



ANNUAL REPORT 2012-2013



## Vision

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

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## Mission

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

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## Core Values

### Partnership

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

### Professionalism

We work enthusiastically to deliver  
excellence in everything we do.

### Integrity

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

### Innovation

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

### Respect

We value our partners and staff and  
appreciate their diversity.

### Results-driven

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

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## About TradeMark East Africa

TradeMark East Africa (TMEA) is a not for profit organisation funded by a range of development agencies with the aim of growing prosperity in East Africa through trade. We support the EAC Secretariat, national governments, the private sector and civil society to enhance regional trade markets. TMEA seeks to increase trade by unlocking economic potential through increased market access; enhanced trade environment; and increased quality and price of products. At TMEA we believe that increased trade contributes to increased economic growth, a reduction in poverty and subsequently increased prosperity.

Our work is underpinned by a series of interrelated propositions, known as the 'Theories of Change', which guide what we do. TMEA is focusing on achieving the following high-level results.

## Expected Results by 2016

15% reduction in average time to import or export a container from Mombasa or Dar es Salaam to Burundi or Rwanda

30% reduction in the time it takes for a transport truck to cross selected borders

5% increase in the total value of exports from the EAC region

25% increase in intra-regional exports compared with total exports in the region

## Value for money

Value for money at TradeMark East Africa means maximising the impact of every dollar that is spent to promote East Africa's integration, trade and global competitiveness.

TMEA aims for economy, efficiency and effectiveness throughout the programme, whether it is in the interventions, design and implementation of projects, or in the monitoring and evaluation process.

However, measuring the impact and value for money that TMEA has is difficult. Nevertheless the organisation has developed innovative ways to demonstrate the impact of its support for East African integration.

Progress after two years is encouraging, with many projects already on the path to a successful conclusion.

## Governance at TradeMark East Africa

TradeMark East Africa's main decision-making body is the Programme Investment Committee (PIC). The PIC consists of representatives of each of TMEA's investors, three independent members representing the private sector in East Africa and the Secretary General of the EAC.

The PIC meets quarterly to set the strategic direction of TMEA and monitors progress towards TMEA's objectives. The CEO of TMEA is accountable to the PIC and seeks guidance on emerging issues.

Below the PIC, in each of the EAC partner states, a National Oversight Committee (NOC) has been established. Each NOC consists of representatives of government, business, civil society, and TMEA's investors. It is chaired by the Permanent Secretary of the ministry responsible for the EAC. NOCs agree, review and monitor the TMEA programme for each particular country.

KPMG has been appointed as TMEA's custodian. The custodian's role is to manage fiduciary risk by providing internal audit services, reviewing programme risk, undertaking fiduciary risk assessments, and ensuring that all aspects of TMEA's governance are effective.



**We will continue to strive for excellence in all things we do to ensure that TMEA has a reputation as a blue-chip organisation and that it is delivering maximum impact through partners and providing value for money for investors.**

TradeMark East Africa has now been operating for over three years. For the first two years, the main priority was to build a functioning institution. Strategy and business plans have been developed, fit-for-purpose systems implemented and a highly competent and motivated team recruited.

In the past year, TMEA's priority has been to implement up to 210 projects. TMEA has also realigned the results framework to dovetail with the new theory of change. It is still relatively early days, but results have been encouraging, as evidenced by the positive outcomes from this year's independent Annual Review. There is no room for complacency, however, and there will be greater focus on deepening programme results and achieving outcomes and impact that investors are looking for.

As custodians of TMEA, KPMG's primary role is to ensure that the programme is aligned to the organisation's objectives and that fiduciary risks are mitigated. We will continue to strive for excellence in all things we do to ensure that TMEA has a reputation as a blue-chip organisation and that it is delivering maximum impact through partners and providing value for money for investors.

## **Charles Appleton**

Chairperson, TMEA Board of Directors and  
Partner KPMG East Africa

History has shown that regional, economic and social integration is central for long term sustainable growth and development. Furthermore, it is a foundation for peace and stability. For individual countries to be competitive and prosper, a regional market with harmonised rules and regulations, including a common set of customs tariffs and procedures, where barriers to intra-regional trade are eliminated and incentives for international trade are nurtured, is essential. With a Common Market and Customs Union the East African Community has established this central foundation for economic integration.

However, regional integration is a long and difficult journey and the challenges for regional integration in East Africa are complex and many. TradeMark East Africa (TMEA) is a multi-donor funded programme and its role is to support and enhance this process through the expertise of its professional staff. After an almost 18-month initial set up phase, the last 18 months have begun to yield real achievements in the form of harmonised legislation, bilateral talks, construction, harmonised standards, and systems streamlining. The challenge is now to continue this progress over the next 12 months. This means that drafted legislation must be enacted and implemented, bilateral talks should result in agreements, one stop border posts should progressively open, more non-tariff barriers must be eliminated and the costs of freight transport should fall proportionately. In turn, the private sector should be able to take advantage of the changing conditions.

There is still much work to be done, particularly at institutional level, and progress towards full integration is dependent on the stability and security of the region as a whole. Nevertheless, due to the size, energy and creativity that exist in the East African Community, the potential for increased trade and investment is there.



Finally, following a request from the EAC secretariat and the Partner States, TMEA has aligned the financial year to run from 1 July to 30 June. This will allow for better coordination of programmes and projects that TMEA is facilitating in partnership with them. This report therefore covers the 18 month period from January 2012 to June 2013.

## Peter Cederblad

Chairperson, Programme Investment Committee



**Due to the size, energy and creativity that exist in the East African Community, the potential for increased trade and investment is there.**







Almost three years on, since TradeMark East Africa began work towards East African integration, I am pleased to say that many of the programmes are yielding tangible results. Starting with the ports, the Mombasa Port Charter commits stakeholders to work together and share information digitally. This is a huge improvement on the previous situation where long delays in the release of goods were caused by poor information sharing practices. Meanwhile, in Dar es Salaam work has already begun on the modernisation of seven deep-water berths that will significantly increase capacity.

Lengthy and costly delays in the delivery of goods from the coast to landlocked countries have been tackled through bilateral talks and strengthened legislation that will eliminate non-tariff barriers and will ensure that the 13 One Stop Border Posts currently at different stages of development, will reduce the time it takes to cross the border by a third. Meanwhile, the transport observatory project along the northern corridor is already supplying data that will decrease bottlenecks on major routes.

We are very pleased with the new customs systems and software that have been installed in Uganda and South Sudan. It is designed to speed up freight clearance, reduce the cost of clearing and forwarding, increase revenue for the revenue authority and reduce the cost of goods to the man in the street. An Authorised Economic Operator programme in Uganda (to be rolled out into Partner States) and a new freight forwarding qualification will further boost the efficiency of the freight industry.

Increased revenue resulting from streamlined tax gathering is having a significant effect in Burundi, which is now using tax income to fund health and education projects. In tandem with this improvement, business reforms in Burundi mean that it has jumped 13 places in the World Bank's Doing Business Report. In the private sector, farmers in Kenya can access EU markets through uniform standards and good practices; women cross-border traders in Rwanda and business people in Tanzania have been made aware of the trade opportunities of EA integration; and mutual recognition of professional qualifications will unlock a huge unexploited potential in EA. Meanwhile, Partner States' products will be subject to harmonised EAC standards that will ensure better quality, safety and sustainability of all products.



While there are still many challenges ahead TMEA has made significant progress in the last 18 months towards our ultimate goal of flourishing trade that enriches all East Africans. None of the above successes would be possible without our partners in the wider African community and our international investors who have placed such trust in us. My thanks go to them and to the diverse, competent and dedicated professionals who are the core of TMEA.

## Frank Matsaert

Chief Executive Officer, TradeMark East Africa



**While there are still many challenges ahead TMEA has made significant progress in the last 18 months towards our ultimate goal of flourishing trade that enriches all East Africans.**

At TMEA, we believe that by improving East Africa's trade competitiveness, we can achieve a substantial increase in regional trade volumes. This will be done through three mutually reinforcing core objectives, (our 'Theories of Change'): increased market access; enhanced trade environment; and improved quality and prices of products. We pursue our objectives by carefully selecting a mix of interventions, aiming at both the infrastructure (hardware) and use of it (software), where we support our partners. This section provides a synopsis of some projects we are supporting under each objective and the progress made in the year under review.

## Increased Market Access

**Authorised economic operators (AEO)** The Uganda Revenue Authority launched the AEO scheme to reduce trade and regulatory costs through accrediting organisations that meet certain criteria for AEO recognition, therefore benefitting from reduced clearance, inspection and transaction times. At the launch, the target was to recognise 20 operators (who control 80% of the business). By the end of the year in review, 10 of these had already been recognised as AEOs.

**Freight** The East Africa Clearing and Forwarding Practising Certificate (EACFFPC) is a regional training programme aimed at professionalising the customs clearing and freight forwarding industry. The EACFFPC programme launched four training centres at the Malaba and Busia borders. The four centres account for more than 450 students in nine different classes. More than 150 cargo shippers were trained in INCOTERMS through workshops held in Kampala, Zanzibar and Kigali in partnership with the Inter-Governmental Standing Committee on Shipping (ISCOS). As a result, many beneficiaries are already handling their own overseas cargo shipments.

**Non-tariff barriers** The draft EAC NTB bill is scheduled for adoption by the end of 2013. NTB reporting centres were established at six border points and specific NTBs have been eliminated. In Tanzania the SMS and online reporting and monitoring system was awarded second prize at the World Chambers of Commerce competition for Best International Innovative Project and has generated interest in Uganda, Burundi and Kenya and also in SADC and COMESA. The system is a critical source of data for Tanzania's NTB Monitoring Committee, which has 32 members representing 18 institutions and meets monthly, thanks to TMEA funding. At least 25 cases of NTBs have been resolved as a result of the scheme. In Rwanda, through the work of the National Monitoring Committee (NMC) 11 NTBs have been eliminated. A good example of NMC work has been the evidenced based advocacy work undertaken on the trucking industry in Rwanda which led to the elimination of road toll tax in Tanzania and created a saving of US\$800,000.

**One stop border posts** Construction of four OSBPs at Mirama Hills/Kagitumba, Mutukula/Mutukula, Holili/Taveta and Busia/Busia is progressing well. As at June 2013:

- Construction of the Holili OSBP was complete except

for the surfacing of the parking and the road

- Construction of the Mutukula OSBPs was nearly complete
- A prefab office facility for Kobero has been erected and is in use by the Burundi Revenue Authority (OBR)
- There was significant progress in the construction of Taveta, Busia (Kenya) and Kagitumba OSBPs.

**Electronic single Window** In Rwanda, TMEA rolled out the first electronic single window in sub-Saharan Africa. By housing all agencies involved in goods clearance (government and private) under one electronic roof, the electronic single window has created time savings of up to 2.5 days, bringing Kigali that much closer to the ports of Mombasa and Dar es Salaam while generating savings for business up to US\$18 million annually. This project shows the impact generated from applying IT solutions to trade facilitation.

**Ports** With new funding the Mombasa Port Project progressed rapidly with at least five tenders being issued (including yard heavy-duty concreting, gate 10 access road and review of the KPA Act). A key port stakeholder forum was created and a charter developed, to be presented to the President for signing as a commitment by stakeholders, during a Presidential Round Table scheduled for November 2013. A two-day retreat of the Dock Workers Union was held.

**Standards** The Regional Private Sector Standards Platform, which is supported by TMEA, advocated for the adoption of product standards for the most traded goods in the EAC. The EAC Council of Ministers adopted 20 EA Standards and 38 ISO Standards to be considered as EAC Standards. In addition, by June 2013, an additional 41 standards had been harmonised and were awaiting adoption by the East African Standards Committee (EASC). In South Sudan, TMEA is supporting the setting up of a National Bureau of Standards.



**Transport observatory projects** Sited along the Northern and Central Corridors, these are designed to collect relevant data on NTBs and monitor actions to help in shaping policy decisions aimed at reducing transport times.

**Trade facilitation – transport** To improve corridor management, various feasibility studies - roadside stations along the northern corridor, output and performance based road maintenance contracts, and

the Lake Tanganyika Navigation Safety Study - are nearing completion. Freight logistics services are being upgraded through studies on freight logistics, value chain development and an electronic freight exchange. The industry's knowledge and skills have increased through four training centres set up at the Malaba and Busia borders.

## Regional Infrastructure Programme

All TMEA's infrastructure activities seek to make the region more competitive by reducing the high cost of trade transport. Within this practice, TMEA's Regional Infrastructure Programme focuses on multi-country infrastructure activities. The flagship activity in this programme is the Tripartite and IGAD Corridor Programme (TICP), implemented annually by the EAC Secretariat with TMEA support to track progress of priority projects on the main corridors in East Africa.

In the past year, the 2012 TICP Report was completed, validated and adopted by the EAC Multi-Sectoral Council of Ministers, and subsequently fed into the 1st EAC Heads of State Infrastructure Retreat in November 2012. The 2013 TICP Report was also commenced, and will be validated and adopted in the coming year.

Also of note, the Gulu-Juba Corridor Advisory Scoping Study (examining trade facilitation and infrastructure needs at key points on the corridor) was launched, and the inception report delivered.

## Enhanced Trade Environment

**Customs streamlining**, including the introduction of the ASCYUDA World software (first introduced in Rwanda) so that all entries are made online, is speeding up freight imports and exports in Burundi and Uganda. New customs software in South Sudan is also making an impact, reducing the time it takes to import goods while increasing revenue collected by customs. Regionally, TMEA supported the High Level Task Force (HLTF) on the Single Customs Territory. Negotiation points at the HLTF are the location and manner of inspection, and assessment and payment of taxes.

**EAC** As part of TMEA's support towards implementing the EAC industrialisation strategy, scoping studies for agro-processing, bio-fuels and iron and steel value chains commenced. Through the Capacity Development Action Plan the following were handed over to the EAC Secretariat: Sun Systems accounting software, a hardware server, and the Audit Management System. Engagement with the East African Legislative Assembly continued, with successful events in Kigali, Kampala and Mombasa.

**Private sector and civil society** TMEA works with the private sector and civil society, supporting research and advocacy to facilitate both the ease of doing business and better regional dialogue in East Africa. In the last year good progress was made in empowering women cross border traders and promoting the labour mobility of professionals. This programme contributed to the



development of the Mombasa Port Charter, which establishes a framework for collaboration to enhance port efficiency among nine public sector and seven private sector organisations. The implementation of the Consultative Dialogue Framework for the EAC, National Dialogue Committee meetings, grants for innovative projects, and advocacy for policy interventions are all ways in which TMEA has contributed to the sector.

The first State of East Africa Report was launched in 2012. The report which is developed by the Society for international Development in partnership with TMEA focused on a comparative analysis of the trend of development in all the EAC partner states and offered scenarios of the future of the East African regional integration process. The report has been used as a reference tool on regional integration matters and is now used to interrogate East Africa regional integration issues.

In Kenya, training on Good Agricultural Practices (GAP) continued in identified production zones, targeting the leaders of farmer groups growing and marketing vegetables for local, regional and export supply chains. Nearly 400 women and 960 men were trained.

In Rwanda, TMEA has been supporting ProFemme, a civil society organisation promoting the gender mainstreaming and the rights of women, to undertake research on Women Informal Cross Border Traders (WICBTs). This research will help them understand better the issues and constraints that women traders face in doing business across borders and use this research as an advocacy platform. In addition, 50 WICBTs and 4 WICBT co-operatives were trained in project management and business skills in order to empower these women.

## Increased Price and Competitiveness of Products

The programme to improve competitiveness has now been scaled up to a regional programme with work on a regional scoping study underway. Initial projects in Rwanda have begun the second phase of implementation on backward linkages and an export development promotion. This programme is expected to generate US\$3 million worth of additional exports while the backward linkages project is expected to generate US\$10 million in import savings and additional turnover for Rwandan SMEs. For example, the Rwanda Paper Bag Company, SRB Investments, (an SME) will now make cement bags for Cimerwa, instead of importing cement bags.







## Our Partners

“It is a great pleasure to see that the in-house innovation can stretch its wings to the international community. The recognition that the NTBs SMS and online reporting and monitoring system has received is evidence that what we do, as a private sector, in creating a favourable business environment adds value to the lives of people; not only because the world can see it but most importantly, that we contribute towards improving people’s welfare by making it easier to report and for authorities to monitor and eliminate all barriers hindering trade flow.”

**Dan Machemba , Executive Director, Tanzania Chamber of Commerce, Industry and Agriculture**



## TMEA – SUPPORTING UGANDA IN EAST AFRICAN INTEGRATION



TradeMark East Africa is a key partner of the Government of Uganda in the East African integration process through its support for several major programmes. These include the development and implementation of a National Response Strategy on the Elimination of Non-Tariff Barriers (NRSE-NTBs), the creation of a Quality Infrastructure and Standards Programme (QUISP) and other trade facilitation initiatives along the trade corridors.

The NRSE-NTBs, under the Ministry of Trade, Industry and Cooperatives (MTIC), is designed to enhance and strengthen the capacity of the MTIC to monitor and eliminate NTBs, through analysis, advocacy and negotiation. The programme is premised on three key strategic interventions: establishing an information exchange facility; realigning national laws and regulations; and developing and implementing an NTB elimination communication and advocacy strategy.

Achievements include a weighbridge study that identified areas for improvement, a signed MOU with Rwanda on the elimination of NTBs; and the establishment of a Trade Information Desk and joint NMC sub-committees in Katuna and Mirama Hills to monitor and eliminate NTBs that affect cross border trade. These interventions have resulted in the removal of a number of NTBs such as roadblocks and cash bonds and harmonised weighbridge operations.

In supporting the production and trading environment in Uganda, TMEA is complementing funding from SIDA in the Ministry of Trade, Industry and Cooperatives. This is designed to strengthen the capacity of the Uganda Bureau of Standards, including laboratories, testing equipment and personnel. The objective is to raise awareness of quality standards and help to eliminate sub-standard and counterfeit goods in the market.

Regarding the trade corridor initiatives, TMEA is supporting the construction of One Stop Border Posts to facilitate the quick flow and clearance of goods across borders and the installation of a state of the art computerised customs clearance system, ASYCUDA-WORLD.

It is anticipated that with the implementation of key trade facilitation initiatives, like the Authorised Economic Operator programme and the Electronic Cargo Tracking System, clearance of goods will speed up. The free movement of goods within the region will further be enhanced when the Single Customs Territory is fully operational.

The partnership between TMEA and Uganda is enhancing regional integration, reducing the cost of doing business and streamlining the trading environment. I therefore wish to extend our deepest appreciation to TMEA and look forward to consolidating this partnership for the benefit of a sustainable economic growth in the region.

Honourable Amelia Kyambadde,  
Minister of Trade, Industry and Cooperatives



## TMEA SUPPORT TO EAST AFRICAN COMMUNITY SECRETARIAT



The East African Community Secretariat and TradeMark East Africa signed a Memorandum of Understanding in 2011, and since then TMEA has supported the fast paced regional integration process, in line with the 4th EAC Development Strategy, specifically towards the consolidation of the Customs Union and implementation of the Common Market. Recognising regional initiatives spearheaded by the EAC Secretariat, relevant government agencies in the Partner States, and private sector and civil society representatives, TMEA's synergistic consultative process has forged strong links with these key stakeholders.

TMEA supported technical advisors in the EAC Customs Directorate and worked with their counterparts to ensure the passing of the EAC One-stop Border Posts (OSBPs) Bill, 2012. There was substantial progress in the development of OSBPs, the creation of a regional customs management system, and capacity strengthening in both customs administrations and private sector stakeholders.

In partnership with the World Bank, under the Investment Climate Programme, TMEA has supported the development of a fourth series of EAC Doing Business Reports, as well as the development of the EAC Common Market Scorecard. TMEA has also supported the need to identify and eliminate NTBs through the EAC regional law on NTBs, (which includes a legally-binding mechanism) and the work of the National Monitoring Committees.

In addition, TMEA has assisted in the harmonisation of regional standards, resulting in close collaboration with the private sector including a Private Sector Standards Platform at the East African Business Council (EABC). TMEA has promoted continued policy dialogue through the Secretary General's CEO Forums, held nationally and regionally. This is a major platform for discussing trading challenges in the bloc, providing inputs during EAC policy formulation.

In cooperation with GiZ (German Society for International Cooperation), TMEA is supporting efforts to harmonise key commercial laws to create a more conducive business environment. Three value chain studies are underway, in renewable energy, agro-processing and iron steel and metal processing, contributing to the development of a regional industrial economy, in line with the EAC Industrialisation Policy and Strategy.

TMEA's support has also helped to develop the EAC monitoring and evaluation system, which monitors progress on implementing Council directives; and under the Capacity Development Action Plan major milestones were achieved to strengthen financial management and procurement systems.

Overall, TMEA remains committed to supporting the five Partner States to achieve a deep level of regional economic integration, with the objective of expanding export competitiveness and sustaining economic development.

**Amb. Dr. Richard Sezibera**  
Secretary General, East Africa Community

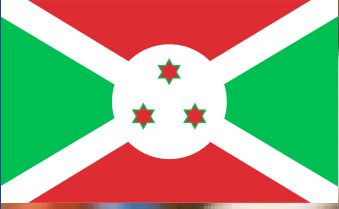




## Our Projects

“There is a need to address the many non-tariff barriers, improve tax regimes, and fast track harmonisation of standards between Partner States. Transport infrastructure also has to be improved. Statistics indicate that transport-related costs in East Africa are 60%-70% higher than in the US and Europe. We are working to reduce the average time to import/export a container from an East African port to Burundi and Rwanda by 15%. This has a potential saving of \$7 billion per annum for the region.”

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



## Modernising Burundi through streamlined tax gathering

When a country's citizens do not pay taxes on the income they earn then that country cannot grow, either economically or socially. This was the problem in Burundi before the establishment of the Office Burundais de Recettes (OBR), a streamlined tax-gathering organisation set up with assistance from TradeMark East Africa to increase government revenue collection for its own development.

Gabriel Toyi, former chief of cabinet in the office of the second Vice-President says that revenue has gone up by nearly 40 percent in a year: "We are modernising... everyone has a stake in it."

That modernisation can be seen in Burundi's countryside where health centres have been improved thanks to funding from taxes. The old health centre in the village of Ruziba, 30 minutes from the capital, Bujumbura, was dilapidated, falling down for want of repairs, while the new one is smart, solid and a source of local pride.

Burundi's government has high hopes for other tax funded projects, such as a hydro-electric dam which will transform the country, supplying power to schools, health centres and businesses. Construction has also started on a major regional hospital which will be entirely tax funded.

### Achievements

- Increased revenue collection from 301.26 billion BIF (Burundi Francs) in 2010 to 526 billion BIF in 2012.
- According to Transparency International's bribery index, the incidence of bribery at OBR has decreased from 90% in 2010 to 36% in 2013.
- An OBR senior management team and division heads have been put in place with the assistance of TMEA.
- With TMEA's assistance computerisation programmes, including Asycuda World, a state-of-the-art customs software, have been installed in 10 Customs stations.
- 60% of Customs declarations are now made electronically, compared to none in 2010.
- An OBR corporate plan with strategic outcomes has been created, funded by TMEA. This will enable the OBR to monitor its own performance.

## Creating an improved business environment in Burundi

Starting a business in Burundi used to be a long and complicated affair, needing numerous trips to various offices throughout Burundi's small capital, Bujumbura. However, according to the 2013 World Bank Doing Business Report, there have been nine business reforms in Burundi since 2010, compared to none in the preceding five years.

These reforms mean that not only does it take much less time and energy to complete the formalities of starting a business (four steps compared to double that in the rest of sub-Saharan Africa), the country has also significantly improved its business climate and credibility in the eyes of investors. Burundi has improved its position in the Doing Business Report by 13 places since 2005.

This one-stop approach to business means that Burundi is the only African state included in the World Bank's league of the world's top 10 economic reformers.

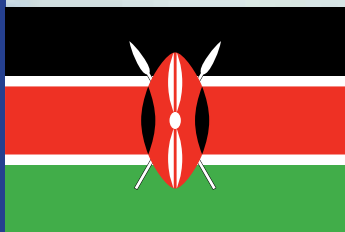
Kieran Holmes, Commissioner General of the Burundi Revenue Authority (OBR) commented: "The one-stop shops are important for Burundi's economy and economic future because they show that with joint action from government agencies, real improvements in service delivery can be made."

TradeMark East Africa has assisted Burundi in its modernisation efforts by supplying expertise to create the business reforms and to aid improved revenue collection by the OBR. In addition, the creation of one-stop border posts and the elimination of non-tariff barriers, both TMEA projects, will contribute to a much better business environment.

### Achievements

- Nine business reforms between 2010 and 2013, compared to none in the preceding five years.
- Burundi has moved up 13 places in the World Bank's Doing Business Report 2013.
- Since 2010 Burundi has twice been ranked one of the world's top 10 economic reformers.
- An Executive Secretariat of Doing Business Reforms has been established and is now operational.







## Stakeholders commit to sharing information at the Mombasa Port

TradeMark East Africa is working with the Mombasa Port Corridor stakeholders to improve the efficiency of the Corridor for national and regional economic growth and prosperity. One way of doing this is through the Mombasa Port Corridor Community Charter.

Founded by members of the Mombasa Port Community from both the public and private sector, the Mombasa Port Corridor Community Charter seeks to commit all parties to work together, discarding the previous mentality of poor information sharing. The Charter will also include a pledge that all parties will embrace the digital age, which will facilitate trade through the port, ensuring its growth.

TMEA recognises that political goodwill from government departments is critical to the Charter's success and is working to ensure that Kenya's political leadership is aware of the Charter and its commitments. This has resulted in the on-going reforms receiving high priority and the President's personal intervention. As reforms are rolled out the Mombasa Port is expected to become more efficient and eventually more prosperous.

TMEA is also supporting several of the Mombasa Port Corridor Community Charter signatories to deliver their commitments, such as the on-going Mombasa Port programme with the Kenya Ports Authority that will result in specific capacity and efficiency gains.

## Achievements

- Drafting of a Mombasa Port Corridor Community Charter has commenced with input from stakeholders.

## Enhancing access to EU markets for Kenya's fresh produce

To enhance access to EU markets and to contribute to uniform standards throughout East Africa through good agricultural practice (GAP), TradeMark East Africa, in partnership with the Fresh Produce Exporters Association of Kenya, devised training programmes for local farmers that will ensure their products conform to EU regulations.

The training curriculum and materials (including a Swahili version) was endorsed by the region's stakeholders, following which trainings and certification of farmers have been rolled out across Kenya and the region.

The project ultimately aims to improve the incomes and livelihoods of small-scale horticulture farmers in East Africa, through raising quality and production standards, leading to increased trade across East Africa, and enhanced international market access. KenyaGAP Domestic, launched in May 2012, espouses globally recognised good agricultural practices, taking into account the circumstances of local smallholder farmers such as value chains, resources, agronomic cultures and ecological conditions.

## Achievements

- The East Africa GAP Training Centre and simplified educational materials were officially launched and will be utilised for conducting trainings across the region.
- The training materials and curriculum for the horticultural sector, as well as its Kiswahili version, was officially certified by the International Association of Horticultural Producers, the horticultural associations' international certification organisation





## Easing cross border trade by eliminating non-tariff barriers

One of TradeMark East Africa's objectives is to eliminate unnecessary non-tariff barriers (NTBs) and thus facilitate trade within the East African region. In Rwanda, TMEA revamped the National Monitoring Committee (NMC), which draws up and negotiates Memorandums of Understanding (MoUs) between neighbouring countries on how to abolish NTBs. A website to register complaints online and an advocacy strategy were also established.

Using evidence-based research and high-level government advocacy, the NMC successfully removed 11 NTBs in the last year (seven in Rwanda, three in Uganda and one in Tanzania). By the end of June 2014, TMEA in Rwanda expects two more MoUs to be signed on the elimination of NTBs and a fourth study to be completed.

Research, supported by TMEA, on the competitiveness of the Rwandan haulage industry revealed that the industry had been losing market share to Tanzania along the Central Corridor due to a US\$500 truck road tax imposed on non-Tanzanian trucks. The Rwandan Government used this research to successfully negotiate with Tanzania to remove this tax, leading to cost savings of between US\$800,000 to US\$1.6 million year.

Meanwhile the man in the street can now get spare parts in less than 24 hours, thanks to a simple piece of paper that prevents small cross-border transactions becoming choked in the paperwork of major cross-border commerce.

### Achievements

- MoUs and other NMC activities led to the removal of 11 NTBs (seven in Rwanda, three in Uganda and one in Tanzania).
- Three studies were completed, two on NTBs in the Northern and Central corridors and one on Rwanda's road freight competitiveness.
- Tanzania reduced its toll tax on non-Tanzanian trucks due to TMEA-funded research advocating Rwanda/Tanzanian dialogue leading to cost savings of between US\$800,000 to US\$1.6 million year.
- Under bilateral agreements the threshold for clearing goods at Rwanda's borders was raised.
- Customs and other officials are working longer at main crossings to avoid the need for lorry drivers to sleep in their trucks overnight.

## Cutting through the customs red tape in Rwanda

In the past it could take anything from eight hours to four days for a container to clear Rwandan customs, making the clearing process expensive and time consuming, and adding to the eventual cost of the goods in the shops. Working with the Rwanda Revenue Authority (RRA), TradeMark East Africa has devised sub-Saharan Africa's first one-stop electronic trade clearance system, a computerised scheme that saves time and money.

Called the Rwanda Electronic Single Window (RESW), the system gathers under one electronic roof all the agencies need to clear, approve and charge duty on imports and transit goods, transparently, quickly and efficiently. This means that almost all clearing formalities can be completed on a computer screen cutting clearance time by up to 50 percent and saving clearing agents the trouble of going from one agency to another to complete all the necessary paper work. Clearing and forwarding agencies have wholeheartedly embraced the system, with a hundred percent uptake, each one going through three days of intensive training in their chosen electronic system. Ultimately, this will lead to a saving of from US\$10 million to US\$18 million annually for Rwandan businesses.

"Embracing the Electronic Single Window is the biggest achievement in the country's move to strongly reduce the cost of trade and is a great example of how IT can be used to facilitate trade," said Minister of Finance and Economic Planning John Rwangombwa. "I believe that online clearance of goods... will effectively bring Rwanda two days closer to the coastal ports of Mombasa and Dar."

### Achievements

- All clearing agents have been trained in their chosen electronic system.
- 100% of registered clearing agents in Rwanda now complete customs transactions on line.
- The time used for clearance formalities has been reduced by up to 50% on all clearance channels:

	2011-2012	30 June 2013
Blue channel	492 min	240 min
Yellow channel	4,320 min	2,220 min
Red channel	5,760 min	2,340 min

(source: Rwanda Revenue Authority)





## Helping a new nation to grow

The border between Uganda and Africa's youngest nation, South Sudan, is a busy one, being a major route from the East African coast to this young state. Every day huge trucks line up under a searing sun, filled with an assortment of goods that are essential to building a nation. Getting one truck through customs used to be a laborious process requiring multiple forms, inspections and payments, all of which could take days. However, that cumbersome method is gradually becoming a thing of the past as a streamlined, automated, customs collection system takes over.

With support from TradeMark East Africa the customs post at Nimule is being computerised. Multiple forms have been swapped with one online procedure, replacing hours of paperwork. In addition the customs department is being rationalised, now placed under one department instead of several ministries. Commenting on the importance of streamlining revenue collection systems, Lt Col Emmanuel Goya Simon second-in-command of customs at Nimule said, "The revenue will help us in security, health and education. It will help the nation grow and breathe."

## Achievements

- An increase in revenue from US\$12.6 million in the six months to December 2011 to US\$43.6 million in the following six months.
- 10 customs officers were trained in the implementation of the interim computerization system for Nimule Customs. They are now handling training sessions for their colleagues.
- A joint risk based approach to examination of strategic goods between South Sudan Customs service and Uganda Customs is being implemented at Nimule.
- The time taken for Customs processing at Nimule has reduced by two hours, since the end of 2012.

## Setting standards in South Sudan

In a new country such as South Sudan it is essential to set standards right from the beginning so that traders do not dump sub-standard goods in the market. TradeMark East Africa has been helping South Sudan to achieve this through its support to the South Sudan Bureau of Standards, amongst others.

This support includes the development of preliminary texts for quality and metrology regulations and of a priority list of laboratory equipment for testing .

At a food hygiene workshop funded and facilitated by TMEA, the former South Sudan's Minister for Commerce, Industry and Investment Hon. Garang Akuong underscored the role of TMEA in promoting regional trade. He reiterated the commitment of the government, particularly his ministry, to working with TMEA to promote trade between South Sudan and the region.

The minister urged business people to ensure that the standards of goods and services they import into the country represent international acceptable standards.

## Achievements

- A unified South Sudan Standards office was established.
- Food safety and hygiene standards and metrology practices in line with South Sudan trading partners have been embraced by private sector players and the standards staff.
- Draft texts of legal metrology and product quality assurance regulations aligned to regional and international standards have been developed.



## Modernising deep water berths at Dar es Salaam Port

Dar es Salaam port is the principal port of Tanzania with eleven deep-water berths. It handles about 95 percent of the Tanzania international trade and also serves the landlocked countries of East Africa - Uganda, Burundi and Rwanda, as well as countries further south.

In April 2012, as part of its programme of support to the Tanzania Ports Authority (TPA) at Dar es Salaam Port, TradeMark East Africa, in partnership with the Development Bank of Southern Africa, commissioned a feasibility study to modernise seven general and dry bulk cargo berths at Dar es Salaam Port.

This work is in line with the recently launched presidential initiative called Big Results Now, which in the transport sector identifies necessary improvements along the Central Corridor. A large part of this programme focuses on improvements to be made at the Port of Dar es Salaam including the operational capacity of these seven berths.

The work was split into two parts. The first part focused on identifying the most suitable method of strengthening and deepening berths 1 to 7 (including the construction of a new 'roro' terminal) to cope with future increases in trade. The second part concentrated on identifying the most suitable method of modernising the cargo handling procedures on berths 1 to 7, including recommendations for appropriate private and public partnership options for these berths once built.

By strengthening and deepening berths 1 to 7 and modernising related handling capacity the project aims to increase the operational capacity and efficiency of break and dry bulk operations and improve ship turnaround times.

### Achievements

- The feasibility study was completed.
- The necessary pre-project survey and detailed design work associated with berths 1 to 7, together with wider improvements to Dar es Salaam Port, is under preparation for advertising.

## Informing Tanzania's business sector on the benefits of EA integration

How can the interests of Tanzania's business sector be effectively represented in the EAC regional agenda?

This was a question put to TradeMark East Africa by the Tanzania Private Sector Foundation (TPSF), which wanted to inform Tanzania's business community how EA integration would affect them and the benefits and opportunities it would offer to the private sector.

The request for TMEA support sought to build institutional and internal capacity, and enhance research, analysis, communication, awareness-raising and advocacy. The objective was to promote private sector participation in the regional agenda.

Working with TMEA, TPSF designed a two-year programme based on which TMEA awarded TPSF a US\$671,000 implementation grant. The support includes increasing communication to raise awareness of the benefits and opportunities arising from EAC integration, and strengthening the Foundation's capacity to undertake evidence-based and quality advocacy campaigns and to raise awareness.

The support also seeks to strengthen public-private sector dialogue on EAC integration, including dialogue with Members of Parliament, and decision and policy makers.

### Achievements

- Information and knowledge products are constantly being generated.
- Research to inform the private sector's advocacy agenda has been carried out.
- The private sector is tackling the problem of specific non-tariff barriers within Tanzania and neighbouring countries.
- Institutional capacity to undertake research and policy analysis and to improve communication is being enhanced.







## A win-win situation through online customs procedures

At the beginning of 2011 TradeMark East Africa began a three-year initiative to support the Uganda Revenue Authority (URA) through the implementation of a state-of-the-art customs transaction system known as ASYCUDA (Automated System for Customs Data). The support also includes eliminating inefficiencies related to clearance of goods, enabling data exchange with other customs authorities and training customs officials and clearing agents.

By November 2012 the ASYCUDA World system had been procured, installed and piloted at major customs stations. The roll out in the Kampala region was a key milestone that connected over 100 customs bonded warehouses to the system. Stations where the system has been rolled out so far account for over 95 percent of customs operations; in turn this has enabled the URA to deploy the system to 95 percent of its operations. In addition, activating ASYCUDA at the major border stations of Malaba and Busia has enabled the URA and its Kenyan counterpart, the KRA, to connect their systems for quick clearance of goods from Mombasa through to Kampala.

Using ASYCUDA World is a win-win for everyone. One plastics company has cut clearance time from five days to one day with a saving of US\$300 per transaction, amounting to over US\$200,000 per year. The savings are being used to expand production and the employment of many people, mostly women. From these cost savings the man in the street can expect to buy goods at a cheaper price, while back at the customs post clearance times are shorter, with all round greater efficiency, transparency and security.

### Achievements

- ASYCUDA has been fully deployed at the major customs stations of Malaba, Busia, Mbale, Entebbe International Airport, Mutukula, Katuna and Kampala.
- The clearance time at Entebbe International Airport has reduced from an average of nine days to two days.
- The clearance time at Jinja customs station has reduced from an average of 16 days to two days.
- The deployment of ASYCUDA World in the Kampala region has, in one month only, led to an increase in revenue collection of UGX 2.1 billion above target.

## Authorised Economic Operator Scheme saves money for all

The Uganda Revenue Authority (URA) seeks to build mutual partnerships with businesses (importers, agents, transporters and exporters) that consistently comply with customs laws and regulations. In return, such businesses benefit from preferential treatment under the authorised economic operator (AEO) scheme.

The AEO programme aims to accredit at least 20 companies (contributing 80 percent of customs revenue and consuming 80 percent of processing time) as authorised economic operators. Benefits of the AEO scheme include decreased clearance time and cost, reduced examination of goods and mutual recognition of compliant companies across the EAC region.

In the year under review, after rigorous vetting, 10 companies were accredited as AEOs. They include those from the shipping, logistics and manufacturing sectors. Jennifer Mwijukye, Managing Director of Unifreight Cargo Ltd, now clears merchandise and calculates taxes electronically, which she remits "at the click of a mouse" without physically going to URA offices. In addition, Unifreight's cargo is not subject to physical examination, and the numerous bonded warehouses it manages do not have a customs officer present. "I can tell you today that I am saving at least US\$300 per container in processing costs," she said, "to say nothing of the handling time which has drastically reduced. We now thus save at least US\$31,200 a year".

Overall, the AEO scheme will result in a 50 percent reduction in physical inspection of goods by customs by 2014. According to Richard Kamajugo, the URA Commissioner for Customs, the URA expects to reduce the clearance costs to traders to the tune of US\$1 million per year.

### Achievements

- Ten companies were accredited as AEOs, after a rigorous vetting process, saving time and money for both the URA and the companies.
- Accredited AEO companies will benefit from mutual recognition and preferential treatment in Kenya, Tanzania, Rwanda and Burundi when the regional AEO programme becomes operational in early 2014.

## Breaking the bottlenecks in the Northern and Central Corridors

The Northern and Central Corridors are the main transport routes that link eastern DR Congo and the landlocked countries of Burundi, Rwanda and Uganda, and now South Sudan, to the ports of Mombasa and Dar es Salaam and are essential to the smooth flow of goods through East Africa. Yet they are the source of countless bottlenecks that include non-tariff barriers, which are often the source of lengthy and costly delays.

To analyse where the bottlenecks occur and the time it takes to get through them, Transport Observatory Projects (TOPs) have been established on each corridor to monitor their logistic performance through data collection of key indicators. These indicators are benchmarked to assist in working out where the bottlenecks and inefficiencies occur. Policy makers and implementers will be able to use this information to cut down on transport costs. For example, in the Central Corridor it is estimated that this endeavour could lead to up to 50 percent reduction in those costs.

The TOPs are managed by each corridor's transit trade entity: the Northern Corridor Transit Trade Coordination Authority (NC TTCA) and the Central Corridor Transit Trade Facilitation Agency (CC TTFA).

### Achievements

- The first online database for the Northern Corridor was commissioned in April 2012.
- Two surveys were conducted by NC TTCA, with the support of the Kenya Transport Association (KTA), TMEA and the World Bank, which identified the full capacity of the industry and other revenue issues.
- The KTA acquired 100 global positioning system kits through TMEA's support. These devices are used to collect data on transit times and stoppages for the Northern Corridor TOP.
- The Northern Corridor TOP was launched in December 2012.
- The Central Corridor TOP is being developed, ready for a 2013 launch.

## Supporting a Single Customs Territory in East Africa

Imagine going through three borders in East Africa yet only paying customs duties once. Not only would it reduce customs duties on goods travelling through the region, it would also decrease the time taken to get through borders. In April 2012 the EAC Summit, wishing to deepen integration in East Africa, adopted the 'destination principle' to guide the implementation of a Single Customs Territory, providing for payment of duties at the first point of entry, with subsequent remission to the destination partner state.

Creating a Single Customs Territory (SCT) will strengthen a legal and institutional framework that will create a mechanism for collecting and accounting for customs revenue and common trade policies. Revenue remittance is subject to the fulfilment of key preconditions to be developed by a High Level Task Force (HLTF). The HLTF, which is supported by TradeMark East Africa, was established by the EAC Heads of Summit to create a framework that will facilitate effective functioning of an SCT for the EAC Customs Union.

### Achievements

In partnership with the EAC Secretariat the following improvements were realised:

- The HLTF has developed a draft legal and institutional framework to be considered by the EAC Council of Ministers in November 2013.
- Duty remission and sensitive list studies are currently being conducted to guide the Council.
- A time-release study was concluded, which identified the areas that needed to be addressed to enable a fully functioning SCT.
- Sixty customs personnel have been trained and regional customs training curriculum manuals have been launched and distributed.
- A customs training curriculum for clearing and forwarding agents has been developed and launched.
- EAC Customs Management Regulations have been finalised.
- An IT exchange of transit data is complete.

## One standard, one test, one mark in East Africa

Standards, whether for products, services, safety or the environment, are applied to protect consumers from health and environmental risks, deceptive practices and excessive costs, by using common reference points. However, significant differences have emerged between national standards within the EAC, which can be major impediments to trade. Although the EAC has been harmonising product standards since 2005, only 1200 harmonised standards have been published to date. To enable a better harmonisation process, TradeMark East Africa supported the creation of a Regional Private Sector Standards Platform within the East African Business Council to lobby for standards-related issues within the EAC. The Platform aims to facilitate trade without compromising health and safety. To maximise regional impact and ensure results, it works on the most traded goods in the EAC for standards that need to be harmonised, reviewed or withdrawn. Mutual recognition of products is also part of the Standards Platform.

The Platform is endeavouring to fast track product standard harmonisation in the EAC by advocating: that national work programmes be aligned to the regional programme; that the EAC should join the International Standards Organisation; that the EAC should adopt recognised standards of development organisations, such as the EU; that mutual recognition of product certification marks issued by the EAC national bureaux of standards should be fostered; that the EAC should encourage the private sector to develop standards for their products; and that the development of standards for the most traded goods in the EAC region should be prioritised.

### Achievements

In partnership with the EAC Secretariat the following improvements were realised:

- Seventy two harmonised product standards were developed and 40 are ready for adoption.
- TMEA supported the development of the Standards Management Committee's three-year work programme and its one-year work plan.
- TMEA supported the Platform in training on the revised principles and procedures for the development of EA standards.
- A workshop on ISO certification standards was conducted.
- TMEA supported regional public-private dialogue on age limits for imported used motor vehicles in to the EAC.

## One step closer to border efficiency with One Stop Border Posts

Crossing border posts between neighbouring countries in East Africa has long been the source of delay and increased cost of transport as people and goods journey from the coastal ports to the landlocked inland countries.

The TradeMark East Africa One Stop Border Post (OSBP) programme involves modernising border post infrastructure and facilities and enhancing efficiency by integrating clearance procedures and processes. By bringing border officials of entry and exit border posts together, working side by side, there is only one border stop (on the entry side) for exit and entry formalities.

This one stop control, which by itself will reduce time spent at borders, is supplemented with modern equipment and computers for all border agencies, automation and integration of border processes, and training of border officials. Crosscutting issues, including gender mainstreaming, support to informal traders, and HIV/AIDS are also addressed to benefit OSBP users and the local community.

The end result should be a 30 percent reduction in the time it takes a truck to cross the border. This will contribute to reducing the cost of exports and imports, which should, in turn, make EAC exports to global markets more competitive, while imports to the domestic market become cheaper.

### Achievements

- Border agencies agreed that one-stop arrangements should start on a pilot basis once construction of an OSBP on one side of the border is complete. With the support of the TMEA team at the EAC Secretariat, the EAC OSBP Bill, 2012, was passed by the East African Legislative Assembly in April 2013 and is now awaiting assent by the Presidents of the five Partner States. Draft bilateral agreements between Tanzania and Kenya, Tanzania and Uganda, and Rwanda and Uganda were prepared and submitted to the governments concerned for signature.







## Giving opportunities to women for improved cross border trade

Although Article 121 of the EAC Treaty emphasises the role of women in socioeconomic development, women have not fully benefited from the Customs Union and the Common Market largely because they have little knowledge of their rights and entitlements and lack business information.

In its goal to ensure the equitable distribution of the benefits of integration, and specifically to empower women traders, TradeMark East Africa's Private Sector and Civil Society Programme supports the women informal cross-border traders (ICBT) programme run by the East Africa Sub-Regional Support Initiative for the Advancement of Women (EASSI). This programme seeks to increase awareness of the challenges of ICBT and build up knowledge and advocacy for a better trading environment.

Research conducted by EASSI in October 2012 established that the most significant challenge faced by approximately 70 percent of women informal cross traders is lack of adequate funds to support businesses. Other key constraints include high taxes (44%), high transport costs (41%), competition from big companies (36%) and lack of information on markets (35%).

### Achievements

- Women Informal Cross Border Trade (ICBT) Associations have been established in the five EAC partner states, together with a regional women's cross border traders' association.
- Eighty-eight government officials have been made aware of the gender dimensions of trade, including strategies to address exploitation.
- Seventy-two women ICBTs from all five EAC partner states were trained as trainers on entrepreneurship skills, business management skills, marketing and packaging skills, networking and credit management.
- Resource centres were established at border posts to provide information on EAC trading regulations.
- A simplified version of the EAC Common Market and Customs Union protocol (including a Kiswahili version) was developed and disseminated to the women ICBT.

## Enabling professionals to work across East African borders

With the implementation of the Common Market Protocol, demand for mutual recognition of qualifications, licensing and certification requirements allowing professionals to provide services across the EAC Partner States has increased. However, professional services in East Africa remain largely underdeveloped, due in part to the fragmentation of regional markets by restrictive trade and migration policies.

To address this challenge the region requires urgent policy action at national and regional levels in the areas of education, regulation, policy on trade and labour mobility.

TradeMark East Africa recognises the importance of professional services to regional integration and has committed close to US\$350,000 to initiatives for the development of sector based Mutual Recognition Agreements (MRAs) to eliminate barriers and address the regulatory differences.

In partnership with strategic partners such as the East Africa Professional Services Platform and the East Africa Law Society, these initiatives are designed to address the issue of MRAs and unlock a huge unexploited potential in professional services through reduced costs, increased competitiveness and the creation of an environment of increased legal certainty for cross border business. The prioritised sectors are accounting, engineering, architectural services and legal services.

### Achievements

- An advocacy campaign is ongoing for the liberalisation of services in the EAC through delinking the schedules on the movement of services and workers under the Common Market Protocol.
- MRAs for accountants, architects and engineers have been negotiated and formally adopted in the EAC.
- An MRA for legal services is under development and a Cross Border Legal Practice Bill for the EAC is being finalised.



## Our Community

“EA integration will open more opportunities for me and TMEA. it will allow TMEA to expand its portfolio and reach out more to the East African community. It will enhance the business capability and economic power of the region and therefore improve the livelihoods of all East African people.”

**Ivan Kataka, ICT Officer, TradeMark East Africa**



### **Ivan Kataka** ICT Officer, Nairobi, Kenya

"TMEA is dynamic, innovative and very objective oriented. Our staff pool is made of people from diverse locations, religions, cultures and personal tastes. All these contribute towards a great team of people who work together to meet our objectives and visions.

EA integration will open more opportunities for me and for TMEA. It will allow TMEA to expand its portfolio and reach out more to the East African community. It will enhance the business capability and economic power of the region and therefore improve the livelihoods of all East African people."

### **Sandra Kirenga** Senior Programme Officer, Kampala, Uganda

"Knowing that I am playing a part in ensuring that reduction of transport costs becomes a reality is very inspiring. In addition, TMEA is a unique flexible organisation with a passionate great team and provides opportunities to learn and grow career wise. I contribute to EA integration through the support I provide to partners to ensure that key issues for advocacy are well documented and presented to the right platform for discussions. It is amazing how quick decisions and policies can be made or changed resulting from good quality advocacy."



### **Peter Mjema** Driver, Arusha, Tanzania

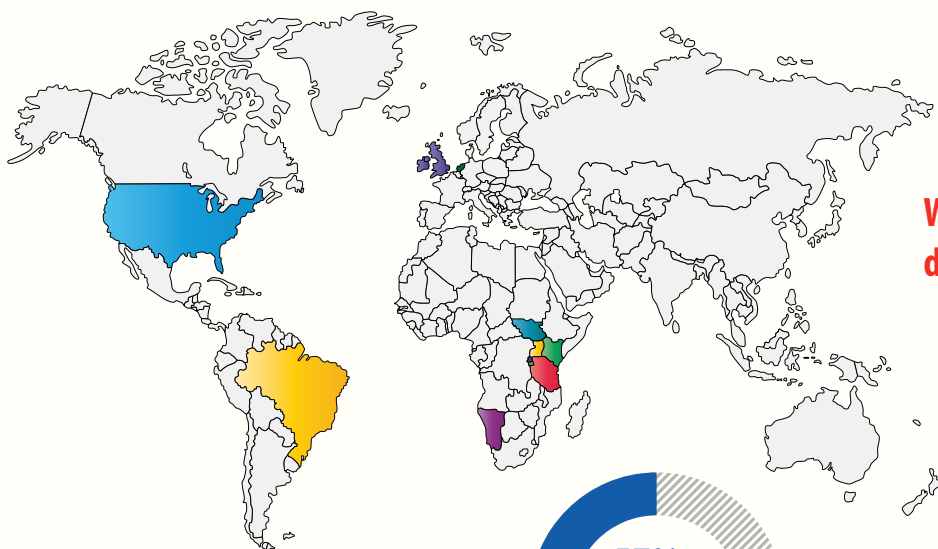
"My job involves mostly driving, picking up delegates and office work which involves driving. I like working with TMEA because of its support for integration within the East African Community. EA integration will increase business opportunities, give freedom of movement and reduce tariffs on goods and services."

### **Eve Muhoracyeye Gossiaux** Programme Officer, Kigali, Rwanda

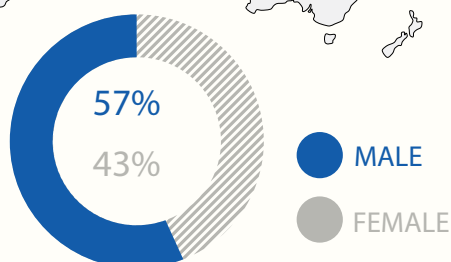
"TMEA is a dynamic, fast and effective organisation. We are pragmatic. We don't just talk about creating an impact, we actually do concrete things to reach our targets and the results are there! I also appreciate our realistic but human vision of development which focuses on creating wealth through trade without forgetting to include the people of East Africa in the process. It's not the bureaucratic approach of development, it has a human face as we are trying to create a positive impact on the real people."



### **Nationality**



**We value the diversity of our staff**





## The Programme Investment Committee

The Programme Investment Committee is the main decision making body. It meets quarterly to set the strategic position of TMEA and monitors progress towards TMEA's objectives.

		Representing
Peter Cederblad	Chairperson	Sweden
Ali Mufuruki	Independent Member	
Oskar Kass		Finland
Luuk Nijman		The Netherlands
Merian Sebunya	Independent Member	
Patrick Obath	Independent Member	
Richard Sezibera	Patron	EAC Secretary General (ex officio)
Tim Lamont	Vice Chairperson	UK and Belgium
Joe Okudo		Denmark

## The Board of Directors

TradeMark East Africa is a company limited by guarantee and registered in Kenya. Under an agreement first established by the UK Department for International Development (DFID), members of the Board of Directors are nominated by KPMG (TMEA's custodians).

### Charles Appleton

Partner KPMG (Chair)

### Anis Pringle

Partner KPMG

### David Leahy

Partner KPMG

### Corin Mitchell

Director, KPMG International Development Assistance Services (DAS)

For legal reasons TMEA in Rwanda has been established as a separate company limited by guarantee. The members of the Board of Directors for Rwanda are:

### Charles Appleton

Partner KPMG (Chair)

### John Ndunyu

Partner KPMG Rwanda

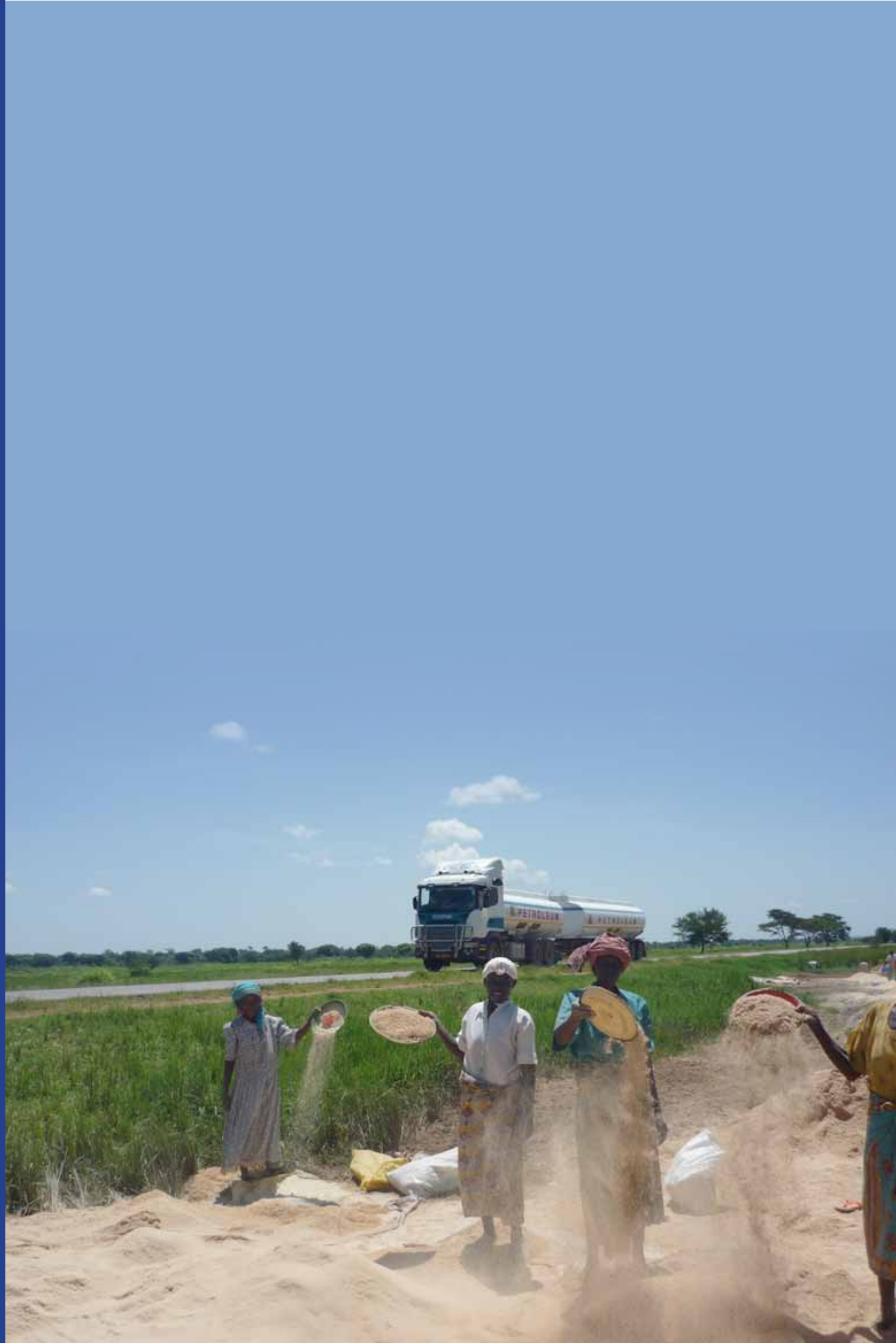


## Our Investors

“East Africa’s potential has never been greater; East Africa is an increasingly important and vibrant player in the world economy. It must also be remembered that integration is not only about economics. Integration does also enhance peace and stability. Sweden continues to support TMEA to push forward the agenda on economic integration. Investments in regional trade infrastructure and support to the private sector will ensure that businesses are able to thrive and create jobs needed to make this region prosper. Ultimately, this will reduce poverty in the region.”

**Björn Häggmark, Chargé d’Affaires at the Embassy of Sweden, Kenya**





With the support of  
THE BELGIAN  
DEVELOPMENT COOPERATION 

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

EMBASSY OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION

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

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



The 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)



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 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/)



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

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



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

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



## 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 2013 and the summary statement of comprehensive income for the eighteen month period ended 30 June 2013, are derived from the audited statements of TradeMark East Africa for the eighteen month period ended 30 June 2013. We expressed an unmodified audit opinion on those financial statements in our report dated 15 November 2013.

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 eighteen month period ended 30 June 2013 are consistent, in all material respects, with those financial statements.

Nairobi

Signed by: CPA Churchill Atinda (Partner)  
Practising certificate no. p.1425

## Statement of Comprehensive Income for the Eighteen Months Ended 30 June 2013

	18 month period ended 30 June 2013	Year ended 31 December 2011
	US\$'000	US\$'000
<b>INCOME</b>		
Grant income	<u>79,350</u>	<u>31,562</u>
<b>OTHER INCOME</b>		
Interest on bank balances	<u>99</u>	<u>158</u>
Total income and other Income	<u>79,449</u>	<u>31,720</u>
<b>EXPENDITURE</b>		
Personnel costs	18,439	7,988
Consultancy costs	28,080	8,774
Professional services	3,569	1,824
Conferences and workshops	3,501	2,001
Grants to partners	16,994	10,800
Office supplies	480	428
Project assets	21,943	4,396
General expenses	2,886	1,336
Travel expenses	4,934	2,031
Depreciation	773	406
Amortisation	91	56
<b>Exchange (gains)/losses</b>	<u>(930)</u>	<u>(153)</u>
<b>Total expenditure</b>	<u>100,760</u>	<u>39,887</u>
<b>Deficit and Total Comprehensive Income for the period/year</b>	<u>(21,311)</u>	<u>(8,167)</u>



## Statement of Financial Position as at 30 June 2013

	As at 30 June 2013	As at 31 December 2011
	US\$'000	US\$'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	1,056	1,313
Intangible asset	35	60
	<u>1,091</u>	<u>1,373</u>
<b>CURRENT ASSETS</b>		
Bank and cash balances	10,690	26,617
Accounts receivable	<u>822</u>	<u>260</u>
	<u>11,512</u>	<u>26,877</u>
<b>TOTAL ASSETS</b>	<u>12,603</u>	<u>28,250</u>
<b>FUND BALANCES AND LIABILITIES</b>		
<b>FUND BALANCES</b>		
Unexpended funds	<u>4,496</u>	<u>25,807</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	<u>8,107</u>	<u>2,443</u>
<b>TOTAL FUND BALANCES AND LIABILITIES</b>	<u>12,603</u>	<u>28,250</u>

## CONTACTS

### Head Office

2nd Floor, Equatorial Fidelity Centre  
Waiyaki Way, Westlands  
P.O. Box 313 00606  
Nairobi, Kenya  
+254 20 423 5000  
info@trademarka.com

### Arusha

1st Floor, Victoria House  
Joel Maeda Road  
P.O. Box 67  
Arusha, Tanzania  
+255 762 233 028  
infoarusha@trademarka.com

### Burundi

1st Floor, Old East Building  
Place de l'Indépendance  
P.O. Box 40  
Bujumbura, Burundi  
+257 22 277 101  
infoburundi@trademarka.com

### Kenya

2nd Floor, Equatorial Fidelity Centre  
Waiyaki Way, Westlands  
P.O. Box 313 00606  
Nairobi, Kenya  
+254 20 423 5000  
infokenya@trademarka.com

### Rwanda

Rue Amajyambere  
P.O. Box 539  
Kimihurura, Kigali  
+250 280 306 084  
+250 280 306 085  
inforwanda@trademarka.com

### South Sudan

Stanbic CFC Building  
3rd Floor, Eastern Wing  
P.O.Box  
Juba, South Sudan  
+211 956 178 157  
infosouthsudan@trademarka.com

### Tanzania

3rd Floor, 50 Mirambo St  
P.O. Box 14956  
Dar es Salaam, Tanzania  
+255 22 212 8953  
+255 22 212 8954  
infotanzania@trademarka.com

### Uganda

3rd Floor, Course View Towers,  
Plot 21, Yusuf Lule Road  
Kampala, Uganda  
+256 312 223 400  
infouganda@trademarka.com









TRADE  
MARK  
EAST AFRICA

Head Office  
2nd Floor, Equatorial Fidelity Centre  
Waiyaki Way, Westlands  
P.O. Box 313 00606  
Nairobi, Kenya  
+254 20 423 5000  
[info@trademarkea.com](mailto:info@trademarkea.com)