The Commission of the African Union in conjunction with the World Customs Organization Regional Office for Capacity Building Eastern and Southern Africa Customs Regional Trade Facilitation Forum from 21st – 22nd December, 2016 in Antananarivo, the Republic of Madagascar.

The Forum was organized in line with the Action Plan for Boosting Intra-African Trade, endorsed by African Union Assembly of Heads of States and Governments through their decision (Assembly/AU/Dec.394 (XVIII)) on Boosting Intra-African Trade and on the implementation of the World Trade Organization Trade Facilitation Agreement in Africa (Assembly/AU/Dec.531 (XXIII). The Forum explored among other issues; Africa’s Regional Integration Agenda (Boosting Intra African Trade and the establishment of the CFTA), an overview of the Gap analysis Study on the implementation of the WTO TFA in WTO Least Developed Countries, as well as the latest survey on implementation of the TFA in ESA region and country experiences in the Implementation of Trade Facilitation Measures (Challenges and Technical Assistance requirements). The Action Plan for Boosting Intra-Africa Trade specifically aims at deepening Africa’s market integration and significantly increasing Intr Trade.TFA.

To achieve this, the Plan is composed of seven clusters of which one is on Trade Facilitation. One of the immediate actions foreseen under this cluster is the simplification and harmonization of Customs and transit procedures including their inherent documentation and regulations.

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On behalf of ESA ROCB Director, Mr. Larry Liza, allow me to present to you the 4th Quarter newsletter. In this issue the African Union Commission in conjunction with WCO ESA organized a Customs Regional Trade Facilitation Forum in Antananarivo, the Republic of Madagascar. The Forum was organized in line with the Action Plan for Boosting Intra-African Trade. The WCO and the Ministry for Foreign Affairs of Finland signed a new multi-year agreement on a capacity building project themed ‘To progress the trade facilitation (TF) agenda, within the framework of the WCO Mercator Programme in the East and Southern Africa (ESA) Region 2016-2019’. Members are urged to submit project proposals requesting for assistance.

World Customs Organization (WCO) undertook a mission to Rwanda aimed at supporting Rwanda Revenue Authority (RRA) with the implementation of its integrity strategy. And the World Health Organization, in collaboration with the Ministry of Health and Ministry of Finance and Economic Planning of Rwanda, organized a workshop on Tobacco taxation in Kigali, Rwanda.

Under the auspices of WCO/JICA Joint Project, a workshop on the Harmonized System (HS) for Master Trainers of East Africa was held in Nairobi, Kenya. Meanwhile a number of workshops took place at the Regional Training Center, Kenya (Kenya School of Revenue Administration) some being, WCO Risk Management training, Cargo Targeting System (CTS), Regional Seminar on Customs Operational Practices for Enforcement and Seizures (COPES).

Enjoy reading this issue. We urge members to continue sending us articles for publication in subsequent newsletters.

CPA Andrew Odhiambo
Finance Officer and Managing Editor
The East and Southern Africa Region (ESA), just like the rest of Africa can benefit greatly from the implementation of Trade Facilitation measures. This is especially true given that out of the 16 landlocked African countries, 10 are from this Region. Land locked countries are particularly impacted given that most of their trade transits is through their neighbouring. The UN estimates that typically, transport costs are higher for a landlocked country by 50% than in a coastal country, while trade volumes are 60% lower as compared to coastal countries. This scenario then necessitates the need for common approaches in the implementation of Trade Facilitation measures in the Region.

With this realization, trade facilitation has been very high on the agenda in this region, with Regional Economic Communities domiciled in ESA such as the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern Africa Development Community (SADC) playing a crucial and championing role in the implementation of Trade Facilitation Programs and measures.

High Level Meeting on Tobacco Taxation Policy in the African Region

Held in Kigali - Rwanda on 23rd August 2016

The World Health Organization, in collaboration with the Ministry of Health and Ministry of Finance and Economic Planning of Rwanda, organized at Kigali, Rwanda, a two days workshop, from 23rd to 24th August 2016, on Tobacco Taxation in the African Region. The participants are focal points for Tobacco Taxation and Tobacco control in the Ministries of Finance, Ministries of Health and WHO Country Offices from selected countries in the Region, including Burkina Faso, Ivory Coast, Equatorial Guinea, Ethiopia, Gambia, Gabon, Kenya, Liberia, Madagascar, Sierra Leone, Tanzania and Rwanda.

The objectives of the meeting are to:
(i) Share country level experiences in implementing tobacco taxation;
(ii) Identify the main issues and challenges in effecting tobacco taxation policy change at country level;
(iii) Develop the next steps in effecting tobacco taxation policy change in each country.

The Meeting was officially opened by Head of Taxation Policy at the Ministry of Finance and Economic Planning, Mr Emmanuel Nkurunziza, in presence of the Head of Non Communicable Diseases Division, Dr Marie Aime Muhimpundu, Representative of the Minister of Health, and the WHO Representative for Rwanda.
Regional Workshop on Tobacco Control

Dr Olushayo Olu, WHO Regional Office for Africa was represented by the Regional Adviser for Tobacco Control, Dr Ahmed Ogwell Ouma.

Supply of tobacco

In his opening speech, the Representative of the Ministry of Finance highlighted that there is no doubt that tax policy is one of the most reliable instruments for tobacco control. “We need to design our policies in such a way that we reduce both demand and supply of tobacco. We are all convinced that raising taxes reduces the use of tobacco. In addition, tobacco taxation has two objectives equally important. On one hand, taxing tobacco generates more revenue for our Governments and on the other hand, taxing tobacco has an impact on the reduction of consumption of tobacco products. However, it is necessary to mention that it is not enough to increase tax rates but a proper design of our tax policies is also necessary. A proper tax policy design should consider the specificities of each and every country”.

WHO FCTC

The WHO Representative, in his remarks, highlighted that WHO has been working with governments by supporting the Ministry of Finance to implement provisions of Article 6 of the WHO FCTC on tobacco taxation. In fact, it has been demonstrated that increase in tobacco taxes and prices is the single most effective and cost-effective intervention for reducing tobacco use, particularly among the young and the poor. “I would like to invite each of the participants to own the methods and processes to be presented, so as to - have a clear understanding of effective tobacco tax policy despite the reactions of the tobacco industry and to use this knowledge back home to refine their proposals for tobacco tax increase in next finance acts”, he said.

Multimodal

The ROCB represented by CPA Andrew Odhiambo on behalf of the Director, opined that Trade liberalisation and the increasing number of free trade agreements and free-trade zones have added complexity to the international trading system. Perpetrators of commercial fraud take advantage of vulnerabilities presented in the multimodal transportation systems and emerging compound trade patterns to execute a variety of schemes, causing not only significant financial damage to the government’s budget, but also inhibiting the economic competitiveness of compliant traders. He further noted that the proceeds of these crimes could also serve as a potential source to finance terrorist or other trans-national criminal activities. Customs is therefore required to implement effective risk management and control strategies to mitigate threats that may hinder fair and efficient revenue collection and result in increased smuggling. He concluded by noting that to effectively prevent and detect commercial fraud and other forms of illicit trade, a strategic and multi-faceted approach, including capacity building and international cooperation, needs to be implemented.

The meeting ended by proposing a raft of recommendations

• There is need for Countries to learn from each other on tobacco tax policy formulation.

• Capacity Building and Cooperation is vital. This could take the form of more sub regional and national workshops, study tours, create a pool of experts in the Region

• Increase awareness on the importance and impact of tobacco tax is critical

• Strengthen collaboration and partnership especially between Health and other Government departments

• Each country is encouraged to implement the highest possible standard for tobacco tax.
Under the auspices of WCO/JICA Joint Project, which was launched in July 2016 to support trade facilitation in Africa, a workshop on the Harmonized System (HS) for Master Trainers of East Africa was held in Nairobi, Kenya, from 7 to 11 November 2016. Those Master Trainers are Customs officials and have been actively contributing to the capacity development of both Customs and Customs brokers in East Africa.

Twenty-three (23) officials from WCO Supported Customs Administrations in East Africa

For Sustainable Enhancement of Classification Capacity

The World Customs Organization (WCO) in conjunction with the WCO ESA ROCB office, held a Regional Seminar on Customs Operational Practices for Enforcement and Seizures (COPES) between 27th-29th September 2016 at the RTC Kenya, (Kenya School of Revenue Administration). Mr. John Bisong, Chief Manager, Customs and Border Control Southern Region, the opened the workshop. The workshop was attended by 21 participants from various Administrations including Angola, Kenya, South Africa and Tanzania. The three-day workshop raised awareness among WCO Members of the essential role played by the procedures for seizing goods and collecting evidence to support effective and efficient border security practice. The training was delivered to enforcement Officers and prosecutors encouraging them to explore the effectiveness of their systems in terms of both their enabling powers and the more operational issue of how they are implemented.
Burundi, Kenya, Rwanda, Tanzania and Uganda participated in this workshop and developed case studies which reflected the classification challenges faced by both Customs officers and trade communities in East Africa. With the inputs and advice from the experts from both WCO and Japan Customs, participants had intensive discussions on the practical cases submitted by their respective administrations and made outstanding progress for their improvement. The development of case studies is expected to be completed at the next workshop planned in 2017. Once completed, they will be used as training materials for Customs officials as well as Customs brokers and thereby contribute to the regional capacity development on classification.

Amendments
Considering the important roles that Master Trainers are playing in the Customs administrations in East Africa, the WCO introduced in details the scope of HS 2017 amendments with a view to ensuring its uniform interpretation and smooth application. The WCO expert also introduced the materials developed under the WCO Revenue Package to respond to the Members’ needs in respect of fair, efficient and effective revenue collection. Japan Customs shared their experience on the preparatory work for HS 2017 amendments that includes, but is not limited to, revision of domestic laws and regulations, and awareness raising to front line officers and trade communities.

Joint Project
Throughout this workshop, all participants made excellent contributions to improve the case studies and at the same time they deepened their understanding of the WCO tools and instruments relating to classification. At the end of the workshop, the participants agreed to continue their efforts to further review the case studies with a view to finalize them at the next workshop in 2017. The WCO/JICA Joint Project is committed to support these continuous efforts of Customs administrations in East Africa to ensure sustainable capacity development.

Workshop on Cargo Targeting System

The World Customs Organization (WCO) with the WCO ESA ROCB held a training workshop on Cargo Targeting System (CTS) at the WCO Regional Training Centre, Kenya, Kenya School of Revenue Administration (KESRA), Mombasa, Kenya, from 29th August-2nd September 2016. The seminar was attended by Customs Officers from the Customs and Border Control Department. The workshop was considered a core component of the WCO CTS implementation within KRA. This was carried out with the support from the U.S. Department of State, Export Control and Related Border Security Program and U.S. Customs & Border Protection.

Efficiency
The workshop provided hands-on training in the use of the WCO CTS and included creating risk profiles and targeting potentially high-risk cargo consignments. It also explored how the WCO CTS could enhance Customs and Border Control activities. The workshop identified a number of improvements to improve efficiency.

The WCO CTS is a cargo Manifest Risk Assessment and targeting solution developed by the WCO for Customs administrations across the globe that
A New Multi-Year Agreement Signed between WCO and Finland

On 8 July 2016 in Brussels, the WCO and the Ministry for Foreign Affairs of Finland signed a new multi-year agreement on a capacity building project “to progress the trade facilitation (TF) agenda, within the framework of the WCO Mercator Programme in the East and Southern Africa (ESA) Region 2016-2019”. The agreement makes available a grant of 3 Million Euro from the Finnish government to the project over a period of three years.

The new WCO-Finland ESA project is motivated by, and builds on, a previous cooperation agreement between the WCO and the government of Finland, covering the period from September 2011 to March 2016, and resulting in the successful implementation of the project “Building Trade Capacity through Customs Modernization in the East and Southern Africa Region”.

The new project was developed by the WCO Secretariat in close cooperation with the Ministry for Foreign Affairs of Finland and Member administrations of the ESA region.

Capacity Building

Based on regional/national priorities of the project, the new WCO-Finland ESA project will focus on the following components: Trade Facilitation implementation, organizational and Institutional capacity, Human Resource Management development, and building sustainable regional expertise and autonomy. The fifth component, Governance, will be executed through a Project Management Office located in the premises of the ESA Regional Office for Capacity Building in Nairobi, Kenya and with the supervision by a Project Steering Committee.

Signing the Agreement on behalf of the WCO, Mr. Ray McDonagh thanked the Government of Finland for the support, and emphasized the effective implementation of the WTO TFA by Customs as a key priority of the WCO.

Finland was represented by His Excellency Timo Ranta, Ambassador of Finland to Belgium.

Project implementation will start in October 2016. The first meeting of the Project Steering Committee is expected to be convened after the start of the project.

Training workshop on Cargo Targeting System (CTS)

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require such capability. It allows those adopting the solution to implement international best practice in cargo risk assessment including key pillars of the WCO’s SAFE Framework of Standards to Secure and Facilitate Global Trade.

Participants during WCO-CTS Training for KRA officers 29th August-2nd September 2016 at KESRA in Mombasa, Kenya.
The WCO, in partnership with the WCO ESA Regional Office for Capacity building and RTC Kenya held a three-day workshop at the Pride Inn Paradise Hotel, Shanzu, Kenya. The workshop provided relevant stakeholders with the best possible practices and created a favourable environment for sharing experiences on Customs’ operational services criteria used to target high-risk operations that have resulted in recent seizures.

The opening address was given by Mr. Bisonga, Chief Manager, Customs & Border Control. Other stakeholders in attendance included: Mr. Bulle, Anti-Counterfeit Authority, Mr. Wilfig Roge, Institute of Research against Counterfeit Medicines, Mr. Athman Hemed, Kenya Pharmacy and Poisons Board and Right Holders (Unilever, Sanofi, S.C Johnson & Son, Norvatis, BIC and Nestlé). Various countries across the globe were represented in the event. These included: Angola, Benin, Brazil, Cameroun, Cote d’Ivoire, Democratic Republic of Congo, France, Gabon, Germany, Ghana, Italy, Israel, Kenya, Mauritius, Mexico, Mozambique, Namibia, Nigeria, Senegal, South Africa, Tanzania and Togo.

The workshop was aimed at fighting counterfeit and illicit medicines in Pharmaceuticals, while maintaining a general focus on all counterfeit and pirated goods, particularly those that posed a threat to health and safety. Participants had a first-hand learning experience on the latest ploys used by counterfeiters in carrying out their schemes. Moreover, modern methods that levelled with counterfeiters’ imagination were proposed. The workshop was followed by a 10-day operation at the Kilindini Harbour, Mombasa, Kenya.

Risk Management Training for Customs and Border Control Officers-Kenya

The WCO in conjunction with the East and Southern Africa, Regional office of Capacity building held at WCO Risk Management training, successfully, took place at the Regional Training Center, Kenya (Kenya School of Revenue Administration) from the 6th to 10th June 2016. This is a culmination of a 2012 agreement in which WCO, SARS and DFID agreed on a project focused on the Eastern and Southern African (ESA) region.

The training envisaged to ensure that the department embeds its Risk Management principles on the WCO Risk Management Guidelines, Risk Management Compendium volumes 1 and 2, the Revised Kyoto Convention, the SAFE framework of standards, Customs in the 21st century and many more. The areas covered during the training include but not limited to the following:

- An overview of the organization-wide Risk management
- Review of the contents of the Risk management Compendium volumes 1 and 2
- The Risk management process
- Creating and review of risk registers
- Compliance management
- Intelligence support to Customs’
Risk Management Training
Continued from page 8

In the very dynamic operating environment and technology, Organizations will always face internal and external actors and influences that make it uncertain whether, when, and the extent to which they will achieve or exceed their objectives. The effect this uncertainty has on the organization’s objectives is, risk.

The Kenya Revenue Authority’s 6TH corporate plan explicitly outlines the need for the full implementation of the operational and compliance Risk management guidelines at the departmental and enterprise levels. It is in this spirit that there is need for the development of human capacity who can successfully drive this strategic objective to realization.

Expected outcome
1. More effective balance between compliance enforcement and trade facilitation based on best practice criteria.
2. Improvement in Revenue Collection.
3. All KRA CSD officials sensitized towards the need for embracing effective Risk Management Implementation of CSD Risk Management Policy and Plan that is aligned with the KRA’s approved Enterprise Risk Management Framework.

As we create a risk aware workforce, Dr. Michael Ong said in his quote; “Good Risk Management fosters vigilance in times of calm and instils discipline in times of crisis,” let’s all embrace it.

Customs Transit Facilitation Initiatives in Ethiopia and its Challenges

As Trade is a driver of Economic growth, customs is in turn a vehicle for facilitating and managing the international trade, this is due to the fact that it is positioned as an entry and exit point of the transit trade through a border up to the final destination.

Transit trade facilitation can be analyzed in to two broad perspectives – infrastructure which consists of the quality and quantity of physical links of roads and the service perspective deals with the quality of services provided for goods moving on the various routes and this can be again broken down in to logistics and customs service. Hence, this article is limited to the later perspective - transit trade facilitation with the emphasis of customs transit facilitation initiatives and its challenges with the specific context of Ethiopia.

Customs Transit Facilitation

Customs transit is defined in different ways, but all convey the same meaning. Based on revised Kyoto convention customs transit refers to the Customs procedure under which goods are transported under Customs control from one Customs office to another.

Challenges in the Customs Transit Facilitation

- Customs and other border agencies synergy

Different stake holders like transport owners, logistics operators, clearing agents, importers and regulatory bodies involve in the import and export transit operation. Join hand together with stakeholders along the transit route through collaborative approaches has a paramount importance to facilitate the transit trade. But it lacks a comprehensive and collaborative synergy to facilitate this transit trade.

- Non Compliance

Truck drivers sometimes smuggle goods like spare parts and other undeclared goods with legal consignments of importers. Generally whether on the side of the carrier, importer or truck driver there is a violation against the customs law or non compliance within the customs transit operation.

Ethiopia is indulged its self in reforming and modernizing its customs transit operations. To this effect, The Kyoto Convention Guidelines to Specific Annex E Chapter 1 Customs Transit, where, it consists of ten recommended practices and sixteen standards which are mainly focused on Customs, transit declaration,

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WCO Supports the Rwanda Revenue Authority with the Implementation of its Integrity Strategy

At the request of the Rwanda Revenue Authority (RRA), the World Customs Organization (WCO) undertook a mission to Rwanda aimed at supporting RRA with the implementation of its integrity strategy. The objective of the mission included supporting RRA’s Quality Assurance Department with reviewing the Integrity Strategy, integrity training, whistleblower policy, designing terms of reference for an integrity perception survey and making a presentation on the WCO integrity approach during a workshop for stakeholders among the Clearing Agent community. The mission was undertaken within the framework of the Norwegian Agency for Development Cooperation (NORAD) Customs Capacity Building Project.

The WCO mission met with the Commissioner of the Quality Assurance Department and RRA staff involved in integrity matters. It discussed some of the elements of RRA’s Integrity Strategy to ensure it was aligned with RRA’s vision, values and mission as well as with the WCO Revised Arusha Declaration. The WCO and RRA discussed RRA’s integrity training needs which led to the definition of terms of references related to an induction course and the inclusion of integrity in most of RRA’s existing training modules, including at the level of management meetings where integrity would be introduced under the general topic of leadership.

Quality Assurance

Seventy-three Clearing Agents, 22% of whom were women, participated in the stakeholder workshop. The event was officially opened by the Deputy Commissioner General, Mr. Pascal Bizimana Ruganintwari, who spoke about the importance of integrity within the RRA and to Rwanda as a whole and this was followed by some words from the Commissioner of Customs, Mr. Raphael Tugirumuremyi and from Ms. Patricia Revesz, representing the WCO. The Commissioner of Quality Assurance made a presentation on RRA’s achievements in the fight against corruption and invited the participants to comment freely on how to enhance their relationship with Customs with a view to minimize corruption.

Technical

RRA has adopted a sustainable approach to integrity development that is based on an integrity strategy that underpins RRA’s modernization efforts and touches upon the many aspects of the activities carried out by RRA in order to comply with its mission and its values.

A report was handed to the Commissioner for Quality Assurance that includes a way forward that will pave the way of further cooperation between the WCO and RRA with the support of Norad.

The WCO-Norad Customs Capacity Building Project 2012-17 aims at delivering technical assistance to seven countries: Timor-Leste, Liberia, Mozambique, Nicaragua, Rwanda, Tanzania and Vietnam.

For more information, please contact the Project Manager, Ms. Andrea Hampton (Andrea.Hampton@wcoomd.org).
The Government of Uganda embarked on the implementation of a National Electronic Single Window system that allows importers and exporters to electronically submit trade related information required by the various agencies responsible for controlling trade coming into and flowing out of Uganda. Stakeholders in international trade can lodge information and documents with a single entity (once) for purposes of fulfilling import, export and transit trade documentation requirements.

**Tracking System**

The UeSW builds on the current national trade facilitation initiatives in place like; ASYCUDA World, Authorized Economic Operators (AEO) Platform, Electronic Cargo Tracking System, Non-Tariff Barrier (NTB) Identification and Reporting System under the Ministry of Trade, Industry and Cooperatives (MTIC), e-Portals of Uganda National Bureau of Standards (UNBS), NDAMIS for National drug Authority (NDA), and Uganda Coffee Development Authority (UCDA) established to facilitate trade in Uganda.

The UeSW system was officially launched by the Hon. Amelia Kyambadde, Minister of Trade, Industry and Cooperatives on the 4th November, 2016 at the Uganda Revenue Authority. It’s funded by TradeMark East Africa (TMEA).

The expected benefits/outcomes include the following among others:

- 30% reduction in transaction costs for the private sector at URA, NDA, UNBS, UCDA, MAAIF, MEMD and UEPB including demurrage, administrative costs and improved service delivery
- 30% reduction in the average trade document processing time (days) at the above institutions;
- 30% reduction in number of documents (physical paper) required for clearance of exports, imports and transit through the elimination of duplicate processes especially by regulators; and
- A fully operational NESW system designed and operational at all major public and private sector trade regulatory institutions.

The piloting agencies for the Uganda Electronic Single Window are Uganda National Bureau of Standards (UNBS), National Drug Authority (NDA), Ministry of Foreign Affairs (MFA), Ministry of Agriculture, Animal industry and Fisheries, Uganda Revenue Authority, Ministry of Energy Development.

**Vision:**

To be the leading electronic single access platform for international trade

**Mission Statement:**

To provide transparent, efficient, integrated electronic environment that will reduce the cost of doing business and increase trade competitiveness

Launching of the National electronic single window system in November 2016

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Implementation of the National Electronic Single Window System in Uganda

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- Real time communication and follow up transactions between agencies.
- The system enables agencies build strong risk management systems to monitor—accurate information, the compliance history and analyze risk. They will be able to focus on real risk (for examination), target efficiently (document check), accelerate checks, and improve post audit.

Accomplishments for the participating agencies so far:

- Preferential Certificates of Origin are processed electronically, this enables online self-registration of exporters, management of exporters membership and application of the export Preferential Certificate of Origin.
- Preferential Certificates of Origin are processed electronically, this enables online self-registration of exporters, management of exporters membership and application of the export Preferential Certificate of Origin.

All EAC PCO to Rwanda are PDF generated and are accepted in Rwanda.
- Registration of licensed petroleum dealers, electronic sharing fuel marking activities can now be done by Ministry of Energy and Mineral Development (MEMD).
- Seamless system linkages for UNBS and URA enabling sharing of inspection report results.
- Uganda Coffee Development Authority (UCDA) is able to share inspection results, approve and monitor licensed coffee exporters.
- Conducted various sensitizations and training of users.
- Development of the different management information systems for NDA, MAAIF is going.

The success of the UeSW is strongly based on the political willingness & financial support, robust change management strategy, Network connectivity of the different agencies as well as the commitment of the Project Implementation team (PIT) and other agencies.

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