Partnership Unlocks Potential

Impact Stories on Aid for Trade Programmes in East Africa

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TRADE MARK EAST AFRICA

Growing Prosperity Through Trade

Our Investors

TradeMark East Africa (TMEA) is a not for profit organisation funded by a range of development agencies including: the government of Belgium through the Belgium Development Cooperation; Canadian Government through Global Affairs, Canada; Danish Government through the Danish International Development Agency (DANIDA). Others are Finnish Government, Dutch Government, Swedish Government through the Swedish International Development Agency (SIDA); UK government through the United Kingdom Department for International Development (DFID) and the United States of America Government through the United States Agency for International Department (USAID). TMEA aims to grow prosperity through trade in East Africa.

Table of Contents

Foreward

Partnerships. Progress. Prosperity

When TradeMark East Africa (TMEA) was established 6 years ago, it was with the goal of increasing prosperity through trade in East Africa. We set out to support trade facilitation initiatives that would catalyse economic and trade opportunities with key stakeholders, including: national governments, the East Africa Community, private sector and civil society. Our agenda was to adopt actionable, specific commitments that delivered benefits to East Africans. This agenda has remained central to TMEA's mission has continued to guide our Strategic Objectives.

Our first strategic objective; **Increased Physical Access to Markets**, focuses on infrastructure development to reduce barriers to trade in order to reduce trade costs and to allow businesses to take advantage of new trade opportunities. Our work at the ports of Mombasa and Dar es Salaam has reduced import and export times, and consequently cost of goods originating from the region. This ensures that the region can trade more efficiently and competitively. In the second strategic objective, an **Enhanced Trade Environment**, TMEA has focused on improving national and regional trade systems (customs modernisation, standards, removal of NTB's) and supporting the EAC on trade issues. Our support to ICT for trade, for example, has enabled adoption of simplified customs and trade processes by the region's revenue authorities. As you will read, this has enabled traders reduce costs and expand their businesses, consequently creating new jobs. Our third Strategic Objective, **Improved Business Competitiveness**, has supported the private sector and civil society to lobby for adoption of policies or removal of specific barriers that hinder growth of industries. One direct result of this objective is the formulation of the EAC gender policy, which will ensure both men and women enjoy economic gains equitably.

This third volume of our impact compendium tells TMEA's beneficiary stories through their eyes. They are testimony to how Aid for Trade is transforming people's lives and communities.

Consider Abdi Hassan, an angler on the shores of the Indian Ocean in Mbaraki Wharf in Mombasa, Kenya, who has witnessed first-hand the effects of environmental degradation because of Mombasa port activities. He tells a story about the thick foam that gushes from the port into the ocean, resulting to tons of dead fish floating to shore. Kenya Ports Authority (KPA) has collaborated with TMEA to restore the environment and ecosystem by modernising infrastructure at the port of Mombasa and adopting measures that will minimise negative environmental impact of port operations. Such efficiency will save not only people's lives but also increase the port's efficiency to expand trade and job creation.

Take also Robert Bapfakurera, a Rwanda executive who is benefitting from the Authorised Economic Operator programme, which allows him to import fast moving products from neighbouring countries in record time. Through the Rwanda Electronic Single Window, Robert's transit time has reduced by an incredible two thirds, which means he can

FRANK MATSAERT
CHIEF EXECUTIVE OFFICER

make more trips at a lower cost and create much needed jobs for Rwanda's youths.

TMEA's work and associated gains do not just benefit big business. Colletta, a mushroom farmer in Kigali has received training from the Rwanda Standards Board through TMEA supported Hazard Analysis and Critical Control Point (HACCP) programme, on ways to ensure her mushrooms meet export quality. Today, Colletta grows and sells mushrooms to Kigali Farms, a profit making enterprise in Kigali. Her story is in this issue.

Our interventions in Fragile and Conflict Affected (FCAs) States of South Sudan and Burundi aim to support these countries build institutional capacities and the skills of people for sustainable economic recovery.

Underlying many of these impressive stories is an immense amount of learning about how to deliver impact. Key to this is partnerships to enable real progress on reducing trade costs to unlock prosperity for East Africans as we create new job opportunities for the millions of young East Africans.

Facilitating trade remains a priority for EAC governments and it will drive our new six-year strategy that starts from 2017. We will scale up our work with women, continue to support elimination of non-tariff barriers, innovate in information and communications technology (ICT) solutions for trade, support bureaux of standards and support-identified sectors to increase exports. We will also continue to support infrastructure development to enable a more efficient East African Trade Network within the EAC and with its neighbours.

I urge readers of these narratives to investigate the opportunities that Aid for Trade unlocks, the transformation it creates at both household and national levels and support our efforts to create a region where every person can live in dignity, free from poverty.

Let me take this opportunity to thank our partners across East Africa with whom we have realised these immense benefits for the citizens of East Africa. As always, we welcome your feedback and look forward to hearing more yet untold stories about progress and prosperity in East Africa.

Theory of Change Overview

TMEA revised its strategic focus to reflect objectives informed by practical constraints in the regional integration process. The revised theory of change (synonymous with strategy in TMEA) is anchored on three key strategic objectives: Increased Physical Access to Markets (SO1), Enhanced Trade Environment (SO2) and Improved Business Competitiveness (SO3). A series of interrelated propositions guide what TMEA does with its partners. These propositions are underpinned by knowledge, assumptions, beliefs and hunches about how and why particular actions will trigger change. These propositions are called 'theories of change'.

At the higher end of the theory of change, it is proposed that the three key strategic objectives contribute to increasing trade. Increased trade is believed to contribute to increased economic growth and subsequently reduce poverty. TMEA believes that increased trade will contribute to tangible gains for all citizens in Eastern Africa.

INCREASED PHYSICAL ACCESS TO MARKETS

Increasing market access absorbs 45% of TMEA's budget, making it our largest area of work. All activities in this portfolio are designed to increase market access by reducing trade costs.

Dar es Salaam Port moves to shed the old stigma

INCREASED PHYSICAL ACCESS TO MARKETS

Waziri Hussein, 38, growls as he shifts gears to inch his 40ft container Scania semi-trailer forward in the truck traffic emerging from Gate No 5, the international container terminal of the Dar es Salaam Port. The peak Friday exit traffic meant he had been queuing for at least an hour to get this far.

Under a permanent cloud of dust in the blazing afternoon sun, Hussein's three-member crew prepared to embark upon its 2,300km journey to Kisangani, in the Democratic Republic of Congo.

"In another two maybe three hours, we may reach Ubungo intersection," says Hussein, frowning as he looks ahead over the traffic from his elevated vantage position. "What is annoying is that after enduring the long wait inside the gate, there are still about three checkpoints on just this 2km Bandari stretch, which only worsens the congestion, and then we still have to get across Mandela road to Ubungo."

Without a substantive, functioning railway system, trucks such as Hussein's, remain the main connector between the Port of Dar es Salaam and its clientele in seven countries, including Tanzania.

This also means they are the landside manifestation of a critical set of challenges including clearing systems and seaside infrastructure, which together have contributed to the bothersome reputation for congestion that the Port of Dar es Salaam is currently battling to quash through concerted efforts.

"It is a complex mix of challenges," says Hebel Mhanga, the acting Port Manager. "We have a narrow and shallow entrance channel which can't receive bigger vessels. Our berths too can only receive small vessels with a maximum draft of 11 meters, while modern cargo vessels are between 14 and 16 meters."

Dar es Salaam is the second largest port in East Africa after Mombasa and serves as a gateway to regional economies including Burundi, Democratic Republic of Congo, Rwanda, Uganda and Zambia. In 2013, the World Bank reported that the total cumulative cost of delays and additional monetary payments at the Port of Dar es Salaam compared to Mombasa are equivalent to a tariff of 22 percent on container imports and of about 5 percent on bulk imports.

As modern containerized trade developed and took root, the Port of Dar es Salaam found itself with eight covered sheds covering 81,000 sq. meters of its terminal space. These were built close to the quays to facilitate the easy offloading of goods from ships. On the flip side, they have been a challenge for setting up container handling equipment and for easy truck movement within the port environs.

In addition, with the Port's original layout designed to handle small vessels, the quay approach is not wide enough to allow use of bigger and more efficient equipment to load and offload ships. Access roads at exit and entry gates are also very narrow and make it difficult for trucks to manoeuver. The narrow outside roads further constrain the off-take of cargo even as volumes keep increasing annually.

Over the past few months, work has begun on the improvement and expansion of access roads from the Port to the main roads through four key gates supported by TradeMark East Africa (TMEA) as part of a five-year financing package of over US$60 million to the Tanzania Port Authority (TPA) since 2011. The support also covers initiatives to improve land use; port layout, storage, off-take processes and city interconnectivity in order to help it cope better with the increasing demand for its services.

"The roads being fixed within are actually short in length but have for long been in need of re-paving in order to improve Dar Port connection with the network outside the Port. Trucks don't move at speed while in this area. This necessitates the need to have high quality roads which have been compacted to withstand the trucks weight at near-zero speed."

To stakeholders, it has been a long wait for this intervention. "Sometimes due to short-comings regarding paperwork, sometimes caused by the shoddy work done by the clearing agent, a truck at the front can be turned back from the queue," says Festo Kyando, a truck-driver on his way to Zambia. "But with the narrow space, turning one truck around can affect all trucks in the queue leading to long delays."

Interventions at Dar Port have so far led to reduction in average dwell time from 11.3 days in 2013 to 7 days in 2015; this translates to US$641M savings per annum.

TMEAs support has not only catalyzed additional financing for the Port's modernisation from other donors, but it has also provided the foundation for some of the activities that need to be undertaken to improve the Port in the longer term. For example, the findings of the TMEA supported Bathymetric Study were incorporated in the 2013 Big Results Now (BRN), a Government initiative for fast-tracking results in priority sectors including transport.

Furthermore, these findings also constitute the technical foundation for the planned deepening and strengthening of berths 1-7 which will be implemented as part of the comprehensive US$565 million Dar es Salaam Maritime Gateway Project (DMGP). TMEA is also contributing to the DMGP together with the World Bank, the UK's Department for International Development (DFID), the Development Bank of Southern Africa (DBSA) and the TPA.

"The project has many components and each of them is complex," says Mhanga. "And it is impacting on our operations because it is being implemented while we continue to provide services. Yet the feedback we get from clients at the moment points to a shared sense that the future of the Port of Dar es Salaam is bright."

Transforming Mombasa port yard capacity

INCREASED PHYSICAL ACCESS TO MARKETS

Yard 5 received a facelift creating an additional 77,800 20-foot equivalent units (TEUS)

For years the yard resembled a dilapidated city abandoned to destruction. Large swamps inhabited by rodents and other creatures covered this muddy section of the port of Mombasa known as Yard 5.

In the rainy season the place would be extremely muddy and too soggy to be used by heavy container moving machines. In the dry season, the earth would crack and burst into loose soil emitting mountains of dust and creating a visibility challenge.

In all weather, Yard 5 was a health hazard and unfit for human utilisation. However, the intervention of TradeMark East Africa (TMEA) has seen the yard rehabilitated, paved and modernised. The dust is gone and so is the mud, replaced by a modern all-weather container yard.

"For many years, Yard 5 was an abandoned area. We could not use it for more than two weeks in a row in any given month," says Kennedy Nyaga, Senior Project Engineer at Kenya Ports Authority (KPA).

The rehabilitation of Yard 5 has tremendously improved the business space at the port: "We are now able to stack about 293 20-foot containers at a height of four per slot in an average of four days."

The additional capacity created per year is 77,800 20-foot equivalent units (TEUs) at the KPA yard. This brings about an annual capacity of 1.32 million TEUs.

"No wonder in 2014 we broke through the 1 million TEUs mark!" remarks Engineer Nyaga.

The editor of Our Ports Magazine, a publication of the Port Management Association of Eastern and Southern Africa (PMAESA) and a frequent user of Mombasa port, George Sunguh, argues that the rehabilitation of Yard 5 and the continued capacity expansion increases the volumes of containers handled by the port. The yard, says Sunguh, also pushes the port higher up in its ranking among the top ports in Africa and the world.

Mohamed Faruk, KPA's Principal Statistician says the fact that KPA can handle more 20-foot containers than in the past is a clear indication of the growing trade capacity.

Yard 5 comes rapidly in the wake of the port's growing efficiency given a boost by the dredging of the main entrance channel to minus 15 metres and the widening of the turning basin to 500 metres thus enabling larger vessels to call in at the port.

In 2013, the port also completed the construction of 240m long Berth 19. It is deeper and longer and has an additional stacking yard of 15 acres increasing the ports capacity by 250,000 TEUs annually.

In its endeavour to assist the port expand and grow its trade capacity, TMEA is supporting the port to expand yard capacity as a precursor to investments in the construction of the second container terminal. This construction involves the initial construction of three berths scheduled for completion by December 2016. The new berths have an additional capacity of 450,000 TEUs with two further expansion phases running through to 2020.

The port management says that to complement the construction of Yard 5, the port invested in new and modern cargo handling equipment which has improved efficiency. The equipment includes ship to shore gantry cranes, terminal tractors and reach stackers.

"Delays at the port are normally caused by external factors. Our job is to handle cargo and release it. When you congest the port, there is a decrease in loading and this creates space for accidents," explains Faruk Mohammed. "We need to release containers the same day they are handled. The less time the container takes within the yard the better."

Engineer Nyaga says that with the rehabilitation of Yard 5, the turn-around time for ships has reduced even as the capacity to clear containers through the port is increasing: "The throughput containers are growing by 15 per cent per month for this current year," says Nyaga.

Uganda upgrading its border with South Sudan: A win for trade and a win for humanitarian aid

INCREASED PHYSICAL ACCESS TO MARKETS

Across East Africa, most border crossings mean long queues of traffic and the clamor for haste as frustrated drivers and government officials go about their business. In some parts of East Africa dependent on humanitarian assistance, these delays are a matter of life and death.

Things are improving markedly at the 13 border posts, where TradeMark East Africa (TMEA), a strategic partner of the East African Community (EAC), is supporting governments to upgrade border infrastructure into One Stop Border Posts (OSBP) and improve customs procedures to enable one stop controls to take effect.

These mega infrastructures are transformative, and sometimes stand out majestically in the remote and rural locations. The interventions are, "reducing the time it takes to clear cargo and people at borders as a result of efficiency brought about by the adoption of one stop controls and adoption of modern technology," said Allen Asiimwe the former TMEA Uganda Country Director. An OSBP houses facilities where border officials including customs and immigration from adjacent countries are located under one roof. This reduces the need for back-and-forth movement of users between agencies and authorities which adds to the stacks of paperwork and the overall time.

It is particularly strategic to improve and support the development of one stop controls between Uganda and South Sudan at the Elegu/Nimule border. South Sudan is a top five recipient of Ugandan exports and over 80% of imports to South Sudan, including humanitarian assistance, comes through the Elegu/Nimule border. Already, TMEA has supported the South Sudan Customs Services (SSCS) to adopt a new ICT system that quickly processes documents to decongest the border and fast track clearance of humanitarian cargo. This has reduced time taken to clear humanitarian goods from 5 days to 2 days.

In addition to improving efficiency in trade, there is an urgency to ensure the ease of crossing between Elegu and Nimule for humanitarian purposes.

Adoption of systems to fast track clearance of humanitarian cargo led to reducing time from 5 days to 2 days.

Years of conflict have damaged South Sudan's agricultural sector leaving it more vulnerable and dependent on imported food, while disruptions to oil exports—the country major source of revenue—have left a hole in the government's coffers. Latest United Nations (UN) reports indicate that more than four million people, a third of South Sudan's population, face serious food shortages and tens of thousands are on the verge of catastrophic famine. Thus, ensuring humanitarian aid is cleared on time and reaches people who need it the most, while also efficiently collecting customs dues, is vital for the country.

TMEA has committed an investment of US$6 million into an OSBP at Elegu, Uganda. This is only half of the investment required to cater for both sides of the border. "Currently it can take as long as three days to cross this border. With the new OSBP investment, we are aiming for this to drop to five hours. This is a big savings in time. A truck makes more money when it is in motion – when stuck at the border, the costs rack up," says Michael Ojatum, the OSBP manager at TMEA.

Studies have shown that delays at borders can be a more significant barrier to trade than other infrastructure deficits. Poor roads add cost and time, but stopped vehicles are unproductive ones, and the long queues at border posts represent money going to waste—and they create incentives to try to circumvent the system.

To complement the investment in infrastructural development, TMEA has supported training of key border agencies personnel. The training ranges from English language, business communication and other related technical training, which will enable them to understand new procedures. Support has been given to anti-corruption campaigns, as it is futile to invest in infrastructure and new processes without addressing corruption.

Delays compromise the viability of exporting perishable goods, such as fresh foodstuffs, which easily get spoilt at the border; and emergency shipments, such as medicine or food aid.

Keeping the border running smoothly is important for both Ugandan businesses and South Sudan's fledgling economy. Uganda, for instance, risks losing access to a major market, which had been growing steadily since South Sudan's independence in 2011. Data from the Uganda Bureau of Statistics shows that between 2012 and 2013, exports to South Sudan more than doubled to US$306 million from $133 million.

If the political situation remains calm, then, South Sudan's road network is set to catch up with improvements at the border and at Uganda border towns. The United States Agency for International Development (USAID), UK's Department for International Development (DfID), the World Bank and the Japanese International Cooperation Agency (JICA) are funding a series of road upgrades that will link the South Sudan's capital, Juba to Nimule, and from Nimule to the important Ugandan trading town of Atiak, and beyond to Gulu. When these infrastructure developments are in place, TMEA projects that new OSBP infrastructure and controls will attain increased value, contributing to recovery and growth of trade in South Sudan.

Trade restoring Burundi

INCREASED PHYSICAL ACCESS TO MARKETS

Trade and trade reforms could gradually transform the fortunes of Burundi

Burundi may sit ranked as one of the poorest countries on the planet[i]. The recent political turmoil has made things worse as its social and economic impacts have caused the country to register a -7.2 percent growth rate. Yet, trade enthusiasts posit that the future of this land-locked country is still bright and hopeful.

TMEA has partnered with the Burundi to upgrade key border crossing points infrastructure through construction of One Stop Border Posts (OSBP) at Kobero Kabanga the Burundi border with Tanzania. Kobero is the entry port for Burundi's imports.

Already completed, the Kobero Kabanga, which was initiated on June 30 2014, has literally merged the Immigration and Revenue Authority's staff of the two countries, leading to a reduction of time taken to cross the border.

The Tanzania Revenue Authority, the Burundi Revenue Authority, and other agencies now share offices at this border post enhancing efficiency in border clearance. An average of 50 to 60 trucks crossing the border at Kabanga now experience faster and seamless transit. The majority of border users agree that OSBP implementation has greatly improved clearance of goods and passengers. The truck drivers at Kabanga can now smile at the significant efficiency the system has brought about. Clearance has reduced to a day from the previous two days.

Passengers and pedestrians alike are happily overwhelmed by the new procedures that have eliminated congestion; "You just move from one window to the next and there you go," says one happy client. "There is no more harassment from immigration officials like we used to experience in the past."

The twinning of the immigration officials of both Tanzania and Burundi effectively eliminated the language barrier challenges that used to slow down operations. Officers who speak Kiswahili or Kirundi in both countries are now available at a single desk to assist travelers through the border procedures.

"Burundi and Tanzania officials combine their efforts for checking-in traders only once. It all happens in one building and it is great for enhancing the same goals of transparency and prosperity," says Burundian Customs Official, Jean Marie.

Border agencies are also celebrating the elimination of the parking nightmare that used to bedevil Kabanga. A few persistent teething problems, some based on communication and interpretation of rules, are being addressed with time.

The OSBP has improved clearance and cross border times adding speed and purpose in the steps of traders from both Burundi and Tanzania. If replicated to the three other border points that Burundi shares with its neighbours, enhanced trade due to reduced times and costs and reliability of goods, will dramatically improve the livelihoods of Burundians and propel them into the ranks of the happiest people on earth.

Complementing the infrastructure projects are other initiatives aimed at enhancing the trade environment and reaching out to Burundi populace.

Ninety percent of Burundi's 10.7 million inhabitants live in the rural areas, with women representing 55.2 percent of the workforce with the majority engaged in the agricultural sector, which provides 90 percent of food production and 90 percent of Burundi's exports. TMEA is supporting a women and trade programme in Burundi, with the aim of empowering over 1000 women, mostly cross border traders, to reach regional markets and increase productivity. This support complements with TMEA's support to Burundi Revenue Authority to transform the tax revenue collection regime and speeding up trade operations at its borders through the introduction of the One Stop Border Post (OSBP).

Burundi Revenue Authority (OBR) with support from TMEA and prior to the 2015 conflict recorded increased revenue collection and used this to provide social services. This followed the implementation of reforms that enabled the revenue authority adopt technology, conduct public awareness campaigns, human resource transformation and border management. Such is a reflection of the kind of national development aid for trade can trigger. Today, Burundi's health sector boasts 150-bed capacity Karusi Referral Hospital built and sustained entirely from the taxes of the citizens. The hospital serves clients who would have had to cross borders to seek quality health services in the past. TMEA supported reforms in the Burundi Revenue Authority targeting its technology adaptation, human resource transformation and office expansion.

[i] *Positioned as number 181/185 of the richest countries list 2015 compiled by Global Finance*

Kenya Ports Authority gears up for a Green Port Policy

INCREASED PHYSICAL ACCESS TO MARKETS

Environmental degradation is bad for trade and business growth especially when it directly affects the health and productivity of workers and neighbouring communities. The Kenya Ports Authority (KPA) with technical and financial assistance from TradeMark East Africa (TMEA) has initiated an elaborate Green Port Policy that will transform the port of Mombasa into a premier port of 'clean fuels' in Africa

Locals call it the 'river of death'. In its thick foam, it gushes through the rocks and with a mournful murmur spills over a cliff into the sea, turning the water below into a smelly gel.

Another hot stream with an offensive smell flows gently through the port of Mombasa. Along its long winding journey, the small stream picks up domestic and industrial effluents before spewing its load of putrid waste into the vast ocean.

Similar 'rivers of death' spring from different parts of the City of Mombasa, pouring their deadly cargo into the Indian Ocean. Children, oblivious of the dangers posed and inured to the stench, swim and play in the ocean waves breaking over the shore close to the point of discharge.

Abdi Hassan, a fisherman from Likoni knows all too well the impact these rivers have on his trade. "Many times we find dead fish floating in the water. They are normally bloated and smelly having died from the poisons of the industrial waste and oils from the ships. You can even see the blackness that covers the plants around this area."

The workers at the Mbaraki Wharf sweat and toil through the dust emanating from the clinkers and bulky containers. For hours, they push, pull and shove through 'dirty cargo' inhaling the fine dust that covers the entire neighbourhood. Unlike Abdi, these workers are unaware of the environmental damage wrecked by the streams and dust.

The dust blows in from various products including coal, iron ore and fertilizers posing a major health risk to both the workers and port users. On windy days, it spreads out through the tourist city of Mombasa as hundreds of the trucks embark on the long voyage back into the heart of the East African Community (EAC). Meanwhile, each time ships dock, their engines remain running sometimes for days. The port in its Green Policy will explore cleaner energy for use by the ships to reduce air and marine pollution.

This environmental degradation has been giving the Kenya Ports Authority (KPA) management sleepless nights. The fact that most of the effluent does not originate from KPA, requires involving surrounding community and stakeholders to clean up the port.

The solution

In May 2015, the UK Department for International Development (DfID) and TradeMark East Africa (TMEA) signed a 23 million British pounds (Ksh 3.5 billion) grant agreement for the modernisation work at the port of Mombasa. The funds will go towards infrastructure improvement to increase efficiency and implement projects that will minimizing negative environmental impact on the port and from the port operations.

Once the policy is in full force, only new technologies and equipment that either use electric power or that use “clean fuel” will operate at the port.

The expansion will take into account environmental and social aspects, which will complement existing projects. Benefits will flow to main stakeholders including the population of Mombasa and the wider East African Community residents.

With a key aim of minimising environmental impacts whilst addressing energy efficiencies, the green policy program complement with other projects supported by TMEA at the port and which aim to reduce costs of doing trade.

Mombasa produces a high concentration of greenhouse gas emissions from ships that use heavier fuel and running of generators. Pollution also emanates from trucks and aging vehicles hauling cargo from the port.

The Green Port Policy will introduce practical and implementable strategies focusing on reduction of electricity and fuel consumption by vessels, trucks and port equipment.

The KPA management is already working on a programme that will mobilise the community, port workers, the County Government of Mombasa and other stakeholders in planting trees to enable the port comply with ISO 14001 certification.

Opportunities

With the plenty of sunshine at the coastal city, KPA should tap the solar energy to industrial scale while harvesting rainwater and cleaning up the seawater for its use. Now, the water supply at the port is critically insufficient leading to occasional closure of most of the toilet facilities meant for both workers and visitors. Kenya’s new rail system, which is expected to link the port of Mombasa to the interior industrial and economic markets, will help reduce long haul truck traffic and decrease carbon emissions caused by road transport.

With time, the Green Port Policy is expected to eradicate the rivers of death, clear the air of harmful dust and create a clean, healthy environment for Abdi the fisherman, the port workers and the entire port community.

Learning

The Port of Long Beach, the second-busiest container port in the United States after the Port of Los Angeles, has inspired the KPA Green Port Policy. The Port of Long Beach acts as a major gateway for US–Asian trade. It occupies 3,200 acres (13 km2) of land with 40 km of waterfront in the city of Long Beach, California. This seaport generates more than $ 100 billion in trade and provides more than 316,000 jobs.

In 2007, Long Beach launched the first stage of its Clean Air Action Plan by approving a Clean Truck Programme that banned older diesel trucks from serving the port. It adopted its internationally recognised Green Port Policy in 2005 in an effort to reduce pollution in the growing region of Los Angeles/Long Beach. The policy sets a framework for enhancing wildlife habitat, improving air and water quality, cleaning soil and undersea sediments, and creating a sustainable port culture.

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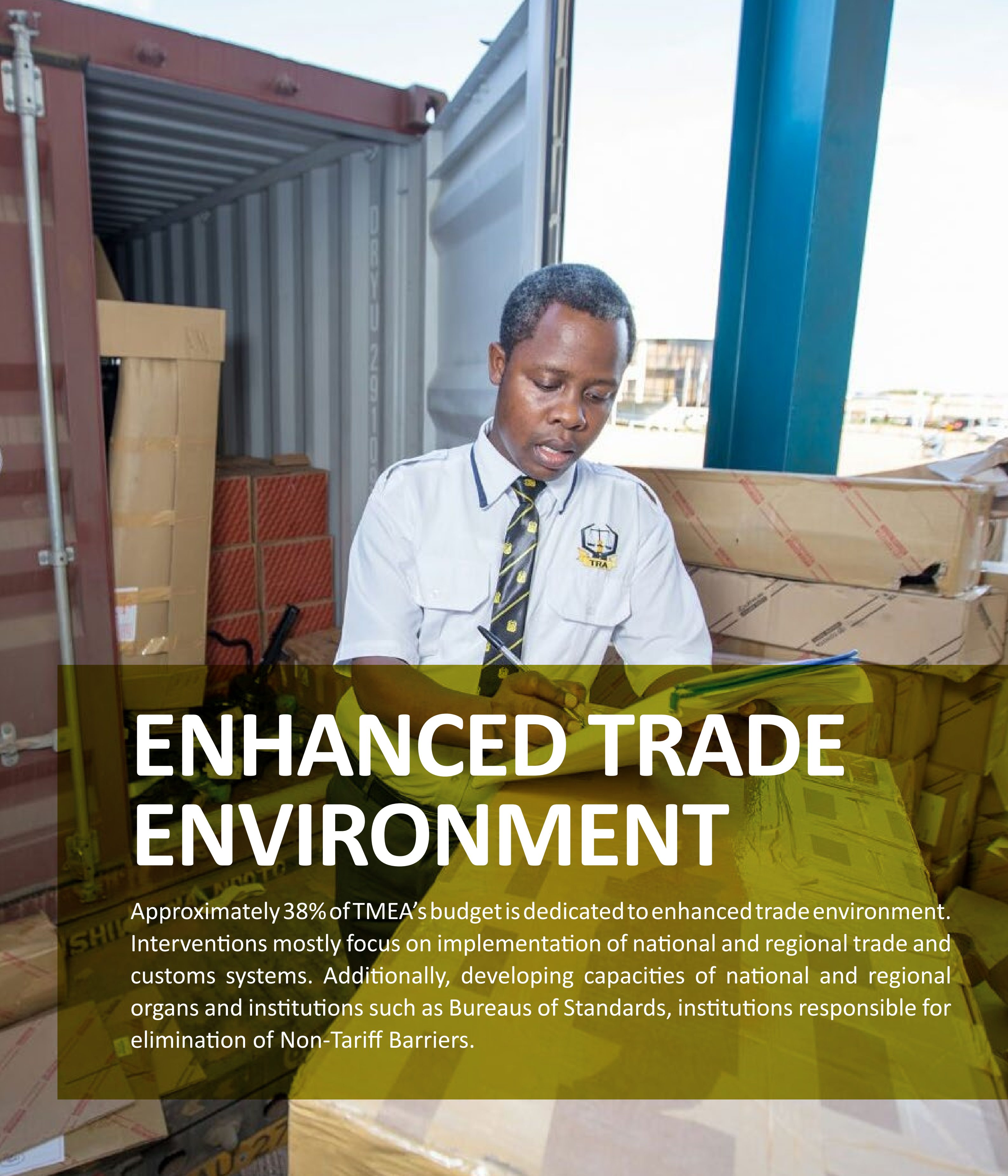


ENHANCED TRADE ENVIRONMENT

Approximately 38% of TMEA's budget is dedicated to enhanced trade environment. Interventions mostly focus on implementation of national and regional trade and customs systems. Additionally, developing capacities of national and regional organs and institutions such as Bureaus of Standards, institutions responsible for elimination of Non-Tariff Barriers.

A lesson for importers - how to save money through becoming an AEO

ENHANCED TRADE ENVIRONMENT

Question: How can Customs authorities and importers work together so that tax revenues increase while importers save money?

It sounds like a contradiction in terms. How can importers hope to save money when the more products they import the more tax they pay? Yet it is happening in East Africa where Customs reforms, facilitated by TradeMark East Africa (TMEA), are not only encouraging importers to be tax compliant, but are also helping them to save money on transport and related costs.

Robert Bapfakurera, founder and Managing Director of Roba General Merchants in Kigali Rwanda, is a good example. His company imports fast moving products such as rice, cooking oil, sugar and soap, from countries as close as Uganda and as far away as Pakistan and Indonesia.

For a landlocked nation like Rwanda, importing products from overseas used to be a stop-go process, a minefield of bureaucracy combined with a plethora of barriers that included weighbridges, roadblocks and unofficial payments at borders. Today, thanks to expertise and training provided by Rwanda Revenue Authority (RRA) in collaboration with TMEA, the journey is less stressful, with a reduction in transit time of an incredible two thirds.

For Bapfakurera the change began in 2012 when he was chosen by the RRA to become one of only three Authorised Economic Operators in Rwanda, referred to as 'AEOs'. AEOs, are accredited importers and exporters benefiting from preferential treatment and incentives because they have demonstrated a history of compliance.

The new status gives Roba General Merchants the right to move cargo without being stopped and the authority to clear goods online before they arrive at the Rwanda border, or to keep them in a bonded warehouse on arrival.

"I think I was chosen because of compliance," says Bapfakurera. "My company has been doing business in Rwanda for over 15 years. We have a good relationship with Customs and we pay our taxes. In fact in 2011 we were named among the best taxpayers in Rwanda."

Bapfakurera claims that it is easier to do business as an AEO. This is because his decision to pay import tax can be made at any time before the goods reach the Rwanda border. So if he has a large order for cooking oil from a customer in Uganda he can pay his tax online at any time before delivery and have the product distributed during the journey. This saves time and transport costs and gives him a competitive advantage in that he can have many distribution points along the way.

"In that way I can take advantage of the market between the port of entry and our border," he claims. "And even in Kigali I can deliver straight to the market."

A win-win situation

William Musoni, Deputy Commissioner Customs in Kigali explained that first and foremost the AEO project is aimed at promoting tax compliance.

"We have an understanding with the business community," he says. "We sit with them, we talk with them, we agree, we have a common understanding and we are facilitating the business community by listening to what they want us to provide."

In return, he says, Customs requires them to have processes and procedures in place before being accredited as an AEO.

How then is someone selected to be an AEO?

William Musoni explains that Customs authorities first met at regional level to agree harmonised criteria. Secondly, importers were selected from what they call their 'gold card scheme' - an already established group of 120 trusted low risk importers. Thirdly, the selected companies are vetted to ensure they are compliant throughout East Africa. Only then are they accredited.

In the end it's a win-win situation as Musoni explains: "The AEO will benefit because the checking is minimised and the turnaround will be much quicker. And the more they import the more duties they pay and the more goods are cleared."

Bapfakurera agrees. "The system is quicker, cheaper and convenient," he declares. Customs don't normally inspect my goods because they trust me. So I save time and transport costs."

The AEO system in Rwanda, and in East Africa as a whole, is complemented by several other Customs reforms: the Single Customs Territory, whereby goods and taxes are cleared and paid at the port of entry (SCT); the Electronic Single Window, which allows all stages of clearance to be done online; and the Electronic Cargo Tracking system, which monitors cargo throughout its journey.

While Bapfakurera has the choice to pay duty at the point of entry he prefers the AEO system because it makes financial sense. "The difference between the SCT and the AEO is that with the SCT I have to pay tax at the port. As an AEO I pay tax when the goods are closer to my country so I hold onto my money for longer." This means that his trucks can make more journeys per month and he can import more goods.

"By saving money on transport costs," adds Bapfakurera, "you can translate it to a lower price for customers, say 200 to 300 Francs on a product."

So what, in his opinion, is the lesson for importers? "People should be encouraged to aim to be AEOs," he concludes. "Honesty pays. Proper procedures with customers mean good relationships, which also builds up the system."

Setting standards in Rwanda's food industry

ENHANCED TRADE ENVIRONMENT

Laurent Demuynck has a passion for mushrooms. He calls them "the meat of the poor" because of their high nutritional value. As founder and CEO of Kigali Farms, a Kigali based mushroom processing company, he wants to see Africa catch up with the rest of the world when it comes to growing mushrooms. In fact he has a vision that in 10 to 15 years, thousands of people in Africa, maybe hundreds of thousands, will be making an income from mushrooms.

Kigali Farms is one of 21 Rwandan food and agricultural companies that have recently benefited from global training, known as Hazard Analysis and Critical Control Point (HACCP), that ensures standards in food safety are reached and maintained. HACCP is an effective tool to prevent biological, chemical and physical contamination of food, and should eventually lead to a company receiving widely accepted certification.

Funded in Rwanda by TradeMark East Africa (TMEA) and implemented by the British Standards Institution (BSI) in partnership with the Rwanda Standards Board (RSB), the HACCP training aims to provide safety in every part of the food chain from the farmer, to the processor, to the retailer, through to the final consumed product.

For the food producers of Rwanda, HACCP certification is one more step towards the coveted goal of exporting their products to the East African Community and beyond. Exports are critical to reducing Rwanda's trade deficit, yet until recently it had limited scope to test products for mycotoxin (fungal infection) contamination. Instead they were sent abroad, causing long delays in the supply chain.

Since 2011 TMEA has been working with the RSB to put in place equipment and procedures that will not only allow Rwanda to test and certify its own products, but also to position itself as a regional hub for testing other countries' products in a number of areas, including mycotoxins and essential oils.

"A key component of building the competitiveness of Rwandan companies is compliance to quality standards," says Hannington Namara, TMEA's former Rwanda Country

Director. “The requirements of the market to regulate their own products means that the standards work becomes important.”

As part of its cooperation with the RSB, TMEA funded vital laboratory testing equipment and then facilitated a twinning of the RSB with the BSI, so that Rwanda could learn from the BSI’s long experience in developing, promoting and maintaining standards. HACCP training is one result of this.

The Rwanda HACCP training took place from August 2013 until November 2014. Although international and regional consultants undertook the initial training, six local consultants were trained in the implementation of HACCP procedures, ensuring that future training for other interested companies can take place.

Shyam Gujadhur is a TMEA funded international consultant leading the project. He says that of over 40 applicants for HACCP training, 24 were selected, of which 21 completed the capacity building programme.

“By July (2015),” he says, “we hope to have about 10 enterprises certified to HACCP and one to ISO 22000 (the global standard setting the requirements for an effective food safety management system). That is more than 50% of enterprises that completed the capacity building programme, which is a good impact”.

Further, with BSI support, the RSB will apply to be recognised as a certification body for HACCP. Gujadhur hopes that the RSB will be accredited by June 2016 at the latest, at which point they will be able to provide accredited certification services for HACCP, to Rwandan companies, giving them more export credibility. As a bonus they will also be able to offer the same to neighbouring countries.

“The demand from the Rwandan private sector for food safety management is there,” affirms Gujadhur, “as more than 150 participants attended the initial experience sharing workshops.” He noted that HACCP could also be applied to the hotel and catering industry. “If hotels and restaurants are certified to HACCP,” he says, “then it will give confidence to Rwanda’s developing tourism industry.”

As standards rise so do women farmers

Back at Kigali Farms Laurent Demuynck is confident. “If you want to export, HACCP certification is a mark of quality,” he says. “While the social objective of the company (Kigali Farms) is to improve nutrition locally, we also discovered that from a business point of view it’s important to reach out to foreign markets; so we can generate income locally and from the government’s perspective we can also generate export revenue.”

Thus HACCP certification will serve a dual purpose for Kigali Farms, in that the HACCP standard helps to improve their operations, which in turn increases their capacity to export. This is important, not only for the company, but also for the hundreds of mushroom growers who supply them.

HACCP standard helps to improve their operations, which in turn increases their capacity to export. This is important, not only for the company, but also for the hundreds of mushroom growers who supply them.

Mushroom growing is traditionally suited to women, particularly those with smallholdings. It requires very little space, not much time and it is not physically demanding.

“It’s like a mini cash crop,” explains Demuynck, “It’s maybe half an hour a day and when harvesting comes (four times a year) it’s maybe one hour a day. On 50 sq. metres you can make a dollar a day, net,” he adds, “and it allows farmers to not have to change their whole business model.”

With HACCP certification Kigali Farms will be able to export their products to other East African countries and beyond. The extra markets will increase demand, which should have a knock on effect on the growers and ultimately, when replicated in other industries, on Rwanda’s economy.

Technical innovations help smash barriers to cross border trade in East Africa

ENHANCED TRADE ENVIRONMENT

The mobile phone has become a critical platform for elimination of Non Tarrif Barriers in TZ

One of the biggest challenges the business community in East Africa face are non-tariff barriers. According to the East Africa Community, NTB's cost the member countries close to US$490 million in 2010. Some of them like land border procedures; port procedures, police roadblocks, weighbridges and bureaucratic administrative procedures restrict trade and consequently increase the cost of doing trade.

To overcome this challenge, the Tanzania Chamber of Commerce's (TCCIA) with support from TMEA introduced a **NTBs SMS reporting system**, an innovative tool that allows truckers, transporters, clearing and forwarding agents, report any obstacles along the road. Once a user lodges an SMS complaint, focal points from TTCIA relevant departments immediately call the sender and automatically notify responsible government agencies and private sector of the NTB complaint for further action.

Truck drivers like Juma Ahmed highlights recognises the benefit of the SMS system saying, "This SMS text messaging system will help report some problems I experience. For example, when taking my load from Dar es Salaam to Kampala; each weighbridge records something different to what I have on my documents, which means I am often held up until we come to some sort of agreement regarding the axel load." Partners have been raising awareness on the SMS texting system and there exists an even greater opportunity to train people on how to effectively use it.

The online NTBs SMS system encourages a sense of accountability and urges the relevant agencies to respond in a timely manner. "We have been engaged with promotion of the system, raising awareness on how to use it and given training to create awareness", said Elibariki Shammy the TCCIA NTB Project Coordinator. "We also went on site visits to see what was happening on the ground at weighbridges, which are a notorious hot spot for NTBs", he added. "In one month, we received 87 NTB-related cases, 54 per cent were resolved and the remaining cases are at different levels of elimination. 8 per cent of issues are related to Electronic Certificates of Origin," Shammy said.

Prior to the system, truck drivers or transporters would have to write a letter of complaint to the ministry, this was not only time consuming but also had high probability of no reply. "If a consignment of perishable goods was held up at the border, this could render the entire lot unusable. It took too long to sort out a problem."

Truckers like Juma are on the frontline of NTBs and need to know they can report complaints simply by SMS text messaging and receive a rapid response.

At the Ministry of Industry Trade and Investments (MITI), Zavery Mdemu, NTB coordinator consultant said, "TMEA has supported us since 2010. We make an interpretation and definition of what NTBs are and assist in clarifying and identifying specific government institutions imposing NTBs. We also have a role in coordinating the NMC for NTBs created under article 13 of the Customs Union. At a certain level the NMC is coordinated by the Ministry of Foreign Affairs and East African Cooperation but at national level it is coordinated by the Ministry of Industry Trade and Investments and the private sector.

Positive developments to NTBs implemented by the NMC are starting to make an appearance. "There is a modern weighbridge in Vigwaza about 100 kilometres from Dar es Salaam, in the south west direction towards Rwanda, which operates a weigh-in-motion mechanism", said Mr Mdemu. "This is a more standard way to measure a truck's load correctly and is quicker, as it allows the truck to pass through and be weighed at the same time," Zavery Mdemu said However, with the support from TMEA, similar services will be experienced in Mnyoni and Nyakanazi where TMEA is building modern weigh bridges which among other things will also help to address NTBs related issues.

Covert surveillance operations

In order to tackle NTBs, the MITI have carried out a three (3) undercover operations to experience first-hand, what is happening on the ground. "We have carried out surveillance to see what the barriers are, along the Central Corridor," said Mr Mdemu, who has worked for the Ministry for more than 10 years. "The Ministry sent an officer disguised as a mechanic with a truck driver from Tanzania to Rwanda and they were stopped 107 times," he added.

Things have changed for the better with the NMC carrying out regular surveillance operations of the Central Corridor. In May 2015 the Ministry sent officers again and also representatives from the private sector on a ten- day trip with the Tanzania Freight Forwarders Association (TAFFA). "We went with a Rwandan truck driver carrying fuel, the tanker broke down so we joined a truck carrying cement to Rwanda instead. On this trip we learned that we must address 'rent seeking' practices along the route. In some areas we passed, the drivers were required by some public officers to pay 1,000 TZS (0.5 cents) per truck. If they didn't pay up then the inspection officers would find some kind of fault with the truck. The report from the operation was discussed openly at the next NMC meeting and it identified which department or institution is responsible for the non-tariff barriers. The issue was then dealt with head on and we initiated action to amend the law and to issue better instructions so that particular NTBs are addressed," Mdemu said.

South Sudan's Customs fights revenue shortfall

ENHANCED TRADE ENVIRONMENT

It was once a free-for-all scramble in mud or dust, one of the most chaotic and time-consuming border crossings in Africa, a place where the sharpest elbows or deepest pockets got quickest clearance.

No longer. In little over two years, order and systems have been imposed on Nimule, South Sudan's lifeline border with the rest of the world, and those involved say it is only a beginning.

"You can see for yourself," says Maj-Gen Mikaya Modi, Director-General of the South Sudan Customs Services (SSCS). "Nimule is a changed place. It is efficient, and you can tell from the revenues we are collecting."

Modernisation of Nimule's Customs procedures are a key priority in the government's plans to diversify its economy away from 98% dependence on oil, a resource currently turned off because of an unresolved internal conflict which erupted in December 2013.

The numbers tell the story. "In January 2014 we collected 28 million South Sudanese Pounds (SSP)," says colonel Wilson Rama, Chief Customs Officer at Nimule.

"One year later, in January 2015, we collected 50.2 million SSP, the first time we have hit 50 million SSP ever, and by the 18th of February this year we had already collected 48 million SSP. Our average has been 32-34 million SSP, so we are on target to hit higher numbers and revenue for development."

The figures are even more dramatic when compared to those in 2011, when Nimule collected a scant 1.24 million SSP.

The numbers are just one indicator of the progress made at Nimule, 200 km from Juba, 1,500 from the port of Mombasa in Kenya and several years behind other East African Community borders until recently.

“It’s just not the same place,” says trucker Abdullah, who has driven a cargo of sorghum from Mombasa for World Food Programme distribution to more than a million people displaced by recent conflict.

“It’s much more organized. You used to fight your way to get to a Customs officer at his desk to get a paper stamped, and then fight at another queue to pay duty or fees, and then fight to get clearance. That’s all changed.”

Under a modernisation programme supported by TMEA, the SSCS has received technical assistance to rationalize procedures and install a computerized declaration system linked to Uganda’s, improve the flow of traffic through the system and train officers in procedures and English.

The net effect has been to reduce the time it takes to clear Customs for five more days to one, or a little more than one, saving consumers and operators the costs of keeping a truck on the road of $400 or more daily.

That should be even faster when computerisation is launched, an event stalled by the outbreak of internal conflict in December 2013 and by a change of system in neighbouring Uganda, to which Juba’s system will be linked.

“We’re training small groups of officers how to use the computerized declaration form,” says Lt-Col Victor Alimas in a small classroom at the heart of the Nimule complex. “It’s vital. We aimed to train 63 people altogether so that we are ready for the computerisation.”

Until then many of the formalities are still done by hand in ledgers, but gone are the unruly queues at Customs officers’ desks. In their place are a new building and queues at windows outside, all carried out in a orderly fashion.”

Physical separation of the Customs officers from the truckers and clearing agents has been a key to rooting out corruption and establishing a new kind or order that an eventual One Stop Border Post will further reinforce.

Gone too are the crowds of clearing agents who housed themselves in container offices outside the Customs area walls and touted aggressively for business, whether they were certified agents or not.

“The number of clearing agents has been slashed from around 250 to 50,” says David Estall of Britain’s Crown Agents, one of a team of technical assistants financed by TMEA. “Everyone used to be a clearing agent because there was money to be made. That’s all gone. Only the legitimate ones remain. ”

TMEA financed the construction of a customs verification shed so that selected cargos could be unloaded and checked against manifest to ensure that the two matched and that goods meet the requirements of the National Bureau of Standards.

“The shed paid for itself in the first six days of operation, through increased revenue” says Estall. “Not only that, it’s speeded up the whole business of verification and saved a lot of time for everyone.”

TMEA’s former South Sudan Country Director Eugene Torero says the shed, which cost about $30,000, is an example of a how a small investment can pay back big dividends.

“There is increased inspection, which means increased revenue from under-declared or smuggled goods. The shed is terrific value for money.”

Authorised Economic Operator - Boosting revenue collection in Uganda

ENHANCED TRADE ENVIRONMENT

Businesses shipping goods to and from landlocked Uganda through Kenya are used to the long lines of trucks at the border and the draining wait to pass through customs.

Delays can cost as much as US$150 per day, says Betty Kiguli, procurement manager at Nice House of Plastics (NHP), a Ugandan company that manufactures plastic products for household and industrial use. The company imports between 150-200 containers per year, and can lose up to US$30,000 annually in delays.

"You can use that money to buy a machine or plough it back into the business in some way," she says.

The two countries are both members of the East African Community, and have committed to smooth the flow of trade across their borders, lowering non-tariff barriers and unifying regulations in order to help national companies operate seamlessly on a regional level.

The Uganda Revenue Authority (URA) has recognized that the role of customs has evolved beyond simply collecting tariffs to include trade facilitation. Working with partners like Trademark East Africa, URA has rolled out a programme, backed by the World Customs Organisation to allow some importers to take on greater responsibility for managing their own customs and revenue documentation, in exchange for expedited passage through customs posts.

NHP joined the Authorised Economic Operator, or AEO programme in 2013. Under the scheme, the company can access the URA's systems directly to log imports, obviating the need for manual inspection by customs officers at every stage of the process.

"As an AEO your shipment is given first priority from Mombasa to Kampala. When the container arrives at the bonded warehouse, you do not need to call the customs officer. All you have to do is open your container and log the import," Kiguli says. "The trucks now spend no more than 3 to 4 hours [at customs posts], where they used to take 4 days from Mombasa to Kampala."

Developing a competitive manufacturing base is important for Uganda and the rest of the region. Moving away from primary commodity exports and dependence on imports of value-added goods from overseas is a major part of East African nations' long-term economic plans.

The manufacturing sector is itself dependent on imported raw materials, such as plastic, and 90 percent of Uganda's imports come through the Kenyan port of Mombasa, mainly by road. Expensive delays, as well as manual customs processes—which require a considerable investment in staff—add to an already high cost of doing business in the country. Reducing this friction is an important element of making local industries competitive with imports.

For NHP, this is already working. The company has not had to take on any more staff to manage customs processes, and has instead been able to grow its client base, increasing its exports to the Democratic Republic of Congo and Sudan, and taking advantage of the EAC's single customs territory to export US$150,000 worth of goods to Kenya in 2014.

"We are business-minded and want to make a profit. When URA requested that, we come into the scheme we knew that if they gave us control, we would do our business better and they would collect more revenue. I would say the best benefit was that they stopped policing us. This way they could concentrate on collecting taxes and we could concentrate on doing our business." Says Kiguli

By pre-paying their taxes, managing the warehousing themselves and getting customs clearance quickly, raw materials and machinery head straight from the port to the factory floor.

"Some of the savings you cannot quantify but you can see what happens when you have lots of delays in the business," says Kiguli.

NHP is one of 22 companies in Uganda in the AEO programme. URA trusts the enterprises working through the programme to pay their taxes, says Dickson Kateshumbwa, the Commissioner of Customs at the URA. Handing over some control to well-managed companies has opened up more opportunities to pursue evaders, while allowing honest companies to increase their trade volumes.

"Since we started implementing this project, our revenue has grown. Last year our revenue improved by over 15 percent at customs," Kateshumbwa says.

"I can say that it is a combination of factors that have led to this increase. But credit goes to the customs modernisation and new computer system because now we can control a lot of the leakages that were happening. We hit our revenue target last year, and I doubt we would have achieved this without the new system."

Kateshumbwa is now looking forward to rolling out the AEO programme across the region, reducing transit time from Mombasa to Kampala to at least three or four days. The regional pilot, he says, reduced shipping time to two days on occasion. The wider economic impacts of this kind of efficiency should not be underestimated, he explains:

"URA is among the biggest players in the economy. By collecting revenue… we are ensuring companies are facilitated to conduct their businesses. Therefore when you hear growth figures for the economy—and experts predict national growth at 7 percent—it is a combination of many fiscal and policy measures, but it also demonstrates the efficiency measures we have put in place."

IMPROVED BUSINESS COMPETITIVENESS

This portfolio takes approximately 17% of TMEA's budget. Improved business competitiveness is a key building block for increased trade and poverty reduction. The portfolio partners with public and private partners to enhance business regulations, improve export capability and develop efficient trade logistics services.

Co-operatives open opportunities for Rwanda cross-border traders

IMPROVED BUSINESS COMPETITIVENESS

Driving south from Kigali to the Burundi border, you might think that Nemba is one of the luckier border towns in Rwanda. A good road connects its unusually quiet trading centre to the nation's busy capital, and the journey lasts only an hour, unlike the winding, up-hill distances to other border towns. Surely no one in Nemba buying goods from Kigali to sell to Burundi, would have a hard time running a quick and easy cross-border business?

Yet for women traders such as Benigne Maliboli, who sells a bottled local brew to Burundi, reduced transport costs to and from the capital did little to alleviate the gender-specific barriers to her cross-border trade. Like many of her peers, she lacked awareness of cross-border traders' rights, rules and regulations as legislated by the East African Community.

Today, thanks to TMEA funded projected implemented by Rwandan NGO, Profemme/Twese Hamwe the women understand their rights. "We now know that there is someone at the border who can assist small cross-border traders, who gives us information we need about trading at both sides of the border. Before, we were not aware that such services existed," Benigne Maliboli who is also a member of Imbereheza Mucuruzi cooperative says. Profemme mobilises traders like Benigne to form cooperatives through which they receive training and awareness on cross border trade. The NGO also helps them access finances by scoping and identifying possible financiers whom the cooperatives can approach for financing to upscale their operations.

> *Profemme reports that 9 of the cooperatives it supports have increase trade volumes by up to US$ 70 000 with members personal income increasing from RwF 25000 per month to RwF 55000.*

This gain is more personal for Benigne, joining a Profemme supported cooperative increased her knowledge of business, which enabled her to improve her operations. As she looks around at the crates and sacks of beer she says, “I can already see the profit I am going to get from my beer. There are 96 bottles in a sack. I gain profit of 4000 (Rwandan francs).”

While conducting research, Profemme established that many cross border women woes were a result of ignorance. The traders purposefully would avoid registration of business in order to bypass what they perceive as complications. As a result, they ended up paying exorbitant bribes to keep their informal trade going. According to experts, informal trade contributes significantly to the East African economy, “Informal cross-border trade has been estimated at up to 60% of all EAC intra-regional trade and approximately 80% of those who participate in this trade are women”, says Gloria Atuheirwe, Programme Manager of Business Environment at TradeMark East Africa. She continues: “According to the State of East Africa Report 2012, the value of ‘informal’ intra-regional trade in 2010 was estimated at US$591 million. Generally, volumes of informal cross-border trade, and the conditions experienced go largely undocumented, meaning their contribution to trade expansion is unrecorded and ‘invisible’ to policy makers.”

Two year project to strengthen trade

To address economic losses, information gaps and crime fuelled by informal trade at Rwandan border points, TMEA, in 2012 , funded Profemme/Twese Hamwe, to implement a two-year project at five Rwandan borders. In Nemba, Profemme encouraged the traders, who were scattered all over town, to form co-operatives. Chantal Umuhoza, Project Coordinator at Profemme, explains the concept: “ through the cooperative, people a able to bulk their resources and undertake a large scale operations with bigger returns as opposed to what they would achieve in individual undertakings.” And so, Benigne and 39 other traders, formed and registered Imbereheza Mucuruzi cooperative in 2012. Profemme trained them on how to set up administrative and governance structures, financial management, loans application and relationship management with financiers.

Benigne explains, “We started in 2012 with little capital, from the contributions of the members. After registering however, Profemme supported us to apply for a loan of Five Million Rwandan Francs from the Business Development Fund. We already repaid this loan and have successfully applied for another one.”

Her co-supervisor Maria adds, “Ever since we formed a co-operative, we have seen increased capital for our businesses. We have increased the quantities we sell and our market has increased. Our plan is to purchase a maize grinding machine that will enable us to diversify our product offer from seed to flour. This will fetch us better prices in the marked.”

According to Profemme, one of the biggest benefits of being part of a co-operative is the access to the available resources from financial institutions that an individual trader would not have had. It is also easier to tailor business management training and mobilise financial support for groups than for individuals.

Chantal believes bringing people to work together is a replicable approach that is delivering results in Rwanda. The social capital afforded by cooperatives help the members improve not only at a group capacity, but also at an individual capacity. She says, “In one group you will have women with different qualities and experiences”, she explains. “They are able to exchange ideas, learn from each other and decide together what will benefit them and the cooperative.”

Meeting standards means access to markets for Kenya's horticultural farmers

IMPROVED BUSINESS COMPETITIVENESS

Kenya's horticultural farmers are being trained in good agricultural practices

History has shown us the social and economic transformation that is possible when people can grow enough food. It has also confirmed that when the same people access markets to sell excess produce, generations will feel and enjoy the impacts. Thus, the ability to improve livelihoods is what makes agriculture a business and not just a development initiative.

A group of Kenyan farmers are now demonstrating this by financially supporting their local community health centre. Farmers from Kangai Horticulture Marketing Co-operative Society in Kirinyaga County, in the central region of Kenya, built a maternity wing and a laboratory in their local health centre with proceeds from the sale of string beans and baby corn. The enterprising group struck a deal with exporters, that for every kilo of produce sold, a shilling is invested in the hospital project. Currently, the health centre attends to 150 to 200 patients daily.

"We receive services we couldn't receive before, such as TB (tuberculosis) and CCC (comprehensive care centre for HIV and AIDS patients)", explains Mary Wambui, a technical adviser with a local fresh producer organisation, adding that the number of staff in the health centre has grown from 4 to 22.

The hospital extension is Peter Kanyuiro Ngigi's proud legacy, together with his Fresh Producers Association of Kenya (FPEAK) certificate. This certificate, he explains, has been the key to his ability to access international markets, a market that has in many occasions locked out Kenya's produce because of quality issues. **The extension of the health care centre extension, would not have been possible had the farmers not met the required export standards and therefore been able to sell their produce.**

The FPEAK certificate bears the date December 2012 – significant in that it coincided with the European Union's (EU) notice of new restrictions on vegetable imports from Kenya, after they were found to contain a prohibited chemical. The ban came into force 1 January 2013.

Kangai Horticulture Marketing Co-operative Society, of which Peter Kanyuiro Ngigi is the chairman, has up to 150 active members. He explains that, prior to 2010, the EU used to absorb 80 percent of Kenya's exports before market regulations forced restrictions – which is why FPEAK began training farmers to meet the new EU regulations.

Training in good agricultural practices

FPEAK fills the information and awareness gap in Kenya's agricultural sector by collaborating with organisations like TradeMark East Africa (TMEA) to design and undertake training for farmers. It builds their pest management skills, and trains them in food safety principles, traceability and occupational health and safety. To manage their businesses, the farmers learn everything from environmental conservation and soil, pollution and waste management, to record-keeping and internal audits. FPEAK offers courses for beginners, second-level trainees and for auditors of farmers' practices.

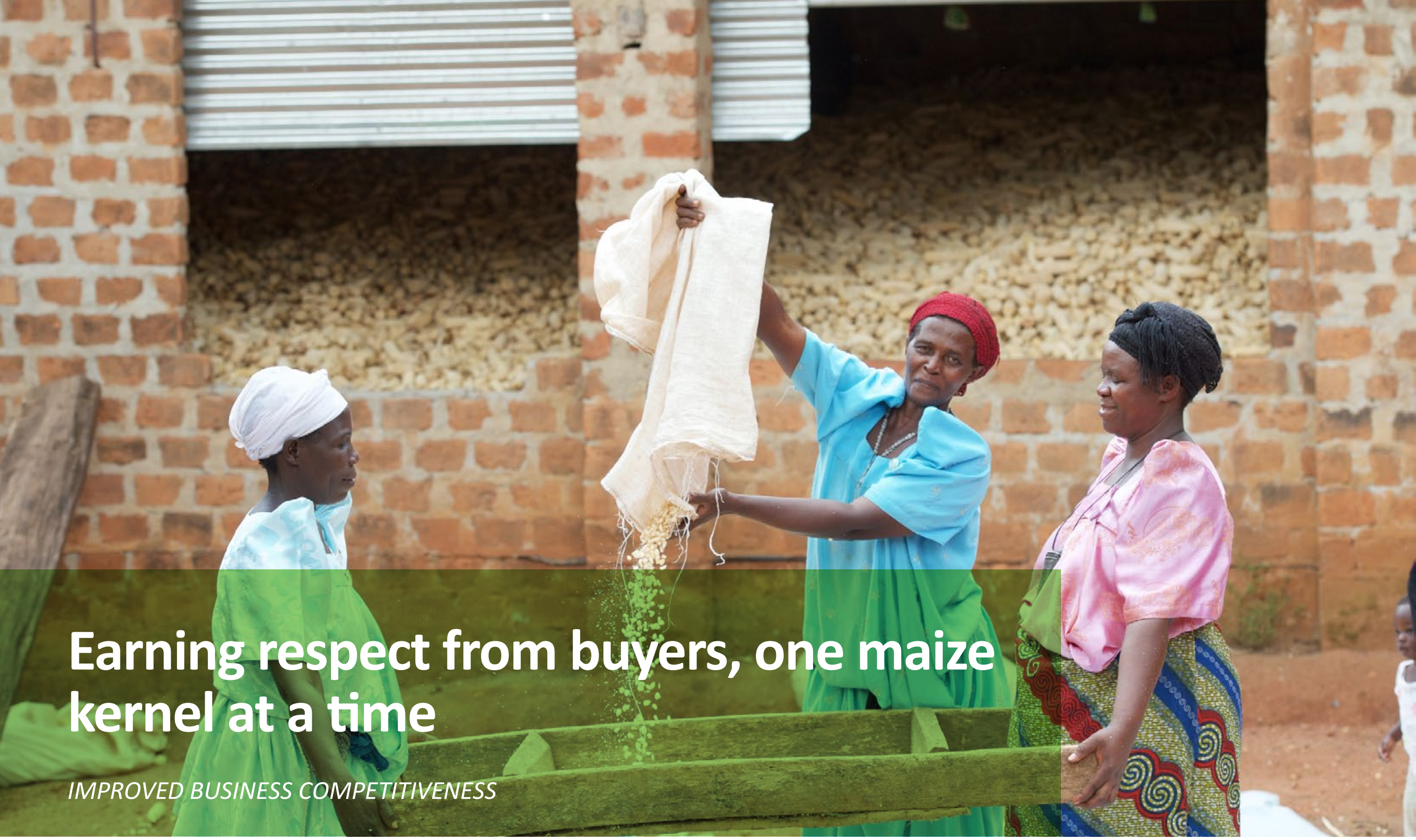
Since 2011 TMEA has funded FPEAK to train farmers in 'good agricultural practices' (GAP). GAP is a market standard that requires farmers to observe certain market requirements on food safety, food quality, sustainable farming practices and reduced environmental impact. The market (in this case the EU) sets the standards based on customers' demand for safe products.

A chat with farmers reveals that noncompliance with the EU's 'minimal residue levels' was one reason for the restriction on Kenya's horticultural exports to Europe. Thus, the farmers began to attend FPEAK's training courses in large numbers, knowing that the knowledge gained held the key to a secure financial future. So far, 20,000 farmers have taken the three-day courses. An easy to understand GAP manual gives farmers a reference point after training.

Mary is a farmer and a former FPEAK technical assistant. "We were trained to teach farmers on correct use of chemicals, harvesting periods and packaging to minimise post harvest losses", she explains, adding that personal hygiene and environmental sanitation are crucial. "For example," she continues to share learnings, "graders should have clean hands, clean clothing, and adequate protective gear including hair covering. Nails should be short with no varnish and metallic jewellery avoided."

FPEAK's mandate is to restore farmers' confidence in horticulture, and this has meant taking tough measures, including finding the farmers who are not complying with regulations. Farmers are counting on FPEAK to help them overcome the remaining hurdles, especially as they try for certification that will enable them to benefit from the global (as well as the EU) market.

For Peter Kanyuiro Ngigi, meeting GAP standards and accessing good markets for his produce is essential for his family's future. "Proceeds from my farm," he explains, "pays for my family's National Health Insurance Fund. My children have attended good schools, and the first born is now a third year student at Maseno University." All of which proves yet again history's message that access to markets can make a lasting difference to people's lives.



Earning respect from buyers, one maize kernel at a time

IMPROVED BUSINESS COMPETITIVENESS

TMEA is supporting the Southern and Eastern Africa Trade Information and Negotiations (SEATINI) Uganda to increase capacity for export trade, through standards for maize and sesame. SEATINI has adopted a two-pronged approach including strategic partnership with Uganda National Bureau of Standards and creation of awareness and training farmers in select districts to recognise and adopt the set standards. Following SEATINI training, hundreds of farmers in Uganda's Nakaseke district have adopted set maize standards. According to independent evaluations, buyers are now paying the farmers more for higher standard maize (graded and sorted) UGX 700 compared to 400 UGX

As Kamya Kirubira leads us through a syrup-coloured maize field in his home district of Nakaseke in Central Uganda, the hard leaves scratch gently against our skin, assuring us the crop is as dry as it looks. Juxtaposed against a powder blue sky, the rows of maize are an idyllic scene that could have come straight from the front of a well-branded breakfast cereal box. This is Nakaseke today.

Maize is in high demand in East Africa. It is the foundation of every staple food, in every country in the region. Every morning, afternoon and evening, middle class families sit down to eat maize, whether in the form of a roasted maize cob, a bowl of ugali (maize porridge), a fried chapatti, or an intoxicating local brew. Kenya is opening up to Ugandan maize and other markets will surely follow, but only if the maize makes the grade. In fact, the demand for this cereal crop far outweighs its production in East Africa.

Yet, by Kamya's own accounts, he wasn't always the 40-acre owning commercial farmer he is now, and Nakaseke wasn't always hailed as a model district for maize growing. In fact in 2013, when the World Food Programme rejected roughly 15,000 metric tonnes of maize grown by Ugandan farmers, most of it was from Nakaseke.

That same year, major maize importer South Sudan, emerging from civil war and facing a severe food shortage, turned away countless trucks of the grain, again grown by farmers from this district. The importers had had enough of rotting produce, and smelly and discoloured kernels, and were perhaps becoming aware of the fact that the chemical, aflatoxin, present in this substandard import, could cause cancer.

In both cases, small-scale farmers in Nakaseke made innumerable losses, leading to the recently established maize standard. Any farmer in the area caught harvesting their maize while it is still green, is penalised. Similarly, anyone spotted drying their maize on the bare ground instead of using tarpaulin nets, is fined. These bad practices are depicted on colourful posters distributed by civil society organisations, publicising the maize standard and the bylaws that protect it

"From the beginning, small-scale farmers were consulted in the creation of the maize standard", says Lina Asiimwe, Project Officer at the Southern and Eastern African Trade, Information and Negotiations Institute (SEATINI), a multi-regional organisation lobbying for the adoption of appropriate standards in maize and sesame, under a two year project funded by TradeMark East Africa.

Adoption of grading with sorted maize is now attracting UGX 700 from 400 UGX, ns …a small, but remarkable increment.

"They helped determine the parameters as well as the reporting mechanisms for people who spotted maize being handled badly post-harvest."

According to officials at district headquarters, the bylaws would not have existed without the farmers being willing to see punitive measures taken against bad practices.

"My office started to work with SEATINI when we received submissions from five subcounties in Nakaseke, requesting for bylaws that were similar in intent", explains William Senfuka, Head of the Secretariat of the District Council in Nakaseke. "Since maize is grown well beyond these subcounties, I realised we needed an ordinance that covers the whole district. Legal experts were hired to ensure that these laws made at a subsidiary level coincided with national laws."

"Now we are publicising the ordinance", he continues. "Last month I was a guest on a radio talk show where we talked about the intent and scope of the ordinance."

The talk show in question is hosted every Monday by Nakaseke Community Radio 102.9 FM, which operates from a well-stocked multimedia centre in the district. The show not only informs farmers about good maize practices, but also allows them to air their frustrations over the costly reality of maintaining the standard – frustrations that often get lost in the theory.

"So many issues were aired by farmers. We were telling them to wait a bit and harvest when the maize combs are down," says Peter Balaba, who runs the multimedia centre "but so many were saying: 'I can't wait, especially when someone gives me good money."

Many farmers also take to the airwaves to encourage their peers to join co-operatives, to make it easier to take out loans and to settle financial issues as the maize dries. But women farmers have their own particular problems.

Peter Balaba illustrated the specific issues women face in agriculture: male farmers recently phoned in to a women's panel, alleging that women are "crafty" and "farm in secret', often going back home to grow and dry maize on their parents' land. According to the angry callers, these women farmers hide their profits from their husbands.

Harriet Nabilanda however, is certainly not hiding. At her homestead, the harvested maize is laid out neatly on a large tarpaulin net for all her neighbours to see and hopefully emulate. She gingerly steps around the tarpaulin's corners to approach us, careful not to step on any of her maize.

"I used to work so hard and yet I got low returns. Since I was trained in using tarpaulin and other practices, I use less time and energy than before, and yet I get high returns", she explains.

Aside from being a peasant turned commercial farmer, Harriet brings women farmers' issues to the table through her role as woman councillor in Semuto, one of the subcounties in Nakaseke that requested a maize bylaw.

"Since learning these good practices and seeing the benefits, many more women have entered maize farming and are able to pay fees for their children", Harriet explains. "Most of them are single mothers. Men no longer want these responsibilities."

Creating a standards blueprint for other crops

A few challenges remain, according to SEATINI however, Ugandan farmers' maize is not priced according to grades, so there is little motivation for farmers to grow good maize.

These issues will be taken into account when the same blueprint is used to establish a national standard sesame. The oil seed is largely grown by women and although local demand is not high, the Middle East, Europe and north Africa are all potential buyers.

So far though, in Uganda maize is the testimony and Nakaseke is the church. Because the district is a shining example, farmers are being taken to other maize hubs in Masindi and Lira, to train their peers on how the crop should be handled. As a result, Masindi is working to get a bylaw passed that forces farmers to have good storage facilities.

As for the future of exports from his district, William Senfuka draws a small square in the air with his fingers.

"When you are taking our maize out of our district", he asserts, "you might soon require a Certificate of Origin." So look out for maize 'Made in Nakaseke' in a shop near you. By all accounts, it should be good.

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