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The Economic Impact of OSBPs to the East Africa Region

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Abstract

The East Africa Community (EAC) was established with the aim of widening and deepening cooperation among the EAC Partner States and other regional economic communities in, among others, political, economic and social fields for their mutual benefit. One of the ways of reaping the economic and social benefits was through the establishment of One Stop Border Posts (OSBPs) as a trade facilitation tool applied at the borders, which promotes a coordinated and integrated approach to facilitate trade, the movement of people and improvement in security. The objective of this study was to establish the economic impact of OSBPs to the EAC. The study found a positive impact of OSBPs on revenue and trade facilitation. On the revenue frontier, the revenue trend line clearly indicates the revenue collected before and after establishment of OSBPs. Additionally, the study indicates the positive impact of OSBPs on trade facilitation through improvement of border crossing speed and efficiency thus a reduction on trade barriers and increase in trade volumes. It was also observed that there has been an increase in cross-border security which has led to a reduction in revenue leakages as well as better resource utilization through improved cross border cooperation and sharing of resources and intelligence. In light of these findings, the study recommends implementation of OSBPs to the other border points geared towards trade facilitation and revenue increase.

Keywords: One Stop Border Post (OSBP); Single Customs Territory; Customs Union.

1. Introduction

The East African Community (EAC) is as an intergovernmental organization comprising of six Partner States namely; the Republics of Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan with its headquarter in Arusha, Tanzania. (East African Community, 2020).

The EAC was established through a Treaty which was signed on 30 November 1999 and entered into force on 7 July 2000, following its ratification by the original three Partner States – Kenya, Tanzania and Uganda. The Republic of Rwanda and the Republic of Burundi acceded to the EAC Treaty on 18 June 2007 and became full members of the Community with effect from 1 July 2007. The Republic of South Sudan acceded to the Treaty on 15 April 2016 and became a full Member on 15 August 2016 (East African Community, 2020).

The EAC's main role is to widen and deepen co-operation amongst the members in political, social and economic spheres. Hence, in May 2010, the EAC Partner States adopted the One Stop Border Posts (OSBPs) Bill, which set the legal framework in the establishment of 15 OSBPs, with the aim of eliminating the complexities of border management and enhance border procedures. In addition, the OSBP initiative was a means of improving trade facilitation measures in line with the WCO's Coordinated Border Management (CBM) concept - a coordinated approach by the agencies in charge of border control (international and domestic), in a bid to seek greater efficiencies regarding the management of trade and travel flows, while balancing it with compliance requirements (Ohato, 2017).

To further consolidate the goals of the Customs Union and to address the challenges experienced, the Summit of Heads of State decided on the implementation of the Single Customs Territory (SCT) which commenced in July 2014. The SCT involves goods being cleared by lodging a Single declaration in the country of destination and the goods being subsequently released upon confirmation by the country of destination that the taxes have been paid, unlike in the past when multiple declarations at the borders were made. Goods are moved under a single bond from the Port to destination and are monitored under the Electronic Cargo Tracking System (ECTS) which prevents the risk of theft and diversion. SCT has eased the time taken to transport imported goods from the Port of Mombasa to Uganda and Rwanda. Border crossing time has also significantly reduced because of the use of the single entry which is used to facilitate movement through the partner states until destination countries (Kenya Revenue Authority, 2018).

1.2 Purpose of the Paper

Kenya Revenue Authority (KRA) is committed to ensuring that Customs and Border Control Department meet its financial targets for the current and subsequent years. This can be achieved through facilitating compliance as highlighted in the KRA 7th Corporate plan.

East African borders have been criticized for delays of transit goods, high cost of doing business and poor infrastructure which adversely affect its revenues. There are various challenges which include; porosity, corruption, incompetent employees, lack of coordination among agencies operating at the border points, delays in cargo and person clearance time, poor storage for goods and poor working environment for employees (World Bank, 2013).

One Stop Border Post strategy is a concept in EAC that has been implemented in order to address traditional problems which acted as a barrier to international trade. There have been calls for expansion of the border posts to cater for more efficient implementation of the project. According to Crown Agents (2014), these border posts have been blamed for delays consequently resulting to congestion at the ports. These delays have in the past led to strikes and go slows by transporters and clearing agents.

The borders needed to be widened and the EAC OSBPs were constructed to handle exports coming into the countries. Mfune (2015) conducted a study on customs trade facilitation at Zambia's Kasumbalesa border post. Further, Mureverwi (2015) conducted a study on effect of one stop border post strategy on Trade Facilitation in Southern Africa. Ndunda (2013) did a study to establish factors influencing implementation of one stop border post strategy at the Busia border.

Based on the above review, little empirical inquiry has been undertaken on implementation of One Stop Border Post strategy in EAC and its impact on trade facilitation as well as the economy. This research was therefore to seek to fill the gap by assessing the economic impact of OSBPs to the East African Region.

1.3 Objectives of the study

The overall objective of this study is to assess the economic impact of OSBPs to the East Africa Community. Specifically, the study sought to:

i. To establish the impact of OSBPs at various border points on trade
ii. To explore the influence of OSBPs on revenue of EAC member states
iii. To investigate the impact of customs procedures implemented by OSBP on cargo clearance and
iv. Establish the effects of OSBPs on social and economic activities around the borders

1.4 Rationale of the study

The study provides useful factual information not only to the Kenya Revenue Authority, but also to the policy makers in the Government of Kenya, Partner Government Agencies (PGAs), and other EAC Partner States. The study presents an in-depth analysis on OSBPs and their impact on improved collection of taxes associated with efficient OSBP model, efficient borders that facilitate cross-border trade, investment and economic growth, economic competitiveness among the EAC as well as promotion of better international relations between the Partner States.

The study further provides scholars with useful materials for further research as well as a source of secondary material into the OSBP concept.

1.5 Scope of the study

The study was majorly carried out in Kenya as a member of EAC with opinions from both Uganda and Tanzania included; sampled stations include Busia and Malaba One Stop Border Posts, Oloitoktok border station and the Port of Mombasa. Busia and Malaba were sampled based on the implementation of the OSBP program, and Oloitoktok as a border station without OSBP. The Port of Mombasa was sampled due to its unique nature as a Single Customs Territory

(SCT). Busia border is between Kenya and Uganda at coordinates 0.4652° N, 34.0984° E with an altitude of 1,227 Metres above the sea level. Oloitoktok is between Kenya and Tanzania, 173.7 Kilometres from Arusha and 227.3 Kilometres from Nairobi. Malaba is on coordinates 0°38'07.0"N, 34°16'31.0"E while SCT, Mombasa is on latitude 4.0435° S and longitudes, 39.6682° E.

The target population was drawn from the PGAs such as Biosafety Authority, Veterinary services, Agriculture & Food Authority, Kentrade, Port Health, Pharmacy and Poisons Board, Kenya Bureau of Standards (KEBS), Kenya Plant Health Inspectorate Services (KEPHIS), Kenya Fisheries, Kenya Wildlife Service (KWS), the Department of Immigration and the Kenya Police. Administrators included customs officers at managerial level from KRA and other Partner States. Traders who regularly interact with the border station and the port, transporters and community persons living around the border point and the port were also part of the target population..

Figure 1 Busia OSBP

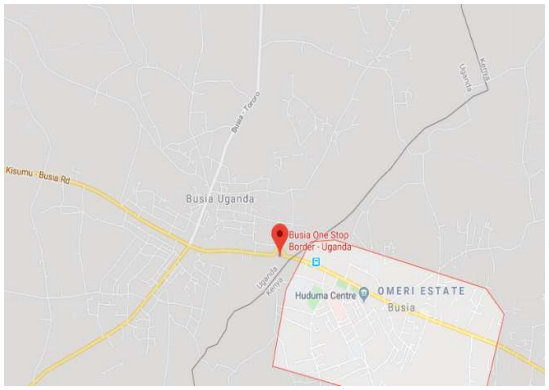


Figure 2 Malaba OSBP

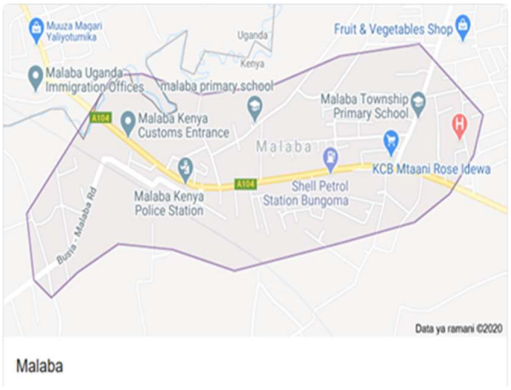
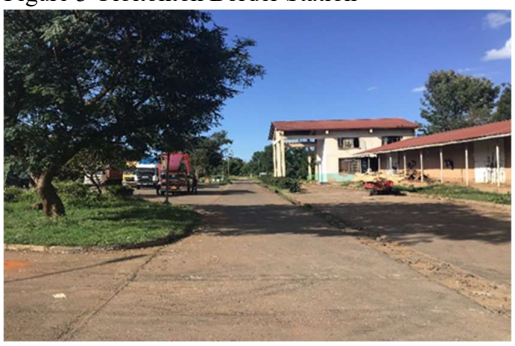


Figure 3 Oloitoktok Border Station



2. Literature review

This literature provides an extensive review of existing publications and studies on One Stop Border Posts (OSBPs) and their economic impact as well as the measures put in place to enhance trade facilitation.

2.1 One Stop Border Post (OSBP) Concept

According to Kieck (2010), some countries have realized the benefits and advantages of less restrictions on cross border trade and are therefore advocating for less restrictive border controls and have adopted a strategy known as the One Stop Border Post (OSBP), as a mechanism to improve the movement of goods and services across shared international borders. This strategy has been found to have both economic and customs law enforcement benefits where they have been implemented. However, in order to succeed in its implementation, the support of all border management stakeholders is required. The OSBP strategy has therefore been adopted in the East Africa common market, which was created through the establishment of the East African Community (EAC), in a treaty entered into by six Eastern Africa countries i.e. Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan.

According to Cheruiyot & Rotich (2018), the EAC Common Market protocol wished to establish a single customs union to facilitate free movement of goods in the East African region. This free trade motivated the adoption of the OSBP model in major border points within the EAC. Some of the border points are the Busia and Malaba border post which are characterized by heavy human and vehicle traffic consisting of petroleum tankers, small scale cross border traders and containerized cargo trucks carrying either transit, export or import containers. The two are considered to be some of the busiest cross border points in the region.

OSBPs were established mainly to expedite the movement of goods and people, and to reduce transport costs across national boundaries. Offices of both states are located in close proximity, necessitating only one stop for border crossings. A control zone is then established within which, officers from both states conduct controls in terms of their respective laws. The control zone comprises offices, inspection areas and related facilities and is usually located within the national territory of only one state. Import and export formalities are handled as a seamless transaction between the two countries, inspections and searches of cargo and vehicles are conducted in the presence of officers from both states (Aniszewski, 2009; JICA, 2016).

The rationale for the establishment of one-stop border posts is clear in terms of both enforcement and economic benefits. At the core of the one stop concept is the ability of border authorities from two countries to perform joint controls. This results in improved enforcement efficiencies through cooperation, sharing of intelligence and better resource utilization. In working together, cooperation is enhanced and communication is easier. The concept also provides for the sharing of ideas, information and experiences. For example, the one stop concept can be used to combat fraud by enabling the clearance of goods on the basis of a single customs declaration thereby preventing the substitution of one set of documents with another. The concept also enables the sharing of infrastructure and law enforcement assets, for example, by jointly using one scanner to examine containers (Doyle, 2010).

A survey by the East African Community (EAC) Secretariat and Trade Mark East Africa (TMEA) reveals that time of clearing goods has drastically gone down by an average of 76% against TMEA programme target of 30%, from two to three weeks to about three days while clearance of pedestrians has been cut from two hours to about five minutes (Trade Mark East Africa, 2010).

According to JICA (2016), the OSBP consists of four pillars namely:

i. Legal and institutional framework – whereby a detailed analysis of the legislative, regulatory and institutional framework governing the operations of border agencies is conducted before implementation. This paves way for effective and efficient OSBP operations where the partner agencies present operate in a coordinated manner to minimize duplications and redundancies.

ii. Simplification and harmonization of procedures – to ensure an effective process, review and alignment of OSBP procedures should be continuous in order to ensure that OSBPs operate with border crossing procedures that are not only effective, but also facilitative and relevant to the prevailing circumstances.

iii. ICT and Data Exchange – ICT plays a big role in collaborative single window systems, simplification of documentation, border management, and modernization of customs, immigration and related services. Therefore, as the number of travellers increases, as well as traffic and cargo at the borders, a strategic balance between controls and facilitation is necessary. Through ICT, there is efficient use of limited resources to manage borders by facilitating

intra/interconnectivity of agencies for implementing responsive risk management systems and for understanding mobility and trade patterns.

iv. Hard infrastructure – OSBP facilities include offices for border officials, operational equipment, warehouses, and parking. The level of facilities required depends on the type and size of the border post. Hence, in principle, facilities for OSBP operations should be appropriately functional and not unnecessarily elaborate or inadequate.

Benefits associated with OSBPs to the national governments. Such include: improved collection of trade taxes associated with efficiency gains, efficient borders that facilitate international trade, investment, and economic growth, promotion of economic competitiveness, improved border security, better utilization of government resources by border agencies as well as promotion of better international relations between countries (JICA, 2016).

Other benefits realised by the border control agencies include the following: better resource utilization through improved cross-border cooperation and sharing of intelligence, operational data, and resources using Coordinated Border Management (CBM) and Integrated Border Management (IBM) concepts, improved employee motivation, which translates to increased productivity through the use of simplified and harmonized procedures as well as from working with better facilities such as buildings, equipment and furniture, better environment for increased use of ICT and faster processing, faster processing of documents and travellers, provision of an opportunity for harmonizing procedures, which improves predictability and certainty among users, provision of a platform for introducing other border management reforms, improved traffic flow, improved border infrastructure especially where modifications are to be undertaken and increased transparency, which enhances security and helps reduce corruption (JICA, 2016).

2.2 Benefits of OSBPs

The One-Stop Border Post Sourcebook (2016) highlights the following benefits.

To the national governments:

- Improved collection of trade taxes associated with efficiency gains
- Efficient borders that facilitate international trade, investment and economic growth
- Promotion of economic competitiveness
- Improved border security
- Better utilization of government by border agencies
- Promotion of better international relations between countries

To the Border Control Agencies:

- Better resource utlilization through improved cross-border cooperation and sharing of intelligence, operational data and resources using Coordinated Border Management (CBM) and Integrated Border Management (IBM) concepts
- Improved employee motivation, which translates to increased productivity through the use of simplified and harmonized procedures as well as from working with better facilities e.g. buildings, equipment, furniture
- Better environment for increased use of ICT and faster processing due to simplified and harmonized procedures
- Improved traffic flow and improved border infrastructure, especially where modifications are to be undertaken
- Increased transparency, which enhances security and helps reduce corruption

To the Road Transport Operators, Shippers and Customs Agents:

- Reduction in delays at borders and in operating costs
- Greater asset utilization in respect of truck turnaround times
- Predictability of border and transit procedures
- Faster processing of documents and travellers

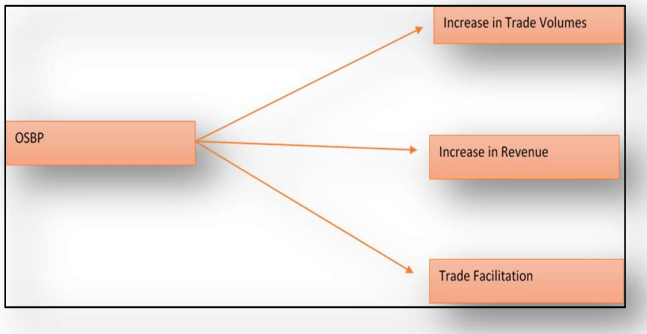
To manufacturers and traders:

- Saving in the cost of inputs
- Increased reliability of shipments enabling reduced inventories
- Reduced capital tied up in logistics through just-in-time delivery

To consumers

- Reduced cost of consumer products
- Increased availability of goods
- To travellers and tourists:
- Reduced time spent at borders
- Predictable, simplified and harmonized procedures
- Transparent border procedures

2.3 Conceptual Framework



Border before OSBP

Border after OSBP

2.4 Theoretical Framework

The theoretical framework explains the path of a research and grounds it firmly in theoretical constructs. The overall aim of the framework is to make research findings more meaningful, acceptable to the theoretical constructs in the research field and ensures generalizability. They assist in stimulating research while ensuring the extension on knowledge by providing both direction and impetus to the research inquiry. It also enhances the empiricism and rigor of research (Adom, Hussein & Joe, 2018)

Resource-based theory

This theory states that the possession of strategic resources provides an organization with a golden opportunity to have competitive advantage. This competitive advantage in turn helps organizations enjoy strong profits (Barney, 1991).

A strategic resource is also described as an asset that is valuable, rare, difficult to imitate and non-substitutable. It is also described as being so valuable such that it helps an organization to capitalize on it and create strategies as well as identify threats.

The resource based approach to strategy assumes human resource as a distinctive source of competitive advantage for an organization. Various scholars have identified the need to focus on the relationship between an organization's strategy implementation and the use of its human resources. This is of importance because people management can be an essential source of sustained competitive advantage hence identifying the performance of the organization. This theory is therefore important to understand the effect to the personnel as well as any other identified resources on the installation of OSBPs and its economic effect. This theory may also seek to understand OSBP as a strategic resource to KRA and how the Authority may capitalize on the opportunities and hence impact on revenue.

Stakeholder Theory

This theory states that as an organization makes decisions on achieving their goals, they should also consider the concerns of individuals and groups that can affect or are affected by their activities (Gibson, 2000). This is because organizations are responsible not only just to their shareholders but also to their stakeholders. Abreu, M. Freeman, R. & Harrison. J. (2015), describe stakeholders as any person(s) affected by the achievement of the organization's objectives and hence their concerns should be addressed for the organisation's survival and successful goal accomplishment.

Therefore, stakeholder theory plays a significant role in understanding the stakeholders' influences on organizations' actions and how organizations respond to these influences. Clarkson (1995) categorizes these stakeholders into primary and secondary. The primary stakeholders are those individuals and groups whose support is essential for the survival of an organization, whereas secondary stakeholders are those individuals and groups who affect or are affected by the activities of an organization. On the basis of the above categorization, organisations can have a wide range of current and potential stakeholders such as: fund providers, employees, suppliers, investors, shareholders, regulatory authorities, Non-Government Organisations, medial, labour unions, society and local community.

It is however not possible to keep all parties satisfied, hence the reason why organizations need to identify their stakeholders. In the absence of stakeholder identification, the effectiveness of stakeholder engagement becomes questionable or doubtful (Belal, 2002). The key criteria for identifying and prioritizing stakeholders include: attributes of power, legitimacy and urgency; and the stakeholders' ability to affect or be affected by the organization's actions (Mitchell, Agle & Wood, 1997).

Establishment of OSBPs involves various organizations and conflicting interests may sabotage their operation hence

the reason why there should be a clear understanding of OSBPs and all stakeholders involved. This will lead to successful installation and hence reflect positively on trade facilitation and revenue.

Theory of Planned Behaviour

This theory of planned behaviour is a theory about the link between beliefs and behaviour. The concept was proposed by Ajzen (1991) to improve on the predictive power of the theory of reasoned action by including perceived behavioural control. The theory states that attitude toward behaviour, subjective norms, and perceived behavioural control, contribute to individual's behavioural intentions and behaviours. In relation to the study, this theory is used to explain effect of capacity of the personnel on the implementation of OSBPs. This is because the policies put in place would predict how the capacity of the personnel affect implementation of OSBP at the Busia, Malaba, Oloitoktok borders and the Port of Mombasa

3. Research Methodology

3.1 Research Design

The study adopted a mixed-method approach involving both qualitative and quantitative designs. This approach was two-phase exploring the respondents' views of areas of complexities simplified through the implementation of OSBP. The purpose of gathering qualitative information at the initial stage was with the aim of getting the simplifications experienced by traders and the ease of doing business across borders. The target respondents were administrators, tax experts, clearing agents, traders, transporters and community persons.

3.2 Population and Sampling Procedure

The researcher employed probability sampling design which involved the process of case selection rather than random sampling. This type of sampling is appropriate in situations where very few cases can be included in the sample. The sample population included cross border traders, consolidators, clearing agents, security agents, tax administrators, transporters and community persons with a targeted sample size of 150.

3.3 Methods of Data Collection

The research was carried out using questionnaires, interviews and focused discussion groups in order to get the required data. Primary data was obtained using questionnaires prepared and administered by the researcher. In addition, oral interviews and discussion groups were used to obtain more information from respondents and enterprise support institutions to enable respondents to give in depth information on aspects they feel would be critical to the research but will not be adequately captured in the questionnaires.

Secondary data was also obtained from the internet and statistical data from Busia, Malaba, Oloitoktok borders and Mombasa Port through the KRA systems. This strategy is very beneficial to the research on achieving greater accuracy and reliability of data collected.

3.4 Data Analysis

This research yielded both qualitative and quantitative data. Qualitative data was analysed qualitatively using content analysis based on analysis of meanings and implications emanating from respondents' information and documented data.

Simple descriptive statistics was employed to analyse quantitative data. The statistics used include in frequency counts, means and percentages. Quantitative data analysis also required the use of computer spreadsheet.

4. Findings, Analysis and Discussion

Having described how the survey data was collected in the previous chapter, the researcher intends to have an in depth discussion of the findings of the data collection techniques employed. The chapter comprises of presentation of the survey findings and analysis of survey questions which answer the research questions or determines the respondent's answers or approach to the questions. Finally, the chapter will provide further extensive discussion on the key findings vis a vis the research problem by attempting to answer the research questions

4.1 Analysis of findings from quantitative approach

This sub-chapter endeavours to convey the data as gathered from the survey in relation to the key research questions. The questionnaire recorded an 87% response rate (131 respondents gave feedback); the findings of which are discussed herein:

4.2 Respondents' demographic information

In order to ensure that the objectivity of the research was not compromised and the study populations' sample was representative, it was paramount to capture the gender of the respondents so as to understand which gender interacted with the border points more. The gender composition of respondents was as shown below:

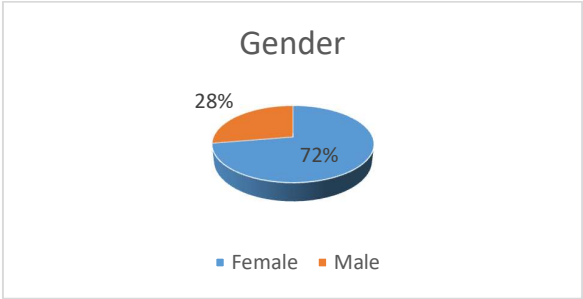


Figure 4 Respondents' demographic at OSBPs

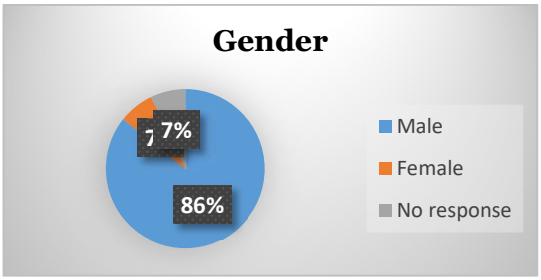


Figure 5 Respondents' demographic at SCT

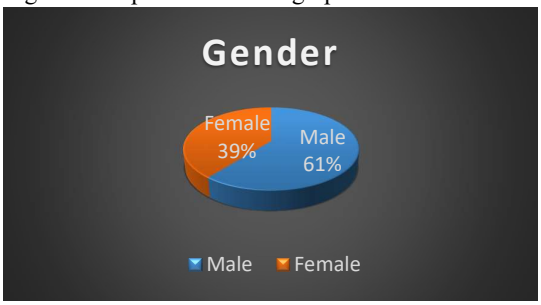


Figure 6 Respondents' demographic at non-OSBP border station

The second parameter that the researcher found equally important in shaping the opinion and views of the respondents is through the targeted people working and receiving services at the border points which included administrators, clearing agents, traders, transporters and the community. Administrators are the officers from KRA, Bio data safety Authority, Veterinary services, Agriculture & Food Authority, Ken trade, Port Health, Pharmacy and Poisons Board, KEBS, KEPHIS, Kenya Fisheries, KWS, Immigration and Police.

Clearing agents are the people or a company that is used for getting goods officially from one country to another and takes care of the customs clearance aspect at the border. Traders are the people who carry out and transact business around the border. Transporters include the long distance drivers and the people who own trucks while community are the people living around the border.

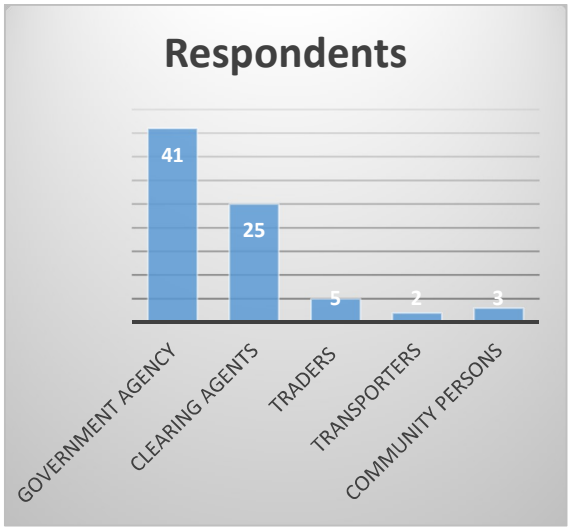


Figure 7 Respondents at OSBPs

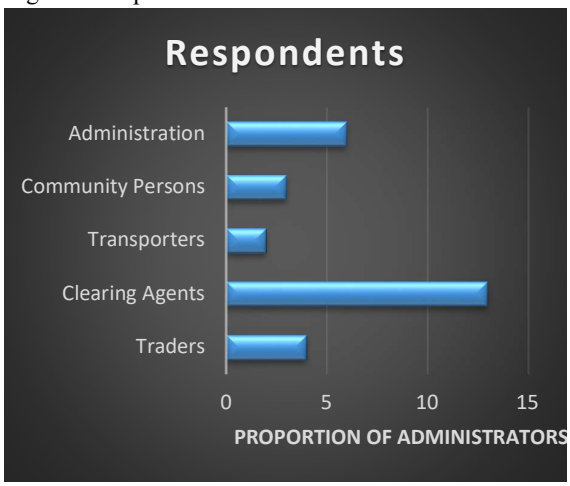


Figure 8 Respondents at non-OSBP border station

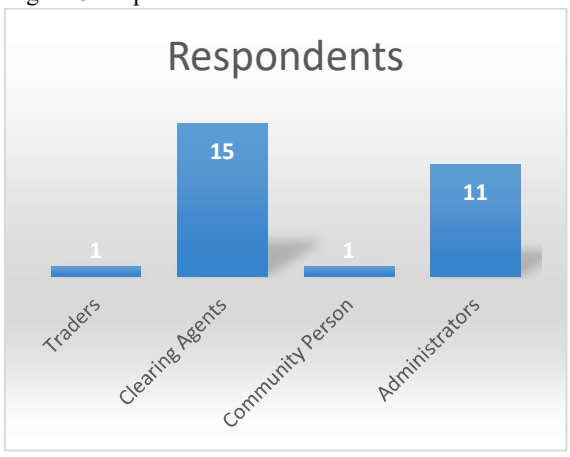


Figure 9 Respondents at the SCT

The third parameter that the researchers found equally important in shaping the opinion and views of the respondents was length of the period through which they have interacted with the border points. This determines the ability of the

respondent to clearly differentiate and point out differences at the border points before and after installation of OSBPs. A majority of the respondents had interacted with the border station for a period of 0-5 years.

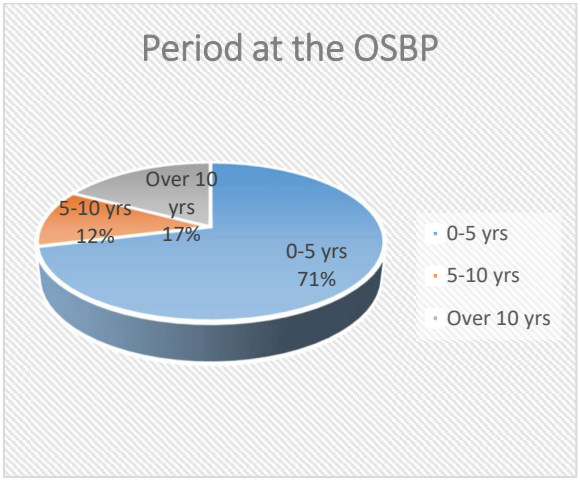


Figure 10 Period at the OSBP

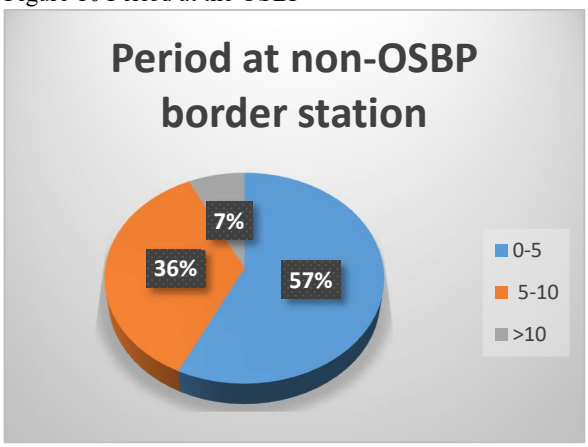


Figure 11 Period at the non-OSBP border station

Figure 12 Period at the SCT

4.3 Respondents' feedback on the research questions

This sub – section shall discuss the respondents' responses to the key research questions, as per the survey questionnaire.

4.4 Comparison of the time taken to clear goods

The research sought to establish whether the time taken to clear goods at the various border points have shortened after introduction of OSBPs. From the feedback, over 75% of respondents at border stations with OSBP and SCT strongly agree and agree that time taken to clear goods have shortened after introduction of OSBP and SCT respectively. The responses at each border point are highlighted below as well as how each category of the respondent responded.

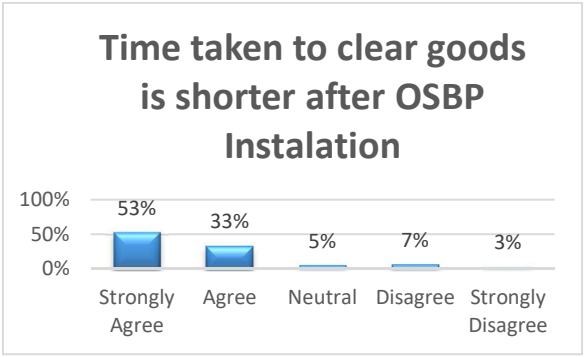


Figure 13 Time taken to clear goods at the OSBPs

Figure 14 Time taken to clear goods at the non-OSBP border station

Figure 15 Time taken to clear goods at the SCT

The border point has created a favorable environment for business

As illustrated below, 84% of the respondents at the OSBP strongly agreed and agreed that a favorable business environment has been created since the creation of the OSBP. 48% of the respondents at the border point without OSBP installed agreed that there has been a favorable business environment, however, 41% of the same population disagreed on the same. 72% of the respondents at the SCT/Port agreed that the port has created a favorable business environment.

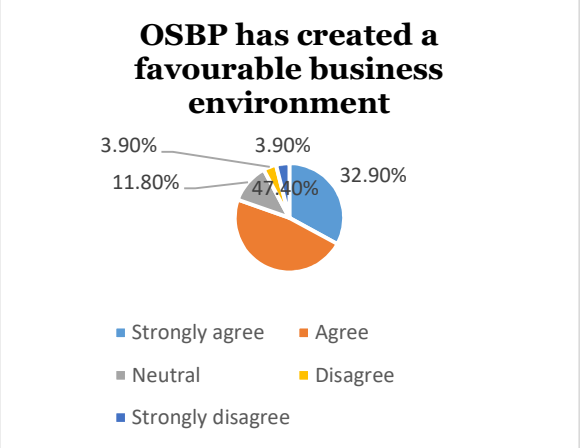


Figure 16 Favourable environment at the OSBPs

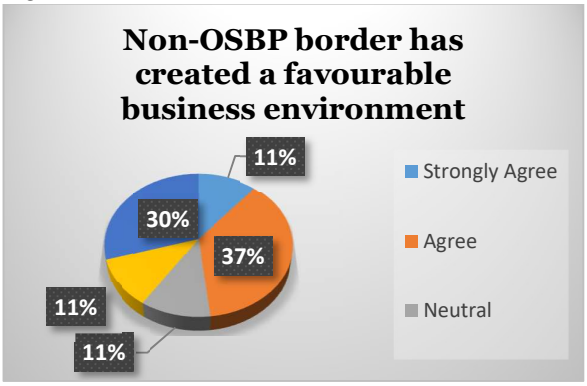


Figure 17 Favourable business environment at the Non-OSBP border station

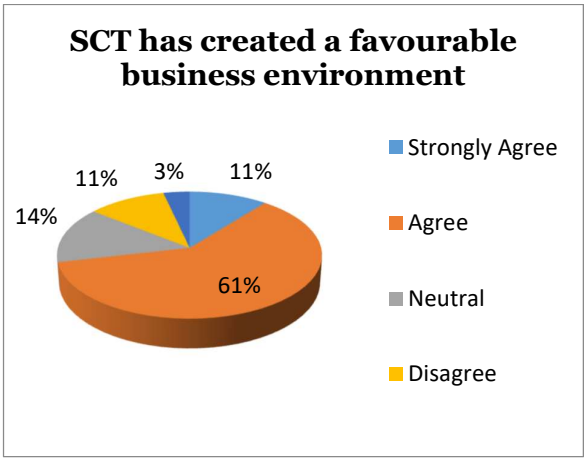


Figure 18 Favourable business environment at the SCT

4.5 There is limited congestion at this border point

The survey sought to establish whether congestion at the various border points is limited. 70% of the respondents at the OSBP agreed and some strongly agreed that congestion at the OSBP has reduced now compared to before. 26% of the respondents at the border station without OSBP agreed that the congestion is limited, a further 60% disagreed and strongly disagreed on the same. At the SCT/Port, 53% of the respondents agreed and strongly agreed that congestion at the port is limited. The figures and tables below indicate a further analysis on the same.

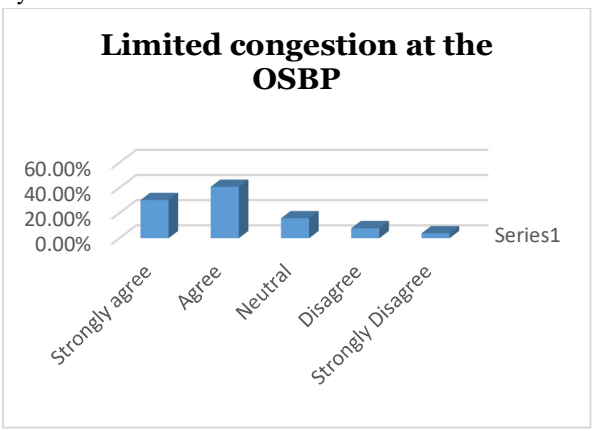


Figure 19 Limited congestion at the OSBPs

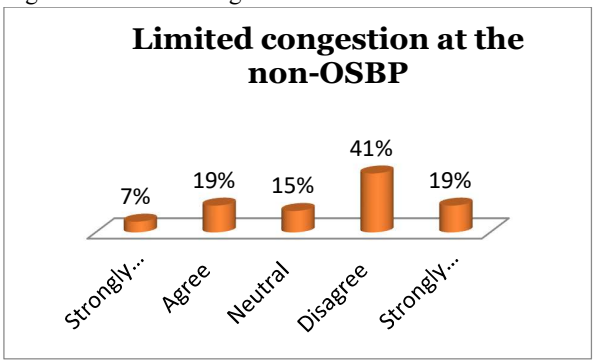


Figure 20 Limited congestion at the non-OSBP border station

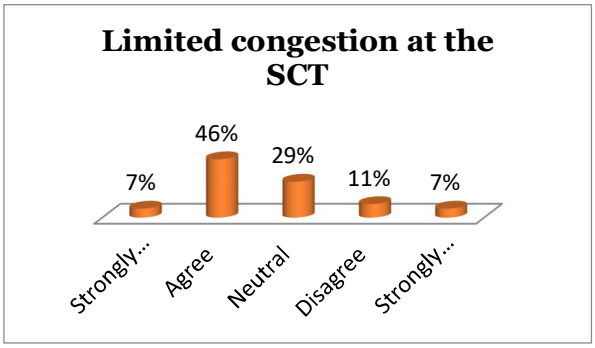


Figure 21 Limited congestion at the SCT

4.6 I am satisfied with the services offered at this border point

The survey sought to understand the level of satisfaction of the respondents at the various border points. 73% of the respondents at the OSBP were satisfied with the services offered. 55% of the respondents at the border station without OSBP were satisfied with the services offered, while 53% of the respondents at the SCT/Port agreed on the same.

Figure 22 Level of satisfaction at the OSBP

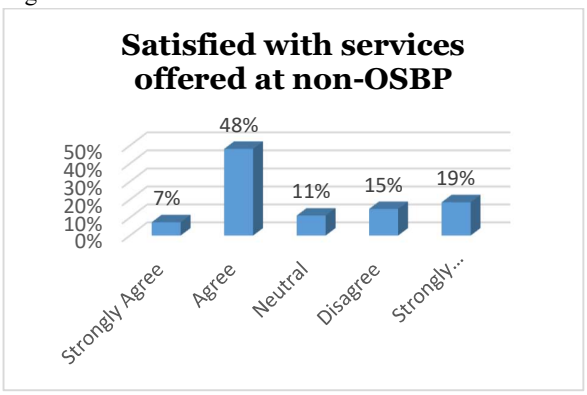


Figure 23 Level of satisfaction at the non-OBSP border station

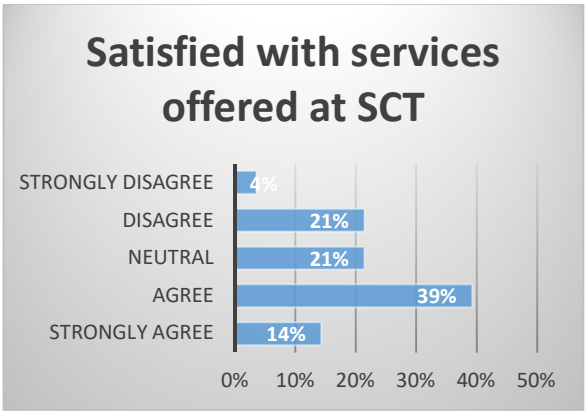


Figure 24 Level of satisfaction at the SCT

4.7 Would you recommend/suggest OSBPs to be developed in this border point

The survey conducted at the OSBP sought to find out whether the respondents at the OSBP would recommend installation of OSBP to other border stations without OSBP. 93% of the respondents at the OSBP recommended for the installation of OSBPs at other border stations.

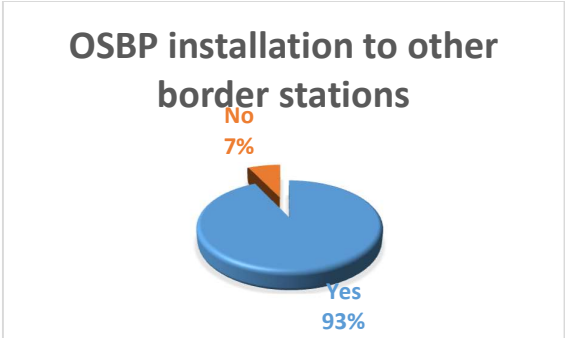


Figure 25 OSBPs to other border stations

Some of the reasons the respondents cited include:

1. Business time is 24 hrs
2. Fast and adherence to procedures
3. Improve business and accelerate clearing process
4. Smooth operation
5. Enhance movement of persons/travellers and goods
6. Ease of movement of goods
7. Officers can learn from each other
8. Helpful in transporting goods & services in both countries hence creation of good business environment
9. Improved services
10. Relationship and interaction with other countries
11. Fast clearance of goods
12. To facilitate easy movement of cargo
13. Creation of more job opportunities
14. Make work easier and KRA revenue target achieved.

7% of the sample were against the introduction of OSBP at the border points. They cited the following: poor performance, time wastage and loss of jobs for agents.

The survey further sought to find out whether respondents at the non-OSBP border station would recommend installation of an OSBP.

Figure 26 OSBP to be developed at the non-OSBP border station

94.7% of the sample at the non-OSBP recommended installation of OSBP at the border station. They cited the following reasons:

- Ease of service delivery
- Saves time i.e. reduction of time spent in clearing goods and enhanced coordination among various agencies hence less time clearing goods
- Effective risk management
- Improved communication
- Simplified border procedures
- Cost efficiency regards to infrastructure
    - Decongest the border
- Enhance business and trading environment

5.3% of the sample were against the introduction of OSBP at the border point because they were comfortable with the current system.

The same question was not asked at the port because of the establishment of SCT and the fact that the port is not a border point.

4.8 Impact of installation of OSBP

The research sought to find out if the respondents at the border station without OSBP expected any positive changes after installation of an OSBP

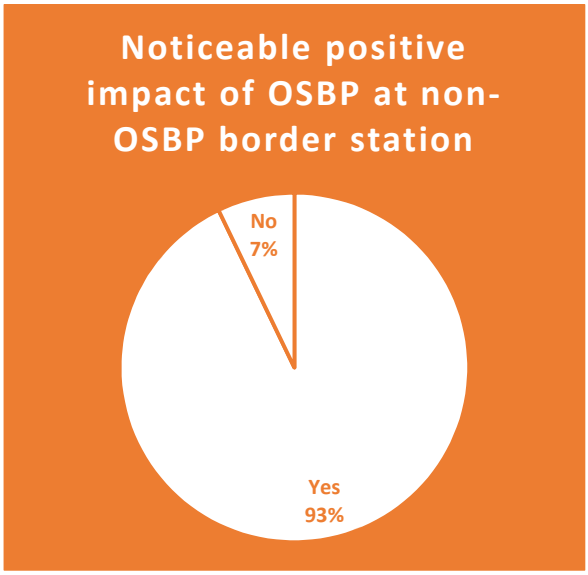


Figure 27 Respondents at the non-OSBP border station

93% of the sample said they would be expecting positive changes at the station if OSBP was introduced. Some of the reasons the respondents cited include:

1. Continuous movement of goods
2. 24hr flow of cargo and increase in revenue
3. More business
4. Control of human traffic hence movement of health screening
5. Enable goods to be cleared in24/7 basis
6. Fast movement in business
7. Ease of verification
8. Unity in business management
9. Save time
10. Cheap and convenient life due to people travelling
11. Fast clearance
12. Transparency
13. Easy release of cargo
14. Clearance procedures will be easy hence facilitate trade

7% of the sample did not expect any impact at station. They cited that the current system is ok.

The survey also sought to find out from respondents at the OSBP, if there have been any noticeable changes after installation on OSBP.

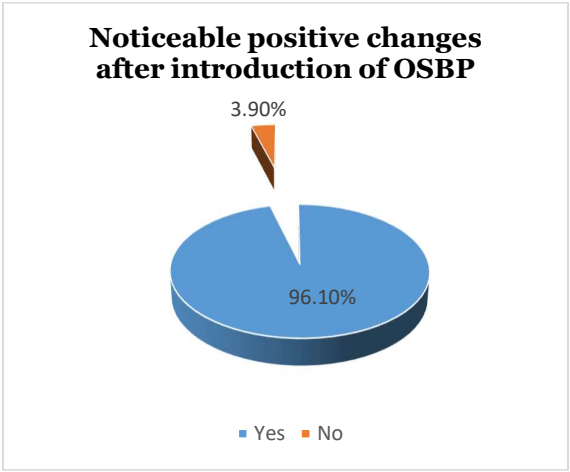


Figure 28 Noticeable changes at the OSBP after installation

96.1% of the sample said there have been noticeable changes after introduction of OSBP. Some of the reasons the respondents cited include:

1. Better infrastructure
2. Time saving
3. Improved information sharing
4. Increase in trade-more traders use OSBP
5. Favourable working environment
6. Reduced congestion

3.9% of the sample did not perceive that there have been noticeable changes after the introduction of OSBP. They believed that there is still duplication of work.

The survey also sought to find out the impact of the SCT at the port.

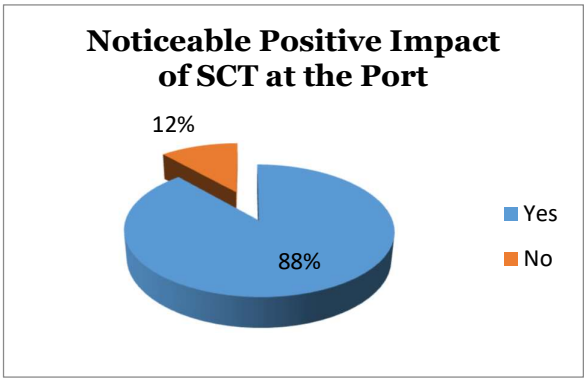


Figure 29 Impact at the SCT

88% of the sample said there have been noticeable changes after introduction of SCT at the port. Some of the reasons the respondents cited include:

1. Fast release of goods
2. Loading and approval of goods at SCT is enhanced
3. Congestion has slightly reduced
4. Centralized administrative offices are accessible easily at the port. There is free and quick movement of cargo. This was not the case before.
5. Revenue under SCT has increased
6. Before the introduction of SCT there was a lot of congestion at the port
7. Time taken to clear goods has reduced
8. We are able to generate TI's on our own which saves a lot of time

12% of the sample cited that there has not been any impact at the port because of:

1. The charges are just as they were before
2. The ICM systems has got a lot of challenges which KRA officers don't want to admit

4.9 Ease of use of the systems

The respondents were asked to indicate how easy it was to use and understand the systems that have been introduced at the various border points. The findings are as illustrated below.

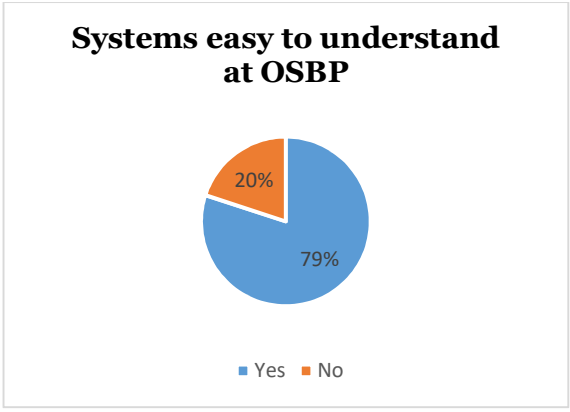


Figure 30 Systems put in place easy to understand at OSBP

79% of the sample at the OSBP agreed that the systems put in place are easy to understand. They suggested that the management should put up signage such as billboards for easy direction.

They also suggested that the staff should be trained from time to time since systems are always changing.

20% of the sample said that the systems are not easy to understand

- Some government agencies are not involved in the systems
- More trainings on integration of single window systems.
- Somehow complicated because it is a learning process and they keep on changing

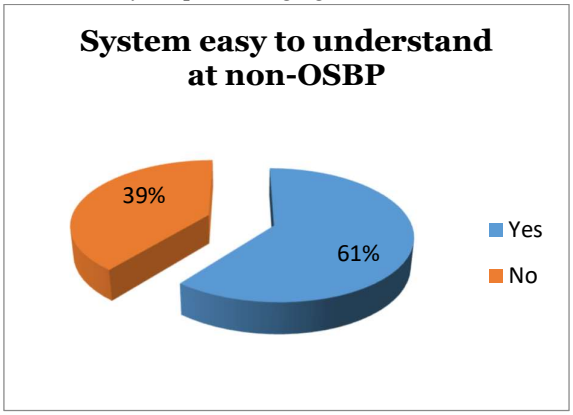


Figure 31 Respondents at the non-OSBP borders station

61% of the sample at the border station without OSBP agreed that the systems put in place are easy to understand. When queried why the system was easy to understand the following reasons were given:

1. Clear and reliable
2. Simple and easy
3. Well organized

The 7% of the sample indicated that the systems were not easy to understand, the below reasons were highlighted

1. Refine the systems
2. Only to the literate; illiterate are affected
3. Officers do not expose the systems to the clients

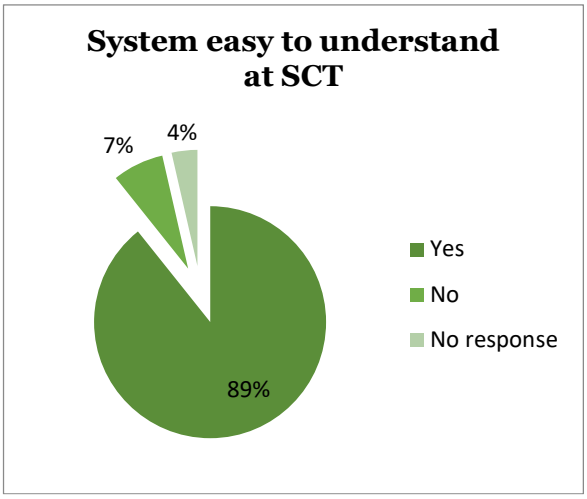


Figure 32 Respondents at the SCT

89% of the sample at the SCT agreed that the systems put in place are easy to understand. When queried why the system was easy to understand the following reasons were given:

1. All information is under one profile
2. Cargo movement is a bit easier
3. For a person who knows how to read and write everything is good and smart
4. The system is easy to understand and use in documentation
5. Officers under SCT are friendly and always ready to help
6. They are fairly user friendly

The 7% of the sample that indicated the systems were not easy to understand cited that they are yet to be trained on the system

4.10 Effectiveness of staff assistance

The respondents were asked to indicate whether the staff were helpful at assisting them to understand the system of how the process and procedures of clearing goods works. Their responses are as illustrated below.

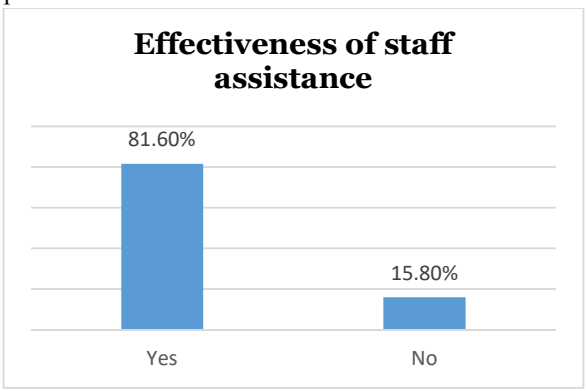


Figure 33 Respondents at the OSBP

81.6% of the sampled population at the OSBP were positive that the staff are helpful in giving them directions on how to clear their goods at the border because there is a Trade Information Desk.

Some also suggested that some staff do not fully understand the process hence need for sensitization and training on the process and on how to handle clients.

15.8% said staff are not helpful because some are arrogant and very slow while others were of the view that customs personnel do not want others to understand the system

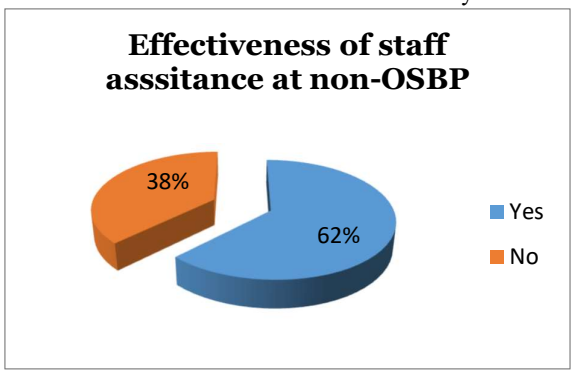


Figure 34 Respondents at border station without OSBP

62% of the respondents at the non-OSBP border station indicated that staff were helpful in assisting them understand the process and procedures of clearing goods. 38% did not find the staff useful. When asked their reasons for finding the staff helpful the following was indicated:

1. They educate them on the procedures
2. Explanation of new system procedures
3. Good guidance, polite and organized

Those who indicated otherwise said the staff were helpful sometimes but not always

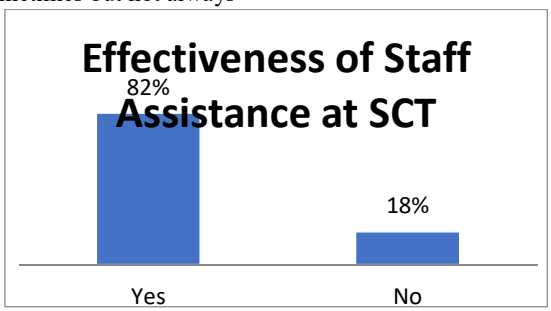


Figure 35 Respondents at the SCT

82% of the respondents at the SCT indicated that staff were helpful in assisting them understand the process and procedures of clearing goods. 18% did not find the staff useful. When asked their reasons for finding the staff helpful the following were indicated:

1. They are conversant with system
2. They are friendly and let you know and understand it to the letter
3. Flowing of systems is ok. Custom officers are active
4. They help explain areas where you may not understand
5. They are always ready to help

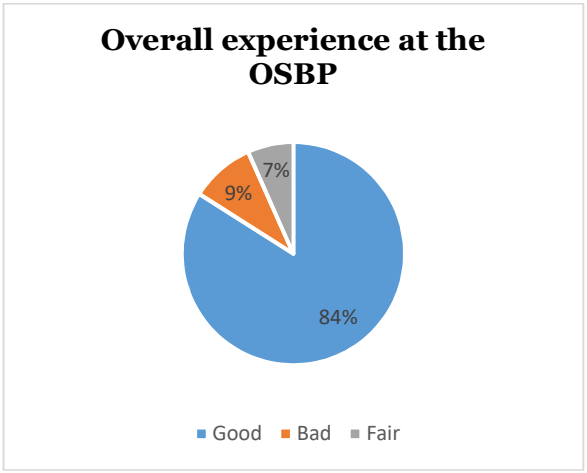
6. They assist when you ask for help

Those who indicated otherwise gave their reasons as follows:

1. Focus too much on offences than assisting on some systems issues
2. They cause too many frustrations
3. They are yet to be trained
4. They are not helpful. They don't take responsibility instead they keep off to and from without providing any solution
5. Majority are ignorant unless you bribe them

4.11 Overall experience at the border point

The survey sought to quantify the overall satisfaction of the clients' experience at the port. The findings are as indicated below.



84% of the respondents at the OSBP indicated that they had a good experience since the introduction of OSBP and they gave out the following reasons:

- Ease of clearance of trucks
- Reduced time
- Very convenient and reliable
- Simplified work

9% of the respondents who have had a bad experience expressed their opinions by citing the reasons below:

- Congestion at the border
- Inefficient and unexperienced staff
- Loss of jobs and clients
- Security at the border has been compromised

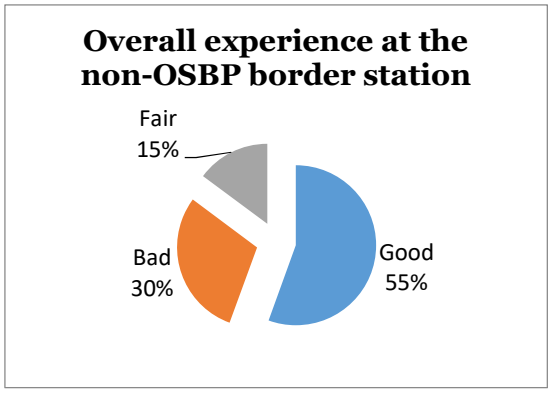


Figure 36 Respondents at the border station without OSBP

At the non-OSBP border station, 55% indicated that their overall experience with services received at the port was good. 15% found the experience to be fair while 30% had a bad experience at the port. When asked to indicate reasons to explain their overall experience the following was deduced.

1. Helpful staff
2. Multi-agency approach in cargo clearance
3. Able to perform duties amidst the challenges
4. Supportive work environment and local community
5. Justice being conducted well and fair
6. Experienced workers
7. Easy and quick decision making among the agencies

Those who indicated bad or fair experience listed their reasons as follows:

1. Time wasting
2. A lot of delays and systems are always down; there should be regular transfer of officers
3. Some departments like KEBS & KEPHIS raise fees which discourage clients
4. Overcharging in all commodities
5. Overcharging to clients which makes them to transfer to other borders
6. Over-taxation of goods hence clients seek other borders. Unnecessary charges e.g. from local government who stop vehicles and demand for extra fees
7. Corrupt officers and harassment
8. Slow clearing of goods

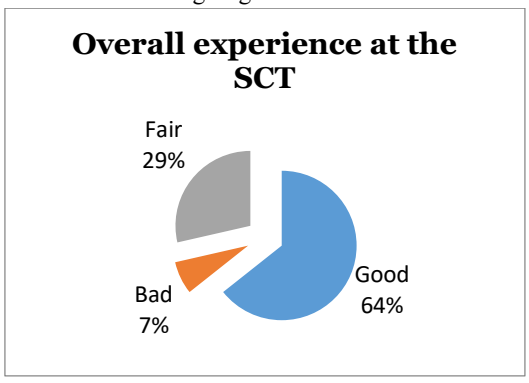


Figure 37 Respondents at the SCT

64% of respondents at the SCT indicated that their overall experience with services received at the port was good. 29% found the experience to be fair while 7% had a bad experience at the port. When asked to indicate reasons to explain their overall experience the following was deduced.

1. There is a conducive work environment
2. Less congestion and faster clearance of goods
3. Congestion at the port is minimum
4. There is good cooperation with stakeholders

Those who indicated bad or fair experience listed their reasons as follows:

1. When systems fail there is a lot of delay in clearing goods
2. Officers request for kickbacks
3. Majority (of staff) are semi illiterate in IT
4. Sometimes it's good and other times bad...50 -50
5. Processing of documents very slow
6. There is nothing that stands out to be mentioned
7. When a document has a small issue KRA officer take too long to solve the issue causing delays
8. Rotation must be made each and every time to all your staffs they are so corrupt.

4.12 Perceived existence of violation of customs procedures and laws

The survey sought to find out if the clients perceived the existence of violation of aspects of customs procedures and laws. The results are as indicated below\

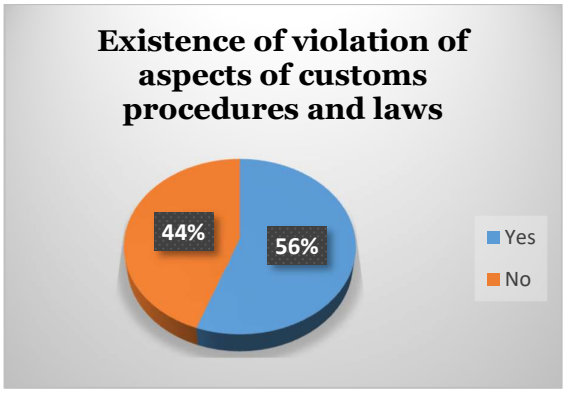


Figure 38 Respondents at the non-OSBP border station

56% of the respondents at the non-OSBP indicated that there existed violation of aspects of customs procedures and laws. 44% indicated they didn't perceive any violation of aspects of customs procedures and laws.

The respondents were asked to state the nature of violations and their responses are as follows:

1. Porous route which encourage smuggling
2. Smuggling of beer and soft drinks
3. Officers request high taxes
4. All manner of violations present
5. Cargo overcharged
6. Corruption, harassment and discrimination
7. Officers manipulate clearance process to get money directly from traders
8. Some agencies involved in clearance of some assignments have no mandate

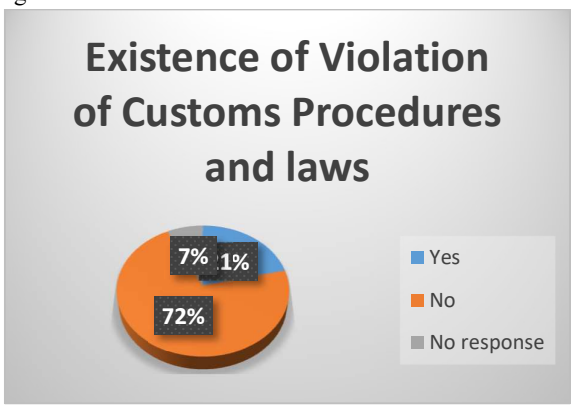


Figure 39 Respondents at the SCT

21% of the respondents at the SCT indicated that there was violation of some aspects of customs laws and procedures, while 72% indicated that there was no violation.

The respondents were asked to give suggestions of possible intervention and improvement. They gave the following responses:

1. Avoid too much documentation
2. Make it a free port
3. Proper guidelines and follow-up when systems fail e.g. IC manual approval and deliveries
4. KPA and KRA staff need serious training
5. Empowering efficient teamwork
6. Involving all parties when introducing new systems. This will make work easier
7. An SCT office has to be put up at the port for easier access to all agencies involved
8. Improved clearance time
9. Increased time taken to clear/remove cargo from the port
10. Request for C2 to be generated and printed out.
11. Need for more URA officers at KPA gates to expedite exit of trucks

4.13 Findings from Focused Group Discussions

As already highlighted, the researcher also employed qualitative approach to enrich or supplement the findings from the survey conducted. Under this approach, focused group discussions were conducted with key resource persons on OSBPs with immense knowledge, experience and expertise on the subject matter.

During the discussions, it was noted that the key objective of URA is not revenue collection but faster clearance of goods, this is because revenue has already been paid upfront from the Country of Origin or at the SCT, the respondents from URA highlighted that their revenue collection significantly reduced after the installation of the OSBP.

4.14 Benefits from implementation

From the respondents' view, the implementation of the OSBP initiative has contributed to faster clearance of goods because the time spent on clearing of goods has drastically reduced since the introduction of OSBP. The respondents stated that it initially took 3 days to clear goods at the border and it has now been reduced to 4 hours. Additionally, respondents stated that since the introduction of OSBPs and SCT, duplication of work has significantly reduced such that currently only one document is used in clearance, whereas previously, traders made entries in both countries.

The respondents noted that there is now free movement of people between countries without restrictions as well as improvement in security because of the 24 hrs economy at the borders. It was also noted that the systems between Uganda and Kenya are well coordinated which increases compliance, reduces smuggling and curbs corruption.

4.15 Challenges arising from implementation

The respondents noted that there was a need for training and sensitization for all those interacting with the OSBP on its procedures because it involves the EAC. Members also stated that there is a need for harmonization of the EAC procedures as well as ensuring that the systems are working at all times to prevent delays.

It was also noted that there was inter-agency rivalry among the various partner government agencies hence affecting the turn-around time of border operations. This was also experienced by the clearing agents such that the agencies do not take responsibility of the process hence affecting overall border experience.

4.16 Economic Impact of OSBPs

Revenue Collection

There has been a tremendous improvement on revenue collection evident by operationalization of the one stop border posts as shown below;

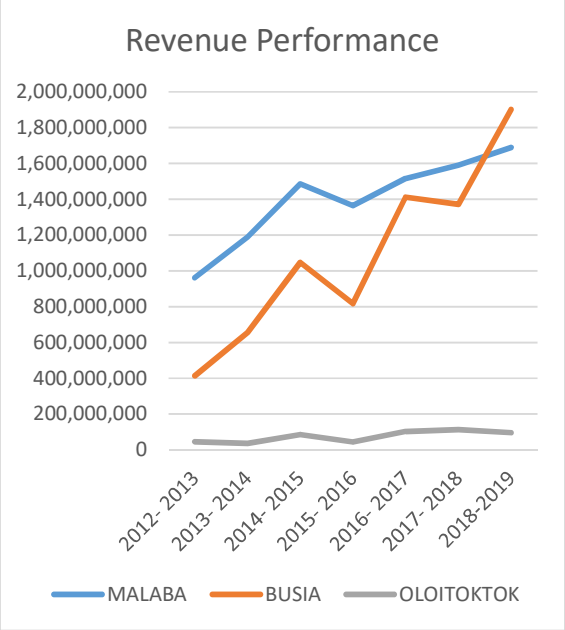


Figure 40 Revenue performance at various border stations in Kenya

What was noted is a significant decrease in revenue performance for F/Y 2014/15 at OSBPs, which could be attributed to the fact that OSBPs were under construction during the period.

Busia border showed a sharp increase in revenue collection for 2018/19, which could be attributed to robust intelligence activities at the OSBP. During the period 2018/19, Intelligence and Strategic Operations Department coordinated 4 Intelligence led operations at Busia Border none of which was conducted in both Malaba and Oloitoktok.

Time taken to clear goods (Hours)

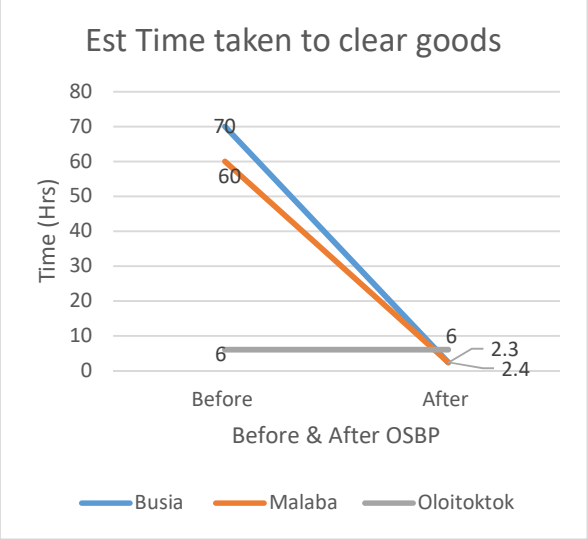


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Figure 41 Time taken to clear goods at various border stations

The research team noted a significant reduction in time taken to clear goods after introduction of OSBPs.

4.17 Trade Volumes

Trade volumes depict increase in number of entries (cargo) handled at OSBPs over the period.

YEAR	With OSBP (Malaba & Busia)	Without OSBP	SCT
Simba Entries Only			
2010	27,811	93	
2011	32,339	181	
2012	47,305	184	
Simba Entries and Direct Assessments			
2014	162,452	3,683	
2015	159,660	4,856	105,947
2016	167,034	4,149	182,899
2017	175,745	6,622	233,370
2018	190,081	7,324	519,829

Table 1 Trade volumes at various border points on Kenya side

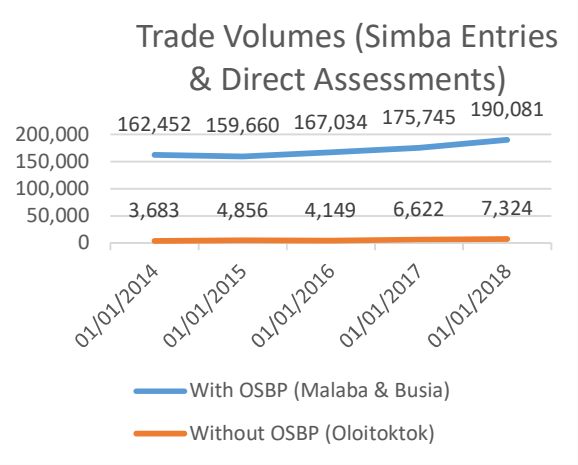

Figure 43 Trade volume at OSBPs and Non OSBP between 2014 & 2018

In 2015 there was notable decrease in trade volumes at OSBPs and a corresponding increase in trade volumes at non OSBPs, these could be attributed to the fact that the OSBPs were under construction during the period under review. Some of the goods were possibly diverted to Oloitoktok and other non OSBP stations.

The above figure (43) demonstrates a huge disparity in trade volumes between OSBPs and non OSBP stations.

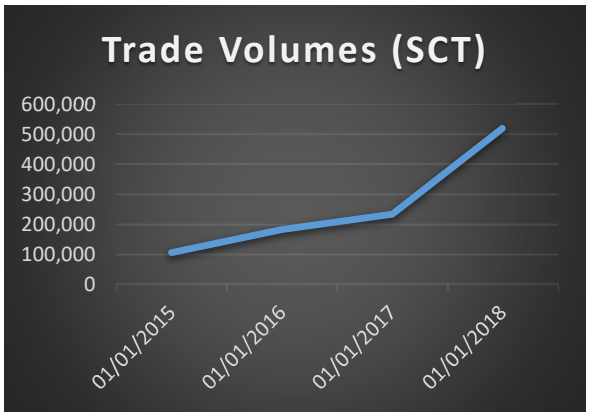

Figure 44 Trade volume at OSBPs and Non OSBP between 2015 & 2018

Trade increased significantly at the SCT over the period between 2015 and 2018 as demonstrated on the above figure. The sharp increase could be attributed to full implementation of SCT and Tanzania becoming a part of SCT.

4.18 Findings from other jurisdictions

Lessons from Southern Africa

Common Market for Eastern and Southern Africa (COMESA) initiated the Chirundu One Stop Border Post in collaboration with the Zimbabwean and Zambian governments. Successful establishment of this OSBP has been due to the harmonization of laws between the two countries as well as the establishment of three key legal documents that help govern operations and management of the OSBP. These include Zimbabwe One Stop Border Control Act (No. 21) of 2007; Zambia One Stop Border Act (No. 8) of 2009; and Bilateral agreement between the government of the Republic of Zimbabwe and the Republic of Zambia pertaining to the establishment and the implementation of the OSBP.

For smooth operations at the OSBP, there is adoption of the Single Window concept whereby there is standardization of documents and single point is used for logging in of information. Border equipment and facilities are shared by the two governments hence enabling officers at the border to perform their functions outside their territory. The shared facilities include: buildings, furniture, printers, weighbridge, photocopying machines, scanners, tables and offices among others. This effort of sharing has promoted communication and relations between the border officers and between the Republics.

Some of the benefits associated with the Chirundu OSBP include: reduction of smuggling activities due to collaborations between the two countries in thorough verification of documents and rigorous scanning; reduction of administrative costs due to housing of the border officials

under one roof and sharing of border equipment; political economy such as in creation of jobs, and; regionalism through trade facilitation and improvement of regional relations and information sharing.

Various challenges have also been experienced during the establishments of OSBPs. These include: legal issues due to differences between national laws of the two countries hence calling for alignment of laws so as to reduce confusion to the cross border traders as well as the border officials; infrastructural challenges; operational challenges such as bureaucracy and rigidity of the disbursement of funds to the OSBP, lack of trained staff, corruption and constraints of border opening hours hence delays at the borders, and; ICT challenges such as poor internet connectivity, different clearing systems, lack of linking systems from the two countries,

Lessons from Central Asia

Countries in Central Asia, though landlocked, are still able to improve their trade positions especially since they are in close proximity to growing economies such as China, Russia and South Asia. This has been made possible through development of major transport corridors which creates a link between the Central Asia countries to the growing economies. The major routes include rail transportation through and within the countries which have provided opportunities and made an impact on domestic distribution routes and linkages with the neighboring countries.

Trade in Central Asia has been plagued by transit related problems some of them arising from border conflicts, such as demarcation of borders since their independence. Traders in Central Asian countries have to comply with cumbersome regulatory requirements in doing business, ranging from obtaining certificates/permits, to going through complicated formalities required by different border control agencies Different regulatory framework for customs and inspections, poor coordination of border agencies within a country and between neighboring countries, non-transparency and complexity of administrative procedures, unjustified and extra transit fees also undermine the trade potential of the subregion.

One of the countries has embarked on the implementation of Integrated Border Management (IBM) as a solution to facilitate the movement of goods and people while at the same time maintaining secure borders and national legal requirements.

Some of the recommendations given in terms of customs administration and border control to some countries in this area include: simplification of customs laws and regulations; transparency and uniformity of rules and regulations during formulation and enforcement; harmonization of border crossing procedures; formulation and implementation of a customs risk management system; cooperation among all the agencies involved in border control; establishment of joint border crossing facilities; consistency and synchronization on operating hours at the border crossing points, as well as advocating for 24-hours operating time; automation of procedures of border control agencies for information/data exchange; reduction on entry requirement on traders; exchange of cross border information and Single Window processing.

Lessons from the Association of Southeast Asian Nations (ASEAN)

This is a geo-political and economic organization of ten countries located in Southeast Asia. These countries developed the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT), their priority being the establishment of a fully harmonized Customs and Transport environment.

According to the Greater Mekong Subregion Cross-Border Transport Facilitation Agreement (2011), countries such the Governments of the Lao People's Democratic Republic, The Kingdom of Thailand and the Socialist Republic of Viet Nam entered into an agreement that facilitates cross-border transport of goods and people. Some of the measures they have put in place order to simplify and expedite border formalities are such as: Single Window Inspection, whereby the different inspections and controls of people and goods is carried out jointly and simultaneously by the respective authorities; Single-stop inspection, where officials of the countries assist one another to the extent possible in the performance of their duties; harmonization, simplification and language of documents; exchange of information, and; advance exchange of cargo clearance information between the country of departure and the corresponding host country authorities, among others.

Lessons from Europe

Some countries in Europe seem to have adapted joint border controls whereby the two neighbouring Customs administrations enter into agreement to operate Customs control jointly i.e. to coordinate export and import controls, opening hours and competencies. These joint controls are conducted in juxtaposed Customs offices.

The Basel border crossing point between Germany and Switzerland has Customs offices of both countries for transit procedures and are located in the same building on the German territory. It is a juxtaposed office whereby Customs is the only agency physically stationed at the office, and delegated from other regulatory agencies to conduct the first regulatory check of transit goods crossing the border. Another juxtaposed office for transit is found at Chiasso border crossing point between Italy and Switzerland. Swiss Customs has encouraged the carriers to take transit procedures at the border, while taking clearance procedures at inland Customs terminals.

Miltiadou, et al. (2016) on a paper on the analysis of border crossings in South East Europe indicated the following as improvement measures: maintenance, modernization and update of Border Crossing Points (BCPs) facilities and

equipment; spatial reorganization and special lanes in favour of international/transit transport; manning, education and training of staff; joint border operations; simplification of procedures and required documentation, and; cooperation between border agencies and application of bilateral agreements to cover many border related issues.

5. Conclusions and Recommendations

5.1 Conclusion

From the study, establishment of OSBPs have had a huge positive impact on EAC economy in general, this has directly translated to increase in trade volumes, more revenue as well as trade facilitation.

Despite the successes, OSBPs have their challenges which include:

Limited number of staff and limited staff capacity

Installation of OSBPs and the subsequent infrastructural development have opened up the EA Community for more trade resulting from increase in capacity for handling goods and services. This calls for increased staff requirements in terms of capacity and numbers, the survey revealed shortage of staff at the OSBPs and that some of the staff present lack sufficient knowledge particularly in information technology and OSBP procedures.

Poor planning for infrastructural development and expansion

Increase in trade volumes means a need for more space to be designated for trucks and construction of warehouses for goods. Border points like Busia and Malaba have very limited space for handling the huge number of trucks and people. This results in congestion, poor service delivery and conflict as trucks are parked in adjacent towns. In Busia border for example, truck drivers and cross border traders are constantly complaining on fees being imposed on them by Busia County Government for parking services. The Uganda side of Busia however, do not charge such fees, this brings dispute as traders and authorities in Uganda are complaining of double standards in border administration.

Lack of scanner was identified as one of the biggest challenge by traders, clearing agents and staff manning the OSBPs. This is subjecting staff manning the border points to fatigue because they have to physically verify consignments 100%.

Lack of an administrative structure

Staffs working at the OSBPs are representatives of their respective agencies; these agencies have their own different mandates and functions. As much as the heads of customs and border control are considered to be the lead authority, their roles majorly revolve around revenue and customs related service. This breeds a gap in administration of border activities.

Poor ICT infrastructure

Increasingly border functions are leveraging in ICT infrastructure. All customs services from lodging of entries, processing to exit are hosted in an online platform including SIMBA, ICMS etc. These platforms require continuous uninterrupted internet supply. Internet supply in border stations is dependent on telecommunication service providers like Safaricom and Airtel, the network coverage at the border station is usually so weak to support internet connectivity. This results in gross delays in service delivery.

Two levels of clearance

As much as the OSBP initiative is built on having a one stop border, in practice, traders experience two levels of clearance on both sides of the adjoining countries; this causes unnecessary delays and fatigue. As demonstrated on the study of other jurisdictions, facilities can be shared including buildings and equipment.

5.2 Recommendations

Administrative Recommendations

Setting up an administrative structure within the OSBPs

The study revealed gross lack of coordination within the OSBPs, agencies manning the OSBPs are in constant dispute particularly in handling cross cutting functions and agreeing on which agency should take responsibility for lack of action or action. Concentration on the isolated functions means that staffs don't have time for coordinating joint administrative roles. It is therefore recommended that an administrative structure should be setup in all OSBPs with proper reporting lines.

The administration team will be responsible for ensuring proper coordination, planning, organization, direction and control of activities within the OSBPs. The administrative structure should be for staff working for the OSBP and not for any agency manning the stations; this will promote impartiality and limit conflict.

Proper planning for space and infrastructural development

As noted in the study, most of the OSBPs did not envision increase in capacity of goods and services and infrastructural demands that extends to over 10 year period in their initial planning. This poor projection is causing congestion in the border towns of adjoining countries and even the towns that are not already congested will get congested in the next 5 years given the projected increase in trade volumes and therefore need for more space.

A study should be conducted on the availability of space over a period of time at the OSBPs. This will help the authority and partner government agencies plan and secure space for infrastructural development before property values increase.

The facility components should be categorised as per the functional category such as facilities for cargo clearance, passenger clearance, administration and support services. If OSBPs are to be efficient, the traffic flow and physical facilities must be planned in a manner to save on time for traffic moving through the facility. Generally, passenger and freight traffic should be separated and separate parking areas provided. Parking lots will serve as a buffer while trucks wait

to be cleared, thereby solving traffic problems. The parking spaces should also allow for adequate lighting to facilitate a 24-hour system.

There is also need for installation of inspection bays/yards and warehouses and such should be easily accessible by officers to ensure efficient and effective joint verification by all partner states and partner agencies involved. It is also recommended for strong rooms to be installed in the warehouses as well as some office space for the examination officers and for document storage.

Installation of scanners in all OSBPs should also be prioritized; this will help save time and reduce corruption due to limited human intervention.

Shared use of OSBP infrastructure and facilities

The 2nd edition of OSBP Sourcebook, 2016 highlights bilateral arrangements where infrastructure and facilities can be shared. Expenses relating to the shared use of OSBP infrastructure and facilities including control related technical equipment e.g., scanners weighbridges, health testing devices, quarantine facilities should be agreed by the adjoining countries in a bilateral instrument. An example of such bilateral agreement includes Chirundu OSBP (Border between Zimbabwe and Zambia –COMESA Bloc), their bilateral arrangement provides for the sharing of utilities on a reciprocal basis.

Ruhwa OSBP (Serving Burundi and Rwanda –EAC Bloc) has its budget from a consolidated budget of both counties; this has been captured on the OSBP procedure manual. Operational committee prepares the estimated annual budget that is submitted to a joint commission for assessment and approval. The budgets are then submitted to competent authorities of each country. Funds allocated will be deposited on a shared account by both counties.

Funds of shared account are used for several purposes including:

- Maintenance and repair of shared facilities
- Payment of cleaning services
- Payment for utilities

Sharing of facilities including office space, scanners etc not only reduces the cost of investments at the OSBP but also reduces the time taken to clear goods.

Continuous sensitization and training of staff and stakeholders on OSBP procedures

From the study, there were notable comments on the need for training, capacity building and sensitization of stakeholders at all levels, including border agencies, clearing agencies, transporters, traders, companies and border communities to create a favourable environment for the commencement of OSBP procedures.

Training on the OSBP concept should be included in the training curriculum of border agencies and other trade facilitation programs in order to develop a larger pool of knowledgeable officers to ensure smooth business continuity at the OSBP. It is also recommended to develop simplified manuals for quick reference by border agency staff working in busy environments.

Improvements of ICT infrastructure and systems

ICT is a critical component of collaborative single window systems, simplification of documentation, border management and modernization of customs, immigration and related services. There is a need to explore on the possibility for improvement of ICT infrastructure and systems that are effective and efficient in supporting border operations. This will help alienate the system downtimes hence ease congestion at the border points and faster clearance of goods and therefore positively impact revenue. All border stations are recommended to install scanners to replace manual verifications as this would help facilitate fast clearance of goods and reduce on damage of goods during verification.

The network servers and ICT facilities should be well connected with a backup generator and equipped with an air conditioner to avoid shutdowns, which affect the smooth operation of the OSBP. To maintain the integrity, sensitivity and secure data and systems, there should be two servers (ICT) rooms, one for each country.

Hence, there is need for a needs assessment and taking of inventory of existing technology at the OSBP in terms of equipment, skills and software as a way of mapping its future business processes and a comprehensive blueprint for achieving OSBP objectives.

Electronic Single Window System also needs to be considered as an electronic form of CBM. This will allow parties involved in trade and transport to lodge standardized information and documents with single entry point to fulfil import, export and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once. In adopting the single windows, there may also be need for adopting the use of mobile devices such as smart phones, tablets, bar code readers and global positioning systems using Wi-Fi technology to feed information into single windows and other operational platforms.

Intensify intelligence activities in all border stations and recruit informers

Intelligence-led controls based on information obtained at the borders and equitably shared between states not only identify cross-border crimes and assist in the disruption and prosecution of such criminality, but also enable to the focusing of resources on the threat, thus assisting in the faster processing of the genuine traveller and freeing up resources. Busia noted a significant increase in revenue as per the findings. This is largely attributed to increase in Intelligence activities by the Intelligence & Strategic Operation Department Enhanced intelligence activities is key in ensuring that the Authority deals with issues of smuggling and porous routes through interception of smuggled goods,

monitoring of integrity of processes at the border stations among others.

The authority should consider investing in drones or Unmanned Aerial Vehicles (UAV); this will enhance intelligence collection and support multi-agency operations through real time tracking of smugglers.

petter Utilization of the Regional Electronic Cargo Tracking System (RECTS) and Electronic Cargo Tracking System (ECTS)

Introduction of rule based targeting in the use of Container Tracking System (CTS), these can be achieved through building up of profiles of what is suspect and what is not believed to be. It can be based on several factors including origin, destination, compliance history of the shipper/transporter/trader etc. Concentration can then shift to higher risk consignments. Movements that are so trusted (this would be regular shippers that over a long period of time have shown themselves to be compliant) maybe pre cleared or cleared immediately on arrival.

Profiles change and previously compliant shippers can go the other way, It is therefore recommended a system of risk testing where lower risk movements are examined to ensure their risk level has not changed.

The benefits of doing this is that, whilst low risk legitimate trade is facilitated quickly and efficiently, higher risk movements can be properly examined. It means more secure borders whilst facilitating legitimate trade. The theory can be applied to movements of persons and of goods equally.

This will highly reduce the time taken to clear goods and services, increase moral of staff and reduce disruption of legitimate trade.

Policy Recommendations

Installation of OSBPs at all border stations

Based on the above analysis and feedback from staff and stakeholders, it would be prudent for the Authority and partner government agencies to consider installation of OSBPs at all border stations. The research has provided an arguable basis and pointers that the OSBPs have contributed positively to trade in the EAC region and revenue collection.

Based on the implementation of the OSBPs observed by the researcher, Partner Government Agencies carry out joint verification of export and import cargo with Customs department being the lead agent, this has led to transparency as a lot of information is exchanged and all parties access the information. Data obtained also indicate that clearance procedures that would initially take 2-5 days have now been shortened to an average of 2 hours.

Baseline Surveys, Impact Assessment and monitoring of OSBPs and SCT

It is important that before installation of OSBPs, the Authority should conduct further studies for planning and operation purposes. Some of the activities that should be considered are: baseline surveys, traffic demand forecasting, economic analysis, monitoring and lastly, impact assessment. The baseline surveys will assist in collection of data in regards to traffic demand assessment and economic analysis, this will help determine the appropriate size and layout of the OSBP facilities as well as the economic viability before implementation.

After completion and operationalization, there would be a need for an end line/impact assessment survey to determine the benefits from implementing the project as well as evidence for accountability purposes. It is also prudent for the Authority to consider periodical or continuous monitoring to record performance indicators on the operation of the OSBP which will also provide feedback on the areas of improvement for realization of better performance. This impact assessment and monitoring should also be implemented at the SCT.

Harmonization and standardization of tax regimes within EAC

The researchers establish that products majorly being smuggled across Kenya, Tanzania and Uganda (e.g alcoholic drinks) are the ones that differ highly in tariff between countries. The difference in value is majorly due to different tax regimes and unharmonized border clearance processes imposed by customs and other border control agencies, some of which are out dated and overly bureaucratic, these poses greater barriers to trade.

These procedures increase the costs of transaction and lengthen delays for the clearance of imports, exports and transit goods. A country therefore becomes less competitive and foreign investment is deterred even as opportunities for fraud and corruption are created.

Harmonization and standardization of the tax regimes streamlines procedures. There is then creation of a good balance between the required controls and facilitation of trade and the movement of people by taking advantage of the various tools available. There is need for alignment of OSBP operational procedures to prescribed international standards such as those recommended by the Revised Kyoto Convention (RKC) of the World Customs Organization (WCO) and the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO).

The researcher also recommends harmonization and standardization of tax regimes amongst EAC member states; this will curtail cross borders crimes and facilitate trade.

Limitations of the study and suggestion for future research

Despite the fact that the research was adequately planned and well-executed, the survey was administered over a very short period of time than previously planned for and hence there was no opportunity to visit other OSBPs. Also, the availability of the data from the other partner states was limited due to controls and short timelines. Therefore, the researcher wishes to highlight the need for further research on the impact of installation of OSBPs to other border stations

especially at the borders between EAC countries that do not share a border with Kenya.

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