

Finland Commits €10.5 million to support Regional Trade and contribute to the EAC Region's Fight Against COVID-19

Mombasa, 2nd March: A financial agreement worth €10.5 million between the Government of Finland and TradeMark East Africa (TMEA) was signed this morning, in Mombasa. The Government of Finland, represented by its Ambassador to Kenya H.E. Erik Lundberg, reiterated its commitment to supporting regional trade and the fight against COVID-19 pandemic in the East African region.

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.

Through this new Finnish funding, TMEA will scale up support to governments to adopt ICT for Trade systems in key trade agencies that contribute to the successful implementation of National Single Windows. TMEA has laid frameworks and forged partnerships to support multimodal transport corridors which not only reduce costs associated with trade, but also reduce the carbon footprint of transport. Lake and rail transport produce much less emission per tonne of cargo moved as compared to road transport.

Efforts will go towards supporting digital trade corridors, safe sanitary and phytosanitary trade corridors, bolster trade remedies structures at national, regional and continental levels, investments in standards quality infrastructure centres of excellence, scale up of regional authorised economic operator schemes and authorised supply chains frameworks. This infrastructure will be critical in reducing barriers to trade and supporting smooth implementation of the African Continental Free Trade Area (AfCFTA).

The new funding will build up on results that have been achieved in previous programmes funded by Finland and other development partners over the last 10 years including, development of the passenger terminal at Mombasa Port. Some of the other high-level results from our interventions include reduction in import and export times at Mombasa and Dar Ports, 70% average decline in time to pass through 15 TMEA supported One-Stop Border Posts (OSBPs), reduction in clearance time for certified goods and testing costs through harmonisation of standards, automation of trade facilitation processes for 19 government agencies leading to an average clearance time from 79 hours to 2 hours, development of e-portals and single windows which have simplified the work of 86% of the interviewed traders within the EAC business community, leading to significant savings of approximately US\$6.6 million, and working with over 30,000 women cross border traders to increase their knowledge on cross trade practises and opportunities leading to an increase in trader's average monthly income from \$620 to \$1,247.

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

Making his remarks at the event, Finland Ambassador to Kenya H.E Lundberg said: *"We strongly believe that trade and development go hand in hand. When trading and doing business becomes easier it also lifts more people out of poverty. We highly appreciate the work that TMEA has done with the informal traders at the borders, majority of whom are women, ensuring that the fruits of free trade trickle down to the most vulnerable groups as well."*

PS Kevit Desai appreciated Finland's continued support to promoting efficient and increased trade in the region and the continued fight against the Covid-19 Pandemic. He said, *"The Government of Kenya welcomes and appreciates the partnership and support of Finland 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."*

On his part, TMEA's Board Chair, Amb. Erastus Mwencha said, *"Finland's support will therefore contribute to TMEA scaling up its partnership with EAC member state Governments including Kenya and other stakeholders to deliver sustainable and efficient transport and infrastructure for reduced barriers to trade, improve trading standards and sanitary and phytosanitary issues for reduced barriers to trade, and improve business competitiveness in Kenya and the EAC region."*

TMEA CEO's 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, *"TMEA 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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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

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

4. Finland Development Cooperation in Kenya

Finland's development cooperation uses private sector financing instruments to support the development of Kenya's commercial and economic operating environment. In addition to country-specific projects, Finland is funding several regional and multilateral trade development projects in Kenya, including TradeMark East Africa and Finland's support through the World Customs Organization, aimed to develop the business environment in East Africa.

To find out more about Finland's development cooperation in Kenya, please visit <https://finlandabroad.fi/web/ken/finland-s-development-cooperation-in-kenya>