

**A BRIEF SUMMARY OF WRTE SHOP REPORT HELD IN ENTEBBE UGANDA FROM 8<sup>TH</sup> – 10<sup>TH</sup> MARCH 2022 AT BEST WESTERN HOTEL.**

**PARTICIPANTS**

<b>FEAFFA</b>	<b>Uganda Freight Forwarders</b>
<b>Shippers Council of East Africa</b>	<b>USAID</b>
<b>Uganda Revenue Authority</b>	<b>Burundi Revenue Authority</b>
<b>Rwanda Revenue Authority</b>	<b>Burundi International Transporters Assn</b>
<b>Tanzania Association of Transporters</b>	<b>My Cargo Logistics</b>
<b>KIFWA</b>	<b>Uganda Private Sector</b>
<b>Kenya Transporters Association</b>	<b>Private Consultants</b>
<b>Trade Mark East Africa</b>	<b>USAID</b>
<b>Burundi Freight Forwarders Association</b>	<b>Representatives from Policy Link</b>



## **THE LOGISTICS TASK TEAM**

1. In the meeting the task team were grouped in to four groups to design and provide solutions to address high cost of transport and logistics in the region and what can be done differently to improve regional trade and how can it be done.
2. How the EA Region can address the issue of backhaul logistics to reduce the cost of transport and logistics to ensure competitiveness.
3. What private sector models would solve the problem

## **PRIORITY LOGISTICS PROBLEM AREAS**

- 1. INEFFECTIVE INFORMATION SYSTEM THAT EFFICIENTLY LINK RETURN TRANSIT TRUCKS WITH CLIENTS. LIMITED FORMAL INFORMATION PORTALS AMONGST MARKET PLAYERS TO LINK TRUCKS WITH CARGO ESPECIALLY ON BACKHAUL LEADING TO UNDER UTILIZATION**

### **SOLUTIONS**

- a) Emerging private sector solutions – cloud based in e logistics should seek to fill the market gaps but transparency between cargo owners and transporters needs to be emphasized. There are over 50,000 trucks are registered in various e-logistics firms that operates in Kenya and Uganda.
  - b) Identify SMEs and other cargo owners that need the information. Asses the information needs and the mechanisms to link them with empty trucks
  - c) Designated consolidation centers need to be developed.
  - d) Gaps in harmonization spirit of regional integration and access to opportunities equally to be addressed
- 2. LEGAL PROVISIONS RESTRICTING TRANSIT VEHICLES FROM PICKING GOODS ALONG THE WAY FOR DELIVERY WITHIN ONE COUNTRY OR NEIGHBORING COUNTRIES.**
  - a) Legislative review/ amendment- to have the section of the law that was restricting transit vehicles from carrying local cargo to be reviewed – Section 244, Regulation 104, Section 16 Regulation 210)

b) Advocacy and lobbying from private sector especially Transporters Associations

### 3. ELEVATED COSTS AT BORDER CROSSINGS.

STATUTORY COSTS	SOLUTIONS
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Transporters charged CESS fees of USD 60 to enter Mombasa with export cargo</li> <li><input checked="" type="checkbox"/> Road tolls and road user fees</li> <li><input checked="" type="checkbox"/> Trucks parking fees</li> <li><input checked="" type="checkbox"/> COVID-19 testing fee for Drivers</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Identifying the parties involved i.e. County Governments, Highway Authorities, and Cross Border Regulatory etc.</li> <li><input checked="" type="checkbox"/> Lobbying and engaging them for possible review /dropping them as well.</li> <li><input checked="" type="checkbox"/> Lobby for harmonization of the charges a cross the EAC Partner States</li> <li><input checked="" type="checkbox"/> Need to document and gazette charges for predictability</li> </ul>

INCIDENTAL COSTS	SOLUTIONS
Multiple Government Agencies at the Border crossing points	<p>The number of the Agencies operating at the border points to be reduced by removing or merging them.</p> <p>Automation and interfacing the systems to speak to each other</p>
Punitive fines as a result of cargo shift by Weighbridge Operators	Cargo should be weighed once at the point of departure- Advocacy and lobbying needed
Delay in obtaining authority and route map for conveyance of over gauge cargo - heights declare are sometimes misleading	Roads Authorities in the EAC need to carry out a proper road survey in both Northern and Central Corridors and also to declare the correct heights at various fly overs.
Constant vehicle breakdowns as a result of poor maintenance.	<p>There is need to set clear minimum standards and conditions of trucks to load certain goods for certain goods in transit</p> <p>There is need to inspect and certify them</p>

Frequent breakdown of Scanners	Revenue Authorities to enhance risk management capabilities, to scan only cargo with suspicious declaration or with intelligence information. Sharing of information between the Revenue Authorities to avoid double scanning of the same cargo.
Poor Road Conditions	Continuous maintenance by the Roads Authorities in the EAC
Longer system down time	Revenue Authorities and other Government Agencies to invest in more stable internet connectivity.
Delay in cargo verification	Revenue Authorities to acquire more land for purposes of verification.
Lack of RECTS ( seals)	Revenue Authorities to acquire more seal to mitigate the high volumes of cargo crossing the border points
High tariff on container demurrages	Advocacy - Intervention required from the Ministry of EAC state department Maritime
Truck detention charges	Truckers to charge affordable and reasonable fees - Standards by industry sector

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#### **4. LOW LEVELS OF COMPLIANCE AND PROFESSIONALISM AMONG LOGISTICS SECTOR PLAYERS TO WIN TRUST OF TRADE FACILITATION AGENCIES.**

- a) Focus should be on regulation that is trade facilitative and not just a regulation in itself.
- b) Agreed harmonized and simplified industry standards should be developed and enforced Standard Operating procedures and service charters to enable the stakeholders (entire value chain) regulators accountable and vice-versa.
- c) Cargo owners and handlers at the point of origin and off-loading should endeavor to have a clear understanding of the existing laws and regulations.

## **WHAT NEXT;**

- 1.** Revising the groups solution reports based on plenary feedback
- 2.** Development of a consolidated solution report.
- 3.** Engagement with various stakeholders (regulators and others as may be necessary) to feed into the final design of solutions
- 4.** Presentation to FEAFFA
- 5.** Presentation to Final Solution Task Team