

# 4 Border Management, Trade Logistics, and Transport



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Border management and trade logistics are key determinants of trade costs. For Tanzania, trade facilitation is critically important at the national, regional, and global levels, since the port of Dar es Salaam is one of the key entry points for Tanzania and Central, Eastern, and Southern Africa. Thus, strategies to improve trade facilitation and logistics impact on national, regional, and international competitiveness. Tanzania straddles both Eastern and Southern Africa and has a long coastline on the Indian Ocean with access to major shipping lanes. It shares borders with seven countries, five of which are landlocked or quasi-landlocked with borders along two lakes (Victoria and Tanganyika). Tanzania—with the strategically located port of Dar es Salaam providing access to the broader Central-Eastern and Southern Africa region—has an opportunity to benefit from the growing volumes of trade from China and the rest of the Asia region.

This chapter focuses on both the trade facilitation and logistics processes, including transport. The chapter seeks to highlight key issues related to the border clearance process (customs and other border agencies), port-related and logistics industry issues, and transport. The chapter focuses on identifying priority actions, including simplifying documentation, inspections, and procedures and reducing clearance time for imports and exports.

Tanzania has implemented a range of trade facilitation and logistics measures since the earlier Diagnostic Trade Integration Study (DTIS) 2005 for the country, and has achieved improvements in its trade facilitation and logistics environment. Effectively implementing the government’s commitment to improving the business-enabling environment through harmonizing and simplifying the legislative, regulatory, and administrative

provisions regarding importing and exporting promises to deliver further significant reductions in trade costs.

The 2013 World Trade Organization (WTO) Trade Facilitation Agreement (TFA) presents an opportunity for Tanzania to accelerate trade facilitation reforms. The TFA contains provisions for expediting the movement, release, and clearance of goods traveling across borders through effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It also sets out measures to promote cooperation among customs and border authorities on customs compliance issues. As the TFA moves towards ratification<sup>1</sup> and implementation, countries around the world will be required to begin implementing the technical requirements of the agreement; speedup customs procedures; make trade easier, faster, and cheaper; provide clarity, efficiency, and transparency; reduce bureaucracy and corruption; and use technological advances.

Effectively implementing the TFA will deliver trade facilitation benefits to the private sector through streamlining border agency cooperation. The TFA provides for protecting legitimate public objectives in areas such as revenue collection, community protection, and national security. This can only be achieved by ensuring that all the relevant government agencies involved in facilitating trade are actively engaged in the implementation process, and that there is wide consultation with other stakeholders.

### **Tanzania's Trade Logistics and Trading Across Borders Performance**

Notwithstanding recent progress, Tanzania's customs and logistics performance metrics indicate the importance of continuing with customs modernization, regulatory streamlining, and strengthening government and private sector capacity. The World Bank's Logistics Performance Index (LPI) ranks countries on a range of trade facilitation measures based on the perception of business users.<sup>2</sup> Figure 4.1, panel a, shows that Tanzania consistently performs lower than its neighboring countries and trading partners, at about 62 percent as a percentage of the highest performer in 2016, Germany. This rating has increased since the first edition of the LPI in 2007, when performance was at about 34 percent of the

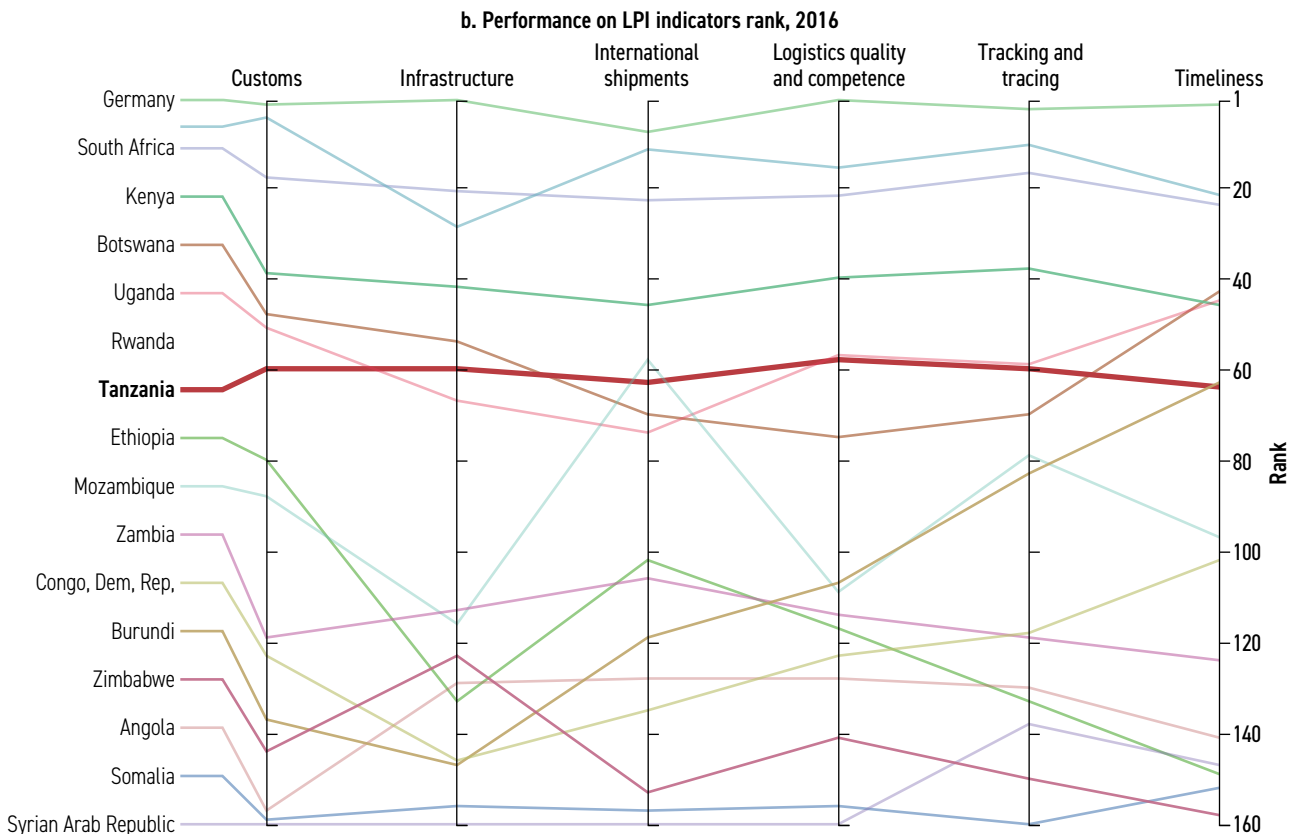
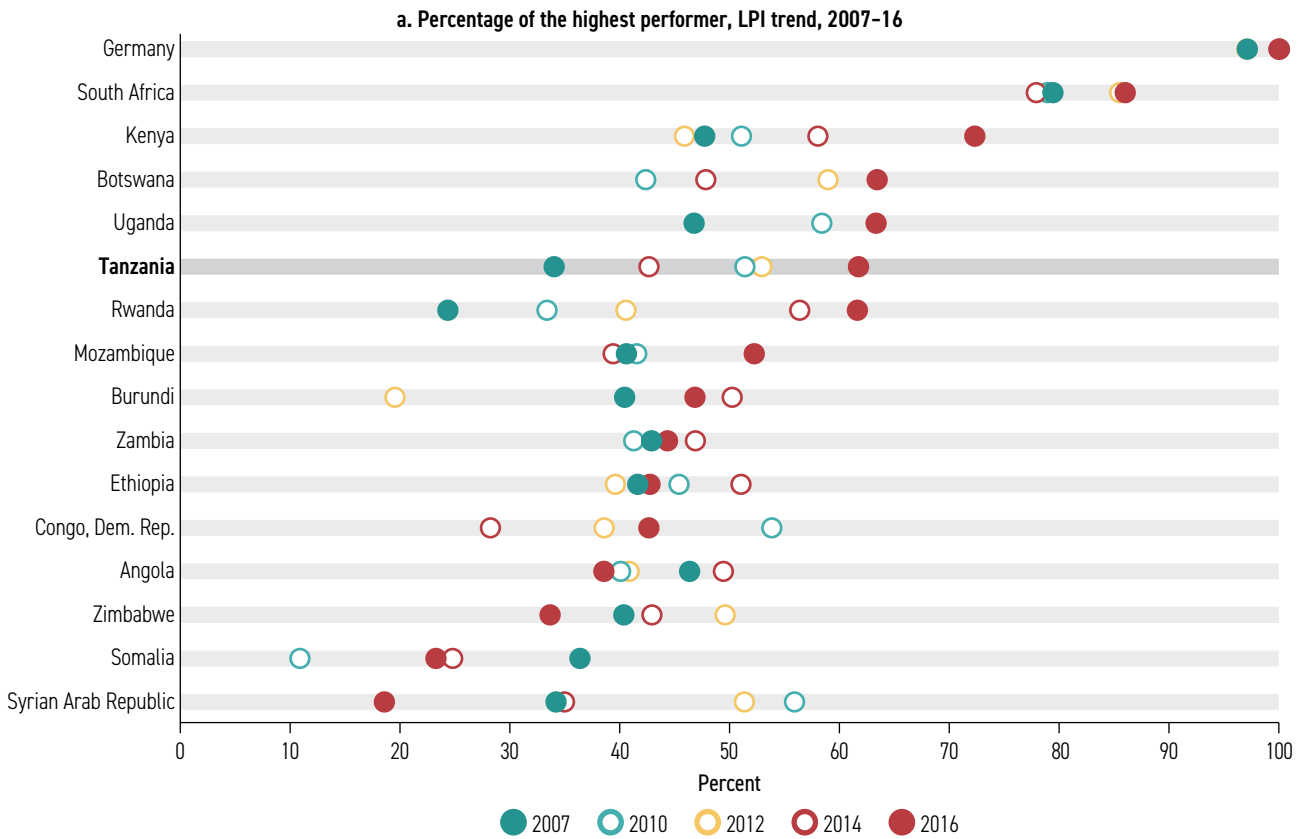
highest performer. The performance in all areas of the LPI measures is slightly higher than other countries in the East Africa region, with performance in timeliness, international shipments, customs, infrastructure, and tracking and tracing being the lowest, while logistics quality and competence is an area where improvement is slightly more visible (figure 4.1, panel b).

The LPI performance indicators show that organizing supply chains in Tanzania carries a higher cost and is more time consuming relative to most neighboring countries. Logistics is about managing supply chain, which efficiency and reliability are determined by how well transport infrastructure, border agencies, and transport regulators, as well as services providers, are interacting in a predictable and efficient manner. In this regard, Tanzania's LPI score suggests that it needs to close the gap in the quality of logistics and trade facilitation with neighboring countries if it wishes to maximize the opportunities from trade openness and eliminate the binding constraints for trade and investment in the country.

The 2016 Doing Business (DB) survey ranked Tanzania 180 (out of 189 countries) for ease of trading across borders, due to long delays and extensive documentation requirements. Tanzania's performance on the DB's trading across borders indicators therefore remains low, at about 80 percentage points away from the frontier (constructed from the best performances across all economies and across time).<sup>3</sup> The latest measurement is almost a 40-percent decrease since it was covered in 2013 (figure 4.2, panel a). Streamlining documentation for exporting and importing may further encourage trade with Tanzania.

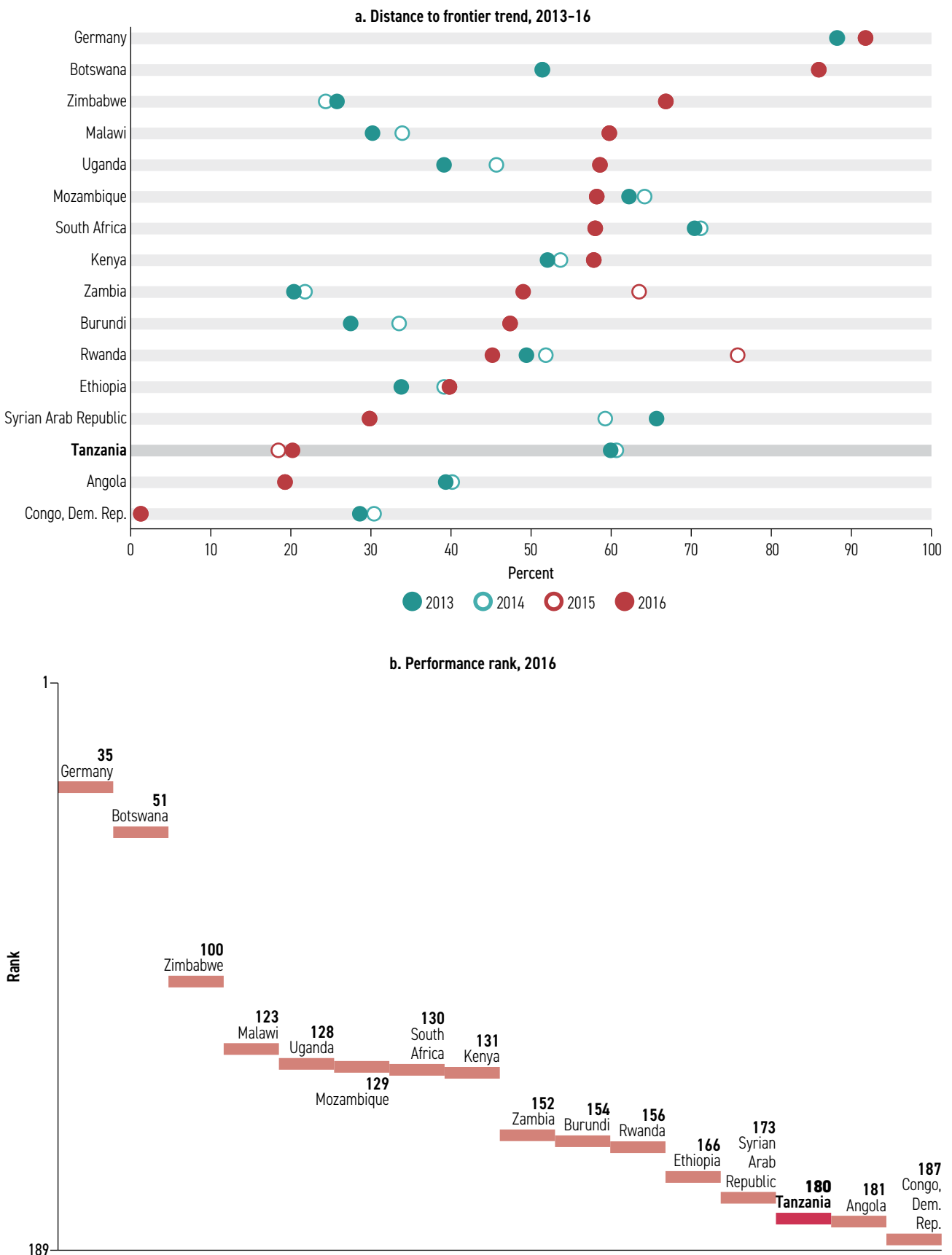
Growing the private sector requires a more supportive regulatory business environment. While Tanzania ranks relatively well compared to most other countries in the East Africa region, in DB 2016, its investment climate has slipped in some areas over recent years and there is substantial room for improvement. Figure 4.3 shows that Tanzania's overall DB ranking has very slightly improved from 140 in 2015 to 139 (out of 189 countries) in 2016, and Tanzania's "distance to frontier" scores on the overall DB have deteriorated from 44 in 2013 to 48 in 2016, while the scores for other countries in the East Africa region registered a modest improvement over the same period.

**FIGURE 4.1: Logistics Performance Index, Tanzania and Selected countries 2007-16**



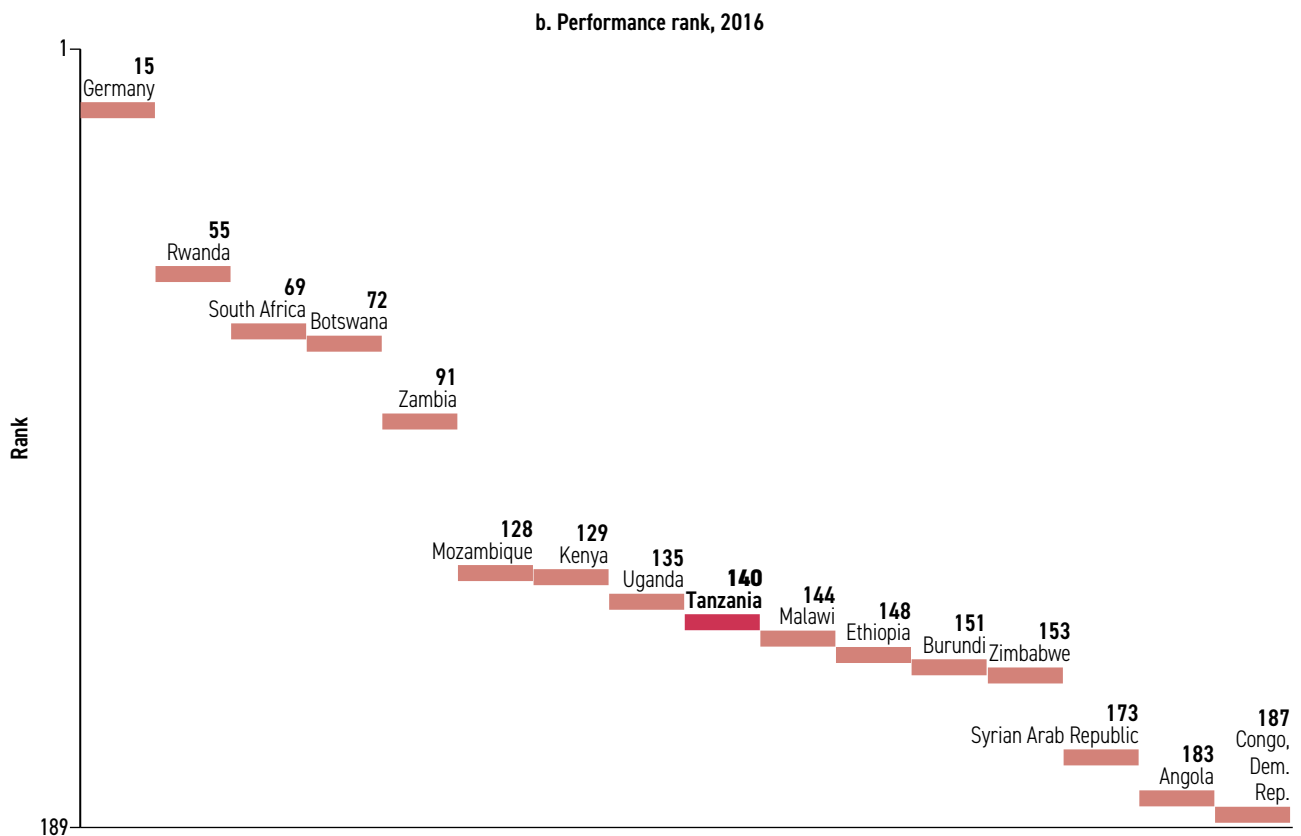
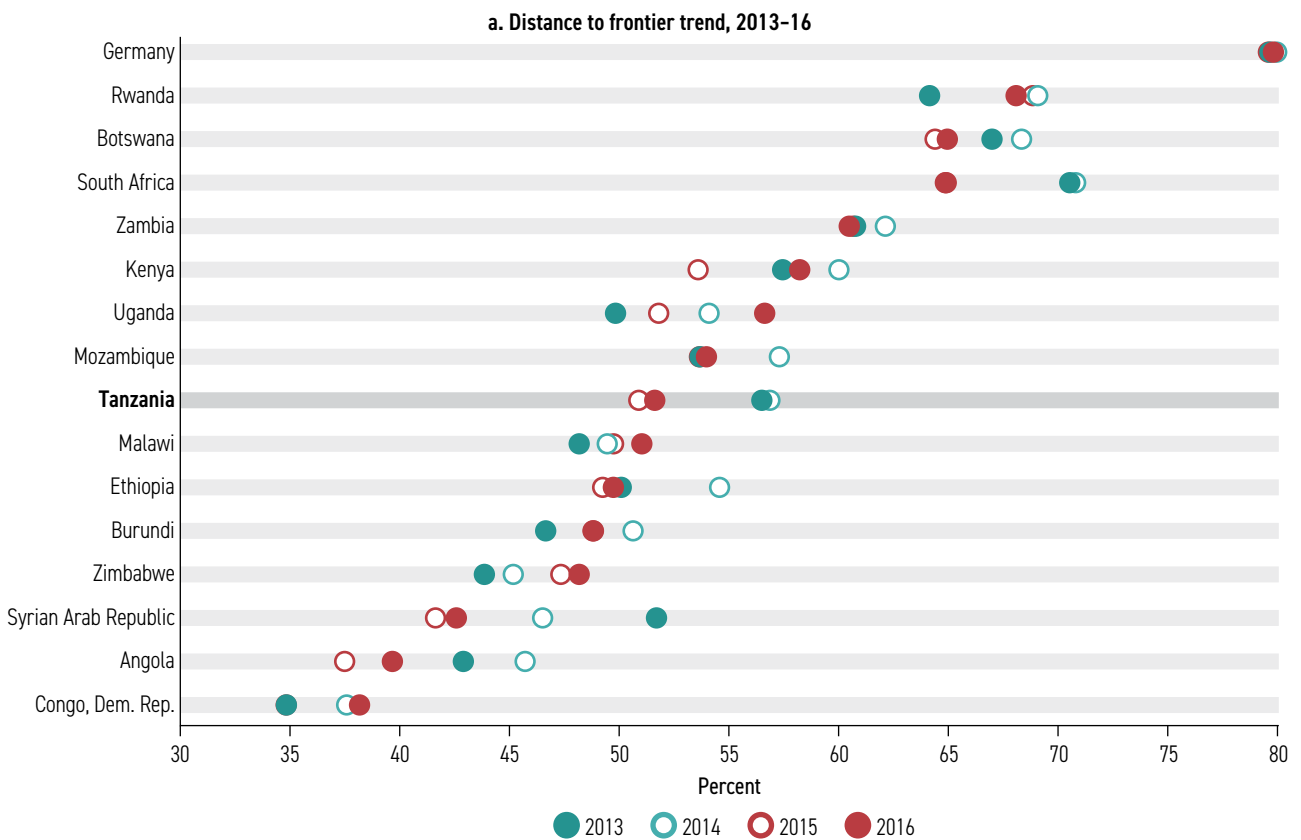
Source: Derived from World Bank Logistics Performance Index.

**FIGURE 4.2: Doing Business Trading Across Borders Indicator, Tanzania and Selected Countries**

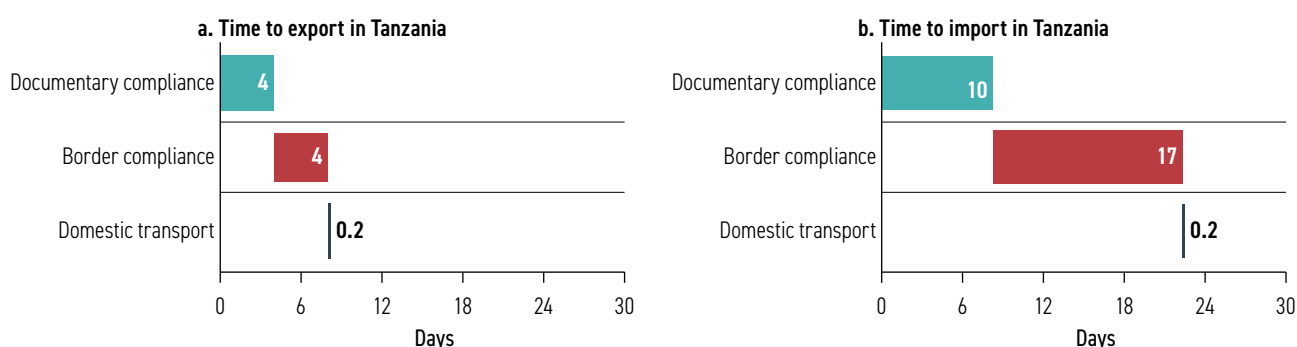


Source: Derived from World Bank Logistics Performance Index.

**FIGURE 4.3: Doing Business Overall Indicator, Tanzania and Selected Countries**



Source: Derived from World Bank Logistics Performance Index.

**FIGURE 4.4:** Trading Across Borders, Time to Trade Subindicators, 2016

Source: Derived from World Bank Doing Business data.

Tanzania's border procedures continue to rely on physical inspection and unnecessarily bureaucratic procedures. Notwithstanding recent improvements relating to the new customs clearance software (Tanzania Customs Integrated System [TANCIS]), the length and complexity of procedures continue to impose additional costs on both importers and exporters, which slow down and discourages formal transactions while encouraging parallel trade. The increased use of information and communication technology (ICT) needs to be linked to reviewing procedures and regulations that enable traders to benefit from more reliable and faster clearance times while ensuring customs integrity.

Unnecessary and duplicative customs procedures and the Tanzania Ports Authority's (TPA) inefficient port operations crowd out trade and divert trade to alternative ports. In today's globalized world, making trade between economies easier is increasingly important for business. Excessive document requirements, burdensome customs procedures, inefficient port operations, and inadequate infrastructure, all lead to extra costs and delays for exporters and importers, all stifle trade potential. Simplified, transparent trade procedures are therefore a key component of good trade policy and a vital measure for economic growth. Outdated bureaucracies suppress trade and entrepreneurship, discourage investment, and encourage corruption and small and medium-size enterprises are particularly vulnerable to these difficulties. There are also quite significant differences in productivity between the TPA port operations and the Tanzania International Container Terminal Services (TICTS) concession. The berths managed by the TPA handles 420 twenty-foot equivalent units (TEUs) per ship day at berth compared to 730 TEUs per ship day for the berths managed by the TICTS concession.

Reducing trade costs will improve the import and export environment and promote growth. Reviewing, streamlining, and simplifying regulations and procedures for trade facilitation, would be an important short-term action needed to meet the increased demand for timeliness in export and import, and improve the overall business environment in Tanzania.

This chapter identifies trade facilitation initiatives that would reduce trade costs. The chapter reviews the existing level of trade facilitation along with noting ongoing programs with the aim of identifying issues where Tanzania could implement changes that would reduce trade costs. Lessons from other countries highlight the importance of adopting a coordinated approach to customs modernization as isolated initiatives are rarely successful.

### Trade Facilitation Agreements

Tanzania is committed to implementing the TFA through its active membership in the East African Community (EAC). Tanzania is an active member of the EAC and the Southern African Development Community (SADC) Free Trade Area, and has been a member of the WTO since 1964. Customs policies and administrative regulations are driven by the EAC Customs Management Act of 2004 and the EAC Customs Management Regulations of 2006. Despite assenting to the EAC Customs legislation, many of the measures have not been implemented.<sup>4</sup> Tanzania has not acceded to the Revised Kyoto Convention; however, the core principles of the convention are embodied in the EAC legislation and regulations.

Tanzania continues to face many challenges to reduce trade costs as outlined in the recent Trade Facilitation

Assessment (validated in March 2015). Identified priorities included the importance of ensuring all trade-related information be readily available, installing an automated cargo-tracking system, establishing procedures and alert systems for the “trade enquiry” points, developing the legal framework for the proposed One-Stop Border Posts, harmonizing procedures and training for implementing the National Electronic Single Window (NESW), funding the implementation of the National Trade Facilitation Committee, and, at the port, implementing a Port Community System. In 2012, the WTO’s Trade Policy Review Mechanism highlighted risk management as a serious constraint, noting that the Tanzania Revenue Authority (TRA) subjected 20 percent of imports to scanning and classified 40 percent of imports as high risk (WTO 2012). Concerns over revenue loss have resulted in the TRA increasing the rate of physical inspections.

The 2014 TFA needs assessment was never published and now requires updating. A TFA needs assessment was carried out at the national level and a draft report was prepared, but the report is yet to be published.<sup>5</sup> This was undertaken in early 2014, when the TRA was using ASYCUDA++ (Automated SYstem for CUstoms DAta) as their automated declaration processing system. At the end of 2014, the TRA transitioned to a new bespoke customs clearance software: TANCIS. Given the importance of declaration processing and cargo clearance to trade facilitation, it would be useful to update the TFA needs assessment. This might include a new Time Release Study (TRS), as well as interviewing key stakeholders.

Updating the TFA needs assessment would provide an opportunity for broader stakeholder consultation. Discussions with the Ministry of Industry, Trade and Investment (MITI) and other stakeholders indicated that the TFA needs assessment process did not follow a rigorous consultation process with all key stakeholders (for instance, the TRA and the Tanzania Freight Forwarders Association [TAFFA] were not fully aware). The new National Trade Facilitation Committee (NTFC) provides an appropriate institutional vehicle for driving the process.

The TFA has built-in flexibility to accommodate developing-country constraints. The TFA, concluded in December 2013, recognizes the needs of developing and

#### BOX 4.1: WTO Trade Facilitation

The WTO Trade Facilitation includes the following:

- Requirements for the publication of laws, regulations, and procedures, including Internet publication
- Provision for advance rulings
- Disciplines on fees and charges and on penalties
- Prearrival processing of goods
- Use of electronic payment
- Guarantees to allow rapid release of goods
- Use of “authorized operator” schemes
- Procedures for expediting shipments
- Faster release of perishable goods
- Reduced documents and formalities with common customs standards
- Promotion of the use of a Single Window
- Uniformity in border procedures
- Temporary admission of goods
- Simplified transit procedures
- Provisions for Customs cooperation and coordination

*Source:* Extracted from the WTO Agreement on Trade Facilitation.

least-developed countries. Section II of the TFA provides those countries with special and differential treatment (S&DT) with respect to implementing the provisions and the treatment that other members accord them. A key aspect of the S&DT mechanism is the possibility for developing and least-developed countries to categorize the substantive obligations into three categories.<sup>6</sup> Each category provides different levels of flexibility for the preconditions for implementation and the implementation period. Tanzania notified the TFA category A articles in May 2015.<sup>7</sup> These included articles 1.4 (Notification), 5.2 (Detention), 7.5 (Post Clearance Audit), 9 (Movement of Goods Intended for Import Under Customs Control), 10.5 (Preshipment Inspection), 10.6 (Use of Customs brokers).

At the regional level, in early 2015, the United Nations Conference on Trade and Development and the German Society for International Cooperation initiated an EAC trade facilitation project which aims to develop strategic planning on trade facilitation at both the national and regional levels and strengthening existing national and regional trade facilitation bodies. In July 2016, a follow-up workshop was held in Dar es Salaam for representatives from the key border agencies and private sector stakeholders. Building on the momentum of the workshop, Tanzania set up the NTFC with 52 members.



## Border Management Agencies

The TRA is the lead agency responsible for managing the borders and customs clearances. Established in 1995, the TRA is responsible for managing the assessment, collection, and accounting of all central government revenue. It is a semi-autonomous body that operates in conjunction with the Ministry of Finance and Planning and is the leading agency in managing the borders. According to the WCO (2015), Tanzania reported 289,221 declarations with a staff complement of 1,964. In fiscal 2016 (ending in June 30), the TRA collected T Sh 5,351 billion (approximately US\$2,432 million).

Since its inception, the TRA has evolved from a tax administration that focused only on revenue collection to an organization that gives special attention to the type of services provided to its customers. It has achieved it by rationalizing the tax system and administration to make them simpler and more transparent with the aim of increasing both voluntary compliance and government revenue. According to the TRA, in 2015, 3.7 percent of the total registered importers (1,804) contributed to over 80 percent of revenues and is expected to reach 4 percent in 2016.

More than 70 percent of all trade is processed through the port of Dar es Salaam. Clearances are authorized at 86 customs stations, including 25 seaports, and 8 airports, although more than 90 percent of all clearances are through 9 major border stations. The TRA also operates 6 transit-monitoring stations. All the major entry points use electronic clearance.

Currently, customs control is premised on the outdated concept of prioritizing real-time physical inspection, rather than making extensive use of risk assessment. The purpose of risk management is to secure and improve traders' compliance: higher risk of noncompliance should be subject to more stringent controls while lower risk should be awarded with simplified and more user-friendly controls. However, in the case of Tanzania, there is no clear indication to illustrate that a sound risk management approach is being applied in the clearance of cargos. All containers are subject to compulsory physical scanning, which increases costs and slows down port clearance times.<sup>8</sup> Preliminary formal discussions with senior customs and TPA staff and the private sector (including a representative from the customs

brokers association) indicated that over 80 percent of cargo is still being selected for inspection. The very high incidence of physical inspection indicates the absence of sound risk management. The cargo selected for physical inspection, will take much longer to clear than with non-physical inspection. Therefore, information on the delay or speed of clearance procedures is vital to assess the efficiency of border management. This is also reported in the recent TFA needs assessment, where article 7.4 (risk management) was not fully aligned (category A) with requirements of the TFA.

The TRA implemented a Customs Modernization Action Plan for 2009–12, introduced the modular TANCIS in 2014 and is currently preparing their next Corporate Plan (2017–22).

The TRA risk-based system is not functioning effectively. Following international best practices, which shows that risk-based cargo clearance systems facilitate increase compliance and improve efficiency, Tanzania introduced risk assessment more than a decade ago and training was provided under the Customs Modernization Strategy 2009–10 to 2012–13. Imports are channeled using the traffic light system of classification. The three categories are: green for low risk and no inspection, yellow for medium risk with a document inspection, and red for high risk and subject to both documentary and physical inspection. However, following several high-profile smuggling cases, the Ministry of Finance introduced a Directive in 2013 requiring 100 percent cargo inspection. When the TRA upgraded their electronic customs clearance system in 2014 to the TANCIS, it included a more robust and more effective risk management module. However, the 2013 Directive has hampered full implementation of TANCIS.

The Ministry of Finance issued a letter to the TRA in April 2015, indicating its decision to repeal the earlier Directive and allow the TRA to implement the risk-based inspection system, thus gradually reducing the rate required for physical inspections at the port in Dar es Salaam. As a first phase of the risk-based system implementation, the TRA will inspect at least 80 percent of all import cargo, with the expectation that the rate will be reduced further depending on the progress in controlling fraud cases in customs declarations. At the same time, with external technical assistance, TRA has adopted its capacity-building action plan in



implementing its risk-based customs management under TANCIS. Full implementation of the risk-based inspection system would facilitate cargo customs clearance and reduce the average time to export and import. TFA Article 7.4 requires that a risk-based approach be applied to cargo clearance.

At the national level, a compliant trader scheme (CTS) for importers became operational in Tanzania in July 2007, (operationalized in 2008), which included, at the beginning, 55 traders or operators, who accounted for 60 percent of the revenue collected.<sup>9</sup> In 2012, a two-year pilot for a regional CTS in the EAC started in the five member countries, with each country authorizing three traders, for a total of 15 traders within the region.<sup>10</sup>

Border agencies controls are mandated by a national regulatory framework, with specific policy objectives, such as revenue collection, trade and industry policy, fair competition, health and safety, and security. Since the available resources mobilized by border agencies are limited, reasonable selection of cases for inspection is one solution to facilitating trade while maintaining and improving the quality of control.

### Tanzanian Customs Integrated System

Modern technologies—notably ICTs—enable border agencies to process their work in an expedited and accurate manner. Information technology (for example, customs declaration processing system) can assist border agencies to verify large volume of declared data, screen by preset criteria, calculate the amount, and produce management reports in an expedited and accurate manner. Communication networks allow traders to submit data from their premises and enables different computer systems to be interfaced, such as electronic fund transfer with commercial banks, and “single window” with multiple agencies’ processing systems.

Tanzania used different versions of ASYCUDA for nearly 15 years. However, with continuous demand from the business community to increase the quality and efficiency of customs service, in 2011, a strategic decision had been taken to develop a comprehensive automated system tailored to meet all user needs. It became clear that the introduction of advanced ICTs would be crucial to achieve the desired balance

between trade facilitation and effective control. Furthermore, these advances were aimed at increasing the competitiveness of Tanzanian exporters, attracting further foreign investment, and fully exploiting new business opportunities.

This resulted in the development of the TANCIS, which was rolled out in 2014. The project was co-financed by the Tanzanian government and the Investment Climate Facility (ICF). TANCIS was designed as a web-based system that will facilitate moving towards paperless operations and reduce the costs of doing business by facilitating increased transparency, reliability, and efficiency. TANCIS is a modular-based system with over 35 different modules developed, covering a varied array of operations. The TRA is the custodian and administrator of TANCIS. This new system has automated many regulatory activities, enabling the TRA (and potentially other key border agencies) to effectively and efficiently perform their respective regulatory functions. To date, TANCIS is only being utilized by the TRA. These include, issuance of licenses, electronic lodgment of declarations,<sup>11</sup> electronic payment, issuance of receipts and account management, monitoring movement of transit cargo, monitoring bond operations, and so on. The system has also enabled electronic connectivity between the TRA and all the registered stakeholders to allow for direct trader input.<sup>12</sup>

Anecdotal evidence shows that with the implementation of TANCIS, cargo clearance time has reduced. However, the TRA has not carried out a TRS or a study to assess the impact of TANCIS on cargo clearance. The preimplementation predictions of the time between lodging of documents to issuance of customs release orders at the port in Dar es Salaam was expected to reduce from 4 days to 1 day, while goods clearance time was expected to reduce from 5 days to 1 day for export goods and from 9 to 5 days for import goods.

In terms of better performance measurement, it is also essential to carry out regular reviews of the overall time it takes to clear the border as well. These measurements will enable the preparation of reliable border performance indicators (which are usually based on the aggregated time spent at the border station and in queues, if any), so that any new measures could be practically assessed in real time, and early identify any discrepancies and take corrective actions.

## National Single Window and TANCIS

Following the implementation of the TANCIS, in 2014, the software appears to have proved itself as a reliable and versatile automated system, catering to the needs of both the public and private sectors in Tanzania. The system illustrates a considerable degree of flexibility, enabling system changes as and when needed, based on user requirements.

The Tanzanian government is exploring the possibility of establishing TANCIS as the platform for a NESW in Tanzania, which appears to have the functionalities for a single-window platform with some modifications. The TRA has been entrusted with responsibility for taking the lead role in planning and implementing the NESW and several other government agencies are currently interfacing with TANCIS.

The Tanzanian government has committed to transitioning to multi-agency integration through connecting the TRA customs clearances through TANCIS with other agencies involved in regulating imports, such as the Tanzania Bureau of Standards (TBS), the Tanzania Food and Drugs Authority, and the immigration authorities.

It is therefore critical that the Tanzanian government and key stakeholders work to develop a vision for implementation of the NESW in accordance with Article 10.4 of the TFA. Institutional integration has taken place (notably through the concept of one agency coordinating the others at a border station, or placing all technical agencies in the same office as customs). Cross-border collaboration exists on the surface, but needs to be strengthened—notably in terms of mutual recognition of findings and moving to joint operations.

### Single Window: Coordination, Transparency, Security, and Information Technology

Implementation of the NESW remains a priority for Tanzania. The main tasks of the team responsible for implementation include:

- The development of the NESW for port and customs clearance;
- Preparation of a roadmap for the NESW;
- Compiling information on decrees and procedures for export, import, customs, and port clearance;
- Socialization, technical assistance and

capacity-building;

- Selection and implementation of an information technology and payment system for the NESW; and
- Pilot tests of the NESW in various locations.

Implementing a NESW in the Dar es Salaam Port requires effective inter-agency coordination, and is very different from the Port Community System required for improved port functioning. The introduction of the NESW system in the Dar es Salaam Port and the other TPA-managed ports, requires TANCIS (managed by the TRA) to be linked to the Port Community System which is being procured (and would be managed by the TPA). A steering committee will be established by the Tanzanian government to oversee the implementation of the NESW and to adopt the necessary regulations and/or laws.

The NESW process would involve traders submitting an electronic form (request for approval) to the relevant agency (or agencies). These agencies would therefore need to reengineer their processes so that they can provide a one-day turnaround for approvals compared to 12–15 days before the NESW. The agency would then provide an electronic approval to the trader and simultaneously supply a copy to customs, who would electronically insert the approval and license details into the electronic customs declaration—thus saving time and costs to the trader. Once customs conclude their inward goods approval process with the Dar es Salaam Port, traders would then receive an electronic confirmation that their goods are available for collection from the port. This will require internal cooperation to ensure that all the authorities and agencies responsible for border controls and procedures cooperate with one another and coordinate their activities in order to facilitate trade.

## Port Community System

Efficient ports and modern shipping require a comprehensive management information system that links all members of the port community. The port of Dar es Salaam requires a Port Community System (PCS). The PCS functions as a hub bringing together all the port management information systems that includes an Automatic Identification Systems, a Vessel Traffic Management System, and a Port Operating Systems (POS). Such systems, when combined with a Port Community System acting as the hub, are able

to offer a wide range of advantages to the transport sector in the country and the region by improving the efficiency and productivity of port operations. The benefits of these improvements pass not only to port operators but also to port customers including shipping lines, freight forwarders, and shipping agents. At the national level, the entire port community and those who depend on it can benefit from the provision of an enhanced and economic logistic chain for international shipping. PCS, at the national level, can provide logistic chains, which improve the coordination and cooperation of land transport, maritime transport, and the ports operations in the region. By linking all members of the port community, the network system is of benefit to the TRA, police, immigration authorities, the Ministry of Works, Transport and Communications, MITI, and many others. For the TPA, the benefit from implementing a modern, comprehensive, and integrated Port/Terminal IT System will result in less paperwork, less time and effort spent, better decision-making, reduction of unnecessary cost, increase of productivity, less error and redundancy, and an increase in overall satisfaction for the port's stakeholders.

### Other Border Management Agencies

The TPA, the Ministry of Agriculture, the Tanzania Food and Drugs Authority, the TBS, the Ministry of Energy and Mineral, and the Ministry of Natural Resources and Tourism are some of the key agencies that regulate and administer cross border trade.

Standards are managed by the TBS, which is a government agency under the MITI for mainland Tanzania; Zanzibar has its own Standards Bureau. The main functions of the TBS (as set out in the Standards Act of 2009) are to undertake measures to control the quality of products and to promote standardization in industry. More specifically, the TBS is responsible for developing and publishing the national measurement standards, establishment and maintenance of the national measurement standards, providing testing services, operating a product certification scheme, and administering technical regulations (that is mandatory standards). The TBS is a member of the International Organization for Standardization and International Electrotechnical Commission and, in the region, the EAC Standards Committee and the SADC Standards Cooperation.

Ensuring easy access to technical regulations and standards is essential for competitiveness. A recent assessment of the National Quality Infrastructure and Technical Regulations Regime (Kellerman, 2016) found the standards development process to be "largely compliant" with the WTO's Technical Barriers to Trade Agreement. Standards are provided in hard copy to local enquiries and through a print on-demand system for foreign requests. Approximately 40 percent of the older national standards are not available in electronic format. The TBS website contains a list of 602 mandatory standards that was put online in December 2016.<sup>13</sup> The Standards Catalogue (online) has not been updated since June 2009. Ensuring the availability of up-to-date standards information is essential for competitiveness and should be available for purchase on line. The technical regulations should be available free of charge online.

### Transparency, Information, and Communication Mechanisms

Obtaining accurate information on trade regulations and procedures is onerous and time consuming. There are more than 30 agencies involved with cross-border trade clearances, with about 102 different trade-related documents covering different types of licenses, permits, certificates, and approvals. Considerable work is required to ensure traders have access to all the regulatory and procedural information required for importing and exporting goods. Although many regulatory agencies maintain a website, the information is often incomplete, outdated (for example, the TRA website lists the 2012 Tariff Schedule), and difficult to find. Ensuring easy access to accurate and relevant information reduces trade costs. The World Bank Group is assisting several countries—building on work with Lao People's Democratic Republic, Lesotho, and Malawi—to develop integrated Trade Information Portals, where all the relevant information on laws, regulations, procedures, forms, and tariff rates and fees can be obtained via one easy-to-search website.

Publication of the trade information described in the TFA is the responsibility of multiple government ministries and agencies who administer laws, regulations, and directives related to trade. Various legal acts or formal policies define the scope of their respective responsibilities. Best practice examples of trade facilitation

reform highlight the importance of adopting a holistic approach. Ad hoc and incremental reforms often fail to demonstrate much improvement at the national macro level. For instance, coordination and partnership among stakeholders is essential. Illustrative examples include: 24-hours-a-day, 365-days-a-year operation; goods description harmonization; single payment of fees; single window; and one-stop border posts. None of these can be realized without active stakeholder participation.<sup>14</sup> From the perspective of change management, stakeholder engagement is imperative for ownership on reform initiatives that will reduce the conflict costs in reform operations.

Advance consultation and notification is important for businesses. Article 2 of the TFA requires members to provide opportunities and an appropriate time period for all interested parties to comment on the proposed introduction or amendment of laws and regulations related to the movement, release, and clearance of goods, including goods in transit. In Tanzania, however, the private sector reported that they are rarely consulted when the government takes any decisions related to trade. For instance, discussions with the MITI and other stakeholders indicated that the TFA needs assessment process did not follow a rigorous consultation process with all key stakeholders (for instance, the TRA and the TAFFA were not fully aware of the consultation).

Moreover, several conflicts of interests and conflicting roles were identified in various structures in Tanzania, which not only create opportunities for corruption but also reinforces and increases inefficiencies as many gain from them. Thus, reducing existing conflict of interests that contribute to increase the risk of collusive behavior at the expense of end-users could reduce the power of current “winners” who profit from the status quo.

Economic operators make business decisions by collecting and assessing information that would affect their possible trade transactions in terms of cost and time before they conclude sales. Transparency of information is therefore based on the accessibility of information on import, export, and transit rules, regulations, and procedures. Such information includes administrative information (for example, office opening hours and locations), formalities, prohibition (or restrictions), licensing (or certificate requirements), applicable duties (or taxes

and fees) and charges, penalties, enquiry points, and appeal mechanisms.

For instance, while laws and regulations are often drafted by sponsoring ministries or on an agency basis, in many cases, enforcement is delegated to another ministry or agency. In order to secure the accessibility in such a structure, information on the hierarchy and pertinent laws and regulations should also be available to the interested parties.

Moreover, availability of recourse or appeal mechanisms, when the border agency’s rulings are against the interpretation of the economic operator, also enhances predictability. Ideally, there should be at least two paths for recourse: administrative and judicial. For instance, the benefit of administrative appeal mechanisms is the expedited process and expertise they can bring.

### Port Efficiency and Border Clearances

Dar es Salaam Port is the gateway to East Africa and its efficiency matters to Tanzania and the region. The port—the fourth-largest in East Africa after Durban, Mombasa, and Djibouti—is the main sea port and cargo entry point to Tanzania, yet, is also one of the least efficient ports. Over 90 percent of cargo is imported and exported from Tanzania through the port of Dar es Salaam. The port also serves as the entry point to Burundi, Democratic Republic of Congo, Malawi, Rwanda, Uganda, and Zambia (which are landlocked countries). The port has 11 berths and handled about 15 million tons of cargo in 2016.

Inefficient port and customs operations in Tanzania are increasing the time and trade costs associated with international transactions. This represents a major constraint to doing business. All containers are being scanned and are subject to customs physical inspection, which has caused huge delays in the port. No risk management is applied currently, thus compliant containers are being physically inspected as well. There are more than 30 other government agencies involved in administering and regulating cross-border trade, and there is a lack of coordination between all these agencies, which causes further delays. There is also no clear plan for reducing the number of agencies at the border.<sup>15</sup> It is reported that, on average, the clearance time per container is 12–15 days.

Reviews by the TPA, the World Bank, and others have all highlighted the potential for improving operational and spatial efficiency within the port. The TradeMark East Africa program is currently assisting the TPA with funding for new access roads and security gates. The World Bank has supported the TPA in designing the Dar es Salaam Maritime Gateway project to support Tanzania to realize the goal of unlocking the potential of the Central Corridor and increasing the capacity of the port to 22 million tons per year. There is also funding provided to introduce a new port community system, and terminal operating systems where necessary.

## Release Time at the Tanzania Borders

The main clearance plans for TANCIS are PMD (post manifest declaration), PAD (prearrival declaration), and EWD (ex-warehouse declaration). Knowing under which clearance plan the declaration has been handled is critical to understand the meaning of the release time. In the following example, based on data from Dar es Salaam port for 2015, the “time to declare” is the difference between the arrival time of the ship in the port and the time the declaration is lodged, the “time to release” is the difference between the time the declaration is lodged and the customs release, and the “time to exit” is the difference between the customs release and the

actual exit from the port (or the off-dock container yard). The “dwell time” is the difference between the arrival of the ship and the exit of the container from the terminal (either port terminal or off-dock container yard). The results are as follows (IM4 is clearance for Tanzania, IM8 is transit):

- EWD: the container exits the port well before the declaration is lodged, which is shown by the negative time to exit.
- PAD: the declaration is lodged prior to the arrival of the ship (this is the most common scenario).
- PMD: the declaration is lodged after the arrival of the ship (sometimes well after).

To measure customs performance for releasing goods, it is the PMD plan which is the clearest indicator, in the PAD, the release cannot take place before the actual arrival of the goods, and therefore the release time is influenced by the degree of anticipation of the declarations, and EWD is a specific regime benefitting a limited set of traders.

On average, release times are long, over 10 days. This is partly explained by the dominance of the Red channel, but even for Green, the release time remains over three days. For transit, the performance is better. The detailed breakdown is shown in Table 4.1

**TABLE 4.1: Dar es Salaam Customs Clearance Time by Channel**

| Customs regime         | Number of containers | Time to declare (days) | Time to release (days) | Time to exit (days) | Dwell time (days) |
|------------------------|----------------------|------------------------|------------------------|---------------------|-------------------|
| Clearance for Tanzania | 131,578              |                        | 15.1                   | -3.0                | 19.2              |
| EWD                    | 12,525               | 91.2                   | 6.6                    | -78.4               | 20.2              |
| Green channel          | 516                  | 46.9                   | 5.0                    | -49.2               | 17.3              |
| Red channel            | 860                  | 82.9                   | 15.2                   | -79.3               | 17.1              |
| Yellow channel         | 11,149               | 94.1                   | 6.0                    | -79.7               | 20.6              |
| PAD                    | 104,978              | -4.6                   | 16.7                   | 4.6                 | 16.6              |
| Green channel          | 17,846               | -2.6                   | 11.6                   | 7.5                 | 16.5              |
| Red channel            | 84,367               | -5.1                   | 17.9                   | 3.8                 | 16.6              |
| Yellow channel         | 2,765                | -1.0                   | 11.6                   | 9.4                 | 20.1              |
| PMD                    | 14,075               | 18.2                   | 10.9                   | 8.1                 | 37.2              |
| Green channel          | 2,710                | 16.7                   | 3.5                    | 16.5                | 36.7              |
| Red channel            | 10,520               | 18.7                   | 13.3                   | 5.3                 | 37.3              |
| Yellow channel         | 845                  | 17.7                   | 5.6                    | 15.6                | 38.9              |
| Transit                | 48,170               | 5.1                    | 3.0                    | 9.7                 | 17.8              |
| PAD                    | 21,653               | 1.1                    | 5.4                    | 8.9                 | 15.4              |
| Green channel          | 75                   | 0.8                    | 0.9                    | 2.5                 | 4.2               |
| Red channel            | 11                   | 1.9                    | 7.2                    | 1.9                 | 11.0              |
| Yellow channel         | 21,567               | 1.1                    | 5.4                    | 9.0                 | 15.4              |

*(Table continues next page)*

TABLE 4.1 (continued)

| Customs regime | Number of containers | Time to declare (days) | Time to release (days) | Time to exit (days) | Dwell time (days) |
|----------------|----------------------|------------------------|------------------------|---------------------|-------------------|
| PMD            | 26,517               | 8.4                    | 1.0                    | 10.3                | 19.7              |
| Red channel    | 9                    | 3.8                    | 6.2                    | 5.2                 | 15.1              |
| Yellow channel | 26,508               | 8.4                    | 1.0                    | 10.3                | 19.7              |
| Total          | 179,748              | 5.4                    | 11.9                   | 0.4                 | 18.8              |

Source: Data received from TRA for Dar es Salaam Port.  
 Notes: EWD = ex-warehouse declaration; PAD = prearrival declaration; PMD = post manifest declaration.

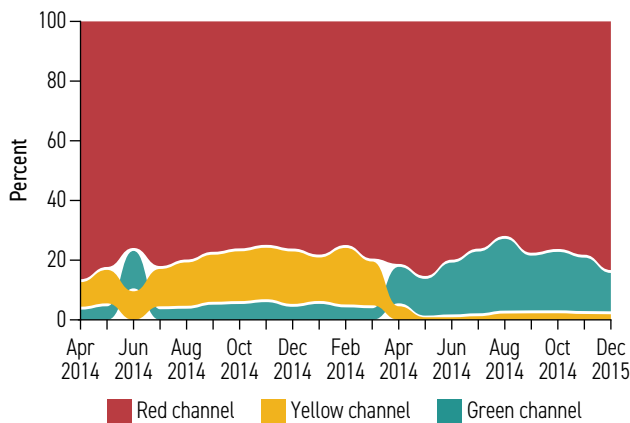
The routing of the declarations at the Dar es Salaam Port for the PMD is indicated in figures 4.5 and 4.6. The proportion of the Red channel is very high, but some declarations in the Yellow channel passed to the Green channel. This proportion is linked to the Tanzanian government’s directive that requires 80 percent of containerized cargo be subjected to physical examination and 20 percent be subjected for other risk criteria,

implemented since 6th May 2015, instead of the 100 percent physical verification that was enforced before.

### Dar es Salaam and Kilimanjaro Airports

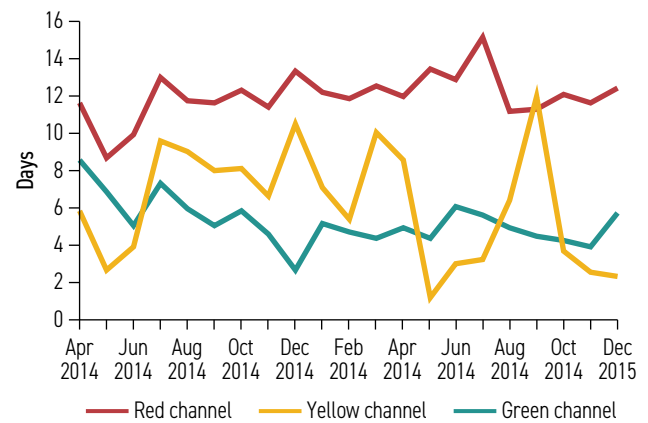
The routing for declarations at the two airports (Dar es Salaam and Kilimanjaro) are shown in figures 4.7 and 4.8. The impact of the directive on physical examination

FIGURE 4.5: Dar es Salaam Port: Share of Containers by “Risk” Channel, Apr 2014–Dec 2015



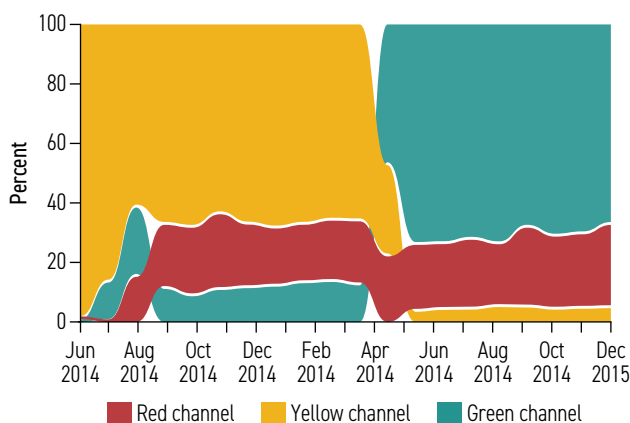
Source: Derived from Tanzania Revenue Authority data.

FIGURE 4.6: Dar es Salaam Port: Release Time by “Risk” Channel, Apr 2014–Dec 2015



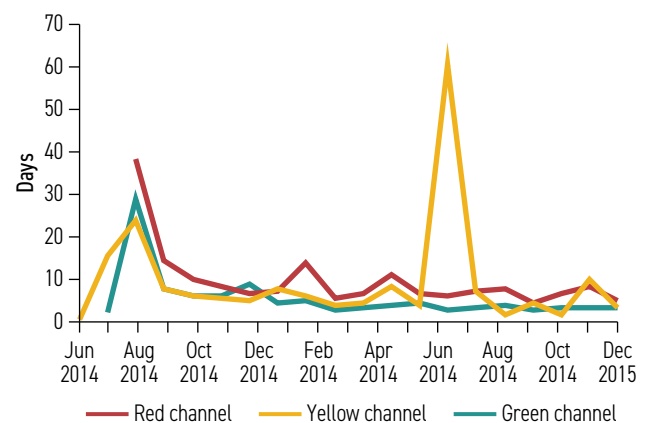
Source: Derived from Tanzania Revenue Authority data.

FIGURE 4.7: Dar es Salaam and Kilimanjaro Airports: Imports by “Risk” Channel, May 2014–Dec 2015



Source: Derived from Tanzania Revenue Authority data.

FIGURE 4.8: Dar es Salaam and Kilimanjaro Airports: Release Time by Risk Channel, days, May 2014–Dec 2015



Source: Derived from Tanzania Revenue Authority data.

is very noticeable at the airports, where the proportion of Green channel increased to 70 percent.

### Namanga Land Border with Kenya

The situation at the land border with Kenya is more worrying. Figures 4.9 and 4.10 indicate very long release times. In the absence of corresponding information on the physical movements of the trucks, it is difficult to assess the impact of such long times in the duration of the border crossing.

### One-Stop Border Post Framework for the EAC<sup>16</sup>

Land borders are often considered as obstacles, and a variety of remedies have been experimented. A solution has emerged at the continental level in Africa, the One-Stop Border Post (OSBP), also known as Joint Border Post in West Africa. The conversion of mainland Tanzania border crossings into OSBPs has now been included in the action plan of most Regional Economic Communities (RECs) (notably West African Economic and Monetary Union, Economic Community of West African States, EAC, SADC, and Common Market for Eastern and Southern Africa). Since the first pilot programs for the establishment of OSBPs, the collective experience of the RECs, corridors, and development partners had been compiled in the OSBP Sourcebook published in 2011, largely drawing lessons from the EAC OSBP program. Since then, many more borders have been earmarked

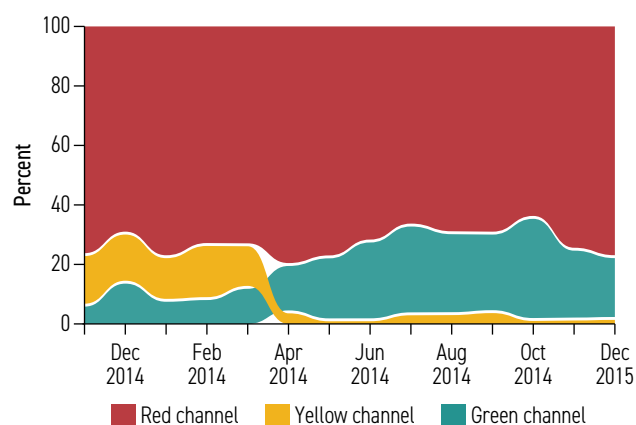
for conversion into OSBP, but on numerous instances, expectations and benefits failed to fully materialize.

Baseline surveys for the main Northern Corridor borders between Kenya, Uganda, and Rwanda, and also in support to the ECOWAS Joint Border Post Program, measured the time spent at the border decomposed step-by-step to identify areas for improvement (Fitzmaurice and Hartmann 2013). In the specific case of the East Africa surveys, a preliminary attempt at evaluating the savings for the trucking industry and the shippers had been made, enabling a comparison of the cost of establishing an OSBP versus its benefits on high-volume corridors.

The surveys clearly show that the necessary institutional and regulatory reforms are often more important than upgrading the physical facilities for the reduction of border crossing times, and that improving the institutional and regulatory framework is critical when designing border-crossing interventions.

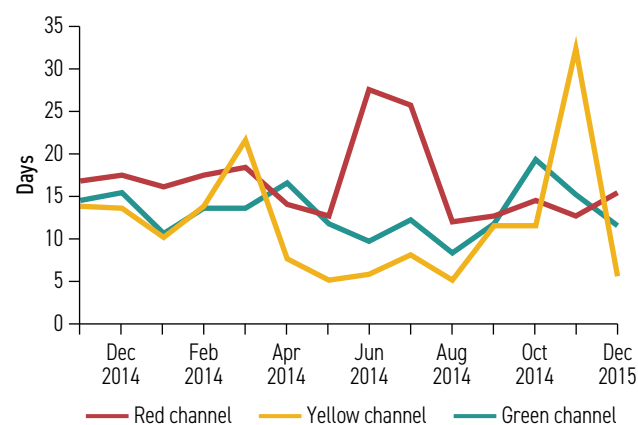
The EAC OSBP program is part of the EAC infrastructure development program developed in 2006. Under the OSBP Program, the EAC Secretariat, along with the EAC partner states and development partners, identified a number of border posts across the region for conversion into OSBPs. The development of a Regional Legal Framework was central in that program, so that a common approach and vision for establishing OSBPs in the region can be achieved. The EAC Secretariat prepared a policy paper on OSBPs in

**FIGURE 4.9:** Namanga Land Border with Kenya: Imports by Risk Channel, days, Nov 2014–Dec 2015



Source: Derived from Tanzania Revenue Authority data.

**FIGURE 4.10:** Namanga Land Border with Kenya: Release Time by Risk Channel, days, Nov 2014–Dec 2015



Source: Derived from Tanzania Revenue Authority data.



2010, to inform discussions among stakeholders on the necessity and appropriateness of a dedicated EAC OSBP Act. To this end, the OSBP policy paper provided a basis for the approval by the EAC Council of activities for the formalization of the EAC OSBP Act, including enactment by the EAC Legislative Assembly and assents from the heads of state of the EAC partner states. In 2010, the EAC carried out a study of the legal requirements for the introduction of OSBPs in the region. The study reviewed the existing legal instruments and policies to determine the optimal legal framework for implementing OSBPs in the EAC. In addition, the study analyzed laws and regulations governing the operations of border control agencies with a view to determining the requirements for border operations under the OSBP framework. The study also involved the preparation of a legal framework for the EAC that could be applied at all internal OSBPs in the region (that is, border crossings between pairs of EAC Partner States).

By September 2015, the EAC OSBP Bill had been assented to by four of the five EAC heads of states. In order to facilitate implementation of the EAC OSBP Act upon full assent, the EAC has embarked on the process of developing the EAC OSBP Regulations even before the full assent to the OSBP Bill. Using the same rationale, the development of EAC OSBP regional procedures commenced in August 2015, while awaiting the enactment of the OSBP Act.

The EAC OSBP program covers the following Tanzania borders:

1. With Kenya: Namanga, Taveta-Holili, Lunga Lunga-Horo Horo, Isibania-Sirari
2. With Uganda: Mututkula-Mutukula
3. With Rwanda: Rusumo-Rusumo
4. With Burundi: Kobero-Kabanga

Under the wider Tripartite Regional Integration Program, additional borders of Tanzania are earmarked for conversion into OSBPs:

1. With Zambia: Tunduma-Nakonde
2. With Malawi: Kasumulu-Songwe
3. With Mozambique: Unity Bridge (Mtambaswala-Namoto)

Based on the success of the conversion of the Northern Corridor borders into OSBPs, the dramatic reduction of border crossing time enabled trucking operators to utilize more efficiently their trucks, therefore containing the increase in costs, and in some instance, even contributing significantly to the reduction of transport prices.

### Small-Scale Trade

Small-scale cross-border trade, with emphasis on facilitating trade across borders, fosters shared economic growth, promotes regional integration, and contributes to achieving food security, as it primarily involves agricultural products. Small-scale trade is also a major source of livelihood for many, especially in rural areas, and particularly for women: estimates indicate that up to 70–80 percent of the small-scale cross-border traders on the subcontinent are female. Therefore, small-scale cross-border trade facilitation holds significant potential for poverty eradication, as well as for women economic empowerment and for the achievement of gender (economic) equality. For cross-border traders, obtaining permits and complying with all the approvals required for exporting is prohibitive and crowds out their participation in the formal sector.

### Dar es Salaam Maritime Gateway Project

The Dar es Salaam Port serves as the 'anchor' connecting the landlocked countries of the interior via the Central and Dar Corridors to global markets. The Central Corridor runs 2,170 km from Dar es Salaam and links Uganda, Rwanda, Burundi, and Democratic Republic of Congo, and Central and Northern Tanzania. The Dar Corridor, forms part of the North-South Corridor for 1,900 km from Dar es Salaam to Kapiri Moshi in Zambia, and connects Tanzania, Malawi, Zambia and the Democratic Republic of Congo. Increasing the capacity and efficiency of the Dar es Salaam Port promises to benefit Tanzania and the broader region.

The Dar es Salaam Maritime Gateway Project aims to improve the effectiveness and efficiency of the Dar es Salaam Port. The project has two components: improvements to the physical infrastructure and institutional strengthening and implementation assistance. The project will result in reduced ship waiting times, higher rates of berth occupancy, increased throughput (boxes per hour), and reduced vessel turnaround times.

## The Great Lakes Trade Facilitation Program

The facilitation of trade among the Great Lakes countries was identified as a key priority. This initiative seeks to promote regional peace and stability through programs to improve livelihoods in border areas, promoting cross-border trade and strengthening economic interdependence. The Great Lakes Initiative has two pillars: the first pillar is designed to address vulnerable groups and improve community resilience, and the second pillar focuses on economic cooperation and regional integration. The second pillar seeks to support the countries in the region by providing small-scale infrastructure, removing barriers to trade and economic integration, providing employment (especially for youths), and raising agricultural productivity to alleviate poverty.

The Great Lakes Trade Facilitation Program (GLTFP) is designed to contribute to pillar II, by supporting interventions that facilitate and promote cross-border trade in the border regions of the Great Lakes countries—and in particular, borders between eastern and southern Democratic Republic of Congo and its Great Lakes neighbors. The program takes a holistic approach to facilitating trade in both goods and services, by supporting modest infrastructure improvements at selected borders and lake ports, and policy and border management reforms that make the region more attractive for trade-related investment.

The GLTFP is designed in two phases. The first phase focuses on the border crossings and border areas between the Democratic Republic of Congo, Uganda, and Rwanda. The second phase seeks to promote economic development in the Great Lakes border areas, particularly between the Democratic Republic of Congo, Burundi, Tanzania, and Zambia, through targeted trade facilitation and trade promotion reforms. There is tremendous potential to improve livelihoods, generate good jobs, and promote regional stability and cooperation through trade facilitation reforms, but the precise nature of the reforms and interventions will depend upon each country's particular context and strategic objectives.

## EAC Operation to Accelerate Regional Integration in the East Africa

The overall objective of this project is to contribute to regional integration through policy reform, infrastructure developments and capacity building in agriculture, trade in services, small trade, and ICT connectivity to (i) improve access to farm inputs by streamlining and harmonizing fertilizer and seeds standards, (ii) increase regional trade in services by easing labor mobility; (iii) improve access of small-scale traders to regional markets by easing cross border trade; (iv) improve connectivity through access to ICT solutions; and (v) improve country level and regional capacity to monitor and implement policy reforms.

Project beneficiaries will primarily be (i) farmers; (ii) services providers in selected sectors as well as consumers and users of such services; (iii) cross-border traders, especially women, vulnerable families in borderland areas; and (iv) national and regional policy institutions tasked to monitor and implement policy reforms that accelerate regional integration.

This project seeks to create new and more stable market opportunities for poor farmers, facilitate the movement of services providers, and improve the border trade environment, with a particular focus on small-scale traders. There is substantive potential to improve livelihoods, create jobs, and promote regional cooperation through trade facilitation reforms, but the precise nature of interventions will depend upon each country's particular context and strategic objectives.

## Role of the Private Sector in Trade Facilitation and Logistics

Consultation and collaboration with the private sector is a key aspect in trade facilitation and logistics reform process. Without understanding private sector's concerns and the barriers that prevent them from starting, operating, and growing their businesses, no government can claim to set up a comprehensive reform agenda that will bring a real difference to its people. Successful governments have established effective platforms that allows regular consultations between the public and private sectors to better understand private sector's concerns and thus making them an important part of

the reform process. Discussions revealed limited routine consultation between TRA and RPA and the private sector on proposed reforms. The port community council is effectively moribund. Consultation and dialogue needs to be more widespread, ranging from having private sector membership in steering committees and working groups, to a broader consultative process including businesses.

### Availability, Quality, and Performance of Logistics Services

There are 680 licensed freight forwarders in Tanzania, who are also members of the TAFFA. They are licensed by the Customs Department. Freight forwarders are required to complete a week-long training course specializing in classification and valuation. Consideration could also be given to rating and classifying freight forwarders and publishing a performance table. This would provide useful information to traders and also act as a spur to improve efficiency and compliance.

The effects of trade liberalization and trade facilitation are undermined if logistics services providers impose high and additional fees, taking advantage of government regulations on the compulsory use of such services and control on market entry or market access. Some of the government regulations for instance affect traders' choice of logistics services providers. For example, in the trucking sector, the service quota licensing, limits market entry and freight charges tend to be higher than in competitive environments. National requirements on services can force transshipment at the border or one-way empty transport (trucks can move goods only one-way since they cannot pick up goods in the destined foreign country). The issue is important for all countries in the region including both the landlocked and transit economies.

### Recommendations

This chapter highlighted key issues that need to be addressed across the trade facilitation and logistics supply chain, focusing on identifying quick wins, including simplifying documentation, inspections, and procedures and reducing clearance time for imports and exports. Improving trade facilitation and logistics performance is at the core of the economic growth and the trade

and competitiveness agenda, and with the TFA has now been formally recognized as one of their key pillars for development.

Discussions with the private sector and the public agencies involved in the clearance process suggest that overall, in Tanzania, there is a strong need for improved and predictable processes for regulatory processes, and increased coordination between trade-related agencies and with the private sector, with concrete support for trade facilitation and logistics and policies to support the entire supply chain approach—from port to end user. Ensuring the availability of accurate information on the regulations and administrative processes required for importing and exporting goods is very important. Establishing and maintaining a trade information portal is a proven tool for ensuring all traders, both large and small, domestic, regional and international have ready access to the required information.

Realizing more efficient border clearance requires further improvements in both customs procedures (by the TRA) and other border control agencies. For customs, even though the TRA currently applies some risk management, physical inspection rates remain very high and risk management is solely carried out by the customs department at the port terminal, with the information flow being given from customs headquarters and the risk management channels do not necessarily correspond to international standard risk management channels. However, in modern risk management systems, risk assessment can take place at all levels.

Areas where potential reforms were identified include:

- **Link to multilateral initiatives:** Revisit findings in the TFA needs assessment report and examine the current situation specially, in relation to Article 1 (publication and availability of information), Article 7 (release and clearance of goods), Article 10 (formalities connected with importation, exportation, and transit), and Article 11 (freedom of transit).
  - Building on the challenges outlined in the recent Trade Facilitation Assessment, which established the level of alignment of Tanzania's trade-related laws and administrative practices with all articles of the TFA and assessed current trade facilitation practices and systems and challenges, leverage the gap analysis and identified constraints and validate

the gaps, including the status and capacity of all relevant agencies, and identify what are the important actions and a sequence for implementation and coordinating the sequence across the government agencies and the private sector.

- **Legal framework:** Undertake a legal framework review of border-related legislation and ensure that relevant provisions of the legislative framework are reviewed against international best practice in trade facilitation (WCO; General Agreement on Tariffs and Trade; revised Kyoto Convention; WTO TFA).
- **Risk Management systems:**
  - Provide assistance to expand risk management in customs to other key border-related agencies, in selected activities related to risk management implementation across all agencies, including for the creation of a customs risk management unit.
  - Provide assistance to further develop the second phase for the Compliant Trader Program (national) and African Economic Outlook (regional) and assistance to integrate scanner image analysis capability into risk management methodology.

This work will leverage support on risk management already provided to the TRA by ICF for procurement of the TANCIS.

- Conduct a comprehensive TRS at the port of Dar es Salaam in consultation with the WCO (to identify specific areas for assistance that could feed into: Customs Reform and Modernizations Strategy and TRA 5th Corporate Plan for 2017–18).
- Carry out an assessment of the effectiveness of TANCIS as an automation tool in facilitating cross-border trade.
- Conduct a feasibility study on using TANCIS as the platform for NESW in view of the text in Article 10.4.1 of the TFA and assist the government and key stakeholders to develop a vision for implementation of a NESW.
- Implement a national trade information portal.
- Link to regional initiatives on trade facilitation, this includes the EAC and other neighboring countries including the Democratic Republic of Congo and Zambia.

## Notes

1. The TFA will enter into force once two-thirds of the 162 WTO members have completed their domestic ratification process and, as of August 3, 2016, 90 countries have already ratified the agreement. The number of country-by-country ratifications is fast approaching the total of 108 required for the TFA to go into effect (WTO 2017).

2. The six LPI indicators comprise two main categories: areas relating to policy regulations impact on inputs to the supply chain (customs, infrastructure, and quality of logistics services) and service delivery performance outcomes (timeliness, international shipments, and tracking and tracing).

3. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2014 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time. A score of 80 in DB 2015 would indicate the economy is improving.

4. For example, the legislation provides for a transit guarantee scheme throughout the EAC, however, this is not yet operational.

5. At the WTO's Ninth Ministerial Conference, held in Bali, Indonesia, on December 3–7, 2013, the 160 members unanimously adopted the TFA. This agreement, which became known as the Bali Package, aims to lower global trade barriers. It is the first agreement reached through the WTO that was approved by all its members.

6. The WTO TFA categories are as follows: Category A measures that a member will implement by the time the agreement enters into force (least-developed countries can take an additional year), Category B measures for which the member will need additional time to implement, and Category C measures for which the member will need additional time and technical assistance or capacity building to implement.

7. Preparatory Committee on Trade Facilitation - Notification of category A commitments under the TFA - Communication from Tanzania, WT/PCTF/N/TZA/1, Document # 15-2551.

8. The TPA does not have the capacity to effectively interpret the images to assess risk. The present requirement for mandatory scanning collects revenue, adds to delays, and contributes little to increasing security.

9. Currently, 65 traders/operators are registered under the CTS.
10. Though in the initial phase, Kenya and Tanzania only had 2 operators for a total of 13 operators for the pilot.
11. According to the TRA, the following Customs functional systems has TANCIS integrated: Prearrival Declaration, Customs Licensing Application Management, Oil Monitoring System, ASY-SCAN (web applications in ASYCUDA++ to facilitate e-documents), ASY-BANK (web applications in ASYCUDA++ to facilitate e-banking), and Exemption Tracking System.
12. TANCIS has also interfaced with few other TRA systems such as the Central Motor Vehicle Registration System, Driver's license, iTAX system, and tax identification number, as well as other key stakeholders' systems.
13. The TBS Standards Catalogue can be accessed at <http://www.tbs.go.tz/standards/>.
14. Stakeholders include service providers and service users, public and private sectors.
15. At the proposed One-Stop Border Post at Kasane-Kasumulu, Malawi has issued an order reducing the number of border agencies to four, however, to date, there has been no comparable decision by Tanzania.
16. A full case study of the EAC OSBP framework is included in the OSBP Sourcebook 2nd edition, May 2016.

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