



Growing Prosperity Through Trade

STORIES ABOUT TRADE FOR PROSPERITY

Innovative Aid for Trade Programmes in East Africa



IMPACT STORIES

COMPENDIUM VOLUME 2 | 2013-2014

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Foreword

Trade for change

News statistics often present trading in Africa as chaotic, expensive and frustrating. They point to patterns of trade in Africa as the reason for its minimal share of global trade. A common refrain is that African countries, including East Africa, trade more with distant lands than with their neighbours.

The reasons given may be poor infrastructure, bureaucracy, corruption and other barriers that business people come up against as they trade across borders. While there is an element of truth in this characterisation, there has also been progress in reversing this trend through organisations like TMEA, which attempt to eliminate these challenges.

This second edition of the TMEA impact compendium captures the voices of beneficiaries from TMEA's diverse projects, which attest to this progress. You can read about:

The Burundi Tax Revenue Authority, a public institution, which has now increased its revenue collection thanks to its partnership with TMEA. The extra revenue has been used to fund a foundation for mothers and children to access maternal and child health care, as well as constructing a hospital serving over 40,000 people.

- Women traders who demonstrate that an understanding of trade policies in neighbouring countries has enabled them to export more efficiently and effectively, which means more income and better lives for their families.
- New linkages with business partners in neighbouring countries, through organisations like TraidLinks in Rwanda that have led to small businesses creating new employment for thousands of people.
- Our partnership with South Sudan, which has resulted in literally saving lives and rebuilding a nation. Crucial humanitarian aid benefiting millions of people, is now fast tracked by streamlining processes at border entry points so that aid is given priority. This has halved clearance time for humanitarian aid from four days to two days.

As diverse as the voices in this edition are, they all attest to one thing: Partnerships with TMEA have borne immense benefits for the region. These partnerships, as you will read, have led to innovative and efficient solutions to some of the challenges faced by businesses in East Africa.

We hope these stories will encourage you to share our enthusiasm and join us in supporting policies, projects or interventions that will create prosperity through trade for all East Africans. As always, we welcome your feedback and your, as yet, untold stories of progress in our partnerships across East Africa.

Frank Matsaert

Chief Executive Officer



Theory of change overview

TMEA's work is underpinned by a series of interrelated propositions that guide what TMEA does or its' partners does. These propositions are underpinned by knowledge, assumptions, beliefs and hunches about how and why particular actions are expected to trigger particular changes. Propositions do not predict change. These propositions are called a 'theories of change'. At TMEA, the theory of change is synonymous with strategy.

There are several layers to TMEA's theory of change. The logic or theories can be viewed as a hierarchy where the interrelationships between the different theories link up and across the areas that TMEA works. This section outlines TMEA's understanding of the bigger picture and then its areas of focus.

At the higher end of the theory of change, it is proposed that three necessary key 'trade competitiveness' elements contribute to increasing trade. These elements are: *increased access to physical markets; enhanced trade environment; and improved business competitiveness.*

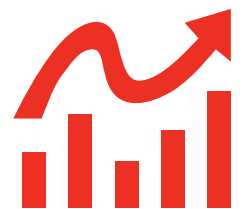
Increased trade is believed to contribute to increased economic growth and subsequently reduce poverty.



**Increased
physical access
to markets**

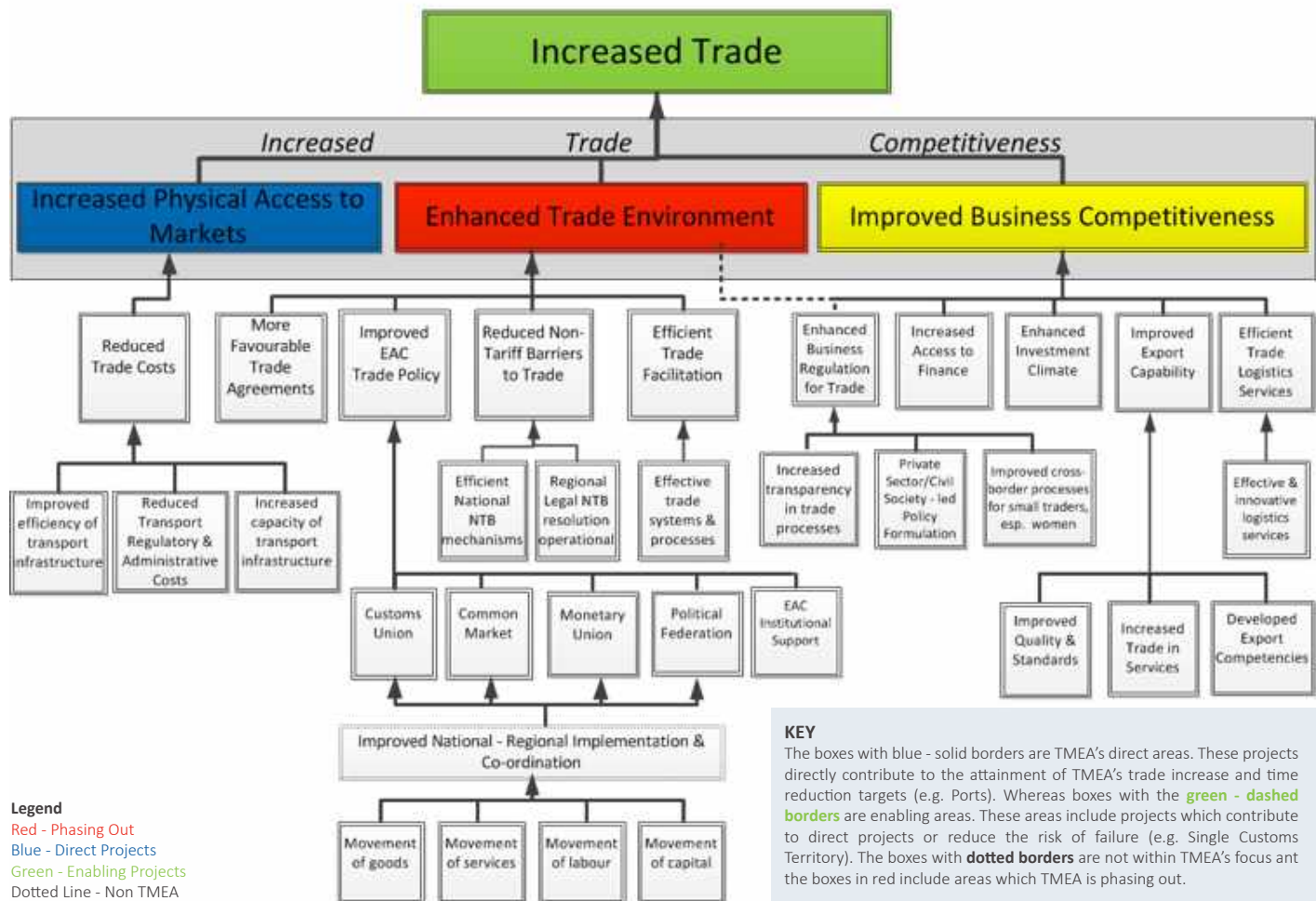


**Enhanced trade
environment**



**Improved
business
competitiveness**

THEORY OF CHANGE OVERVIEW



The logic is outlined in Box 1.

Box 1: Simplified if-then logic between increased trade and poverty reduction

If East African Community partner states and South Sudan are more competitive then trade will increase

If it is easier for East African Community partner states and South Sudan to increase trade then this will contribute to increasing economic growth

If East African Community partner states and South Sudan increase economic growth then this will contribute to reducing poverty in the region



Increased Physical Access to Markets

Increasing market access is the largest area of TMEA's portfolio, with approximately 45% of TMEA's budget allocated to this area of work. Virtually all TMEA activities in this area are designed to increase market access by **reducing the cost of trade.**



One stop border posts - contributing to the ease of doing business in East Africa



“Before it would take two days to cross the border. Today it is one to two hours.” said Celestin Nzeyimana the Head Officer at the Kobero border.

Abdul Mohamed is a small business owner based in Dar es Salaam Tanzania. He owns and drives his own truck, which he uses to export plastic chairs to neighbouring Burundi. On Tuesday 11 November 2014, Abdul leaves Dar es Salaam at 7.00 AM carrying almost 2,000 chairs bound for a retailer in Bujumbura, the capital city of Burundi. The following day at 1.00 PM after 30 hours on the road, Abdul arrives at the border post of Kobero, just inside Burundi territory.

Abdul Mohamed has been exporting chairs to Burundi for the last three years, a five day return journey covering nearly 2,400 kms. He has made good time on this journey and he expects to spend up to four hours at the border post before getting back behind the wheel and on the road. But it wasn't always so.

Just six months before, Abdul would have had to make the same journey with two border stops, the first at Kabanga on the Tanzanian

side of the border, then at Kobero. The procedure was lengthy. Abdul would, through the services of a clearing agent, declare his goods to the customs officers who would make a physical inspection of his cargo. That could take up to 12 hours as he waited in line with the many other truck drivers who use the central corridor to carry goods inland from the port of Dar es Salaam.

Then, having completed that procedure, Abdul would go through immigration procedures before finally being allowed into the small patch of no-man's land that separates Tanzania and Burundi. On reaching the barrier at Kobero he would join another line of trucks and the whole procedure would begin again, with customs officials making another physical inspection of his goods. It was a tedious, time-consuming process, which added up to 24 hours to Abdul's journey, costing him time and potential revenue. After all, the sooner he could return to Dar es Salaam, the sooner he could use his single lorry to produce income.



Increased Physical Access to Markets

It was situations like Abdul's, with double customs declarations and verifications, along with other delays like non-tariff barriers, that caused journeys from port to destination to take much more time than they should have. While a day or two might be added to the drive from Dar to Bujumbura, the journey time from Dar to Kigali, with another border to cross, could be extended by four days, with a proportional time increase for trucks going onto the Democratic Republic of Congo. It was definitely not good for business.

Pilot One Stop Border Post opened at Kobero/Kabanga

But today, as Abdul bustles around the busy border, going from clearing agent to customs to immigration, he hopes to be in Bujumbura by early evening. This is thanks to a pilot system being operated on this border - the 'one stop border post'.

The concept of the One Stop Border Post (OSBP) is that traffic crossing the border need only to stop at one border post. For Abdul, heading inland to Burundi, that means that he misses out the Kabanga post and goes straight to Kobero, where in a spacious, operational building other (main buildings are under construction) officials from Tanzania and Burundi work together. On the return journey Abdul will go straight through Kobero and stop at Kabanga on the Tanzanian side of the border. Thus each border post handles incoming traffic only, with exit and entry procedures completed in the same building.

Celestin Nzeyimana the Head Officer at the Kobero border, is full of praise for the new system. "Before it would take two days to cross the border," he said. "Today it is one to two hours."

With up to 80 trucks crossing into Burundi every day, the OSBP is big on time saving. Along with other innovations, (like advanced electronic customs systems, an electronic cargo tracking system that monitors a truck's journey from start to finish, and the elimination of unnecessary non-tariff barriers), the OSBP is designed to reduce the time to cross borders and transport costs to business, which will ultimately lead to increased wealth and reduced poverty in East Africa.

Border crossings require adequate infrastructure

TradeMark East Africa (TMEA) is funding 13 OSBPs in East Africa, including the one at the Burundi/Tanzania border - the pilot post that is proving that the system works - at a cost of approximately US\$7 million each. Each post consists of an office building for the border agencies, parking for trucks, a ramp for offloading goods, an inspection/verification warehouse and other facilities that are required at every border post.

Four hundred kms to the north of Kobero, on the border of Rwanda and Uganda, TMEA is constructing another OSBP at Kagitumba on the Rwanda side and Mirama Hills in Uganda. While there are three border crossings into Rwanda from Uganda, Mirama Hills/Kagitumba is the border crossing with the least steep gradient when travelling from Kampala to Kigali. Yet, because of a deteriorating 37 km section of road leading to Mirama Hills, most traffic uses the longer, craggier route through Katuna/Gatuna borders. Recognising that a good road to Mirama Hills is crucial to the success of the OSBP, TMEA undertook to rehabilitate the road, including the building of two bridges between the two borders, in addition to constructing One Stop Border Posts.

Ronald Musiga Kwezi, Head of Customs at Mirama Hills acknowledges the value of the road to the border crossing. "When trucks use this road they are often delayed when it is flooded due to rain," he explained. "They could get stuck for days. So many people preferred to go the long way round to Katuna. When the road is repaired the traffic will increase and we expect it to quadruple."

Businessman, John Hagen arrived at the Kagitumba border post with his truck, having travelled 800 km from the north of Uganda, a journey that took three days due to a bad road and poor weather. When the



Increased Physical Access to Markets



OSBP opens and the road is rehabilitated, he expects his journey time to decrease by a day, which is in line with TMEA's target to reduce the crossing time by 30%.

Beneficiaries include women with small businesses

It's not only trucks that will benefit from the OSBP. Cross border traders, many of whom are women, make their living on a daily basis selling things like rice or eggs. Celestin Nzeyimana explained what they do to help these people at the Kobero OSBP: "The small traders with goods worth less than US\$500 are treated differently. They do not need to pay to use a clearing agent. Instead Customs staff fill out the form for them (at no charge) and they pay a small amount of duty."

This legitimate payment also prevents harassment by border officials - something they have been accused of in the past. In addition, the small traders are being educated in the benefits of the East Africa Community and how it can help their businesses to grow.

For the staff working at the border crossings, the OSBP is an exciting prospect. Just three months earlier, the immigration officer at Mirama Hills was based in a metal hut, which was cold in the early morning and too hot after midday. Currently in a newly completed temporary facility, he is looking forward to moving into the new building, due

to open in March 2015. The clearing agents too are anticipating the future with increased trade, which in itself will create jobs, while the Forex Bureaux operators expect to get many more customers.

"Definitely it will make a difference when the road is complete," says James Ndemeze a foreign exchange dealer. "It will carry more traders which will mean we will get more income. It will create jobs and bring more wealth".

Nelson Rwenaga of Uganda's Ministry of Public Works, which is cooperating, with TMEA on the construction of the OSBPs in Uganda (also at the Kenya and South Sudan borders) is pleased with the progress of the new infrastructure. "To be honest with you," he commented, "we find working with TMEA very much easier than most development partners. TMEA works with communities as well as the government," he added "and has supported initiatives that are user friendly, business orientated and actually focused on the dynamics of the economic dimensions."

Truck owner and exporter, Abdul Mohamed, already receiving the benefits of the pilot OSBP at Kobero, and businessman John Hagena, who will soon profit from the reconstructed road to Mirama Hills, would surely agree with that.





Increased Physical Access to Markets

Landmark Port Charter to Unlock Northern Corridor Trade Potential



“In the last three years we have seen a lot of changes. Before we used to clear cargo in anything from 15 to 24 days. Today we are talking about 3.9 days - this means that a container is cleared within a day. In addition, we have cut 10 days off the time it takes to get cargo from Mombasa to the Malaba border with Uganda, down from 19 days to only seven or eight..” says Farouk Mohammed, Acting Head of Development, Kenya Ports Authority.

Landmark Port Charter to Unlock Northern Corridor Trade Potential. The gateway to East and Central Africa’ and ‘the regional hub of international trade’ is how the Kenya Ports Authority website proudly introduces the port of Mombasa on Kenya’s coast. It goes on to declare that the port is ‘Growing business, enriching lives’ - a commendable role which should have equally laudable consequences for the people of East Africa as successful trade translates into reduced poverty.

Yet it wasn’t always so. While the port has been the gateway to East Africa for the last 100 years, there were times when business in the

region was obstructed due to congestion and delays at the port that resulted in overdue consignments, often of raw materials needed for manufacturing. Anthony Weru, Senior Programmes Officer of the Kenya Alliance of Private Sector Associations (KEPSA) recalls December 2012. “Some of our members had to lay off staff”, he said, “Because there were no raw materials to process. They were all at the port.”

Only 18 months later Weru is telling a different story. “For the last six months we have seen a tremendous change and improvement in efficiency at the port due to political will,” he said. “Cargo clearance, either to or fro, is now taking an average of four days to its destination (in Kenya) when it used to take 14.”



All depends on port efficiency

For the private sector, which in Kenya consists of up to 90% of the work force, the ability to forecast when raw goods will arrive makes all the difference to wealth creation. Yet it all depends on the efficiency of the port system, combined with a transport infrastructure that is fast and reliable. Thus, the role of the Mombasa port in this process is paramount.

The port is run by the Kenya Ports Authority (KPA) and is often held responsible for delays in both imports and exports, despite many other agencies being involved in the process, including the Kenya Revenue Authority (KRA), the Kenya Plant Health Inspectorate Service (Kephis) and the Kenya Bureau of Standards (KEBS), to name a few. If just one of the agencies acts slowly or inefficiently, then the whole process is held up to the detriment of the importer or exporter.

In the past, a small business could go under because of the actions of one tardy agency, with the inevitable consequences of unemployment, lack of competition and higher prices. Today there is a collective determination to get it right, so that East Africa can profit from new improved efficiency, in turn creating a competitive business environment that will attract investors, increase trade and ultimately reduce poverty. This is especially so when estimates are that the amount of cargo passing through Mombasa Port will, by 2030, increase almost six fold, to 117 million tonnes, from 20 million tonnes in 2011.

Shared aspirations

The new, shared resolve is embodied in the 'Mombasa Port Community Charter', which "Proclaims the desire of the Mombasa Port Community to realise the full trade potential of the Mombasa Port Corridor". Driven by a strong political will which comes from the very top, the Charter represents the culmination of stakeholder consultations, including government agencies, the business sector, civil society, the port community and special interest groups. Signed by 25 different agencies it commits to overcoming obstacles and reaching, maintaining or exceeding standards that will deliver goods to the market with maximum efficiency and minimum time.

TradeMark East Africa (TMEA) is one of the signatories, having invested US\$53 million in the port corridor rehabilitation to strengthen infrastructure, improve productivity and create an enabling institutional framework. TMEA also played a large role in the creation of the Charter. TMEA Kenya Director, Chris Kiptoo, is optimistic. "The document is a declaration of intent", he said, "To commit certain actions which, when combined, will create a seamless corridor from the port through the northern corridor, which will in turn increase the efficiency and competitiveness of trade in Kenya."

Monitoring commitments

Good intentions are one thing, actions another. How can people be sure that all parties are following up on their commitments? Kiptoo explained that key performance indicators will be measured on a live dashboard - an IT system that captures live data and transmits it online - known as the Northern Corridor Performance Dashboard. Such things as ship waiting time, vessel turnaround time, and cargo dwell time, will all be available for anyone to see. In addition, a new single window system, operated by the Kenya Trade Network Agency (KenTrade) whereby all import/export documentation will not only be computerised, but can be accessed by all parties, will mean that any agency holding up the process can easily be identified. As a last resort, said Kiptoo, there will be peer pressure and sanctions to ensure that all agencies honour their commitments.

The KPA is enthusiastic about the progress it has already made towards its vision of becoming a world-class seaport. Acting Head of Development, Farouk Mohammed, a long-term employee at the KPA, is visibly proud of the port's achievements so far. "In the last three years we have seen a lot of changes," he said.

"Before we used to clear cargo in anything from 15 to 24 days. Today we are talking about 3.9 days - this means that a container is cleared within a day." In addition, he noted that they have cut 10 days off the time it takes to get cargo from Mombasa to the Malaba border with Uganda, down from 19 days to only seven or eight.

"Our business is not to keep cargo here," said Edward Kamau, Acting Head of Corporate Development at the KPA. "The advantage of the Charter is that it is going to bring big commitment. People are aware of this commitment and will sign against their obligations. Therefore accountability becomes paramount."

The Charter enhances the business climate

The Shippers Council of East Africa (SCEA), which represents cargo owners, also welcomes the Charter and the accompanying dashboard. "The key is competitiveness and efficiency," said Ageyo Ogambi of the SCEA. "Efficiency is good for the Kenyan economy because investors can see a good investment opportunity. More investors have a spillover effect. The consumer will benefit in terms of better pricing and maybe better quality as there will be more money for logistics and production. Removing bottlenecks means transport costs will come down. Better turnaround time means better use of resources. But most important is that the cost benefit can be passed on to the consumer. Port efficiency," he concluded, "has the possibility to enhance the competitiveness of the general business climate and the economic growth of the region."



Enhanced Trade Environment

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Approximately, 38% of TMEA's budget is the area of Enhanced Trade Environment with the most being aligned to improving regional and national coordination through developing the capacities of the EAC organs and institutions and Ministries of EAC in each Partner State.



Burundi tax success builds confidence, business image - and hospital



“Nobody likes paying tax, that’s for certain. But we all understand now that what OBR is doing is for our benefit, and it’s open and transparent. Rules are rules, and OBR explains them to us. Bribery is not an option now, it’s a sickness.” says businesswoman Violette Nshimirimana

A gleaming new hospital stands on a hillside in rural Burundi, a tribute to a tax system envied in many parts of Africa and the government’s commitment to home-grown development of one of the world’s poorest countries.

“It was built entirely from our own resources,” says Dr Liboire Nigiri, Director General at the Ministry of Public Health. “Before long Burundians won’t have to go abroad for interventions and surgery. They will use their very own hospital.”

The 150-bed Karusi referral hospital is the latest gleaming example of the way that the government of Burundi has turned around a corrupt and ineffective tax collection system to comply with the demands of East African Community (EAC) membership and modernise its public spending.

The facility which was officially opened in mid-2014 boasts of a gleaming new ambulance parked outside the emergency area, new beds, mattresses, furniture and equipment, flowers budding along its tidy walkways and grass taking root in open areas.

“This facility, paid for entirely from domestic funds, would never have been possible without the leadership of the government and the hard work and dedication of the OBR (Office Burundaise des Recettes – Burundi Revenue Authority) says OBR Commissioner General Dr. Domitien Ndhokubwayo.”



Enhanced Trade Environment

Over the last four years, the government has moved closer to its target of funding its own spending 100% from its own tax and customs revenue.

OBR has been supported by TradeMark East Africa as part of its programme to help EAC governments and private sector institutions modernise and improve transport, trade and business links to profit from some of the highest economic growth rates in the world today.

The government's share of public spending rose from 62.6 % in 2009 to 77.83% in 2013, increasing every year and drawing officials from Togo to Namibia who wanted to understand how Burundi kept rising on international league tables that measure economic performance and the ease of doing business.

Karusi is just a very striking and visible sign of quiet revolution that has entailed a root and branch reform of a corrupt and ineffective tax and customs system and turned it into a streamlined, modern and efficient revenue service.

One foreign businessman in Bujumbura, who asked not to be identified, said: "In the old days you 'bought' your tax clearance certificate with a bribe. You bypassed customs duties with a bribe. Nowadays the only thing a bribe gets is jail."

Nowadays tax revenues are funding countless primary health care clinics, schools, mosquito nets, free maternal health care and other benefits.

Part of the OBR approach is a public information campaign of road shows, radio and television programmes and information packs so that the 10 million population understands that tax is not a punishment but an investment in the future.

"Nobody likes paying tax, that's for certain," says businesswoman Violette Nshimirimana. "But we all understand now that what OBR is doing is for our benefit, and it's open and transparent. Rules are rules, and OBR explains them to us. Bribery is not an option now, it's a sickness."

One effect of the cleanup at OBR has propelled Burundi up the World Banks' annual Ease of Doing Business report, a key pointer for foreign investors looking to capitalize on economic growth throughout the EAC.

Burundi climbed 17 places to 140 out of 189 in the 2014 rankings and was named one of the top 10 economic reformers in the world. Africa's highest performers in the index were Rwanda (30th place) Kenya (129) and Uganda (132).



In raw financial terms, OBR's revenue has risen 86% from its creation in 2009 to 559.5 billion BF in 2013, a 6% increase over the 2012 figure.

The East African Bribery index compiled by Transparency International scored Burundi at 16.4 in 2013 (Zero is a perfect score) compared to 35.7 in 2012, a 54% improvement and a strong signal to potential and actual foreign investors.

Burundians like Violette are starting to see and feel the change. Dr. Domitien says the results are not just about revenue or a new hospital.

"It's not just a top-class facility paid for by the ordinary Burundian taxpayer. It's a sign of the people claiming ownership of their future, ownership of their democracy and fulfillment of their expectations of how their country should be governed."

"Burundi is setting down a pointer for other African countries, where many people feel disconnected from their governments and what these governments do with the taxes they pay."



Modernising Standards to Guarantee Quality and Safety



“Already some products certified by BBN are exported in the EAC and other African countries – bottled water for example. With TMEA’s help upgrading our laboratories, BBN is more and more able to test and certify products such as medicinal items, juices and sauces,” Damien Nakobedetse, Director General, Burundi Bureau of Standards and Quality Control.

Slowly, but perceptibly, sediment forms out of a white substance and gathers at the bottom of a test tube in a small laboratory off the main road in Bujumbura. The sediment’s name is fraud.

“What you are seeing is the analysis of a milk sample we took from a street vendor,” says laboratory assistant Benoit Glaud. “It’s been diluted with flour and with water, which is no surprise to us. Basically, Burundians are victims of massive fraud in foodstuffs.”

Glaud is a consultant working to modernize the tools and methods of the Burundi Bureau of Standards and Quality Control (BBN) to help exporters compete in the East African Community (EAC) market and to accustom producers and consumers to the idea that standards are not an extra tax but a guarantee of quality and safety.

“Having the BBN stamp on your product is vital for the free movement of goods within the (East African) community,” says Damien Nakobedetse, BBN’s Director-General.



Enhanced Trade Environment



“Without laboratory test results and the BBN stamp, it is very difficult to sell a product beyond the local market. Without certification, many countries will refuse imports or demand further analysis, which is expensive.”

BBN has been around for two decades but its mission gained added urgency with membership of the EAC and the need for strict standards in the emerging single customs area the bloc is establishing. It was a case of standardize to survive.

Across the community, TradeMark East Africa (TMEA) is helping national standards offices modernize, develop and introduce guidelines for standards to ease trade between partners and, more importantly, to win acceptance in export markets.

“Trading standards are vital to integration,” says Jose Maciel, Regional Trade and Integration Director of TradeMark East Africa. “They can cut the cost of doing business by huge amounts and are central to the future wealth of the EAC.”

In the first instance, TMEA is helping national partners, such as BBN, harmonize the standards of the most commonly traded goods in the region so that they can cross borders unimpeded by questions about authenticity or reliability or origin.

In 2012/13, 74 standards were harmonized in the EAC, of which 41 were gazetted as EAC standards. These included the vital sector of edible oils, which alone accounts for trade worth \$2 billion every year.

The BBN stamp of approval is seen by many industries as a vital part of the export paperwork and one that has to be earned in the laboratory, not bought in an office with a bribe, as in the past, BBN officials say.

“Already some products certified by BBN are exported in the EAC and other African countries – bottled water for example. With TMEA’s help upgrading our laboratories, BBN is more and more able to test and certify products such as medicinal items, juices and sauces,” Nakobedetse says.

Heimo Vicens is the Managing Director of Liquids SPRL, which makes Aquavie sparkling mineral water and fruit juices and sells about three million litres of it a year, starting exports soon. He is adamant that all exporters in Burundi should welcome standards.

Until recently, it sent its products to Kenya for testing in high-tech laboratories there, but the advent of upgraded facilities at BBN means that it could be done locally.

“BBN is an independent public office, and people should have confidence in it. Exporters are learning, but the public needs to learn too that what they consume needs to be tested and standardized,” he says.

Part of the laboratory’s work is just that – sensitizing people about what they consume because fraud is widespread and everyday items like vinegar, oil, milk and sugar are routinely contaminated with substances to maximize street level returns.

BBN has distributed flyers throughout Bujumbura to advise the public that only about half of the milk they buy is pure. The rest has additives or has been watered down, and much is also true of sugar, some of which contains gelatin and artificial sweetener.

It’s not just a case of making goods for sale go further, either. Benoit’s team discovered that a great deal of salt sold in Burundi lacks iodine, a vital ingredient for health that is routinely added in all other countries to ensure adequate iodine intake.

“Iodine is vital for intellectual growth and development and it helps prevent thyroid problems and goiters too. That’s why it’s added to something people consume every day,” says Glaud.

“Our lab worked out that 56% of Burundi’s salts imports contained level of iodine well below levels recommended by UNICEF, and some contained none at all, even though the bags in which it was packed said iodised salt.”

In January, a consignment of 96 tonnes of salt was stopped at Bujumbura port because it had no iodine. “It was all over the news,” says Glaud. “It was a good way of sensitizing people to be careful about what they consume. But how much didn’t we or don’t we catch? That’s a key question. “



Setting the East African standards for increased trade and prosperity



“Standards are vital to integration. In addition to safeguarding the health and safety of the consumers and the environment, standards can cut the cost and time of doing business by huge amounts. In that sense, they are central to the future wealth of the EAC.” says José Maciel, Director of Non-Tariff Barriers (NTBs) and Standards at TradeMark East Africa (TMEA)

The five Partner States of the East African Community (EAC) are currently involved in activities related to the conformity of products traded within the region. The process which includes the preparation, approval and adoption of the standards related to those products is undertaken by the different national standards bodies in each one of the partner states.

A common definition of a standard is a document approved by a recognized body that provides for common and repeated use rules, guidelines or characteristics for products or related processes and production methods, for which compliance may or may not be mandatory. Standards play an important role in regional integration.



Enhanced Trade Environment

“Standards are vital to integration,” says José Maciel, Director of Non-Tariff Barriers (NTBs) and Standards at TradeMark East Africa (TMEA).

“In addition to safeguarding the health and safety of the consumers and the environment, standards can cut the cost and time of doing business by huge amounts. In that sense, they are central to the future wealth of the EAC.”

All across the five-nation regional economic bloc, TMEA is helping national partners harmonize the standards of the most commonly traded goods in the region so that they can cross borders unimpeded by questions about their authenticity or reliability or origin. These include some of the most-traded goods in the EAC such as tea, coffee, iron, petroleum and edible fats and oils. TMEA is assisting the EAC national bureaus of standards, the private sector and the EAC Secretariat on two levels: national and regional.

At the national level, TMEA is supporting the Partner States with the provision of equipment and capacity building to the national bureaus of standards in order to assist them in carrying out their duties in an efficient and effective manner. For example, under a program funded by TMEA, Rwanda’s Bureau of Standards has funded the purchase of the latest hi-tech equipment that will check Rwanda’s key coffee exports for micro-toxins as well as essential oils for their purity.

At the regional level, TMEA is supporting the EAC region with initiatives supporting standards harmonisation. How does the EAC region benefit from such initiatives? Regional harmonisation of standards means that the entire EAC region benefits from trade facilitation which derives from it, through lower cost and transit time for producers, exporters, traders and the consumer market. Ultimately, regional harmonisation of standards benefits the poor in the EAC region as lowering the cost of products makes them more affordable. Regional harmonisation of standards increases may also lower the cost of production by not requiring different lines of products to conform with different standards required by different countries. In addition, regional harmonisation of standards may also increase the amount of trade within the EAC by making the cost of products more affordable and, therefore, encouraging greater consumption.

To date, 94 standards have been harmonized in the EAC, under the docket of eight EAC Technical Committees. Out of those standards, 41 were gazetted and formally declared as EAC standards. These included standards in vital sectors such as edible oils, fish and fish products, steel and steel products, among others. The 41 gazetted standards account for approximately US\$ 289 million worth of products whose trade is facilitated at the regional level and which will not need to undergo additional scrutiny by multiple national bureaus of standards. 8% of the EAC trade basket has been positively influenced by this regional trade facilitation initiative. TMEA expects to finish the calendar year 2014 with 15 additional standards harmonized.

Work on their implementation at the national level is continuing in coordination with private sector organizations.

Travellers in the region are familiar with the sight of lorries discharging crates or containers so that the goods inside, even when manufactured or produced in another EAC Partner State, can be inspected to see whether they meet the import standards of the country where they are destined for sale. By agreeing on and implementing the use of regional standards for products from sugar to cement, the need for multiple testing of products will be eliminated, saving time and money.

“By 2016, we are expecting that the standards work will have facilitated trade worth an estimated \$3.5 billion,” say Maciel. “It’s a slow process, but our EAC partners are pushing ahead to remove these technical barriers to trade as soon as they can.”

Across the EAC, TMEA is helping Standards authorities and businesses understand, identify and adopt standards that will enable goods produced in one country to be sold easily in another. In order to provide a comprehensive and coordinated approach to regional harmonisation of standards, TMEA first supported the implementation of the 2012 EAC Procedures for Development of Standards, which includes international best practices on standards development. This took place through the provision of capacity building to national bureaus of standards representatives involved in standards harmonization.



Enhanced Trade Environment



Support for regional harmonisation of standards followed.

It means a step-by-step approach, helping local authorities first raise awareness of the importance of standards in a region where defending local manufacturing against imports has been a default position, and promoting exports often secondary.

But the prospect of a vast internal market of 140 million people has focused policy-makers' attention getting standards harmonised and recognized so that goods can cross borders freely and consumers be assured that they are getting exactly what it says on the label.

In Uganda, for example, TMEA is taking part with government agencies on a huge information campaign to raise understanding of the importance of quality standards among key segments of the business community and government infrastructure. This is very important in order to make the private sector aware of how relevant quality standards are to Ugandan consumers, producers and traders. As TMEA supports Uganda in introducing change in the way people and companies go about conducting their business, there must be a robust awareness campaign to go in tandem with it.

"The launch of the communications and awareness campaign for standards marks a big milestone in Uganda's history," said Amelia Kyambadde, Uganda's Minister for Trade, Industry and Cooperatives.

"Not only will it improve the demand for quality products on the Ugandan market, it will go a long way in making Uganda's products very competitive across borders in the EAC."

After similar sensitization programmes, the next step is securing laboratory testing equipment for a variety of products, and TMEA has been instrumental in securing cutting edge equipment that will, for instance, assure consumers that the coffee they are getting is of the variety advertised on the label and contains nothing else.

Rwanda's Bureau of Standards (RBS) has been twinned with the British Standards Institute and provided with equipment and training on how to use it: some 24 enterprises have been selected to train on standards at a series of business-changing workshops.

"We want to be a model of high standards", says RBS Director-General Mark Cyubahiro Bagabe. "We want to help the East African Community improve the quality of their products to access international markets."

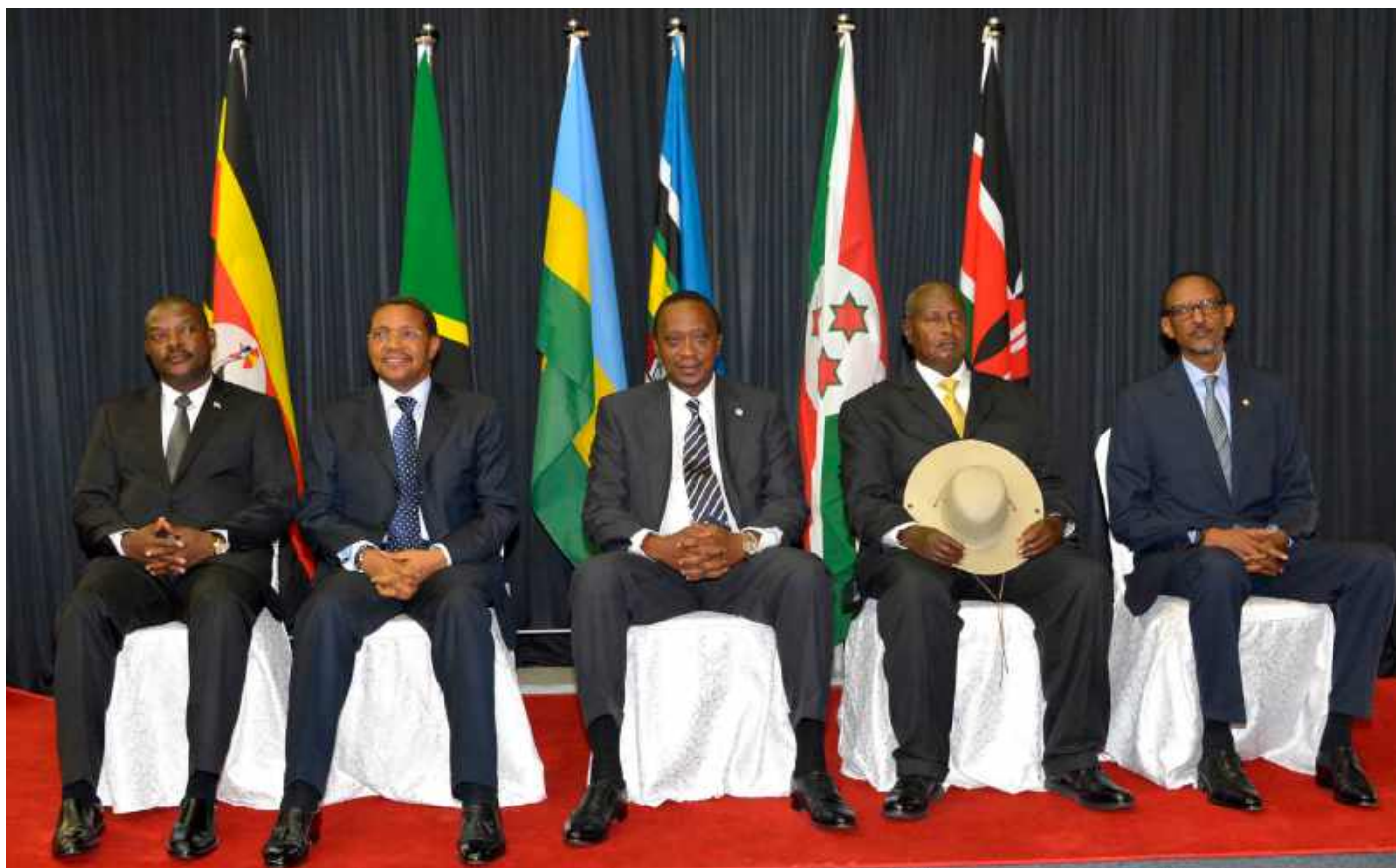
The Kenya Bureau of Standards (KEBS) has received, with TMEA support, highly sophisticated spectrometers that can analyse the purity of water and food. This will enable KEBS to assure its consumers, not just in Kenya, but wherever the items may be on sale, that the water and food products they buy is safe.





Enhanced Trade Environment

Technology and partnerships assist the EAC to get things done



“Better still, the status of the decision is denoted by a colour; green for actioned, yellow for ongoing and red for no action. Using this colour coding, unactioned decisions are spotted easily by those responsible for monitoring and a red status will quickly be questioned. The idea is to have more yellow and green highlights and as few reds as possible.” says Julius Birungi, Senior Monitoring and Evaluation Officer at the EAC



The East African Community (EAC), headquartered in Arusha Tanzania, is defined as the regional intergovernmental organisation of the Republics of Burundi, Kenya, Rwanda, the United Republic of Tanzania, and the Republic of Uganda. Heads of Partner States meet at a special summit twice a year where they give “general directions and impetus as to the development and achievement of the objectives of the Community. However, the first item on the agenda of any EAC summit is to review past decisions by Partner States and monitor their implementation progress: have they been implemented, are they ongoing or has no action been taken?”

The obligation to review past decisions, as the first item on the agenda of every EAC Summit, was passed at the November 2013 Summit. That responsibility has now been made easier by the introduction of the East African Monitoring System (EAMS), a computerised system that records all decisions made since 2001 up to the present day and which focuses on those decisions that still need to be implemented – presented in a dashboard format.

Holding Partner States accountable

The East African Community Secretariat, with support from TradeMark East Africa (TMEA) and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit - Germany’s government-supported development agency), developed EAMS to capture the progress of implementation of EAC Council of Ministers decisions, by Partner States. This fosters accountability by the Partner States on the decisions they make.

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

“Although we had a monitoring system before, it was manual,” said Julius Birungi, Senior Monitoring and Evaluation Officer at the EAC. “This system is new and different,”

Birungi gave the example of the Uganda Revenue Authority which reports on customs interconnectivity, as directed by the Council of Ministers - a report received on his computer, allowing him to extract relevant information as it goes through the normal approval systems.

“Formerly, it had to go through various ministries,” he said, “and by the time you wanted an update it took forever. Today, we are able to do that because we have Focal Point Officers who concentrate on the status of decision implementation.”

Outstanding decisions are highlighted

Birungi maintains that EAMS has more impact on the implementation of decisions, and not only for recent ones. For the first time, his office has compiled all outstanding Council decisions since 2001.

“So, if someone comes to me,” he explained, “and says there was a decision made on the environment, but can’t remember it exactly, our system is able to search for all decisions related to that and then it can be narrowed down.”

Better still, the status of the decision is denoted by a colour; green for actioned, yellow for ongoing and red for no action. Using this colour coding, unactioned decisions are spotted easily by those responsible for monitoring and a red status will quickly be questioned. “The idea,” said Birungi, “is to have more yellow and green highlights and as few reds as possible.”

Burundi workshop on EAMS

East African heads of state are taking their responsibilities for implementation seriously. In June 2014, the Burundian Ministry to the Office of the President responsible for East African Community Affairs (MPACEA), in collaboration with TMEA, held a two-day workshop to train staff to use EAMS for validating data on the status of implementation of decisions made by Burundi in the EAC context. Also at the workshop were representatives from the Ministries that were affected by the Sectorial decisions made at the most recent EAC Heads of State Summit. They thus validated the data that was captured on EAMS,

In addition, according to EAC Secretariat, the East African Presidents have directed that reports be compiled on decisions that are specific to their own country so that their own offices can monitor implementation progress.

“I have no doubt that it will improve responsiveness,” he explained. We have a system that helps people make evidence based decisions; we have a system that has helped us to move forward in terms of actioning council decisions; we have a system that is accessible by many people; and we have a system where the Partner States can report to the Secretariat. Countries are now becoming more accountable. At the end of the day someone is going to ask: why haven’t you done this? We couldn’t have wished for more.”

In conclusion, it can therefore be argued, credibly, that in so far as the EAMS provides the Summit with a basis and impetus for action, it has contributed significantly to the improved integration momentum. The EAMS has also contributed significantly to the improved capacity of the EAC Secretariat to coordinate and monitor formulation and implementation of integration policy.



Technology and Progress Unlocks Trade Corridor



“It costs \$400 a day to keep a truck on the road. Just do the mathematics. If the journey from Mombasa to Kigali used to take 21 days and now takes six, that is a saving of \$6,000 per truck. And if you own a fleet, just think of what you are saving,” says Theodore Murenzi, Secretary-General of Rwanda’s Long Distance Truck Drivers’ Union.

It’s 1,200 km from the Kenyan port of Mombasa to the Ugandan capital, Kampala and another 525 to the capital of Rwanda, Kigali. But with a few strokes of the politicians’ pens and some clicks on a mouse, that distance just got dramatically shorter.

“It used to take 18 days or more for one of our trucks to get here from Mombasa,” said Kassim Omar, Chairman of the Uganda Clearing Industry and Forwarding Association (UCIFA). “Now the same journey takes four days, sometimes even three.”

The reduction is due to the decision at a Northern Corridor infrastructure summit by the Presidents of Kenya, Rwanda and Uganda to speed rapidly growing freight along their key trade route and the implementation of a variety of hi-tech systems that have slashed paperwork and time.

The combination has stripped away a lot of the bureaucratic red tape that snarled the free flow of trade in the East African Community and contributed to some of the highest transport costs in the world,



accounting for up to 40% of the price of goods to consumers.

In October 2013, Presidents Yoweri Museveni of Uganda, Paul Kagame of Rwanda and Uhuru Kenyatta of Kenya agreed to implement a Single Customs Territory (SCT) between them as members of the East African Community. Tanzania and Burundi, say they followed suit at the Summit in November 2013.

At a stroke, the agreement removed multiple weighbridge, police and customs checks along the Mombasa-Kampala-Kigali route and introduced computerised clearance and electronic tracking and other innovations that have overturned many of the hurdles to free trade or Non Tariff Barriers (NTBs) that the Northern Corridor was infamous for.

“It costs \$400 a day to keep a truck on the road. Just do the mathematics. If the journey from Mombasa to Kigali used to take 21 days and now takes six, that is a saving of \$6,000 per truck. And if you own a fleet, just think of what you are saving,” says Theodore Murenzi, Secretary-General of Rwanda’s Long Distance Truck Drivers’ Union.

The political decision, founded in a desire to strip away the port and road congestion slowing business in East Africa, one of the world’s fastest-growing economic regions, was underpinned by a range of technologies supported by TradeMark East Africa (TMEA). Chief among these is ASYCUDA-World (the Automated System for Customs Data), a computerised web-based system that allows the online submission of customs declarations and paperless customs forms.

It was developed by the United Nations Conference on Trade and Development (UNCTAD) and has been adopted by the Ugandan and Rwandan Revenue Authorities. Kenya has its own system, which is being upgraded by TMEA and will integrate with it.

Another cutting-edge technology is an Electronic Cargo Tracking System (ECTS) that allows the authorities to trace the route a truck takes – eliminating the risk that it might divert and offload its cargo to avoid paying import and other taxes.

This works by attaching an electronic transponder to the cargo that beams out to central tracking stations and is being piloted on some cargoes, notably fuel.

Allied to this is the Authorised Economic Operator (AEO) system, which licences companies with good records of tax and customs compliance to make electronic customs declarations before arrival, get priority treatment if a cargo is selected for inspection, choose where that inspection will be and get exemption from withholding tax.

“TMEA has been working with the URA and other agencies on these systems because increased trade means increased prosperity and cutting transport costs is vital, especially in landlocked countries such as Uganda,” says Allen Asiimwe, TMEA Country Director, Uganda.

Joseph Mwangala, Project Manager at the Uganda Revenue Authority, beams with enthusiasm about the efficiencies ASYCUDA- World has brought since it was rolled out to 17 customs stations covering 98% of customs transactions and revenues.

“Before everything was done on paper. If you had 64 trucks bringing in one million litres of fuel, which meant 64 declarations you had to fill in. And it used to take 32 officers to clear those 64 trucks. Think of the savings on manpower, not to mention paper,” he said.

ASYCUDA- World and ECTS have helped fuel importers accelerate the pace of deliveries and crack down smuggled fuel that used to “disappear” along the border, he says.

With the piloting of clearance for bulk fuel products using the SCT system in February 2014, figures show that imports of fuel rose to around 120 million litres from 108 million in February 2013 with a 32% increase in taxes paid to the URA of 84.3 million Ugandan shillings (roughly \$2 million).

Some trucks in transit across Uganda which are not yet under the ECTS scheme are escorted by the army in convoys to make sure that their goods are not illegally offloaded en route and sold without proper tax payments.

“So convoys have to wait for their escorts if a soldier decided he wants to stop for a bottle of beer, the whole convoy had to stop, and time is money,” said Mwangala.

But this practice too could become redundant if ECTS and other systems are applied on all transit freight.

Moses Sabiti, a Programme Manager with TMEA Uganda, used to be a Principal Revenue Officer with the URA.

“My every working day started with the arrival of a huge, huge basket of customs papers from the border of trucks wanting to cross, and I had to parcel them out in the office to organise the clearance. The basket weighed a tonne! The time spent was unbelievable. What is happening today is real progress for the transport industry and the country.”



Enhanced Trade Environment

Rwanda targets exceptional food safety standards to boost export



“We want to be a model of high standards. We want to help the East African Community improve the quality of their products to access international markets.” says RBS Director-General Mark Cyubahiro Bagabe.



Rwandan food producers are submitting themselves to the most stringent of global tests –good enough even for astronauts in space - to get a stamp of approval that will enhance their standing in world markets and help increase badly-needed exports.

“This certification has increased consumer confidence and our confidence too,” says Dative Giramahoro, of Sosoma Ltd, which mills maize. “We sell in Kenya’s Nakumatt supermarket in Kigali, so now there is no reason why we cannot sell to any Nakumatt in Kenya,” she says.

The certification is part of a programme overseen by the Rwandan Bureau of standards (RBS) to help the local food industry eat into the country’s 4-1 trade deficit with the rest of the world by increasing exports to the East African Community (EAC) and beyond.

“There is no doubt that the certification we have received will help us increase exports and we see the European Union (EU) and Canada as primary targets, even the United States,” says, Anna Uwiganza, head of Kinazi Cassava Plant Ltd.

The standards are out of this world. They were pioneered by the U.S. Pillsbury Company, the U.S. army and the U.S. space programme NASA to guarantee the safety of any food that astronauts might consume in space. Called Hazard Analysis and Critical Control Points (HACCP), the system is a set of preventive analyses to prevent bacteria getting into the food chain at every point from harvests to packaging and is the most widely used food safety standard in the world today.

“It doesn’t replace food safety but it build on it, using hygiene as the foundation. It’s a process, a way of looking at how raw materials become food, and it will help our enterprises gain customer confidence at home and abroad and access international markets,” says Jane Nyamvumba of the Rwandan Bureau of Standards (RBS).

“It’s been fantastic,” said SOSOMA’s Giramahoro. “It made us look at our entire process and to make improvements in handling, cleaning our equipment, pest control and other steps. Now we have brought in measures to ensure that every stage of our process meets the highest standards. It was a new way of thinking”.

The HACCP programme, so far extended to 20 Rwandan companies as a pilot project, is part of a complex programme around standards, supported by TradeMark East Africa (TMEA), to build trust in local and regional consumers and get approval for export.

As the EAC moves closer to integration, standards become more crucial for manufacturers of all varieties to get their goods accepted in other markets in the same way that the European Union has developed standards as a foundation of its Single Market, allowing Irish cheese manufacturers, for example, to sell their goods to Italian pizza makers.

“Our support for this programme is to help Rwanda become more competitive. The RBS stamp has already won trust in nearby markets, and the HACCP programme will only strengthen that confidence,” says TMEA Senior Director Country Programmes Mark Priestley.

TMEA is working across the EAC to reinforce standards so that companies and consumers know that what they are paying for is what the label says, eliminating time-consuming spot checks and cutting away at some of the highest transport costs in the world.

All across the five-nation bloc, TMEA is helping national partners harmonize the standards of the most commonly traded goods in the region so that they can cross borders unimpeded by questions about authenticity or reliability or origin. In 2012/13, 74 standards were harmonized in the EAC, of which 41 were gazette as EAC standards. These included the vital sector of edible oils, which alone accounts for trade worth \$2 billion every year.

“We want to be a model of high standards”, says RBS Director-General Mark Cyubahiro Bagabe. “We want to help the East African Community improve the quality of their products to access international markets.”

Building the local standards capacity has also helped the local industry cut costs because many had to send their products overseas or to a neighbouring country for testing, adding to already high overheads before the goods have even been sold.

TMEA Rwanda’s approach twinned RBS with the British Standards Institute (BSI) to have a high-profile partner in building standards; TMEA also helped provide laboratory testing equipment and training in how to use it and to conduct awareness-raising schemes so that would-be and actual exporters recognise the selling point of the RBS and HACCP stamps.

Using the new equipment, RBS introduced 11 test parameters in 2013 and expects to see 25 by 2015. Testing time abroad will fall from an average of 60 days in 2012 to around 10 by end-2015 due to local testing and that time saved will help lower test costs.

As part of the programme five companies have now applied for HACCP testing; 10 RBS officers have been trained to detect non-compliant imports as they enter the country to prevent Rwanda being swamped with sub-standard products from outside.

“Word about HACCP and RBS standards is already travelling around. This is a small country. When people hear that there is a home-grown step they can take to make their goods more attractive to consumers, they will be queuing for training,” concludes Nyamvumba.



TradeMark East Africa helps fast track aid in South Sudan crisis



“It’s improved a lot. The relief is getting through much quicker, and we are doing what we can to help. Clearance times at Nimule are down to one day, and that may be a lesson for all the goods that come through. Time on the road is money for shippers. It costs about \$500 a day just to keep a truck on the road, so every day wasted costs time and money, and for the needy it’s much more desperate”. Yowa Soso, head of the South Sudan Shippers Council

They live in a state of suspension under plastic sheets or twigs, under tents if they are lucky, out in the open if they are not. Women and children, men and boys; the only certainty in their lives is uncertainty. These are the human flotsam from South Sudan’s unresolved internal conflict, which erupted in December 2013, sending more than a million running for shelter, food and security, killing 10,000.

“It’s a critical emergency,” says World Food Programme (WFP) Logistics Cluster head Fiona Lithgow. “Just getting relief to these people in a country of this size is an enormous challenge, but we are winning.”

Relief flights leave Juba airport daily, airlifting or airdropping supplies to U.N. and NGO teams dotted around the compass points of one of Africa’s biggest countries, and the newest country in the world.



Almost all of that aid comes by road from faraway Mombasa, or the U.N. logistics base at Entebbe, Uganda. It now gets fast-track clearance under a programme supported by TradeMark East Africa (TMEA) and its partners which has reduced clearance time to one or two days from four-five days before. “The paperwork has been hugely reduced for aid trucks,” says Bennet Obwoya, who oversees the comings and goings of the aid convoys in a small containerized office at the corner of the Nimule Customs area.

“The need for proof of payment of taxes for aid, which is tax exempt, has been done away with. Verification of cargoes has been speeded up a lot and things have improved with the help we got from TMEA.” He checks the trucks arriving on his laptop computer – entering the details of the vehicle and its cargo in yellow, and ticking them off as they depart in blue. “Almost 100 aid trucks come through daily, about half the total.”

The cargoes include sorghum, maize flour oil and the other ingredients that constitute the world aid response to the emergency.

“We have noticed the difference,” says Aimee Ansari, head of Care International’s relief team in Juba. “Stuff is getting through the border so much faster now, and it needed to.” By her estimate, there are now 1.5 million people needing emergency relief in South Sudan, most of them in the North of the country, where three states are still in conflict despite on-going peace talks in Addis Ababa.

“We’re talking about people who have absolutely nothing,” says Ansari. “Air drops are often the most efficient way of getting stuff to them – you dump it out of the back of a plane and a representative on the ground takes charge of it, and distributes it. It’s that simple.” David Hayes, a senior logistician at UNICEF, says that the relief operation “is probably the biggest in the world today” and points out the piles of medical supplies, food supplements and other goods in the Juba warehouse awaiting delivery to the needy by air or road.

“Anything that speeds things up is a bonus. This is a critical emergency.” Yowa Soso, head of the South Sudan Shippers Council, says TMEA help has greatly speeded up the delivery of goods by road and air but is especially noticeable in the way aid is getting fast-tracked to the needy. “It’s improved a lot. The relief is getting through much quicker, and we are doing what we can to help. Clearance times at Nimule are down to one day, and that may be a lesson for all the goods that come through,” he says.

“Time on the road is money for shippers. It costs about \$500 a day just to keep a truck on the road, so every day wasted costs time and money, and for the needy it’s much more desperate.” Joseph Kenyi, Director-General of Revenue at the Ministry of Finance and Economic Planning, nods vigorously in agreement when Soso’s statement is relayed to him “It’s

critical to get aid to those in need and to cut the time it takes to get through Customs, and we have done that with TMEA help, just streamlining the procedures and the paperwork,” he says in his Juba office. “But it’s more important than just aid for those in need. Aid like this helps maintain stability. Programmes like this help build that stability,” he says. “We need peace, we need peace more than anything, and stability helps build peace too.”

The South Sudan government has also swept away Non-Tariff Barriers (NTBs) to trade, such as maverick police checkpoints, to speed the delivery of aid and trade cargoes alike.

“We’ve done away with nine checkpoints on the Nimule road that were collecting levies, illegal ones, and wasting truckers’ time,” he says. “They were little more than extortion.” Kenyi says that the way the clearance system was fast-tracked to speed aid shows that similar improvements can be made with TMEA-backed programmes to streamline Customs and Standards management.

“All these improvements have helped – not just the humanitarian ones. We need revenue to build the nation, because we need stability to build peace. We need cash to be able to grow this nation.”

Soso agrees. “The way that aid was fast-tracked points the way for all imports and the government desperately needs to get more revenue from trade, because this conflict has shut down oil returns.” WFP’s Obwoya says that the aid is now getting through Nimule in record time.

“It takes a good driver three to five days to get here from Mombasa, so another five days waiting for clearance does not make much sense.” “What’s happened is that we have simplified things and received assistance from TMEA and Customs to do that. It is working.”

As he speaks, a driver comes into his office with papers showing his cargo of sorghum has been cleared.

Obwoya leans over his laptop, where he is spending 12 hours a day and seven days a week, and makes a few keystrokes.

The line showing the truck’s registration, the day it arrived and the day it left (February 20), its cargo of SOR (sorghum) from Mombasa (MSA) changes from yellow to blue. The truck is on its way to those in need.



Readying South Sudan Economy for Growth



“We are making a lot of improvements over the last few years,” says Colonel Wilson Ramba, Chief Customs officer at Nimule. “Revenue has gone up from 28 million SSP in January 2014 to 52 million this year (\$1.00 = 5.69 SSP)”.

The symbols of South Sudan’s key challenges boom overhead every 15 minutes, briefly denying Juba residents the chance of sensible conversation, making paperwork on desks flutter and shake and dust rise on the streets. They are aircraft, commercial flights carrying businessmen and aid workers, and United Nations transport craft ferrying food and people to staunch the needs of more than a million made homeless and thousands killed since renewed internal conflict erupted in December 2013.

Residents of Juba have become used to the noise but recognise that the aerial traffic encapsulates the dilemma facing the world’s newest nation as it tries to develop and tap its undoubted potential.

“Peace. For South Sudan to really begin to grow, we need peace more than anything else,” says Caesar Riko, the policy and advocacy

advisor of South Sudan Chamber of Commerce. “We can grow, even in conflict, but not the way we could if there was peace.”

The world’s newest nation was born in July 2011 in jubilation after almost 30 years of war with the Khartoum government in the North but descended into internal conflict in December 2011 when President Salva Kiir accused his deputy, Riek Machar, of plotting to overthrow him. That simmering conflict shut down South Sudan’s key oil fields in the North of the country and has highlighted in cruel focus the need for the country to diversify away from 98% dependence on petroleum for the revenue with which to develop a country of around 12 million people.

The challenges are enormous: a country the size of France with a



population of which barely half is literate; massive undeveloped tracts of land where subsistence farming is the income for half of the nation.

The country has about 7,000 km of roads in total, of which only 200 are paved; compare that to Kenya, with 160,000 km of paved roads and nearly 12,000 of modern tarmac, or Afghanistan – 42,150 and 12,350.

“The needs are enormous, but so is the potential,” says TradeMark South Sudan Country Director Eugene Torrero. “We have an ambitious programme developed with our partners here which will produce results and ready the country for the East African Community (EAC) membership.”

A key area of modernisation is to upgrade the systems, personnel and performance of the Nimule border crossing with Uganda, the lifeline through which nearly all of South Sudan’s needs arrive by road, much of it from Mombasa, a distant 1,600 km and between three and 15 days away.

A dust storm in summer months and quagmire during the rainy seasons, the Nimule crossing is a key focus of TMEA-backed programmes to speed the flow of traffic and cut costs to consumers, as well as raise revenue from customs and institute a system of standards to protect consumers.

“We are making a lot of improvements over the last few years,” says Colonel Wilson Ramba, Chief Customs officer at Nimule. “Revenue has gone up from 28 million SSP in January 2014 to 52 million this year (\$1.00 = 5.69 SSP)”.

The increase, borne out every month for more than a year, is due to improvements in customs procedures, training for personnel and better layout of the once-chaotic systems that Nimule presented for daily traffic of around 200 vehicles a day.

Clearance times have fallen from five days or more to around one day, a key factor in reducing the costs for consumers, exporters and importers. Every day a truck is on the road costs around \$400 at least.

The launch of a computerized declaration system linking Nimule with the Uganda Revenue Authority (URA) is imminent and this will further streamline the process pending plans to build a One Stop Border Post (OSBP) along the lines of similar stations TMEA is helping to build in the EAC.

Collecting more revenue is a key to the diversification of the South Sudanese economy away from oil. “We are committed to gathering more revenue for development, and we are succeeding,” says Ramba.

Building a system of standards is also key to streamlining trade and is something TMEA is involved with across the EAC to protect consumers and make commerce easier by harmonizing the qualities of key goods.

“Unfortunately South Sudan has become a dumping ground whenever goods near expiry date or cannot be sold easily elsewhere,” says Jacob Mاتيop, head of the National Bureau of Standards (NBS) at Nimule.

“In the past you could sell almost anything here, but we are not going to let this happen. We are inspecting goods, protecting consumers, and saying NO to things that are expired be they drugs or food or whatever. It’s a key part of modernisation,” he says.

Both Customs and NBS staff are receiving technical assistance from TMEA programmes as well as English language training in which around 200 officers will get a solid grounding in the lingua franca of the EAC.

“Arabic is still our everyday language so we need to learn English so we can compete and communicate,” says customs officer Zacharia Akdon.

More than two million people left Sudan when South Sudan was born, and a hard core of government professionals were trained in the North but now needs to adapt its skills to the challenges of building a new country.

“What I am doing is getting money for the government to build this country,” says Akdon. “We need roads, schools and hospitals, and some of the money must come from more revenue,” he says.

The South Sudanese President declared the country “Open for Business” at a key investment conference in December 2013, attended by more than 800 delegates from 50 countries.

“God has blessed us and endowed our young country with vast resources in terms of fertile lands, forests, water resources, minerals and petroleum resources... Those who wait too long may miss the vast investment opportunities that our country offers,” he told the conference.

Cruelly, the unresolved conflict erupted about one week later and peace talks have yet to end conflict in three of the country’s six states or allow more than a million people to return in safety to their homes.

But TMEA work has continued largely uninterrupted, helping the Customs and Standards and partners streamline trade and increase revenue.

“What we are building are sustainable systems for prosperity, and prosperity is a key building block for peace,” Torero says.



Enhanced Trade Environment

South Sudan says no to goods dead on arrival



“Of course traders get upset. They are not used to the idea of standards. One trader pulled even a pistol on one of my officers but we are protecting our young nation and our consumers. It is a duty.” Jacob Matiop, SSNBS head at Nimule



The biscuits came from Iran in modern, airtight packaging, the list of ingredients displayed on the back, an appetizing picture of the snack on the front.

The problem was that their expiry date was the week before they crossed the border from Uganda.

They were inedible, potentially harmful for the consumer, and duly rejected by South Sudan's embryonic National Bureau of Standards (SSNBS).

"There was a whole consignment like this," says Jacob Matiop, SSNBS head at Nimule, through which 90% of the nation's goods arrive through the East African Community's Northern Corridor from the Kenyan port of Mombasa.

"So we seized them, and we will destroy them. The owners are upset but South Sudan will not let itself become a dumping ground for sub-standard or expired goods of any sort, and that means everything from biscuits to computers."

Matiop is young, determined and enthusiastic about establishing a system of standards of the sort that many EAC states already have or are, like his own country, building with help from TradeMark East Africa (TMEA) to protect consumers and streamline trade.

"Of course traders get upset. They are not used to the idea of standards. One trader even pulled a pistol on one of my officers but we are protecting our young nation and our consumers. It is a duty."

Standards are a key part of the harmonization of goods traded within the EAC and a vital part of TMEA backed programmes to streamline trade, cut the cost of doing business and bring down costs for consumers.

"Just the other day we intercepted a whole container of expired maize meal destined for our army," says Matiop, with indignation. "Imagine!"

He acknowledges that it is an uphill task in the world's newest nation and one that has been at war for nearly 30 years until independence from the Khartoum government in the north in 2011.

"People do not realize that we are trying to protect them. They are used to buying what is in the market but we are saying that what is sold has to be of acceptable standard and that means everything," Matiop says.

The modernisation of the SSNBS includes: training in English- the lingua franca of East African trade- for its largely Arabic-speaking staff, technical assistance, help with weighing and laboratory testing and links to other EAC bureaus of standards for guidance and ideas.

Proof of the success of the SSNBS programme is heaped in piles in an adjacent warehouse. Along one wall are a stack of computers, screens and keyboards "that were rejected everywhere else but ended up coming here," he says.

An entire consignment of a fashionable high-energy drink occupies one corner. "It arrived with only a few weeks left before it expired. So we seized it. We are not going to compromise on these matters."

Teaching the young nation's consumers about standards is as hard as educating traders that South Sudan is no longer an easy touch for second-rate trade, he says.

"We have programmes on television on radio and in the press. Our consumers have to learn to raise their own standards," he says.

The determination to establish high standards is mirrored in smart new offices in Nimule, light blue easily-recognisable uniforms with the SSNBS logo and rooms readied to receive laboratory and metrology equipment to be partly funded by TMEA.

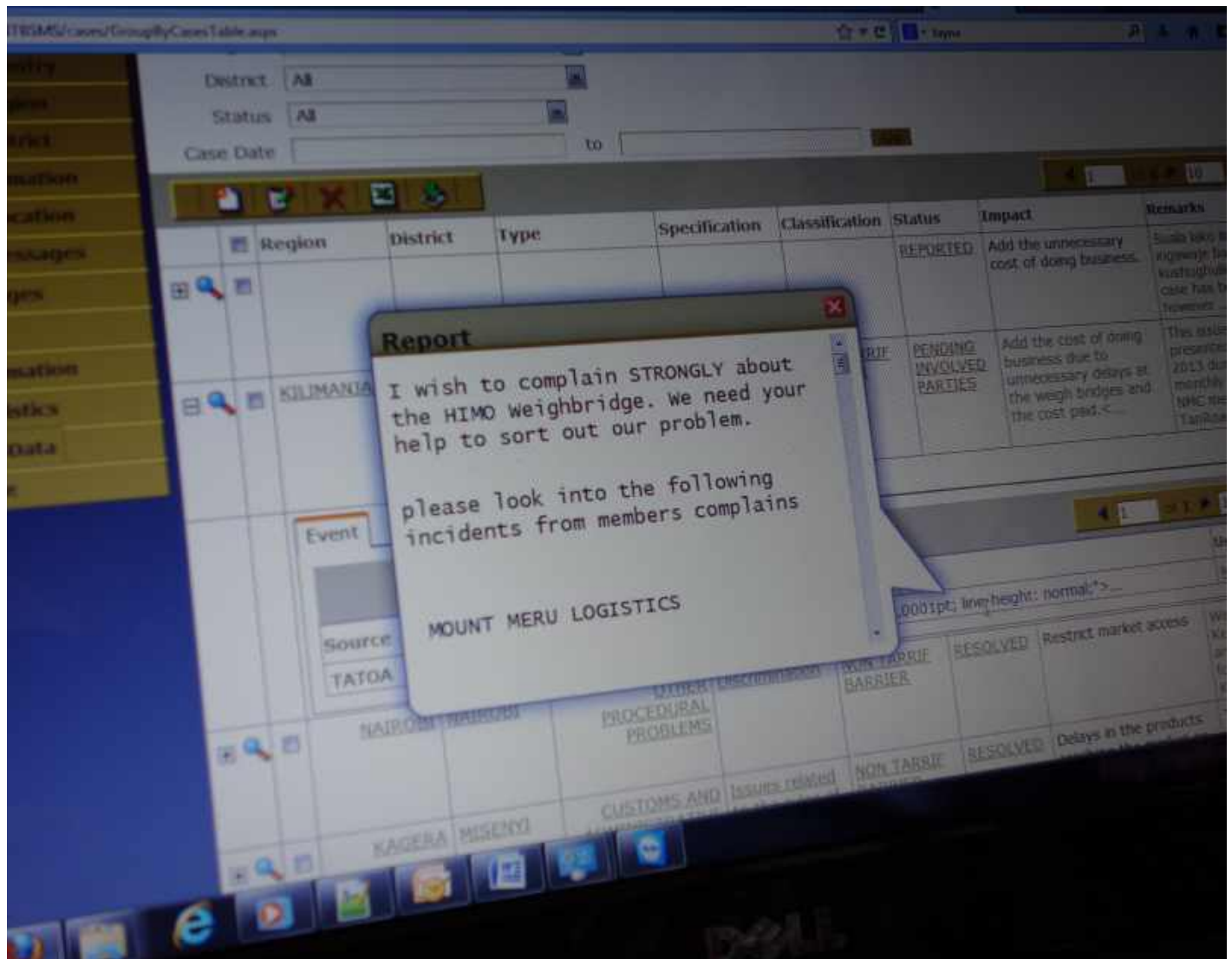
The SSNBS programme is not confined to imports. It has started a programme of visits to retail outlets, bakeries and bottled water companies to set and maintain standards and get consumers used to getting the best.

That programme was assisted by the Kenya Bureau of Standards (KEBS), a TMEA partner with up-to-date laboratories financed from TMEA funds.

"We are building from ground zero," says SSNBS Mary Gordon Muortat, Executive Director in her Juba office. "But we shall succeed."



Tanzanians topple trade barriers with their cell phones



“Uganda has already asked about the technology used so that it can devise a similar scheme and there is similar interest across the EAC because NTBs are an EAC-wide problem,” says Josaphat Kweka, TMEA Country Director, Tanzania.



Two years ago truck drivers plying the highway from Dar es Salaam through Tanzania could only fume and argue when they ran into bureaucratic roadblocks, which slowed them to a halt. Today they get round those barriers – with their cell phones.

A trailblazing scheme developed by the Tanzanian business community allows frustrated operators to report Non Tariff Barriers (NTBs) slowing their freight by SMS message and online – and it is working.

“Of all the NTBs that have been reported to us, 42%, that’s nearly half, have been resolved,” says Shammi Elbariki, NTB project coordinator at the online system developed by the Tanzanian Chambers of Commerce, Industry and Agriculture (TCCIA).

The award-winning scheme, developed with help from TradeMark East Africa, has attracted attention from the transport industry across the region as it struggles to overturn NTBs inherited from the days before the East

African Community (EAC) project was launched. “Uganda has already asked about the technology used so that it can devise a similar scheme, and there is similar interest across the EAC because NTBs are an EAC-wide problem,” says Josaphat Kweka, TMEA Country Director, Tanzania.

EAC member governments are committed to abolishing NTBs eventually to create a seamless single market that will spur trade and prosperity and TMEA has helped create National Monitoring Committees (NMCs) in every state to accelerate the process.

Under the TCCIA scheme, transport operators, freight forwarders and clearing agents are trained how to report NTBs both online and through SMS and these are collated in the project’s small office in central Dar es Salaam and forwarded to the ministry or agency concerned for action.

“We get a lot of complaints from frustrated people,” says Elbariki, “and have worked out that 87% of all the cases we get are actually NTBs and require action. That’s what we do.”

The Central Corridor is a lifeline, not just for Tanzania, but for other EAC countries it reaches – Burundi, Rwanda, Uganda – but also the Democratic Republic of Congo and countries south of Tanzania such as Zambia and Malawi.

“By overturning NTBs, we should be encouraging more trade and studies show that where there is more trade, prosperity follows,” says Kweka.

But it is as fraught with NTBs as any other EAC trade route, barriers that help make East African transport costs among the highest in the world and a drag on growth. Transport costs account for as much as 40% of import costs and every day a truck is on the road costs \$400 – a price paid for by consumers.

NTBs are often hangovers from previous protectionist regimes. One recently resolved case involved a consignment of shoe polish that was sent from Kenya to Tanzania but was intercepted and delayed at the Namanga border by Tanzanian customs, which demanded a 25% import duty.

The company duly complained through the online scheme that it had been awarded preferential duty-free access – and the shipment was cleared without further problems.

Others are bureaucratic. One often reported and now solved NTB concerns a Certificate of Origin from Tanzania. Kenya’s customs authorities complained that these did not have serial numbers – because the form has a Reference Number instead. This was duly solved.

Another involved traffic coming the other way – from Burundi to Tanzania. Burundi’s Primus breweries, which serve a huge domestic market, wanted to export to Tanzania but a shipment was blocked because the bottles’ labels were in French only, and Tanzania’s language of business labeling is English. The brewer was unaware, and changed the labels.

The TCCIA scheme won second prize for innovation in a competition organised by the World Chambers of Commerce Federation two years ago and is seen in the industry and across the EAC as a trail-blazing weapon against NTBs.

“The SMS/Online reporting scheme is simple and easy to use and every complaint is logged so you can easily find out how a solution is progressing,” says Hussein Ahmad Wandwi, Executive Officer at the Tanzanian Transport Owners Association (TATO).

“I believe it is something many more people could use because it is uncomplicated and anyone can understand it. We should make even more people aware of it and reach massive numbers of people to overturn remaining NTBs.”



ECTS foils theft of South Sudan bound cargo



In this story, Uganda Revenue Authority (URA) shows a direct result and impact of Electronic Cargo Tracking System (ECTS) to cargo transporters and consequently cross border trade in Uganda. A little background; among other challenges, URA flagged the disappearance of cargo trucks and theft of cargo along transit routes as a lead cause for loss of trade. This called for physical escorts which still did not reduce risks and thus a more efficient and effective system was needed. URA in partnership with TMEA undertook a project to implement the ECTS which led to simplified cargo tracking by using electronic seals thus completely eliminating the need for physical escorts and reducing the risk of cargo dumping and diversion



The thefts were well planned; wait for the truck to get to a hill, open the doors and steal merchandise.

However, the thieves did not know that the trucks were being monitored. No sooner had they tampered with the electronic seals than messages were sent to the central monitoring center (CMC) in Nakawa, Kampala.

The incidents, according to Customs officer, Dunstan Luwaga, occurred last Wednesday and Thursday night.

Whilst on duty, an officer in the CMC Wednesday night received an alert from a truck travelling on the Gulu highway, according to Luwaga. The driver, he said, was told to stop to ascertain what had happened.

“When I walked to the back, the padlock was broken and the seal had been tampered with,” John Muteba the driver of the vehicle carrying merchandise stated.

“I am so glad that the Electronic Cargo Tracking System (ECTS) helped me save the cargo. I would probably be in jail now.” He was headed to South Sudan.

And on Thursday night, a similar incident happened between Matugga and Bombo on the same highway. Driving sugar to South Sudan, Kambali Kilondelo’s truck was vandalized.

Like Muteba, he was notified and he stopped. He walked to the back of the truck to the sight of 15 bags of sugar scattered on the road. The sugar, which had been grabbed by thieves, was reloaded into the truck. The truck owner, James Aguret heaped praise on URA for the system, which he said saved the driver’s life and the vehicle.

In both cases, when the vehicles stopped, the thieves, who target slow-moving trucks to steal cargo, fled. URA’s rapid response unit escorted them to the head office in Nakawa.

Were it not for the ECTS, argued Luwaga, the hapless drivers would have noticed after the theft of all the merchandise. New electronic seals were attached onto the trucks at Nakawa before the men embarked on the journey afresh over the weekend.

On May this year, URA launched ECTS. Comprising of the CMC and seals attached either in or outside a vehicle, the system enables URA to locate cargo and its state in real-time. They are used for inland and transit cargo. When a vehicle is parked for a long time without reason or when the seals are tampered with, authorities are notified and action taken accordingly. Before its launch, URA relied on escorting goods physically, a costly and risky method.





Uganda National Bureau of Standards - On a mission to improve standards for prosperity



“We looked at the impact of quality infrastructure on users and found the gaps - regulation didn’t have enough resources to regulate, the business community did not have enough equipment to test products, which caused long delays on goods customs clearance; and there was poor service provision. We wanted to speed up the process and have clear and transparent conformity assessment in lab testing, inspection, certification and calibration of equipment.” said Deuseddit Mubangizi, Manager Testing at UNBS



“To provide standards, measurements and conformity assessment services for improved quality of life.”

How much do you know about the quality of your television set? Or your washing powder? Even your toothpaste? You probably did some research before handing over the money for your TV, perhaps asking your friends, comparing costs, or even checking online. But did you bother to check that your washing powder actually does what the packet says it does, and won't bring you out in a rash? As for your toothpaste, which you put in your mouth at least twice a day, how do you know it won't poison you?

In Uganda, the Uganda National Bureau of Standards (UNBS) is the organisation that ensures that consumer products meet current standards including safety. In 2010 the UNBS, with assistance from the Sweden International Development Cooperation Agency (SIDA) and TradeMark East Africa (TMEA) began a five year Quality Infrastructure and Standards Programme (QUISP) worth US\$2.7 million, to establish and strengthen the standards development and implementation capacity of the country. The programme is designed to assist not just Ugandan producers, but also importers who suffer delays due to product testing.

QUISP has five components: to put in place a national standards and quality strategy; to develop a legal framework for quality infrastructure; to coordinate the different players, especially regulators, standards developers and standards implementers; to build the capacity of the above players in terms of training and equipment; and to raise awareness of and produce publicity for standards issues. Deusdedit Mubangizi is the Manager Testing at UNBS. As well as being responsible for all the testing carried out in the UNBS laboratories, he coordinates the last two components. Based at the UNBS offices in Kampala, Mubangizi explained why QUISP was needed.

“We looked at the impact of quality infrastructure on users,” he said “and found the gaps - regulators didn’t have enough resources to regulate, the business community did not have enough equipment to test products, which caused long delays on goods customs clearance; and there was poor service provision. We wanted to speed up the process and have clear and transparent conformity assessment in lab testing, inspection, certification and calibration of equipment.”

New products must be tested

Most products that cross borders, unless they carry a recognised certificate from the country of origin, have to go to Kampala to be tested. Because of the limited resources available at the testing labs the results used to take up to three weeks. Today, said Mubangizi, it is one and a half weeks, and once all the new testing equipment is installed, he hopes it will be reduced to one week.

UNBS uses four main laboratories to test new products. The chemistry lab calculates chemical composition, the microbiology lab tests for bacteria in food and drink, the building materials lab, amongst other things, tests the strength of cement and steel, and the electrical lab for all electrical goods. When something does not meet the laid down standards it is either destroyed or downgraded, which means an importer, who has already paid to transport goods from one country to another (and perhaps transit through a third) makes a loss.

However, once certified, a product is labelled accordingly and manufacturers are allowed to put the UNBS standard on the product label at the production process. Thus, part of UNBS's work is to advise the importer of the laid down quality standards before the importation process begins. That's where the final QUISP component, to raise awareness of and produce publicity for standards issues, becomes relevant.

Making producers and consumers aware

As well as funding over US\$1 million worth of equipment to upgrade and strengthen the laboratory capacity, TMEA has also funded an awareness and publicity campaign. The campaign has been taken to the community, via town hall meetings and mobile road shows, engaging business people, consumers and local leaders, showing how quality standards can improve productivity and competitiveness. In addition, radio and TV programmes have been created to sensitise the public on the importance of standards, both at home and at work.

For manufacturers, the message is all about producing (or buying) good quality products that must meet local and international standards. Importers are encouraged to buy products that have been tested in the country of origin and where certificates of quality are internationally recognised. Not only does this prevent delays at borders, it also foils the importation of counterfeit goods. The consumer, meanwhile, is taught that if you are going to buy a product you need to know its quality. For both producers and consumers, therefore, quality is the key.

People with small businesses, such as cross border fruit and vegetable traders, who may not have the time or money to get products tested are encouraged to buy their products already tested by the country of origin. Thus fruit from Kenya bearing a KEBS (Kenya Bureau of Standards) label will not have to go through another testing process. The UNBS has also offered training to small businesses and where necessary, assists with product testing. Those who have had their goods tested are identified and encouraged to show others the benefits, such as easy market access, and increased business competitiveness.



Enhanced Trade Environment





Part of a wider programme

QUISP, which is due to finish in December 2014, is part of a wider TMEA programme to increase business competitiveness in East Africa. Alongside a reduction in non-tariff barriers for transit goods from port to market, a computerised customs system which makes goods clearance faster and one stop border posts that are designed to reduce the time at the border by at least 30%, quality standards and infrastructure play their part.

TMEA has been working to establish and strengthen standards in the region, through financial and technical support. The final objective is to harmonise standards throughout the East African Community, which will ultimately allow the free movement of goods across borders, leading to a reduction in the cost and time of doing business in the region.



Improved Business Competitiveness

42 IMPACT STORY COMPENDIUM - VOLUME 2

Approximately 17% of TMEA's budget supports improved business competitiveness as a key building block for increased trade competitiveness, improved trade, and **poverty reduction**. TMEA seeks to improve business competitiveness in East Africa through enhancing business regulations for trade, improving export capability and developing efficient trade logistics services.



Empowering Burundian Women to Smoothen Cross Border Trade



“Our aim is to help women traders improve their position in the new realities of EAC membership, and that means helping them understand today’s realities of paying taxes and duties and dealing with officials without getting into rows.” says Floride Ahintungiye, Programme Director of SFCG

Body language helps Burundi women solve border disputes

A guide to handling problems at any international frontier might usually entail tips on how to complete a form and a reference guide to import taxes and regulations.

But in Burundi, the assistance has been taken a whole lot further with a guide on how to avoid confrontational body language when women traders, the bedrock of cross border trade, deal with customs and tax officials.

Laid out in cartoon-style diagrams, the guide is one of many innovative ways Search for Common Ground (SFCG), an international NGO, is helping ordinary people adapt to the realities of trade now that one

of Africa’s smallest states is now a member of one of Africa’s biggest trade blocs, the East African Community (EAC).

“Our aim is to help women traders improve their position in the new realities of EAC membership, and that means helping them understand today’s realities of paying taxes and duties and dealing with officials without getting into rows,” says Floride Ahintungiye, Programme Director of SFCG,

“It starts with just simple things, like learning that finger pointing immediately sets your interlocutor on the defensive. It’s amazing how much progress you can make when you start off with the right attitude of working together to solve problems.”



Improved Business Competitiveness

As the EAC grows and becomes more streamlined, borders become the interface not just between member states but EAC citizens, women notably, struggling to come to terms with the new realities of tariffs, duties and procedures EAC rules mandate.

Signs posted along major roads in Burundi tell traders that they can now sell their goods anywhere in the EAC, but the reality is more complex and involves both traders and officials adapting to the regulations EAC membership entails, and communicating them.

By canvassing women traders at borders such as Kobero, with Tanzania, SFCG established the main causes of confrontation and helped organize meetings with the Office Burundaise des Recettes (OBR – the Burundian Tax Office) and Tanzanian customs officials to clear the air and improve their professional communication.

“All of us felt there were a few key issues,” says clothes trader Violette Nshimirimani, “and we attended meetings to get them sorted out. There was learning on both sides. This is a new reality for traders and officials alike.”

These issues reported were specific to the dusty but dizzyingly busy Kobero crossing, although similar problems are reported at most EAC frontiers including:

- slowness in the customs clearing process
- lack of informational material in Kirundi for traders
- sudden changes in customs fees
- lack of knowledge of tariffs among traders
- mistrust between the OBR and traders
- expropriation of goods by the OBR
- lack of dialogue between traders and customs officials

Does this approach work?

Trader Joselyne Iradukumda imports rice and some items for clothes boutiques, and says it does. “SFCG helped us work out a lot of procedures, a lot of missing knowledge, and we now have much better relations with the OBR altogether.”

This was reinforced by the arrival of OBR agent Jean Marie Bishingwa, who conducted frontier workshops to help traders understand how the EAC rules and knock-on effects in Burundian regulations are meant to take the arbitrariness out of cross border trade dealings, and help eradicate corruption. A typical exchange:

Question 1: In some cases, traders are mistreated by customs officials. What is our recourse?

Response 1: It is best to direct all complaints to your trade associations, who can then bring the case to the OBR to resolve. Traders have the right to information related to trade – particularly customs fees and tariffs.

Question 2: Often, tariffs for a given product will vary from border crossing to border crossing. What is the cause of this?

Response 2: In Burundi, we have the same tariffs for products throughout the country. At the OBR there is a department responsible for establishing tariffs. If tariffs for the same



Improved Business Competitiveness



commodity are not the same, there is likely an error in our system. If this happens, I encourage you to raise this issue with us so we can make the necessary correction.

Question 3: There is often a long line at customs, what is the cause of this?

Response 3: This can depend on the flow of goods that day, particularly if there is a high volume of high-value goods passing through customs or if the trader lacks money for the tariff payment. Delays also occur when our computers break down, or when the level of staff working that day is insufficient.

The SCFG programme, which is supported by TradeMark East Africa, also includes radio programmes in Kirundi explaining how customs and tax rates now work and establishing a dialogue between the OBR and its clients to avoid misunderstandings.

TMEA Burundi Country Director Anthe Vrijland said the support mirrors TradeMark's goals of smoothing and speeding cross-border trade as well as empowering people to take advantage of the opportunities the EAC offers.

"The programme is about helping the EAC's 140 million citizens to take part in and be involved in their community, especially women, who play a vital role in cross border trade but often feel they are mistreated by the largely male workforce. It's about working together, not in competition, in the new EAC," she says





Improving business competitiveness through smallholder farmers in East Africa



“My life has improved. I am earning money which pays for the children’s school costs and I have a better diet, because avocados are nutritious,” says Japhet Kileo, Avocado Farmer.

In 1999 Jane Nazziwa moved from the capital city of Uganda, Kampala, to a small island 40 kms away, located amid the papyrus channels of Lake Victoria, and accessible only by boat. Jane went there to look after her brother’s seven young children who were AIDS orphans. Her brother had been a farmer on Bussi Island, growing crops on seven acres of land.

Arriving on Bussi, Jane knew nothing about farming and spent the first couple of years learning on the job. Then, thanks to a programme run by Jali Organic Development Company, a company processing organic pineapples for export, Jane learnt that by cooperating with other farmers, she could use economies of scale and the power of bulk selling, to increase her income.

Jali Organic Development Company (Jali) is run by businessman, Ephraim Muanga. Knowing that Uganda’s pineapples were renowned for their sweetness, he committed to buying pineapples from Bussi

Island smallholders. The only problem was getting the pineapples to the market. Taking them by canoe to the mainland was a time consuming process and, because he was buying in bulk, not practical.

Getting farmers to the market

Muanga connected with NOGAMU (National Organic Agricultural Movement of Uganda), an umbrella organisation of farmers, processors, exporters and others, with over a million smallholders in its network. NOGAMU’s main objective is to link growers with buyers. In doing this, it offers research and extension services, helps farmers to get appropriate export certification and advocates for an enabling environment for farmers. NOGAMU also promotes organic agriculture, a sector currently worth about US\$44 million annually to Uganda and still growing.



NOGAMU helped the local farmers on Bussi to convert their farms to organic cultivation and then assisted them to get export certification suitable for Japan, the USA and Europe. Meanwhile NOGAMU introduced Jali to buyers from Japan who wanted to import dried pineapple slices for domestic use. Realising that dried pineapple slices were much lighter and easier to ship Muanga built a small processing plant where pineapples are peeled, sliced, dried and packed ready to export.

Chariton Namuwoza is NOGAMU's project manager. He explained that the organisation is helping farmers to be competitive by using economies of scale. There are currently seven small dried fruit businesses, incorporating 5,000 smallholders, (60% of them female) which NOGAMU has organised into common bulking arrangements. "Farmers that are organised," he said, "have the benefit of attracting a serious buyer. If farmers are guaranteed a market with a fair price it is very easy to bring farmers and the market together."

NOGAMU applies for TRAC funding

The certification process, however, is expensive and so NOGAMU applied to the TradeMark East Africa Challenge Fund (TRAC) which was set up to promote innovative ideas to improve trade and to advocate for policy change to create a better farming environment. NOGAMU was one of four successful recipients of the first TRAC grants, which are issued in five instalments only after specific milestones have been reached. The benefits to the farmers are already apparent.

Jane is one of Jali's best suppliers and now employs five people to work on her farm. Since converting to organic farming and selling her produce to Jali, her life has changed for the better. She has rebuilt her brother's old mud brick house with cement, and has added rooms and a new roof. She is also able to educate those children still at school, including her own.

Replacing coffee with avocados

While Jane was learning how to be a farmer on Bussi Island, 1,000 kms to the south, near Moshi in northern Tanzania, Japhet Kileo of Samaki Maini village, father of three children and carer for five others, was growing coffee on his smallholding. But with disease in his crops and a depressed coffee price, Japhet found it tough. Eventually he realised that his coffee crop was worthless and he stopped growing it, leaving him with an empty 1.5 acre plot.

Then Japhet heard about Africado, a company cultivating avocados for export. He attended a talk given by James Parsons, a local farmer and CEO of Africado, where he learnt about the benefits of growing avocado trees: they are relatively easy to grow, produce an annual crop (with careful cultivation, sometimes two crops per year), attract few pests, last about 25 years and being trees, are good for the environment.

Parsons promised to show the farmers how to plant their trees and through his field officers he would follow up on the growing process. He also committed to buying the avocados from the smallholders, which he would wash, dry, sort and pack for onward transport to the markets. Japhet was convinced of the benefits and in 2010 he bought 100 avocado tree seedlings from Africado at a subsidised price and planted them in his shamba (smallholding).

Like NOGAMU, Africado is a recipient of TRAC funding, some of which contributed to the cost of the avocado packhouse where the fruit is processed for export.

Parsons is also committed to getting all 1,950 smallholders currently in the scheme (he is aiming for 3,000 eventually), certified under Global Gap, an organisation that sets voluntary standards for the certification of agricultural products around the globe. It's a laborious, time consuming and expensive process but until farmers are certified they will not be able to export their produce.

Profits ploughed back

Japhet sold his first crop of 199 kgs of avocados to Africado in 2013. This year he expects the crop to be bigger, maybe up to 300 kgs, if the weather is favourable. With the income he has bought more seedlings (he now has 165 trees, though the majority of farmers have less than 60) and paid for his children to attend school.

According to Duncan Page, Africado's Development Manager, the company plans to eventually outsource 2,000 tonnes of avocados per year. "Under the worst scenario," he explained, "we will get 1,000 tonnes per year. That alone will bring about \$300,000 into the community."

Allan Ngugi of TradeMark East Africa noted that the benefits from both Jali and Africado trickle down to the farmers who grow the fruit.

"The businesses cannot be profitable unless the fruit is edible on arrival at the market," he said. "The impact is not just financial but the projects have a social impact in the communities in which they are implemented. The quality of the fruit improves and there are many lessons learned going in to the second phase of the TRAC Fund grant projects."

Japhet Kileo is a happy man. "My life has improved," he said. "I am earning money which pays for the children's school costs and I have a better diet, because avocados are nutritious. I don't need pesticides and I use natural manure as fertilizer. Coffee is expensive to grow," he concluded. "Avocados are much cheaper."



The single tourist visa - a win-win all round



“The single tourist visa offers us an opportunity for repeat visitors; it encourages longer stays which means more revenue into the region; it is a source of income in that the visa cost is shared between the countries; it is also a source of employment. It’s like a buffet, with more items on the dinner table - that’s good for the tourist, it creates employment, it’s also good for us.” says Stephen Asiimwe, CEO, Uganda Tourism Board

East Africa as a region contains some of the world’s most celebrated tourist destinations, from the wildebeest migration through Kenya and Tanzania to the iconic gorillas of Rwanda’s Rwenzori Mountains and Uganda’s Impenetrable Forest. Combine these with the beaches of the Indian Ocean, the highest mountains and longest river in Africa, the deep lakes of the Rift Valley, and an abundance of wildlife (including nearly 2000 bird species), and you have a tourist destination made in heaven.

Yet the number of visitors East Africa (Burundi, Kenya, Rwanda, Tanzania and Uganda) receives annually is a fraction of those of its competitors in Africa, such as South Africa and Morocco. Allan Ngugi of TradeMark East Africa (TMEA) puts much of this down to cost, including the cost of individual visas to each country. For a family of five to visit just three countries in East Africa, he noted, it would cost them about \$750 in visas alone. Add that to the cost of flights, hotels

and safaris and this instantly discourages tourists who want to visit more than one country in East Africa.

East Africa Tourism Platform launched

Realising that East Africa had to be positioned as a more competitive tourist destination, especially as tourism is a key income earner, an East Africa Tourism Platform (EATP) was launched in April 2012 with the support of TMEA. Its mission is “to promote intra and inter-regional tourism through advocacy, marketing, skills development, research and information sharing” and it works closely with ministries responsible for tourism, wildlife and transport portfolios, as well as the business and private sectors of the member states.

The Single Tourist Visa is one of EATP’s lobbying successes. It should be noted that putting this as a key lobby issue at EAC level and EATP’s



request for inclusion and participation in the Northern Corridor Integration projects specifically on this issue helped private sector give input at a technical level and make other recommendations i.e. special category tourism visa for Foreign residents in Kenya, Rwanda and Uganda.

One of its recently launched initiatives in February 2014, is the Single Tourist Visa, which allows visitors to enter Kenya, Rwanda and Uganda on one visa (Tanzania and Burundi are expected to join later). This means, for example, that American tourists who would like to take a beach holiday in Kenya, visit the gorillas of the Rwenzori in Rwanda and go white water rafting on the Nile in Uganda, need apply to only one embassy for a visa, the cost of which is less than three separate visas. Alternatively the tourists can buy the visa on arrival in whichever country they visit first. Apart from saving money, tourists are also expected to save the time and inconvenience that comes with buying visas for each country, whether in advance or on arrival. In addition, the visa lasts three months - more than enough time for the serious tourist to take in each country's attractions.

Promotes East African integration

Stephen Asiimwe is the CEO of the Uganda Tourism Board. "From an integration perspective," he said, "It was necessary. We are talking of a region with one common market and going into a common monetary union. You cannot have that and yet have difficulty in ease of movement."

Asiimwe added that the single tourist visa also comes with responsibilities, such as a joint marketing initiative including use of a single destination logo and tagline, common destination portal and website.

"We have the best of the best - the largest concentration of wildlife in one area," he commented. "It makes sense if you have a single destination so that we complement rather than compete with one another."

Yamina Karitanyi, Head of Tourism and Conservation at the Rwanda Development Board, is equally positive. "For Rwanda," she said. "If you look at the current trend, at least half of the packages we fill are add-ons to Kenya and Uganda. Because of that we see this as a smart and efficient move for us to add-on tourists, especially if you're looking at the region."

Enlarging the tourism portfolio gives better value

Rwanda is also expanding its tourism product, which will make the single visa even better value. Apart from focusing on gorillas, Rwanda has begun to sell its national parks and is considering the benefits

of community tourism, cultural tourism and conference tourism. Additionally, a tourism masterplan has just been completed for Lake Kivu, a deep-water volcanic lake that has huge tourism potential.

"The exposure is there and we feel that it's the right time," explained Karitanyi. "It's the right time to move forward with this product line; it's the right time politically; it's the right time because of stability in the region; it's the right time because we have marketed the gorillas and put Rwanda on the global stage. It's now time to explore the other products and professionalise them."

Opportunity to learn from counterparts in other countries

While it would at first appear that Kenya has the least to gain from the single tourist visa because it already has diverse attractions, it is also the entry hub for most East African tourists. Agatha Juma, CEO of the Kenya Tourism Federation, which represents the Kenya tourism sector comprising tour operators to travel agents, sees the single tourist visa as an opportunity for Kenyan tour operators to sell multi-country tours to visitors.

"It will definitely increase and deepen partnerships between Kenyan tour operators and their counterparts in the participating partner states," she said, "and increase our knowledge of what each destination has to offer. Building and maintaining these relationships," Juma added, "will also have a social benefit to citizens of East Africa."

Both immediate and long term benefits

Increased tourism in East Africa will bring other benefits and as the Kenya Tourism Board noted, "enhance the entire tourism value chain," including economic opportunities for communities, employment and foreign exchange. Allan Ngugi named the less immediate, but equally valuable advantages: improved infrastructure, better service delivery and a more professional approach to tourism. Indeed, the Uganda Tourism Board has recently launched a quality assurance initiative looking at standards and benchmarking against other standards. In the end, Ngugi said, it will encourage investment opportunities and reduce overall poverty - the ultimate objective for TMEA.

As Stephen Asiimwe put it: The single tourist visa "offers us an opportunity for repeat visitors; it encourages longer stays which means more revenue into the region; it is a source of income in that the visa cost is shared between the countries; it is also a source of employment. It's like a buffet, with more items on the dinner table - that's good for the tourist, it creates employment, it's also good for us."



Rwandan truckers see Tanzanian barriers to trade reduce



After validation of the findings of Rwanda's road freight industry competitiveness study, the Government of Rwanda engaged Tanzania which subsequently dropped its road toll from \$500 to \$152. But for Rwandan truck owners, it meant annual savings of around \$800,000 on transport costs that are already among the world's highest.

Rwanda's small trucking industry hasn't had much to shout about recently, unless it was to complain about interminable roadside delays due to bureaucracy, corruption and paperwork. Until now.

Some neat diplomatic footwork with neighbouring Tanzania has given Rwandan truckers some good news in an industry where time is money, costs are high, and margins small and the playing field tilted towards the regional giants and their huge trucking sectors.

"Yes, some good news for a change," says Theodore Murenzi, head of the Rwanda Truckers Association. "Tanzania has dropped a road toll

which penalized Rwandan trucks on the central corridor. It's not 100% good news, but it's a real start."

A study into the competitiveness of Rwanda's road freight industry highlighted what Rwandan truckers had long complained about – Tanzania charged Rwandan trucks a \$500 transit toll yet Rwanda charged Tanzanian registered trucks only \$152, putting Rwanda's drivers at a \$348 disadvantage every return trip and adding to already high costs.



Such bureaucratic hurdles to free trade are known as Non Tariff Barriers (NTBs). The EAC is committed to eliminating them altogether, but the process is laborious and the barriers cemented in protectionism.

“We registered this as an NTB at the level of the EAC, but the harmonization of the road toll at EAC level is not decided,” says Vincent Safari, head of the National Monitoring Committee on NTBs. “But the study was evidence-based, factual and detailed and we were confident it would succeed, somehow.”

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The study, carried out by TradeMark East Africa for the Ministry of Trade and Industry, was a boon for Rwandan truckers using the central corridor to Dar es Salaam because of the Tanzanian port’s growing importance in trade with Rwanda and the region.

Since 2007, Rwandan trucking firms have steadily lost market share in the trucking industry, from 21% in 2007 when Rwandan firms were one of the largest players, to 14% in 2012. The market for road freight services to/from/across Rwanda is estimated to be worth over 500M and the value of freight across Rwanda’s borders has increased by at least 119% since 2007.

“The reduction has significantly leveled the playing field,” says Murenzi. “But we still suffer high tolls in Uganda and Kenya. Uganda charges our trucks \$160 and Kenya \$200 making a total of \$360 to get to Mombasa – that’s still more than their truckers pay and more than through Tanzania, but it’s a huge amount for us.”

Safari and others are confident that the advocacy success with Tanzania will point the way for similarly successful outcomes with Uganda and Kenya, despite the powerful grip coastal states, in particular, have on the trucking industry.

TMEA Rwanda Country Director says the study was part of a multi-pronged approach to help Rwanda become more competitive as the EAC moves towards integration and harmonization of tariffs and tolls.

“It’s one of several areas we are trying to help Rwanda with but the common link is competitiveness because Rwanda does not have much in the way of natural resources and whatever it sells, it has to be competitive to survive. Transport costs are a big part of competitiveness, and we welcome the toll reduction.”



Helping women with small businesses to compete in the East African market



“There is a lot in the treaties and protocols that has been written,” he said, “but how do you translate that into practical reality? How does it touch the ordinary person, who is supposed to be the final beneficiary of this integration? The heads of state move and write and sign the protocols but the reality is supposed to be on the ground. That’s where TradeMark has done a lot,” says Ben Kahunga, Programmes Director at iCON Enterprise Foundation,



Esther Kabengano, a 37 year old mother of two children, lives in the Ugandan capital Kampala, where she runs a small business processing and selling fruit juice.

By any standards, Esther's business is small, operating from her home where she makes 10 litres of juice at a time (10 litres being the size of the container she uses to hold it) and which she sells on the streets of Kampala by the cupful. Her profit is Ush 4,000 per day - about US\$1.5.

The profits are not enough to feed herself and her children as well as send them to school, so Esther also makes candles using wax she buys in bulk, and for the mould, discarded plastic water bottles with the tops cut off. To make them more attractive to buyers she adds a brightly coloured dye to each candle and more importantly includes citronella essence, which is well known for keeping mosquitoes at bay. From her candle business Esther makes, after costs, Ush 50,000 per month (about US\$18).

With an income of just less than US\$50 per month, Esther is still operating at subsistence level, making just enough to survive, but not enough to move herself out of poverty. However, since encountering the Africa Women's Economic Policy Network (AWEPON), which has an office in Kampala, Esther's prospects are looking better.

AWEPON was established in 1993, at a time when public entities were being privatised, leaving many people, mostly men, out of work. Unemployed men inevitably affect the lives of women, either as wives and mothers of the unemployed or because the labour market becomes flooded, pushing women into the worst paid jobs. AWEPON became the voice of the affected women, advocating for policy change while building the capacity of women to work in business.

AWEPON understood that women have always been involved in production, usually of food, but that they needed to add value if they were to compete on the business market. Thus AWEPON teaches women economic literacy and how trade works, especially across borders.

"We want women to understand East African treaties and protocols and the opportunities they offer so that they can come in and start participating," explained Florence Kasule, Executive Director of AWEPON based at the regional secretariat in Kampala.

Improving economic literacy for women

Empowering women in the East African Community as part of the regional integration process is essential to TradeMark East Africa's (TMEA) goal of enhancing business regulation and thus improving business competitiveness. With TMEA's support, AWEPON arranges workshops that target women traders and aims to move them up a few notches on the business ladder. The programme, which makes women aware of the opportunities offered by East African integration, starts from the ground up, teaching women economic literacy and advancing into the workings of East African treaties and trade protocols.

Many women, said Kasule, were suspicious of the integration process and sceptical that it would work. But with training from AWEPON, which not only teaches the benefits of East African integrated trade, but also includes lessons on banking, marketing, branding, standards, taxes and policies, they are now ready for the opportunities that integration brings. In addition, AWEPON has translated the simplified Common Market Protocol into commonly used vernacular languages and made copies available, so that women can refer to it at any time.

Business advisory hubs for women are being developed

In a similar mould, the iCON Enterprise Foundation, an organisation led by women entrepreneurs, is, again with support from TMEA, empowering women to fully participate in East African trade through advisory hubs - one stop centres that will give women information about the opportunities available and what they need to know to benefit from cross border trade.

The advisory hubs are in the development process, along with a training curriculum that includes business skills for women in small businesses. In addition, there will be an advocacy handbook translated into local languages, simplified information about the East African Community, and advice on how to use social media and other forms of communication, to promote your business.

"Women need help because of their historic marginalisation", said Programme Director, Ben Matsiko Kahunga. "They need both confidence and means. If a woman is processing and packaging juice what does she need to cross borders? How does she access quality certification? How can she get advice about packaging, branding and standards?"



Improved Business Competitiveness

The ultimate aim of this two year programme, Kahunga explained, is to create the Uganda Women in Trade Economic Platform that will support women with small businesses and link them to other initiatives. iCON will train women who themselves will become trainers and by 2016 it is hoped that the programme will have directly and indirectly made an impact on 10,000 women across Uganda.

Ben Kahunga has no doubt that with the right support women with small businesses can benefit greatly from East African integration. "There is a lot in the treaties and protocols that has been written," he said, "but how do you translate that into practical reality? How does it touch the ordinary person, who is supposed to be the final beneficiary of this integration? The heads of state move and write and sign the protocols but the reality is supposed to be on the ground. That's where TradeMark has done a lot," he concluded.

Training opens doors

As for Esther Kabengano, she recently attended an AWEPON workshop in which she learnt about running a small business in the East African Community. "The training," she said, "made me aware that as a woman I can also work. It has opened doors".

Esther has also been encouraged to work with other women in small groups, guaranteeing each other's credit, and thus allowing her to borrow more easily. Eventually she hopes to buy a juice extractor (currently she squeezes all the fruit by hand), a blender and packaging materials - equipment that will assist her business to grow.

She will also be learning about the official standards that she must meet to trade on such a scale. In three years, Esther stated, radiating confidence, she would like to be managing a bigger business and providing employment for others.

"Without AWEPON," Esther said, "I wouldn't have understood what I would be in the future. My thinking was really narrow. They've told me that I can go across borders, make friends, improve my knowledge and grow my business".

By supporting civil society organisations such as AWEPON and iCON to show women how to make the most of the opportunities presented by integration, TMEA contributes to increasing economic growth and its ultimate goal of reducing poverty in the East Africa region.





Our Investors



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



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.
<http://www.international.gc.ca/international/index.aspx?lang=eng>



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



The basis for Finland's development policy is the set of Millennium Development Goals (MDGs) established by the United Nations, which aim to eliminate 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



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



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.



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.go.uk/government/organisations/department-for-international-development



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

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