

**USDA/EAST AFRICAN TRANSPORTATION
MANAGEMENT AND HARMONIZATION OF
STANDARDS WORKSHOP**

ARUSHA 10TH - 12TH SEPTEMBER 2001

RECOMMENDATION NO. 1: PORT PERFORMANCE IMPROVEMENT

1.1 Background

The ports of Mombasa and Dar es Salaam are the major gateway to East Africa and the Great Lakes region. Most of the exports and imports from these countries pass through the ports and this emphasizes the crucial role they play in facilitating trade within the region and the outside world.

The flow of cargo through the ports is affected by multiple inefficiencies.

1.2 What is being done (Mombasa/Dar es Salaam)

- Various parties involved in documentation have been brought under one roof to ease and hasten clearance procedures and reduce bureaucracies.
- In case of Mombasa mandatory stamps have been reduced from 18 to 4 late last year.
- There are regular joint meetings between stakeholders on regional basis (under northern and southern corridors).
- The container terminal in Dar es Salaam has been privatized while Mombasa terminal is under discussion.
- Joint verification has been introduced in Mombasa port.

1.3 What needs to be done:

- There is need to streamline documentation procedures further.
- The ships turn around is low and requires improvement to match the best in the industry (15 moves for Mombasa and 20 moves for Dar es Salaam).
- Increasing the moves from the current to at least 35 moves per hour.

- Enhance computerisation in port operations with stakeholders, while the Dar es Salaam container terminal have been computerised.

1.4 Benefits

- Faster clearance of cargo and decongesting of the ports
- Optimum use of the existing resources
- Reduced costs for ship owners and lower prices for imported goods and the regional exports will be more competitive in the world market
- Attract more business to the ports

1.5 Costs

- Rehabilitation/Refurbishment of existing port equipment and acquisition of new ones will require funding.
- There will be a need for training and exposure to port operations for employees/staff (Capacity building).
- Investment in IT (Computerisation).

1.6 Sources of funding

- Individual governments of East Africa Countries
- Inclusion of strategic Partners/Investors
- Donors

RECOMMENDATION NO. 2

EXPEDITED CUSTOMS CLEARANCE AND TRANSIT CONTROLS

2.1 BACKGROUND

Customs Clearance

Customs clearance affects the volume of trade and the speed with which cargo is handled from the port of entry to the final destination. Minimum customs clearance time at loading points, borders and destination points should be determined and adhered to.

Transit Monitoring Controls

The ports of Mombasa and Dar es Salaam are the main gateway to landlocked countries of Uganda, Rwanda, Burundi and Eastern parts of Democratic Republic of Congo (DRC). Goods destined to these countries primarily transit through Kenya and Tanzania. On the other hand the inland ports of Mwanza, Port Bell, Kisumu and Jinja also play a major link to the railway and road transportation system of goods within the region.

As provided for in the Customs and Excise Acts, Customs duties are not collected on goods-in-transit. Instead revenue due is secured by a Customs bond (Transit Bond). Transit country Customs authorities have therefore to contend with the problem of diversion of some of the goods in transit into the local market, hence the need to track and control transit goods. Systems for tracking and control should avoid undue delays for the movement of goods.

2.2 What has been done:

- Multiple Customs documents have been merged into one document-the Single Entry Document (SED) which is in the format accepted in the East African region.
- Establishment of Transit Goods Monitoring Units within the Customs Departments of East Africa.

2.3 What is being done:

- Physical escort of goods in transit in convoys by Customs and Police in Kenya
- Execution of security bonds by transporters of goods in transit within the region.
- Frequent meetings between stakeholders to sort out impediments on clearance and movement of goods within the region.
- Negotiations are being held between Kenya Revenue Authority, Kenya Railways Corporation and Ministry of Finance on the possibility of exemption of transit goods transported by rails (Block trains) from the requirement of a Transit Bond within the northern corridor.
- Negotiations are also being held for a regional customs transit bond to cover transit cargo movement in the East African region.

2.4 What needs to be done:

- Further simplification and harmonization of customs procedures within the region.
- Harmonization of working hours between various departments involved in the clearance and handling of goods within the region. A 24 hours operation is recommended for all departments involved in the handling of transit goods.
- Introduction of a computerized tracking system for transit goods.
- Linkage by computer of Customs authorities and other stakeholders within the region.

- Urgently finalize negotiations for a single regional transit bond and waiver of transit bond for transit goods transported on block trains.

2.5 Benefits

- Enhanced volume of trade and improvement on turn-around time for trucks and railway wagons.
- Improved transit cargo handling and lower costs to operators.
- Easier monitoring of cargo within the region
- Easier and faster bond cancellation for transit cargo, since it will be possible to confirm exportation on the computer system.

2.6 Costs Implications

- Costs related to harmonization of extended working hours for the organizations involved.
- Cost of a computerized cargo-tracking system.
- Cost of re-engineering of the existing systems to accommodate a new document tracking system.

2.7 Sources of funding.

- East African Governments
- Private operators
- Donors agencies.

RECOMMENDATION NO. 3

HARMONISATION OF AXLE CONFIGURATION AND ELIMINATION OF INEFFICIENCIES AT WEIGH BRIDGES WITHIN EAST AFRICA

3.1 Background

Axle load controls are being practised in the three East African states but under different regulations. However while enforcing the rules care should be taken to ensure that the rate and volume of trade is least interrupted.

3.2 What has been done

The governments have sensitised transporters on the importance of axle limits in preserving and protecting roads from damage caused by overloading. The transporters accept the concept and co-operate. In Tanzania management of weigh bridges has been moved from ministry of works to TANROADS.

3.3 What is being done

The governments are introducing single platform computerised weigh bridges to check over loading per axle. The intention is to have the whole vehicle weighting process computerised.

3.4 What needs to be done

- Harmonisation of the axle load limits regulations
- Harmonisation and standardisation of vehicles axle configurations to minimise overloading
- Standardisation of weigh bridge procedures and reducing the number of vehicle weighing points.
- Install weigh bridges at loading points to check compliance and issue certificates.

- Provide the right equipment and facilities for weigh bridge maintenance and calibration.
- Conduct training for staff at weight and measures unit and weigh bridge station.

3.5 Benefits to stakeholders

The benefits accrued include;

- Reduction of vehicle operating costs
- Timely arrival of goods
- Enhanced pay loads and therefore low goods transportation costs and better prices to the consumer
- Reduction of road maintenance costs.

3.6 Costs and Source of Funding

- There will be costs incurred in weigh and measures and weigh bridge operation, improvement and up-dating of equipment and vehicle axle configuration study.
- The source of funding to be from governments and donor community.

RECOMMENDATION NO. 4

IMPROVEMENT OF RAIL TRANSPORT SECTOR

4.1 BACKGROUND

The Railway is a major mode of transportation especially for bulky long haul commodities. It is thus particularly important when it comes to promotion of regional trade. Trade is on the other hand sensitive to, among others, safety, rate of traffic flow, and availability of wagons. There is therefore need to standardize, regulate and enforce wagon axle loads and maintenance of rolling stock and infrastructure with a view to not only enhancing trains safety and encouraging fair competition among the regional railways, but also minimizing undue wear and tear on the rolling stock and rails. In this regard a regional railway harmonization system is important.

4.2 What has been done

- Regulations have been issued to all staff involved in acceptance of goods and seminars have been held with clients to educate them about loading with emphasis on observance of specified wagon load limits.
- Penalties have been formulated for overloading and costs of transshipments to be borne by the consignors.
- In case of Kenya a modern in-motion electronic weigh bridge has been commissioned at Changamwe to detect any overloaded wagons to and from Mombasa.
- A railways task force under the East African Community secretariat has been formed to address modalities of harmonizing the restructuring of the railways systems in the region.

4.3 What is being done:

- Wagon loads are being weighed more efficiently through the modern electronic in-motion weigh bridge at Changamwe and random weighing is being done at a selection of up-country stations using the older static manual weigh bridges.
- Safety audits are being conducted on wagon weights and deterrent measures taken to non-compliant members of staff and customers.
- A consultancy is being considered to study and assess the restructuring process for the Railways of East African Countries by the end of the year. The study will among others cover management, infrastructure, legislation, and investment issues.

4.4 What needs to be done

- Review the axle loading and maintenance standards established during the previous East African Community and confirm their validity or otherwise propose amendments where necessary.
- Documenting and measuring losses and excess costs in East Africa rail transportation done to inefficiencies resulting from inadequate re-investment in rolling stock and infrastructure.
- Establish a joint standards monitoring systems and procedures applicable to all the three railways in the region with a view to enhancing fairness, safety and operational efficiency.
- Identify the highest priority areas for investment including but not limited to in-motion weigh bridges at the most strategic locations.
- Explore and identify restructuring options with a view to improving rail efficiency in the region.

4.5 Benefits to the stakeholders

- Wagons loaded within permitted axle loads and properly maintained rolling stock and rails are less susceptible to accidents and thus help not only reduce maintenance and compensation costs to the regional railways but also have goods delivered to destinations in time.
- Whereas reduced accidents is a measure of improved service quality, reduced maintenance costs should to a degree translate into reduced cost of transportation (tariff) which in turn is an encouragement to traders and regional trade as a whole.
- Effectively regulated axle load standards obviate unfair competition in the form of the tendency for traders to go for the overloading (non-compliant) railway routes in preference for the compliant ones. Compliance in regulated axle loads as well as improved rolling stock and track maintenance will also result in improvement wagon turn-rounds.

4.6 COSTS

The main costs involved in this proposal will be those pertaining to:-

- Purchase of modern in motion weigh bridges and re-investment in rolling stock and track.
- Initial and subsequent axle load and maintenance standards reviews and monitoring.
- Facilitating the restructuring process of the regional railways.

4.7 Source of Funds

- Governments
- Investors
- Donor Community

RECOMMENDATION NO. 5

THE NEED FOR DATA COLLECTION/INFORMATION DISSEMINATION

5.1 Background

There is need for better information/data collection and dissemination within the transport industry. One way to do this is through strengthening transport/business associations.

5.2 What is being done?

Initiatives have been taken within the three countries to form transport associations by the private sector. Initiatives have been taken to computerise data where it is available, and attempts are underway to create websites where possible. Initiatives have also been taken to generate data and information to be shared by both the private and public sector.

5.3 What needs to be done?

Where initiative has been taken, support should be extended especially for capacity building. This support should include technical assistance extended to the responsible Associations.

5.4 Benefit to stakeholders

The created transportation database shall be useful and accessible to the private and public sector in the region. This will facilitate planning and efficient management of the transport industry in the region. This will reduce transport costs and facilitate smooth movement of cargo.

5.5 Costs and Source of Funds

The stakeholders have started to contribute towards the formation of associations. In the short run, it shall be necessary to solicit for funding to have the associations started and established. However, the long-term sustainability of the associations shall be the responsibility of their members.

RECOMMENDATION NO. 6

ADDRESS ROAD SAFETY AND QUALITY ISSUES WITHIN EAST AFRICA.

6.1 Background

The position of road safety within the region remains a serious concern to both transit trucks and local transporters. For example in Kenya annual losses occasioned by road accidents are estimated by the Insurance Industry at K.sh. 4 billion.

6.2 What is being done

Under the EAC Secretariat a task force has been formed to address the road safety issues in the region.

It is therefore necessary to legislate Road safety measures.

6.3 What needs to be done

- East African Community has a Task Force on Road Safety. This task force should harmonise and develop programmes and activities of road accident, counter measures, accident rescue, post trauma, publicity and education. In so doing also harmonise various laws touching on this e.g. Traffic Acts, traffic regulations, local government Acts, vehicle inspection standards, registration, vehicle driving standards, transport equipment etc.
- There is need to review, harmonise and enforce regulations governing the transportation of dangerous goods in the region.
- Harmonisation of the third party insurance scheme (yellow card) within the region.

6.4 Benefits to Stake Holders

- Lives will be saved on the roads
- There will be increased confidence in travelling

- Reduced bed occupancy due to Injuries

6.5 Costs

- Cost of enabling the taskforce on safety to finalise its work.
- Cost of reviewing the regulations governing dangerous goods

Source of funds

- Source individual governments
- Insurance companies
- Donor community.