



# ISCOS

## SHIPPING & LOGISTICS

THE OFFICIAL PUBLICATION OF  
THE INTERGOVERNMENTAL STANDING COMMITTEE ON SHIPPING

ISSUE 004  
JAN-JUN 2022

**Uganda  
Signs final deal  
to extract oil**

**Zambia bridge  
opens new trade  
corridor**

**EAC Member States  
stride towards  
Single Window System**



# SHIPPING:

## ISCOS App eases reporting of NTBs

**States focus on rail  
to cut costs**



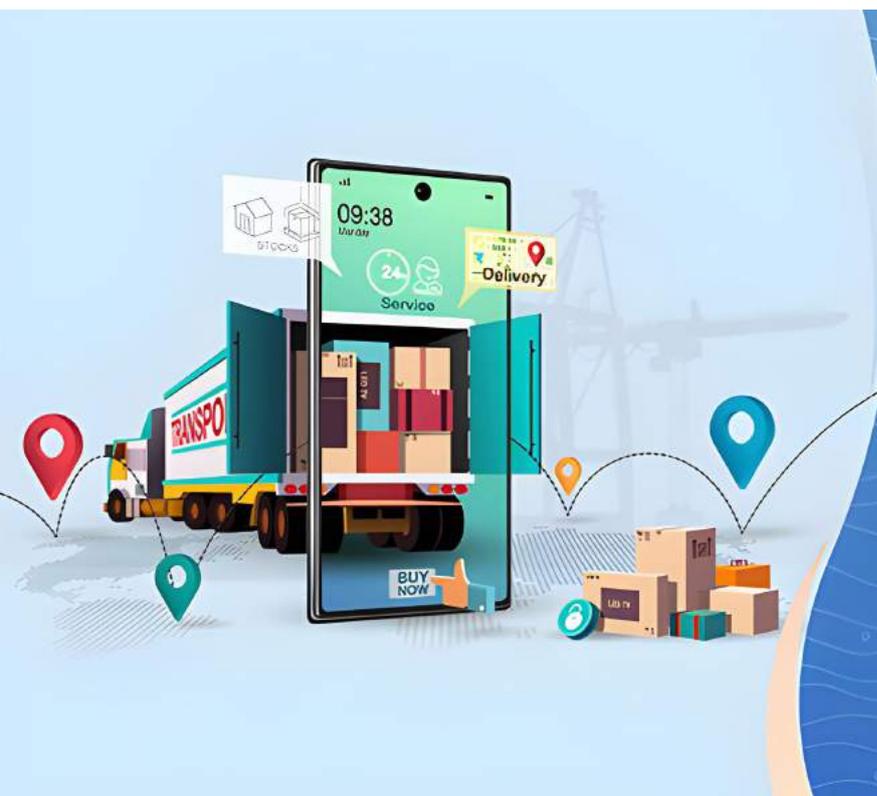
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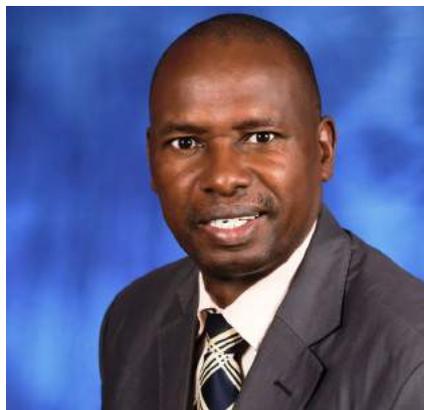
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## Word from **SECRETARY GENERAL**



### Dear Readers,

It is once again my pleasure to welcome you to the 4<sup>th</sup> Edition of the ISCOS' Shipping and Freight Logistics Magazine.

This Edition comes at time when the world is facing serious challenges because of the COVID-19 pandemic. As you may be aware, the Pandemic was first identified as an outbreak of respiratory illness in Wuhan City, Hubei Province, China but later spread to the rest of the world leading to shutting down in schools, places of work, local businesses, both local and international travel as well as international trade.

The resultant effects of the COVID-19 pandemic were eminent in the Freight Logistics and Shipping Sectors with a slow down in the movement of cargo and ships as well as minimal operations at the Ports. Delays in cargo clearance, blank sails, port congestions and long queues at the entry and exit points became a common phenomenon in transport and trade logistics that impacted the global economy negatively. To mitigate some of these challenges, the World adopted use of ICT as a trade facilitation tool. Amidst all this, ISCOS, like other organization continues to play a key role in regional logistics by developing and implementing a platform known as SHIPLINC that can be accessed through the mobile phone for reporting, monitoring and resolving NTBs as well providing information

and support to Shippers (Importers and Exporters) in real time and on continuous basis.

Information Sharing among stakeholders in the Shipping and Freight Logistics industry is quite vital in ensuring that issues affecting the region are handled better in a coordinated manner. Sharing of information also keeps stakeholders abreast of what is happening in the shipping and maritime sector within the region. ISCOS continues to work with other stakeholders to provide physical and electronic platforms for stakeholders to share information, identify and discuss issues affecting the industry and come up with resolutions/solutions to the various challenges.

This Magazine, therefore, gives an overview of the status of various segments in the logistical chain and especially with respect to the challenges of COVID-19 pandemic on both surface and water transport within the Region. It also informs readers of recent regional developments (hard and soft infrastructure projects) in the Shipping and Logistics sector. I hope it will be helpful to you.

Finally, I wish to take this opportunity to appreciate our members states and all our partners for their support which has enabled us to achieve this milestone. I also thank the contributing writers for the well-researched and informative articles.

I believe the Magazine will be valuable to our Stakeholders in the Shipping and Freight Logistics sectors in both the coastal and land linked countries.

**Daniel M. Kiange**  
**Secretary General**  
**INTERGOVERNMENTAL  
STANDING COMMITTEE ON  
SHIPPING**





# INTERGOVERNMENTAL STANDING COMMITTEE ON SHIPPING

## PROMOTIONS & APPOINTMENTS



**Mr. Aderick Ismael  
Kagenzi**

**DIRECTOR**

**Shipping, Ports and Freight  
Services**

Mr. Kagenzi has been promoted to the position of Director - Shipping, Ports and Freight Services. Before his promotion, he was a Programme Manager – Shipping, Ports and Freight Services. Mr. Kagenzi is a Certified International Trade Logistics Specialist with over 20 years of experience in the field of transport with vast knowledge in Ports Management, Shipping, Logistics and Transport, Procurement and Supply Chain Management. He is a Member of the Chartered Institute of Logistics and Transport (CILT).

He has participated in many local and international courses, workshops and seminars on shipping logistics and International Trade Facilitation and Best Practices. He joined ISCOS in 2011 after serving in the public sector at the Ministry of Transport in Tanzania. He also served in the private sector in the Clearing and Forwarding industry. Mr. Kagenzi holds a Master's degree in Business Administration majoring in Logistics and procurement from Mzumbe University in Tanzania. He also holds an Advanced Diploma in Transport Management from the National Institute of Transport in Tanzania and a Diploma in Port Senior Management from Galilee International Management Institute (GIMI) in Israel.



**Ms. Mwanaulu Issa  
Mwajita**

**DIRECTOR**

**Trade Facilitation and  
Policy Harmonization**

Ms. Issa joins the ISCOS Secretariat as Director of Trade Facilitation and Policy Harmonization.

Previously, she was working for Kenya Trade Network Agency (KenTrade) as a principal Business Analyst. She was the Project Manager for the Kenya Maritime Single Window System (MSW) project automating the ship to shore clearance processes for the maritime stakeholders at the Port of Mombasa and the Marine Cargo Insurance Project. Ms. Issa has over 15 years' hands-on work experience in the port and shipping sector specializing in maritime sector system automation projects for Government-Governments (G2G) and Government-Business (G2B) systems for Shipping, Ports, Trade and Logistics stakeholders with a key specialization in Single Window Systems and trade facilitation.

She holds a MSc. Degree in Maritime Affairs specializing in Shipping Management and Logistics from the World Maritime University (WMU), Sweden, MSc Degree in Information Systems (Lund University, Sweden) and a BSc. Degree in Computer Science (Kampala International University, Uganda).

Ms. Issa is certified in PRINCE 2 project management and she is a member of the Nautical Institute (MNI) and the Women in Maritime East and Southern Africa (WOMESA)- Kenya Chapter. She serves as a Board member for the WMU Women's association, Secretary to the mentorship committee of WOMESA Kenya and is the Chair of the technical committee on Shipping, Ports and Logistics of the Association of Maritime Professionals Kenya (AMPK).



**Mr. Jonah Mumbya**

**PROGRAMME MANAGER**

**Shipping, Ports and Freight  
Services**

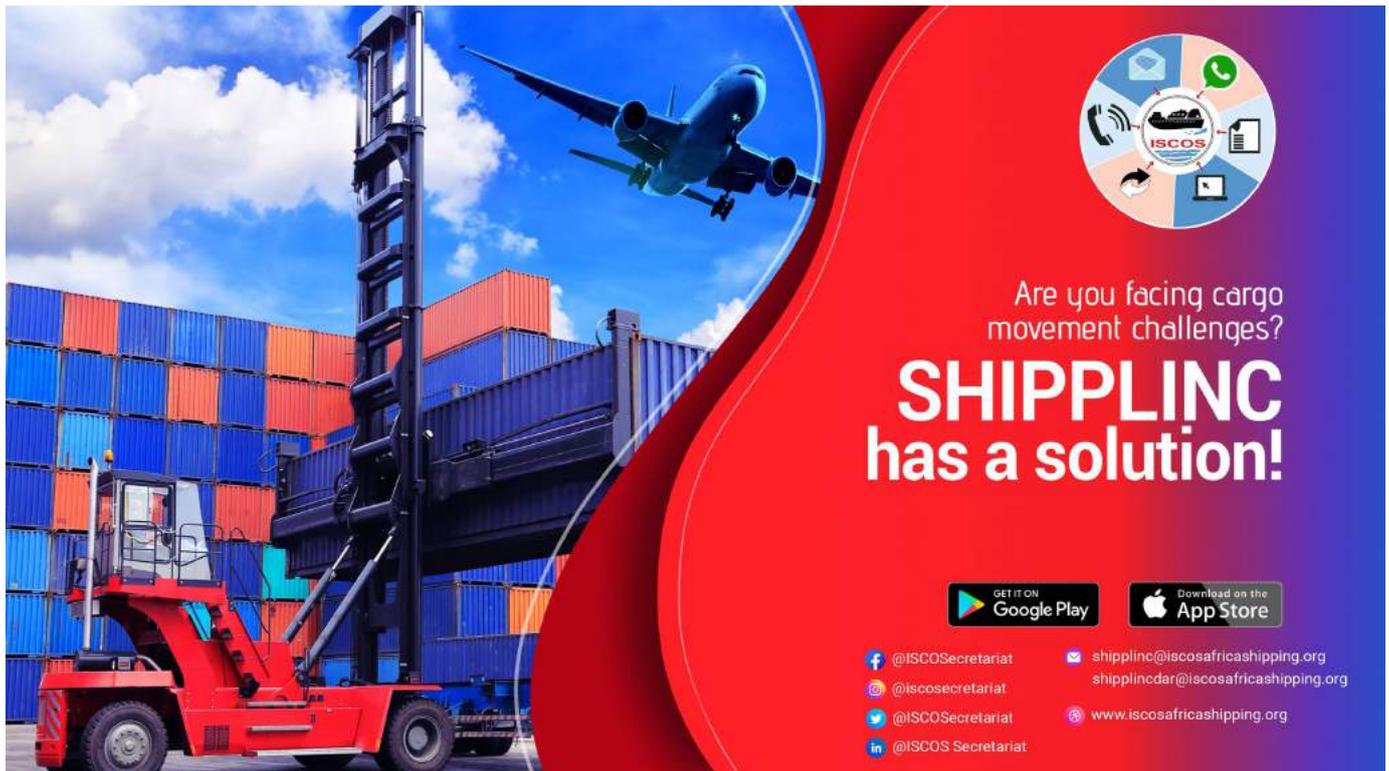
Mr. Jonah Mumbya joins ISCOS as the Programme Manager Shipping, Ports and Freight Services.

Prior to joining ISCOS in 2022, he was a Senior Marine Safety Officer in the Maritime Administration (Ministry of Works and Transport) of Uganda charged with the responsibility of ensuring the safety of maritime navigation on Uganda waterways. He was instrumental in the development of the Inland Water Transport Act 2021 that consolidated all maritime regulatory issues under one law that gives guidance to maritime affairs in Uganda.

During his 11 years at the ministry, Jonah supervised a number of maritime projects including the construction of the new government vessels and was part of the team involved in the development of the Tri-Modal Bukasa Port in Kampala. He was part of the team leading the implementation of the Multinational Lake Victoria Maritime Communication and Transport Project In Uganda with key inputs to the design of Search and Rescue Centres, Aids to Navigation, and Metrological Buoys.

He holds an MSc (Eng) in Transport, Planning, and Engineering from the University of Leeds, the United Kingdom, and a BSc (First class) in Mechanical Engineering from Makerere University.

Jonah is a graduate member of the Uganda Institute of Professional Engineers (UIPE)



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# SHIPPLINC:

## Industry Players can now Monitor AND REPORT CORRIDOR DELAYS

Importers and exporters using Mombasa and Dar es Salaam ports are successfully using a mobile-based application to report, monitor, and resolve Non-Tariff Barriers (NTBs) along the trade and transport corridors they serve. The application was developed by the Intergovernmental Standing Committee on Shipping (ISCOS) in 2020.

**The platform, dubbed “ISCOS Shipplinc”, is accessible via an app that can be freely downloaded by Android and iOS Operating Systems, and provides information on various aspects of freight logistics and international trade.**

The platform, dubbed “ISCOS Shipplinc”, is accessible via an app that can be freely downloaded by Android and iOS operating systems, and provides information on various aspects of freight logistics and international trade, including information on regional trade corridors and port key performance indicators which are fed into the system on a regular basis.

Anyone with a smartphone can now download the application through Google Play or App Store and report Non-Tariff Barriers, report any other incidence, seek information, or give any other feedback through the app. Despite the progress the regional logistics has made, it is still experiencing persistent non-tariff barriers arising from administrative and procedural processes that have increased the cost of doing business. This is what prompted the development of a mobile-based

App.

ISCOS is an initiative of four states – Kenya, Uganda, Tanzania, and Zambia – and plays a key advisory role on shipping and maritime matters, geared towards enhancing regional trade, harmonizing shipping and maritime policy in the Member States and other initiatives geared towards reducing the cost of doing business while improving efficiency in the logistics chain.

The app will also cover the ISCOS non-Member States using the Dar es Salaam Corridor, a multi-modal transport route running from the port in Dar es Salaam through to landlocked Malawi, Zambia, and the southern Democratic Republic of Congo.

Traders using the ports of Mombasa and Dar es Salaam can now report an incident and receive updates of their cargo from loading to the destination on mobile phones using



the new application.

The platform can also be accessed using other conventional means such as telephone, letters, email, WhatsApp etc

Since July 2020, when the platform was launched, it has continued to receive several NTBs and incidences such as; Delays at cargo clearance/transit points, Surcharges/Demurrages at the port authorities; unfair treatment by some agencies; Corruption cases; Vehicle breakdown; Cargo theft/missing cargoes/baggage; inquiries on import/export procedures, Compliments from some satisfied shippers to the organizations that served them well among others.

Most of the delays that have been reported were at border posts, ports and along the corridors.

Corruption is expected to drop once KPA, KenTrade and KRA fully roll out Integrated Customs Management System (iCMS), which will remove all the paperwork in cargo clearance.

ISCOS Secretary General Daniel Kiange, in a recent media interview, said the platform has come at a time when the continent is positioning itself for the African Continental Free Trade Area (AfCTA).

Mr. Kiange said the Shiplinc platform helps reduce some of the risks experienced in the export and import industry by “keeping

you informed on the latest transit updates”.

“The App is simplified to allow anyone in freight and logistics to interact with it and it will end communication gap which has been in the industry for many years. The platform has provisions to report any agency not giving services as required and also getting feedback and any information regarding importation and exportation of goods,” said Mr. Kiange.

The platform which has since been fully launched in East African countries including Zambia is a two-way structured communication platform between shippers, service providers, and policymakers providing meaningful linkages between key players in the industry. Already, users have expressed optimism about the platform since it offers instant, real-time support, and information.

“The application offers a platform to players in the freight and logistics sector since it’s a venue to report incidences, any NTBs and policies which are considered to be bottlenecks in the movement of cargo in intra-regional and international trade right from oversea sources to the place of destination and vice-versa,” said Mr. John Omondi, a Mombasa based importer.

## NON-TARIFF BARRIERS

Non-Tariff Barriers (NTBs) refer to restrictions that result from prohibitions, conditions, or specific market requirements that make importation or exportation of products difficult and/or costly. NTBs also include unjustified and/or improper application of Non-Tariff Measures (NTMs) such as sanitary and phytosanitary (SPS) measures and other technical barriers to Trade (TBT).

NTBs arise from different measures taken by governments and authorities in the form of government laws, regulations, policies, conditions, restrictions or specific requirements, and private sector business practices, or prohibitions that protect the domestic industries from foreign competition.

Non-Tariff Barriers to trade are varied and examples can arise from:

- Import bans
- General or product-specific quotas
- Complex/discriminatory Rules of Origin
- Quality conditions imposed by the importing country on the exporting countries
- Unjustified Sanitary and Phytosanitary conditions
- Unreasonable/unjustified packaging, labelling, product standards
- Complex regulatory environment
- Determination of eligibility of an exporting country by the importing country
- Determination of eligibility of an exporting establishment (firm, company) by the importing country.
- Additional trade documents like Certificate of Origin, Certificate of Authenticity etc
- Occupational safety and health regulation

Among many others.



# IT's Crucial Role as LOGISTICS INDUSTRY NAVIGATES THE COVID-19 CRISIS.



**T**he COVID-19 pandemic that hit the world in 2020, shaking the supply chain to the core, has significantly transformed the role of technology in providing a seamless flow of cargo as the East African countries strived to keep their economies running and flow of medical supply to save lives when the COVID-19 hit the world hardest in early 2020.

Users of a system introduced by the Kenya Revenue Authority (KRA) in 2016 to allow importers to start the cargo clearance process before a ship arrives at Mombasa port recorded a significant increase immediately after the country announced restrictive lockdown measures when the country recorded its first case of COVID-19.

Shippers Council of East Africa (SCEA), in a report, attributed this to the increased awareness of the system on cargo owners and clearing agents, which brought speedy clearance when the cargo dwell time increased in the initial days of COVID-19 because of

measures adopted in the supply chain.

Under the Pre-Arrival Processing (PAP), consignments are custom processed 48 hours before docking of vessels or earlier upon departure from relevant ports of loading. A key benefit of the system is that it will spare importers storage charges both at the Port of entry and Container Freight Stations (CFSs).

This culminated in the launch of the Integrated Customs Management System (iCMS) by the Kenya Revenue Authority (KRA) in 2021, which replaced over a decade-old Simba system that relied on both the online and manual processes to clear the cargo.

iCMS was first rolled out in March 2019 at Jomo Kenyatta International Airport (JKIA) and then at Moi and Eldoret international airports where it is being used to clear both import and export cargo.

Through the Kenya TradeNet System integration with iCMS, all other government agencies involved in cargo clearances have

been brought on board. The Kenya TradeNet System has been operating since October 2013, when it officially went live.

iCMS will enhance faster clearance of the cargo because of the enhanced coordination with the other PGA at Kenya's entry points through the automated exchange of information. The system also provides scheduling of the joint verification to ensure efficient planning of the physical exercise, thus reducing time wastage.

iCMS is also helping KRA to reduce physical cargo inspection by using the system's modern intelligence-driven technology.

The system has introduced efficiency in tax payment by introducing mobile platforms and other payment platforms, such as EFT and RTGS. With the new system, the auction of overstayed cargo will now be conducted through an online platform. The auction has been a tedious manual process that will be replaced by ubiquitous bidding and payment for auction goods. Bidders will place their bids through



the mobile phones and monitor progress and eventually pay if they emerge successfully. iCMS will also allow companies to apply to be considered for AEOs status.

To enhance the flow of the cargo along the Northern Corridor, the East Africa Community (EAC) secretariat rolled out the Regional Electronic Cargo and Drivers Tracking System (RECDTS) to help in cross-border sharing of COVID-19 free certificates electronically.

The Regional Electronic Cargo and Driver Tracking System (RECDTS) that was launched in September 2020 has now addressed border crossing delays and is now seen as a major fundamental change in a seamless flow of the cargo. The system has registered over 90 percent of transit drivers across the East African region.

Whereas it took up to 10 days to get tests on manual systems, the COVID-19 tests once carried out allow the driver to continue with the journey and in case the test turns positive, health officials quarantine them at the next test point.

Every step, data, and information about a driver is monitored at a common command center in Nairobi being run by the Trade Mark East Africa (TMEA). This initiative is also being supported by the East Africa Community (EAC), National Governments, and the private sector.

The EAC secretariat developed this application with funding from European Union, Global Affairs Canada, Danida, Finland, Netherlands, and the United

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**To enhance the flow of the cargo along the Northern Corridor, the East Africa Community (EAC) secretariat rolled out the Regional Electronic Cargo and Drivers Tracking System (RECDTS) to help in cross-border sharing of COVID-19 free certificates electronically.**

Kingdom through TMEA.

Industry stakeholders conceived this application to address the challenges manual certificates faced that included multiple testing of truck drivers at border crossing since there was no framework of mutual recognition of testing and test results across borders.

Cases of documents fraud were also reported where truck drivers would forge national certificates and use them to cross borders. Also, there were cases of conflicting test results - this would happen when the same driver tested in one country having negative results, would be declared positive after being tested again in another country.

In order to find a solution to some of these challenges, the Joint Ministerial meeting of EAC Ministers responsible for Health and EAC Affairs held on the 25th March 2020 directed Partner States to establish a surveillance system to monitor crew health and enable contact tracing.

The system enables digital verification of transit documents and travel authorization by law enforcement, customs, and immigration at border crossings and other strategic locations along the transit corridors. It also facilitates intuitive analyses of data and surveillance of mobility-related to cross-border movements for better management of the pandemic in relation to cross-border mobile population segments.

The system rode on the Regional Electronic Cargo Tracking System (RECTS) platform for tracking cargo movement along the corridors, which previously lacked a component of tracking individuals, which has become necessary in the wake of the COVID-19 pandemic.

The Ministry of Health has an account for relaying test results and another for validating COVID-19 free certificates before allowing the drivers to proceed. Once the testing has been done, electronic certificates are issued in form of a QR code for future scanning and validation by the health officials. No certificates are issued for positive

results and in the event of such cases, the country's health protocols are applied.

By clicking to start the journey, the truck driver's mobile phone will become a tracking gadget and will be visible to command centers until the end of the journey. The command centers share information in real-time.

During the COVID-19 pandemic, shipping industry players launched the Kenya Maritime Single Window System after six months of piloting with selected shipping lines. The system, which significantly improves ship clearing and turnaround, is touted to reduce the cost of business, improve ship turnaround and enhance the country's ease of doing business index.

The project was a brainchild of KenTrade who partnered with the Kenya Maritime Authority (KMA) to develop the system that facilitates ship clearance procedures by providing a single electronic platform for the declaration of information on the arrival, stay and departure of ships, cargo, baggage, crew and passengers between the shipping lines/agents and the approving government agencies involved.

It is a requirement for national governments to introduce electronic information exchange between ships and ports, which came into effect on 8 April 2019. This is aimed at making cross-border trade simpler and the logistics chain more efficient for the over 10 billion tons of goods that are traded by sea annually across the globe.

The requirement, under the International Maritime Convention's (IMO's) Convention on Facilitation of International Maritime Traffic (FAL Convention), is part of a package of amendments under the revised Annex to the FAL Convention, adopted in 2016.

This will reduce or eliminate the manual, decentralized, duplicated, and unnecessary lengthy processes in the maritime sector, which is affecting the ship turnaround time and increased costs at the port of Mombasa.

“The maritime industry in terms of logistics will benefit significantly from the system as it addresses the many unharmonized procedures that will now be delivered in a more coordinated manner,” Ms. Nancy Karigithu, the Principal Secretary in the State Department of Shipping and Maritime Affairs said during the launch of the project in Mombasa last year.

The FAL Convention recommends the use of the “Single Window” concept in which the agencies and authorities involved exchange data via a single point of contact. This, according to Karigithu, will make it easy to share and retrieve data.

It will also improve the country’s competitiveness globally and enhance Kenya’s compliance to over 30 international conventions and protocols it has ratified.

Indeed, the system will go a long way in improving the trading and business environment and enhance the country’s ranking of ease of doing business,” Treasury Cabinet Secretary Ukur Yatani said.

Seven FAL forms have been automated on the MSW for submission for approval by the relevant PGA. These include IMO FAL form 1 - General declaration; IMO FAL forms 2 - Cargo declaration; IMO FAL forms 3 - Ship’s stores’ declaration; IMO FAL form 4 Crew’s effects declaration, IMO FAL forms 5 - Crew’s list; IMO FAL form 6 - Passenger list and IMO FAL forms 7-Dangerous Goods Manifest.

Others include The Last Ports of Call; Maritime Declaration of Health Form; Waste & Fuel Declaration Form; International

Ship and Port Facility Security & SOLAS Forms and Ship Certificates (IMO, Flag State, Class Society, Radio Equipment)

The FAL convention requires all public authorities to establish systems for the electronic exchange of information related to maritime transport marks a significant move in the maritime industry and ports towards a digital maritime world, reducing the administrative burden and increasing the efficiency of maritime trade and transport, according to IMO Secretary-General Kitack Lim.

## Democratic Republic of Congo: EAC’s NEW FRONTIER FOR GROWTH

**T**he focus has now shifted towards the Democratic Republic of Congo (DRC), which is set to join the East African Community (EAC)’s other six member states with each seeking close working ties to exploit the geographically vast and mineral-rich country that boasts of a population of 90 million.

The EAC Council of Ministers, chaired by Kenya’s EAC Affairs and Regional Development Cabinet Secretary Adan Mohamed, gave a nod to the DRC admission during an extraordinary meeting held in late November last year (2021).

“The Summit of EAC Heads of State at their 21st Ordinary Meeting held on 27th February 2021, directed the EAC Council of Ministers to undertake an expeditious verification exercise under the EAC Criteria for Admission of Foreign States,” the council said.

In its 18 Head of State Summit held virtually and chaired by Uhuru

Kenyatta- Kenya’s President, the summit directed the Council of Ministers to expedite a verification mission to the country and report back to the 22nd summit scheduled for next year.

An EAC team visited DRC from June 26 to July 5 last year to verify the country’s level of conformity to the Treaty for the Establishment of the EAC. DRC shares borders with five of the EAC Partner States; namely Tanzania, Burundi, Rwanda, Uganda, and South Sudan.

The report observed that the institutional and legal frameworks, policies, projects and programmes, areas of cooperation with the other EAC Partner States, and DRC’s expectations from her membership to the Community. The final decision will now be made by the EAC Heads of state at a summit to be held later.

The DRC is a member of the African Union, Southern African Development Community (SADC),

Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States, Organization for the Harmonization of African Business Law, and the Economic Community of the Great Lakes Countries.

The EAC will seek to wrestle the DRC from South Africa and Zambia, both members of the Southern African Development Community (SADC), which dominates the export market to Congo, raking in a combined \$2 billion in exports in 2020.

The top 5 export markets in 2020 for DRC were China at \$5.79B, Tanzania at \$1.67B, Zambia at \$1.24B, South Africa at \$1.09B, and Singapore at \$1.02B. For imports, China dominated the scene again at \$1.69, followed by the United States at \$1.42B, South Africa at \$611.68M, Zambia at \$326.09M, and India at \$315.23M.

... Continued Pg 7





## THE TOP 5 DRC MARKETS

In 2020 Exports were:

- China at \$5.79B,
- Tanzania at \$1.67B,
- Zambia at \$1.24B,
- South Africa at \$1.09B,
- Singapore at \$1.02B.

For imports,

- China at \$1.69B,
- United States at \$1.42B
- South Africa at \$611.68M,
- Zambia at \$326.09M,
- India at \$315.23M.

The East African countries of Kenya, Uganda, Rwanda, and Tanzania have scouted for multiple opportunities in DRC, as they seek to expand their market base and take advantage of the enormous population.

EAC Secretary-General Peter Mathuki said that in the spirit of widening the EAC markets, the admission of the DRC into the EAC will be “a huge milestone towards strengthening our economic

agenda.”

Kinshasa will increase the EAC consumer market from 177 million to 260 million people and boost the region’s GDP from \$193 billion to \$240 billion.

“This is good for investors who want to tap such a vast market,” said Manasseh Nshuti, Rwanda’s Minister of State for EAC Affairs. “The DRC has a lot of investment opportunities that other regional companies can harness for the good of the people of East Africa and beyond.”

Being Africa’s second-largest country by landmass, the DRC is endowed with mineral resources and boasts the world’s largest cobalt and coltan reserves, raw materials crucial in industrial and digital applications.

The Central African country also boasts vast agricultural land, the continent’s largest rainforest, and has immense potential for hydroelectric energy production.

DRC has three main economic hubs centered on a large population with significant commercial or industrial bases. Kinshasa and Kongo Central provinces:

It has an estimated population of over 5.5 million inhabitants in the city and 12 million in its urban agglomeration. Kongo Central is the only province in the DRC with direct access to the sea. Then there are Haut-Katanga and Lualaba provinces: These two provinces form the southern economic hub comprising the southern half of the former Katanga province bordering Angola and Zambia.

The third region is North Kivu, South Kivu, Ituri, Bas-Uele, Haut-Uele, and Tshopo provinces: This area of economic activity, from the cities of Bukavu and Goma on the Rwandan border to the river port city of Kisangani to the west, and the gold mines in Bas-Uele and Ituri forms the third economic hub of the country. The area faces chronic instability because of the continuing low-intensity conflict between various armed factions fighting the DRC government and each other. Despite hard conditions, the region is home to several industrial and artisanal mines extracting cobalt, gold, and diamonds, as well as a rich agricultural sector with export potential.



## Union of African Shippers' Councils MoC WITH ISCOS TO EASE TRADE

On 22nd April 2021, ISCOS and the Union of African Shippers' Councils signed MoC to cooperate on all matters relating to shipping, maritime affairs, transport logistics, and international trade. This includes training, information, and support of shippers.

Other areas of cooperation include consultation with carriers/ shipping lines for best sea freight rates and other related charges and surcharges; service providers, best procedures, practices, and related costs of international trade operations.

The two further agreed to work together in appropriate regulations; maintenance of relations with other development partners, regional/sub-regional, international organizations, and transport authorities through mutual projects and studies in matters beneficial to members.

”

It is time for us to rise to the occasion by leveraging relevant technologies to increase efficiency, advise our various governments on required policies and regulations to boost our trade and transport sector and discourage the continuous implementation of processes that contribute to delays and high cost of doing business at our ports.

## KenTrade in Trade Facilitation DEAL WITH ISCOS



In August 2020, ISCOS and KenTrade signed an MoC to work together in a number of areas that include promotion of regional awareness on the roles of both parties in the facilitation of trade in the region and sharing information on matters relating to Trade Facilitation and Shipping.

Other areas of cooperation include promotion of Trade Facilitation Platforms and Systems for the region; Organizing and conducting conferences, workshops, symposia and seminars, and other forums

related to the facilitation of Trade and Shipping and the implementation of International Maritime Conventions which are in line with Trade Facilitation.

“The two agencies further agreed to conduct research studies on Maritime Logistics and Shipping Services and to mobilize trade facilitation resources,” Amos Wangora, Chief Executive of KenTrade, a state agency that runs the Kenya National Single Window System - the TradeNet system, said.

## Greenworld to Sensitize on MARITIME DIGITIZATION



ISCOS and Greenworld Big Data Limited (Big Data) signed MoC on 5th March 2021 and agreed to jointly solicit funds for the establishment of Regional Maritime Big Data Centre; cooperate on matters relating to services and expanding ISCOS membership in the region and sensitization and publicizing maritime digitization

# ISCOS seek EABC Cooperation TO EASE SHIPPING



The Inter-Governmental Standing Committee on Shipping (ISCOS) has signed several crucial Memoranda of Cooperation (MoC) with key regional agencies in their member states to ease maritime and shipping activities. Created in 1967 to take care of their common shipping,

maritime, and logistics interests, ISCOS has four members - Kenya, Uganda, Tanzania and Zambia. Its latest MoC was done on 7th December 2021 in Arusha between ISCOS and the East African Business Council (EABC) to ease and reduce high transaction costs related to maritime, shipping, transport and

trade logistics in the EAC bloc. Mr. John Bosco Kalisa, the Chief Executive Officer of EABC said the cooperation delves into joint advocacy for the conducive policies for the maritime and shipping industry to reduce the high transaction costs and ensure seamless flow of trade. "EAC trade hit USD 5.9 billion in 2020 and calls for predictable and efficient value chains in the transport and logistic sector to enhance the competitiveness of the EAC bloc," Bosco said, adding that the congestion, delays, complex freight clearance procedures, inadequate storage & berthing facilities piracy and terrorism are among the challenges at the ports. The MoC also focuses on training, information sharing, and supporting shippers (importers and exporters) and other players in the shipping logistic.

## ISCOS Signs MoC with LAKE TANGANYIKA AUTHORITY

On 3rd August 2021, ISCOS signed another deal with Lake Tanganyika Authority (LTA) in Bujumbura, Burundi. "The collaboration will focus on enhancing safety, life and property on the lake, carriage of goods as well as environment-friendly regional trade, control of oil pollution, environmental protection, ships and ports safety, and security as well as research and statistics," Mr. Tusanga Mukanga Sylvain, Executive Director, LTA said during the signing ceremony. The two signatories undertook to cooperate on all matters relating to shipping, maritime affairs, transport logistics, and inter-regional trade. It will mainly focus on training, information sharing,

and support for shippers and other players in the maritime, shipping, and trade across Lake Tanganyika; Consultation with service providers on best procedures, practices to manage oil spills and garbage from transportation facilities so as to protect the lake environment and promotion of appropriate designing of transportation facilities which involve transportation of fish products. Other areas of cooperation include advocacy for appropriate International, Community, Regional and National regulations on transport and inter-regional trade, good working relations with other development partners, trade facilitation endeavors especially on the implementation of African

Continental Free Trade Area (AfCFTA), and resource mobilization to support research activities that address the threats to the lake environment.

### Collaboration to focus on:

- Enhancing safety,
- Life and property
- Control of oil pollution,
- Environmental protection,
- Security,
- Research & Statistics

## Logistics Service Providers SET TO REAP HUGE AS FID IS SIGNED



Uganda aims to flow the first drop of oil through the planned East African Crude Oil Pipeline (EACOP) by 2025, according to the Minister for Energy and Mineral Development in Uganda, Dr. Ruth Nankabirwa. EACOP, which will cost over USD \$3.5 billion, will transport crude oil from Hoima in the Albertine Graben region of Uganda to Tanga in Tanzania, a distance of 1443 Kilometres.

The government of Uganda in February 2022 signed a Final Investment Decision (FID) for Uganda's oil and gas Projects with the TotalEnergies EP Uganda, CNOOC Uganda Limited, the Uganda National Oil Company (UNOC), and the Tanzania Petroleum Development Corporation (TPDC).

The FID announcement signifies the commitment of the oil companies to invest close to US\$ 10 billion to develop Uganda's oil and gas resources through the implementation of the Tilenga Project in Buliisa and Nwoya districts; the Kingfisher Project in Hoima and Kikuube Districts

(approximately US\$6-8bn); and, the East African Crude Oil Pipeline (EACOP) that will cross the ten (10) districts of Hoima, Kikuube, Kakumiro, Kyankwanzi, Gomba, Mubende, Lwengo, Sembabule, Kyotera and Rakai in Uganda.

This is in addition to Government's consistent efforts in improving infrastructure required to support the oil and gas developments by constructing the Kabaale International Airport (approx. US\$800m) with works currently at close to 70% completion of the first phase and 700 kilometres of oil roads (approx. US\$900m). The EACOP project is expected to create over 5,000 jobs directly



**East African Crude Oil Pipeline (EACOP), which will cost over USD \$3.5 billion, will transport crude oil from Hoima in the Albertine Graben region of Uganda to Tanga in Tanzania, a distance of 1443 Kilometres.**

and over 20,000 others indirectly. Uganda has already secured five acres of land at Tanga in Tanzania to set up a business complex to monitor the country's expected oil cash inflow from petroleum exports.

Uganda has lined up pipeline suppliers and land acquisition processes in Tanzania has begun. About 80 percent of the construction work of the pipeline will be done in Tanzania, and the government's expectation is to see a good number of local entrepreneurs take part in the project.

EACOP general manager Martin Tiffen said the "main suite of agreements" were in place, but that the full agreements would come once the legal and commercial framework had been completed.

"We've identified four key contractors who are working under the conditional award," Tiffen said during the Uganda International Oil and Gas Summit (UIOGS) held in October last year (2021).

The focus has been on priority

**Up to 12 million tonnes of equipment and materials, experts estimates, will be imported and delivered to the Lake Albert region in western Uganda where most oil production activity will take place. Being the largest transit market for Mombasa port, it is estimated that up to 350 truckloads of materials will be moved by road every day through Kenya on the northern road corridor and Tanzania on the southern corridor to deliver the equipment once the work begins. A few years back, it was estimated that the oil industry would inject anything between US\$8 billion and US\$20 billion over three to five years. This is a huge chunk of money to be pumped into an economy whose annual budget was about US\$7.5 billion. Experts said that close to 60% of this money would be spent on logistics or procurement and transportation of materials.**

areas, he said, such as construction yards, the main camp, piping yards, and the thermal insulation plant. Uganda National Oil Co. (UNOC) staff JB Habumugisha noted the importance of local involvement. New projects are coming up, he said, including a 210km product's pipeline from the Hoima refinery to the Kampala Storage Terminal.

The terminal will be the "main recipient" of products from the refinery, he said. Initially, it will hold 130 million litres of products, but with scope expected to grow. Shortly after being sworn in, Tanzanian President Samia Suluhu Hassan and her Ugandan counterpart Yoweri Museveni witnessed the signing of the EACOP in the Tripartite Project Agreement.

Uganda represented by Uganda National Oil Company (UNOC) owns 15%, Tanzania represented by Tanzania Petroleum Development Corporation (TPDC) 15%, TotalEnergies 62% and CNOOC 8%. Other agreements which have already been signed by all parties include Land Lease Agreement for Priority Areas, Land Lease Agreement for Chongoleani, Marine User Right Agreement for EACOP company, Chongoleani Marine Facility Agreement and Land Lease Agreement for Pipeline Corridor. 350 kilometers of roads at different rates will be constructed within and out of the project area. The roads are estimated to cost \$16 million (Sh36.94 billion).

The construction will now open new opportunities for Mombasa and Dar es Salaam ports that are expected to handle enormous volumes of materials needed for the pipeline construction and the road infrastructure.

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Uganda remains a key trade partner for Kenya as its exports and imports

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pass through Mombasa, and during a visit by President Yoweri Museveni in 2018, Kenya offered Uganda a piece of land in Naivasha to put up a dry port for its cargo.

Inland Container Depot (ICD) at Naivasha has positioned itself as an essential node; connecting transit road and railway networks, with a marshaling area having the capacity to hold over 700 trucks. The 45,000-square-meter facility can handle over two million tonnes of cargo annually.

By handling cargo destined for Uganda, Rwanda, South Sudan, Ethiopia, Burundi, and the Democratic Republic of Congo, the facility reduces the transit distance for the Member States by more than 570km.

The ICD at Naivasha was commissioned in May 2020 to enhance the throughput at the port of Mombasa, decongest the Port of Mombasa and the ICD in Nairobi, as well as fast clearance of cargo and improve container handling.

## Cargo Carriers' Volume is Set to Double AS AFCFTA TAKES SHAPE.



**C**onference on Trade and Development (UNCTAD) Review of Maritime Transport 2021 published on 18 November rates Africa continent favourably and points to positive trends in maritime trade that might sustain economic growth in Africa, notably the entry into force of the African Continental Free Trade Area (AfCFTA) to boost continent's cargo carriers over two-fold.

The AfCFTA agreement, under which trading started in January 2021, aims to increase intra-African trade by eliminating import duties—and to double this trade if non-tariff barriers are reduced. UNCTAD estimates that the agreement could boost intra-African trade by about 33% and cut Africa's trade deficit by 51%. The continental free trade area has significant implications for maritime transport and services trade.

"The AfCFTA is expected to increase demand for different modes of transport, including maritime transport, which will increase investment requirements

for infrastructure and equipment—ports and vessels with maritime transport," the report says.

It emphasizes the critical need to finance and develop adequate transport infrastructure and services in Africa to support maritime connectivity to realize the benefits of the AfCFTA.

A study by the UN Economic Commission for Africa (UNECA) with a time horizon of 2030 shows that cargo transported by vessels would increase from 58 million to 132 million tons when the implementation of AfCFTA gains proper ground.

The study says Comoros, Gabon, Gambia, Ghana, Madagascar, Mauritius, Mozambique, Namibia, and Somalia will experience a surge in traffic through their ports by 2030 because of AfCFTA.

If the infrastructure projects are implemented, Africa's maritime fleet is projected to increase by 188% for bulk and 180% for container cargoes, says the UNCTAD report.

The report also highlights the challenges that continue to weigh on the maritime sector, including

the long port call times for vessels, significant liner shipping connectivity issues, and drops in maritime volumes because of disruption caused by the COVID-19 pandemic.

Africa is expected to see some recovery in output and cargo imports, but it would be relatively moderate compared to other world regions. Africa's maritime trade was down in 2020 and lagged container port performance.

UNCTAD estimates Africa's international maritime trade, including both goods loaded and discharged, to have fallen by 7.6% in 2020. While 2021 saw a revival in world cargo trade, the recovery was uneven, with exports from Africa and the Middle East remaining under pressure.

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**UNCTAD estimates that the agreement could boost intra-African trade by about 33% and cut Africa's trade deficit by 51%.**



Africa's contribution to global containerized cargo trade remained relatively low in 2020, with container ports on the continent holding a 3.9% share of global container port traffic, compared to Asia with nearly two-thirds and Europe with 14.9%. The report notes that the longest times in port for container ships are in Africa, notably in Nigeria, Sudan and Tanzania. Morocco is an exception, with one of the world's shortest times for vessels in port. Tanger-Med was also Africa's best-connected port in 2020, the report states.

The report specifically analyses port performance and profitability based on members of the UNCTAD Train ForTrade Port Management programme port network, with results that show the challenges for Africa. For example, in 2020 average profitability for ports in the network declined by 12% in Europe, by 17% in Asia, and by 25% in Africa. Latin America showed no change.

In East Africa, Tanzania in September ratified the agreement establishing AfCFTA, effectively joining a pact connecting countries with a total gross domestic product of \$3.4 trillion.

AfCFTA was first opened for signing in April 2018 but came into application in 2019 after the requisite minimum of 21 of the 55 member states ratified it. After signing, parliamentary approval is required for the ratification of the agreement.

The ratification is an indicator of President Hassan Suluhu's intention to return the country to more regional integration. The ratification comes barely two months after the AfCFTA secretary General Wamkele Mene held discussions with President Suluhu.

In East Africa, Kenya, Uganda, Rwanda, and Burundi already have ratified the agreement. The deal, signed by 54 of the African Union's (AU) 55 member states, commits countries to 90 percent tariff cuts within a five-year period. Eritrea is the only country yet to join the AfCFTA.

## What You Need to Know ABOUT AfCFTA



AfCFTA is an ambitious trade pact to form the world's largest free trade area by connecting almost 1.3bn people across 54 African countries.

The agreement aims to create a single market for goods and services in order to deepen the economic integration of Africa. The trade area could have a combined gross domestic product of around \$3.4 trillion.

The AfCFTA aims to reduce tariffs among members and covers policy areas such as trade facilitation and services, as well as regulatory measures such as sanitary standards and technical barriers to trade.

The agreement was brokered by the African Union (AU) and was signed by 44 of its 55 member states in Kigali, Rwanda on March 21, 2018. The only country still not to sign the agreement is Eritrea, which has a largely closed economy.

Intra-African exports were 16.6% of total exports in 2017, compared with 68.1% in Europe, 59.4% in Asia, 55% in America and 7% in Oceania, according to UNCTAD. Intra-African trade, defined as the average of intra-African exports and imports, was around 2% during the period 2015–17.

The share of exports from Africa to the rest of the world ranged from 80% to 90% in 2000-17 – only Oceania had a higher export dependence on the rest of the world in that period.

**The trade area could have a combined gross domestic product of around \$3.4 trillion.**

**The agreement was brokered by the African Union (AU) and was signed by 44 of its 55 member states in 2018. Currently, 54 of the African Union's 55 have signed up.**



# Lake Victoria Region Makes FORAY INTO KENYA'S BLUE ECONOMY



**The counties that make up the Lakes Region are Bungoma, Busia, Homa Bay, Kakamega, Kisii, Kisumu, Migori, Nyamira, Siaya and Vihiga. They not only have similar ecological zones and natural resources, but also analogous cultural histories that date back to historical migrations and trading routes. The region is one of the most densely populated in Kenya with over 10 million people, making up about 25% of the population in Kenya.**

**K**enya has developed a multi-agency action plan to unlock the Lake Victoria Basin region's economic potential as the country seeks to unlock the blue economy as its next economic growth frontier. The five-year plan, a collaborative effort among various government agencies, private sector, academia, and development partners' targets to address the challenges affecting lake Victoria's ecosystem, which has led to its unsustainable use. "We are coming to an understanding that we are so diversified in our actions in reviving the blue economy, which has constrained our capacity to sustainably use the huge economic potential that lies in the Great Lake region," Mr. John Omingo, Kenya Maritime Authority (KMA) Director of Maritime Trade and Investment said. In line with its coordination and oversight role in the country's maritime affairs, he added that KMA had engaged the private sector, County, and National Government stakeholders on the establishment of a collaborative framework that can streamline

for the better, the blue economy activities in the Great Lake region before this is extended to other inland waters and the coast.

"We have looked at the Integrated Development Plans for counties bordering lake Victoria to identify interventions targeting the blue economy," Omingo said.

The counties that make up the Lakes Region are Bungoma, Busia, Homa Bay, Kakamega, Kisii, Kisumu, Migori, Nyamira, Siaya and Vihiga. They not only have similar ecological zones and natural resources, but also analogous cultural histories that date back to historical migrations and trading routes. The region is one of the most densely populated in Kenya with over 10 million people, making up about 25% of the population in Kenya.

In partnership with the Lake Basin Development Authority (LBDA) and Lake Region Economic Bloc (LREB), the first consultative meeting was held in July 2018, when Kenya hosted a Global maritime convention, where coordination of interventions within the blue economy space in the region was identified as the

most priority area in tapping the blue economy.

A Memorandum of Cooperation on collaboration and partnership between KMA and 43 private and government agencies has been signed to actualize the action plan that was recently launched in Kisumu.



**We have looked at the Integrated Development Plans for counties bordering lake Victoria to identify interventions targeting the blue economy.**

The multi-agency Technical Committee comprises representatives from KMA, LBDA, LREB, Kenya Marine and Fisheries Research Institute, Tourism Finance Corporation, Kenya Investment Authority, Moi University, Jaramogi Oginga Odinga University of Science and Technology, Kenya Association of Manufacturers, Kenya Railways Corporation, Kenya Ports Authority, Kenya Fisheries Services, Kenya Law Reforms and Commission, Kenya Coast Guard Services, and Lake Victoria Basin Commission.

By signing the cooperation agreement, the parties agreed to collaborate between their respective organizations for synergy in matters of enhancing, promoting, and ensuring coordinated growth and vibrancy of the region's blue economy activities. A technical committee on evaluation and monitoring will meet once every 3 months to monitor the progress.

Parties to the agreement will work together on matters relating to Lake Infrastructure, Maritime Transport, Tourism, Maritime Education and Training, Fisheries, Aquaculture, Cultural and Aquatic Sports, Trade and Investment, Environmental Resources Management, among others.

With a surface area of 68,800

km<sup>2</sup> and a coastline that stretches over 2,000 miles, spanning three countries, Lake Victoria, also known as Nam Lolwe, is the third-largest lake in the world, and the largest in Africa. It is also the world's largest tropical lake, and the second-largest fresh-water lake by surface area, after Lake Superior in North America.

The ongoing efforts to revive the blue economy is a culmination of President Uhuru Kenyatta's efforts to make the best of the underutilized maritime potential that exists in the country, an effort that started way back in 2017 when he appointed the former Chief of Defense Forces Samson Mwachethe to chair the Blue Economy Implementation Committee.

Also named in that team were Principal Secretaries in the State Department for Fisheries, State Department for Maritime and Shipping Affairs, National Treasury, State Department for Transport, and the PS at the State Department for Environment.

In response to the shortcomings in maritime education and training programs needed to unlock the maritime industry in the country, KMA has developed certificate and diploma curricula for the training seafarers and the Maritime Transport Logistics (MTL) curricula for maritime transport logistics practitioners. Potential students in all programs have access to qualify for the Higher Education Board (HELB) through the direct financial support of KMA to boost uptake of maritime training programs in the country. It has also accredited 6 institutions to train seafarers and practitioners in maritime transport logistics.

The competency-based curricula, trainee manuals, and instructor guides based on the industry occupational standards have been developed in collaboration with the Kenya Institute of Curriculum Development (KICD), Technical Vocational Education and Training (TVET), and the Ministry of Education, Science and Technology.

In its endeavor to facilitate and promote global maritime trade, education, and training, the Blue Economy Implementation Committee identified the revival of Kenya National Shipping Lines as a critical intervention. The national carrier had been dormant for over 23 years. Mismanagement sent the entity, which was established in 1987, into debt and loss of business. MSC, an Italian-based shipping line, has recruited over 400 seafarers in the last four months.

KNSL is expected to acquire vessels and partnership with the MSC, which has been allocated a berth at the second container terminal, to do transshipment business in the African ports. The vessels will also offer sea time, a critical requirement for the Marine Engineering and Seafaring students accredited institutions in the country are training. MSC is expected to hire 2,000 seafarers every year for the next five years.

The estimated transportation charges paid out to shipping lines calling at Mombasa port is about US\$ 3.04 billion annually. This includes a list of destination charges applied in the country that have made the shipping business in Mombasa costly.

The government, in supporting the deal, estimates that its cargo costs an average of 14 billion in freight per year, while local destination charges comprise another Shs. 34 billion shillings. With local shipping capacity and the application of "Buy Kenya, Build Kenya" policies, the amount of 14 billion could be retained in Kenya, Transport CS Mr. James Macharia said when he supported the Kenya MSC deal.



**The estimated transportation charges paid out to shipping lines calling at Mombasa port is about US\$. 3.04 billion annually.**

# TANZANIA SHIPPERS COUNCIL

*AT YOUR SERVICE*



The council is responsible for protecting Shippers (exporters and importers) in Tanzania, where it is an affiliation of ISCOS and operates in consultation with the Ministry of Trade & Industry under the UNCTAD Protocol, as well as the Ministry of Works and Transport, through the Tanzania Shipping Agencies Corporation (TASAC).

## **The TSC main objectives among others are;**

- Advocacy on shipping matters affecting Tanzania Shippers, through Research, education, and sensitization.
- To assist in recovery to cargo lost or damaged whilst in transit
- Help to facilitate smooth activities of shipping lines, terminal operators as well as surface transporters, in ensuring shippers' best interests are attained.
- Shippers' representation to various forums i.e. Port Improvement Committee (PIC); National Trade Facilitation Committee (NCTF); Tanzania Private Sector Foundation (TPSF) etc.

The Council being a Members based Organization, Tanzanian importers and exporters are encouraged to subscribe to the council for a stronger TSC

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# All Set for EAC Customs Agents COMPETENCY TRAINING THIS YEAR.



The East Africa cargo clearing agents are set to undergo competency-based training following the training of the trainers in late last year. Trainer of Trainers (ToT) are drawn from the East African Revenue Authorities (EARAs), National Association of customs clearing and forwarding agents in Uganda, Tanzania, Burundi, Kenya, Rwanda, and Zanzibar; and the Federation of the East African Freight Forwarders Associations (FEAFFA), which has been coordinating the program. The initiative to update the curriculum for customs agents, freight forwarders, and warehousing operators in East Africa is part of the larger EAC Logistics Skills enhancement program supported by TradeMark East Africa (TMEA) to enhance the skills and competencies of agents for high-quality end-to-end service provision. Industry players expect that the skills acquired will enhance agents' level of professionalism and hence significantly contribute to the reduction in the cost of doing business across the borders of the EAC partner states. FEAFFA has completed the

development of the training materials and training guides for the update, as directed by the High-Level Policy Meeting of February 2019 in Zanzibar. Roll out of the updated curriculum is expected to start in 2022. In rolling out the updated curriculum, the focus will be on the certificate program. Roll out of the diploma part will come after successful implementation of the certificate program. The need to update the curriculum followed the findings of a market survey conducted by FEAFFA, with support from TMEA, to identify the training needs of the industry aligned to real labour market needs and opportunities in the freight forwarding operating environment. The survey revealed that modern-day customs agencies and freight forwarding operations require the enhancement of their requisite knowledge, skills, and attitudes that are in tune with the changing times. In 2016, another study conducted by TMEA revealed a lack of capacity building in the transport and logistics sector throughout the EAC region. It also established that there were limited formal training opportunities in warehousing,

resulting in warehouse functionaries learning the basics on the job. It was also observed that the few existing logistics capacity building programs are provided in large cities, locking out operators at far-flung regional economic centers and at border posts to access them. The curriculum has been redesigned to address all the challenges revealed by the two studies and keep practitioners abreast with emerging trends in the industry. Since 2007, when the East Africa Customs Freight Forwarding Practicing Certificate (EACFFPC) training programme was started, over 7000 customs agents and freight forwarders have qualified from the program in the region.

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**In 2016, another study conducted by TMEA revealed a lack of capacity building in the transport and logistics sector throughout the EAC region and that there were limited formal training opportunities.**



# Looking Beyond Horn of Africa

## GAME-CHANGER FOR LAMU PORT.



**Lamu is poised to be the biggest competitor to Salalah port in Oman and Durban in South Africa in the transshipment business. Kenya is also banking on the AfCFTA agreement to secure business for the Lamu Port. Lamu port has already gazetted Special Economic Zone (SEZ) near the new port as a value addition centre for agricultural commodities, among them tea and coffee, key exports for Kenya and the region.**

Last year, Kenya's second coastal port in Lamu became operational, fulfilling a 37 years dream after the first feasibility study on the project was carried out. This has created a dazzling future that the East will connect to West Africa's Douala-Lagos-Cotonou-Abidjan Corridor, running through Cameroon, Nigeria, Benin, Togo, Ghana, and Côte d'Ivoire, respectively. Experts now view the Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET) project as a major contribution to the African Union's regional integration vision of a peaceful, prosperous, and fully integrated continent by 2063. In fact, during the 2015 AU General Assembly, African leaders endorsed the project under the AU's Presidential Infrastructure Championship Initiative (PICI). The project was commissioned in Kenya in May 2020, only five months after the Africa Continent Free Trade Area (AfCFTA) became operational on 1st January 2021. The project will first serve South Sudan before it is extended to cover other areas. LAPSSET has for many years been an immediate project for Ethiopia, which

has been desperately seeking connections to more sea routes. Its direct line of sight with Addis Ababa allows for the shortest railway link between the two cities-Lamu and Addis Ababa. Ethiopia's dependence on imported goods has shifted 98 percent of its traffic to Djibouti port, which was about 83.9 percent of the whole port's traffic in 2021. According to Dr. Kilonzo Mutule, who led the consultants in the concept development, the long-term solution to the Ethiopian transport problems lays in the construction of the second port in Lamu. Indeed, Ethiopia had completed the building of a good tarmac road from Addis Ababa to Moyale quite a while ago. For South Sudan, several options of seaports to that country left Lamu port as the most convenient route. The considerations for this choice looked at several factors, including security, number of borders to crossing points, nature of the terrain, length of the route, accessibility to the West and East by sea. South Sudan is expected to export a lot of crude oil. Traditionally, it has been doing so through a



pipeline currently connecting the oil fields to the Red Sea at Port Sudan, a country it had been at war with for many years.

Currently, Lamu Port connects to Ethiopia through a 1,425km road—the Lamu - Garsen - Garissa - Kilimambogo - Isiolo - Moyale (Ethiopia border) route, of which 1,075km is paved, while the balance is under construction and expected to be complete 2022.

“If the corridor is extended beyond South Sudan and Ethiopia, it will create synergies for a mega-market for the port,” Sylvester Kututa, founder of Express Shipping and Logistics, a Kenya-based ship agent and logistics services provider, said. The foundation stone for the Lamu was laid down in March 2012 by President Salva Kiir of South Sudan, then late Prime Minister of Ethiopia Meles Zenawi, and President Mwai Kibaki.

Following a lack of enthusiasm by the foreign governments that have promised to finance the project, the Kenyan government picked up the tab for the project, which had risen to \$24.7 billion from the initial estimate of \$16 billion, and allocated 16% of its 2016/2017 budget to LAPSET.

In 2013, the China Communications Construction Company was awarded a contract worth \$478.9 million to construct the first three berths, to be ready by 2019. Then contracts for another set of berths would be awarded.

Kenya is also banking on the AfCFTA agreement to secure business for the Lamu Port. Lamu port has already gazetted Special Economic Zone (SEZ) near the new port as a value addition centre for agricultural commodities, among them tea and coffee, key exports for Kenya and the region.

The Kenya Export Promotion and Branding Agency (KEPROBA) said that the port and SEZ will provide an opportunity for investors to enjoy the manipulation of cargo for re-exportation without paying for various duties and taxes.

“This is aligned to the AfCFTA’s vision of a connected Africa,” KEPROBA Chief Executive Wilfred Marube said.

Lamu port’s natural depth and proximity to the open sea give the port huge potential for transshipment as it will attract larger vessels that cannot dock at Mombasa, according to Kututa, who also serves as the chairperson of Kenya Ships Agents Association (KSAA).

Lamu is poised to be the biggest competitor to Salalah port in Oman and Durban in South Africa in the transshipment business. According to Gilbert Langat, Shippers Council of East Africa (SCEA) Chief Executive Officer (CEO) Salalah and Durban have been handling most transshipment cargo meant for Africa.

“If the government gets everything right, Lamu port will be the biggest

competitor for the ports of Durban and Salalah. It has the biggest potential to be one of Africa’s busiest ports,” Langat added.



**Lamu Port connects to Ethiopia through a 1,425km road: The Lamu - Garsen - Garissa - Kilimambogo - Isiolo - Moyale (Ethiopia border) route, of which 1,075km is paved, while the balance is under construction and expected to be complete this year**

Mobilising projections about future trade, the Kenyan government has persistently argued that the Lamu port will become a viable and necessary complement to the hub of Mombasa. Local authorities specifically invest their hopes in plans for a special economic zone.

Since the port will primarily serve as a transshipment hub, it’s expected to attract key shipping lines by competing with the ports of Djibouti on the horn of Africa and Durban in South Africa. In addition, it would serve key markets in southern Ethiopia and South Sudan.

So far, around 19 shipping lines have inspected the port. The KPA anticipates many will use it and take the generous promotional offers currently in place. ~

**In order to become a transportation and commercial hub for the region, Dr. Mutule noted that Kenya would have to at a minimum, develop:**

1. a commercial port of international standards capable of handling high volumes of containers and other goods traffic;
2. a free trade zone along with the port to foster the growth of trade and commercial activity to make the area into a commercial hub;
3. a new beach resort city having facilities of international standards for native and international tourists;
4. an airport capable of being an air hub for the region;
5. a railway network to enable movement of goods from at the port and the free trade zone to other parts of Kenya and the countries of the region; and
6. a road highway network to support the capacity of the railway network and provide for greater movement of goods into more areas.

# Reprieve for Shippers as DAR AND MOMBASA PORTS DEVELOP MEGA PROJECTS



**A**uthorities in Kenya, Tanzania, and key partners have put modernization of ports and new infrastructural projects at the top of the list of priorities needed to spur growth, allocating massive resources for port development in recent years.

Tanzania is inching closer to realizing several plans and strategies that have been started over the years to make the strategically located country's potential a maritime country.

The country has direct access to the Indian Ocean, with a long coastline of about 1,424km at the centre of the east coast of the African continent. It has the potential to become the least-cost trade and logistics facilitation hub of the Great Lakes region.

The most important projects currently at different stages of implementation include the expansion and modernization of the Indian Ocean ports of Dar es Salaam, Tanga, and Mtwara, as well as the lake ports of Mwanza and Kigoma.

Other projects in the pipeline include the establishment of Kwala Dry port, the construction of the Standard Gauge Railways,

paving trunk roads, and overhaul of the operations of the Tanzania-Zambia Railways Authority (Tazara). Completion of these projects will cement and deepen the multimodal transport system essential to unclogging the efficiency of the ports.

Overhaul of the North-West Corridor of Tanga Port would have the following projects: Modernization and expansion of Tanga port (drilling the port entrance from 4-to-13 metres and construction of two deep-sea berths); development of Tanga special economic zone; rehabilitation and revitalization of operations in the Ruvu-Tanga-Moshi railway line; construction of the Arusha-Musoma Road and the construction of the Uganda-Tanga oil-pipeline.

Development of the Mtwara Development Corridor involves expansion and modernization of Mtwara Port by constructing a new 300-meter quay, with 13 metres of water depth; plans for the construction of Mtwara-Liganga-Mchuchuma railway to standard gauge; and Mtwara Petrochemical Special Economic Zone, among others.

There is also the planned

expansion and modernization of Dar es Salaam port under the Dar es Salaam Maritime Gateway Project (DMGP). This includes strengthening and deepening of berths 1-7 and the RoRo terminal (berth 0) at the Gerezani Creek, dredging of the entrance channel, turning circle and harbour basin, strengthening and deepening 8-11, and construction of a new terminal jet. The RoRo terminal is for offloading vehicles and other moveable equipment.

The DMGP will increase the Dar es Salaam port's capacity from the current 15 million metric tonnes annually to 28 million tonnes.

What makes the current undertaking of all these marine transport strategic is the fact that the government is also overhauling the railway and road infrastructure. The construction of the first phase of the Standard Gauge Railway is in advanced stages. The rehabilitation of the Metre Gauge Railway (MGR) is also in advanced stages.

The improvement of the maritime hard infrastructure has gone hand in hand with the overhauling of the soft infrastructure. The government has already introduced electronic systems

that have made cargo processing and clearing easier.

These systems include; the Electronic single window, which has reduced paperwork and has also removed the need to go physically to multiple government agencies and regulatory bodies to lodge documents as all that can be done digitally through the Tanzania Customs Integrated System (Tancis) that has taken over the functions of Asycuda ++

All these systems have made the 24/7 port operation arrangement possible, according to port officials. The construction of the 36- floor skyscraper created a One Stop Centre (OSC) by bringing together all key port operators; port managers; freight forwarders, custom officials; government agencies and regulatory bodies, and so forth, under one roof to facilitate consultation and engagement as well as reducing the need for customers to travel long distances to process documents.

In Kenya, National Treasury Cabinet Secretary Ukur Yatani unveiled the country's \$33.3 billion financial estimates, out of which he allocated \$69 million for the Mombasa port development projects. The project involves the construction of a second container terminal at the Mombasa port in order to expand the capacity of the facility and meet growing demand.

Projections show the port will handle 47 million tons in the next 10 years, up from the current 34 million tons, and eventually over 110 million tons by the late 2040s.

"We are committed to scaling up development of critical infrastructure in the country to reduce the cost of doing business and ease movement of people and goods as well as promote competitiveness," said Yatani.

The Kenyan government has also announced a raft of incentives to encourage more shipping lines to use the Mombasa and Lamu ports as the gateway to the wider eastern Africa region.

The incentives include exempting fuel supplied to shipping lines from

import and excise duty, Value Added Tax, railway development levy, and import declaration fees.

"To further attract more ships to our ports, particularly to the recently launched Lamu port, the government will review the arrangements on fuelling by vessels calling at the Kenyan ports to allow ship refueling and establishment of fuel bunker facilities," noted Yatani. He added that \$800,000 has been allocated for the development of a Freeport and Industrial Park Special Economic Zone in the coastal city of Mombasa.

The KPA expects to improve its efficiency in the coming months, as some of the key projects will be completed.

Construction of phase 2 of the Second Container Terminal (CT2) that will bring on board an additional capacity of 450,000 twenty-foot equivalent units (TEUs) is almost due for commissioning. The new facility will increase Mombasa port capacity to 2.1 million Twenty-Foot equivalent units.

"Apart from the completed construction of Kipevu road which is a partnership between KPA and Trademark Africa which is only waiting to be linked with the Mombasa Nairobi Highway once the latter is complete, CT2 will play a key role as we shall never experience congestion at the port," Mr. John Mwangemi, KPA managing director said.

In the coming months, KPA is also expected to complete the construction of a new and bigger Kipevu Oil Terminal (KOT) that will have four berths capable of handling import and export of five different hydrocarbon products which include crude oil, heavy fuel oil, LPG and three types of white oil product.

Last year, Kenya Revenue Authority (KRA) launched Customs Management System (iCMS) that has reduced the paperwork cargo clearance period from 24hours to under 10minutes.



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Construction of phase 2 of the Second Container Terminal (CT2) that will bring on board an additional capacity of 450,000 twenty-foot equivalent units (TEUs) is almost due for commissioning.



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# COMMEMORATING 10 YEARS OF TRADE FACILITATION EXCELLENCE

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# Stakeholders Seek Uniform APPLICATION OF AXLE LOAD LAWS

Logistics industry stakeholders have proposed the standardization of the axle load regulations across the East Africa Community (EAC) seeking their full implementation to enhance the seamless flow of cargo in the region.

This has been seen as one of the measures to address non-tariff barriers that continue to face the region. The industry players made this submission when they met Kenya's Ministry of East Africa and Regional Development Principal Secretary Dr. Kevit Desai mid 2020.

These agencies included Kenya Private Sector Alliance (KEPSA), Kenya Transporters Association (KTA), Kenya Association of Manufacturers (KAM), and Kenya Ships Agents Association (KSAA). Others that attended the meeting included the Kenya International Freight and Warehousing Association (KIFWA), East African Tea Trade Association (EATTA), Shippers Council of East Africa (SCEA) and Kenya Revenue Authority (KRA).

Northern Corridor Transit Transport Coordination Authority (NCTTCA) in 2020 issued a raft of measures on weighbridges and axle load compliance along the Northern Corridor in its Transport Observatory reports- a monitoring tool that measures 36 indicators that track the performance of the port of Mombasa and the corridor. The merged report recommended a joint initiative in carrying out sensitization campaigns on axle load compliance by the regional stakeholders, especially those involved in transport.

NCTTCA promised to liaise with stakeholders to promote voluntary weight compliance across the region. The report also proposed

the domestication of the East Africa Community Vehicle Load Control Bill by regional countries.

At 95 percent, Kenya leads the regional counterparts in compliance. In 2014, the country did a serious campaign which led to the development of axle load weight control self-regulatory charter.

Agencies involved in cargo clearance developed the charter after realizing that the punitive fines were not deterrent enough to root out overloading.

Chief executive officers of 14 organisations signed the document, which sought to commit stakeholders to avoid carrying excess weight. The NCTTCA report pushes for the development of a "culture" of compliance among the shippers, logistics chain providers, and government entities.

"Broad initiatives such as the signatories to the Mombasa Port and Northern Corridor Community Charter at Mombasa port would provide forums," the report said.

Because of high road damage, the report recommended the establishment of a weighbridge along the Nimula-Juba in South Sudan. The report recommended weighing vehicles twice at the point of entry.

"There should be certification of identification of trucks on first weighing to avoid multiple stops at the weighbridges and a comprehensive sensitization of truck drivers on weighing," said the report.

There is a need to establish multiple weighing lanes in busy sections of the corridor, such as Athi River and Mariakani to reduce traffic congestion. The report also recommended the installation of High-Speed Weigh

In Motion (HSWIM) bridges at busy weighbridge stations.

Truck drivers in East Africa are required to adhere to the harmonised EAC axle load regulations in an effort by partner states to bring down transport costs and check overloading that destroys roads. The law compels truck drivers to observe a gross vehicle weight limit of 56 tonnes. However, Kenya also enforces the axle load limit. Any truck that is flagged for overloading at the HSWIM bridges is required to weigh axle load at the weighbridges.

Mariakani is highly compliant at over 99 percent. This high level of compliance, according to the industry players, should be replicated in other weighbridges in Kenya and across the region.

In Kenya, the Kenya National Highways Authority (KeNHA) has a tolerance of 5 percent on the Gross Vehicle weight and they do not fine trucks for axle load weights that are not alarming, according to Mr. Dennis Ombok, KTA Chief Executive Officer (CEO).

Permit for overweight trucks is another area of concern to the Kenya transporters. Uganda transport regulations require each overweight truck to have two escort vans, one at the front and the other behind. If a transporter has 10 trucks, he will, according to Ugandan regulations, be required to have 10 escort vans instead of forming two escort vans escort a convey that.

In 2015, Uganda National Roads Authority (UNRA) increased the number of road weighbridges from 3 to 12. In 2017, two regulations were introduced- the Community Vehicle Control Act and Vehicles.

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# TMEA-AfCFTA Deal to Unlock AFRICA'S TRADE POTENTIAL



The African Continental Free Trade Area (AfCFTA) Secretariat and TradeMark East Africa (TMEA) signed a Memorandum of Understanding (MoU) aimed at promoting cooperation and collaboration between the two organisations in their efforts to support trade in Africa.

The MoU was signed on 17th September 2021 in Lomé, Togo last year by Mr. Wamkele Mene, Secretary-General of the AfCFTA, and Frank Matsaert, Chief Executive Officer of TMEA. The Agreement will allow the two organisations to share costs and support each other in logistical challenges as they seek to implement programmes to develop trade across Africa.

“The MoU will further allow the AfCFTA Secretariat working with partners, including TMEA, to facilitate State Parties to carry out the reforms needed to fully implement the AfCFTA, unlocking the continent’s trade potential and increasing market integration. This will translate into much-needed jobs in the economies of the State Parties,” Mene said.

This comes when TMEA has expanded its tentacles for its programmes to cover more

countries. Malawi became the newest country to sign a host country agreement (HCA) with TradeMark East Africa (TMEA) last year to address the country’s high transport costs.

TMEA will support operations of newly developed one-stop border posts (OSBPs) at Mchinji, the border point between Malawi and Zambia; Mwanza and Dedza with Mozambique and Songwe with Tanzania. It will also support the implementation of the National Export Strategy II, currently under development; harmonization of standards and sanitary and phytosanitary regime; trade policy initiatives; removal of non-tariff barriers; and supporting cross-border traders.

The UK Government, through the Foreign, Commonwealth and Development Office (FCDO), in May 2020, signed a memorandum of understanding with TMEA to fund its activities at an initial budget of £40 Million for six years. The programme is part of FCDO’s multi-stakeholders intervention known as the Malawi Trade and Investment Programme (M-TIP).

For the first time, TMEA, in last year’s report, presented highlights and results from ten and not the usual seven countries it operates

in. TMEA expanded its reach to Ethiopia and Somaliland as well.

In Kenya, the partnership deepened at the Port of Mombasa, with Magongo and Kipevu Roads progressing to over 50% completion. TMEA also supported first, middle, and last-mile supply chains that ensured private sector access to market information and supported the development of 15 digital portals for trade-in Government agencies.

“These portals will simplify and reduce export and import transaction costs,” Matsaert said.

Moyale border-between Kenya and Ethiopia, which was commissioned last year, will link East Africa to the Horn, with improvements in this corridor expected to open a market of over 160 million people.

In Somaliland, improvements on Berbera Corridor continued with the commencement of Hargeisa Bypass construction. TMEA “Good neighbor approach” supported programmes in the Democratic Republic of Congo (DRC) where continuous engagement with national and provincial Governments paved way for the extension of the Regional Electronic Cargo Tracking System (RECTS), and the construction of a

One-Stop Border Post (OSBP) at Goli (its border with Uganda).

“We believe that trade facilitation interventions such as improved customs, removal of non-tariff barriers, and training of private sector will help DRC lower its significantly high costs of trade with East African Community (EAC) neighbours,” Matsaert said.

Last year (2021), TMEA and Agence Française de Développement (AFD), signed another €29.9 million (approx. USD 35.5 million) grant agreement to contribute to more sustainable and inclusive regional economic integration in the Horn of Africa.

The TMEA-AFD project is focusing on the Djibouti corridor as the major artery of trade for Ethiopia. The overall aim is to enhance the competitiveness of this corridor through logistical and regulatory improvements- reduction of transport and transit times at ports and border crossings, simplification of procedures and reduction of associated costs.

The support aims at reducing trade costs and time along the Djibouti-Ethiopia corridor, from Djibouti

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**TMEA has also worked with over 30,000 women cross-border traders to increase their knowledge of good trade practices and opportunities, leading to an increase in traders’ average monthly income from \$620 to \$1,247.**

Port to the Galafi border post and the dry ports by simplification and harmonization of procedures, standards and regulations governing trade between the two countries.

TMEA also committed €10.5 million support for regional trade last year when it signed a deal with the Government of Finland to fight against the COVID-19 pandemic in the East African region.

Through this new Finnish funding, TMEA will scale up support to governments to adopt ICT for Trade systems in key trade agencies that contribute to the successful implementation of National Single Windows.

“TMEA has laid down frameworks and forged partnerships to support multimodal transport corridors, which not only reduce costs associated with trade but also reduce the carbon footprint of transport. Lake and rail transport produce much less emission per tonne of cargo moved as compared to road transport,” Ahmed Farah, Kenya’s TMEA country director said. Efforts will go towards supporting digital trade corridors, safe and sanitary and phyto-sanitary trade corridors. The support will also bolster trade remedies structures at national, regional and continental levels, investments in standards quality infrastructure centers of excellence, scale-up of regional authorized economic operator schemes and authorised supply chains frameworks.

This infrastructure will be critical

in reducing barriers to trade and supporting the smooth implementation of the AfCFTA.

The new funding will build up on results that have been achieved in previous programmes funded by Finland and other development partners over the last 10 years including, the development of the passenger terminal at Mombasa Port, Farah said.

“Some of the other high-level results from our interventions include reduction in import and export times at Mombasa and Dar Ports and 70% average decline in time to pass through 15 TMEA supported One-Stop Border Posts (OSBPs),” Farah said.

Other areas of focus include reduction in clearance time for certified goods and testing costs through harmonization of standards, automation of trade facilitation processes for 19 government agencies, which is expected to reduce cargo clearance time from 79 hours to 2 hours.

According to TMEA, the development of e-portals and single windows has simplified the work of 86% of the interviewed traders within the EAC business community, leading to significant savings of approximately US\$6.6 million.

TMEA has also worked with over 30,000 women cross-border traders to increase their knowledge of good trade practices and opportunities, leading to an increase in traders’ average monthly income from \$620 to \$1,247.



## Uganda's Gulu Logistics Hub Huge BOOST FOR TRANSIT CARGO

**G**ulu Logistics Hub (GLH) that is expected to be operational in late 2022 will be a huge game-changer for trade between Uganda, the Democratic Republic of Congo, and South Sudan. The hub will be able to handle 500,000 containers at one time, making it one of its kind in the region. All merchandise going to South Sudan and DRC will go through this hub and relief supplies from World Food Programme (WFP) and United Nations High Commission for Refugees (UNHCR) will be stored here, according to Uganda government officials.

The Ministry of Works and Transport (MoWT) and Uganda Railways Corporation (URC), with support from Trademark East Africa (TMEA) and funded by the Department for International Development (DFID) and European Union (EU), are setting up this multimodal logistics hub in Gulu in Northern Uganda.

GoU provided the land for the development of the hub and also committed to providing around USD 3 million required for the construction of access roads to the hub and rehabilitation of the project-affected persons (PAP). The project is expected to cost Euros 7.76M once completed.

The primary aim of the development of GLH is to improve the efficiency and capacity of transport infrastructure in Northern Uganda to serve markets in Northern Uganda, South Sudan, and parts of DRC.

"On completion, this project will change several things. It will be the main import and export hub for this region, South Sudan and DRC. Gulu Logistics Hub will also lower the cost of doing business, create employment and benefit the local community," John Musunguzi Rujoki, the URA Commissioner General, said.



Uganda President Yoweri Museveni launched the groundbreaking of two flagship projects in October 2020- the Gulu Logistics Hub, and rehabilitation of the Tororo-Gulu railway, in a move expected to stimulate trade in the region.

Gulu Logistics Hub is expected to reduce barriers to trade for both Northern Uganda and the neighbouring countries of South Sudan and the Democratic Republic of Congo. The Gulu Logistics Hub will serve the trade corridors of Kampala-Gulu-Elegu/Nimule-Juba Trade Corridor; and Gulu-Pakwach Goli/Pader/Lira/Vurra DRC Trade Corridor.

The hub lies on a 24.1 acres piece of land in Layibi division, Gulu City, and was given by the URC. It is located next to the current Gulu railway station and connects to the major roads to South Sudan and Kampala.

The facility will handle containers, break-bulk, handling and storage facilities, space for stakeholders dealing with freight transport (freight forwarders, shippers and transport operators), and the provision of accompanying services such as customs inspections, taxpayment, maintenance and repair, banking, and information

communication technology.

"We have invested massively in the road network. The roads are for small cargo and that is for the short term. The proper medicine for cargo transportation is the railway," Museveni said during the launch, adding that transporting a 40 ft. container from Kampala to Mombasa by road using a lorry would cost USD 3600 and USD 1800 if rail is used.

Uganda and Kenya have already embarked on repairing the old railway and establishing more infrastructure.

The Gulu Logistics Hub will help in the consolidation and exportation of the goods produced from the value chains in Northern Uganda, and will also facilitate the importation and distribution of goods within Northern Uganda for the transformation and improvement of those value chains.

TradeMark East Africa is also supporting the construction of Trade Logistics Clusters in Jinja & Busia, construction of the Goli/Mahagi One-Stop Border Posts (OSBP), and decentralization of standards testing and Phase II of the Uganda Electronic Single Window.



ISCOS Secretariat staff visiting the EAC Secretariat on 19<sup>th</sup> January 2022 at their offices in Arusha, Tanzania to discuss further areas of collaboration and partnership in regard to coordinating the interests of the Region in the Shipping and Maritime Sectors. From left to right: Eng. Suleiman Athumani (EAC); Ms Mwanaulu Issa (ISCOS); Eng. Dr. Kamugisha Kazaura (EAC); Mr. Daniel Kiange (ISCOS); Mr. James W. Kivuva (EAC); Mr. Kassim Mpaata (ISCOS)



Shippers Awareness Workshop in Zanzibar; From the Left: ISCOS Secretary General, Mr. Daniel M. Kiange, Minister for Works, Communication and Transport, Zanzibar, Hon. Rahma Kassim Ally (MP), Zanzibar Maritime Authority Director General, Ms. Sheika A. Mohamed and Madam Shemsa Ali, Board Member of the Zanzibar Shippers' Council

ISCOS Secretariat visits Kenya Ports Authority to discuss on Operations and Performance of Mombasa Port



# Kenya-Tanzania Moot NEW PROJECTS AS INTRA-TRADE SURGE.



**“We have road infrastructure connecting us at the border points of Isebania, Namanga, and Taveta/Holili and though each of our countries has begun the construction of the coastal highway, we will schedule a date to formally launch the construction of Malindi to Bagamoyo highway,”  
President Kenyatta**

Since May 2021, Kenya and Tanzania have renewed their diplomatic relationship, unlocking trade between the two neighbouring countries that are now keen to expand the joint projects to spur growth. In May last year, when Tanzania’s newly elected President Ms. Samia Suluhu Hassan visited Kenya, the two countries agreed to rejig their Joint Commission for Cooperation (JCC) to enable them to deal with issues affecting cross-border trade. The joint team identified 64 areas of non-tariff barriers that needed immediate intervention. “First, we noted that trade between Kenya and Tanzania is facing some administrative challenges. They include non-tariff barriers and other restrictions which are frustrating trade and investment between our two countries,” President Uhuru Kenyatta said. President Kenyatta also spoke about shared infrastructure, saying Kenya and Tanzania had agreed to improve their connectivity through improved roads, aviation, and maritime transport to hasten

economic growth. During one of the exchange visits after she resumed power last year, Kenya and Tanzania signed an agreement to work on a gas pipeline from Dar es Salaam to Mombasa in what the two countries’ leaders said was part of a long-term project to share energy resources.

The MoU on Cooperation in Natural Gas Transportation means respective Ministers of Energy can start negotiating the design, cost, and other logistical needs for the pipeline to be built. No timelines were given, but President Samia said they have directed respective technocrats to work on it immediately.

“That is a long-term project and we are thankful that today, we have signed an agreement, and what remains is implementation,” she said.

“We have agreed on the need to ease the transportation of key energy resources and we have reached one such understanding on the transportation of gas. What we need to do now is start implementing the project.”



The two countries have also started the construction of the Malindi-Bagamoyo highway to help unlock the immense commercial potential of the corridor.

“We have road infrastructure connecting us at the border points of Isebania, Namanga, and Taveta/Holili and though each of our countries has begun the construction of the coastal highway, we will schedule a date to formally launch the construction of Malindi to Bagamoyo highway,” President Kenyatta said in December 2021, in an official visit to Tanzania.

Speaking on cross-border connectivity, President Suluhu said the infrastructure being developed is aimed at accelerating economic growth in the two nations.

“We have all begun constructing the Malindi to Bagamoyo road and we intend to officially launch the construction works at an agreed date. We are also building a gas pipeline from Dar es Salaam to Mombasa with a view of helping our Kenyan brothers access gas at a cheaper cost,” President Suluhu said.

Kenya and Tanzania signed a deal in Nairobi, in May 2021, that could revive plans to export gas to Mombasa from Dar es Salaam via a new pipeline.

Local reports put the costs of the 600-kilometer pipeline at about \$1.1 billion. The deal is part of a longer-term plan to expand infrastructure links between the two East African nations.

Commenting on the agreement, Hassan said: “We have agreed on the need to ease the transportation of key energy resources and have reached one such understanding on the transportation of gas. What we

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**First phase involves the construction of 175 km of road sections: the 121km Mkanga-Pangani road section in Tanzania and the 54 km Mombasa-Kilifi road section in Kenya.**

need to do now is start implementing the project.”

Kenya received a loan from the African Development Bank (AfDB) and a grant from European Union to finance the multinational Bagamoyo - Horohoro/ Lunga Lunga - Malindi Road phase 1: Mombasa-Mtwapa-Kilifi (A7) road section.

In December 2019, AfDB approved a €345 million financing package for road construction of Mombasa Lunga Lunga/Horohoro and Tanga Pangani-Bagamoyo roads Phase I. The European Union contributed a grant of €30 million, 7.7% of the total project cost.

This road network is a key component of the East African transport corridors network, connecting Kenya and Tanzania. Producers, manufacturers, and traders will move goods more quickly and cheaply. In addition, farmers and fishers will benefit from improved access to local and regional markets and amenities, including better schools and health centres.

“The project will have spillover benefits for hinterland countries such as the Democratic Republic of the Congo, Burundi, Rwanda, Uganda, and South Sudan that depend on Mombasa as the gateway to global markets,” said Hussein Iman, the Bank’s Regional Sector Manager for infrastructure, private sector, and industrialization in 2019. The Bank’s support will also provide roadside trading facilities for sellers, half of them women who currently operate in disorganized and unsafe conditions.

The Bank expects that the intervention will boost regional integration by reducing transit times, facilitating trade and the cross-border movement of people, opening access to tourist attractions. The project will also link the ports of Dar es Salaam, Tanga and Mombasa, and stimulate the blue economy in coastal areas.

This first phase involves the construction of 175 km of road sections: the 121 km Mkanga-Pangani road section in Tanzania

**Kenya’s imports from Tanzania have since doubled to KSh 20.5 billion in the first half of 2021 on good trade relations between the two neighbouring countries.**

and the 54 km Mombasa-Kilifi road section in Kenya.

The intervention is a priority item in the Bank’s Eastern Africa Regional Integration Strategy (EA-RISP), the Country Strategy Papers (CSPs) of both countries, and aligns with two of the Bank’s High 5 priorities - Integrate Africa and Improve the quality of life for the people of Africa.

As of the end of November 2019, the Bank’s portfolio in Kenya comprised 27 public and 7 private operations with a total commitment of 2.7 billion euros while in Tanzania as at the end of November 2019 comprised 21 public and 2 private operations with a total commitment of 1.82 billion euros.

Kenya has enjoyed a good relationship with Tanzania after a diplomatic tiff with the late president John Magufuli that was worsened by COVID-19 protocols. Kenya’s imports from Tanzania have since doubled to Sh20.5 billion in the first half of 2021, on good trade relations between the two neighbouring countries.

Data from the Kenya National Bureau of Statistics (KNBS) shows imports from Tanzania grew from Sh10.8 billion in the corresponding period in 2020. The value of goods exported to Tanzania also grew to Sh17.8 billion from Sh14 billion. With the coming into power of President Suluhu Hassan, the two countries have improved their trade relations with most of the non-tariff barriers being abolished.

President Uhuru Kenyatta and his Tanzanian counterpart, Ms. Suluhu, in early May pledged to end persistent strained trade relations between the two largest economies in the six-nation EAC bloc which have, for years, hindered the smooth flow of goods and services.

## EAC Member States Make Strides TOWARD A REGIONAL SINGLE WINDOW SYSTEM.



**Kenya has implemented all modules envisaged by its electronic single window system. Kenya Trade Network Agency, commonly known as KenTrade, is a state agency that was set up in 2011 under The National Treasury and mandated to establish, manage and implement the electronic single window system commonly referred to as Kenya TradeNet System.**

Tanzanian authorities have declared that they will fast-track the development of the country's National Electronic Single Window System to give traders the benefit of faster clearance of goods. Achieving this feat will bring closer home the realization of a cargo online clearing platform for the East Africa region.

East Africa countries that have implemented the online systems in their respective nations include Kenya, Rwanda, and Uganda. With a regional electronic single window system, member states are expected to exchange data among themselves through the platform.

Once in place, the system will also simplify, harmonize and standardize trade processes, procedures and related information flow to reduce transaction costs, expedite cargo clearance to and from the region, enhance collaboration between Member

States' regulatory agencies and the private sector and enhance the use of global standards, practices and processes within the region.

The Joint Commission on Cooperation (JCC), a bilateral organ comprising officials from Kenya and Tanzania established to resolve issues affecting areas of cooperation, will help in implementing Tanzania's electronic single window system.

In June 2021, a month after the state visit by Tanzanian President Samia Suluhu to Kenya, the JCC identified 64 tariff and non-tariff barriers obstructing trade between the two countries. During a follow-up meeting held in Nairobi, the JCC revealed that progress had been made in addressing 30 of these barriers and that the remaining 34 issues will be solved before the end of the year.

The electronic single window system in Tanzania was launched in 2014 but encountered a

series of delays since its onset, due to the migration of customs, in the same year, from Asycuda to Tanzania Customs Integrated System (TANCIS), the new IT customs management system that is currently used for processing customs declarations.

Uganda has made key milestones in its journey of having an electronic single window system. Implementing the Uganda Electronic Single Window (UESW) system has saved traders about \$85,000 (Sh308.4m) annually, which was being wasted because of submitting the required trade documents manually.

Speaking during the launch of the second phase progress report on the UESW in Kampala in 2020, the Uganda Revenue Authority (URA) acting commissioner of customs, Abel Kagumire, said that the introduction of the system simplified trade procedures and processes, cutting delays caused by human contact, resulting in substantial cost savings.

The system is now fully functional. Ministries, departments and agencies on the system include Posta Uganda, Uganda Communications Commission, Interpol Uganda, National Environmental Management Authority and the Atomic Energy Council.

The others are the Cotton Development Organization, Ministry of Water and Environment, Warehouse Receipt Authority, Uganda National Roads Authority, Uganda Registration Services Bureau, Ministry of Works and Transport, Ministry of Finance, Ministry of Foreign Affairs, Uganda Wildlife Authority among others.

The Rwanda Electronic Single Window System (ReSW) was introduced in 2012 and has played a major role in facilitating international trade. Clearance time has reduced. Direct and indirect costs connected with international trade have also been reduced as processes were re-engineered and simplified.

The ReSW provides a platform that allows submission of a

single declaration containing all information required by various agencies responsible for controlling trade into and out of Rwanda and enables these agencies to inform traders and their representatives of the progress of the release process. The system now uses ASYCUDA World, which is a combination of a customs management system and an integrated border management system.

Kenya has implemented all modules envisaged by its electronic single window system. Kenya Trade Network Agency, commonly known as KenTrade, is a state agency that was set up in 2011 under The National Treasury and mandated to establish, manage and implement the electronic single window system commonly referred to as Kenya TradeNet System.

Kenya TradeNet System today provides access to Importers/Exporters and Clearing Agents to submit trade documents for processing by the Partner Government Agencies (PGAs). The System has since recorded over 14,000 users, registered 41 stakeholder organisations, including 36 Partner Government Agencies (PGAs) drawn from both public and private sectors and this number continues to grow.

KenTrade has also completed integrating the Kenya TradeNet System with Kenya Revenue Authority (KRA) Integrated Customs Management System (iCMS).

“The rollout of the Cargo release module implies that we have moved very close to achieving a paperless clearing process as Government agencies now do not require the submission of any hard copy documents for stamping before releasing of cargo,” Mr. Amos Wangora said.

KenTrade is also progressing well with the Kenya TradeNet Upgrade. The upgraded system will improve user experience and network quality given that KenTrade is investing in modern technology.

## THE SINGLE WINDOW CONCEPT

The most commonly accepted definition of a Single Window is the one provided by *UNECE Recommendation No. 33*.

It describes the SW as “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements.”

**“If information is electronic, then individual data elements should only be submitted once”.**

A Single Window can be an important trade facilitation tool. The WTO Trade Facilitation Agreement encourages all its members to set up a Single Window.

If implemented effectively, a Single Window project can achieve the following benefits:

- For the government as a whole: increase in government revenue, enhanced compliance with rules, improved efficiency in resource allocation, better trade statistics,
- For economic operators, such as traders: faster clearance times, a more transparent and predictable process and less bureaucracy,
- For an administration such as Customs: improved staff productivity through the upgraded infrastructure, increase in customs revenue, a more structured and controlled working environment, and enhanced professionalism,
- For the national economy as a whole: improved transparency and governance and reduced corruption, due to fewer opportunities for physical interaction.

# Zambia-Botswana Kazungula Bridge EASES NORTH-SOUTH CORRIDOR TRADE



**The 923-meter Kazungula Bridge, flying over the prestigious Zambezi river. The Kazungula Bridge Project provides an alternative to Beitbridge Border Post between South Africa and Zimbabwe. The completion of Kazungula Bridge relieved pressure on Beitbridge and hence this development could lead to better efficiencies, reduced traffic and clearances, and related costs.**

South African countries are set to ride on the new Kazungula Bridge Project that connects Botswana and Zambia to support the trade along the North-South Corridor, opening further the Trans-African Highway on the Cape to Cairo route. The bridge also provides a huge impetus to the African Continental Free Trade Area (AfCFTA) that was launched in January 2021.

Former Zambian President Edgar Lungu and his counterpart in Botswana, Mokgweetsi Masisi opened the 923-meter bridge with two border facilities on either side in May 2021. "The Kazungula Bridge project was worth the effort," Edgar Lungu said during the launch. "Kazungula Bridge is a model and benchmark for the region and continent," added Masisi.

The opening of the Kazungula Bridge, linking Botswana and Zambia over the Zambezi River, means that travelers no longer

need to rely on pontoon boats to cross at this location. The bridge is a combined transport configuration, including two car lanes in each direction, a single rail track, and pedestrian walkways on both sides.

The African Development Bank Group supported the project through an African Development Fund loan of \$76.5 million to the Government of Zambia. Besides funding from the two governments, the overall project was co-financed by the Japanese International Cooperation Agency and the EU-Africa Infrastructure Trust Fund. The total cost of the project was \$259.3 million. Its construction was approved in December 2011 and completed in December 2020 and construction began in December 2014.

The project seeks to facilitate trade activities and the global competitiveness of Zambia and Botswana, improve the regional connectivity of the North-South corridor and contribute to

improved regional integration of the Southern African Development Community (SADC).

The project included the construction of two One-Stop Border Posts, one on each side of the Zambia/Botswana border. Construction activities were further complemented by soft activities such as technical help and capacity building to cover trade facilitation and the framework for One-Stop Border Post operations—critical for efficient operation and the realization of project benefits.

“Under the-Stop Border Post concept, there will be no need to stop twice, as is happening at the moment. Commuters will only stop at the facility of the exit country,” explained Kazungula Bridge Project Manager Godfrey Songeya. “We want to ensure that the transit time that is being spent by traders who are using this road is reduced tremendously,” he said.

The project scope was revisited at the mid-term review to include the rehabilitation of a section of the North-South Corridor in Zambia between Kazungula and Lusaka, specifically a 72-meter stretch between Mazabuka and Kafue.

It will be jointly owned by the governments of Zambia and Botswana and funded by toll fees. The border post and access roads in each country will be owned by the respective governments, along with the newly formed Kazungula Bridge Authority. The entity will operate and maintain the entire infrastructure.

The Kazungula Bridge Project provides an alternative to Beitbridge Border Post between South Africa and Zimbabwe. The completion of Kazungula Bridge relieved pressure on Beitbridge and hence this development could lead to better efficiencies, reduced traffic and clearances, and related costs.

The relief on Beitbridge could, in turn, result in significant downstream benefits for local and regional industries. In November 2020 it was estimated that “local transport companies would lose ZAR 620-million that month, as

their trucks sit idle at the Beitbridge border crossing into Zimbabwe. It took an average truck 72 hours or three days just to get to the front of the queue, and another day to be processed through South African and Zimbabwean customs, four days in total.”

Experts identified the Kazungula Bridge, on Zambezi River where Zimbabwe, Botswana, Zambia, and Namibia borders interconnect, as a significant connector on a strategic road network for inter-regional trucks within the southern African region. The Bridge connects the southern African region traffic to the middle parts of Africa.

The completion of the Kazungula Bridge is also a key milestone for SADC’s regional integration and industrialization endeavours and the African Continental Free Trade Area (AfCFTA), according to Edina Moyo Mudzingwa an expert in customs administration when she wrote to the Trade Law Centre (Tralac) blog, which publishes relevant, topic-related discussions and intelligent debates.

“ The completion of the bridge has been timely in supporting the AfCFTA. The AfCFTA objective to boost intra-African trade cannot be achieved without adequate trade-related infrastructure,” Moyo said.

The development of infrastructure at the continental level is supported through Programmes for Infrastructure Development in Africa (PIDA). PIDA focuses on the promotion of transboundary and

transnational infrastructure.

Under PIDA, the North-South Multimodal Transport Corridor was identified as an area for improvement which entails the design and implementation of a smart corridor system for both road and rail on the multi-modal African Regional Transport Infrastructure Network in Southern Africa, and the Kazungula route lies along this corridor.

” While the long-term benefits of the Kazungula Bridge are yet to materialize, we have already seen some immediate benefits. On the first day of operation, 162 trucks passed through the Bridge, as opposed to the 50 vehicles per day previously handled by the ferry,” Moyo said.

The Bridge’s parking area on each side can accommodate 150 trucks. The project will directly benefit the population in the project area, Zambia and Botswana, by providing an improved border crossing facility which will reduce crossing time and cost.

The project will positively impact on national economies of both countries through enhancement of gross domestic product, strengthening of inter-dependencies among domestic industries, and reduction of socio-economic disparities between urban and rural areas. ~

## Another view of the Kazungula Bridge.



# KenTrade Upgrades DIGITAL CARGO PLATFORM TO SEAL LOOPHOLES



**Upgrading the system started in February 2021 and in August of the same year, in a public notice, KenTrade directed traders to lodge new Consignment Documents (CD) applications through the system after a successful launch and training of the users in its initial phase.**

**The government collects over US\$22.19 million through the system per year, with most Government agencies recording double-digit growth in revenue year in year on**

**K**enTrade kicked off the upgrade of the Kenya TradeNet System early last year to improve efficiency, lower costs and address the challenges the users of the six-year-old software have been experiencing as the agency expands its trade facilitation mandate.

The upgraded TradeNet System will enhance its users' experience and avoid the system becoming technologically obsolete. KenTrade started the upgrade process by inviting the stakeholders to give their views in a gap analysis process.

Upgrading the system started in February 2021 and in August of the same year, in a public notice, KenTrade directed traders to lodge new Consignment Documents (CD) applications through the system after a successful launch and training of the users in its initial phase.

Phase one started with the government agencies. The

Communications Authority of Kenya (CAK), Pharmacy and Poisons Boards (PPB), and Energy and Petroleum Regulatory Authority were brought on board. Other government agencies include the Department of Veterinary Services (DVS), Kenya Dairy Board (KDB) National Environment Management Authority (NEMA; Kenya Radiation Protection Board (KRPB), and Control and Products Board (PCPB).

"Effective 20th August 2021, traders (Clearing Agents & Importer/Exporters) will lodge new Consignment Documents (CDs) through the new upgraded system, as highlighted in the roll-out plan. New Consignment Document (CD) applications to the current TradeNet system by traders will not be possible. Traders will be directed to submit the applications through the upgraded system," the notice directed.

KenTrade has upgraded the Kenya



**The KenTrade System upgrade will address the challenges of:**

- Delays in document processing,
- Lack of a 2-factor user authentication mechanism,
- Document security features.

**The setting up of the Agency was because of the need by the Government of Kenya to reduce the costly delays that were experienced in cargo clearance at the Kenya ports and Air. The system today provides access to Importers/Exporters and Clearing Agents to submit trade documents for processing by the Partner Government Agencies (PGAs). The System has recorded over 14,000 users, registered with 41 stakeholder organizations, including 36 Partner Government Agencies (PGAs) drawn from both public and private sectors, and this number continues to grow.**

TradeNet system to enhance system productivity, avoid technological obsolescence and improve user experience. The TradeNet system upgrade entails a technological refresh to ensure that the system is compatible with recent technological advancements, the notice announced.

“The transition from the old system to the upgraded system will be a seamless process with minimum disruptions and once completed, the system will provide a much better experience for users. Thank you for your continued support that has enabled us to achieve notable milestones in implementing the planned system upgrade,” Chief Executive Officer of KenTrade Mr. Amos Wangora told participants in one of the KenTrade virtual meetings.

The upgrade will address the challenges of delays in document processing, lack of a 2-factor user authentication mechanism, and address the problem of the limited document security features.

Other challenges the old system has experienced in the past and which the upgraded system seeks to cure are limited visibility of information to users due to lack of dashboards and few standard reports and cumbersome user registration process delaying registration process.

The upgraded system will also focus on Master Data harmonization with Partner Government Agencies (PGAs) with increased ability to add more integration, make user administration easy and reduce the high total cost of ownership.

Kenya TradeNet System has been operating since October 31, 2013, when it officially went live. Crimson Logic of Singapore is upgrading the TradeNet System. The government collects over US\$22.19 million through the system per year, with most Government agencies recording double-digit growth in revenue year in year on, according to Wangora.

Crimson Logic developed the software and has been assisting

in running it, but according to Wangora, enhancing local capacity is also ongoing to reduce overreliance on software developers. “The new system will use current technologies such as Artificial Intelligence and Blockchain,” Wangora said in an earlier interview.

KenTrade is a State Agency that was set up in 2011 under The National Treasury and was mandated to establish, manage and implement The National Electronic Single Window System and to facilitate international trade in Kenya.

The setting up of the Agency was because of the need by the Government of Kenya to reduce the costly delays that were experienced in cargo clearance at the Kenya ports and Air. Kenya TradeNet System was launched by the East African Community (EAC) regional Heads of States in Nairobi in May 2014 as an ultimate intervention to this trade logistics challenge.

The system today provides access to Importers/Exporters and Clearing Agents to submit trade documents for processing by the Partner Government Agencies (PGAs). The System has recorded over 14,000 users, registered with 41 stakeholder organizations, including 36 Partner Government Agencies (PGAs) drawn from both public and private sectors, and this number continues to grow.

To date, the system has implemented all the Modules that were envisaged on the Kenya TradeNet System with the latest being the Risk Management module. This module entails systematic identification and implementation of measures necessary to limit exposure to customs by ensuring that various pre-determined parameters are within acceptable limits based on various risk parameters. ~

## Creating Port Stakeholders' SYNERGY THROUGH A CHARTER



**M**ombasa Port and Northern Corridor Community Charter 2019 (the Charter) proclaims the desire of the Port and Northern Corridor community to realize the full trade facilitation potential of the Port and Northern Corridor.

It is the culmination of extensive consultations with private and public sector stakeholders, including government agencies, the business community, civil society organisations and special interest groups, on the upgrading and improvement of logistics services.

The Charter is a coordinating mechanism that ensures a concerted approach towards transforming the Port of Mombasa and the Northern Corridor into an efficient, reliable and globally competitive trade and transport corridor.

The Steering Committee for the Charter - comprising the Shippers Council of Eastern Africa (SCEA),

the Kenya Maritime Authority (KMA), the Kenya Ports Authority (KPA), the Kenya Revenue Authority (KRA), the Kenya Trade Network Agency (KenTrade), TradeMark East Africa (TMEA), Kenya Ship Agents Association (KSAA) and the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) - form the core team responsible for coordinating All the stakeholders are obliged to pursue and encourage realisation of the Northern Corridor's full trade facilitation potential, as intended by the Charter.

**Sustained financial and technical support from TradeMark East Africa (TMEA), has been key to its development and implementation in order to achieve the trade facilitation.**

Achievement of the current government's 'Big Four' economic agenda requires efficiency of the logistics chain, which can be realised through the inter-agency collaboration framework that the Charter provides.

Its significance in accomplishing a seamless flow of cargo was recognised in 2014, when His Excellency, the President Uhuru Kenyatta, launched the initial Mombasa Port Community Charter. In fact, the public and private sectors' pursuit of Charter objectives has seen remarkable improvements in the quality of logistics services in Kenya.

Without sustained financial and technical support from TradeMark East Africa (TMEA), the idea of the Mombasa Port Community Charter could not have been developed and implemented to achieve the trade facilitation that the Charter has generated.



## Viaservice Provides a Sustainable SOLUTION TO CONTAINER DEPOSIT

Viaservice Ltd, a Tanzanian based subsidiary of the Swiss Group, Viaservice SA, has pioneered the provision of local and transit Container Guarantees in the country with plans to expand the services to Kenya, West Africa, Southern Africa, Asia, Latin America, and other parts of the world, according to Mr. John Mathenge, the firm's managing director.

"The Container Guarantee is a business-friendly solution that protects the commercial interests of shipping lines, importers, and freight forwarders without having to put up container deposits. It covers local and transit containers whether import or export," added Mathenge. A new standard 20-foot container can cost more than USD 3,000; a standard 40-foot container may cost upwards of USD 5,000. To protect their resources, shipping lines require security in form of container cash deposits before releasing containers to consignees or freight forwarders. The risks covered include loss, damage, abandonment, or detention for prolonged periods. The 13th Northern Corridor Integration Projects Heads of State Summit held in April 2016 directed the Ministers responsible for Finance and Trade to ensure the elimination of cash deposits for containers, which persists to date. Viaservice has filled this void by providing a sustainable guarantee solution that addresses the concerns of the container owners and users. Viaservice Container Guarantee provides prompt settlement of all shipping lines' obligations related to demurrage, damage, and total loss of container thus eliminating bad debts accruing to shipping lines and the administrative burden of container deposit.

It eliminates the need for customers to put cash deposit hence easing their cashflow burden and allowing them the flexibility to provide container security most friendly to their business. The service is

digitized through an online digital platform leveraging technology to simplify operations. A customer can order a guarantee from any place and time by logging onto the guarantee portal said John Mathenge.

Three shipping lines have already deployed the Container guarantee solution namely MSC and Messina, Hapag Llyod while others are in the process of coming on board. Over 350 clearing and forwarding agents have signed up as users of the services and more are joining

the fold.

Viaservice is collaborating with Intergovernmental Standing Committee on Shipping (ISCOS), Tanzania Shipping Agencies Corporation (TASAC), Tanzania Revenue Authority (TRA), Tanzania Freight Forwarders Associations (TAFFA), Tanzania Shippers Council (TSC), Federation of East African Freight Forwarders Associations (FEAFFA) among other stakeholders to enhance the uptake of the service.



**We take care  
of your cashflow.  
So you can take care  
of your growth.**

# Indigenous Ship Agency Wins 3 EAMA AWARDS.



**In whatever we do, we want it to have our signature of excellence” said Mr. Silvester Kututa, this as ESL Group won Best Shipping Agent (Tramp Agency)- Express Shipping & Logistics EA Ltd (ESL), and Best Clearing and Forwarding Agent Kenya -ESL Forwarders Ltd in the 2020 East Africa Maritime Awards (EAMA)**

**E**xpress Shipping & Logistics (ESL) group won Best Shipping Agent (Tramp Agency) and best Clearing and Forwarding Agent Kenya -ESL Forwarders Ltd in the 2020 East Africa Maritime Awards (EAMA) that were unveiled in September 2021. Its sister company in Uganda emerged as the first runners up in the Best Clearing and Forwarding Agent- Uganda category. Kenya Ports Authority (KPA) held its second EAMA on September 17, 2021, in Mombasa to recognize the industry’s outstanding practices for Excellence, Sustainability, Training, Technology, Initiative, Personality, and Leadership from the Eastern Africa region. The event is organized by KPA in partnerships with the Kenya Maritime Authority (KMA), Kenya Revenue Authority (KRA), Kenya Trade Network Agency (KenTrade), Shippers Council of Eastern Africa (SCEA), and East African Business Council (EABC). ESL Founder and Chairman, Mr. Silvester Kututa attributed this victory to the company’s driving

philosophy of distinctive service provision and its mission to power its customers to market leadership. “ In whatever we do, we want it to have our signature of excellence,” Kututa, said after the award. The company was founded in May 2001 and it has been a journey of great success for a company that has seen initial challenges and great opportunities, where many have failed. Starting from scratch in Mombasa, the company has grown to be one of the current region’s leading providers of integrated supply chain solutions with expertise in tramp and liner ships agency, crewing, security agency, and freight forwarding. It has also ventured into project management and customs management, handling an array of commodities imported and exported around the world. In 2001 and after graduating with a master’s degree in Shipping Management from the World Maritime University, in Sweden, Kututa declined what would have

been well-paying job offers in both the UK, Australia, and Dubai, and jetted back to the country to start what has been a twenty years journey.

“It has been an exciting journey to see our growth extend tentacles to other East African countries,” Mr. Kututa said, adding that resilience is critical for investment in logistics as it took him five years to have ESL get headway and 7 years to get a breakthrough.

With branches now in Mombasa, Nairobi, Lamu, Tanzania, and Uganda, the firm recently partnered with the government in piloting the Kenya Revenue Authority (KRA) Integrated Customs Management System (iCMS) and Maritime Single Window System, a ship clearing application that is a joint initiative of Kenya Maritime Authority (KMA) and KenTrade that was launched last month.

In an almost similar fashion to how ESL started, the company ventured into Lamu 3 years ago to lay a foundation for business long before the port became operational.

“We are the market leaders in Mombasa handling about 10 percent of the cargo volumes and by implication and lack of choice, as a market leader, we have to take responsibility and shoulder responsibility that comes with it,” Martin Karani CEO at ESL told Freight logistics.

ESL has in recent years been awarded FONASBA Quality Standard Award for ships agents. It has also been awarded ISO 9001:2015 and was awarded New Millennium Award in

**ESL Founder and Chairman, Mr. Silvester Kututa attributed this victory to the company's driving philosophy of distinctive service provision and its mission to power its customers to market leadership.**

“The event is organized by KPA in partnerships with the Kenya Maritime Authority (KMA), Kenya Revenue Authority (KRA), Kenya Trade Network Agency (KenTrade), Shippers Council of Eastern Africa (SCEA), and East African Business Council (EABC).

Madrid, Spain in 2006 and 2007.

Over the recent years, ESL has been the highest revenue contributor to Kenya Ports Authority in the clearing and forwarding category. It has also been accorded Authorized Economic Operators status by KRA, which is given to companies that uphold high standards allowing them to clear goods for Authorized Economic Operator importers and exporters through a dedicated channel. It is KRA's biggest revenue collector.

“When we started the company in 2001, we didn't want to start just another company. We committed to operating the company with full focus on our customers' needs,” Maurine Atieno ESL's Country Operations Manager said, adding that the company's vision espouses the belief to deliver distinctive service that powers customers to leadership.

“We have very many testimonies of companies which started with us right from their incorporation, and today, they are leaders in their respective industries. Very many examples. That's what drives us,” she said.

The company has expanded its profile and is today serving a wide range of customers spread across many sectors that include the construction industry, manufacturing, mining industry, earthmoving machinery, and building materials.

Other sectors served include, agricultural, chemical logistics, marine services, defense, healthcare and pharmaceuticals, cold chains logistics, and cruise and hospitality.

“We value building relationships before any transaction and work extremely hard to ensure we understand the customer's needs before offering solutions and or task execution. We strongly believe this has had a significant impact on the

strong customer base we have built over the years,” said Florence Twei, ESL's Sales and Marketing Manager. She further said; “Then we walk with them to provide those solutions and stand with them in good and tough times. The passion we build in every team member ensures task management is fun and that every task is doable through team synergy. We greatly believe in teamwork.”

Loyal and experienced staff, cost visibility, and efficiency in cargo operations, and global and regional coverage, according to ESL's Quality and Compliance Manager - Lenrod Mwamburi have all reinforced ESL success. Other principles behind the success include a dedication to quality service provision, commitment to building relationships, financial strength, and flexibility to invest in equipment and assets that boost logistics performance.

The company is affiliated with several professional bodies, which has helped it grow its workforce. These bodies include the Baltic and International Maritime Council (BIMCO, Copenhagen), Kenya Ships Agents Association (KSAA), where Kututa is the chairman, and Institute of Chartered Ship Brokers (UK) (ICS).

According to the Group's CEO, Mr. Martin Karani, the current awards are an affirmation and assurance that the company is not only committed to excellence but also driven by its mission of making its customers leaders in their markets in the entire region.

It also reinforces ESL's focus to continually innovate the dynamic logistics industry to be the best sought-after employer in the industry. ~

# Kenya Anchors Maritime TRAINING ON BLUE ECONOMY



**The Kenya Coast National Polytechnic (KCNP), the only polytechnic in the Coastal City of Mombasa, was in 2018 competitively selected to run a 5 years World Bank-funded project under the East Africa Skills Transformation and Regional Integration Project (EASTRIP)**

**W**e can describe the last decade as the cradle years of Kenya's maritime industry turning point. Today, everyone is speaking of the country's ocean economy and referring to it as the blue economy, something that was unheard of a decade and a half ago. Someone once described it as a sleeping giant.

The growth has been painstakingly slow. It all started in 2004 when the government of Kenya established Kenya Maritime Authority (KMA) vide a Presidential Order to oversee the transfer of responsibilities in shipping matters from the Kenya Ports Authority (KPA) to an autonomous State Corporation. In 2009, the Merchant Shipping Act (Merchant Shipping Act 2009) was enacted by Kenya's parliament. One of the greatest challenges that

have faced the industry is training its working personnel. Although the maritime industry in Kenya had expanded over the years, maritime education and training have not grown at a commensurate rate. Therefore, in order to exploit the ocean economy, it is a prerequisite for the country to first increase its human capacity.

Appreciating the human resource needs for the realization of the maritime sector's contribution to economic growth, the KMA, as one of its core mandates, has started several programmes to promote maritime training and education.

In collaboration with other institutions, the authority has developed a national curriculum for maritime training of seafarers and land-based maritime transport service providers. The agency also worked with the Kenya Institute of

Curriculum Development, Technical Education and Training (TVET) and the Ministry of Education, Science and Technology to develop Certificate and Diploma Curricula on Maritime Transport Logistics.

Jomo Kenyatta University of Agriculture and Technology (JKUAT) is today offering a Logistics and Supply chain degree programme and Moi University Maritime Management degree programme.

With the collaboration of other stakeholders in developing the programme, JKUAT is now offering a marine engineering degree course while the Technical University of Mombasa (TUM) and Bandari Centre of Excellence are offering a diploma programme on the same.

“In order to develop the maritime industry, universities should develop degree courses related to all the maritime clusters,” Ms. Nancy Karigithu, Principal Secretary the State Department for Shipping and Maritime said.

The revival of Kenya National Shipping Lines (KNSL), because of its strategic role, is expected to transform the country’s maritime education and training by offering on-ship training the country has been lacking. The government will do this through Bandari Maritime Academy.

“Bandari Maritime Academy has now been identified as the National Centre of Excellence for Maritime Training with very high potential for research and skills development which can be used in transforming the region’s Blue Economy,” Karigithu said.

The college was established in 1980 as a department under Kenya Ports Authority (KPA).

Bandari Maritime Academy (BMA) in 2021 made a significant milestone when it signed a Memorandum of Understanding with Scotland-based City of Glasgow College to support the ongoing process of turning the academy into a Maritime Centre of Excellence to bridge industry workforce gaps.

The MOU established a strong link between the two institutions and

will see BMA get help in writing courses and developing teaching materials. Other joint initiatives will include seminars, workshops, collaborative research, and the certification of training programmes for students, faculties, and industry.

“We are delighted to recognize this new partnership with Bandari Maritime Academy. Our Faculty of Nautical and STEM has strong business links across Africa, Asia, and the Americas, specifically in providing academic qualifications and mandatory safety training for marine industry professionals,” the Principal and Chief Executive at the City of Glasgow College, Paul Little said, adding that the institution was proud to work with Bandari to help deliver relevant, high-quality training to a new generation of seafarers.

Commenting on the MOU, the Ag. Director of Bandari Maritime Academy Mr. Francis Muraya said the objectives of the MOU include the mutual exchange of maritime students, the development of a maritime internship, and collaboration in maritime and educational research projects in the longer term.

“We are very pleased to establish this relationship with the City of Glasgow College. Their wealth of expertise and knowledge will help us achieve our ambition to meet our country’s growing skills demand within the maritime sector. We look forward to working and collaborating with the college at this exciting stage in our Academy’s development.” he said.

Last year, BMA signed another MOU with the CMA CGM shipping line to facilitate support for the training and enhancement of skills and competencies in Kenya’s maritime sector. Through the agreement, the two will develop opportunities to provide sea time opportunities to cadets and shore-based shipping and port operations skill development. BMA has so far developed 12 curricula on employable skills for the maritime sector out of the targeted 33 courses it plans to offer.

The Kenya Coast National

Polytechnic (KCNP), the only polytechnic in the Coastal City of Mombasa, was in 2018 competitively selected by the World Bank and Government of Kenya to be a regional flagship Technical Vocational Education and Training institution under the East Africa Skills Transformation and Regional Integration Project (EASTRIP). World Bank has also supported KCNP in acquiring training equipment and up-scaling its staff. KCNP is, therefore, expected to develop a regional Centre of Excellence in Marine Transport and Port Logistics, a center that aims at developing competent graduates for the maritime sector, to increase access to quality training and enhance regional integration. ~

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## Regional States Make Foray into RAIL TRANSPORT TO CUT COSTS



**Transit cargo for Uganda, Rwanda, and South Sudan is being dropped at Naivasha Inland Cargo Depot at Naivasha and evacuated by trucks to final destinations. Kenya wants a reliable mode of transport for onward transit of cargo into the hinterland to make its logistics infrastructure operational, particularly the Naivasha inland container depot.**

**T**he East African countries have embarked on reviving their medium meter gauge railway lines to lower the cost of transport and road maintenance after they failed to secure loans from China for the planned Standard Gauge Railway lines.

The growing markets of the Democratic Republic of Congo and South Sudan have renewed vibrancy on the Northern Corridor, with Uganda and Kenya seeking a seamless connection using the old meter-gauge railway line.

Kenya finished the construction of the SGR from Mombasa port to Naivasha but did not reach the line to Malaba as earlier envisaged when the Exim Bank of China agreed to finance the project, but later retracted on the deal when questions on the project's viability were raised.

Transit cargo for Uganda, Rwanda, and South Sudan is being dropped at Naivasha Inland Cargo Depot at Naivasha and evacuated by trucks to final destinations. Kenya has since completed the Sh3.5 billion

Meter-Gauge Railway (MGR) line from Mai Mahiu Inland Depot Container to Longonot town in Naivasha.

The 24-kilometer railway line paves the way for the evacuation of cargo from the depot to the Malaba border. Shippers expect this to help further reduce the time taken to ferry goods from the port of Mombasa to Uganda.

In January this year, Kenya began the \$35 million rehabilitation of the 460km Longonot to Malaba line, which it expects to be ready by the end of the year. Upon completion of repairs on the old line, it will then link to the SGR at Naivasha. This will enable seamless transport of cargo containers from Mombasa to Kisumu and Malaba border into Uganda.

The single-track line which links eastern and northern Uganda to the port of Mombasa in Kenya and South Sudan and the Democratic Republic of Congo has been out of service since 1993 because of insecurity in the northern region brought about by the Lord's Resistance Army.



Uganda Railways Corporation is expected to rehabilitate the 260Km Kampala- Malaba line which links Kampala to Malaba town, along its border with Kenya.

The Kampala-Malaba project will be funded by the African Development Fund, which will provide US\$ 356.61 billion, the African Development Bank (US\$ 825.52 billion) and the Corporate Internationalization Fund of Spain (US\$ 110.72 billion).

Kenya Railways managing director Phillip Mainga said the latest project was aimed at extending the SGR in a plan aimed at hastening the ferrying of goods from Mombasa to neighboring countries.

“Railway transport is faster than the road by far,” said Mainga, adding that about 30 percent of cargo on our roads is destined for the neighbouring countries.

“With enhanced connectivity, we expect the amount of cargo ferried to increase and we look forward to using railway transport more.”

Kenya wants a reliable mode of transport for onward transit of cargo into the hinterland to make its logistics infrastructure operational, particularly the Naivasha inland container depot.

Besides putting its logistics

infrastructure to use, Kenya is also eyeing the \$92.3 million Congolese market for its manufactured goods and is apparently keen to see a link with Uganda actualized in the shortest time possible.

“Kenya is interested in a seamless connection immediately,” according to Stanley Sendegeya, Uganda Railways Corporation (URC) Managing Director.

In addition, transit cargo to DRC and Rwanda, currently moving by road, will shift to rail and free the roads and double their lifespan, Mr. Sendegeya added.

In its efforts to revamp the MGR, Uganda is also reviving the route from Tororo in eastern Uganda to

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Gulu city in the north. The line is currently under construction in the city that hosts Gulu Logistics Hub, whose phase one is also under construction, and projected to be completed in March 2022. The rail-linked hub was planned as a strategic location connecting to the growing markets of Congo and South Sudan.

Also in URC’s development plan is the revamping of the Kampala-Kasese line, which ends near the Uganda-Congo border, and the Gulu-Pakwach line in northern Uganda, also planned to move cargo close to the DRC border.

In groundbreaking deals, the DRC, whose expansive eastern territory is reliant on the Northern Corridor for the movement of goods, has agreed with Uganda and Kenya to deploy in joint security operations and road construction to guarantee ease of commerce and movement of goods. URC purchased four new locomotives to boost its existing capacity as it plans to rehabilitate the railway transport system. In January this year, Mr. Sendegeya said the four new locomotives would facilitate freight services along Kampala- Naivasha line as the Corporation pushes for rehabilitation of the network. ~



## MPNCCC Creates New Site TO ENHANCE COMMUNICATION



**The 2014 Port Community Charter, achieved remarkable milestones despite the frequent changes in the logistics supply chain.**

**The new charter seeks to establish a permanent framework of collaboration that binds the port community together to specific actions, collective obligations, targets, and timelines.**

The Mombasa Port and Northern Corridor Community Charter (MPNCCC) recently accomplished its efforts to have an online presence following the delivery of its website by Zilojo Ltd in a bid for enhanced communication, one of its core mandates in addressing corridor delays. Trademark East Africa (TMEA), an aid for trade organization created in 2010, funded the project.

The initial Mombasa Port Community Charter was launched by H.E. President Uhuru Kenyatta, in June 2014 and aimed at establishing a framework of collaboration and binding the stakeholders to specific actions and services delivery targets and timeframes.

Over the years, the government has invested in the country's transport expansion and infrastructural network with a view of reducing the cost of

doing business while creating new business and employment opportunities.

At the port of Mombasa, industry stakeholders observed that the cost of doing business and efficiency depends on the actions of key government agencies, shipping lines, and cargo owners and the duration within which they execute their actions. The number of players and the level of duplication of roles also influence the time and costs of doing business.

Cargo dwell times at the port and inland container depot at Nairobi are yet to reach optimal levels as intervening agencies often cause delays and cargo may remain in the port even after customs release. As a result, high storage costs and other associated delays are passed on to the cargo owners. Taking cognizance of the government's effort to reduce duplication of roles and unnecessary bureaucracy by





regrouping and categorizing government agencies operating at the port, monitoring and evaluation are now being done under the reviewed Mombasa Port and Northern Corridor Community Charter. Industry stakeholders expect to facilitate the establishment of an accountability framework needed to address shortcomings that have cost implications to cargo owners and other service providers. Prior to the charter document, most agencies worked on their own and the industry experienced a lack of responsiveness and coordination amongst Government and Trade Facilitation agencies.

The 2014 Port Community Charter, however, achieved remarkable milestones despite the frequent changes in the logistics supply chain. In 2018, with the support from TMEA, the stakeholders revised the

**It also increased the number of signatories from 25 agencies to 54 new signatories. They divided these into eight categories that include logistics service providers; cargo interveners and inspectors; shippers (traders, consigners, consignees, importers, and exporters), and regulators.**

Port Charter and drafted the 2nd Edition of the Charter, which runs up to 2024, which was renamed the Mombasa Port and Northern Corridor Community Charter (MPNCCC).

It also increased the number of signatories from 25 agencies to 54 new signatories. They divided these into eight categories that include logistics service providers; cargo interveners and inspectors; shippers (traders, consigners, consignees, importers, and exporters), and regulators. Others included policy and oversight; trade and commerce associations; associate parties and development agencies, and other coordination and cooperation mechanisms.

To ensure timely and seamless implementation of activities, the Steering Committee formed three subcommittees, namely ICT Sub Committee, Monitoring and Evaluation Sub Committee, and Communication Sub Committee who report to the Steering Committee quarterly.

MPNCCC also aims at ensuring that stakeholders' general populace is kept abreast with key activities of the Charter through the website and an MPNCCC e-Newsletter which is being driven by the MPNCCC Sub Committee on Communication.

The new charter seeks to establish a permanent framework of collaboration that binds the port community together to specific actions, collective obligations, targets, and timelines. It also aims at complementing the individual

institutional service charters in addressing the challenges that act as barriers to trade facilitation along with the port and corridor.

Other key objectives of the charter are to introduce, educate and publicize to all stakeholders the industry customs and practices embraced by the port community to rightfully influence all persons in the region taking part in international trade and to develop and implement a self-monitoring and evaluation mechanism for collective community obligations.

As a framework for enhancing the efficiency, effectiveness, reliability, and global competitiveness of the port and the corridor, industry stakeholders expect the Charter to drive the regional economy towards becoming an attractive investment destination.

The revised Charter strengthens the original by creating a framework for benchmarking the corridor performance and monitoring and evaluation. The new Charter also revised performance indicators, targets, and benchmarks, which include new sustainability mechanisms.

The charter also introduced more stakeholder coordination, engagement, and management; enhanced management arrangements, systems, processes, and human resources. Additional measures include timelines for review and lifespan of the Charter; use of new information technology tools and new communication strategy. ~



# Trade Logistics Information Pipeline (TLIP)

This logistics platform targets, Exporters, Clearing and Forwarding agencies, Government agencies involved in export, Importers in the destination market, transporters

The TLIP system offers an integrated solution for sharing information from source, hence no need to rely on third parties. The primary information of each transaction is generated and transmitted at source and all other participants use this primary information to add value or execute their mandates within and across borders. Across East Africa through the Single Customs Territory, the Customs Administration of 5 countries have already implemented an information sharing arrangement that is based on a regional agreed framework of operations, backed by ICT. The impact of this implementation

has been a drastic reduction on compliance requirement and delays associated in cargo clearance in the East Africa. The TLIP is based on a similar framework, with the difference being that it addresses the challenge of imports and exports to and from East Africa in regard to information integrity.

TLIP will create a system where there will be no need of sharing physical documents within and across borders, relying on third party sources and lengthy verification processes applied by authorities.

Studies have shown one of the reason East African goods spend more time in European ports

pending clearance is related to documentation - for example, Brazilian Coffee to Europe is cleared faster compared to Ugandan Coffee and the key source of the difference is the documentation process that Ugandan Coffee has to go through compared to other Coffees. Such discrepancies will be addressed by TLIP that will avail real time and reliable information to European authorities and business regarding the content and nature of Coffee exports from Uganda.

The establishment of the TLIP is set to be built on Blockchain technology. Blockchain (also known as distributed ledger) has the following benefits: it is highly secure (original data from the primary source cannot be altered), curbs documentary fraud, offers the opportunity to get data from the primary source, offers improved information traceability among others.

*\*Source: www.trademarkea.com*



## Global forum focuses on easing trade during and after COVID-19.

UNCTAD's global forum for national trade facilitation committees (NTFCs) will examine how to accelerate the implementation of trade facilitation reforms through these committees during and after the pandemic. To participate in the forum, register here.

Trade facilitation entails expediting the clearance of goods to reduce the time and cost of import, export and transit procedures to ensure the free flow of goods across borders.

"COVID-19 has been a stark reminder that the pains caused by trade disruptions are real. These pains were already daily realities for people in vulnerable nations, who rely on trade for essential goods," said UNCTAD Secretary-General Rebeca Grynspan.

"Making it easier and less costly to move goods across seas and borders is critical to ensuring a sustainable and inclusive recovery. Because trade is about people and about improving their lives," Ms. Grynspan said.

*\*Source: UNCTAD*



## AfCTA success dependent on unity of execution

The success of the African Continental Free Trade Agreement (AfCFTA), which came into effect at the start of this year, is dependent on the efficient and cheap movement of goods, and requires huge investments to ensure functioning infrastructure.

A lack of natural deep-sea harbours, long navigable river systems and the presence of dense vegetation have been natural obstacles to trade flows and have historically isolated Africa's populations from one another. But fast-growing populations and economies, a more integrated global economy, and insatiable resource demand from Asia are once again changing Africa's economic dynamics, and there is a renewed scramble to develop ports, transport and logistics.

*\*Source: African Business*



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