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## Denmark Commits USD 17.5 million to support Kenya's Green Trade Efforts and contributes to the EAC Region Fight Against COVID-19

**Nairobi, 2<sup>nd</sup> February:** During a signing ceremony of twin Financial Agreements worth USD 17.5 million, in Nairobi, The Government of Denmark, represented by its Ambassador to Kenya H.E. Ole Thonke, reiterated its commitment to support green trade and the fight against COVID-19 pandemic in the East African region.

The funding will be channelled through TradeMark East Africa (TMEA), a leading Aid for Trade organisation renowned for partnering with Eastern African governments to reduce barriers to trade through automation and adoption of sustainable physical infrastructures such as One Stop Border Posts (OSBPs), ports among others. The event was officiated by Kenya's Ministry of East Africa and Regional Development Principal Secretary Dr. Kevit Desai and witnessed by TMEA Board Chair Amb. Erastus Mwencha, TMEA CEO Mr. Frank Matsaert and TMEA Country Director Mr. Ahmed Farah.

In the two agreements, USD 14.5 Million will support Kenya's efforts to transition to Green Trade and creating sustainable jobs under the Denmark and Kenya Strategic Framework for 2021 to 2025. The second agreement of USD 3 million (Approx. Kes 330,000,000) will support continued response to COVID-19 under TradeMark East Africa's Safe Trade Emergency Facility (Safe Trade) Programme.

With the green trade funding (USD 14.5 million), TMEA will partner with government institutions and private sector in adopting sustainable and efficient transport and infrastructure for reduced barriers to trade, improving trading standards and sanitary and phytosanitary issues and improving business competitiveness in Kenya. The new funding will build up on results that have been achieved in previous programmes funded by Denmark including, support to non-motorised transport in the ongoing construction of Mbaraki Road, in Mombasa to include construction of storm water drainage facilities for climate change adaptation, installation of street lighting, construction of foot paths, walkways, and access ramps to enhance movement and safety of people living with disabilities.

In automation, Denmark's funding will ensure that government agencies in partnership with TMEA ramp up digitisation efforts of key trade processes to reduce use of paper and time taken to trade. Results have been banked from previous support. For example, East Africa Tea Trade Association (EATTA) completed and started use of the Integrated Tea Trade System thus automating Mombasa Tea Auction, the second largest black tea auction in the world. As a result, tea producers from 10 countries in Eastern African can now offer their teas electronically from their countries (without need to travel or congregating at the auction floor); and all documentation for teas sold through the auction is now paperless. The automated system, which will officially be launched later this year, enables the tea sector achieve efficiency positioning it as a competitive auction, and will reduce the tea trading cycle by about **65 percent** from the current **45 to 60 days to less than a month**.

Denmark's support to TMEA's Safe Trade, that is being implemented in **10** countries will enable continuous efforts to provide essential services at the key entry and exit points while keeping front line border workers safe. Safe Trade has ensured collaboration to combat COVID-19 through provision of platform for COVID-19 response by public and private partners, partnering with the EAC in leading the regional dialogues and policy interventions, provision of protective equipment, supporting roll-out and uptake of the Regional



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Electronic Cargo and Driver Tracking System (RECDTS), construction of safe trade zones for women traders across various borders.

Making his remarks at the event, **Denmark Ambassador to Kenya H.E Thonke said:** *“TradeMark East Africa falls under The Denmark-Kenya Sustainable Jobs and Trade thematic focus area whose objective is Green transformation and climate change adaptation, income opportunities and decent jobs, business competitiveness, trade and investments. Under these intervention areas, activities will be implemented around trade facilitation, value chains, renewable and non-renewable energy, investment in natural capital, resource efficiency and cleaner technology, climate change mitigation and adaptation, competitiveness, productivity, advocacy, and market access. The cornerstone of the TradeMark East Africa’s approach is that of partnership to achieve results, with a national focus to supporting implementation of regional issues. TMEA works with a variety of national and regional stakeholders: the private sector, national governments, and agencies, the EAC and civil society. 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.”*

**PS Kevit Desai** appreciated Denmark’s continued support to Kenya’s Green Growth programme and the continued fight against the Pandemic. He said, *“The Government of Kenya welcomes and appreciates the partnership and support of Denmark to the Kenya Country Programme and to the Safe Trade Emergency Facility through TradeMark East Africa. The TMEA Kenya Country Programme has facilitated interventions to reduce transport time and increase import and export volumes in Kenya. This has directly contributed to Kenya’s consistent improvement in the trading across borders. Denmark’s investments through TMEA towards green and inclusive growth contribute to ensuring trade in Kenya is green, resilient, and sustainable. This support also contributes to Kenya’s commitment to the UN Sustainable Development goals and the Paris Agreement.”*

**TMEA’s Board Chair, Amb. Erastus Mwencha** said, *“The resolve for promoting inclusive economic growth is greater now as it has always been as COVID-19 pandemic has thrust most economies in the region and the world into a recession. For us to recover and build resilience, we must solidify our partnerships. TMEA’s success is directly attributable to the robust partnerships established over time with the Government of Kenya and donors such as Denmark. We are keen to support initiatives that will restart the economy and adapt value chains fit for a post COVID-19 world. Including seizing opportunities for local production and export growth.”*

**TMEA CEO Frank Matsaert** forecasted the organisation expansion plan and its commitment to support regional integration and trade within Africa saying, *“We thank our donors for continuous support to reduce the barriers to trade in Kenya and the region and to the government for providing solid partnerships. For example, together, we have contributed to reducing transport time of key corridors by above 16% in the East African Community and a 70% fall in cargo dwell times at one-stop border posts during between 2014 and 2019. This additional funding comes at a pivotal moment in Kenya’s and Africa’s growth trajectory; at the start of trading under the AfCFTA.”*

Giving the closing remarks, Ahmed Farah Kenya’s Country Director remarked that the TMEA programme in Kenya, *“Will continue supporting the government in establishing market linkages to enhance Kenya’s access to regional and international markets thus stimulating local job industry and promoting green, sustainable, and inclusive trade.” -ENDS-*



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## NOTES FOR EDITORS

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### 2. About TradeMark East Africa

TradeMark (**Trade** and **Markets**) East Africa is an aid-for-trade organisation that was established in 2010, with the aim of growing prosperity in East Africa through increased trade. TMEA operates on a

not-for-profit basis and is funded by the development agencies of the following countries: Belgium, Canada, Denmark, Finland, Ireland, Netherlands, Norway, United Kingdom, United States of America as well as the European Union. TMEA has its headquarters in Nairobi, Kenya, with successful operations and offices in EAC-Arusha, Burundi (Bujumbura), Tanzania (Dar es Salaam), Democratic Republic of Congo (Bukavu), Ethiopia (Addis-Ababa), Malawi, Zambia, South Sudan, Uganda (Kampala) and Rwanda (Kigali).

To find out more, please visit our website [www.trademarkea.com](http://www.trademarkea.com)

### 3. About Safe Trade Emergency Facility (STEF) Programme

Eastern and Southern African governments have recognised an immediate need to mitigate the impacts of Covid-19 on trade for the good of the economy and their citizens. As a result, TMEA has created a US\$23 million Safe Trade Emergency Facility (STEF) to support Eastern African governments to undertake critical measures along the transport and trade routes that will ensure trade continues safely while protecting livelihoods.

STEF components: 1) Making the ports, borders and critical supply chains safe for trade; 2) Ensuring food security and access to critically required medicines; and 3) Supporting measures that reduce jobs losses and supports exports. To find out about SAFE trade programme, please visit [www.trademarkea.com/safetrade](http://www.trademarkea.com/safetrade)