

RESULTS IMPACTS PROSPERITY

ANNUAL REPORT 2016 - 2017

OUR VISION

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

OUR MISSION

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

OUR FOCUS

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

OUR POTENTIAL

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A woman with her hair in traditional braids, wearing a dark blue dress with red and white embroidery, is shown in a coffee processing facility. She is sorting through large piles of coffee beans. The background shows other workers and industrial equipment, all under a green color overlay.

OurPotential

OUR 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.



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.

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.

\$560 MILLION

TMEA'S investment in trade facilitation programmes in East Africa.



INCREASED PHYSICAL ACCESS TO MARKETS

REDUCING: transit times and costs
IMPROVING: port efficiency
CONSTRUCTING: trade infrastructure

7 COUNTRIES

East African locations that TMEA works in, including all EAC member states and South Sudan.



ENHANCED TRADE ENVIRONMENT

ELIMINATING: NTBs
UPGRADING: customs management
HARMONISING: standards

\$17 BILLION

Large scale impact of TMEA's projects over 10 year period.



IMPROVED BUSINESS COMPETITIVENESS

INCREASING: smallholder incomes
FACILITATING: cross border trade for small businesses
UPGRADING: exports to meet standards

135 STAFF

Diversity of TMEA staff representing 11 nationalities.



RESULTS ACHIEVED BY JUNE 2017

10%

INCREASE
IN THE TOTAL VALUE
OF EXPORTS FROM THE
EAC REGION



25%

INCREASE
IN INTRA-REGIONAL EXPORTS
AS COMPARED WITH TOTAL
EXPORTS FROM EAST AFRICA



15%

REDUCTION
IN AVERAGE TIME TO
TRANSPORT A CONTAINER FROM
MOMBASA OR DAR ES SALAM TO
BURUNDI OR RWANDA



30%

DECREASE
IN THE AVERAGE TIME A
TRUCK TAKES TO CROSS
SELECTED BORDERS





Our Governance

COUNCIL CHAIR



PETE VOWLES

Imagine what would happen if investment in people and infrastructure is backed by sound government, and effective tax systems. Businesses will grow, new jobs will be created, families' livelihoods increased and living standards transformed.

The East African Community is home to some 150 million people. The past few years have seen the economies of the EAC member states grow by leaps and bounds, with the region averaging some 6% annual GDP growth since 2011. This is steadily raising the region's global profile and its attractiveness to investors, and the economic prospects for its citizens. However, growth has not been equitable. Challenges still abound and as many as 56 million people survive on an average income of just \$225 per year. Moreover, youth unemployment remains unacceptably high, at 40% across the region.

Trade and enterprise have the power to change people's lives. As we are seeing on every continent, what will lift tens of millions out of poverty in the long run is the dynamic engine of economic growth. Trade provides business opportunities and jobs, and it creates choices for consumers. Trade offers most people the easiest escape route from poverty. At the same time, trade must be beneficial to societies, and contribute even more to poverty eradication and sustainable development.

Today, Africa spends \$35 billion on importing food. This is projected to grow to \$110 billion by 2025. Africa is importing what it should be producing itself. This creates poverty within Africa, and exports jobs from Africa. We must take on the obstacles to trade and growth, which means African countries buying from and selling to each other and doing more business with one another and with the world. An African free trade area could increase GDP across the continent by an estimated \$62 billion a year. That's \$20 billion more than the world gives sub-Saharan Africa in aid. However, for years, dilapidated physical infrastructure at the ports and on the road and rail systems, congested borders, and outdated technology constrained trade opportunities—especially for women and small businesses.

Imagine what would happen if investment in people and infrastructure is backed by sound government, and effective tax systems. Businesses will grow, new jobs will be created, families' livelihoods increased and living standards transformed. I'm proud of the big contribution TradeMark East Africa (TMEA) has made since its launch in 2010, through its partners in government, business and civil society. Together, we have reduced the barriers to and the costs of trade.

When we started work in 2010, it would take around 20 days to move a container from the port of Mombasa in Kenya to Kampala, Uganda's capital – some 1,200 kms in distance. After the work done by TMEA and its partners to reduce infrastructure barriers and border delays, and to reduce red tape and corruption, this has fallen by half the time it took 7 years ago. Costs have also fallen by a third. Put together, these interventions have made it easier and cheaper for traders to use the corridors and to cross borders, linking the region's businesses with new markets in neighbouring countries.

We have a lot to be hopeful about after a successful six years of promoting people's prosperity in East Africa. TMEA's eight supporting donor agencies – Belgium, Canada, Denmark, Finland, The Netherlands, Sweden, UK and USA – have funded 'aid for trade' and trade facilitation programmes that have enhanced the region's economic prosperity. We have witnessed transport times for goods drastically reduce; and the EAC has become the most integrated trade bloc in Africa, with the legal framework of a Customs Union and Common Market Protocol. The welfare value of TMEA's trade benefits for East Africa, estimated at \$17 billion over a ten-year period, represents great value for money for the \$560 million invested in Strategy 1.

TMEA is committed to empowering the marginalised, especially women and girls, to take up trade opportunities that transform their lives. We believe that this is achievable through support to TMEA's Women and Trade programmes that target 25,000 women in projects promoting access to regional and international markets, value addition of products, and training and education.

We have learned that TMEA's actions on their own are not enough. We therefore challenge TMEA to form strategic partnerships that can drive change in public policy, attitudes and behaviours. We know that the new strategy will move the region beyond the accomplishments of the past, creating job opportunities and opening marginalised areas to development through interventions at various nodes of the East Africa trade network, from ports to the hinterlands. That's why we are committed to supporting the second phase of TMEA's programme.

The \$560 million raised by TMEA in Strategy 1 over the last six years has steadily improved trade opportunities. This success, recorded in numerous independent evaluations and reviews and in this report, has encouraged our donors to invest more in TMEA's Strategy 2 from 2017-2023. We look forward to improving further the region's infrastructure and export capability, creating and sustaining at least half a million new jobs by 2023.

Pete Vowles
Council Chair

BOARD CHAIRMAN



ALI MUFURUKI

“ We have exceeded TMEA’s target to reduce transport time across the main EAC transport corridors by 15%. Results attributable to TMEA now stand at 16.5%. Targets have been surpassed for our one-stop border post programme with an average reduction of 70% in the time it takes to cross borders - well above our 30% target. ”

In 2017, TradeMark East Africa (TMEA) completed its seventh year of operations. In response to our vision of creating a united East Africa with flourishing trade, strong investments and less poverty, TMEA's projects continue to deliver excellent results. I'm proud that we continue our successful work with institutional partners across East Africa, to increase intra-regional trade, to deepen economic integration, and to improve competitiveness. This work gives us all better economic opportunity.

TMEA has grown quickly into one of the largest aid-for-trade facilities in the world. We raised \$560m in our first phase from our development partners. They include Belgium, Canada, Denmark, Finland, The Netherlands, Sweden, the United Kingdom and the United States. I believe that our unique offering, mixing technical expertise and deep understanding of trade, with politically informed, high-impact programmes, is meeting East Africa's needs.

Let me offer a few examples. TMEA's port improvement programmes in Mombasa and Dar es Salaam have contributed to much faster ship-to-shore and cargo transit times. The number of days it takes to transport cargo from Mombasa to Kigali dropped from 11 days in 2012 to only 4 days today. Construction of TMEA-supported access roads at Port Reitz in Mombasa, and Ntungamo in Uganda, is making the movement of goods much more efficient along the Northern Corridor. Similarly, along the Central Corridor, the number of days it takes to move cargo from Dar es Salaam to Bujumbura dropped from 18.5 days in 2010 to 4.3 days today. This drives down business costs for imports and exports and reduces consumer prices in the shops for everybody. We have exceeded TMEA's target to reduce transport time across the main EAC transport corridors by 15%. Results attributable to TMEA now stand at 16.5%. Targets have been surpassed for our one-stop border post programme with an average reduction of 70% in the time it takes to cross borders - well above our 30% target.

Our work to improve the trade environment has upgraded customs systems across the EAC, developed electronic information portals for government agencies, streamlined standards, and removed non-tariff barriers to trade. This has added to the time and

cost savings to businesses across the region. Successful advocacy by business organisations that TMEA supports led to reduction of the Northern Corridor transport levy (from \$0.30 down per tonne down to \$0.12) by the Uganda Shippers Council, resulting in savings of over \$1 million per year for exporters. In Tanzania, the Private Sector Foundation (TPSF) and the Freight Logistics Platform successfully lobbied for round-the-clock operations at the Dar es Salaam port. The TRAC Challenge fund has contributed to creating 1,200 jobs, increased production for 11,113 farmers, and enhanced access to markets for 5,446 farmers whose produce has received international standards certification.

The results are truly impressive. TMEA's support for the modernisation of ports in Mombasa and Dar, and the development of numerous one-stop border posts, is transforming trade and driving integration across the region. The time it takes to move goods from Mombasa to Kampala has been halved, to six days. A container now moves through the port of Mombasa in less than 4 days, whilst it took more than 15 days only a few years ago. We have also raised significant funding to develop the port in Dar es Salaam. And by the end of next year, the programme will have helped to increase East Africa's exports by at least 10%. Our efforts to improve the region's business competitiveness through support to the private sector and women traders, are also delivering significant results. Approximately 25,000 women cross-border traders now have access to trade information and new markets through information centres set up at border posts, helping boost incomes and improve livelihoods, while lessening household poverty.

The year hasn't been without its challenges. There was an intensification of internal conflict in South Sudan and continued political crisis in Burundi. Contested elections in Kenya slowed down growth. These developments unavoidably constrained our work, even though the quality of what we did in both countries was singled out for praise in our Independent Annual Review. Political changes and increasingly negative media coverage about foreign aid in some donor countries, make it even more important for TMEA to measure and demonstrate good results, and to improve our external communications, transparency, and value

for money. The aftermath of the UK's referendum on its membership of the European Union precipitated a sharp fall in the value of Pound Sterling against other currencies, prompting a recasting of our plans and budgets. Despite the challenges, we've managed to navigate turbulent waters, maintaining our level of resources and investment by partners, and delivering tangible results for the region.

TMEA management meanwhile, completed the design of an exciting new strategy known as Strategy 2, running from 2017 to 2023. It builds on our first phase, completed in June 2017. It is a demand-led strategy responding to the development needs of the region, based on extensive consultation with regional and national partners. It focuses more than ever on creating prosperity – 500,000 new jobs – and more inclusive growth that benefits all traders, whether for small-scale or for larger, established businesses. Our new work is aimed especially at small-scale cross-border trade – conducted overwhelmingly by women – to put more money in the purses of the most economically vulnerable. The strategy is a mix of continuity and innovation. My Board has every confidence that TMEA's management and staff can sustain its high level of performance as we implement the new strategy from next July. I am proud to play a part in delivering this transformational change for millions of East Africans. TMEA will be supported in its new strategy by a wide range of development partners, including Belgium, Canada, Denmark, the EU, Finland, Netherlands, Norway, and the United States, led by the biggest investor, the United Kingdom.

I commend the wonderful efforts of TMEA's partners – the EAC Secretariat, governments of the region, business and civil society – as well as TMEA's management and staff. On behalf of the Board, I warmly thank our investors for their loyal support. Our success this year would have been impossible without you.

We look forward to continued success in 2018.

Ali A. Mufuruki
Board Chair

CHIEF EXECUTIVE OFFICER



FRANK MATSAERT

👉👉 **One of our key results has been to reduce the costs of trading across borders in the region. We have completed seven key one stop borders with partners across the region. Time and traffic surveys undertaken at the OSBPs indicate an average reduction of 70% in the time it takes to cross borders, against TMEA's end of programme target of 30%. 👉👉**

This year marks the end of our first six-year strategy (known as Strategy 1), initiated in 2010 when TradeMark East Africa began efforts to improve East Africa's intra and global trade competitiveness. From an initial modest budget of US\$80 million and a staff of barely five, TMEA has grown to be one of the largest and best-known aid-for-trade organisations worldwide, with a current budget of US\$560 million and operations across seven countries. Working with our partners, several key results have been achieved that include reducing trade costs and supporting export growth. They demonstrate our continued commitment to growing trade for East Africa, deepening regional integration and building the region's competitiveness; and more importantly, to transforming the lives of East Africans through projects that will increase prosperity for all in the region.

One of our key results has been to reduce the costs of trading across borders in the region. We have completed seven key one stop borders with partners across the region. Time and traffic surveys undertaken at the OSBPs indicate an average reduction of 70% in the time it takes to cross borders, against TMEA's end of programme target of 30%. In Uganda, construction of the Mirama Hills road is complete and is expected to ease traffic flow. Ports play a critical role in boosting trade and at Mombasa Port, TMEA has supported a 55% decline in the time it takes to move goods through the port since 2010. We are working with Kenya Ports Authority to engage lenders for berth rehabilitation. It is expected that the first loan package from the European Investment Bank and Agence Française de Développement, estimated at US\$180 million, will be finalised in the second half of 2017. Expansion of the Port Reitz road, commissioned by HE the President of Kenya in January 2016, is now complete and it will soon be launched. In Dar, construction of key access roads is also complete and strong gains have been made by

reducing the time to move goods by more than 40% since 2010. TMEA continues to register strong results from the development of trade portals across key regional trade institutions, which has improved efficiency in processing essential trade documents. Automation has also enabled integration, with the introduction of national single windows (SWIFT) in Kenya, Uganda and Rwanda, raising the prospect of further savings in clearance processes at key points of entry. A recently commissioned, independent evaluation of six TMEA 'SWIFT' projects indicates that automation of the processing of essential trade documents along the EAC corridors contributed to a saving of US\$6.6 million in 2016.

Women remain central in trade, as over 70% of cross-border traders are women. With facilitation from the TMEA Women and Trade Programme they can now formally trade across borders. In fact, by targeting them, 14,108 women traders are now more likely to increase their incomes through access to markets. This has contributed to a 50% rise in average trade values for women cross-border traders at Busia (Kenya/Uganda border), Taveta (Kenya/Tanzania border), Katuna (Uganda/Rwanda border) and Mutukula (Uganda/Tanzania border). Through our export capability programme, 6,800 smallholder coffee farmers in Rwanda and Burundi, can now sell their coffee beans for better prices in high value export markets, following certification by the Rainforest Alliance, Fair Trade and UTZ.

Despite these positives, the region still faces challenges. Intra-regional trade performance has been affected by external factors, including the adverse effects of drought (fuelling food inflation), weak local currencies, pressure on trade, slow improvement in the security situation in South Sudan and Burundi, and a projected slowdown in Kenya following contested national elections in August 2017.

For the sixth year running, draft results from the just concluded annual review indicate a score of A, demonstrating a strong finish to Strategy 1. This is testament to the fact that we continue to meet the expectations of our investors and stakeholders. Other independent formative evaluations also show that our projects are on course to deliver our commitments.

A key achievement was the recognition of the TMEA results campaign, awarded the title of the 'Most Outstanding Non-governmental Organisation in Public Relations and Communication in Africa', at the 2016-17 Africa Excellence Awards in Johannesburg, South Africa.

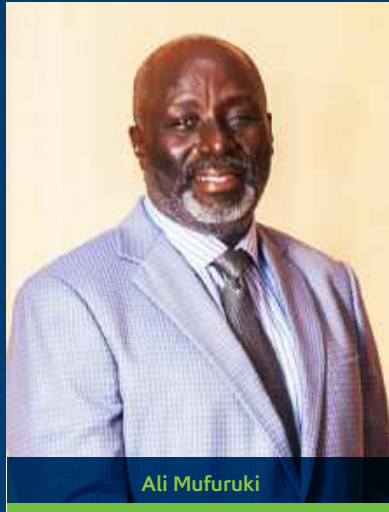
Looking ahead, our new six year strategy received a substantial boost, with the approval from our key development partners of an initial budget of around US\$400 million, which puts the organisation in a strong and exciting position to do more to boost trade in East Africa over the coming years. We thank our development partners for their approved financial contributions, especially the UK, and The Netherlands, Belgium, Denmark, Finland and Norway, which allow TMEA to proceed with confidence into the next stage of our long-term plan.

On behalf of the team at TMEA, I would like to convey our heartfelt thanks to our Board, donors and partners for maintaining their strong support in the past financial year. Together we will ensure the next phase leads to greater prosperity and inclusive economic growth for the region. We look forward to continuing our commitment to increasing the wealth of millions of East Africans through trade.

Frank Matsaert
Chief Executive Officer

BOARD MEMBERS

1



Ali Mufuruki

Mr Ali A. Mufuruki, 57, is Chairman and CEO of Infotech Investment Group Ltd of Tanzania, a family business. He currently serves as chairman of several companies in Tanzania and abroad. He also holds senior positions in the public and private sectors including as a trustee with the Mandela Institute of Development Studies, South Africa and as a Member of the International Monetary Fund Advisory Group on sub-Saharan Africa. In early 2016, Mr Mufuruki was appointed Co-Chairman of the UK Parliamentary Commission of Inquiry into the impact of UK Aid for Africa Free Trade Initiative. Mr Mufuruki is a Henry Crown Fellow of The Aspen Institute Class of 2001 and founder and Chairman of the Africa Leadership Initiative East Africa. He is a graduate of Reutlingen University, Germany, (BSc. Mechanical Design Engineering) and lives in Dar-es-Salaam with his wife and four children.

2



Patrick Obath

Mr Patrick Obath is an Associate Director at Adam Smith International Africa Limited (ASI) and is Managing Consultant for Eduardo Associates, a private practice consultancy in energy, extractive industries and engineering. He has wide experience in management at an international level and in social, government and development issues. He is a past chairman of the Kenya Private Sector Alliance, sits on the boards of several business member organisations and is a member of the National Economic and Social Council of Kenya – a presidential think tank. Mr Obath is a Fellow of the Aspen Global Leadership Network and the African Leadership Initiative and has been awarded several national recognitions in Kenya. He holds a BSc. in Mechanical Engineering from Nottingham University and is a Member of the Energy Institute (UK), the Petroleum Institute of East Africa and the Institution of Engineers in Kenya.

3



Earl Gast

Mr Earl Gast, a global development expert with more than two decades of experience managing results driven programming, is Senior Vice President Creative Associates, an international development firm. Prior to joining Creative, Mr Gast was a Senior International Advisor at Covington & Burling, LLP, an international law firm, where he co-led the firm's Africa practice since December 2014. Previously, he was a senior U.S. government executive with 24 years of experience in international development and foreign policy. During his tenure as Assistant Administrator for USAID's Africa Bureau, Mr Gast initiated new partnerships and presidential initiatives, including Power Africa and Trade Africa, and leveraged funds from multiple global organisations to achieve greater scale and results. He also worked across U.S. government agencies and with the White House to draft the President's Strategy for Africa.

4



Patricia Ithau

Ms Patricia Ithau is the Regional Director for the Stanford Institute for Innovation in Developing Economies Seed. She previously served as Managing Director at L'Oreal East Africa, EABL International and Uganda Breweries Ltd. She currently also serves on the boards of Barclays Bank Kenya Ltd, The Foschini Group Kenya, Strathmore University Foundation and the Kenya Private Sector Alliance. Ms Ithau's deepest desire is to use her experience to create opportunities that transform the quality of people's lives in Africa. She is a Fellow of the Marketing Society of Kenya, Member of the African Leadership Network and a Member of the Institute of Directors, Kenya.

5



Anthony Masozera

Mr Anthony Masozera is the CEO of Vanu Rwanda Ltd, a company that provides telecommunications services to rural communities. He previously served as CEO of Econet-LEO Burundi, and of MTN Guinea Bissau. He has served on the boards of the Grameen Foundation Rwanda, Higher Life Foundation Burundi, Econet-LEO Wireless Burundi and the Burundi Backbone System. Mr Masozera obtained his Bachelors and Masters of Business of Administration degrees in the USA, is a Certified Public Accountant with the State of Texas, and is also a founding member of the Institute of Certified Public Accountants of Rwanda. He is a Fellow of the Africa Leadership Initiative East Africa and a member of the Aspen Global Leadership Network.

7



Rosette Chantal Rugamba

Ms Rosette Rugamba is the founder and Managing Director of Songa Africa one of the leading tour companies in East Africa. She has been involved in travel and tourism for the past 25 years, first with Euro Star in the UK, and then as Sales and Marketing Manager, British Airways, for Uganda and Central Africa. She returned to her native Rwanda to spearhead the revitalisation of the tourism Industry as Director General of Rwanda Tourism and later as Deputy CEO of the Rwanda Development Board. Ms Rugamba also serves on the board of Equity Bank, Rwanda, Sonarwa-Insurance Company and the African Parks Network. She is a special adviser on sustainable tourism in Africa, to the Secretary General of the UN World Tourism Organisation. She holds a BA in Political Science and Sociology from Makerere University and is an Aspen Fellow of the Africa Leadership Initiative East Africa, class of 2010.

6



Duncan Onyango

Mr Duncan Onyango is currently Regional Director and CEO of Acumen Fund, a social venture fund. He has served on the boards of eight major organisations in East Africa and the UK, including Rift Valley Railways Ltd, Scion Real, Philafe Engineering Ltd, Acacia Medical Centre Ltd, Botanical Extracts EPZ Ltd, Western Seed and Provident Capital Transfers Ltd (UK). He has expertise in strategic and business planning, organisational alignment and business transformation and holds an honours degree in computing and retail management from Oxford University.

8



Rob Rudy

Mr Rob Rudy is a Senior Private Sector Development Adviser, Department for International Development

9



Scott Cameron

Mr Scott Cameron is the Chief, Office of Regional Economic Integration
USAID | Kenya
and East Africa

COUNCIL



PETE VOWLES

Country Director,
Department for International
Development (DFID)
Nairobi, Kenya



HENRIK LARSEN

Deputy Head of Mission
Embassy of Denmark
Nairobi, Kenya



RAMSES MALATY

Counsellor/Deputy
Head of Mission
Embassy of Finland
Nairobi, Kenya



HELLEN ORIARO

International Development
Officer Global Affairs Canada
Nairobi, Kenya



HAJO PROVO KLUIT

Sustainable Economic
Development Dutch Ministry
of Foreign Affairs
Hague, Netherlands



LISA WALKER

Deputy Chief for Trade,
Office of Regional Economic
Integration (REI)
USAID/Kenya and
East Africa

SENIOR LEADERSHIP TEAM



Frank Matsaert
Chief Executive Officer

Frank Matsaert has been the CEO of TMEA since October 2010 and has over 20 years of experience as a senior private sector development specialist in Africa and Asia. Prior to joining TMEA he was the Senior Growth, Trade and Investment Adviser for East Africa at the DFID office in Nairobi. He started his career as an international fund manager and investment analyst and has designed and overseen over 40 innovative and successful programmes worth over US\$1 billion, in the fields of trade, financial sector development, privatisation, investment climate reform, market development and skills development. He holds a Masters degree in development economics from the University of East Anglia.



David Stanton
Director General

David Stanton is the Director General of TradeMark East Africa, having joined TMEA at its inception in 2010. His current role covers strategy, planning, and delivery of TradeMark's results across seven countries in East Africa. David's areas of expertise are regional economic integration, trade and business strategy, and programme and organisational management. He has worked in over 45 developing countries, mainly in Africa and Asia. Earlier in his career, David worked for the UK's Department for International Development as Chief Adviser for Enterprise Development, and as Head of the Tanzania Programme. He also served as a director of the Investment Climate Facility for Africa, and as a country director for CARE International. He is a British citizen, and holds a Masters degree in English from Cambridge University. He also has an MBA from Sri Lanka.



Annette Mutaawe Ssemuwemba
Chief Strategy and Results Officer

Annette Mutaawe Ssemuwemba leads the strategy and results team of TMEA. Prior to her current role, she served as TMEA Country Director for Uganda. Before joining TMEA, Annette worked with the EAC Secretariat in Arusha as head of department for the tariff and valuation division in the Directorate of Customs and Trade. She has over 20 years' experience in trade policy formulation, trade facilitation initiatives, regional integration and private sector development. Annette delights in the personal and professional satisfaction she gets from witnessing positive change in the lives of EAC citizens as a result of the work that TMEA is delivering in the EAC region.



Ken Jones
Chief Operating Officer

Ken Jones joined TMEA in 2010. He has worked in international development since 1994 leading assignments in Nigeria, Rwanda, Uganda, Jamaica, Grenada, Kosovo, Macedonia, and Montserrat. He led projects in Rwanda to establish the Rwanda Revenue Authority, in India to establish a Centre for Good Governance, in South Sudan setting up the Capacity Building Trust Fund and in Nigeria where he managed the Federal Government's Service Delivery Initiative. He is a Fellow of the Chartered Institute of Management Accountants, the Chartered Institute of Public Finance and Accountancy, and the Institute of Consulting. He is a trustee of Action on Disability and Development and a former governor of the Westminster Foundation for Democracy.

SENIOR MANAGEMENT TEAM



George Wolf
Senior Director, Market Access

In his role as Senior Director, Market Access, George Wolf supports regional integration and trade competitiveness in East Africa - for example, by helping infrastructure agencies prepare and finance key transport infrastructure facilities. For many years, George was an investment banker with Citigroup in the United States, where he helped finance US\$15 billion worth of projects in the power, water and transport sectors. Immediately prior to TMEA, he was with the World Bank's Project Finance & Guarantees Group in Washington D.C.



Jason Kap-kirwok
Strategy Advisor

Jason Kap-kirwok joined TMEA after a contract with the World Bank. Before taking up his current position he was the senior director for the TMEA-EAC Partnership Programme, and prior to that, the TMEA Kenya Country Director. His resumé includes Group Director for Corporate Strategy and Industry Affairs at Kenya Airways, Chief of Strategic Planning and Research for COMESA and Senior Director, Strategy and Operational Change for Heifer International. He currently chairs the Strategy Committee of the board of Kenya Airways. He has a BSc from the University of Nairobi, an MBA from Eastern University and strategy and leadership certificates from Wharton Business School and the University of Cape Town. He is also an award-winning published author and a newspaper columnist.



Lisa Karanja
Senior Director, Business Competitiveness

Lisa Karanja is a legal professional overseeing the strategic development of new business lines, with a focus on business environment reform, export capability and trade and logistics, and women and trade. She has held senior positions with Kaplan and Stratton Advocates, Nairobi, the Department of Governance and Ethics, Office of the President and Transparency International-Kenya. She sits on the National Anti-Corruption Committee for Kenya, the Business Advocacy Fund and the Kenya Markets Trust. She has an LLB from the University of Warwick and a Masters in Law and Diplomacy from the Fletcher School of Law and Diplomacy. She is admitted to the bar in the United Kingdom and is an Advocate of the High Court of Kenya.



Mark Priestley
Senior Director, Country Programmes

As Senior Director Country Programmes Mark Priestley has oversight responsibility for TMEA interventions in the EAC, the DRC and Somaliland. He is a development economist with 25 years' experience of managing aid-funded programmes in private sector development, trade and regional integration in emerging economies. Under TMEA's new strategy, Mark is leading efforts to set up trade and logistics hubs in each of the EAC countries to stimulate jobs and growth. He spent his formative years with the European Commission supporting East European countries with their transition to a market economy and entry into the EU. Prior to his current position, Mark was the Country Director for TMEA in Rwanda.



Richard Kamajugo
Senior Director, Trade Environment

Richard Kamajugo's mandate focuses on improving trade systems, processes, legal and trade policy issues and reducing trade barriers in the EAC. He began his career at the Ministry of Commerce in Uganda before joining the Customs department, where he grew through the ranks to become Commissioner for Customs, leading a team of 800 officers to implement reforms of Customs' processes. He has trained in leadership and negotiation and was a key player in many EAC and COMESA negotiations, as well as participating in working groups in the World Customs Organisation and the World Trade Organisation. He has a Bachelors degree in Economics, a Diploma in Trade Policy and an MBA.

OUR INVESTORS

THE BELGIAN DEVELOPMENT COOPERATION **.be**

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



Global Affairs
Canada

Affaires mondiales
Canada

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

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/>



MINISTRY FOR FOREIGN
AFFAIRS OF FINLAND

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



Ministry of Foreign Affairs of the
Netherlands

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



USAID
FROM THE AMERICAN PEOPLE

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.

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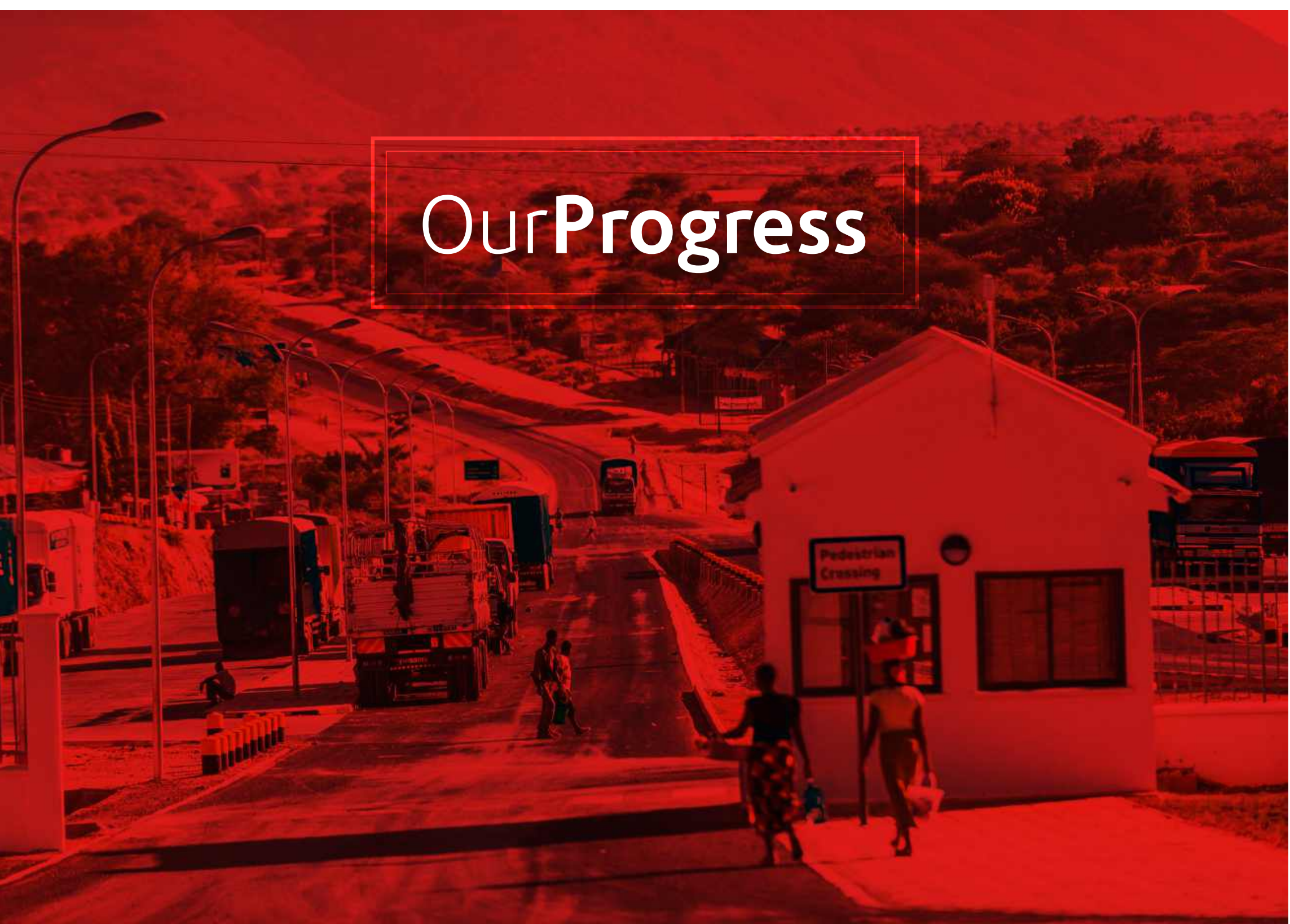
UKaid concentrates on improving health, increasing the quality of education, reducing vulnerability among Kenya's most disadvantaged, and catalysing private sector growth to create more jobs for young people.

www.gov.uk/government/organisations/departments-for-international-development



The Government takes an integrated approach to Norway's foreign and development policy. Our development policy is designed to promote economic development, democratisation, implementation of human rights, good governance and measures that can lift people out of poverty for good. Priority is given to education, humanitarian assistance, health and vaccination, private sector development, climate change adaptation and mitigation, and human rights.

OurProgress



REGIONAL CONTEXT

After a major slowdown in 2016, global economic growth gradually picked up, with recovery in investment, manufacturing and trade. Stabilising commodity prices supported emerging markets and developing economies with significant levels of commodity exports, while international financing conditions remained benign. The World Bank projects a global growth of 2.7% by end 2017 and 2.9% in 2018. However, increased trade protectionism, potential financial market disruptions and, over the longer term, weaker potential growth, uncertainty from global geopolitical issues such as Brexit, policy shift under the new US administration, and UK elections in 2017, are risks to the outlook.

THE WORLD BANK PROJECTS A
GLOBAL GROWTH OF



2.7%

BY END 2017 AND
2.9% IN 2018

Growth in Sub-Saharan Africa is forecast to rise to 2.6% in 2017 and to 3.2% in 2018, predicated on moderately rising commodity prices and reforms to tackle macroeconomic imbalances. Those rates will be insufficient to achieve poverty reduction goals in the region, particularly if constraints to more vigorous growth persist. Growth in South Africa is projected to rise to 0.6% in 2017 and accelerate to 1.1% in 2018. Nigeria is forecast to go from recession to a 1.2% growth rate in 2017, gaining speed to 2.4% in 2018. Growth in non-resource-intensive countries is anticipated to remain solid, supported by infrastructure investment, robust services sectors and the recovery of agricultural production.

GROWTH IN SUB-SAHARAN
AFRICA IS FORECAST TO RISE TO



2.6%

IN 2017 AND TO
3.2% IN 2018

East Africa's economies remained resilient despite the adverse effects of drought (fuelling food inflation), weak local currencies, pressure on trade, slow improvement in the security situation in South Sudan and Burundi, and a projected slowdown in Kenya ahead of elections in August 2017. Growth was largely supported by investment in public infrastructure; regional integration and diversification of economies; exports; buoyant private consumption; and low oil prices. East Africa is projected to maintain its lead in regional growth at 5.7% by end 2017 and 6% in 2018 assuming sustained improvement in global and domestic conditions.

EAST AFRICA IS PROJECTED TO
MAINTAIN ITS LEAD IN REGIONAL
GROWTH AT

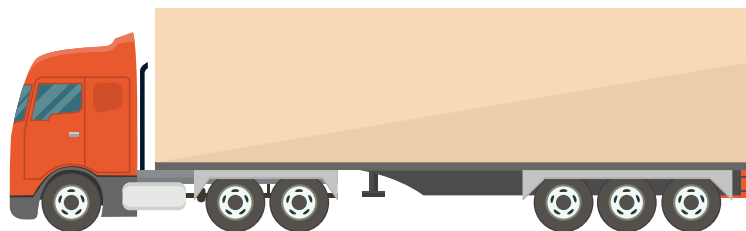


5.7%

BY END 2017 AND
6% ASSUMING SUSTAINED
IMPROVEMENT IN GLOBAL AND
DOMESTIC CONDITIONS

During the period, the EAC continued to prioritise trade facilitation measures. These included full implementation of the Single Customs Territory and enhanced implementation of the Common Market Protocol, focused on negotiating additional commitments and interconnectivity of border immigration systems and procedures across Partner States. In addition, cross-border infrastructure development, including one-stop border posts (OSBPs), harmonisation of laws, policies and standards in respective sub-sectors, institutional strengthening and enhancement of productivity and value addition in major productive sectors, were key priorities.

These initiatives, which TMEA largely supports, have continued to have positive impacts in the region, especially in reducing transport time and related costs along the northern corridor. The 2016 World Bank Logistics Performance Index (LPI) Report noted that the cost of doing business has decreased by about 50% thanks to trade facilitation reforms along the northern corridor. The majority of the EAC Partner States registered better performance in the 2017 World Bank ease of doing business and trading across borders rankings.



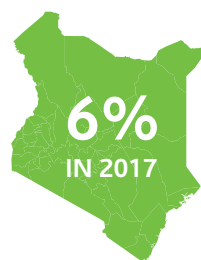
REDUCING TRANSPORT TIME AND RELATED COSTS ALONG THE NORTHERN CORRIDOR

ECONOMIC OUTLOOK

Kenya's economy remained fairly stable with a projected growth of 5.9% in 2017, attributed to continued macro-economic stability, lower import bill, tourism sector recovery and investment in infrastructure. Improvements in the World Bank Doing Business ranking were partly attributed to easier and faster business registration processes and improved border clearance times. The EAC continued to provide Kenya with a ready market, accounting for over 50% of its intra-Africa trade. Continued investment in infrastructure, such as the Mombasa port modernisation, the standard gauge railway and the ongoing Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) project is expected to further unlock the country's economic growth potential.

A slowdown was expected – in line with previous elections – ahead of national elections in August 2017, which could dampen the business environment and potentially delay investment decisions in the short term. The economy is also grappling with drought-induced high inflation, which the government has sought to allay by passing a supplementary budget foreseeing large food subsidies. Further, the amendment of the Banking Act, which caps the banking sector's lending rate at 4% above the Central Bank of Kenya rate, has resulted in lower lending to business start-ups and small to medium enterprises (SMEs), leading to a reduction of business activity.

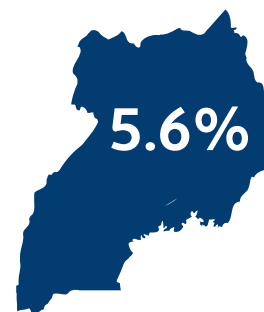
**KENYA'S
ECONOMY
REMAINED FAIRLY
STABLE WITH
A PROJECTED
GROWTH OF**



Uganda's economy is expected to regain traction by the end of 2017, on the back of large public investment in key transport and energy sectors. Growth is forecast to expand to 5.6%. The country is facing a current account deficit as a result of high negative balance of external trade and the cumulative appreciation of the US Dollar against the Ugandan Shilling. Uganda posted a net trade surplus in its cross-border trade with its neighbours. Improvements to five places in the trading across borders indicator were as a result of existing and new electronic systems for imports and exports, thus reducing the cost and time of border compliance. The construction of Malaba OSBP also reduced border-processing times for exports.

In its 2017/18 budget, the government earmarked about a third of planned expenditure for infrastructure development. The government plans to raise nearly half of the required funding from local sources, which may continue to strain financing conditions in the domestic market. Ongoing conflict in South Sudan and Burundi has also upset export markets for Uganda. In addition, the country, which has a favourable protection environment for refugees, has seen an influx of over 1.3 million refugees from South Sudan, Burundi and the DRC. This has put pressure on its public services and local infrastructure.

**IN UGANDA
GROWTH IS
FORECAST TO
EXPAND TO**



Tanzania's economy is projected to grow to over 7% by the end of 2017, benefitting from investment in major infrastructure projects, ongoing government efforts to improve revenue mobilisation and efficiency in public spending, and investment in power supply. Tanzania's current account deficit has significantly improved, with sufficient gross reserves to cover four months of imports. According to the World Bank Doing Business report of 2017, Tanzania moved 12 positions in ease of doing business, reflecting the government's efforts to improve the domestic business environment and sustain investor confidence.

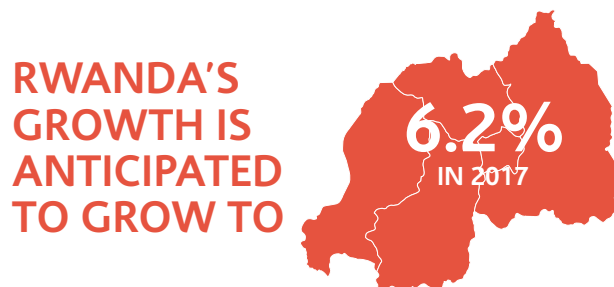
However, growth is likely to slow down partly because of deterioration in the banking sector and an increase in public debt to finance the government budget. The country did not improve in the trading across borders ranking in 2016 owing to high border compliance costs for importers and exporters. The administration has put in place measures to cushion the slowdown and fund infrastructure investment, which was one of the main drivers of growth. An example is the launch of the standard gauge railway, expected to link Dar es Salaam port with landlocked neighbours – Rwanda, Burundi and eastern DR Congo – and facilitate transport in the central corridor. A five-year development programme that aims for full industrialisation of the country by 2025, was also launched.

**TANZANIA'S
ECONOMY IS
PROJECTED
TO GROW TO
OVER**



Rwanda's growth is anticipated to grow to 6.2% in 2017 after a slow-down towards the end of 2016. Sustained investments to address energy and transport infrastructure constraints, continued progress in industrial production and a recovery in services, are expected to lead this growth. Rwanda's exports to the EAC grew by 31% in value, boosted by growing fuel re-exports to Burundi. However, Rwanda's imports from the region still outweigh its exports.

Among the five Partner States, Rwanda had the highest improvement in the World Bank ease of trading across border indicator, moving 44 places up from the 2016 ranking. Investment in systems that facilitate electronic submission and processing of documents for imports (such as the electronic single window) and removal of mandatory preshipment inspection for imported products, were key contributing factors to the good performance. Rwanda also made it easier to start a business by improving online registration, streamlining post-registration procedures and setting up an online one-stop shop for company registration. The political environment in Rwanda remained composed even awaiting the August 2017 presidential elections.



Burundi's economy recorded gradual improvement, with revenue collection increasing by 8% in 2016. The government has set a target of covering 70% of its 2017 budget through domestic resources. However, following a decline in export revenues due to meagre coffee production and poor global coffee prices, compounded by principal donors withholding aid, the country experienced a sharp decrease in hard currency reserves. This has in turn, led to decreased imports of key commodities such as fuel, contributing to rising inflation. Some government restrictions on exports to and imports from Rwanda in July 2016 have also had an unfavourable impact on small cross-border traders. As a result, Burundi did not change its position in ease of doing business.

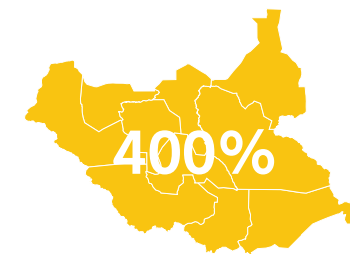
The political situation continued to stagnate as no resolutions have been reached through the inter-Burundi dialogue facilitated by former Tanzanian President, Benjamin Mkapa. At an EAC Heads of States Summit held in May 2017, two heads of states pleaded for the removal of EU sanctions on Burundi. The EU however, continues to require that the Government of Burundi should show more willingness to protect human rights, to open the political and the media space and to engage in an inclusive dialogue.

BURUNDI'S ECONOMY RECORDED GRADUAL IMPROVEMENT, WITH REVENUE COLLECTION INCREASING BY 8% IN 2016



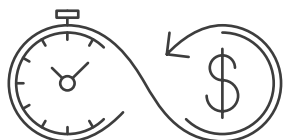
South Sudan's growth remains undermined by ongoing political instability and conflict. The inflation rate is 400%. There is a shortage of food and fuel suppliers across the country and international agencies have declared a famine emergency. Pockets of instability are still observed across the country, evidenced in the growing numbers of South Sudanese refugees.

SOUTH SUDAN INFLATION RATE

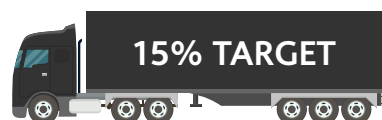


EXPECTED OUTCOME

LARGER REDUCTION IN THE
AVERAGE TIME IT TAKES TO
TRANSPORT A CONTAINER



FROM **15.6%** IN JUNE 2016
TO **16.5%** IN JUNE 2017
AGAINST THE



INTRA-EAC EXPORTS ARE
PROJECTED TO INCREASE TO

\$3.7 BILLION
FROM
\$3.1 BILLION



Based on the current monitoring data in the TMEA results meter, TMEA estimates a larger reduction in the average time it takes to transport a container from Dar es Salaam or Mombasa ports to Bujumbura or Kigali, from 15.6% in June 2016 to 16.5% in June 2017 against the 15% target. Timesavings are attributable to time reductions at Mombasa port, the opening of OSBPs and systems improvements for cargo clearance. A results meter update will be presented by the end of 2017, to provide the final status against TMEA's 15% target in Strategy 1. The outcome dashboard is shown in Figure 3 overleaf.

According to independent preliminary time and traffic surveys, average time reduction across the ten OSBPs is 50%, against TMEA's end of programme target of 30%. User satisfaction rates are also high at the majority of the OSBPs. Intra-EAC exports and EAC exports show improvements, based on estimates from a trend analysis of the 2015 performance. Intra-EAC exports are projected to have increased to US\$3.7 billion in 2016 from US\$3.1 billion in 2015, surpassing the TMEA target of an increase to at least US\$3.6 billion by June 2017. This performance aligns with the positive outlook that the EAC reflects, despite global and domestic challenges.

However, actual improvement will also depend on continued investments in key sectors such as infrastructure, as well as a quick recovery after the anticipated slowdown in Kenya due to the election, especially for the northern corridor Partner States. EAC exports were projected to increase to US\$13.8 billion in 2016 from US\$12.8 billion in 2015, shy of the TMEA target of an increase to at least US\$14.6 billion by June 2017.



PROGRAMME PERFORMANCE



Increased physical access to markets

The region's interconnectedness in trade has been enhanced through reduced time to cross borders in 10 out of 13 OSBPs that are now operational. OSBPs facilitate faster movement of goods and persons across borders. Indeed, the 2016 African Regional Integration Index Report by the African Union, African Development Bank (AfDB) and UN Economic Commission for Africa, shows the EAC as the most integrated region and top performing regional economic community, based on the average score from the five criteria used.

One stop border posts (OSBPs) are operational at Taveta, Holili, Kagitumba, Mirama, Busia Kenya, Busia Uganda, Mutukula Uganda, Mutukula Tanzania and Kobero and Kabanga. According to independent time and traffic surveys, overall time reduction across ten surveyed borders is 50%, against TMEA's end of programme target of 30%. Completion of the Mirama Hills road, now at 90%, will enhance the effectiveness of the Mirama Hills/Kagitumba OSBP by providing transporters with a faster, easier and safer route between Rwanda and Uganda. The Mirama Hills road is expected to be ready by end July 2017.

Progress has been made at OSBPs that are not yet operational, with construction at 88% and 40% at Elegu and Tunduma respectively. Once finished, the Elegu OSBP is expected to ease the movement of goods and humanitarian support to South Sudan. Political risk associated with the Dar es Salaam port programme rose due to limited appreciation of the programme by key officials in Tanzania. However, the President of Tanzania positively recognised TMEA's contribution to the port improvement at a groundbreaking

ceremony for the construction of the RoRo terminal and rehabilitation of Berths 1-7 in July 2017. TMEA therefore hopes that traction will be gained soon.

Irrespective of the risks, various infrastructure works at the port, including the rehabilitation of access roads for Gates 4, 8a, 8b and 5, have been completed. Reinstallation of Sheds 2 and 3 is at 100% and 70% completion respectively, with completion expected by August 2017 for the latter. TMEA's support to the port has also catalysed additional funding for infrastructure development through a US\$345 million loan from the World Bank and a US\$12 million grant from DFID. At Mombasa Port, detailed designs, an environmental and social impact assessment, and an economic and financial assessment for the upgrading of Berths 1-14 are nearly complete. TMEA is now supporting Kenya Ports Authority (KPA) to engage lenders for berth rehabilitation. The financing, construction and subsequent operation of this major project will be critical to achieving TMEA's results at Mombasa Port. In November 2016, the EU also approved €20 million of grant support. The first loan package from the European Investment Bank (EIB) and the Agence Francaise Development (AFD), estimated at US\$180 million, should be finalised in the second half of 2017.

Using its impact model, TMEA is attempting to isolate outputs contributing to efficiency and capacity measures at the ports to estimate equivalent cost/value. Port Reitz Road construction is 88% complete. The Government of Kenya has released KSh 610 million for land compensation, which will permit construction to proceed. Completion is planned by August 2017.

10

ONE STOP BORDER POSTS ARE NOW OPERATIONAL

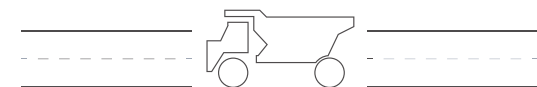


TAVETA
HOLILI
KAGITUMBA
MIRAMA
BUSIA KENYA



BUSIA UGANDA
MUTUKULA UGANDA
MUTUKULA TANZANIA
KOBORO
KABANGA

PORT REITZ ROAD CONSTRUCTION IS
88% COMPLETE



Enhanced Trade Environment

TMEA's support to establish efficient trade systems, adopt favourable trade agreements through improved EAC trade policy, and reduce non-tariff barriers for trade facilitation, achieved commendable results.

Regional and country programmes on standards

Since 2010, 196 standards have been harmonised, and 115 gazetted by the EAC Standards Committee. Nineteen standards were gazetted during the period under review. Support to national bureaux of standards and the private sector has also improved the efficiency and effectiveness of testing and certification. Findings of the 2015 independent formative evaluation on TMEA's Standards Harmonisation and Conformity Testing Programme indicate that the average conformity assessment clearance time fell from 38 days in 2010 to 10 days in 2014 for products without certification marks, and from 38 days to half a day for products with notified certification marks. Similarly, average testing costs per sample fell from US\$500 in 2010 to US\$205 in 2014. The report notes that TMEA's interventions are estimated to have contributed to an increase in both intra-EAC and extra-EAC trade volumes and values, from over US\$800,000 in 2010 to over US\$2 million in 2014.

Support to improving the Rwanda Standards Bureau testing capacity has helped businesses access markets much faster, thus reducing their cost of doing business. In the year under review, 28 companies in Rwanda achieved system and product certification, while testing turn-around time for mycotoxins, mineral contents and essential oils fell from 60 days in 2012, to 7 days in 2017.

In Uganda, average testing turn-around time for selected goods (such as steel, cement and maize) shrank from 19 days in 2013 to 6 days in 2017. However, a recent study on the impact of non-tariff barriers on informal cross-border traders, 70% of whom are women, found that the centralisation of Uganda National Bureau of Standards' (UNBS) testing and certification services in Kampala, is a significant barrier to trade. In Strategy 2, TMEA plans to support UNBS to decentralise testing centres to Busia, Kasese, Gulu and Mbarara.

The single window information for trade (SWIFT) portals

The single window information for trade (SWIFT) portals and management information systems (MIS) for key trade agencies has improved efficiency in processing key trade documents, thus reducing the time and costs of complying with multiple trade requirements. Automation has also enabled integration with national single windows in Kenya, Uganda and Rwanda, raising the prospects of further savings in clearance processes at key points of entry. A recently commissioned independent formative evaluation of six TMEA SWIFT projects indicates that through the SWIFTs, automation of processing of key trade documents along the EAC corridors has contributed to reducing average document clearance times by 3.2 days (77 hours): from 3.3 days (79 hours) to just 2 hours. The average cost per transaction for key trade processes has also fallen by US\$62, from US\$72 to US\$10. This saved US\$6.6 million in 2016 on the total cost of doing business. The net benefit (net present value) for the six evaluated SWIFTs is US\$16.8 million, while the benefit to cost ratio (or return per dollar invested) is US\$20. The internal rate of return is 134% for a payback period of 4 years.



IN RWANDA SYSTEM AND
PRODUCT CERTIFICATION
FELL FROM

60 DAYS IN 2012 TO **> 7 DAYS** IN 2017



IN UGANDA, AVERAGE TESTING
TURN-AROUND TIME SHRANK
FROM

19 DAYS IN 2013 TO **> 6 DAYS** IN 2017

TMEA SWIFT PROJECTS

CONTRIBUTED TO REDUCING AVERAGE
DOCUMENT CLEARANCE TIMES FROM

3.3 DAYS (79 HOURS) 

▼
TO JUST 2 HOURS



Customs interconnectivity systems

Real-time tracking of cargo is now operational along the northern corridor from Mombasa to Kigali, through the regional electronic cargo tracking system (RECTS). Preferential certificates of origin are now electronically generated and shared with Kenya, Rwanda, Tanzania and Burundi through the Uganda electronic single window.

In Uganda, the centralised document-processing centre, which enables electronic submission and processing of document clearing online, is now fully operational. It is expected to improve the transparency and predictability of clearing processes for the private sector. A total of 36 companies are now in the authorised economic operators (AEO) scheme following certification of an additional 14. Traders with demonstrated history of compliance (hence a low risk to the URA) are certified to join the AEO scheme, which allows use of simplified import procedures for faster clearance of goods.

In Kenya, preparation for the rollout of a new customs system for the Kenya Revenue Authority (KRA), which automates assessment and customs clearance processes, achieved a significant milestone with the successful test of the prototype that starts the modular 'live' rollout of the entire system.

Removal of non-tariff barriers

In the period under review, support for elimination of non-tariff barriers (NTB) has resolved 11 NTBs in the region. The removal of double charges by Rwanda, of up to US\$400 instead of US\$200 on certificates of transit for trailer trucks, was a significant achievement, as it will contribute to reduced

transport costs for cargo transiting through Rwanda. The 2016 Common Market Scorecard shows a significant decline in the time it takes to resolve NTBs. The EAC average time has fallen from 24 months in 2014 to 8 months in 2016, with Tanzania, which has cut resolution time from 34 to 5 months, achieving the highest drop. Despite the progress, common barriers among partner states still exist. NTBs that persist include: lack of harmonisation of working hours for customs authorities; poor coordination among institutions involved in testing goods; disharmony in road user charges/road tolls; and monetary charges required by various agencies for milk exports. Where such common barriers exist, a regional approach to resolving these is necessary.

A study conducted by DFID, AfDB and TMEA on the impact of NTBs in the region has been effective in determining the root causes of NTBs, and, by eliminating them, the potential impact on poverty reduction and consumer welfare. Findings will be used to prioritise resource allocation and design of effective strategies for the sustainable elimination of NTBs in Strategy 2. The EAC Partner States' commitment to ratification of the Tripartite Free Trade Area by December 2017, will establish a single tripartite policy framework covering 26 countries in key regulatory areas that affect and promote trade and investment. The single regulatory regime will bring together three regional economic communities (COMESA, EAC and SADC) and cover rules of origin, standards (health and technical), customs co-operation, trade facilitation, trade remedies, non-tariff barriers, and dispute settlement, as well as the general principles and rules on trade in the bigger tripartite region. TMEA is supporting the EAC to negotiate an appropriate and beneficial tripartite agreement with the rest of the regional economic communities.



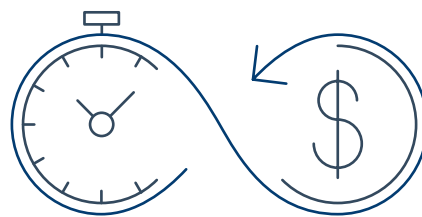
Improved Business Competitiveness

Interventions targeting policies, advocacy and better export capability, remain central to improving business competitiveness and increasing economic growth in the East Africa region. TMEA undertook targeted interventions with the private sector to not only eliminate challenges in logistics, but also build the capability of SMEs in export. Support to women through targeted interventions that aim to influence policy, increase women's access to markets and upscale their businesses, led TMEA closer to achieving its objective of women's participation in trade and reducing poverty at the household level.



Lobbying for the reduction of the northern corridor transport levy (from US\$0.12 to US\$0.30 per ton) by Uganda Shippers Council resulted in cost savings of over US\$1 million per year for exporters. In Rwanda, the Private Sector Federation recommended eight policies that will lead to lower power tariffs on commercial properties and the amendment of the flat rate penalty charged for not using an electronic billing machine. Adopting these recommendations will lower the cost of production and boost the competitiveness of Rwanda products.

\$1 MILLION
PER YEAR COST
SAVINGS FOR
EXPORTERS



The Tanzania Private Sector Foundation and the Freight Logistics Platform successfully lobbied for 24 hour, 7 day, operations at the Dar es Salaam port. This will reduce time spent at the port, consequently lowering storage costs for importers. Following lobbying, the Tanzania government removed VAT on ancillary services on transit goods. The introduction of this levy had led businesses to opt out of using Dar port and its removal is expected to attract new business. The policy recommendation submitted by the Tanzania Women Chamber of Commerce was adopted. The policy requires government procurement to have 30% consideration for women.





Women and Trade Women in Kenya will now find it easier to access trade opportunities after the country adopted three policies designed to overcome specific challenges faced by women. The policies include a regional grievance complaint mechanism for women in conflict; inclusion of gender and human security dimensions in the EAC Peace and Security Protocol; and access to opportunities for women, offered by the African Growth and Opportunity Act (AGOA). Complementing these is the recently established Women in Manufacturing Sector Dialogue and Policy Programme, which will provide a framework for business mentorship networks. The East African Legislative Assembly passed the EAC Gender Equality, Equity and Development Bill, 2016. The Bill seeks to consolidate and harmonise various commitments made at regional and international levels. Once enacted, it is expected to enhance gender equity, including in accessing opportunities from regional integration. The Bill awaits assent by EAC Heads of State.

In a targeted approach, 14,108 women traders now have a better chance of increasing incomes through access to markets, as they can now formally trade across borders thanks to the Women and Trade Programme. The programme also held training in customs and immigration procedures for 83% of the women. In South Sudan, an entrepreneurship post-training assessment for women business owners showed that 28% of the trained women scaled up their businesses and hired at least one employee. Monitoring data from TMEA partner, Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI), showed that increased access to market information improved the trading

environment by implementing a simplified trade regime, and trade capacity building. Average trade values for women cross-border traders at Busia, Taveta, Katuna and Mutukula registered a 50% increase from US\$500 in 2015 to US\$750 in 2016.

Export capability Support continued for businesses seeking to begin export activities or export-ready businesses looking to consolidate their knowledge and maximise long term export gains. In Rwanda and Burundi, 6,800 smallholder coffee farmers can now sell their coffee beans for better prices in high value export markets following certification by Rainforest Alliance, Fair Trade and UTZ.

Further, in Uganda's Masindi and Lira Districts, six new warehouse hubs will minimise post-harvest maize losses by providing storage that meets international standards and conserves maize quality. This will ensure farmers from these regions access regional markets. Adoption of better maize handling practices has resulted in a 75% reduction in the rejection rate of maize.

Providing solutions to some of East Africa's most complex trade challenges remains a mandate for the TRAC and LIFT Challenge Funds. The TRAC Challenge fund has contributed to creating 1200 jobs, increasing production at farm level for 11,113 farmers, and enhancing access to markets for 5,446 farmers whose produce has received international standards certification. TRAC's iShamba project utilises a mobile phone subscription-based, nationwide platform to provide needed agricultural information to Kenyan farmers.

Over 350,000 farmers are registered with iShamba with the majority noting that availability of market price information has led to a 5% increase in the price of their potato and maize.

The LIFT Challenge Fund continues to create innovative logistical solutions. A Clearing and Forwarding Pro Logistics System, recently launched in Mombasa, allows users to manage clients, consignees, shipping lines, transporters and vehicles in one database, thus reducing the time taken for clearance by enhancing efficiency. The system is expected to improve cargo management at the Port of Mombasa and reduce clearing and forwarding costs by 5% across 50% of participating users on the northern corridor.

TRADEMARK EAST AFRICA CHALLENGE FUND

CREATES 1200 JOBS



STRATEGY AND RESULTS

Communications

The Strategy and Results team continued with initiatives to make TMEA's results visible and thus strengthen its position as a global leader in Aid for Trade. Activities included: activation of the multimedia 'Results' campaigns to present independent evaluations reports for Rwanda, Uganda, MEAC and the Export Development Programme projects; organising 'seeing is believing' mission visits for VIPs, regional and international media and partners to selected TMEA projects, which included commissioning of the Taveta-Holili OSBP and port improvement projects. Leveraging of key events such as President Kagame's visit to the Kagitumba OSBP, and the launch of the Uganda national electronic single window and regional electronic cargo tracking system, resulted in increased visibility.

Targeted public communication in donor countries and supporting the CEOs' stakeholder engagement initiatives saw TMEA cited as an effective Aid for Trade organisation in the manifesto published by the Centre for Global Development, a credible and influential British think tank, (which works to reduce global poverty and inequality through research and

active engagement with the policy community). Further, Rachel Turner, Director General for Economic Development (Acting, during the reporting period) at DFID, in a recent discussion on DFID's economic plans, referenced TMEA as a benchmark for the kind of work that the agency endeavours to do.

Results achieved during the year include an increase in the number of TMEA referenced articles (to 60) – including the UK's Financial Times and the Guardian – appearances in pan-African and international TV networks – including CNBC and CCTV New York – and improving the reach of digital networks and social media platforms to over 1.5 million people (Reelforge Media monitoring report for 2016/2017).

A key achievement is the recognition of the TMEA results campaign, which won an award as the most outstanding non-governmental organisation in public relations and communication in Africa at the 2016-17 Africa Excellence Award event in Johannesburg, South Africa.

IMPROVING THE REACH OF
DIGITAL NETWORKS AND SOCIAL
MEDIA PLATFORMS TO OVER



1.5 MILLION PEOPLE

TMEA WON AN
AWARD AS THE MOST
OUTSTANDING NON-
GOVERNMENTAL
ORGANISATION IN
PUBLIC RELATIONS
AND COMMUNICATION
IN AFRICA



Results and knowledge management

Eleven evaluations, representing 61% of the 18 in the joint evaluation plan have so far been completed, with 44 projects being evaluated. Three evaluations: TMEA Challenge Funds, and Kenya and Tanzania country programmes, are still ongoing. Ten time and traffic surveys have been completed to date, with three undertaken during the year.

The DFID-commissioned independent evaluation of TMEA commenced during the review period. Completed evaluation processes include: institutional assessment; effectiveness and outcome level evaluation of 40 projects in Strategic Objective 2 and 3 portfolios; evaluation of OSBPs and port projects; output mapping to TMEA theory of change; the political economy assessment and an analysis of East Africa trade policy. Findings from the independent evaluation signal positive results overall for TMEA.

The process of reviewing and revising the Strategy 1 results framework to incorporate feedback from the annual review was completed and approved by the TMEA Board. Development of the Strategy 2 results framework at the corporate and regional levels is ongoing and once completed, will be submitted to the evaluation committee of the Council

THE DFID-
COMMISSIONED
INDEPENDENT
EVALUATION OF TMEA
COMMENCED DURING
THE REVIEW PERIOD



and the Board for approval. The lessons learning publication for TMEA Strategy 1 is expected to be completed by the end of the year and will be disseminated during the stakeholders' forum.

The independent review of the TMEA impact model was completed. Further development of the model to enhance its effectiveness, integration and interaction with users is underway.

The process of revising the TMEA knowledge management strategy continued. As part of deepening knowledge management, TMEA further commenced design of communities of practice that will bring together stakeholders to discuss and debate topical trade and development issues. Examples are infrastructure development, trade environment, private sector competitiveness and sustainable development. These discussions will enable TMEA to share experiences and lessons with the global audience and will contribute to increased focus on ensuring TMEA understands both positive and negative impacts in its programmes.

TMEA FURTHER COMMENCED
DESIGN OF COMMUNITIES OF
PRACTICE



Sustainable and inclusive trade

As part of the annual TMEA International Women's Day celebration and quest for inclusive and sustainable trade, TMEA launched two publications that contribute to the overall goal of building the business and development case for gender mainstreaming in trade. The first publication is a Gender and Trade compendium that shares TMEA's achievements and the challenges experienced so far. The second is an important joint study with the Federation of East African Freight Forwarders Associations on ways to increase the participation of women in the logistics sector. The key recommendations from this study will form part of the Strategy 2 programming under Outcome 2.

TMEA continues to support gender mainstreaming efforts in its programmes, including: gender sensitisation; monitoring and collection of sex disaggregated data; supporting employment opportunities for women; advocacy for gender and trade policies; and capacity building activities targeting women in trade. Of the 118 TMEA active projects, 46 have gender components representing 39% of all TMEA projects. A gender-mainstreaming module is being developed and will be included in the OSBP training curriculum to ensure institutionalisation and sustainability. TMEA recently updated and revised its safeguards policy to intensify its work on safeguards and mitigate the risks that insufficient safeguards pose to its programmes. The policy was approved by the TMEA Board of Directors in May 2017, and TMEA is expected to develop appropriate internal systems and procedures for safeguards management. In addition, environmental and social spot check audits will continue in current programmes. Project appraisal documents will also be reviewed against safeguard measures. An environmental adviser is expected to report in July 2017.

118 TMEA ACTIVE PROJECTS > 46 HAVE GENDER COMPONENTS REPRESENTING > 39% OF ALL TMEA PROJECTS



CORPORATE SERVICES

Finance

TMEA continued to make improvements in its financial management and financial reporting arrangements. This is most obvious in the actual expenditure figures being so close to the approved budget. Better budgeting and forecasting has enabled TMEA to more accurately schedule donor contributions and manage cash flow. These factors will also ensure a smoother transition from Strategy 1 to Strategy 2, from a financial perspective.

The impact of the fall in the value of the Pound Sterling following the UK referendum on EU membership is still being felt. While there has not been a substantial further decline in the value of the UK pound after the initial market response, TMEA is still obtaining around 15% fewer dollars for each pound than before the referendum. Given that most TMEA funding is received in UK pounds and most expenditure is incurred in US dollars, this has led to a significant adjustment to the budget. Nevertheless, with the support of donors and programme teams, TMEA has managed to make those adjustments and expects the final deficit on Strategy 1 to be no more than around US\$2 million. In response to this exchange rate volatility TMEA has sought Board approval of prudent exchange rate assumptions, introduced a contingency into the Strategy 2 budget leaving some resources unallocated to projects, is testing denominating contracts in UK pounds, and is exploring whether donors would consider denominating their contributions in US dollars.

Work is continuing to assure enhanced and more secure privileges for TMEA through refreshed Memoranda of Understanding (MoUs), or moving to a stronger legal framework. Good progress is being made in Kenya with Cabinet approval to grant TMEA a Host Country Agreement expected soon. Stronger MoUs in Uganda and Rwanda have

been presented to the respective governments and these are being discussed. These changes are especially important to ensure that TMEA has obtained all reasonable tax and duty exemptions from the governments of the Partner States.

Information and communications technology

A significant development for TMEA's ICT architecture has been a new 'secondary internet break-out point' in Dar es Salaam. This results in improved Internet access for some country offices and provides an alternative access point to the Internet in case there are problems with access in Kenya (and vice versa). This development is also supported by greater use of the 'cloud' as part of TMEA's disaster recovery plan. With the scaling down of the Arusha office, TMEA has relocated the business continuity plan site to Dar es Salaam and rolled out 'voice over internet' telephony to all offices (not yet Burundi), which means there is now 'internal' access to all staff through no-cost extension numbers.

The development of the proposed TMEA Resources Integrated Management System (TRIMS) has been slowed down pending confirmation of funding for Strategy 2. As this funding is looking increasingly certain, TMEA plans to restart preparations by drawing up detailed specifications starting September 2017.

People and administration

The completions of the new rewards policy and the organisational review have been the main activities of the human resources team during the year. The new rewards policy is now fully implemented. Planning for the next salary

survey has also commenced, but the timing has yet to be decided. On the organisational review, given the uncertainty surrounding funding, the recommendations have not been taken to the Board for approval and so have not been implemented. Instead, a further 'light-touch' review is planned for September 2017 to revise the original recommendations, taking into account the reduced levels of funding anticipated for Strategy 2.

With changes to the shape and structure of TMEA in Strategy 2 there are significant developments in the office arrangements outside of Kenya. The office in Juba has been closed until there is greater clarity on funding of the TMEA South Sudan programme; the office in Arusha has relocated to smaller premises closer to the EAC, reflecting the new management arrangements for the TMEA-EAC Partnership Programme; and plans are underway to relocate the Kigali office into a purpose built office and out of a designated residential area, in line with directives from the local authority. TMEA offices in Dar es Salaam and Kampala have also been reconfigured, again to reflect the dynamic structure of the organisation.

Procurement

A new procurement director started at TMEA in January 2017. He is in the process of strengthening procurement procedures and making them more responsive, agile and better value for money for Strategy 2. Key changes potentially include pre-tender market engagement, more extensive use of framework contracts, greater use of price negotiation and tighter restriction on the use of single-source procurement. TMEA is also broadening the membership of the tender committee to engage more loosely with programme teams and avoid perceived conflicts of interest.

CHALLENGES AND LESSONS

a

It is important that TMEA entrenches an adaptive approach to programming, especially as it begins to implement Strategy 2. In Strategy 1, TMEA experienced challenges in the operating environment, such as: forex losses resulting from Brexit decisions; unstable political and security situations in South Sudan and Burundi resulting in suspension of donor funding; and delayed implementation of some projects such as the Dar Port and KRA iCMS projects, among others.

b

Navigating these challenges required flexibility, regularly reflecting and learning from what worked or not, deepening understanding of the political economy, supporting partners to manage complexities, engaging closer with governments, and recognising the need to diversify interventions and funding sources to mitigate against dependency.

c

To ensure that TMEA support is sustainable, first, it is critical to stay close to partners' decision-making processes, even after TMEA funds have been expended. This can be challenging but is crucial to maintain linkages between outputs and outcomes. Second, there is a strong need for a framework for skills transfer from hired specialists (technical assistance) to the staff of partner institutions, such as the mentorship of young professionals piloted in Rwanda. This ensures that beneficiary institutions gain from technical support, while the capacity of their staff is strengthened.

d

At the completed OSBPs, TMEA is also undertaking various activities to ensure sustainability. These include engaging with lead agencies to develop key performance indicators that will ensure accountability, and monitor and compare performance with other OSBPs. Lead agencies will also be engaged to safeguard budgetary provision for maintenance of the OSBPs in the long term.

e

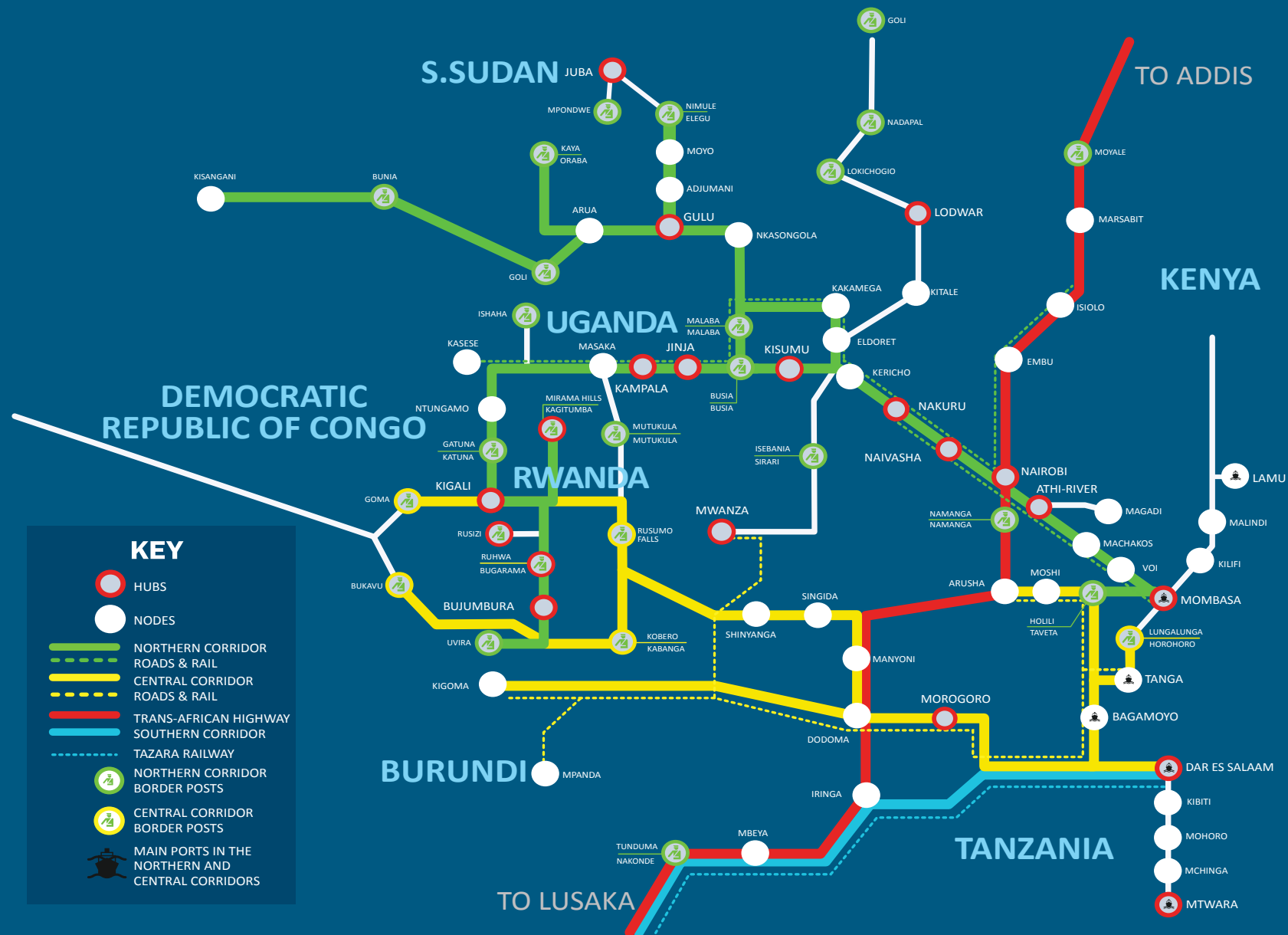
Compliance to environmental and social safeguards has elicited interest from TMEA and its investors. The cancellation of a World Bank road project in Uganda due to non-compliance, reflected a growing concern about the risks of not complying with environmental and social standards in TMEA's programmes. In response, TMEA revised its safeguards policy, intensified work on safeguards and ensured compliance in the infrastructure portfolio.

e

TMEA's experience and learning during the first phase has provided extensive knowledge, which could be used to enrich future TMEA (and other trade facilitation) initiatives. The knowledge management strategy and action plan that is currently under development is in response to this opportunity.



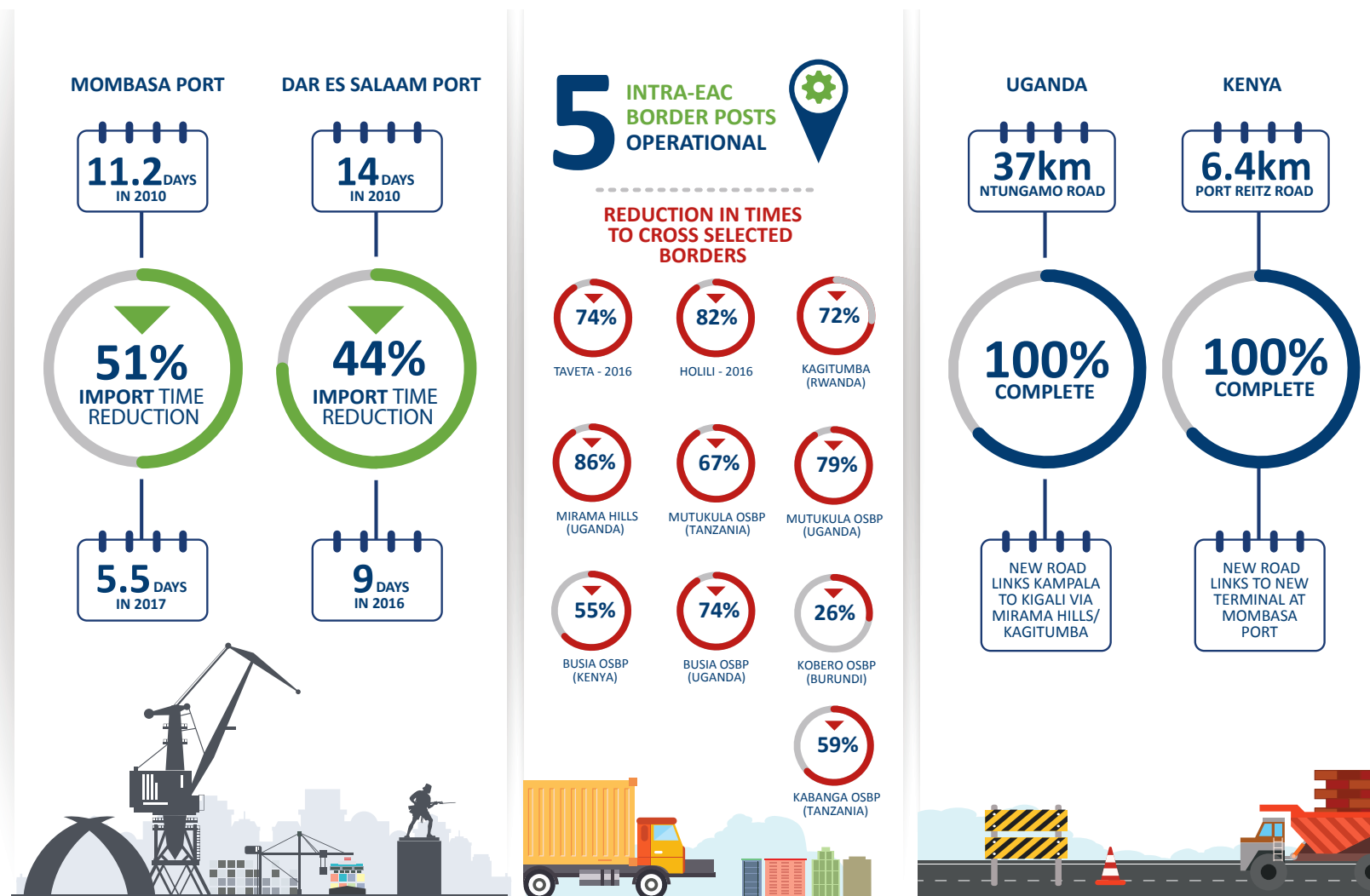
THE NORTHERN AND CENTRAL CORRIDORS OF EAST AFRICA



OUR PROGRESS 2016 - 2017

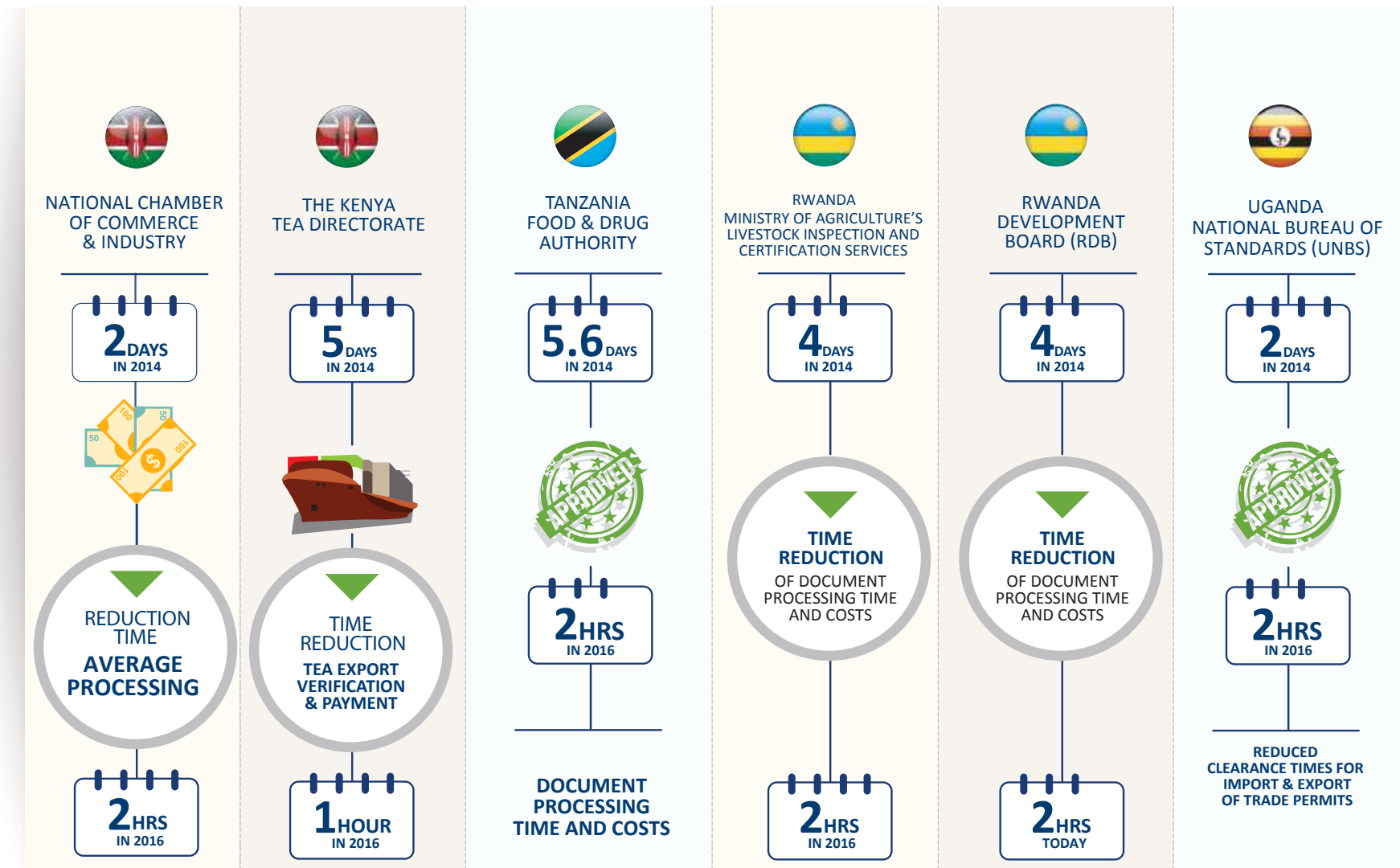


INCREASED PHYSICAL ACCESS TO MARKETS





ENHANCED TRADE ENVIRONMENT





IMPROVED BUSINESS COMPETITIVENESS

LOBBYING FOR THE
REDUCTION OF THE
NORTHERN CORRIDOR
TRANSPORT LEVY

FROM
\$0.30
TO
\$0.12
PER TON

BY UGANDA
SHIPPERS
COUNCIL
RESULTED IN
COST SAVINGS
OF OVER

\$1 M
PER YEAR FOR
EXPORTERS

TANZANIA PRIVATE
SECTOR FOUNDATION
AND THE FREIGHT
LOGISTICS PLATFORM

SUCCESSFULLY LOBBIED
24HRS

7 DAYS
OPERATIONS AT THE
DAR ES SALAAM PORT

THIS WILL REDUCE
TIME SPENT AT THE
PORT, CONSEQUENTLY
LOWERING STORAGE
COSTS FOR IMPORTERS



14,108

WOMEN TRADERS
NOW HAVE A
BETTER

CHANCE OF INCREASING
INCOMES THROUGH
ACCESS TO MARKETS,
AS THEY CAN NOW
FORMALLY TRADE
ACROSS BORDERS
THANKS TO THE WOMEN
AND TRADE
PROGRAMME



AVERAGE TRADE
VALUES FOR WOMEN
CROSS-BORDER
TRADERS AT

TAVETA, KATUNA
AND MUTUKULA

50%
REGISTERED
INCREASE

\$500
IN 2015
TO
\$750
IN 2016

TRAC

1,200
JOBS CREATED

INCREASING
PRODUCTION AT
FARM LEVEL FOR
11,113
FARMERS

AND ENHANCING
ACCESS TO MARKETS FOR
5,446
FARMERS WHOSE
PRODUCE HAS RECEIVED
INTERNATIONAL
STANDARDS CERTIFICATION



LIFT

CONTINUES TO CREATE
INNOVATIVE LOGISTICAL
SOLUTIONS

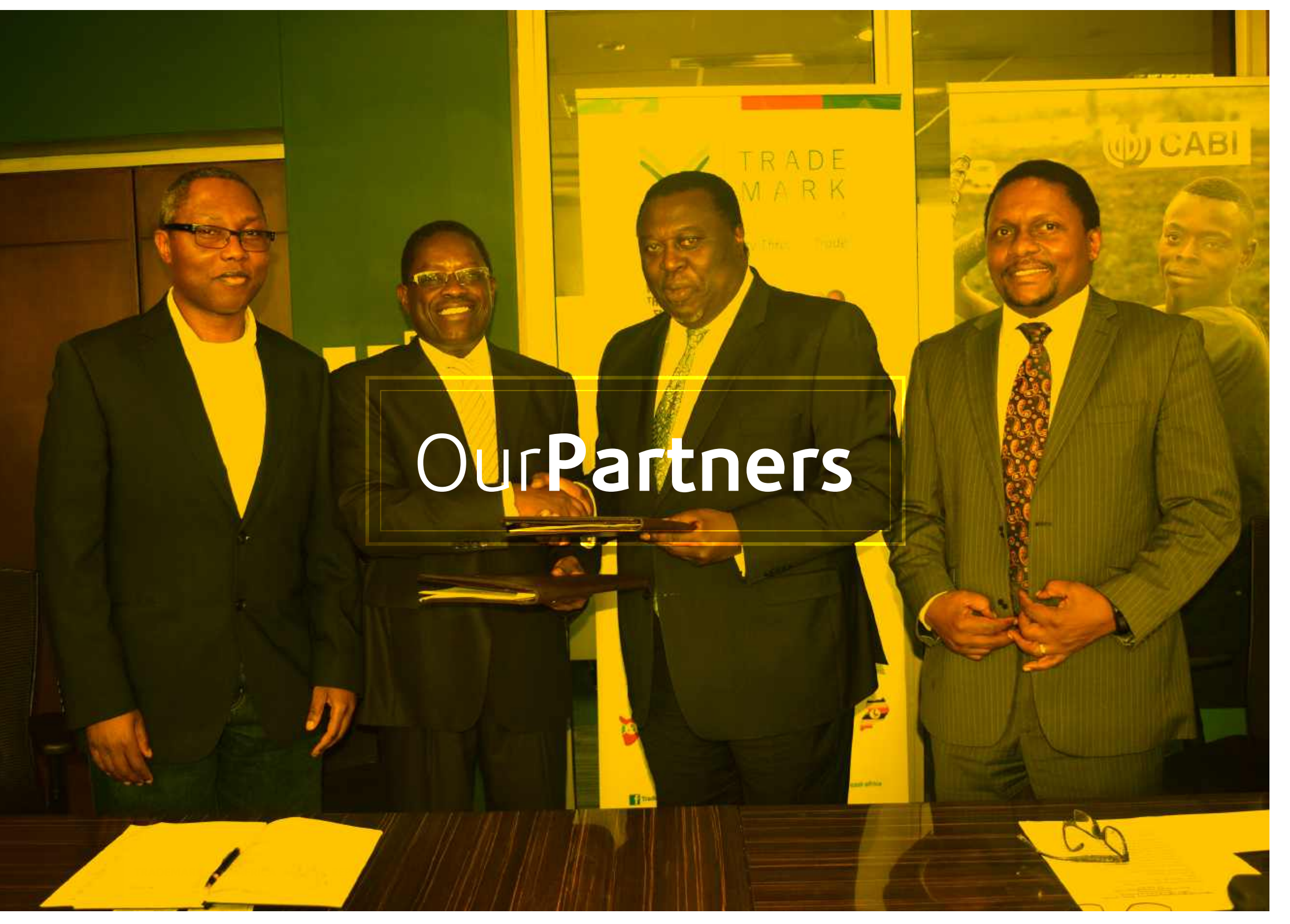


REDUCING THE TIME TAKEN
FOR CLEARANCE BY
ENHANCING EFFICIENCY

5%
REDUCE CLEARING
AND FORWARDING
COSTS

50%
OF PARTICIPATING USERS
ON THE NORTHERN
CORRIDOR



A photograph of four men in business suits standing in front of posters. The man on the far left wears glasses and a dark suit over a white shirt. The second man from the left wears glasses and a dark suit with a light-colored tie. The third man wears a dark suit with a patterned tie and holds a folder. The man on the far right wears a pinstriped suit with a patterned tie. Behind them are posters, one of which says 'TRADE MARK' and another with the 'CABI' logo. A semi-transparent box with the text 'Our Partners' is centered over the image.

Our Partners

SECRETARY GENERAL, EAST AFRICAN COMMUNITY



Amb. Libérat Mfumukeko
Secretary General, East African Community

It is a privilege for me to comment on the partnership between TradeMark East Africa and the East African Community in this 2015-2016 Annual Report.

Even though I am a year old as the Secretary General of the East African Community, I have closely followed TMEA's work in East Africa. Furthermore, as a former key government official in the Republic of Burundi, where TMEA has a country programme, I have seen first-hand the positive impact of its work.

The East African Community integration process is a journey on which the travellers are the people of East Africa themselves, led by their governments (although, quite often, the people lead their governments!). On this journey, donors and other friends of the EAC play a crucial role as facilitating and accompanying partners. TMEA has been such a partner, accompanying the EAC on its integration journey since 2010.

During this period, TMEA has made a substantial contribution towards the EAC's drive to achieve a single customs union and to move towards a common market. Its contribution to trade facilitation – through improving the ports of Mombasa and Dar es Salaam, one-stop border posts, electronic cargo tracking, electronic single windows systems, and customs interconnectivity – is tangible. Other support from TMEA includes assisting the EAC to negotiate a Tripartite Free Trade Area agreement with COMESA and SADC and an Economic Partnership Agreement with the European Union.

The TMEA-supported, and IFC-executed biennial publication of the Common Market Scorecard is a great tool for tracking the progress the EAC is making in the implementation of the Common Market Protocol.

Along with other partners, TMEA has also made a significant contribution to strengthening EAC systems and processes, especially in planning and budgeting, accounting and financial management, procurement, and audit systems. In addition, in the last year TMEA has been instrumental in supporting the EAC's efforts to manage its travel budget through the installation of modern video conferencing (VC) facilities at the EAC Secretariat and at all EAC coordinating ministries in Partner States. The VC system is on track to save the Community about US\$2.5 million alone this year.

It was partly because of these improved systems that the EAC achieved two critical milestones: it passed the EU five-pillar fiduciary risk assessment, making it possible for the EAC to access direct funding; and it achieved the International Standards Organisation certification (ISO 9001:2008) for the quality of its management and systems.

Overall, 2015-2016 was notable for solid achievements and recognitions. For example, the EAC attained international recognition as the fastest growing

regional economic bloc in Africa, as well as the best performing, according to the recent Africa Regional Integration Index Report 2016, jointly carried out by the African Union Commission, the African Development Bank and the United Nations Commission for Africa.

Whilst we have much to be proud of in our partnership, the EAC looks forward to more fruitful and expanded cooperation with TMEA in the years to come.

Amb. Libérat Mfumukeko
Secretary General, East African Community

MINISTER OF TRADE, INDUSTRY AND COOPERATIVES UGANDA



Amelia Kyambadde (MP)

Minister of Trade, Industry and Cooperatives

Uganda has registered economic growth of between 5% and 6% of GDP, with remarkable performance in the last four years. This is attributed to economic reforms in the business and trade environment, which enhance Uganda's competitiveness in the domestic, regional and international markets.

The reforms have been supported by TradeMark East Africa through the UK's Department for International Development (DFID), with US\$100 million in grants to various sectors.

Below are some of the wide-ranging interventions in which TMEA's support has been significant.

Improving customs management systems - In this intervention, 100% of customs' stations were connected to an online customs management system.

Electronic cargo tracking - This system was piloted in Uganda and later rolled out to Kenya and Rwanda. It aims to enhance the smooth flow of cargo traffic along the northern corridor and eliminate the need for physical escorts. As a result of this initiative (among others) transit time from Mombasa to Kampala has reduced from 21 days (2010) to 4 days (2016).

Construction of Ntungamo/Mirama Hills Road - The work on the 37 km road was completed in 2017. It is designed to facilitate the flow of trade between Uganda and Rwanda and further improve trade flows along the northern corridor.

Construction and operationalisation of one stop border posts (OSBPs) - Three border posts, namely Mutukula (Tanzania), Busia (Kenya), Mirama Hills/Kagitumba (Rwanda), have been completed and the fourth at Elegu (South Sudan) is 88% complete. At Mutukula border the crossing time has decreased by 90%, from 45

hours (2011) to 4 hours (2017). The Busia border crossing has decreased by 74%, from 14 hours (2011) to 3 hours (2016).

Integrated border management - This system enabled operationalisation of the Malaba OSBP and is acknowledged by the World Bank as one of the key facilities to ease trading across borders.

National Response Strategy for Elimination of Non-Tariff Barriers (NTBs) - This strategy resulted in the development of the online NTB Reporting and Resolution System where 92% (178/193) of NTBs that were reported under the SMS-based system were resolved.

National Electronic Single Window This is one of the key requirements of the World Trade Organization (WTO) Trade Facilitation Agreement that Uganda has recently ratified. It saves valuable time and other resources for the business community as it leads to faster clearance of cargo.

Uganda National Bureau of Standards With TMEA's intervention, the Government of Uganda was able to procure versatile testing equipment that led to a 73% decrease in average testing time, from 19 days to 5 days.

Private sector and civil society - This support has improved the quality and standards of maize and sesame. Both the first District Maize Ordinance in Nakaseke, and a newly developed sesame standard, were ratified by the WTO. This has led to

an increase in the price of maize from UGX 400 per Kg to UGX 1366 per Kg.

National Logistics Platform - This creates synergies between the public and private sectors, thus positioning Uganda as a major distributional hub. The platform has taken the lead on issues of local content to ensure benefits from the oil and gas industry.

Tourism sector - This has improved the competitiveness and marketability of Uganda's tourism products.

Women based organisations - Women traders have been empowered through training on EAC trade processes and procedures, and on the elimination of NTBs.

H.E. the President of the Republic of Uganda has recognised TMEA for applying the Aid for Trade and Development concept in Uganda. Strategy 2 will address export promotion, job creation and poverty eradication. The Ministry of Trade, Industry and Cooperatives has worked closely with TMEA and development partners, and in particular DFID, in implementing the above programmes and I am confident that they will transform the economy of Uganda and the region.

Amelia Kyambadde (MP)

Minister of Trade, Industry and Cooperatives Uganda

ProducingResults

KIKWETE
BRIDGE
DARAJA LA
KIKWETE

// The Burundi Country Programme continued to focus on private sector support and achieved good results. The power extension from Mukoni to Kobero OSBP was completed in September 2016 and will benefit OSBP operations and citizens in and around Kobero. The Market Linkages Programme supported 10 companies to achieve an aggregated US\$75,000 in export revenues. Through our partnership with the Association of Burundi Businesswomen, over 100

women traders and entrepreneurs were trained on cross border trade regulations. Our work with the Federal Chamber of Commerce and Industry of Burundi (CFCIB) has supported the CFCIB OBR platform on fiscal matters resulting in an MOU signed with OBR (the revenue authority). Finally, a growth hub study to inform TMEA Strategy 2 programming was completed and validated with stakeholders. //

Aime Nzoyihera
Acting Country Director



Burundi

PROJECTS

5



BUDGET

\$2,029



ANNUAL GDP GROWTH(%) -0.57



GDP PER CAPITA (\$)

285.727





ONE STOP BORDER POST BENEFITS ALL

The Kobero one stop border post (OSBP) used to be characterised by outdated infrastructure and uncoordinated procedures by multiple border agencies, causing delays in import and export operations. It functioned as the checkpoint for imports into Burundi, with clearance of transit goods done at Kayanza, about 120 km away. This was an avenue for corruption as the transporters hesitated to undertake clearance in Kayanza, resulting in loss of revenue for the Burundi Revenue Authority (OBR). The border post opens daily for 12 hours from 6.00 am to 6.00 pm.

Challenges included poor communication between Kabanga and Kobero customs offices, an inconsistent power supply, a difficult to access warehouse and inappropriate facilities to store wet and dangerous goods. The objectives of the project were to improve border infrastructure, including ICT; harmonised working procedures on both sides of the border and train border agency staff, freight forwarders and traders.

Today, the OSBP includes a customs inspection shed, a warehouse, offices for officials, staff quarters and service roads based on the planned business flow and movement of people. All these facilities are equipped with new furniture and ICT equipment.

The Kobero OSBP was handed over to the OBR on 23 December 2015. A new power connection from Mukoni to Kobero OSBP has further improved the efficiency of the border post and

is also benefiting communities from Mukoni to Kobero (28 km). The electricity component was completed in September 2016. In addition, systems connectivity has been significantly improved to facilitate the implementation of OSBP integrated border management.

RESULTS

- 30% reduction in time taken to transit goods at Kobero and Kabanga.
- Job creation for the border community: around 130 people have been employed at the site
- Kobero and Kabanga border posts now operate on OSBP principles: Tanzanians officials have relocated to the Kobero office and Burundi officials are operating from Kabanga.
- Better infrastructure: the electricity line from Mukoni to Kobero has contributed to uninterrupted working hours, efficiency in processing, safety and security, especially for women traders and border officials, reduced commodity loss and less time spent at the warehouse. Improved infrastructure includes roads, offices and staff houses.
- An average 97% user satisfaction recorded at Kabanga and 50% satisfaction at Kobero.

Kobero One Stop Border Post is OBR and TMEA pride. It is indeed the mirror of Burundian Customs.

Yvette Kariyo

*OBR Administration and Procurement
Director (2016)*



30% REDUCTION IN TIME TAKEN TO TRANSIT GOODS AT KOBERO AND KABANGA.



130 JOBS CREATED FOR THE BORDER COMMUNITY





SUPPORTING THE PRIVATE SECTOR TO INFLUENCE TRADE POLICY

With TMEA support, the Burundi Federal Chamber of Commerce (CFCIB) is helping the private sector to participate in forming and implementing policies that improve the business regulatory environment. This entails building the capacity of the CFCIB to generate evidence that will support advocacy on key policy issues. To do this, a five-year strategic plan and a two-year action plan were developed.

As a result, CFCIB successfully influenced policy decisions in seven areas: VAT, non-tariff barriers, unfair competition in the tourism sector, Bujumbura port management, certificates of origin, women and youth entrepreneurship and fruit exports. Three decisions addressed issues specifically faced by women traders. The chamber has also increased its membership by 69% (versus 5% targeted) and successfully championed two private-public dialogue frameworks: a monthly Café du President – a recurring workshop between business people and high-level government officials on topics of shared interest – and a CFCIB-OBR (Burundi Revenue Authority) dialogue platform guided by the MoU signed between the two parties. In addition, 31 recommendations to policy makers (against a target of 10) were submitted to decision-makers, with supporting empirical evidence.

Support was provided to the CFCIB to participate in the EAC Secretariat and East African Business Council meetings. Policy recommendations from these meetings were transmitted to the EAC heads of states.

TMEA also supported the CFCIB and affiliated Hotels and Tourism Sectoral Chamber (HTB) in providing two technical assistants for their advocacy work.

RESULTS

- CFCIB 5-year strategic plan and a 2-year priority action plan developed and validated.
- 2 technical assistants recruited to support the CFCIB and the Chamber of Hotel and Tourism.
- 41 outreach events (against 20 originally planned) organised to advocate on specific issues and sensitise on regional integration matters.
- Awareness raised on cross-border and tax procedures for 1772 traders.
- 31 recommendations submitted to policy makers with supporting empirical evidence.
- Informal cross-border trade dialogue platform created, which includes strong voices of small women cross-border traders.
- Public-private dialogue framework on tax-related matters between OBR and CFCIB extended. Seventeen recommendations (out of 12 targeted) agreed for action by both parties.
- Awareness raised on gender responsive tax and cross-border trade for 1112 people through clinics and workshops.

The role of the CFCIB is first to supervise the operators. We also advocate that the environment in which economic operators operate is conducive to business whether at the level of laws or at the level of different texts. We are seeing the positioning of the CFCIB, and of economic operators in the context of the EAC. ... All of this is environment-related because the environment is not just the laws the Government puts in place but it's also the way we, economic operators, work. We have even reviewed our texts so that we can be more operational and respond much more to the expectations of our members.

Audace Ndayizeye

Audace NDAYIZEYE, President of the Federal Chamber of Commerce and Industry of Burundi-CFCIB



41 ADVOCACY
OUTREACH EVENTS
ORGANISED



AWARENESS
RAISED ON
CROSS-BORDER
TRADE

1772
TRADERS



CONNECTING SELLERS WITH BUYERS TO GROW EXPORTS

Question: how do you connect sellers with buyers?

Answer: use a market linkage programme (MLP), with an approach that develops highly targeted and well prepared sales missions to link exporters to existing and new markets through trade missions, thereby increasing export values by 10%. The mechanism was very effective in Burundi, establishing appropriate networks by connecting sellers with buyers within the EAC and the DRC.

The programme was implemented by Traidlinks and had two main components: an export capacity programme and a market linkage programme. Under the export capacity component, a workshop and group meetings were organised to raise awareness for stakeholders on the export business. Training was offered to 33 companies and stakeholders' representatives.

Under the market linkage component, 49 companies underwent an export capacity assessment and a baseline data collection, leading to 20 companies enrolling in the MLP, of which nine were women-owned or women-led companies. Of the 20 companies, only one had exported previously. By the end of the programme, 10 companies had exported goods in 2016-2017, achieving the US\$75,000 programme target in export revenues. Of the nine female-owned or female-led companies, five developed export action plans. All 20 companies are now committed to exporting.

RESULTS

- 49 companies assessed for readiness to participate in the programme.
- 20 companies, of which 9 were women-led, enrolled in the programme.
- Export action plans completed for the 20 companies enrolled in the programme.
- 6 sales missions completed in Bukavu, Uvira and Kigoma.
- 3 trainings organised on quality standards, certification and packaging, export procedures and costing and pricing for export.
- Export revenues reached US\$75,000 for the 10 companies that managed to sell their products.

“ In the area of export promotion and diversification, the API (Burundi Investment Promotion Agency) worked with Traidlinks in facilitating the access of Burundian companies to foreign markets under the market linkage programme, which has enabled several Burundians to have foreign markets, mainly in Tanzania or Democratic Republic of Congo. ”

Didace Ngendakumana

Directeur de l'API



20

COMPANIES, OF WHICH 9 WERE WOMEN-LED, ENROLLED IN THE PROGRAMME.

\$75,000

EXPORT REVENUES REACHED FOR THE 10 COMPANIES





CREATING A LEVEL PLAYING FIELD FOR WOMEN IN TRADE

The Women in Trade project was launched on 23 February 2017. It aims to improve the business environment for women in trade in Burundi and eliminate gender-based trade barriers faced by women traders and those women who run small businesses.

The project undertook to: strengthen women entrepreneur associations; develop a baseline for the Women in Trade programme to be implemented in TMEA Strategy II; develop an advocacy agenda and conduct advocacy training to enhance women and trade advocacy in Strategy II; and build capacity for women in cross-border trade and women enterprises.

The implementing partner – the Association of Women Entrepreneurs in Burundi (AFAB) – is a well-established woman-serving institution with a broad scope of activities and beneficiary groups. It has carried out several projects around women entrepreneurship in partnership with international institutions, notably SPARKS and the International Trade Centre.

The project targets included training 50 leaders of women entrepreneurs associations, and a secretariat, and creating trade-related awareness, knowledge and skills for 400 women traders and entrepreneurs.

RESULTS

- 79.5% of target women reported improved knowledge and capacity for advocacy on issues affecting women and trade in Burundi.
- Of the 400 women traders and entrepreneurs targeted, 318 have been reached.
- 101 women traders and entrepreneurs made aware of environment friendly entrepreneurship during International Women's Day.
- 9 recommendations to policy makers submitted.
- 50 women traders and entrepreneurs sensitised on Common Market and Customs Union protocols and on cross border trade regulations and processes. Participants learned about customs import and export procedures and simplified trade regimes.
- 50 women traders and entrepreneurs from 14 associations had leadership and advocacy training.
- 50 women traders and entrepreneurs received financial training, including budgeting, saving, credit/loan management, financial services and negotiation.
- AFAB Strategic Plan 2017-2021 developed and validated, with objectives that fit with the TMEA Women in Trade programme.
- 70 additional members from rural and urban areas registered with AFAB.

// AFAB projects were stopped in November 2015, and 2016 become a year without activities. Members were so discouraged they stopped paying their membership fees. Since February 2017, the hope was brought back by the project 'women in trade' supported by TMEA. It became an opportunity to get back together, as AFAB had so much to offer to its members. The project was named #Garuka (come back) as members who had left returned and now 101 new members have joined the association since February. //

Mrs Immaculee Nsengiyumva

Executive Secretary of AFAB



79.5%
OF TARGET WOMEN REPORTED
IMPROVED KNOWLEDGE

400 WOMEN
TRADERS AND
ENTREPRENEURS TARGETED

// TMEA Kenya invested US\$95 million from 2010 to 2017 to implement its first strategy. Using an integrated approach, which combines investment in both hard and soft infrastructure to increase capacity and efficiency, TMEA has helped to reduce the time to move and clear goods through Mombasa Port, from 11 days in 2010 to 4.8 days in 2016. Key trade facilitation measures along the Northern Corridor, such as the setup of one-stop border posts at the Busia and Malaba border crossing with Uganda and the Taveta border crossing with Tanzania, have also

contributed to this. Programme funds also supported: policy reforms; removal of NTBs; capacity building for fresh produce exporters; policy advocacy for an improved business environment; capacity strengthening of the bureau to facilitate trade and to increase the efficiency of the revenue authority by upgrading their ICT infrastructure; and automating and improving customs processes and procedures for faster clearance to facilitate trade processes more efficiently. **//**

Ahmed Farah
Country Director



Kenya

PROJECTS	18	
BUDGET	21,840	
GDP IN \$ BN	70.529	
ANNUAL GDP GROWTH(%)	5.849	
GDP PER CAPITA (\$)	1455.36	





GREENING THE PORT OF MOMBASA

The Kenya Ports Authority (KPA) recently finalised the Green Port Policy Study, filling an important gap in port planning. It takes an explicitly environmental and climate change approach, consistent with the ongoing Mombasa Port modernisation programme and the current work in the port being carried out by KPA and TMEA. Despite the positive developments at the port, productivity and efficiency improvements are still hampered by negative environmental issues that need to be mitigated. To do this, the Mombasa Resilience Infrastructure Programme was developed with funding from the UK International Climate Fund, to ensure that the infrastructure investments under the TMEA Mombasa Port Programme achieve full value for money, building climate resilience, mitigating environmental impacts and enhancing such opportunities.

Two key projects in final stages are the replacement of asbestos roofing materials with galvanised roofing sheets covering seven workshops within the port; and bio-terra phasing of hillsides at the Port of Mombasa.

I. Replacement of asbestos roofing materials with galvanised roofing sheets

Asbestos is a naturally occurring mineral, made up of long thin fibres, which, when inhaled as dust, contribute to an increased risk of lung cancer, asbestosis and mesothelioma. As part of TMEA's interventions, the port is replacing all asbestos roofing tiles with aluminium sheets

and ensuring proper disposal of the same according to NEMA standards. At the same time a rainwater harvesting system is being installed, allowing it to be channelled into a newly constructed underground tank.

II. Bio-terra phasing of hillsides at the Port of Mombasa

Slope stability is an issue of great concern in many parts of Kenya. Slope failure can be triggered by climatic events that make the slope unstable, leading to mass movement. During the El Nino rains of 1998 landslides caused parts of the port to be inoperable. To curb slope failure, KPA, in partnership with TMEA, embarked on slope protection works across the port. This involves using interlocking concrete blocks to act as earth-retaining walls. The terra blocks have an open horizontal surface that when filled with soil, will allow root systems and irrigation water to penetrate, ensuring a continuing aesthetic value.

RESULTS

- Bio-terra phasing of hillsides is 95% complete. Completion is scheduled for December 2017.
- A contract was signed for the removal of asbestos roofing sheets, reroofing of workshops, installation of solar energy and construction of an underground water tank. The project was 45% complete by the end of June 2017.

“We acknowledge this project for having adhered to the prescribed NEMA requirements for the removal of asbestos roofing at KPA facilities within Kilindini Port and their subsequent disposal at Mazeras within Kilifi county.”

Prof. Geoffrey Wahungu
NEMA Director General,



95% OF BIO-TERRA
PHASING HILLSIDES
COMPLETE



SPURRING ECONOMIC GROWTH THROUGH ROAD EXPANSION AT MOMBASA PORT

The city of Mombasa, its port and the facilities around it, are important to the economy of the whole of East Africa and the Great Lakes region. Road infrastructure is viewed as a major catalyst that can spur economic growth across the 47 Kenyan counties. The upgrading of the existing roads is expected to reduce travel time, improve road connectivity and boost socio-economic activities, as the roads are an important link to transit cargo leaving the port or container freight stations, to join the northern transport corridor. The design and construction of the US\$31 million Port Reitz/Moi International Airport Access Road in Mombasa achieved a 90% completion progress by June 2017. The project is located within Mombasa county and comprises three road sections, namely: Changamwe to Magongo Road (A109L), Moi International Airport Access Road (C110), Port Reitz Road and Port Reitz Loop Road. Total length of the road is 6.4km with the number of lanes ranging from 8 lanes to 4 lanes at various sections depending on traffic volume.

This initiative is anticipated to raise Mombasa's position as a more efficient logistics hub. The project will also improve traffic movement at intersections, through the installation of traffic lights and grade separated junctions. The project is expected to greatly improve the capacity and efficiency of the port by bringing on board an extra 19,940 passenger car units capacity by 2018, an increase from the 2,874 recorded in 2014.

RESULTS

- The project achieved 90% progress by June 2017. It was completed and handed over on 27th October 2017.
- Reduction in time it takes to enter and exit the port gates. Turnaround time from 4 hours to 2 hours for container carrying trucks through Gate. Saves transporters 4 hours per trip for the life of the project.

“The construction of Port Reitz-Moi International Airport Road will in a very significant way open up the Port of Mombasa and accelerate transfer of cargo from Mombasa to the hinterland and EAC counties through the Northern Corridor”

President Uhuru Kenyatta

During the project launch on 9th January 2016



90% PROJECT ACHIEVED 

REDUCTION IN TIME IT TAKES TO ENTER AND EXIT THE PORT GATES

 **4**HOURS $\approx$ **2**HOURS



ENHANCING THE EFFICIENCY AND EFFECTIVENESS OF CUSTOMS MANAGEMENT

The Customs Union is a pillar of the EAC integration process and member countries are making efforts to ensure that all aspects adopted in 2005 will soon be fully operational. In Kenya, customs processes and procedures are being reviewed to allow for less paperwork and faster clearance, which will save both time and money in business transactions by the Kenya Revenue Authority (KRA). This is in line with TMEA's goal to enhance efficiency and safety while reducing trade costs along the regional transport corridors, allowing increased market access and facilitation of trade.

Tremendous progress has been made towards modernising KRA's customs and border control operations at Kenya's points of entry, transit and exit. A robust integrated customs management system will improve data collection, the integrity of information and operational capacity, and significantly reduce waiting times for cargo clearance. It will also improve compliance among clearing and shipping agents and customs officers by enhancing efficiency and transparency in the clearing process.

Implementing a new customs management system (iCMS) will be a big win for the entire East Africa Community and will have a significant impact on trade and ease of doing business in the region. The project involves: development

and implementation of a robust and integrated modern electronic customs management system; ICT infrastructure improvements and construction of a Tier 3 standard datacentre; and training and capacity building for KRA staff, partner institutions and stakeholders.

The project, currently at 70% completion, is expected to be fully complete by March 2018.

RESULTS

- The iCMS system will directly contribute to a reduction in the time taken to clear and release cargo, from the current 216 hours to less than 24 hours.
- Efficiencies created because of the iCMS will directly contribute to a reduction in cargo transit time from Mombasa to Malaba, from 7 days and 4 hours, to 3 days.
- KRA's new Tier 3 standard data centre will address issues of system downtimes, currently 118 hours per year, reducing them to just 3 hours of scheduled maintenance downtime. This will directly contribute to enhanced availability and reliability of the customs management system.

This new system (iCMS) will have more enhanced features and assist in areas like faster cargo clearance, secure trade chain, easy access to the Customs' system across various platforms and reduce the cost of doing business.

John Njiraini
KRA Commissioner General



ICMS SYSTEM WILL REDUCE THE TIME TAKEN TO CLEAR AND RELEASE CARGO

 **216**_{HOURS} > **24**_{HOURS}



ICMS SYSTEM WILL REDUCE IN CARGO TRANSIT TIME FROM MOMBASA TO MALABA

7_{DAYS 3 HOURS} > **4**_{HOURS}



ENABLING WOMEN TO ACCESS TO GLOBAL MARKETS

Women play a key role in Kenyan trade and could, given the opportunity, play an even larger role in driving growth and eradicating poverty. Studies indicate that boosting the number of women entrepreneurs and the economic engagement of women could lead to significant increases in the GDP of Africa countries

TMEA partnered with 'Joyful Women', (JoyWo) an organisation focusing on empowering Kenyan women economically and enhancing food security by supporting their involvement in viable livelihood projects.

The goal of the project is to increase export revenue for women in trade through collaborative measures. A big focus area is capacity building, including training women in certification, quality control, standards, regional trade dynamics and protocols. The approach is systemic, in that it has applied support models that can be replicated so as to make an impact on the whole market, as opposed to the target group alone.

RESULTS

- 2,067 women from 7 counties have been trained on entrepreneurship, horticulture and good agricultural practices. Of this group, 1,476 participants received additional training on export standards and compliance. The participants also attended 'meet the buyer' forums where they engaged with buyers and regulatory authorities.
- Since the project commenced, 1,113 JoyWo members have linked up with potential buyers, both locally and for export. This number is expected to grow as market information reaches more members.
- For sustainability, JoyWo is partnering with the Ministry of Agriculture, Livestock and Fisheries (Agribusiness Department) to enable easier provision of current market information to its members once the management information system is live.

“I am now able to take care of my basic needs. I have earned enough to buy a smart phone that I am able to use to reach my customers.”

Sally Chemutai Lelei

2,067 WOMEN
FROM 7 COUNTIES HAVE BEEN
TRAINED ON ENTREPRENEURSHIP



// The Rwanda Country programme, between 2010 and 2017, has been implementing its first phase of programming, with a strong focus on increasing trade through interventions spread across 41 projects. These were implemented through robust partnerships with the Government of Rwanda, the private sector, and civil society. The US\$58 million programme budget invested across TMEA's 3 strategic objectives has yielded

significant results for Rwanda. An evaluation carried out in 2016 on the programme's four key projects – Electronic Single Window, Support to Rwanda Standards Board, Support to Women Informal Cross-Border Traders and Export Diversification – indicates a 28% return on investment and generated US\$100 million in induced trade from the four projects. //

Patience Mutesi
Country Director



Rwanda

PROJECTS	23	
BUDGET	11,070	
GDP IN \$ BN	8.376	\$
ANNUAL GDP GROWTH(%)	5.886	
GDP PER CAPITA (\$)	702.836	%





ENHANCING COMPETITIVENESS WITH ONE STOP BORDER POSTS

Transport costs are part of the bottleneck of doing business in East Africa and beyond. Poor infrastructure and delays at border crossings are major contributing factors along the East African trade routes. This affects the ability to trade competitively in the international market.

Considerable efforts have been made by institutions involved in international trade to modernise their approach to border clearance formalities, including the use of information technology systems that improve the effectiveness of control procedures at border posts. However, issues of delays in clearance persisted due to uncoordinated and unharmonised border procedures.

The introduction of one stop border posts (OSBPs) was one of the solutions to address delays at the border. Kagitumba OSBP construction was completed in mid-2015 and became operational in December 2015. The facility includes a customs and migration block, a warehouse, an economic operators' block, a parking yard, administration buildings, goods inspection sheds and internal roads to facilitate entry and exit in and out of the OSBP. TMEA also funded the construction of two bridges as part of the infrastructure component to make it easier for people and cargo to move between Rwanda and Uganda at Kagitumba/Mirama Hills OSBP. In addition, the upgrade of the Ntungamo/Mirama Hills road is anticipated to improve traffic along this route. The 37 km road was co-funded by the UK's Department for International Development through TMEA and the Government of Uganda.

RESULTS

- 62% reduction in clearing time, as a result of eliminating the duplication of clearing processes.
- Increased transparency, since files are sequentially handled by officers of both countries who make a joint verification.
- Simplified customs procedures mean that informal traders can formalise their businesses and abandon risky trade practices.
- With the completion of Ntungamo/Mirama Hills road, the OSBP at Kagitumba is expected to attract 60% of northern corridor traffic.

“The OSBP has significantly reduced the time traders used to spend at the border and this is a great achievement for the business community. ... The OSBP eliminates bureaucracy at the border and enhances efficiency and effective movement of goods and services.”

Eric Kabeera

*Head of Communications and Marketing,
Private Sector Federation*



62% **REDUCED**
CLEARING TIME





AUTOMATION REDUCES THE COST OF DOING BUSINESS

The Rwanda electronic single window (ReSW) – a network of systems interlinked with the specific aim of reducing the cost of doing business and increasing e-governance in Rwanda – has delivered significant results in lowering the cost of doing business in the country. Through ReSW, traders submit standardised information to various agencies via a single, common electronic platform, and solicit a rapid response resulting in faster cargo release. To date, Rwanda has managed to reduce the average time to clear goods from customs by 46% from 11 days, 1 hour in 2011 to 1 day, 9 hours in 2015.

The interlinked systems of the ReSW mainly belong to participating government agencies (PGAs) that regulate citizen safety, security and wellbeing. Besides reducing the cost of doing business and increasing e-governance, the PGA systems lessen the time and cost it takes to carry out border clearance formalities. They also reduce the time and cost it takes to apply for permits, licences and certificates that are prerequisites of moving goods in out and of Rwanda.

Before the introduction of the single window, traders applying for exemptions would need an average of four days to get their exemptions approved and phytosanitary applicants would need at least one day, usually more, to get their certificates approved for perishable agricultural exports. Apart from the inconvenience and the delays experienced by traders, these processes were not transparent, simplified

or predictable in terms of the outcome. With automated services the reality has changed. All this has been achieved through collaboration between TMEA and four PGAs: Rwanda Development Board (RDB), Rwanda Standards Board (RSB), Rwanda Agriculture, Livestock and Inspection Certification Services (RALIS) and the Ministry of Health Rwanda. TMEA support resulted in automation of front and back-end processes used to process exemptions and environmental impact certificates for RDB; and import permits and phytosanitary certification for RALIS. The total investment in these two projects was US\$373,200.

RESULTS

- Expansion of e-governance with more government services moving to digital platforms
- Exemption processing time and phytosanitary certification time decreased to 2 hours with the cost of each transaction reduced from US\$60 to US\$10.
- Digitalised platforms boosted trader participation in the process, resulting in better feedback to improve the service.
- Traders applying for permits can track and trace them online.
- Agencies are now fully integrated on the ReSW and can send and receive information and data seamlessly with other agencies.

With the implementation of the automated systems at RALIS, the transaction and administrative time and costs associated with issuance of import permits has significantly reduced. This has helped us reduce on the time, money and other resources utilised during our transactions with RALIS which in the long run has helped us maintain our competitive edge in the market.

Safari Evariste

Head of Agriculture Department, Balton Rwanda Ltd



EXEMPTION PROCESSING
TIME DECREASED TO

≈ **2 HOURS**

WITH THE COST OF EACH TRANSACTION REDUCED FROM
\$60 TO \$10



SUPPORTING PRIVATE SECTOR LED ADVOCACY IN RWANDA

The Rwanda government's Economic Development and Poverty Reduction Strategy 2 elevates private sector-led economic growth to the core of the national development agenda. National strategic leadership within the EAC, coupled with benefits attributed to regional economic integration, have led to an increase in intra-EAC trade from US\$1.5 billion in 2005, to US\$5.1 billion in 2015.

Despite the growth in trade within the region, challenges within the business and trade environment still exist. The Rwanda Private Sector Federation (PSF) is leading advocacy efforts to remedy such constraints, which include: the remaining non-tariff barriers (NTBs) along the northern and central corridors, inadequate capacity of PSF's advocacy platforms to develop and conduct evidence-based advocacy, and low institutional capacity of the PSF, with limited representation at national and regional decision-making forums. From December 2011 to June 2017, the PSF implemented Phase 1 of the START (Strengthening Advocacy and Regional Trade) project, which aims to reduce the high cost of transport of goods to and from Rwanda and the major EAC ports, decrease restrictions on the free movement of services in the EAC and improve PSF's organisational, competency and evidence-based advocacy.

Through TMEA funding, the START project strengthened the nine advocacy platforms: standards issues forum, tax issues forum, women in business forum, exporters forum, Rwanda transport and logistics forum, professional services platform, environmental issues platform, utilities platform and the tourism sector working group. Advocacy issues were prioritised for research for position papers and policy recommendations, resulting in 21 position papers submitted to government for policy change.

The federation has taken centre stage at negotiations in the region to remove NTBs, eliminate container deposit fees and to create mutual recognition agreements (MRA).

PSF member associations and platform members have been trained on a variety of topics including MRAs, Incoterms 2010 and EAC integration themes, such as rules of origin. The aim is to empower members with knowledge, skills and capacities on key trade and integration issues.

RESULTS

The START project influenced 11 policy changes through advocacy:

- **Cost of transport and logistics related results**
 - Lifting the ban on importation and registration of right hand drive trucks
 - Removal of import duties on trucks
 - Removal of delays in reimbursing VAT funds to coffee exporters.
- **Tax reform**
 - Electronic billing machine penalty reduction
 - VAT exemption on machinery importation
 - VAT tax penalty reduced to percentage as opposed to fixed tax
 - Fixed asset tax reform. (PSF-led advocacy resulted in a proposed fixed asset tax increase from 0.1 % to 1 % in 2017 being replaced with a 5-year progressive annual increase of the rate, capped at 0.5%.)
- **Others**
 - Reduction of utility costs for industries and hotels (electricity tariffs for industrial use were reduced from between 28% to 34% for industrial users beginning January 2017)
 - Creation of MRA on engineering
 - Representation of private sector at District level
 - Decentralisation of cooperative registration services to districts.

Through the PSF START project, we have a bigger voice for lobbying for change in the business climate in the EAC. Rwanda is a landlocked country so logistical costs are critical for its survival within the EAC.

John Bosco Rugasara
(Transport & Logistics Forum)





Despite the challenging political and economic environment in South Sudan, TMEA South Sudan Country Programme continues to perform well, scoring an 'A' during the recently concluded annual review. The programme has delivered high impact projects, such as a significant reduction in the time it takes to clear humanitarian

goods from 2 days to less than a day, as of December 2017. TMEA has worked with the ministry in charge of EAC affairs to develop and implement the agreed roadmap which ensures that South Sudan becomes a proactive member of the EAC integration agenda.

John Kalisa
Country Director

South Sudan

PROJECTS	1	
BUDGET	1,455	
GDP IN \$ BN	9.015	\$
ANNUAL GDP GROWTH(%)	3.5	
GDP PER CAPITA (\$)	758.721	%





RAISING STANDARDS AND PROTECTING CONSUMERS

Between December 2014 and June 2017, TMEA, working with the Government of South Sudan, was upgrading product standards through a new South Sudan National Bureau of Standards (SSNBS). The Bureau is responsible for setting and maintaining standards on all consumer products, thus raising standards and at the same time protecting consumers.

As both locally produced and imported products are tested by the SSNBS, business competitiveness and consumer safety will be boosted by the new Bureau. In addition, the Bureau can now conduct tests on samples of essential products that were previously sent abroad for testing, thus saving time and money.

“We are looking at citizens in both countries to ensure that they receive high-quality products. We are going to ensure that the goods that cross the border are certified and that we sensitise our masses to embrace this new development. South Sudan National Bureau of Standards expects to learn from the Uganda National Bureau of Standards because they have been here for a while; they have the technical know-how so we are ready to learn.”

Dr. Mary Gordon Muortat

Executive Director

South Sudan National Bureau of Standards

RESULTS

- A strategic plan and the annual 2017-18 work plan were developed.
- Refurbishment of laboratories for chemistry, microbiology and mass metrology completed.
- Essential equipment for the testing and metrology laboratories provided.
- MoUs to cooperate with sister institutions in Uganda and Kenya signed.
- Regulations for the Bureau operation drafted and submitted to the Minister of Trade.
- Some Bureau staff trained as auditors of ‘hazard analysis and critical control points’ (HACCP).
- Training of selected companies on hygiene in food production completed.
- A campaign among the public and private sectors, and the general population, created awareness of Bureau services.
- An organisational structure for the Bureau was developed.
- 98 staff members were trained in the proper use of equipment, including technical regulations and capabilities.
- The number of parameters being tested rose from 180 to 240 for essential products in 2017.

98 STAFF MEMBERS



WERE TRAINED IN THE PROPER USE OF EQUIPMENT, INCLUDING TECHNICAL REGULATIONS AND CAPABILITIES





SUPPORTING FAST TRACK CLEARANCE OF HUMANITARIAN CARGO

South Sudan Customs Services (SSCS) began operating in 2012, and in partnership with TMEA aims to lay the foundation of a customs reform programme and a modernising of custom services systems. This will lead to increased and diversified South Sudan revenue incomes, as well as boost accountability and transparency in management of these revenues.

The assistance to reinforce the customs' human resources capacity and improve its physical infrastructure, will support SSCS to become an effective and efficient agency that will strengthen the government's objective of increasing non-oil revenues while facilitating regional trade. This will be achieved by training customs officers, re-engineering business processes and procedures (which will improve the trade environment and lower trade costs), automating systems to achieve real time efficiency and establishing anti-smuggling task teams.

It is envisaged that through this intervention a modern customs systems will be developed, alongside reduced border and regulatory impediments to business and investment. These are expected to translate into faster border clearance times for cargo and humanitarian aid, resulting in massive cost savings for traders.

RESULTS

- Humanitarian cargo clearance through Nimule takes 1 day – a major benefit for aid agencies.
- Average customs clearance time for imports and exports is maximum 2 days.
- Enhanced collaboration between South Sudan Customs at Nimule and Uganda Revenue Authority at Elegu where both agencies exchange vital trade related information.
- Through TMEA interventions annual non-oil revenues have increased from US\$0.4 million to US\$10 million.

Efficient and fair handling of goods coming into the country, including clear and transparent rules and processes, would greatly help in getting humanitarian aid to the intended destinations. Capacity building in the border authorities (Customs and Bureau of Standards) is the only way to achieve that.

John Bosco Kalisa
Country Director



AVERAGE
CLEARANCE TIME FOR
IMPORTS AND
EXPORTS IS **> 2 DAYS**

NON-OIL REVENUES
HAVE INCREASED FROM
\$0.4M TO \$10M



HELPING WOMEN TO TRADE ACROSS BORDERS

TMEA seeks to improve business competitiveness in East Africa through enhancing business regulations for trade, improving export capability and developing efficient trade logistic services. TMEA's Improved Business Competitiveness (IBC) thematic priority is a key building block to boost trade competitiveness, improve trade and reduce poverty. TMEA South Sudan, under IBC, is supporting the project: Trading out of Conflict – Promoting Women Informal Cross Border Traders and Women Entrepreneurs in South Sudan. The project is being implemented by South Sudan's Women Entrepreneurs Association (SSWEA) and the South Sudan Chamber of Women Entrepreneurs (CoWE).

The project targets the national Women Entrepreneurs Association, women informal cross border traders (WICBT) in Nimule and Juba and women entrepreneurs as light processors with growth potential in Nimule and parts of Central and Western Equatoria. The overall goal of the project is to increase incomes for WICBT and women entrepreneurs in South Sudan. The project aims to benefit over 2,400 women traders across South Sudan.

The project has three main intervention areas: advocacy for more gender responsive policies; institutional development for the Women Entrepreneurs Association and women informal cross border traders; and capacity building for both. Both have been assisted to develop export competencies in the value chains of Shea butter and honey.

RESULTS

- A post training assessment conducted in November 2016 established that 80% of the entrepreneurs recorded improved product quality and better turnover; 40% said their monthly income had increased between 1000 and 5000 SS pounds.
- The capacities of the national women's associations (SSWEA, COWE) were strengthened in the areas of lobbying, advocacy and business skills.

“ National Women Entrepreneurs Association and Women Informal Cross Border Traders in Nimule and Juba have benefitted from the programme; in addition, women entrepreneurs/light processors and in particular Shea butter and honey are expanding their growth potential and marketing their products beyond South Sudan. ”

Aja Kuol

Chairperson South Sudan Women Chamber of Commerce



80%

OF THE ENTREPRENEURS RECORDED IMPROVED
PRODUCT QUALITY AND BETTER TURNOVER

40%

SAID THEIR MONTHLY
INCOME HAD INCREASED



Great progress has been made by the Tanzania country programme during the 2016/17 period. Key achievements include rehabilitation of access roads to gates 4,5 and 8 at the Dar port, and demolition and relocation of sheds 2 and 3. Mutukula, Holili and Kabanga OSBPs are operational and register an average 67% reduction in clearance

time against a 30% target. Using mobile and IT solutions through the TCCIA, to eliminate trade hurdles, has reduced NTBs on the central corridor, resulting in a drop from 14 to 3.5 days transit time. Finally, our work is enabling more women to trade across East African borders.

John Ulanga
Country Director

Tanzania

PROJECTS	11	
BUDGET	14,974	
GDP IN \$ BN	47.34	\$
ANNUAL GDP GROWTH(%)	6.908	
GDP PER CAPITA (\$)	879.194	%





DAR PORT PROVIDES A GATEWAY FOR EAST AFRICAN TRADE

The Dar Es Salaam port programme commenced in 2011 and is still ongoing. The main objectives are to improve port infrastructure, increase port productivity, and facilitate port reform dialogue and process. The Dar es Salaam Maritime Gateway Programme is worth US\$500 million and is funded by the UK Department of International Development, the World Bank, TMEA and Tanzania Ports Authority (TPA). The programme began because of unsatisfactory operating conditions at the port, which caused delays in physical processes, such as the discharge of goods, lengthy container dwell time and slow delivery of goods.

“We have already started to see the impact of the infrastructure and facilities improvement as revenues have gone up since TradeMark East Africa, the government and TPA started working together.”

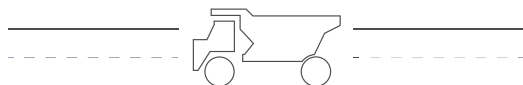
Engineer Deusdedit Kakoko
Director-General, Tanzania Ports Authority

RESULTS

- Rehabilitation of access roads to gates 4,5 and 8 are 100% complete.
- Upgrading of the Bandari and Mivinjeni roads, which carry traffic to/from the port gates 3, 4, 5 and 8, is at the tendering stage.
- Demolition and relocation of Sheds 2 and 3 are 68% and 100% complete respectively.
- 3 studies commissioned to improve port productivity:
 - » Productivity baseline study
 - » Gate and traffic management plan
 - » Dredging to deepen the entrance channel, harbour basin and turning circle.
- Business cases of RoRo at new berth 0; bulk, break bulk and and grain terminals at modernised Berths 1-4; and new container terminal at berths 5-7 and 12-14 to enable the TPA to operate its berths as separate operating or profit centres.
- TMEA will also upgrade two existing TRA scanners to scan 120 containers per hour compared to the current scanning capacity of 25 scans per hour; which will contribute immensely to reduction of dwell time of containers at the port and subsequently increase port throughput.



ACCESS ROADS TO GATES 4,5 AND 8
100% COMPLETE



DEMOLITION AND RELOCATION OF SHEDS 2 AND 3
68% AND 100% COMPLETE





SINGLE BORDER POSTS BOOST BUSINESS EFFICIENCY

The construction of the Holili One Stop Border Post (OSBP) commenced in 2011 and was completed in 2014, with design and supervision financed through the World Bank and construction and Integrated border management activities funded by TMEA. The OSBP was constructed to improve physical infrastructure, aimed at reducing the time it takes for goods to cross the Kenya-Tanzania border. This would in turn help to lessen the time that it takes to transport goods to and from Mombasa port, with the final objective of reducing the costs of doing business in East Africa.

The construction of the OSBP at Kabanga started in 2012 and finished in 2015. The old Kabanga border crossing was characterised by outdated infrastructure, uncoordinated procedures of multiple border agencies and low border agency capacity. Combined with low levels of understanding of import and export procedures by traders, delays were inevitable, which increased transport costs for traders. The objective of the new OSBP was to reduce border crossing time by 30%.

The Mutukula OSBP construction also commenced in 2012 and was completed in 2015. Over 400 vehicles a day pass through the Mutukula border point, and trucks were taking over a day on average to process through customs from Tanzania to Uganda. This delay imposed serious costs on traders who waited longer to process their imports or exports, paid for the truck to wait at the border, risked perishable goods losing their value and had to manage unpredictable transport times.

RESULTS

- Using the Holili border crossing, time, traffic and user satisfaction survey results show a 24% reduction in time taken to cross the border, slightly lower than the 30% target and a user satisfaction level of 45.7% against the target of 70%.
- Using the Kabanga border crossing, time, traffic and user satisfaction survey results show a 58% reduction in time taken to cross against a targeted 30% and user satisfaction level of 97% against a targeted 70%.
- Time, traffic and user satisfaction survey results show a 67% reduction in time to cross the border against the targeted 30%, and user satisfaction level of 79% against the targeted 70%.

When my customers arrive here, they don't spend much time. They quickly go through passport control and in five minutes they are done. When they go to the cargo inspection area, they are also cleared within a short time because of the joint inspection being done by all responsible authorities like TBS (Tanzania Bureau Standards) and TFDA (Tanzania Food and Drugs Authority (TFDA)).

Raphael Washala
Georine Logistic Agency

24% TIME REDUCTION



TO CROSS THE HOLILI BORDER CROSSING
SLIGHTLY LOWER THAN THE 30% TARGET

58% TIME REDUCTION

TO CROSS THE KABANGA BORDER





USING MOBILE AND IT SOLUTIONS TO ELIMINATE TRADE HURDLES

For the last five years, TMEA has supported Tanzania's Chamber of Commerce Industry and Agriculture (TCCIA) to set up an SMS and online reporting system for non-tariff barriers (NTBs) – an important tool in evidence-based advocacy. The data extracted from the system have been used to inform the National Monitoring Committee (NMC), which is a public-private dialogue platform for the elimination of NTBs. The committee is chaired by the Ministry of Industry Trade and Investment and co-chaired by TCCIA.

Using the input from the public and private sectors gained through the platform has led to the removal of major NTBs along the central transport corridor. These include reducing police roadblocks from 58 in 2011 to 3 in 2017 and removing stoppages for transit freights at weighbridges between Dar es Salaam and the borders from 7-8 in 2011, to 3 in 2017. Multiple levies charged on transit cargo by local authorities along the corridor were an additional cost. The elimination of NTBs has led to lowering the time it takes to transport cargo through the corridor from 14 days in 2014 to average 3.5 days in 2017.

Zanzibar National Chamber of Commerce Industry and Agriculture (ZNCCIA) is the sister organisation of TCCIA. TMEA supported ZNCCIA to replicate the NTBs SMS reporting system and the electronic Certificate of Origin system. The two systems were launched in mainland Tanzania in 2012 and 2014 respectively. The support for TCCIA and ZNCCIA included change management programmes in the public and private sectors. The system is expected to reduce the cost of doing business in the isles. TMEA has invested about US\$700,000 to make the project a success.

RESULTS

- NTBs SMS and online reporting system launched, together with an electronic Certificate of Origin system for Zanzibar's Chamber of Commerce.
- 350 stakeholders trained on the NTBs SMS and electronic Certificate of Origin systems.
- 200 NTBs were cumulatively reported through the SMS and online reporting systems.
- 62% of NTBs were cumulatively resolved through the public-private National Monitoring System (NMC).
- 650 Certificates of Origin issued to traders through the electronic system at TCCIA.
- Time it takes to process certificates of origin reduced from 3-4 days to an hour.
- Police road blocks for transit freights reduced from 58 in 2011 to 3 in 2017
- Stoppages for weighing transit freight decreased from 8 in 2011 to 3 in 2017.
- Number of days it takes to transport cargo through the central corridor lowered from 14 in 2011 to average 3.5 in 2017.

Electronic Certificate of Origin is a wonderful solution that has improved the way we do business. It has improved time efficiency, has reduced paperwork, has saved cost of processing our exports and most importantly, the time it takes to serve our customers. A big thank you to TCCIA on this.

Julieth Iwato
GAPCO (TZ) LTD



TIME REDUCED FROM
3-4 DAYS TO 1 HOUR



TO PROCESS CERTIFICATES OF ORIGIN



POLICE ROAD BLOCKS FOR
TRANSIT FREIGHT
REDUCED FROM
58 > 3



ENABLING MORE WOMEN TO TRADE ACROSS EAST AFRICAN BORDERS

Both formal and informal women traders in Africa, particularly in Tanzania, fail to optimise the trade and business potential and opportunities across the region, mainly due to inadequate capacity and lack of knowledge on doing business in the region. TradeMark East Africa, in partnership with the Tanzania Women Chamber of Commerce (TWCC) is supporting women traders to do business across borders. The project mainly focuses on increasing export value by Tanzanian women traders selling to the EAC region, and is carried out by building the capacity of women traders and advocating for gender responsive policies, regulations and practices in trade.

The three-year project, which began in July 2016, intends to reach out to at least 10,000 local women traders by the year 2019.

RESULTS

- 1,649 women cross-border traders trained on EAC trading rules, regulations and procedures, including where to find set standards (Tanzania Bureau of Standards, Tanzania Food and Drugs Authority) and bar codes (GS1 Tz National Ltd).
- 56 women food processors and 10 women small-scale cosmetics manufacturers linked to standards facilitation agencies.
- 11 cross-border traders enabled to learn from their EAC peers during the East Africa Trade Fair (Jua Kali Nguvu Kazi) in Kampala, Uganda.
- The TWCC enabled to become financially sustainable by adding a new category of member – individual member – and thus increasing membership by 300.
- Dialogue between the TWCC and the Government of Tanzania strengthened by facilitating a public-private dialogue to address gender constraints faced by women cross-border traders.

“The support to participate in the EAC Trade Fair in Kampala enabled me to sell 200 bags of maize flour which was the whole stock I had. The training on EAC rules and regulations/procedures has been very useful as it has enabled me to cross Mutukula border and send my products to Uganda once in a month.”

Paskazia Sebastian
A trader from Mutukula

1,649 WOMEN



CROSS-BORDER TRADERS
TRAINED ON EAC RULES

11 CROSS-BORDER TRADERS



ENABLED TO LEARN FROM THEIR
EAC PEERS DURING THE EAST
AFRICA TRADE FAIR





On a programmatic level, the Uganda Country Programme scored an A+ for the third year in a row in the recent independent annual review. Furthermore, the programme successfully designed Strategy 2 interventions and engaged at the highest levels of government, culminating in a meeting with the President of Uganda to discuss our Strategy 1 results, key challenges and Strategy 2. On a project level, trade facilitation projects achieved

commendable results, including an average 81 % reduction in time to TMEA funded OSBPs; completion of the Mirama Hills Road; accreditation of an additional 14 companies to the authorised economic operator programme; operationalisation of the electronic cargo tracking system and of the Uganda electronic single window; advancement of standards to facilitate cereals trade; and launch of the national logistics platform.

Moses Sabiiti
Country Director

Uganda

PROJECTS	25	
BUDGET	15,202	
GDP IN \$ BN	24.079	
ANNUAL GDP GROWTH(%)	4.806	
GDP PER CAPITA (\$)	580.384	





MAKING IT EASIER, FASTER AND CHEAPER TO CROSS BORDERS

The Busia border between Uganda and Kenya is one of the busiest border crossing points in East Africa, with an average of 721 vehicles crossing the border per day in either direction of travel (TMEA, Time and Traffic Surveys, 2017). The majority of this traffic is commercial, consisting mainly of fuel tankers and passenger traffic.

Before the one stop border post (OSBP) was constructed, Busia was a traditional two-stop post, where traffic stopped twice in either direction of travel for clearance of passengers and cargo by government agencies. A time and traffic study commissioned by TMEA in December 2011 found that it took an average of 14 hours and 20 minutes to cross the border.

With funding from the UK Department of International Development, TMEA financed the construction of the Busia OSBP, with the aim of reducing by 30% the time it takes to cross the border. One-stop borders save time and money by having only one stop in either direction of travel for clearance of both passengers and cargo by agencies of the two states working in one location.

The World Bank funded the design and partial construction supervision, the Government of Uganda financed the construction of the exit road, land acquisition and payment of the VAT component of the project costs, while the Government of Canada financed the integrated border management system, which is essential to operate as an OSBP.

Construction of the OSBP began in August 2013 and included an administration building, warehouses and verification sheds, staff quarters, an animal and fisheries building, a truck parking yard, gate houses, canopies, scanner yard and a boundary wall. The construction was completed in May 2016 at a cost of US\$6,648,528, and a further US\$600,000 was expended on integrated border management activities. The one stop controls, where traffic stops only once in either direction of travel for government agencies to perform their exit and entry controls, commenced on 6th June, 2016.

Busia station registered revenue collection of UGX 937 bn last financial year 2016/17 (103% performance) due to, among others, the implementation of one-stop controls for cargo, whereby the expansive inspection sheds and the close cooperation with the Kenya Revenue Authority officials and other government agencies in processing declarations improved the accuracy of declarations made to customs.

Geoffrey Ssozi

Uganda Revenue Authority Customs Station In-charge

RESULTS

- Time taken to cross the border reduced from 14 hours 20 minutes (TMEA, 2011 baseline studies) to 3 hours 40 minutes (TMEA, 2017 end-line time and traffic studies), an average reduction of 74%.
- The quick turn-around time at the Busia OSBP has led to less traffic congestion, freeing up much needed space for cargo examination.
- Overall user satisfaction levels reported to be 86%, with almost matching levels between women and men.
- Traffic volumes across the border have grown by 14% from 1,570 vehicles per week in June 2016 to 1,784 vehicles per week in July 2017.
- Informal cross-border traders now make use of storage facilities for cargo and use the simplified trader system.
- Closer cooperation and coordination of border activities registered between government agencies and the private sector doing business at the border.

14^{HOURS} > 3^{HOURS}
REDUCED TIME
 TAKEN TO CROSS THE BORDER



LESS TRAFFIC CONGESTION



14%
 GROWTH IN TRAFFIC
 VOLUMES ACROSS
 THE BORDER



STRENGTHENING THE UGANDAN TOURISM INDUSTRY

The Uganda Export Capabilities project, worth US\$405,650, is being supported by TMEA through the Uganda Tourism Association (UTA) and the Uganda Tourism Board. The project focuses on strengthening export capability through enhancing institutional capacity and sustainability and improving the competitiveness and marketability of Uganda's products.

RESULTS

- Successful business to business engagements resulted in tourism revenue increasing from an average of US\$37,214 to US\$47,744; 35 new business relationships developed, and 5 new businesses contracted.
- 4 tourism products, involving cultural and wildlife tourism, developed and officially launched by the Minister of Tourism, Wildlife and Heritage. It is estimated that the new products will boost tourism earnings and attract 270,000 potential annual visitors within 5 years.
- 3 policies adopted by the Government of Uganda to encourage tourism sectoral growth, based on private sector recommendations.
- 5 strategic plans developed aimed at enhancing private public dialogue, improving competitiveness and marketability of Uganda tourism products and creating a conducive policy environment.
- 401 tourism stakeholders (46% women) from tour companies, accommodation facilities, community enterprises, travel agencies, safari guides, travel bloggers, university students/lecturers, and government agencies trained on how to innovatively market tourism products.
- Uganda now ranked fifth in list of the best destinations in the world by CNN. In addition, TMEA was awarded (twice) for being one of the leading partners supporting tourism development in Uganda.
- Increase in UTA membership from 1,284 to 1,467.

“We as Platinum Tours & Travel benefitted a lot mainly in the B2Bs organised under this project; the Kili fair exhibition in Moshi, Tanzania 2016, where we made extensive business partnerships and signed 3 MoUs with tour operators from Tanzania, Zanzibar and Seychelles. We have since benefitted from contract discounted rates from hotels especially in Zanzibar. Esque Zalu and Blue Bay hotels, sales have sky rocketed this December festive season and companies such as Adventure Makers Tanzania are also sending us clients and hence boosting our business volume.”

Ms Jackie Kemirembe
Managing Director Platinum Tours & Travel



TMEA RECOGNISED

FOR BEING ONE OF THE LEADING PARTNERS SUPPORTING TOURISM DEVELOPMENT IN UGANDA.

FROM 1,284 > TO 1,467
INCREASE IN UTA MEMBERSHIP





FACILITATING CRITICAL REFORMS IN THE LOGISTICS SECTOR

TMEA provided funding to establish the National Logistics Platform (NLP) through the Private Sector Foundation Uganda. The support included technical assistance for coordination, capacity building and policy development. The NLP is now well developed and very active, bringing together players that used to operate in isolation.

Collaboration between the private and public sectors has deepened considerably, with recommendations made in the position papers taken up by Government of Uganda (GoU). For example, the NLP has become involved in the Standard Gauge Railway (SGR). Initially, plans were made to construct it from Mombasa to Nairobi. However, the NLP saw disadvantages for the Uganda logistics sector, resulting in the plans being extended to Malaba. In addition, operations on the metre gauge railway will be opened. The NLP is now at the centre of discussions on the construction and mode of operation of the SGR and takes part in the SGR quarterly meetings to ensure Uganda logistics issues are incorporated.

Uganda's key sectors of agriculture, manufacturing, mining and, very soon, oil, require transportation of large quantities of freight of low to medium value. This has compelled the PSFU to establish the National Logistics Platform, with support from TradeMark East Africa, that seeks to develop a comprehensive strategy to enhance the logistics industry.

Ms Merian Sebunya,

Board Member,

Private Sector Foundation Uganda (PSFU)

RESULTS

- A private sector logistics strategy finalised and validated by logistics stakeholders. The strategy aims to establish Uganda as the region's pre-eminent freight logistics distribution hub. The GoU, through the Ministry of Works and Transport (MOWT) committed to incorporating the strategy into the National Transport Policy.
- Procurement for the design and supervision of the Gulu Logistics Hub (GLH) concluded. Construction expected to be complete by June 2020. Both the UK Department of International Development and the EU have committed funding.
- Private-public dialogue strengthened, so that the NLP is included in the Ministry of Works and Transport Sector Working Group and the Logistics Working Group.
- High level Regional Oil and Gas Expo attended by 2 presidents, 6 ministers and 1,000 logistics stakeholders.
- Advocacy undertaken by the Private Sector Foundation Uganda on local content led to GoU adopting the local content bill. The NLP has taken the lead in discussing opportunities available to the logistics industry in the upcoming oil and gas industry.
- Facilitated by TMEA through an advocacy project, the Uganda Shippers Council successfully lobbied against a new charge of US\$50 per dropped off import container proposed by a shipping agent.
- The NLP made recommendations for the tripartite infrastructure instruments, on the introduction of motor vehicle inspections, and cross-border fees.
- The NLP trained logistics associations in governance and sustainability and is helping them develop and update strategic plans.





MAKING EXPORTING EASIER FOR WOMEN

TMEA has been supporting a US\$500,000 Women in Trade project aimed at increasing women's participation in intra-EAC trade. For example, over 8,100 members of one cooperative, 89% of whom are women, are exporting beans, maize and Irish Potatoes to Rwanda, the Democratic Republic of Congo, Kenya and Tanzania.

The project has made exporting easier and more profitable based on a number of interventions, including training 4,400 women on EAC regulations and trade procedures, creating and registering six cooperatives, launching a trade web portal and pursuing evidence-backed policy advocacy initiatives.

“ I participated in the UWEAL cross learning visit to Rwanda and learned about EAC trade procedures ...with the new information, I was empowered to visit customers in Rwanda who place orders for my produce in Uganda. I have lowered my export costs and made savings of UGX 300,000 a month by dealing directly with the buyers in Rwanda and eliminating the costly middlemen. ”

Clare Kabakyenga

proprietor of Ifapio Farm and Chairperson of Manyakabi Area Cooperative Enterprise in Isingiro

RESULTS

- Study on how non-tariff barriers affect women traders completed, with government follow-up on recommendations made: UWEAL (a women entrepreneurs' association) is now a member of the National Monitoring Committee; the Ministry of Trade Industry and Cooperatives (MTIC) has committed to decentralise standards testing nationwide; Uganda National Bureau of Standards has included UGX 2 billion in their 2017/18 budget for SME testing and capacity building; and MTIC launched a cross-border charter highlighting rights, including no sexual/physical harassment and no unpublished charges demanded at the border.
- 2 policy briefs: (i) increasing transparency in trade facilitation (ii) expediting product standards certification and testing were finalised and validated with the Government of Uganda.
- 5 co-operatives established and 443 members trained on standards leading to a 98% reduction in individual cost of certification.
- 7 EAC trade requirements simplified and used to train 4,776 women urban traders and women light processors on EAC trade procedures. Training indicated 97% learned something new about EAC and 73% could name a specific aspect of EAC trade procedures, compared to a 2015 assessment that indicated 71% of 304 women had poor knowledge on export requirements.
- 1 successful visit to Rwanda that enabled women traders to lower export costs by dealing directly with buyers in Rwanda and eliminating intermediaries.

**5 CO-OPERATIVES
ESTABLISHED**



**443 MEMBERS TRAINED
ON STANDARDS**



Regional



PROJECTS	11	
BUDGET	19,891	
GDP IN \$ BN	162.346	\$
ANNUAL GDP GROWTH(%)	4.397	
GDP PER CAPITA (\$)	4662.22	%





THE ROAD TO PROSPERITY

The upgrading of the 37 km Ntungamo to Mirama Hills Road to bitumen standard will improve access for freight and passenger services between Uganda and Rwanda, and lower transport costs on the Kampala-Kigali route. The road will also provide social and economic development opportunities for communities living along the route and no one will be worse off as a result of the upgrading works.

The upgrade project, which was subject to impact assessments concerning the environment, and health and safety and social matters, also includes drainage works.

The completed road has 3.5 metre wide traffic lanes flanked by two 1.5 metre wide surfaced shoulders, giving an overall road width of 10 metres. A cross-section with concrete edging, but without shoulders, will be constructed in peri-urban areas and separate walkways and bus bays will be provided where required. Road safety features installed include concrete safety barriers, kerbs, road signs, road markings, rumble strips, road humps and guardrails.

RESULTS

- An increase of 19% of traffic using the road compared to 2012.
- Time taken from Mirama Hills to Ntungamo reduced by over 50%. Local drivers report a decrease from 1 hour 47 minutes to 34 minutes.

Construction of the road has reduced the time spent travelling to Ntungamo town. It has reduced from an hour to 30 minutes. The dust is gone. Traders from as far as Busia have started coming here to buy beans and maize.

Gordon Atuheire
Local businessman



1 HOUR 47 MINUTES



34 MINUTES
DECREASE IN TIME TAKEN FROM
MIRAMA HILLS TO NTUNGAMO





USING TRANSPORT OBSERVATORIES TO COLLECT DATA

For the past five years, TMEA has been collaborating with the Northern Corridor Transit Transport Coordination Authority and the Central Corridor Transit Transport Facilitation Agency in setting up transport observatories. These are online monitoring and evaluation tools that assess the growth and performance of transport corridors. They monitor trade and related transport flows, bottlenecks, impact of interventions or policy shocks, and any other variables that may be used to understand the growth and performance of transport corridors.

By creating transport observatories, the region gathers data that corridor stakeholders can use when talking about the challenges they face on the transport corridors. They are not just data collection and reporting tools, but also frameworks that bring stakeholders together to share data, evaluate their performance against that of the wider corridor, and make recommendations to resolve corridor barriers.

The Transport Observatory Framework collects data from stakeholders in all EAC member states and the DRC, carries out analysis, publishes the data and reports online. The aim is to develop recommendations that will resolve identified challenges. The database assists both the private and public sectors to make decisions on corridor related matters.

The observatories on the northern and central corridors, which cost US\$2,000,000, began to collect data in December 2012, and phase 1 of the programme ends in December 2017.

LOWERED COST OF STUDIES AND RESEARCH



RESULTS

- Quality of corridor growth and performance data has grown.
- Accessibility of data has widened to all those using the transport corridors, lowering the cost of studies and research along the corridor.
- 14 semi-annual and annual reports, 12 quarterly reports, 30 monthly reports and 150 weekly reports published. Corridor stakeholders use them to advocate for change and verify effects of changes. Transport observatories have directly contributed to the removal of least 10 NTBs.
- The Northern Corridor Transport Observatory was selected by the Northern Corridor Infrastructure Summit Heads of State to monitor the implementation of their directives and resolutions along the corridor.
- The Northern Corridor Transport Observatory was selected to monitor the implementation of resolutions and commitments made in the Mombasa Port Charter.
- The transport observatories have been used as primary sources by other publications such as the World Bank's Doing Business Index and the Logistics Performance Index.

“The transport observatory is an eye opener, as it is the first of its kind to provide transport logistics information in the regions served by the northern corridor, which is our key area of operation as far as our logistics business is concerned.”

Steve Mclean

Logistics Director Kenya, Kuehne +Nagel





BOOSTING TRADE COMPETITIVENESS BY HARMONISING STANDARDS

Since the implementation of the EAC Common Market Protocol, countries within the EAC are supposed to access duty-free and quota-free markets when trading between themselves. However, while tariffs are virtually zero for intra-EAC traded goods, other prerequisites such as standards and conformity assessment procedures, add to the cost of doing business within the region. The impact of these added costs may rival, or even exceed that of tariffs imposed on goods imported from outside the region.

These requirements include standards and food safety requirements that products must meet before being traded across various EAC borders. When the standards differ, manufacturers have to make products for specific countries within the Common Market. This is exacerbated when duplicate conformity assessment procedures, such as inspection and certification, are implemented.

All this hampers trade by increasing delays and the cost of trading, and reducing the volume of goods in the market. Since programme inception, TMEA has supported EAC Partner States to harmonise standards across the region, and to strengthen quality infrastructure with the aim of improving the efficiency and effectiveness of the conformity assessment procedures. This provides benefits for manufacturers, consumers, government regulators and the general public.

TMEA also works with the private sector to improve compliance with standards by supporting product certification. In addition, the programme supports agricultural exports from the EAC to meet the sanitary and phytosanitary requirements of importing countries. The overall goal of the programme is to improve trade competitiveness in East Africa by reducing the cost of, and time it takes to test goods. This will in turn grow regional trade and increase agricultural exports from the EAC.

RESULTS

- 19 standards gazetted in this financial year, in the areas of fish and fisheries products; and paints, varnishes and related products.
- To date, 105 commonly traded EAC products have been harmonised.
- Since programme inception in 2010 until its formative evaluation in 2014, the programme has achieved a 99% reduction in conformity assessment-related border clearance times, from about 38 days in 2010 to half a day in 2014.

Harmonised standards have greatly improved our delivery time and marketing for the various exports of our products to partner states and the neighbourhood of South Sudan and DRC areas. Before, it used to take a truck transporting our steel products about three weeks for clearance on conformity assessment matters, but with the harmonisation of standards it now takes about one day.

Mr. Stuart Mwesigwa,
Roofings Ltd, Business Development Manager

105 EAC PRODUCTS HARMONISED





EAC INSTITUTIONS STRENGTHENED THROUGH TECHNICAL SUPPORT

Institutional transformation remains one of the EAC's key priorities. It is achieved through developing and strengthening the capacity of all EAC organs and institutions to effectively execute their mandates. Following a fiduciary risk assessment (FRA) commissioned by the UK Department for International Development in August 2008, which identified areas of weakness in EAC systems, TMEA provided technical support in procurement, internal audit and financial systems, with the objective of strengthening EAC systems and processes to enable the EAC to pass a subsequent FRA.

This support led to the EAC finance unit achieving the International Standards Organisation certification (ISO 9001:2008) for the quality of its management and systems, which will make it possible for the EAC to access direct funding. In addition, it achieved its objective of passing an EU five-pillar fiduciary risk assessment – a clear demonstration of strengthened fiduciary systems and enhanced effectiveness.

These achievements are an acknowledgement of improved efficiency and effectiveness in the finance unit and of its enhanced capacity to perform key functions as part of the executive arm of the EAC. Key evidence is its fully integrated budget management system at the EAC secretariat, organs and institutions, with planning and financial management systems in place. Additionally, EAC institutions, including the new EAC commissions, now operate the same versions of Sun Systems accounting software. The Capacity Development Action Plan, under which these achievements fall, cost US\$5.4 million over seven years.

RESULTS

- Sun System software operationalised as the financial management system for the EAC Secretariat and institutions.
- Budget management system integrated into the Sun System software.
- Budget, procurement and internal audit manuals developed and adopted.
- ISO 9001 certification achieved.
- EU fiduciary risk assessment passed.

As part of the efforts to improve service delivery, the EAC Secretariat is continuing with the rollout of the quality management system based on ISO 9001:2008 after having been ISO certified. Besides improving our processes and operations, the ISO certification also goes a long way to confirm that our processes meet internationally recognised standards.

Amb. Liberat Mfumukeko
EAC Secretary General



 **ISO 9001**
CERTIFICATION ACHIEVED





EAC LAUNCHES COMMON MARKET SCORECARDS 2016 AND 2017

The Common Market Protocol (CMP) seeks to integrate Partner States' markets into a single market, where there is freedom of movement of persons, labour, goods, services, and capital. Additionally, it provides for institutional and organisational co-operation among Partner States to facilitate the functioning of the Protocol.

To expedite implementation of the CMP provisions, the EAC launched the 2016 and 2017 Common Market Scorecards (CMSs) supported by TMEA and the World Bank IFC programme. Scorecard 2016 reviews how well EAC Partner States comply with the commitments of the CMP. It assesses de jure compliance (i.e. what currently exists) with commitments contained in three CMP freedoms, namely: movement of goods, services and capital. To date, three scorecards have been developed, two of which, in 2014 and 2016, have monitored movement of goods, capital and services, while Scorecard 17 monitors movement of labour.

Although Scorecard 2014 measured and made recommendations on actions to be taken by Partner States, Scorecard 2016 has evolved into a stronger tool. In addition to identifying commitments and obligations, Scorecard 2016 identified key constraints for Partner States when implementing their commitments. These include: insufficient capacity (financial and professional); little private sector sensitisation on the benefits of implementing the CMS recommendations; lack of public private dialogue; slow speed in enactments of laws and the need for political commitment to successful reform.

Since the introduction of the CMP in July 2010, nationals from EAC countries have enjoyed the right to labour mobility, including non-discrimination and spousal and dependants' rights. Scorecard 2017, tracks EAC compliance on the free movement of workers, accompanied by correlating obligations such as the right of establishment and residence and recognition of professional qualifications. However,

labour mobility does not seem to have increased significantly with the implementation of the CMP. Findings indicate that in spite of the commitments and the potential benefits of liberalising the movement of workers across the EAC, challenges have remained.

It is expected that key constraints identified in Scorecards 2016 and 2017 will be acted upon during 2017 and Scorecard 2018 will outline progress on implementation by Partner States, as well as address further constraints.

RESULTS

- Scorecard recommendations have been cascaded up to the Summit resulting in, for example, a directive that all identified non-tariff barriers must be eliminated.
- In 2016/17, 11 reforms in the movement of capital, 6 in services and 4 in goods were registered across the 5 Partner States.
- National and regional action plans for implementation, specifically indicating interventions, the responsible stakeholders and a clear timeframe, have been developed and will be tracked and updated in the next Scorecard 2018.

2016/17, 11 REFORMS IN THE MOVEMENT OF CAPITAL

6 IN SERVICES & **4** IN GOODS

WERE REGISTERED ACROSS THE 5 PARTNER STATES.

“The free movement of labour is particularly important for the development of the East African Community (EAC) economies. EAC countries need to bolster their human capital in order to attract high quality foreign direct investment (FDI) and further develop their private sector.”

Excerpt by IFC,

*World Bank from the 2017
Common Market Scorecard on Labour*





VIDEO CONFERENCING CUTS EAC COSTS

The EAC Secretariat continues to save millions of shillings in travel and related costs, thanks to the increased use of video conferencing (VC) for key meetings. To address cost control the EAC Secretary General, Liberat Mfumukeko, decided that VC meetings must constitute 20% of all meetings, (doubling the last target threshold of 10%), while at the same time implementing a strict travel policy.

TMEA has supported the EAC through the procurement, installation and operationalisation of VC equipment at the Secretariat in Arusha, and in all EAC Ministry offices in Partner States. Manuals have been prepared and adopted by EAC organs and users trained. EAC Heads of State launched the system in February 2015.

The VC equipment has now been integrated into the EAC Annual Operational Plan and is used to conduct specific EAC organ meetings, project discussions, recruitment dialogues and consultations among Partner States. This state of the art equipment can hold 90 meetings simultaneously. It is planned that an additional component – an online signature module – will be added to the system, enabling leaders of delegations to append their signatures on agreed decisions in 'real-time'.

RESULTS

- 110 VC meetings held 2016-17, including recruitment interviews, representing 34% of all meetings held.
- US\$2,921,500 saved annually in travel costs.
- A total of US\$4,183,650 saved since the VC system was launched.

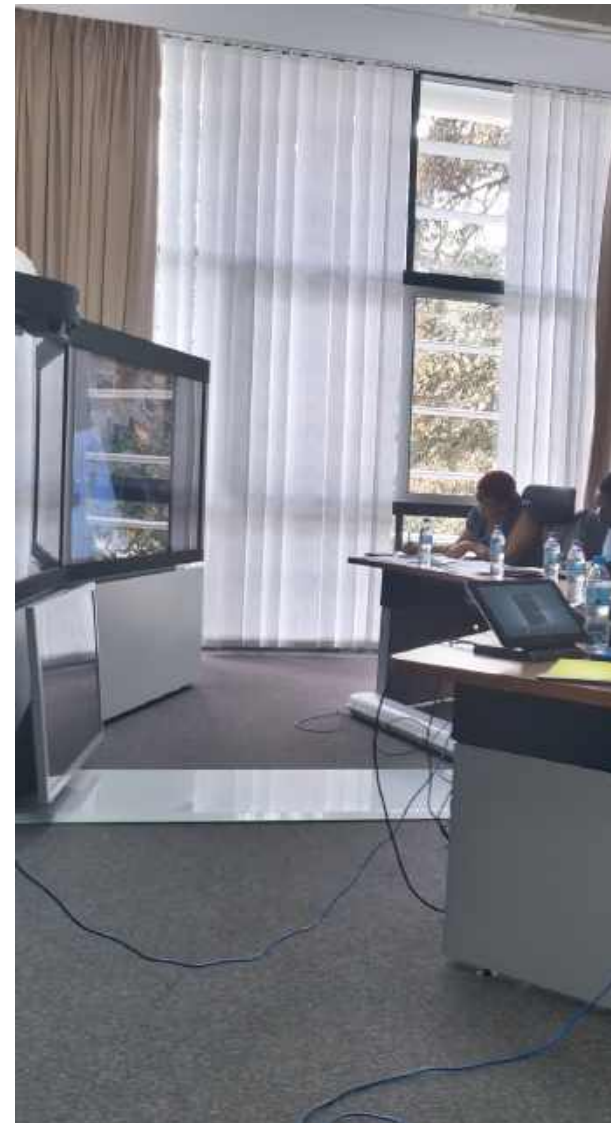
Since taking over the office, I instituted several reforms in the EAC Organs and Institutions aimed at cost reduction in the EAC projects and programmes. The reforms targeted savings to the tune of US\$6 million in the Financial Year 2016/2017 alone. The implementation of these reforms is going on very well and already some positive results are being received. The reforms focus on cutting any wastage, containing and reducing travel where all EAC Staff must spend 50 percent of their time in Arusha and also hold 25% of the meetings via video conference facility. We have also reduced the number of days for our meetings to a maximum of four.

Amb. Liberat Mfumukeko
EAC Secretary General

\$2,921,500



SAVED ANNUALLY IN TRAVEL COSTS





STRENGTHENING PRIVATE SECTOR PARTICIPATION IN EAC INTEGRATION

The EAC Customs Union Protocol entered into force in January 2005, while implementation of the EAC Common Market Protocol started in 2010. The Common Market Protocol provides for four freedoms of movement: goods, labour, capital and services, which if fully in place, will significantly boost trade and investment in the region.

To enable the private sector to take advantage of the benefits of the Common Market Protocol, TMEA partnered with the voice of the private sector in East Africa, the East Africa Business Council (EABC), to implement a project titled, Strengthening EABC's Institutional and Advocacy Capacity to Enhance Private Sector Engagement in the Integration Process. By fronting private sector advocacy, this project focused on reviewing the EAC common external tariff, harmonisation of domestic taxes and the elimination of non-tariff barriers (NTBs). Additionally, to bolster the sustainability of private sector advocacy through the EABC, the project focused on EABC's financial sustainability through the recruitment of new members, membership retention and introduction of new services for members.

“The business sector is a driving force in East Africa's economy, through creation of jobs and opportunities that enable citizens to earn a living and thrive, as well as being a major player in the integration process. It is of utmost importance to measure the extent to which the EAC Partner States are translating the EAC Common Market and Customs Union Protocols into policies that support the actualisation of the free movement of people and workers, goods, services, capital and the rights of establishment and residence within the EAC Partner States.”

Lilian Awinja
EABC, Executive Director

RESULTS

- EABC submitted 49 evidence-based tax proposals on the common external tariff, out of which 45 tax proposals (individual tariff lines) were accepted by EAC Partner States. This was significant because, through EABC's advocacy, the rate of adoption of the private sector positions by the EAC Secretariat was increased. The tax proposals were developed jointly with the manufacturers' associations from EAC partner states and presented as study reports.
- In 2015, EABC collected, monitored and tracked 44 NTBs and advocated for their elimination by the EAC Secretariat and Partner States.
- In the duration of the project, EABC's financial sustainability increased from US\$282,167 in 2014 to US\$355,000 in June 2017, with 44 new members. The EABC also introduced new services for its members, including participation in sectoral and specific high level engagement, such as the first East African Manufacturing Business Summit and Exhibition, the Regional Anti-Illicit Trade Conference, and the inaugural and subsequent East African Business Entrepreneurship Conference and Exhibition.

⧡
INCREASE IN FINANCIAL
SUSTAINABILITY FROM
\$282,167
TO
\$355,000





ADVANCING WOMEN AND TRADE IN THE EAC

In East Africa, women play a critical role in trade: 35% to 55% of total businesses are estimated to be women-owned, mainly in the informal sector. In addition, East African women are critical stakeholders in food security, providing about 70% of the agricultural labour and producing about 75% of food in the region. However women traders face unique challenges that include: limited access to markets and trading information; cumbersome border processes; exploitation and harassment; lack of knowledge on export and other trading procedures; and time poverty.

Eliminating gender-based inequalities and advancing women's equality could potentially result in a one-off increase of as much as 4.3% of GDP growth, followed by annual increases of between 2-3.5% points.

The TMEA Women and Trade programme seeks to increase incomes and improve livelihoods for women traders and women-owned enterprises through: creating a gender responsive trading environment with policies; regulations and practices that enable the increased participation of women in trade; strengthening representation and participation in influencing policy; increasing export capacity for women-owned SMEs; and improved access to market and trade information.

“As a trader in cereals, I was ignorant about the moisture levels and that would make me incur a lot of losses. I was accustomed to using illegal routes, which was very risky, but now came out and only pay the legal fees as I cross with my goods. I started with KSh 50,000 but now my capital has gone up to KSh 2,970,000 (27 sacks of maize). Knowledge has played a very important role in easing cross-border trade because I now know all the customs procedures. I walk directly to the customs official and when they try to take advantage of me, I pull out my awareness card and that shoves them away. When I pay taxes, I make sure I get a receipt.”

Achieng Domitila Achien

RESULTS

- 8,203 women cross-border traders joined associations and trading through formal channels. A survey of over 500 association members showed over 100% increase in revenue from cross-border trade, from an average of US\$620.24 to US\$1,247 per month.
- The cross-border trader charter was launched at the Mirama Hills one-stop border post. This fosters transparency and accountability between border officials and traders and is an incentive for women and small-scale traders to shift from illegal to formal routes.
- 756 women-owned enterprises from the coffee, ICT and textile and apparel sectors expanded their knowledge on export competitiveness. 15% accessed new markets and generated approximately US\$1 million in export sales.
- The East African Women in Business Platform established a mechanism to enhance participation of women in intra-EAC trade through influencing policy and facilitating market access.
- 70% reduction in harassment cases reported by women traders at select borders as a result of the creation of a more gender responsive trading environment.

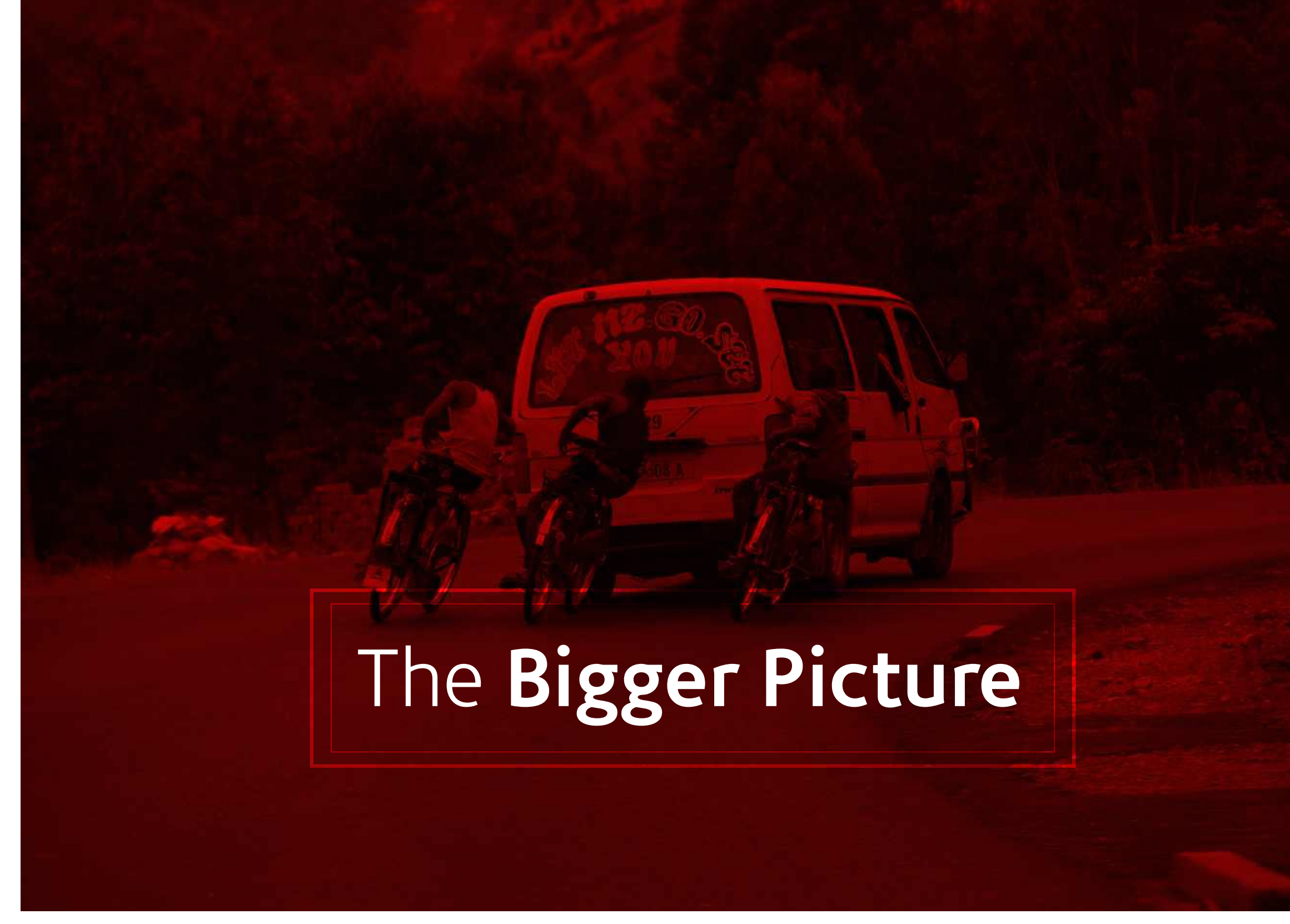


756 WOMEN-OWNED ENTERPRISES

70% REDUCTION

IN HARASSMENT CASES REPORTED BY WOMEN TRADERS





The Bigger Picture

MITIGATING THE CAUSES OF CLIMATE CHANGE

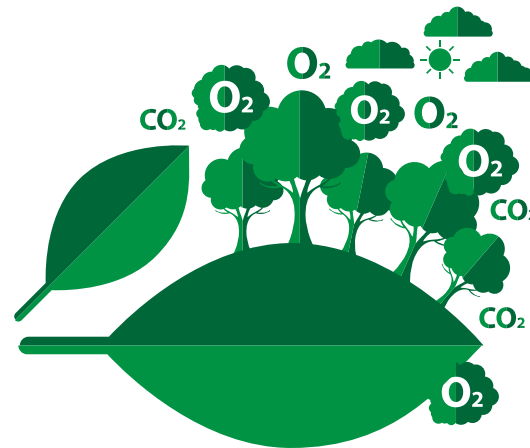
East Africa is one of the regions hardest hit by climate change. Its impact, especially the extended and recurring drought periods, is threatening socio-economic development and livelihoods in the region, and ultimately jeopardising many TMEA activities. Extreme droughts and floods that occur with greater frequency and intensity result in food insecurity, weakened livelihoods, damage to infrastructure, uncertain energy supplies, forest and land degradation, water shortages, diseases, sea level rise and local community conflict. While the EAC region faces increasing risks and threats from climate change, at the same time more funding is available to combat climate change. It is a potential opportunity for TMEA and the region.

Although TMEA has not reported systematically on climate change-related activities, many of TMEA's projects have contributed to climate mitigation, resilience and adaptation, and improved environmental management of the countries, communities and individuals. TMEA's 2014 Strategic Climate Review assessed that in the Strategy 1 period, 42 projects out of 234 were classified as relevant to climate change. Lessons learned from these projects have formed an excellent foundation for planning and mainstreaming a new, more effective climate change framework and projects for Strategy 2.

In TMEA's climate change strategy, ports and other infrastructure have a central role in reducing emissions. The Mombasa Port Resilient Infrastructure Programme, funded by DFID since

2015, and the Mombasa Green Ports Policy, have progressed well in introducing environmentally friendly and low-carbon technology, facilities and methods. In collaboration with the Kenya Ports Authority, plans have been prepared for solar power generation and low carbon energy supply for cold ironing, which is by far the biggest source of greenhouse gas emissions at the port.

In addition, special attention has been paid to promoting social safeguards at the port, which is the working place of more than 8,500 people. Mombasa port and the latest one-stop border posts (OSBPs) are excellent models for other TMEA projects to address climate change and environment. In 2017, TMEA's Board of Directors endorsed a new safeguards policy for planning and implementation of its projects and recruited a safeguards manager and a technical advisor on environment and climate.



GENDER MAINSTREAMING IN TMEA'S STRATEGY

The overarching goal of TMEA's gender mainstreaming is to become the lead authority on gender in regional trade and integration in East Africa. To this end, TMEA will ensure that men, women, boys and girls benefit equally from the TMEA initiatives designed to promote regional trade and regional integration in East Africa.



Gender mainstreaming in a nutshell

Our achievements so far, under our two priority areas, are:

i) To create an enabling environment for gender mainstreaming within TMEA

a

Gender sensitisation workshops were held across the one-stop border posts (OSBPs) with 143 (15%) women and 781 (85%) men in attendance. Gender sensitive interventions implemented at OSBPs include: simplified trade regimes, gender searches, gender sensitive OSBP building designs that take in separate holding cells and toilet facilities for male and female border users, and security lights and fencing to improve user safety at night.

b

Women's participation in regional trade forums on product standardisations, non-tariff barriers and SWIFT (single window) training; 191 women and 388 men attended. About 555 women leaders from co-operatives, cross-border traders and district administrative structures, were made aware of the benefits and opportunities of EAC integration.

c

Two policies adopted: a new eligibility threshold for certificates of origin was introduced, requiring a certificate of origin from small importers – the large majority of whom are women; and the gender/women pillar in the Burundi Federal Chamber of Commerce and Industry strategic plan was added.



ii) To influence partners to mainstream gender in TMEA programmes

TMEA influenced the Kenya Ports Authority (KPA) to create a gender mainstreaming strategy that will be implemented at two levels:

INSTITUTIONAL LEVEL

- Gender policy review and development.
- Gender strategy development.
- Workplace and organisation culture, such as providing gender sensitive facilities and equipment at the port.
- Capacity building on gender mainstreaming, including sensitising and educating KPA staff and stakeholders on gender mainstreaming.
- Gender responsive budgeting.
- Gender monitoring and evaluation aiming to strengthen gender results by creating a comprehensive gender results framework.
- Gender knowledge management and learning, including increasing visibility of KPA and TMEA gender projects.

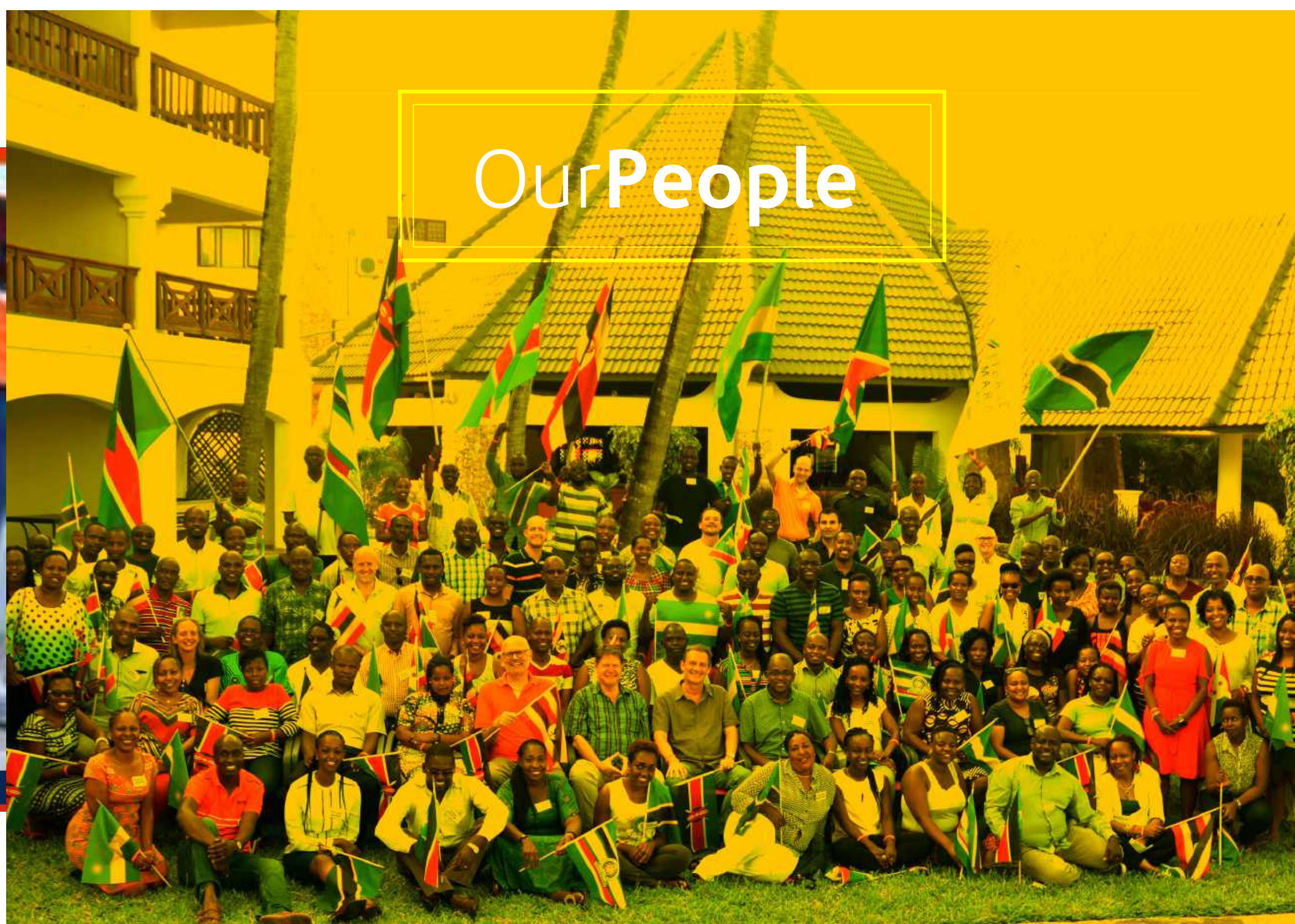
STRATEGIC LEVEL

- Development of guidelines for gender integration into port logistics, such as those guidelines on machine operation for female and male staff; the design and access to berths; procurement of personnel protective equipment for female and male staff; and management staff training on enforcement of such guidelines.
- Development of a business model for small-scale female and youth traders at the ports.
- Benchmarking other ports and institutions for strengthening gender equality at the Port of Mombasa.
- Development of capacity for internal resource mobilisation to support gender equality.
- Development of a gender strategy for county governments that have access to the Port of Mombasa



Joyce Jepkosgei – rubber tyred gantry crane operator

Our People





Alice Nibitanga

Programme Manager, Business Competitiveness, Burundi

💡 TMEA helps the people of East Africa achieve tangible socio-economic gains from the EAC regional integration agenda, through interventions which improve the infrastructure, systems and people and the country's capacity to engage in intra-regional and global trade. The most fulfilling aspect of my work is working with partner civil society and private sector organisations to design and implement projects that address critical issues of Burundi's private sector competitiveness. 💡



David Butera

Programme Manager, Business Competitiveness, Rwanda

💡 The ability to see your work make a difference in the livelihoods of everyday people – especially the historically marginalised like women and the rural poor – is an immensely rewarding experience. When TMEA supports projects that lower costs of doing business, especially along the key corridors, every citizen of East Africa benefits, not only through getting better prices for imported products but also accessing export markets competitively. 💡



Hannah Ngugi

Programme Manager, Ports Engineer Based in Kenya

💡 The most fulfilling aspect of my work is seeing delivery of results related to quality infrastructure supported by TMEA and being a core part of the delivery team. TMEA's support in accelerating development of critical infrastructure at Mombasa and Dar es Salaam ports and at key border posts means East Africans can access their goods faster and cheaper and can enjoy better livelihoods. 💡



Theresia Komba

Programme Assistant Tanzania

💡 TMEA's work transforms the lives of the people of East Africa and the fact that I am part of the team that makes this difference gives me satisfaction and makes me proud. Through greater inclusion of women in trade, for instance, TMEA has touched the lives of many cross-border women traders in the region by enhancing their trading capacity. This has in turn emancipated many women, together with their households, from the pool of poverty, by improving their livelihood in one way or the other. 💡

STAFF PER COUNTRY 🏢

BELGIUM - 1	BURUNDI - 4	KENYA (NAIROBI) - 81	KENYA (MOMBASA) - 3	RWANDA - 13	SOUTH SUDAN - 3	TANZANIA (ARUSHA) - 5	TANZANIA (DAR) - 12	UGANDA - 13	TOTAL 135
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STAFF BY NATIONALITY 🌍

AMERICAN - 1	BELGIAN - 1	BRITISH - 5	BURUNDIAN - 4	INDIAN - 1	KENYAN - 76	RWANDESE - 14	SOUTH SUDANESE - 2	SWISS - 1	TANZANIAN - 15	UGANDAN - 15	TOTAL 135
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STAFF BY GENDER



MALE - 73



FEMALE - 62

TOTAL 135

The background of the slide is a green-tinted image featuring a close-up of a calculator, several gold coins, and two dice. One die shows 'BUY' and the other 'SELL'. The text 'Financial Summary' is centered in a white box.

FinancialSummary

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF TRADEMARK EAST AFRICA

Our opinion

In our opinion, the accompanying summary financial statements of Trademark East Africa (the Company) are consistent, in all material respects, with the audited financial statements on the basis described in note 1.

The summary financial statements

The Company's summary financial statements derived from the audited financial statements for the year ended 30 June 2017 comprise the summary statement of financial position as at 30 June 2017, the summary statement of comprehensive income for the year then ended, the summary statement of fund balance for the year then ended, the summary statement of cash flows for the year then ended, and the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our audit report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated:

Responsibilities of directors for the summary financial statements

Directors are responsible for the preparation of the summary financial statements on the basis described in note 1.

Auditor's responsibility for the summary financial statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respect with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Peter Ngahu – P/No 1458.



PricewaterhouseCoopers, Kenya

Nairobi

Date: 27th February 2018



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TRADEMARK EAST AFRICA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Year ended 30 June 2017 US\$'000	Year ended 30 June 2016 US\$'000
Income		
Grant income	106,458	128,481
Other income		
Interest on bank balances	162	181
Gain /(loss) on disposal of assets	3	(33)
	<u>165</u>	<u>148</u>
Total income and other income	<u>106,623</u>	<u>128,629</u>
Expenditure		
Personnel costs	15,759	15,294
Consultancy costs	26,485	27,883
Professional services	1,736	1,637
Conferences and workshops	1,576	1,573
Grants to partners	6,012	14,190
Office supplies	309	176
Project assets	48,185	37,197
General expenses	1,836	2,507
Travel expenses	2,898	3,488
Depreciation	239	344
Amortisation	-	-
Exchange losses	<u>952</u>	<u>3,248</u>
Total expenditure	<u>105,987</u>	<u>107,537</u>
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	<u><u>636</u></u>	<u><u>21,092</u></u>

TRADEMARK EAST AFRICA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

As at 30 June

	2017 US\$'000	2016 US\$'000
ASSETS		
Non-current assets		
Property and equipment	376	388
Intangible assets	-	-
	<u>376</u>	<u>388</u>
Current assets		
Cash and bank balances	19,445	21,461
Receivables and prepayments	4,984	1,412
	<u>24,429</u>	<u>22,873</u>
TOTAL ASSETS	<u><u>24,805</u></u>	<u><u>23,261</u></u>
FUND BALANCES AND LIABILITIES		
Fund balances		
Unexpended funds	12,888	12,252
Liabilities		
Payable and accruals	<u>11,917</u>	<u>11,009</u>
Total fund balances and liabilities	<u><u>24,805</u></u>	<u><u>23,261</u></u>

TRADEMARK EAST AFRICA STATEMENT OF FUND BALANCE FOR THE YEAR ENDED 30 JUNE 2017

	US\$'000
Year ended 30 June 2016	
At start of year	(8,840)
Total comprehensive income for the year	<u>21,092</u>
At end of year	<u>12,252</u>
Year ended 30 June 2017	
At start of year	12,252
Total comprehensive income for the year	<u>636</u>
At end of year	<u><u>12,888</u></u>

TRADEMARK EAST AFRICA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

Year ended 30 June

	2017 US\$'000	2016 US\$'000
Operating activities		
Grant receipts from donors	106,458	128,481
Reported total expenditure	105,987	107,537
Adjusted for:		
Exchange losses	(952)	(3,248)
Depreciation	(239)	(344)
Amortisation	-	-
Movement in payable and accruals	(908)	6,953
Advances (recovered)/made	3,572	378
Cash paid to suppliers, employees and partners	107,460	111,276
Proceeds from disposal	(3)	(6)
Acquisition of property and equipment	227	190
	107,684	111,460
Cash (used) /generated in operations	(1,226)	17,021
Investing activities		
Interest received on bank balances	162	181
Net (decrease)/ increase in cash and cash equivalents	(1,064)	17,202
Effect of changes in exchange rates	(952)	(3,248)
(Decrease)/increase in cash and cash equivalents	(2,016)	13,954
Movement in cash and cash equivalents		
At start of year	21,461	7,507
(Decrease)/increase in cash and cash equivalents	(2,016)	13,954
Cash and cash equivalents at the end of the year	19,445	21,461

NOTE 1 BASIS OF PREPARATION

These summarized financial statements are derived from the complete annual audited financial statements of Trademark East Africa for the year ended 30 June, 2017, which were prepared in accordance with International Financial Reporting Standards and Kenyan Companies Act, 2015.

A copy of the complete audited financial statements is kept on file at Trademark East Africa and can be provided upon request.

The set of criteria applied by directors in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summarized financial statements agree with the figures presented in the complete audited financial statements. Directors believe that the summarized financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

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Global Affairs
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Canada



Ministry of Foreign Affairs of the
Netherlands



FROM THE AMERICAN PEOPLE