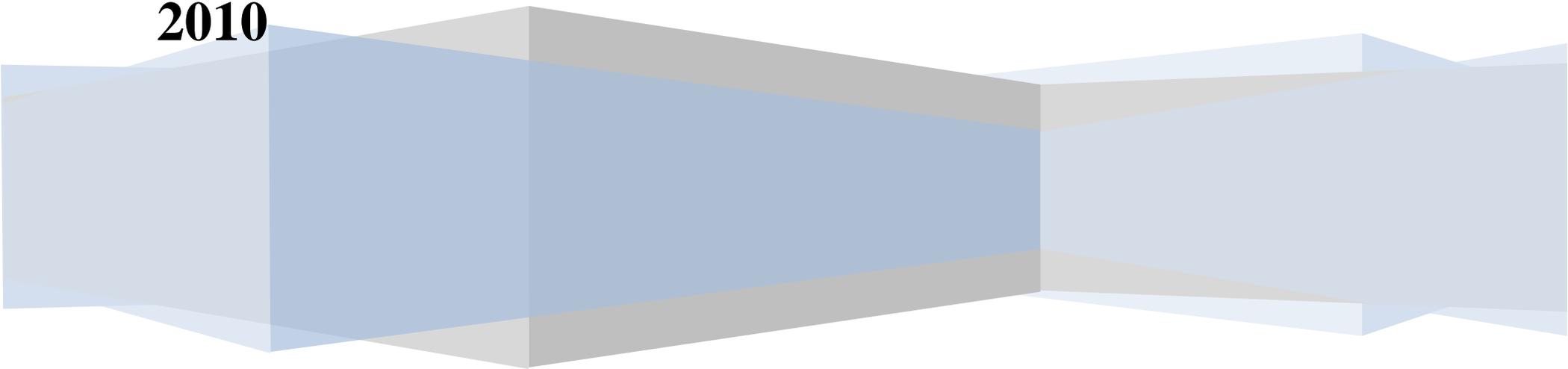


Federation of East African Freight Forwarders
Associations (FEAFFA)

**Quarterly Report on 3RD Quarter, JULY – SEP
2010**



1. Overview

During the quarter under review, all the members of staff to be recruited under the grant came on board. On the other hand, few activities under the grant were executed owing to delay in remission of funds by COMPETE. However, we were well informed about the.

There was more focus on activities that did not require funding by the grant. The Secretariat managed to develop concept notes and interest other development partners to support several activities that are not funded under the COMPETE grant. This includes development of an E-Learning portal and Information portal.

Detailed review report is provided in the matrix below.

2. Activity Matrix

Pillar and activities	Target out	Status	Comments/challenges
Institutional development and self sustainability	To recruit administrative assistant Communication and advocacy officer	The two members of staff commenced service in July and August respectively. By end of August, induction of the staff was complete.	Delay was experienced in acquiring the necessary work permits. Temporary work permits were obtained at a cost of USD 155.00 each. One ordinary has since been acquired gratis and the second is in process.
	To install telephony system	This was achieved during the period	Delay of funds caused delay in settlement of the vendor's dues.
	Procurement of staff health insurance Scheme and other office supplies	Part of the printing and procurement done	Health insurance covers for the staff delayed by the delay in disbursement of funds.
Lobbying and advocacy	To organize a consultative meeting of	The first meeting of the technical	From the meeting of July,

	<p>the technical Committee formed by the FEAFFA and the Commissioner Generals of the Revenue Authorities from the five countries of EAC</p>	<p>committee was organized in July in Rwanda. FEAFFA was represented by three members. The meeting deliberated on the issues presented to the Commissioner Generals by FEAFFA in May 2010. These issues are listed below. However, Revenue Authorities sought more time to further consult on the proposals by FEAFFA. A follow up meeting was agreed and scheduled for September though it was later pushed back to October 2010. It was finally held on 7th October and recommendation of what will be presented to the CGs and FEAFFA were agreed. Report by the Secretariat is attached</p> <ul style="list-style-type: none"> • Training and certification of Customs agents • Establishment of an accreditation and registration system to enhance professionalism, ethics and integrity in the freight forwarding sector. • Sensitization of Customs agents on East Africa Community Common Market • Harmonization and simplification of licensing procedures in the Region by the Customs administration • Mutual recognition of licenses issued by one Customs administration in the Region by the rest. • Putting in place a structured system of engagement between the Federation and the Revenue Authorities 	<p>Revenue Authorities wished to consult their legal departments on the proposed changes for the same of ensure consistency and determining whether any changes to the existing laws was necessary.</p> <p>In the meeting of October, EARATEC came up with recommendations and some of them were not acceptable to FEAFFA. FEAFFA had to put its own independent recommendations especially on the issue of EACFFPC</p>
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	Public private sector partnerships	The secretariat participated in a PPP forum organized by TRAPCA in Arusha that was aimed at generating issues within the public private partnership spectrum affecting the progression of the EAC to inform policy formulation and implementation within the EAC. The forum deliberated on Trade facilitation challenges and the Regulatory frameworks in the EAC common market. Recommendations were made for policy level engagement for the good of the private sector.	
Membership services	Development of a membership directory	Vendor contracted to publish a directory of all the services providers under FEAFFA in the East Africa region. The directory will be available in print but will also be available online.	This is a self financing activity that is also expected to generate some revenue.
	Develop Standard Trading Conditions	To address the weak contractual capacity of most of the service providers, especially Small and Medium	

		Enterprises (SMEs), FEAFFA Secretariat has embarked on a task to develop Standard Trading Conditions (STC). These will assist services in doing business and protecting the consumer of the freight forwarding services. The first raw draft will be circulated to the national associations before the end of this month for their inputs.	
Professionalism, Certification and Accreditation	Organize a meeting of the committee that is coordinating implementation of the East Africa Customs Freight Forwarding Practicing Certificate (EAC)-Curriculum Implementation Committee (CIC)	<p>The meeting was held meeting in Kampala in July. It reviewed progress made in the implementation of the programme. The following issues were prioritized.</p> <ul style="list-style-type: none"> ▪ Needs assessment ▪ Training of more trainers ▪ Certification ▪ Certificate of Competence ▪ Private Public sector partnership in implementation of the programme in Tanzania ▪ Subsequent meeting was scheduled Sep-Oct but could not take place due to delay in remission of funds from COMPETE. 	
	Coordinate implementation of the East Africa Customs Freight Forwarding practising certificate (EACFFPC)	<p>FEAFFA Secretariat undertook an assessment to establish the status of implementation of the EACFFPC.</p> <p>From the exercise, it was clear that most countries had trained less than a third of the expected numbers. The total</p>	There is serious capacity constraint to execute the training. New strategies on how to create more capacity being devised since the certificate will soon become a mandatory condition for licensing Customs

		<p>number of those trained (including those in session) is 1654. The balance is nearly 3480 persons, which translates into 85 classes of 40 students each.</p> <p>FEAFFA has requested Trade Mark East Africa to provide support in order to train the above in the next two weeks. The support sought include:</p> <ul style="list-style-type: none"> - Hiring of training coordinators for FEAFFA and national associations - Hiring of training rooms -Supply of computers and LCD projectors - Publicity of the programme - Supply of training aids. <p>It is expected that the support project will be concluded before end of this year.</p>	<p>agents.</p>
	<p>Code of Conduct printing, launching and sensitisation.</p>	<p>The Code of Conduct was ready for printing. Endorsement messages for the Code have been obtained from key stakeholders such as Customs administrations, shippers and manufacturers, port operators, Central and Northern corridor secretariats, Directorate of Customs of the East African Community. A few messages are still being received.</p> <p>There was also a planned launch of the Code but this has been held back after COMPETE changed some aspects of the budget.</p>	<p>Lack of funds delayed printing the Code of Conduct. Printing will be done as soon as funds are available.</p>

	Establishment of an E-learning platform	FEAFFA Secretariat is in the process of setting up an E-learning platform in order to make training programmes more accessible. This will address challenges of delivering training at border stations and other operational areas that are far removed from the major cities. A development partner to support this activity has been identified; a vendor has selected and will be contracted directly by the development partner in October. The E-learning portal is expected to be ready by end of this year.	
	Establishment of a registration system for practitioners/professionals	A support agreement is scheduled to be signed on 2 nd of November 2010 with JICA after which the project will commence.	
	Establishment of an accreditation system	A support agreement is scheduled to be signed on 2 nd of November 2010 with JICA after which the project will commence.	
	Safety and Security training module	The international Air Cargo Association (TIACA) eventually agreed to assist FEAFFA develop a training module on safety and security. FEAFFA did not contribute the required matching fund of USD 50,000.00 as required for the required. Instead, FEAFFA collected information to be used in the development off the module as its contribution. The Federation will also be required to facilitate a regional training of trainers when this module is	We will need to seek resources to facilitate the regional TOT when the module is finally developed.

		completed.	
Knowledge Management	To sensitize freight forwarders in all the five countries on the East Africa Community Common Market.	<p>One sensitization seminar was held in Rwanda. A total of 80 participants attended. The half day seminar was facilitated by experts from the Rwanda Revenue Authority.</p> <p>COMPETE has earlier reduced the budget on this item, which was originally USD 10,000.00 but has now reinstated it.</p> <p>Seminars will be done when funds are remitted.</p>	Funding challenges caused the delay in running seminars in other countries though dates had been appointed. For Rwanda, the seminar had to proceed since RRA officers had already been committed to facilitate and cancellation at the last minute would not have augured well. The bill for the seminar will be settled once funds are availed.
	Website development	Contract was awarded in September and construction commenced soon after. It is expected to ready before end of October 2010. The website address is www.feaffa.com	It is anticipated that by the time the site is ready, funds will be available to pay the contractor.
	Development of a newsletter for the Federation	This activity will be contracted to a suitable service provider. Terms of Reference have already been developed. The Secretariat is finalizing on selection of a suitable vendor and work on the first issue is to commence in November 2010.	The secretariat is facing a challenge in sourcing for a vendor to invest in this project. The newsletter may require some initial financial input on its way to its self sustainability
	Development of a Brochure for the federation	This activity is currently in progress. A vendor has been contracted. The secretariat is finalizing on the design and content. The first butch should be distributed mid-November.	
	Online information Portal	Secretariat has identified a development partner to support an online information portal project (Trade Mark	

		East Africa). The portal will mirror the single window concept, therefore being a stop-shop centre for information. The contractor should be on board before end of the year	
	Regional Single Window system	The East Africa Region under the Community is working towards developing an online Single Window system with a view to facilitate business. A meeting of stakeholders was held in Kampala in October during which the possibility of forming a regional committee to oversee the proposed project was explored. FEAFFA and EABC were proposed as possible members of the committee to represent business. Further meeting will be held under the auspices of the EAC Secretariat during which formation of the proposed committee is expected to be concluded then.	
Finance			
	Donor funding	<p>COMPETE remains the only source of funds besides subscription by national associations.</p> <p>Trade Mark East Africa has given strong indication that they will be supporting the Federation on several fronts namely: Development of an E-learning portal, development of an information portal and support to the EACFFPC training programme. This will be through direct support whereby TMEA contracts the</p>	

		vendors. TMEA has also indicated that a window for grant will soon open, from which FEAFFA can benefit.	
	Regional Directory	This project is currently in progress and is expected to generate revenue, which will be shared between the Federation and the national associations.	
	Financial report	The financial report for the period up to October is attached	

3. Conclusion

- Delay in the remittance of funds impacted on virtually all activities that were to be executed during the quarter under review. Remission of funds has resumed during the month of October though and hopefully all activities will be executed as planned.
- The attempt to recast FEAFFA budget by COMPETE caused a bit of derailment and confusion FEAFFA side. COMPETE has however reverted back to the original budget (recast budget was earlier circulated to the Board).