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EAST AFRICAN LEGISLATIVE ASSEMBLY

COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENT

REPORT OF THE ON -SPOT ASSESSMENT OF THE STATUS OF IMPLEMENTATION  
OF THE EAC ONE STOP BORDER POST (Elegu/Nimule, Kobero/Kabanga, and  
Rusumo) AND THE RUSUMO HYDRO-ELECTRIC INFRASTRUCTURES

(25<sup>th</sup> -28<sup>th</sup> October 2021)

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TABLED BY	Senate Majority Leader
COMMITTEE	—
CLERK AT THE TABLE	Angela Maclaria

Clerk's Chambers  
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EAC Headquarters  
Arusha – TANZANIA

7<sup>th</sup> June 2022

## Contents

1.0 INTRODUCTION.....	3
2.0 BACKGROUND.....	3
3.0 OBJECTIVES OF THE OVERSIGHT ACTIVITY .....	4
4.0 METHODOLGY.....	4
5.0 EXPECTED OUTPUTS OF THE ACTIVITY.....	6
6.0 STATUS OF RUSUMO OSBP .....	6
7.0 STATUS OF KABANGA/KOBERO OSBP .....	10
9.0 IMPLEMENTATION OF THE RUSUMO HYDROELECTRIC PROJECT .....	17
10.0 GENERAL OBSERVATIONS .....	22
11.0 RECOMMENDATIONS .....	23
12.0 CONCLUSION .....	25

## **1.0 INTRODUCTION**

The East African Legislative Assembly (EALA) is one of the seven Organs of the East African Community (EAC) established under Article 9 of the Treaty for the Establishment of the EAC. The Treaty bestows upon the Assembly three cardinal functions: legislation, oversight and representation. Currently, the Committee on Communication, Trade and Investment is one of the six (6) Standing Committees of the Assembly with specific functions as follows:

1. The main functions of this Committee are broadly to receive report on the status of implementation of the provisions of the Treaty falling within its mandate; complaints of non-compliance in facilitating the achievement of the objectives/goals of the Treaty; oversight of work and activities of the Sectoral Committee of the EAC and Organs charged with implementation of the Treaty provisions in this realm.
2. The broad functions in 1 above shall hinge on the following provisions of the Treaty, but not limited to them, -
  - a) Chapter Eleven-Co-operation in Trade, Liberalization and Development;
  - b) Chapter Twelve-Co-operation in Investment, and Industrial Development;
  - c) Chapter Thirteen-Co-operation in Standardization, Quality Assurance, Metrology and Testing;
  - d) Chapter Fourteen-Monetary and Financial Co-operation;
  - e) Chapter Fifteen-Co-operation in Infrastructure and Services;
  - f) Chapter Twenty-Five-The Private Sector and Civil Society;
  - g) Chapter Twenty-six-Relations with other Regional and International Organization and Development Partners.

It is in this respect and in line with the annual calendar of activities of the Assembly that the Committee on Communication, Trade and Investment (CTI) carried out an on-spot assessment activity on the status of implementation of the One Stop Border Posts of Elegu/Nimule, Kobero/Kabanga, Rusumo and the Rusumo hydroelectric infrastructure Project, from 25<sup>th</sup> to 28<sup>th</sup> October 2021, in the respective Partner States (Uganda, South Sudan, Burundi, Tanzania and Rwanda).

## **2.0 BACKGROUND**

According to Chapter fifteen of the Treaty for the Establishment of the East African Community, Partner States undertook to co-operate in infrastructure and services. In particular, Article 89 (f) provides for security and protection to transport systems to ensure the smooth movement of goods and persons within the Community. This led to the commencement of the East African Trade and Transport Facilitation Project framework

that aided the establishment of One Stop Border Posts infrastructure projects within the EAC. Under Article 101 (1) of the Treaty, Partner States committed to adopt policies and mechanisms to promote the efficient exploitation, development, joint research and utilization of various energy resources available within the region.

Development of One Stop Border Posts (OSBPs) form part of the East African Trade and Transport Facilitation Project (EATTFP), which was conceptualized in 2006 as a component of the EAC infrastructure development program.

Under the EATTFP framework, the Community prioritized fifteen border posts across the region for conversion to OSBPs to facilitate trade and transport in order to enhance regional development through improved border operations.

Out of the 15 borders designated to operate as OSBPs, construction of 12 OSBPs have been completed namely; Gasenyi/Nemba, Ruhwa, Rusumo, Lunga Lunga/Horohoro, Holili/Taveta, Kagitumba/Mirama Hills, Mutukula, Kabanga/Kobero, Malaba, Isebania/Sirari, Busia and Namanga. Operational OSBPs continue to have challenges in their day-to-day operations. There has been new proposed OSBPs that are yet to be developed under the OSBP Phase II program. However, it is worth noting that under the new proposed OSBPs, Elegu/Nimule OSBP has been fast- tracked.

### **3.0 OBJECTIVES OF THE OVERSIGHT ACTIVITY**

By undertaking this activity, the Committee aimed to:

- i. appreciate the level of implementation and operations of the Elegu/Nimule OSBP project and its effect on the movement of people and business environment.
- ii. assess the performance of the operations of the Kobero/Kabanga, Rusumo and Elegu/Nimule OSBPs.
- iii. get an update on the progress made in the implementation of the Rusumo hydroelectric project.
- iv. identify the challenges and opportunities in the implementation of the above projects.
- v. make recommendations to different stakeholders towards addressing the challenges identified.

### **4.0 METHODOLOGY**

The Committee divided itself in two teams to simultaneously undertake the oversight activity in the different Partner States. The first team travelled to Uganda and South Sudan to visit the Elegu/Nimule OSBP project. The team was comprised of the following Members:

1. Hon. Gai Deng Nhial Deng – **Team Leader**
2. Hon. Odongo George Stephen
3. Hon. Mary Mugenyi
4. Hon. Lugiko Happiness Elias
5. Hon. Gideon Gatpan Thoar
6. Hon. Musamali Mwasa Paul
7. Hon. Dr. Anne Itto Leonardo
8. Hon. Noor Mohamed Adan

Members of the second team were:

1. Christopher Nduwayo - **Team Leader**
2. Hon. Abdikadir Aden
3. Hon. Alfred Ahingejeje
4. Hon. Barimuyabo Jean Claude
5. Hon. Eng. Maassay Pamela Simon
6. Hon. Eng. Mnyaa Mohammed Habib
7. Hon. Gasinzigwa Oda
8. Hon. Leontine Nzeyimana
9. Hon. Dr. Oburu Oginga
10. Hon. Dr. Pierre Celestin Rwigema (Absent with Apology)

At Rusumo Hydroelectric project, Members inspected the project installations and interacted with the project management team, staff, and officials from the Ministry responsible for Energy in Rwanda on the progress made, the challenges encountered and envisaged measures to fast-track the completion of the project.

At the OSBPs, Members toured the installations and different offices of the regulatory bodies operating there and held interactive meetings with stakeholders/officials from the Ministries responsible for East African Community Affairs, representatives of Revenue Authority of the three Partner States (Burundi Revenue Authority -*Office Burundais des Recettes*-, Rwanda Revenue Authority and Tanzania Revenue Authority), Immigration, Bureau of Standards, other government agencies, clearing and forwarding agents and traders.

At Elegu/Nimule OSBP, Members conducted a guided tour of the infrastructure and facilities and held interactive meeting with stakeholders/officials from Ministries responsible for East African Community Affairs (Uganda), Revenue Authorities; Immigration; Bureau of Standards; Long Distance Truck Driver Union; South Sudan National Chamber of Commerce, Industry and Agriculture; Cross Border Traders Association; Trade Mark East Africa and Customs Agents

## **5.0 EXPECTED OUTPUTS OF THE ACTIVITY**

The following were the expected outputs of the activity:

- i. level of implementation and operations of the OSBP projects and their effect on the movement of people and business environment appreciated;
- ii. progress of the implementation of the Rusumo Hydroelectric project assessed; and
- iii. report highlighting the observations and recommendations of the Committee produced, tabled, debated and adopted by the Assembly.

## **6.0 STATUS OF RUSUMO OSBP**

### **6.1 Overview of RUSUMO OSBP**

Rusumo One Stop Border Post (OSBP) is a juxtaposed border post established between the Republic of Rwanda and the United Republic of Tanzania, following the unification of Rusumo borders for both Rwanda and Tanzania. It was officially launched by the Heads of State of Rwanda and Tanzania on 06/04/2016 and started OSBP operations on 01/03/2016.

The objective of the OSBP is to contribute to full integration through facilitation of free cross-border movement of people and goods to boost cross border trade. To achieve this goal, a control zone was established that combines both the entry and exit controls and the use of single window technique to efficiently control the border where traders or agents submit all information required for shipment.

### **6.2 Operations of RUSUMO OSBP**

Members were informed that the OSBP is working for 24/7 for both Rwanda and Tanzanian sides. Quality and safety inspection activities are carried out by both regulatory authorities of Rwanda and Tanzania at the same time. A joint border coordination committee has been established through which border management committees hold meetings interchangeably to share information and address issues as they arise.

Representatives of Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) informed the Committee Members that Rwanda has recently established a One Stop Trade Center at borders in order to streamline cross-border trade where all quality inspection services were handed over to Rwanda Revenue Authority (RRA).

Since the commencement of OSBP operations, travelers and business community have gained much from this model of joint border management.

Members were informed that, on the Rwandan side of the OSBP, the following performance has been realized:

- i. The time for clearing one truck reduced from 04 hours to 30 minutes.
- ii. Increased movement of border community who are allowed to use their national Identity Cards to cross the borders. On average, Rusumo OSBP clears 750 members of border community to enter in Rwanda each day.
- iii. in normal situation, the OSBP clears cross-border movement of 1200 travelers, 320 entering trucks and 250 existing trucks on a daily-basis. Compared to the situation before the operations of the OSBP, these statistics represent an increase of 214.2% (from 560 travelers) in travelers, 355.5% in trucks cleared on a daily-basis.

However, due to the Covid-19 pandemic which has led the Republic of Rwanda to close her borders to travelers for some time, the number of travelers and trucks crossing the Rusumo OSBP has reduced to 600 travelers, 280 entering trucks and 250 exiting trucks each day on average.

On the Tanzanian side of the OSBP: the officers reported the following performance:

- i. the time for clearing trucks have been reduced to 30 minutes and to only 1 minutes for travelers who don't carry luggage;
- ii. Small traders are facilitated through a simplified border clearance procedure
- iii. Clearance fees have been reduced to facilitate free movement of traders who deals in local goods originating from the territory of a Partner State and with a certificate of compliance with the required products 'standards;
- iv. The number of trucks cleared on daily basis has increased to 285 from 90 (more than 300% increase), the number of travelers increased from 500 to 1700 (340% increase);
- v. Despite the negative impact of Covid-19 pandemic, the volume of goods which entered in Tanzania from Rwanda and Democratic Republic of Congo (via Rusumo OSBP) increased Tshs 5,682,489,689.82 for the year 2015-2016 to 9,867,940,927.96 for the year 2020-2021. At the same time, the volume of trade in goods entering Rwanda and Democratic Republic of Congo increase from Tshs 34,552,210.52 to Tshs 51,425,685,918.72.

However, the outbreak of Covid-19 pandemic has adversely affected the performance of the OSBP and caused reduction in number of daily clearances of trucks and travelers. Trucks reduced from 285 to 265 and travelers reduced from 1700 to 600 on average.

### 6.3 Challenges

The following challenges were reported to the Committee:

- i. Lack of laboratory and testing equipment from Tanzania Bureau of Standards, Tanzania Food and Drug Authority (TFDA), Tanzania Atomic Energy Commission, Government Chemist Laboratory Authority (GCLA) and even medical laboratory to facilitate their inspection task within their respective mandate;
- ii. Difference in tax rates and other charges which are not yet harmonized within the EAC framework produce confusion for traders at the time of clearing their goods as they exit or enter the OSBP. This occurs on Both sides of Rwanda and Tanzania;
- iii. Lack of harmonization of measures affecting free movement of people where some Partner States allow the use of national IDs while other still require the use of other costly travel documents, as well as the non-participation of the United Republic of Tanzania to the EAC Tourist visa system. The United of Republic of Tanzania and Republic of Burundi don't recognize National IDs as a document to be used at the immigration desk;
- iv. Lack of harmonization of national laws that affect free cross-border movement of people and goods, such as the law on Foreign Vehicles Transit Charges. While Rwanda grants 14 days free of charge with possible extension at the cost of \$ 30 per 30 days, Tanzania grants only 7 days free of charge and charges \$ 20 per 30 days for any extension of stay;
- v. Wide informal sector, which is not captured in the statistics;
- vi. Porous borders which ease the re-bouncing of rejected consignments on both sides Tanzania and Rwanda;
- vii. A number of products don't have applicable standards;
- viii. Some EAC Partner States are not certifying their products based on EAC harmonized standards which leads the OSBP Officials to conduct further conformity assessment, thus causing further delays;
- ix. low level of understanding of the safety concerns of the consumer by a number of traders;
- x. Disruption in electricity supply which causes delays in OSBP operations on the side of Tanzania;
- xi. Lack of reliable medical services at the OSBP on the Tanzania side;
- xii. Many officers of the different regulatory authorities present at the OSBP on the Tanzania side lack office space to carry out their tasks;
- xiii. Lack of canteen services to facilitate OSBP workers on the sides of Tanzania;
- xiv. Insufficient staff accommodation facilities on the side of Tanzania;



- xv. Bad telecommunication network at the OSBP for users of sim cards of most telecommunication companies in Tanzania;
- xvi. Lack of holding facilities for passengers suspected with contagious diseases such as Covid-19 and Ebola;
- xvii. Lack of firefighting equipment at the border yet it is a transit for many trucks carrying highly inflammable products;
- xviii. Transfer of the officer in charge of quality inspection services from the Rusumo OSBP Rwanda side to Kigali caused a gap in the department of standards verification at the border which made traders to relay on the Kigali officers which was far;
- xix. The narrow road between Ngara and Rusumo poses a challenge to truck drivers since it is difficult for two heavy trucks to bypass each other; and
- xx. Language Barrier at the border since most of the cross-border traders use the local languages this causes at times miss understandings between the Trader and officials.

#### **6.4 Committee Observations**

The Committee observed that:

- i. The Rusumo OSBP is one of the best-designed OSBPs, which plays an important role for cross-border trade between Tanzania and Rwanda (and for transit goods from Tanzania to the Democratic Republic of Congo);
- ii.
- iii. The Rusumo OSBP's operations have significantly contributed to the increase in intra-EAC trade volume despite a number of challenges;
- iv. A number of challenges affecting the performance of Rusumo OSBP result from the lack of harmonization of national laws that adversely affect the functioning of the EAC Common Market. These laws include domestic taxes and charges, laws on travel documents and visas, Fuel and Road Tolls, Road and Traffic, and Foreign Vehicles Transit Charges;
- v. The lack of EAC harmonized standards of commodities traded within the region or their non- implementation that have been developed is seriously hampering intra-EAC trade;
- vi. The limited information by the business community about the need for standards and the accredited EAC standard products;
- vii. There is limited access to essential utilities at the Rusumo OSBP and in the surrounding area (clean water, electricity, telephone network, internet, accommodation, office space, medical facilities) inadequate equipment (firefighting equipment, quarantine, testing/laboratory equipment) and poor road infrastructure; and

- viii. There is limited capacity of Revenue Authority officers in quality inspection services at the OSBPs.

### **6.5 Recommendations**

The Committee recommends:

- i. The Council of Ministers to direct Partner States to apply effectively the EAC harmonized standards in certifying their products, to fast-track the process of development of EAC standards for products traded with the region, and in the end, establish one single Regional Standards Authority with branches at the OSBPs;
- ii. The Council of Ministers to identify priority sectors critical for the functioning of the EAC Common Market and direct the Partner States to take the necessary measures to harmonize their national laws that have impact of the smooth operations of the OSBPs;
- iii. The EAC Secretariat to organize and coordinate sensitization activities of the business community on consumer's safety and related products standards;
- iv. The EAC Secretariat to mobilize funds to support the Partner States' efforts to enhance access to basic utilities at the Rusumo OSBP, provide the necessary equipment and improve road infrastructure;
- v. There is need for further investment to enhance the access to essential utilities at the Rusumo and its surrounding area; and
- vi. There is need to enhance the capacity of Revenue Authority officers who have been deployed to carry out quality inspection services.

## **7.0 STATUS OF KABANGA/KOBERO OSBP**

### **7.1 Overview of Kabanga/Kobero OSBP**

Kobero/ Kabanga OSBP is at the border between the Republic of Burundi and the United Republic of Tanzania (URT) and it opened in 2015. Kabanga OSBP is on the URT side while Kobero is on the Burundi side; the two are separated by a distance of 2 km. The immigration and customs officials from both countries occupy the same offices and sit adjacent to each other.

A number of government agencies and private stakeholders conduct their operations at the OSBP such as health services, immigration services, customs services, warehouses, bureaux of standards, clearing and forwarding agents, transporters, insurance and banks. At the Kobero side, in URT, government officials include representatives of the Tanzania Mining Commission, Tanzania Food and Drug Authority (TFDA), Tanzania Atomic Energy Commission, Livestock and Fisheries, and Tanzania Forest Services (TFS) Agency. Like Rusumo OSBP, Kabanga/Kobero OSBP was established with the objectives to:

- i. enhance trade facilitation, through efficient movement of goods, persons and services between the two countries and adjoining regions;
- ii. minimize the number of required stops during the cross-border trade;
- iii. amalgamate the activities of agencies operating at the border points of the two countries, with simple procedures, for a shared process, as well as for inspections and;
- iv. minimize the time used for clearing the goods and passengers at the border post.

## **7.2 Functioning of Kabanga/Kobero OSBP**

The Committee met with OSBP Officials and other stakeholders from Burundi and Tanzania at the meeting hall of Kabanga OSBP (Tanzanian side). Members were informed that the OSBP operates from 7 AM to 6 PM.

It was also reported that since its operationalisation, the OSBP has achieved the following results:

- i. strengthened cooperation among the different agencies operating at the border;
- ii. reduced clearing time for passengers and goods; and
- iii. facilitation of free movement of the border communities due to the implementation of the “Ujirani mwema” policy. To testify to the policy Members met with one small trader who was facilitated by the OSBP and was on his way to Kabanga public market to sell a bucket of pineapples.

## **7.3 Challenges**

The following challenges were reported as affecting the smooth functioning of the OSBP:

- i. unstable and unreliable telephone and internet connectivity at Kabanga OSBP (in Tanzania). This has a bearing on communication.
- ii. lack of appropriate testing equipment and facilities at the border which causes delays in the OSBP operations;
- iii. lack of enough accommodation and transport facilities for the officials operating at the border;
- iv. lack of enough parking facilities to accommodate goods and motor vehicles at Kobero OSBP (Burundian side); and
- v. lack of storage and quarantine space for goods or phytosanitary products.

#### **7.4 Committee Observations**

The Committee observed that:

- i. The design of Kobero OSBP in Burundi is below standard and its size is not commensurate with its role as the most important entry point of importations into Burundi;
- ii. Unlike the Burundian side, the Kabanga OSBP (in Tanzania) is well designed and has enough space to host different government agencies and other stakeholders;
- iii. The operations at the border are only for 12 hours in a day as opposed to the 24 hours operation. The committee took more observation on the time difference whereby United Republic of Tanzania is an hour ahead of Burundi making them report for duty at different times hence keeping the citizens waiting for services.
- iv. poor facilities at Kobero OSBP's (in terms of parking yard, offices space, accommodation, holding/quarantine facility); and
- v. Limited equipments r used by the different government agencies operating at the Kabanga/Kobero OSBP.

#### **7.5 Recommendations**

The Committee recommends that:

- i. The Secretariat works with the Republic of Burundi to mobilize funds for putting the missing necessary facilities at Kobero OSBP;
- ii. The United Republic of Tanzania and Burundi should work out the modalities to make sure that Kabanga/Kobero operates 24/7;
- iii. The Republic of Burundi and the United Republic of Tanzania make further efforts to provide the necessary equipment to their respective agencies operating at the OSBP to improve their performance and, where needed, seek support from the EAC Secretariat in resources mobilization; and
- iv. The United Republic of Tanzania to address the issue of communication in particular the telephone and internet connectivity at Kabanga OSBP.

### **8.0 STATUS OF ELEGU/NIMULE**

#### **8.1 Overview of Elegu/Nimule OSBP.**

The Elegu-Nimule One Stop Border Post (OSBP) is located at the border of Uganda and South Sudan. As the main gateway into South Sudan from the port of Mombasa, the Elegu-Nimule border post is of strategic importance to the EAC region. Trade Mark East

Africa and the Department for International Development funded Elegu border post at a tune of \$6.6 million. While the Governments of Canada and Uganda financed the integrated border management system, (IBM) and the land acquisition and VAT payments for the project, respectively while the Nimule border post has cost Trade Mark East Africa \$5m for the first phase project.

Members of the Committee conducted a guided tour of the infrastructure and facilities of the OSBP on both Uganda and South Sudan sides and the following observations were made:

- i. Members were informed that Elegu one stop border was declared fit for occupation on the 15<sup>th</sup> day of November 2018 by the contractor, Seyani brothers and handled over to Uganda Revenue Authority while on the 6<sup>th</sup> day of February 2020 the first phase of Nimule one stop border was handled over to government of the Republic of South Sudan.
- ii. The border post at Elegeu-Nimule operates from 8:00am to 6:30pm
- iii. The first phase of the Nimule one stop border includes a parking yard expected to handle at least 300 trucks per day, a verification yard and access roads.
- iv. Verification building has facilitated fast inspection of goods, parking facilities and six (6) warehouses.
- v. Trade Mark East Africa has furnished Nimule OSBP up to 80% with furniture and ICT equipment (computers and accessories). The Internet /ICT cable installation will enhance integrated Border Management system and Procedures or online clearance for goods and services however; to note is that internet has not been connected.
- vi. Operationalization of the Nimule OSBP has been partially achieved whereby most of the border agencies have moved into the OSBP in order to make it easier for clearance and transit processes to be handled seamlessly except Immigration due to lack of enough space.
- vii. Desks have been allocated on both sides. That is for Uganda Revenue Authority and Customs of the Republic of South Sudan in the verification and exemption sections alongside other agencies for example South Sudan Bureau of National Standards (SSNBS), Ministry of Trade and Commerce, Port health, South Sudan /Uganda coordination desk (needs to be formalized with MEACA) Uganda Bureau of Standards, Since the Elegu one stop border is fully complete, the Immigration counters for the Republic of South Sudan are ready too.
- viii. Gender mainstreaming /inclusion Women Trade Information Desk has been provided but is to be formalized.
- ix. Elegu one stop border is fully occupied with all border agencies and as well as the customs officers from the Republic of South Sudan.
- x. Elegu one stop border received a scanner for goods that is yet to be installed.

- xi. Elegu handles Between 120 to 180 trucks per day.
- xii. Clearance times for trucks at Elegu is less than 2hours while the one at Nimule takes about one to four days due to the Manual processes thus cause delay at Nimule.
- xiii. Documents recognized for passengers to cross the border at either way are Passports, Temporary Movement Permit, Certificate of Identity, Convention Travel Documents and Emergency Certificates.

## **8.2 Benefits of Elegu/Nimule OSBP:**

- i. More effective and efficient use of resources;
- ii. Better co-ordination and co-operation between government agencies and the trade/border community;
- iii. Improved trader compliance;
- iv. Simplified trade regime;
- v. Better risk management and enhanced security they carry out Joint operations;
- vi. Increased revenue yields;
- vii. Reduced smuggling (large scale);
- viii. Investigation made easy on both side;
- ix. Improvement in infrastructure;
- x. Information sharing;
- xi. Joint trainings carried out;
- xii. Relations has improved;
- xiii. Close working relationship with other agencies within the same country;
- xiv. Monitoring of activities by the lead agency; and
- xv. Decongestion of the border since it takes less time to clear goods and people. Previously it was taking 10 minutes but currently it takes 5 minutes.

## **8.3 Challenges**

The following challenges are being faced at Elegu-Nimule OSBP:

- i. Porous border still encouraging smuggling;
- ii. Incomplete infrastructure within OSBP of Nimule thus part of the verification yard and access roads while at Elegu Uganda Revenue Authority is doing improvement and reworking on the floor tiles;
- iii. Alien registration fines charged by South Sudan immigration officers. This fine is charged failure to register in the Republic of South Sudan within 72hours of entry. This is contrary to the Common Market Protocol regulation 5 (3) "*upon fulfilment of the requirement in paragraph 2 of this regulation, a citizen to whom these regulations apply shall be issued with a pass which shall entitle the citizen to enter into the territory of the host Partner State and stay for a period of up six months*". Further regulation 5 (8) "*the pass issued under this regulation shall be issued without a fee*". The fines charged are not uniform ranging from \$50-100.
- iv. Difference in standards between South Sudan Bureau of National Standards (SSNBS) and Uganda National Bureau of Standards (UNBS);
- v. Limited verification yards on both sides that cannot accommodate all the cargo or trucks from both sides;
- vi. Disparity of internal tax rates like VAT, which encourages smuggling;
- vii. Lack of scanner on the side of South Sudan;
- viii. Lack of animal handling centre in the OSBP;
- ix. Lack of integration system between South Sudan and Uganda because of the fact that Elegu OSBP is using ASYCUDA while Nimule is using manual systems;
- x. Lack of staff accommodation in the OSBP;
- xi. Absence of port health Facilitate at Nimule;
- xii. land acquisition has been a challenge because the land where the construction is to take place belongs to individuals and the border communities. This has led to delays in construction and completion of the Nimule OSBP;

- xiii. Pendula movement of refugees. Refugees choose to go back to their country to visit relatives, burials, weddings, religious functions and education among others;
- xiv. Floods that occur along River Unyama causes displacement of persons along the border. This is caused by heavy rains, which affect the riverbanks causing them to burst; and
- xv. The Electronic cargo tracking system stops at Elegu, so once the trucks cross to Nimlue, they are not tracked.
- xvi. Lack of well-constructed market shades at the border of Elegu-Nimlue.

#### **8.4 Committee Observations**

The following observations were made:

- i. The continued variation in tax regimes among the South Sudan and Uganda is a big deterrent to intra-trade between the two Partner States. For example, while Uganda charges 18% VAT, on side of South Sudan charges are unknown. This disparity is partly responsible for the persistent smuggling and dumping of goods;
- ii. It was noted that the OSBPs are at different levels of implementation. This was partly attributed to the variation and differing political and development priorities between the Partner States. For example, the Construction of the Elegu-Niumle OSBP was to start at the same time However, Elegu is complete and Niumle has lagged behind due to complexity in acquiring Land for the construction;
- iii. It was also noted that lack of harmonisation of standards has continued to affect the full implementation of the Customs Union;
- iv. The non-implementation of the Common Market Protocol regulation 5. It was mentioned that per the immigration laws of the Republic of South Sudan all non-citizens are required by law to register within 72 hours of Entry into the country; and
- v. The Committee noted with pleasure the cordial and good working relationship between the government officials at Elegu-Nimule border. Both officials from South Sudan and Uganda always have joint meetings to resolves issues at the border before they are forwarded to their capitals.



## 9.0 IMPLEMENTATION OF THE RUSUMO HYDROELECTRIC PROJECT

### 9.1 Rusumo Hydroelectric Project overview

The project, known as “Construction of Rusumo 80MW Hydro power plant” is an initiative of three Partner States, namely the Republic of Burundi, the Republic of Rwanda and the United Republic of Tanzania, under the Nile Equatorial Lakes Subsidiary Action Program- (NELSAP) of the Nile Basin Initiative (NBI) to ensure sustainable socioeconomic development for all the Nile riparian countries.

The project consists of the construction of the dam, 80 MW power plant and a power house, a 220kV substation and associated 220kV transmission lines in Burundi, Rwanda and Tanzania, injecting the full capacity in the interconnection lines of the grids of the three EAC countries.

The project aims at improving access to electricity in EAC Partner States through exploitation of shared resources and increased cross-border sharing of energy and power. It also has related strategic development objective to increase cross-border energy and power trade and to improve the transient stability of the systems, safety and affordability of supply, as well as flexibility in the operation of the interconnected networks of EAC countries. Its overall goal is to improve the living conditions of the people as well as the quality of the socioeconomic development of the countries of Burundi, Rwanda and Tanzania, through increased availability of affordable electric energy.

The Rusumo 80MW Hydro power plant project is considered “attractive and favorable compared with any other alternative for power generation in the region” to meet the power deficit faced by the three countries (Burundi, Rwanda and Tanzania).

The project is funded by the World Bank (for Generation Facilities) for a total amount of \$ 347.5 million and African Development Bank (for Transmission Facilities) for a total \$ 129 million; of which Burundi received a full grant, Rwanda got 50% grant and 50% loan and Tanzania 100% loan, with the expected completion date of February 2020. It is implemented by the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) on behalf of Rusumo Power Company Limited (RPCL) under the coordination of the ministry of infrastructure of the three countries. Upon project completion, NELSAP will make final hand over reports to RPCL; and upon Commercial Operations Date, hand over the Project to the company (RPCL).

### 9.1.1 Construction progress of Rusumo Hydroelectric Project

At the time of the CTI Committee's visit, the project implementation rate stood at 82%. The breakdown of the status of implementation per each project component is as follows:

#### 1. Civil works construction

Civil works construction is well advanced:

- i. dam and Spillway are at 94%; waiting for the Cofferdam to be removed;
- ii. Power Intake is at 99% waiting for completion of Head Race Tunnel (HRT);
- iii. Headrace Tunnel (HRT) is still at 76%;
- iv. Powerhouse structure is at 89%; and
- v. Switchyard is at 95 % following change in scope to include additional bays.

#### 2. Electromechanical works

Electromechanical works are at different level of completion:

- i. Installation of equipment is at 99%, with switchyard installation at 65%, powerhouse installations (turbines, generators, EPS and AMS) at 35%, and service bay overhead crane fully completed (100%) and already functional at the service bay;
- ii. Switchyard installation is still at 65%, awaiting installation of cabling, panels and commissioning.

#### 3. Transmission lines

Transmission lines are implemented by the respective country utilities, namely REGIDESO for Burundi, REG for Rwanda and TANESCO for Tanzania.

The target completion dates for transmission lines are aligned to completion of the Rusumo 80MW hydropower plant. The three countries are at different level of completion:

- i. For Burundi, the total length of transmission lines is 160 km (from Gitega to Rusumo), which are at 92% while the Gitega and Muyinga substations are at 95%;
- ii. For Rwanda, the total length of transmission lines 117km (from Shango to Rusumo), which are at 74% while the Shango and Bugesera substations are at 94%; and

- iii. For Tanzania, the total length of transmission lines is 94 km (from Nyakanazi to Rusumo) which is at 62% while the Nyakanazi substation is at 70% completion.

#### **4. Local Area Development Program (LADP)**

The Rusumo 80MW Hydro power plant project has a component on Local Area Development Program (LADP) aligned with the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) objective to reduce poverty, promote economic development and reduce environmental degradation.

The LADP is implemented in two phases. In phase one, each of the three countries was allocated \$ 5million to implement specified RRFHP (Regional **Rusumo** Falls) activities in the Districts and Communities within its proximity, namely Giteranyi and Busoni Communities in Burundi, Ngoma and Kirehe Districts in Rwanda and Ngara District in Tanzania. The projects implemented include health centers, water supply projects, rural roads, schools, community administrative building, soil protection initiatives, livestock intensification, beekeeping and agriculture.

Members were informed that the RPCL (Rusumo Power Company Limited) Board approved an additional \$ 15 million from the project savings to be used for LADP phase 2 to be completed by the end of 2022. The project was still awaiting letter of endorsement by the Ministries of Finance to disburse the funds.

#### **9.2 Challenges encountered**

The implementation of the project which was projected to be completed in February 2020 encountered a number of challenges, including the following:

- i. slow mobilization of civil contractor which caused a delay of one year to start the real site activities;
- ii. delay in clearance of cross-border movement of project staff;
- iii. delay of the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) to avail sites to contractors for a period of three months;
- iv. Contract Package (CP) 1 caused delay to the electro-mechanical contractor (Contract Package 2) and additional costs to the project;
- v. blasting was stopped for eight months following community grievances in Tanzania, forcing excavation to be done mechanically which is time consuming and costly; and

- vi. outbreak of Covid-19 pandemic and restrictive measures taken by the Partner States to prevent its widespread. Following these measures, the contractor for electro mechanical works whose site is located in Rwanda left the site for six months.

## **9.2 Measures envisaged to fast-track the completion of the project**

Members were informed by the project management team that the following measures were undertaken to fast-track the implementation of the project:

- i. ensuring that the Contractors have all the required resources (material and equipment) as well as additional crews to complete their work without further delays;
- ii. the optimization analysis has been revisited to increase shifts possibilities for contractors, carry out further simulations and interface improvements;
- iii. ensuring that there is no interruption in concrete supply, aggregate supply, crushing and batching plant; and
- iv. full mobilisation of all teams on Penstock (Unit 2), Superstructure, masonry, roofing, finishes, final concrete of unit bay, backfilling. Spillway, gate technical team and Headrace Tunnel.

## **9.4 Committee Observations**

The Committee observed that:

- i. Rusumo 80MV hydropower plant project is a very important regional infrastructure, which will substantially contribute to reducing the gaps in electricity supply in the three Partner States. It also represents a good model for sharing existing natural resources for mutual benefits and reinforcing socioeconomic ties of the people of East Africa;
- ii. the majority of the various challenges which caused delays in the implementation of the project were of administrative nature and mainly resulted from lack of harmonization of policies and laws relating to free movement of people, free movement of workers and free movement of services that still hamper the realization of the objectives of the EAC Common Market;

- iii. the project component of Local Area Development Program is paramount for the surrounding community to own and protect the hydropower power regional infrastructure;
- iv. it is very important for the project management team to ensure that all the measures envisaged under their catch-up plan are effectively applied to avoid further delays; and
- v. once completed, the project has the potential to address the issue of electricity supply to Rusumo OSBP.

### **9.5 Recommendations**

The Committee recommends:

- i. the government of Burundi, Rwanda and Tanzania to provide the necessary support to the project and make close follow-up to ensure that the Rusumo 80 MV power plant is completed and operationalized as soon as possible;
- ii. the ministry of finance of the three countries to endorse the decision of the RPCL Board to use the additional \$ 15 million for phase 2 of the LADP and ensure the funds are efficiently managed to improve the living conditions of the surrounding communities;
- iii. the governments of the three countries to make the necessary arrangements to allocate a fair share of electricity to be generated by the project to the local communities and other EAC infrastructure such as Rusumo OSBP and Kabanga/Kobero OSBP;
- iv. the Council of Ministers to direct the Partner States to implement the provisions of the Common Market Protocol on free movement of people, free movement of workers and free movement of services so as to facilitate smooth implementation of all cross-borders/joints EAC projects; and
- v. the EAC Partner States to draw lessons from Rusumo 80mw power plant so as to harness all the regional potentials in terms of shared natural resources for mutual development.

## 10.0 GENERAL OBSERVATIONS

- i. The continued variation in domestic tax regimes among the EAC Partner States is a big deterrent to intra-trade in the region. For example, while Uganda and Uganda charge 18% VAT, South Sudan charges on VAT are not known. This disparity is partly responsible for the persistent smuggling and dumping of goods into Partner States;
- ii. It was noted that the OSBPs are at different levels of operationalization. This was partly attributed to the variation in development priorities of the EAC Partner States. For example, the Construction of the Elegu-Niumle OSBP was to start at the same time. However, Elegu is complete while Nimule lagged behind due to land complexity;
- iii. The outbreak of Covid-19 pandemic has adversely affected the performance of the OSBP and caused reduction in number of daily clearances of trucks and travelers. For example, at the Rusumo OSBP Trucks reduced from 285 to 265 and travelers reduced from 1700 to 600 on average;
- iv. The lack of harmonisation of standards in the EAC has continued to affect the full implementation of the Customs Union. It was observed that traders use the marks from their Partner States as opposed to East African mark this is mostly attributed to lack of information to the traders about the products that qualify for the East African mark;
- v. The EAC One Stop Border Post Act, 2016 captures only 15 OSBPs in its Schedule. Ever since 2016 more efforts have been made to open OSBPs with in the Community and yet they are not included in the schedule;
- vi. Some Partner States do not honour the Certificate of Origin (COO) for goods originating from other Partner States;
- vii. Difference in tax rates and other charges which are not yet harmonized within the EAC framework produce confusion for traders at the time of clearing their goods as they exit or enter the OSBP;
- viii. Lack of harmonization of Foreign Vehicles Transit Charges. This affects the free cross-border movement of people and goods. For example, While Rwanda

grants 14 days free of charge with possible extension at the cost of \$ 30 per 30 days, Tanzania grants only 7 days free of charge and charges \$ 20 per 30 days for any extension of stay;

- ix. The Committee noted with pleasure the waiver of visas fees by both the Republic of South Sudan and Republic of Uganda for its Citizens. However, it was noted that even after the charges on visas fees were waived there is an **alien registration** that is to be done within 72 hours as per the immigration laws of the Republic of South Sudan which is at a fee. This is contrary to the Common Market Protocol Regulation (5) on Exit and Entry for Citizens of the East African Partner States;
- x. While under Article 81 of the Treaty for the Establishment of the East African Community the Partner States committed themselves to ensuring cooperation in standardisation, quality assurance, metrology and testing, to-date, the level of implementation of this commitment has been low causing a vacuum within trade in the community;
- xi. The Committee noted with pleasure that the Rusumo 80MW hydropower plant project is a very important regional infrastructure, which will substantially contribute to reducing the gaps in electricity supply in the three Partner States. It also represents a good model for sharing existing natural resources for mutual benefits and reinforcing socioeconomic ties of the people of East Africa; and
- xii. Non- harmonization of the OSBP structures. The committee noted with concern the difference in structures of One Stop Border Posts which is contrary to Act (39) of the OSBPs Act, 2016 that states that "*The Partner States shall harmonize the structures and facilities in the control zones through coordinated designs and procurement of related construction, maintenance and management services, and shall consult both internal and external public and private sector stakeholders for input regarding their requirements in the control zones*".

## 11.0 RECOMMENDATIONS

The Committee would like the Assembly to consider and adopt the following recommendations:

- i. There is need to for the Partner States to harmonise the Foreign Vehicles Transit Charges. Harmonisation of these charges should be implemented as a matter of urgency;

- ii. The Council of Ministers should fast-track the implementation of the provisions of the Act on Standardisation, Quality Assurance, Metrology and Testing for goods and services produced and traded in the Community in fulfilment of the provisions of Article 81 of the Treaty for Establishment of the EAC;
- iii. There is need for the Government of Uganda to build/establish a public market at Elegu to facilitate exchange of goods and services by the cross-border communities;
- iv. Urge Government of South Sudan to harmonise its Passport and Immigration Act so as to conform fully with Regulation 5 of the Protocol on Common Market which stipulates clearly about the Exit and Entry of Citizens of the EAC Partner States;
- v. Urge the Republic of South Sudan to settle the land issues at Nimule so as to allow for the construction of the second phase of the Nimule OSBP;
- vi. Urge the Republic of South Sudan to fast-track the installation of internet at the newly completed building which will lead to the development of Information Communications & Technology solutions within customs department at Nimule Border point;
- vii. Urge Partner States to adhere to the OSBP Act 2016 and in particular Article (39) of the OSBP Act during construction of structures and facilitates of the OSBP;
- viii. Urge the Council of Ministers to amend the schedule to the OSBP Act,2016 so as to include other OSBPs that are earmarked by the Community or leave it open since the community is expanding;
- ix. Urge Partner States to mainstream the Budgets meant for maintenance of OSBPs into budgets of the lead Agency at the OSBPs. This will make it easy for the main Agencies to carry out maintenance of the facilities at the OSBPs;
- x. Urge Partner States to have local language interpreter at the OSBPS so as solve the challenge of language barrier at the borders;
- xi. Whenever there is an EAC project joining two or more Partner States, the Council of Ministers should ensure the concerned Partner States adopt Memorandum of understanding aimed at facilitating movement of goods, services and service suppliers, workers and other facilities specifically related to the project
- xii. Urge Partner States to fully harmonize laws and policies relating to free movement of persons, workers and labour as spelled out in the EAC Common Market Protocol so as avoid delays in implementation projects of the Community that are carried



out amongst Partner States. Case in study is the Rusumo 80MW hydropower plant project is majorly behind schedule because the project failed to start due to delays that were administrative in nature and mainly resulted from lack of harmonization of policies and laws relating to free movement of people, free movement of workers and free movement of services that hampered the start of the project.

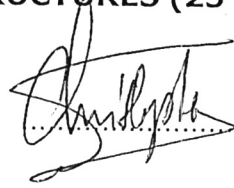
## **12.0 CONCLUSION**

In conclusion, the Committee commends the efforts taken by the East African Secretariat in championing the integration agenda by bringing together investments in the infrastructure sector in the region which range from Road networks, OSBPs, Railway, optic fibre among others. However, notwithstanding the challenges encountered in resource mobilisation for the multimillion projects, the Committee recommends that the Council of Ministers should ensure that the projects are spread evenly within the Region so as to have the same level of infrastructure development which are key in the promotion of intra-regional and continental trade. The Committee therefore recommends to the Assembly to adopt the report.



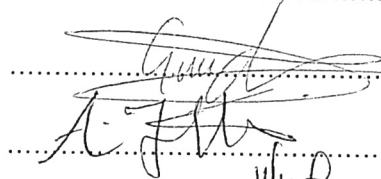
**REPORT OF THE COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENT  
ON THE ON -SPOT ASSESSMENT OF THE STATUS OF IMPLEMENTATION OF THE  
EAC ONE STOP BORDER POST (Elegu/Nimule, Kobero/Kabanga, and Rusumo)  
AND THE HYDROELECTRIC INFRASTRUCTURES (25<sup>th</sup> -28<sup>th</sup> October 2021)**

1. Hon. Christophe Nduwayo

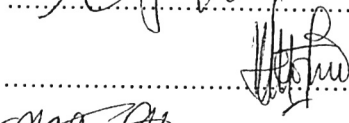


2. Hon. Gai Deng

3. Hon. Gideon Thoar Gatpan



4. Hon. Dr. Anne Itto Leonardo

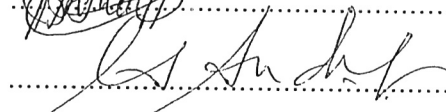


5. Hon. Leontine Nzeyimana

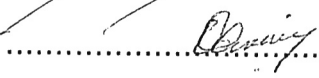
6. Hon. Alfred Ahingejeje



7. Hon. George Stephen Odongo



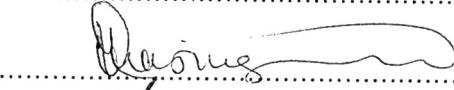
8. Hon. Dr. Oginga Oburu



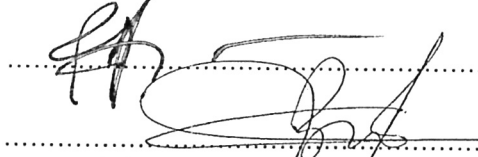
9. Hon. Noor Aden Mohamed

10. Hon. Abdikadir Omar Aden

11. Hon. Gasinzigwa Oda

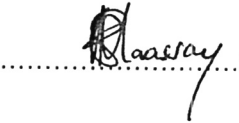


12. Hon. Dr. Pierre Celestin Rwigema



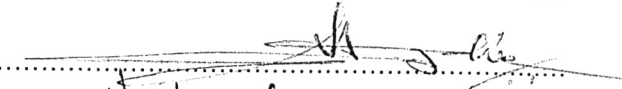
13. Hon. Jean Claude Barimuyabo

14. Hon. Eng. Pamela Simon Maassay

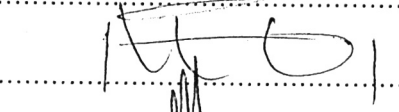


15. Hon. Happyness Elias Lugiko

16. Hon. Eng. Mohamed Habib Mnyaa



17. Hon. Mary Mugenyi



18. Hon. Paul Musamali Mwasa

