



# EAST AFRICAN COMMUNITY

*One People, One Destiny*

# MAINSTREAMING DIGITAL SOLUTIONS IN TRADE FACILITATION

## “Trace and Track Cargo in Real Time”

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# THE EAST AFRICAN COMMUNITY

## In Brief

The East African Community (EAC) is a regional inter-governmental organization of the Republic of **Burundi**, Republic of **Kenya**, Republic of **Rwanda**, Republic of **South Sudan**, the United Republic of **Tanzania**, and the Republic of **Uganda**, with its headquarters in Arusha, Tanzania.

## Vision

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

## Mission

To widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production and investment.

## Quick Figures



Total Surface Area  
2.5 million sq. km



Population  
177 million (2019)



GDP Nominal  
US\$ 193.7 billion (2019)



# EAC REGIONAL INTEGRATION PILLARS

## A HIGHLIGHT

### CUSTOMS UNION

**2005**

Enabling the EAC Partner States to enjoy economies of scale, with a view to supporting the process of economic development through the establishment of a Single Customs Territory.

### COMMON MARKET

**2010**

Accelerating economic growth and development while maintaining a liberal stance towards the **5** Freedoms of movement for all factors of production in the region.

### MONETARY UNION

**2013**

Laying the groundwork within a 10-year span, while allowing the EAC Partner States to progressively converge their currencies into a single currency in the Community.

### POLITICAL FEDERATION

**ONGOING**

Putting in place initiatives to fast-track political integration. In May 2017 EAC Heads of State adopted the **Political Confederation** as a transitional model of the East African Political Federation.



# History and Transition to e-Monitoring in EAC

## Transit Management history :

- ❖ Physical Convoy system 1992-2001
- ❖ Paper Control System
- ❖ Transit log sheet/Call points
- ❖ Physical Escort until May 2014



## Challenges faced:

- ❖ Delays
- ❖ High cost of doing business
- ❖ Non-tariff barriers
- ❖ Difficulty in transit monitoring.
- ❖ High cost of monitoring
- ❖ Poor coordination with Partner States in the EAC
- ❖ Diversion of transit cargo

## Electronic Cargo Tracking System -ECTS 2014-16

### RECTS: 2017-Todate

- ❖ *Real-time monitoring along Northern Corridor*
- ❖ *Single platform used by Partner States (Kenya, Rwanda & Uganda)*



# Current RECTS Landscape Across EAC

- ❑ Currently, the EAC RECTS is operational in four countries; namely: DRC, Kenya, Rwanda and Uganda.
- ❑ The RECTS is fully integrated with the National Customs Management Systems (Asycuda, ICMS)
- ❑ 4 Regional Centralized Monitoring Centres for KRA, URA, RRA & DGDA supported by > 20 fully equipped Rapid Response Units are fully in 24x7 operation
- ❑ During the year 2017 nearly \$7.1million worth recovery in 288 incidents of cargo in transit non-compliance in the **Northern Corridor**.
- ❑ The United Republic of Tanzania also operates a National ECTS (TECTS) on the Central Corridor also **fully integrated** with the National Customs Management Systems (TANCIS)





## RECTS LAUNCH IN EAC - 2017

RECTS Launch;



- “Commissioned in Uganda on 24th Feb”
- “Launched in Kenya on 2nd March 2017”
- “Launched in Rwanda on 24<sup>th</sup> March 2017.



## E-seal's attached

8







**CMC Kigali**



**CMC Nairobi**



**CMC Kampala**

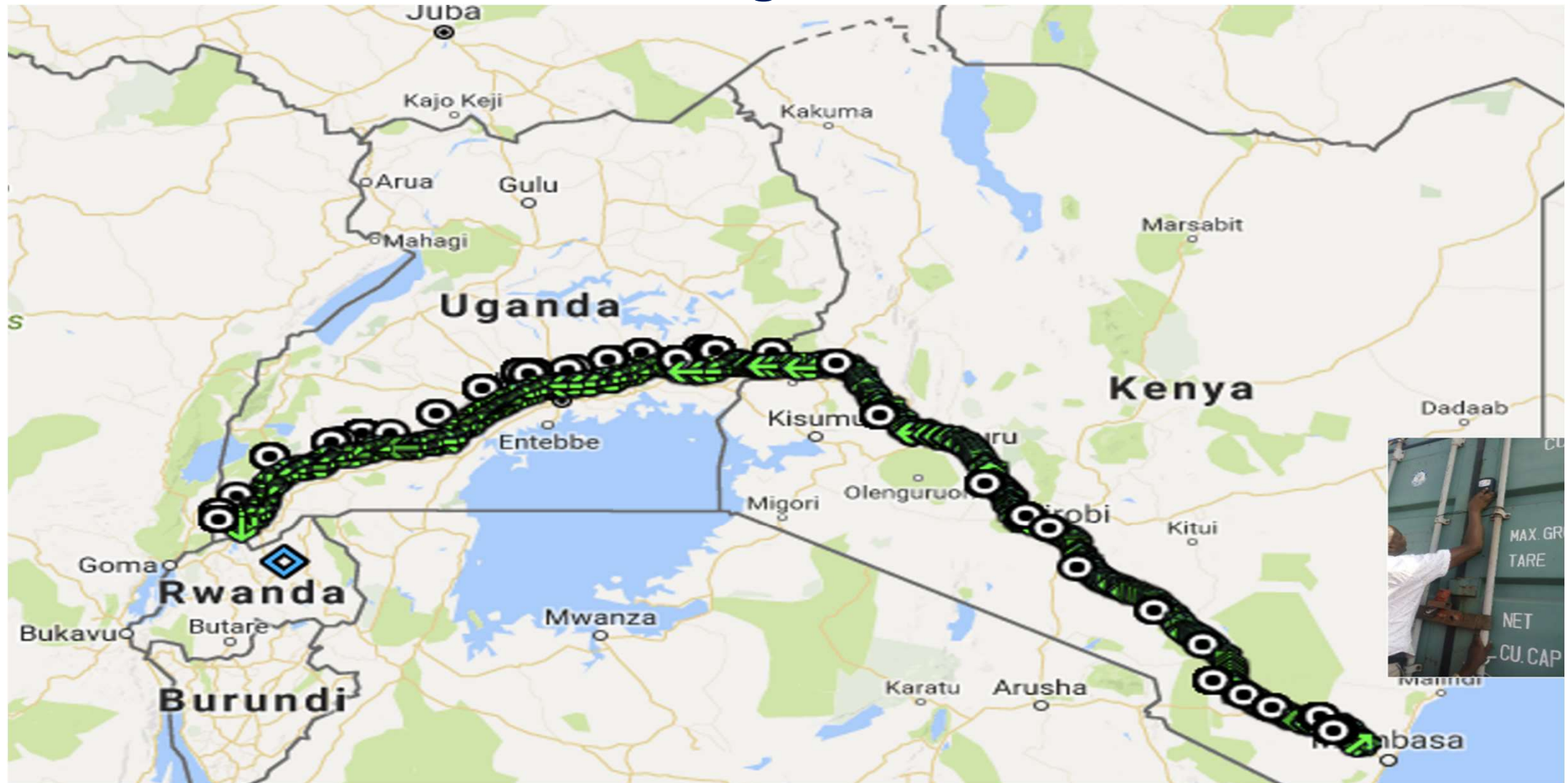






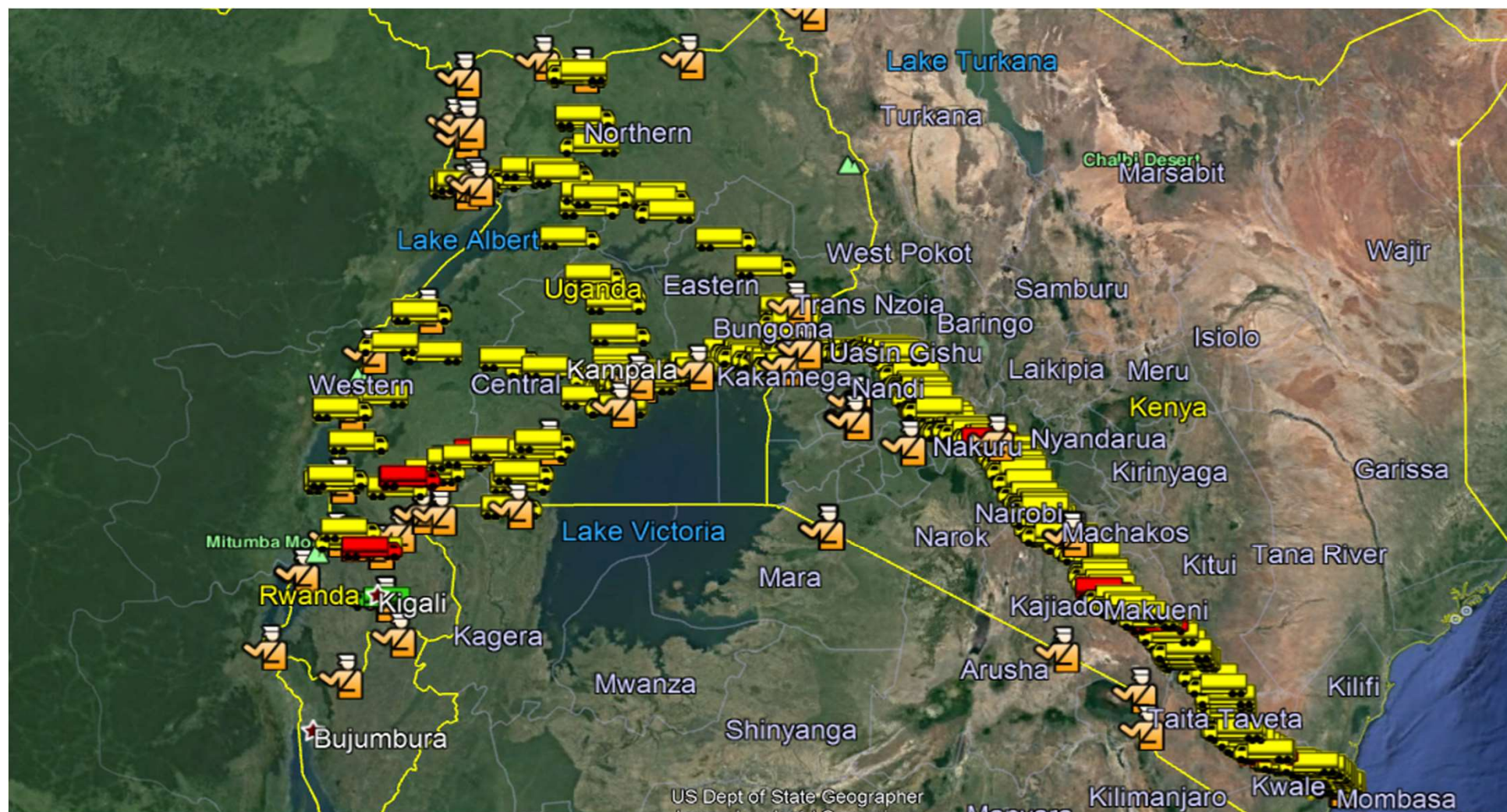
# Real time e-monitoring of transit at CMCs 24/7

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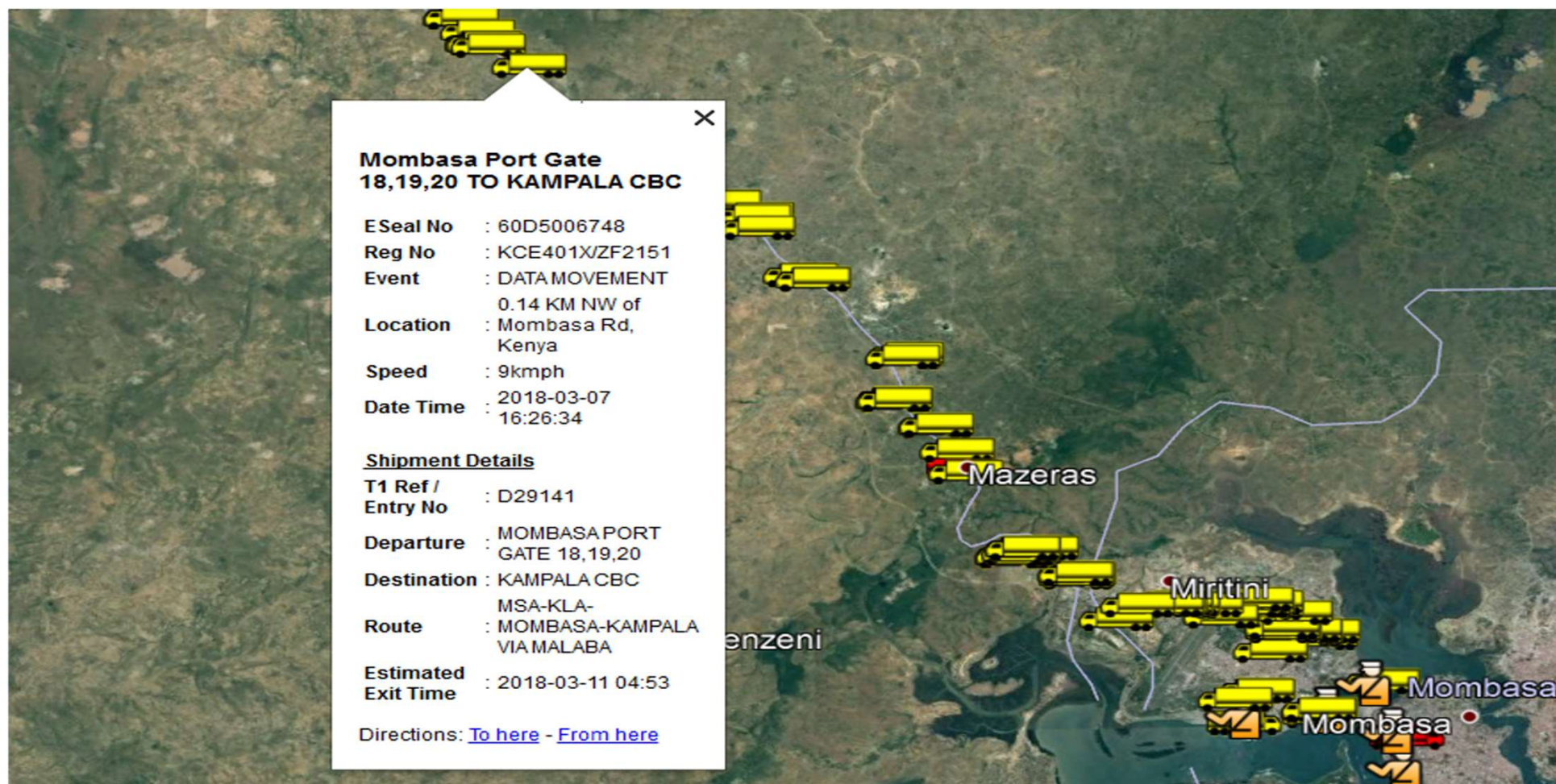


## E-monitoring of cargo along the Corridors - NC





## Track & trace



# ECTS BENEFITS

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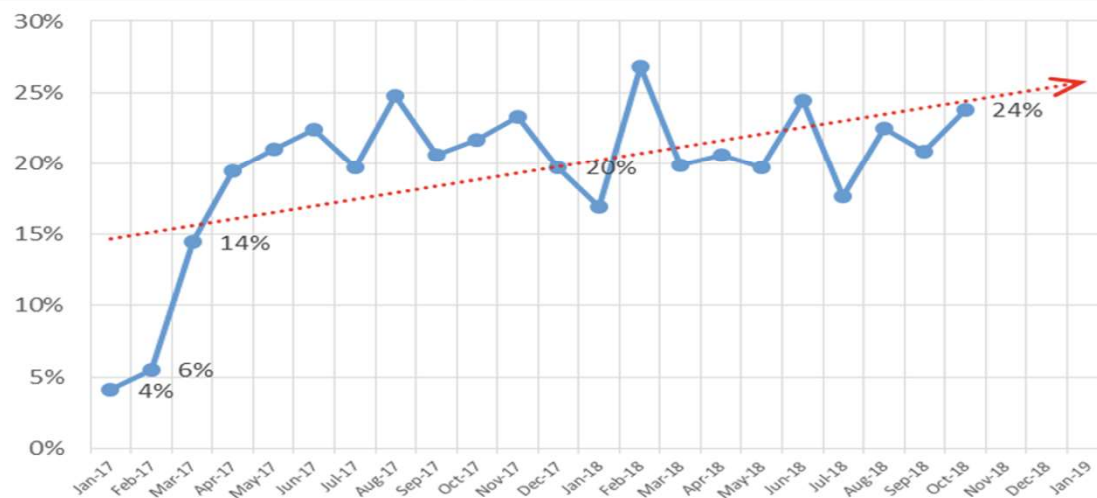
- ❑ Improved revenue to Government,
- ❑ Enhanced cargo security,
- ❑ Improved resource utilization,
- ❑ Regional integration,
- ❑ Better service delivery; and
- ❑ Better investment climate with balanced fair legitimate trade.



## BENEFITS: Real-time e-monitoring- Revenue Protected

Percentage e-monitored	Year 2017	Year 2018	Jan - June 2019
<b>Total Transits</b>	233,922	285,824	158,075
<b>e-monitored</b>	42,845 (18%)	60,066 (21%)	32,135 (20.3%)
<b>Total BIF</b>	USD.2,244,326,888	USD.2,893,145,603	USD.1,668,047,329
<b>e-monitored BIF</b>	USD.610,074,700 (27%)	USD.808,705,566 (28%)	USD.294,273,230 (18%)

Percentage e-monitored	Year 2014	Year 2015	Year 2016
<b>Total Transits</b>	178,090	195,372	189,618
<b>e-monitored</b>	11,459(6%)	17,226(9%)	15,094(8%)
<b>Total BIF</b>	549,065	474,673	494,524
<b>e-monitored BIF</b>	USD.85, 327 (16%)	USD.83, 368 (18%)	USD.69, 737 (14%)



- ❖ **Easy trace & track of cargo movement**
- ❖ **Better cross border coordination Real-time notification on transit violations (SMS & email alerts)**
- ❖ **Improved voluntary compliance with Transit Laws**
- ❖ **Protected Revenue & thus, Reduced Transit diversion**



## BENEFITS: Real-time alerts

CMC	Year 2017		Year 2018			Jan-June 2019			
Kampala CMC	75,169	43.5%	222,627		64%	136,216		68%	
Nairobi CMC	63,134	36.5%	121,005		35%	54,716		27%	
Violation Type		Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL	%tage
Off Route		10306	13617	12075	13577	4723	4309	58607	29.21%
Cross-Country Emergency Trigger		3864	4777	4519	4338	12315	14402	44215	22.03%
SEAL DEACTIVATED (ILLEGAL)		8778	8309	9823	9386	1462	1919	39677	19.77%
SEAL ACTIVATED (ILLEGAL)		1709	1794	1697	1505	926	938	8569	4.27%
ESEAL TAMPERED		1233	1493	1468	1463	9079	8772	23508	11.71%
Exceed Transit Duration / Trip Duration		752	718	1618	1330	1565	1580	7563	3.77%
SEAL BROKEN		529	578	611	595	2367	2870	7550	3.76%
SEAL Broken (Illegal)		2086	13	7	2555	591	745	5997	2.99%
Internal battery low		184	155	184	144	407	235	1309	0.65%
Seal Broken (Procedure Violation - Deactivation)		246	197	266	270	170	190	1339	0.67%
TOTAL		29,696	31,651	34,581	35,163	33,620	35,960	200,671	100%

8117	
ACU200053641, 2018-01-23 16:22:36, (32.6236823,0.3381625), 0.38 KM E OF OSCAR INDUSTRIES LIMITED, 0kmph	
Yesterday 16:27	
SEAL BROKEN (ILLEGAL) , 60D5006805, ZZT2405004673, 2018-01-23 16:33:30, (32.5737498,0.3384680), 0.01 KM S OF KATANGA CAR WASHING BAY, 2kmph	

**Alert Monitoring  
Dashboard  
SMS notifications  
E-mail  
notifications**

<b>Shipment Details</b>	
Entry No / T1 No :	2018MSA6784043
Departure :	MOMBASA PORT GATE 18,19,20
Destination :	MPONDWE CUSTOMS STATION
Route :	MOMBASA-MPONDWE VIA MALABA-MBARARA
Estimated Exit Time :	2018-01-24 02:13
<b>Violation Details</b>	
ETrack / ESeal Serial No. :	60D5006086
Vehicle Registration Number :	KBS882E/ZD9527
Date :	2018-01-24
Time :	02:10:41
Alert :	EXCEED TRANSIT DURATION / TRIP DURATION
Longitude :	34.2611686
Latitude :	0.6404003
Location :	0.10 KM NW OF MALABA VEHICLE YARD CHECK POINT.
Speed :	0kmph



## BENEFITS: Enhanced Cargo Security



Incidents Type	URA – RRU (2017- June 2019)		KRA- RRU (2017- June 2019)	
	No.	BIF saved (USD)	No.	BIF saved (USD)
Attempted Robbery	20	394,372	183	3,723,374
Attempted diversion	52	1,840,874	57	647,193
Accident cases	41	749,575	287	3,226,924
Breach of procedure	265	3,704,041	247	3,222,906
Transshipment cases	93	3,073,839	791	10,927,944
Trade Facilitation	208	1,717,849	224	4,042,584
<b>TOTALS</b>	<b>679</b>	<b>USD11,480,550</b>	<b>1,789</b>	<b>USD 25,790,926</b>

## BENEFITS: Reduced Transit Time

Transits to and through Region	Average Transit time in days	
	Before	Now
Non-monitored - Uganda	6 days	2.5 Days
e-monitored National	8 days	1.5 days
e-monitored Regional	17 days	5.0 days

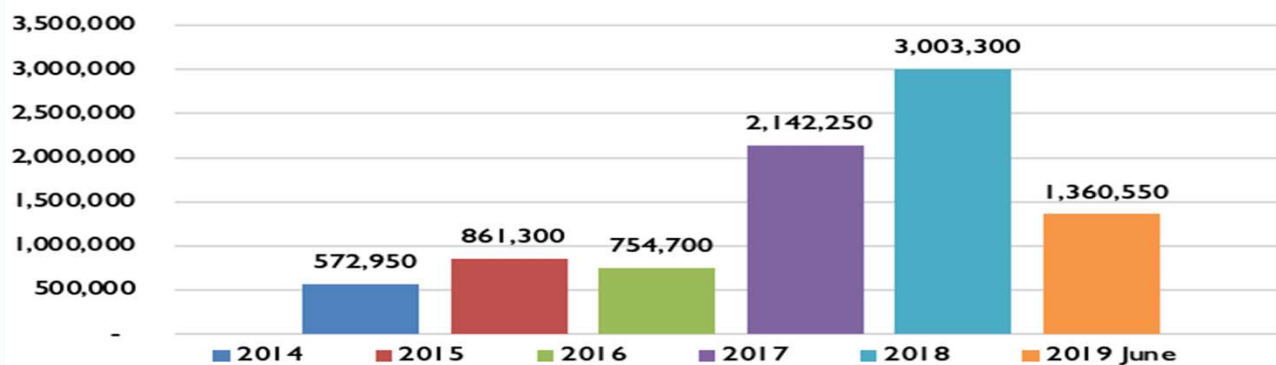
### *e-monitored Transit Time for some routes:*

Route Name	Average Transit Time
Mombasa - Malaba	2 days, 5 hrs
Mombasa - Busia	2 days, 1 hrs
Mombasa - Kampala	3 days, 14 hrs
Mombasa - Elegu	3 days, 13 hrs
Mombasa - Mpondwe	6 days, 1 hrs
Mombasa - Katuna	4 days, 19 hrs
Mombasa - Vurra	4 days, 19 hrs
Mombasa - Goli	5 days, 9 hrs
Mombasa - Oraba	4 days, 22 hrs
Mombasa - Ntoroko	4 days, 19 hrs

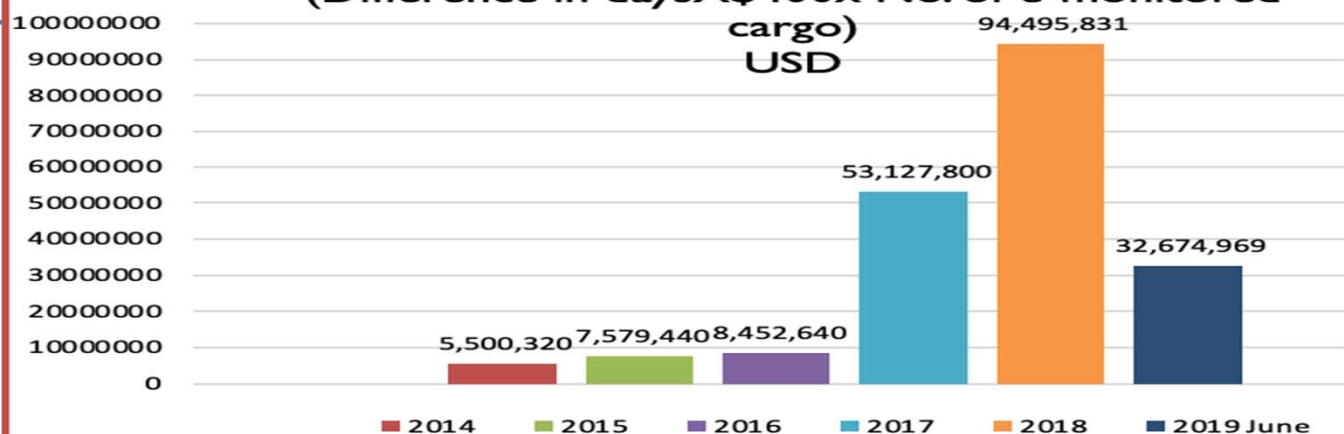
- ❖ *Improved turnaround time for transporters (4trips increased to 8trips per month due to reduced transit time).*
- ❖ *Improved Transit accountability (easy Cargo movement trail, auto-bond cancellation, enhanced driver behaviour monitoring etc.)*

# BENEFITS: Cost of Doing Business

**Cost saved in physical escort at a rate of USD 50 per consignment**



**Savings in Demurrage/incidental Costs  
(Difference in days X \$400 x No. of e-monitored cargo)  
USD**



# The Future

- ❖ Improve percentage of e-monitored cargo by acquisition of additional e-seals
- ❖ Installation of Smart gates for enhanced border controls and security
- ❖ Fuel sensors for effective monitoring of imported fuel, and full
- ❖ Systems integration across the region between revenue authorities for timely information exchange.





# Any Questions?





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# Thank You!!!