

**ANNUAL  
REPORT  
2013/2014**



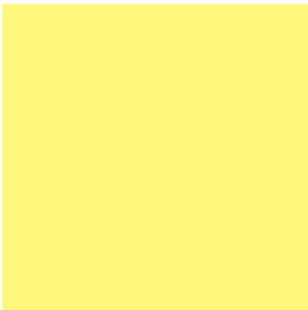
**PARTNERING  
FOR PROSPERITY  
IN EAST AFRICA**



**Reducing** transit times and costs

**Improving** port efficiency

**Constructing** trade infrastructure



**Eliminating** Non Tarriff Barriers to Trade

**Upgrading** customs management

**Harmonising** standards



**Increasing** smallholder incomes

**Facilitating** cross border trade for small businesses

**Upgrading** exports to meet standards



MISSION

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

**all East Africans**

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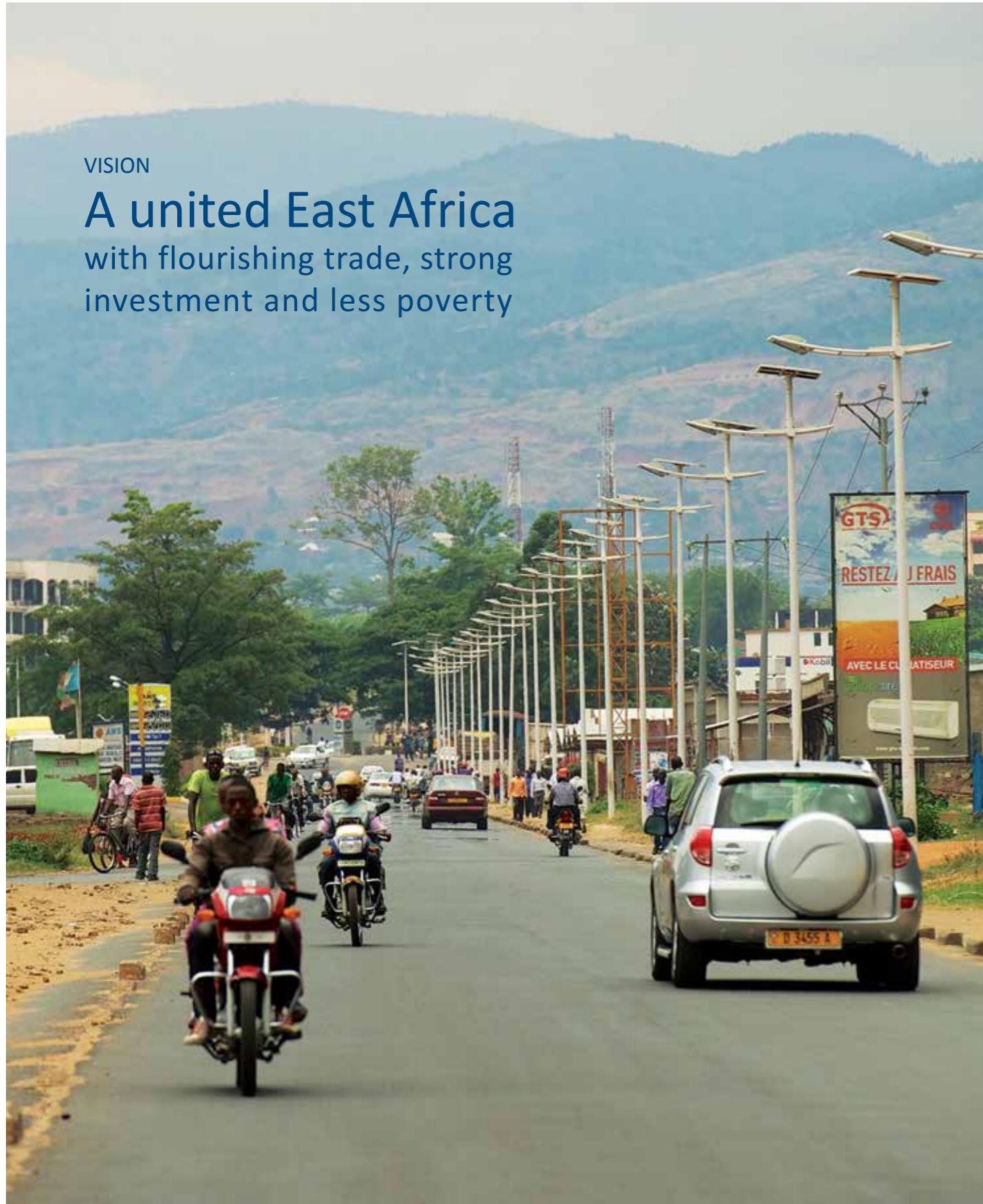
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VISION

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



## ABOUT TMEA

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.

TradeMark East Africa (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 through:



**Increased physical access to markets**



**Enhanced trade environment**



**Improved business competitiveness**

TMEA has its headquarters in Nairobi with branches in Arusha, Bujumbura, Dar es Salaam, Juba, Kampala and Kigali.

[www.trademarkkea.com](http://www.trademarkkea.com)

## 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.



## GOVERNANCE





“We’ve seen very encouraging results in 2014, especially in terms of substantially reduced cargo transit times on East Africa’s main transport corridors, and accelerated implementation of the EAC’s Single Customs Territory. This benefits all traders and consumers in the region.”

## MESSAGE FROM THE CHAIR OF BOARD OF DIRECTORS

It’s been an exciting and very successful year at TradeMark East Africa (TMEA). We’ve made great progress, as the programme has matured. This should be seen against a background of strong economic growth, and increased investment in the region.

We’ve seen very encouraging results in 2014, especially in terms of substantially reduced cargo transit times on East Africa’s main transport corridors, and accelerated implementation of the EAC’s Single Customs Territory. This benefits all traders and consumers in the region.

TMEA now has more than 160 active projects in its portfolio. This year saw good progress in improving the coherence of the portfolio, through a realigned results framework. This relates directly with TMEA’s new Theory of Change, which enables stakeholders to understand at a glance why TMEA engages in its chosen types of work, and the positive outcomes we expect from each.

However, there’s no room for complacency. We’ve achieved sharper focus through a recent management restructuring to deepen programme quality, and are looking constantly for the continued impact our investors expect.

We also reconstituted TMEA’s governance structure in 2014, introducing a new, professionally qualified and more balanced Board. I’m proud that this body brings in-depth international and regional experience to TMEA, from business and public office.

The Board has full confidence that TMEA’s strategy, leadership and staff will enable the organisation to sustain its high performance. I’d like to recognize here the huge efforts of TMEA’s many excellent partner organisations through which it works, and also TMEA’s employees across the whole organisation.

We continue to strive for excellence - to ensure best opportunities for traders in East Africa to create wealth, new jobs and to eliminate poverty - whilst providing the best possible value for money to its investors.

On behalf of the Board, I thank our investors warmly for their loyal and on-going support. We look forward to continued success in 2015.

Mr. Ali Mufuruki

## MESSAGE FROM THE CHAIR OF PROGRAMME INVESTMENT COMMITTEE

### A NEW VISION

I am honoured to write on behalf of my government, Sweden, and the other 7 development partners who support TradeMark East Africa (TMEA) to strengthen trade and economic development in East Africa. Those other development partners are: Belgium, Canada, Denmark, Finland, The Netherlands, the United Kingdom, and the United States of America.

We live in a time of increased interconnectedness – a time when organisations are engaging, learning and bringing resources together to build partnerships to leverage on unique skills across the world so as to tackle some of humanities toughest challenges, but also to benefit from the many opportunities available for development. In many ways, East Africa is increasingly becoming connected in trade whether through common customs tariffs or common market protocol. This interconnectedness will bring transformative change in trade and increased prosperity for its people. This presents donor funded organisations like TMEA with great opportunities to influence the remarkable forces defining East Africa economic regional integration.

One such opportunity that TMEA has capitalised on is building partnerships, and working with governments, leading innovators, private sector, dedicated staff and partners to drive prosperity in the region. We continuously ask ourselves; how can we reimagine the path to prosperity through integration in trade and narrow the gap between poverty and prosperity? How can we achieve more results in harmonised legislation so citizenry benefit? How can we reduce the cost of doing trade in East Africa’s main transport corridors to reduce costs on basic commodities and to attract investors, so jobs are created and lives of East Africans are improved?

With our partners, we have engineered solutions to some of these questions. The recent signing of the Mombasa Port Community Charter by 25 government and private sector agencies, witnessed by His Excellency President Uhuru Kenyatta, has already begun to strengthen the efficiency of the Mombasa Port and the Northern Corridor. Through our partnership with EAC, we have seen transformative policies come to pass, like the harmonisation of standards. At the high level, big organisations will ably overcome time consuming and costly multiple tests previously required by the different countries in order to trade in those countries; at the lower level, the cross border woman trader in Busia can trade her few bags of maize from Kenya to Uganda without multiple standards curtailing her efforts. We have worked with East Africa governments to support processes aimed at



consolidating the Customs Union through the Single Customs Territory which has led to clear changes in the movement of goods along the Northern Corridor.

In the last one year, TMEA has learned that times demand we push ourselves harder, to do things differently, for results that will satisfy the “so what” questions in quest of economic integration in the East Africa Community.

As a result, we have deepened our focus on achieving results by articulating a clear strategic vision and increased our levels of accountability by adopting new technologies that have qualitative and quantitative measurements. Above all, we are engaging and listening to our partners more closely as we develop innovative ways of thinking and doing things.

We are very proud of our association with TMEA, as an innovative new model for development assistance. TradeMark remains a true development partner, supporting East African institutions across the region to deliver tangible results through its close partnerships with governments, businesses and civil society. We hope it continues to provide key support to expanding trade across the region. The last year has seen incredible results from the work of TMEA and its Partners. Some of these results are presented in this annual report. I enjoin you to read so that you too can appreciate the difference that development partner support is beginning to make in the EAC region.

Ms. Karin Andersson



## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

This year has been a **year of results** for TMEA and its partners: the overall programme has matured and many results have begun to be visible and are impacting positively on the lives of millions of East Africans. The TMEA team, partners, Board and investors have made significant steps forward in terms of project delivery, institutional development and governance. The high impact model of TMEA we have developed is attracting growing international recognition and I think we can all be proud of what we have achieved together in 2014.

So what have been the highlights? First we developed our new **Theory of Change**, which features in this year's Annual Report, with great support and praise from our partners and stakeholders. In doing so we have increased the focus and quality of results delivery. We now have three Strategic Objectives that drive our work: the first – increased physical access to markets; the second – an enhanced trade environment, and the third (new) objective – improved business competitiveness. While the results are detailed in this report I would like to give you the highlights (below).

### Strategic Objective 1: Increased Physical Access to Markets

Our work to support the region's two main **ports** dominated the year and scored notable successes. H.E. President Kenyatta launched the **Mombasa Port Corridor Charter** and Performance Dashboard in June 2014. The Charter marks a significant milestone for the TMEA supported Mombasa port project and cements commitment from participating stakeholders to double the efficiency of the Port and Northern Corridor. There has also been strong progress on **Dar es Salaam Port** modernisation. Under the leadership of the Tanzanian Port Authority, TMEA has been a catalyst in leveraging around US\$600 million to finance infrastructure projects to improve the port's efficiency through better infrastructure and port operations. Our partnerships at both ports involve an innovative approach mixing both hardware and software solutions.

We have also worked hard to reduce the time taken to bring goods through **key borders** around the region and are on track to deliver seven key one-stop-border-posts across East Africa within the next year. The upgrading of the **Ntungamo-Mirama Hills Road** between Uganda and Rwanda – and important trans-boundary project - is expected to facilitate improved access to goods and passenger transport services and reduce transport costs along the Kampala-Kigali route.

### Strategic Objective 2: Enhanced Trade Environment

There has been much to celebrate in terms of major steps forward in the regional trade environment, especially the EAC Customs Union. The Framework to operationalize the EAC **Single Customs Territory (SCT)** was developed and adopted by the EAC Summit, having a strong impact on business. Transit times to major cities from points of entry at the region's ports have significantly improved, reducing lead times and trade costs, and improving trade competitiveness for East Africa.

The EAC's political commitment to action has been very impressive and if this progress is sustained, the free circulation of goods within the community will be greatly enhanced, creating jobs and reducing poverty. We sincerely congratulate the EAC Secretariat for its great success in this area, and we are proud to have supported such a leap forward.

There has also been strong performance on **improving standards harmonisation**, mutual recognition and testing, critical to unleashing trade regionally and internationally. TMEA's continued support to all national Bureaux of Standards in East Africa resulted in the adoption of 83 standards, representing 7 of the 20 most traded intra-EAC goods, accounting for over US\$1 billion of the annual trade basket in the EAC.

### Strategic Objective 3: Improved Business Competitiveness

There has been strong progress on fully defining the new Strategic Objective 3 that looks to bring together previously disparate strands of our work with the private sector under one clear set of objectives. The high impact advocacy work with **Private Sector and Civil Society Organisations** has delivered key achievements, particularly from the regional 'platforms', based on the private sector's own priorities. We have also invested heavily to support partners' sustainability and capacity to shape public-private research and dialogue.

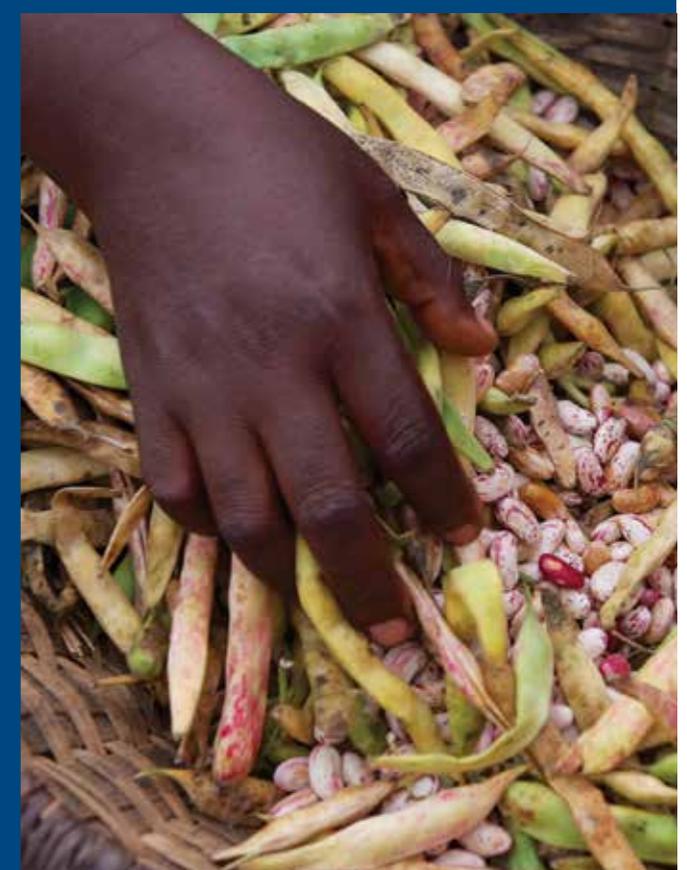
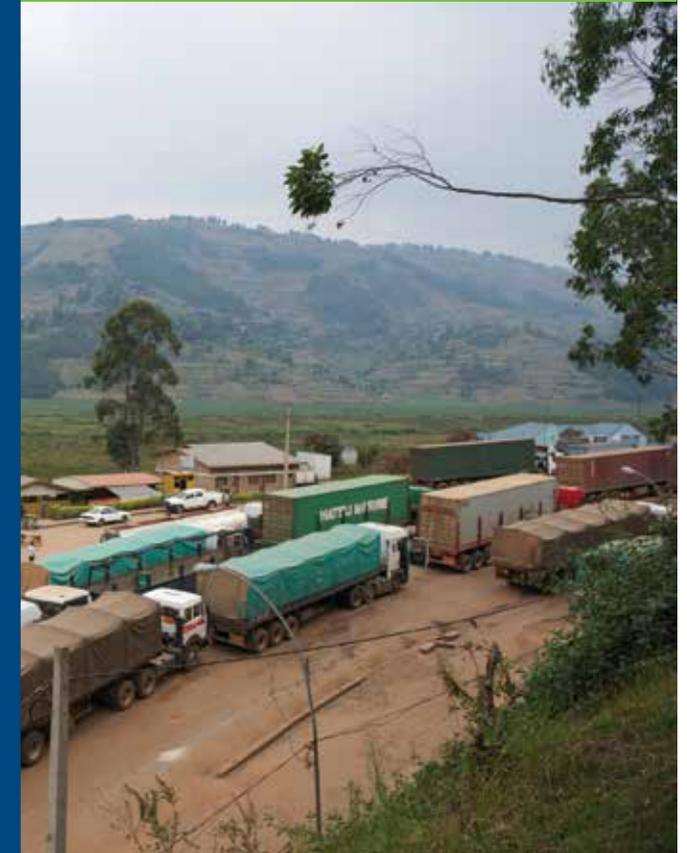
In tandem we have created new programmes focusing on developing further **regional value chains, logistics and export generation**. We have also created the new **Logistics Innovation for Trade (LIFT)** challenge fund, which provides matching funds to create more investment in innovation, technology and competition in the trade logistics industry across East Africa, in addition to our established TRAC Challenge Fund that continues to deliver strong results.

The year has not been without its **challenges**, especially from external factors such as increased threat of violence and terrorism. In South Sudan conflict stopped our operations for a time, but we have been able re-engage quickly and focus our programme on ensuring both trade and humanitarian objectives.

These results are testament to the great work with partners across the breadth of our now mature operations. The results are based on our core approach of **partnership**: all the way from initial conception, design, to delivery. We believe that building the delivery capacity of our partnerships ensures the sustainability of results being achieved together. I want to thank our 300 partners in six countries for the strong and resilient partnerships that continue to drive prosperity through trade across East Africa. We have achieved a lot together, and I'm sure will achieve a lot more in the years to come.

My final words are to thank my **dedicated and professional team** who continue to work tirelessly to achieve our objectives; without their efforts the results would not have been possible.

**Frank Matsaert,**  
Chief Executive Officer,  
TradeMark East Africa.



## YEAR IN REVIEW



## KEY RESULTS FOR 2013/14

### Increased Physical Access to Markets

The launch of the **Mombasa Port** Corridor Charter and Performance Dashboard marked a significant milestone for the TMEA supported port project. The Charter cements political goodwill by participating stakeholders, towards realizing critical efficiency improvements at the Port Corridor. One of its main objectives is to establish a permanent collaborative framework that commits the port community to specific actions, collective obligations, targets and time lines. Mombasa's Yard 5 heavy duty paving is 78% complete - Phases 1 and 2 were completed and handed over to the Kenya Ports Authority (KPA). Gate 10 Access Road expansion is 46% complete. The inception report for the review of the KPA Act and Green Port Policy was prepared and presented. Physical condition surveys, drafts of berth rehabilitation, port layout maintenance and backlog maintenance studies were also completed.

There has also been strong traction on the **Dar Port** modernisation – plans to scale-up the project are awaiting PIC approval and DFID finance is pending. The priority modernisation works were implemented well during the year, with the cadastral survey completed, a bidder for design of port infrastructure works identified and a consultancy for the tender support and project management engaged. Draft terms of reference for the Geo-Technical Survey for Berths 1-7 were submitted for review. Specifications for shed demolition, yard re-paving, shed relocation as well as gate re-construction, including a one-way traffic system, are being finalised. Tender documents for demolition of Sheds 2 and 3 and the road to gate 8, have been completed and bids invited for works. A draft final report on cost accounting was submitted to the Tanzania Ports Authority (TPA).

The upgrading of the **Ntungamo-Mirama Hills Road** is on track, with the supervision consultancy and civil works contracts awarded. Huge savings were made on the original estimates of US\$44 million, with the civil works contract awarded at approximately US\$30 million and the supervision contract at US\$1.4 million. This was due to increased competition in the road sector and lower costs per km. An Environment Impact Assessment and the onset of construction are targeted for the upcoming financial year. TMEA supports the upgrading of the road to facilitate improved access to goods and passenger transport services and reduce transport costs along the Kampala-Kigali route.

Following the successful completion of the Holili OSBP, construction remained steady at 7 out of the remaining 12 **OSBP** construction sites. These include: Kabanga (TZ), Busia (KE), Busia (UG), Mutukula (UG), Mirama Hills (UG), and Kagitumba (RW). Construction of Taveta (KE) is complete except for the parking and the bypass road, which are awaiting approval of additional funds due to cost overruns. Construction of the Mutukula OSBP is complete but the parking



surfacing did not reach standards agreed with TMEA and the Tanzania Roads Agency (TanRoads); the contractor will re-surface the area concerned. Completion of construction of Mutukula (TZ), Taveta (KE) and Kagitumba OSBPs is now expected by the second quarter of the 2014/15 financial year. Construction is yet to start at Elegu (UG), Nimule (SS) and Tunduma (TZ). Key challenges to the OSBP construction projects included the need for additional construction budgets, poor performance of contractors, lack of government commitment to fund access roads, land compensation delays, adverse weather conditions and procurement delays. Mitigation actions were deployed to arrest the situation and ensure smooth completion of planned activities in the upcoming financial year.

**Integrated Border Management (IBM)** activities at Mirama Hills, Mutukula (UG), Malaba (KE and UG), and Busia (UG), Tunduma, Kobero (BU), Kabanga (TZ) and Kagitumba (RW) OSBPs maintained steady progress during the year. OSBP arrangements have started at Kobero/Kabanga on a pilot basis awaiting completion of the construction. Challenges have been experienced at Taveta, Busia (KE) and Mutukula (TZ) OSBPs due to delays in signing the bilateral agreement between Kenya and Tanzania, and construction delays. The bilateral agreement is expected to be concluded in the first quarter of FY 2014/15. Taveta/Holili OSBP arrangements are targeted to start in the second quarter of the same year on a pilot basis, awaiting completion of Taveta OSBP construction.

The **Northern Corridor Transport Observatory** project made notable achievements during the year. The Northern Corridor Dashboard was launched and weekly reporting to the Mombasa Port Community and other stakeholders is underway. Current results from GPS data already reveal delays at the Port of Mombasa before cargo begins transit inland. Three Northern Corridor performance reports were disseminated and the Northern Corridor Transit Transport Coordination Authority (NCTTCA) registered improved coordination with the EAC. In the upcoming financial year, the project targets the development and implementation of a better communication approach for effective monitoring, dissemination and feedback to enhance the Observatory's functionality and improve navigability and access to data.

### Enhanced Trade Environment

The Framework to operationalize of a **Single Customs Territory (SCT)** was developed and adopted by the EAC Summit. The Framework spells out the guiding pillars under which SCT will operate: free circulation of goods, revenue management and legal institutional framework, operational instruments (outlining clearance processes in Customs and other agencies) to support the implementation of the Framework, and amendments to the EAC Customs Management Act, were also adopted by the Committee on Customs. The SCT business manual and compliance framework were approved. A pilot based approach segmented on the Central and Northern Corridor, which will progressively cover all goods cleared at the first point of entry, was adopted. A Time Release Study for the Central Corridor is planned for the second quarter of FY 2014/15. ICT manpower will also be enhanced to oversee the development of a robust SCT ICT. TMEA supports the EAC Secretariat towards the full implementation of the SCT Framework.

TMEA's support to implement the Customs Management System (CMS) for the **Kenya Revenue Authority (KRA)** continued steadily during the year. Technical proposals for CMS procurement are under evaluation. Installation of the CMS and operationalization of the Centre of Excellence at KRA are expected to boost efficiency within KRA's business processes. The investment is expected to facilitate seamless integration with other national and regional systems, to fulfil the EAC Common Market Protocol and create a fully functional Customs Union.

The **Burundi Revenue Authority (OBR)** collected 558 billion Burundian Francs (BIF) in 2013, which is slightly (2.1%) higher than the target and BIF 34 billion above 2012 collections. OBR remains confident of reaching the FY 2014 target, although the overall collections are 2.7% below target. The ASYCUDA World phase 1 installation was completed on time. As a result, an important milestone – 60% of customs declarations made electronically – was achieved ahead of targeted time (June 2014). OBR has also increased its effort to fight corruption. The 2013 East Africa Bribery Index scored OBR at 16.4 down from 35.7 for the previous year. This is a 54% improvement

in the EAC bribery index, which surpasses the 24% targeted for the period. TMEA initiated a mid-term review and a joint design mission for its support to OBR and will be looking into a careful shift to more trade related activities with OBR, discussing with other donors the possibility of funding programmes related to Domestic Taxes. During the transition period, TMEA will continue to provide technical assistance and equipment, but more gradually and cautiously, taking into account increased institutional and business environment risks, and the negative imposition of an additional trade tax. TMEA will also assist other donors to lead the formation of a pool fund that will focus on domestic tax issues.

TMEA's support to the **Uganda Revenue Authority's (URA)** migration to the web-based processing system, ASYCUDA World, (to improve customs processing times) achieved strong results. These include: a reduction in average clearance time from 41 to 30 hours with a target of 24 hours expected by December 2014; a system roll out to 25 of 35 major stations, with usage at 95% and integrated with 220 clearing and forwarding agents; 22 **Authorised Economic Operators (AEOs)** integrated with the KRA and the RRA and KPA systems, under the SCT procedures; a reduction in clearance time for AEOs from 4 days to the 1 day target; use of pre-arrival information at 12.2%, above the target of 10%; and business processing re-engineering conducted. Key challenges to implementation included system downtime, which affected timely realization of targeted results, the low number of URA internal auditors available to conduct audits and the slow progress of the regional AEO programme, which impacted on mutual recognition. In the upcoming year, URA plans to procure more servers to mitigate the issue. TMEA will also support URA to accredit 10 more companies as AEOs by the second quarter of FY 2014/15. URA's early work on introducing the **Electronic Cargo Tracking System (ECTS)** - procured with TMEA and World Bank support - has the potential to significantly reduce cargo times, increase revenues and boost driver productivity.

TMEA's support towards the **elimination of NTBs** in the region realised key gains during the year. In Uganda, ten NTBs were eliminated following advocacy meetings held by the Ministry of Trade Industry and Cooperatives with relevant stakeholders, both national and regional. In Rwanda, the National NTB Monitoring Committee conducted a road freight competitiveness study that led to a reduction of road toll charges imposed on Rwandan trucks along the Central Corridor. It also steered a time, cost and distance survey along the Central and Northern Corridors that established the actual causes of the delays along these transit routes and organised border committee meetings with Ugandan counterparts to assess the progress and performance of the Cyanika border between Rwanda and Uganda. In Tanzania, 41.6% of all registered NTBs have been resolved. In Burundi, one NTB that related to a 25% Common External Tariff (CET) for steel imported from Kenya was resolved. Regionally, the draft NTB Bill was approved by the EAC Council of Governors and will be presented to the Sectoral Council on Legal and Judicial Affairs prior to presentation to EALA.

TMEA's continued support to the national Bureaux of Standards in achieving **regional harmonization of standards** has seen 108 standards harmonized to date, 41 of which were adopted as EAC standards in December 2013. An additional 42 will be considered for adoption by the end of 2014. This would bring the total number of adopted East African Standards to 83, representing 7 of the 20 most traded intra-EAC goods, which account for over US\$1 billion of the annual trade basket in the EAC. The harmonized standards increase the quality of goods produced in the region, reduce compliance costs and eliminate non-tariff barriers.

TMEA provided key support to the Government of **South Sudan's Customs Services (SSCS)** to improve the efficiency of import and export processing. This included a review and benchmarking of South Sudan customs legislation and updating of customs policies and procedural manuals to match international best practice. The South Sudan Customs legislation was passed and is expected to streamline SSCS operations. Five experts have been deployed in Juba and Nimule as per TMEA's agreed re-engagement plan to support the SSCS. The SSCS strategic plan 2012 -2018 was reviewed and World Customs Organization recommendations factored in. TMEA assists the SSCS to become an effective and efficient agency able to support its government's objective of diversifying its revenue incomes while facilitating trade. As a result, customs revenues have climbed more than 1000% since TMEA support began, albeit from a low base, which is encouraging.

TMEA's support to assist the **Rwanda Bureau of Standards** to improve testing through the development of a comprehensive strategy and business plan, resulted in a reduction in time taken to conduct tests on minerals and essential oils from 45 days to 7 days.

TMEA continued to support the implementation of the **EAMS, an online Monitoring and Evaluation Management Information System** that is used to monitor the implementation of the EAC Council and Summit decisions. EAMS has contributed significantly to the improved capacity of the EAC Secretariat to coordinate and monitor formulation and implementation of regional policy. EAMS reports on the implementation status of Council decisions are the first agenda item during the EAC Summit and form a basis of Summit directives. Development of country-specific EAMS also commenced. The target for FY 2014/15 includes monitoring Sectoral Council Decisions and the 4th EAC Development Strategy. An evaluation of the impact of outstanding Summit and Council decisions around the four integration milestones is planned for 2015.

### Improved Business Competitiveness

TMEA's **Regional Private Sector Organisations and Civil Society Organisations (PSO/CSO)** Programme delivered key achievements across its main focus areas: regional research and advocacy, regional innovation, regional platforms, capacity building and public private dialogue.



**REGIONAL RESEARCH ADVOCACY**

A credible evidence base to inform policy making in the region is critical. The State of East Africa Report 2013 on the “The Future of Inequality in East Africa” takes a critical look at inequality and the need for national and regional programmes and policies that propagate inclusion and more equitable growth. To facilitate harmonisation of product standards in EAC, a study to assess progress in implementation of the adopted EAC standards and effectiveness of certification schemes was completed. Country specific studies on the state of the EAC competition law were conducted to inform the development of interventions that will fast track the implementation of the law across the region. A market analysis was completed as part of the of the East Africa freight logistics chain study. This analysis utilises the ‘Making Markets Work Better for the Poor’ (M4P) approach and provides recommendations on improving transport and logistics efficiency on selected priority value chains to be implemented in FY 2014/15.

**REGIONAL INNOVATION**

Socio-economic benefits have been realised for grants from the first phase of the challenge fund. Increased annual export volumes and incomes were recorded by farmers in Arusha and Kampala engaged in horticulture export. In the second funding round 17 grants have been awarded to the tune of about US\$5.8 million. The US\$16 million Logistics Innovation for Trade (LIFT) Fund was launched and is set to attract regional and international applicants. An online freight exchange has been set up to provide businesses with timely and accurate information on logistics, to facilitate trade in the EAC.

**REGIONAL PLATFORMS**

To promote increased trade in professional services, *The East Africa Professional Services Platform* lobbied for Mutual Recognition Agreements (MRAs) for accountancy, engineering and architecture services. The platform also influenced the delinking of the Annexes on Free Movement of Workers and Free Movement of Services under the Common Market Protocol. The *East Africa Standards Platform* has received recognition as a key partner and reference point to the EAC and the national bureaux of standards in the standards harmonisation process. The Platform plays a key advocacy role in ensuring the interests of business have been incorporated in the 83 standards that have to date been gazetted by the EAC. In the Tourism sector. The *East Africa Tourism Platform* has successfully advocated for the implementation of the Single Tourist Visa, the use of national identity cards as travel documents and the free movement of tourist service vehicles and personnel across the EAC. The implementation of the EAC hotel and facilities rating criteria to boost competitiveness is underway.

**CAPACITY BUILDING**

Institutional support to the *East African Civil Society Organizations’ Forum (EACSOF)* has contributed to increased participation of civil society in the region. EACSOF has also attracted additional programme funding and strengthened its governance structures.



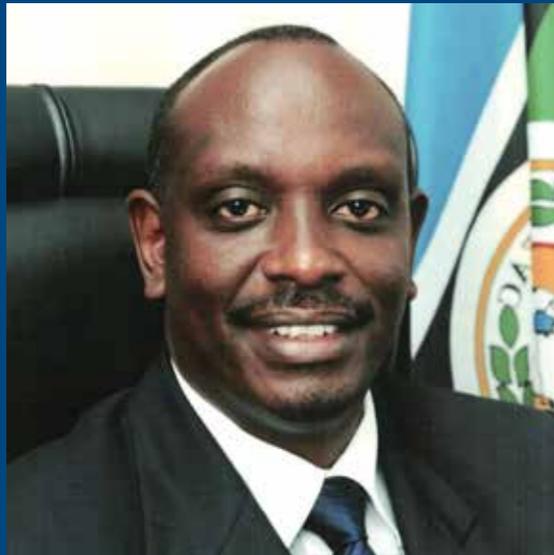
A training programme on the *East Africa Customs and Freight Forwarding Practising Certificate (EACFFPC)* is underway and to date 4,500 agents have been trained. This capacity building is aimed at enhancing the professionalism and efficiency of the sector and thus reducing logistics costs in East Africa. The *East African Tea Traders Association (EATTA)* Food Safety Management System training and certification project was concluded with key successes, including 11 tea factories reporting better prices and profits due to the improved quality of their produce at the auction market.

**PUBLIC PRIVATE DIALOGUE (PPD)**

The 3rd Secretary General’s Forum under the Consultative Dialogue Framework (CDF) was held, focusing on consolidated policy issues, including the implementation of the SCT and thus enhancing competitiveness. National and regional dialogue committees were established as part of the CDF. Dialogue meetings with CEOs from the manufacturing sector in Kenya and Uganda were also held and recommendations presented to the Secretary General for submission to the Heads of State Summit.

**OUR PARTNERS**





“Overall, the EAC Secretariat is happy with the progress made through our partnership with TMEA and look forward to enhance further our mutual engagements in the coming years.”

## TOWARDS A VIBRANT AND PROSPEROUS EAC

The East African Community (EAC) Treaty recognises the need to foster strong cooperative arrangements with development partners whose activities have a bearing on the objectives of the Community. TradeMark East Africa is one such partner whose objectives align well with those of the Community, particularly the Fourth EAC Development Strategy.

EAC and TradeMark East Africa have partnered since 2011. The pillars of this partnership include ensuring coherence and synergy with the EAC development strategy and incremental support for the EAC agenda - specifically the implementation of the protocols (starting with the Customs Union and Common Market) with the aim of building trade competitiveness and the capacity to be supply responsive.

During the period of cooperation, our partnership has begun to bear fruit. At the regional level, TMEA's support for the Single Customs Territory initiative has been pivotal in reducing red-tape and driving down delays in customs processing and transportation of goods along the corridors, and across borders. Complementary trade facilitation measures that the EAC Partner States are implementing successfully with TMEA's support include Electronic Single Windows, Electronic Cargo Tracking Systems, Authorized Economic Operator schemes, and, in concert with the EAC Secretariat, elimination of non-tariff barriers and harmonisation of standards.

In cooperation with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit - Germany's development agency), TMEA has continued to support the highly successful East African Monitoring System (EAMS), a computerized system that records Council decisions and reports status of their implementation. By presenting the status of implementation of decisions in green, yellow and red dashboard-style, EAMS has been effective in highlighting outstanding actions and helps improve accountability for past decisions. This is in addition to the support for the publication of the Common Market scorecard whose main value has been to highlight the state of play in regard to the implementation of the Common Market Protocol.

At the Secretariat, our mutually agreed strategy of embedding long-term Technical Advisors within the directorates of Customs, Trade, Infrastructure and Planning, as well as short-term technical assistance in Finance, Audit and Risk management has been quite successful and should be continued.

Overall, the EAC Secretariat is happy with the progress made through our partnership with TMEA and look forward to enhance further our mutual engagements in the coming years.

Amb. Dr. Richard Sezibera,  
Secretary General, East African Community.

## SUPPORTING RWANDA AND DEEPENING THE EAST AFRICAN INTEGRATION PROCESS FOR PROSPERITY

The Government of Rwanda has been working in close partnership with TradeMark East Africa since 2011, focusing mainly on deepening the East African Community (EAC) regional integration process, with a special emphasis on improving trade-related policies and trade facilitation initiatives.

The success of the collaboration between the Government of Rwanda and TMEA can be seen in the results achieved so far:

- A One-Stop-Border Post (OSBP) constructed at Kagitumba, between Rwanda and Uganda, which is expected to reduce the time it takes to cross the border by 30%.
- The Electronic Single Window rolled out and the Customs Management Act created, which have generated massive savings in terms of time and cost to the Rwandan business community.
- Goods clearance time reduced from 7 days to 20 hours using the Electronic Single Window. 100% of clearing agencies are connected to this system.
- Phase 1 of a detailed feasibility study of the trade and logistics hub completed. This informed the Government of Rwanda on the preferred facilities to invest in through private/public partnerships.
- Phase 1 of the EAC legal compliance audit completed. This recommended a number of laws to be amended and re-drafted.
- Position papers developed on Northern and Central Corridors NTBs, including the Trucking Competitiveness Study that led to the reduction of road toll charges imposed on Rwandan trucks. This generated an annual saving of US\$800,000.
- Three sets of testing equipment commissioned and delivered to the Rwanda Bureau of Standards (RBS) to test minerals and myco-toxins in coffee and essential oils. This equipment enhances the RBS testing of samples that were previously sent abroad. This intervention alone has reduced the time for testing minerals and myco-toxins from 45 days to 7 days, hence saving both time and cost to the business community.
- Awareness raised among small and medium sized enterprises (SMEs) of food safety standards. So far 20 Rwanda SMEs are likely to be HACCP (Hazard Analysis and Critical Control Point) certified.



It is also crucial to place the work supported by TMEA in Rwanda into the wider regional picture. The EAC and TMEA had a very successful 2013-2014 year, with substantial progress made on deepening the work on physical infrastructure in the ports of Mombasa and Dar, support to the EAC's Single Customs Territory initiative, continued programmes on harmonisation of standards and elimination of non-tariff barriers.

All these interventions have a deeper impact on Rwanda and are important in improving Rwanda's trade competitiveness.

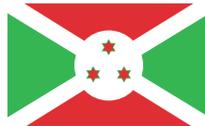
It is through strong political will, focused implementation of our EAC commitments and strategic partnerships with key players such as TMEA that the Government of Rwanda is continuously moving the integration agenda forward. I therefore wish to express our sincerest appreciation to TMEA and look forward to continuing this partnership for the benefit of the citizens of Rwanda.

Honourable Valentine Rugwabiza,  
Ministry of East African Community.



# OUR PROJECTS





**SAVING TIME AT BURUNDI'S PILOT ONE STOP BORDER POST**

The pilot One Stop Border Post (OSBP) between Tanzania and Burundi at Kobero, on the Burundian side of the border, began operating on 30 June 2014, with all Burundi bound traffic stopping at the Kobero border post only. After the opening of the temporary facility a soft survey was carried out to assess the impact on efficiency in cross border clearance, together with the public response.

Despite the challenges to the pilot scheme, such as inadequate infrastructure, and unstable power supply and IT connectivity, the survey showed good stakeholder satisfaction at the new arrangement because of the time gained when crossing the Kobero/Kabanga border following the elimination of the two-day truck waiting time at Kabanga.



“ Long life to One Stop Border Post, I have just arrived from Tanzania with the bus travel agency, TAQUA, without being bothered to get out at the Kabanga post for exit formalities. We then proceeded to stop at Kobero for all the formalities; we are not wasting our time which is precious. ”

Woman cross-border trader at Kobero.

**RESULTS**

- Cargo clearance time has reduced significantly
- 60% of all declarations are done electronically
- 60% of targeted participants have been trained in OSBP procedures at Kobero



**EAC INTEGRATION IS BOOSTED THROUGH ENGLISH LANGUAGE LEARNING**

To assist Burundi in the process of EAC integration TMEA supported a two-year programme giving English language training to 1700 Burundian men and women from ministries, departments, agencies, civil society, the private sector and the media. Although two thirds of participants were beginners 70% of attendees graduated with a level higher than the level at the time of registration

Participants testified that they are now more confident in EAC negotiations, meetings and report-writing. While civil servants gained confidence in dealing with their counterparts in the Partner States (even beyond EAC), business people testified that they now have little need for translators while conducting EAC business. Civil society and the media confirmed that they have gained definite advantages while conducting research, producing articles or accessing resources and other EAC documents produced in English. In general there was an increase in the awareness of Burundians as to the importance of learning English, in particular through the Enhancing Language Skills and Training programme.

“ We knew we would have to learn English to integrate with the EAC. Our government recognised the need to add English to our language abilities so now we have an English language laboratory in the basement. ”  
Former MPACEA Minister, Hafsa Mossi

**RESULTS**

- 1700 people, including ministers, civil servants, military officials, business people and civil society, received English language training
- 18 recipient institutions received over 38,000 English books
- The programme trained and certified 44 teachers in Teaching English as a Second Language (TESOL)



**IMPROVING RELATIONSHIPS AT THE BORDER**

Informal trade across borders is often important to rural livelihoods, yet informal cross border traders across the region do not use the available formal systems and structures for many of their transactions. This makes it difficult for regional trade policy initiatives, such as those under the EAC and its Customs Union Protocol, to have any significant impact on this informal trade. This two phase project, begun in 2011, aimed to improve relationships between small traders and border officials in Burundi.

TMEA supported the organisation, ‘Search for Common Ground’ (SFCG) to organise town hall meetings between traders and border officials, together with training on conflict resolution and non-violent advocacy. In addition officials from OBR (Burundi’s revenue authority) and PAFE (police that guard air borders and deal with foreigners) received strategic communication and conflict management training. The town hall meetings promoted cooperation and understanding between the officials and small traders (especially women) and were supported by radio advertising and discussion programmes.

“ I’ve just heard an episode from ‘Urunani mu Rudandazwa’. I am a trader in fruit from Ruhwa. We would like to ask SFCG to come to Ruhwa because we, the petty traders, have been prevented from selling our fruit in Rwanda. From this show we see that this restriction is written nowhere in the law. ”  
Shopkeeper in Ruhwa.

**RESULTS**

- 6 trainings were carried out with 36 border officials
- 6 town hall meetings were held, 4 at the Burundi-Rwanda border, and 2 at the Burundi-Tanzania border



**GENERATING ECONOMIC GROWTH THROUGH IMPROVED EFFICIENCY AT THE MOMBASA PORT**

Mombasa Port, operated by the Kenya Port Authority (KPA), is the gateway between the sea and Kenya's transport network, whereby up to 90% of goods going through it are transported to the borders of Kenya and beyond. Used by over 33 shipping lines it provides direct connectivity to over 80 ports. The port handles both liner vessels, dominated by container ships, roll-on roll-off vessels and general cargo ships operating on fixed routes, to fixed schedules on fixed rates and charter vessels.

TMEA has collaborated with the KPA to implement the proposed Mombasa Port Development Programme with the aim of improving productivity and optimizing supply chains for the different cargo trades. In particular, TMEA has facilitated the implementation of the following key projects:

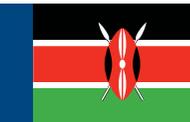
- Strengthening, deepening and straightening berths to allow the Port to meet future potential freight tasks
- Relocating, modernizing it and improving the capacity of Kipevu Oil Terminal
- Reviewing and aligning the KPA Act 1978 to the Constitution 2010
- Transforming the Port of Mombasa into a world class facility, by improving port productivity, enhancing efficiency and reducing operating costs
- Developing a Community Charter to monitor performance of port operations, cargo processing time and corridor transit time
- Preparing a Green Port Policy and Implementation Plan to mitigate the negative impact of climate change and environmental risks.



“The key is competitiveness and efficiency. ...Port efficiency has the possibility to enhance the competitiveness of the general business climate and the economic growth of the region.”  
Agayo Ogambi., Shipper's Council East Africa.

**RESULTS**

- Mombasa Port Community Charter signed by 25 port community members
- Gates 18/20 expanded to create additional lanes and canopy. It is 85% complete
- Yard 5 paving completed, increasing container space
- Gate 10 road widening including drainage works is over 80% complete.



**ADOPTING A CULTURE OF QUALITY THROUGH STANDARDS**

The Kenya Bureau of Standards (KEBS) is mandated to ensure that quality products and services are accessible in the market. This is done through product certification and system certification schemes. However, KEBS work has more impact if citizens adopt a culture of quality. For this reason KEBS rolled out a campaign to educate the public and the private sector about the existence of different standards and how to apply the standards to ensure they can access quality services daily. The campaign included workshops for Small and Medium Enterprises (SMEs) from different sectors, who were taught about standards, products and system certification procedures. A direct result is an increased uptake in the products certification scheme in 2013/2014, compared to previous years.

In addition, KEBS has identified 10 SMEs that will have their management systems certified to facilitate competitiveness in both the local and export markets. These SMEs will be taken through the process of system certification, which includes surveillance and certification audits. Standards are also maintained through laboratory testing of products. KEBS therefore enhanced the skills of its specialist analysts and also sponsored training for one laboratory analyst at the Metrology Institute of South Africa.

“My service has improved and I have gained customer trust. Also, I no longer struggle with hygiene and it has become easier to manage my business. As a result I now get more contracts than before. My clients like my service.”  
Jack Sino of Milele Enterprises in Eldoret (an SME supplying foodstuffs) after attending a quality assurance workshop where he learned skills on hygiene standards and packaging of goods.

**RESULTS**

- 20 SME workshops held, with over 800 SMEs participating
- An additional 257 SME products were certified
- Improved access to markets for SME products
- 20% reduction in testing turnaround time.



**CREATING A COMPETITIVE BUSINESS ENVIRONMENT IN KENYA**

The Kenya Private Sector Alliance (KEPSA) works with government and other stakeholders to improve Kenya's ranking as a preferred investment destination, regionally and globally. It is committed to reducing bottlenecks that make Kenya's business environment uncompetitive.

TMEA has supported KEPSA since 2011 with the goal of improving Kenyan trade logistics and the investment climate. Phase 1 of the project focused on developing a national investment master plan, improving the Mombasa Port operation and the persistent delays at weighbridges, and strengthening Kenya's private sector participation in East African regional integration. Building on the gains made during the first phase of the project, phase 2 is focused mainly on implementing initiatives and activities to improve the business environment and the market access that will enhance Kenyan trade. The project has 3 components:

1. To catalyse policy reforms and legislation that address constraints to Kenya's trade and investments, nationally and regionally
2. To increase the influence of KEPSA on the domestication of various EAC protocols, policies and practices, furthering Kenya's trade interests in the region
3. To strengthen the institutional capacity of KEPSA, with appropriate tools and effective staff to support its advocacy and delivery of results.

“Registering a company now takes 1 day down from 32 days a year ago. We are optimistic that going forward, and, given the Business Environment Delivery Unit launched recently, we will see our country ranked even higher in coming years.”  
Aden Mohamed, Cabinet Secretary, Ministry of Industrialization and Enterprise Development.

**RESULTS**

- Improved trade logistics and reduced number of non-tariff barriers
- Launch of the Mombasa Community Port Charter establishing a single command and authority centre and reducing the time taken to clear goods at the port of Mombasa to 5 days
- Instigation of the Single Customs Territory
- Increased business turn-around times due to the elimination of duplicated processes along the corridors. Turnaround time to Kampala has reduced to 5 days from over 18 days
- Commissioning and implementation of the National Single Electronic Window System.



**MAKING IT EASIER TO CROSS BORDERS IN EAST AFRICA**

In 2011, TMEA decided to invest US\$7.5 million in constructing and equipping a One Stop Border Post (OSBP) at Kagitumba border post in Rwanda, connecting with the Mirama Hills border in Uganda. A similar project is being implemented by TMEA on the Ugandan side of the border. The objective is to reduce bureaucracy by eliminating double clearing on both sides of the border and ultimately reduce the time it takes to cross borders by 30%.

The Kagitumba OSBP construction started in July 2013 covering customs and migration offices, a police post, a customs inspection shed and warehouse, clearing and forwarding offices, internal roads that direct the movement of cargo and people, a water treatment plant and water storage tanks, a parking yard and a green environment within and around the border post. Construction is due to finish in December 2014. The Kagitumba OSBP will be the second finalised TMEA-funded OSBP among the 12 that TMEA has committed to deliver by June 2017.

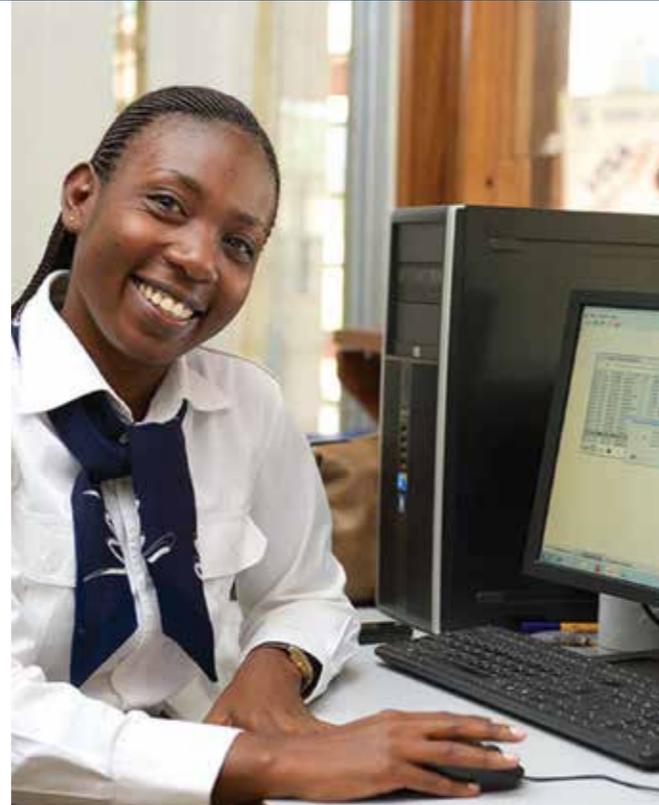
TMEA is also funding the rehabilitation of the Ntungamo/Mirama Hills road (Ugandan side) leading to the border, thus attracting more traffic from the Katuna/Gatuna route. In addition, two TMEA-funded bridges located between the two border posts are being constructed, to meet traffic volumes that cannot be supported by the existing bridge.

“When the infrastructure is completed, the border agencies will be able to operate the OSBP model, enhance integrated border management and improve cross border trade. There will be a significant diversion of cargo from Gatuna border, which is a longer route to Kigali. These changes will result in improved time release; hence reduction in cost of doing business.”

Richard Tusabe, Rwanda Revenue Authority Commissioner General.

**RESULTS**

- Around 160 workers are employed by this project, who also use the services of local businesses, including small businesses run by women
- Women workers are employed on the site mostly as porters, and the extra income they receive improves their standards of living and welfare.



**QUALITY CERTIFICATION FOR RWANDA'S EXPORT MARKET**

Under a programme funded by TMEA the Rwanda Standards Board (RSB) is upgrading its testing equipment for export products such as coffee, minerals and essential oils. The idea is that Rwanda's competitiveness will depend on the extent to which export products meet regional and international quality standards. In-country quality infrastructure can provide testing and certification services at lower cost and in a timely manner for a range of parameters.

TMEA has funded the purchase of modern equipment that will check the purity of Rwanda's key coffee exports, essential oils and mineral content. RSB has also entered into a twinning arrangement with the British Standards Institute (BSI) to strengthen quality infrastructure and enhance Rwandan businesses' export competitiveness through mentoring and training.

Since agriculture accounts for around 40% of Rwanda's GDP, TMEA and RSB have brought in experts from the Hazard Analysis and Critical Control Point (HACCP) system to help Rwandan exporters get their products accepted internationally. While it could help export to distant markets, it is equally valuable in the integration of EAC economies, where goods are often rejected for failing to meet standards. In addition, the programme could make Kigali a regional hub for goods certification. Essentially this programme is all about getting EAC members to recognise and accept each other's imports and standards.

“Our management is committed to make necessary changes. People will have a good image of our products and it will help us to be competitive on international markets.”

Diogene Ngezahayo of Urwibutso Enterprise/Sina Gerard, a well known juice and baked goods producer.

**RESULTS**

- New testing equipment purchased and installed at RSB.
- Operations started and time savings target of 7 days to deliver laboratory test reports on mycotoxin, mineral content and essential oils already achieved
- 47 Rwandan companies applied for capacity building on HACCP
- 41 Rwandan companies met minimum requirements for HACCP certification
- 24 Rwandan companies were selected to participate in the TMEA-funded RSB capacity building programme
- 15 Rwandan companies submitted applications to RSB for HACCP certification.



**STRENGTHENING THE ECONOMIC POWER OF WOMEN CROSS-BORDER TRADERS**

Seventy four percent of informal cross-border trade (ICBT) is conducted by women, 90% of whom rely on this trade as their sole source of income. In addition, women trade predominately in lower value, low profit products and are often forced to pay bribes or are subject to harassment when informally trading across borders. East African integration represents an opportunity for women informal cross-border traders to increase their profits. 'Pro-Femmes/Twese Hamwe', a Rwandan umbrella of local women organizations, promotes the values of gender, peace and development. In 2012 it received a US\$249,970 grant from TMEA to implement a project aimed at strengthening the economic power of Rwandan ICBTs through formal trade and improved trade facilitation within the EAC framework.

The project covered: research and advocacy on EAC integration; capacity building and sensitisation of Pro-Femmes/Twese Hamwe and civil society organizations on the EAC integration process and its gender dimensions; capacity building for women cross-border traders; and increasing the awareness of informal cross border traders to the opportunities and benefits of EA integration.

“The project supported us to move from Informal to formal trade through the border post; this eliminated illegal trade, gender-based violence including harassment at the border and improved the security for us and for our products. The formal trade improved our profits and household livelihoods.”

Beneficiary from Jyaheza cooperative from Akanyaru Haut at the border between Rwanda and Burundi.

**RESULTS**

- Over 400 women were sensitized on EAC integration
- Registering a co-operative has reduced from 90 to 30 days
- Trade volumes of target groups has increased from 0-7,000,000 Rwf of cash flow per month, which represents a monthly profit of 300,000 Rwf for each trader
- 80 Rwandan women cross-border traders trained on business/financial management, trade rules and regulations
- Government agencies now aware of challenges faced by ICBTs
- Traders are encouraged to register and form cooperatives.



**BOOSTING CAPACITY AT DAR PORT**

The port of Dar es Salaam, Tanzania’s main port, is the gateway to the Central Transport Corridor, which has the potential to make a significant impact on trade in landlocked countries, such as Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi and Uganda. In 2012 transit trade accounted for 33% of total trade volume through the port. Total volumes handled by the port reached 13.5 million tons in 2013, up from 12.1 million tons in 2012 and 10.4 million tons in 2011. With improved capacity, the port envisions growth from 13.5 million tons in 2013 to 41 million tons in 2028.

TMEA is supporting the Tanzania Ports Authority (TPA) to increase its capacity in container trade and bulk shipping and improve efficiency in handling cargo and ships, by creating operational and spatial efficiency, refurbishing physical infrastructure, strengthening the institution and facilitating implementation of the Dar port programme. In September 2014, TMEA, DFID and the World Bank signed a US\$565 million MOU with the Government of Tanzania aimed at deepening collaboration among the partners to improve Dar Port, specifically infrastructure, productivity, dialogue processes and also to roll out an electronic single window system. The overall objective is to support TPA to realise the objectives of the government’s Big Results Now (BRN) initiative, part of Tanzania Vision 2025, on the maritime sub-sector and increasing port capacity to 28 million tons by 2020.



“The Port of Dar es Salaam is arguably Tanzania’s most important infrastructure asset. Future growth of the economy depends on the Port’s ability to improve, to become more efficient and to be able to handle more trade. This partnership between TPA, the World Bank, DFID and TMEA will make that happen. We are extremely excited to be part of this initiative that I know will help Tanzania to be more competitive and that will support economic development and growth across the region. And through this, improve the lives of millions of people.”

Ms. Ros Cooper – Deputy Head, DFID, Tanzania.

**RESULTS**

- Cost accounting manual completed
- Cadastral survey of Dar Port and its immediate surroundings completed
- Tariff reviews completed
- Proposals developed
- Feasibility study for berths 1 to 7 completed



**WORKING TOGETHER TO ELIMINATE NON-TARIFF BARRIERS**

The EAC Customs Union Protocol defines non-tariff barriers (NTBs) as “laws, regulations, administrative procedures and technical requirements other than tariffs, imposed by a Partner State whose effect is to impede trade”.

TMEA supports the Tanzanian Ministry of Industry and Trade (MIT) and the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) through funding and technical assistance, to develop and enhance mechanisms through which NTBs are identified, reported, monitored and eliminated to facilitate an easy flow of trade within Tanzania and East Africa. MIT and TCCIA together support an online and ‘SMS’ NTB reporting system.

The project was extended throughout the country to ensure that the online reporting of NTBs is effective. TCCIA equipped its regional offices to access the online reporting system. A reported NTB complaint is followed up by the NTB National Monitoring Committee (NMC), which updates the business community on the progress of elimination. The Tanzania NMC meets monthly to discuss the new reported NTBs as well as those pending. Most local NTBs are eliminated as a result of these meetings. NTBs of a regional nature are discussed during EAC NTB regional forums every quarter.

“Our sincere thanks to TradeMark East Africa for supporting TCCIA in using technology to better the Tanzania business environment. The fact that a small cross border trader can use her mobile phone to report a challenge she faces in taking her goods to the other side of the border, is a proof that technology can indeed help to better the way we do business.”

Dr Abdallah Kigoda, Minister of Industry and Trade, Tanzania.

**RESULTS**

- 41.6% of all registered NTBs resolved
- Monthly NMC meetings conducted
- Trainings on NTBs and SMS/online reporting and monitoring conducted
- NTB coordinator for MIT recruited
- A market survey on the Central Corridor undertaken
- A Public Private Dialogue on the business environment and NTBs took place
- Trainings on electronic Certificate of Origin conducted
- Procurement of equipment for electronic certificate of origin undertaken.



**THE ROLE OF CIVIL SOCIETY IN THE EA INTEGRATION PROCESS**

Tanzania continues to face a deficiency of citizen participation in the EAC integration process, attributed to lack of understanding, knowledge, information and skills needed for citizens to effectively engage with the EAC integration processes. TMEA is providing support to the Foundation of Civil Society (FCS) in Tanzania to increase citizen understanding on EAC integration and the opportunities and benefits it brings.

The project aims to organize annual civil society forums and exhibitions in Tanzania, design and facilitate capacity building for civil society organisations (CSOs) and conduct training on monitoring, evaluation and advocacy. It will also establish a CSO dialogue mechanism with EA legislative bodies; prepare a communication strategy for CSOs; establish a national EA Civil Society Forum chapter; prepare radio shows; and carry out a scoping exercise for 20 districts in Tanzania.

“For us as the civil society, our role is to act as champions to facilitate discussions and dissemination of education in the grass roots - calling for the formation of a strong, people-centred integration that we want.”

John Ulanga: Executive Director, The Foundation for Civil Society.

**RESULTS**

- 900,000 people were reached through 9 live, interactive national radio programmes
- A dialogue between CSOs and the Parliamentary Committee for Foreign Affairs and International Cooperation was held, resulting in further cooperation
- 130 Tanzanian CSO members participated at the Tanzania CSOs Annual Forum on the EAC, while 30 were from other EA states
- The EA Civil Society Forum Tanzania Chapter was established
- A dialogue was held on the roles of CSOs and members of the House of Representatives in enhancing the participation of citizens in EAC integration
- The FCS did a baseline survey on citizens’ engagement in EA integration
- A CSO handbook on EA Integration is being developed
- A tender for a CSO communication strategy on EA Integration has gone out.



**ROAD CONSTRUCTION REDUCES TRANSIT TIME TO BORDERS**

While TMEA is funding the construction of the Mirama Hills-Kagitumba One Stop Border Post (OSBP) at the border between Uganda and Rwanda, it is also necessary to reconstruct the surrounding infrastructure to allow traffic to reach the border. Thus TMEA has undertaken to fund the construction of two bridges linking the border posts over the river Mivumba and to rehabilitate the road connecting the OSBP at Mirama Hills to the Northern Corridor at Ntungamo town. The 37 km road forms a major cross border link into the Northern Corridor route and connects to the road network of Rwanda at the border town of Kagitumba.

Upgrading the connecting road from Ntungamo town to Mirama Hills from class C gravel to bituminous standard is intended to allow increased transit traffic to use this route, thus maximising the return on investment on the Mirama- Hills Kagitumba OSBP. The road is also expected to better serve traffic between Uganda and Rwanda which largely passes through the Ntungamo, Kabale, Katuna route, and which has a steep and hilly gradient that delays transport times and impacts on vehicle wear and tear. The new road and bridges are expected to reduce the transit time between Kampala and Kigali by 30%.



“This road will reduce cost and the time it takes for me to move my cargo from Uganda to Rwanda because the area is flat compared to the other route of Katuna.”

Prosper Nteziyaremye, Rwandan truck driver

**RESULTS**

- Construction began on the road on 6 October 2014
- The civil works contractor has finalised mobilisation of key personnel and bulk construction equipment
- The supervision contractor has fully mobilized.



**THE UGANDA REVENUE AUTHORITY REDUCES THE COST OF DOING BUSINESS**

Half of Uganda’s tax revenue is generated from trade and collected by the Uganda Revenue Authority (URA). To encourage tax compliance by the business community and speed up the clearance of import, exports and goods in transit, the URA deployed a model from the World Customs Organization frameworks known as the Authorised Economic Operator (AEO) programme. The scheme, launched in September 2012 and supported by TMEA, focuses on businesses that consistently comply with customs regulations by rewarding them with AEO status, entitling them to priority clearance at all customs stations, self-management of bonded warehouses and mutual recognition by revenue authorities across the EAC. So far the URA has accredited 22 companies with AEO status, which contribute over 80% of customs revenues and consume about 80% of customs processing time. Projections are that clearance costs to companies will reduce by up to US\$1 million a year.

In addition, again with TMEA’s support, the URA launched the Electronic Cargo Tracking System (ECTS), which enables the URA, clearing agents and cargo owners to track the location of trucks transporting goods. This helps to reduce unwarranted stopovers, delays and thefts along major transit routes and enables instant intervention, reducing truck turnaround time, the cost of transport and thus the cost of doing business.

“It used to take our truck drivers over 6 days from Malaba to Katuna border. With ECTS, it now takes them only 2 days. Given that we would lose \$300 per day per truck in loss of business due to transit delays, with ECTS we have so far posted a net saving of about \$180,000 per month for the 100 trucks that move our cargo. Also the number of trips tripled from 5 trips to 15 trips per truck per month, and our driver’s incomes have improved for they now earn extra allowances for each trip.”

Abel Namanya, Manager BTS Clearing and Forwarders Ltd.

**RESULTS**

- 22 companies have been accredited as AEOs (against a target of 20 by Dec 2014)
- Goods clearance time for AEOs has reduced to less than 24 hours for trucks (from 4 days) and to less than 4 hours for air cargo (from 24 hours)
- AEO demurrage costs have reduced, with reported savings of US\$200 per truck per day
- Goods transit time has reduced from 8 days to 2 days
- Improved security of goods in transit.



**UGANDA SHIPPERS GET TO GRIPS WITH COST AND TIME SAVING CUSTOMS INITIATIVES**

The key factor for the ability of a country to participate in supply chains is the efficiency of local trade facilitation and logistics services. For landlocked countries to increase exports, rapid entry infrastructure is required. However, landlocked countries are challenged by a lack of production sites, low skills level and high power costs.

In partnership with the Uganda Shippers Council (USC) TMEA supported a recent training of over 90 shippers and freight forwarding agents on recent regional Customs developments and procedures including the Single Customs Territory (SCT), the Electronic Cargo Tracking System (ECTS) and the Electronic Single Window (ESW) . An increase in customs procedures will reduce the costs of penalties arising from documentation and processing errors by shippers and forwarders.

In addition, the project also seeks to enhance competitiveness in the supply chain for importers and exporters in Uganda by constantly engaging with regional transport policymakers to effectively advocate for a reliable logistics environment and participating in negotiations to reduce the cost of doing business for shippers in this country. The project will develop position papers for advocacy on auxiliary costs affecting Uganda shippers, a policy brief on alternative cheaper transport system and increase the visibility of USC.

“The new East African Regional Customs initiatives by Uganda and partner states are going to have a great impact on reducing time and costs of clearing and forwarding cargo. Our company moves over 300 truckloads a month from Mombasa to Uganda and the Great Lakes countries. If we can achieve a reduction of 1 day in dwell time at the port it can translate into projected savings on mileage costs of at least \$20 a day per truck driver; therefore a single day reduction per trip means \$12,000 savings a month.”

Abel Kagoro, Operations Manager, One Agent Three-way Shipping Services.

**RESULTS**

- An increase in shippers’ understanding of new EAC developments
- An increase in 16% of participants who fully understand SCT
- An increase in 69% of participants who fully understand ESW
- An increase in 25% of participants who fully understand ECT



SOUTH SUDAN

**CUSTOMS LEGISLATION DIVERSIFIES REVENUE IN SOUTH SUDAN**

TMEA is assisting the Government of South Sudan (GOSS) to introduce the fundamentals of Customs administration while laying a foundation for a wider Customs reform strategy. Specifically, the assistance to the South Sudan Customs Services (SSCS) is to enable it to become an effective and efficient agency that can support the government's objective of diversifying its revenue incomes while facilitating trade. Customs is recognised as a key priority of GOSS as it takes steps to reduce over-reliance on oil revenue by building up alternative revenue sources, especially Customs duties.

The project aims to: revise Customs business processes and procedures; build the technical capacity of Customs officers; develop a Customs Automated Management System; ensure that South Sudan acquires membership of international bodies like the World Customs Organisation and the World Trade Organisation; provide technical assistance to ensure the Customs Legal Framework and supporting regulations are adopted; communicate the Customs reform and modernisation programme undertaken; and establish mobile anti-smuggling task teams.



“When South Sudan gained independence tax revenue was just 2%. ... All the revenue generating agencies such as Customs and Immigration have improved on their efficiencies and effectiveness, thanks to the intervention by development partners. This translates in tax revenue increases of 20%. South Sudan can use these for improving service delivery to its peoples.”

Minister of Finance and Economic Planning  
Hon Aggrey Tisa Sabuni

**RESULTS**

- Customs law was developed and passed into law in May 2014, allowing the drafting of secondary Customs regulations, tariffs and statutory provisions as required by the national constitution
- SSCS embarked on critical examinations of its institutional management systems to enhance its efficiency and effectiveness
- Following a comprehensive review of border operations there has been a significant reduction in the time taken to clear humanitarian aid goods, down from 4 days to 1 day
- Capacity enhancement and development for Customs officers was implemented on critical technical aspects such as import processing and verification, anti-smuggling and integrity
- A robust Customs reform and modernization plan was developed and implemented
- There is increased volume of trade with South Sudan and the EAC. The Nimule border with Uganda accounts for over 80% of all imports to South Sudan, and generates approximately US\$16.83 million per month. The border clears over 400 vehicles daily.



REGIONAL

**HARMONIZING STANDARDS TO FACILITATE REGIONAL TRADE**

The five Partner States of the East African Community (EAC) are currently involved in activities related to standards harmonization for products traded within the region. The process, which includes the preparation, approval and adoption of standards related to those products, is supported by TMEA through the national bureau of standards in each Partner State, in close coordination with the EAC Secretariat and the private sector.

TMEA is assisting national partners to harmonize the standards of the most commonly traded goods in the region so that they can cross borders unimpeded by questions about their authenticity, reliability or origin. These include some of the most-traded goods in the EAC such as edible fats and oils, and cereals, among others.

At the national level, TMEA supports the Partner States with the provision of equipment and capacity building. For example, the Kenya Bureau of Standards (KEBS) has received, with support from TMEA, highly sophisticated spectrometers that can analyze the purity of water and food. This will enable KEBS to assure its consumers, not only in Kenya, but wherever those items may be on sale, that the water and food products they buy are safe.

At the regional level, TMEA is supporting the EAC region with initiatives focusing on standards harmonization, so that the entire EAC region benefits through lower costs and reduced transit times for producers, exporters, traders and the consumer market. Regional harmonization of standards may also lower production costs by negating the need for different production lines to comply with different standards required by different countries.

“The launch of the communications and awareness campaign for standards marks a big milestone in Uganda’s history, not only will it improve the demand for quality products on the Ugandan market, it will go a long way in making Uganda’s products very competitive across borders in the EAC.”

Amelia Kyambadde, Uganda’s Minister for Trade, Industry and Cooperatives.

**RESULTS**

- To date, 95 standards have been harmonized in the EAC. Of those, 79 were formally declared as EAC standards.





### PROFESSIONALISING FREIGHT FORWARDING IN EAST AFRICA

Freight Forwarding Agents (FFAs) act as intermediaries in transactions between shippers and suppliers of logistics services and are required by customs to represent the owner when clearing cargo through international borders. In the EAC, the common practice is for FFAs to perform both customs clearance and freight forwarding work, and where appropriate, provide specialized logistics services.

The Federation of East African Freight Forwarding Associations (FEAFFA) has, over the last three years, carried out an intensive training programme to elevate the competence of FFAs throughout the East African region. The programme has been implemented with technical and financial support from TMEA, where FEAFFA has developed a region-specific curriculum that has so far been deployed throughout the five East African Partner States.

Training is now delivered on a continuous basis at more than seven regional centres and is known as the East African Customs and Freight Forwarding Practising Certificate (EACFFPC). It was developed to enhance the capacity of FFA in providing efficient freight logistics services to importers/exporters and cross border traders throughout East Africa. The Revenue Authorities have, since February 2014, begun enforcing EACFFPC as a licensing prerequisite and all FFAs are required to have this certification.

“One clearing agent from Rwanda, Emmy Bucyana, stated that the greatest benefit of the training has been the ability “to mitigate day to day errors”, which had previously been cited as a cause of delays in the process.”

Susan Mukanbukana, Managing Director at Top Freight Ltd in Rwanda, saw an increase in customers after the training as a result of increased quality of customer service.

#### RESULTS

- 4,311 clearing agents trained and certified: 74% men and 26% women. An additional 285 students are expected to graduate by the end of the year
- Updated versions of training curriculum and materials developed
- 184 EACFFPC trainers have been trained (training for trainers)
- A trainer’s guide is being developed
- EACFFPC materials have been translated into French, and subsequently printed.



### MONITORING THE DECISIONS OF THE EAC

Since the November 2013 East African Summit the first item on the agenda of any EAC summit is to review past decisions by Partner States and monitor their implementation progress: have they been implemented, are they ongoing or has no action been taken? That responsibility has now been made easier by the introduction of the East African Monitoring System (EAMS), a computerised system that records all decisions made since 2001 up to the present day and which focuses on those decisions that still need to be implemented.

TMEA and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) came together to facilitate the creation of EAMS through policy, system and technical support. Developed to capture the progress of Partner States’ decisions, the use of EAMS means that Partner States are held accountable for the decisions they make.

Delays in actioning decisions that have been agreed by all Partner States, such as removing non-tariff barriers, can be both frustrating and costly to individual countries, possibly hindering the progress of East African integration. EAMS will therefore also serve a valuable purpose in assisting the integration process.

“With TMEA’s support we have been able to conduct more effective meetings because of timely receipt of accurate information on the progress of implementation of Council directives.”

Dr Enos Bukuku, Deputy Secretary General, Planning and Infrastructure, EAC.

#### RESULTS

- EAMS is fully operational
- Relevant staff at the EAC and in Partner States have been trained
- The EAMS is now used for decision making at Summits
- An additional module on the 4th Development Strategy has been developed.



### BOOSTING AGRICULTURAL EXPORT CAPACITY WHILE HELPING SMALLHOLDER BUSINESSES TO GROW

Through the TradeMark East Africa Challenge (TRAC) Fund, TMEA has targeted sector specific firms in a bid to increase export competitiveness. Africado Ltd was awarded a grant to implement a project aiming to pack on-site avocados grown in the Kilimanjaro region of Tanzania and export them directly to the EU and the Middle East. This will increase returns to farmers who currently export fruit to Kenya for packing and subsequently re-export.

The project aims to reduce fruit damage and lower transport and packing costs by bringing packing and cold storage under one roof. The project also aims to give the producer direct access to markets and thus increase prices by vertical integration.

At the same time, up to 2,000 smallholder farmers who supply many of the avocados, are also gaining, in that they buy the seedlings cheaply and learn how to tend them through Africado’s expertise. The profit they make after selling to Africado allows them to buy more plants so that their businesses can grow.

“My life has improved. I am earning money which pays for the children’s school costs and I have a better diet, because avocados are nutritious. I don’t need pesticides and I use natural manure as fertilizer. Coffee is expensive to grow. Avocados are much cheaper.”

Japhet Kileo, Smallholder Farmer, Moshi.

#### RESULTS

- 27,680 avocado trees distributed to farmers by end 2013
- 1,950 farmers trained and organised into groups
- A packhouse with a 6 metric tonne per hour capacity completed and GAP certified
- Exports in 2013 were 831 metric tonnes compared with 488 in 2012
- In 2012, 63 metric tonnes, representing 13% of total exports with a value of US\$100,000 were rejected. In 2013, there were zero rejects thanks to technology which extends the life of avocado fruit after harvesting.



### SINGLE TOURIST VISA HELPS EASE OF MOVEMENT FOR TOURISTS IN EAST AFRICA

East Africa contains some of the world’s most celebrated tourist destinations, yet the number of visitors it receives annually is a fraction of those of its competitors in Africa. Realising that East Africa had to be positioned as a more competitive tourist destination, an East Africa Tourism Platform (EATP) was launched in April 2012 with support from TMEA. Its mission is “to promote intra and inter-regional tourism through advocacy, marketing, skills development, research and information sharing” and it works closely with ministries responsible for tourism, wildlife and transport portfolios, as well as the business and private sectors.

The Single Tourist Visa, which is valid for three months, is one of EATP’s lobbying successes. It allows visitors to enter Kenya, Rwanda and Uganda on one visa (Tanzania and Burundi are expected to join). This means, for example, that tourists who would like to take a beach holiday in Kenya, visit the gorillas in Rwanda and go white water rafting in Uganda, need apply to only one embassy for a visa, the cost of which is less than three separate visas. Apart from saving money, tourists are also saved the time and inconvenience that comes with buying visas for each country, whether in advance or on arrival.

“For Rwanda, if you look at the current trend, at least half of the packages we fill are add-ons to Kenya and Uganda. Because of that we see this as a smart and efficient move for us to add-on tourists, especially if you’re looking at the region.”

Yamina Karitanyi, Head of Tourism and Conservation, Rwanda Development Board

#### RESULTS

- Implementation of single tourist visa in Rwanda, Kenya and Uganda
- Over 1,000 single tourist visas issued since February 2014.



## MAINSTREAMING GENDER AND POVERTY



## BOOSTING THE ROLE OF WOMEN IN TRADE

Women play a key role in East African trade and could potentially contribute towards boosting trade in the region by taking advantage of opportunities to use it as a driver of growth, employment and poverty reduction. However, various specific non-tariff barriers and other challenges impede trade activities undertaken by women, often leading to women traders and producers not having the means to enter the formal economy.

Due to the fact that women experience trade barriers that do not affect men, gender-sensitive policies can assist female importers and exporters to reap the same benefits from regional integration as their male counterparts. Yet policy makers typically overlook women's contribution to trade and the challenges they face.

TMEA is committed to gender equality and ensuring equitable and sustainable human development and continues to develop gender thematic strategies in line with the overall TMEA corporate strategy and Theory of Change. These will be used to address the causes of inequality between women and men, and how to reduce them.



“As cross border traders we carry the ignition key to transform our communities,” said Hadijja Sserwanga, a champion of the rights of Uganda’s border traders, regional Chairperson of the East African Women Cross Borders Traders Association (EAWCBTA).

### Highlights of gender support in TMEA programmes

Some studies suggest that women cross-border traders are responsible for up to 60% of all intra-East African trade. A key study on Women in Informal Cross-Border Trade (WICBT) revealed that only 49% of 378 women interviewed at five border posts possessed some post-primary level education even though traders need literacy and numeracy skills to deal with trade procedures and legal requirements.

In 2012 and 2013, TMEA invested about US\$250,000 in a partnership with the East Africa initiative for the Advancement of Women (EASSI) to increase access to information, incubate WICBT associations and lobby institutions for a better trading environment for women in the region. In the second phase, TMEA is doubling the initial investment to widen and deepen its reach with WICBT.



In Burundi, women traders risk the wrath of the law to escape paying taxes on the food and small goods they carry from Uganda or Rwanda to sell to customers in border villages and further afield. It is much the same across the EAC as women traders run needless risks because of rumour and misinformation about punitive border taxes, expensive permits and baffling bureaucracy. With support from TMEA that situation is changing.

Working with the international NGO Search for Common Ground (SFCG) TMEA dispelled myths held by both women cross border traders and authorities. SFCG programmes, radio broadcasts and government-backed information meetings have helped clear the air, not just on how taxes can actually cost less than bribes, but on which documents are needed and how to get them. Partnering with NGOs, the government and the media, the borderline informal sector is learning that clarity on tax obligations and paperwork can improve both their lives and their profits.

“Women traders are the ones who face, every day, the problems of not knowing what their rights are in today’s EAC,” said Burundi’s Minister for East African Community Affairs Hon. Leontine Nzeyimana. “Most of them haven’t a clue about their rights or their obligations.”



In Kenya, middle-aged farmers, both men and women, are going back to school to learn how to grow cash through complying with standards. The Good Agricultural Practice Code (GAP) standards are international norms of growing good crops for today’s markets, from hand washing before harvesting to the use of pesticides, fertilizers and other inputs.

The fresh produce agricultural sector employs about one million people in Kenya, and is one of the top three export earners. Smallholders account for about 70% of Kenya’s flagship export products so getting farmers GAP compliant is vital. This programme, funded by TMEA and spearheaded by the Fresh Produce Exporters Association of Kenya (FPEAK) is part of a bigger TMEA drive to help EAC states harmonize product standards to comply with the global market. Part of the programme is to train local technical experts to monitor and follow the implementation of GAP standards by farmers, and to advise where necessary. So far FPEAK has trained about 2,000 small-scale Kenyan farmers and is now taking its pilot programme to the other EAC member states.

“I am so happy today. I have learned things that will help me make my shamba (smallholding) grow better produce to sell for me and my family. This is like getting a prize at school.” Grace Wambui, a smallholder farmer in Kenya



## INCREASED TRADE EQUALS REDUCED POVERTY

By 2016, TMEA would like to see: a 10 % increase in the total value of exports from the EAC region; a 25% increase in intra-regional trade exports when compared to total exports in the region; a 15% reduction in average time to import or export a container from Mombasa or Dar es Salaam to Burundi and Rwanda; and a 30% decrease in the average time a truck takes to cross selected borders. While there exist clear lines of sight from the results of TMEA's programmes, it is becoming more urgent to establish the links between the impact of the TMEA-supported programmes to the general improvement of the welfare of the East African citizens, in particular the poor.

TMEA's methodology quantifies how pro-poor the TMEA interventions are, and measures and attributes their outcomes towards poverty alleviation in East Africa. This in turn identifies the gaps in the programmes. The intention is not only to prove that TMEA-supported programmes are pro-poor, but where necessary to improve the programmes to ensure that they are becoming increasingly pro-poor as much as possible.

### A 3-pronged approach has been adopted to address the pro-poor issue:

1. A concept note has been developed to guide TMEA's approach on specific and urgent research questions applicable across the TMEA portfolio. The initial pieces of work arising from this are two studies focusing on the issue of one-stop border posts (OSBPs) on the poor and on women cross border traders (WICBT). Also, a methodological approach towards mainstreaming the poverty issue is being developed from the concept note, with the first step being a proposed toolkit already used to enrich a number of terms of reference on baseline studies.
2. An internal desk review was undertaken by TMEA staff validating the organization's theory of change against the poverty issue. Other studies are planned as part of the external Joint Evaluation Plan.
3. An annual symposium is planned, with a call for papers to gather external knowledge on the poverty issue, based loosely around the research questions in the above concept note.

The analytical framework for the poverty work is loosely based on confirming that programme benefits eventually trickle down to the poorest of the poor and that all short-term and medium-term risks to the poor are mitigated within the programme activities to the greatest extent. TMEA is focusing on becoming increasingly pro-poor in its project activities.



## OUR PEOPLE





**Daniel Muturi**  
Programme Manager,  
Integrated Border  
Management and One  
Stop Border Posts,  
Kenya



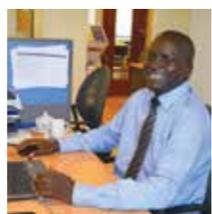
**Makena Mwiti**  
Technical Advisor Gender,  
based in Nairobi,  
Kenya

“I enjoy working in TMEA’s dynamic environment and with a range of TMEA partners. I also like to reach solutions that positively impact on the life and welfare of East Africans. For me, being an East African means an opportunity to make a difference for the benefit of fellow East Africans.”

“I am happy to be part of such a vibrant and energetic team. It is an opportune moment to be East African. The region is full of opportunities and there is real sense for desired growth. We really do have a chance to make a difference.”



**Susan Msaki**  
Acting Senior  
Programme Manager,  
Tanzania



**Kepa Dima**  
Programme Manager,  
South Sudan

“I like the challenges of my job - they stretch my thinking, my capability and help me to be more creative in fulfilling the quick results that TMEA is hungry for. Being East African, for me, is the freedom to move, to integrate, to interact with other East Africans, wherever I am without necessarily being asked, “Where are you from?”

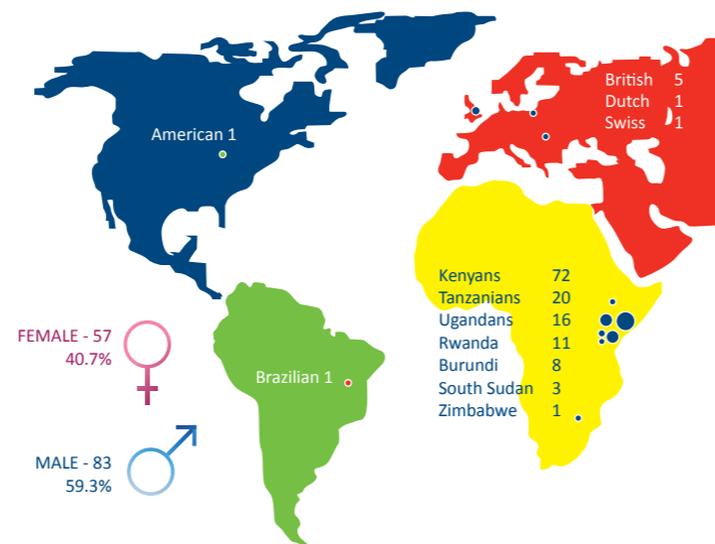
“At TMEA I enjoy the friendly working environment and atmosphere of trust, which fosters integrity and mutual respect. There is so much to gain, and nothing for South Sudan to lose by joining the EAC. Having lived and studied in Kenya and Uganda, I personally feel at home anywhere in the EAC.”



**Aime Nzoyihera**  
Programme Manager,  
Burundi

“I love the challenging environment that TMEA operates in, but most importantly it is the human story behind TMEA interventions that gets me. We are truly assisting in improving lives of East Africans. Being East African means more freedom and more opportunities to all of us. It is a conscience choice, a realisation of what we can achieve when we are united.”

140 TEAM MEMBERS FROM 12 DIFFERENT COUNTRIES



## CORPORATE SOCIAL RESPONSIBILITY

### TMEA SUPPORT TO KASARANI PRIMARY SCHOOL

The area of educational special needs is inadequately supported in Kenya, and even stigmatised, so it was easy for TMEA staff in Nairobi to agree to support the Autism Unit of Kasarani Primary School. With the help of James Karanja of the Autism Support Centre (ASC) Kenya, they have identified priority areas to assist, such as teaching and therapy aids. James has over 12 years experience, having started the first Autism Unit in Kenya at City Primary School.

Meanwhile TMEA staff has carried out some maintenance and are looking to refurbish the girls’ lavatories and install electricity in the classrooms. During the wet weather, it gets very muddy which makes walking around the school extremely difficult. They would therefore like to create gravel footpaths for easier access around the school. The priority is a footpath from the Autism Unit to the main school, as in bad weather the children often have to be carried, which is dangerous because the black cotton soil gets slippery.

Looking beyond immediate needs TMEA volunteers are concerned about the sustainability angle. James Karanja is working on a programme that looks at the transition in the children’s lives from one phase to the next and their integration into society. The volunteers hope that their support will transform the Autism Unit and encourage more parents to bring their autistic children to the school.

The TMEA group is currently the main sponsor. The scale of need has meant that they had to reach out for wider support and donations received include wood, paint, two laptops, a TV and a DVD player. The team has also contacted an Internet service provider to donate Internet access, as well as approaching another charitable organisation.

### Achievements to date

A group of TMEA co-workers started work at the Unit on 11 August, taking advantage of the school holidays. The Autism Unit has been completely overhauled, with the creation of four cubicles, and the interior has been repainted (as well as six blocks of the main school). In addition the Unit was fenced off to provide a secure environment. All this work was completed in three weeks. In September teachers of the Autism Unit attended a three-day capacity building workshop.

The TMEA staff group is in the process of finalising the list of educational and recreational materials to be purchased with donations totalling Ksh 90,000 and putting the finishing touches to a programme of long term institutional support from the ASC. The staff also came together with the parents of the Autism Unit children, not only because they are key stakeholders, but because they would like them to play a more active role in running the Unit.

TMEA raised Ksh 500,000 to enable the autistic students to participate in the National Music Festival. Everyone was delighted when the students took first place in the special schools category, as this was the first time the Unit had been represented on the national stage.

Please check this link to follow progress:  
[https://www.dropbox.com/sh/vqwr8whxrevim2g/ACTYY4x\\_jUKxuPucFbiWODia](https://www.dropbox.com/sh/vqwr8whxrevim2g/ACTYY4x_jUKxuPucFbiWODia)

## BOARD OF DIRECTORS



**Mr. Ali Mufuruki**  
CHAIRMAN



**Ms. Merian Sebunya**  
BOARD MEMBER



**Mr. Patrick Obath**  
BOARD MEMBER

## PROGRAMME INVESTMENT COMMITTEE



**Karin Andersson**  
Counsellor,  
Embassy of Sweden,  
Nairobi.

**Hellen Oriaro**  
Foreign Affairs,  
Trade and Development,  
Canada.

**Henny Vries**  
Ministry of Foreign Affairs,  
Sustainable Economic  
Development Department,  
Dutch Government.

**Matt Rees**  
Trade & Integration Lead,  
USAID,  
East Africa.

**Oskar Kass**  
Embassy of Finland,  
Dar es Salaam.

**Tim Lamont**  
DFID,  
East Africa.

**Joe Okudo**  
Royal Danish Embassy,  
Kenya.

## OUR INVESTORS



# OUR INVESTORS



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](http://www.btctb.org/en/belgian-development-cooperation)



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](http://www.government.nl/ministries/bz/about-the-ministry)



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](http://www.international.gc.ca/international/index.aspx?lang=eng)



The overall target of Sweden's development assistance is to ensure that those in poverty have the ability to improve their living conditions. To carry out this assignment effectively and strategically, it encompasses all areas of society and can be described in five areas: democracy, equality and human rights; economic development; knowledge, health and social development; sustainable development; and peace and security.  
[www.sida.se/english/](http://www.sida.se/english/)



Denmark's development cooperation aims to fight poverty with human rights and economic growth.  
<http://um.dk/en/>



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/departament-for-international-development](http://www.gov.uk/government/organisations/departament-for-international-development)



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.formin.finland.fi/english](http://www.formin.finland.fi/english)



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](http://www.usaid.gov)

# FINANCIAL SUMMARY



# FINANCIAL SUMMARY



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## REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF TRADEMARK EAST AFRICA

The accompanying summary financial statements, which comprise the summary statement of financial position as at 30 June 2014 and the summary statement of comprehensive income, summary of fund balance and summary statement of cash flows for the year ended 30 June 2014, are derived from the audited financial statements of TradeMark East Africa for the year ended 30 June 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 3 November 2014. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of TradeMark East Africa.

### Directors' Responsibility for the Summary Financial Statements

Directors are responsible for the preparation of a summary of the audited financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of TradeMark East Africa for the year ended 30 June 2014 are consistent, in all material respects, with those financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Churchill Atinda P/No 1425.

Nairobi  
 12 / 11 / 2014

Other offices: Nakuru, Mombasa  
 Partners: G G Karuu, J K Cheboror, A S Gilani, P N Anchinga, C O Atinda  
 H C Wasike, G Gitahi, M M Kimoni, C W Mbogo, A K Gichuhi  
 A member firm of Ernst & Young Global Limited

## TRADEMARK EAST AFRICA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

## FINANCIAL SUMMARY

|  | Year ended<br>30 June 2014<br>US\$'000 | 18 month period<br>ended 30 June 2013<br>US\$'000 |
|--|--|---|
| <b>INCOME</b>  |  |   |
| Grant income   | 120,068                                | 79,350  |
| <b>OTHER INCOME</b>  |  |   |
| Interest on bank balances  | 215                                    | 99  |
| Gain on disposal   | 1                                      | -   |
|  | <b>216</b>                             | <b>99</b>   |
| <b>Total income and other Income</b>                                   | <b>120,284</b>                         | <b>79,449</b>                                     |
| <b>EXPENDITURE</b>   |  |   |
| Personnel costs  | 14,601                                 | 18,439  |
| Consultancy costs  | 24,827                                 | 28,080  |
| Professional services  | 2,140                                  | 3,569   |
| Conferences and workshops  | 3,334                                  | 3,501   |
| Grants to partners   | 8,124                                  | 16,994  |
| Office supplies  | 238                                    | 480   |
| Project assets   | 25,248                                 | 21,943  |
| General expenses   | 2,322                                  | 2,886   |
| Travel expenses  | 4,809                                  | 4,934   |
| Depreciation   | 549                                    | 773   |
| Amortisation   | 27                                     | 91  |
| Exchange gains   | (2,622)                                | (930)   |
| <b>Total expenditure</b>   | <b>83,597</b>                          | <b>100,760</b>                                    |
| <b>Total Comprehensive Income<br/>and Deficit for the year/ period</b> | <b>36,687</b>                          | <b>(21,311)</b>                                   |

TRADEMARK EAST AFRICA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014

FINANCIAL SUMMARY

|  | As at<br>30 June 2014<br>US\$'000 | As at<br>30 June 2013<br>US\$'000 |
|--|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>                              |                                   |                                   |
| <b>NON-CURRENT ASSETS</b>                  |                                   |                                   |
| Property and equipment                     | 918                               | 1,056                             |
| Intangible asset                           | 11                                | 35                                |
|  | <b>929</b>                        | <b>1,091</b>                      |
| <b>CURRENT ASSETS</b>                      |                                   |                                   |
| Bank and cash balances                     | 49,363                            | 10,690                            |
| Accounts receivable                        | 1,061                             | 822                               |
|  | 50,424                            | 11,512                            |
| <b>TOTAL ASSETS</b>                        | <b>51,353</b>                     | <b>12,603</b>                     |
| <b>FUND BALANCES AND LIABILITIES</b>       |                                   |                                   |
| <b>FUND BALANCES</b>                       |                                   |                                   |
| Unexpended funds                           | 41,183                            | 4,496                             |
| <b>LIABILITIES</b>                         |                                   |                                   |
| Accounts payable and accruals              | 10,170                            | 8,107                             |
| <b>TOTAL FUND BALANCES AND LIABILITIES</b> | <b>51,353</b>                     | <b>12,603</b>                     |

TRADEMARK EAST AFRICA  
STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED 30 JUNE 2014

FINANCIAL SUMMARY

|  | US\$'000      |
|--|---------------|
| <b>Period ended 30 June 2013</b>                           |               |
| Unexpended funds as at 1 January 2012                      | 25,807        |
| Deficit for the period ended 30 June 2013                  | (21,311)      |
|  | <b>4,496</b>  |
| <b>Year ended 30 June 2014</b>                             |               |
| Unexpended funds as at 1 July 2013                         | 4,496         |
| Total comprehensive income for the year ended 30 June 2014 | 36,687        |
|  | <b>41,183</b> |
| Unexpended funds as at 30 June 2014                        | <b>41,183</b> |

|  | Year ended<br>30 June 2013<br>US\$'000 | 18 month<br>period ended<br>30 June 2013<br>US\$'000 |
|--|--|--|
| <b>Cash flows from operating activities:</b>                   |  |  |
| Grant receipts from donors                                     | 120,068                                | 79,350   |
| Reported total expenditure                                     | 83,597                                 | 100,760  |
| <b>Adjusted for:</b>   |  |  |
| Exchange gains   | 2,622                                  | 930  |
| Depreciation   | (557)                                  | (773)  |
| Amortisation   | (27)                                   | (91)   |
| Expensed Office Burundais De Recettes (OBR) project assets     | -                                      | (4)  |
| Unpaid services  | (2,063)                                | (5,664)  |
| Advances made (receivables)                                    | 239                                    | 562  |
| Cash paid to suppliers, employees and partners                 | 83,811                                 | 95,720   |
| Insurance compensation for lost laptops                        | (1)                                    | (1)  |
| Aquisition of property and equipment                           | 419                                    | 521  |
| Aquisition of intangible assets                                | 3                                      | 66   |
|  | <b>84,232</b>                          | <b>96,306</b>  |
| <b>Cash generated/ used in operations</b>                      | <b>35,836</b>                          | <b>(16,956)</b>                                      |
| <b>Cash flows from investing activities:</b>                   |  |  |
| Interest received on bank balances                             | 215                                    | 99   |
| Net increase/ decrease in cash and cash equivalents            | 36,051                                 | (16,857)   |
| Effect of changes in exchange rates                            | 2,622                                  | 930  |
| Increase / decrease in cash and cash equivalents               | 38,673                                 | (15,927)   |
| Cash and cash equivalents at the beginning of the year/ period | 10,690                                 | 26,617   |
| Cash and cash equivalents at the end of the year/ period       | 49,363                                 | 10,690   |



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