

# Problem Definition and Analysis

## Regulatory Bodies

### Group

USAID-COMPETE

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*Mombasa*

# List of Problems by Institutions

## 1. Revenue Authorities

- Multiple licensing
- Multiple bond
- Double Rents
- Lack of efficient IT-System for RA
- High scanning frequency
- Transit Check points
- Boarder delays and fees
- Valuation disharmony
- Regulatory disharmony
- VAT/withholding tax on transit services

## Police

- Multiple (unnecessary) check points
- Intimidation by police at weigh bridges
- Arbitrary and distorted assessment

## Standards

- Multiple standard agencies

## Road Authorities

- Too many non calibrated weigh bridges
- Poor road infrastructure
- Disharmonized Axle load limits

# Maritime Services

- Container deposit and delays
- In reimbursement of guarantee deposit
- Application of higher exchange rate
- Disharmonized Charges

# Problem Analysis:

Problems Related to: **Customs and RA**

## Problem-1:

Multiple Licensing

### Effects:

Delays

Higher cost

### Objective:

To: Establish a single licensing system and intertrade across the Region

### Causes:

Each country formulates and applies its own laws without consulting others

## Problems Related to: **Customs and RA**

### Problem-2:

Multiple Bond  
Double Rents

### Effects:

Delays  
Higher cost

### Causes:

Each country  
formulates and  
applies its laws  
independently

### Objective:

To: Unify the rents and bonds  
across the region

## Problems Related to: **Customs and RA**

### Problem-3:

Lack of efficient IT-System for RA

#### Effects:

Delays  
Higher cost  
Inefficiency

#### Causes:

Each country uses different IT-system

#### Objective:

To: Develop and apply a single window IT-system for RA in the EAC

## Problems Related to: **Customs**

### Problem-4:

High scanning frequency  
Many Transit Check points  
Boarder delays and fees  
Valuation disharmony  
Regulatory disharmony  
VAT / withholding tax on transit services

### Effects:

Delays on truck turnaround hence,  
Congestion in Ports  
Higher cost  
Corruption

### Causes:

Lack of transparency and trust among the partner states

### Objective:

To: Minimize the number of Check points and scanning frequencies

## Problems Related to: **Police Checks**

### Problem-5:

Multiple (unnecessary) check  
Intimidation at weigh points  
Arbitrary and distort  
assessment

### Effects:

Delays  
Corruption  
Wear and Tear

### Causes:

Traffic problems  
Ethics  
Capacity building

### Objective:

To: Establish important and few  
number of Check points if  
necessary

## Problems Related to: **Standards and Road Authorities**

### Problem-6:

Multiple standard bodies  
Road Authorities  
Too many non calibrated  
weigh bridges  
Poor roads/Infrastructure  
Disharmonized Axle load  
limits

### Effects:

Delays  
Higher cost  
Corruption

### Causes:

Each country uses  
its own rules (No  
common rules)

### Objective:

To: Harmonize the standards in  
the Region

## Problems Related to: **Maritime Services**

### Problem-7:

Container deposit and delay in reimbursement of the guarantee deposit after return of the empty containers

Application of higher exchange rate

Disharmonization of Charges

### Effects:

Delays

Higher cost on goods

### Causes:

Few players operating in monopoly

### Objective:

To: regulate the shipping lines business, increase efficiency and integrate the shipping line systems with RA(s), Ports & ICDs.