

2017-2018
**ANNUAL
REPORT**

GROWTH INCLUSION SUSTAINABILITY

STRATEGY 2 (2017 – 2023)

STRATEGY 1 (2011 – 2017)

RESULTS IMPACTS PROSPERITY

 **TRADE
MARK**
EAST AFRICA
Growing Prosperity Through Trade



THE BELGIAN
DEVELOPMENT COOPERATION **be**



Global Affairs
Canada Affaires mondiales
Canada





OUR VISION

A united East Africa with flourishing trade, strong investment and less poverty.

OUR MISSION

To promote rapid advances in East Africa's integration, trade and global competitiveness for all East Africans.

OUR FOCUS

We focus on high impact and cost effective results to improve the lives of East Africans.

UNITED EAST AFRICA

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OUR POTENTIAL

OUR CORE VALUES



PARTNERSHIP

We listen to our partners and staff and are flexible in our response to their needs.



RESPECT

We value our partners and staff and appreciate their diversity.



INTEGRITY

We are transparent, honest and ethical in the way we work.



PROFESSIONALISM

We work enthusiastically to deliver excellence in everything we do.



INNOVATION

We constantly strive for new solutions to achieve the best possible outcome.



RESULTS-DRIVEN

We focus on high impact and cost effective results to improve the lives of East Africans.

RESULTS ACHIEVED BY JUNE 2018

TradeMark East Africa (TMEA) is funded by a range of development agencies with the aim of growing prosperity in East Africa through trade.

We believe that enhanced trade contributes to economic growth, a reduction in poverty and subsequently increased prosperity.

TMEA works closely with East African Community (EAC) institutions, national governments, the private sector and civil society organisations to increase trade by unlocking economic potential.



INCREASED PHYSICAL ACCESS TO MARKETS

REDUCING: transit times and costs
IMPROVING: port efficiency
CONSTRUCTING: trade infrastructure

8 COUNTRIES

East African locations that TMEA works in, including all EAC member states, DRC and Ethiopia.



ENHANCED TRADE ENVIRONMENT

ELIMINATING: NTBs
UPGRADING: customs management
HARMONISING: standards

US\$ 17 BILLION

Large scale impact of TMEA's projects over 10 year period.



IMPROVED BUSINESS COMPETITIVENESS

INCREASING: smallholder incomes
FACILITATING: women cross-border traders
UPGRADING: exports to meet standards

132 STAFF

Diversity of TMEA staff representing 12 nationalities



10%

INCREASE IN THE TOTAL VALUE OF EXPORTS FROM EAC REGION



INCREASE IN INTRA-REGIONAL EXPORTS AS COMPARED WITH TOTAL EXPORTS FROM EAST AFRICA

25%



15%

REDUCTION IN AVERAGE TIME TO TRANSPORT A CONTAINER FROM MOMBASA OR DAR ES SALAAM TO BURUNDI OR RWANDA



DECREASE IN THE AVERAGE TIME A TRUCK TAKES TO CROSS SELECTED BORDERS

30%



Keeping pace with the Sustainable Development Goals

There are 17 UN Sustainable Development Goals (SDGs), agreed at the United Nations in 2015, and every one of them has a social or economic impact on the world's population.

While TMEA's mission, 'To promote rapid advances in East Africa's integration, trade and global competitiveness for all East Africans', indirectly connects to every SDG, there are some that have particular relevance.

TMEA's objectives are to increase access to markets, enhance the trade environment and improve business competitiveness in Eastern Africa. It thus addresses barriers to economic growth.



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



5 GENDER EQUALITY
Gender Equality, which aims to end all forms of discrimination against all women and girls everywhere and eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

TMEA has embraced a cross-cutting gender strategy to ensure equal opportunities for women and men in trade and through the complete cycle of every TMEA project.

TMEA's environmental policy also permeates its work, including a climate change strategy that guides the integration of climate change mitigation into every TMEA project.



13 CLIMATE ACTION
Take urgent action to combat climate change and its impacts.

TradeMark East Africa programmes directly contribute to reduced poverty and sustainable development.



TradeMark East Africa has formed strategic partnerships across East Africa with governments, private sector and civil society.



OUR GOVERNANCE

CHAIR OF THE COUNCIL



Aid for Trade Sustaining Growth Impacting Lives

People experience poverty in their daily lives, in neighbourhoods, in schools or in workplaces. Trade, a key driver of economic growth, has the power to lift millions out of poverty and to transform people's lives.

Enabling the private sector to thrive is critical to creating jobs and trade. Guided by this principle, TMEA's Council spent the better part of 2017 and 2018 laying out the new strategic plan. It is time to move from merely reducing transport time and costs through trade corridors to addressing the root causes of poverty across the region. This has required a shift in thinking.

TMEA's aim is to achieve sustainable inclusive trade for Eastern Africa - where the impacts of our programmes permeate through the macro level to the micro level. Our 'Marshall Plan' is to create and increase trade through the power of partnerships and innovations, ultimately contributing to higher GDPs, more employment opportunities and women's economic empowerment.

TMEA recognises that simply reducing transport time and costs, or the time it takes to process trade documents, does not mean that a female trader at Elegu border, at the tail end of the Northern Corridor, finds it easier to make profits and provide for her family. Or that the cost of basic items in retail shops in East African rural areas has fallen. We are therefore

committed to supporting programmes that translate to tangible gains at the grassroots.

The results of TMEA's programmes indicate that positive change is happening. A recent study from Profemmes Twese Hamwe (a Rwandan non-profit) on a women informal cross-border trade programme indicates that incomes for women cross-border traders have increased across the region. In Rwanda, women cross-border traders' co-operatives have increased their average trade values by 75%, from 8,000 Rwandan Francs (approximately US\$10) per monthly trip in 2015, to 32,000 Rwandan Francs (approximately US\$40) per monthly trip in 2018. Through knowledge and skills training on business financing and entrepreneurship, targeted women cross-border traders have secured capital to start or expand their businesses.

I am proud of the contribution TMEA has made in East Africa since commencing implementation in 2010. The first phase of the programme anchored on innovating key trade processes to cut customs clearance times from an average of nine to two days. It also reduced the cost of trading across the region with new cargo-tracking technologies and improved infrastructure. Travel time along the major corridors, from Mombasa port to Kigali, and from Dar es Salaam to Bujumbura, has fallen by 16.5%, even though trade and traffic has grown.

TMEA's ten donors – Belgium, Canada, Denmark, the European Union, Finland, Ireland, Netherlands, Sweden, the United Kingdom and the United States of America, have re-invested in the second phase, which is a statement of confidence in the organisation. We will support investment to boost the efficiency and capacity of transport, logistics and trade infrastructure

at key ports and border points, to upgrade trading standards, to lower the number of non-tariff barriers, and to enhance transparency in trade processes.

A borderless Africa is the foundation of a competitive continental market that will serve as a global business centre. The Africa Continental Free Trade Area (AfCFTA) promises significant economic benefits to Africa. A recent UNCTAD report shows that AfCFTA would add US\$17.6 billion (2.8%) to its overall trade with the rest of the world, stimulating exports by US\$25.4 billion (or 4%). AfCFTA would also increase intra-Africa trade by US\$34.6 billion (52%), with a further US\$85 billion if trade facilitation, rather than just tariff liberalisation, were addressed. This is the big prize that TMEA is aiming for.

TMEA's experience in implementing trade facilitation programmes in East Africa positions the organisation well to offer lessons that will make the AfCFTA a reality. Our push in the coming years will be to form strategic partnerships that can drive change in public policy, attitudes and behaviours. Our expertise in breaking down trade barriers will be complementary to the ongoing trade negotiations at continental level. The new strategy will move the region beyond the accomplishments of the past, creating job opportunities and opening marginalised areas to development from the ports to the hinterlands. We believe this approach will deliver a prosperous Eastern Africa where citizens thrive.

Join us on this journey!

Beth Arthy
Council Chair

CHAIR OF THE BOARD



Advancing Eastern Africa's prosperity

The East Africa region continues to display strong performance with a robust 5.9% economic growth in 2017, persisting in 2018. Growth has been driven by private consumption, public investment in infrastructure, extractives and construction, and development in the service and manufacturing sectors. Improved weather conditions, combined with rising global commodity prices, supported recovery in agricultural production. The 2017 East Africa Community (EAC) Trade and Investment Report indicated a growth of 8.7% in intra-regional exports, from US\$2.6 billion in 2016 to US\$2.8 billion in 2017. Export growth has been driven in part by a recovery in the production and export of agricultural products.

The region continues to make significant gains in creating a conducive trading environment for businesses. Trade costs and time have drastically fallen, thanks in part to the commitment of East African governments to promoting trade, and through investment in trade facilitation made by partners such as TradeMark East Africa.

Our first phase ended in 2018 following generous contributions from development partners, including Belgium, Canada, Denmark, Finland, The Netherlands, Sweden, the United Kingdom and the United States of America. We are pleased to welcome new investors, Ireland, Norway and the European Union, as Strategy 2 begins.

TMEA is already delivering results at the Mombasa Port, in terms of reduced traffic congestion, berth upgrading and a greener port. In addition, in the Democratic Republic of Congo (DRC), infrastructure upgrades at Kalundu Port on Lake Tanganyika have begun, with the add-on of dredging to allow bigger ships to dock and to expand trade in the region.

New trade portals across the region are improving the processing of trade documents, making trade simpler and faster, while the regional electronic cargo tracking system is ensuring faster transit times in the delivery of cargo. This system will be further extended to Kinshasa, DRC this year. The Uganda single window system is operational with 16 agencies now using it.

TMEA's efforts to boost business competitiveness by supporting the private sector and women traders, are also delivering results. The TMEA Women and Trade programme is making life easier for thousands of women cross-border traders and for women entrepreneurs in the export market. The TMEA Challenge Fund has assisted viable businesses to grow through planned funding.

Challenges, such as security threats in some countries, have caused delays in implementing programmes. This calls for more engagement with TMEA partners to enable the organisation to keep pace with results and meet donor expectations.

I believe that TMEA's unique offering, mixing technical expertise and deep understanding of trade, with politically informed, high-impact programmes, is meeting East Africa's needs. I also see great potential for TMEA to play a large role across the

continent in promoting regional integration and new opportunities for African businesses under the Africa Continental Free Trade Area (AfCFTA).

I want to take this opportunity to thank our development partners, led by the biggest investor, the United Kingdom, for their confidence in TMEA.

I commend the wonderful efforts of TMEA's partners – the EAC Secretariat, regional governments, business and civil society, as well as TMEA's management and staff. I warmly thank our investors for their loyal support. We look forward to continued partnership and success in 2019.

Ambassador Erastus Mwencha
Board Chair

CHIEF EXECUTIVE OFFICER



Growth, Inclusiveness, Sustainability

2018 was a significant year for TradeMark East Africa. We reached our ninth year of existence and we moved into a second strategy phase, building on previous years, and envisioning deeper and wider programmes for the future.

We expanded geographically to include Ethiopia, the Democratic Republic of Congo (DRC) and Somaliland. We exceeded our 15% target of reducing the time it takes to transport cargo from Mombasa port to Bujumbura or Kigali. Reviews indicate that TMEA interventions have contributed a 16.5% reduction in time, based on results from only 30% of our projects. Opening seven one-stop border posts (OSBP) with partners has delivered immense benefits to traders and cargo transporters, whose time to cross the border has reduced by 70% on average.

The year began with confirmation of critical funding of US\$470 million from existing donor partners and new funding from Norway and the European Union (EU). This is testament to the commitment of our financial supporters and to creating new partners through programmes that yield results. Growth brings change, and we have asked more from our partners and staff than ever. The result of that effort is undeniable.

The questions are: what did we accomplish in 2018? And where do we go from here?

We made progress in programme implementation and more importantly, witnessed how TMEA interventions have directly impacted millions of people in East Africa. People and transporters of cargo tell us they are now spending less time crossing East African borders and are reaping the benefits.

Our upgrading of roads and ports is alleviating key logistics bottlenecks, ensuring goods move efficiently from source to market. In Rwanda and the DRC we have fostered a partnership with the EU and the International Organisation for Migration to upgrade the Rusizi II border crossing between Eastern DRC and Rwanda. This has been received with enthusiasm by both the governments and traders. In Uganda, the Ntungamo-Mirama Hills road was formally handed over to the government. This route offers an easier and safer passage for passengers and cargo and therefore we anticipate more traffic through the Kagitumba/Mirama Hills OSBP.

Authorities and users at the Mombasa port report reduced congestion following completion of the Port Reitz-Moi Airport road. Upgrading of the Magongo and Kipevu roads, now underway, will enhance these efficiencies. We can see results from the completed 250 metres of dredging works at DRC's Kalundu Port on Lake Tanganyika. This has enabled bigger ships to dock, reducing the time and costs previously incurred when offloading.

Automation of key trade processes in government agencies has successfully reduced time and transactional costs incurred when processing trade documents. Sixteen agencies are using the Uganda 'electronic single window' reducing the cost and time taken to clear goods. TMEA is implementing a number of 'single window information for trade systems' for Rwanda's pharmaceutical regulatory body, Zanzibar's Food and Drugs Authority and for seven agencies at the Tanzania Ministry of Agriculture, Livestock and Fisheries. Geo-mapping of transit railway routes is ongoing, while cargo monitoring currently covers 20% of maritime cargo on average.

Our women and trade programme has so far aided 5000 women cross-border traders, linking them to new export markets. Meanwhile, 380,000 people are estimated to have benefited from TradeMark East Africa Challenge Fund interventions, with targeted beneficiaries increasing their average incomes by 62% (US\$286 in 2013 to US\$464 in 2018).

Despite the regional challenges – weak local currencies, pressure on trade, security threats in South Sudan, Eastern DRC and Burundi – the organisation received several awards during the year, notably from the Uganda and Rwanda governments.

Following a joint donor review, TMEA has upgraded systems and processes, introducing an internal single window approach to monitoring, risk management, finance and programme cycle planning. We upgraded our safeguards policy and practice for environmental and social protection. We also created a Diversity Team to ensure a strong gender and nationality balance. In addition, TMEA plans to share key lessons from Strategy 1 and 2 to benefit TMEA staff and wider communities of practice. We are also now focused on capturing lessons learnt from Strategy 1 to share knowledge that will advance advocacy on Aid for Trade globally.

Our new way of thinking is embodied in our vision for a prosperous Eastern Africa, beyond the initial EAC countries to include immediate neighbours, Ethiopia, Somaliland, Malawi, Mozambique and Zambia. These new country programmes are aimed at increasing trade, reducing trade costs and boosting country competitiveness. This is expected to promote exports and jobs and reduce poverty. TMEA's expansion will also link regional economic communities including the East African Community, the Intergovernmental Authority on Development and the Common Market for East and Southern Africa. These links offer an opportunity for TMEA to pilot programmes and contribute to the realisation of the Africa Continental Free Trade Area.

As always, on behalf of the team at TMEA, I wish to convey our sincere thanks to our Board, donors and partners for their strong support. The organisation is on course to make significant impact and we look forward to continuing our commitment to increasing the prosperity of millions of East Africans through trade.

Frank Matsuert
Chief Executive Officer

COUNCIL MEMBERS



BETH ARTHY

Council Chair
Head of Office, Department for International Development

Tanzania



HAJO PROVO KLUIT

Sustainable Economic Development
Dutch Ministry of Foreign Affairs

Netherlands



HELLEN ORIARO

International Development
Officer Global Affairs Canada

Kenya



HENRIK LARSEN

Deputy Head of Mission
Embassy of Denmark

Kenya



LISA WALKER

Deputy Chief for Trade, Office of
Regional Economic Integration (REI)

USAID/Kenya and East Africa



RAMSES MALATY

Counsellor/Deputy Head of
Mission Embassy of Finland

Kenya

BOARD MEMBERS



ERASTUS MWENCHA

Board Chairman

Erastus Mwencha is the former Deputy Chairperson of the African Union Commission. He is also a former Secretary General of the Common Market for Eastern and Southern Africa (COMESA). Prior to COMESA, Mr Mwencha served in the Government of Kenya in several capacities, including as Head of Industrial Promotion Department, Secretary to Industrial Sciences Advisory Research Committee, and as a Senior Economist at the Kenyan Industrial Survey and Promotion Centre. He holds a Master's degree in economics from the University of York and has received several awards and honours, including 'Elder of the Golden Heart' in 2009, and 'Moran of the Burning Spear' in 1998, both presented by the President of the Republic of Kenya. He has also received Officer of National Order in 1977, the highest national award in the Republic of Madagascar, and the highest Presidential Award given by the President of the Republic of Djibouti. Lastly, he led COMESA to the 'International Gold Award for Excellence and Business Prestige' in 2002, during the Quality Summit Award in New York.



PATRICK OBATH

Board Vice Chairman

Patrick Obath is the managing consultant of Eduardo and Associates. He previously served as Managing Director and Country Chairman for Kenya Shell and Shell Tanzania. He also serves as board chairman for PZ Cussons East Africa Limited, KCA University, Board of Trustees, Kenya Cultural Centre, Starehe Boys Centre and Board of Trustees, LVCT Health. He also serves as a board member of Kenya Private Sector Alliance (KEPSA), Afren Plc, Standard Chartered Bank – Kenya Ltd, Wananchi Group Holdings Ltd, New Forests Company Holdings Limited and Unga Group Holdings Limited.



ROSETTE CHANTAL RUGAMBA

Board Member

Rosette Rugamba is an Aspen Global Leadership Network Fellow and Special Advisor to the Secretary General United Nations World Tourism Organisation (UNWTO) on sustainable tourism in Africa. She is now managing Songa Africa Ltd. She previously served as Deputy CEO Rwanda and Director General of the Rwandan Office for Tourism and National Parks. She currently serves as the board chair of the Women Chamber -Private Sector Federation. She also serves as a board member of Equity Bank Rwanda, Sonarwa Insurance Company, African Parks Network- South Africa, Diane Fossey Gorilla Fund International, Population Services International Rwanda (PSI) SFH and LEO.



SCOTT CAMERON

Board Member

Scott Cameron is the Chief, Office of Economic Growth and Development USAID/ Kenya and East Africa



DUNCAN ONYANGO

Board Member

Duncan Onyango is currently Regional Director/ CEO of Acumen Fund, a social venture fund. He has served on the boards of eight major organisations in East Africa and the UK, including Rift Valley Railways Ltd, Scion Real, Philafe Engineering Ltd, Acacia Medical Centre Ltd, Botanical Extracts EPZ Ltd, Western Seed and Provident Capital Transfers Ltd (UK). He has expertise in strategic and business planning, organisational alignment and business transformation and holds an honours degree in Computing and Retail Management from Oxford University.



PATRICIA ITHAU

Board Member

Patricia Ithau is the Regional Director for the Stanford Institute for Innovation in Developing Economies Seed. She previously served as Managing Director at L'Oreal East Africa, EABL International and Uganda Breweries Ltd. She currently also serves on the boards of Barclays Bank Kenya Ltd, The Foschini Group Kenya, Strathmore University Foundation and KEPSA. Her deepest desire is to use her experience to create opportunities that transform the quality of people's lives in Africa. She is a Fellow of the Marketing Society of Kenya, a Member of the African Leadership Network and a Member of the Institute of Directors, Kenya



ANTHONY MASOZERA

Board Member

Anthony Masozera is the CEO of Vanu Rwanda LTD, a company that provides telecommunications services to rural communities. He has previously served as CEO of Econet-LEO Burundi, and CEO of MTN Guinea Bissau. He has served on the boards of Grameen Foundation Rwanda, Higher Life Foundation Burundi, Econet-LEO Wireless Burundi and the Burundi Backbone System. He obtained his Bachelor and Master of Business of Administration degrees in the USA, is a Certified Public Accountant with the State of Texas, and is also a founding member of the Institute of Certified Public Accountants of Rwanda. He is a Fellow of the Africa Leadership Initiative - East Africa and a member of the Aspen Global Leadership Network.



EARL GAST

Board Member

Earl Gast is a senior U.S. government executive with 24 years of experience in international development and foreign policy, with deep expertise in creating and implementing high-impact programming around the world. He has held various positions at USAID including Assistant Administrator, Bureau for Africa, Mission Director, Afghanistan, Acting Assistant Administrator/Senior Deputy Assistant Administrator, Africa Bureau and Mission Director, Ukraine.

SENIOR LEADERSHIP TEAM



FRANK MATSAERT
Chief Executive Officer

Frank has over 20 years of experience as a senior private sector development specialist with an extensive track record in strategy, programme delivery and management in fourteen countries in Africa and six in Asia. Frank has been the Chief Executive Officer of TradeMark East Africa since October 2010 and prior to this was a private sector adviser for DFID and Country Director for Care. Frank started his career in the financial sector, as an International Fund Manager and Investment Analyst in the UK. Over the years Frank has designed and overseen over 40 major innovative and successful programmes totalling over \$1 billion in the fields of trade, financial sector development, privatisation, investment climate reform, market development and skills development. Frank holds two Master's degrees in Economics and Archaeology, and is an IMRO certified Fund Manager.



DAVID STANTON
Director General

David Stanton is the Director-General of TradeMark East Africa, which he joined at its inception in 2010. His current role covers strategy, planning, and delivery of TradeMark's results across seven countries in East Africa. David's areas of expertise are regional economic integration, trade and business strategy, and programme and organisational management. He has worked in over 45 developing countries, mainly in Africa and Asia. Earlier in his career, David served as Chief Adviser for Enterprise Development, and Head of the Tanzania programme for the UK's Department for International Development. He also served as a Director of the Investment Climate Facility for Africa, and a Country Director for CARE International. He is a British citizen, and holds a Masters Degree in English from Cambridge University. He also has an MBA from Sri Lanka.



DENNIS KASHERO
Acting Chief Results Officer

Dennis Kashero is the Acting Chief Results Officer. He leads the Strategy and Results team of TMEA as Acting Chief Results Officer. His main areas of expertise are communications, marketing and organisational management. Prior to his current role, Dennis served as TMEA's Communications Director, responsible for leading the development and implementation of TMEA's communication strategy and strengthening internal and external communications platforms in support of TMEA's overall strategy and goal of growing East Africa's prosperity through trade. Dennis has over 25 years' experience in communications and marketing with extensive experience in managing these portfolios in the FMCG, media and manufacturing industries in East Africa. Dennis' passion is in seeing his work contribute to making positive change in people's lives.



KEN JONES
Chief Operating Officer

Ken Jones joined TMEA in 2010. He has worked in international development since 1994 leading assignments in Nigeria, Rwanda, Uganda, Jamaica, Grenada, Kosovo, Macedonia, and Montserrat. He led projects in Rwanda to establish the Rwanda Revenue Authority, in India to establish a Centre for Good Governance in India, in South Sudan setting up the Capacity Building Trust Fund, and in Nigeria where he managed the Federal Government's Service Delivery Initiative. He is a Fellow of the Chartered Institute of Management Accountants, the Chartered Institute of Public Finance & Accountancy, and the Institute of Consulting. He is a Trustee of Action on Disability and Development (ADD) and a former Governor of the Westminster Foundation for Democracy.

SENIOR MANAGEMENT TEAM



THE LATE GEORGE WOLF
Senior Director, Market Access

In his role as Senior Director, Market Access, George Wolf supported regional integration and trade competitiveness in East Africa by helping infrastructure agencies prepare and finance key transport infrastructure facilities. For many years, George was an investment banker with Citigroup in the United States, where he helped finance US\$15 billion worth of projects in the power, water and transport sectors. Immediately prior to TMEA, he was with the World Bank's Project Finance & Guarantees Group in Washington D.C.



LISA KARANJA
Senior Director, Business Competitiveness

Lisa Karanja is a legal professional who oversees the strategic development of new business lines, focusing on business environment reform, export capability and trade and logistics, and has established a US\$15m women and trade programme. Her resumé covers private sector development, policy advocacy and public sector reform. She held a senior position at Kaplan and Stratton Advocates, Nairobi, and was the Senior Law and Policy Advisor in the Department of Governance and Ethics, Office of the President. She was also Deputy Executive Director, Transparency International-Kenya. She sits on the National Anti-Corruption Committee for Kenya, the Business Advocacy Fund and the Kenya Markets Trust. Lisa has an LLB from the University of Warwick and a Master's in Law and Diplomacy from the Fletcher School of Law and Diplomacy. She is admitted to the bar in the United Kingdom and is an Advocate of the High Court of Kenya.



MARK PRIESTLEY
Senior Director Country Programmes

As Senior Director Country Programmes Mark Priestley has oversight responsibilities for TMEA interventions in the EAC and South Sudan. He is a development economist with 25 years' experience of managing aid-funded programmes in private sector development, trade and regional integration in emerging economies. He spent his formative years with the European Commission supporting East European countries with their transition to a market economy and their entry into the European Union. During his time with the EU in Bosnia and Herzegovina, he was involved with post war economic regeneration, before moving to South Africa where he managed a large EU grant fund. Prior to his current position, Mark was the Country Director for TMEA in Rwanda.



RICHARD KAMAJUGO
Senior Director Trade Environment

Richard Kamajugo's mandate focuses on improving trade systems, processes and legal and policy issues, and reducing trade barriers in the EAC. He began his career at the Ugandan Ministry of Commerce before joining the ranks to become Commissioner for Customs, leading a team of 800 officers and overseeing major reforms of Customs' processes. He was a key player in many EAC and COMESA negotiations. He has been a member of different technical working groups in the World Customs Organisation and the World Trade Organisation and has presented papers in a number of international trade and Customs' forums at regional and international levels. He has a Bachelor's degree in Economics, a Diploma in Trade Policy and an MBA.

OUR INVESTORS

With the support of THE BELGIAN DEVELOPMENT COOPERATION .be

Belgian Development Cooperation aims to achieve sustainable human development. This aim is to be achieved by fighting poverty and strengthening democracy and the constitutional state.

www.btctb.org/en/belgian-development-cooperation



The mandate of Foreign Affairs, Trade and Development Canada is to manage Canada's diplomatic and consular relations, to encourage the country's international trade and to lead Canada's international development and humanitarian assistance.

www.international.gc.ca/international/index.aspx?lang=eng

EMBASSY OF DENMARK DANIDA | INTERNATIONAL DEVELOPMENT COOPERATION

Denmark's development cooperation aims to fight poverty with human rights and economic growth.

<http://um.dk/en/>



The Directorate for International Cooperation and Development (DEVCO) is responsible for designing European International Cooperation and Development Policy and delivering aid throughout the world.

ec.europa.eu/europeaid/general_en



Irish Aid is the Government of Ireland's official international development aid programme. Irish Aid is managed by the Development Co-operation and Africa Division of the Department of Foreign Affairs and Trade.

www.irishaid.ie



The basis for Finland's development policy is the set of Millennium Development Goals (MDGs) established by the United Nations, which aim at eliminating extreme poverty. In addition to reducing poverty and inequality, Finland supports the long term goal of freeing developing countries from their dependency on aid, through strengthening their own resources.

www.forin.finland.fi/english



The Ministry of Foreign Affairs of the Netherlands is the channel through which the Dutch Government communicates with foreign governments and international organisations. It coordinates and carries out Dutch foreign policy. The Ministry has two halves: its headquarters in The Hague and its missions abroad (embassies, consulates, and permanent representations).

www.government.nl/ministries/bz/about-the-ministry



The main task of the Ministry of Foreign Affairs is to secure and promote Norway's interests internationally. Norway's interests are determined by such factors as its geographical location in a strategically important area, its open economy, its position as a coastal state and steward of substantial marine resources, and its extensive exports of oil and gas.

<https://www.regjeringen.no/en/dep/ud/id833/>



UKaid concentrates on improving health, increasing the quality of education, reducing vulnerability among Kenya's most disadvantaged, and catalysing private sector growth to create more jobs for young people.

www.gov.uk/government/organisations/department-for-international-development



USAID carries out U.S. foreign policy by promoting broad-scale human progress. At the same time it expands stable, free societies, creates markets and trade partners for the United States, and fosters good will abroad.

www.usaid.gov



REGIONAL AND COUNTRY CONTEXT

Global economic growth has eased but remains robust, according to the World Bank. Growth was projected to reach 3.1% in 2018, supported by gradual recovery in manufacturing, investment and trade. In emerging markets and developing economies, growth in commodity importers will remain robust, while recovery in commodity exporters is expected to mature. The possibility of financial market stress, rising trade protectionism and heightened geopolitical tensions are some of the downside risks to the outlook over the next two years.

Similarly, growth in **sub-Saharan Africa** was projected to firm up to 3.1% in 2018, driven by rising oil and metals production, higher commodity prices, improving agricultural conditions, and increasing domestic demand. Sustained growth is expected if oil and metals prices remain stable, external financial market conditions continue to be supportive, and governments in the region implement reforms to tackle macroeconomic imbalances and boost investment. Tighter global financing conditions and weaker than expected commodity prices, heightened conflicts, delayed fiscal adjustment, and weak implementation of structural reforms are the main downside risks to the outlook.

EAC and Partner States

Economic growth in **East Africa** was a robust 5.9% in 2017 and was projected to persist in 2018. Growth was driven by private consumption, public investment in infrastructure, extractives and construction, and growth in the service and manufacturing sectors. Improved weather conditions, combined with rising global commodity prices, supported recovery in agricultural production. According to the 2017 EAC Trade and Investment Report, total intra-regional exports grew by 8.7% to US\$2.8 billion in 2017 from US\$2.6 billion in 2016. Growth in exports was driven in part by recovery in the production, and therefore exports, of agricultural products such as maize, rice and dairy products. The region has also eliminated some of the stay of application for imports of sensitive products like rice and sugar, allowing for greater trade amongst the Partner States.

Kenya A unity agreement between President Uhuru Kenyatta and opposition leader Raila Odinga, and a recovery in agricultural production due to improved weather conditions, supported political and economic stability. Medium-term growth should rebound to 5.8% in 2018, dependent on completion of ongoing infrastructure projects, resolution of slow credit growth, and strengthening of the global economy and tourism. Austerity measures to contain rising public debt and enhance efficient utilisation of borrowed funds could also mitigate

potential medium-term risks to economic growth. The government unveiled a record high budget for the financial year 2018/19, along with an income tax bill that repealed the long standing interest rate cap on commercial bank loans. The budget is aimed at substantial fiscal tightening, while seeking to lift growth under the president's 'Big Four' plan.

Tanzania Following a slowdown in 2017, economic growth was projected to expand to 6.5% in 2018, supported by expansion in the construction, hydrocarbon and transport sectors, and improved agricultural production. The slow down in 2017 was partly attributed to the government's crackdown on the mining sector, slower private sector lending (due to non-performing loans) and slow implementation of reforms to facilitate growth. In addition, the value of gold and diamond production fell, as major producers cut production and investment. Trade with the EAC has also been hindered by falling export volumes of rice and milk products to Kenya due to trade restrictions. However, a tightening trade deficit, with a drop in imports outweighing a decline in exports, is likely to support growth. To support medium-term growth, the government has made efforts to contain recurrent expenditure and inefficient spending, while increasing development spending, particularly for infrastructure.

Uganda Economic performance remained strong despite the recent slowdown in real GDP growth, which was projected to reach 5.9% in 2018. Growth will be mainly driven by public infrastructure investment, recovery in manufacturing and construction, and improvements in the services sector, particularly financial and banking, trade, transport, and information and communication technology services. Some of the downside risks to the outlook include low commodity prices and demand for the country's exports in major markets, spillover shocks from fragile regional neighbours, reduced domestic revenue mobilisation, and higher public spending on contingencies.

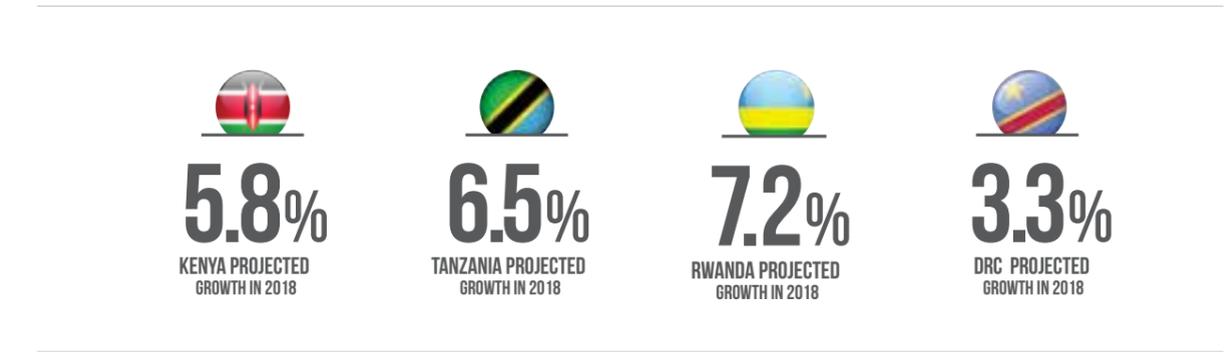
Rwanda The economy improved in the second half of 2017 and was projected to grow by 7.2% in 2018. Favourable weather conditions, which bolstered agricultural production, were a key driver of growth. Recovery in

commodity prices and global demand is expected to further increase export revenues and contribute to a build-up in official reserves. Ongoing investment in infrastructure, fertiliser, improved seeds and irrigation are expected to boost food and export crops. The 'Made in Rwanda' initiative, which seeks to promote local production and consumption through value addition, therefore reducing vulnerability to commodity price fluctuations, is also projected to boost growth in industry.

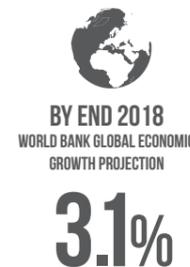
South Sudan Growth remained inhibited by ongoing political instability and conflict. Conflict has led to hyper-inflation driven by fuel and food shortages, as well as severe exchange rate fluctuations. Insecurity along the Juba to Nimule road, the main route for supply of food and other products, continues to accelerate hunger and economic decline in the country. A rebound in 2018/19 is dependent on agreement by warring parties to form a coalition government committed to peace and economic revitalisation.

Democratic Republic of the Congo (DRC) Growth in 2017 was estimated at 3.3% supported by performance in the extractives, manufacturing, construction and public works sectors, as well as trade. Recovery was projected to continue into 2018, with rising commodity prices and increased activity in the extractives industry as new mining projects start. Security remains a concern in eastern and central areas of the country, where economic activity could be jeopardised if violence continues or becomes worse. Moreover, not all stakeholders are involved in navigating the transition leading to the planned general elections in December 2018, and this makes the political situation unpredictable.

Burundi The country's security situation remained largely stable, allowing for return of a modest number of refugees. However economic growth is still undermined by the political crisis (including the resultant suspension of financial aid by major donors), a shortage of foreign exchange reserves, price inflation of imports, and declining investment. The economy, which depends heavily on agriculture, is expected to remain in recession in 2018 with a 0.3% decline in real GDP, before growing slightly to 1% in 2019.



Kenya President Uhuru Kenyatta and Uganda's President Yoweri Museveni launched the Busia/Busia OSBP in February 2018



PROGRESS HIGHLIGHTS



Uganda's President Yoweri Museveni and his Tanzania counterpart Dr. John Maghufuli, officiating at the launch of the Mutukula/Mutukula OSBP in November 2017



RE-FINANCING TO AID COMPLETION OF NEW AND RENEWED PROJECTS

US\$ 420m

The first year of TMEA's Strategy 2 began with confirmation of critical funding of US\$420 million for Strategy 2 programming from most donor partners. This included new funding from both Norway and the European Union. The confirmation of funding ended a period of uncertainty for TMEA's staff and partners that slowed down or curtailed many projects across its portfolio due to funding uncertainty. TMEA is extremely grateful to funders for their refinancing and their faith in its work to deliver results for East Africa.

With renewed confidence and funding, the bulk of effort over the year has been applied to completing the required programme documentation and mobilisation of new and renewed projects with the Board and Council. This process is largely complete and programme mobilisation has continued apace, with 90% of the total programme budget approved by the Board and Council. This will allow TMEA to scale-up its expenditure in the coming year.

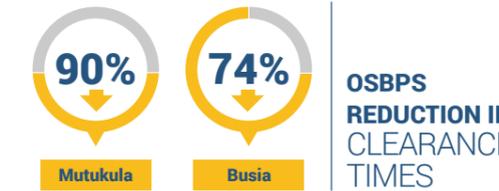
Volatility continued in South Sudan, Eastern DRC and to a lesser extent in Burundi, affecting operations in those countries. In Tanzania the donor community faced challenges in updating Memorandum of Understanding (MoU) with the Government of Tanzania, and TMEA is currently engaging to take forward solutions with its partners. This has affected TMEA's work at the Port of Dar es Salaam. On a positive note, the team continued to receive several awards during the year and new programming commenced in many countries, with scaling-up success in Eastern DRC despite challenges.

In line with scaling-up programme mobilisation, TMEA has also invested a considerable amount of time in further strengthening its systems and procedures. Following a joint donor review, TMEA embarked on upgrading its systems and processes with the introduction of a single window approach to combining monitoring, risk management, finance and programme cycle planning. In tandem, it upgraded its safeguards policy and practice and created a diversity team to ensure a strong gender equality and safeguards framework. TMEA has also right-sized its workforce to ensure strong and efficient programme delivery.

TMEA held several high profile outreach events to ensure stakeholder buy-in, lesson learning and donor visibility, such as the East African Trade Development Forum, together with launches of completed projects at the highest levels, such as the Busia and Mutukula OSBPs.

REDUCED BARRIERS TO TRADE

Improved efficiency and capacity of transport infrastructure



One Stop Border Posts (OSBPs): The movement of people and transit cargo across borders continues to experience faster clearance times. Final independent time and traffic surveys for Mutukula (Tanzania/Uganda) and Busia (Kenya/Uganda) OSBPs show a reduction in clearance times of 90% and 74% respectively. User satisfaction levels have also improved following the resolution of challenges identified in earlier surveys.

Construction of the Kobero (Burundi/Tanzania), Tunduma (Tanzania/Zambia) and Elegu (South Sudan/Uganda) OSBPs is complete. Construction of the Nimule OSBP will commence following MoU signing between the governments of Uganda and South Sudan. Mobilisation of funding for the construction of the Ruzizi 2 OSBP (DRC/Rwanda) is ongoing, in partnership with the EU and IOM. Development of the regional OSBP performance measurement tool is near completion. This will enhance regular measurement and reporting on the performance of OSBPs, based on agreed key performance indicators that will also track the sustainability of OSBPs. The tool will utilise existing measurement tools such as the transport observatory and is expected to be operational in 2018/19.

Ntungamo-Mirama Hills Road The road, an important link between Uganda and Rwanda to the Mirama-Kagitumba OSBP, has been completed and

formally handed over to the Uganda National Roads Authority. Traffic through the OSBP has increased, as the route offers a faster, easier and safer passage. TMEA targets a 24% increase in traffic (from 41,975 vehicles in 2014) through the Mirama Hill-Kagitumba OSBP.

Mombasa Port The Kenya National Highways Authority reports significant reduction in traffic congestion around Port Reitz-Moi Airport road following its completion. A survey to verify the road's impact on time reduction will be concluded in August 2018. The contract for the Magongo road has been signed and land acquisition for the Kipevu road has commenced. Completion of the two roads is expected to further enhance traffic flow at the port. The port resilience programme is on course, with two mobile harbour cranes and four eco-hoppers delivered. The port also received US\$200 million from the European Investment Bank and French Development Agency for the rehabilitation of Berth 11-14, catalysed through TMEA support.

Dar es Salaam Port Implementation of the Dar Port programme still awaits the signing of TMEA's new MoU with the Government of Tanzania, with government preference towards financial aid. Engagement in June 2018 with the head of the UK Department for International Development (DFID) agreed on a results-based financial aid package. This allows TMEA's programme to continue, but with defined processes and results milestones to be met by the government, for funding to be sustained. Despite the slow progress, reinstallation of Shed 2 and preparation for the rehabilitation of Bandari Road, Bandari Bridge and the Mivinjeni road are on track. The final draft of the Green Port Policy Study was presented to the Ports Authority for validation.

Kalundu and Kasenyi Ports in DRC Infrastructure upgrades at the port of Kalundu on Lake Tanganyika are set to begin, with a consultant retained to undertake dredging works. Detailed designs for the upgrade of Kasenyi port infrastructure are also under development.



Trucks at the Dar es Salaam Port

ENHANCED TRADE ENVIRONMENT



Launch of the Kenya trade information portal. Kenya became the first country in East Africa to fulfil the WTO trade facilitation agreement on online publication of trade information.

Sixteen agencies are transacting on the platform, which has helped reduce the cost and time taken to clear goods. All preferential EAC certificates of origin are issued through the single window. Issuance and verification of electronic certificates of origin will be done through the centralised platform.

Visa and import licences required by pharmaceutical dealers in Rwanda now take one day (previously three), after the launch of the pharmaceutical regulatory information management system. The system, developed by TMEA in collaboration with the EAC Medicines Harmonisation Programme, was integrated into the Rwanda ESW and has eliminated manual clearance processes.

The Zanzibar Food and Drugs Authority SWIFT was launched, allowing online application for permits through the portal, for importers of food, drugs, cosmetics and medical devices. Seven agencies at the Tanzania Ministry of Agriculture, Livestock and Fisheries are also operational. This facilitates the electronic processing of annual licences, thereby reducing administrative costs. The Uganda Ministry of Agriculture portal was completed and as a result, phytosanitary certificates are now issued electronically.

Kenya and Rwanda are the first East African countries to fulfil the World Trade Organisation (WTO) trade facilitation agreement requirement on online publication and availability of trade information through trade information portals. Kenya's portal, 'InfoTradeKenya', enables traders to access more than 120 trade documents and import/export procedures. Once the Uganda and Tanzania portals are complete, the EAC portals will be integrated to enable easier and more transparent access to trade information.

Kenya Revenue Authority (KRA) iCMS: The full roll out of the KRA customs management system, which automates the assessment and customs clearance processes, is at an advanced stage. System prototypes constituting cargo clearance processes and modules for direct assessment of imports and exports of air cargo were piloted. Progressive roll out of the system is expected to commence in 2018/19.

Effective trade systems and procedures

Electronic Cargo Tracking System (ECTS) The regional electronic cargo tracking system (RECTS) is operational on the Northern Corridor, from Mombasa to Kigali. The extension to Kinshasa will commence in 2018/19. Standard procedures to harmonise operations in implementing countries have been developed and adopted. Geo-mapping of transit railway routes is ongoing. Monitoring of cargo is risk-based and currently covers 20% of maritime cargo on average.

Electronic Single Window (EsW) and Single Window Information for Trade (SWIFTS) Implementation of the Uganda electronic single window (UeSW) continues to enhance customs efficiency.



Improved trade regulatory environment

Single Customs Territory (SCT) Partner States rolled out all products under the SCT for intra-EAC trade and imports. The roll out of export processes is underway, with the export module developed and tested. A pilot run for Ugandan exports through Mombasa is planned for July 2018 in readiness for full roll out by September 2018. Fall-back procedures to ensure continuity in cargo clearance were also adopted.

Common External Tariff (CET) Partner States assessed progress on the CET review to accelerate the submission of national reports, and adopted a phased approach to enhance cohesion. Partner States have agreed on principles, criteria and bands for the CET, prior to products mapping along agreed bands. A new deadline of June 2019 has been set to finalise the CET review.

East Africa Monitoring System (EAMS) The regional EAMS (EAMS Central), which monitors EAC regional integration progress was upgraded to facilitate seamless interface at country level. EAMS at country level will also be upgraded to align with the new features in the EAMS Central for a smooth interface.



UGANDA
PILOT RUN EXPORTS
THROUGH MOMBASA PLANNED FOR JULY 2018



Cargo clearance at the Mombasa Port

IMPROVED BUSINESS COMPETITIVENESS



TMEA Rwanda Country Director, Patience Mutesi, delivering her key note address during the Rwanda Trade Portal Launch.

380,000

TARGETED BENEFICIARIES INCREASED THEIR AVERAGE INCOMES



Improved export capacity of East African businesses

Coffee export capability Twenty coffee co-operatives in Burundi and Rwanda received full product certification in at least one international certification, qualifying them to access international speciality coffee markets. These include Fair Trade, Rain Forest Alliance, organic and UTZ certification. The co-operatives have so far realised US\$5,888,686 in export revenues, with the average price paid to farmers in Rwandan and Burundian producer organisations increasing by 3%.

TRAC Preliminary findings from the summative evaluation of the TradeMark East Africa Challenge Fund (TRAC) project demonstrate that the challenge fund instrument had a positive impact on the livelihoods of targeted beneficiaries,

including job creation. Over 380,000 people are estimated to have benefited from TRAC interventions, with targeted beneficiaries increasing their average incomes by 62% (US\$286 in 2013 to US\$464 in 2018). A total of 1,451 jobs have been created through TRAC interventions. Uganda based projects contributed over 65% of the jobs created. The majority of these were established at agro-processing facilities that allowed companies to diversify to non-traditional exports.

Increased efficiency in private sector logistics service provision

LIFT Innovation through the Logistics Innovation For Trade (LIFT) challenge fund continues to realise impact, including the creation of job opportunities and increasing incomes for small and medium enterprise (SME) players in the logistics sector. In Tanzania, the Alistair+ project is a platform that seeks to increase the participation and competitiveness of small logistics firms. The platform has helped to swell the participation of SME truckers in the logistics sector by subcontracting 485 SME truckers. The Letsema Northern Corridor Joint Operating Centre, which seeks to enhance co-ordination amongst multiple agencies, and reduce turnaround and processing times across logistics modes on the Northern Corridor, has led to a reduction in turnaround time of 30.5% on both road and rail. The Veron Shipyard, when completed, is expected to increase volume of cargo transported through Lake Victoria from the current 70,000 tonnes to over 100,000 tonnes per annum.

National Logistics Platform (NLP) In Uganda Support to the NLP continued, with 600 customs agents trained on conditions for licensing of customs agents. As a result, 320 companies were licensed. The NLP also successfully advocated against COMESA's proposed increase of the regional customs transit guarantee bond premium from 0.5% to 0.6% by January 2018, which would have increased the cost of doing business. Tanzania has lowered cross-border trucking fees from US\$500 to US\$152 for Ugandan truckers, a step towards enhancing cross-border trade by lowering the cost of transport on the Central Corridor.

Greater inclusion of women in trade

Women in trade advocacy for a more gender responsive cross-border trading environment continued at national level, including initiatives to reduce harassment of women cross-border traders and the costs of cross-border trade. These include the issuance of bicycle licences for traders at the Katuna border; enabling monthly, rather than per-trip payments; and requiring all clearing agents to wear uniforms and carry personal IDs to reduce incidences of exploitation at the Mutukula border. A specific section on small cross-border trade was also included in Kenya's National Trade Policy, which ensures all reforms and operations facilitate small-scale cross-border trade. Efforts to promote formalisation continued and a total of 2,246 women cross-border traders were mobilised, sensitised and registered to trade formally through associations at the Mirama Hills, Malaba, Busia, Mutukula, Namanga, Katuna and Taveta borders.

Targeted women cross-border traders' co-operatives in Rwanda have increased their average trade values by 75% from 8,000 Rwandan Francs (approximately US\$10) per monthly trip in 2015, to 32,000 Rwandan Francs (approximately US\$40) per monthly trip in March 2018. In addition, women cross-border traders trading in Irish potatoes and beans now have an easier time clearing goods. This follows the registration of the Katuna Women Traders' Multi-purpose Co-operative, and its acquisition of a tax identification number. Advocacy efforts by women cross-border traders have also been strengthened through increased participation and representation in joint border committees. Through knowledge and skills training on business financing and entrepreneurship, targeted women cross-border traders have secured capital to start or expand their businesses.

Creating an enabling environment for traders, sometimes requires taking the services closer to the people through organisations they trust. At Mirama Hills

border, the Uganda Revenue Authority (URA) mandated a local women traders association to issue certificates of origin to its members. Over 134 certificates were issued by March 2018, three months after the pilot began. An official from the URA indicated that since the initiative began, the number of women traders crossing through the OSBP has increased.

More women cross-border traders in Burundi now enjoy the benefits of increased visibility, access to trade information and business opportunities through registration in cross-border trade associations. Registration of 113 women cross-border traders in the associations was facilitated through knowledge and skills training on trade processes, financial management and entrepreneurship. In addition, 16 women entrepreneurs were supported to participate in the 'Made in Bujumbura' trade fair, which helped them promote their products to a wider market.

Through TMEA's partnership with the International Trade Centre to build export capacity for women-owned SMEs, 891 women-owned SMEs from Kenya, Rwanda and Uganda in the coffee, textile and apparel, and tourism sectors, have to date benefited from capacity building initiatives aimed at enhancing their knowledge and skills for increased export competitiveness. As a result, 12% of the sampled women-owned enterprises were able to export for the first time. In addition, over 60 women entrepreneurs have recorded an average growth of 27% in export revenue. Out of 110 firms sampled in December 2017, 56% recorded increased income, with the highest income recorded in Rwanda. Up to 34% of the firms attributed the rise in income to new local markets and 17% to international markets. One hundred and eighty-five new jobs were created, of which 68% are held by females, representing a 19% increase out of a total of 995 people employed by the targeted firms.

Through support to the East African Women in Business (EABC) platform, 505 women SMEs from Uganda, Rwanda, Burundi, Tanzania and Kenya have to date established links to regional markets and other trade-enabling services like standards compliance, risk management and finance for export. In March 2018, the EABC platform facilitated the first conference in the EAC, with 600 participants convened by women to create a platform for dialogue,



identification of trade bottlenecks and solutions in the region. The conference was officiated by Hon. Adan Mohammed, Kenya's Cabinet Secretary Ministry of Industry, Trade and Cooperatives.

TMEA's partnership with JoyWo Women's Group has enabled 1,113 women horticultural farmers in targeted counties in Kenya to establish market links with local and international buyers, thus accessing new markets for their produce. As a result, 328 first time export farmers from five targeted counties have, to date, earned about US\$14,000 from their exports of French beans, garden peas and chillies.

STRATEGY AND RESULTS



the WTO global Aid for Trade (AfT) Review, was hailed as an innovative way of showcasing grassroots efforts on AfT, thus receiving commendation and endorsements from key trade facilitation agencies and donors. The East Africa Trade Development Forum drew over 250 high profile participants from local regional and international markets. Communication efforts resulted in over one million people reached on social media, and over 300 articles published in local, regional and international media. To build positive narratives on AfT, TMEA continued with strong media relations initiatives, organising 'media seeing is believing' visits, including cargo tracking from Mombasa to Kampala, launches of information portals in Kenya, Zanzibar and Rwanda, and a visit by the new UK Secretary of State for International Development. TMEA worked hard to ensure strong donor visibility of its work at all these events.

Strategic communication A strategic communication approach was piloted, where communication stakeholders of all lead agencies in the regional ECTs were asked to define an integrated communication approach. This harmonised messaging and aligned activation across East Africa was highly successful in managing the roll out, and boosting visibility of the regional ECTs programme impact and crisis management of negative publicity in Kenya.

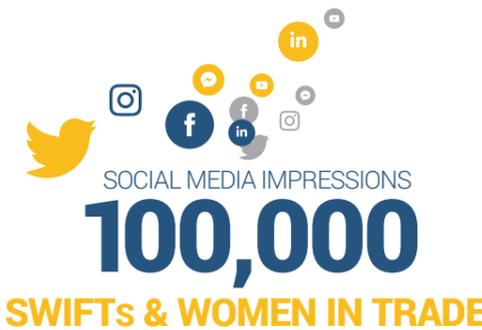
Internal workflow TMEA rolled out 'SharePoint' to enhance internal communication and streamline collaboration in creation of critical documents like PARs, business plans and other strategy documents. TMEA staff continue to adopt this way of working.

Publications TMEA successfully produced and disseminated two key publications: the Annual Report 2016/2017 and OSBP Lessons. The latter, coupled with an OSBP microsite, proved to be a compelling and interactive way to package and disseminate OSBP results and impacts.

Communications

Content development and packaging The team increased in-house content development and packaging initiatives, and innovatively adopted a mixed media approach that married traditional and new media. Integrated campaigns to showcase project results from independent evaluations, SWIFTs and 'Women and Trade' campaigns were undertaken, delivering a combined impression of approximately 100,000 outreaches on social media.

Outreach High profile events increased visibility for TMEA's donors and gained high level endorsement by EAC member states. These included: presidential launches of Mutukula and Busia OSBPs, the EAC Presidential Infrastructure Summit and the East Africa Trade Development Forum (EATDF). Internationally, TMEA's live stream presentation showcasing Busia OSBP at



Results and organisational performance

TMEA commissioned evaluations Four evaluations were concluded under the Strategy 1 joint evaluation plan: Kenya and Tanzania country programmes, challenge funds, and Phase 2 of the SWIFTs programme. Final SWIFT and Kenya country programme evaluation reports were approved by the evaluation committee. Final reports of the Tanzania country programmes and challenge funds evaluations are under review by TMEA management. The final planned time and traffic surveys for eight completed border posts were also undertaken in this financial year.

The independent evaluation The team from OPM leading the DFID-funded evaluation of TMEA engaged with the Evaluation Committee, DFID and TMEA management on progress towards completing the remaining work streams. The OPM team is now consulting with lead technical staff in TMEA on mapping pathways to outcomes across the Strategy 1 portfolio, with two out of ten pathway analyses produced in draft form. These require substantial engagement to ensure accuracy and access to the best available evidence. There was agreement to reduce to four the number of key deliverables expected between now and the end of the contract in March 2019. In addition, the consultants will engage more closely with TMEA's technical teams in the production of the final deliverables.

Results framework Significant progress was made towards finalising the Strategy 2 results framework. Extensive stakeholder consultations on the draft framework were held with TMEA programme, technical and leadership teams, National Oversight Committees, and donors at country levels. The draft framework was presented to the Evaluation Committee, where it had a positive reception, particularly around TMEA's efforts to simplify the framework. TMEA further engaged with regional donors, including USAID and DFID, who provided useful feedback to enhance the

framework. The draft framework has been reviewed by the Council and awaits final endorsement.

Knowledge management Following Board approval of the Knowledge Management Strategy, several Communities of Practice have been launched. These fora bring together stakeholders to discuss topical trade and development issues and enable TMEA to share experiences and lessons with an international audience.

IMPACT model Delivery of the beta version of the second phase of the IMPACT model is expected in late July. It focuses on improving the user interface, enhancing transport network assignment ability and piloting a household welfare module. Together, these improvements will enhance the model's ability to estimate TMEA's impact in reducing time and cost.

Organisational performance Introduction of a TMEA-wide organisational performance framework took a step forward in the final quarter of 2017/18 with the appointment of an organisational performance manager and an officer to support this position. This organisational performance framework will seek to define every employee's direct contribution to the development results it delivers. With this additional resource, the foundations are in place to design, pilot and roll out a new approach to organisational performance in 2018/19.

Sustainable and inclusive trade

Climate Change, Environment and Social Safeguards The climate change adviser was hired and the TMEA Climate Change Strategy approved by the Board. The strategy focuses on: integration of climate change into core programming from design to implementation; detailed action plans and budgets; and deliberate evaluation and reporting of climate change impacts.

A manual to be used to implement the TMEA safeguards standard policy has been finalised.

Gender The focus has been on aggregating gender achievements under Strategy 1 through the Gender Mainstreaming Lessons Learnt publication and the country-specific gender action plans. Finalisation of the TMEA Gender Strategy in line with Corporate Strategy 2 is also ongoing.

In 2018/19, the team will focus on building the capacity of TMEA staff and partners to understand, incorporate into the programme management cycle, and measure cross-cutting issues. It will also strive to build alliances with strategic stakeholders such as the International Finance Corporation and World Bank, UN Women, the International Trade Centre, the UN Environment Programme, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), amongst others.



CORPORATE SERVICES



US\$ 65M
EXPENDITURE FOR 2017/8

Managing fiduciary risk The year 2017/18 has seen a major effort to ensure that TMEA better manages fiduciary risk. This work was given greater impetus by the DFID internal audit review of TMEA in late 2017, which highlighted areas for improvement. The main achievements to date include approval of the new TMEA regulations, which provide an overall control framework for TMEA; revision of operating manuals across corporate services; approval of additional posts in both corporate services and internal audit, and establishment of a risk and compliance function reporting directly to the CEO.

Finance The delays in securing the major contribution from DFID led to a slow down in expenditure as Strategy 2 projects could not be started in good time. Nevertheless, progress accelerated in the second half of the year, such

that expenditure for the year was only 13% below budget (US\$65 million compared to a budget of US\$75 million). It is anticipated that expenditure in 2018/19 will be similar to 2017/18, as the remaining Strategy 1 projects close and new Strategy 2 projects take off.

The impact of the fall in the value of the Pound Sterling following the UK referendum on EU membership has continued to be felt. However, a limited strengthening in the value of the Pound Sterling enabled TMEA to increase the forecast exchange rate for budgeting purposes from US\$1.20 to US\$1.30 to the Pound. As negotiations progress until the UK leaves the EU in March 2019, it is likely that there will be continuing turbulence in the value of the Pound. Exchange rates will be tracked closely and discussed at each quarterly meeting of the audit, finance and risk committee of the Board.

New MoUs have been signed with the governments of Uganda, Rwanda, and the DRC to secure enhanced privileges for TMEA. Good progress is also being made in Kenya with Cabinet approval for granting TMEA a Host Country Agreement expected soon. Discussions are ongoing with the Government of Tanzania concerning the modalities of implementing the TMEA programme, which should lead to a new MoU in due course.

Information and Communications Technology The development of the proposed TMEA resources integrated management system is progressing well, after it had been slowed down pending confirmation of funding for Strategy 2. Detailed specifications have been developed and the procurement process for selecting a supplier commenced. The target remains to implement the system from 1 July 2019. An assessment of the implications for TMEA's procedures, structure and staffing is ongoing through the development progress. Other enhancements include the roll out of 'voice over internet protocol' to all TMEA offices and improved systems back-up procedures. Work is ongoing on establishing 'host-to-host' arrangements with TMEA bankers, which would integrate TMEA and banking systems, streamlining the process for making online payments and eliminating the need for manual cheques.

Human Resources The new TMEA structure emerging from the organisational review was approved by the Board in May 2018. A considerable number of regradings, lateral transfers and promotions were effected during the financial year. A series of internal recruitment exercises has commenced, and this will be followed by external recruitment when unsuccessful in filling vacant posts with existing staff. The new structure is presenting many staff with exciting opportunities for career growth and personal development, while at the same time ensuring that TMEA's structure is fit for purpose in delivering Strategy 2. With the new structure finalised, 2018/19 will see an increased focus on succession planning and ensuring that TMEA is resilient in the event of staff turnover.

With changes to the shape and structure of TMEA in Strategy 2, office arrangements are optimised across the region. The Kigali office has been relocated into a purpose-built office and out of a designated residential area, in line with directives from the local authority. TMEA has identified suitable office premises in Bukavu to house the new DRC programme. These offices are being sub-let from the International Organisation for Migration, giving cost savings and affording the benefit of UN security arrangements.

Staff safety is of utmost importance to TMEA. It is in the process of contracting a security services supplier to support and protect staff in the more challenging environments in which it operates. This process has benefited from early market engagement, whereby advice has been sought from potential bidders on the scope and nature of the services TMEA is looking to commission.

Procurement In 2017/18 TMEA undertook the first examples of pre-tender market engagement and the benefits of this approach are already being felt. The organisation has started more extensive use of framework contracts and, while initial set-up of these is time consuming and labour intensive, it expects to see improved efficiency in the medium term as a



result. The new regulations also impose tighter restrictions on the use of single source procurement and enforce closer management of contractors and grants. An enhanced Tender Committee is applying greater scrutiny of procurement exercises and benefiting from inclusion of wider representation in its membership.

Exciting OPPORTUNITIES

FOR CAREER GROWTH & PERSONAL DEVELOPMENT



CHALLENGES AND LESSONS



To improve expenditure in line with planned targets in Strategy 2, TMEA fast tracked and scaled up PAR development and procurements for approved projects and the completion of a draft results framework. This mitigated the slowdown in Strategy 2 programming due to delayed funding. Delayed funding caused staff uncertainty over their future, resulting in a drop in productivity and morale. This has, however, picked up since the new funding for Strategy 2 was secured, and staff contracts have been extended up to 2020.

TMEA took steps to improve Strategy 2 programming, to ensure it is innovative and adaptive to dynamic socio-economic and political environments. Challenges such as trade policy uncertainty, macroeconomic

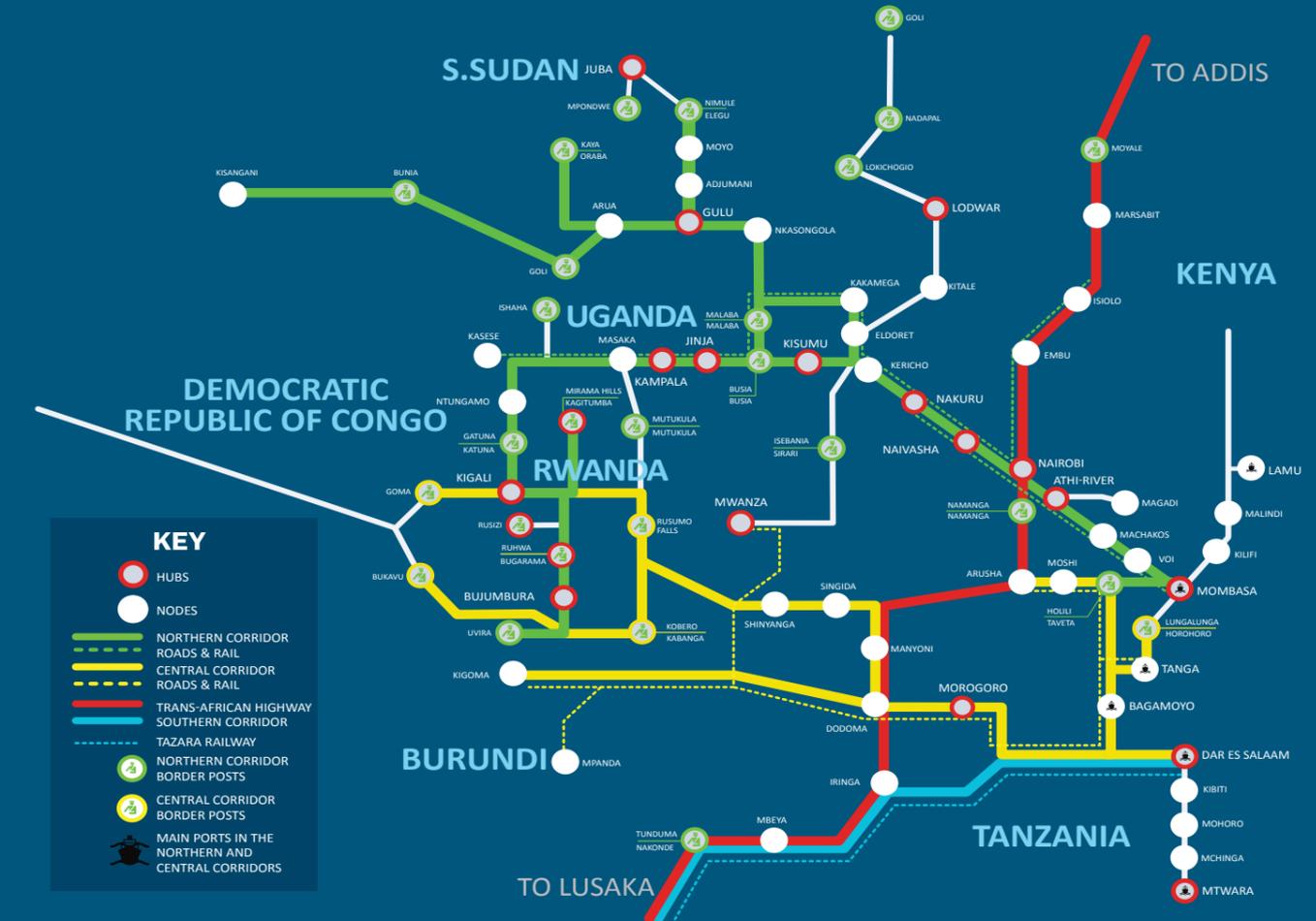
fluctuations affecting trade flow, and prolonged political instability and insecurity in South Sudan and Burundi, amongst others, remain key concerns. The organisation revised its programme and project cycle management (PCM) guidelines, so they now strengthen regular reflection on results in the PCM cycle. It also strengthened stakeholder collaboration in the development of the Strategy 2 Results Framework to ensure that it is robust, realistic and fit for purpose in measuring results.

As the world's largest aid for trade programme, TMEA has an incredible amount of learning to offer the development community. Sharing this widely is one of TMEA's main goals in Strategy 2. TMEA's knowledge management system will capture and disseminate key lessons from ongoing programme implementation for the benefit of TMEA staff and wider communities of practice. In February 2018, TMEA convened the East Africa Trade Development Forum in Kampala, which laid the groundwork to establish TMEA-led communities of practice. This is part of a wider initiative to spread the knowledge and expertise of TMEA and its partners about trade development, and to establish TMEA as a recognised authority in trade facilitation and regional economic integration.



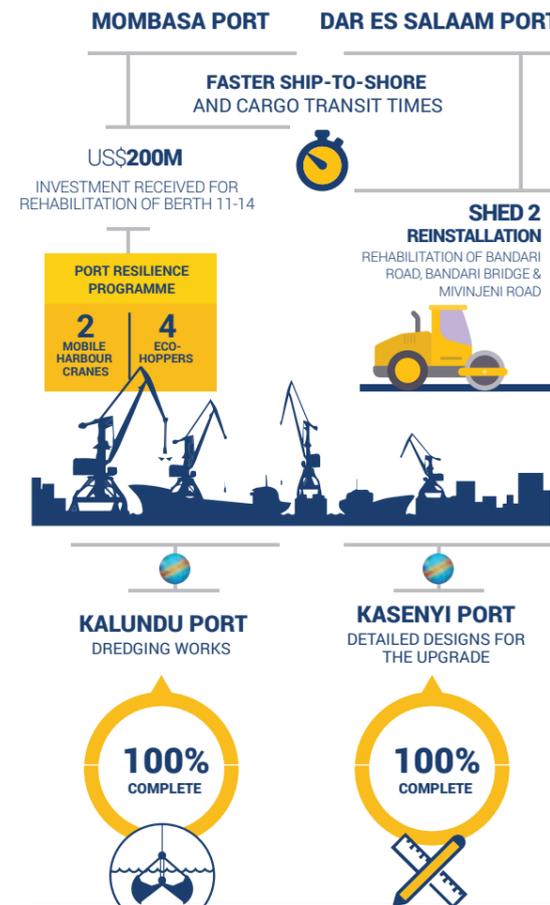
TMEA colleagues commemorating International Women's Day

THE NORTHERN AND CENTRAL CORRIDORS OF EAST AFRICA

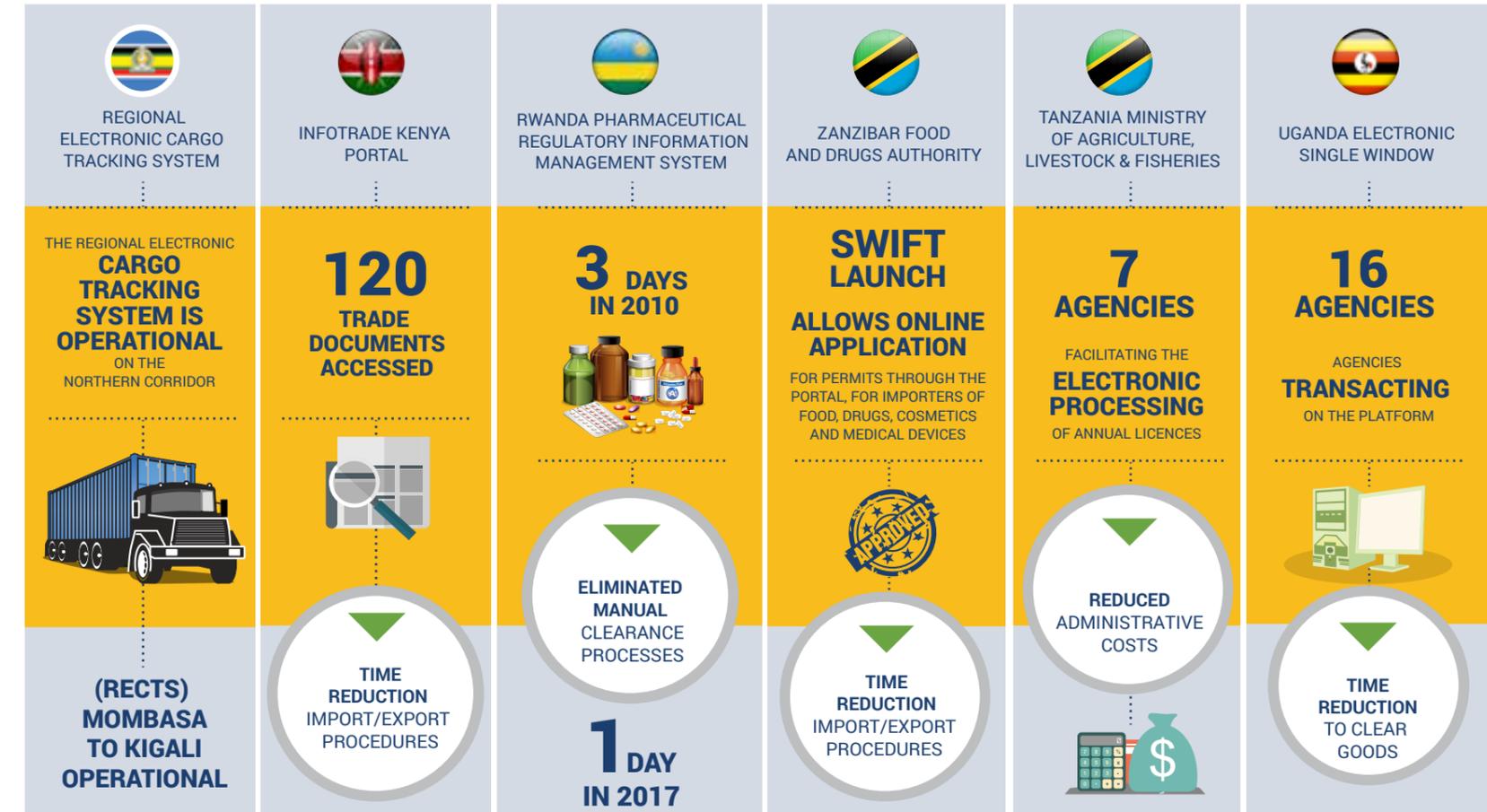


OUR PROGRESS 2017-2018

Increased physical access to markets



Enhanced trade environment



Improved business competitiveness



OUR PARTNERS

MESSAGE FROM THE EAC SECRETARY GENERAL



In my tenure as the Secretary General of the East African Community, I have closely followed TMEA's work in East Africa, both at regional and national levels, and I have seen first-hand the positive impact it has made.



EAC-TMEA Partnership

Economic growth in East Africa was a robust 5.9 percent in 2017 and is forecast to continue in 2018 and 2019. This is attributed to economic reforms in the business and trade environment, which enhance the region's competitiveness. The reforms have been supported by TradeMark East Africa (TMEA) through its various donors including Belgium, Canada, Denmark, Finland, Netherlands, the UK and the US, with US\$300 million in grants to various sectors.

In my tenure as the Secretary General of the East African Community, I have closely followed TMEA's work in East Africa, both at regional and national levels, and I have seen first-hand the positive impact it has made.

The East African Community integration process is a journey in which the travellers are the people of East Africa themselves, led by their governments (although, quite often, the people lead their governments!). On this journey, donors and other development partners have played, and continue to play a critical role in facilitating progress and supporting investments that have helped boost trade and grow prosperity for East Africans. TMEA has been such a partner, providing vital support to the EAC on its integration journey since 2010. In the past year, TMEA has made a substantial contribution towards the EAC's drive to transform into a Single Customs Territory (SCT), which is

a major and final step in the realisation of one of the pillars of the EAC integration agenda - establishment of the Customs Union. The benefits of the SCT are already witnessed by both the public and private sectors in the region. Its infrastructural footprints, have contributed towards the operationalisation of 10 out of 15 one-stop border posts, roll out of the electronic cargo tracking system, development of electronic single windows systems, and facilitating customs interconnectivity, which have brought time and cost savings at border crossings, improved information exchange and enhanced safety and security for cross-border traffic.

TMEA has also contributed towards the EAC's efforts to strategically transform the nascent industrial sector, as part of implementation of its Industrial Policy (2012-2032). Through TMEA support, in line with the EAC Summit directive on promotion of textiles and leather industries in the region, EAC has developed draft strategies for cotton, textiles, and leather sectors that will serve as policy instruments to reverse dependency on export of raw cotton and hides and skins, and facilitate development of a local supply base of clothing and footwear, and the creation of jobs and reduction of poverty in the region.

Along with other partners, TMEA's support towards strengthening EAC systems and processes, has yielded major benefits such as improved operational efficiency through reduced duplication of work, stronger alignment of its internal processes

leading to increased productivity and improved communication, planning and administration of processes.

Whilst we have much to be proud of in our partnership, the EAC looks forward to more fruitful and expanded co-operation with TMEA in the years to come. This is especially so, as the region contributes towards transforming Africa into the largest trade zone, in order to create a single continental market for goods and services. This will improve competitiveness and bring about a boost in trade and welfare gains, foster a vibrant and resilient African economic space, and promote economic diversification, structural transformation, technological development and enhancement of human capital.

Ambassador Libérat Mfumukeko,

Secretary General, East African Community

MESSAGE FROM THE CABINET SECRETARY, MINISTRY OF INDUSTRY, TRADE AND COOPERATIVES, KENYA



Our partnership with TMEA delivered Kenya's National Export Promotion and Development Strategy (NEDPS) which seeks to target sectoral performance for export-led development.



Kenya has improved the ease of doing business across borders over the last 7 years. This has been a result of implementation of various enabling policies and completion of key trade physical and digital infrastructure. It's worthwhile to note that these interventions have contributed to Kenya's improvement in the World Bank's Ease of Doing Business Report, 2018. Kenya is ranked 61 among 190 economies in the annual ratings, an improvement of 19 points from previous period rating. It is now the third highest in Africa with only Mauritius and Rwanda higher at 49th and 56th respectively. With a limited size of domestic market to achieve long term development goals, the export-led strategy will not only ensure growth of the economy but will, in parallel, address social issues like poverty reduction and increased employment especially for the youth who form over 20% of the population of Kenya. A positive correlation may be drawn between unemployment/poverty levels with political/social unrest. Increasing income-generating opportunities will therefore indirectly address some of these challenges to leadership and governance. It is on the basis of such arguments that partners like TradeMark East Africa have anchored support for the Government of Kenya programmes to contribute towards achieving goals.

Regional integration plays an important facilitation role in trade. We laud the establishment of the African Continental Free Trade Area signed by Heads of State in March 2018, which further widens integration initiatives. So far, the agreement has been signed by 13 countries, signalling a shift in African countries' way of addressing economic stimulation and growth. The Government of Kenya recognises TMEA initiatives aimed at easing trade

across borders, improving trade competitiveness, and advocacy programmes in partnership with the private sector and civil society, to stimulate trade across East African borders; initiatives such as upgrading physical infrastructure and port equipment at the port of Mombasa. TMEA support will also go a long way to making port operations more environmentally friendly, thus addressing fundamental issues on climate change. The TMEA-supported one-stop border posts in Busia, Malaba and Taveta are geared towards increasing market access for goods and services originating from Kenya and the transport corridors. TMEA is also supporting automation of online cargo clearance through interfacing partner government agencies to the national single window, referred to as the Kenya TradeNet System. The system is linked with financial institutions and the Kenya Revenue Authority to provide end-to-end electronic processing of import and export cargo, whilst ensuring sealing of tax loopholes.

TMEA support to the Kenya Revenue Authority to upgrade the integrated customs management system will enhance the capacity of customs revenue collection. KRA estimates this increase in revenue collection to fall between 25% and 30% within the first year of roll out. In addition, the regional electronic cargo tracking system, implemented to work together with the Uganda Revenue Authority and the Rwanda Revenue Authority, has provided a seamless platform for tracking cargo along the Northern Corridor (from Mombasa to Kigali). Plans are underway to widen the system reach to South Sudan, Tanzania and ultimately to destinations outside the EAC block. Since its official launch in March 2017, it has

spurred fair trade by creating a level playing field for both importers and local industries, reducing dumping and diversion of goods and improving security of goods in transit.

Recently, TMEA kickstarted a new project with the Anti-Counterfeit Agency to develop a digital platform that will improve the efficiency of tracing and seizing counterfeit goods. KRA approximates that manufacturers lose at least US\$42million annually to counterfeit goods, while the government loses US\$80million as potential tax revenue.

Our partnership with TMEA delivered Kenya's National Export Promotion and Development Strategy (NEDPS) which seeks to target sectoral performance for export-led development. The Strategy, working in tandem with the Big 4 Agenda of the Kenya government, has identified eight sectoral approaches, chosen on account of their contributions to the GDP. On its part, TMEA has engaged key sector players in identifying four major areas in the NEDPS to support, namely: trade facilitation, manufacturing, fisheries and agriculture. These four areas are aligned to TMEA's programme objectives and will support the full implementation of NEDPS and provide the much-needed impetus towards Kenya's export-led growth.

These initiatives complement government efforts towards self-reliance on resources for long term development.

Hon. Peter Munya, MGH,

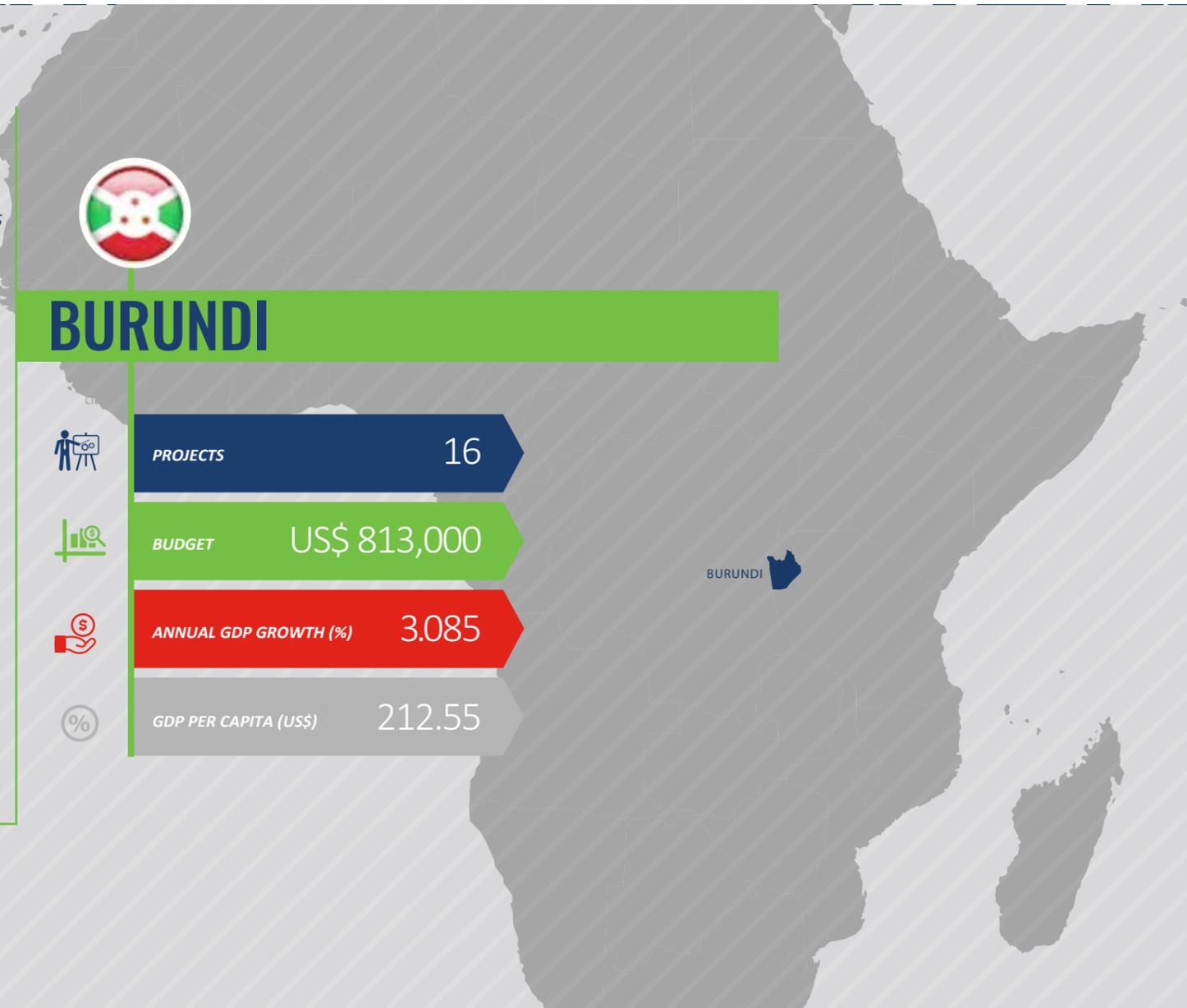
Cabinet Secretary for Ministry of Industry, Trade and Cooperatives

A woman wearing a patterned headscarf and a light-colored long-sleeved shirt is carrying a large white bucket on her back. The bucket is tilted, and a dark, granular substance is visible inside. The bucket has a label that reads "HI-COVER DELUX EMULSION" and "SOKAT PAINTS". She is walking on a dirt path in a rural, hilly area with sparse vegetation and a few buildings in the background. The entire image has a blue color cast.

**PRODUCING
RESULTS**

TMEA continued to support private sector projects during a challenging period. Some of the main programme accomplishments include: launch of the Women in Trade project, which aims to improve the business environment for women in trade in Burundi and eliminate gender-based trade barriers faced by women traders and those women who run small businesses. Through support to the Burundi Federal Chamber of Commerce (CFCIB) to influence trade policy formulation and implementation, 914 traders were trained on cross border and tax procedures. Finally, the Kobero OSBP has resulted in a 70% reduction in border transit times.

Sjoerd Visser, Acting Country Representative



Helping the private sector to influence trade policy

TMEA supported the Burundi Federal Chamber of Commerce (CFCIB) to influence the making of trade policy and its enactment, by helping the Chamber to generate and use evidence for effective advocacy on key policy issues. TMEA also enabled an expanded Chamber membership, including rural areas, ensuring Chamber advocacy work represents the diverse Burundian business landscape.

Overall, the Chamber has presented 72 recommendations to decision makers (against 10 initially targeted) of which 23 have been adopted (against 7 originally targeted). It has increased its membership by 99.4% (1774 additions from a baseline of 1784 members), and opened 7 new provincial offices. Overall, 2485 traders (against a project target of 2300) received training on key trade processes across the EAC.

Additionally, the Chamber has strengthened its participation in the public-private dialogue, notably through a CFCIB-OBR platform that expands its scope and effectiveness; this is especially regarding the taxation regulatory framework review, and partnerships at national level (e.g. the National Tourism Board) and regional level (e.g. the Easy African Business Council,) to improve the business environment.

In our hotel, we are generally aware of the hotels classification system but many of us did not know precisely how it works. For example the considerations/criteria and the scoring needed to go up from one level to the next. This knowledge will be of a great, positive influence for our business.

Dolive Gretta Kwizera, Club du Lac Tanganyika Hotel staff member after attending the 3-day training on EAC hotel classification criteria.

Results

- Developed and validated the strategic plan of the Chamber of Tourism and Hotels, including its translation into English.
- Organised 7 outreach events to advocate on specific issues, which led to 37 recommendations to decision makers.
- Raised awareness and trained on cross-border and tax procedures for an additional 914 traders (571 on cross-border trade, 343 in tax clinics).
- Organised the 1st Annual Burundian Manufacturers, Industrial fair and Exhibition (14-16 June 2018), with an opening attended by 128 people including 26 top government officials.
- Trained 131 tourism sector operators on EAC hotel and customer care standards.
- Organised agribusiness advocacy workshops on mechanisms to facilitate investment.
- Gave communication technical assistance to the Chamber to enhance its outreach.



Burundi



Creating a level playing field for women in trade

The 'Women in Trade' project was launched on 23 February 2017. It aims to improve the Burundi business environment for women in trade and eliminate gender-based trade barriers.

The project undertook to: strengthen women entrepreneur associations; develop a baseline to allow the Women in Trade programme to be implemented in TMEA Strategy 2; develop an advocacy agenda and advocacy training to enhance women and trade in Strategy II; and build the capability of women in cross-border trade and women enterprises.

TMEA's implementing partner – the Association of Women Entrepreneurs in Burundi (AFAB) – is a well established woman-serving institution with a broad scope of activities and beneficiaries. It has carried out several projects around women entrepreneurship in partnership with international institutions – notably SPARKS and the International Trade Centre (ITC).

The project targets include: (a) a reduction of at least 3 capacity-related barriers to women's trade (b) increased advocacy for women's associations through training to at least 50 representatives of 7 target associations; (c) training of 400 women traders in business management and cross-border trade (CBT) processes.

AFAB and the activities of the TMEA women in trade project have opened my horizons, by allowing me to take many trainings and to participate in exhibitions both at national and regional levels. The financial education training has helped me enormously for the management and organisation of my Graffiti company. I have also benefited from synergies built with members of AFAB, which has allowed my company to prosper. This has had a positive impact on the quality of life of my family, of which I am responsible alone as a single parent.

Fidélie Bivugire, a woman handicraft trader and painting artisan and a project beneficiary.

Results

- AFAB's leaders attended a training organised by the East African Business Council in Kampala, on income generating services and fundraising for business membership organisations.
- 16 selected women entrepreneurs participated in the 'Made in Bujumbura' trade fair, allowing them to promote their products and increase AFAB's visibility.
- 84 women traders, entrepreneurs and members of CBT associations (completing, after earlier training, the initial target of 400) were trained on the EAC Common Market Protocol regarding cross-border trade requirements and business and trade/export procedures. Customs officials also explained import and export procedures and simplified trade regimes.
- Another 80 women traders and entrepreneurs received finance training, including budgeting, saving, credit management, financial services and negotiation.
- AFAB leadership ran an outreach mission to the provinces of Kirundo, Muyinga, Gitega, Ngozi, Kayanza, Makamba and Rumonge, reaching 117 members, to raise awareness on changes in law and other practices.

84 WOMEN TRADERS & ENTREPRENEURS TRAINED ON EAC/CMP, CROSS BORDER TRADE



Women traders in Rumonge

TMEA has commenced its exciting programme in the Democratic Republic of the Congo (DRC) with several trade facilitation projects. In partnership with UNCTAD, TMEA has offered to support the General Directorate of Customs to provide customs improvement through the deployment of ASYCUDA World and the hugely successful regional cargo tracking system in eastern DRC. TMEA has also completed dredging works and is modernising the port infrastructure and systems at the Kalundu port, which is an important regional distribution centre for South-Kivu provinces and its surroundings. Finally, planning works have started for the construction of a one stop border post at the Mahagil Goli border crossing between DRC and Uganda, a major land gateway for goods transiting through Uganda and which is used predominately for formal trade.

Aime Nzoyihera, Country Director



DEMOCRATIC REPUBLIC OF THE CONGO



PROJECTS

29



BUDGET

US\$ 1,556,000



ANNUAL GDP GROWTH (%)

63.398

DEMOCRATIC REPUBLIC OF THE CONGO

DRC



Trade at Kalundu Port

Upgrading Kalundu Port to meet the needs of the future

Kalundu Port is one of the major entry points for trade into the Kivu region of the Democratic Republic of the Congo (DRC). The port connects South Kivu to Dar es Salaam in Tanzania (via Kigoma through a railway link) and to the ports of Bujumbura in Burundi and Mpulungu in Zambia. It also links other regions of South Kivu and eastern DRC through the ports of Baraka and Kalemie in Tanganyika Province. Thus, the Kalundu Port is an important regional distribution centre for South-Kivu provinces and its surroundings.

Rapid siltation at the entrance to Kalundu Port had raised the sand bank to the point where vessels run a high risk of grounding. This meant that larger ships, carrying up to 4000 tonnes, could not access the port. In fact, the port was only able to accommodate 800 tonnes. The removal of the sand bank through dredging was therefore necessary for the port to be able to service larger vessels.

In addition, the port infrastructure is largely inadequate. For example, border agencies work in offices spread throughout the port; and the port has no water or electricity supply.

TMEA responded to this situation by funding both the maintenance dredging (31,000 metric cubes of sediment), and modernisation of the port infrastructure and systems.

By the end of the next financial year it is expected that the dredging will have been completed and an independent verification of the final dredging work carried out. In addition, recommendations from the environmental impact assessment should be completed, the port infrastructure upgrade design finalised, a consultant for the design and supervision in place and tender documents for the infrastructure and systems upgrade works developed.

The maintenance and upgrade works undertaken by TMEA will restore the port's functionality and capacity. The port could only accommodate ships of 500 tonnes capacity but can now handle up to 1500 tonnes capacity. This port modernization will boost the economy of the region. The port authority is therefore grateful to TMEA for the support.

Mr. Shabani Kalumba Jerome, Chief of the Port of Kalundu

Results

- The initial design for dredging works has been completed.
- An environmental and social impact assessment of the project has been carried out.
- A detailed needs and feasibility assessment was initiated, to inform the upgraded port infrastructure design.



One stop border post to boost trade between DRC and Uganda

The Mahagi/Goli border crossing between the Democratic Republic Of the Congo (DRC) and Uganda is located between the population centres of Bunia (DRC) and Arua (Uganda), as well as on the long transport corridor connecting Mombasa Port and Kisangani. It is, hence, a major land gateway for goods transiting through Uganda and is used predominately for formal trade. Despite the busy nature of the crossing the Mahagi border infrastructure and equipment are inadequate for its needs.

TMEA is therefore supporting the upgrade of the border based on the successful one stop border posts (OSBPs) already designed and in operation at various borders within the EAC. Both Mahagi and Goli will be transformed to the standard of this model.

Key achievements were all geared towards the completion of a detailed construction design, together with tender documents, for a juxtaposed OSBP, comprising roads, parking, warehouses and the rehabilitation and modification of existing buildings on the DRC side.



TMEA interventions in Ituri Province of the DRC was very much needed and timely. The border faces a number of challenges due to the current state of infrastructure of the Mahagi border station including: significant delays in the procedures, lack of appropriate equipment, unavailability of vehicle parking space, poor storage facilities, quantity and quality of goods are only estimated from a look, there is nothing like a scanner or other appropriate equipment for the various border services involved. We expect quite a number of gains from this intervention, in terms of reduction of time and cost to clear goods, time savings for traders and passengers, reduced harassment and corruption, and improved collection of customs taxes.

H.E Osée Didi Angaika, Provincial Minister in charge of Public Service, Labour, Social Welfare, Transport and Communication Channels.

Results

- Terms of reference for the design and supervision of the OSBP upgrade at Mahagi have been developed.
- Open tendering for the design and supervision of the OSBP construction completed.
- Completion of the consultant's inception phase work was approved.



Construction works at the Goli/Mahagi proposed OSBP

DRC



👥 Saving time and money by modernising Customs technology

The Government of the Democratic Republic of the Congo (DRC), in partnership with the UN Conference on Trade Development (UNCTAD), has initiated a change in Customs technology, upgrading from the ASYCUDA++ Customs Management System to ASYCUDA World, a web-based platform. However, many customs offices in Eastern DRC are still operating with ASYCUDA ++ or even using a manual system to clear goods.

In line with its objective of reducing both transport costs and time on the main eastern transport corridors, TMEA, partnering with UNCTAD, offered to support the General Directorate of Customs to fill the gap in ASYCUDA World deployment in Eastern DRC. In addition, TMEA will provide support for the extension to the DRC of the very successful regional cargo tracking system on the northern transport corridor. This is expected to lower transit-related costs by reducing physical inspections by Customs and thus decreasing transit times.

The customs office is looking forward to deployment of the electronic cargo tracking system which will facilitate trade for DRC. In fact, our customs agency is currently deploying and unifying its computer network in the eastern part of the country in order to have only ASYCUDA World as a software support for customs clearance. This will also enable DRC to join the regional electronic cargo tracking system on the Northern Corridor and provide efficiency in trade facilitation."

J.B Nkongolo Kabila Mutschi,
Deputy Director, General Directorate of Customs and Excise

Results

- A series of consultations, meetings, study trips and needs assessments took place for both the deployment of ASYCUDA World and Regional Electronic Cargo Tracking (RECTS) at targeted border crossings in Eastern DRC.
- The design of key features for RECTS has begun and options are being explored for the location of a regional electronic cargo control centre for the DRC.



BY JUNE 2019
World and Regional Cargo Tracking System



**ASYCUDA
DEPLOYMENT**

The Kenya Country Programme has made significant progress over the last year with an investment of about US\$134 million in 18 projects. The Mombasa Port programme has contributed to faster ship-to-shore and cargo transit times, with average import/export times falling from 11 days (imports) and 15 days (exports) in 2010, to 5 days and 6 days respectively. Taveta and Holili one stop border post, launched in February 2016, has resulted in an 82% reduction in border transit times. Our support to the Kenya Bureau of Standards has contributed to a 40% increase in product testing per year. Moreover, through our support to the Fresh Produce Exporters Association of Kenya, 748 horticulture farmers attained the East African Good Agricultural Practice certification, with over 3,000 farmers signing contracts to sell their fresh produce in international markets.

Ahmed Farah, Country Director



KENYA



PROJECTS

27



BUDGET

US\$ 23,855,000



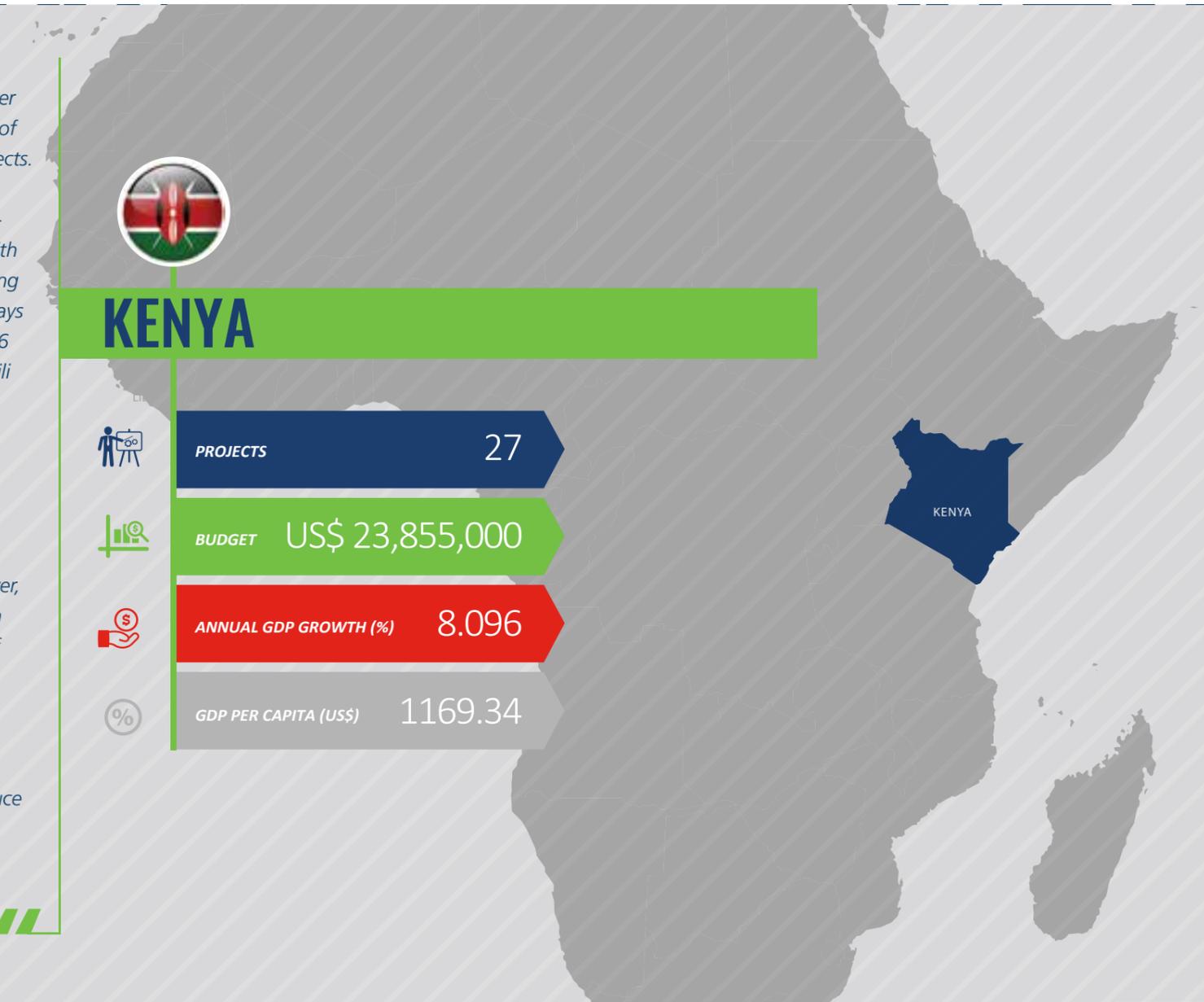
ANNUAL GDP GROWTH (%)

8.096



GDP PER CAPITA (US\$)

1169.34



KENYA



Creating resilience and sustainability at Mombasa Port

The 'Mombasa Resilient Infrastructure Programme' is implemented in partnership with the Kenya Ports Authority (KPA). It aims to upgrade the multiple facilities that load and unload cargo between ships and trucks to create efficient and environmentally friendly facilities. Projects include:

Design of multi-purpose, multi-directional and eco-friendly conveyor belt system

Kenya is Africa's largest soda ash manufacturer, with soda ash being its leading mineral export. At the port, soda ash is discharged to the ship using a rubber conveyor belt system. The facility is in poor condition with dust emissions and spillages occurring regularly. An upgrade to a 1400mm wide conveyor will increase the productivity rate to 120 tonnes (from 80 tonnes) leading to more efficiency and less spillages and dust emissions. The project began in May 2016 and the final design reports were submitted in January 2018. The design work is 100% complete.

Study of energy needs, alternative energy sources and provision for cold ironing

Power supply at the port is neither consistent nor reliable, with power blackouts continually affecting port operations and service delivery. In addition, port neighbours are concerned about increased air pollution, as nearly all trucks and cranes are powered by fume-belching diesel engines. Ships add to this due to the continuous emission of diesel fumes when docked, because they must keep engines running to keep lights on. Increasingly, ports are turning to shore power, which allows ships to plug into the grid and idle their engines. Shore power essentially turns both cruise and cargo ships into supersize plug-in electric vehicles running on shore-based grid power, thus reducing greenhouse gas emissions. This project had two phases. Phase 1 involved a detailed assessment of port energy needs, while establishing alternative energy sources (emphasising renewable energy) and the provision of shore power for ships

docking at the port. Phase 2 encompassed preparing technical specifications and designs, bills of quantities and tender documents for alternative power sources and cold ironing provision. Final tender documents were submitted in November 2017. The study is 100% complete.

Manufacture, supply, testing and commissioning of 4 eco hoppers

Eco hoppers minimise dust emissions and spillage during discharge and reduce running expenses on average by 30%. TMEA supported KPA to procure four eco hoppers for loading/unloading coal and clinker cargo along berths 9,10 and 11. The eco hoppers were designed, manufactured, assembled and delivered in June 2018 and were successfully tested and commissioned in September 2018. The project is 100% complete.

Delivery of eco-hoppers is one of the Green Port Policy initiatives aimed at transforming the Port of Mombasa into a modern and competitive regional hub that is more productive and promotes efficient operations in a sustainable environment. The arrival of the new eco hoppers demonstrates a growing commitment to build modern and efficient bulk cargo handling equipment for environmentally friendly discharge of bulk cargo including clinker, coal and gypsum.

Eng. Rashid Salim, General Manager Engineering Services.

Results

- Detailed design for multi-purpose, multi-directional and eco-friendly conveyor belt system completed.
- Study of energy needs, alternative energy sources and provision for cold ironing completed.
- 4 eco-hoppers delivered and commissioned.

Building efficient cargo tracking for rail transport

The Mombasa–Nairobi Standard Gauge Railway (SGR), launched in January 2018, connects the large Indian Ocean city of Mombasa with Nairobi. The services run on a multimodal transport network of sea, rail and road. In theory, the SGR freight service was intended to be an efficient method of transporting cargo, but in practice the government and private sector stakeholders have faced major operational challenges in tracking and clearing cargo on the railway.

These challenges include Insufficient systems integration between the key agencies - Kenya Ports Authority (KPA), Kenya Railways (KR) and Kenya Revenue Authority (KRA) – to facilitate seamless information sharing and work planning prior to commencement of high volume freight services; a lack of coordination and collaboration amongst government agencies responsible, inefficient handling of containers at the KR railhead in Mombasa Port and the Inland Container Depot (ICD) at Embakasi in Nairobi; loss of containers and absence of tracking and notification systems to ensure communication between customers and government intermediaries; poor infrastructure at the Embakasi ICD in Nairobi resulting in long queues and high costs to collect containers ('last mile' connection), compounded by the absence of traffic flow/queue management processes; and high quotas for rail allocation for freight leading to port cargo throughput times (known as 'dwell time') and rising port congestion.

TMEA interventions responded to this critical situation. Two Joint Monitoring Centres (JMCs) were set up at the Mombasa Port and at the ICD in Nairobi. The JMC system was integrated with that of the Kenya Revenue Authority (KRA)/Kenya Ports Authority (KPA) Manifest Management System. The pilot phase commissioned 1000 tracking and tracing seals.

The project has demonstrated high returns in facilitating trade. It also positioned TMEA as a reliable, adaptive and knowledgeable partner addressing bottlenecks to trade. The project further enhanced TMEA investors' visibility by demonstrating their quick response towards improving the trade environment in Kenya and the region. Strong collaboration synergies were created with the Government of Kenya through the KPA, the KRA and the Kenya Railways Corporation, providing counterpart funding of up to 100% of TMEA's contribution.

The project has been very instrumental in giving our customer care a true picture of activities of a container. Now they can accurately respond to clients queries and even give them correct expected time. In terms of information sharing with the other agencies, we have made very good steps in terms of train manifest generation and sharing. The information is available to all agencies effortlessly.

Caroline Gathogo - Kenya Railways Corporation, SGR Freight Tracking System

Results

- A joint agency team was formed with membership from Kenya Ports Authority, Kenya Revenue Authority and Kenya Railways.
- Cargo tracking and monitoring software was developed and deployed- this was based on the existing Regional Cargo Tracking System (RECTS).
- Initial rollout of a container tracking system started from 27/06/2019 and 7 containers were successfully tracked by 30/06/2019 as part of the live test.



Cargo transportation on the Standard Gauge Railway

KENYA



US\$ 1.5M
 FUNDING TO AUTOMATE TEA TRADING
 AT THE MOMBASA WEEKLY AUCTION

Digitisation of tea auction to enhance regional tea trade

The Mombasa Tea Auction is the biggest Black Tea Auction for export teas in the world. About 10 million kilograms of tea worth approximately US \$20M are traded every week. More than half of the tea traded at the auction is produced by small holder farmers. Tea exports from countries such as Burundi, the Democratic Republic of the Congo, Ethiopia, Madagascar, Malawi, Mozambique, Rwanda, Uganda and Tanzania are also auctioned in Mombasa.

However, the current manual tea trading process has challenges, including a long and complicated tea trading cycle, lack of quality tea trade data, bureaucratic trading processes, high logistics costs and a limited tea trading window (held only twice a week). In response to the challenges, the East African Tea Trade Association (EATTA) signed a US\$1.5 million agreement with TMEA in December 2016 to automate tea trading at the auction.

The Integrated Tea Trading System (iTTS) project proposes to automate the manual system. Through the entire tea export process cycle it will handle:

1. Pre-auction, (producers' commitment to sell tea, tea dispatch, tea warehousing and tea catalogue management)
2. Auction (selling and buying of tea on the auction floor)
3. Post-auction (tea payment management and business statistics).

User Acceptance Testing (UAT) of the membership, catalogue and auction modules of the system are complete. One major change expected to be observed will be the automation of the classical 'outcry' method that has been in use since 1962. Some of the specific expected results will include:

Once fully implemented, the platform will ensure that stakeholders of the tea auction, including farmers, buyers and sellers, receive real-time information on what is happening on the auction bourse, which will boost confidence in the process.

Edward Mudibo, EATTA Managing Director

Expected Results

- Reduce tea trading cycle by up to 50% from the current 30 to 40 days – this means more money in a shorter time for producers.
- Reduce costs associated with a manual tea trade logistics and value chain – especially those resulting from physical movement of people and documents.
- Promote green trade – significantly reduce paper use at the auction
- Improve transparency on tea trade.
- Improve traceability – gives teas a better opportunity for specific markets, hence improved buyer confidence.
- Single source of tea trade statistics – opportunity for information-based decision making.



Traders at the Mombasa Tea Auction



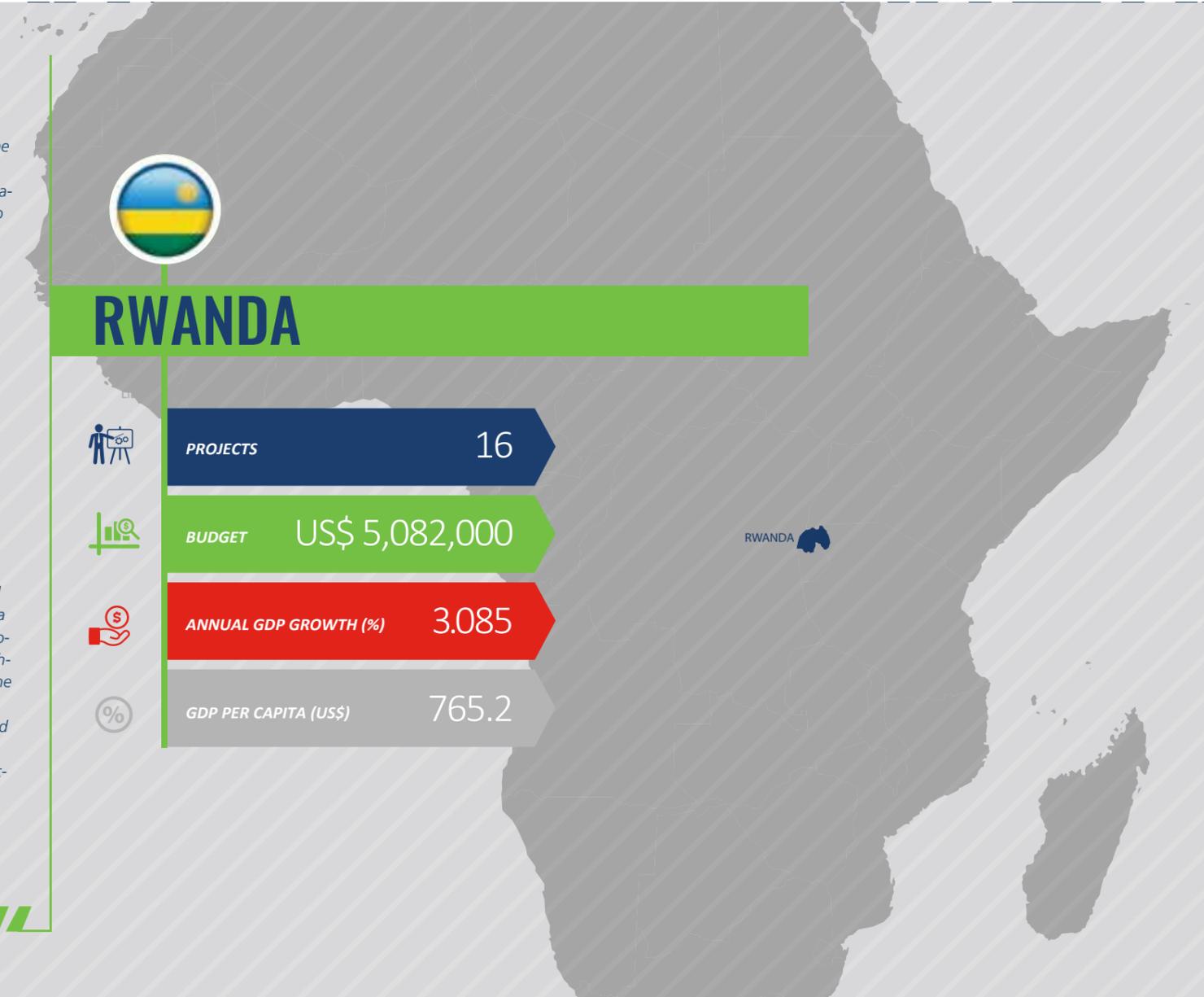
RWANDA



The Rwanda Country Programme has, over the last year continued, to showcase strong progress towards achievement of results outlined in the country strategy. The 2017/18 financial year was pivotal for the programme transitioning from implementation of Strategy 1 projects and building up results by formulating a range of Strategy 2 projects.

Key achievements in the year include: completion of construction of a high-profile cross-border market infrastructure at Rubavu and Rusizi which, on operationalisation, will strengthen market linkages between producers and traders in market facilities, reducing post-harvest losses and improve working conditions and security for women traders in particular; implementation of the Rwanda electronic cargo tracking system (eCTS) which has contributed to a reduction in the cost of doing business in the country through ensuring that there is enhanced visibility and transparency in the management and administration of goods transiting Rwanda under customs control; and support to Pro-Femme/Twese Hamwe, which has strengthened the economic power of women in the informal cross-border trade sector within the framework of regional integration, and has led to an increase in volume of trade and export value by 64% and 72% respectively for supported co-operatives.

Patience Mutesi, Country Director



RWANDA



GSM device attached to transit cargo relays data to the Rwanda Revenue Authority
The data transmitted include the location of the truck, any abnormal movements of the seal and the vehicle speed.



Regional Cargo tracking command centre at the Rwanda Revenue Authority headquarters in Kigali.

Cargo e-tracking is a win-win all round

The Rwanda Electronic Cargo Tracking System (eCTS) is a web-based system that aims to reduce the cost of doing business by ensuring enhanced visibility and transparency in the management of customs-controlled goods transiting Rwanda. The tracking system is based on Global System for Mobile Communication (GSM) and Global Positioning System (GPS) technologies. A magnetic tracking seal with data storage and memory and both GSM and GPS functions, is attached to a cargo truck by customs officers at the first point of entry. Once the device is activated, it relays data through GSM to the Rwanda Revenue Authority's (RRA) headquarters in Kigali. The data transmitted include the location of the truck, any abnormal movements of the seal and the vehicle speed.

By integrating the cargo tracking system and the customs management system, data related to the declaration information of the transit cargo and the truck driver (e.g. phone number, biodata) are also available to customs officials for tracking purposes.

The Rwanda eCTS platform is integrated with the eCTS used by Kenya and Uganda, creating a regional system that enables the RRA to not only track cargo in transit on Rwandan soil, but also from the time the transit begins at the first point of EAC entry (such as the port of Mombasa). The benefits of the system include curbed violations of transit regulations; enhanced visibility and transparency in the movement of transit cargo; lower transit times and administrative costs; and improved driver productivity.

The eCTS employs advanced technologies that facilitate better reporting on movement of transit trucks in the country to avoid short landing of goods. It has increased the efficiency of cargo handling procedures through real time monitoring of consignments. We no longer need physical escorts for our goods from the port to Kigali. The system has led to increased truck turn-around time which ultimately leads to lower transport costs. Thanks to TMEA for the continued trade facilitation to East African partner states.

Bosco Rusagara, Chairperson, Rwanda Shipper's Council.

Results

- Traders can now monitor their consignments from port of entry to final destination.
- Cargo transit time along the Northern Corridor decreased from 7 to 5 days between 2017 and June 2018.
- Revenue collected as a result of averted diversions totals US\$890 million, for the period July 2017-June 2018.

Business-wise women traders benefit across borders

Between 2012 and 2018, Pro-Femmes/Twese Hamwe implemented a two-phased project funded by TMEA, aiming to strengthen the economic power of women in informal cross-border trade (WICBT). This was done by enhancing regional integration to allow communities to combat poverty and thus contribute to economic development in the region.

The project was implemented in nine districts and activities were based on four components:

1. Capacity building: WICBT were helped to establish fully registered co-operatives and trained on key co-operative management topics.
2. Access to finance: this involved linking registered co-operatives with financial institutions and supporting selected ones to have capital in the form of equipment that would enable value addition projects.
3. Access to markets: this involved helping co-operatives to participate in trade fairs to secure market opportunities and ideas to improve products.
4. Advocacy: this was done by ensuring WICBTs are represented in all joint border trade committees. National and regional advocacy meetings raised awareness on WICBT issues.

US\$ 300,000
LOANS & FUNDING SECURED

Before, we used to import secondhand clothes from DRC to Rwanda, now we export clothes to DRC. Our income has increased, our business management skills improved, and our workplace is well maintained, improving productivity. We had no property, now we own a house worth 22,600,000 Rwandan Francs. This house acts as collateral for loans from banks. Our members are now open-minded thanks to working together. Thanks to the machines, the opportunities for us are limitless.

Justine Umugwaneza, Chairperson, Unamukore Co-operative

Results

- Supported co-operatives increased their trade volume and export value by 64% and 72% respectively.
- 63 co-operatives secured registration, made up of 2,447 members, of whom 92% are female.
- More than 5,578 WICBTs gained knowledge and skills from trainings, workshops etc.
- WICBTs learned about project proposals and access to finance. Approximately US\$300,000 worth of loans and funding secured.
- WICBTs who participated in trade fairs and networking events gained market knowledge and opportunities.
- WICBTs were represented on joint border trade facilitation committees, with the following results:
 - The Ministry of Trade and Industry (MINICOM) established quarterly joint border trade facilitation committees in all nine border districts, comprising all border agencies plus informal women cross-border traders.
 - Cyanika-Kisoro border officials adopted a simplified travel document that enables WICBTs with infants to cross borders.
 - MINICOM & MIGEPROF created day care centres close to borders for the benefit of WICBTs with infants.
 - 4 policy changes were influenced with at least 8 recommendations adopted, including the EAC Gender and Development Bill, which covers women in trade, taking account of cross-border traders. The Bill was passed 8 March 2017.



Members of the Unamukore Cooperative sewing clothes for export to the EAC

RWANDA



RUBAVU COMPLEX

FOREX BUREAU, BANKING, PARKING YARD AND AN ACCESS ROAD

WITH WAREHOUSE AND PROCESSING FACILITY

Border market in Rubavu boosts trade and livelihoods

The absence of support to traders, traders' associations, co-operatives and producers in the supply chain may be limiting trade growth in Rwanda. Trading in lower volumes and quality goods adds to the increase in cost per transaction and reduces the profitability of trade, particularly for informal and small traders.

The construction of a high profile cross-border market infrastructure in Rubavu, Western Province, is one solution to post-harvest losses, through improved handling practices; storage availability; strengthened links between producers and traders in market facilities; better working conditions; and in particular, security for women traders.

The double storey, two block complex consists of a warehouse, cold rooms (differentiated in the degree of coldness by the type of goods), a processing and value addition unit, lockups and stalls for different trading activities on both floors, and service facilities such as washrooms. It also includes: a mothers' room; crèche facilities for young children who were previously left unattended when their mothers engaged in cross-border trading; management offices; foreign exchange bureaux and banks; a parking yard and an access road.

There was no such facility before, but now it is there, it is creating an enabling environment for businesses to thrive. This is part of the strategy to promote cross-border trade, and we have high hopes this market will just do that. Generally, we are looking at the facility in terms of the benefits that people will get. Imagine the losses that were being incurred simply because people didn't have cold rooms for their products.

Robert Opirah, Director General for Trade and Investment, Ministry of Trade and Industry.

Expected results

- Rubavu market will benefit thousands of Rwandan and Congolese cross-border traders, both formal and informal, who already contribute to Rwanda's economy with an estimated trade (exports and imports) value of US\$121 million (2017).
- Over 80% of informal cross-border trade takes place in Western Province where almost 50% of the population has been identified as poor – the second highest rate in the country. Supporting cross-border trade will improve the livelihood of the whole Rubavu district population.
- In a 2015 study carried out at the border towns of Goma/Rubavu and Bukavu/Rusizi, 83% of small cross-border traders were women, and cross-border trade was the main source of income for 82% of traders and their families. The market facility will not only contribute towards increased trade for women traders, but will also allow them to leave infants in safety while taking care of their businesses.



Rubavu cross border market



SOUTH SUDAN



PROJECTS

8



BUDGET

US\$ 896,000



ANNUAL GDP GROWTH (%)

9.015



GDP PER CAPITA (US\$)

745.3

Despite the prevailing circumstances, the TMEA South Sudan programme has contributed several significant results. TMEA has: enhanced capacity for the South Sudan Bureau of Standards; contributed to the removal of non-tariff barriers (NTBs) through development and implementation of a national response system, (a tool for live reporting of NTBs by traders and donor community); supported to South Sudan's Women Entrepreneurs Association and the South Sudan Chamber of Women Entrepreneurs to help women trade out of conflict and build resilience; and strengthened the capacity of South Sudan Customs Services resulting in improved clearance time from eight days to one day for both humanitarian and commercial consignments. Through TMEA's support to the Secretariat in charge of the South Sudan EAC accession process, the country officially acceded to the EAC in April 2016 and TMEA continues to support the Ministry of Trade, Industry and EAC Affairs to implement the agreed Road Map.

John Kalisa, Country Director



SOUTH SUDAN

SOUTH SUDAN



NIMULE MAXIMUM
2 DAYS
AVERAGE CUSTOMS CLEARANCE TIME



Nimule one-stop border post

Fast-tracking trade and humanitarian aid

This project at Nimule aims to construct physical border facilities to accommodate the adjoining states' (South Sudan and Uganda) border agencies, including administration buildings and an inspection shed. In addition, new roads will facilitate exit and entry into the one-stop border post.

The overall objective is to enable efficient cross-border movement of vehicles goods and people. Fast-tracking clearance of humanitarian cargo in South Sudan is key in this project. The lead agencies include South Sudan Customs Services and the Ministry of Transport. The project started in May 2018 and is expected to end in June 2019.

The support from TMEA has had a significant impact in terms of reducing congestion at the border and facilitated quick clearance of goods. The examination shed constructed by TMEA is useful in enabling quick examination of perishable goods and they get cleared instantly.

Col. Adout, Head of Customs at Nimule, South Sudan Customs Services.

Results

- Humanitarian cargo clearance through Nimule takes less than a day - a major benefit for aid agencies.
- Average customs clearance time for imports and exports is maximum 2 days.
- Enhanced collaboration exists between South Sudan and Uganda Customs at Nimule through joint border committees, where both agencies exchange vital trade related information.
- Through TMEA interventions annual non-oil revenues have increased from US\$0.4 million to US\$24 million as of 2017/18.

Strengthening standards to facilitate trade

TMEA has been assisting the Government of South Sudan to strengthen the South Sudan National Bureau of Standards (SSNBS) and its staff. The Bureau is responsible for setting and maintaining standards on all consumer products, thus raising standards and at the same time protecting consumers. The SSNBS will also support the development of a fundamental regulatory standards framework, in line with standards quality management metrology and testing (SMQT), as well as the revival of standards laboratories in South Sudan.

A number of training sessions were organised in Juba and Nimule for stakeholders, on the benefits of value for money as advocated by TMEA as a key requirement to deliver tangible results from the project. The technical assistance to the SSNBS started in April 2018 and will be complete by end March 2019. The project was fully funded by TMEA.

We are very happy for TMEA's support to SSNBS. Through the support, the Bureau was able to sign a Memorandum of Understanding with Kenya, Sudan and Uganda. TMEA has also procured for the Bureau highly sophisticated laboratory equipment for testing, technical assistance for capacity building, a solar system, and above all refurbishment of our laboratory.

Majak Deng Kuol, Ag. Executive Director, South Sudan National Bureau of Standards

Results

- 45 SSNBS staff and private sector SMEs were trained on good practices and HACCP (Hazard Analysis and Critical Control Points) prerequisite programmes and standards, and sanitary and phytosanitary/technical barriers to trade measures.
- A solar system for the refurbished laboratory was supplied and installed.
- A lightning arrester to protect the laboratory and SMQT equipment was installed and the compound fully revamped.

Eliminating barriers boosts South Sudan-Uganda trade

Non-tariff barriers (NTBs) are an impediment to trade. TMEA has therefore enabled the Government of South Sudan and private sector organisations such as the Chamber of Commerce, Agriculture and Industry, and the Shippers Council, to identify, register, analyse and report the nature and scope of NTBs that are a constraint to trade. The project allows the Council to map NTBs in South Sudan and develop a strategy for their elimination. It has also assisted in creating an NTB National Monitoring Committee (NMC).

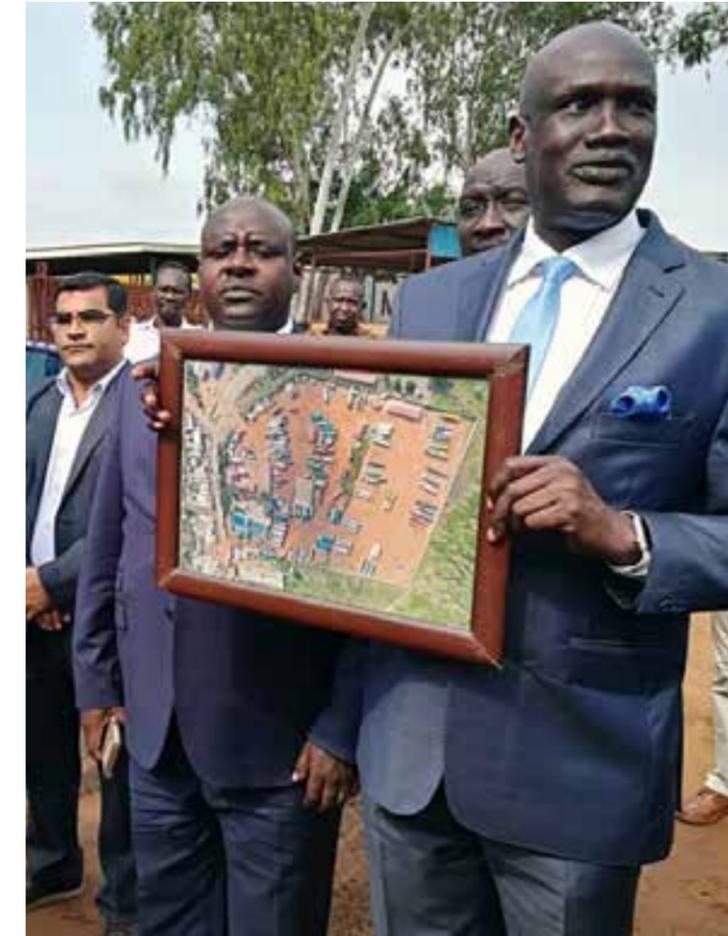
A National Response System – a tool for live reporting of NTBs by traders that triggers in real-time a resolution mechanism with government agencies – has been developed and tested and is being rolled out. The NMC has been constituted and is currently awaiting approval from the government. An NTB elimination strategy has been developed and approved by the NMC members. The project started in mid-January 2018 and will be complete by the end of June 2019.

Public-private sector dialogue is an engine for trade facilitation. We are grateful to have tools developed by TMEA to work together on the elimination of NTBs and the development of South Sudan.

Yowa Soso, Interim Chairperson, South Sudan Shippers Council

Results

- South Sudan NMC members were trained on the content of the EAC NTB Act.
- The number of roadblocks between Nimule and Juba has been reduced from 14 to 2.
- A dialogue mechanism has been established between Uganda and South Sudan to continue to identify and monitor NTBs.



SOUTH SUDAN



Towards South Sudan's accession to the EAC

TMEA is assisting the Government of South Sudan to implement its commitments and obligations enshrined in the EAC Road Map for South Sudan accession into the East African Community. This entails reviewing laws, regulations and guidelines related to implementation of the Customs Union and Common Market Protocol. The project started in mid-January 2018 and will be complete by the end of January 2019.

The project will be achieved through the technical assistance provided to the Directorate for EAC Affairs and Ministry of Justice, and by implementing a communication strategy targeting stakeholders with key messages on the accession process and the benefits of a common market and customs union for both businesses and citizens.

A 'Young Professionals' programme has also been introduced whereby young graduates were recruited and trained to work with the Directorate to ensure knowledge and skills transfer related to policy and regional integration.

Faster EAC integration of South Sudan will strengthen trade, economic development and peace. TMEA is one of our key partners for achieving this objective.

Hon. Mou Mou Athian, Undersecretary for EAC Affairs, Ministry of Trade, Industry and EAC Affairs.

Results

- Law reforms with a focus on a Customs Union have been developed and adopted by the Ministry of Trade as a simplified compliance tool.
- An informal network linking key private sector organisations to the Ministry of Trade has been established.
- Media training (including radio journalists) has been undertaken.
- A simple communications strategy for the EAC Directorate has been developed.

Expected outputs include

- A National Implementation Committee to be established to fast track EAC road map priorities.
- Required law reforms will be categorised according to whether they have a high or low impact on economic growth and livelihoods and economic governance.
- A communication strategy relating to the EAC has been developed and being implemented.

Helping South Sudan women trade out of conflict

TMEA South Sudan, under its objective to improve business competitiveness, is supporting the Project, 'Trading out of Conflict – Promoting Women Informal Cross Border Traders and Women Entrepreneurs Project in South Sudan'. The project is being implemented by the South Sudan's Women Entrepreneurs Association and the South Sudan Chamber of Women Entrepreneurs. It targets national Women Entrepreneurs Associations (WEAs), women informal cross-border traders in Nimule and Juba, and women entrepreneur light processors with growth potential in Nimule and parts of Central and Western Equatoria. The overall goal is to increase incomes for women informal cross-border traders and women entrepreneurs in South Sudan, aiming to benefit over 5000 women across the country. TMEA funded the conflict assessment study component of the project, which started May 2018 and ended early July 2018.

The project has 3 main intervention areas

- Advocacy for more gender responsive policies and creating an enabling environment for women to trade across borders.
- Institutional development for WEAs and women informal cross-border traders in promoting women and protecting them from harassment and abuse.
- Capacity building for women informal cross-border traders and Women Entrepreneurs Associations to develop export competencies in the value chains of shea butter and honey.

TMEA has opened my business borders for South Sudan Women Entrepreneurs Association, there are things we thought only men could do but now we are unstoppable. We can do them. Our income has increased since then. In the middle of the conflict, we have built resilience to remain in the markets.

Jane Gordon, the Executive Director, South Sudan Women Entrepreneurs Association

Results

- Women know more about how to defend, protect and promote their rights.
- 1000 women were trained on customs rules and regulations to enable them to conduct business in an open and transparent manner.
- Through dialogue with South Sudan Customs, a special clearance lane was established to fast-track clearance of perishable goods across borders.
- A conflict assessment was carried out, which underscored the importance of TMEA continuing to support women dealing in shea butter as a primary source of income.
- Savings and cooperative schemes were established to encourage a savings culture within South Sudan women's associations and cooperatives.



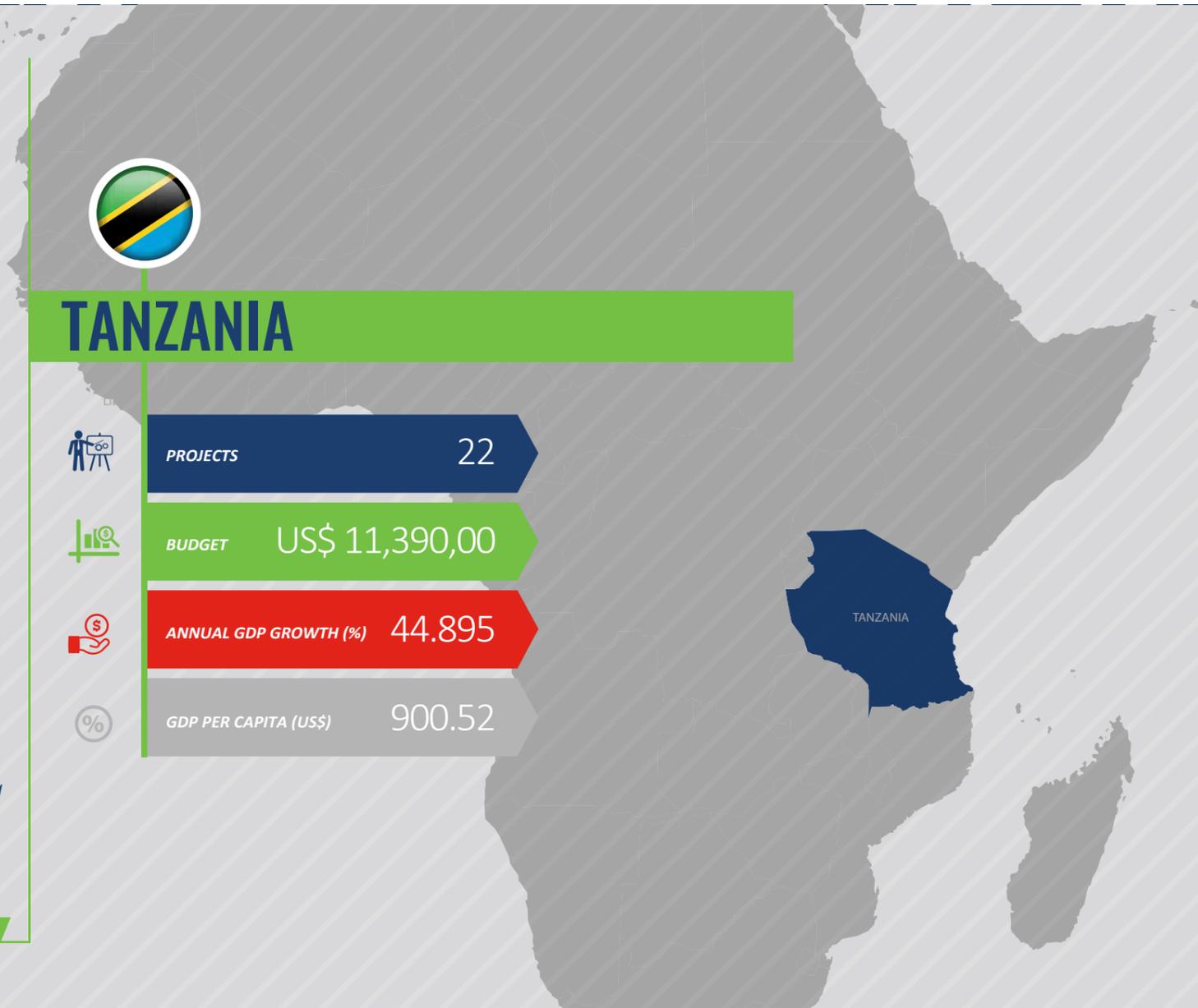
SAVINGS & COOPERATIVE SCHEMES ESTABLISHED FOR SUDAN WOMEN



South Sudanese Women Trader

The year 2017/18 continued to mark positive progress in the implementation of the TMEA Tanzania programme, and the programme has maintained its support in line with Tanzania's key development priorities. Some key achievements include demolition and relocation of Sheds 2 and 3 at the Dar es Salaam Port; Presidential launch of the Mutukula OSBP; development of an information management system for the Zanzibar Food and Drugs Agency, which has contributed to reduced transactional time in applying and issuance of certificates and permits by an average of 95%. Other achievements include rolling out a logistics and advocacy project, which has helped remove VAT on the services offered to transit cargo through Dar es Salaam port and hence reduced the cost of importing goods through the port, among other achievements.

John Ulanga, Country Director



Single border posts boost business efficiency

There are three one stop border posts (OSBPs) in Tanzania: at Holili on the Kenya border, Kabanga on the Burundi border and Mutukula on the Uganda border. The Holili OSBP became operational in 2014, while the posts at Kabanga and Mutukula opened in 2015. They were constructed to improve physical infrastructure at the borders, with the objective of reducing the time it takes for trucks to cross from one country to another. This would in turn decrease the time it takes to transport goods to their destination, with the ultimate aim of reducing the cost of doing business in East Africa.

The Mutukula OSBP was officially opened in November 2017 by the President of Tanzania, Dr John Pombe Magufuli and the President of Uganda, Yoweri Kaguta Museveni. During the launch, the two presidents highly appreciated TMEA's contribution to facilitating East African trade, while reducing costs. Over 100 vehicles a day pass through the Mutukula border point, and prior to the OSBP, each one averaged more than a day to go through customs

from Tanzania to Uganda. This delay imposed heavy costs on traders while they waited to process customs clearance. They also risked losing value on perishable goods and had to manage unpredictable transport times.

Currently there are staff accommodation projects at Kabanga and Mutukula OSBPs that will improve the working environment for border officials. When the projects are completed, Kabanga and Mutukula OSBPs will be able to operate 24 hours a day, thereby contributing further to a reduction in the cost of doing business in the region.

This new building (Holili OSBP) is helping us, even the small entrepreneur, They have quickened the pace of doing business across the border. In the past, one was needed to move from the Tanzania border post and then to Kenya border post but now you just move from one window to another, hence you move your business quickly.

Nizeta Mushi, a woman cross-border trader, Kilimanjaro Region

HOLILI ONE STOP BORDER POST



REDUCED BORDER CROSSING TIME

Results

- Using the Holili border crossing, a time, traffic and user satisfaction survey shows an 87% reduction in the time taken to cross the border, much more than the target of 30%, and a user satisfaction level of 81% against a target of 70%.
- At the Kabanga border, a traffic and user satisfaction survey shows a 58% reduction in time taken to cross the border, against a targeted 30%, and a user satisfaction level of 97% against a targeted 70%.
- Time, traffic and user satisfaction survey results show an overall 67% reduction in the time it takes to cross the border against the targeted reduction of 30%, and a user satisfaction level of 79% against the targeted 70%.



Presidents Yoweri Museveni and Dr. John Magufuli at the Mutukula/Mutukula OSBP

TANZANIA



**Dar es Salaam –
a trade gateway to Africa**

The Dar es Salaam port programme commenced in 2011 and is ongoing. The main objectives are to improve port infrastructure, increase port productivity, and facilitate port reform dialogue and process. The Dar es Salaam Maritime Gateway Programme is worth US\$500 million and is funded by the World Bank, the UK Department for International Development, TMEA and the Tanzania Ports Authority (TPA). The programme began because of unsatisfactory operating conditions at the port, causing delays in physical processes, such as the discharge of goods, lengthy container dwell time and slow delivery of goods.

TMEA has invested in improving roads in the port that provide access to and from gates 4, 5 and 8, through which most of the container traffic passes. Traffic through these gates flows into the public roads of Bandari, Mivinjeni and Mandela. Bandari and Mivinjeni roads are narrow and in poor condition, resulting in severe traffic congestion just outside the port. Upgrading the roads will prevent traffic bottlenecks through the port roads and gates, which in the past has led to long delays.

The port currently comprises Berths 1 – 11 for dry cargo and Berth 12 for liquid cargo. Phase 1 of the programme involves strengthening and deepening berths 1-11, and also covers construction of a new berth (Berth 0) at Gerezani Creek adjacent to Berth 1.

TMEA will also upgrade two existing Revenue Authority scanners, to scan 120 containers per hour compared to the current scanning of 25 per hour. This will contribute immensely to reducing the dwell time of containers at the port and increase port throughput.



We have already started to see the impact of the infrastructure and facilities improvement as revenues have gone up since TradeMark East Africa, the government and TPA started working together.

*Engineer Deusdedit Kakoko, Director-General,
Tanzania Ports Authority.*

Results

- Rehabilitation of access roads to gates 4,5 and 8 are 100% complete, enhancing the turnaround time of trucks within the port.
- Demolition and relocation of Sheds 2 and 3 are 100% complete, increasing the storage capacity of the port by at least 1000 40 foot containers.
- 3 studies were commissioned to improve port productivity:
 - Productivity baseline study
 - Gate and traffic management plan
 - Dredging to deepen the entrance channel, harbour basin and turning circle.
- Completed business cases of RoRo (rollon/rolloff) at new Berth 0; bulk, break bulk and grain terminals at modernised Berths 1-4; and new container terminals at berths 5-7 and 12-14 to enable TPA to operate its berths as separate operating or profit centres.

**ZFDA automates
for smooth trade**

An information management system for Zanzibar’s Food and Drugs Agency (ZFDA) was identified as an important platform to ease access of services regulated by the agency, to traders and other beneficiaries. The products regulated include food, drugs, cosmetics and medical devices.

The design and development phase of the project, which started in 2016, took 18 months. The system was then piloted and officially launched in March 2018.

The system provides the following services:

- Import and export permit application, processing and issuance
- Product licence application, processing and issuance
- Good manufacturing practice (GMP) certificate application, processing and issuance
- Premise licence and business permit application, processing and issuance
- Information databases of registered products and premises.

The automation of the product application and GMP application processes had to be developed according to requirements set out in the EAC Medicine Regulation Harmonization guidelines. This required close collaboration between ZFDA and other EAC national medicine regulatory authorities.



ZFDA prides itself in joining the ranks of four other countries in the EAC who have rolled out e-portals for their pharmaceutical regulatory bodies. Through this e-portal our stakeholders within and out of Zanzibar will receive information about products that are expected, those that have been banned, those pending further investigations. Most importantly, it is the reassurance to Zanzibar citizens that foods and drugs in the market are of good quality. Further, the e-portal will eliminate use of paper reducing the manual processes and this will save both money and time to the agency and traders.

Dr. Burhani O. Simai, Executive Director, ZFDA

Results

- A reduced transaction time in the application and issuance of certificates and permits, by an average of 95%. For instance, import/export permit application and processing has decreased from an average of 48 hours to 2 hours.
- Associated transaction costs have been reduced by 80% because the system has eliminated the need for physical interaction between the applicant and ZFDA.
- Increased process visibility, enabling traders to trace their application status in real time.
- Convenience for applicants and ZFDA in submitting and processing applications. The system is online and can be accessed world-wide.
- Increased predictability in the outcome of applications since all applications are treated equally and subject to similar business rules.



TANZANIA



Efficiency of logistics sector in Tanzania for improved trade services

The Logistics and Advocacy Project is designed to increase efficiency of logistics sector in Tanzania for improved trade services. This has been done through forging engagement between the public and private sector on freight logistics matters. To ensure effective participation of the private sector in the dialogues with the government, the project focuses on improving coordination of the sector's logistics stakeholders.

The Project aimed at creating and establishing the Platform which would improve and maintain coordination among stakeholders through creation and operationalization of the National Freight and Logistics Platform (NFLP). The platform was created in 2016 by thirteen private sector stakeholders and hosted at the Tanzania Private Sector Foundation (TPSF) which is the umbrella body of the private sector. NFLP has been useful in creating a dialogue for private sector to develop its agenda under a single voice for engagement with the government.

Generally, the project was objectively established in order to equip private sector with skills, information and a strategy to inform investments and advocate on key issues affecting logistics services. The advocacy strategy has led to efforts by the Government to reduce key obstacles affecting logistics services in Tanzania.



As one of the stakeholders we appreciate efforts and initiatives of the platform to convene several workshops to discuss various matters, challenges and improvements in our industry. Therefore, through our attendance in various workshops it has helped to have a wider understanding of the challenges and what needs to be done to enhance efficiency of the industry. In the workshops we have also managed to raise our concerns which affects our operations.

Donald Tawala, Tanzania International Container Terminal Services (TICTS)

Results

- Removal of Value Added Tax (VAT) on the services offered to transit cargo through Dar es Salaam port and hence reduced the cost of improving goods through the port.
- The port of Dar es salaam became 24/7 operational reducing the time it takes to clear goods at the port.
- Increase of transit export of copper from Zambia and DRC through Dar es sallam port.



Launch of the Tanzania National Logistics Platform



UGANDA



PROJECTS

25



BUDGET

US\$ 5,331,000



ANNUAL GDP GROWTH (%)

26.369

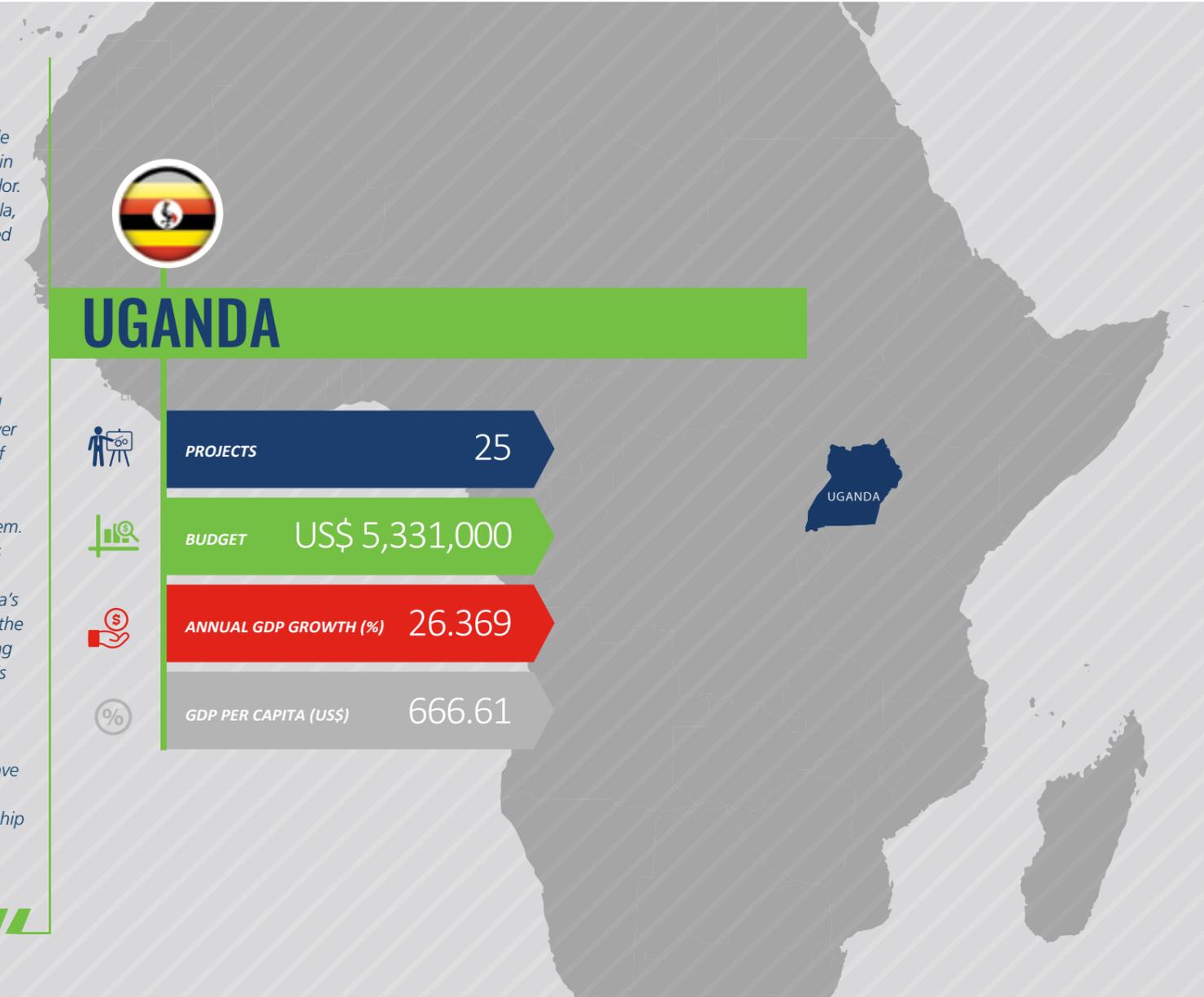


GDP PER CAPITA (US\$)

666.61

An independent country evaluation indicated that the TMEA Uganda initiatives have induced over US\$52million in attributable new trade and contributed to a 5.7% reduction in transit time along the Northern Corridor. Construction of three OSBPs (Mutukula, Mirama Hills and Busia) was completed and handed over to the Government of Uganda (GoU), and the one stop controls Elegu OSBP was also completed and it has already contributed to increased trade volumes. In addition, the construction of Mirama Hills Road was finished, and the road handed over to GoU. Implementation of Phase 1 of the Uganda electronic single window has finished with over ten key trade agencies now transacting on the system. TMEA has also supported the logistics sector through the national logistics platform, which aims to boost Uganda's logistics competitiveness by reducing the cost of doing business while enhancing the quality of logistics services. TMEA's catalytic role in these regional and national performance achievements cannot be overstated, specifically on the trade facilitation initiatives that have been implemented by EAC ministries, departments and agencies in partnership with TMEA.

Damali Ssali, Acting Country Director



UGANDA



Elegu OSBP simplifies the flow of border trade

Elegu, in northern Uganda, is one of the busiest border crossings points in East Africa with most of the traffic being commercial. Daily, an average of 381 vehicles cross from Elegu to Nimule in South Sudan, while an average of 308 vehicles make the return journey from Nimule. This border handles the largest volume of goods and people crossing between Uganda and South Sudan. For increased physical access to markets, a one stop border post (OSBP) that combines two border control processing points into one, and consolidates border entry and exit functions, is essential, especially at this important point along the Northern Corridor. The OSBP will reduce the time and costs involved in crossing the border by increasing border agency co-operation, and thus improving efficiency in handling the volume of traffic of both goods and passengers.

Phase 1 of the construction works, comprising the administration block, a wet cargo inspection shed, access roads, perimeter fencing, a generator house, gate houses, a bus shed and requisite mechanical and electrical works, was completed in June 2018. Phase 2 works, including the staff housing block and the warehouse and aggregation centre will be complete in September 2019.

Baseline TMEA time and traffic surveys conducted in June 2013 show that it took 59 hours and 50 minutes on average to cross from Elegu to Nimule and 4 hours and 16 minutes to cross from Nimule to Elegu (trucks returning from South Sudan are usually empty of cargo). The Elegu OSBP aims to reduce the time it takes to cross the border by at least 30%, thereby easing the movement of trade and people.

With funding from the UK Department for International Development and the Canadian International Development Agency, TMEA financed the construction and equipping of the Elegu OSBP. The Government of Uganda acquired the land on which the OSBP is constructed and paid all taxes for its construction.

The facility if put to proper use, will reduce the cost of doing business and boost the the country's ranking in the Ease of Doing Business Report, which has perpetually rendered the country an unattractive destination of investment due to the high cost of doing business here.

Hon. Amelia Kyambadde, Minister for Trade, Industry and Cooperatives, Uganda.

Results

- Trade volumes in terms of exports through Elegu border grew from US\$54.2 million to US\$65.69 million while imports rose from US\$0.136 million to US\$0.328 million.
- Transit goods increased from US\$25.21 million to US\$54.79 million.

INCREASE IN TRADE VOLUMES AT ELEGU BORDER



Single window speeds up Uganda trade

With support from the Danish International Development Agency (DANIDA) through TMEA, Uganda implemented Phase I (2014-2018) of the Uganda electronic single window (ESW), worth US\$4 million. The project was launched by the Minister of Trade Industry and Cooperatives, Hon Amelia Kyambadde, on 4 November 2016.

The ESW is a trade facilitation tool allowing traders to submit information for trade regulatory documents through a single online portal and to receive responses through the same interface. The documents include: customs declarations; applications for import and export permits; certificates of origin; and trading invoices. The ESW makes goods clearance and document licensing simpler, by ensuring no paperwork, fewer transaction costs, electronic tracking and faster processing times.

The first phase successfully connected 16 institutions to the ESW including: Uganda Revenue Authority; Uganda National Bureau of Standards; Ministry of Trade, Industry and Cooperatives; Ministry of Agriculture, Animal Industry and Fisheries, National Drugs Authority, Uganda Coffee Development Authority, Ministry of Energy and Mineral Development; Dairy Development Authority; Warehousing Operators; Uganda National Chamber of Commerce and Industry; clearing agencies; and airlines. Additional funding of US\$5 million was secured from DANIDA for Phase II, aimed at connecting 10 more institutions by end 2019.

The Ugandan and Rwandan ESWs are linked, enabling sharing of preferential certificates of origin to the benefit of exporters and importers.

Once completed, the Uganda ESW project is expected to contribute to a 15% reduction in the time taken to import or export a container from Mombasa or Dar es Salaam to Burundi or Rwanda; and to decrease the time a truck takes to cross selected borders.

Time is cost. With the UESW, you will not waste time moving from one agency to another. All concerned parties can view your documents. If there are queries, these are addressed online. This saves on duplication of documents and reduces time and cost of doing business.

Amos Kankunda, Secretary General, Uganda Shippers Council.

Results

- The World Bank Doing Business Report of 2018 reported that a main reason leading to an improved ranking for Uganda in Trading Across Borders, from 137 (2017) to 128 (2018), was due to the automation of the certificate of origin through the single window.
- Decreased processing times for selected institutions, from an average of 9 days to 3.9 days.
- The Uganda ESW witnessed an increase in transactions processed through the portal from 0 to 750,506. An evaluation has been planned to translate this into cost.
- Training and awareness for ESW users took place in May/June 2018, including for transporters; clearing and customs agents; warehouse staff; Uganda free zones' staff and investors.



UESW INCREASE IN TRANSACTIONS
0 to **750,506**



Uganda's Trade and Industry Minister Amelia Kyambadde giving her remarks during the launch of the Uganda Trade Portal

UGANDA



Trucks at the Busia Border

Logistics platform boosts Uganda's trade competitiveness

TMEA Uganda, with support from the UK Department for International Development, provided US\$250,000 of funding and technical assistance through the Private Sector Foundation Uganda, to establish the National Logistics Platform (NLP). The NLP is a structured, robust and interactive dialogue process bringing together relevant stakeholders in the private and public logistics industry to promote dialogue around national and regional logistics issues. The NLP aims to boost Uganda's logistics competitiveness by reducing the cost of doing business while enhancing the quality of logistics services.

The vision of the NLP is for, 'Uganda to be the region's freight forwarding logistics distribution hub', resonating with H.E. President Museveni, who, at the Regional Logistics Expo in April 2017, emphasised Uganda's importance as a major distribution hub. With support from the UK Department for International Development, TMEA will continue to strengthen the NLP with funding of US\$950,000, focusing on implementing the private sector strategy on logistics.

IMPROVE AND MAINTAIN COORDINATION AMONG STAKEHOLDERS



NLP activities, such as the development of the private sector logistics strategy, have strengthened relations with government. The highlights in the strategy have been adopted by the government and are being incorporated in the wider national policy. For the first time the private sector is being involved in the actual policy formulation.

Hussein Kiddeedde, Chairman, Capacity Building Committee NLP and Chairman, UFFA.

Results

- An MOU between the NLP and the Ministry of Works and Transport, that seeks to develop, grow and modernise the logistics sector.
- The Ministry of Trade, Industry and Cooperatives committed to engaging the NLP in the development of related policies, legislation, and regional and multilateral trade negotiations.
- The Ministry of Works and Transport committed to adopting the Private Sector Strategy on Logistics both within the Uganda Master Plan on the Northern Corridor and Uganda transport policy.
- Public-private sector dialogue leading to successful advocacy including: advocated, with COMESA, against the proposed increase of the road customs transit guarantee bond premium from 0.5% to 0.6%; advocated to lower Tanzania cross-border trucking fees from US\$500 to US\$150 for Ugandan trucks; advocated against the regulation that set strict conditions for importing cars older than 8 years (now 15 years).
- Convened a Global Logistics Conference with over 200 participants from 20 countries to share best practice in trade and policy, facilitate engagement with a wide range of stakeholders, and provide awareness on the changing roles, responsibilities and emerging trends in the industry as a driver for productivity and competitiveness.
- 5 strategic plans developed: Kampala City Traders Association, Uganda Clearing and Industry Association, Regional Truck Drivers' Association, Uganda Freight Forwarders' Association and the NLP.
- Training on governance and sustainability undertaken for NLP members.



REGIONAL (EAC)



PROJECTS

58



BUDGET

US\$ 18,645,000



ANNUAL GDP GROWTH (%)

154.86



GDP PER CAPITA (US\$)

4459.52

REGIONAL



Presidents Uhuru Kenyatta, Kenya and Yoweri Museveni, Uganda at the launch of the Busia/Busia OSBP

Kenya, Uganda deepen trade ties with the Busia OSBP

Busia border is one of the busiest in East Africa, handling transit to and from the Great Lakes region of Rwanda, Burundi, the Democratic Republic of the Congo and South Sudan. Most importantly, this border handles the largest number of informal cross-border traders in the EAC. Over 20,000 small scale traders in Kenya and Uganda are now growing their fortunes by freely trading across the border, thanks to the new one-stop border posts (OSBPs).

The initiative, unveiled in February 2018 by Presidents Uhuru Kenyatta of Kenya and Yoweri Museveni of Uganda, combines two national border controls into one, with better co-ordination and collaboration between the agencies. Crossing the border more quickly contributes to reduced transport costs, while increasing volumes of transit cargo through the Northern Corridor. It is expected that time taken to cross the border will continue to go down.

The OSBP straddling the border comprises offices and space for immigration processes and verification; customs offices, including warehousing and cold rooms for the goods traded across the border; and other facilities for improving trade across the border.

TMEA supported and oversaw the implementation of the project. Construction of the Busia OSBP was carried out with funding of US\$11.7 million from the UK Department for International Development, while the systems and other related soft infrastructure, equivalent to US\$1.2 million, was funded by Global Affairs, Canada.

OSBPs and associated infrastructure have been marked as one of the most crucial infrastructural projects fostering integration in East Africa.

This facility is an important link for ease of trade between our two countries. Uganda continues to be an important trading partner for Kenya. Opportunities for increased trade and investment have been created. I am happy to hear that because of this OSBP here in Busia, our revenue authority has been able to collect more revenues, a clear indication of increased trade flows.

President Uhuru Kenyatta

Results

- Surveys indicate that since operationalisation, the average time to cross the Busia border has reduced by 84%.
- TMEA, through its donors and in partnership with the East Africa Community, has since 2010, supported 13 SBPs in East Africa (including South Sudan) and has invested about US\$117 million in OSBPs and access roads. These include Busia and Malaba at Kenya-Uganda borders, Kagitumba/Mirama Hills at the Rwanda-Uganda borders, Mutukula at the Tanzania-Uganda borders, Holili-Taveta at the Kenya-Tanzania borders, Nimule-Elegu at the Uganda-South Sudan borders, Kobero-Kabanga at the Burundi-Tanzania borders and Tunduma on the Tanzanian side of the Tanzania-Zambia border.

Happy workers enjoy new one-stop border posts

As you approach most of the borders in Tanzania, including Holili/Taveta (linking Tanzania and Kenya), Mutukula (linking Tanzania and Uganda) and Kabanga (linking Tanzania and Burundi), you cannot miss the new one-stop border post (OSBP) buildings that house the offices of customs, immigration and other government agencies.

The OSBPs have replaced the traditional border posts where operations were mostly manual. The old buildings lacked important facilities such as a consistent and reliable power supply, internet access and space, the latter resulting in congestion. Inspection tents were too small and could accommodate only one or two trucks at a go, causing goods inspections to take too long and resulting in long queues.

The OSBPs have reduced the time taken to cross borders by more than 70%

Construction of the OSBPs was financed by the UK Department for International Development and Global Affairs, Canada, and facilitated by TMEA.

Kabanga OSBP

Hafidh Abdallah, who is a health officer at Kabanga OSBP (linking Tanzania and Burundi), used to operate from a small wooden hut at the former border post in Nzasa. He recalls that his office lacked electricity and working equipment, and very few people knew that it was the health office.

The office had no computer and all work was done manually. But when I wanted to use a computer, I had to go to the revenue offices. There was no for place for storing perishable medical supplies, which had to be kept in a nearby government hospital. But now I work in a very conducive environment with an air-conditioned office, which also has all the necessary equipment and tools. There is also running water and a standby generator just in case there is power outage. *Hafidh Abdallah*

Grace Nade Bayo, a natural resources officer at Kabanga OSBP, says that the new facilities have made it easier for her to discharge her duties. She is now able to collect about TSh11 million per month, up from TSh3 million she used to collect three years ago.

Head of Kabanga OSBP, Mohammed Shamte, states that the OSBP has not only given them status as government workers, but the new facility will go a long way in boosting economic growth of EAC member states.

Holili OSBP

Health officer, Koba Kasele, based at Holili OSBP, says that safety measures have been taken at new OSBP facilities, in contrast to the past when offices were scattered and there were no measures to monitor the movement of people and goods.

We now have CCTV cameras which we use to monitor OSBP and people's movement. This has greatly improved security purpose. *Koba Kasele*

Petro Paul Mwani, an officer with the Tanzania Food and Drugs Authority at Holili, adds that because of the OSBP, they now issue clearance certificates electronically to save time for customers as the OSBP concept requires. 'The OSBP facilities have simplified our work,' he says.

Mutukula OSBP

Head of Mutukula OSBP, Samwel Mori, says that they have now seen the difference between working in old and current border facilities.

We used to work in tiny structures that had no reliable water supply or electricity. The environment was not at all conducive. However, things have vastly improved. We have clean running water and a reliable power supply. Our offices are very spacious and well equipped with air-conditioning. We now enjoy working here. *Samwel Mori*



Customs Officer at the Kabanga OSBP

REGIONAL



Towards the development of the textile and leather sectors

With TMEA support, the EAC is currently implementing a Heads of States summit directive to the Council of Ministers to study the modalities of promoting the textile and leather industries in the region, as well as mechanisms for ending imports of used clothes, shoes and other leather products from outside the region. Development of the two sectors is premised on shared commitment and strategic co-operation among Partner States – as well as the public and private sectors – to collectively address governance issues and regulatory, market and information challenges that reduce incentives for private investment along both value chains. The policies and strategies developed aim to promote export diversification, curb value leakage and reinvigorate the potential of the leather and textile industries to create jobs, generate income and alleviate poverty.

Industrialisation in the context of EAC region depends on how the region strategically leverages from the market created by the Common Market Protocol as a source of stimulus for demand. The realisation of a fully functioning Common Market and the deepening of regional integration through a monetary union, are crucial for providing the much-needed impetus for industrialisation in the region.

George Ndira, EAC Principal Industrial Engineer.

Results
Rwanda has introduced a total ban on imports of second-hand shoes and clothes, while other Partner States are working on implementing these directives.



CREATING JOBS AND INCOME BY DIVERSIFYING EXPORTS

PROMOTING
TEXTILE & LEATHER
INDUSTRIES IN THE REGION

Single Customs Territory advances trade and ease of doing business in the EAC

Since 2014, TMEA has supported the EAC to advance the Customs Union agenda through the single customs territory (SCT) initiative. Using the SCT, regional customer-focused procedures have been put in place, eliminating duplications and reducing the cost of doing business.

The East African region has fully embraced the SCT. Co-operation among government agencies, government officials and stakeholders has been made possible through the SCT's mode of operation, which requires all stakeholders to be involved in the clearance process. Economies of scale, synergy, efficiency and effectiveness in the clearance process are being realised through staff deployment by Partner States at first points of entry, particularly Dar es Salaam and Mombasa ports. In addition, supply of sensitive products, like fuel to inland Partner States is more certain.

New skills have been acquired and capacity built that is running the region as one single customs territory. Both export and import procedures have been developed and applied. In the past, securing goods was challenging, where at every point of entry and exit, a bond was acquired and discharged. A regional bond has now been introduced, eliminating the dependence on multiple national bonds. In addition, regional electronic cargo tracking is now applied to secure transfer and transit of goods along the Northern Corridor. Use of technology in the clearance process has been enhanced, benefiting both business and government administrations.

The transformation of EAC into a single customs territory is a major and final step in the realisation of one of the pillars of the East African Community integration agenda – establishment of a Customs Union. Since January 2014, the EAC has incrementally rolled out cargo on the SCT. In December 2017, all goods were rolled onto the SCT. The SCT is where all the goods are entered once they reach the first point of entry into the Community and taxes are assessed and paid in the destination Partner State. The benefits of the SCT are already witnessed by both the public and the private sectors in the region.

Kenneth Bagamuhunda, EAC Director General, Customs and Trade.

Results

- Products under SCT for intra-trade and imports are fully rolled out by Partner States; this is expected to increase clearance efficiency and enhance free circulation of these products.
- The turnaround time from Mombasa or Dar es Salaam to Kampala or Kigali/Bujumbura has been reduced from over 18 days to an average of 4 days.
- An EAC e-certificate of origin was developed and is currently used by Uganda and Rwanda revenue authorities, resulting in cuts to cost and time spent by exporters acquiring the certificates.
- ICT system interconnectivity enables information sharing on imports, intra-trade, and piloted exports by Partner States.
- SCT tools and instruments were developed to facilitate cargo clearance and ensure compliance with procedures to date.
- Out of 27 processes earmarked for implementation under SCT, 17 are fully implemented, 2 partially so, and 8 pending.
- Proof of concept for the centralised platform is almost concluded, and is intended to showcase its benefits, and assist in definition, scope, functionality, cost and resource estimates for the same.



REGIONAL



Creating a Single Customs Territory with technology

The realisation of the EAC Customs Union (CU) in 2005 set in motion initiatives intended to lead the economic block towards a full CU, key among them the creation of a Single Customs Territory (SCT). The SCT came into effect in 2013, and mainly takes a trade facilitation angle, through removal of restrictive regulations and minimisation of internal border controls on the free movement of goods within the region. The EAC adopts a destination model SCT, allowing for clearance and release of goods at the first point of entry. To effectively realise this, customs systems interconnectivity, free flow and exchange of customs information between revenue authorities in the region is critical.

In line with this objective TMEA has, since 2016, been working with the EAC Secretariat and revenue authorities to deploy ICT tools that will address technical limitations and challenges to the free flow of information related to the clearance of goods. Dubbed the SCT Centralised Platform, the project aims to improve the existing information-sharing arrangement among the revenue authorities by providing an improved ICT infrastructure that will include all revenue authority systems. It is based on standardised information-exchange protocols and a scalable environment able to incorporate all goods moving in and out of the region in the SCT framework. A proof of concept (PoC) was first developed incorporating export and intra-regional trade, to test the technology before scaling up to a centralised platform.

The PoC has been operational since June 2017. During this period, it has significantly improved and enabled real time flow of necessary customs information on maritime exports and intra-regional trade between five revenue authorities (Burundi, Kenya, Rwanda, Tanzania, Uganda). Five key message types necessary for the movement of maritime exports across the region are now exchanged through the platform: goods arrival notification, customs declaration, customs release, exit note and transshipment note.

Exchange of export information on the PoC has been such a great enabler in implementing the SCT framework, particularly so because it has contributed to reduction in time for clearance of goods from around ten days to under three days. The technology contribution to this reduction being the ability of customs officials from the different revenue authorities to quickly detect technical and administrative challenges on a particular entry and address this in good time, and before realisation by the business community.

Prilla Kabagambe Tusiime, Supervisor - SCT Liaison office, Uganda Revenue Authority.

Results

- The number of export declarations has decreased, given that one upload is accessible to all revenue authorities for information and action. Prior to this, an exporter would be required to lodge entries into all the customs systems to which the goods would be exiting/transiting.
- Over 580,000 messages related to intra-regional trade and maritime exports have been exchanged through the platform.
- The PoC has greatly improved cross-border data flows on export clearance through enabling seamless sharing of information in real time, and providing transparency in the clearance process at regional level. This enables faster resolution of technical and administrative challenges that may affect clearance time.
- The centralised platform provides a centralised repository of reliable intra-regional and export trade statistics at a regional level.
- The technology has enabled a faster border information exchange thereby reducing goods clearance time.
- The success of the PoC paves the way for scaling up to a centralised platform.

Partnering with the EAC for better quality infrastructure

Since the implementation of the EAC Common Market Protocol, countries within the EAC are supposed to access duty-free and quota-free markets when trading between themselves. Intra-EAC trade has not realised its full potential, partly due to technical barriers to trade such as those to do with standards, testing, quality assurance and other compliance processes. TMEA's first Strategy addressed these challenges by supporting the harmonisation of standards, which will continue in Strategy 2.

Using lessons learned from Strategy 1, TMEA is partnering with the EAC Secretariat to support other aspects of EAC quality infrastructure beyond just harmonising standards. This includes regional co-operation in testing and quality assurance. In the past year, TMEA supported the EAC Secretariat, through the East African Standards Committee, to finalise the EAC standardisation, quality assurance, metrology and testing (SQMT) 5-year strategic plan (May 2018). The plan will guide the development of the EAC regional quality infrastructure in the next five years. It is the roadmap that guides the EAC region towards a competitive quality infrastructure that enables standards-related regulatory agencies to safeguard human health, safety and the environment, while facilitating legitimate trade at national, regional and international levels. This includes the development and harmonisation of standards, the mutual recognition of certification marks issued at national level, co-operation in setting technical regulations and other conformity assessment processes, such as product testing, licensing and registration.

The EAC SQMT (Product Certification in Partner States) Regulations, 2013; provides for certification bodies in the Partner States on the basis of product standards. The regulations will facilitate the issuance of quality marks on products conforming to regional and international standards and provide consumer confidence of the products traded in the region. The regulations also provide for emphasis on recognition of each quality marks issued by other Partner States quality marks in conformity assessment of goods moving across borders.

Ms Patricia Ejalu, Deputy Executive Director Uganda National Bureau of Standards (UNBS)

Results

- The EAC SQMT 5-year strategic plan was finalised. TMEA will support the EAC Secretariat based on this document.
- The document will guide the EAC Standards Committee investments in the next five years.
- The plan enables support to go beyond standards harmonisation into other areas of EAC regional quality infrastructure.



REGIONAL



Challenge funds connect businesses and farmers to international markets

Innovation seems to be the key word for the TradeMark East Africa Challenge Fund (TRAC) and the associated Logistics Innovation For Trade (LIFT) Challenge Fund which it administers. Introduced in 2014, TRAC promotes innovation through investment in projects that will boost trade in the EAC. It looks to fund projects that are commercially viable and which incentivise the private sector to increase access to markets for the poor, deliver social welfare gains, boost competitiveness, enhance value chains and promote cross-border trade.

Both funds find applicants through local advertising, targeting businesses and through direct contact with businesses. After submitting a concept note applicants are vetted and their short proposals reviewed and evaluated. Selected applicants are then asked to submit full proposals, which should be as pro-poor as possible, maximising benefits for women and the environment. Once projects are chosen for funding, TRAC sets out milestones in the implementation process and funding tranches are paid when the milestone is reached.

Asili Natural Oils Ltd was awarded a grant of US\$333,500 by the LIFT Fund through TRAC, to develop a Rwanda-based essential oils value chain for retail markets in Europe and North America. At the time, even though Rwanda had promising agricultural potential to grow high value essential values, the industry was undeveloped due to low volumes and lack of a commercially viable essential oil producer.

Thanks to TRAC support, Asili Natural Oils distributed new saplings – primarily of Moringa (a tree that had previously no commercial value in Rwanda), set up a demonstration plot, and formed organic farmer

associations, that allowed around 2,000 farm families to supply the company. Furthermore, the TRAC fund enabled the company to expand its oil processing capacity to over 6 metric tonnes per month. This resulted in, among other things, a commercial relationship with The Body Shop, a major buyer of Moringa seed oil in the UK.

Thus, Asili Natural Oils, with TRAC funding has transitioned from a small processor with one oil press and hundreds of smallholder farmer partners, into a diversified agri-processor on the international market, while working with thousands of smallholder farmers.

TRAC and LIFT fund beneficiaries have included an avocado export company working with small-scale farmers; a cocoa processing plant that benefits 3000 smallholders, including 1350 women; a freight management and monitoring software system that raised standards, increased transparency and reduced storage and transport times across the East African freight industry; and an 'Uber style' smartphone application to connect a road transport company to small-scale, locally-owned transporters and owner operators, thus unlocking opportunities for small and medium size transporters to engage with more regular and higher volume clients.

By improving the efficacy of the transport and logistics industry in East Africa, the LIFT Fund is poised to help turn East Africa into one of the economic powerhouses of the continent.

Lisa Karanja, TMEA's then Regional Director for Private Sector Development.

SUSTAINING TRADE

Environmental and Social Safeguards

ENVIRONMENTAL AND SOCIAL SAFEGUARDS CONTRIBUTE TO SUSTAINABLE TRADE

TMEA's mission is to help generate increased trade in Eastern Africa by promoting rapid advances in the trade competitiveness of the region. In pursuit of this goal, TMEA recognises the need to do this in a sustainable and inclusive manner. TMEA aims to ensure that environmental and social considerations are embedded in the implementation of its programmes. This is to make sure that neither the environment nor communities are affected or harmed by our programmes. In addition, the inclusion of vulnerable groups such as women, the disabled and the economically impoverished is a critical component of TMEA's work.

To this end, TMEA has adopted 10 Environment and Social Standards (ESSs) that will enable effective safeguarding processes. The standards are comprehensive and seek to address critical issues that may occur as a result of development interventions. The first standard focuses on the detailed assessment of environmental, climate change and social risks and impacts as early as possible during the commencement of a programme life cycle. The assessment includes the review of the other ESSs to check their applicability

and provide mitigation measures where necessary. Opportunities to strengthen the environmental and social sustainability of projects are also expected to be identified and realised. TMEA is committed to providing effective monitoring and supervision of the agreed management measures identified in the environmental and social risks and impacts assessment.

TMEA expects that all involved in programme implementation, including partner agencies, contractors and consultants, are committed to comply with and enforce the relevant standards and mitigation measures identified. In its own internal operations, TMEA also aims to uphold the highest social standards and will ensure that strong measures are taken to prevent, report and deal with cases of sexual abuse and exploitation in the workplace and in the communities in which the organisation operates.

TMEA also recognises that stakeholder engagement is a key ingredient in the successful implementation of programmes. Communication and consultation with stakeholders therefore plays a significant role in providing project information

and gaining feedback from relevant stakeholders. TMEA's environment and social policy was revised in 2017 and the procedures for safeguarding have since been enhanced. It is envisioned that positive sustainable development will be achieved in all TMEA programmes with negative risks being mitigated and opportunities enhanced.

Results

- Developed E&S safeguards operational manual in 2018.
- Conducted E&S safeguards capacity building sessions for TMEA programme staff and external implementing partners. This was done for Kenya, Burundi, DRC, South Sudan, Uganda, Tanzania and Rwanda programmes.
- Conducted various safeguard review site visits and stakeholder engagement e.g Moyale, Kipevu Road, Nimule, Gulu.

The TMEA Environment and Social Standards include



Climate Change

CLIMATE CHANGE STRATEGY AIMS TO CREATE A SUSTAINABLE TRADE ENVIRONMENT

Over the past couple of years, Eastern Africa has been hit by increasing extreme weather conditions such as heavy rains and flooding – potential impacts of climate change – damaging infrastructure and negatively impacting on transport performance. In some parts of the region, rainfall has been inadequate for farming, weakening livelihoods and the food security of local communities. The threat of climate change may ultimately jeopardise many TMEA activities and weaken the competitiveness of the economies and the private sector.

In 2018, the TMEA Board and Council approved TMEA's new climate change strategy, which with TMEA's country and thematic teams, is guiding the integration of climate change mitigation and adaptation into TMEA's project portfolio: 12 projects out of the 35 Strategy 2 projects have been found to be climate change relevant. Most of these are infrastructure projects, while others include work on the trade environment and improving business competitiveness. Specific climate change and environment projects have also been implemented. A funding framework for the 10 most potential climate change projects has been prepared to guide teams in prioritising, designing and supporting fund raising for climate change projects.

In TMEA's climate change strategy, ports and other infrastructure have a central role in reducing emissions and pollution. Dar es Salaam Port's completed green port policy has given rise to a practical project, which will be funded by the World Bank. The sustainable and inclusive trade (SIT) unit also supported completion of the Mombasa Port Resilient Infrastructure Programme funded by the UK Department for International Development (DFID), and participated in designing a second phase covering activities outside the port, to promote environmentally friendly and low-carbon technology and approaches.

TMEA and the observatories project (aimed at improving efficiency of the Northern and Central Corridors), have collaborated with national authorities and initiatives in Kenya to implement transport sector greenhouse gas (GHG) inventory and to design a transport sector strategy and action plan. It is planned to serve as a model for other TMEA countries. Ugandan authorities have started a process of developing a transport sector policy and strategy including climate change issues to which TMEA has contributed. GHG and pollution monitoring methodology has been developed to cover the Northern, Central and Southern Corridors and other key transport routes in East Africa.

Besides pollution and other environmental problems, increasing trade may lead to unsustainable use of natural resources and cause more illegal trade. Illegal forest products and wildlife trade are major concerns of governments,

THE SUSTAINABLE USE OF NATURAL RESOURCES IN TRADE

Preparations have been made to develop a project to promote governance and a sustainable forest products and wildlife trade.



donors and other stakeholders in the region. Preparations have been made to develop a project to promote governance and a sustainable forest products and wildlife trade.

The SIT team has supported the use of environmental and social impact assessments, other related studies and documents to ensure compliance with TMEA's climate and safeguards policies and standards. Relevant tools and guidelines have been developed and capacity building and on-the-job-training implemented with TMEA's SIT team.

Due to the larger scale of projects and activities, TMEA's organisational carbon footprint is growing and is estimated annually to be 1850 tCO2, equal to carbon sequestration capacity of 200-300 hectares of forests in one year. The biggest emissions come from air travel, as the organisation purchases annually some 9000 flight tickets of which 95% are within East Africa.

The emissions from the 35 programmes covering the seven countries are not included in the carbon footprint. A special GHG inventory and monitoring system to cover major TMEA activities is being drawn up and the first results will be available in 2019. The target for reduced GHG emissions has been included in the corporate result framework.



Knowledge Management

KNOWLEDGE MANAGEMENT FOR BETTER RESULTS



Knowledge has been extensively identified as the most critical aspect for organisations to achieve and sustain a competitive advantage. Without knowledge management, organisations run the risk of wasting time and money on unnecessary effort, with results that will not be as effective as they could have been when influenced by the experience and expertise of others. In recognising this reality, TMEA has created a knowledge management unit with the key focus of improving performance and results.

Knowledge management is still an ambiguous topic to many, with numerous definitions of what it entails. TMEA's knowledge management aims to synthesise all the information we gain from our experience in implementing our various projects, coupled with our expert knowledge, for the purpose of learning from them and for our improvement. Knowledge is only useful if you do something with it and make it a practice.

Knowledge management will enable TMEA to be a better organisation in the following ways:

1. Sharing – what has been learned and created, to allow others to learn from our experience and reuse what has already been proved to be useful.

We do this by conducting regular internal knowledge sharing sessions where staff and other experts present on topics of interest based on their experience, which are then discussed and documented for future reference, such as lessons from construction of one-stop border posts in East Africa.

2. Innovation – by being more creative, inventive, imaginative and with an ability to improvise, the result will be bold new ways of thinking and doing. This creates new knowledge.

We plan to do this through 'Knowledge Cafes'. In these sessions, topical questions on areas of work are raised, and groups come up with the most ideal solutions, followed by joint consultations, with the best solution being selected to resolve similar problems in future.

3. Recycling – what we have already learned, created, and proved, will be used to save time and money, minimise risk and be more effective. 'After Action Reviews' will be held for any major activity or event. In this process, teams will review the intent or plan of an activity and compare it with what actually happened. They will then assess the difference between the two scenarios and decide whether it is positive. If so, it will

be incorporated as the new practice, but if negative it will henceforth be avoided. This will mostly be used in large procurement processes, high level events and activities that are carried out on regular basis.

4. Collaboration – with others, to yield better results, benefit from diverse perspectives, and tap the experience and expertise of many other people. This allows knowledge to flow at the time of need, creates communities, and takes advantage of strength in numbers.

Through internal quarterly strategic review meetings, TMEA staff will share with and learn from each other and incorporate external expertise. The focus is to share and learn from others, and from existing information, to perform better, to solve and avoid problems, and to make good decisions. Learning is the origin of knowledge.

Knowledge Management enables TMEA to be a better organisation by

01 **Sharing** lessons from construction of OSBPs in East Africa to document for future reference

02 **Innovation** will result in breakthroughs

03 **Recycling** will be used to save time and money

04 **Collaborate** with others will yield better results

Gender

BUILDING EQUITY IN TRADE THROUGH TMEA'S GENDER STRATEGY 2

TMEA is committed to ensuring that men and women gain equal opportunities from the organisation's initiatives that are geared to increased trade and business competitiveness. As with Strategy I, TMEA will continue with a targeted approach through the Women in Trade programme under Outcome 2 – Improved Business Competitiveness. This is complemented by a mainstreaming approach that aims to ensure all interventions make gender considerations throughout the project management cycle.

In Gender Strategy 1, TMEA made significant progress in mainstreaming gender in programming, building the abilities of staff and partners. This delivered impressive results at programme level, within implementing partner organisations and at corporate level.

This has been a good starting point for TMEA where tracking and reporting on sex-disaggregated data and results spreads across all TMEA's work, as well as addressing what corresponds to the first level of gender mainstreaming, through focusing on women's more practical trade-related needs. Changing the limiting gender norms that affect trade is a long-term process. It requires a good understanding of the issues, design of strategic interventions and committed implementation and results measurement to achieve sustainable, inclusive and equitable change over longer periods of time.

The focus for the coming year will be the roll out and implementation of TMEA's Gender Strategy II (2018-2023), especially focusing on achieving the gender commitments in the corporate results framework (below):

IMPACT LEVEL
Evidence of women's empowerment

OUTCOME LEVEL
Proportion of programmes exploring opportunities to successfully mainstream gender

TMEA offers **EQUAL OPPORTUNITIES** from the organisation's initiatives

2018-2023
TMEA's Gender Strategy II IMPLEMENTATION

A more participatory approach was adapted in the development of Gender Strategy II. This entailed a comprehensive review of Gender Strategy I (2015-2017) its implementation and lessons learnt, followed by an internal focus group discussion on priority areas for Gender Strategy II and piloting of the gender mainstreaming tool with country programme teams.



Sorting coffee cherries at Horemama dry mills in Burundi

RESEARCH AND IMPACT



The objective of TMEA's research and impact (RI) agenda is to generate policy-relevant high-quality research and data that contribute to enhanced stakeholder knowledge, thus adding value in shaping the logical thinking on Aid-for-Trade (Aft) design, implementation and policy in East Africa and beyond. The agenda, envisaged to be implemented through both internal capacity building and strategic partnerships, has three important pillars:

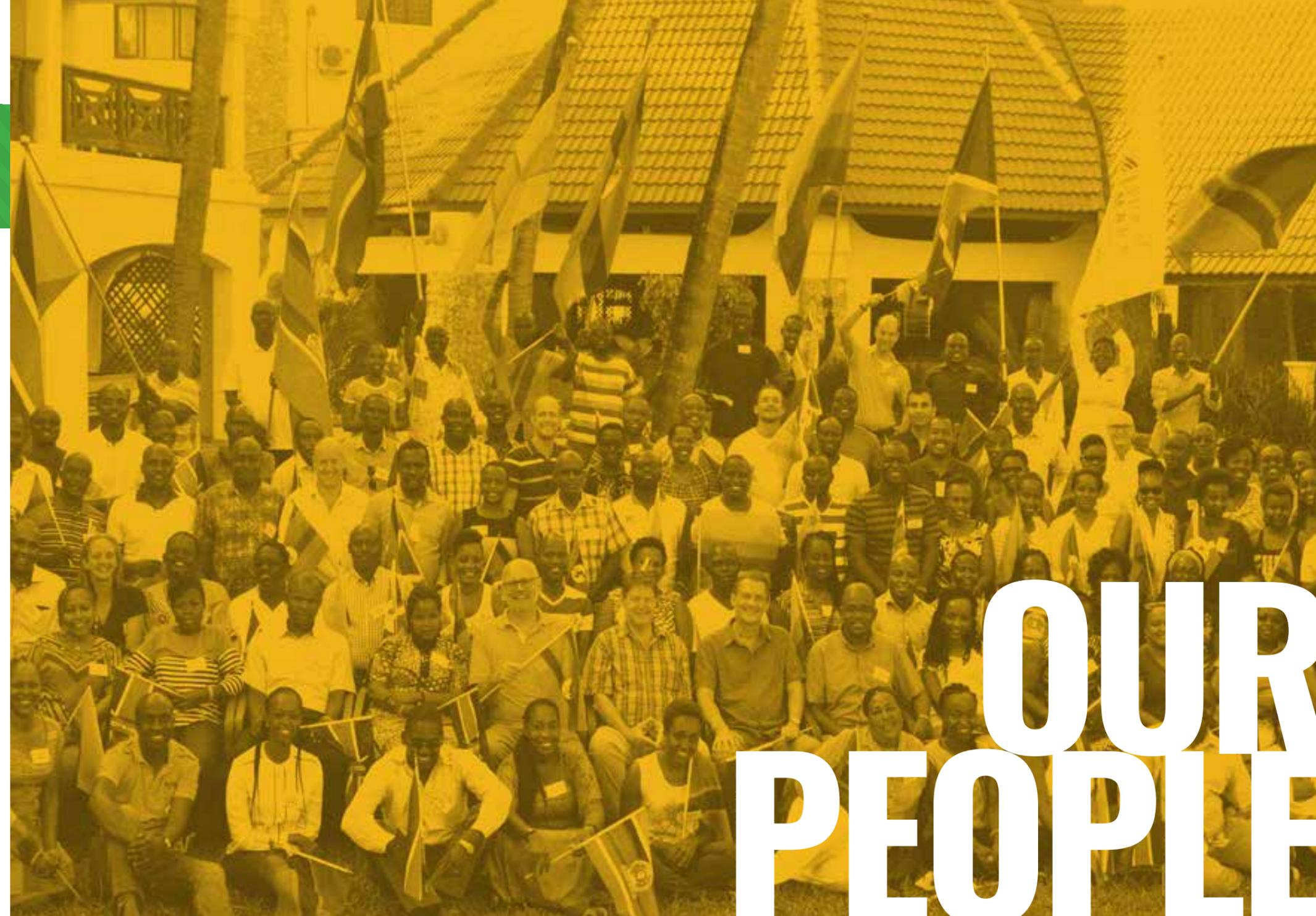
- i) Contributing to Aft data collection and management needed for informing trade policy discussions in East Africa and beyond. Key activities include the collection and management of data on all TMEA's projects.
- ii) Creating a sharing and learning culture by revitalising the knowledge management strategy to improve both internal learning (at programme, project and individual staff level) and external knowledge sharing to stakeholders.
- iii) Developing an evidence-based applied research programme that both informs and speaks to TMEA's corporate and project level interventions and its evaluation strategy.

TMEA'S AID-FOR-TRADE PILLARS IMPLEMENTATION AND POLICY PILLARS



RI team achievements so far are

- Jointly with Rwanda Country Programme and communication teams, the RI team held a successful joint conference with the UN Economic Commission for Africa (UNECA), in Kigali in Nov 2018. The RI team and UNECA will produce a joint publication to provide a diagnostic view of trade facilitation agreement implementation opportunities and challenges in the EAC region. The publication will build on TMEA Strategy 1 lessons and experiences. Similarly, RI team is currently reviewing another joint report with UNECA on African Continental Free Trade Area challenges and opportunities in the East Africa region.
- RI team produced data standardisation guidelines for regional and country teams for consistent and systematic data collection in Strategy 2.
- RI team participated in the end of project evaluation and later developed a request for proposal (RFP) selection criteria for the 'Origin Destination' study which aims to collect essential data for the soon to be completed IMPACT model. The RFP evaluation is scheduled for the third week of February 2019 and data collection is expected to start around April 2019.
- RI team continued to support teams by revising various data baseline terms of reference to ensure that they reflect the expected rigour and scientific approaches for data consistency and reliability.
- RI team developed data, research, learning and sharing project appraisal report that was submitted to TMEA's peer review group. The appraisal report was not approved, and it was decided that the report be converted into a concept paper for submission to Board and Council's committee. The research, learning and partnership paper was prepared and submitted and approved by the relevant committees of the Board and the Council.
- Together with Women in Trade and Sustainable and Inclusive Trade teams, the RI team is currently organising a research and policy symposium on sustainable and inclusive aid-for-trade with a thematic focus on Women in Trade. The symposium will be held on May 29-30th 2019 in Nairobi Kenya.



OUR PEOPLE



CHRIS BOYD, *Director, Results and Organisational Performance based in Nairobi*

I love my job and feel privileged to be able to serve such an outstanding organisation. The best thing about it is the variety – working across the whole of East Africa, no two days are ever the same. TMEA is successful because of committed investors and partners, its clear vision of what it wants to achieve, and because of its people – hardworking, driven and committed to improving people’s lives in East Africa.



DORECA MUSENGA, *Programme Officer Monitoring and Evaluation, Rwanda Country Programme*

The East African Community means market increase; a big political forum for negotiation and lobbying; easy movement of goods and services; and a bigger force to reckon with in the region and beyond. TMEA’s interventions are aligned with EAC member states’ priorities to facilitate the achievement of development goals. The working environment is good and I love that I have a great degree of control and freedom within my job.



JOSEPHA TIBENDERANA NDAMIRA, *Director of Audit and Assurance, based in Kenya*

When I think about the EAC, two words come to mind: diversity and unity – diverse people linked through trade, creating unity. I love collaborating to improve the internal control environment and activities, enhancing the probability that beneficiaries derive the most value from TMEA’s interventions. I believe TMEA is a success because of the passion that the TMEA family has for making a meaningful impact on regional trade.



JUSTINE KALAURI, *ICT Compliance Officer based in Arusha*

TMEA is a success story because it is at the forefront of ensuring that the EAC integration process succeeds through facilitating trade, removing trade barriers, connecting borders and simplifying trade processes and procedures in the EAC region. TMEA also plays a key role in ensuring that women become central to the integration process. Engaging with team members spread across the region has enabled me to understand various cultures and working ways.



FEMALE 63 MALE 69

STAFF BY NATIONALITY

AMERICAN - 1 BELGIAN - 1 BRAZILIAN - 6 BRITISH - 5 BURUNDIAN - 1 INDIAN - 1 KENYAN - 71 RWANDESE - 12 SOUTH SUDANESE - 3 SWISS - 1 TANZANIAN - 17 UGANDAN - 15

TOTAL 132



FINANCIAL SUMMARY

Independent Auditor's Report on the Summary Financial Statements to the Members of Trademark East Africa



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Opinion

The summary financial statements, which comprise the summary consolidated statement of financial position at 30 June 2018 and the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of TradeMark East Africa for the year ended 30 June 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with criteria in Note 1.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015.

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 December 2018.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance on the basis described in note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised),

Engagements to report on summary financial statements.

Certified Public Accountants

28 December 2018
Nairobi

CPA Bernice Kimacia, Practising certificate No. 1457
Signing partner responsible for the independent audit

Statement of Comprehensive Income for the Year Ended 30 June 2018

	Year ended 30 June 2018 US\$'000	Year ended 30 June 2017 US\$'000
Income		
Grant income	44,225	106,458
Other income		
Interest on bank balances		
(Loss)/gain on disposal of assets	15	3
Total income and other income	44,240	106,461
Expenditure		
Personnel costs	12,383	15,759
Consultancy costs	12,326	26,485
Professional services	2,088	1,736
Conferences and workshops	2,316	1,576
Grants to partners	2,598	6,012
Office supplies	255	309
Project assets	27,720	48,185
General expenses	1,804	1,836
Travel expenses	3,256	2,898
Depreciation	262	239
Amortisation	8	11
Exchange losses	513	952
Total expenditure	65,529	105,987
Finance income	50	162
Finance cost	(41)	
(Deficit) / surplus for the year	(21,280)	636
Other comprehensive income, net of tax		
Total comprehensive (deficit) / surplus for the year	(21,280)	636

Statement of Financial Position as at 30 June 2018

	Year ended 30 June 2018 US\$'000	Year ended 30 June 2017 US\$'000
Non-current assets		
Property and equipment	497	376
Intangible assets	15	---
	512	376
Current assets		
Cash and bank balances	3,109	19,445
Receivables and prepayments	1,067	4,984
	4,176	24,429
TOTAL ASSETS	4,688	24,805
FUND BALANCES AND LIABILITIES		
Fund balances		
Unexpended funds	8,392	12,888
Liabilities		
Bank overdraft	3364	
Payable and accruals	9,716	11,917
	13,080	11,917
Total fund balances and liabilities	4,688	24,805

Statement of Fund Balance for the Year Ended 30 June 2018

	Year ended 30 June 2017 US\$'000
At start of year	12,252
Total comprehensive income for the year	636
At end of year	12,888
Year ended 30 June 2018	
At start of year	12,888
Total comprehensive deficit for the year	(21,280)
At end of year	(8,392)

Statement of Cash Flows for the year ended 30 June 2018

	Year ended 30 June 2018 US\$'000	Year ended 30 June 2017 US\$'000
Operating activities		
Grant receipts from donors	44,225	106,458
Reported total expenditure	65,570	105,987
Adjusted for:		
Exchange losses	(513)	(952)
Overdraft financing expenses	(41)	
Depreciation	(262)	(239)
Amortisation	(8)	
Advances made	(3,917)	(908)
Movement in payable and accruals	2,201	3,572
Cash paid to suppliers, employees and partners	63,030	107,460
Proceeds from disposal	(16)	(3)
	63,014	107,457
Cash used in operations	(18,789)	(999)
Investing activities		
Interest received on bank balances	50	162
Acquisition of property and equipment	(384)	(227)
Acquisition of intangible assets	(23)	
Cash generated from investing activities	(357)	(65)
Financing activities		
Finance costs	(41)	
Cash flows used in financing activities:	(41)	
Net decrease in cash and cash equivalents	(19,187)	(1,064)
Effect of changes in exchange rates on cash and cash equivalent	(513)	(952)
Decrease in cash and cash equivalents	(19,700)	(2,016)
Movement in cash and cash equivalents		
At start of year	19,445	21,461
Decrease in cash and cash equivalents	(19,700)	(2,016)
Cash and cash equivalents at the end of the year	(255)	19,445

Note 1 Basis of preparation

These summarized financial statements are derived from the complete annual audited financial statements of TradeMark East Africa for the year ended 30 June, 2018, which were prepared in accordance with International Financial Reporting Standards and Kenyan Companies Act, 2015.

A copy of the complete audited financial statements is kept on file at TradeMark East Africa and can be provided upon request.

The set of criteria applied by directors in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summarized financial statements agree with the figures presented in the complete audited financial statements. Directors believe that the summarized financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

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Abbreviations & Acronyms

AfT	Aid for Trade
CFCIB	Chambre Fédérale de Commerce et d'Industrie du Burundi
COMESA	Common Market for Eastern and Southern Africa
CoWE	Chamber of Women Entrepreneurs
DFID	Department for International Development
DRC	Democratic Republic of Congo
EAC	East Africa Community
ECTS	Electronic Cargo Tracking Systems
EU	European Union
GDP	Gross Domestic Product
GoU	Government of Uganda
ICT	Information and Communications Technology
IOM	International Organisation for Migration
KM	Knowledge Management
KPA	Kenya Ports Authority
LIFT	Logistics Innovation for Trade
MT	Metric Tonne
MoU	Memorandum of Understanding
NMC	National Monitoring Committee
NTB	Non-Tariff Barrier
OSBP	One Stop Border Post
RRA	Rwanda Revenue Authority
SCT	Single Customs Territory
SDG	Sustainable Development Goal
SGR	Standard Gauge Railway
SME	Small and Medium Enterprise
SSNBS	South Sudan National Bureau of Standards
SWIFT	Single Window Information for Trade
TEPP	TMEA–EAC Partnership Programme
TMEA	TradeMark East Africa
TRAC	TradeMark East Africa Challenge Fund
UGX	Uganda Shillings
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
WICBT	Women Informal Cross Border Traders
WTO	World Trade Organisation

GROWTH INCLUSION SUSTAINABILITY

STRATEGY 2 (2017 – 2023)



THE BELGIAN
DEVELOPMENT COOPERATION **be**



Global Affairs
Canada Affaires mondiales
Canada



MINISTRY OF
FOREIGN AFFAIRS
OF DENMARK
Danish



European Union



Ministry of Foreign Affairs
Rialtas na hÉireann



Irish Aid
Government of Ireland
Rialtas na hÉireann



Ministry of Foreign Affairs of the
Netherlands



NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS



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