The government of Ethiopia and Kenya officially adopted on 15 September 2021 an <u>operationa</u> <u>| procedure manual</u>

for border operations at the Moyale One Stop Border Post (OSBP).

The Moyale OSBP, the only gazetted border crossing point between Ethiopia and Kenya, was built with a funding of the African Development Bank. The construction of OSBP facilities was completed in 2016 in the Kenyan side and in 2017 on the Ethiopian side. Before these construction works started, a bilateral agreement on Border Post Procedures, Facilities and Management at the Moyale OSBP was adopted in 2014, preceded by a Road Transport Services Agreement ("RTSA") dated 7 November 2011, that detailed the rules and requirements for the circulation of commercial vehicles in the territories of Kenya and Ethiopia through the road corridor linking the two countries via the Moyale border post.

Art. 10 of the bilateral agreement on the Moyale OSBP mandated Parties to develop a manual setting out harmonized procedures in respect of all functions to be performed in the common control area of the OSBP. With the adoption of the OSBP operations manual, border clearance processes in Moyale are expected to be faster, thanks to the development of a coordinated border management approach between the border agencies of the two countries, whose aim is to avoid traders to undergo duplicated control procedures in both the country of exit and in that of entry so that the movement of persons, goods and vehicles is facilitated.

The Governments of Ethiopia and Kenya are also negotiating a list of common goods to to allow informal traders to benefit from a simplification of formalities at the border with exoneration from payment of customs duties and taxes referred to transactions under a threshold value which in the COMESA region is currently of USD 2,000 per consignment (except <u>Malawi</u> that recently raised this limit to 3000 USD). This scheme is known as "

Simplified Trade Regime

" (STR). Ethiopia already signed in 2015 a Bilateral Agreement with its neighbour Djibouti to implement an STR at their common borders, but this scheme has never been made operational. On the other hand,

<u>IGAD</u>

is also considering to develop a STR for its members, to be largely modelled upon the COMESA STR.

The volume of trade channeled through the Moyale OSBP has registered a progressive increase in the latest years. During the Ethiopian budget year (concluded on July 7,

2021), the Ethiopian Ministry of Revenue reported that goods exported to Kenya via the Moyale border reached 11.5 million USD, for about 9.5 million kilograms.

These products are mainly represented by agricultural goods for Ethiopia such as beans, maize seed, tea, khat (known in Kenya as miraa), onions and tomatoes, while the main exports of Kenya to Ethiopia are predominantly manufacturing and industrial products such as shoe polish creams, agriculture chemicals, ballpoint pens, printed papers and labels, and crown corks.