



Kagitumba one stop border post, Rwanda

Results



FOR PROSPERITY

Annual Report 2015-2016





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.

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Our Focus

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



UN- LOCK- ING

POTENTIAL

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.

Increased Physical
Access to Markets



Upgrading
Constructing
Moving

Enhanced Trade
Environment



Facilitating
Increasing
Harmonising

Improved Business
Competitiveness



Advancing
Promoting
Growing

6 Countries

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



\$17 Billion

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



142 Staff

Diversity of TMEA staff
representing 12 nationalities.



\$560 Million

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

Expected results by June 2017

INCREASE IN THE TOTAL
VALUE OF EXPORTS
FROM THE EAC REGION

↑
10%



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

↑
25%



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

↓
15%



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

↓
30%





INNOVATION NEEDS



LEAD-
ERSHIP



Richard Dewdney

Council Chair

As investors of TradeMark East Africa, the region's leading aid for trade programme, we believe that now is the time to go all out and support EAC governments in consolidating recent gains and tackling some of the most complex trade challenges.



Our investment has had a ripple effect Impacting individuals and communities

The East African Community is home to some 150 million people. Most countries of the region achieved exciting levels of economic growth in recent years. This is steadily raising the region's global profile and prospects for all its citizens. However, growth has not been equitable. Challenges still abound. As many as 56 million people survive on an average income of just US\$225 per year. Moreover, youth unemployment remains high at 40% across the region.

Trade offers most people the easiest escape route from poverty. However, for years, dilapidated physical infrastructure in the ports and on the road and rail systems, congested borders, and outdated technology constrained trade opportunities - especially for women and small business.

All that is changing fast. I'm proud of the big contribution TradeMark East Africa has made since its launch in 2010, through its partners in government, business and civil society, to reduce the barriers to and the costs of trade.

Eight governmental investors in TMEA – Belgium, Canada, Denmark, Finland, the Netherlands, Sweden, the UK and the USA – have helped TMEA to build new infrastructure along the region's main transport corridors. This includes modernising the ports of Mombasa and Dar es Salaam, and completing six one-stop border posts. TMEA has also facilitated better trade policy, and the removal of bottlenecks in product standards and non-tariff barriers. It also directly supports exporters.

Put together, these interventions have made it much easier and much cheaper for traders to use the corridors and to cross borders, linking the region's businesses with new markets in neighbouring countries.

TMEA has proved itself capable of delivering impressive results in modernising trade, driving down transport costs, and increasing exports. We meet the rightful demands of taxpayers in donor countries to deliver the highest standards of excellence and value for money.

The US\$565 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 the 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 two million new jobs by 2023.

We are excited about the future, and the way TMEA and its partners are making the region more attractive to local and foreign companies that wish to invest in East Africa. In this way, many more EAC citizens will lift their families and their communities out of poverty.

TMEA's Council especially supports the organisation's pledge to women traders. Research shows that such support means children are more likely to be properly educated, and to enjoy better prospects. By supporting TMEA's innovative development model and scalable approaches, we are contributing to a fairer and more prosperous East Africa.

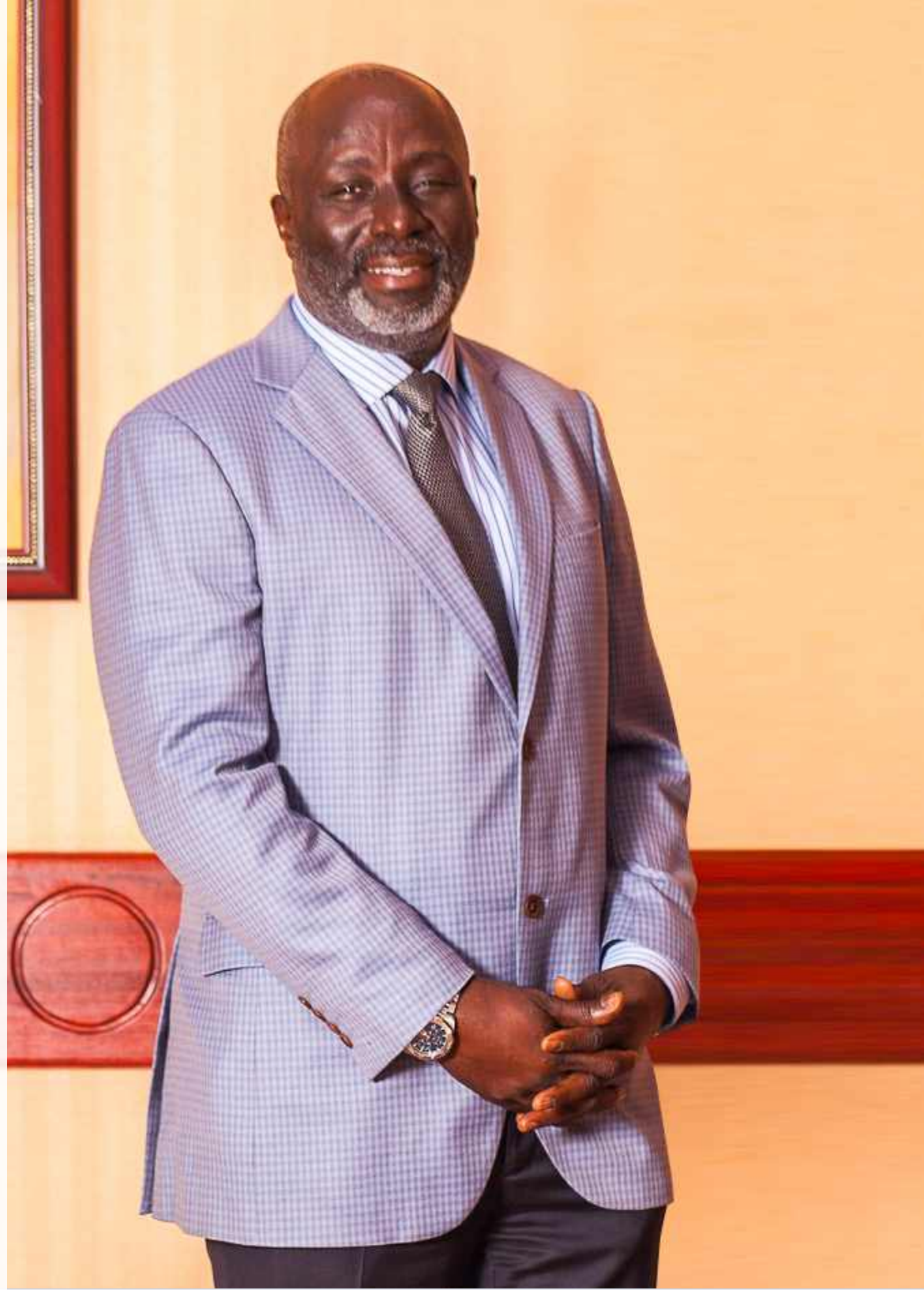
Richard Dewdney
Council Chair

Ali Mufuruki

Board Chairman

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We were delighted this year to launch the first operational OSBP in East Africa, between Holili in Tanzania and Taveta in Kenya. This significant milestone is already reducing border crossing times by 30%.



GOVERNANCE

In 2016, TradeMark East Africa completed its sixth 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 opportunities.

Since TMEA started, East Africa has made impressive economic progress. GDP growth for the countries of the East African Community (EAC) averaged a robust 6.3% per annum from 2006-2014. This made the region the fastest growing in Africa, and one of the fastest growing in the world. TMEA made a significant contribution to that growth, by delivering large-scale impact on the way we trade. The value of trade benefits for business and citizens of East Africa from TMEA's work has been estimated at no less than US\$17 billion over a ten-year period. This represents a return of US\$30 for every dollar invested in us.

It's been a transitional year. We focused first and foremost on delivering the results we promised our investors and partners from 2010-2016. However, we also found time to design our future work under Strategy 2 from 2017-2023.

TMEA has grown quickly into one of the largest aid-for-trade facilities in the world. We raised US\$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 particular 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 4.8 days today. Construction of TMEA-supported access roads at Port Reitz in Mombasa, and ongoing construction of the road from Ntungamo town in Uganda to a newly launched one-stop border post (OSBP) at Kagitumba in Rwanda, are 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 Kigali dropped from 6.1 days in 2013 to 3.8 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 stand at a 15.6% saving, with six months still to go. We were delighted this year to launch the first operational OSBP in East Africa, between Holili in Tanzania and Taveta in Kenya. This significant milestone is already reducing border crossing times by 30%. TMEA has also operationalised OSBPs elsewhere; for example at the very busy Busia

border post between Uganda and Kenya, where time savings are an excellent 80%. Targets have been surpassed at other borders, with an average time reduction at four of the six completed OSBPs of 62%, well above the 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 savings, and cost savings to businesses across the region.

Successful advocacy by business organisations that TMEA supports led to positive changes to the EAC Counterfeit Bill, and the EAC Industrialisation Bill. Policy advocacy by the Private Sector Foundation in Rwanda led to a reduction in power tariffs on commercial properties. Meanwhile, projects implemented under the TradeMark East Africa Challenge Fund (TRAC) created over 1,200 new jobs. The TRAC-supported iShamba project became the first subscription-based nationwide Kenyan farmers club. iShamba supplies market and weather information, and advice on agricultural practice, through a mobile phone-based platform. Membership rose from a targeted 15,000 farmers to over 350,000. Potato farmers subscribing to iShamba enjoyed a 50% increase in yields compared with those who do not subscribe. The project boosts agricultural innovation, and has received international awards.

The year hasn't been without its challenges. There was an intensification of internal conflict in South Sudan, and continued political crisis in Burundi. Both 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 all the more important for TMEA to measure and demonstrate good results, and continuously to improve our external communications, transparency, and value for money. The aftermath of the UK's Referendum in June 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 2. It focuses us more than ever on creating prosperity - two million 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 – the fruits of our extensive consultation with 200 partner institutions across the region. 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 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 2017.

Ali Mufuruki
Board Chairman

Frank Matsaert

Chief Executive Officer



For the last six years we have mixed our deep technical understanding with large scale, adaptive, high impact programming that is anchored in strong partnerships with the EAC Secretariat, EAC partner states, the private sector and civil society. Together with our partners, we have achieved significant results, among them reducing the high trade cost for our region and supporting the accession of South Sudan into the EAC.



This year we are entering the last year of our initial six-year strategy and looking forward to our new six-year programme. In 2010, TradeMark East Africa embarked on an effort to improve the region's intra and global trade competitiveness and thus to support the region in achieving stronger economic growth. With a modest budget and a staff of barely five in 2010, the programme has grown to be one of the largest and best known aid-for-trade organisations globally, with a budget over the last six years (from 2010-2016) of US\$560 million, more than 150 staff across the EAC and an estimated value in trade benefits to East Africa of US\$17 billion.

For the last six years we have mixed our deep technical understanding with large scale, adaptive, high impact programming that is anchored in strong partnerships with the EAC Secretariat, EAC partner states, the private sector and civil society. Together with our partners, we have achieved significant results, among them reducing the high trade cost for our region and supporting the accession of South Sudan into the EAC. In addition, during the year Kenya hosted the 10th Ministerial Conference of the WTO where TMEA partnered with the Trade Development Symposium to showcase the region's strong aid-for-trade achievements.

Key milestones were accomplished this year in the automation of trade processes to create greater efficiency and reduce transaction costs. TMEA supported the development of systems across a range of institutions in the region, such as improving the

efficiency of the management information systems within the Rwanda Ministry of Agriculture. This has resulted in decreased time and lower transaction costs when issuing trade permits at the Rwanda Livestock Inspection Services Department and the National Agricultural Inspection Board. Both of these portals are now linked into Rwanda's 'single window' for trade. In Uganda, work on the 'electronic single window' was finalised, ready for full implementation in the next financial year. In trade facilitation, we have seen a significant decrease in non-tariff barriers and consequently, less time needed to transport goods on the Central and Northern Corridors. The number of harmonised standards has also increased for the most traded goods in East Africa, thereby increasing intra-regional trade.

Regarding more efficient trading across East Africa's borders, construction of 10 out of 13 one stop border posts (OSBPs) is complete, together with the related management processes, (known as 'integrated border management'). The 'time and traffic' surveys undertaken at the OSBPs are already showing a significant saving in the time it takes to cross the borders (as you will see elsewhere in this report). In Uganda, construction of the Ntungamo–Mirama-Hills road, which will ease traffic flow, is set to be complete by March 2017. Infrastructure projects in Dar-es-Salaam and Mombasa Ports are progressing well. In Dar, construction of two exit roads to ease traffic flow within the port, are complete. In Mombasa, the expansion of Port Reitz road, which was commissioned by H.E President Kenyatta in January 2016, is on course.

An East African Community 'single customs territory' arrangement, with a common external tariff for member countries, continues to take shape, enabling maritime cargo destined for Rwanda and Uganda to be cleared at the point of entry.

Our support towards improving business competitiveness has also recorded significant results. In the private sector, advocacy initiatives have resulted in the removal of transport levies imposed by Kenya, Tanzania and Uganda, on goods transiting the region, translating into potential cost savings of over US\$1 million a year.

We are also pleased to report that we received additional funding from the Kingdom of the Netherlands to expand our 'Women and Trade' initiative to reach 25,000 women. So far, we have supported more than 10,000 women to access new markets. We continue to catalyse innovation through the TMEA TRAC Challenge Fund: five grantees, including Nogamu (Uganda) and Africado (Tanzania) received international certification that will enable their products to access regional and international markets. Additionally, the staples programme in Uganda has recorded an increase of over 100% in farm gate prices for 56,000 smallholder maize farmers due to increased compliance to maize standards.

Despite these positives, the region faced challenges. Intra-regional trade performance has been affected by external factors including volatile financial markets, weak commodity prices and, in Burundi and South Sudan, turbulent political environments. Drought

GOVERNANCE

has also affected agricultural exports, as did the persistent high cost of doing business. While we are optimistic about the region's outlook, we have employed an adaptive risk management approach to our programming, recognising that we operate in a complex, ever-changing environment that demands an iterative approach. This will enable us to cope with unforeseen shocks that may negatively impact on the gains achieved so far.

The independent annual review undertaken during the year, when we scored an impressive 'A', is a 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.

This year our Board and Council approved our new 2017-2023 strategy (known as 'Strategy 2'). Strategy 2, building on existing successes, will dedicate our investment to developing the strength and resilience of the Eastern Africa Trade Network to increase trade with the EAC neighbours of Ethiopia to the north, the DRC to the west and Zambia, Malawi and Mozambique to the south. We will also support new spatial initiatives that target greater employment creation and poverty reduction. We estimate that our work will contribute to millions of new jobs, lifting many people out of poverty across East Africa.

On behalf of the team at TMEA, I would like to convey our heartfelt thanks to our Board, investors and partners for continuing their strong support in the

past financial year and working with us to ensure, in the next phase, that the benefits of increased trade lead 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



GOVERNANCE

1. Ali A. Mufuruki

Chairman

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 sector 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. Tim Lamont

Board Vice-Chair - Donor rep. on development/evaluation

Mr Tim Lamont is currently serving as Senior Growth, Trade and Investment Adviser, DFID Africa Region. In this capacity, he supports regional economic integration in East Africa and has been a lead adviser on TMEA and regional market systems development. Mr Lamont is an economic private sector development expert specialising in trade, the financial sector, business advocacy and investment climate and value chain issues. He has 20 years of experience working on East Africa issues, 13 of which have been at DFID. Mr Lamont has worked within the government ministries of Uganda and Rwanda in addition to managing DFID funded programmes in Kenya and Tanzania.

3. Rosette Chantal Rugamba

Board Member

Ms 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.

4. Scott Cameron

Board Member

Chief, Office of Regional Economic Integration
USAID | Kenya and East Africa

5. Duncan Onyango

Board Member

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.

6. Anthony Masozera

Board Member

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. Earl Gast

Board Member

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.

8. Patricia Ithau **Board Member**

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.

9. Jacqueline Busingye Lutaya **Board Member** (Not in picture)

Ms Jacqueline Busingye Lutaya is the Managing Director of Kampala Accountancy Bureau (KAB) Ltd and College for Professional Development. She is currently serving as the President of ACCA Uganda, is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Member of the Institute of Certified Public Accountants of Uganda (CPAU) and a Member of the Institute of Internal Auditors (MIIA). She is currently a Board Member and the Chairperson of the Audit Committee, at Hashi Energy (Uganda) Ltd.

10. Patrick Obath **Board Member** (Not in picture)

Mr 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.

GOVERNANCE

Council

Richard Dewdney

*Deputy Director,
Africa Regional Department,
Department for International
Department,
United Kingdom*

Simo-Pekka Parviainen

*First Secretary,
Embassy of Finland,
Dar es Salaam, Tanzania*

Hajo Provo Kluit

*Ministry of Foreign Affairs,
Sustainable Economic
Development,
Dutch Government*

Eva Bursvik

*Counsellor,
Programme Manager
Regional Development
Cooperation Programme:
Trade and Economic
Integration
Embassy of Sweden,
Lusaka, Zambia*

Lisa Walker

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

Lars Brendal

*Head of Cooperation
Deputy Head of Mission,
Embassy of Denmark,
Nairobi, Kenya*

Nzuki Mwanja

*Senior Project
Management Specialist,
Regional Economic
Integration Office,
USAID, Kenya and East
Africa*

Hellen Oriaro

*Foreign Affairs,
Trade and Development,
Canada*



Left to right standing: Hajo Provo Kluit (Representing the Dutch Govt) , Lars Brendal (Representing the Danish Govt), Nzuki Mwanja (Representing the US Govt), Matti Tervo (Representing Finnish Govt)
Left to right seated: Eva Bursvik (Representing the Swedish Govt), Lisa Walker (Representing the US Govt), Richard Dewdney (Representing the UK Govt) and Hellen Oriaro (Representing the Canadian Govt)

Senior Leadership Team



GOVERNANCE

1. 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.

2. David Stanton**Director General**

David Stanton joined TMEA in 2010. His main areas of expertise are regional economic integration, trade and business strategy, and programme and organisational management. He has worked in over 40 developing countries, mainly in Africa and Asia. His current role covers strategic and business planning across the programme portfolio, and delivery of TMEA's results across East Africa. Before joining TMEA, David

served as Chief Adviser for Enterprise Development, and Head of the Tanzania programme for the UK's Department for International Development. Earlier, he was Director of the Investment Climate Facility for Africa and 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.

3. 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.

4. Ken Jones**Chief Operating Officer**

Ken Jones joined TMEA in 2010 and leads a team of 30 people. He has worked in international development since 1994. As part of the International Advisory Services team of KPMG London, he led assignments in Kenya, Uganda, Jamaica, Grenada, and Montserrat and was seconded to KPMG East Africa to lead a project to establish the Rwanda Revenue Authority. His resume includes establishing a Centre for Good Governance in India, establishing the Capacity Building Trust Fund for the Government of South Sudan and assisting to establish the South Sudan Ministry of Finance. He also led projects in Pakistan, Macedonia, Kosovo, and Bulgaria. He is a Fellow of the Chartered Institute of Management Accountants, a Member of the Chartered Institute of Public Finance & Accountancy, a Fellow of the Institute of Consultancy, and a Chartered Global Management Accountant.

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.



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 major improvements and reforms of Customs processes. He has undertaken training in leadership and negotiation and was a key player in many EAC and COMESA negotiations. He has presented papers in a number of international trade and Customs forums at regional and international levels and has been a member of different technical 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.



Lisa Karanja
Senior Director Business Competitiveness

Lisa Karanja is a legal professional who oversees the strategic development of new business lines, focusing on business environment reform, export capability and trade and logistics, and has established a US\$15 million women and trade programme. Her resume covers private sector development, policy advocacy and public sector reform. She held a senior position at Kaplan and Stratton Advocates, Nairobi, and was the Senior Law and Policy Advisor in the Department of Governance and Ethics, Office of the President. She was also Deputy Executive Director, Transparency International-Kenya. She sits on the National Anti-Corruption Committee for Kenya, the Business Advocacy Fund and the Kenya Markets Trust. Lisa 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 responsibilities for TMEA interventions in the EAC and South Sudan. 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. He spent his formative years with the European Commission supporting East European countries with their transition to a market economy and their entry into the European Union. During his time with the EU in Bosnia and Herzegovina, he was involved with post war economic regeneration, before moving to South Africa where he managed a large EU grant fund. Prior to his current position, Mark was the Country Director for TMEA in Rwanda.



Jason Kap-kirwok
Senior Director EAC-TMEA Partnership

Jason Kap-kirwok joined TMEA after finishing a long-term contract with the World Bank aimed at supporting the 19 COMESA countries to integrate their regional and national strategic planning. Before taking up his current position he was the TMEA Kenya Country Director. His resume includes Group Director for Corporate Strategy and Industry Affairs at Kenya Airways and Chief of Strategic Planning and Research for COMESA. He has served on the strategy committee of the Board of the Nairobi Stock Exchange and is currently on the Board of Kenya Airways and Sergoit Holdings Limited. He is a graduate of the University of Nairobi (BSc), Eastern University (MBA), Wharton Business School and the University of Cape Town. He is also an author and a newspaper columnist.

Our investors

With the support of
**THE BELGIAN
DEVELOPMENT COOPERATION** 

Belgian development cooperation aims to achieve sustainable human development. This aim is to be achieved by fighting poverty and strengthening democracy and the constitutional state.
www.btcctb.org/en/belgian-development-cooperation



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



UKaid concentrates on improving health, increasing the quality of education, reducing vulnerability among Kenya's most disadvantaged, and catalysing private sector growth to create more jobs for young people.
www.gov.uk/government/organisations/department-for-international-development



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



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

EMBASSY OF DENMARK

DANIDA | INTERNATIONAL
DEVELOPMENT COOPERATION

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



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



LOOK- ING BACK



TO MOVE FOWARD

Overview

AVERAGE GDP GROWTH IN THE EAC

6.1%



Adverse weather-related shocks affected agricultural exports



TMEA MONITORS EXTERNAL RISKS & INITIATES ADJUSTMENT PROGRAMMES

Economic performance in the EAC region remained strong with an estimated average GDP growth of 6.1% despite some unfavourable global conditions. The World Bank forecasts Kenya, Rwanda, Uganda and Tanzania to maintain positive growth up to 6.7 % in 2016, mainly driven by the services sector. However, the economic slowdown in Burundi and South Sudan is expected to persist due to enduring political instability.

Despite the region's economic resilience, intra-regional trade performance has been affected by various factors such as depreciating local currencies, weak commodity prices, volatile financial markets and a turbulent political environment in Burundi and South Sudan.

Adverse weather-related shocks affected agricultural exports, as did the persistent high cost of doing business.

Overall, there remain risks to the positive economic outlook of the region, more so if the external environment stays unstable and unpredictable. TradeMark East Africa continues to monitor external risks and will initiate adjustments to the programmes where necessary.



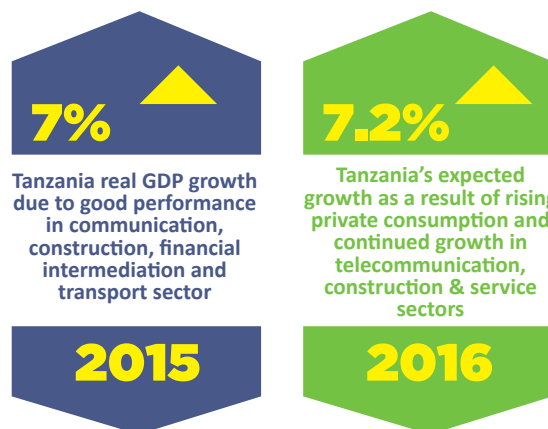
Economic outlook

Tanzania – Real GDP grew to an estimated 7% in 2015 due to good performance in the communication, construction, financial intermediation and transport sectors. This growth is forecast to reach 7.2% in 2016 as a result of rising private consumption and continued strong growth in the telecommunications, construction, port and service sectors. (The country's import growth may stay subdued due to low oil prices.)

To maintain and expand this growth, Tanzania has focused its 2016/17 budget on fostering economic growth and industrialisation by addressing key bottlenecks in doing business. These include integrating economic development and human resources and enabling the business environment to attract private sector investment in industries and other investment opportunities.

Kenya – Real GDP averaged 5.6% in 2015. This was attributed to strong growth in the construction, financial, insurance and agricultural sectors. In 2016, Kenya's economy was projected to grow to 6%, supported by strong public investment in infrastructure, a dynamic services sector and favourable demographics. There is also optimism that the tourism sector will rebound towards the end of 2016 on the back of reduced security incidences and relaxed travel advisories by Western nations. A key priority in the country's 2016/17 budget is the strengthening of ongoing public investments in roads, rail, ports, energy and water, including deepening support to the modernisation of the Mombasa port through expansion of container terminals and integration of the Single Window system.

Rwanda – Real GDP growth rate is forecast to slow down to 6.4% in 2016 from 6.9% in 2015 due to the impact on debt from falling foreign aid. Despite prudent fiscal policies to date, the increase in debt levels from the fall in foreign aid is anticipated to persist, since Rwanda is now deemed



(The country's import growth may stay subdued due to low oil prices.)

fit to transition from grant-based financing to loan-based financing by the IMF. The agricultural sector's robust performance is expected to keep driving the country's economic growth, supported by continued investments aimed at boosting resilience to adverse weather-related shocks, increasing productivity and promoting commercial farming.

Additionally, rising coffee and tea prices should incentivise farmers to produce greater volumes. Expansion in the industrial sector will be modest, as falling grants and aid inflows affect donor and government-financed investment projects, while subdued mineral prices have an effect on the mining sector.



YEAR IN REVIEW

↖ ↗
↙ ↘
UGANDAN ECONOMY
EXPANDED BY
4.6%

↓
BURUNDI PROJECTED
DECLINE IN GROWTH TO
3.5%

SGR BEGINS
OPERATIONS IN
2017 

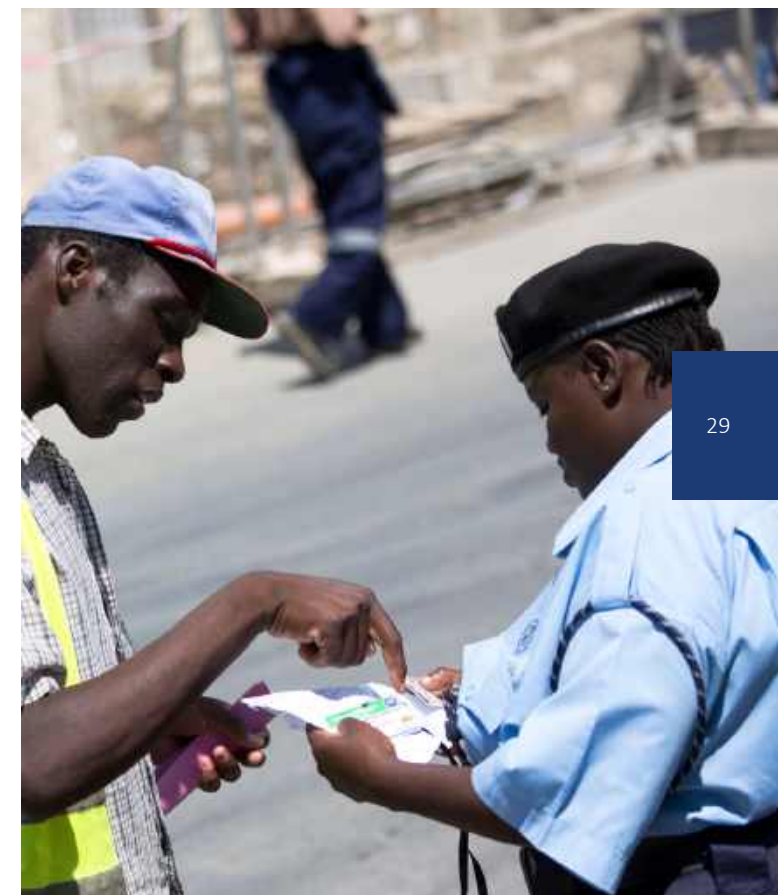
Uganda – The economy expanded by an estimated 4.6%, supported by the services and construction sectors. However, this was lower than the targeted 5%. Economic growth was slowed by a sharp decline in international commodity prices, such as coffee, tea and minerals, which form the bulk of the country's exports. The decline in private sector credit growth resulting from high interest rates has also constrained domestic activity. Additionally, the strengthening of the US dollar led to the depreciation of the Uganda shilling, making imports more expensive, thus constraining business cash flows.

Burundi – The World Bank projects a decline in growth to 3.5% in 2016 compared to 4.7% in 2015. The Burundian franc continues to fluctuate sharply against the dollar due to lack of foreign exchange on the market. Unpredictable shortages of basic commodities such as fuel, medicine and sugar have been observed.

South Sudan – Growth is forecast to continue at a slower rate of 3.5% in 2016, compounded by the 2015 drop in oil prices, which diminished government revenues. The outlook for the economy will depend on greater stability within the country's political environment.

East Africa region – The Northern Corridor integration programme maintained momentum with all initiatives progressing well – most notably the construction of the Mombasa-Nairobi Standard Gauge Railway (SGR), which has reached the 75% completion stage and is projected to open in 2017. Construction of the Nairobi-Naivasha SGR section was scheduled to begin in October 2016.

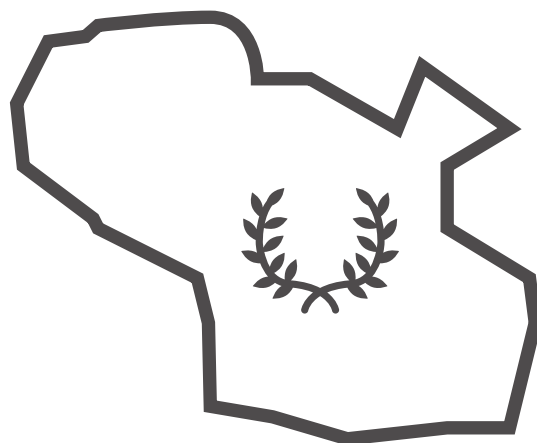
In all the above, it is evident that TMEA's initiatives will remain fundamental to achieving the aspirations of all EAC countries.



Political environment

There was continued political instability in Burundi and South Sudan with new conflict arising in South Sudan. The Unity government intends to continue implementing the peace agreement, despite First Vice President Machar being removed by his party in July 2016. This will probably further complicate the peace process agreed between Machar and President Kiir. These events undermine donor and investor confidence.

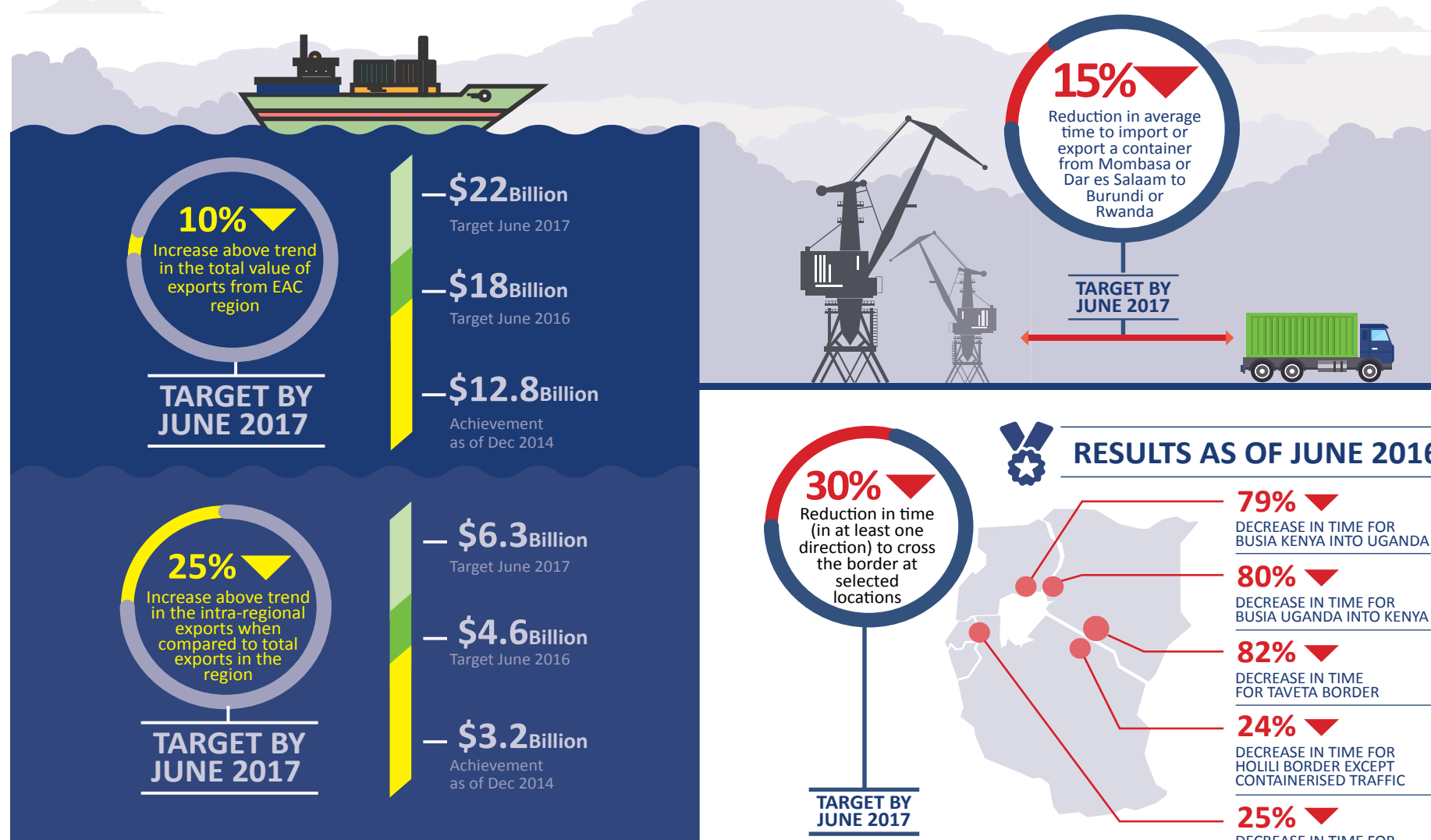
In Burundi, tensions continue with reports of human rights abuses, including detentions, disappearances and killings, the latest being the assassination of the former EAC minister and member of the East African Legislative Assembly (EALA) Mrs. Hafsa Mossi. The latest figures from the United Nations High Commission for Refugees (UNHCR) indicate that more than 270,000 refugees have fled to neighbouring countries, mainly Tanzania, Rwanda, Uganda and DR Congo. The EAC Secretariat continued to take the lead in facilitating the Inter-Burundian peace dialogue to quicken the return of peace, and law and order. However, mediation efforts have so far received mixed responses.



SOUTH SUDAN UNITY
GOVERNMENT INTENDS TO
CONTINUE IMPLEMENTING THE
PEACE AGREEMENT



Programme performance



*By December 2015, UNCTAD records EAC's exports to the world to have reached an estimated \$13 Billion in value

Increased physical access to markets

The SO1 portfolio is on track with a number of outcomes achieved within the One Stop Border Post (OSBP) projects. Overall there was 57% completion of planned outputs within the portfolio, signifying a contribution of 52% to TMEA's strategic outcomes completed, mostly within the OSBP and Integrated Border Management (IBM) projects.

Construction for 10 of the 13 OSBPs is complete and related IBM arrangements are operational. The first 'time and traffic' surveys for the completed OSBPs have been undertaken, and results for Taveta/Holili and Mirama/Kagitumba have been validated. Following initial slowdown, construction at the Ntungamo–Mirama Hills road is set to be complete by December 2016, while construction at the Port Reitz Road is 43% complete.

Import and export volumes through the Dar Port took a dip during the period under review. This downturn is partly attributed to anxiety surrounding the 2015 Tanzanian general elections, and a subsequent change in government. Additionally, the contraction of China's economy affected the price of copper from Zambia and the DRC, the latter slowing down production in anticipation of an improvement in pricing.

10
ONE STOP
BORDER POSTS
COMPLETED



HOLILI
MIRAMA HILLS
KOBORO
MUTUKULA
BUSIA



TAVETA
KAGITUMBA
KABANGA
MUTUKULA
BUSIA

NTUNGAMO–MIRAMA
HILLS ROAD
43% COMPLETE



Enhanced trade environment

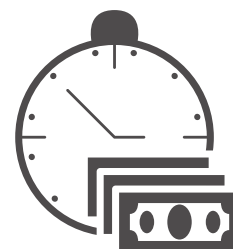
The SO2 portfolio gained traction in the implementation of key milestones. TMEA support for the Single Window Information for Trade (SWIFT) portals initiative has improved efficiency in the Rwanda Ministry of Agriculture departments. The Livestock Inspection Services Department (RALIS) and the National Agricultural Export Board (NAEB) have reduced the average time to issue import and export trade permits from 24 hours to 6 hours, and from 24 hours to 4 hours respectively. Transaction costs in these departments have also been reduced: the average logistics and administrative cost per application has gone down by 47% from US\$5.75 to US\$3.1 within RALIS and US\$7.7 to US\$4.1 within NAEB.

All maritime cargo destined to Rwanda is now cleared under the Single Customs Territory (SCT). Due to the high volumes of maritime cargo destined to Uganda, roll out has been progressive based on risk, and cargo cleared under SCT currently contributes about 60% of Customs revenue.

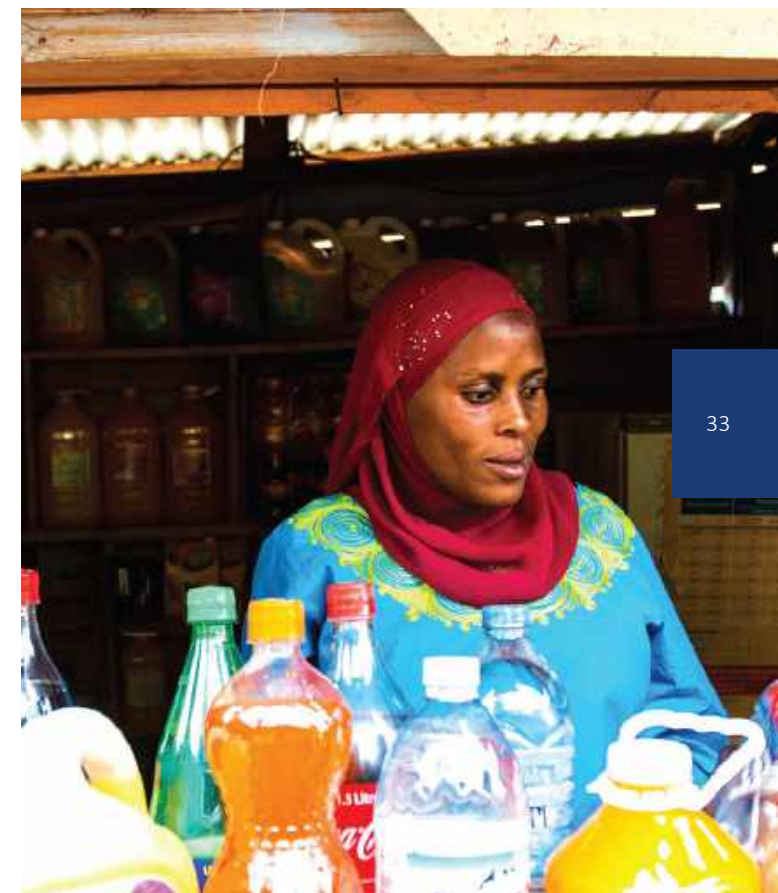
Overall, planned outputs within the SO2 portfolio have reached 63% completion, with 50% of the critical outputs contributing to TMEA strategic outcomes completed.

These were mostly within the SWIFTS, Standards, SCT and Electronic Cargo Tracking Systems (ECTS) projects.

REDUCTION IN TIMES TO ISSUE IMPORT & EXPORT TRADE PERMITS



24 HOURS
TO
6
HOURS



Improved business competitiveness

The SO3 portfolio achieved significant results during the year, including key gains in advocacy for a competitive business environment. For example, removing the 1.5% railway development levy on goods imposed by Kenya, Tanzania and Uganda, is anticipated to translate into cost savings for goods transiting across the region. In Kenya, legislation to promote industrialisation, investment and entrepreneurship was signed following lobbying by the private sector. The Shippers' Council in Uganda successfully lobbied to cancel the new Northern Corridor transport levy increase (from US\$0.12 to US\$0.30 per ton), resulting in potential cost savings of over US\$1 million per year for exporters.

Civil society lobbied for greater inclusion and a favourable environment for women cross-border traders, through their increased representation in border management committees. They also pushed to increase consumer welfare and fair competition through accelerating the implementation of the EAC competition policy. A total of 10,568 women traders, about 6,000 of whom are beneficiaries of the recently launched TMEA Women and Trade Programme, benefited from capacity building initiatives to enable them to effectively participate

in trade and access new markets. These include 7,388 cross-border traders (2,992 in Rwanda, 4,396 in Kenya and Tanzania), 1,780 urban traders and processors from Uganda and 1,400 women entrepreneurs from South Sudan. Further, women cross-border traders have increased their access to trading information, as recorded by a more than 50% rise in trader visits (or about 3,619 traders) to the resources centres established at Busia, Namanga, Malaba, Katuna, Mutukula and Taveta.

Catalysing innovation under the TradeMark East Africa Challenge (TRAC) fund has resulted in five of the current grantees receiving international certification in Global Good Agricultural Practice, ISO and Organic Farming. This certification has enabled them to increase their market share in European, North American and regional markets. It has led to increased income for Tanzanian avocado farmers by more than 100% and an increase of over 74% for more than 5,000 coffee farmers in Uganda. Further, an increase in exports and export markets resulting from certification has led to the creation of over 1,000 jobs.

The export capability programme is now fully established with on-going programming. During this phase, the focus has been on the landlocked countries and specific sectors. Trade in services and tourism programmes in Rwanda and Uganda have a regional focus, developing and promoting the EAC as a single tourist destination; they also have a national level focus building the capacity of National Tourism Chambers to better support the private sector in the tourism sector.

Under the regional coffee programme, access to new markets, improved coffee quality through implementation of private standards and capacity building of coffee industry service providers, are all anticipated to contribute to increase revenues for 30,000 coffee farmers in Rwanda and Burundi. The staples programme in Uganda has recorded a rise of over 100% in farm gate prices for 56,000 smallholder maize farmers resulting from increased compliance to the maize standards. TMEA supported the Fresh Produce Exporters Association of Kenya (FPEAK) to facilitate 50 farmer-grower groups to acquire East Africa Good Agricultural Practices (EGAP) certification that will enable them to access new markets for their products.

Overall 65% of planned outputs was accomplished within the SO3 portfolio, with 48% of the critical outputs contributing to TMEA's strategic outcomes completed. These were mostly within projects supporting private sector advocacy, improvement of quality standards of goods and services, and women cross border traders.

10,568

WOMEN CROSS BORDER TRADERS

ENABLED TO PARTICIPATE
IN TRADE & ACCESS NEW
MARKETS



YEAR IN REVIEW

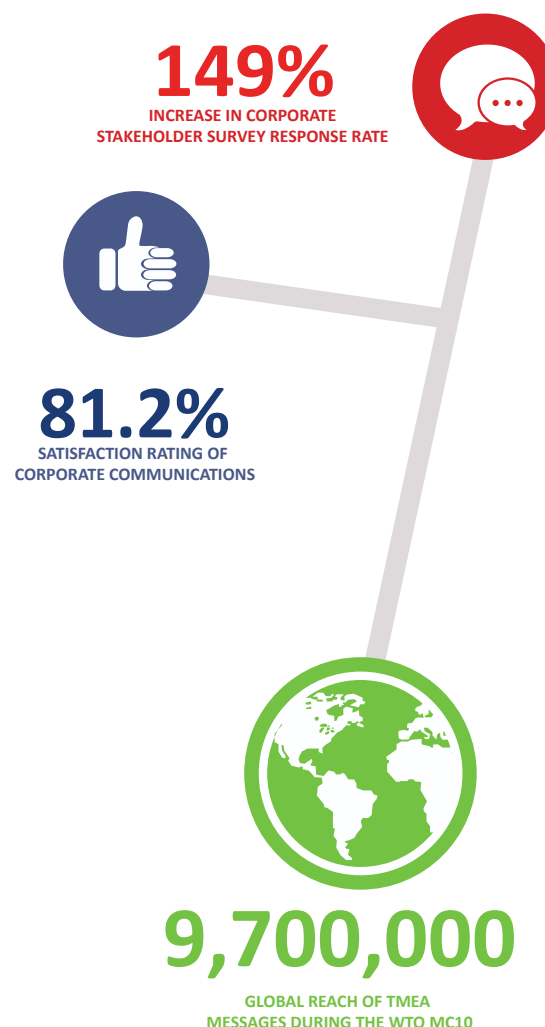
Strategy and results unit

Efforts deepened to position TMEA as an effective Aid for Trade (Aft) vehicle and increase its visibility through leveraging key international events such as the WTO-10th Ministerial Conference and the Trade Development Symposium.

TMEA was able to extend its media coverage with an estimated potential global reach of up to 9.7 million users. A corporate stakeholder survey reaching 274 respondents indicated a 149% increase in response rate compared to the previous year. The overall satisfaction rating was maintained at 82%, with satisfaction rating of corporate communications maintained at 81.2%.

A new Gender Strategy for TMEA Phase 1, trained TMEA staff on gender mainstreaming in their programming, resulting in TMEA's corporate and country results framework increasingly incorporating gender indicators. A new gender and trade microsite, a gender and trade publication and the TMEA CEO award raised awareness, created visibility and recognised efforts to promote TMEA's gender work internally and externally. To ensure that its programmes are in line with the UN Sustainable Development Goals, specifically SDG 5 on gender equality, TMEA signed up for the UN Women 'HeForShe Campaign' as a corporate champion. Gender action plans were developed.

Other START accomplishments included programme and project evaluations, time and traffic surveys for three of the completed OSBPS, support for the development of TMEA's Phase 2 Theory of Change and results framework, and a results capacity building curriculum and training programme for programme staff. An internal quality assurance exercise to assess the progress of TMEA projects will be used to strengthen and improve the remainder of TMEA's Phase 1 programming.



Corporate Services

The introduction of a new governance structure for TMEA resulted in the appointment of a new Board of Directors and the creation of three Board committees. The Board has settled in well and is now adding considerable value to the work of TMEA.

On 23 June 2016, a UK referendum resulted in a majority of voters opting to leave the European Union, triggering a substantial fall in the value of sterling against the US dollar. Within a month of the referendum sterling had fallen by 13%. Given that the majority of contributions are received by TMEA in sterling, whereas the bulk of expenditure is in US dollars, means a serious reduction in resource availability. If this rate were to persist, TMEA income for Strategy 1 would fall by about US\$14 million. Work is ongoing to identify how such a reduction will impact on the delivery of TMEA's programme with a detailed proposal being submitted to the Board in August 2016.

Development of a new TMEA Resources Integrated Management System (TRIMS) started this year. The system is expected to better meet the needs of management, investors, and staff, and will provide a sound platform for the effective delivery of TMEA's programme in the period 2017-2022. The system is expected to be operational by 30th June 2017. Similarly, an extranet system has been developed to provide access to information for our investors, board and other key stakeholders in a seamless manner.

A review of TMEA's organisational structure aims to put in place a structure able to deliver Strategy 2 at reasonable cost, whilst ensuring that workload and grades are practical and consistent across TMEA.

A comprehensive review of TMEA's policies and procedures is underway to ensure that they are fit for purpose for Strategy. The aim is to have revised policies and procedures approved and in place by January 2017.

Meeting the challenges

a.

In Uganda, the European immigration crisis has impacted on funds available for TMEA's donor partners, resulting in limited counterpart funding for regional infrastructure projects that impact on the pace of implementation and achievement of results. TMEA is engaging with donors to get an indication of the size of their commitments. The programme grappled with low institutional capacity across the SO3 portfolio, with a number of implementing partners not passing initial due diligence audits. TMEA is managing the funds internally, and providing financial and monitoring and evaluation training to the partners.

b.

Persistent conflict in South Sudan threatens the implementation of TMEA's South Sudan programme. The time taken to clear goods, including humanitarian aid, and the number of non-tariff barriers (NTBs), such as checkpoints, has increased. Further, additional funding for Nimule OSBP is at risk while donors remain wary. TMEA is closely monitoring the situation in anticipation of a return to normalcy, and will continue to support the implementation of its other private sector related interventions.



YEAR IN REVIEW ■

c.

As a results of the political and humanitarian crisis in Burundi, the TMEA Rwanda programme has been impacted, particularly on exports destined for Burundi, which have fallen drastically and which could have a significant impact on Rwanda's export growth. To mitigate this challenge, the TMEA Rwanda programme has supported implementing partners to explore new linkages for participating companies in the DRC. The National Monitoring Committee on NTBs is also monitoring the new NTBs that are affecting Rwanda due to the current political situation in Burundi.

d.

Under the TMEA Kenya programme, a delay in release of compensation funding by the Government of Kenya slowed down the construction of Port Reitz Road, although it is now on course. Budgets for key projects within the financial year have had to be revised downwards due to slow disbursement (such as the Port Reitz Road) and delays in project take off (such as the KRA-iCMS project).

e.

Within the TMEA Tanzania programme, implementation of significant milestones in TMEA's Dar es Salaam Port programme slowed due to delays by the Tanzania Ports Authority in acquiring approvals from key government agencies. This has since been mitigated through support from the programme's National Oversight Committee, and implementation is back on course.

f.

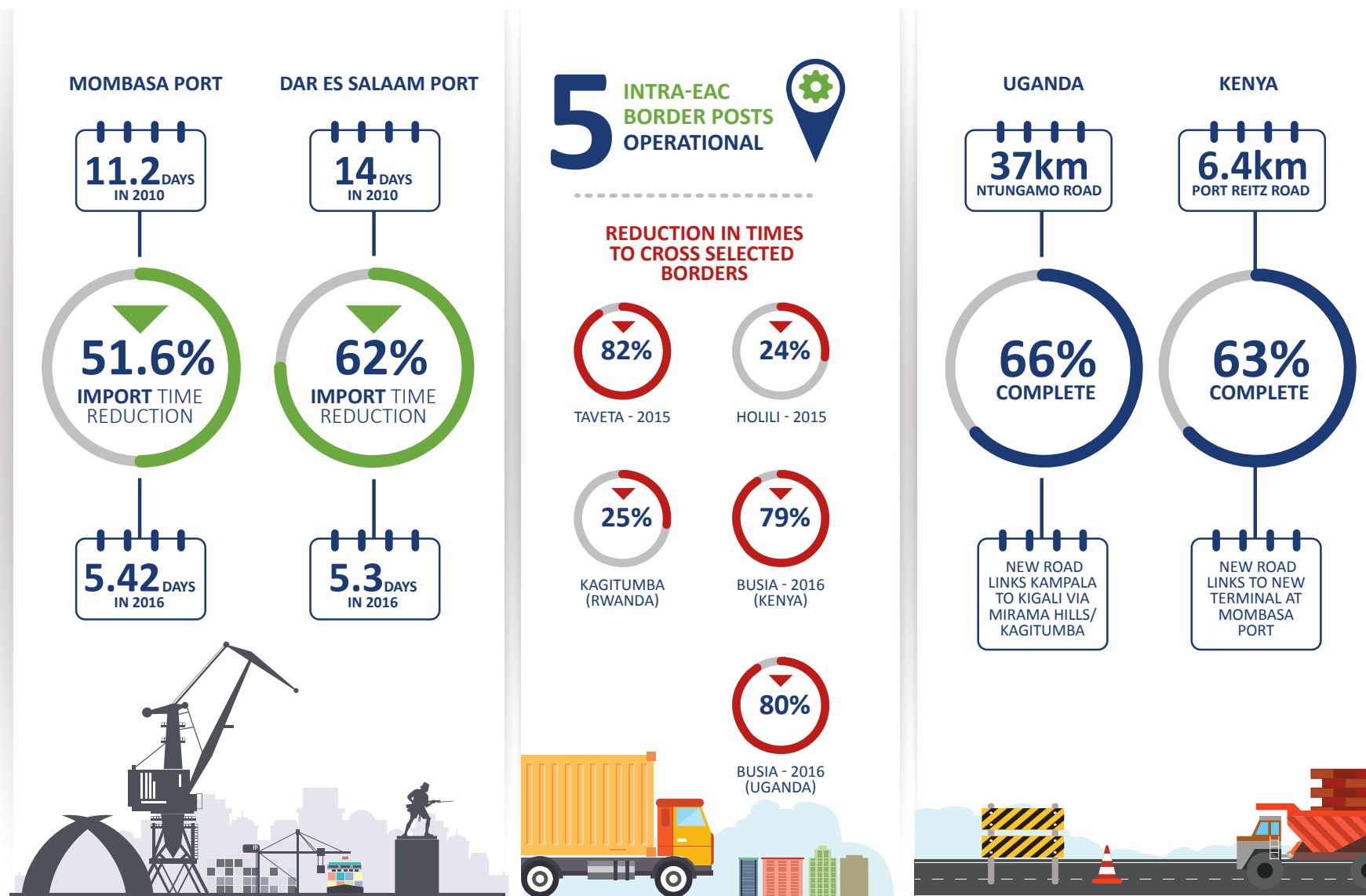
Under the TMEA EAC Partnership programme (TEPP), the 2016/17 EAC Secretariat budget is forecast to decline by 8% and likely to impact negatively on implementation of key regional projects. To counter the deficit, the Secretariat has instituted stringent expenditure reforms in its organs and institutions with immediate effect, while recommending optimal utilisation of the TMEA funded video conferencing facilities.



The Northern and Central Corridors of East Africa



Increased physical access to markets



Enhanced trade environment


BURUNDI REVENUE
AUTHORITY


\$365M




DOUBLING
GOVERNMENT
REVENUE
2010 - 2016


TEA BOARD
OF KENYA


8 DAYS
IN 2010




TIME
REDUCTION
**TEA EXPORT
VERIFICATION
& PAYMENT**


1.5 DAYS
IN 2016


RWANDA ELECTRONIC
SINGLE WINDOW


11 DAYS
IN 2010


\$6.8m
REDUCED
CLEARANCE TIMES
SAVINGS


1.45 DAYS
IN 2016


SOUTH SUDAN
CUSTOM SERVICES


4 DAYS
IN 2010




TIME
REDUCTION
**HUMANITARIAN
CARGO CLEARANCE**


2 DAYS
IN 2016


TANZANIA
FOOD & DRUG
AUTHORITY


2 DAYS
IN 2010




2 HRS
IN 2016

REDUCED
CLEARANCE TIMES FOR
IMPORT & EXPORT
OF TRADE PERMITS

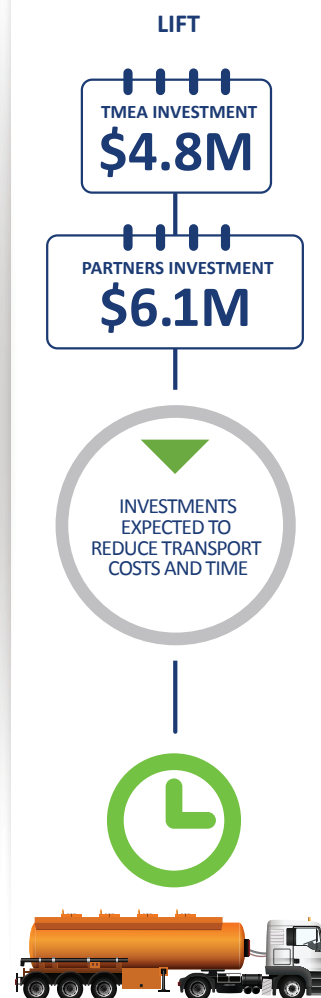

UGANDA ELECTRONIC
CARGO TRACKING
SYSTEM


\$56M
ANNUAL SAVINGS




75%
CUSTOMS TIME
REDUCTION

Improved business competitiveness



IMPORTS/EXPORTS INTO KIGALI

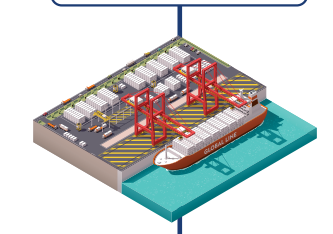


2,600

**WOMEN
CROSS
BORDER
TRADERS**

Increased access to trading information and new markets

REMOVAL OF VESSEL DELAY SURCHARGES MOMBASA PORT





DELIVERING PROGRESS



**WORK-
ING
TO-
GETHER**

Libérat Mfumukeko

Secretary General,
East African Community

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.



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 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.

Libérat Mfumukeko
Secretary General, East African Community

Dr. Augustine Mahiga

Minister of Foreign Affairs and East African Cooperation, United Republic of Tanzania

The Government of Tanzania is pleased to note valuable and committed support by TMEA to its ministries, departments and agencies, to the private sector and to civil society organisations. The government takes note of the alignment of the TMEA Tanzania programme to the growth strategies of Tanzania, such as the National Strategy for Growth and Reduction of Poverty and the Five Year Development Plans, thus supporting the implementation of these strategies.



The United Republic of Tanzania continues to be one of the fastest growing economies in the East African Community, the region and the African continent, in the midst of global growth decline. Growth is mainly due to an improved business environment, which has cemented the private sector as the key driver of growth. Despite this, more efforts are needed to improve the business environment, especially removing trade barriers along the Central Corridor, guaranteeing consistent electricity to support industrialisation, and ensuring reliable and efficient transport that connects coastal ports to landlocked economies in the EAC region.

The Government of Tanzania is pleased to note valuable and committed support by TMEA to its ministries, departments and agencies (MDAs), to the private sector and to civil society organisations. The government takes note of the alignment of the TMEA Tanzania programme to the growth strategies of Tanzania, such as the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA) and the Five Year Development Plans, thus supporting the implementation of these strategies.

Major interventions in infrastructure projects aim to enhance port productivity, thereby positioning the port of Dar es Salaam as a major gateway for Tanzania and neighbouring landlocked countries. At the port, interventions have mainly focused on efficiency and effectiveness, allowing it to cope with increased trade volumes while reducing costs. Infrastructure projects include: construction and widening of access roads and gates to reduce truck turnaround times at the port; and demolition of shades to create container handling space and to accommodate modern and efficient cargo handling equipment. Thus, one result of TMEA interventions is that the average time required

to import and export through Dar es Salaam port has fallen from just over eight days, to just over six days.

TMEA is also supporting the Tanzania Ports Authority to procure various consultancy services including transaction advisory services that will bring into operation specialised terminals (at berths 0-4) as business unit centres, while developing berths 5-7 and 13-14. Other TMEA supported consultancy services will enable dredging of the access channel and rehabilitate and strengthen berths 1-7 so that the port can handle larger ships. TMEA is also supporting the procurement of two new scanners, and assisting to service and upgrade two existing scanners, all with the intention of enhancing cargo security at Dar es Salaam port.

With TMEA's support, modern one stop border posts (OSBPs), such as the ones at Holili, Kabanga and Mutukula, have been constructed to connect Tanzania to the region. Now that they are operational they have harmonised border operations and reduced cargo clearance times. The construction of Tunduma OSBP, a critical anchor link to Southern Africa countries and the Democratic Republic of Congo, is expected to commence before the end of 2016.

Recognising that the private sector is the key driver to economic growth, development and poverty reduction in the region, TMEA has continued to support Tanzania's private sector, which advocates for a favourable trade environment and an enhanced role in regional integration. The focus has been on evidence-based advocacy that will generate dialogue on emerging regional issues, and bring attention to the issue of doing business in Tanzania. Key amongst these is the 'SMS and Online Reporting and Monitoring System' that will facilitate the elimination of 80 non-tariff

barriers along the Central Corridor. The introduction of an electronic version of the 'Certificate of Origin' has also reduced the time it takes to issue these from three to two days.

Partnering with private sector organisations and MDAs, TMEA supports them in championing the process towards ratification of the Trade Facilitation Agreement. This has gained momentum in Tanzania, evidenced by the launch of the National Trade Facilitation Committee. We hope that this will contribute to continuing to raise Tanzania's ranking in the 'Ease of Doing Business' table. TMEA has also been at the forefront in supporting civil society organisations in developing and revising policy documents designed to strengthen the participation of Tanzanian citizens in the regional integration process, and raise awareness of trade opportunities in the EAC region.

Ultimately, TMEA and Tanzania are working towards the same goal: economic growth and reduced poverty, enshrined in Tanzania's Vision 2025. The Government of the United Republic of Tanzania is grateful for TMEA's support towards that goal, so that all Tanzanian citizens will benefit from our nation's resources and improve their quality of life.

Dr. Augustine Mahiga

Minister, Foreign Affairs and East African Cooperation,
United Republic of Tanzania



BUILD- ING EQUITY



ENHANCING TRADE

BURUNDI



AIME NZOZIHERA,
ACTING COUNTRY
DIRECTOR

TMEA completed the construction and operationalisation of the Kobero OSBP. There was continued support on private sector projects during a challenging period. Some of the main programme accomplishments include: the CFCIB successfully advocated for three trade policies; Traidlinks performed an export capacities assessment on 49 companies and took six companies on sales missions to Bukavu, Goma and Uvira. Discussions are underway to conclude contracts for three companies.

PROJECTS

16



BUDGET

\$ 4,326,000



GDP IN BILLIONS

3.085



ANNUAL GDP
GROWTH (%)

4.7





Faster, bigger, better at Kobero one stop border post

Kobero one stop border post (OSBP), located on the border with Tanzania, used to be characterised by outdated infrastructure, uncoordinated border agencies and low border agency capacity, which caused delays in crossing the border and clearing goods.

With assistance from TradeMark East Africa, the border post has been revitalised through the OSBP Programme, which aims to reduce transit costs by combining the border agencies of both countries at either a single common location, or at a single location in each direction.

The new infrastructure for the one stop border post includes a customs inspection shed, a warehouse, offices for border officials, staff quarters and service roads based on the planned business flow and the movement of people. All facilities will be equipped with furniture, ICT equipment and systems connectivity, which will enable the operation of the new integrated border management system.

RESULTS

- Kobero OSBP construction was handed over in December 2015 and is fully operational
- Around 130 people have been employed at the site
- Electricity has been installed, which will also benefit the local population living along the power line.

As East Africa moves towards total integration, TradeMark East Africa is facilitating the process for partner states through various initiatives Once the OSBPs are operational, delays at borders will be significantly reduced, thus benefitting businesses and easing cross border trade within the EAC.

H.E Pierre Nkurunziza
President of the Republic of Burundi



JOBS
CREATED
AT KOBERO
OSBP SITE

130

ELECTRICITY
INSTALLED AT
KOBERO BENEFITS
LOCAL POPULATION
LIVING ALONG
POWER LINE



Linking products to export markets

To assist Burundian companies to find markets for their products, TradeMark East Africa is working with Traidlinks, a development organisation funded by the Republic of Ireland, which facilitates targeted sales missions to existing and new markets, aiming to increase export values by 10%. The programme connects sellers with buyers within EAC partner states and the DRC.

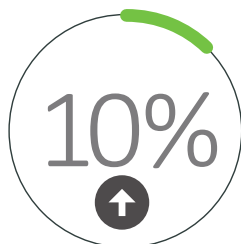
The Traidlinks programme has two components – export capacity and market-links. Under the export capacity component, Traidlinks organised a stakeholder workshop and group meetings and offered training to 33 companies. The market-links programme conducted an export capacity assessment and a baseline data collection on 49 companies, of which 17 enrolled in the programme. Of those 17 companies, 7 are women-owned or women-led. With TMEA support, six Burundian companies participated in sales mission in the DRC and three of them are about to conclude firm deals or partnerships with Congolese businesses

RESULTS

- Completed export capacity assessments for 17 businesses
- Conducted 3 sales missions in Goma, Uvira and Bukavu (DRC) with 6 Burundian companies
- Developed export development plans for 3 businesses
- Undertook 2 market research assessments.

Traidlinks' initiative to connect producers to the other markets fully met the needs of Fruito. The visits to the different cities allowed us to better understand the regional markets and adjust our products to fit the EAC standards.

Stephan Kigoma
Managing Director of FRUITO



TARGETED SALES
MISSIONS TO INCREASE
EXPORT VALUES

33

NUMBER OF **COMPANIES**
BENEFITED FROM TRAILINKS
PROGRAMME STAKEHOLDER
WORKSHOPS

OUR PROJECTS ■

KENYA



Ahmed Farah,
Country Director

The Kenya Country Programme has made significant progress over the last year with an investment of about US\$134 million in 18 projects. The Mombasa Port programme has contributed to faster ship-to-shore and cargo transit times, with average import/export times falling from 11 days (imports) and 15 days (exports) in 2010, to 5 days and 6 days respectively. Taveta and Holili one stop border post, launched in February 2016, has resulted in an 82% reduction in border transit times. Our support to the Kenya Bureau of Standards has contributed to a 40% increase in product testing per year. Moreover, through our support to the Fresh Produce Exporters Association of Kenya, 748 horticulture farmers attained the East African Good Agricultural Practice certification, with over 3,000 farmers signing contracts to sell their fresh produce in international markets.



PROJECTS

29



BUDGET

\$19,910,000



GDP IN BILLIONS

63.398

ANNUAL GDP
GROWTH (%)

5.6



Upgrading Mombasa berths

Between 2011 and 2015, container traffic at Mombasa port has grown from 770,800 TEUs (twenty foot equivalent unit) to 1,070,000. To cope with the growing demand, the Government of Kenya, with support from TradeMark East Africa, is expanding and modernising the port infrastructure. The aim is to increase volume while reducing the time it takes to import and export goods through the port to under four days (compared to just over 11 days in 2011).

Part of the infrastructure plans for the port includes upgrading berths. TMEA, in consultation with the Kenya Ports Authority (KPA), funded, at a cost of US\$5.48 million, the relevant studies and detailed engineering designs and tender documents for berth upgrade works at Mombasa port. Construction works for Berths 11-14 will cost US\$500 million.

RESULTS

- A donor's conference in May 2015 attracted three organisations – the EU, the European Investment Bank and the Agence Française de Développement – who have expressed interest in funding Berths 11-14 at a cost of US\$180 million, through a grant and a loan.
- An environmental and social impact assessment and a financial and economic analysis for berth upgrade works, were undertaken.

Improvements at the port are critical to increase regional trade and reduce costs in the region.

Tony Gardner
Deputy Head, DFID Kenya

US\$5.48 million

UPGRADING BERTHS 11-14 **FUNDED** BY TMEA





Expanding access to the Mombasa port

The growth of the Mombasa port has strained existing port infrastructure. Consequently, the Kenya Ports Authority is constructing a new container terminal at Kipevu West, financed by the Government of Japan. While the new terminal will improve the capacity and efficiency of the port, it will shift a large proportion of the port's traffic to the west, where there are few existing routes for freight access or offtake.

The full benefits of the terminal will therefore not be felt without expanding the access routes via the Mombasa Southern Bypass and the Port Reitz Road. The former route is under development but will not be open to traffic until 2018, putting great pressure on the Port Reitz route. TMEA has thus committed US\$20 million towards expanding the Port Reitz Road to ease traffic congestion.

The project involves widening the existing Port Reitz and Moi International Airport access roads to provide for a dual carriageway with separated grade junctions, pedestrian foot bridges, traffic lights and drainage works. The project is currently 63% complete and is expected to be finished in March 2017.

RESULTS

- Employment of 554 people (538 men and 38 women), plus indirect beneficiaries, such as materials suppliers
- Training in HIV/AIDs awareness and prevention for construction workers
- Development of an environmental management plan to mitigate negative environmental and social impacts emanating from the project during construction.

The link will serve as a catalyst to improving the cargo handling capacity of the Port of Mombasa, which will not only serve the country's economy better, but also retain the port as the preferred port of use by the neighbouring economies

Mr. John Mosonik

Former Ministry of Transport Permanent Secretary



US\$ 20 million

FUNDS COMMITTED BY TMEA TO EXPAND **PORT REITZ ROAD**
TO EASE TRAFFIC CONGESTION

PORT REITZ AND MOI
INTERNATIONAL AIRPORT
ACCESS ROAD

63%
COMPLETE
AS AT JUNE 2016

Trade policies to enhance growth

A key challenge in Kenya is to diversify from the relatively narrow export base, away from mainly primary products and to expand the markets. The majority of Kenya's external markets consist of the EU, USA and regional markets. While regional markets absorb processed products, agricultural products are the dominant export to the EU. The USA is important for garments exported under the AGOA scheme.

Kenya does not currently have a clear and well-structured trade policy document and institutional arrangements are not well aligned to serve the trade sector. TradeMark East Africa has been supporting the Government of Kenya to develop a national trade policy (NTP), aiming to integrate, update and consolidate the existing, fragmented framework. This policy is now awaiting approval at Cabinet level.

Areas being addressed by the policy include wholesale and distribution trade, retail trade, informal trade and international trade, and through it the country will keep abreast of that dynamism that has emerged in global trade. A key policy measure contained in the NTP is to set up incubators linked to the export market to harness innovations and inventions that will produce value added products. This policy measure will not only serve to diversify the exportable products, but will further add to sustainability of the export base.

RESULTS

- Provided technical and logistical support to the Kenyan Department of Trade to develop a new national trade policy aiming to integrate, update and consolidate the existing framework.

This new NTP is aimed at deepening the variety of exports. Without being competitive, gaining access to larger markets will not help in narrowing the trade deficit.

Cabinet Secretary Adan Mohamed
Ministry of Industry, Investment and Trade



KENYA
DEVELOPED NEW
NATIONAL TRADE
POLICY





Farmers raise exports and incomes

OUR PROJECTS ■

Horticulture is one of Kenya's leading foreign exchange earners, comprising up to 21% of the total export value in 2014. Its current annual value now exceeds US\$2 billion, with exports alone earning an average of US\$1 billion per annum over the past three years.

Yet horticulture production in East Africa is largely dependent on smallholders, who had huge challenges complying with market standards, affecting the product marketability. Among these challenges was the access to 'Good Agriculture Practice (GAP)' information, in part because standards are written in English and not easy to understand.

TMEA partnered with Fresh Produce Exporters Association of Kenya (FPEAK) to improve the incomes and livelihoods of small-scale horticulture farmers in East Africa, by raising their standards of production and thus, market access. The result is the simplified GAP standards (known as EAGAP), which espouse globally recognised 'Good Agricultural Practices'. To disseminate EAGAP further, it was translated into Kiswahili, the *lingua franca* of the region.

RESULTS

- 8,155 farmers were trained in EAGAP, more than a third of them women. Following the training they were able to secure over 100 supply contracts from buyers with more attractive orders than in the past
- 748 farmers (325 Kenyans, 388 Tanzanians and 35 Ugandans) were approved as EAGAP compliant by the end of 2015. This was on a pilot basis and many more farmers continue to prepare for ongoing internal audits
- Over 420 farmers eventually attained full GLOBALGAP certification directly through the TMEA project support.

We were trained to teach farmers how to use the correct chemicals and when to harvest ... and... we've acquired knowledge on personal hygiene and environmental sanitation.

Mary Wambui
former FPEAK technical assistant trained on GAP



55



US\$2 Billion

**TOTAL HORTICULTURE
EXPORT VALUE IN 2014**
KENYA'S LEADING FOREIGN
EXCHANGE EARNER

748

FARMERS APPROVED AS
EAGAP COMPLIANT IN 2015



RWANDA



Patience Mutesi,
Country Director



The Rwanda Country Programme has, over the last year, continued to showcase strong progress towards achievement of results outlined in the country strategy. Key achievements include: completion of construction of the Kagitumba OSBP and Bridges and Integrated Border Management (IBM) systems - expected to reduce border crossing time by 30%; continuation of the Electronic Single Window Phase II with the RRA, reducing the time to get export clearance from 7 days to 1 day; extension of the Export Development Programme to enhance export capabilities for Rwandan exporters; and a US\$40 million contract signed with private investors to finance, build and operate the Kigali Logistics Platform (KLP) and bonded warehouses at Rubavu.

PROJECTS

27



BUDGET

\$ 11,739,000



GDP IN BILLIONS

8.096



ANNUAL GDP
GROWTH (%)

6.9





Kagitumba border cuts time

Kagitumba one stop border post (OSBP) is the second border project to be accomplished with funding from TradeMark East Africa, and the first in Rwanda. It started operating in December 2015. The physical OSBP infrastructure includes a customs and migration block, a warehouse, an economic operator block, a parking yard, administration buildings, goods inspection sheds and internal roads to facilitate the exit and entry into the OSBP.

TMEA also funded the construction of two bridges as part of the infrastructure needed to help the traffic flow between Rwanda and Uganda, as well as 37 km of the Ntungamo road on the Ugandan side. With better access to borders and quicker transit times TMEA is making it easier for truck drivers to cross borders, ultimately easing the way for cross border business in East Africa.

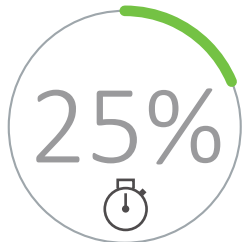
RESULTS

- A 25% reduction in clearing time resulting from eliminating the duplication of clearing processes
- Increased transparency, since files are handled by officers of the two countries in a sequential order and joint verification may be conducted
- Informal traders can formalise their businesses and abandon risky trade practices, as a result of simplified customs procedures.

In the past we used to fill forms on the Rwandan side and then line up for a long time to be cleared, then cross over and repeat the process on the Ugandan side of the border. It was such a long procedure that took hours... Today, clearing takes just about 10 minutes depending on the day's traffic.

Issa Mugarura

Vice-President, Rwanda Long Distance Drivers Union.



REDUCED CLEARING TIMES
AT THE **KAGITUMBA** OSBP

SIMPLIFIED CUSTOMS
PROCEDURES AT
KAGITUMBA ONE STOP
BORDER POST



Quality testing products for export

Under Rwanda's economic blueprint, the government is targeting a 28% increase in the value of exports by 2020. Essential oils have been identified as having the potential to boost Rwanda's exports, especially as there is high demand on the global market. With funding from TradeMark East Africa, the Rwanda Standards Board (RSB) acquired equipment for testing and certification of essential oils, vital if Rwandan producers are to export to advanced markets. Using the machines, RSB can test essential oils and certify them as genuine products, building consumer trust and confidence in the quality of Rwandan products. This is the first essential oil testing laboratory facility in East Africa and the RSB is optimistic that it will benefit the entire region. Already, the equipment has encouraged pyrethrum exporters to invest in an essential oil extraction line.

TMEA also purchased an Inductively Coupled Plasma Mass Spectrometer, which will facilitate testing for heavy metal traces. The equipment is the first of its kind in the East Africa region, positioning Rwanda as a regional hub for testing samples of food, cosmetics and wastewater.

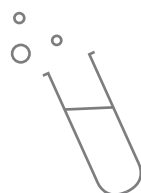
TMEA has supported RSB since 2012 to develop capacity in testing equipment and training that will assist in gaining international accreditation. It has also assisted on product and company certification related to food safety as well as strengthening quality management certification through a twinning arrangement with the British Standards Institution (BSI).

RESULTS

- 25 parameters added to RSB's testing scope
- Testing costs reduced from US\$500 to US\$250
- Testing time reduced from an average 60 days to 7 days
- RSB developed testing and certification for contaminants in minerals, waste water, water and soil, amongst others
- About 900 coffee samples previously sent abroad each year for testing, can now be tested in Rwanda, saving up to Rwf 300 million (about US\$370,374).

TESTING TIME REDUCED FROM

60 TO **7**
DAYS DAYS



The government wants to attract more investors into the sector because of the big potential. With facilities for testing and certification, more investors will be encouraged to invest in extraction of essential oils.

Antoine Mukunzi
RSB Director Quality Testing Laboratories





Opening borders for women traders

A 2012 baseline study by Pro-Femmes TweseHamwe (PF/TH), a Rwandan civil society organisation, revealed that informal cross-border traders, 74% of them women, faced many obstacles. These included harassment from border officials, insufficient information on regional trade protocols and services, limited access to credit and vulnerability to robbery and loss of goods. Such losses perpetuated poverty in families where women are the breadwinners.

Thanks to a PF/TH project funded by TradeMark East Africa and implemented since 2012, these women are better off. Under its first phase, the project targeted women informal cross-border traders in six districts bordering Burundi, Tanzania and Uganda, aiming to significantly increase their revenues through formal trade and better trade facilitation.

Now in its second phase, the initiative has been extended for two years (2016-2017) and expanded to cover three more districts bordering the Democratic Republic of Congo and Uganda. The project is currently being implemented in nine districts and covers 14 border-crossing points.



**BUSINESS DEVELOPMENT
LOANS BORROWED BY
15 COOPERATIVES**

US\$100,000

RESULTS

- 28% of participating cross-border traders have reported improvements in nutrition, access to health insurance and ability to pay schools fees
- 27 women cross-border trader cooperatives are active as a direct result of the project. The project currently reaches 63 cooperatives in 9 districts, including those that existed before the project started. The cooperatives' cash capital ranges between US\$1,500 and US\$6,000, compared to the previous situation when individuals held capital of between US\$20 to US\$50 only.
- 15 cooperatives have accessed loans totaling US\$100,000 from savings and credit cooperatives through the Business Development Fund, enabling members to expand their businesses
- About 3,000 cross-border traders in 9 districts gained information on cross-border trade issues.

'The project supported us to move from informal to formal trade through the border post. This eliminated harassment at the border and improved our security and safety of our goods. Formal trade has improved our profits and household livelihoods.'

*A beneficiary from Jyaheza Cooperative
on the Rwanda-Burundi border*



SOUTH SUDAN



John Kalisa,
Country Director

'Despite the prevailing circumstances, the TMEA South Sudan programme has contributed several significant results. TMEA has strengthened the capacity of South Sudan Customs Services, resulting in improved clearance time from 8 days to 1 day, for both humanitarian and commercial consignments. Through TMEA's support to the Secretariat in charge of the South Sudan EAC accession process, the country officially acceded to the EAC in April 2016. Advocacy work with South Sudan Shippers Council has resulted in reduced transport costs for a 40ft container from \$9,800 to \$5,500.'



PROJECTS

8



BUDGET \$ 4,080,000



GDP IN BILLIONS 9.015



ANNUAL GDP GROWTH (%) -6.3





Higher standards to protect consumers

Between December 2014 and June 2016, TradeMark East Africa worked with the Government of South Sudan to upgrade 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 the consumers of South Sudan.

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 a number of tests and samples for essential products that were previously sent abroad, thus saving time and money.

In all the functions of the SSNBS, the assistance from TradeMark East Africa has been essential in building the necessary capacity and expertise. ... The Bureau is now set to play its role in the conformity assessment, certification and control of the products exported from South Sudan, as well as in assisting producers to comply with the quality requirements.

Mary Gordon
Executive Director, SSNBS

RESULTS

- Updated and finalised an organisation structure for the Bureau, drafted legal regulations and created MoUs for cooperation with sister institutes in the region
- Developed internal procedures and compulsory specifications for import inspections
- Developed final proposal for the Establishment and Nominal Roll for the organisation
- Commenced tender for lab refurbishments and purchased equipment for testing and metrology
- Trained private sector associations in standards, procedures, requirements and systems
- Increased the parameters being tested from 180 for essential products in 2015 to 300 by June 2016.



FINALISED STRUCTURE AND
PRODUCT STANDARDS FOR
SOUTH SUDAN NATIONAL
BUREAU OF STANDARDS

CONSUMER SAFETY BOOSTED
BY TESTING FOR ESSENTIAL
PRODUCTS DONE LOCALLY
SAVING TIME AND MONEY



South Sudan prepares to join EAC

TradeMark East Africa contracted IMANI Development Consultancy to provide technical support to the Government of South Sudan to negotiate favourable terms of entry into the EAC, taking into account the level of development, the benefits and the challenges of joining the EAC. The project started in November 2014 and ended in June 2016.

While the project aimed to achieve favourable accession to the EAC, it included: reviews of the economic and regulatory impacts of accession; an evaluation of private sector awareness, expectations and challenges related to integration; creation of a needs assessment for accession; linking the 2015 Peace Agreement to the EAC; and reaching out to civil society, the media and academia (as well as the private sector).

RESULTS

- On 15 April 2016, Their Excellencies the President General Salva Kiir of South Sudan, and President Dr. John Magufuli of Tanzania, current Chairperson of the EAC Summit of Heads of State, signed the Treaty of Accession of the Republic of South Sudan into the EAC in Dar Es Salaam, Tanzania. This treaty officiated South Sudan's membership, giving the Republic six months to complete the ratification process upon which it will become a full member. The entire process, including the pre-entry assessments, was fully funded by TMEA. The Secretary General responsible for South Sudan's accession to the EAC appreciated the role played by TMEA in the entire process.



ACCESSION OF THE
REPUBLIC OF SOUTH
SUDAN INTO THE EAC
TREATY SIGNED IN
2016

The support that the South Sudan EAC Secretariat got from TMEA prior to and during negotiation was crucial in the success of the accession negotiation and ultimate admission of the Republic of South Sudan into the EAC as the sixth member of the community. TMEA support is something the SS EAC Secretariat cannot do without.

Hon Mou Mou Athian
Secretary General, South Sudan EAC Secretariat



Focusing on gender in South Sudan

TradeMark East Africa is partnering with the South Sudan Chamber of Women Entrepreneurs (CoWE) and the South Sudan Women Entrepreneurs Association (SSWEA) in supporting women entrepreneurs and women cross-border traders in South Sudan. The project targets national associations of women entrepreneurs, women informal cross border traders (WICBT) in Nimule and Juba, as well as women entrepreneurs with growth potential in Nimule and parts of Central and Western Equatoria regions. It aims to create links between women's groups that will identify and exploit market opportunities between and across borders. It is also providing technical support in advocacy for more gender responsive policies, and market access support in shea-butter and honey value chains.

The overall goal of the project, which began in December 2014 and will end in December 2016, is to increase incomes for WICBTs and women entrepreneurs in South Sudan, aiming at 1,000 women traders.



100

NUMBER OF WOMEN
HONEY COLLECTORS
CONNECTED TO
MARKETS

RESULTS

- Trained 1,400 women from Juba and Nimule in enterprise development, business practices, customs procedures and regulations and regional integration
- Connected 100 women honey collectors to markets within South Sudan
- Enabled 3 women entrepreneurs to learn from their cross border peers in the areas of food industry and tourism
- Simplified border and regional trade regulations
- Developed a market development strategy for honey and shea-butter value chains
- Established 'business to business' links within regional markets for women entrepreneurs engaged in selected value chains.

'The training made me aware of my rights regarding border crossing, customs and immigration procedures. I now understand better the role of the police in relation to Cross Border Trade and will be making all necessary preparation regarding my travel documents.'

Mannia Shally
Woman entrepreneur



TANZANIA



John Ulanga,
Country Director

The year 2015/16 continued to mark positive progress in the implementation of the TMEA Tanzania programme and the programme has sustained its support in line with Tanzania's key development priorities. Main achievements include: completion of two roads (4 and 8a) at Dar es Salaam port; the official launch of the Holili-Taveta OSBP; and signing a 3-year Memorandum of Understanding with Tanzania's Bureau of Standards worth \$2.9 million, to improve its efficiency in the development and management of standards, among others.

PROJECTS

22



BUDGET

\$ 12,660,000



GDP IN BILLIONS

44.895



ANNUAL GDP
GROWTH (%)

7.0





Road expansion eases port traffic

OUR PROJECTS

Dar es Salaam is the second largest port in East Africa (after Mombasa) and serves as a gateway to regional economies. In 2013, the World Bank reported that the cumulative cost of delays and additional monetary payments at the Port of Dar es Salaam, compared to Mombasa, was equivalent to a tariff of 22% on container imports and about 5% on bulk imports.

One of the problems was the width of the access roads, which created a traffic bottleneck. To combat this, TradeMark East Africa supported the port to upgrade and expand the access roads, with the ultimate aim of reorganising the flow of traffic to a more efficient one-way system. To facilitate this, a traffic management study is being carried out to optimise the planning of the one-way flow of traffic in the port.

Other TMEA interventions at Dar es Salaam Port since 2011 cover initiatives to optimise the use of limited space at the port by removing sheds close to berths. Furthermore, TMEA is supporting the procurement of scanners and new port and terminal operating systems, the preparation of an institutional reform programme and the creation of a productivity improvement plan.

RESULTS

- Reduced dwell time at the port from 15 days (2011) to 4.8 days (2016)
- Completed 3.6 kilometres of roads to access gates 4, 5 and 8
- Decreased time to export goods through Dar port from 15 days in (2011) to 6 days in (2016)
- Lowered average time to import through Dar port from 19 days (2011) to 8 days (2016)
- Improved port capacity from 11 million tonnes (2011) to 13.3 million tonnes (2016)

'The roads being fixed within are actually short, but have for long been in need of repaving in order to improve our connection with the network outside the Port.'

Hebel Mhanga
Acting Port Manager- Tanzania Ports Authority



One stop cuts time at border

The main feature of the one stop border post (OSBP) concept is that traffic crossing the border stops only once, instead of stopping at both the exit and entry border posts. One stop is achieved by placing border officials of the two adjoining countries at each other's adjoining border post, so that each border post controls only the traffic entering the country.

Traffic in either direction bypasses the exit border post and goes directly to the entry border post in the other country; hence, the one stop border post concept. The Mutukula border post in Tanzania, neighbouring the Mutukula border post in Uganda, commenced one stop controls in June 2016.

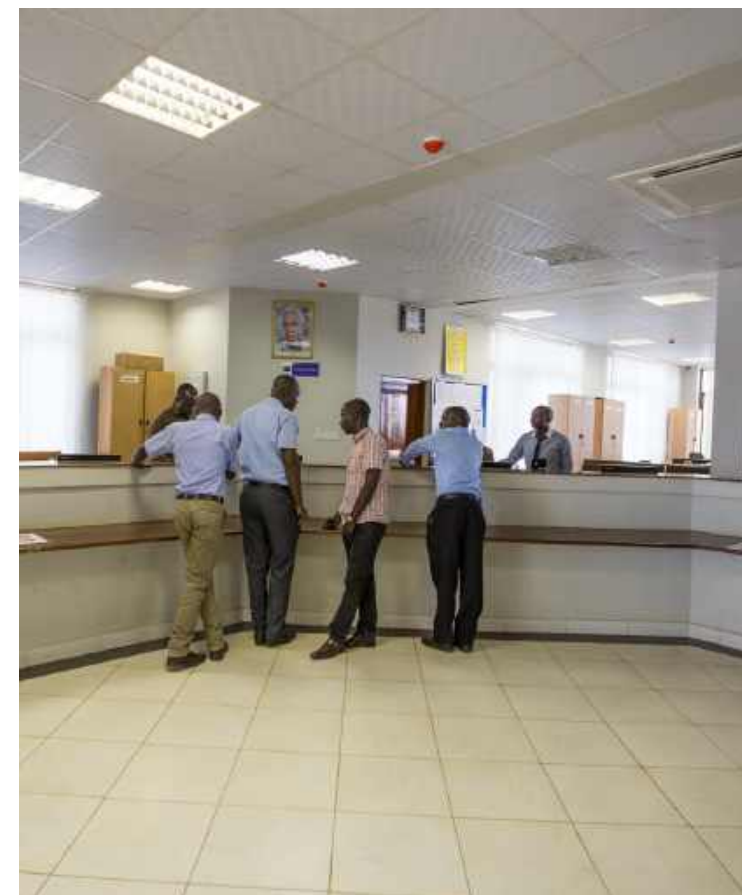
RESULTS

- A reduction in dwell times at both borders by 55%, from 10 hours 12 minutes to 4 hours 34 minutes
- A decrease in Customs processing times at the border by 51%, from 7 hours 42 minutes to 3 hours 53 minutes.

Since we started implementing the OSBP concept we have noted great improvements in clearance processes. And there has been a greater appreciation from traders and other stakeholders as they only stop once.

Amani Mapande

*Station Manager, Tanzania Revenue Authority
Mutukula OSBP Tanzania*



55%

10 HRS 12MIN - 2014
4HRS 34MIN - 2015

REDUCED
DWELL TIMES AT
MUTUKULA BORDER
POST IN UGANDA
AND TANZANIA



51%

7 HRS 42MIN - 2014
3HRS 53MIN - 2015

DECREASE
IN CUSTOMS
PROCESSING
TIMES



Less barriers equals more trade

OUR PROJECTS

To realise the vision of the EAC, Partner States must remove all hindrances to trade, including non-tariff barriers (NTBs) such as police roadblocks and weigh stations. In Tanzania, the Ministry of Industry Trade and Investment has designed a project to address the elimination of NTBs.

TMEA has supported the Ministry through the procurement of a long-term technical assistant on trade policy, and of IT equipment. The technical assistant was assigned to conduct surveillance along the Central Corridor to identify NTBs; to disseminate knowledge and raise awareness of NTBs to both traders and the public; and to design a national NTB strategy and an impact assessment study on selected NTBs.

RESULTS

- Lowered the time it takes to apply for a Tanzanian Electronic Certificate of Origin, from 5 days to 1 day
- Decreased the number of police road blocks on the Central Corridor from 53 in 2012 to 9 in 2015
- Decreased the number of weighbridges on the Central Corridor from 15 in 2012 to 8 in 2015.

'Elimination of NTBs, especially road blocks and weighbridges, have been very beneficial to our members, as the transportation times along the Central Corridor have considerably dropped. It now takes only an average of 3.5 days to transport goods from Dar Es Salaam to Kigali.'

Edward Urio

Vice President, Tanzania Freight
Forwarders Association

1  **DAY**
TIME IT TAKES TO APPLY FOR
A TANZANIAN ELECTRONIC
CERTIFICATE OF ORIGIN

44 - NUMBER OF ROAD
BLOCKS ELIMINATED ON
THE CENTRAL CORRIDOR




UGANDA



Moses Sabiiti,
Country Director

'An independent country evaluation indicated that the TMEA Uganda initiatives had induced over \$52 million in attributable new trade and contributed to a 5.7% reduction in transit time along the Northern Corridor. Construction of three OSBPs (Mutukula, Mirama Hills and Busia) is complete. They were handed over to the Government of Uganda and the one stop controls commenced. Construction of Elegu OSBP is at 40% and on track to be completed by December 2016. TMEA's catalytic role in these regional and national performance achievements cannot be overstated, specifically on the trade facilitation initiatives that have been implemented by EAC ministries, departments and agencies, in partnership with TMEA.'

PROJECTS

25



BUDGET

\$ 14,422,000



GDP IN BILLIONS

5.0



ANNUAL GDP
GROWTH (%)

5.0





New road to ease border traffic

Tremendous progress has been made on the construction of the Mirama Hills road. As of June 2016 physical construction progress was at 66% against a target of 70%. It is expected that the road will be ready for vehicles by December 2016, and construction finished by March 2017. The road links traffic to the Mirama Hills one stop border post, which has already been completed and handed over to the Government of Uganda.

The road will improve access for both goods and passenger transport services, as well as reduce transport time and costs, and is expected to lead to increased traffic at the OSBP. It will also boost the social and economic development of communities living along the route, and, crucially, no roadside communities will be worse off from the road upgrading works.

TradeMark East Africa and the Government of Uganda (GoU) are each contributing 50% of the cost, with TMEA's contribution being US\$22 million. The implementing partner is the Uganda National Roads Authority.

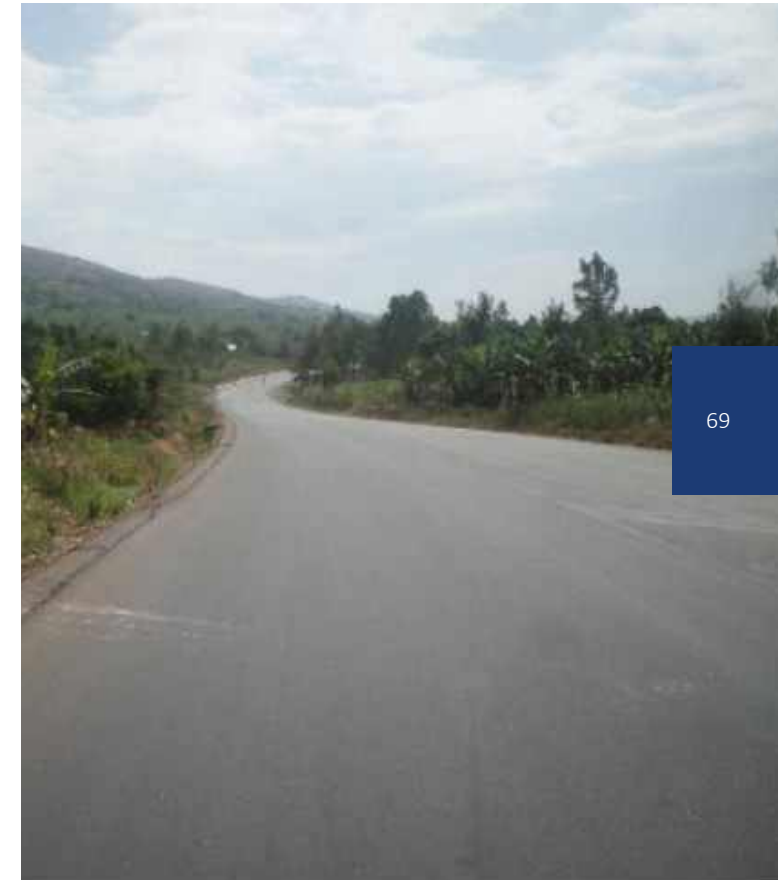
RESULTS

- Employed 281 people (26 of them, women) from the local community, representing 89% of the total workforce on the project
- Raised awareness of sexually transmitted diseases and environmental and social safeguards, to over 1,000 members of the community.

Our truckers find the route via the mountainous Kabale to Katuna very treacherous, because it is too hilly, causing many accidents. Also, the Katuna border post is too small and congested to clear large trucks But with the construction of the Mirama Hills road, we will be able to border Rwanda through the newly constructed Mirama Hills border post. On this route the terrain is flatter and you clear only once at the Rwanda side.

Byron Kinene

*Chairman of the Regional Lorry Drivers
and Transporters Association*



281

PEOPLE EMPLOYED ON ROAD PROJECT AT MIRAMA HILLS

\$22

MILLION

TMEA's
INVESTMENT IN
THE PROJECT

Using mobiles to remove barriers

Uganda is a landlocked country that depends on its neighbours to provide access to the sea, and to trade facilitation services. Any form of impediment therefore affects Uganda significantly. Non-tariff barriers (NTBs), such as police roadblocks and weighbridges, along the Northern and Central Corridors contribute to high transport costs and reduce the competitiveness of imports and exports.

Since 2013, TradeMark East Africa has supported the Ministry of Trade, Industry and Cooperatives (MTIC) to develop a 'National Strategy for the Elimination of NTBs'. This support includes capacity building and creating an ICT-based NTB Reporting System that is accessible using a mobile phone. TMEA worked with the main private and public sector stakeholders, at both national and regional levels, and from the ground up. A National Monitoring Committee (NMC) for NTBs was formed, also made up of both the public and private sector.

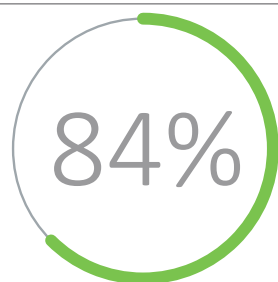
The electronic and mobile NTB Reporting System was launched in July 2014. It is based on both emails and the use of a USSD code (*201#), which is available on all mobile telecommunication networks. Reports of complaints are provided simultaneously to the MTIC and private sector representatives. The cost of the project was US\$1.4 million.

RESULTS

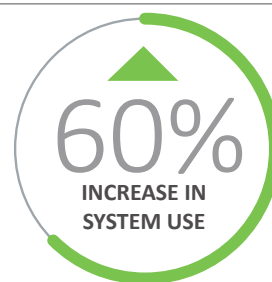
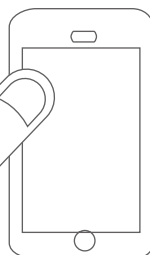
- Developed a National Response Strategy to NTBs, aligned with East African Community priorities
- Reduced weighbridges in Uganda to 4, and decreased number of police roadblocks
- Since July 2014, when the NTB Reporting System began, over 84% of reported NTB cases have been resolved (against a target of 70%).
- The time taken to export has decreased, from nearly 35 days in 2010 to 5.6 days in 2016.
- A 60% increase in system usage from 316 to 792 users.

*In the past we used to have a very poor manual system for identifying NTBs. We would have big boxes, like coffins, stationed at border or shops, so we would tell people to put in their comments on how their businesses are running or the challenges they are facing....but now we have done away with all of that. ... All one has to do is press *201# on their mobile phone to report an NTB.*

Amelia Kyambadde
Hon. Minister of Trade, Industry and Cooperatives



REPORTED
CASES OF NTBS
ADDRESSED



60%
INCREASE IN
SYSTEM USE



Raising standards and exports

TradeMark East Africa continued to support projects aimed at improving agricultural standards, both at farmer level and at post-harvesting management level. For example, TMEA supported the Southern and Eastern African Trade Information and Negotiations Institute (SEATINI) project, that aims to upgrade agricultural quality standards for Ugandan maize and sesame. TMEA also helped to establish warehousing facilities for grain storage. Both measures will lead to improved competitiveness of staples in national and regional markets. Total TMEA funding for these projects amounted to US\$761,211.

In addition, TMEA strengthened the Grain Council of Uganda by donating equipment worth US\$41,000 to six grain storage hubs. These hubs will now store a total of 48,000 metric tonnes (MTs) in their warehouses – an increase of almost 66% on the previous 30,000 MTs. Moreover, the number of traders depositing grain in the warehouses has doubled due to the extra space, from 3,000 to 6,000 traders. This will, in turn, result in higher export revenues for grain traders.

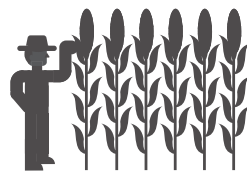
RESULTS

- 77,454 farmers were made aware of the EAC maize standards
- 150% increase in the price of maize from UGX 400 per kilo to UGX 1000 per kilo
- Sesame Standard No US11628:2016 was developed, adopted, and launched nationally and approved by the World Trade Organisation
- The Nakaseke Maize Ordinance – bylaws to regulate maize production – was adopted and launched at a national level
- 6 warehouses were upgraded with 1200 tarpaulins, 12 grain moisture metres, 18 grain cleaning racks and 12 moisturised shellers.

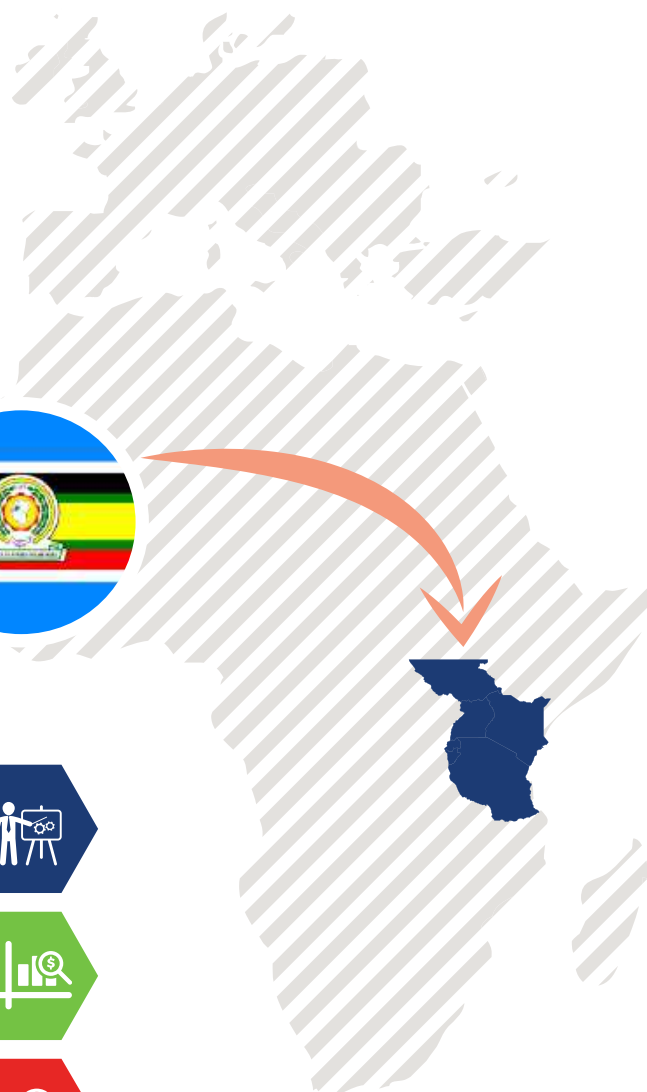
The price I receive per kilogram increased from 400 shillings to 700 shillings. The middlemen can't refuse to give me a better price because my maize is clean, dry and well packed. The increased income has helped me improve my house.

Deo Kayizzi
Farmer, Kapeeka

77,454
FARMERS MADE AWARE
OF EAC STANDARDS



REGIONAL



PROJECTS

58



BUDGET

\$ 18,645,000



GDP IN BILLIONS

154.86



ANNUAL GDP
GROWTH (%)

3.8





Technology promotes compliance

The Tanzania Food and Drugs Authority (TFDA), is a regulatory body responsible for controlling the quality, safety and effectiveness of food, medicines, cosmetics and medical devices. The TFDA SWIFT (Single Window Information for Trade) is a technology project designed and implemented to ease the processes of acquiring trade documents, registering new products, product retention and registering and licensing premises. Traders can now acquire these documents through an online portal from any location.

As well as improving efficiency by reducing time and costs, the project has increased compliance among traders and other stakeholders regarding statutory requirements, and improved transparency and accountability when acquiring trade documents.

This project was initiated in 2012, at a cost of US\$250,000 after TMEA and TFDA signed a financing agreement.

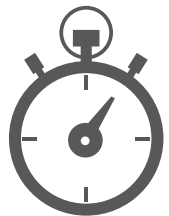
RESULTS

- A reduction from 48 hours to 2 hours, from application to final printed document, which can all be done on the trader's premises
- A saving of at least US\$10 per document, from US\$30 to under US\$20, for most applicants.

This initiative will ultimately increase compliance to regulatory requirements, transparency and accountability by stakeholders regarding services offered by TFDA – hence improve the quality and safety of regulated products circulating in the market

Dr. Donnan Mmbando

Permanent Secretary, Ministry of Health and Social Welfare (at the time of system launch)



TIME SAVINGS ON DOCUMENT PROCESSING

48 HOURS TO 2 HOURS

New technology benefits Kenyan exporters

The Kenya National Chamber of Commerce and Industry (KNCCI) is a membership-based trade organisation that protects the commercial and industrial interests of the Kenyan business community. One of its functions is to manage the issue of ordinary Certificates of Origin in Kenya.

In the past, traders had to manually apply for Certificates of Origin from the KNCCI and then collect them from either Nairobi or Mombasa. Assisted by a technical team from TradeMark East Africa, which designed and developed the project in collaboration with the KNCCI, the process has been computerised, making it faster, cheaper and more efficient. Other benefits include a rise in the number of certificates being issued, an upturn in compliance levels regarding the use of the certificates, increased revenue collected by the KNCCI, and improved integrity and transparency in the management and issuance of Certificates of Origin by KNCCI.

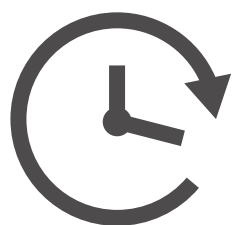
The project, which cost US\$120,000, commenced in December 2014 and the KNCCI SWIFT (Single Window Information for Trade) was launched in April 2016.

RESULTS

- A reduction in time from 84 hours to 12 hours to apply for and issue a certificate
- A decrease from approximately US\$65 to US\$15 in logistical costs and from US\$10 to US\$2 in indirect costs for traders based outside Nairobi or Mombasa
- More confidence from buyers, thanks to improved integrity and transparency.

The portal is in response to the challenge exporters faced in accessing a manual Certificate of Origin, including delays. It will enhance the security of the export documents, and create more transparency and speed in the issuance of the ordinary Certificate of origin

Kiprono Kittony
Chairman KNCCI



12 HRS

REDUCTION **FROM 84** HOURS TO
APPLY FOR AND ISSUE A CERTIFICATE



Video conferences cut costs

To address cost control the EAC Secretary General, Liberat Mfumukeko, decided that video conferencing (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 functionality of VC equipment at the Secretariat in Arusha, and in all five Partner States' MEAC (Ministry of the EAC) offices. Manuals have been prepared and adopted by the 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 other consultations among Partner States. This state of the art equipment can hold 90 meetings simultaneously. It is planned that 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

- 48 VC meetings were held in the year 2015-16, an increase of 39 on the previous year. The Secretariat forecasts 105 VC meetings through 2016-17 with an estimated saving of US\$2.43 million.

Since its (VC) installation, the EAC Secretariat has held 57 meetings, with a cost saving of US\$1,216,600, which is 55% of the investment. We intend to increase the use of VC equipment and achieve substantial savings in future.

Jacob Ikilenya
Senior IT Officer EAC

US\$2.43 million

2016-2017 PROJECTED SAVINGS



Harmonised standards boost trade

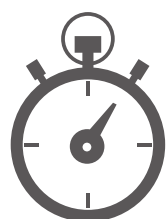
Disparate standards and duplicate procedures, such as inspection and certification, hamper trade, and increase the cost of doing business. Nevertheless standards and conformity assessment procedures are vital to safeguard the health and safety of both consumers and the environment.. TradeMark East Africa has therefore been supporting EAC Partner States to harmonise standards and strengthen infrastructure that will improve conformity assessment procedures.

TMEA is working with the EAC Secretariat and National Bureaux of Standards (NSBs) to: ensure the harmonisation of priority product standards; to build quality standards infrastructure in the region; and to build the capacity of NSBs to create trade-facilitative standards regimes. TMEA also works with the private sector to improve compliance with standards by supported product certification.

The overall goal of the programme is to improve trade competitiveness in East Africa by reducing the time and cost of testing goods in the region, ultimately contributing to increased regional trade.

RESULTS

- A 28% increase in the number of standards harmonised
- An average time reduction of 74% (from 38 days to 10 days) to clear goods without notified certification marks and an average of half a day to clear goods with notified certification marks based on harmonised standards, at EAC borders
- A reduction of 59% in the cost of testing goods from US\$205 to US\$100
- 80 product standards have been technically harmonised and 12 standards that were harmonised with TMEA's support were gazetted as East African Standards
- TMEA supported the EAC to hold a preparatory meeting to develop peer assessment criteria for the market surveillance programme, followed by peer reviews across the various bureaux of standards.



**38 DAYS
TO 10 DAYS**
TO CLEAR GOODS WITHOUT
NOTIFIED CERTIFICATION MARKS



**US\$205
TO US\$100**



Advancing towards free movement of goods

The Single Customs Territory (SCT) aims to improve the trade environment and create business competitiveness within East Africa by removing internal border controls and documentation. This, in turn, minimises costly processes that delay the movement of goods and saves time.

A single declaration under SCT is made electronically, and processed by the authorities from the country of destination prior to releasing the goods from the first port of call. This simplifies the administrative burden of the transaction for about 80% of goods imported through one country and destined for another. All Intra-regional trade goods between Kenya, Burundi, Uganda and Tanzania are now cleared under the SCT scheme, while products travelling along the Central Corridor, from Tanzania to Rwanda have been fully rolled out under the SCT. Decreasing internal border customs controls on goods moving between Partner States, leading to shorter Customs processing times at the border, is a major step towards the free circulation of goods with the EAC.

RESULTS

- Increase in EAC trade in 2015 by 51%, mostly attributed to the SCT programme
- Savings of an estimated US\$1,216,600 by June 2016
- Development of legal instruments, a compliance and enforcement framework, and tools necessary for a SCT
- 110 clearing and forwarding agents trained for clearing of cargo destined for Tanzania; 130 stakeholders in Mombasa and Dar Ports sensitised on SCT; 187 stakeholders trained on revised EAC Rules of Origin
- OSBP (one stop border posts) Act assented to by all Partner States and gazetted. OSPB regulations drafted; OSBP procedure manual completed; OSBP source book concluded.



SAVINGS BY JUNE 2016
US\$1,216,600

SCT has revolutionised the way we do business. You can clear cargo anywhere in the region, pay taxes and the goods are released to destination without any problems. You can log into the Tanzania Revenue Authority or Kenya Revenue Authority Customs systems and transact from anywhere in the region.

*Rugundo Theogene
Secretary General, Rwanda
Freight Forwarders Association*



Improving livelihoods one coffee bean at a time

NUCAFE, a Ugandan company that facilitates 'farmer ownership' of coffee, was contracted through the TradeMark East Africa Challenge Fund (TRAC) to implement a project that would create equitable sharing of coffee through an expanded value chain to Ugandan farming associations and co-operatives. It aimed to tap into the value addition segment of high quality and specialty coffee, while empowering smallholder farmers. At the same time it would offer customers and the public access to a quality product and superior service.

The project established a processing facility that provides warehousing, value addition, marketing, entrepreneurship, skills development and training. It has enhanced the capacity of 150 farmer associations and allows them to participate in the most profitable parts of the coffee value chain. They use the processing plant to process their coffee, thereby adding value, before marketing it under social responsibility and fair trade norms. The processing centre is now known as the 'Centre for Agribusiness and Farmer Entrepreneurship Enhancement' or CAFÉ.

RESULTS

- Empowered 100% of member smallholder farmers to participate competitively in the higher levels of the coffee value chain
- Established 16 new farmer-owned coffee value aggregation centres in Uganda resulting in 215 permanent jobs, over 700 temporary or casual jobs
- Increased sales volume of coffee being produced through NUCAFÉ and project partners from 200 MT in 2012 to 900 MT, while boosting income for farmers
- Established CAFÉ which runs best practice sharing courses.



My children are graduates. That's from hard work using coffee. All their certificates are gifts from growing coffee

Muluya Philip Luyombo
Coffee Farmer, Uganda

150

FARMER ASSOCIATIONS ENHANCED CAPACITY TO PARTICIPATE IN PROFITING FROM THE COFFEE VALUE CHAIN



Mobile technology raises farmers incomes

TradeMark East Africa is partnering with Kenya-based 'The Mediae Company', through the TradeMark East Africa Challenge Fund (TRAC), to increase farmer productivity using a mobile-based platform called 'iShamba'. It is the first subscription-based nationwide Kenyan farmers club that directly meets the information needs of farmers. By understanding and profiling the exact needs of farmers across the country, iShamba is delivering a tailored service to each farmer registered on their platform, based on their preferences, interests and location.

iShamba has enabled smallholder farmers to access quality agricultural information. This includes local weather forecasts and market price information. Farmers also benefit from special offers and discount prices offered by key EAC-based agri-product suppliers who are keen to use iShamba as a direct channel to new customers.

RESULTS

- At least 350,000 farmers are participating in the iShamba service
- The farm gate price of maize and potatoes has increased farmers' income by 5%, as these prices are provided on the iShamba platform
- Potato farmers subscribed to iShamba record a greater yield by 50%, compared to those who had not subscribed (Research Guide Africa)
- Weather information by county level serves as an early warning system to marginal areas
- Two awards given to iShamba at the Mobile Innovation Awards – 'Effective Integration of Mobile in an Omni Channel Strategy' and 'Regional Award (Africa)'.

Before iShamba, I used to walk to the market centres and ask around to find out prices. Today I get them on my phone. By the time, I am going to the market I know the prices. It helps me determine my products costs.

George Karari
Kenyan smallholder farmer



350,000
FARMERS
PARTICIPATING IN THE
iSHAMBA SERVICE





INCLU- SIVE PROS- PERITY



SUSTAINING TRADE

The way ahead for extractives

The East African extractive industry contributes between 0.3% and 60% to the GDP of individual EAC members and was the top or second export from four EAC countries in 2014. The EAC and partner states have all described extractives as a key plank of their development strategies. The Ugandan and Kenyan oil discoveries and Tanzanian natural gas commercialisation continue to generate the most anticipation. Continued exploration for commodities other than oil and gas is expected to intensify as prices recover after a sustained decline that accelerated towards the end of 2015.

Two key areas are widely recognised as having a significant impact on the economic contribution of extractives to East Africa. Firstly, transport and logistics: the region is set to construct two oil pipelines (from Uganda and Kenya) by 2021. Tanzania is also developing a massive natural gas export facility in the Mtwara region. Additionally, up to seven bulk mineral projects may be established by 2025. The second plank is the potential for the much-touted local content (supply of local goods and services) to a growing sector. Project development expenditure estimates range from US\$500 million for Burundi's Musongati Nickel project to US\$15 billion to develop Uganda's oil fields.

Against this backdrop, during 2016 TMEA performed a detailed research and analysis of the implications of extractives. This analysis included reaching out to significant public and private sector stakeholders in member states and the EAC Secretariat, assessing current and future industry trends and recording the key lessons learned during this process. This research will culminate in the development of a strategic approach during the year, which will focus on the following:

a)

The impact of extractives on transport and logistics – chiefly maintaining the gains achieved by TMEA's work to reduce the congestion and inefficiency of the regional transport network. There will be a substantial increase in port movement, road transport and border clearance during the construction phase of large scale extractive projects. Additionally, in the absence of reliable rail transport, bulk mineral export will significantly increase the demand for road transport with a 1 million tonne export project increasing traffic by at least 90 trucks daily. TMEA will work with relevant stakeholders to map the potential impact on transport corridor capacity and mitigate negative externalities to, particularly, the Northern and Central Corridors.

b)

Working with partners and stakeholders to ensure that the demands of the extractive industry are incorporated into our trade facilitation initiatives, particularly standards, trade processes and systems with a focus on borders.

c)

Working with the private sector to capture a significant share of the new market place that will be created by a growing extractives sector. This will be embedded in TMEA programmes that address advocacy, logistics and inclusiveness. More specifically, TMEA will support initiatives that prepare small and medium enterprises to identify opportunities, interact with buyers and trade efficiently in this marketplace. We will also assist with the development of skills, entrepreneurship and advocacy, supporting a more open regional policy and institutional framework, given the capacity constraints of individual EAC members.



Integrating gender comes naturally

At TradeMark East Africa we believe that gender is about the social roles allocated respectively to women and men in particular societies and at a particular time. Therefore such roles and differences between men and women and boys and girls are determined by culture not sex, which is biologically determined.

In this respect we have:

- alluded to a gender approach that takes the human rights perspective of equitable access by men, women, boys and girls, to trade and integration opportunities
- integrated gender mainstreaming as an invaluable practical tool that helps ensure that all activities and programmes are researched, designed, and implemented in the most effective and efficient fashion
- ensured that gender equality is no longer viewed as a 'separate question', but becomes a concern for all policies and programmes
- ensured that gender analysis is conducted at all steps of policy and programme design and implementation
- emphasised that our approach does not view women in isolation, but rather that both women and men are actors in the development process, and both can be its beneficiaries.

Over the past year we have continued to roll out TMEA's gender strategy, which focuses on three priority areas as shown below.

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

The team's emphasis this year was to roll out the new gender strategy across TMEA with a focus on three main areas: gender results reporting, implementation of gender action plans and developing a gender responsive programme for Strategy 2.

Our achievements so far:

- a) Gender Results Quarterly progress reporting on gender indicators has improved, with at least half of TMEA's results frameworks, for both corporate and country programmes, including and adapting gender indicators.
- b) Gender Action Plans All gender action plans (GAPs) are aligned to the new strategy and have the necessary budgets to implement activities. Nearly two thirds of all TMEA programmes have implemented GAPs and updated gender indicators.
- c) Capacity Building An additional 62 staff, including corporate services and the senior leadership team, have been trained on gender mainstreaming. Gender key performance indicators are included in the performance objectives for gender focal points at both programme and country level.
- d) CEO Gender Award The Rwanda Country Programme is the first winner of this new award. The award recognises projects and programmes which have entrenched gender equality goals, objectives and activities in the project design and implementation.



II) To influence partners to mainstream gender within TMEA programmes

We continue to walk with others as we influence partners to mainstream gender. We focused on capacity building for our external partners and creating new gender responsive activities in strategic objectives (SOs) 1 and 2.

Our achievements so far:

- a) Working with the one stop border post (OSBP)/ integrated border management (IBM) team and external border officials, the team developed a gender awareness training module as part of the gender responsive programmes for OSBP/IBM activities. So far 408 staff from 5 border posts have been trained.
- b) The team organised, together with the Kenya Country Programme, one gender mainstreaming training for five external partners.
- c) We worked with the SO 2 team to include and report on gender responsive activities in three of the programmes. For example, the SO2 team is now tracking the number of men and women represented in National Monitoring Committees and TMEA-funded standards harmonisation meetings each quarter. The SO2 team also collected sex disaggregated data on all end users being trained on single window information technology systems.
- d) TMEA organised a gender and trade event with four partners (URA, EASSI, Traidlinks and LIFT) to present practical examples of TMEA-supported trade facilitation initiatives that strengthen the enabling environment for women informal cross-border traders and women-led SMEs in East Africa. This event 'Chalking it up to Trade' was held at the WTO public forum side event in Geneva.

III) To increase visibility of gender work at TMEA and help shape the agenda on gender in trade.

Our achievements so far:

- a) Kenya Ports Authority was selected as the TMEA partner for the gender and port assessment study, to be published in February 2017. It will be instrumental in developing new gender programming at the port for Strategy 2.
- b) A number of events were leveraged to increase awareness and knowledge on gender and trade in East Africa, including the WTO 10th Ministerial Conference, the WTO Public Forum and the UN Women Timeless Conference.
- c) As part of International Women's Day celebrations, TMEA joined the 'HeForShe' movement, publicly committing us to upholding gender equality principles within our organisation and all our programmes.
- d) TMEA gender and trade products continue to increase visibility, with 1,700 page views on the TMEA Gender and Trade Microsite, 1,500 gender and trade publications distributed, four articles on gender mainstreaming for TMEA's weekly news update and a gender and trade feature in the 'Let's talk Trade' talk show series.



Increasing trade and sharing knowledge

TMEA's knowledge vision – To become an institute of reference on matters of enhancing sustainable, inclusive prosperity through increased trade in Eastern Africa.

In response to TMEA's desire to create and share knowledge, in 2015 a 'Knowledge Management Strategy' was developed. Research and learning will play a leading role as TMEA focuses on adaptive programming in readiness for Strategy 2.

1. The data support facility

In February 2016, TMEA launched a fully operational Data Support Facility (DSF). The DSF seeks to improve learning outcomes in the data collection effort. Using an android-based mobile application, the DSF collects real time data. TMEA has 30 Samsung smartphones for use during the data collection surveys and is currently licensed for two years. Seven pilot tests were successfully completed using different enumerators who were trained for each survey.

The DSF has gained recognition as a quality and reliable tool for collecting useful information that informs decisions on actual data on the ground, and has been identified for use in addressing the data requirements for use in Strategy 2.

2. Online tools

TMEA developed three online tools: The TMEA Inquirer – data.trademark.com – the Knowledge Base. The 'TMEA Inquirer' and the 'Knowledge Base' were both housed on TMEA's intranet. The former was created to provide a platform where staff could post research questions and topics to which they needed answers, while the latter provided a platform on which interesting knowledge pieces would be shared fortnightly. However, keeping up with technological advancements, both have been replaced by Yammer – an internal organisational social media platform that provides additional features, such as the ability to share videos and collaborate on documents. It is accessible on the intranet, on the web and, after downloading the Yammer application, on a mobile phone. Yammer is being used by staff both individually and in groups, such as the results team group, the gender group and the communications team. Yammer is currently being used as the focal communication platform for the 'results measurement trainers of trainers'.



SUSTAINING TRADE ■

'Data.trademark.com' is an analysis and visualisation tool that contains collections of time series data on all indicators of TMEA interventions. It allows users to search for examples of both qualitative and quantitative indicator data in a list format, while providing a link to similar indicators from other similar projects and programmes in the form of tables, charts, and maps for visualisation.

3. Online library

An online evidence library has been established with over 140 documents and publications. Features of the online library include: document tagging – where the documents and articles are tagged according to which strategic objective they fall under; tagging by keywords for quick search functionality; and a pop up summary box where readers can access a summary of the publication content, saving time that might have been spent reading multiple documents. The documents in the online library provide evidence to support TMEA's Theory of Change. The library is constantly updated with the latest publications, research pieces and information that support TMEA's intervention areas.

4. Community of practice

TMEA is in the process of setting up a community of practice, named the 'Trade Impact on Development Community of Practice' (TID CoP). The TID CoP is a follow up of the 2014 TMEA stakeholders' forum, which promoted TMEA's position as the largest 'aid for trade' agency in the world.

The key objectives of the CoP are: to develop and grow the practice of evidence-based investment in regional and international trade initiatives in Africa; to nurture new thinking in the practice of evidence-based investment in regional and international trade initiatives in Africa; and to develop a vibrant and engaged community of development practitioners who value evidence-based investment for inclusive development. The CoP will be launched early in 2017.

5. TMEA's revised Knowledge Management Strategy

TMEA's existing 'Knowledge Management (KM) Strategy', developed in March 2015, is now being reviewed. The aim is to develop a revised 'Strategy and Implementation Plan' that is more practical and actionable and reflects TMEA's Strategy 2 thinking and priorities. It will look at KM as a key aspect of adaptive programming and results-based management and will include practical recommendations for how TMEA's KM function can be better integrated within its core programme management, monitoring and evaluation, and research and learning processes and systems in Strategy 2. The revised KM Strategy will be produced in a participatory manner, ensuring staff buy-in from the outset and validation of the final outputs. February 2017 is the expected date of delivery.





OUR RE- SOURCE



OUR PEOPLE

OUR PEOPLE ■



Moses Sabiti, Country Director, Uganda Programme, based in Kampala. He has worked for TMEA since 2011 when he started as a programme manager.

I am the Portfolio Director for the country programme with overall responsibility for delivering quality and results of this portfolio, in line with TMEA's strategy; as well as managing and maintaining strategic relationships with government, the private sector, civil society and the donor community. Seeing the positive changes TMEA makes in East Africa, and in my lifetime, inspires me to deliver more!

Wanjiku Kimamo Programme Manager – Export Capability, based at the Nairobi headquarters.

As part of the Business Competitiveness team, my job entails developing and implementing strategies that increase export opportunities for businesses in East Africa. My work gives me an opportunity to influence decision-making that increases economic opportunities for the people at the bottom of the pyramid. Working with colleagues and partners in the six East African States has expanded my appreciation of trade and particularly private sector development, as well as the economic and social diversity.

Maureen Rumadi, Administrative Assistant, based at the Nairobi headquarters. She has worked for TMEA since it opened its doors in 2010.

I am inspired by the results and impact of the projects that TMEA has undertaken since inception. We are now gaining region and worldwide recognition and this makes me proud to be part of this remarkable organisation. I am also proud to be the main link of information internally and externally and the face or the first point of contact for TMEA (through the reception) a position which I am very grateful for.

Alex Kipyegon, Programme Manager, ICT for Trade and Transport Facilitation, based at the Regional Office, Nairobi.

Alex assists, 'regional trade facilitation agencies and some in the private sector to realise the impact ICT has in improving welfare, and creating opportunities, as well as an enabling environment for trade to thrive. TMEA encourages us to develop long lasting, innovative and practical solutions that can be applied to improving the livelihoods of fellow East Africans; being part of this team gives me satisfaction that I have contributed in some small way to poverty alleviation and wealth creation.

OUR DIVERSITY

American - 1
Belgian - 1
Brazilian - 1
British - 4
Burundians - 8
Indian - 1
Kenyans - 73
Rwandese - 11
South Sudanese - 3
Swiss - 1
Tanzanians - 20
Ugandans - 18



FEMALE 63 MALE 79



FINAN- CIAL SUM- MARY



OUR FINANCIAL RESULTS

Report of the independent auditors on the summary financial statements to the members of TradeMark East Africa



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F: +254 (20)285 5001
www.pwc.com/ke

The accompanying summary financial statements, which comprise the summary statement of financial position as at 30 June 2016, the summary statement of comprehensive income, summary statement of fund balance and summary statement of cash flow for the year then ended, are derived from the audited financial statements of TradeMark East Africa for the year ended 30 June 2016.

We expressed an unmodified audit opinion on those financial statements in our report dated 21 November 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

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

Directors' Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of TradeMark East Africa for the year ended 30 June 2016 are consistent, in all material respects, with those financial statements.

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

A handwritten signature in dark ink, appearing to read 'Peter Ngahu', written over a faint, larger, stylized signature that seems to say 'PricewaterhouseCoopers'.

Certified Public Accountants

Nairobi

21 November 2016

Statement of comprehensive income for the year ended 30 June 2015

	Year ended 30 June 2016 US\$'000	Year ended 30 June 2015 US\$'000
Income		
Grant income	128,481	52,800
Other income		
Interest on bank balances	181	157
(Loss)/gain on disposal of assets	(33)	4
	<u>148</u>	<u>161</u>
Total income and other income	<u>128,629</u>	<u>52,961</u>
Expenditure		
Personnel costs	15,294	14,908
Consultancy costs	27,883	25,735
Professional services	1,637	2,156
Conferences and workshops	1,573	3,350
Grants to partners	14,190	7,045
Office supplies	176	211
Project assets	37,197	39,496
General expenses	2,507	2,572
Travel expenses	3,488	4,841
Depreciation	344	514
Amortisation	-	11
Exchange losses	<u>3,248</u>	<u>2,145</u>
Total expenditure	<u>107,537</u>	<u>102,984</u>
Other comprehensive income, net of tax	-	-
Total comprehensive income/(deficit) for the year	<u><u>21,092</u></u>	<u><u>(50,023)</u></u>

TradeMark East Africa, statement of financial position as at 30 June 2016

	As at 30 June	
ASSETS	2016 US\$'000	2015 US\$'000
Non-current assets		
Property and equipment	388	581
Intangible assets	---	---
	<u>388</u>	<u>581</u>
Current assets		
Cash and bank balances	21,461	7,507
Receivables and prepayments	1,412	1,034
	<u>22,873</u>	<u>8,541</u>
TOTAL ASSETS	<u>23,261</u>	<u>9,122</u>
FUND BALANCES AND LIABILITIES		
Fund balances		
Unexpended funds	12,252	(8,840)
Liabilities		
Payable and accruals	<u>11,009</u>	<u>17,962</u>
Total fund balances and liabilities	<u>23,261</u>	<u>9,122</u>

Statement of fund balance for the year ended 30 June 2015**Year ended 30 June 2015**

At start of year

Total comprehensive deficit for the year

At end of year

Year ended 30 June 2016

At start of year

Total comprehensive income for the year

At end of year

US\$'000
41,183
<u>(50,023)</u>
<u><u>(8,840)</u></u>
(8,840)
<u>21,092</u>
<u><u>12,252</u></u>

Statement of comprehensive income for the year ended 30 June 2015

	Year ended 30 June	
	2016 US\$'000	2015 US\$'000
Operating activities		
Grant receipts from donors	128,481	52,800
Reported total expenditure	107,537	102,984
Adjusted for:		
Exchange losses	(3,248)	(2,145)
Depreciation	(344)	(514)
Amortisation	-	(11)
Movement in payable and accruals	6,953	(7,792)
Advances made (receivables)	378	(27)
Cash paid to suppliers, employees and partners	111,276	92,495
Proceeds from disposal	(6)	(8)
Acquisition of property and equipment	190	181
	<u>111,460</u>	<u>92,668</u>
Cash generated/(used) in operations	<u>17,021</u>	<u>(39,868)</u>
Investing activities		
Interest received on bank balances	<u>181</u>	<u>157</u>
Net increase/(decrease) in cash and cash equivalents	<u>17,202</u>	<u>(39,711)</u>
Effect of changes in exchange rates	<u>(3,248)</u>	<u>(2,145)</u>
Increase/(decrease) in cash and cash equivalents	<u>13,954</u>	<u>(41,856)</u>
Movement in cash and cash equivalents		
At start of year	7,507	49,363
Increase/(decrease) in cash and cash equivalents	<u>13,954</u>	<u>(41,856)</u>
Cash and cash equivalents at the end of the year	<u>21,461</u>	<u>7,507</u>

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