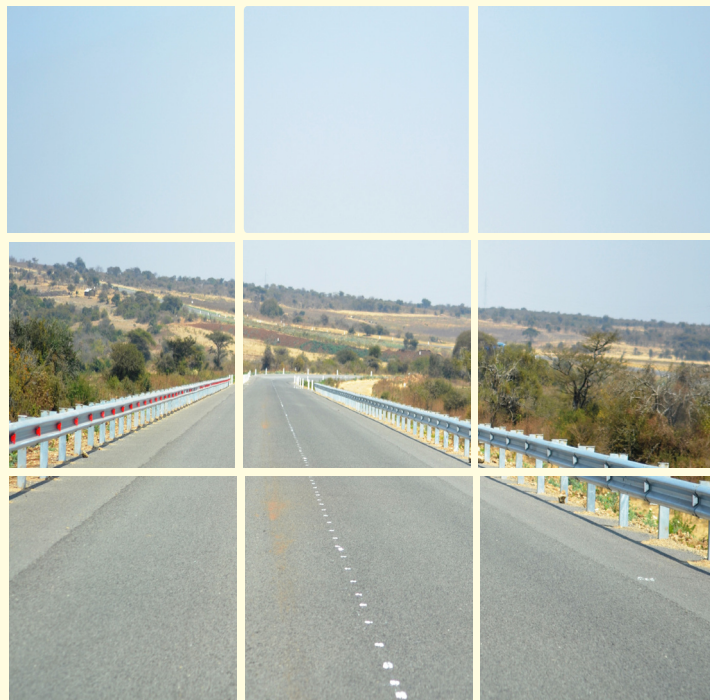




EAST AFRICAN COMMUNITY

**STATUS OF ELIMINATION OF
NON TARIFF BARRIERS
IN THE EAST AFRICAN COMMUNITY**

VOLUME 3 – JUNE 2012



One People. One Destiny



EAST AFRICAN COMMUNITY



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CONTENTS

FOREWORD	6
GLOSSARY	7
1.0 PURPOSE OF THE PUBLICATION	9
2.0 BUSINESS CLIMATE INDEX (BCI) 2011 SURVEY	10
2.1 Introduction	
2.2 General Business Climate	
2.3 Port administrative procedures and documentation requirement	
2.4 Customs procedures and administrative requirements	
2.5 Immigration procedures and administrative requirements	
2.6 Police checks procedures at roadblocks	
2.7 Weighbridge procedures and administrative requirements	
2.8 Technical standards procedures and administrative requirements	
2.9 SPS standards procedures and administrative requirements	
2.10 Business registration and licensing procedures and administrative requirements	
2.11 Conclusion	
3.0 ELIMINATION OF NON TARIFF BARRIERS	16
4.0 THE DRAFT STUDY ON THE DEVELOPMENT OF A LEGALLY BINDING ENFORCEMENT MECHANISM ON THE ELIMINATION OF IDENTIFIED NON TARIFF BARRIERS	38

FOREWORD

I take this opportunity to present to the readers and especially the policy makers of EAC Partner States the 3rd publication on the status of elimination of Non-Tariff Barriers (NTBs) within EAC region as at June 2012.

The publication highlights what EAC has achieved in the area of addressing NTBs in accordance with the decisions of EAC dedicated Ministerial meeting which was held in March 2012, in Mombasa, Kenya. A quick glance at the EAC Time Bound after it was updated during the 7th EAC Regional Forum on 27th – 29th June 2012, shows that Partner States are slow in addressing the NTBs as directed by the EAC dedicated Ministerial meeting. I urge the Partner States and other stakeholders to double their efforts in order to reduce NTBs in the region. I call upon the EAC Regional Forum and the National Monitoring Committees on NTBs; and the National Implementation Committees on Common Market to work hand in hand in pursuit of addressing NTBs in the region.

The elimination of Non-Tariff Barriers is to be carried out in accordance with the Treaty for Establishment of East African Community which outlaws the imposition of NTBs on Intra-EAC trade. The EAC Customs Union Protocol which was signed on 2nd March 2004 also outlaws imposition of NTBs to Intra-EAC trade and provides for the development of EAC Mechanism to identify, monitor and remove NTBs. This publication is aimed at galvanizing even more support for the removal of unnecessary NTBs to Intra-EAC Trade

I note with appreciation that the draft study report on the development of a legally binding mechanism on the elimination of identified NTBs was considered by the 7th EAC Regional Forum on NTBs where useful comments were made to improve the draft. I call upon the Partner States to forward their additional comments as agreed in the meeting to expedite the study. I have no doubt that when the proposed Bill is enacted into law we shall have set the pace of redressing the NTBs in the region in a holistic manner

I commend the efforts by the National Monitoring Committees on NTBs and the EAC Regional Forum on NTBs on their uphill task on tackling the NTB menace. I also applaud the we are getting from the relevant stakeholders and the Development Partners in addressing the NTBs in the region. It is my hope that this partnership will continue to grow stronger in future.



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GLOSSARY

CFS	Container Freight Services
COMESA	Common Market for Eastern and South African
EAC	East African Community
EU	European Union
EWURA	Energy, Water and Utilities Regulation Authority
FTA	Free Trade Area
GVW	Gross Vehicle Weight
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Services
KRA	Kenya Revenue Authority
ICDS	Inland Container Depots
NTBs	Non-Tariff Barriers
NMCs	National Monitoring Committees
PCCB	Prevention and Combating of Corruption Bureau
SADC	South African Development Community
TCM	Transport, Communications and Metrology
SPS	Sanitary and Phytosanitary
UNBS	Uganda National Bureau of Standards
TRA	Tanzania Revenue Authority
TANROADS	Tanzania Roads Authority
RRA	Rwanda Revenue Authority
URT	United Republic of Tanzania

1.0

PURPOSE OF THE PUBLICATION

This is the 3rd issue of the quarterly publication on the status of elimination of non-tariff barriers in the EAC region after the meeting of the 7th EAC Regional Forum on elimination of NTBs held on 27th – 29th June, 2012, Kampala, Uganda. The Regional Forum:

- (i) Considered the Business Climate 2011 Survey;
- (ii) Updated the EAC Time Bound Programme on elimination of NTBs taking into account the decisions of the EAC Dedicated Ministerial meeting on NTBs;
- (iii) Considered the draft study report on the development of a legally binding enforcement on elimination of identified NTBs.



2.0 BUSINESS CLIMATE INDEX (BCI) 2011 SURVEY

A representative from East African Business Council presented a report of BCI 2011 which had been prepared by EABC in collaboration with EAC, GIZ and African Capacity Building Fund in 2011. The following are the highlights of the presentation:

2.1 Introduction

The BCI 2011 was carried out between September and December 2011, with the main aim to collect and disseminate information on business environment in the EAC Partner in order to track improvements and/or deteriorations on Non-Tariff Barriers (NTBs) and other business climate factors. The findings aim to give statistical evidence on difficulties experienced in doing business in the region in order to target reforms on policies and regulations that will enhance efficiency improvements and increase intra-EAC trade.

The survey focused on collection of actual evidence on incidences and impacts of NTBs to intra-EAC trade under:

- (i) Port / Customs;
- (ii) Immigration;
- (iii) Police roadblocks;
- (iv) Weighbridges;
- (v) Technical standards;
- (vi) SPS, and
- (vii) Business registration and licensing procedures and administrative requirements.

It also benchmarked the EAC countries against international best practices where data was available. The findings will provide responsible institutions in the public and private sector as well as the NTB Monitoring Committees at national and EAC level with evidence of NTBs, which is necessary to facilitate resolution of obstacles to doing business in the region.

The field work covered a total of 515 respondents, broken down into 89 regulatory agencies and 412 businesses (manufacturing, agriculture, transporters, CFAs, informal cross border traders) and 14 truck drivers. The findings are therefore representative of the major bottlenecks experienced by businesses in the course of undertaking intra and extra EAC trade, and on requisite solutions to address these bottlenecks. In summary, the BCI findings show the following scenario.

2.2 General Business Climate

The BCI assessed the level of importance, current situation, whether the situation improved or deteriorated in 2010, and the expectations in 2011 on the business climate factors (BCF) based on perceptions by the business community.

All the 10 business climate factors assessed regarded as very important to business operations. With regard to the current situation of BCF, access to affordable and reliable energy emerges as the single most serious obstacle to businesses operations across the region. With respect to whether the BCF situation improved or deteriorated in year 2010, the average EAC responses indicate no changes occurred regarding access to affordable skilled labour, quality and cost of transport, security, legal and regulatory framework, and access to business support services. In addition, some minor deterioration was recorded on access to affordable energy and on access to finance. Regarding perceptions on situation of BCF in 2011, the EAC average shows some minor improvements are expected on ease of trading across EAC borders under the Customs Union and the Common Market.

2.3 Port administrative procedures and documentation requirement

There is need to focus future attention on provision of efficient service delivery through concessions, private public partnerships and joint venture approaches in order to speed up clearance of cargo from the port area. While port administrative procedures and documentation requirements play important roles in promoting import and export trade, it important to apply the procedures and requirements diligently so that they do not become an additional burden to port users.

The survey found out that although congestion at the two EA Ports has continuously been cited as a key bottleneck to fast and efficient clearance of imports and exports, this is due to insufficient and inefficient cargo handling facilities, poor speed in transferring cargo from incoming vessels to ICDs, and insufficiency of warehousing facilities for incoming cargo. It is therefore important to focus future attention on monitoring the progress and success of ongoing and planned initiatives, which aim to increase berthing capacity for incoming ships, efficiency in cargo stacking, efficiency of cargo take-off by the rail system; and establishment of an integrated system in the physical infrastructure system (roads, rail, pipeline and port infrastructure).

The survey also found out that CFSs which were originally introduced to address ports' congestion by facilitating the direct movement of cargo from the port area have been unable to cope with increased demand for containerized cargo, but have actually contributed to increased congestion resulting to inevitable imposition of vessel delay surcharge by some shipping lines. The respondents also indicated that efficiency of cargo handling by the EA port authorities stayed the same in year 2010, which calls for speed in implementing planned projects as part of efforts to address bottlenecks experienced by port users.

2.4 Customs procedures and administrative requirements

Customs administrative procedures and documentation requirements play important in tax collection and trade promotion functions, but some are perceived as too lengthy, resulting to time loss and other negative impacts. The customs systems used to classify imports (ASYCUDA and Simba) also sometimes experience network failures resulting to lengthy time for clearing import transactions. Businesses are additionally required to get approvals from numerous government institutions, while there is limited knowledge about customs procedures leading to extra costs and time loss.

While the five EAC revenue authorities confirmed full awareness about their Partner State's commitments to the EAC integration process, they experience some delays in passing EAC commitments to executing officers due to financial constraints, internal work overload by senior management, and internal information system bottlenecks. The survey found out a major bottleneck regarding utilisation of the EAC simplified Trade Regime (STR), whereby many informal cross border traders are not yet aware about the scheme, while those who are aware about it such as those at Malaba Border Station are subjected to harassment by border security staff on the Uganda side who demand bribes in order to let goods cross borders, failure to which the simplified certificate of origin already approved by customs are torn to pieces.

Majority of businesses proposed the need for improving customs working hours; administrative procedures and documentation at border stations and at the ports; customs interface systems amongst EAC countries; improvement of port storage facilities; and better information dissemination about the Simplified Trade Regime for small value trade.

2.5 Immigration procedures and administrative requirements

Efficient application of immigration procedures and administrative requirements as provided for in the respective national laws experience bottlenecks related to too many applicants against insufficient institutional capacity; lack of coordination between law enforcement bodies charged with facilitating entry of investors; involvement of numerous institutions; and non-computerised application processes for work and residence permits. The procedures have led to some negative impacts, including slow acquisition of passport and work permits thus restricting travels within the region and restricted entry of desired investment.

Additionally, the Community has opened free trade in the region without giving due emphasis to review of requisite travel procedures and administrative regulations, which has delayed expected gains of the integration process including free movement of capital and people across the borders. Most businesses are not aware about recent changes to immigration requirements, which demonstrates the need for a sensitization programme about issues related to free movement of persons so as to fast-track implementation of the Common Market Protocol.

The survey found out that the efficiency of immigration procedures and bribery incidences stayed the same 2010 as before, which calls for sensitisation of businesses about required immigration requirements when crossing EAC borders, acceptance of IDs as travel documents, and the need to centralise processing of and issuance of work permits so as to increase efficiency and reduce bribery.

2.6 Police checks procedures at roadblocks

Efficient implementation of police checks procedures and administrative requirements at roadblocks as provided for in respective national laws have been hampered by:

- (i) lack of equipment to scan content of transport goods;
- (ii) Increased challenges of identifying illegal immigrants;
- (iii) Cases of forged visas and travel documents by illegal immigrants;
- (iv) inability of small scale business operators to understand the procedures; and
- (v) Increased incidences of overloading leading to lengthy time loss and added costs for transporters.
- (vi) The procedures have also contributed to some negative impacts, including increased travel time for businesses as a result of increased number of weighbridges that the police are mandated to ensure compliance with.

Other major bottlenecks include numerous roadblocks, tabulated at a count of 25 on Northern Corridor and 22 on the Central Corridor. At some of these roadblocks, there is continuous practice of soliciting for small value bribes of between \$1-5 per truck, which ends up as a large cost to businesses when all the trucks plying the Northern and Central Corridors are added up. This is made worse by the time lost at each roadblock averaging at least 10 minutes.

The region therefore needs to install scanners on the major transport routes as part of efforts to minimise the number of roadblocks. Police departments experience institutional weaknesses in passing information on EAC commitments due to low budgetary allocations, poor communication with the Ministries in charge of trade and EAC matters,; and long chains of communication before correct information is passed to executing officers. The region does not seem to have any set cost and time benchmarks for completion of police checks, which needs to be addressed as part of the harmonisation process.

2.7 Weighbridge procedures and administrative requirements

Implementation of for weighbridge regulations as provided for by the respective national laws has led to negative impacts due to complexity of the procedures which sometimes lead to unintentional overloading, occasional charging of extra weights in some stations due to faulty scales, constant system breakdowns due to power interruptions leading to delayed completion of weighing process, limited budget for efficient weighbridge operations, poor online connections at weighbridge stations, bureaucracy in correspondences between management and operators at weighbridge stations, and resistance to reform by some transporters leading to continued non-conformance by trucks.

The survey found that Kenya and Tanzania each have 12 and 13 weighbridges along the Northern and Central Corridors respectively, which are used to check for compliance to weight of the goods being transported. The weighing process on average takes between 1-3 hours, while the stations are also an avenue for bribes ranging between \$1-50 as reported by most of the drivers. Considering the large number of trucks that ply the Northern and Central Corridors, the time spent and associated bribery incidences are enormous costs for the business community.

These bottlenecks need to be addressed through harmonisation of EAC weighbridge regulations and modernising the weighbridge equipment to ensure speedy and efficient weighing process, and substantial reduction of bribery incidences. The survey received numerous concerns from the business community to the effect that efficiency at weighbridges is affected by lack of harmonised procedures at EAC and even at national where some stations weigh per axle while others weigh on the Gross Vehicle Weight. It is therefore important to harmonize weighbridge procedures at national and regional level, and to ensure regular calibration of the scales so that the same readings are recorded at all stations. In addition, it is necessary to modernize the scales to ensure accuracy and speedy weighing process, which would go a long way to reducing bribery incidences when transport vehicles are accused of overloading while the faulty scales may have given incorrect readings.

2.8 Technical standards procedures and administrative requirements

The technical standards procedures and administrative requirements as provided by the respective national laws have affected business operations during the process of delivering goods to the markets. Non-mutual recognition of standard marks at border stations, extra costs of between USD 200 and over USD 1,000 per month due to non-compliance with quality standards, testing and certification regulations are some of the major bottlenecks cited by the survey.

Kenya businesses additionally complained about the pre-verification for conformity (PVOC) programme, which is viewed as an unnecessary burden to manufacturing due to related costs. This programme needs to be re-thought in efforts to harmonise standards procedures and to reduce importation costs and time lost during the inspection process in country of origin.

A number of other NTBs and trade related complaints that have in the past been passed to the attention of management of standards bureaus include charging of standards testing fees on EAC originating products, existence of substandard quality marks, non-awareness about standards testing and compliance procedures, multiplicity of regulatory bodies responsible for checking compliance to quality standards, sale of products which do not seem to be compliant to set standards, competing counterfeit products, and delays in issuing testing reports after checking for compliance to specifications. These issues continue to hurt the region's manufacturers. The survey also found out that bribes are in most cases paid to make it easier to obtain quality standards certification, and that these incidences stayed the same in year 2010 as before.

2.9 SPS standards procedures and administrative requirements

The SPS procedures and administrative requirements as provided by the respective national laws are not well understood by businesses. There have also been some delays in passing EAC commitments to SPS executing officers due to institutional weaknesses, including poor internet access, poor coordination by EAC ministries, and limited budgetary allocations to facilitate information dissemination and related capacity building activities.

Businesses are not aware about newly introduced SPS requirements including those on testing and certification either in their home country or also in the other EAC countries. As a result, businesses incur extra costs in form of bribery averaging USD 200 to over 1,000 per transaction, while time loss is also incurred in the process of sorting out non-compliance with SPS requirements, estimated at between 30 minutes to more than 2 days by most businesses. This calls for proper sensitisation of businesses about SPS requirements related to cross border trade in food commodities and livestock.

2.10 Business registration and licensing procedures and administrative requirements

The business registration and licensing procedures as provided by the respective national laws have led to some negative impacts, including the need for business people to travel to HQs to apply for registration thus incurring extra costs and time loss, since temporary compliance points are not provided for. In addition for Tanzania, business licenses are issued for life, making it difficult to track operational ones from those that may have ceased operations. The procedures however have contributed to enabling business start ups, giving confidence to business people that their activities are legal and hence can be undertaken without fear of reprisals from concerned authorities, and ensuring illegal activities are not carried out in the name of business undertakings.

The survey found out that harmonization of business registration and licensing procedures within the region have not yet started, which is a serious gap in fast-tracking implementation of cross border establishment of EA businesses under the Common Market Protocol. The survey also found out that a high percentage of businesses respondents are not aware about recent changes made on business registration and licensing in the region. Nevertheless on the brighter side, a small number indicated that the business registration and licensing procedures have been computerized and that information dissemination & documentation has improved, especially in Kenya and Tanzania.

In addition, business registration is now possible through internet as in the case of Rwanda, which has become an international best practise that other EAC countries need to learn from. A sizeable number of businesses incur additional official extra costs of between USD 200 and 1,000 in the process of complying with business licensing procedures across the region. There were also varied responses on actual time taken in business registration and licensing, which implies the need to harmonise, computerise and establish online systems for business registration and licensing the procedures as part of efforts to facilitate business entry and proper monitoring of actual practices at the regional level.

2.11 Conclusion

The findings also show that with respect to the overall severity of NTBs, Customs procedures and administrative requirements are considered by businesses as the most severe among the NTB clusters, followed by Police, Weighbridges, Immigration, Technical standards, Business registration and licensing and SPS standards. In addition, the getting to know about new regulations/procedures when they occur is the most severe among other issues analysed under the eight NTB clusters.

The BCI also benchmarked the EAC countries on the NTB issues as part of identifying areas where reforms are needed. The findings show that on overall, the EAC countries rank poorly on trade facilitation, except in the case of Rwanda with regard to business registration. In this respect, Rwanda has emerged as a best case country at the international level with respect to procedures and time for getting a new business registered, which is a useful lesson for the other EAC countries as they make progress in harmonising procedures necessary to fast-track implementation of the Common Market Protocol so as to facilitate cross border establishment of businesses. The benchmarking report which appears separately should therefore be considered as part and parcel of the BCI report.

The BCI report further complements findings of the World Bank 2012 Doing Business report, which benchmarks world countries and regions (including EAC countries) on 9 main factors that are important to the life of a business, namely: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. This perspective clearly shows how the general business climate is perceived by businesses against their world competitors. The BCI thus goes further to give details on factors related to trading across borders, and also takes a slightly different perspective with regard to factors that impinge on business competitiveness by assessing the cost, access and quality of the general business climate factors. The findings of both these two reports are therefore useful to prioritising economic reforms that are considered important to business

development.

In addition to the findings, the BCI has developed an action plan which is expected to form a guiding framework for the NTB National Monitoring Committees in discussions related to prioritisation and elimination of NTB obstacles. The action plan in this respect forms part of this report. It is hoped that the findings of the BCI will prove useful in furthering debate on NTBs and in facilitating the elimination process in this respect.

The Regional Forum appreciated the Study as a useful starting point for improving the business climate in the EAC region. During the deliberations, the following comments were made:

- (i) The study should highlight the most critical NTBs in the EAC region which should be subject to immediate removal in order to enhance competitiveness in the EAC region; In future such studies should be subjected to validation through regional forums involving various stakeholders prior to finalization and circulation;
- (ii) Methodology applied in undertaking such studies should include engaging institutions involved in developing and implementing specific trade policies e.g. standards and SPS bodies. In addition empirical evidence should be added in order to complement the survey findings.
- (iii) There are inconsistencies in the study report e.g. where it is indicated that Rwanda has weighbridges, whereas weighbridges all had been removed.
- (iv) The study should have a holistic regional outlook in which specific examples of best practices from EAC Partner States on specific areas such as immigration is provided. Such analysis would be the basis for future EAC Policy reforms on NTB matters.

The Regional Forum recommended that:

- a. EABC Business Climate Surveys should highlight the most critical NTBs in the EAC region which should be subject to immediate removal in order to enhance competitiveness in the EAC region;
- b. EABC Business Climate Surveys should be subjected to validation through regional forums involving various stakeholders prior to finalization and circulation; and
- c. EABC Business Climate Surveys should have a holistic regional outlook in which specific examples of best practices from EAC Partner States on certain areas e.g. immigration is provided. Such analysis would be the basis for future EAC Policy reforms on NTB matters.

3.0

ELIMINATION OF NON TARIFF BARRIERS

During the 16th Meeting of the Council held on 13th September 2008, Arusha, Tanzania, the Council among others directed the Secretariat to prepare a time bound programme for elimination of identified and future Non Tariff Barriers.

On the basis of the Council decision, EAC convened meetings of the Regional Forum on NTBs in December 2008 and June 2009 to prepare the programme. The meetings were attended by representatives of National Monitoring Committees on NTBs where by a draft time bound programme was prepared. Below is the EAC Time-Bound Programme for Elimination of Identified Non-Tariff Barriers (NTBs). The programme was adopted by the 13th Meeting of Council on 4th September 2009. The Council also directed Partner States National Monitoring Committees on NTBs to be making quarterly reports on the elimination of NTBs as per the Programme.

The EAC Time Bound Programme was updated during the EAC dedicated Ministerial meeting on NTBs held on 14th March, 2012, Mombasa, Kenya. The Time Bound Programme was further updated during the 7th EAC Regional Forum on NTBs held on 27th – 29th June 2012, Kampala, Uganda.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
1.	Delays in transit bonds cancellation	EAC Partner States	EAC Secretariat to coordinate	Added costs for transit traffic incl. customs bonds.	Prompt cancellation of transit bonds.	Likelihood of increase of dumping of goods in transit. Goodwill from Partner States Revenue Authorities	The Ministers decided that the Partner States implement the electronic cancellation of bonds within 24 hours. Kenya reported that she is cancelling the bonds manually within 24 to 48 hours. Kenya further reported that she is in the process of upgrading the Simba system to enable her to cancel the bonds within 24 hours.	December, 2012
2.	Numerous institutions involved in testing goods.	All EAC Partner States	Statutory agencies.	Time wasted.	Need to invest in One-Stop-Centres and electronic single window systems at border stations Develop and implement mutual recognition instruments	Insufficient financial resources for investment in buildings, facilities and IT system/ equipment. Success Factor Collaboration of all institutions into fast-tracking the procedures under the same roof.	Regulations were adopted by the Council and referred to SCLJA for legal input following which will come into force The Ministers decided that: (i) collaboration among the regulatory agencies be enhanced; (ii) agencies operate under one stop centres as is currently being done between Kenya and Uganda; (iii) agencies collaborate at the national borders with a view to fast tracking clearance of goods at border entry points; and (iv) Mutual recognition of certificates issued by agencies be implemented. Status: Tanzania: reported that Dar Es Salaam port had started implementing one stop testing centre. Malaba border between Kenya and Uganda is operating one post border centre Rwanda: Has introduced an electronic single window through which testing bodies share information through the system electronically Uganda: UNBS is introducing an electronic single window through which information is shared electronically	By end of December 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
3.	Existence of several weigh-bridge stations in the Central and Northern Corridors.	Rwanda Uganda and Burundi	Kenya - Ministry of Transport Tanzania - TANROADS	Time lost at the weigh-bridges leads to loss of business as goods do not reach their destination in time	Reduction of weighbridges to two, one at the port of entry and the other at the port of exit	Political goodwill from the Partner States	EAC Secretariat informed the meeting that Draft EAC Vehicle Load Control Bill, 2012 was adopted by a Multi-Sectoral Council in February 2012. The number of weigh bridges should reduce to three in Tanzania and Kenya. In case of Uganda, Burundi and Rwanda to be two. The Ministers decided: i) to reduce the weighing requirement for transit traffic to two, one each at the entry and exit points; ii) Tanzania to await the outcomes of the studies on the optimal number of weighbridges in the region's trunk road network.	Burundi, Kenya, Uganda and Rwanda by June 2012, Rwanda has no weigh-bridge; Uganda cargo is weighed at point of entry and exit; Burundi, no weigh-bridges; Kenya has four weigh-bridges and is reducing to two for transit cargo by December 2012
4.	Ugandan ban on beef & beef products from Kenya	Kenya	Uganda Departments of Veterinary Services; Ministries of livestock development and Agriculture	Ban on market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets Success Factor Political goodwill to recognize EAC as a single market area	A bilateral meeting between Kenya and Uganda was held on 11 th April, 2012. The Ministers directed that a verification of beef and beef products be undertaken in the two Partner States. The verification was carried out between 22 nd to 24 th April and the report of the verification exercise will be considered after the budget speeches.	August, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
5.	Several Police roadblocks along Northern and Central Corridors, estimated at 36 between Mombasa-Kigali and 30 between Dar Es Salaam to Rusumo border	All EAC Partner States Rwanda Uganda Burundi	EAC Partner States Police Departments.	Delays in transport. Bribes, estimated at US\$ 0.55 per roadblock per truck on Ugandan side and US\$ 1.3 Kenyan side, or USD 25.70 on the Northern Corridor per truck. USD 7.5 per roadblock per truck	Issue clear guidelines on reasons for stopping commercial vehicles, a daily record of vehicles stopped, reasons and measures taken.	Resistance to remove roadblocks on argument they are mounted for security reasons. Success Factor Follow-up on political decision to remove roadblocks	Kenya reported that she has reduced the road blocks from 36 to 9. Rwanda removed all road blocks in November 2008. Uganda has 9 roadblocks between Malaba and Gatauna/Katuna. Burundi Has removed all road blocks. Tanzania Has reduced roadblocks from Dar es Salaam to Rusumo from 30 to 15. Tanzania has advertised tender for introduction of electronic cargo tracking and (i) Has introduced fleet management system where transporters are required to stop/report at the identified centers. This done between Tanzania police force and investment climate facilities project that started last year. (ii) Has Identified check points along Dar es Salaam to Rusumo with all necessary communication facilities to ease the movement of goods. The Ministers decided that: i) EAC Partner States undertake to explore measures ii) to exempt transit traffic from inspection at the police road blocks; and nized electronic cargo tracking system should be adopted. Status Tanzania reported that the car tracking system is now operational.	December 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
6.	Lengthy procedures for issuing of work permits vary among EAC Partner States	All EAC Partner States	Uganda, Tanzania and Kenya Immigration departments	Lost business time while waiting for processing of work permits. As per BCI 2008 business take between 1-5 months to acquire work permits for workers sourced from another EAC country. Immediate Businesses are forced to employ locals who may lack required skills.	Political goodwill to facilitate cross-border movement of people while waiting for finalization of relevant Protocol.	Political resistance on need to safeguard national security Success Factor Political goodwill to accept EAC as a single market area	The procedure for issuing work permit has been simplified in Rwanda, Burundi, Kenya and Uganda. Tanzania is in the process of revising issuance of work permit to abide with Common Market Protocol. The meeting recommended that EAC Secretariat to facilitate harmonization of classification of work/ resident permits, fees, forms and procedures.	December 2012.
7.	Charges of plant import permit (PIP) at Malaba for Ugandan tea destined for auction at Mombasa.	Uganda, Burundi	Kenya Plant Health Services (KEPHIS)	Adds to cost of doing business.	Abolish charges.	Resistance from issuing authority	Kenya informed the meeting that the charge is a legal requirement for tea destined for Mombasa Auction. The issue will be addressed once EAC SPS protocol is concluded and ratified by Partner States. The draft protocol will be considered by the next meeting of Sectoral Council on Legal and Judicial Affairs. The Ministers decided that Partner States should recognize certificates issued by accredited institutions of other Partner States	December, 2012.
8.	Non recognition by Kenya for SPS certificates issued by Uganda for tea destined for Mombasa action.	Uganda	Ministry of Agriculture Kenya	Uganda to identify	Mutual recognition of SPS certificates	Resistance from issuing authority.	The meeting noted that the issue will be resolved once EAC protocol on SPS is in place.	December, 2012.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
9.	Lack of interface within the customs' systems in the Revenue Authorities in Partner States.	Partner States	Burundi	Partner States to identify impact When customs systems are not interfaced, it delays clearance of goods under customs control hence increases cost of doing business and loss of market	Interfacing of the systems	RADDEX system has interfaced Rwanda, Uganda and Kenya. Rwanda is using ASYCUDA world and is interfacing with systems in Kenya, Uganda and Burundi, except Tanzania	The system has been rolled out in Burundi and staff is undergoing training on Asycuda. Tanzania reported that she already operates on RADDEX system with Kenya and Uganda She is updating its system from version 1.1 to 2.0. The Ministers noted the ongoing work on interfacing of computer systems. For the Partner States revenue authorities are developing RADDEX 2 to be ready by December, 2012	December, 2012
10.	Lack of harmonized port procedures manual.	Partner States	TPA and KPA	Varying grace periods makes the importers to pay demurrage charges which increases cost of doing business in the region	TPA and KPA to harmonize port procedures manual grace periods.	Investments by port authorities	The Ministers decided that port procedures manuals should be harmonized. EAC Secretariat to facilitate the harmonization through the Sectoral Council of TCM.	December, 2012
11	Border management institutions' working hours are not harmonized.	Tanzania, Uganda, Rwanda and Burundi	Revenue Authorities	Business community to identify impact Delays and extra cost to doing business	Harmonization of working hours	Security issues and awareness by Business community	The Ministers decided that: (i) border entry points along the main transport corridors should operate 24 hrs for purposes of clearance of goods; and (ii) Partner States submit the names of the border entry points to start with by end of March 2012 The following Partner States have submitted their border posts to operate 24hrs Uganda: Malaba; Busia; Katuna; Mutukula Kenya: Mombasa; Malaba; Busia and, Namanga URT: To respond to the Secretariat by mid July, 2012 Burundi: Kobero; Kanyaru; Gasenyi; Rwanda: Cyanika; Kagitumba; Rusumo; Nemba; Kanyaru	By December 2012.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
12.	Inadequate Police Escort mechanism.	Partner States	Police Departments and Customs	Loss of business	Provide escorts for trucks	Lack of adequate infrastructure for Police escort	The Ministers decided that Partner States should: (i) expedite the implementation of cargo tracking system; and (ii) increase the road patrols along the highways.	December 2012
13.	Inadequate quality of infrastructural services.	Partner States	Governments	Loss of business and increased cost of doing business.	Fix the infrastructure	Inadequate financial resources Inefficient railway system	The Ministers decided that: (i) Partner States should continue jointly mobilizing resources for development of regional infrastructure; (ii) Sectoral Council on TCM develop a policy paper on areas to fast track in the development of railways network in EAC. (iii) the Council to request the Summit to consider holding an Extra-Ordinary meeting dedicated to infrastructure development. Status The decisions in (i), (ii) and (iii) above have been submitted to Sectoral Council of TCM.	Long-term

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
14.	Corruption along the Northern and Central Corridors (police road-blocks, weigh-bridge and border gates).	Partner States	Police, Customs, Anti-corruption agencies and Private Sector.	Increased cost of doing business	Implementation of policies, regulations and actions that will combat corruption	Lack of goodwill from all parties	The Ministers decided that Partner States should: Sensitize their stakeholders; (i) Enforce sanctions for offenders; (ii) Expedite the introduction of electronic tracking of cargo; and (iii) Increase highway patrols as preference over road blocks. Status Kenya: Has deployed 10 vehicles doing highway patrol's to ensure security; ethics and anti corruption commission. Tanzania: PCCB to sensitize all government department against corruption; Each institution has a budget line for Sensitization of corruption in Ministries; Cargo tracking system Uganda: Dealing with issues of corruption by fitting cameras to monitor activities at the borders, weighbridges etc; police officers have been arraigned in court with cases of corruptions; hot-lines to report corruption cases by the public. RWANDA: Has introduced hotline telephone numbers; cameras; anti corruption commission; police anti corruption campaign; print media against corruption BURUNDI: Has Anti corruption bureau and a hotline	Ongoing

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
15.	Lack of Verification sheds and parking yards at border posts	Partner States	Partner States Revenue Authorities and Ministries of Works	Loss of business and spillages of cargo	Provision of sheds and parking yards	Inadequate financial resources	The Ministers urged Partner States to hasten construction of one stop border post. Kobero/Kabanga ; kagitumba/Mirama hills; Taveta/Holili; Kobero/Kabanga funded by TMEA; Rusumo/Rusumo; Malaba/Malaba; Lungalunga/Horohoro funded by AfDB	24 months
16.	Charges by Container Freight Stations vary from port charges	All Partner States	Kenya Ports Authority	Increased cost of doing business	Kenya reported that the port charges by ICDs and CFS should be the one approved by port authorities		The Ministers decided that port charges should include the charges of the CFS so that the one charge fee cuts across all aspects. Status Kenya Kenya Ports Authority signed a service level agreement to guide charges by CFS.	Immediately
17.	Exports of plastic products from Kenya are subjected to 10% and 25% CET rate.	Kenya	Tanzania Revenue Authority.	Increased cost of doing business	The exports to be charged 0% as per the EAC schedule on the elimination of internal tariffs.		The Ministers recommended that EAC fast tracks the verification mission of plastic products in the region. Status The verification mission was carried out between 11 th and 22 nd June 2012 in the region. The report of the verification mission will be considered by the next meeting of SCTIFI	June 2012
18.	No movements of Cargo Trucks beyond 6:00 pm within Tanzania	Rwanda, Burundi & Uganda	Ministry of Infrastructure, Tanzania	Time lost	Removal of the requirement		The Ministers decided that Partner States should: (i) Expedite implementation of cargo tracking system; (ii) Invest more in railway network; and (iii) Increase highway patrols Status URT working on the issue and some trucks are already moving after midnight; to report in details by December, 2012.	December 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
19.	TRA has introduced check points in the Central Corridor with timeframes and imposed charges for the delays to reach the destinations	Rwanda, Burundi, Uganda.	Ministry of infrastructure, Tanzania and TRA	Time lost	Removal of check points	Delays goods for the market.	Removal of the check points. The Ministers took note of the Tanzania report that she had reduced most of the check points and no fee is charged for the existing ones. The NMCs to continue engaging each other in pursuit of solving the NTBs. Introduction of tracking systems.	September, 2012
20.	Kenya Import levy of Kshs 2 per Kg on Agricultural Products from Tanzania	Tanzania	Kenya	Loss of business.	Abolition of the import levy.		The Ministers decided that a bilateral meeting between Kenya and Tanzania to deliberate on the issue be scheduled for April 2012. Status The meeting is now scheduled to be held before August.	August, 2012
21.	Requirement for OTS (Open Tender System) for bulk Fuel Procurement System	Burundi	Bulk Fuel Procurement System	Stock out of Fuel	Abolition of the requirement		Republic of Burundi to provide more information Burundi to write formally to URT by July, 2012 for it to be forwarded to EWURA for consideration.	By July, 2012
22.	Congestion at the Ports DAR and Mombasa	Rwanda	KPA and TPA	Delays in cargo clearance	Increase the capacity of ports	Lack of financial resources	The ports to acquire in the short run new equipment to offload and load goods Decongestion of KPA will be redressed by end of June and Tanzania by end of 2012. Kenya Has constituted a cabinet sub-committee which has addressed the matter URT Is expanding the port of Dar es Salaam and is in the process of constructing a new port at Bagamoyo to decongest the port of Dar es Salaam.	June and December 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
23.	Non-harmonized road user charges / road tolls	All Partner States	Ministries of Transport and Infrastructure	Additional cost to doing business	Harmonize the road user charges / road toll		Harmonize the road user charges /road toll <i>The NTBs is being handled by TCM.</i>	April, 2013
24.	Weighing of empty trucks in Tanzania	Rwanda and Burundi	TANROADS	Unnecessary delays for trucks going to load in ports	Reverse the weighing of empty trucks	Resistance of TANROADS to amend the Road on Safety regulations	Consider reversing the process of weighing of empty trucks URT still considering the way forward on how to handle the issue	September, 2012
25.	Delays in issuing bonds at Kenya border with Uganda for tea meant for auction in Mombasa	Rwanda	IRA	Increase in the cost of doing business	To allow more companies to issue the bonds	Fear of loss of revenue	Kenya to consult and report during the next Regional Forum in September.	September, 2012
27	Requirement by KRA for transporters to have introductory letters from URA on certain products / consignments, e.g. tyres and spirits	Uganda	KRA		Abolish the requirements	Fear of dumping	Abolish the Kenya requires a letter for importation of tyres; letter for methanol because it is diverted into Kenya; Sugar because of high risk of it being dumped into the country. This is in accordance with customs management In accordance with section 204 and 247 of the customs management act. Uganda and Kenya to take it up bilaterally	August, 2012
28.	Cut-flower from Tanzania for re-exports to Europe and Russia blocked by Kenya	Tanzania	KEPHIS	Loss of market to Europe and Russia	To harmonize the protocol on SPS	Delays act section Partner States to harmonize SPS protocol	KEPHIS to have mutual recognition with her counterpart in Tanzania Kenya in the process of undertaking an analysis of the standards of cut flowers The meeting recommended that the issue be considered during the bilateral meeting by August ,2012.	August, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
29.	Lack of recognition of CTH criteria in the EAC ROO for motor vehicles	Kenya	Tanzania, Uganda and Rwanda	Loss of business	Recognition of CTH Criteria in the EAC Roles of Origin		TRA, URA and RRA requested to recognize the CTH criteria and allow vehicles manufactured in Kenya to their market EAC Secretariat to provide a status report on the subject in conformity with the Council decision.	September, 2012
30.	Cigarettes manufactured in Kenya exported to Tanzania required to have a local 75% tobacco content	Kenya	Tanzania	Loss of business	Abolition of the requirement	Resistance from the private sector.	United Republic of Tanzania requested to remove the requirement. To be discussed during the upcoming bilateral meetings between Kenya and Tanzania by August, 2012	August, 2012
31.		Kenya and Uganda	Tanzania	Loss of business	Allow Kenyan tourist vehicles to enter Tanzania	Abolition of the requirement	Tanzania to abolish the requirement To be discussed during the Bilateral meetings scheduled for August, 2012. However, the issue is already being discussed by the relevant Sectoral Council	August, 2012



NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
NEW NON-TARIFF BARRIERS							
1. Payment of double handling charges at the ICDs and at the Dar es Salaam port	Burundi	Dar es Salaam				Burundi to provide more information before the next regional forum and thereafter Tanzania to report back during the next regional forum.	By end of July, 2012
2. Beef and Pork from Kenya Farmers Choice being charged 25% because the company is in the duty remission scheme despite the products not benefiting from the duty remission scheme.	Kenya	Tanzania				Kenya informed the meeting that the products being exported to Tanzania do not benefit from the duty remission scheme. The meeting recommended that the issue be deliberated upon during the bilateral meeting between Kenya and Tanzania.	End of August, 2012
3. TRA imposes a duty of 25% of EABL products exported to its subsidiary Serengeti breweries limited in Tanzania.	Kenya	TRA rejects EAC certificates of origin	Affects its investment in Tanzania			Tanzania undertook to consult and report back during the next regional Forum	September, 2012
4. Non recognition of EAC certificate of origin by TRA for furniture products manufactured in Kenya.	Kenya	TRA				The meeting recommended that the issue to be deliberated during the bilateral meeting	By end of August, 2012
5. Delays at the port of Dar es Salaam							



NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
RESOLVED NON TARIFF BARRIERS							
1. Tanzania requires cash bonds for transportation of sugar to Rwanda.	Rwanda	TRA	Adds to cost of doing business	Abolition of the requirement	Resistance from TRA because of possible dumping of sugar.	Tanzania reported that she is now using bonds rather than normal bonds.	Resolved
2. Burundi charges entry fee for vehicles from other Partner States	Kenya, Uganda, Tanzania & Rwanda	Burundi Customs	Adds to cost of doing business	Abolition of the charge		Burundi reported she had abolished the charge.	Resolved
3. Varying application of axle load specifications	All Partner States	Kenya Ministry of transport TANROADS Uganda Ministry of transport	Unnecessary time loss at the weighbridges Corruption	Introduce weigh-in motion systems and harmonization of axle load limits and gross vehicle mass (GVM) in the region	Insufficient financial resources Political disagreements on whether to adopt COMESA or SADC specifications	The meeting of the session of permanent secretaries of the sectoral council of transport, communications and metrology was held on 16 th – 19 th August 2011 in Nairobi to consider the matter. The session recommended that a meeting technical expert be convened by EAC Secretariat to develop supportive legal, Intuitional and operative framework for approval by the Council by April 2012.	April 2012 Resolved
4. Imposition Visa to Burundians entering Tanzania	Burundi	Immigration Department of Tanzania	Restriction of entering.	Removal of visa		Tanzania reported that the issue was been handled by the relevant Government body (Issue has been Resolved)	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
5.	Delays at the Ports of Mombasa & Dar Es Salaam, which affect imports and exports through the ports.	All EAC countries through use of Northern & Central corridors	Kenya Ports Authority, Tanzania Ports Authority Kenya Revenue Authority, Tanzania Revenue Authority, Kenya Railway Corporation, Tanzania Railways Corporation and Uganda Railways Corporation	3-4 days lost at Dar Es Salaam port, 7-10 days at Mombasa port. Surcharge by shipping lines of USD 12.5 per day after 4 days of ship arrival. KPA charge of USD 20 for 20ft and USD 40 and 40ft containers after 15 days. KPA stripping levy of USD 75 per container.	Implement Community based systems (CBS) to ensure information. Flow between ports and customs along corridors. Implement one-stop documentation centers to speed up clearance of containerized cargo. Continue ports modernization including computerization of procedures to ensure faster clearance.	Insufficient financial resources for investment in modern cargo handling equipment at the ports, rail wagons and communication technology. Success Factor Sufficient budgetary Allocation.	The ports of Mombasa and Dar es salaam are implementing National single window system to redress delays at the ports	1 – 3 Years Resolved
6.	Restriction of Konyagi exports into Kenya Market	Tanzania	Kenya Revenue Authority/ Kenya Bureau of Standards	Loss of business	Removal of the restriction		Kenya informed the meeting that KRA has issued an import license and stamp duty and konyagi products are now imported into Kenya.	Resolved
7.	Lack of preferential treatment on galvanized sheets	Kenya	Rwanda Revenue Authority	Loss of Business	Application of EAC Rules of Origin	Resistance from RRA	The issue is resolved	Resolved
8.	Requirement for certificates of analysis for goods destined for export to Rwanda and Burundi	Tanzania, Uganda and Kenya	Burundi and Rwanda Bureaux of Standards	An extra cost of doing business	Mutual recognition of quality marks issued by Partner States National Standard Bureaux	Resistance from Rwanda Bureau of Standards	The issue is resolved	Resolved
9.	Levying of extra charges on Kenya pharmaceutical firms exporting to Tanzania	Kenya	Tanzania Revenue Authority	Tanzania charges on sales vans-US\$20 for each entry and charges on sales persons-US\$200 per each entry.	Abolition of extra charges	Resistance from TRA	The levied have been abolished.	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
10.	Requirement of TISCAN inspection procedure that requires documents to be transmitted to SA and cleared there for each lot.	Kenya	Tanzania Revenue Authority	Loss of business	Abolition of the requirement	Resistance from TRA	Tanzania has abolished the procedure except for the traders who do not avail the bill of landing.	Resolved
11.	Requirement of road consignment note from transporters even before the goods have been packed.	Kenya	Tanzania Revenue Authority	An extra cost of doing business	Abolition of requirement of road consignment noted	Resistance from TRA	Requirement of road consignment has been abolished.	Resolved
12.	Requirement for executing a bond for import taxes before being issued with stamps for excise duty purposes in Tanzania.	Kenya	Tanzania Revenue Authority	An extra cost to doing business	Abolition of the requirement	Resistance from the Revenue Authority	Tanzania no longer demands execution of bonds.	Resolved
13.	Requirement for executing a bond for import taxes before being issued with stamps for excise duty purposes in Tanzania.	Kenya	Tanzania Revenue Authority	An extra cost to doing business	Abolition of the requirement	Resistance from the Revenue Authority	Tanzania no longer demands execution of bonds.	Resolved
14.	Requirement by Tanzania that BAT cigarettes should have 75% local tobacco content.	Kenya	Tanzania Revenue Authority	Loss of Business	Application of non-discriminatory excise duty regime	Resistance from TRA	The issues of 75% local content for BAT cigarettes have been removed.	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
15.	Holding, re-testing milk and milk products bearing Uganda National Bureau of Standards quality marks and imposition of import quotas.	Uganda and Tanzania	Kenya's Ministry of Fisheries and Livestock Development, Kenya Dairy Board and Kenya Bureau of Standards.	Denial of market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets Success Factor Political goodwill to recognize EAC as a single market area	The issue has been resolved	Resolved
16.	Kenyan ban on Ugandan day old chicks	Uganda	Ministries of Livestock Development and Agriculture	Ban on market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets Success Factor Political goodwill to recognize EAC as a single market area	The issue has been resolved.	Resolved
17.	Cumbersome testing procedures for food exports and imports into Tanzania	Kenya	Tanzania Food and Drug Authority (TFDA)	Cost & time incurred in testing & certification procedures	Need to harmonize national export/ import procedures under one technical body	Resistance from authorities currently in charge of exports/imports inspection (TFDA)	The issue has been resolved. TBS is the sole body for quality assurance and standards	Resolved
18.	Verification & classification goods(green, yellow, red)	EAC Partner States	Partner States Revenue Authorities	Corruption during verification. Credible importers of goods classified under red channel have to undergo physical verification on each consignment	Joint verification of goods at border posts.	Lack of verification sheds. Goodwill from Partner States Revenue Authorities.	Partner States Revenue Authorities are implementing Risk Management Systems.	Partner States are in the process of implementing Risk management System.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
19.	EAC Standards Bureaus have varying procedures for issuance of certification marks, inspection and testing.	All EAC Partner States	National Bureaux of Standards EAC Ministries of industry.	Time and cost of complying with testing and certification procedures in the target export country	SQMT Protocol demonstrates political goodwill within EAC. Domestication of the protocol. Mutual recognition of standards marks. Continued harmonization of EAC standards	Lack of financial resources to set up facilities for certification Success Factor Sufficient funding to develop capacity in testing and certification at national and regional level	Mutual recognition of quality marks issued by Bureaux of Standards in accordance with the decision of the Council at its 7th meeting (EAC/CM7/2004) EAC Secretariat is in the process of finalizing procedures and regulations of testing in order to speed up implementation of SQMT Act 2006	Harmonization of EAC standard is still on-going.
20.	Non-recognition of EAC Rules & Certificates of Origin	Kenya Uganda Tanzania	Partner States Revenue Authorities	Cost of organizing verification missions. Delays in processing mission reports of between 1-2 months. Lost of business opportunities	Adherence to EAC Rules of Origin Criteria of 30% local value added	Pressure from domestic businesses due to fear they will lose domestic markets. Success Factor Goodwill to treat EAC as a single market area.	Partner States are now recognizing certificate of origins and verification missions undertaken where origin criteria is doubted.	Resolved
21.	Charging 6% withholding tax by URA	Kenya	Uganda dairy Board	Increased cost of doing business	Harmonization of internal withholding tax in the regional		Uganda informed the meeting this was a domestic tax. Resolved	Resolved
22.	Charge of 1.5% dairy levy	Kenya	Uganda dairy Board	Increased cost of doing business	Abolition of the levy	Resistance from Uganda dairy board.	Uganda informed the meeting this was a domestic tax. Resolved	Resolved
23.	The Ministries of Roads collects road toll at the entry and exit points.	Uganda, Kenya, Tanzania, Burundi and Rwanda	Ministries responsible for Roads	An extra cost to doing business	Harmonization of transit charges		There is need to harmonization of toll charges in the region. Has been resolved	Partner States are in process of harmonization of toll charges.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
24.	Uganda's certification procedures on exports of milk from Kenya		Uganda dairy board	Denial of market entry and loss of potential markets. Loss of potential market valued at USD 1 million for one Kenyan milk processor.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates.	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets	The milk is allowed as long as it has certification.	Resolved
26.	Release of cargo manifest	All Partner States	Shipping lines	Increased cost of doing business	To release the manifest 72 hours before the ships dock.	Resistance from the shipping lines	CMA 2004 has been amended to allow submission of cargo manifest electronically by shipping lines within 72 hours.	Resolved
27.	Requirement that to export Herbal products to Tanzania you either be a member of Tanzania herbalists or to declare their formulas.	Uganda	Tanzania Herbalists organization	Ban of products	Abolition of the requirement		Tanzania has already passed some regulations to be adhered to all Tanzanians Herbalists organization. Tanzania to avail the regulations to Uganda to ease trade in herbal medicine.	Resolved
28.	Reduction of grace period for transit cargo at Dar es Salaam Port from 30 to 14 days	All Partner States	TRA	More cost			The reduction is in conformity with the EAC Management Act 2004 section 34.	Resolved
29.	Delays at Malaba border for trucks driving to Uganda	Rwanda	KRA	Delays in clearance of goods	Decongest the border	Lack of facilities at the border	Kenya has reported that the issue has been addressed.	Resolved
30.	Kenya has introduced Cash Bond on used clothes and shoes / other items considered of high value	Uganda	KRA	Restricts business transaction	Abolish the cash bonds	Fear of loss of revenue	Abolish the cash bonds on used clothes and shoes Kenya reported that it was removed in April, 2012	Resolved
31.	Kenyan Trucks entering into Tanzania are charged a levy of US\$ 200 each	Kenya	Tanzania Border Authorities	Loss of business	Removal of the levy		United Republic of Tanzania to remove the USD 200 levy on Kenya trucks. Tanzania has reported that the charge was abolished in June, 2012	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
32.	Lack of availability of simplified certificate of origin issued by Tanzania	Kenya	Tanzania Border Authorities	Loss of business	Avail simplified certificates of origin.	Implementation of EAC customs union.	Tanzania reported that certificates of origin had been dispatched to all border posts.	Resolved
33.	Non-implementation of EAC harmonized documents.	All Partner states.	Revenue Authorities	Delays in using the harmonized documents	Implement the EAC harmonized documents	Resistance from Revenue Authorities and Business Community in the Partner States.	This issue is resolved since the EAC harmonized procedures manual has been adopted.	Resolved
34.	Lack of harmonized procedures manual.	EAC Partner States	EAC Secretariat Partner States Revenue Authorities	Delays in of clearing imports Varied application of tariff duties	Harmonize export/ import documentation.	Revenue authorities may feel the procedures are sufficient. Success Factor Political goodwill at Council of Ministers level to apply harmonized procedures.	The EAC harmonized procedures manual was adopted during the meeting of SCTIFI on 30th May, 2012.	May, 2012 Resolved
35.	Visa charges of US\$ 250 for businessmen.	Uganda, Kenya, Rwanda, and Burundi	TRA	Cost to business	Abolition of the Visa.		The Ministers took note of the explanation of the steps Tanzania has taken to effect the implementation of the agreement to remove the fee Status URT Government has dispatched a gazette notice abolishing the fee to all border posts.	Resolved
36.	Kenya has introduced Customs warehouse rent that starts after the release of cargo manifest	Uganda	KRA	Increases cost of doing business			Kenya charges customs warehouse rent after 21 days from the date of discharge in accordance with the EAC customs Management Act 2004	Resolved

THE DRAFT STUDY ON THE DEVELOPMENT OF A LEGALLY BINDING ENFORCEMENT MECHANISM ON THE ELIMINATION OF IDENTIFIED NON TARIFF BARRIERS.

The study was undertaken pursuant to the Council directive for the development of a legally binding enforcement mechanism on the elimination of identified Non-Tariff Barriers. The study was prepared by a lead consultant from Agriconsulting Europa SA (AESA)/Trademark East Africa working in collaboration with a team of national consultants from all the EAC Partner States.

- a. After presentation of the draft study, the Regional Forum made the following comments:
- b. The study did not comprehensively cover all the TORs since it did not undertake cost benefit analysis on the need to formalize NMCs as instruments conducive to the elimination of NTBs and also determined the extent of elimination of the existing NTBs and the ones yet to be addressed date;
- c. There is need to propose a regional recommendation on how to formalize the activities of NMCs in the Partner States.
- d. In addition, the study did not categorize NTBs into ones to be subjected into legally binding enforcement mechanism;
- e. There was no proposal on how the enforcement mechanism would operate based on international best practices and other RECs.
- f. The ultimate goal of study was to prepare a draft bill for a legally binding NTB enforcement mechanism but the consultant had prepared a bill on Common Market and hence the need to prepare a bill in accordance with the TORs.
- g. The Meeting recommended that the consultant while revising the study should take into account the proposed Tripartite Mechanism on the elimination of NTBs.
- h. The meeting noted that the consultant had not developed an appropriate draft bill.

Partner States which have additional comments should email them to the Secretariat by end of July, 2012.

Based on these observations, the meeting requested that the consultant should revise the study report on the basis of the comments from the meeting and circulate the same by Mid August, 2012. It was also proposed that a regional meeting should be convened by September, 2012 to consider the revised study.

The Regional Forum recommended that:

- a) Urge Partner States to submit comments on the draft study to the Secretariat by end of July, 2012*
- b) Direct the Secretariat to convene a regional meeting in September, 2012 to review the revised study on the legally binding enforcement mechanism on the elimination of identified Non-Tariff Barriers and;*
- c) The Consultant to revise in the meantime the draft report using the comments made during the meeting.*



One People . One Destiny

VISION

A prosperous, competitive, secure, stable and politically united East Africa

MISSION

To widen and deepen Economic, Political, Social and Culture integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investments

EAC CORE VALUES

*Professionalism
Accountability
Transparency
Teamwork
Unity in Diversity
Allegiance to EAC Ideals*

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