

ESA Newsletter

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

A word of gratitude from the hosts of the 21st GC

By **LEPHOLISA, Makali Ngcebo**,
Commissioner of Customs, Lesotho Revenue Authority

It is only a few weeks ago that Lesotho bid farewell to regional delegates who had flown into the country for various WCO ESA meetings starting with RTC heads meeting, the 24th RSG, and the 21st GC meetings and we are already missing the flurry of activities that come with hosting such a high powered series of meetings.

The people of Lesotho and staff at Lesotho Revenue Authority are grateful that the leadership of the WCO ESA Region was kind enough to grace the shores of Lesotho with their decision to hold the 21st GC meeting in Lesotho followed by their presence in huge numbers. Rea leboha!!

When it was first confirmed last year that the 21st Governing Council (GC) meeting would be held in Lesotho in May 2016, the date seemed so far away that to the local organizing team seemed like they had more than adequate time to prepare. It soon became clear that they had underestimated the magnitude of preparations it took to host a meeting of the size of the GC with all its accompanying meetings and as a result, several valuable lessons were learned.

That the meeting was taking place within a month after the beginning of a financial year posed a challenge when it came to procuring conference halls, the necessary audio and video equipment, and attendant services. This

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EDITORIAL

It is my pleasure, on behalf of Mr. Larry Liza, the ROCB Director and Chief Editor, to present to you the ESA Newsletter (2nd quarter release). I encourage ESA Members to support the growth of this e-Newsletter by sharing articles and information with the region and global Customs family. In this issue we share words from the Commissioner of Customs, Lesotho Revenue Authority (LRA,) regarding the successful hosting of the recently held Regional meetings. We are also happy to introduce a Featured Photo segment, the first which tells the story of the award winning photo submitted by Zimbabwe Revenue Authority during the annual ESA Sotho Photo Contest. The Member News section features our Members highlighting their experiences related to Customs. We urge you to continually share with us articles and news from your beautiful countries to be included in subsequent newsletters. The Regional Economic Communities (RECs), this time represented by the East African Community, have also been featured in this newsletter. We shall work towards ensuring continual reporting of the activities carried out by different stakeholders and other partners. I wish to assure you of continual improvement in our subsequent editions, and once again, to encourage you to support us in this endeavour.

FAITH MOSONGO,
Programme Officer and Managing Editor.



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A word of gratitude from the hosts of the 21st GC

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was because in order to secure hotel conference halls and translation services and equipment, it was necessary that they were booked a few months in advance and this would have required disbursing funds in one year for services that would only be taken delivery of in the next year and this did not go down well with those charged with control of government purse strings. However with a bit of persuading and agreeing to traceable safe guard measures, the organizing team was allowed to make the necessary deposit payments to secure these services.

Another challenge was that the meeting was happening right at the onset of the cold season in this part of the continent and on account of its altitude, Lesotho tends to be very cold in winter. This had us worried that many of the delegates

would come unprepared for cold conditions but as it turned out they all managed very well and this contributed towards a successful meeting. Our only regret is that on account of the cold weather and a relatively short day light the delegates were confined to within the city limits and missed out on the famous tall mountains for which Lesotho is famed.

Despite all the challenges and hurdles that had to be passed towards hosting the GC meeting, Lesotho can be proud of several success factors if it remains true that all is well that ends well. Lesotho is proud to have hosted the first meeting under the directorship of the current ROCB Director whose secretariat was so helpful in supporting and guiding the Lesotho organizing team that they made it easy for us to

host a successful meeting if we at all did. The organizing team discovered early in the preparations that they had to be in constant communication with the secretariat in Nairobi to ensure they covered all angles and the secretariat was very welcoming in this regard.

We were further humbled by the easy going nature of the delegates and the secretariat staff from both Nairobi and the Vice Chair's Office; they accepted what was offered and so appreciated every little effort made in trying to make their stay in Lesotho comfortable that they made it easy for us to play hosts.

In signing off, if we hosted a successful meeting, it was because of the easy going nature of the delegates and the support of the ROCB, and if we failed in our duty as a host, we promise better next time.

THE 21ST GOVERNING COUNCIL

The WCO ESA Governing Council Meeting, hosted by the Lesotho Revenue Authority was held in Maseru, Lesotho on the 26th and 27th May, 2016

During the opening remarks Advocate Realeboha Mathaba, Ag. Commissioner General, Lesotho Revenue Authority welcomed the participants to Lesotho and urged them to use the opportunity to reflect on the achievements and challenges of the region and how to utilize the opportunities presented to mitigate

them. He thanked the WCO and development partners for the support given to Lesotho. He highlighted the critical roles played by the TFA and urged the region to utilize tools availed by the WCO to support the region, and

uphold best practices in support of trade.

Mr. Jed Michaletos, ESA Regional Vice Chair thanked the government and people of Lesotho for their hospitality



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and hosting. He highlighted current issues, including the growth in global trade, trade flows (and ways of mitigating slow growth in the Region through the implementation of the TFA), illicit trade, commercial fraud, terrorism and Illicit Financial Flows. He expressed the need to find plausible ways of improving intra-African trade and avoiding duplication between RECs. He also called on the region to fully utilize the available WCO tools. He informed the meeting that the forth Global AEO meeting would be hosted by Uganda in 2018 and called on the region to support the Member for a successful hosting of the meeting. Other matters he referred to include; development of the regional strategy, and the WCO

'Digital Customs' theme of 2016. Mr. Kunio Mikuriya, WCO Secretary General expressed gratitude for the excellent hosting of the GC by Lesotho. He highlighted the importance of Customs supporting international trade and regional integration, and their supporting tools. He wished the meeting fruitful deliberations on all the issues for discussion.

Honourable Minister Tsoeu Mokeretla, Chief Guest and Minister for Public Works and Ag. Minister for Finance (Lesotho) expressed the appreciation of the government and people of Lesotho for hosting the meeting and welcomed all the participants to Lesotho. He highlighted the importance

of trade facilitation, the need to comply with international regulations and underscored the place of Customs in implementing policies. He referred to the ever-changing environment and the dynamism of international bodies such as the WCO and WTO. He emphasized on the need for proper border coordination mechanisms and information sharing in light of emerging issues relating to security among others. He acknowledged the support received from the WCO and other development partners in support of various matters including the WTO TFA, Authorized Economic Operator programme, Digital Customs, Single Window, and Revised Kyoto Convention (RKC) among others.

THE 24TH REGIONAL STEERING GROUP (RSG) MEETING



The WCO ESA Regional Steering Group Meeting, hosted by the Lesotho Revenue Authority was held in Maseru, Lesotho on the 23rd to 25th May, 2016

During the opening remarks Mr. Larry Liza, ROCB Director acknowledged with appreciation Lesotho's hosting and hospitality. He acknowledged

support from the Vice Chair, Kenya (his seconding & ROCB host Member), Members, RECs and development partners. He pointed to the need for the agenda to continually move towards strategic and topical issues.

Mr. Patrick Gyan, WCO ESA RDM provided a background of the WCO and its Strategy. He also acknowledged with appreciation

Lesotho's hosting and hospitality.

Mr. Erich Kieck, RSG & ESA Vice Chair Representative welcomed the participants and thanked Lesotho and all parties involved in organizing the meeting and Members for their participation. He urged the Members to be more specific when providing their

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needs to the WCO and urged the RSG to provide concrete recommendations for the Governing Council's consideration.

Mrs. Makali, Lepholisa, Commissioner for Customs Lesotho; welcomed the participant to Lesotho and invited the RSG to observe a moment of silence for the former Commissioner General (Zambia) Mr. Chriticles Mwansa, who recently passed on. She highlighted the changing role of Customs and urged Members to adopt to the changing environment in order to ensure that Customs remains relevant in the delivery of its mandate. She also noted the importance of implementation of the TFA and accession of the RKC in promotion of trade facilitation and its centrality to the regional Strategy. She urged accession to the RKC. She highlighted the recent challenges in the Customs environment such as violent extremism and threats to the supply chain and urged the need for proper enforcement mechanisms and cooperation among stakeholders. Finally, she encouraged the RSG to support the ROCB to ensure delivery of the pending items in the Strategy.

THE WCO ESA RTC HEADS MEETING



The WCO ESA RTC Heads, ROCB and WCO meeting, hosted by the Lesotho Revenue Authority (LRA) was held in Maseru, Lesotho on the 19th and 20th May, 2016. The meeting was opened by Ms. Lieketseng Lipholo, the Deputy Commissioner Customs, Lesotho. It was attended by the Heads (or their representatives) of the RTC Kenya, RTC South Africa and RTC Zimbabwe, as well as the ROCB, the WCO and a member of the Training School in LRA who attended the meeting as an Observer. RTC Mauritius sent apologies.

Ms. Lieketseng Lipholo thanked the region for giving LRA the opportunity to host the region and invited them to enjoy their stay in Lesotho while having fruitful deliberations. The WCO ESA ROCB Director Mr. Larry Liza thanked the LRA for accepting to host the region and for its warm hospitality.

Sotho Photo Contest

The ROCB launched the ESA Sotho Photo contest as an Annual Contest to be voted at Governing Council and named Sotho Photo Contest to honour the first host, Lesotho. 16 Members submitted photos showcasing Member history, activities and successes in exercising mandate, with the winner & runners-up to be awarded trophy & certificates. The Winner trophy is expected to hold it for a year or new one offered in lieu. Meanwhile, all the photos submitted to form the 'ESA Sotho Photo Book; a collection of photos that tell Customs stories'. Contest also aims to boost to WCO Annual Photo Competition.

The participants voted for the Photo of the Year with Zimbabwe winning the competition overwhelmingly with Malawi being the First Runner Up while Angola was the second Runner Up.



Featured photo



Fighting Human Trafficking – Photo submitted by the Zimbabwe Revenue Authority

The photo shows a scanner image produced at Beitbridge Border Post which resulted in the busting of a human trafficking syndicate. The human trafficker had the nerve to expose the

illegal immigrants hiding in the vehicle's compartment to radiation in the false hope that they would be smuggled across the country's border with South Africa. Beitbridge Border Post is the

busiest port South of the Sahara. The introduction of non-intrusive inspection equipment in 2003 as part of the Authority's digitalisation and modernisation efforts continues to pay dividends.

The Current Situation in Somalia

By *ABUKAR Omar Bood*

Current constraints

At present, Somali taxation laws are out dated. The legislation that is present dates back to the Barre regime and even further into the Colonial past, thus is completely out of date. Customs duties are the single most important tax, raising \$70.3 m in 2015, and expected to raise \$86 m in 2016. The Customs legislation is out of date and does not comply with global Customs standards. Currently, value-based tariffs as described in the law are not utilized, instead a fixed amount is charged according to quantities – this is more easily applied to bulk packages of commodities, but can present problems of accuracy when the size of items is not so

discernible. In terms of Customs procedures, Customs officials implement a policy of 100% manual verification – physically checking all goods and quantities before clearance. For bulk items, a majority of the imports, this is not an efficient method of clearance within a Customs administration system and significantly increases delays and related Port fees. Furthermore, WTO valuation procedures are not utilized – instead Customs officials calculate the taxation from bill of lading and manifest. No value based documents such as invoices are used. This is an outdated method of valuation, which is cumbersome and does not conform to global best practice. Despite being a member of the

World Customs Organization (WCO), Somalia's membership is inactive and customs policies and procedures are not yet compliant with international standards. There are thus plans to become an active member.

Ongoing work

There are ongoing works to implement a desperately needed Customs administration reform and create a more efficient and transparent Customs administration (shifting customs duties from specific to ad valorem) across Somalia that leads to increased revenue. The implementation of these reforms is divided into different phases, and first phase is expected to be in place first quarter of 2017.



WCO assists the Mauritius Revenue Authority Customs Department to set up an enquiry point



In response to a request for technical assistance in the setting up of an Enquiry Point as provided for under Article 3, WTO Agreement on Trade Facilitation (WCO TFA) at the Customs Department of the Mauritius Revenue Authority (MRA), two WCO Experts namely, Ms Gustafsson Agneta from the WCO Secretariat & Ms Beukes Susan from Namibia Customs had facilitated a workshop held in Mauritius from 06 to 10 June 2016 with the support of the China Cooperation Fund.

In his address during the official opening of the workshop, Mr Sudhamo Lal, the Director General of the MRA highlighted that the Mauritius was the fourth country to submit its Instrument

of Acceptance of the WTO TFA and the first African country to submit the Category "A" list of the WTO TFA provisions that it will implement upon entry into force of the Agreement. The setting up of Enquiry Points under Article 1.3 WTO TFA, is one out of the six Category 'C' commitments of Mauritius.

The workshop consisted of working sessions with Customs officials of the Customs department with the conclusion of a SWOT analysis on the current system for attending to queries and providing information to stakeholders and the public in general. A dedicated session involving the participation of the MRA

Customs' stakeholders in the supply chain was also held and attended by representatives from some 28 economic operators and other government regulatory agencies. The session enabled the experts to gather stakeholders' feedback on the MRA Customs current information service as well as proposals for improvements.

The main outcomes have been the development of a draft Action Plan and an Implementation plan for the setting up of a centralised Enquiry Point at the MRA Customs Department and their subsequent presentation to the Customs Management Team for decision at its end.

Customs Canine Brigade Combating illicit goods in Angola

By: AGT Angola

Founded in 2011 as a recommendation of the World Customs Organization (WCO), the Customs Canine Brigade is today an important supervisory tool in combating the illegal entry of goods into the country.

The success of the operation, Canine

Storm, carried out in Cunene province on the southern border of Angola at the end of last year, once again demonstrated the bravery of the canine brigade which began operating in 2012 at 4 de Fevereiro International Airport in Luanda following a long period of studies on the use of sniffer

dogs as a tool for conducting non-intrusive inspection of baggage and for customs control.

In just 12 days, at the above-referred border, about USD 418,000.00 were seized in the interior of a vehicle driven by a foreigner and 628,060.00 Namibian dollars in another vehicle driven by a local. The brigade also seized 2,096,450.00 Kwanzas from two locals who were attempting to cross the border. The money was covertly hidden in the seats of the vehicles.

With the assistance of the Canine

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Brigade, 451 high-tech phones were seized at the customs post of Santa Clara in the town of Xangongo, and still at the southern border, more than five thousand volumes of various smuggled goods transported in local and foreign vehicles. Upon assessment, of the seized goods, it was possible to recover for the coffers of the state, 1,313,337.00 Kwanzas in revenue. It is further anticipated that another four million kwanzas will be collected once the seized goods are allotted.

The Angola General Revenue Administration intends to extend Dog Training activity to the seven tax regions. This year, the construction of kennels at the 1st and 6th Tax and

hygiene and health of sniffer dogs, ensuring that they are regularly trained. The third is responsible for the planning and execution of operational activities by using risk profiles and action strategy during operations. The Tactical Support is also responsible for securing the center and studying the profiles of potential drug traffickers and illicit goods dealers.

Historical facts

Using dogs to sniff out illegal substances began in the 60s during the Vietnam War (1959- 1975), when the use of heroin by American soldiers became a serious problem for the US Army. The Labrador, Golden Retriever, German shepherd and Belgian shepherd, Malinois are the most used

fox-terrier has 147 million olfactory cells while a man only has five million. Besides sniffing out drugs, these dogs can skillfully carry out other tasks. For example, rescue dogs are trained to locate survivors or dead bodies buried under rubble or lost children.

In the 1960s, in Finland, a Geological Prospecting Institute successfully trained German shepherds to locate deposits of minerals such as copper and nickel. The animals were able to sniff out minerals buried up to 12 meters deep.

Initially

With the National Program of Sniffer Dogs, the then National Service of Customs took part in the International Contest of Good Management Practices with Sniffer Dogs in the Republic of Argentina where it was declared the winner in the Category B. As a reward, Angola received the first Labrador named Pucara, specialized in sniffing out drugs.

Deployed in 2012, the Brigade is composed of eight German shepherds and Belgian shepherds, Malinois which patrol and conduct searches in view of reinforcing control and surveillance at



Customs Regions is a priority. The aim is to protect the society from the entry and exit of prohibited or illegal goods at airports, ports and land borders just like in other tax and customs administrations.

The Brigade

The Customs Canine Brigade integrates three areas which respond to a Coordinator: The Administrative Support, Animal Support and Tactical Support areas. The first is responsible for managing and implementing administrative procedures. The second deals with management, maintenance,



breeds in combatting drug trafficking. These dogs have a very acute scent, thanks to their more than 200 million olfactory cells. As a comparison, the

the borders to discourage tax evasion and illegal migration and combat other crimes such as burglary.



WCO Workshop on Time Release Study in Mauritius from 04 to 08 April 2016

In the context of technical assistance under the World Customs Organisation (WCO) Mercator Programme, a national workshop had been conducted from 04 to 08 April 2016 at the WCO Multilingual Regional Training Centre, Custom House, Mer Rouge, Mauritius with support from the Customs Cooperation Fund of Japan. The objective of this workshop was aimed at building internal capacity at Mauritius Revenue Authority (MRA) in conducting Time Release Studies

representatives from the various stakeholders in the supply chain, both private and public sectors, inter alia, private institutions, cross border regulatory agencies as well as MRA Customs.

In his speech on the official launching of the workshop, Mr Sudhamo Lal, Director General of the MRA had underlined that this event was a testimony of the unflinching quest of the MRA to reform and modernize

its customs administration and to continually build its capacity to face the challenges and to tap into the opportunities of the 21st Century. The workshop was also an opportunity to raise awareness among all stakeholders and economic operators on the relevance and importance of Time Release Studies for the country in the identification of bottlenecks in the supply chain with the ultimate aim to enhance trade facilitation, thereby



(TRS) with a view to addressing one of Mauritius Category C commitments under Article 7.6 of the WTO TFA which pertains to the measurement and publication of the average release time of goods periodically and in a consistent manner.

The workshop which was facilitated by two eminent WCO Experts, Mr. Rajendra Meena from India and Mr. Oluimo Da Silva from the WCO Secretariat, had been attended by 50 participants comprising of

this event was a testimony of the unflinching quest of the MRA to reform and modernize its customs administration and to continually build its capacity to face the challenges and to tap into the opportunities of the 21st Century.

improving the country's competitive edge. Participants were explained the WCO methodologies for conducting a TRS, and given the opportunity to map the cargo clearance process for import and export of cargo in Mauritius.

The workshop was concluded on 08 April 2016 with the unanimous desire of all participants to recommend to their respective management to actively participate and collaborate with MRA Customs in conducting the forthcoming national TRS.



Coordinated Management of Mozambique's Borders: Challenges for Implementation

By *MARCOS Miguel*, Mozambique Revenue Authority*

On January 26, 2016, the World Customs Organization (WCO) celebrated 64 years of representing customs administrations (now numbering 180 and accounting for approximately 98% of international trade). The WCO promotes the use of information and communication technologies by customs administrations and other stakeholders under the motto: "Digital Customs: Progressive Engagement."

Finance and Investment Protocol.

These agreements aim to facilitate regional trade through procedures to enhance speed, convenience, simplicity, safety, and interaction among the border control institutions.

The concept of coordinated border management arises from the current customs challenges posed by the increased flow of commercial transactions combined with increased illicit trade and transnational crime. The efficiency and effectiveness of

same information among all institutions performing compliance checks at the borders. The vertical perspective ensures that all government employees operating on the border share the same procedures and policies.

This concept also has a national and an international dimension, both in terms of coordinating among national institutions and promoting cooperation between customs authorities of different countries. Information sharing between national customs and customs of neighbouring countries currently lacks a systems compatibility check, so this too is an important aspect to be taken into account.

The implementation of one-stop border posts ultimately requires the adoption of common policies and strategies between countries that share a common border. The core components should include the priority lines of action, deadlines, budget for infrastructure, and relevant training programs, and every component of the fight against smuggling, drug trafficking, human trafficking, money laundering, terrorism financing, and other forms of fraud.

This has in turn required the sharing of intelligence when there is a need to carry out joint operations. Additionally, there is also a need for skills transfer to ensure that all countries and agencies have the relevant expertise. The exchange of experience to support training of officials can occur between South Africa and its neighbouring countries.

The SADC emphasizes the coordination of the Southern African Regional Police Chiefs Cooperation Organization (SARPPCO) and the creation of the Single Clearance Point at Border Posts at all border crossings, by agreement with neighbouring countries (Botswana, Lesotho, Mozambique, Namibia, Swaziland, and Zimbabwe). This consists of a one-stop post through which foreign tourist visas are processed

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Customs authorities in Mozambique began using information technologies in 1997 with the Trade Information System (TIMS), and Mozambique upgraded to the Single Electronic Window in 2011. The Single Electronic Window currently processes 90% of import and export declarations.

This article focuses on operationalizing the agreements on one-stop border posts that Mozambique has with neighbouring countries South Africa, Malawi, Tanzania, and Zimbabwe. Mozambique participates in the implementation of the Southern African Development Community (SADC)

both key aspects of Customs work can be achieved only if the various entities that control the borders carry out their activities in a coordinated manner.

The WCO dedicated 2015 to Coordinated Border Management to encourage customs administrations to promote partnerships to improve goods processing at borders, namely among Customs, Immigration, Police, and Border Guards, as well as Health, Veterinary, Agricultural and other officials.

The concept of coordinated border management is built on two dimensions. The horizontal aspect involves sharing the



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in each entry border by joint teams with final approval given on the South Africa side of the border. This streamlined process was applied to issue visas to 309,554 foreign visitors arriving in South Africa to attend the 2010 World Cup.

Coordinated border management introduces an innovative approach that breaks with the traditional model of border management. The modern approach is supported by information and communication technologies for verification of visas in passports, electronic clearance of goods, electronic verification of registration of cars, etc. This represents a series of steps in moving from the paper-based process to e-border customs management.

To achieve efficiency for government institutions, I recommend maximizing the use of information technologies for information sharing and to improve management processes that can benefit from modernization.

The adoption of the SADC Finance and Investment Protocol helps to improve the efficiency of financial institutions of SADC member countries when it comes to combating money laundering and terrorist financing. In border control, particular attention should be given to the the facilitation of regional trade to promote regional development corridors, with a view toward implementing the SADC Customs Union.

The other important component to coordinated border management is the relationship between customs authorities and risk management practices. Risk management allows

Customs to select imports and exports suspected of containing merchandise to find evidence of fraud through scanning and physical inspection where applicable.

The use of risk management requires creating and sharing a database on imports and exports with the SADC member states. In the case of a suspicious container, an electronic alert in the system would go off so that authorities can intervene. Information sharing between countries should be extended to all import and export declarations and should be accessible to all employees assigned to the one-stop office. And modernizations such as biometric passports should improve the detection of counterfeit or stolen passports as well.

The Government of Mozambique must now determine the key next steps for coordinated border management among national institutions, allocating both human and financial resources, building appropriate infrastructure and properly training human resources.

Particular attention should be devoted to English language training for national staff, and training of foreign border officials in Portuguese to better understand the documents, legislation and other necessary elements. Bilingual functionality can obviate the requirement for translation of authentic documents and increase public trust.

The center piece of this concept is effective information sharing, flowing from top to bottom (vertically) and across institutions (horizontally). Building trust and better collaboration across

teams requires employees to know their responsibilities and those of other employees in other institutions. This can be aided by a detailed internal procedures manual for government institutions to improve clarity and consistency and eliminate duplication of procedures.

Rather than immediately allocating human and material resources, member states involved in coordinated border management agreements should initiate a change-management process first, which can be accomplished by setting up joint teams across institutions and across borders, through a series of seminars.

Taken together, these steps can facilitate regional trade, promote development corridors, maintain security, and reduce illicit trade, all of which helps to achieve a balance between trade facilitation and enforcement controls.

*Marcos Miguel is a Customs Senior Officer at the Mozambique Revenue Authority (MRA). He holds an MBA in Customs Management awarded by ESAMI (Eastern and Southern Africa Management Institute). He contributed this article as follow-up to his participation in the Africa Tax Dialogue held in Maputo, Mozambique in November 2015. His MBA discussed

"The integration of Single Electronic Window and e-Taxation to improve regulatory compliance and service delivery at MRA."



Botswana Unified Revenue Service and Lesotho Revenue Authority sign Memorandum of Understanding

Botswana Unified Revenue Service (BURS) and Lesotho Revenue Authority (LRA), on Tuesday 24 November 2015, signed a Memorandum of Understanding, the purpose of which is to solidify the already existing relationship between the two revenue administrations. The nature of co-operation will amongst others include the exchange of information and

out of the excellent relationship that the two countries have enjoyed stretching many decades.

“Botswana and Basotho share a common destiny and heritage. The two countries are founding members of the Southern African Customs Union (SACU) which is reputed to be the oldest and longest surviving customs union in the world

this challenge and make it flourish. Mr. Morris underscored the fact that the era of globalisation, has facilitated more international trade, but has also brought with it very complex tax compliance issues such as transfer pricing, base erosion and profit sharing, among others, and it is for this reason that it is imperative that we enter into such an agreement.

For his part, the Acting Commissioner General of Lesotho Revenue Authority Advocate Realeboha Mathaba, expressed appreciation and congratulated the leadership of BURS for agreeing to and bringing the partnership to reality. He reiterated the sentiment that BURS and LRA enjoy a long-standing friendship spanning several years and that this initiative would only cement the partnership. Mathaba further said, “through the launch of this strategic arrangement, I strongly believe that knowledge and understanding of an increasingly interconnected world will help staff from both administrations become responsible and successful leaders.”

Mathaba indicated that through effort and commitment, the relationship between the two organisations would grow stronger and made a commitment towards ensuring that LRA does its part for the successful implementation of the MOU.

The MOU was signed in Maun at Maun Lodge, demonstrating the importance and equality that Management attaches to all offices throughout the country.

BURS also has in place similar agreements with revenue administrations in Swaziland, South Africa and Zimbabwe.



The Commissioners General signing the MoU

best practices on revenue modernisation, technical assistance through capacity building and training, and the development of common approaches towards risk profiling & assessment and illicit revenue collections.

Speaking at the event, the Commissioner General, Mr Ken Morris, said initial discussions between the two Revenue administrations about the development of the MOU started in October, 2014, where the motivation to enter into the MOU was born

dating as far back as 1910,” he said and further pointed out that both countries also have membership of different regional and international political and economic groupings such as the Commonwealth, the Southern African Development Community (SADC), the United Nations Organisation (UNO).

Although the volume of trade between the two countries is negligible, the MOU presents an excellent opportunity for cooperation between the two tax and customs administrations to address



Members of the media were also present at the event



Done deal - Exchanging of the documents



Regional Approach to Implementation of WTO Trade Facilitation in the EAC

By **KENNETH Bagamuhunda**,
Director, Customs East African Community

The East African Community (EAC) has been implementing Trade Facilitation (TF) such as harmonization and simplification of trade documentation and procedures in line with the Treaty Establishing the EAC, the EAC Customs Union Protocol, and EAC Common Market Protocol.

Article 74 of The Treaty for the Establishment of the EAC provides that 'in order to promote the achievement of the objectives of the Community as set out in Article 5 of the Treaty, and in furtherance of Article 2 of the Treaty, the Partner States shall develop and adopt an EAC trade regime and cooperate in trade liberalisation and development in accordance therewith'. Article 75 (1) of the Treaty for the Establishment of the EAC provides for simplification and harmonization of trade documentation and procedures.

Furthermore, Articles 6 and 7 of the EAC Customs Union Protocol provide for cooperation on trade facilitation initiatives at a regional level. Specifically, the article provides for reducing the number and volume of documentation required in respect of trade among the Partner States; and adoption of Common standards of Trade documentation and procedures within the Community where international requirements do not suit the conditions prevailing among the Partner States.

The WTO Agreement on Trade Facilitation (TFA)

The WTO Agreement on Trade Facilitation (TFA) (Bali Agreement) was adopted by the WTO General Council in November 2014. TFA is aimed at facilitating trade by simplifying, harmonizing, standardizing trade procedures and making them transparent so as to reduce time and cost

of any trade operation. Trade Facilitation is of essence to trade competitiveness and economic growth in developing countries and least-developed countries (LDCs). The contribution of TF reforms to development is three-fold:

- a) Trade Facilitation is fundamental to integrate developing countries into the regional and global supply chains and international logistics networks.
- b) Trade Facilitation improves the administrative efficiency and effectiveness to achieve better controls over international trade transactions by regulatory authorities.
- c) Trade Facilitation reforms are increasingly seen as a development tool.

The WTO TFA aims to fast track the movement of goods among countries by cutting down red tape and triggering TF reforms. The TFA also provides for commitments from both, developing and developed countries, as regards its implementation. Indeed, WTO developing countries and least developed countries are to implement the measures in line with their capacity, and developed countries are to support developing members to acquire the necessary capacity.

EAC Post Bali situation

EAC Secretariat conducted various meetings to ensure coordination as a Customs Union. In line with Article 24 (5) of the TFA, the EAC Partner States decided to coordinate the implementation of the TFA as a bloc and established a Regional Trade Facilitation on Sub-Committee to work with the EAC Partner States' National Trade Facilitation Committees which Partner States have established under Article 23 (2) of the TFA.

The objectives of the Regional Trade Facilitation Sub-Committee are to:

- i. coordinate the implementation of trade facilitation at the EAC regional level based on the EAC instruments and the WTO TFA;
- ii. ensure the convergence of the national implementation plans;
- iii. coordinate capacity building and sensitization of stakeholders on the TF; and
- iv. mobilize resources to implement trade facilitation measures at the regional level.

In addition, Sectoral Council on Trade, Industry, Finance and Investment directed that individual EAC Partner States could notify additional Category A measures based on their Country Specific Needs Assessments.

The Sectoral Council on Trade, Industry, Finance and Investment during its meeting in May 2015 directed the EAC to develop an EAC Regional Trade Facilitation Implementation Action Plan. The EAC Regional Trade Facilitation Implementation Action Plan will also serve as a basis for the EAC in its bilateral relations with Development Partners on the technical assistance and financial support required for smooth implementation of trade facilitation.

The Regional Sub Committee on Trade Facilitation endorsed the regional action plan and among others recommended to the Committee on Trade to:

- a) direct the Secretariat to prepare draft project proposals on the measures under Regional Trade Facilitation Implementation Action Plan and submit to the Partner States for comments by end September 2016;
- b) direct the Secretariat to convene the meeting of the Regional Trade Facilitation Sub-Committee by end of October 2016;
- c) direct the Secretariat to convene Donor Round Table to consider the

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project proposals under the Regional Implementation Plan on the WTO Agreement on Trade Facilitation; and d) urge Partner States to finalize national project proposals for tabling during the Donor Round Table.

National updates

All EAC Partner States notified their category A and they are in process for notifying B and C. the status is hereunder as follows:

1. Burundi has established the NTFC and has developed a draft National Action Plan. Burundi has not yet ratified the WTO Agreement on TF.
2. Kenya has established the NTFC

- and is in the process of gazetting the NTFC. Kenya has developed a draft National Action Plan for of all category B and C Measures and also ratified the WTO Agreement on TF.
3. Rwanda has established the National Trade Facilitation Committee and the training of the Committee is scheduled for July, 2016, a draft National Action Plan has been developed. Rwanda is in the process of ratification of the WTO Agreement on TF.
4. Uganda has established the NTFC and developed a draft National Action Plan. In addition, Uganda has undertaken a review of the draft Regional Action Plan and separated measures to be under

taken at national and regional levels. Uganda has not yet ratified the WTO Agreement on TF.

5. Tanzania is expected to launch the NTFC by early July 2016. Training of the NTFC was undertaken. A draft National Action Plan was developed based on the 2014 needs assessment. Tanzania has not yet ratified the WTO Agreement.

Conclusion

The next step on the Regional Trade Facilitation Implementation Action Plan include the formulation of project proposals for the measures to be undertaken on regional level and aligning the projects should be aligned with the Single Customs Territory framework.

JICA support for one-stop border posts in East Africa

The East African Community (EAC) now includes six Partner States in the Eastern African region: the Republic of Burundi, the Republic of Kenya, the Republic of Rwanda, the Republic of South Sudan, the United Republic of Tanzania, and the Republic of Uganda, with a total population of 176.5 million. In 2004, the EAC Partner States signed a Customs Union Protocol creating a regional trading bloc with a common foreign trade policy, and in 2010 they signed a Common Market Protocol to create a common market for goods, labor, and capital.

The region is continually enhancing its competitiveness as a suitable trading destination, and endeavors to develop its capacity and efficiency and effectiveness in cross-border trade while addressing barriers to trade. Some challenges noted in tandem with growth in international trade volumes,

as well as the movement of people across the borders, include lengthy and cumbersome clearance procedures; inadequate infrastructure; and limited capacity for efficient movement of goods across the borders. These factors led to the pursuit of new models for implementation of necessary reforms and modernization.

The solutions implemented to this end have included development of both hard and soft infrastructure in addition to human resource capacity development. These solutions have been guided by various international

agreements and instruments, such as the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures of the WCO and Article 8 of the Trade Facilitation Agreement of the World Trade Organization. The One-Stop Border Post (OSBP) concept is one of the modern approaches for improving border operations and facilitating trade. The concept aims to reduce clearance and travel times, by requiring stopping only once at the border to undertake the crossing formalities.

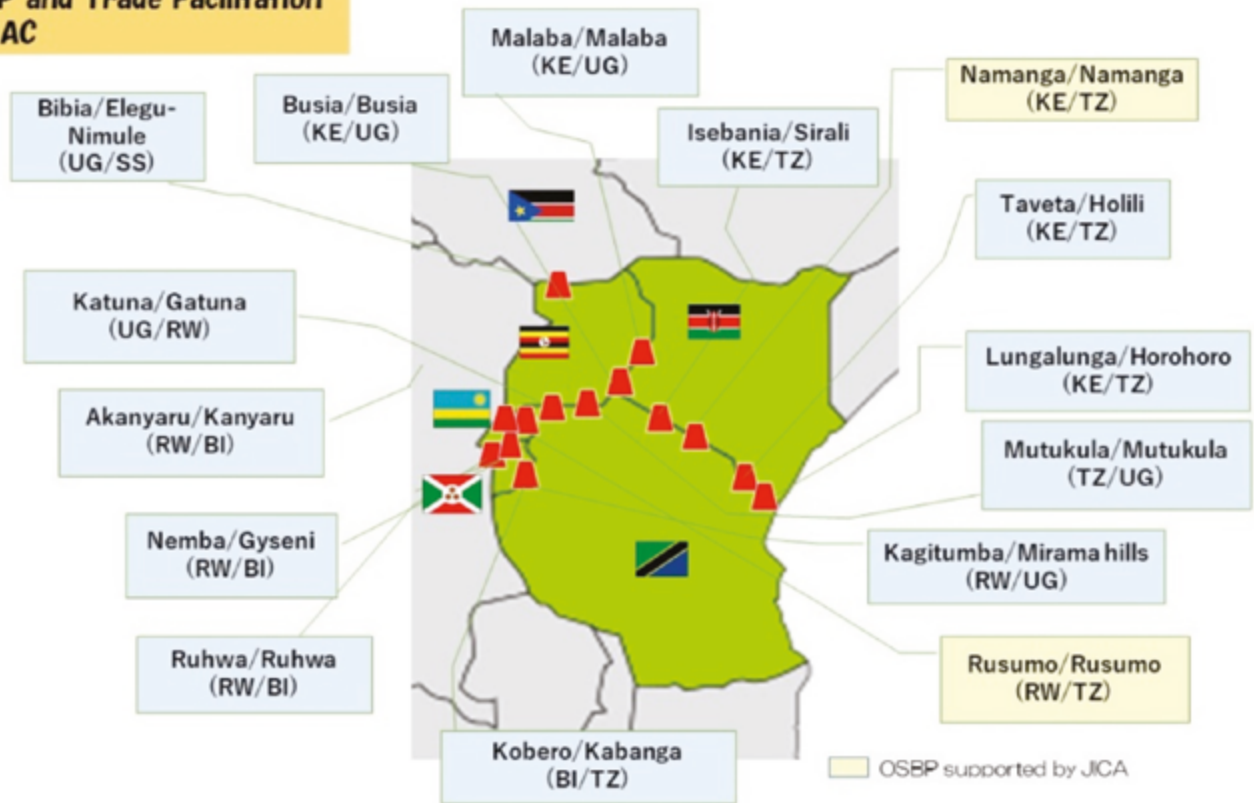
The Japan International Cooperation Agency (JICA) has committed to supporting OSBP initiatives under the framework of the Tokyo International Conference on African Development (TICAD), which has been held about every 4-5 years in Japan, and co-hosted by Japan and relevant organizations to promote high-level policy

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the Project has facilitated the establishment and strengthening of consultative forums for the Border Agencies of EAC Partners States.



OSBP and Trade Facilitation in EAC



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dialogue between African leaders and development partners. During the TICAD-V, held in Yokohama in June 2013, the Government of Japan pledged to support OSBP projects in order to promote smooth and efficient cross-border clearance, trade facilitation, and regional integration. The border crossings assisted by the Government of Japan, through JICA, are located across Western, Eastern, and Southern Africa, and the type of support has ranged from technical assistance to grant and loans.

In the EAC region, One-Stop Border Posts at Rusumo (between Rwanda and Tanzania) and Namanga (between Kenya and Tanzania) have been constructed with support from JICA in collaboration with the respective governments and development partners including the African Development Bank, while technical assistance has been provided by JICA's Project on Capacity Development for International Trade Facilitation in the Eastern African Region.

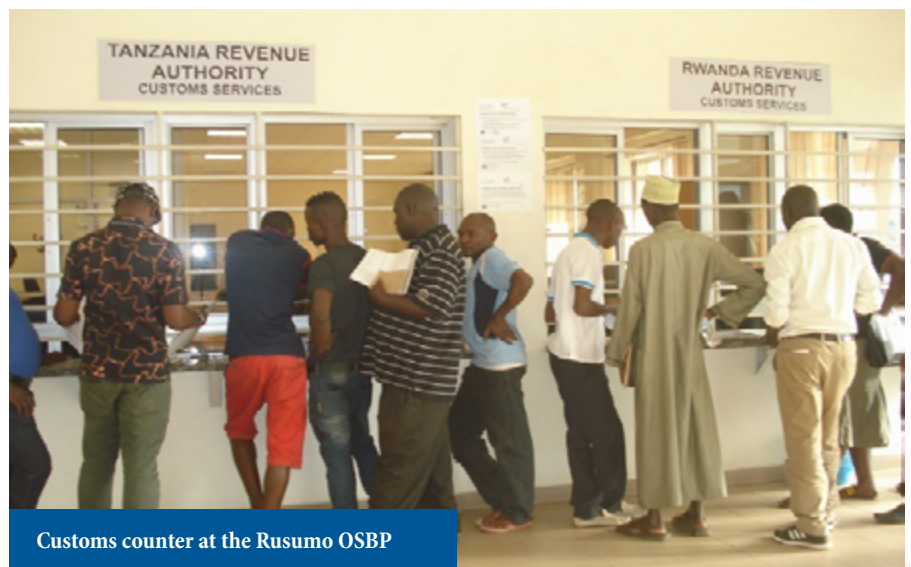
In general, the successful operation of an OSBP requires the following

key elements: (i) hard infrastructure including OSBP facilities and parking; (ii) interconnectivity and ICT systems; (iii) a well-structured legal and institutional framework; (iv) streamlined procedures; (v) capacity development (training and sensitization); and (vi) a mechanism for rigorous evaluation, including baseline and impact surveys).

Putting up OSBP buildings, no matter how impressive, may end up wasting

scarce resources if they are not effectively or efficiently used by border control agencies and users such as clearing agents and truck drivers. Responding to this, the Project has been providing capacity building activities for border officials and private sector users, and has conducted sensitization activities to promote the smooth and speedy clearance of cargo at the OSBPs.

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Customs counter at the Rusumo OSBP

**Rusumo OSBP (Rwanda side)**

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Further, the Project has facilitated the establishment and strengthening of consultative forums for the Border Agencies of EAC Partner States. A series of Joint Technical Committee (JTC) meetings has been organized to develop the OSBP operational manuals for the Namanga and Rusumo border crossings respectively. The manuals have facilitated understanding of the objectives of the OSBPs and how to apply the new procedures in line with the signed bilateral agreements.

Another activity has been the formation of Joint Border Coordination Committees (JBCCs), which serve as platforms for addressing emerging issues and ensuring smooth border clearance operations.

The EAC Partner States commenced OSBP operations under the framework of bilateral agreements and this institutional framework was later strengthened by the enactment of the EAC OSBP Act, 2013, and the EAC OSBP Regulations, 2016. In order to ensure that these border posts are fully operational, cooperation with various partners, notably the East African Revenue Authorities and Partner Border Agencies, the EAC Secretariat, and collaboration with other key development partners such as WCO, TradeMark East Africa, the International Organization for Migration, the African Development Bank, and the World Bank has been pursued. In this regard,

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**OSBP Training at Namanga****Signing of Minutes of 2nd Regional Technical Committee meeting in Jinga, Uganda**



1st Regional Technical Committee Meeting in Arusha, Tanzania

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the Project has provided support through the EAC Secretariat to draft a regional OSBP Procedures Manual, to enable uniform interpretation and application of the regional Act and Regulations. It has been designed to enable border officers, facilitation agents, transporters, border community residents, and others concerned to understand the procedures for operating OSBPs.

The effectiveness, efficiency, and impact of the fully operational One-Stop Border Posts at Rusumo and Namanga will be assessed towards the end of the Project in 2017, by comparing these "after" results with the "before" situation documented in the baseline time measurement surveys conducted at these border crossings in 2014. Other planned activities include the launch of the Project on Development of WCO Transit Guidelines in 2016, by the WCO and JICA. These guidelines will recommend desirable transit regimes and related initiatives including OSBPs.

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