

East African Community Customs Strategy 2016/17-2021/22



Facilitating Trade in the region

EXECUTIVE SUMMARY

The East African Community (EAC) has been implementing the Customs Union since 2005. Operationalization of the Customs Union is guided by a five year EAC Customs Strategy which feeds into the overall EAC Development Strategy. The first EAC Customs Strategy outlined the key strategic objective that guided planning for the period 2011/2016. The second EAC Customs Strategy 2016/17- 2020/21 builds on the first strategy and focuses on the consolidation of the Single Customs Territory and integration of the Republic of South Sudan.

The Customs Strategy 2016/17-2020/21 has been developed after thorough analysis of key documents including the EAC Development Strategy, EAC 2050 Vision, international Conventions, Council decisions, previous EAC Customs Strategy, Strategic Plans of Revenue Authorities in the region, Regional Economic blocs including the European Union, COMESA and SADC as well as consulting stakeholders in the Partner States.

This Strategy is structured into five Chapters. The first chapter covers the background to the Customs Union, the vision, mission and the implementation of the SCT. Chapter two reviews the implementation of the first EAC Customs Strategy while chapter three provides Situational analysis highlighting political, economic. Social-cultural and security trends impacting on the Customs Union operating environment. Chapter four outlines the Strategic objectives and intervention for the next five years. Chapters five and six focuses on the monitoring and Evaluation and the financial implications of the Strategy respectively.

The EAC Customs vision is *“to be a World Class Integrated Regional Customs”* and the mission is *“to provide Customs Services that Facilitate and Promote Legitimate Trade and Investment in the EAC using Modern Technology, Professional Staff and Application of International Best Practices”*.

A review of the previous Customs Strategy highlights success stories as well as challenges. Among the success stories include the successful roll-out of the SCT, review and development of EAC Customs legal instruments, development and roll-out of a common Customs training curriculum, development of Integrity Code of Conduct and an Integrity Action Plan on Customs and Tax, development of Harmonized Customs Procedures Manual, conducting of Time Release Studies, enhancing ICT interconnectivity of Customs business systems, implementation of Electronic Cargo Tracking systems, revising the EAC Rules of Origin and application of the COMESA RCTG in Partner States. The Customs Valuation Procedures were harmonized, the CET was reviewed, Compliance and Enforcement regulations and the EAC Post Clearance Audit Manual were developed. The Authorized Economic Operator programme coverage was expanded while Revenue Authorities adopted integrated revenue collection systems linking Customs systems to the banks thus improving on efficiency in revenue collection.

The Customs and Trade Partnerships were enhanced through implementation of Single Window Systems, implementing common training curriculum for Customs agents and strengthening collaboration with WCO. EAC also engaged partners in negotiations under EPA,

Free Trade Area with COMESA and Trade and Investment Framework with the USA. However, some of the challenges experienced during the plan period include lack of central Customs Authority at the regional level, establishment of a Customs Academy being put on hold pending the institutional review process, lack of capacity to carry out monitoring and evaluation for the Customs Union, slow harmonization of the domestic taxes, continued existence of Customs related Non-tariffs and stays of application of the CET among others. The Situational Analysis indicated that the EAC did attain stable and positive macro-economic trends. However, against the backdrop of stable political environment, instance of terrorism were witnessed in Kenya and political insecurity occurred in Burundi.

On the socio-cultural trends, it is appreciated that the population of EAC standing at 148 million in addition to that of neighboring countries coupled with the socio-cultural linkages among the peoples of the East and Central Africa provides a strong basis for regional integration whose ultimate goal is to improve the standards of living in the region. Indeed, the Common Market Protocol envisages free movement of persons, services, capital and goods and the right of establishment. The admission of South Sudan into the EAC is an indicator of the impact of the Socio-cultural trends is no doubt going to impact on the consolidation of the Customs Union.

The region has also witnessed very encouraging trends of embracing new technologies both in the private and the public sectors. During this plan period and more precisely in the last 10 years there have been sustained efforts to adopt new technologies and the Customs Strategy 01 intends to sustain the benefits in technology in Customs operations by moving from the national Customs ICT solution to a regional Customs ICT solution.

The SWOT analysis has provided a deeper understanding of the drivers of Customs in the Community for the next five years to come. The stakeholder analysis has brought forth key areas of focus including information sharing, application of international best practices, professionalism, improved trade facilitation, improved revenue collection, free movement of goods, capital, persons, services and capacity building.

Finally, the Customs strategic objectives are given as follows:

- a) To establish an Integrated and Efficient Customs Institutional Framework;
- b) To Enhance Trade Facilitation;
- c) To Enhance Efficiency in Revenue Management;
- d) To establish an Integrated Customs Information Management System;
- e) Integrate the Republic of South Sudan Customs Administration into the Customs Union.

The Strategic Plan will be implemented jointly by the EAC Secretariat and the Customs of Administrations of Partner States. It will undergo monitoring and evaluation process and the mid-term review will be carried out in 2018/2019. It is estimated that it will cost USD 45.55 million to implement the Strategic Plan.

Table of Contents

EXECUTIVE SUMMARY	i
Legal and Institutional Framework	1
Vision and Mission.....	2
Core values	2
Strategy Development Process	2
EAC Customs Strategy 2011-2016.....	3
Rationale for the Customs Strategy 2016/17-2020/21.....	3
Structure of the Customs Strategy.....	3
REVIEW OF THE EAC CUSTOMS STRATEGY 2011 - 2016	5
Introduction.....	5
Key Milestones	5
Strengthening of Customs Administration.....	5
Trade Facilitation	6
Enhancement of Revenue Collection.....	8
Promotion of Customs and Trade Partnerships	8
Challenges	9
SITUATIONAL ANALYSIS	10
Economic Environment	10
Political Environment.....	12
Trends	13
Technological Environment.....	13
Legal Environment.....	14
SWOT Analysis	15
Stakeholder Analysis	17
Development Objective: To attain a fully-functioning Customs Union	20
Strategic Objectives.....	20
To establish an Integrated and Efficient Customs Institutional Framework	20
To Enhance Trade Facilitation.....	21
To Enhance Efficiency in Revenue Management.....	21
To establish an Integrated Customs Information Management System.....	21
Integrate the Republic of South Sudan Customs Administration into the Customs Union	21
Strategic Interventions	22
Implementation Matrix	24
Specific Objective 1: To Establish an Integrated and Efficient Customs Institutional Framework	24
Specific Objective 2: To Improve Trade Facilitation	26

East African Community Customs Strategy 2016/17 -2021/22

Specific Objective 3: To Enhance Efficiency in Revenue Management	29
Specific Objective 4: To Enhance Customs Information Management Systems	31
Specific Objective 5: Integrate the Republic of South Sudan Customs Administration into the Customs Union.....	32
Monitoring & Evaluation Framework	33
Rationale.....	33
Framework for Reporting	33
Indicators and Timeframes	33
Institutional Framework for Monitoring and Evaluation.....	33
Data Collection and Information Flow	33
Mid-term Review.....	34
End of Strategy Evaluation	34
Financing.....	34

AEO	Authorized Economic Operator
CET	Common External Tariff
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EACCMA	East African Community Customs Management Act
ECTS	Electronic Cargo Tracking System
ICT	Information and Communications Technology
IT	Information Technology
OSBP	One-Stop Border Post
SADC	Southern African Development Community
SCT	Single Customs Territory
SCTIFI	Sectoral Council on Trade, Industry, Finance and Investment
TFA	Trade Facilitation Agreement
TRS	Time Release Study
WCO	World Customs Organization
WTO	World Trade Organization

Introduction

The East African Community (EAC) integration process has been progressive since the establishment of the Community in July 2000. From the outset, as per the Treaty for the Establishment of the EAC, the Partner States agreed to establish, in a sequential path, a Customs Union, a Common Market, a Monetary Union and ultimately a Political Federation. The initial stage of the integration process was the Customs Union administered through the Protocol establishing the EAC Customs Union that came into force on 1st January 2005. Upon the Treaty coming into force, the original Partner States were Republics of Kenya, Uganda and the United Republic of Tanzania. Subsequently, the Republics of Rwanda and Burundi joined the EAC in 2007 and commenced implementation of the Customs Union in 2009. This further deepened the scope of Customs Union by enlarging the trade area and bringing on board more business entities in the trade arena. In accordance with the treaty provisions on membership, the Republic of South Sudan was admitted into the EAC in March 2016. The admission of the Republic of South Sudan will further expand the economic space for rollout of the Customs Union, the Common market, the monetary Union and political federation.

The overall objectives of the Customs Union are to further liberalize intra EAC Trade, promote efficiency in production, enhance investment and promote economic development and diversification in industrialization. To attain these objectives the Partner States undertook to eliminate internal tariffs and non-tariff barriers to facilitate trade amongst themselves and established a common external tariff in respect of all goods imported into the Community from foreign countries.

To facilitate the operationalization of the Customs Union, Partner States are applying common Customs instruments such as the East African Community Customs Management Act (EACCMA) 2004, EAC Customs Management Regulations 2010, Common External Tariff (CET) 2012 and Rules of Origin 2015. Implementation of the Customs Union has been progressive with the initial transitional period of five years. It was envisaged that a full-fledged Customs Union would be attained in 2010.

To consolidate the Customs Union, the Summit in 2011 directed the Council to operationalize the Single Customs Territory (SCT). The framework for the operationalization of the SCT was developed and adopted in 2013. The implementation of the SCT commenced in January 2014. Under the SCT, goods are cleared and released at the first point of entry hence easing cross border movement and treating goods as EAC imports and exports. The roll out of the SCT is being undertaken on an incremental basis and it is expected that its full functionality will be attained within the period of this Strategy.

Legal and Institutional Framework

The Customs Union is administered under the Customs Law of the Community which includes the Customs Union Protocol and its annexes, the EAC Customs Management Act, Regulations and directives of the Council, applicable decisions made by the East African Court of Justice, Acts of the Community enacted by the East African Legislative Assembly and relevant principles of international law.

The Council of Ministers through the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) is responsible for policy decisions on Customs Union which consists of both Customs and Trade areas of cooperation. The operationalization of the Customs areas of cooperation is the responsibility of the Customs administrations in the Partner States coordinated by the Directorate of Customs. The scope of responsibility is specified in the EACCMA 2004 and its Regulations.

Vision and Mission

The EAC Customs vision is *“to be a World Class Integrated Regional Customs”* and the mission is *“to provide Customs Services that Facilitate and Promote Legitimate Trade and Investment in the EAC using Modern Technology, Professional Staff and Application of International Best Practices”*.

Core values

- i. Professionalism
- ii. Integrity
- iii. Accountability
- iv. Consistency
- v. Transparency

Strategy Development Process

This Customs Strategy was developed through a consultative process with relevant stakeholders in the Partner States and drew guidance from the relevant EAC documents including the EAC Treaty, the Protocol on the Establishment of the Customs Union, EAC Council decisions/directives, the EAC Development Strategy 2010-2016, EAC Vision 2050, the Strategic Plans of the Partner States’ Revenue Authorities and the EAC Customs Management Act 2004.

The Customs Strategy was also informed by EAC research materials, internal strategic planning initiatives, Customs Reforms and Modernization programs as well as international conventions and instruments such as the Revised WCO Kyoto Convention, the WCO Safe Framework of Standards, the WTO Trade Facilitation Agreement and the concluded and ongoing trade arrangements between EAC, COMESA, SADC and European Union. The EAC Customs Strategy 2016-2021 will provide a direction on policy implementation of Customs and related trade matters after approval by the Council on Ministers.

EAC Customs Strategy 2011-2016

The formulation of the EAC Customs Strategy 2016/17-2020/21 has been prepared against the backdrop of the EAC Customs Strategy 2011-2016 which is an integral part of the EAC Development Strategy 2011/12-2015/16. The EAC Development Strategy focused on consolidation of benefits of a Customs Union, implementation of the Common Market and laying foundation for the Monetary Union and Political Federation. The Customs Strategy set out the direction and interventions of Customs to support full implementation of EAC Customs Union in order to create a conducive environment for investment and business, promote production and facilitate trade and competitiveness in regional and international markets.

Rationale for the Customs Strategy 2016/17-2020/21

The Customs Strategy 2016/17-2020/21 builds on the previous Customs Strategy (2011-2016). The Strategy translates areas of co-operation as outlined in the Treaty and protocols into priority interventions for the next five years. It provides a critical linkage between regional and national Customs programs for purposes of realizing the EAC integration agenda. The Customs Strategy 2016/17-2020/21 is guided by the need to;

- i) Identify and define the priority areas and direction of Customs within EAC integration process and global trade,
- ii) Set out the milestones to be attained at national, regional and international level;
- iii) Benchmark the EAC Customs with international best practices in order to improve on service delivery
- iv) Communicate and rally the respective stakeholders to drive the consolidation of the Single Customs Territory and
- v) Use it as a tool to quantify the budgetary requirements to implement the strategic interventions.

Structure of the Customs Strategy

The Strategy is organized into five chapters:

Chapter 1 is the Introduction covering the background on EAC integration process, the legal and institutional framework, EAC Customs vision and mission, the process of development of the Strategy and the organization of the strategy document.

Chapter 2 presents the review of the implementation of the first EAC Customs Strategy 2011-2016 highlighting the key achievements and challenges.

Chapter 3 presents the situational analysis highlighting the political, economic, social-cultural, legal and technological environments and how they impact on Customs in the EAC.

Chapter 4 forms the core of the Strategy by providing the strategic objectives and interventions that will be undertaken in the next five years 2016/2021.

Chapter 5 presents a framework for monitoring and evaluation of the Strategy while chapter six covers the financing of the Strategy including sources of funds at the regional and national level.

REVIEW OF THE EAC CUSTOMS STRATEGY 2011 - 2016

Introduction

This chapter analyses the implementation of the first EAC Customs Strategy which covered the period 2011– 2016. The Strategy outlined key interventions necessary for full implementation of the EAC Customs Union in order to create conducive environment for investment and business, promote production, trade and competitiveness.

The specific objectives of the Customs Strategy were to:-

- i) Define appropriate Customs institutional framework at the national and regional levels for efficient administration of EAC Customs Union;
- ii) Identify the challenges faced by Customs from the policy, strategic and operational perspective and propose the requisite interventions;
- iii) Benchmark the EAC Customs with international best practices in order to improve on service delivery
- iv) Provide an implementation mechanism of the proposed strategic interventions

Key Milestones

Over the implementation period 2011–2016, a number of milestones were achieved under the following priority areas:-

- a) Strengthening of Customs Administration
- b) Trade Facilitation
- c) Enhancement of Revenue Collection
- d) Promotion of Customs and Trade Partnerships

Strengthening of Customs Administration

Strengthening institutional arrangements for Customs Administrations, including the requisite infrastructural and capacity building initiatives were considered priority areas under this pillar. The following were achieved during the Strategy period:

- a) Implementation of the Single Customs Territory commenced. This has enhanced clearance of goods through reduced turn around period, reduced documentation and enabled real-time exchange of information between Customs and other agencies.

- b) EAC legal instruments were developed and others reviewed to facilitate Customs Operations. The instruments developed and/or reviewed include the EAC Customs Management Act, EAC Customs Management Regulations, Duty Remission Regulations and the One Stop Border Post (OSBP) Act. The EAC Compliance and Enforcement Regulations were developed and adopted by Council to cater for Authorized Economic Operators (AEOs), post-clearance Audit and Management and sharing of information. To facilitate trade in the region, the EAC CET was reviewed and aligned with the 2012 version of the International HS Code. Similarly, the Rules of Origin were reviewed and adopted.
- c) A common Customs curriculum was developed and adopted and is being implemented progressively by the Partner States. The common Customs Curriculum was rolled out in Rwanda, Kenya, Uganda, Tanzania and Burundi. The curriculum is undergoing accreditation process at the national level to ensure that it meets international standards. Specialized Customs training were undertaken in all Partner States covering Customs Officers on Customs valuation, rules of origin, Single Customs Territory procedures and post-clearance audit.
- d) Training and Sensitization programs on Single Customs Territory were undertaken for stakeholders in all Partner States and in major border stations. Customs administration officials were trained on SCT procedures while clearing agents, other Government agencies, Port Authorities, shippers and transporters were sensitized on the operationalization of the SCT. Customs officials and clearing agents were further trained on the use of the Customs business systems of all the Customs administrations which allowed them access and viewing rights to the systems.
- e) All Partner States have undertaken reform and modernization interventions through re-engineering of their Customs processes and enhancements of their IT systems.
- f) The Customs Directorate and Partner States' Customs have jointly developed a regional integrity code of conduct and action plan on Customs and tax. The Partner States adopted and incorporated the integrity action plan and code of conduct in their national policies.

Trade Facilitation

- a) Harmonized Customs procedures were developed, adopted and are being implemented in all Partner States.
- b) Time Release Studies were undertaken in the northern and central corridors, which informed the implementation of the Single Customs Territory
- c) The implementation of the Single Customs Territory which commenced in 2014 has eased the movement of goods across internal borders through declaration of goods at

the final destination upon arrival at the first point of entry. Time taken to move goods from Mombasa and Dar es Salaam to Kampala, Kigali and Bujumbura was reduced from over 18 days to less than 6 days on average while multiple documentation at internal borders and for imported goods were eliminated. Use of multiple bonds has been replaced with a single bond.

- d) Key Information and Communication Technology (ICT) interventions including interconnectivity of the various Customs management systems and development of information exchange solutions to support Single Customs Territory have been undertaken. This has reduced on the manual paperwork, reduced clearance time and cost. This has also enhanced transparency in the Customs processes.
 - i) All Partner States have automated Customs clearing processes. During the period Partner States upgraded their Custom Management Systems to latest technologies. Uganda, Rwanda and Burundi have upgraded from ASYCUDA++ to ASYCUDA World, Tanzania has migrated from ASYCUDA++ to TANCIS (Tanzania Customs Information System) and Kenya is in the final stages of upgrading the SIMBA 2005 System.
 - ii) Kenya, Tanzania, Uganda and Rwanda have implemented Electronic Cargo Tracking Systems (ECTS) while Burundi is in the preparatory stages.
 - iii) Partner States have undertaken initiatives to develop Electronic Single Window systems (ESW) aimed at facilitating international trade by expediting and simplifying information flow between traders and government institutions in such a way that information and administrative requirements for imports and exports are submitted once at a single entry point via the internet.
- e) Rules of Origin were revised and came into effect in January 2015. More products produced in the region now qualify for preferential community tariff treatment.
- f) The streamlining and harmonization of the Customs processes under the Single Customs Territory has reduced Customs-related non-tariff barriers. A number of these barriers have also been addressed by the revised EAC Rules of Origin. The products where the barriers have been removed include sugar, rice, motor vehicles, wheat flour, iron and steel and salt.
- g) To facilitate movement of cargo, the COMESA RCTG System has been adopted and implemented in all the five Partner States since 2014/2015. An EAC regional Bond is being developed.
- h) Twelve One Stop Border Posts (OSBPs) were constructed and nine are operational. The OSBP Act was developed, enacted and assented to. The draft OSBP Regulations and operational manual were developed. According to the time measurement surveys that were undertaken at the operational OSBPs, time for clearance of passengers has reduced from an average of two hours to less than 30 minutes.

Enhancement of Revenue Collection

- a) The Common External Tariff has been reviewed to align it to the WCO revised Harmonized System version of 2012. Periodic studies and research have been undertaken to inform policy review on specified duty rates.
- b) The harmonization of Customs valuation has been undertaken including development of the product identification bulletins, valuation of used motor vehicles and provisions on rulings on valuation. The EAC Compliance and Enforcement regulations and the EAC Post Clearance Audit manual were developed and adopted in 2012 and are applied in all Partner States.
- c) The Authorized Economic Operator program aimed at enhancing Customs compliance and trade facilitation through providing incentives to compliant operators was initiated at national and regional level in all Partner States. The AEO Scheme was piloted with thirteen accredited companies and the Regional AEO manual developed.
- d) Partner States implemented revenue collection systems that are linked to their Customs Systems and banks. This has improved the efficiency in revenue collection.

Promotion of Customs and Trade Partnerships

- a) Partner States have established single window systems which link the agencies responsible for clearance of goods on a real-time basis.
- b) The EAC Customs Directorate and Customs administrations partnered with clearing and forwarding agents and developed a regional training curriculum. The curriculum was implemented in all Partner States through collaboration between Customs Administrations and the clearing agents' associations.
- c) The EAC worked closely with the World Customs Organization at the regional and national levels in the implementation of Customs programs and activities. As a result, the Partner States have adopted the WCO instruments and conventions including the revised Kyoto Convention, SAFE Framework of standards and Harmonized System (HS) of Commodity classification.
- d) Partner States adopted the World Trade Organization (WTO) Agreement on Trade Facilitation and agreed on a regional approach for the implementation of the Agreement.
- e) The EAC negotiated trade arrangements with EU under EPAs, Free Trade Area with COMESA and SADC and Trade and Investment Framework Agreement with the US.

Challenges

Challenges encountered in implementing the Customs strategy 2011 – 2016 include:

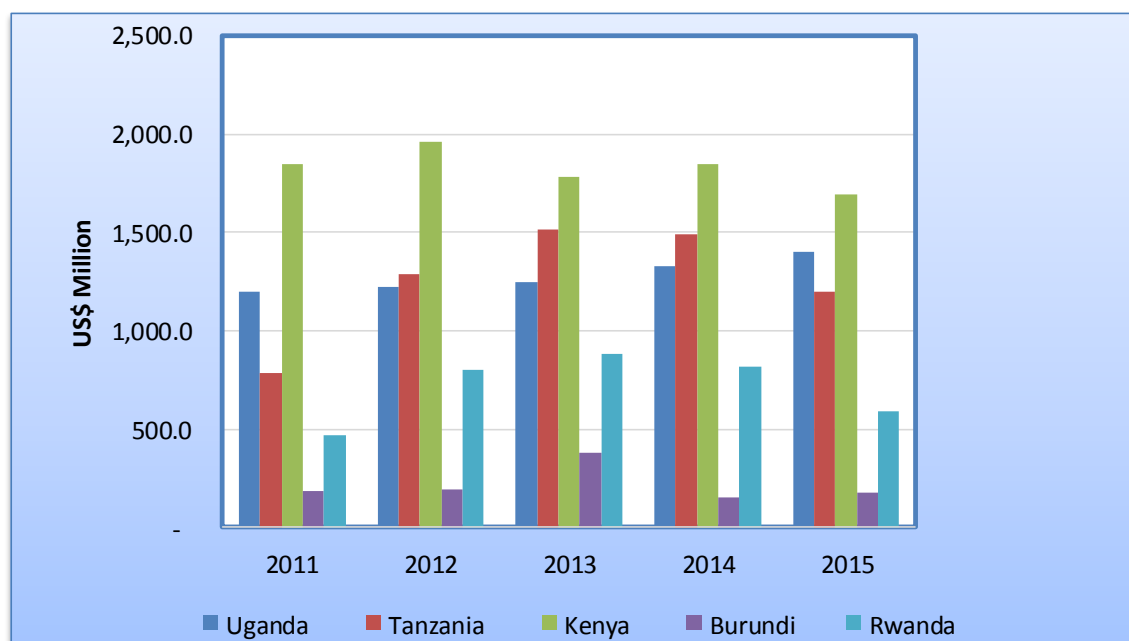
- a) The establishment of a Customs Authority at regional level is a long term process that could not be achieved in the five year period. However, the implementation of the Single Customs Territory on a progressive basis will eventually necessitate the establishment of a regional institutional framework;
- b) Establishment of a Customs Academy was put on hold awaiting the finalization of the EAC institutional review;
- c) The implementation of the Monitoring and Evaluation tool for the Customs Union has not been realized due to inadequate capacity at regional level;
- d) Inadequate resources to develop integrated ICT Systems at regional and national levels;
- e) Slow process of harmonization of domestic taxes;
- f) Continuous re-occurrence of Customs-related NTBs arising from administrative and procedural requirements.
- g) Frequent requests for stays of application that undermine the uniformity in application of the CET;
- h) Low levels of risk information sharing between Partner States;
- i) Low levels of Customs compliance;
- j) Slow process of developing, enacting and assenting to regional laws;
- k) Different national Customs systems that hinder seamless sharing of information and integration of cross border processes;
- l) Variance in the pace of implementation of Council decisions by Partner States;
- m) Limited awareness on Customs by stakeholders;

SITUATIONAL ANALYSIS

The implementation of the Customs Union and in particular the operational environment of customs is characterized by number of external factors that manifest at the national, regional, and continental level. This Section analyses the political, economic, social-cultural, legal and technological environment and how these factors impact on Customs in EAC.

Economic Environment

Over the last five years the EAC Partner States attained stable and positive macro-economic trends. All the Partner States posted positive GDP growth rates ranging between 3% and 7%. The overall real growth rate in 2015 was about 5.6%, 7.1% in 2014 and 5.3% in 2013. The growth in GDP is indicative of an increase in revenue collection on an annual basis. However, the Partner States revenue GDP ratios have remained constant over the period which may be explained by the narrow tax base and the big size of the informal sector. The region has also registered a single digit inflation rate over the period of five years although there were some spikes due to global economic pressure and internal factors. The exchange rates were relatively stable from 2011 to 2014 although this trend reversed in 2015 with the local currencies losing by up to 30% against the US dollar. This means that the cost of imports went up and the custom value of goods also increased. These dynamics in the macro economic trends in the EAC region had a direct impact on Customs performance in terms of revenue mobilization.



Source: Partner States Revenue Authorities, Central Banks and National Statistics Offices

The intra-EAC trade registered an annual positive growth from \$ 4.486 billion in 2011, \$5.470

billion in 2012, \$ 5,805 billion in 2013, \$5.632 in 2014 and \$5.1 billion in 2015. Although the total intra-trade in 2014 and 2015 declined, the overall growth between 2011 and 2015 depicted a positive increase.

Kenya remained the biggest exporter to other Partner States with an average share of 40% of the total intra EAC exports. Tanzania and Uganda have also over the last five years registered increment in intra EAC exports with Uganda reducing its trade deficit with the other Partner States to an average of \$32 million from 2012 to 2014 while Tanzania posted a trade balance of about \$242 million over the same period. The total EAC trade with the rest of the world registered a trade deficit of \$ 19.820 billion in 2011, \$ 20.822 billion in 2012, \$ 22.559 billion in 2013 and \$ 23.688 billion in 2014. EAC continues to import high value manufactured goods while exporting low value unprocessed agricultural goods. The EAC intra trade as a ratio to its total trade has increased slightly from 10% to 11.5% over the last five years compared to ASEAN at 40% and EU at 60%.

The EAC Partner States have embarked on major infrastructure projects covering road and railway development, power generation and transmission, expansion of ports and airports and oil and gas production. The completion of these projects will substantially enhance trade facilitation in the region by reducing the cost of doing business which currently stands at a very high level as indicated in the World Bank doing business report 2015.





Political Environment

The Summit of Heads of State is the highest organ of the Community that provides the political direction of the integration process of the EAC. The Summit from time to time has made specific decisions/directives on the implementation of the Customs Union such as implementation of the Single Customs Territory and removal of Non-Tariff barriers to facilitate trade within the East African Community. This political will cascades down to the national level where such programs are fully supported by all the arms of governments. Further the integration process is supported by the East African Legislative Assembly (EALA) which has enacted a number of legal instruments to operationalize the Customs Union.

The East African Court of Justice has actively facilitated the integration of EAC by providing judicial guidance whenever it was required. The protocol on the extension of jurisdiction of EACJ covers commercial and trade related matters under the Customs Union and Common Market. The national courts have been fully engaged in providing judicial services on trade and Customs disputes in the Partner States.

The political environment in EAC Partner States has been fairly stable, thus providing a conducive environment for Customs to operate. However, cases of terrorism in some Partner

States such as Kenya and the political instability in Burundi have negatively affected Customs operations.

The political instability in South Sudan since 2013 substantially reduced the level of trade with Uganda and Kenya which have been the main source of goods for the country. The instability in the Democratic Republic of Congo (DRC) continues to have a negative impact on trade with the neighboring EAC States.



Trends

The combined population of East Africa is about 172 million people hence creating a big market for goods and services. This factor creates opportunities for investment, production and promotes trade in the region. The neighboring countries to the EAC Partner States such as DRC, South Sudan, Ethiopia, Somalia, Malawi, Zambia and Mozambique provide an extended market of EAC products. Historically the people of East Africa have been integrated through cultural, economic and social linkages which create a strong foundation for regional integration. All the Partner States have prioritized social economic development programs in the fields of health, education, water provision and gender mainstreaming in line with the Millennium Development Goals. These goals have not been fully achieved due to a number of economic and political factors.

The Common Market Protocol envisages free movement of persons, services, capital and goods and right of establishment. The implementation of the Common Market Protocol particularly free movement of persons and services will have a positive impact on the consolidation of the Customs Union as they further facilitate trade and investment.

Technological Environment

The EAC Partner States have embraced the use of ICT as a key tool for processes and data exchange of information and storage in all sectors. The EAC Vision 2015 notes that access and use of ICTs is essential for the development of the EAC region. Within the ICT sector, there is a

trend of falling prices and higher penetration in both mobile telephony and broadband internet. Recent installation of broadband ICT infrastructure connecting the region to the rest of the world has remarkably increased ICT penetration in the EAC. Communications technology has spurred product innovation in the financial sector and the majority of East Africans can now access the internet through their mobile phones. Customs administration can leverage these developments in the ICT sector to improve tax administration and reduce associated tax compliance costs. Customs in EAC has been at the forefront of automation of its processes in the last 10 years. With the fully functioning of the Customs Union, it is pertinent to move from national platforms to regional integrated platforms that will facilitate real time and seamless exchange of Customs and trade information. The EAC Customs laws provide for the use of information technology and interconnectivity of Customs systems. The EAC Customs Strategy therefore focuses on interventions that will accelerate the use of modern ICT at regional level to further improve tax administration and facilitate trade in the EAC. Besides, advancement of technology adopted by the business sector provides an opportunity for Customs to leverage service delivery.

Legal Environment

The Customs legal regime in EAC has been regionalized with a number of instruments for the administration of Customs having been developed, adopted and applied. The Customs Management Act and Regulations are uniformly applied by the Partner States Customs Administrations. This has created uniformity in approach on Customs clearance processes. There are however, a number of national legislations which have not been harmonized at regional level and affect the implementation of the Customs Union. Some of the laws include domestic tax laws, investment laws, standards laws, Sanitary and hyto- Sanitary laws and commercial laws.

The ongoing process of approximation of laws by the Community will have a direct impact on the implementation of the Customs Union. The ongoing judicial reforms in the Partner States will facilitate Customs in the expeditious disposal of tax-related disputes. Partners States have established or are in the process of establishing tax appeals tribunals.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Established EAC Organs and institutions that support Customs • Existence of common policy, legal and regulatory framework • High rate of adoption and application of emerging technologies • information sharing between the Revenue Authorities and stakeholders • Membership to relevant organizations (WCO, WTO, UNCTAD etc.) • Skilled human resource capacity in the Partner States Revenue Authorities • Established institutional framework at the regional level to coordinate, implement and monitor Customs Policies and programs • Strong cooperation and partnerships with public and private agencies • Strong support from the organs and Institutions of the Community • Similar Customs administrative structures in the Partner States • Customs regional capacity building framework • Improved tax payment systems 	<ul style="list-style-type: none"> • Persistent existence of Customs related Non-Tariff Barriers • Multiplicity of ICT solutions applied in Customs operations • The bureaucratic decision making process within the EAC policy making mechanism • Inadequate Port and Border infrastructure • Inadequate capacity in some technical areas of Customs at the National level • Inadequate capacity at the EAC Secretariat for policy formulation, implementation and monitoring • Partner States are at different levels of implementation of Customs modernization programs • Poor adoption of modernization programs from a regional level perspective • Inadequate capacity to handle emerging challenges such as counterfeiting, drug trafficking, terrorism, money laundering • Inadequate funding for projects and programmes • Inadequate awareness on the Customs Union
Opportunities	Threats
<ul style="list-style-type: none"> • Established political will and commitment • Recognition and support of EAC as a 	<ul style="list-style-type: none"> • Limited awareness on the implementation of Customs Union • Corruption, low Integrity levels and lack of

<ul style="list-style-type: none"> • successful regional bloc by the international community • Involvement of the private sector in regional integration • Tripartite framework for collaboration of EAC with COMESA and SADC • Large internal market with over 162 million citizens with the potential to expand to include South Sudan and Somalia • Conducive macro-economic environment and a growing economy with over 5% GDP growth rate • A growing Private Sector • Deepening integration of EAC into a Monetary Union • Emerging technological developments • Rich natural resource base • Renewed focus on infrastructure development 	<p>transparency</p> <ul style="list-style-type: none"> • Unharmonized national laws policies, regulations and procedures that impact on Customs and trade • Commercial, cyber and International organized crimes, human and drug trafficking, terrorism and money laundering • Multiple memberships to different regional blocs which leads to trade deflection. • Persistent existence of non-tariff barriers that slow down business and increase transaction costs • Low levels of tax compliance • Skills gap and lack of professionalism among Customs agents • Over-dependency on donor funds • Climate change
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Table 1: SWOT Analysis

Stakeholder Analysis

The section below outlines the needs and expectation of stakeholders

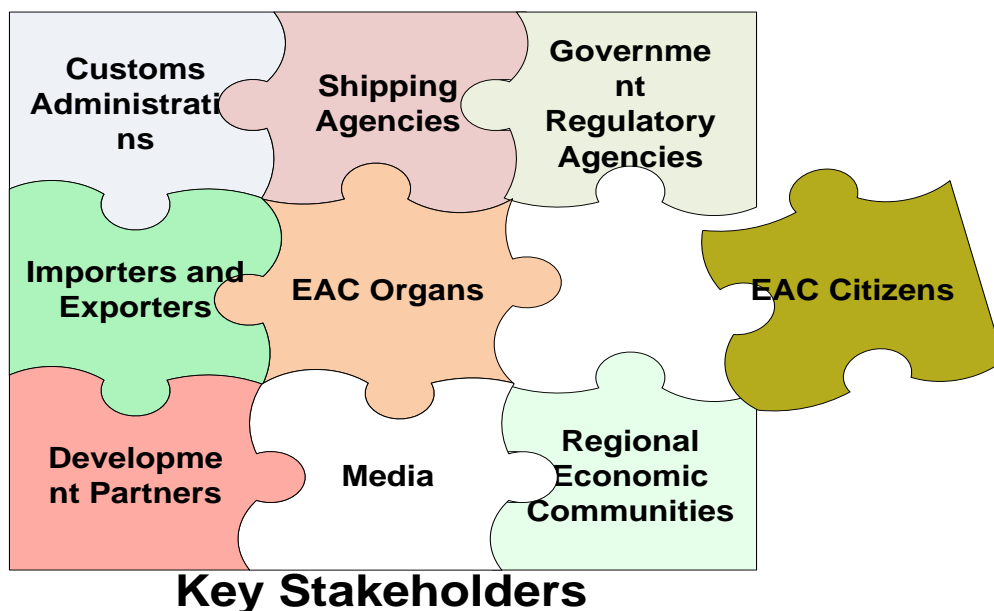


Table 2

Stakeholder	Needs and Expectations
EAC Organs and Institutions	<ul style="list-style-type: none"> • Compliance and uniformity in the application of Customs instruments and policy decisions • harmonized and integrated Customs information technology solution • enhanced exchange of Customs and Trade information within the region • enhanced capacity building in Customs • an effective regional Customs institutional framework • application of Customs international best practices • Harmonization of Domestic Taxes • Timely information • Value for money on Customs programs
Customs Administrations	<ul style="list-style-type: none"> • Increased efficiency in information exchange between Customs to Customs (C2C) and Customs to Business (C2B) to facilitate clearance of goods. • Improved Customs performance

	<ul style="list-style-type: none"> • enhanced partnerships with stakeholders • professionalism in Customs operations • enhanced compliance with Customs laws and regulations • closer collaboration amongst Customs administration
Shipping Agencies, Airport and Port Authorities, ICDs/CFS Operators	<ul style="list-style-type: none"> • timely clearance of goods and quick turnaround times • Increased efficiency in information exchange and coordination of the cargo clearance processes
Government Regulatory Agencies and Financial Institutions	<ul style="list-style-type: none"> • cooperation from Customs administrations in the implementation of their respective mandates • improved exchange of information with Customs • Compliance with laws and regulations
Importers, Exporters, Manufacturers and Customs Agents, Transporters	<ul style="list-style-type: none"> • Simplified Customs processes • Faster clearance of goods, reduced cost of doing business and reduced turnaround times • Fairness in application of Customs laws and procedures • professionalism in Customs operations
International Organizations	<ul style="list-style-type: none"> • improved Trade facilitation • integrity of Trade data • availability of information on Customs requirements • application of international best practices and standards • supply chain security • monitoring and evaluation of the implementation of the Customs Union • value for money on Customs programs
Government Ministries	<ul style="list-style-type: none"> • availability of Customs information to inform Fiscal and Trade policy formulation • improved Customs revenue collection to support national budget implementation • Monitoring and evaluation of implementation of Customs-related EAC instruments

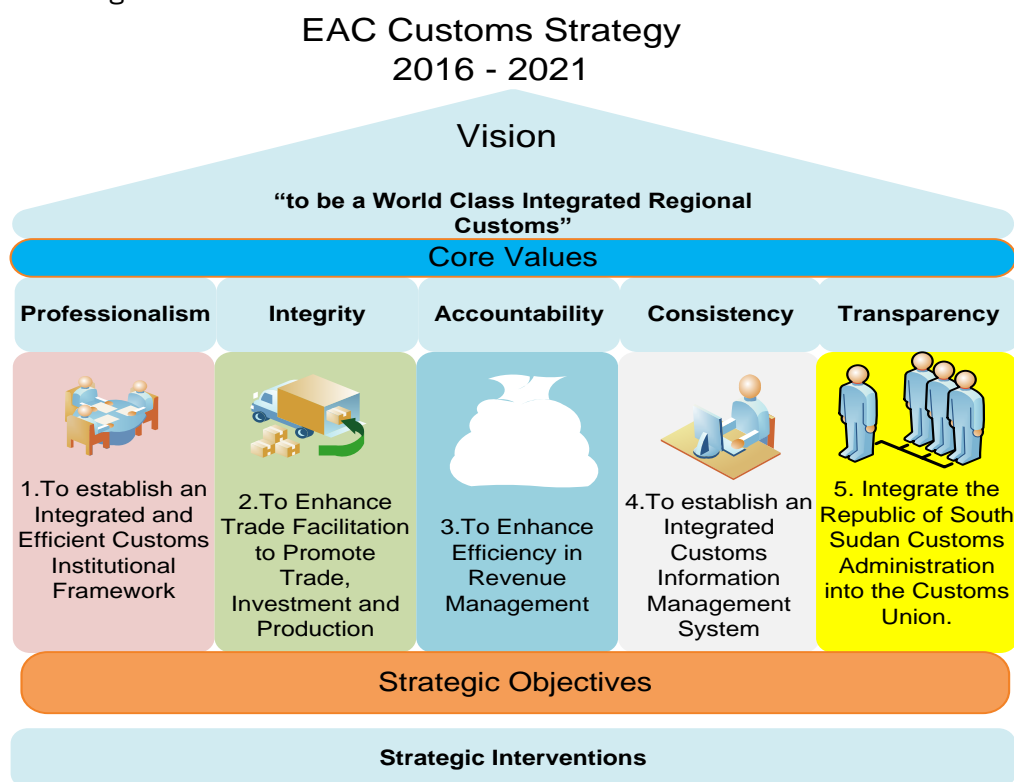
	<ul style="list-style-type: none"> • value for money on Customs programs • supply chain security and protection of the society
EAC Citizens	<ul style="list-style-type: none"> • Free movement of goods, Persons, capital and services • Protection against harmful products • Timely and effective services • Ease of market access • Reduced cost of doing business • Professionalism in delivery of services • Integrity and transparency
Media	<ul style="list-style-type: none"> • awareness of the affairs of EAC and the Partner States • access to information/data on EAC
Development Partners	<ul style="list-style-type: none"> • access to information/data on EAC • Need to understand the requirements of EAC to inform funding and technical assistance for projects. • mutual trust and respect • transparency and accountability • monitoring and evaluation of the implementation of the Customs Union
Regional Economic Communities (RECs) e.g., COMESA,SADC	<ul style="list-style-type: none"> • clearly defined common areas of interest to inform collaboration • Harmonisation and joint implementation of projects and programs • Trade facilitation
Research Institutions	<ul style="list-style-type: none"> • Access to accurate data and information • integrity of Trade data
South Sudan	<ul style="list-style-type: none"> • Full integration into the EAC • Customs Administration capacity enhanced • Full implementation of EAC Customs instruments • Operate under the Single Customs Territory

Development Objective: To attain a fully-functioning Customs Union

In order to attain a fully-functioning Customs Union, this Strategy focuses on establishment of an integrated and efficient Customs institutional framework, enhanced trade facilitation, promotion of trade, investment and efficiency in revenue management as well as establishment of an integrated Customs Information Management System.

Strategic Objectives

This strategic plan identifies five strategic objectives over the next 5 years based on a review of performance of the previous strategy, strategic analysis of the operating environment, SWOT Analysis and stakeholder expectations. The summary of the strategic objectives and the respective strategic interventions are as outlined below.



To establish an Integrated and Efficient Customs Institutional Framework

The institutional framework of EAC Customs is provided for in the EACCMA. The Act provides for a Directorate of Customs at the regional level and recognizes the Customs Administrations of Partner States. Customs administrations of the Partner States are responsible for implementation of the EACCMA and day to day operations. To effectively support the

implementation of SCT, it is imperative to establish an integrated and efficient Customs institutional framework through review of current legal framework, enhance institutional capacity and policies.

To Enhance Trade Facilitation

This objective is aimed at facilitating trade by improving the efficiency and effectiveness of Customs administration through simplification and harmonization of Customs procedures, elimination of duplication and redundancy, and reduction of cost of doing business.

To Enhance Efficiency in Revenue Management

This objective is aimed at enhancing collection and accounting for Customs revenue. Partner States have adopted the destination model principle where goods are declared in and released by the destination country prior to release at the Point of Entry for goods imported from outside the EAC. For intra-EAC trade, goods are declared and released by the country of destination prior to loading for transfer from the country of origin. This will involve review of Customs Instruments, enhancement of risk management, implementation of appropriate revenue collection and payment system.

To establish an Integrated Customs Information Management System

This objective is aimed at transforming Customs service delivery through utilization of existing and emerging information and communication technologies. This will involve development of a single Customs ICT platform, interconnectivity of stakeholder IT systems and building capacity in application of ICT in Customs operations.

Integrate the Republic of South Sudan Customs Administration into the Customs Union

This objective is aimed at mainstreaming South Sudan Customs Administration into the EAC Customs Union through capacity building and implementation of the EAC Customs instruments, WCO instruments and standards, and WTO agreements.

Strategic Interventions

The section below outlines the key strategic interventions required to achieve the strategic objectives.

Strategic Objective	Strategic Interventions
<p>i. To establish an integrated and efficient Customs institutional framework that enables uniform policy development and implementation.</p>	<ul style="list-style-type: none"> a. Review and strengthen institutional framework of Customs Enhance capacity of Customs officials and other stakeholders b. Review Customs laws and support the process to develop the EAC policy for harmonization of domestic taxes Enhance Stakeholder engagement in the implementation of the Single Customs Territory c. Develop and promote integrity related programmes. d. Mainstream and implement international standards and practices on Customs e. Undertake research and studies on Customs related matters to inform policy review f. Monitor and Evaluate implementation of Customs instruments g. Develop a programme to facilitate the Republic of South Sudan to implement the Customs Union.
<p>To enhance Trade Facilitation</p>	<ul style="list-style-type: none"> a. Harmonize and simplify Customs procedures to attain free circulation of goods under the Single Customs Territory b. Improve Customs Border infrastructure and operations c. Eliminate Customs related Non-Tariff Barriers (NTBs) d. Facilitate transit Trade e. Enhance partnership with other Agencies involved in the clearance of goods. f. Enhance stakeholder awareness g. Implement inter-regional trade agreements (Tripartite FTA & EU EAC- EPAs)

	<ul style="list-style-type: none"> h. Implement WTO Agreement on Trade Facilitation (TFA) measures i. Build collaborative mechanisms with other customs administrations to enhance exchange of information, capacity building, mutual administrative assistance and other areas of cooperation.
<p>ii. To Enhance Efficiency in Revenue Management</p>	<ul style="list-style-type: none"> a. Review and update the EAC Tariff Regimes and Rules of Origin b. Harmonize and enhance Customs Valuation practices c. Enhance application of Risk Management Systems and Post Clearance Audit. d. Strengthen the revenue collection and payment system e. Enhance enforcement and compliance f. Efficiently manage duty remission and Exemption regimes g. Support the regional and national dispute settlement mechanism h. Provide technical and administrative interpretation of Customs instruments
<p>iii. To establish an integrated Customs Information Management Systems</p>	<ul style="list-style-type: none"> a. Develop and implement an integrated regional Customs ICT platform Build capacity at the regional and national level on application of IT in Customs operations Interconnectivity of systems between Customs administrations and Other Agencies.
<p>iv. Integrate the Republic of South Sudan Customs Administration into the Customs Union</p>	<ul style="list-style-type: none"> a. Recruit a programme officer to coordinate and implement South Sudan customs development programmes. b. Assess the level of application of Customs procedures, WCO instruments and standards, and WTO agreements. c. Develop the capacity of South Sudan Customs administration to apply EAC Customs, WCO and WTO instruments

Implementation Matrix

This section contains strategic interventions targets and key performance indicators.

Specific Objective 1: To Establish an Integrated and Efficient Customs Institutional Framework

Strategic Intervention (Project/Program)	Targets	Time Frame	Key Performance Indicators	Responsibility	Estimated Budget (USD)
Review and strengthen institutional framework of Customs	Regional Customs Institutional framework strengthened	2017/2021	Restructured Directorate of Customs Number of staff deployed across borders Full implementation of the staff deployment guidelines for the SCT	EAC Secretariat and Partner States	\$ 2M
Enhance capacity of Customs officials and other stakeholders	Enhanced regional Customs training	2017/2021	Number of regional training programs Number of staff and stakeholders trained Accreditation of the Customs Curriculum in all Partner States Creation of centres of specialization in Customs training	EAC Secretariat and Partner States	\$ 1M
Review Customs laws and support the process to develop the EAC policy for harmonization of domestic taxes	Laws and regulations to administer Customs reviewed, adopted, enacted and implemented	2019/2020 2019/2020	EACCMA and its regulations reviewed and enacted Legal instruments	EAC Secretariat and Partner States Customs Administration EAC	\$ 0.75M

East African Community Customs Strategy 2016/17 -2021/22

Strategic Intervention (Project/Program)	Targets	Time Frame	Key Performance Indicators	Responsibility	Estimated Budget (USD)
	EAC domestic tax policy developed		developed.	Secretariat and Partner States	
Enhance Stakeholder engagement in the implementation of the Single Customs Territory	Different categories of key stakeholder sensitized and consulted on the implementation of the Single Customs Territory. Enhanced collaboration with East African Business Council Increased inter-agency involvement in the SCT	2017/2021	Number of key stakeholders sensitized and consulted Number of workshops/seminars undertaken to enhance key stake holder participation Number of harmonized inter-agency SCT procedures implemented	EAC Secretariat and Partner States	\$ 0.75M
Mainstream and implement international standards and practices on Customs	WCO and WTO standards applied	2017/2019	Number of WCO conventions acceded by all Partner states Number of WTO Agreements ratified Number of trainings on International Standards and Practices undertaken	EAC Secretariat and Partner States	\$ 0.2M
Undertake research and studies on Customs related matters to inform policy review	Research and studies on Customs related matters undertaken and adopted by the policy organs	2017/2021	Number of policy recommendations implemented	EAC Secretariat and Partner States	\$ 0.75M

Strategic Intervention (Project/Program)	Targets	Time Frame	Key Performance Indicators	Responsibility	Estimated Budget (USD)
Monitor and Evaluate implementation of Customs instruments	Mid-term evaluation of the customs strategy Customs M&E function mainstreamed M&E instruments developed and operationalized	2018/2019	M&E reports presented to policy organs Increased information sharing among Customs administration Increased accountability and evidence decision making Customs staff/officers trained in M&E skills (data collection, analysis and report writing)	EAC Secretariat and Partner States	\$ 0.6M

Table 3: Specific Objective 1: To Establish an Integrated & Efficient Customs Institutional Framework

Specific Objective 2: To Improve Trade Facilitation

Strategic Intervention (Project/Program)	Targets	Time Frame	Key Performance Indicators	Responsibility	Estimated Budget (USD)
Harmonize and simplify Customs procedures to attain free circulation of goods under the Single Customs Territory	<ul style="list-style-type: none"> Customs procedures simplified and harmonized 	2017/2019	<ul style="list-style-type: none"> Full rollout of all products under SCT Number of procedures simplified and applied Number of Customs controls at inland borders Cross border clearance time 	EAC Secretariat and Partner States	\$ 0.65M
Improve Customs Border infrastructure and operations	<ul style="list-style-type: none"> Border infrastructure improved to 	2017/2018	<ul style="list-style-type: none"> Status of border infrastructure Number of border 	EAC Secretariat and Partner States	\$ 0.35M

East African Community Customs Strategy 2016/17 -2021/22

	<p>facilitate trade</p> <ul style="list-style-type: none"> • Harmonized border instruments finalized and implemented 		<p>instruments finalized and implemented.</p> <ul style="list-style-type: none"> • Number of workshop/seminars to disseminate the border instruments to the stakeholders conducted. 		
Eliminate Customs related Non-Tariff Barriers (NTBs)	<ul style="list-style-type: none"> • Customs related NTBs reduced • Customs NTBs elimination measures developed and adopted 	2017/2019	<ul style="list-style-type: none"> • Number of Customs related NTBs eliminated • Number of technical interpretations and guidance on Customs instruments provided • Time taken to clear goods • 	Partner States	\$ 0.25M
Facilitate transit Trade	Rollout transit trade process under the SCT clearance mechanism Policy to develop regional bonds and ECTS developed to facilitate transit trade	2017/2019	<ul style="list-style-type: none"> • All goods on transit rolled out under the SCT clearance process • Regional bonds developed, adopted and implemented • Regional ECTS developed, adopted and implemented 	EAC Secretariat and Partner States	\$ 0.4M
Enhance partnership with other Agencies involved in the clearance of goods.	<ul style="list-style-type: none"> • Partnership with other agencies enhanced • Interconnect Customs systems with other 	2017/2018	<ul style="list-style-type: none"> • Systems of other agencies interconnected with Customs systems • Number of other agencies' processes harmonized with Customs processes 	EAC Secretariat and Partner States	\$ 0.25M

East African Community Customs Strategy 2016/17 -2021/22

	agencies systems				
Enhance Customs-to-Customs cooperation at the international level	<ul style="list-style-type: none"> Sign MOUs with foreign Customs Administrations 	2016/2021	<ul style="list-style-type: none"> Number of MOUs signed 	EAC Secretariat and Partner States	\$ 0.1M
Enhance stakeholder awareness	Stakeholder awareness enhanced	2017/2021	<ul style="list-style-type: none"> Awareness materials developed Number of stakeholders sensitized 	EAC Secretariat and Partner States	\$ 0.5M
Implement inter-regional trade agreements (TRIPARTITE FTA & EU EAC- EPAs)	Regional Customs laws and procedures reviewed to accommodate the inter-regional trade agreements Sensitization and training undertaken Monitoring and evaluation of the implementation undertaken	2017/2019	<ul style="list-style-type: none"> Number of laws and procedures reviewed to cater for inter-regional agreements Number of training and sensitization programs undertaken Customs guidelines on the FTA under the EAC, SADC COMESA and Tripartite developed and implemented Monitoring and evaluation reports 	EAC Secretariat	\$ 0.65M
Implement WTO Trade Facilitation Agreement (TFA) measures	Trade Facilitation Agreement implemented		<ul style="list-style-type: none"> Number of sensitization and awareness on WTO TFA Number of TFA measures under category B and C implemented 	EAC Secretariat and Partner States	\$ 0.5M

Table 4: Specific Objective 2: To improve Trade Facilitation

Specific Objective 3: To Enhance Efficiency in Revenue Management

Strategic Intervention (Project/Program)	Targets	Time Frame	Performance Indicators	Responsibility	Estimated Budget (USD)
Review and update the EAC Tariff Regimes and Rules of Origin	Harmonized CET version 2017 adopted and implemented Revised EAC Rules of Origin implemented	2016-2021	Harmonized CET version 2017 implemented Rules of Origin Manual applied Electronic certificate of origin system developed	EAC and Partner States	\$ 0.5M
Harmonize and improve Customs Valuation practices	EAC Customs Valuation operations harmonized	2016-2021	Customs valuation system developed and implemented	EAC and Partner States	\$ 0.3M
Enhance enforcement and compliance	Regional Risk management, compliance and enforcement and post-clearance framework reviewed and implemented The SCT enforcement and compliance plan operationalized Develop regional and national programs for capacity building in Customs enforcement and compliance.	2016-2021	Framework reviewed % change in accuracy levels in interventions % change in risk occurrences % change in compliance levels % change in cases non-compliance Number of joint enforcement programs undertaken Number of capacity building programs undertaken Number of stakeholders	EAC and Partner States	\$ 0.5M

East African Community Customs Strategy 2016/17 -2021/22

	Regional AEO Scheme implemented and rolled out		trained Number of AEO Instruments developed Number of firms accredited as AEO Number of Mutual Recognition Agreements (MRAs) signed		
Strengthen the revenue collection and payment system	Improve Customs Administrations' capabilities by embracing emerging technologies	2016-2021	% of payments processed electronically	Partner States	
Efficiently manage duty remission and Exemption regimes	Electronic platform for managing duty remission scheme in the region developed Duty remission regulations and manual reviewed	2016-2021	Regulations and manual reviewed Electronic platform developed and implemented Number of manufacturers trained on the duty remission scheme Duty Remission Scheme audit report	EAC Secretariat and Partner States	\$ 0.35M
Support the regional and national dispute settlement mechanism	Customs related cases resolved under the dispute resolution mechanism	2017-2021	Number of technical input reports and rulings made to the resolution of disputes	EAC Secretariat	\$ 0.5M
Provide technical and administrative interpretation of Customs instruments	Technical and administrative interpretation of Customs instruments made whenever necessary	2017-2021	Number of technical and administrative interpretations made	EAC Secretariat	\$ 0.05M

Table 5: Specific Objective 3: To Enhance Efficiency in Revenue Management

Specific Objective 4: To Enhance Customs Information Management Systems

Strategic Intervention (Project/Program)	Targets	Time Frame	Performance Indicators	Responsibility	Estimated Budget (USD)
Develop and implement an integrated regional Customs ICT platform	An integrated Single regional Customs Solution developed and implemented EAC Customs reference and statistical reporting databank implemented.	2016-2021	<ul style="list-style-type: none"> • System Implementation strategy document developed • Integrated Information System solution implemented • Post implementation evaluation undertaken 	EAC and Partner States	\$ 30M
			•		
Build capacity at the regional and national level on application of IT in Customs operations	The new EAC Customs Solution managed and operated by staff.	2016-2021	<ul style="list-style-type: none"> • Number of staff trained • Number of training sessions undertaken 	EAC and Partner States	\$ 0.2M
Interconnectivity of systems between Customs administrations and Other Agencies	Seamless exchange of data between Customs Administrations and stakeholders	2016-2021	<ul style="list-style-type: none"> • Number of stakeholder systems interconnected • Number of ECTS systems interconnected with the centralized platform 	EAC , Partner States and Stakeholder	\$ 0.5M

Table 6: Specific Objective 4: To enhance Customs Information Management Systems

Specific Objective 5: Integrate the Republic of South Sudan Customs Administration into the Customs Union

Strategic Intervention (Project/Program)	Targets	Time Frame	Performance Indicators	Responsibility	Estimated Budget (USD)
Recruit a programme officer to coordinate and implement South Sudan customs development programmes.	Officer Recruited within 1 year	2016-2021	Officer Recruited within 1 year	EAC Secretariat	\$ 0.35M
Assess the level of application of Customs procedures, WCO instruments and standards, and WTO agreements.	Assessment missions undertaken	2016-2018	Customs Programme implementation plan for South Sudan	EAC Secretariat	\$ 0.1M
To develop the capacity of South Sudan Customs administration to apply EAC Customs instruments	South Sudan Customs Administration able to apply EAC ,WCO and WTO instruments and Standards in 2 years	2016-2021	Number of EAC customs instruments, systems, procedures and standards applied. Number of South Staff trained	EAC	\$ 2.5M

Monitoring & Evaluation Framework

Rationale

Monitoring and evaluation of implementation of the EAC Customs Strategy 2016/17 – 2020/21 is justified on the fact that Customs needs to be informed on account of output, outcome and impact of implementation of the various strategic interventions that have been identified in the Strategy. Regular monitoring of outputs, outcomes and impact will focus on the following key issues whether the activities are being implemented within set timelines and the progress being made; the rate at which inputs are being used within agreed budget lines; and the extent to which the desired results are being achieved in relation to set objectives and targets. A detailed framework outlining the key performance indicators (output and outcome), with clear definitions, baseline data, data collection strategies and frequency of data collection among others will be developed within six months of adoption of the strategy.

Framework for Reporting

The basic framework for reporting of results will entail systematic and timely reporting on the progress of implementation of EAC Customs Strategy. The key reports that will be generated by the M&E system include:- monthly activity implementation reports; quarterly performance reports (at levels of EAC Secretariat, Partner States, and other agencies); bi-annual and annual performance reports.

Indicators and Timeframes

To a large extent, monitoring and evaluation of progress of implementation of EAC Customs Strategy and achievement of targeted results will be informed by baseline data and benchmarks for the agreed indicators which also formed a basis for setting of targets. Evaluation of the current EAC Customs Strategy 2011-2016 will partly provide the required baseline data necessary for evaluation of the EAC Customs Strategy 2016/17 – 2020/21 and a baseline study will be carried out to fill the required gaps if any.

Institutional Framework for Monitoring and Evaluation

Monitoring & evaluation of implementation of the EAC Customs Strategy 2016/17 – 2020/21 will be carried out within the overall EAC M&E framework and will be participatory, involving a multi-agency collaboration among EAC Secretariat – Customs Directorate, Partner States' Customs Administrations, and other public/private agencies that have a responsibility in monitoring implementation of Customs projects and programmes.

Data Collection and Information Flow

The responsibility of ensuring that relevant data and information is collected, analysed and disseminated regularly will be both the EAC Secretariat (Customs Directorate) working closely with and the respective Customs Administrations of the Partner States. Standard data capture tools and reporting formats will be developed and used to capture performance data.

Mid-term Review

A comprehensive mid-term review of implementation of the Strategy will be undertaken in the financial year 2018/19. The result of the mid-term review will provide the basis for actions to be taken to ensure that implementation of the EAC Customs Strategy 2016/17 – 2020/21 remains on course towards achieving the objectives set therein.

End of Strategy Evaluation

A comprehensive ex-post/ end of strategy evaluation will be undertaken to among others: give a narrative of the status of achievement of the key milestones and strategy objectives; give an opportunity to the key stakeholders to reflect on key successes and failure and learn lessons to guide the design and implementation of the next strategy.

Financing

Financing of the EAC Customs Strategy 2016/17 – 2020/21 will require approximately US\$ 45.55 million. For purposes of sustainability, financing of the strategy will ideally be the responsibility of the Partner States both at national and regional level. However, due to the ever-increasing resource constraints vis-à-vis spending priorities, development partners will still provide budget support for implementation of the Strategy, albeit in decreasing proportions. Financing of implementation of the EAC Customs Strategy will be two-prong. At the EAC Secretariat level, financing will be through the Directorate of Customs, mainly from Partner States' contributions and development partners as approved in the 3-year EAC Medium Term Expenditure Framework (MTEF). At Customs Administration level, implementation will be financed from internally-generated financial resources as approved in the annual national budgets.

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