



Economic Commission for Africa

MISSION REPORT

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PURPOSE OF MISSION	To participate in the Transport Symposium for Land-locked Countries in Eastern Africa
VENUE OF THE MISSION	Mombasa, Kenya
DATES OF THE MISSION:	14 to 18 December 1999
CITATION:	International Co-operation and Collaboration with Inter-governmental Organizations

**REPORT ON A MISSION UNDERTAKEN TO PARTICIPATE IN
TRANSIT TRANSPORT SYMPOSIUM FOR LAND-LOCKED COUNTRIES
OF THE EASTERN AND CENTRAL AFRICA
HELD IN MOMBASA , KENYA, 14 TO 16 DECEMBER, 1999**

I. Introduction

Land-locked countries of Eastern and Central Africa namely: Burundi, Eastern Democratic Republic of Congo, Rwanda and Uganda are connected to two main Indian Ocean ports of Mombasa in Kenya and Dar-es Salaam in Tanzania. There are two distinct transport corridors that connect the two ports to the land-locked countries in the sub-region. The Northern corridor connects Mombasa to Rwanda, Burundi, and eastern DRC via Uganda, whereas the Central corridor connects the same countries via Tanzania. Both corridors fall within the geographical coverage of Eastern Africa Sub-regional Development Center (EA-SRDC). The Mombasa meeting was mainly concerned with transit traffic passing through the Northern Corridor. This corridor has a formal transit transport agreement known as Northern Corridor Transit Transport Agreement, which was signed, by the five member States in 1985. The implementing agency and secretariat for the agreement is the Permanent Secretariat of the Transit Transport Co-ordination Authority of the Northern Corridor (TTCA) which has its Headquarters in Mombasa Kenya.

The symposium was organized by NTTC in collaboration with the European Union. The symposium was organized to review recent developments in transit transport and analyse challenges that need to be looked into in order to foster enhanced transit transport policies and operation for the smooth flow of traffic along the corridor. The last symposium of its kind held in June 1991 and was organized by NTTC in collaboration with UNCTAD and European Union to review issues and prospects for transit transport development along the corridor. ECA participated in that meeting.

ECA had special interest in the Symposium partly because most transport issues of EA-SRDC countries are within NTTC countries; and partly because under UNTACDA II programme ECA conducted a survey of transit problems within selected corridors in Africa in 1996. For the Northern Corridor a report titled "Assessment of implementation of international transit transport agreement for the Northern Corridor" was prepared and submitted to NTTCT Secretariat for submission to its member states. Changes in the leadership of the NTTC Secretariat

in the last three years made it difficult for ECA to make some meaningful follow-up to the recommendations of that survey, therefore the symposium was opportune for putting forwards those recommendations of the 1996 ECA survey which had not received attention.

II. Objectives of the mission

The main objective of the mission was to participate in the symposium and monitor progress made in solving problems of transit transport for the corridor since the 1991 symposium, in relation to the recommendations of 1996 ECA survey.

The ECA Regional Advisor in Transport had an extra responsibility in the symposium to perform, on request of symposium organizers, as a moderator for all sessions covered on the second day of the symposium.

Also since the 2000/2001 work programme has an output on delivery of one seminar for Eastern Africa sub-region on transit transport, it was important to keep abreast with developments in one of the main corridors in Eastern Africa for the planning of the forthcoming sub-regional seminar. The seminar is programmed for the second half of the year 2001 and will be planned as a joint effort with EA-SRDC in collaboration with NTTCA and the authorities responsible for the Central Corridor and IGAD. COMESA, and SADC sub-regions are also planing a joint sub-region seminar on transit facilitation with more emphasis on port problems. ECA is already in touch with UNCTAD and PMAESA regarding the organization of that seminar scheduled for mid-2000

These activities are within the framework of the UNTACDA II Plan of Action, which was adopted by the Conference of African ministers of transport in November 1997 in Cairo, Egypt.

III. Proceedings of the symposium

(a) The Agenda

The seminar adopted its agenda as follows:

1. Opening of the Symposium

2. Review of developments in the transit transport sector in East/Central Africa: issues, problems and future challenges

3. Overview of the current traffic situation

3.1 Sectoral Aspects

- ✓ Clearing and forwarding of transit cargo.
- ✓ Customs transit procedures and regulations.
- ✓ Role of the transit traffic control agencies.
- ✓ Issues related to the utilization of the carriers' containers to haul transit cargo on inland routes.
- ✓ Insurance services for transit cargo.
- ✓ International Conventions and their actual and potential benefits for the Northern Corridor Member States.
- ✓ Road transit traffic facilities and services.
- ✓ Rail transit traffic facilities and services.
- ✓ Inland waterways transport facilities and services.
- ✓ Pipeline transport facilities and services.
- ✓ Port facilities, management and operations with particular reference to the handling of transit cargo.
- ✓ Development and management of dry ports.
- ✓ Latest development in the shipping industry affecting the transit transport within the Northern Corridor.
- ✓ Latest development in information technology.

4. Proposals for future appropriate concrete action to address the current transit transport problems.
5. Other Business.
6. Adoption of the Report of the Symposium

(b) Attendance

About 45 participants representing ministries of transport from all member countries of the Northern Corridor attended the symposium. Also present were representatives of various organizations dealing with transit transport including those from shipping agencies, freight forwarding associations, exporters and importers. The attendance was relatively high taking into considerations the location of the venue and the timing for the symposium.

(c) Opening of the Symposium

The symposium was officially opened by Mr. H. Oluoch, Permanent Secretary for the Ministry of Transport and Communications. Mr. Mbaye Diouf Director, EA-SRDC, Mr. J. Mturi, the Chairman of Kenya Ports Authority and Mr. Kanamugire, the Acting Executive Secretary of TTCA made opening remarks at the opening ceremony.

(d) Presentations and Discussions of Sectoral Reports

The respective authors presented most sectoral reports appearing in the agenda. A good number were presented by TTC experts who filled gaps created by none attendance by some authors. Discussions were quite rich and recommendations that were agreed upon reflected the concern of symposium participants. A summary of recommendations and problems identified is attached herewith as an annex. The final report of the symposium will be forwarded at a later date based on what the rapporteurs from ECA and UNCTAD had drafted and submitted to the TTC Secretariat.

ECA representatives had special interest in pushing for some the recommendations of the 1996 study. This was easy because some presentations touched on some of the issues which the ECA study highlighted. Some of the

suggestions made by ECA representatives which were adopted by the symposium are as follows:

- ✓ The Northern Corridor Transit agreement should be reviewed to reflect the needs of stakeholders
- ✓ The Secretariat of the Northern corridor should be strengthened
- ✓ Regulations and policies of the Northern Corridor on roads and road transport should be harmonized with those for COMESA.
- ✓ Kenya Railways and Uganda railways should harmonize their liability regimes and stop carriage of goods at owners' risk.
- ✓ Privatization of the two railway networks should be harmonized.
- ✓ The Kampala-Kasese line should be rehabilitated to serve adjacent land-locked countries.
- ✓ Member states should be encouraged to make the best use of CID facilities in Kisumu and Eldoret
- ✓ Bandari College should be fully used for training staff dealing with transit transport in the North Corridor especially those dealing with freight forwarding

All the above recommendations are included in the report on summary findings and recommendations. It was finally agreed that the TTC A should follow up all the recommendations agreed upon and report them to the next meeting of the Authority. The final report of the meeting has been recently received by ECA and is annexed to this mission report.

III Observations

- ✓ Although the NTTCA is slowly coming out of its basic problems of implementing the Agreement, the problem of goodwill is not yet fully overcome. However there are some slight improvements as compared to the 1996 situation mainly because of recent competition between the North and Central Corridor from the port of Dar-es-Salaam in Tanzania. More

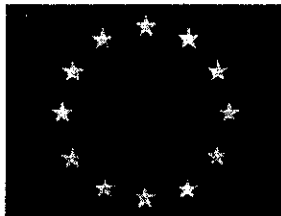
- ✓ improvements could be achieved if the Agreement is revised and the Secretariat is restructured.
- ✓ Many participants were bound by policies of the countries they represented; therefore closer informal discussions with some of them were more fruitful in gauging their real concern and those of stakeholders.
- ✓ This symposium has been repeated after about nine years. This interval is too long for meaningful assessment of prospects and issues for a transit the corridor. Five years would be more appropriate. The EA-SRDC Director could take up the matter with the Secretariat and decide on appropriate symposium timings. Out of those who participated, less than ten were in the 1991 symposium, therefore, it was not quite possible to critically assess progress made since 1991.
- ✓ Restructuring of TTCA will not be a simple task because of the rigidity of some member states. However if EA-SRDC Director is requested to assist, ECA should give such a request very serious considerations because already there are many duplications between activities of TTCA with those of COMESA, IGAD, EAC,ISCOS and PMAESA.
- ✓ It will help much if the post of the Executive Secretary for TTCA is filled soon as this will make functions like the recent symposium look less politically charged.
- ✓ In general the symposium was a success.

**TRANSIT TRANSPORT COORDINATION
AUTHORITY OF THE NORTHERN
CORRIDOR**



**TRANSIT TRANSPORT SYMPOSIUM FOR THE LANDLOCKED
AND TRANSIT COUNTRIES OF THE EAST/CENTRAL
AFRICAN SUBREGION**

Final Report



**SPONSORED BY THE
EUROPEAN COMMISSION**

Whitesands Hotel Mombasa
14 – 16 December 1999



I. INTRODUCTION

- 1.1 The symposium on the transit transport system of the landlocked and transit countries of Eastern and Central Africa was held in Mombasa, Kenya from 14 to 16 December 1999.
- 1.2 Delegates representing the public and private sector from Burundi, the Democratic Republic of Congo, Kenya, Rwanda and Uganda attended the symposium. Representatives of the ECA, UNCTAD, MOWCA (Maritime Organization for West and Central Africa), PMAESA, EATI, WFP and USAID also participated in the symposium. The list of participants is attached as an annex.

II. OPENING OF THE SYMPOSIUM (Agenda Item No.1)

- 2.1 The symposium was officially opened by Mr Hezron Oluoch, Deputy Secretary in the Ministry of Information, Transport and Communications of Kenya who read the opening speech on behalf of the Minister for Information, Transport and Communications and chairman of the TTCA.
- 2.2 On behalf of the government and the people of Kenya and on his own behalf, he welcomed the delegates and wished them a pleasant stay in Kenya in general and in Mombasa in particular.
- 2.3 He recalled that the Northern Corridor Transit Agreement (NCTA) signed in Bujumbura in 1985 mainly intended to facilitate the movement of transit goods through simplification and harmonisation of documentation and procedures affecting the transit transport system.
- 2.4 The representative of the chairman of the Authority further indicated that at the dawn of the new millennium, an assessment was required to evaluate the progress made fifteen years after the signing of the NCTA in order to adjust the TTCA action plan for the future.
- 2.5 He indicated that in order to achieve the NCTA objectives, particular efforts should be made to improve the transport infrastructure. In this regard, he paid tribute to the European Union for the financial and technical support extended to the TTCA member States in the upgrading and rehabilitation of the Northern Corridor transport network.

- 2.6 Finally, he once again thanked the European Union for financing the organization of the symposium and took the opportunity to appeal to other donors to assist the TTCA Permanent Secretariat in the organisation of national and regional workshops and other seminars in the TTCA member States in order to sensitize economic operators on the various issues relevant to the implementation of the provisions of the NCTA.
- 2.7 In his introductory remarks, the Ag. Executive Secretary of the TTCA welcomed the delegates and thanked them for accepting to attend the symposium in spite of their heavy workload. He recognized the presence of the members of the Executive Board and other distinguished guests and reiterated his appreciation for their support for the activities of the Permanent Secretariat of the TTCA.
- 2.8 The Ag. Executive Secretary recalled that landlocked countries and regions of Eastern and Central Africa served by the Northern Corridor are seriously affected in their efforts towards the development of their foreign trade and economies mainly due to their lack of access to the sea.
- 2.9 He explained that in addition to the economic difficulties which are common in all developing countries, landlocked countries encounter high transport costs in the transportation of their goods to and from the nearest maritime ports. Furthermore, they have to rely on facilities and transit systems of the neighbouring countries which they do not control. He indicated that the neighbouring transit countries are also among developing countries and experience serious difficulties in the development of infrastructure and other facilities required for the free flow of transit traffic across their respective territories. Finally, he noted that transit countries are confronted with the problems of diversion of goods on their local market.
- 2.10 The Ag. Executive Secretary recalled that it is in view of the above difficulties and other related hardships that member States of the Northern Corridor decided to take a common position by establishing cooperation mechanisms within the framework of the Northern Corridor Transit Agreement which was signed in Bujumbura in February 1985.
- 2.11 Finally, he urged the participants to take advantage of the symposium and forge a common front with a view to improving the transit transport policies and operations of the Northern Corridor in light of the objectives of the Northern corridor Transit Agreement. He highlighted that the above agreement is based on the principles of the freedom of transit and the right

of access to/from the sea provided for in the various international conventions enacted in the spirit of the international legislation and solidarity.

- 2.12 In his introductory remarks to the presentation which was scheduled on the following day, the chairman of the Kenya Ports Authority (KPA), Mr Jonathan Mturi, highlighted the progress made in the field of maritime transport and indicated that nowadays goods are delivered house to house.
- 2.13 He further noted that the transportation of goods from the port of Mombasa to the hinterland has not responded to the technological development experienced in other developed countries.
- 2.14 He highlighted the objectives of the new KPA management team aimed at improving the services offered by the port of Mombasa with a view to better serving the countries of the sub-region including Ethiopia and Southern Sudan which are becoming a potential market.
- 2.15 In his remarks, Mr Diouf MBAYE, Director of the sub-regional Development Centre (East Africa) of the ECA which is based in Kigali, took the opportunity to thank the Permanent Secretariat of the TTCA for the invitation extended to him to participate in the symposium and wished success to the deliberations of the symposium.
- 2.16 He indicated that the ECA fully supports the integration of African Countries into a sustainable economic forum in which transit transport is a key factor. In order to achieve effective integration, he highlighted three main factors:
- a. Investment in productivity
 - b. Physical integration
 - c. Adequate policy focus.
- 2.17 He further noted that landlocked countries are paying a high price in order to cope with the current market trend. In this regard, he noted that in order to improve their productivity, African countries have got to install a reliable and efficient transit transport system.
- 2.18 Her Excellency Madame Joy MUKANYANGE, Ambassador of Rwanda to Kenya, then took the floor and advanced a vote of thanks. In so doing, she first of all thanked the Government of Kenya for the hospitality extended to the participants since their arrival.

- 2.19 Her Excellency the Ambassador further highlighted the importance of maintaining an efficient transit transport system for landlocked countries in general and to Rwanda in particular which relies on the Northern Corridor as a major supply route and henceforth becomes a key factor in the economy of the country.
- 2.20 She urged the regional institutions to continue playing a leading role in enhancing the economies of the countries of the sub-region. She particularly urged the TTCA to foster new strategies in order to be able to face the current challenges.

III. ADOPTION OF THE AGENDA AND ORGANISATION OF WORK (Agenda item No. 2)

- 3.1 Before the adoption of the agenda, a bureau had been established to preside over the deliberations of the symposium. The bureau was established as follows:

Chairman:	Kenya
Vice-chairman:	Burundi
First Rapporteur:	Rwanda
Second Rapporteur:	Uganda

The symposium further appointed two moderators, Mr. E. Mbuli (UNCTAD) and Mr. K. Yeboah-KONADU (ECA) who assisted the bureau during the discussions on the first and second days respectively.

- 3.2 The symposium adopted the following agenda:
1. Opening of the symposium
 2. Adoption of the agenda and organisation of work
 3. Review of the recent developments in the transit transport sector in East/Central Africa: issues, problems and future challenges
 - 3.1. Overview of the Northern Corridor Transit Transport System

3.2. Sectoral aspects

- i. Clearing and forwarding of transit cargo.
 - ii. Customs transit procedures and regulations.
 - iii. Role of the transit traffic control agencies.
 - iv. International conventions and their actual and potential benefits for the Northern Corridor member States.
 - v. Road transit traffic facilities and services.
 - vi. Rail transit traffic facilities and services.
 - vii. Pipeline transport facilities and services.
 - viii. Latest developments in the shipping sector relevant to the Northern Corridor.
 - ix. Issues related to the utilisation of the carriers' containers to haul transit cargo on inland routes.
 - x. Port facilities, management and operations with particular reference to the handling of transit cargo.
 - xi. Development and management of dry ports.
4. Proposals for future appropriate concrete action to address the current transit transport problems
 5. Miscellaneous
 6. Adoption of the report of the symposium
 7. Closure of the symposium

The symposium further adopted the following working time schedule:

Tuesday, 14 December 1999

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|---------------|---|--|
| 08.00 - 09.00 | : | Registration of participants |
| 09.00 - 10.00 | : | Opening of the symposium
- Remarks by the Ag. Executive Secretary of the TTCA
- Statement by the Chairman, KPA |

- Key note address and opening of the symposium by the representative of the Chairman of the TTCA
- 10.00 - 10.15 : TEA BREAK
- 10.15 - 10.30 : Adoption of agenda and organisation of work
- 10.30 - 10.45 : Overview of the current transit transport situation by:
 - TTCA
- 10.45 - 11.15 : Clearing and Forwarding of transit cargo by:
 - KIFWA, KENYA
- 11.15 - 12.00 : Customs transit procedures by:
 - KRA
 - URA
 - TTCA
- 12.00 - 12.30 : Role of the transit traffic control agencies by:
 - KEPHIS
- 12.30 - 13.00 : International conventions and their actual and potential benefits for the Northern Corridor member States by:
 - UNCTAD, Geneva
- 13.00 - 15.00 : LUNCH BREAK
- 15.00 - 16.00 : Discussion
- 16.00 - 16.30 : TEA BREAK
- 16.30 - 17.30 : Discussion

Wednesday, 15 December 1999

- 09.00 - 09.30 : Road transit traffic facilities and services by:
- TTCA
- 09.30 - 10.15 : Rail transit traffic facilities and services by:
- KRC
- URC
- TTCA
- 10.15 - 10.30 : TEA BREAK
- 10.30 - 11.00 : Pipeline transport facilities and Services by:
- KPC
- 11.00 - 12.30 : Discussion
- 12.30 - 14.30 : LUNCH BREAK
- 14.30 - 15.00 : Latest developments in the shipping sector relevant to the Northern Corridor
- Mr Jonathan D Mturi,
Chairman, KPA
- 15.00 - 15.30 : Issues related to the utilisation of the carriers' containers to haul transit cargo on inland routes
- Mr Roger Dainty
Chairman, Kenya Ships Agents Association
- 15.30 - 15.45 : Port facilities, management and operations with particular reference to the handling of transit cargo
- TTCA

- 15.45 - 16.00 : - Development and management of dry ports
- KPA (ICD's specialist)
- 16.00 - 16.30 : TEA BREAK
- 16.30 - 17.30 : Discussion

Thursday, 16 December 1999

- 15.00 - 17.00 : - Adoption of recommendations for a future plan of action to address the current transit transport problems
- Closure of the symposium

IV. **REVIEW OF THE RECENT DEVELOPMENTS IN THE TRANSIT TRANSPORT SECTOR IN EASTERN/CENTRAL AFRICA: ISSUES, PROBLEMS AND FUTURE CHALLENGES** (Agenda item No.3)

- 4.1 A representative of the Permanent Secretariat of the TTCA firstly presented an overview of the Northern Corridor transit transport system. In so doing, he recalled the various organs provided for in the Northern Corridor Transit Agreement and highlighted the activities scheduled within the framework of the TTCA and other proposals intended to improve the future performances of the TTCA.
- 4.2 The Permanent Secretariat of the TTCA and the representatives from the private and public sector further discussed the following sectoral aspects:
- a. Clearing and freight forwarding as well as customs transit operations and procedures and other customs legislation applicable to transit transport within the Northern Corridor (TTCA, KIFWA, URA and KRA);
 - b. Road, rail and pipeline transport facilities and services, recent developments in the maritime transport industry, containerization (TTCA, KRC, KPA, URC, Maritime Transport Association);
 - c. Management of ports and dry ports facilities (KPA);
 - d. The role of Phytosanitary Control Agencies (KEPHIS);
 - e. International conventions and their current and potential importance in the Northern Corridor member States (UNCTAD);

The list of papers presented during the symposium is presented as an annex.

V. **RECOMMENDATIONS ON THE PROBLEMS IDENTIFIED TO BE AFFLICTING THE MOVEMENT OF TRANSIT CARGO WITHIN THE NORTHERN CORRIDOR** (Agenda item No.4)

As the new millennium approaches and the process of globalization and liberalization are becoming more pronounced, the market place is becoming more competitive. Exporters who are not able to deliver on time may lose the market. Henceforth, the need for countries in this region to increase

efficiency of Transit Operations in terms of reduced transport costs and transit times has become more important than ever before.

The Northern Corridor Transit Agreement has played a central role in facilitating transit transport along the Northern Corridor. To this end, many important recommendations have been made. Some have been implemented, whereas, for a variety of reasons, others have not yet been implemented. The latter require strategies and modalities for their effective implementation.

After two days of fruitful deliberations, the symposium identified the following policy issues: -

5.1 **MONITORING AND IMPLEMENTATION POLICIES**

In addressing the problems of monitoring and implementation of Transit Transport policies, the following suggestions were put forward:

- (i) The Northern Corridor Stakeholders Consultative Forum which has been meeting in Mombasa and which has borne positive results should be strengthened. Regularizing and institutionalizing the meetings of the forum may yield better results. These meetings may also be convened on rotational basis in the other countries in the region and should include all stakeholders such as Transport, Clearing & Forwarding operators as well as Shipping Agents.
- (ii) Improving the monitoring and implementation of policies by including the private sector i.e. Chamber of Commerce, Transport Associations, Insurance companies, etc in the National Inter-ministerial Committees. The expanded committees may be designated as "Transit Transport Monitory Agencies" to reflect the participation of the private sector.
- (iii) Requesting the Executive Secretary of the Permanent Secretariat of TTCA to support the activities of the expanded National Inter-ministerial Committee.
- (iv) Review of the Northern Corridor Transit Agreement in line with the decisions taken by the TTCA to reflect the needs of the stakeholders.
- (v) Re-organization and strengthening of the Secretariat in order to enable it meet new challenges.

5.2 CLEARING AND FORWARDING OF TRANSIT CARGO

Numerous hardships are being experienced in the clearance of transit cargo:

(a) Documentation:

- (i) Duplication of customs documents, which contribute in increasing administrative costs, translated into high transit costs. It was noted that there are two regimes of documents, which overlap in their function i.e. C35A Form and Kenya Customs form C63. It was further noted that among others, every vehicle carrying transit goods is required to obtain a P 27 form from the Port Police.

The solution recommended was the adoption of a single customs document, COMESA-CD, which should be implemented in all the Northern Corridor member States.

- (ii) It was noted that delays of transit goods destined for landlocked countries at times are occasioned by delays on presentation of relevant documents from land-locked countries such as the bill of lading or lack of proper information on customs procedures on the part of importers.

The solution recommended is for Customs to print and distribute guideline brochures or user guides. This may further be followed by organized national workshops or seminars.

(b) Working hours of Customs, Port, and the Border Posts

It was observed that the working hours of the Customs are not in consonance with those of the Port of Mombasa, and it was further noted that Customs do not work on weekends and on public holidays.

The Symposium was informed that the matter was under consideration by the relevant authorities. Participants expressed the need for a decision to be taken as soon as possible.

The Symposium recommended that all the border posts of the member States should remain open throughout the week and that Customs as well as immigration services should be available.

(c) **Clearing and Forwarding Agents**

Clearing and Forwarding Agents play an important role in transit trade. It is important that they should be qualified in the performance of their duties.

It was observed that some Clearing and Forwarding firms have no professional training.

In this regard, the following suggestions were made:

- (i) Training should be formalized in the public institutions of the member States such as Bandari College in Mombasa.
- (ii) Importers should use firms or agents registered by National Umbrella bodies, such as KIFWA in Kenya.
- (iii) There should be legislation to regulate the activities of Clearing and Forwarding Agents. However, the legislation should take into account the particular needs of small upcoming firms.

5.3 **CUSTOMS TRANSIT PROCEDURES**

Customs Bond

- (i) The Symposium noted that currently, each TTCA member country is implementing its own National Scheme.

This increases the transport costs of transit cargo which has to transit through more than one country.

The Symposium was informed that COMESA has established a Common Guarantee Scheme but it was yet to be ratified by the requisite number of member States.

Member States were urged to speed up the ratification process.

- (ii) Cancellation of the Security Bond raised by Kenya Customs was being delayed pending the reception of the Nakawa Returns from Uganda Customs.

However, it was noted that Uganda Revenue Authority cancels its bonds upon receipt of certificates issued by its exit stations. It was therefore recommended that Kenya Revenue Authority should do away with the Nakawa Returns and instead, adopt a similar method of cancellation of bonds.

In this regard, it was learnt that UNCTAD had developed a computerized Customs Transit Information System which enables automatic cancellation of bonds once a truck crosses an exit point. Member States were urged to adopt the Customs data requirement agreed within the framework of the UNCTAD system.

- (iii) The introduction by Kenya of special security bonds on trucks having no COMESA Certificates but carrying transit goods was found not only unjustifiable but also prohibitive. This bond, pegged at about Ksh 1,000,000/=, was found to be too high.

The Symposium recommended the abolition of this bond.

5.4. VERIFICATION

It was noted that the current practice at the Port of Mombasa was that transit goods are no longer verified if the original seals are intact. Where seals appear to have been tampered with, containers may be verified at KPA's costs.

The Symposium urged the member States to implement the decisions on joint controls at adjacent border posts to avoid delays and duplication of efforts.

5.5. ESCORT

It was noted that there was physical escorts provided for sensitive transit goods. The Escort is provided twice a week in Kenya. This immobilizes goods over long periods, which is expensive to the importers.

If the escort must be provided it should be on a daily basis.

The Symposium recommended the use of electronic transfer of data to replace the physical escort of transit goods.

5.6. PHYTOSANITARY CONTROL

The symposium noted the role played by a Kenya Government Agency, KEPHIS, which provides services related to the phytosanitary inspection services guided by the International Plant Protection Convention (IPPC).

However, it was recommended that the fees charged by such agencies should not be based on the value of the consignment but should be commensurate with the services rendered.

It was further resolved that transit goods, which are covered by certificates from countries of origin, which complied with IPPC standards should not be subjected to further inspections.

5.7. INTERNATIONAL CONVENTIONS

Member States of the Northern Corridor have been slow at acceding to international conventions related to transit transport.

Member countries are encouraged to accede to the following conventions in order to facilitate transit transport:

- Customs Convention on Containers, 1972.
- International Convention on the Harmonization of Controls of Goods, 1982.
- Convention on the Contract for the International Carriage of Goods by Road (CMR), 1956.
- Convention on Road Traffic, 1968.
- Convention on Road signs and signals, 1968.

5.8. ROAD TRANSIT TRAFFIC FACILITIES AND SERVICES

Road Transport caters for more than 70% of the transit goods on the Northern Corridor. The condition of the roads has a direct impact on the transit transportation costs.

It was observed that the Northern Corridor road infrastructure is afflicted by a number of problems including the deterioration of existing roads due to lack of maintenance, overloading and incoherent road policies and regulations.

In order to curb the above, the following recommendations were made:

- (i) Member States should not depend on donors for road maintenance. Instead, they should put in place self-sustaining mechanisms that will assist them to regularly maintain their road network.
- (ii) Establishment of Road Authorities where necessary, composed of representatives from both the private and public sector.
- (iii) Northern Corridor countries should harmonize their road transport policies and regulations in line with measures agreed upon in COMESA on licensing, insurance policies, road signs and signals, transit border fees and tariffs.
- (iv) TTCA should undertake an in-depth study of problems associated with axle-load control in order to have uniform and standardized policies and procedures. In this regard, it was recommended that a parallel study be also conducted into the engineering side of TTCA roads, with the aim of facilitating the harmonization of axle load control.
- (v) While recommending harmonization measures and procedures of the road sub-sector, it was felt that due account should be taken of the economic and commercial interests of individual countries.
- (vi) It was recommended that the Secretariat should take the initiative to encourage member States to disseminate information on policy reforms.
- (vii) Member States should have an organized parking system along the highways to promote both road safety and the security of transit cargo. In addition, it was recommended that where appropriate member States should establish dedicated parking spaces/areas at the port terminal and /or Internal Container Depots.
- (viii) Harmonization of Road Safety Policies and effective implementation of the Safety Act of each member State.
- (ix) Road users should adhere to laid down rules and regulations for the utilization of the Northern Corridor road network.

5.9. RAIL TRANSIT TRAFFIC FACILITIES

The Symposium recognized that rail transport is at present not utilized to its maximum capacity. A number of factors may be attributed to this situation.

In order to rectify the position, the Symposium issued the following recommendations:

- (i) The TTCA Secretariat should prepare a policy guideline which may assist the member States in utilizing the most cost-effective mode of transport in the carriage of transit cargo.
- (ii) The two railway operators, KR and UR, should do their best to meet customer requirements through improved services.
- (iii) By December 31st 2000, a single invoicing and payment regime for Uganda Railways and Kenya Railways should be in effect.
- (iv) In the run-up to the privatization of KRC and URC, consultation should be established to ensure that the two privatizations are harmonized.
- (v) The two railway companies should take insurance policies to cover damage, theft and loss of goods while in their custody.
- (vi) The TTCA Secretariat should conduct a study into areas of possible interface of the various modes of transport in order to enhance efficiency.
- (vii) Security bonds for transit traffic should be abolished by January 1st 2000.
- (viii) In order to serve the transit traffic of the neighbouring land-locked countries, it is recommended that the Kampala-Kasese line be rehabilitated and a depot be established at Kasese.
- (ix) Kenya Railways and Uganda Railways should institute performance guarantee schemes to ensure there are penalties for non-performance.

- (x) The apportionate tax on fuel and spares intended to support road maintenance and currently paid by KRC and URC should be refunded to Railways in order to establish a level playing ground between road and rail transport.

5.10. **PIPELINE TRANSPORT**

The symposium recognized the economic viability of pipeline transport as an alternative to both rail and road.

It was noted, however, that in some rare instances, cargo was short-landed.

In this regard, the symposium recommended as follows:

KPC should investigate all such cases very promptly and take measures to avoid such occurrences in the future.

5.11. **PORTS AND INLAND CONTAINER DEPOTS**

It was noted that the port of Mombasa faced various problems, which hampered the smooth handling of transit traffic.

The symposium reviewed the role played by Kenya Ports Authority in facilitating the transportation of transit goods and highlighted the following problems:

- (i) Frequent management turn-over
- (ii) Security of goods
- (iii) Lack of handling equipment
- (iv) Lack of proper information
- (v) Cumbersome and lengthy documentation and procedures
- (vi) Under utilization of ICDs.

In this regard, the symposium recommended as follows:

- (i) The management reorganization process should be speeded up in KPA in order to enable it institute long-term management and sustainable strategies.
- (ii) Redefining the roles of the existing security organs within the port, with a view to making them more responsible and accountable.

- (iii) The Secretariat should encourage the member States to make use of the ICD facilities, which are economical and closer to them.
- (iv) There is a need to improve the regional network system of information dissemination. A competitive and dynamic website is being developed by KPA to allow accessibility of information to stakeholders within the region.
- (v) Documentation and procedures should be simplified and speeded up and remain competitive vis a vis other facilities.
- (vi) KPA should look into ICD tariffs with the aim of making them more attractive.

5.12. COMPUTERIZED INFORMATION SYSTEMS

The symposium noted the efforts made in the development and installation of computerized information systems for customs, port, railways, Clearing & Forwarding Agencies etc.

The symposium recommended that efforts by operators be made to harmonize, standardize and operate in a network in order to take full advantage of the new technology.

5.13. UTILISATION OF THE CARRIERS' CONTAINERS TO HAUL CARGO ON INLAND ROUTES

The symposium took note of the fact that many shippers are ignorant of their rights in this² field. In this regard, the following recommendations were formulated:

- (i) That the TTCA should inform both shippers and other agents that they reserve the right to choose among competing carriers.
- (ii) That shipping lines operating in the Northern Corridor economic space should give serious consideration to the question of container deposits which are known to be too high in this sub-region compared to other parts of the world.

- (iii) The Secretariat was mandated to mount an information campaign aimed at educating shippers on available alternatives. This is against the background of the facts supplied to the symposium to the effect that levels of deposit can usually be negotiated as integral parts of freight rates.
- (iv) The importer and their agents were advised of the importance of returning the container in good time and condition at designated turn-in points.

5.14. **STRATEGY FOR THE FUTURE**

The symposium took due cognizance of the rapid evolution in international economic relations in general and in the transport industry in particular and drew the conclusion that in order for the Northern Corridor countries to promote their competitiveness in the global market place, they should inter alia:

- (i) Align their internal policies to this global trend;
- (ii) Develop manpower resources that can master the intricacies of the information technology and communications revolution, which underpin these rapid changes.
- (iii) Change their basic attitudes, etc.

In order to assist member States to appreciate the urgency of these changes and trends, the following recommendations were formulated:

- (i) Emphasis should be given to training in information and communications technology at all levels of society;
- (ii) Every effort should be made to harmonize, standardize and establish a networking system between operators both at the national level and the level of the Northern Corridor;
- (iii) Revamp existing transport systems.
- (iv) TTCA should follow up these recommendations and report to the next meeting of the Authority.

VI. **MISCELLANEOUS** (Agenda item No. 5)

No issue was raised under the miscellaneous.

VII. **ADOPTION OF RECOMMENDATIONS** (Agenda item No. 6)

The symposium adopted the recommendations as presented in No.5 above.

VIII. **CLOSURE OF THE SYMPOSIUM** (Agenda item No.7)

The symposium was officially closed by Mr Hezron Oluoch, Deputy Secretary in the Ministry of Information, Transport and Communications of Kenya. In his closing remarks, he thanked all the participants for their appreciable contributions during the discussions which contributed to the success of the symposium. He exhorted each participant to do everything in his/her capacity to ensure an effective implementation of the recommendations of the symposium.

ANNEX 1

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Annex 2

LIST OF TECHNICAL PAPERS PRESENTED DURING THE SYMPOSIUM AND THEIR AUTHORS

1. Overview of the Northern Corridor Transit Transport System.
➤ **By Silas Kanamugire**

2. Clearing and forwarding of transit cargo.
➤ **By E M Sabwa**

3. Customs transit procedures and regulations.
➤ **By Edward Thuiya**
➤ **By John Msafari**

- Customs transit procedures and regulations (Uganda).
➤ **By Uganda Revenue Authority**

- Customs Procedures and Regulations applicable to Transit Traffic.
➤ **By Lisumbu Eliombo**

4. Role of the transit traffic control agencies.
➤ **By Dr Wilson Songa (KEPHIS)**

5. International conventions and their actual and potential benefits for the Northern Corridor member States.
➤ **By Ernest Mbuli**

6. Road transit traffic facilities and services.
➤ **By Venant Ntahonsigaye**

7. Rail transit traffic facilities and services (Kenya).
➤ **By Kenya Railways Corporation**

- Rail transit traffic facilities and services (Uganda).
➤ **By Nyombi-Thembo G William**
➤ **Uganda Railways Corporation**

8. Pipeline transport facilities and services.
➤ **By Kenya Pipeline Company Ltd**

9. Latest developments in the shipping sector relevant to the Northern Corridor.
➤ **By Jonathan D Mturi**
10. Issues related to the utilisation of the carriers' containers to haul transit cargo on inland routes.
➤ **By Roger Dainty**
11. Port facilities, management and operations with particular reference to the handling of transit cargo.
➤ **By Gichiri Ndua**
12. Development and management of dry ports.
➤ **By L N Obongo**



