



Government of Kenya and TMEA sign Kes. 1.31 Billion Financing Agreements to support infrastructure development in Mombasa, Busia and Malaba

Nairobi, 3 November 2020: The Government of Kenya (GOK) and TradeMark East Africa (TMEA), today signed four (4) financing agreements of Kes.1.31 Billion to support construction of four infrastructure projects in Mombasa, Malaba and Busia. The Cabinet Secretary for National Treasury and Planning Hon. Amb. Ukur Yatani and TMEA Chief Operating Officer Mr. David Stanton signed on behalf of their respective institutions. The signing was witnessed by the Director Development, British High Commission and Kenya's Principal Secretaries of the Ministry East Africa Community and Ministry of Transport and Infrastructure, TMEA-Kenya Country Director Ahmed Farah and Head of Governance and Health at Danida Mrs. Minna Højland.

Today's Financial Agreement signing shows the continued partnership between TMEA and the GOK in support of the Government's commitment to reduce barriers to trade and create an enabling environment that can attract investments thus creating jobs and contribute to fighting poverty.

The specific projects covered by the agreements are:

- i) Construction of the proposed **Busia Jumuiya Cross Border Market;**
- ii) Construction of the **road that links to Busia One Stop Border Post from Busia town;**
- iii) Construction of **Magongo road in Mombasa;** and
- iv) Completing pending works at **Malaba One Stop Border Post.**

The envisioned **Busia Jumuiya Cross Border Market** will occupy 40-acres of land with its full completion costing Kes. 2Billion for 3 phases being a retail section, a wholesale section, and a business hub. Out of this TMEA in partnership with Ministry of East Africa Affairs will start Phase 1 which is the retail section estimated to cost approx. Kes.559.3Million with TMEA contributing Kes. 485.3 Million with funding from Foreign, Commonwealth and Development Office (FCDO) and Danida and GOK contributing an additional Kes. 74.3Million. A feasibility study to gather the needs of various stakeholder and determine the best location is currently ongoing. The retail section which will host atleast 2000 traders will include all-weather stores, stalls, and cold rooms.

Among the benefits of the project is reducing post-harvest losses that often occur due to lack of storage facilities for fresh fruits, vegetables, and fish. The market will also enhance revenue collection for the Busia County Government by providing a structured mechanism for SMEs involved in cross border trade to conduct businesses legally and safely. One of the biggest challenges facing cross border traders is access to market information such as price of products, suppliers among others thus hindering their competitiveness. This market will provide a channel where Government and other partners can provide trade and market information to traders. TMEA and The Ministry of East Africa Community target to complete construction of the retail section by 2022. Busia Jumuiya Market was developed in response to the Presidential Directive of 2019 to establish Cross Border Markets in Busia, Isebania, and Taita Taveta.



TMEA, through funding from United Kingdom's Foreign Commonwealth Development Office (FCDO) has also committed USD 3.7 Million (approx Kes. 372Million) to finance the dualling of **the road approaching the Busia One Stop Border Post from Busia town** and this will reduce the frequent traffic snarl-ups. The 1.7km dual carriageway will be completed by 2022. This complements the role of the One Stop Border Post which is to reduce the time and cost it takes to enter and exit the border. Additionally, faster movement of trucks will reduce air pollution emanating from slow traffic and which has been a constant complaint of residents in the town as well as result in reduced wear of the roads.

Malaba border, which is a few kilometres from Busia and one of East Africa's busiest borders will also benefit from the financing agreements signed today. For many years, the Malaba One Stop Border Post workers have had to contend with incomplete buildings and roads which has greatly impacted on the efficiency of the OSBP. Today, GOK and TMEA, through funding from FCDO committed Kes. 403 Million which will go towards construction of the OSBP roads, bridge approaches, improvement of the administrative building and provision of utilities and services. These will be completed by end of 2021.

Magongo road, in Mombasa, has a lot of truck traffic from the port and the container freight terminals and its current state causes major traffic snarl-ups and congestion which inconveniences other motorists. This road is an important link for cargo leaving the port of Mombasa or the container freight stations onto the main highway leading out of Mombasa and onto the Northern Corridor. TMEA has committed USD 2Million (Kes. 200 Million) for dualling of the road starting from Magongo road/Airport access, through Magongo Road and terminating at the Railways crossing just before Kwa-Jomvu. This funding is in addition to USD 9 Million (Kes. 900 Million) grant funding already disbursed to the project, thus bringing TMEA's total funding (through FCDO) to USD 11 million (Kes. 1.1 Billion). The construction will include improvement of Bomu Hospital/Refinery Road junction with an interchange. The Government of Kenya's total funding to the project is Kes. 1.3 Billion for construction and Kes 2.6 Billion for land compensation.

Busia cross border market and Malaba additional construction works are jointly funded by FCDO and Danida while Magongo road and Busia road work projects are funded by FCDO through TMEA in partnership with GOK.

Speaking at the signing ceremony, The CS Hon. Amb. Ukur Yatani *appreciated TradeMark East Africa's financial and technical support towards the economic development of Kenya and regional integration in East Africa as well as the contribution of the Government of the United Kingdom and the Government of Denmark for their contribution to the support noting that the support will facilitate trade and unlock economic growth of Kenya, Uganda, Rwanda, Burundi and by extension the Democratic Republic of Congo . The Cabinet Secretary further appreciated the TMEA support in the establishment of One Stop Border Posts that has expedited movement of goods and people, reduced transport costs across national boundaries, improved cross-border security, cross-border co-operation and increased collection of trade taxes. Efficient borders that facilitate international trade, investment, and economic growth, promotion of economic competitiveness and improved relations between countries.*

Speaking on behalf of FCDO, Dr. Rick Erlebach, the Development Director at the British High Commission said: *"Trade infrastructure development is a core component of the UK's support to increased trade in Kenya and the region and also part of the broader UK-Kenya strategic partnership on mutual prosperity. Improving the efficiency and capacity of transport and logistics networks will help reduce cost of trade, thus boosting economic growth and increasing incomes. We are proud to partner with key stakeholders in*



Kenya including other development partners, in boosting economic growth, job creation and building stronger trade and investment links.”

Mrs. Minna Højland represented the Denmark Government and is the Head of Governance and Health at Danida said, *“TMEA has been a very strong partner of the Denmark - Kenya partnership and we are pleased that this partnership will continue in the next cycle of support to Kenya. The signing of the four financing agreements today show great progress in the TMEA projects and we wish the Government of Kenya and TMEA great success in the implementation of them.”*

On his part, TMEA COO David Stanton said; *“TMEA is committed to supporting Kenya’s economic development by improving trade infrastructure and trade systems. Since 2010, we have invested USD 107 million at the port of Mombasa and USD 16.5 Million at four different One-Stop Border Posts – at Busia, Malaba, Taita/Taveta and Moyale. These already enable faster movement of goods, reduce costs of trade and enhance access to markets. We help people to trade and increase their incomes, so livelihoods are protected and so that Kenyan SMEs access international markets. That is also why our physical infrastructure work is complemented by support to small businesses, so they acquire knowledge and skills, access safe trading spaces like at Busia market, and understand trading procedures.”*

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