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Q1: Respondent details

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Q2: Country or Customs territory

UGANDA

Q3: Organization

NGO

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Q4: Title of case story

Busia One Stop Border Post (OSBP)

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

Efforts to stimulate intra-regional trade in Africa have traditionally focused on improvement of transportation infrastructure such as construction of roads, rails, ports, power and ICT. Of equal importance to complement these initiatives is the extent to which the flow of goods and movement of people along the regional trade routes is facilitated. OSBPs enable the EAC region to improve cross border procedures leading to creation of new possibilities for economic growth and people mobility across borders. In East Africa, most border points, are a hall mark of mostly small buildings scattered across any given area, catalysed by long queues, lengthy and duplicate processes. This consequently leads to longer transit times at the borders by both people and cargo. OSBPs have made it possible to bring under one roof, various government agencies from neighbouring countries.

OSBPs enable border agencies from neighbouring countries to perform joint controls that result in benefits to security, trade facilitation and human mobility. OSBPs facilitate mobility of persons and, by reducing time loss, can also reduce the cost of transport for shippers and goods to final markets accruing economic benefits across the national economic spectrum.

Uganda is keen on increasing the ease of inland transit of goods, people across borders as that is paramount to improving its competitiveness and increasing its trade to the region. World Bank's East African Trade and Transport Facilitation Project, supported the Government of Uganda with UGX 18.5 million spread over a 4-year period, to implement the Busia OSBP. World Bank later transferred the project to TradeMark East Africa, which has overseen the completion and operationalisation of the Busia OSBP with a target of reducing the average border crossing time by 30%.

Q7: Who provided funding?

Other (please specify)
Trade Mark East Africa with funds from DFID
(Construction) and IBM (DFID, USAID & Canada)

Q8: Project/Programme type

Regional

Q9: Your text case story

The problem:

East Africa costs of transporting goods are 60-70% higher compared to the US and Europe and 30% higher than Southern Africa. This is estimated to reduce GDP growth by around 1% annually, especially for landlocked countries. High costs of crossing borders, excessive red-tape, corruption, and poor infrastructure are just some of the contributors to these costs. East Africa's two major transport corridors -Northern and Central -have been impacted by political instability, increasing traffic, poor maintenance of infrastructure and ineffective policy implementation. Despite recent improvements in customs procedures and harmonisation of documents, corridor operations are still characterised by high costs and long transit times which often nullify these benefits. Delays at borders disrupt efficient trade logistics, raise transport costs and prices and ultimately trade competitiveness.

Busia, a traditionally active border post connecting Eastern Uganda and Western Kenya, handles most imports and exports, though lacking in commensurate infrastructure to meet increasing demands. According to the Border Crossing Monitoring Report, SSATP 2013, Busia had a daily average of 210 trucks crossing to Uganda, and 30 crossing to Kenya with average crossing time of one hour thirty nine minutes, to cross from Uganda to Kenya.

The baseline Time and Traffic Survey undertaken by TMEA in 2012 reported an average of 894 vehicles having crossed into Uganda with at least 72% of these reported as containerized traffic. It also indicated that vehicles queued for approximately thirty eight minutes for traffic outbound from Uganda into Kenya and one hour eighteen minutes for vehicles inbound from Kenya into Uganda.

Duplicated border clearing processes at either side of the border and inadequate parking and verification yards among others would sometimes lead to 7km long traffic snarl ups on Busia's Kenya side which lead to truckers waiting for up to five hours to clear.

TMEA Intervention

Construction of the Busia OSBP in Uganda with the installation of Integrated Border Management (IBM) systems, including capacity building of key agency staff.

Who executed:

The project implementation team (PIT) comprised the Ministry of Works and Transport as project coordinator and implementing agency, Uganda Revenue Authority (URA), who would take over management of the OSBP on completion, the Department of Immigration as well as the consultants supporting the project and TMEA. The PIT reviewed and approved building designs and supervised the construction process on a monthly basis. Procurement was undertaken under the Government of Uganda Public Procurement and Disposal of Assets Rules (PPDA) where TMEA was an observer.

What the project sought to achieve:

The project aimed to reduce the time taken to cross the Uganda-Kenya border by combining border clearance activities in a single location, simplifying clearance procedures, increased cooperation and coordination of controls, as well as sharing of data and intelligence that would ultimately lead to reducing the time it takes to cross the border. Furthermore, the OSBP aimed at optimising the utilisation of available resources like scanning facilities and office accommodation. Revenue inflows would be enhanced through effective sharing of intelligence and joint risk management initiatives.

How was it delivered and managed:

Project management for the duration of the project up to successful completion was undertaken by the PIT who were responsible for procurement, project implementation and management. A private sector approach was effected to ensure value for money considerations, while project monitoring and controls through regular meetings were effected to maintain budget and timelines.

Results:

Border Crossing Time Reduction:

A TMEA Time and Traffic Survey, conducted in June 2016 shows significant results have been achieved due to operationalization of the Busia Uganda OSBP. The average time it takes to cross from Busia Uganda to Busia Kenya has reduced by 80% as a result of the operationalization (seventeen minutes for trucks, against a baseline of one hour, twenty six minutes in 2011) while the average time to cross from Busia Kenya to Busia Uganda has recorded a 79% reduction (two hours fifty seven minutes against a baseline of fourteen hours twenty minutes in 2011). Customs processing time for Busia Kenya reduced by 98% and for Busia Uganda by 69%.

Revenue inflows enhanced:

The URA officer in charge of the Busia station, Mr. Ssozi Geoffrey indicated that since April 2016, there has been a UGShs 20Bn increase in revenue collected (from an average of UGShs 50Bn to UGShs.70bn). Importers have benefited from faster clearance processes through taking advantage of increased round trips and increased storage space, among others.

Increased cooperation and coordination of controls:

Border agencies are now more efficient as they are able to share resources such as office space and related equipment which has made them more efficient. The Ministry of Agriculture and Animal Industry had for instance never before had a computer in their offices at the border, which the TMEA support facilitated them with. Collaborating agencies as well as the business community like Uganda Clearing Industry and Forwarding Association (UCIFA) are all housed in one centre which has other amenities including restaurants that are leased out and generate income to run the facility in the future.

The border agencies have also been trained to manage the border processes, and now jointly examine imports and exports. They have developed a common risk targeting profile to deal with any deviations.

Dedicated clearance process for Cross Border traders:

Through increased engagement and collaboration with small cross border traders during the planning and implementation process, an introduced dedicated clearance process has improved their clearance processes and times. The Small Traders association has offices which coordinate their activities within the premises, providing services that include the provision of trade information to members and assistance in supporting traders to clear goods.

Regional Integration Centre created:

Working with the Ministry of East African Community Affairs (MEAC), TMEA has facilitated the development of a Regional Integration Centre which has facilitated the dissemination of information on regional integration including information on Rules of Origin and the Common Market Protocol.

Improved facilities:

The OSBP has warehousing facilities for small cross border traders to temporarily store merchandise as they wait to clear taxes. Through their association, they are now able to consolidate goods and hire one truck to a particular destination, thereby saving on transport costs.

The provision of housing for staff working at the border has enhanced security and increased staff motivation. The improved working conditions are a great boost to worker productivity. Mr. Simon Tumwesigye, Customs Supervisor Busia said "... the improved conditions are not only in terms of improved living conditions but their installation of other systems like ASYCUDA World which has allowed for real time client interaction with URA and the incentives for some companies to be on Authorized Economic Operator listing, as well as the privilege to serve more satisfied and happier clients will even be better.

Detention centres that are gender disaggregated were built as well as public toilets. The improved facilities cater for the physically challenged, and women with children.

Q10: Lessons learnt

What went well:

Good partnership between TMEA and implementing agencies, specifically URA, MOWT and the Department of Immigration was instrumental in the construction of the project. MOWT supported the design and construction phases of the project, while, the border agencies, specifically Customs, Immigration and the Bureau of Standards played a key role in the development of the border clearance and procedures including the bilateral agreements which form the basis of cooperation.

Sustainability of Results:

The sustainable maintenance of the OSBP infrastructure has been mainstreamed into the EAC OSBP Act and Regulations which is now law. In Uganda the Uganda Revenue Authority as the lead agency is responsible for maintaining the facilities through its operations and maintenance budget.
