIKENGURUKIYE, Customs Programmes Officer, Burundi Revenue Authority

Continued on the next page
agents’ associations among others. In his opening remarks, Mr Gérard SABAMAHORO, the Commissioner for Customs and Excise on behalf of the Commissioner General thanked the WCO for the usual technical assistance it’s providing to his administration and requested that the WCO would first assist in the risk mapping and then make a capacity building in the areas of risk management and risk analysis.

During the Workshop, the two WCO experts through consultations with different stakeholders on the Programme made an in-depth assessment of the requirements for the successful implementation of the Programme especially the AEO programme management, the risk management, the PCA, the Human resources management and training, and the Customs to Business Partnership.

The diagnostic mission conducted in Burundi on the regional AEO programme helped to identify the strengths and weaknesses for the administration to successfully run out the WCO-EAC CREATE Project. Some of the major identified weaknesses were the lack of a specialized unit dedicated to the AEOs, the lack of an AEO logo on AEO declarations, the lack of a risk management strategy and the human resources strategy among others.

The mission concluded by drafting the work plan to address the identified gaps by March 2018 and support the Revenue Authority in its Customs modernisation programme.

2016 Graduate Certificate in Customs Administration graduation ceremony, held Namibia, Windhoek. Namibia Customs and Excise Officers with Professor David Widdowson, the CEO of Center for Customs and Excise Studies (CCES).

After careful scrutiny of various institutions of higher learning offering Customs & Excise courses (both in Africa and beyond) realized the Centre for Customs and Excise Studies (CCES) University of Canberra in collaboration with Charles Sturt University in Australia offers academic courses that benefit the Namibia Customs.

Continued on the next page
Administration's unique situation. The Directorate managed to register staff members from all regions for the below programmes: The staff members are enrolled on different courses and most of them will be graduated early next year. Bachelor of Border Management; Graduate Certificate of Customs Administration; and Masters of International Customs Law & Administration

The first graduation of 34 Customs and Excise staff members who successfully completed their Graduate Certificates in Customs Administration was held on the 7th September 2016 in Windhoek, Namibia.

GROWING STRONGER

Reforms in South Sudan

By David Ladu

South Sudan Customs Services continues to further reforms and modernization in Customs.

Desired Results
Efficient customs processing and improved knowledge and skills of South Sudan’s customs service. This will contribute to reducing trade costs in East Africa.

Why
As part of the USAID-funded “Sudan Core Institutions Project” there was an assessment of the Customs Service in South Sudan. The report identified a number of “immediate critical actions”. These actions are considered essential before, or immediately after, independence to ensure that South Sudan takes steps towards establishing a fully functioning Customs Service. Customs is recognised as a key priority of GOSS as it takes steps to reduce its over-reliance on oil revenue by building up alternative revenue sources, especially customs duties.

What
• The project aims at supporting the South Sudan Customs Services (SSCS) to become an effective and efficient agency able to support its government’s objective of diversifying its revenue incomes while facilitating trade. Key outputs:
  • Customs Officers technical capacity built.
  • Customs automated management system developed and operational.
  • South Sudan acquires membership in key international bodies like WCO/WTO.
  • Technical Assistance provided to ensure the Customs Legal Framework and supporting regulations are adopted.
  • Communication of customs reform and modernisation programme undertaken.
  • Mobile anti-smuggling task teams established and operational.

How
TMEA will provide and manage technical assistance to the Government of South Sudan to implement basic fundamentals of customs administration while laying a foundation for a wider customs reform strategy.

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URA was established in September 1991 by an Act of Parliament to efficiently manage national tax administration, in order to generate revenue to fund government programs. Its primary purpose is to assess and collect specified tax revenue, administer, enforce the applicable tax laws. Customs is a department under the body.

In 2004, URA carried out administrative reforms that started with an organizational restructuring which reduced the number of administrative layers from seventeen to seven. This greatly reduced bureaucracies, improved communication and decision making turnaround time. Thereafter the body undertook a modernization and reform strategy to transform it into an efficient and effective agency that is client focused. After 25 years of existence, the authority has grown by leaps and bounds with the following notable achievements:
- Introduction of 24/7 services at customs border stations.
- Business processes re-engineering.
- Automation of the processes with ASYCUDA World.
- Electronic Cargo Tracking System (ECTS).
- Implementation of staff competency enhancement programmes.
- Improvement of the physical working environment.

Source: URA Database

Continued on page 10
By Dr. Fred Mugambi Mwirigi  
Deputy Commissioner – Academics and Students Affairs

Since the Kenya School of Revenue Administration KESRA was established tens of years ago, then as the Customs Training School with a mandate to serve the East African Community (EAC), it has grown significantly and in the process nurtured great careers and friendships. KESRA has greatly impacted the lives of many Customs and Tax officers over the years, not just within our borders but out there in the regions and beyond. KESRA has created Commissioners General and Commissioners, Tax Consultants and Customs Officers and many other professionals and public servants of repute- including some of who have since gone on to serve the country in other roles. Indeed even some Members of Parliament and Governors have passed through KESRA.

Networks

Evidently, almost every group of students that has passed through KESRA still maintains a strong linkage among its members. Most past Graduate Trainees have established their group networks through whatsapp and other media and through these forums they continue to nurture the professional as well as personal friendships, whose seeds they planted while at the Customs Training School in the 1970s, Kenya Revenue Authority Training School (KRATI) in the 1980 and 90s and KESRA after the turn of the century.

The year 2016 is a watershed year for KESRA and we are absolutely proud to step out and begin a new exciting journey of expansion and deepening our academic and technical products. So what are our new frontiers? For a long time KESRA offered Graduate Trainee programs at the diploma level only for the internal Kenya Revenue Authority (KRA) clientele. Then, KESRA was a small department that consumed more than it produced. We have now departed from this position and our sights are trained on new horizons of market relevance and self sufficiency. Our long term goal is to fully finance our operations from the programs we offer.

Our long term goal is to fully finance our operations from the programs we offer. We can only do so by refocusing our energies. We have also departed from the inward approach to a more outward approach as far as training is concerned and we are now expanding our partnerships at all levels. We want to become a trainer for Kenya and Africa and not just a trainer for KRA.

JKUAT

This year marks the entry by KESRA into the postgraduate arena. KESRA is reenergizing and refocusing its programs in a bid to be more relevant to the market. We are committed to participate in a more robust way in knowledge and skill dissemination and, consequently, economy building. Particularly we are currently offering programs in Tax and Customs all the way from Certificate to Masters levels (excluding Bachelor’s degrees). For post graduate levels we are partnering with respected universities including the Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Moi University in Kenya. We have also entered into a Memorandum of Understanding with the University of Munster of Germany.

KESRA has achieved various other milestones in the last 12 months. For instance our certificate and Diploma programs are now accredited by Kenya’s Technical and Vocational Training Authority (TVETA) and the National Industrial Training Authority (NITA). KESRA is also one of the four Regional Training Centers (RTC) of the World Customs Organization (WCO) in Africa. Besides, KESRA is also a member of the International Network of Customs Universities (INCU) among others.

KESRA is also gearing up to take up its rightful place among the distinguished corporate trainers in the areas of tax, customs and fiscal management. Our target is to become the number one corporate trainer for East, Central and Southern Africa in these areas in the next three to five years.

Three storey

To achieve this feat we are in the process of lining up the best possible faculty and at the same time modernizing our facilities. We are particularly excited with the prospect of taking possession of a new building Nairobi- a beautiful three storey facility for use by our Nairobi campus. We have also already published an elaborate short courses calendar as a first step towards becoming the preferred corporate trainer in our areas. Further to this, we have opened discussions with major organizations and corporate entities in the areas of short courses.

Clear, the future for KESRA can only be exciting. We have what it takes to move into this future. We have the intention and the determination to achieve our very ambitious objectives. Please join the KESRA family and let us together beckon the future to us.
The 11th annual WCO PICARD Conference was hosted by the Philippine Bureau of Customs in Manila, Philippines from 27th to 29th September 2016. The ROCB Director attended the conference as a Speaker on the Role of Research in Customs Reform and Modernization. The conference was attended by over 250 participants from 54 countries representing Customs administrations, the academia (universities) and research institutions. Key attendees included WCO Secretary General Kunio Mikuriya, the Commissioner of the Philippine Bureau of Customs Captain Nicanor Faeldon, and the Undersecretary of the Department of Finance of the Philippines Antonette Tionko.

The ROCB highlighted the ESA Regional Research Program, sharing the journey from its inception to the hosting of the 1st ESA Research Conference. It urged the replicating of the program in other regions, and offered to share best practices. The Director also called for partnerships between the academia, research institutions and development partners to further develop the program in the region.

Other presentations from the region came from or related to the region came from the African Union, Madagascar, South Africa and Uganda. The topical areas of focus during the conference included; Transit and Trade Facilitation, Customs Management, Digital Customs and Security, Illicit Trade in Cultural Property, AEO Benefits and Trusted Trade Lanes, Research and Academic Matters, Tobacco Control, Classification, Valuation, and Origin Matters, Reform and Modernization.

Revenue Performance over the 25 years
During the financial years 1991/92 to 1999/00, international trade taxes grew from UGX 100.58 Billion to UGX 555.45 Billion. In the subsequent period, 2000/01 to 2009/10, customs taxes collected grew from UGX 611.07 Billion to UGX 2,038.71 Billion. International trade taxes further grew in the period 2010/11 to 2015/16, from UGX 2,534 Billion to UGX 4,832 Billion. This elliptical growth of tax is attributed to enhanced administrative efficiency such as automation, re-engineered business processes, improved human capital and initiatives such as the ECTS, the AEO Program, the OSBPS etc.

The URA Customs Journey
Continued from page 8

- Establishment of six One Stop Border Posts (OSBPs).
- Implementation of staff integrity enhancement programs.
- Implementation of Single Customs Territory.
- Implementation of the Authorised Economic Operator (AEO) program.
Moody’s, one of the largest independent global agencies of capital market, which conducts researches on credit rating, providing thus a series of tools and analysis, contributing with transparent data regarding integrated financial markets in various countries, has undertaken a study about “Global Sovereign Credit”, anticipating that, in 2015, Sub-Saharan Africa might experience a negative impact as a result of the Chinese economy slow down, arising from deteriorating commodity price, that contributes significantly to the economic growth of the African countries in terms of Foreign Direct Investment (FDI).

In this regard, Angola as one of the major recipients of Chinese investment becomes vulnerable to such oscillations. The economist and researcher Monica Vargas Murgui, stated in 2014 that considering the (FDI) inflows to Angola, China had become the largest (FDI) investor, granting various and the largest volume of loans. (As an example, the $15 billion dollar credit line since 2004), with exclusive guarantees to acquire half of national oil production.

Economy
FDI (Foreign Direct Investment) is defined as “… an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign Direct investor or parent enterprise) in an enterprise resident in an economy other that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate).

Therefore, FDI, does not only bring stable capital inflows, but technological know-how, transfer of technology, highly-paying jobs, entrepreneurial and workplace skills, new export opportunities and a panoply of managerial skills and innovation. In other words, it means that the aim of FDI is to generate high returns, and such maximization of wealth requires a healthy business environment in the country where investment is expected, for FDI to perform and to sell the foreign project it created.

Corruption
I realize that usually, investors rely upon global indicators from identified countries to review FDI opportunities, focusing on three main factors: business environment, corruption and competitiveness. Based on the United Nations’ definition of Sustainable Development (UNSD), the indicators used to assess the impact of FDI are: GDP, infrastructure development, corruption, unemployment, poverty and inequality rates, among others.

With the aim to establish a lasting interest in effective management control over an enterprise in another country, a minimum 10% of equity ownership or voting power is required...
Foreign Direct Investment (FDI)

Continued from page 11

resources, and the robust growth of its Gross Domestic Product (GDP), was the second largest receptor of Foreign Direct Investment in Africa in the period between 2000 and 2014, displaying steady investment levels, reaching USD 15.7 billion in 2012 according to the World Bank report, up USD 15.1 billions, contrary to predictions in 2014, by economists Muzima e Mazivila, two scholars devoted to the study of the Angolan economy.

The amount of existing oil, gas and diamond resources, made Angola an “el dorado” for FDI and consequently brought economic growth, thus providing for business opportunities, upward mobility, and improved the population living standards. Moreover, FDI has facilitated a fast reconstruction of infra-structures as well as market openness. To exemplify, China involvement has enabled the rapid reconstruction of social infra-structures, ensured the allocation of USD 2 billion applied in various sectors such as energy, water, health, education and productive, for the realization of a number of projects.

On the other hand, the average growth rate of GDP between 2000 and 2013 was 10.72%, but, it has slowed down in 2014, resulting from the global structural financial crisis.

I understand that FDI alone will not be enough to lead Angola to a socio-economic development, despite recent significant transformations experienced by the Angolan economy.

Leading

The economic growth of Angola, for a few years, has been under the spotlight of the major economies, since it had become one of the fastest-growing economies across Africa and the World. This economic growth has mainly been driven by the oil sector production, which accounts for 80% of state fiscal revenues, which represents 98% of exports, the leading source of FDI. Meanwhile, the economy remains vulnerable to fiscal shocks, caused by deteriorating prices of the main export raw-materials, as oil still remains the leading source of fiscal revenue. A slow down of the economy of the investor country directly affects the Angolan economy; take China as an example. Meaning the Angola economy is still vulnerable to external shocks.

To address this situation, there is a trend to a greater diversification of the economy, to overcome the heavy dependency on oil, which, I underline, still is the single source which most finances the Angolan economy.

In the context of the deceleration of the Angola economy, the current financial crisis and high reliance on oil exports to China, USA and Europe, represent an obstacle to sustainable development. Angola must work towards a deeper exploration of other products and financial services, as competitive challenges are at stake. Analyses suggest a 15% increase of FDI would help inflows to relaunch economic growth, thus leading to a less troubled economic situation. According to the World Bank, for each direct job created by FDI’s it was estimated that approximately 1.6% of other jobs are created.

Therefore, structural reforms are urgently required to attract Foreign Direct Investment, which would help to offset the imbalances in the Angolan economy. Such reforms would allow the government to solve the issue of shortage of foreign currency, diversification of the sources of capital inflows, increase of technology know-how, technology transfer, creating and maintain highly-paid jobs, and acceptable entrepreneurial and professional capacity, new opportunities to export products from the diversified economy, and a panoply of managerial and innovating skills.

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Continued from page 11

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