



Impact of COVID-19

How best to protect cross-border trade and keep borders open

AUGUST 2020

Lessons and Approaches
from Eastern Africa

Content



	Foreword	03
	Executive Summary	04
01	Introduction	07
02	Pre-COVID-19 Era: The State of Trade Corridors in East Africa	11
03	Challenges brought about by COVID-19	13
04	Protecting Logistics Services and Keeping Borders Open	17
05	Conclusion	26



FOREWORD



"A significant consequence of these measures has been a sharp reduction in trade as well as an increase in the time and cost of trade in the East African Region."

The COVID-19 pandemic has been spreading rapidly across East Africa, forcing countries in the region to take several measures, including partial and complete lockdowns, to contain its impact. A significant consequence of these measures has been a sharp reduction in trade as well as an increase in the time and cost of trade.

Several forecasts are now predicting a dramatic decline in future economic output for the East African region. Also, analysis on the course of the pandemic highlights that it is likely to remain in the East African region for considerable time. It is therefore important to ensure that trade becomes COVID compliant such that the cost to export and import from EAC economies remains in line with global benchmarks. This is essential to ensure that products from the region continue to find relevance in international and regional markets.

TradeMark East Africa (TMEA), through its [\\$23 million Safe Trade Facility](#), has been working on a multi-pronged approach to tackle the challenges in the region. This note describes the challenges being faced on movement of trade in the region as well as the continuing work that TMEA is doing along with partners in ensuring trade moves in East Africa in a safe and reliable manner. We hope that this lesson sharing will help other regional blocs in Africa to learn from the challenges and build on the gains made. I congratulate TMEA on responding quickly with this innovative Safe Trade programme, which I fully endorse as an innovative response to the emerging COVID-19 crisis to ensure that trade continues and is medically compliant (or "safe").

Pascal Lamy,
Chair of the Paris Peace Forum
 (Advisor to TMEA Board of Directors)
 22nd July 2020.

TMEAs' Safe Trade Initiative is funded by:



Executive Summary



As COVID-19 infection cases continue to increase, East Africa, home to 177 million people with a combined GDP of \$194 billion, is vulnerable to further damage from the pandemic.

The virus has forced countries in the region to take severe measures, including partial and complete lockdowns, to limit its impact. A significant consequence of the measures being taken by the Governments has been a sharp reduction in trade as well as an increase in the time and cost of trading across borders.

The region relies heavily on manufactured imports (for private and public consumption) ranging between 5-38% of the East African Community's (EAC's) overall GDP. It exports primary commodities that are susceptible to external shocks ([UNECA and TMEA 2020](#)). Imports from China and India alone account for 45% of total imports into the region. Therefore, any COVID-19 related supply chain shocks will have significant consequences, amongst others, on EAC's overall growth and trade performance. Regional Governments have welcomed a \$23 million Emergency Facility ([Safe Trade](#)), being implemented by TMEA and supported by the Canada, Denmark, European Union, Finland, Ireland, Netherlands and United Kingdom. The initiative focuses on making ports, borders, and critical supply chains "safe" for trade - by mitigating risks for cross-border transmission of COVID-19. Safe Trade aims to ensure that trade continues and ensure borders and supply chains remain open as a necessity, thereby protecting jobs and incomes.



Pre-COVID-19 Era: The State of Trade Corridors in East Africa

The efficiency of the EAC's trade corridors improved rapidly from 2010 onwards in terms of reductions in both the time and cost of trade. The World Bank's latest Logistics Performance Index (LPI) in 2016 highlighted East Africa as the leading logistics performance region in Africa. TMEA has played a significant role in the improvement of trade corridor performance in EAC countries. TMEA interventions on the key trade corridors cover three broad objectives;

- » Support for infrastructure at the region's ports, borders and inland destinations by road, rail, air, and water transport.
- » Improve the trade environment through harmonisation of standards, digitisation and simplification of trade processes, elimination of non-tariff barriers to trade, improving trade policy and modernising the logistics industry.
- » Working with the private sector to improve trade competitiveness and to encourage private-public dialogue and advocacy.



COVID-19 trade-related Challenges

COVID-19 has brought many trade-related challenges to East Africa. These include:

- » Limited availability of personal protective equipment (PPE) at the ports and borders resulting to an increase in infection rates and fear amongst the key trade actors and surrounding communities;
- » Lack of infrastructure for making customs and immigration processes paperless has meant that health risks abound in existing trade processes;
- » Imposition of compulsory testing for truck drivers with a concomitant availability of adequate testing infrastructure has led to long queues at the borders (sometime 60 km long). This poses risk for border communities as drivers mingle with those communities and trucks experience nearly a doubling of their turnaround time;
- » Border closure for movement of people on foot or by other means has led to an over 90% drop in profits for informal cross-border traders. This drop is significant as these traders – mostly women - are vital for food security, and their trading income is an extremely important revenue stream in their households; and
- » Imposition of lockdowns within the different countries have also greatly impacted on already fragile supply chains for critical food, medical and humanitarian items.



¹ See www.trademarkea.com for further details.



Protecting Logistics Services and keeping Borders open

TMEA's [Safe Trade](#) initiative is a multi-pronged emergency facility to tackle the emerging COVID-19-related trade challenges in the EAC region. The Safe Trade facility applies the following elements that make it both innovative and adapted to challenges in the region:

- i. Following a partnership approach to build a strong coalition to take on the challenge;
- ii. Using a multi-disciplinary approach to meet COVID-19 trade-related challenges;
- iii. Developing a joint health and trade response for logistics and borders;
- iv. Working on a corridor-based approach to interventions;
- v. Support informal cross-border traders to get back on their feet; and
- vi. Understanding regional and local politics and adapting Safe Trade to fit this environment.

Ultimately, proposed action plans will ensure continuity of safe and reliable trade in East Africa. With support from its donors and partners (e.g., EAC and its member states, AU, IGAD, UNECA, WFP, WHO, UNICEF, UNDP, IOM, AMREF, and AFCFTA Secretariat), TMEA's Safe Trade facility helps maintain and grow the flow of trade across East Africa during these challenging times, in addition to providing a strong foundation for quick post-COVID-19 recovery across countries in the region.

¹See www.trademarkea.com for further details.

Traders at the Busia Border, the crossing point between Kenya and Uganda.



01 Introduction

Infection rates in East Africa

As the COVID-19 crisis unfolds in the EAC and TMEA's countries of operation², reported infection cases have been rising alarmingly, with significant weekly increases in infections (Figure 1 below). These cases are based on the tested or traced symptomatic cases. Owing to weak testing capability, reported infections understate the prevalence of actual infection.³

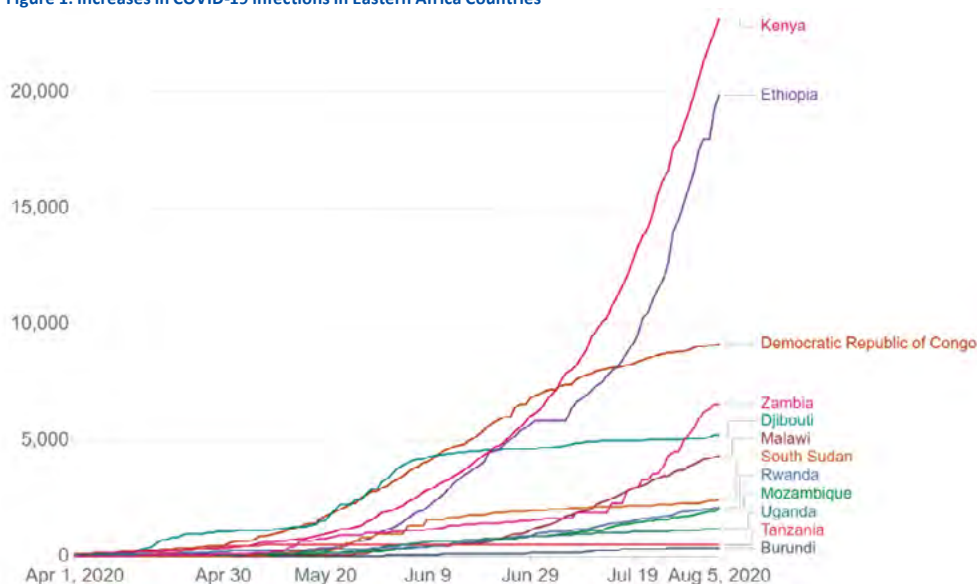
Impacts on Regional Trade

Recent analysis⁴ by the Economist Intelligence Unit (EIU) on East African economies suggests a rather pessimistic view of the region: exports from landlocked countries such as Rwanda, Uganda and Burundi are forecast to fall by 37%, 34% and 22%, respectively, with smaller, but still significant declines in the imports. However, the EIU's prediction seems favourable for Tanzania and Kenya where the COVID-19 crisis has less severe impact on these two large regional economies.

Trade data from Mombasa Port – one of the key gateway ports to East Africa – also reinforces EIU's predictions of falling trade. Imports and

export cargo throughput at the Port of Mombasa (Figure 2 below) has been falling since COVID-19 was declared a global pandemic by WHO late January 2020. Decomposition of cargo throughput data at the Port of Mombasa (Table 1) supports a similar story. A comparison of total cargo throughput between January and May 2019 and January and May 2020 shows a fall of 4.5%. Imports, exports, and transshipment cargo fell by 4.5%, 1.3% and 18.3%, respectively, the latter affecting cross-border trade heavily. Except for increases in exports, total import cargo throughput for April/ May 2020 also fell dramatically. A further comparison of year-on-year changes between May 2019 and May 2020 shows a dramatic fall in total imports and transshipment cargo and a modest increase in export cargo. All these patterns provide a good snapshot of the depth of the impacts of COVID-19 crisis on Trade in East Africa, especially on Northern Corridor countries that use Mombasa Port as their international trade gateway.

Figure 1: Increases in COVID-19 infections in Eastern Africa Countries

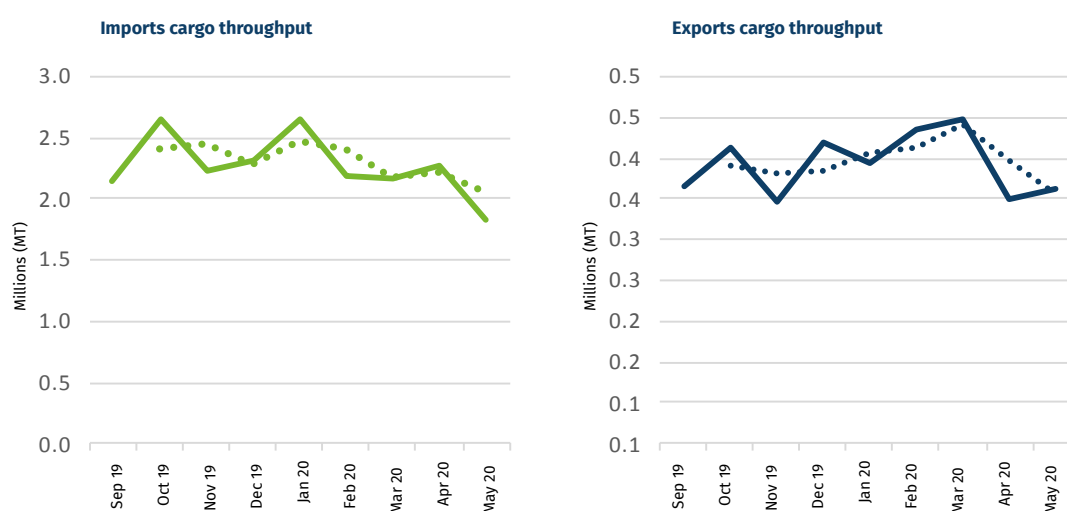


² TMEA's operates in the countries of the East African Community (Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda) and in the Horn of Africa (Djibouti, Ethiopia, Somalia), DRC and Malawi. TMEA plans to start operations in both Mozambique and Zambia in the near future.

³ Some countries like Tanzania have stopped reporting infection cases.

⁴ The World Trade Organisation (WTO) predicts a reduction in world merchandise trade between 13% and 32% in 2020 with exports from Sub-Saharan Africa predicted to drop by 5.2%. At a more aggregate level, the World Bank released its [Global Economic Prospects report](#), which forecasts 11% and 7% decline in exports and imports for the Sub-Saharan region. Finally, [UNCTAD \(2020\)](#) forecasts global merchandise trade to decline by about 5% in Q1 of 2020 and is projected to decline further by 27% percent in Q2. The UNCTAD reports that total African imports declined by 21% and exports by 36% percent in April, suggesting worrying trends for trade for the rest of 2020. These predictions show that COVID-19 crisis has caused, and is projected to, continue causing significant strains on both global and regional trade in Africa.

Figure 2: Imports and Exports Cargo Throughput at the Port of Mombasa



Source: TMEA calculation using data from Kenya Ports Authority *Dotted lines represented 2-month moving averages

Table 1: Average Cargo Throughput at the Port of Mombasa

Type of cargo	JAN-MAY 2019 (MT)	JAN-MAY 2020 (MT)	PERCENTAGE CHANGE (%)	APR/MAY 2020 (%)	MAY 2019/MAY 2020 (%)
Total	2,874,045	2,743,883	-4.5%	-12.31%	-15.6%
<i>Imports</i>	2,321,918	2,217,003	-4.5%	-19.5%	-20.8%
<i>Exports</i>	351,689	347,100	-1.3%	5.1%	3.3%
<i>Transshipment</i>	190,565	155,688	-18.3%	12.1%	-24.1%

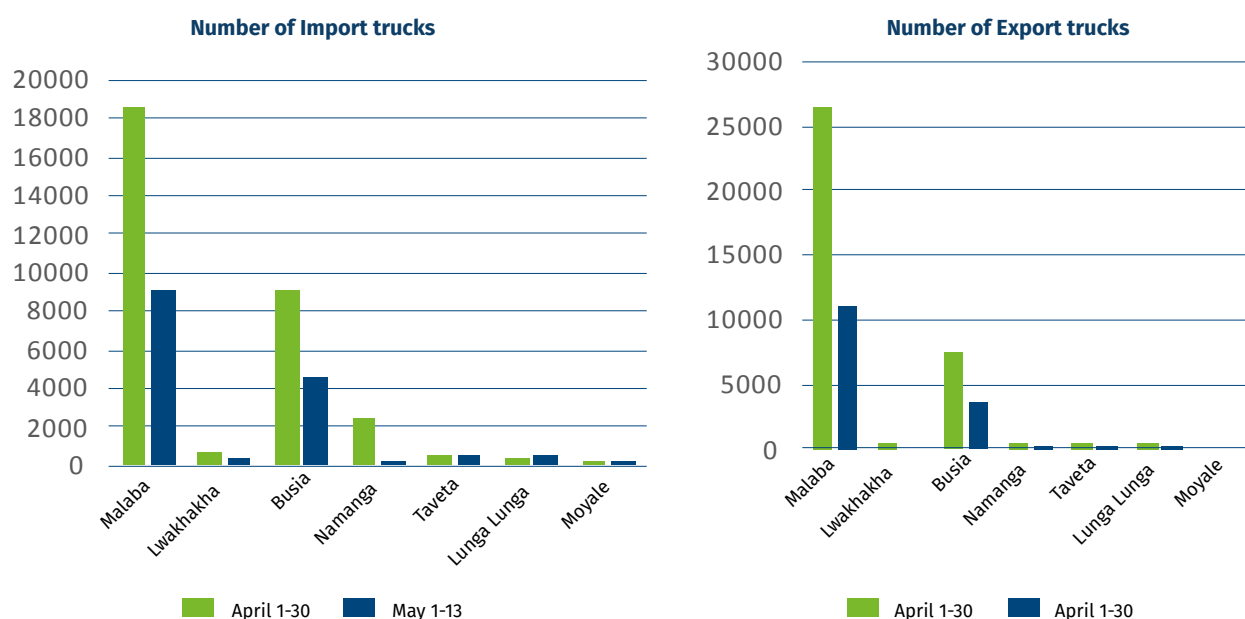
Source: TMEA calculations using data from the Kenya Ports Authority. MT equals to metric tonnes

Aside from its effect on cargo throughput, several other recent challenges to trade can be associated with the COVID-19 crisis in East Africa. First, the suspension of international flights to combat the pandemic has led to a significant decline in horticulture exports from Kenya. The price per ton of air cargo has increased substantially due to reduced available air freight capacity. Second, the [East Africa Business Council](#) reports that since the onset of COVID-19 crisis, Kenya's exports in floriculture dropped 60% from 3,000 to 1,200 metric tonnes per week, leading to [reductions in export earnings and job losses especially for women and youth](#).

In response to these pressures of the COVID-19 crisis, EAC countries instituted various mitigation measures ranging from macroeconomic and fiscal stimulus policies to border closures, curfews, and partial and full lockdown of their economies. These measures have created unintended effects that have severely

affected supply chains. The EAC region has witnessed dramatic declines in the movement of trucks across borders. *Figure 3* shows the released cross-border cargo at different Northern Corridor One Stop Border Posts (OSBPs) between April 1 and May 13 2020. Both graphs show **a heavy decline in the number of released trucks crossing the region's borders** due to COVID-19 related delays: **import trucks declined by 51.1% and 49.7% while export trucks declined by 58.8% and 52.1% for the busiest OSBPs at Malaba and Busia respectively**. *Figure 3* shows the number of import trucks entering different border points. Malaba and Busia have had a high number of import trucks released by customs to enter both Kenya and Uganda. *Figure 3* also shows export trucks over the same period, again suggesting a considerable decline of export trucks passing through Malaba and Busia OSBPs.

Figure 3: Northern Corridor Cross Border Trade – Number of Trucks released



Source: Constructed using data from Kenya Revenue Authority

Despite reductions in cargo trucks released at the Malaba and Namanga borders, transit times at Malaba border (a key trade border between Kenya and Uganda) has increased by 60% in April 2020 as compared to April 2019 (from less than half a day to more than 3-4 days on average) significantly increasing the costs of trade.



"Analysis on the course of the pandemic highlights that it is likely to remain in the East African region for considerable time. It is therefore important to ensure that trade becomes COVID compliant such that the cost to export and import from EAC economies remains in line with global benchmarks." Pascal Lamy



COVID-19 testing process at the Kenya Ports Authority

Photo Courtesy of Kenya Ports of Authority.

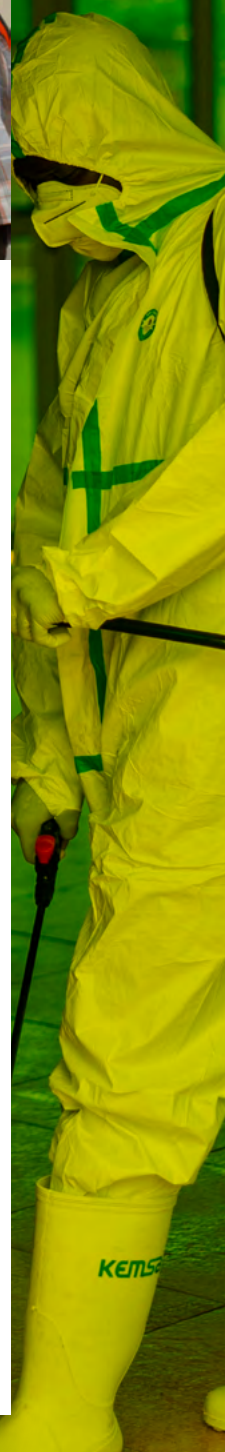
TMEA's Role in Supporting Intra-EAC Trade

TMEA has been operational in the region over the last decade (since 2010) supporting the East Africa region in implementing reforms aimed at improving the cost and time of doing business. An independent review⁵ of TMEA's operations for the period 2010- 2017 indicated that TMEA had significantly contributed to reducing the time and costs of doing business, in some cases reducing the time for goods crossing borders by over 75%. Based on this impact, a 2019 World Bank Independent Evaluation Group (IEG) analysis that interviewed stakeholders in the regional integration and trade space in East Africa found the influence of TMEA similar in scale to the World Bank, despite TMEA's much smaller budget (*Figure 4*).

The onset of COVID-19 risks eroding the gains made over the last decade. Regional Governments have welcomed TMEA's Safe Trade Emergency Facility (Safe Trade) as an opportunity to mitigate risks of cross-border transmission of COVID-19 because of trade and ensure borders and supply chains remain open as a necessity. Safe Trade aims not only to support key exports such as horticulture, coffee and tea to

bolster country incomes, but also to safeguard critical supplies of food, medicines, and factory inputs to allow production of crucial medical items such as masks and sanitisers. TMEA has engaged with regional blocs including the East African Community, IGAD, the African Union Commission, AFCFTA Secretariat, and other actors like the United Nations Economic Commission for Africa (UNECA) to explore opportunities to scale up emerging lessons to other regions. Safe Trade can provide practical experience to other regional Blocs like the South African Development Community (SADC), 'the Economic Community of West African States (ECOWAS), and other countries in Africa to derive lessons and feedback on approaches that have worked.

Regional integration is now more than ever a critical factor to ensure buoyant intra-regional trade in East Africa. The risks posed by disrupted trade to the region's food security and nutrition and growing industrialisation are high. The purpose of this note is to draw initial lessons learnt in the implementation of [TMEA's Safe Trade Program](#). It also examines the supply chain and border challenges affecting trade across EAC countries and highlights measures taken to mitigate these challenges.



02 Pre-COVID-19 Era: The State of Trade Corridors in East Africa

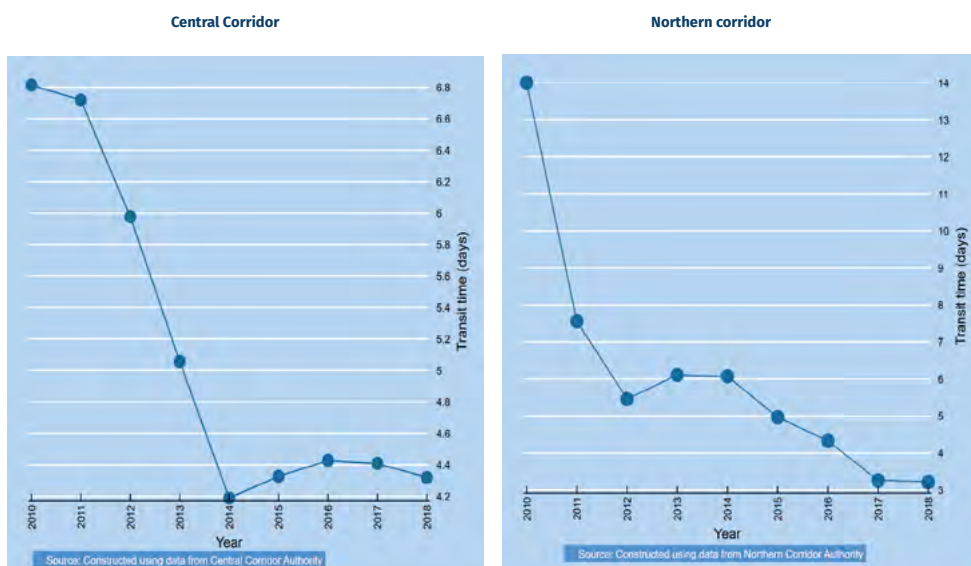
To appreciate the effect of COVID-19 on the trade supply chain in the EAC, it is essential to start with an understanding of the state of trade corridors in EAC countries pre-COVID.

The efficiency of key trade corridors in EAC – primarily the Northern and Central Corridors – improved rapidly from 2010 onwards in terms of reductions in both the time and costs of trade. The World Bank's Logistics Performance Index (LPI) of 2016 highlighted East Africa as the leading region in logistics performance in Africa. The EAC compares favourably with South Asia, Central and South America. However, there is still much catching up to do as the

East African score is nearly half of the score for East Asia, North America and Western Europe.⁷ TMEA has played a significant role in the improvement of corridor performance in EAC countries. TMEA interventions on the corridors cover several areas including support for infrastructure development at the ports, borders and inland destinations, and transport network development (water, road, rail, and air). Other areas include the harmonisation of standards, increasing the use of technology in trade processes, elimination of barriers to trade, facilitating enabling trade environment through offering policy advice, encouraging private-public dialogues and advocacy and training of businesses and women entrepreneurs.

Prior to COVID-19, transit times across the Central and Northern corridors declined steadily over the period 2010-2018 (*Figure 5*). The Northern Corridor recorded a significant average decline of around 77.9% in transit times (from 14 days in 2010 to 3.1 days in 2018). In contrast, improvements along the Central Corridor's transit time was 34.8% (from an average of 6.6 days in 2010 to 4.3 in 2018). These trends highlight that East Africa region was, on average, faring well pre-COVID period.

Figure 5: Average transit times on the Central and Northern Corridors 2010-2018



Source: TMEA calculations using data from the Central and Northern Corridors Transport Observatories.

77.9% ≈

Pre-COVID Northern Corridor average decline in transit time

34.8% ≈

Pre-COVID Improvement in Central Corridor transit time

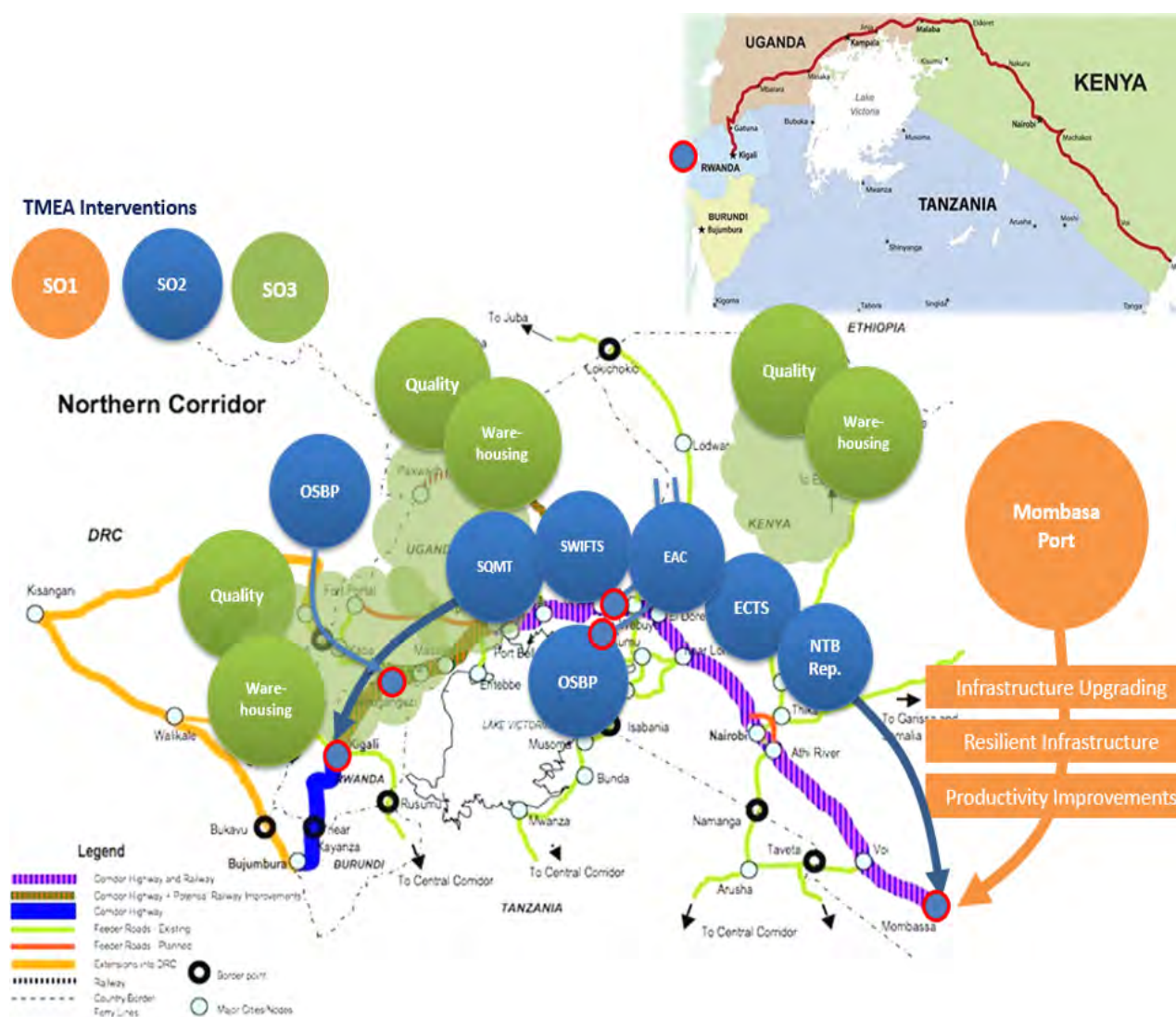


⁷ Logistics performance has been found to be correlated with GDP per capita with a clear trend that low income countries tend to have low levels of logistics performance compared to higher income ones. Even here countries in the East African Community have been found to be significant overperformers, with all countries in EAC having logistics performance significantly higher than those predicted by the GDP per capita of these countries.

Figure 6 highlights a sample of interventions that TMEA has carried out on the Northern Corridor, leading to substantial declines in transportation costs. Transportation costs from Mombasa to Nairobi declined by 34% during TMEA's first phase (2010-2017). The decrease in the Nairobi-Kigali route was nearly 44% over the same period.⁸ These declines have taken place despite the cargo volumes handled increasing by 50% (from around 18 million tonnes in 2010 to 27 million tons) during the same period, highlighting the extent to

which infrastructure and systems have improved to address rapidly expanding traffic. The independent review of TMEA's first phase also shows that contributions by TMEA and other agencies not only reduced times and costs of trade but also led to annual savings of nearly \$300 million in trade costs for Kenya, Uganda, and Rwanda.⁹

Figure 6: TMEA's interventions on the Northern Corridor



Source: TMEA Reports and Analysis of interventions

Abbreviations: TMEA's First Phase Strategic Objectives (SOs) - SO1: Improved Physical Access to Markets (Infrastructure); SO2: Enhanced Enabling Environment for Trade (Digitisation, Standards, NTBs, Trade Policy); and SO3: Improved Business Competitiveness (Advocacy, Logistics Sector improvements and Women in Trade). SQMT- Standardisation, Quality assurance, Metrology and Testing; OSBP- One-Stop Border Posts; SWIFT- Single Window Information for Trade; ECTS- Electronic Cargo Tracking System; NTB- Non-Tariff Barriers

⁸ TMEA analysis of data from Northern Corridor Transport Observatory

⁹ All reports can be accessed at <https://www.trademarka.com/tmea-dfid-independent-evaluation-reports/>

03 Challenges brought about by COVID-19

The onset of COVID-19 crisis and its rapid transmission led to a flurry of Government Directives being issued by each country in the EAC to contain the pandemic's spread. One of the first areas of focus for reducing infections transmission was the transport and trade routes – considered to be significant infection conduits. The initial set of measures introduced to contain the spread of COVID-19 via air transport and along the trade routes lacked coordination between countries leading to several disruptions in regional and national supply chains. Directives and procedures were often conflicting, too high-level, and not sufficiently broken down into administrative Standard Operating Procedures for smooth application at the borders.

Significant new costs borne by shippers

Several cross-border challenges arose for the transport and logistics sector. These challenges resulted in significant new costs borne by shippers (importers and exporters) in East Africa with broadly a doubling of the time it takes to move good across the region. An analysis by the Shippers Council of East Africa (SCEA) highlights that whilst it took on average of up to 4 days for a return journey to Kampala (in Uganda) before the imposition of COVID-19 restrictions, with restrictions in place it now takes 7-9 days. For Kigali (in Rwanda) it now takes 14-16 days, up from 7-8 days before. For South Sudan, the transport period has risen to 21-26 days from 9-10 days. Surveys of businesses indicate increased charges being paid on storage as they looked to increase inventory in response to stock-outs experienced early in the crisis. This section highlights some of the main challenges faced.



1. Limited availability of personal protective equipment (PPE) at the ports and borders

Availability of sufficient PPE at the principal ports, borders and inland depots was an immediate challenge. While the movement of people across the borders halted, frontline staff at borders and ports are still at risk as they must deal with potentially infected logistics industry professionals including ship crews, transit truck drivers and other agents. Mombasa Port, for example, recorded 34 infectious cases of COVID-19 amongst its staff and the loss of staff. Lack of sensitisation and awareness about health safety protocols was another challenge associated with PPEs. For example, border staff



2. Physical processing of documents

Another challenge at points of entry is the physical handover of documents and certificates during the clearing process. With COVID-19 virus reported to stay on objects for 7-8 hours, the need to reduce the handling of physical documents was necessary. Introduction of automated means is thus critical to suppress the transmission of COVID-19 virus. Automating processes at border, ports and inland depots has been challenging to many countries in the region because of the lack of infrastructure needed for electronic and contactless clearance at various points of cargo entry and departure.

34

Mombasa port COVID-19 reported cases amongst its staff



3. Compulsory testing of drivers at the borders

Truck drivers were flagged as a possible major vector of the disease as they move cargo, including foods and medicines across borders. Countries introduced compulsory testing for truck drivers crossing their borders. Mandatory testing led to several challenges as many of the tests have been taken physically at the borders, which do not have the required

Truck drivers were flagged as a possible major vector of the disease as they move cargo, including foods and medicines across borders. Countries introduced compulsory testing for truck drivers crossing their borders. Mandatory testing led to several challenges as many of the tests have been taken physically at the borders, which do not have the required facilities, leading to major problems. Firstly, differences and limitations (human staffing e.g. number of port health officials, lab facilities, test kits and reagents) in countries' testing capacities resulted in multiple testing of truck drivers. This not only increased cargo transit times, but in some cases led to spoilage of transported cargo because of delays (with 72 hours turnaround of test results). Secondly, recognition of truck drivers' test certificates has become the next challenge as Authorities across countries disagreed over mutually recognising certificates from other countries. This suggests the urgent need for universally recognised electronic testing mechanisms. Thirdly, safety and security of truck drivers became more uncertain as citizens became wary and stigmatised foreign truck drivers. This resulted into skirmishes and standoffs at various borders including at Rusumo (Rwanda/ Tanzania), Elegu (South Sudan/ Uganda), Namanga (Tanzania/ Kenya) and Malaba (Uganda/ Kenya).

Compulsory testing measures have inadvertently resulted in massive delays and tailbacks at borders – in one on-going case stretching 66km - from Malaba border between Uganda and Kenya into the Kenyan interior (*see photo in Box 1*). It is evident that compulsory



A truck driver at the Busia One Stop Border Post explains some challenges he's facing due to COVID-19 restrictions.

"Compulsory testing measures have inadvertently resulted in massive delays and tailbacks at borders – in one on-going case stretching 66km - from Malaba border between Uganda and Kenya into the Kenyan interior"

testing, combined with delays in receiving test results makes cross-border trade even more difficult and likely to reduce intra-regional trade volumes by 30%. It also significantly endangers border communities as well as bringing uninfected drivers at risk.¹⁰ Some other countries like Rwanda have introduced even stricter rules where only Rwandan nationals can drive within Rwanda, thereby requiring either the use of relay drivers or transshipment of cargo at the borders. These measures have both raised transportation costs and times and threatened the viability of trade for companies. If sustained, it will in the medium and long term, raise prices for consumers reliant on this trade particularly in landlocked countries in the region. Box 1 provides a snapshot of a long truck queue at Malaba in May 2020. The long line demonstrates the gravity of the delays at borders because of compulsory testing.

Testing turnaround time

72
Hours



66km



Tailback at Malaba border
due to compulsory testing

Likely reduction in inter-
regional trade volumes

30%



¹⁰ Interviews at the borders indicate that there is little social distancing observed by the truck drivers as they wait for test results. The drivers also interact with several vendors, community members and sex workers during their many days stay at the borders as they await test results, thereby risking the spread of disease.

Box 1: Case Study of Testing-related Delays at the Malaba border
between Kenya and Uganda

**Photo of Trucks
congestion at
Malaba OSBP¹¹ in
May 2020**



Testing takes place at the Malaba border before truck drivers can enter Uganda from Kenya. On average, there are 800 cargo trucks crossing this border daily. Only a specific number of trucks can enter the holding area of the One Stop Border Post (OSBP), for collection of testing samples. Drivers who test negative can carry on with their journey. At best test results take 12 hours and on average between 48-72 hours to be delivered; so once the holding area at the OSBP is full the OSBP ceases operations for that period of time. The only available mobile laboratory at Tororo (13 km away from Malaba) has limited availability of reagents, and thus can only be used for emergencies.

As a result, most test samples from Malaba must be taken to Entebbe (265 km away) thus increasing the testing time. In addition, while the Government can take 300 samples, results do not arrive in time for all the 300 samples taken, creating problems with congestion and long waiting periods. While waiting for the test results, the drivers interact with each other, increasing the likelihood that those who are infected would infect the healthy ones. Similarly, while standing in the queue drivers also interact with the community raising the probability of transmission. Other challenges faced include the poor conditions during enforced periods of waiting for results, lack of protection for truck drivers, stigmatisation, and inadequate facilities at mandatory seclusion points along the Northern Corridor.

These issues caused a five-day strike by truck drivers at Malaba from 21st May to 26th May 2020.

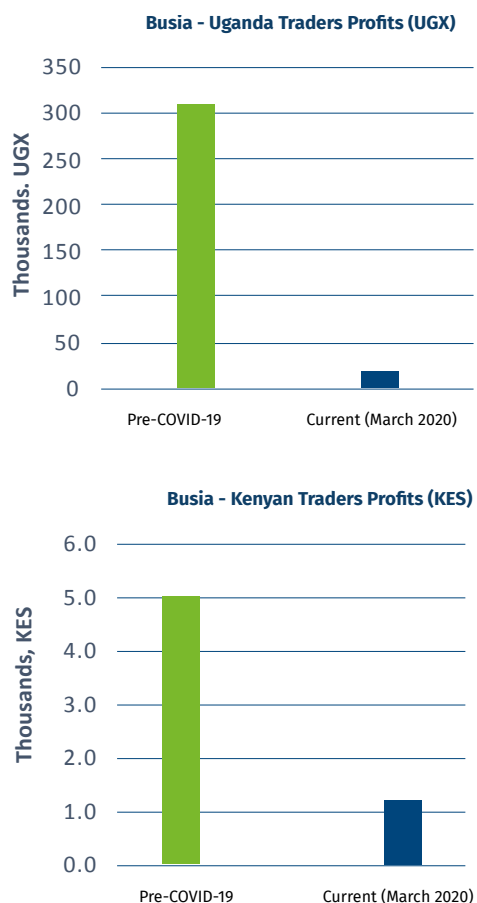
¹¹ 26 May 2020 - <https://www.standardmedia.co.ke/article/2001372738/truckers-defy-malaba-border-deal>

Border closures have curtailed movement of people



Border closures have adversely affected cross-border trade across the East African Community. Informal cross border traders – mostly women – are vital for food security, and their trading income is an essential revenue stream in their households. Starting in March 2020, TMEA and the Eastern African Sub-Regional Support Initiative for the Advancement of Women (EASSI) have jointly conducted rapid surveys across the EAC borders. The results show that (Figure 7) cross-border women traders at Busia suffered enormous reductions in trading profits since the onset of the COVID-19 crisis (93.8% in Uganda and 76.2% in Kenya).

Figure 7: Average Profits for Cross-border Women traders at Busia OSBP



Source: TMEA calculations using data from 2020 TMEA - EASSI mini rapid survey on Women traders at Busia border

Abbreviations: UGX – Uganda Shillings, KES – Kenya Shillings.

Smuggling has Increased



Border closures and the accompanying restriction on movement have led people to resort to smuggling by trying to either use "panya" (informal) routes away from borders or by trying to bribe officials to illegally cross closed borders. The long, porous borders of the EAC make monitoring difficult. Complying with new regulations on sanitisation is difficult for SME traders owing to the lack of working capital to absorb additional COVID-19 related costs, and vulnerability due to depleted savings and capital, making it difficult to repay loans.

The imposition of lockdowns



Stringent lockdown measures within different countries have also significantly impacted on already fragile supply chains for critical food, medical and humanitarian items. Basic staples like maize, and production and trade of horticulture (e.g. vegetables and fruits) and poultry products have been affected. Domestic demand contracted with the closure of schools, restaurants, and other businesses, while regional demand has been frustrated by the closure of border markets. Informal traders have sought to mitigate the fallout from market closures by aggregating their products and combining efforts to hire small trucks to move this produce across borders. These efforts have, nonetheless, been frustrated by lack of clear policies and guidelines on the movement of loose cargo given the focus by Governments on transit cargo, often in the form of containerised bulk (e.g. grain, manufactures; factory inputs) and liquid cargo (e.g. petroleum products). Other issues include high transaction costs (both formal and informal costs); harassment by border and port health officials; high demand for hygiene requirements to minimise transmission. These issues have significantly impacted the region's logistics and distribution for crucial supply chains, potentially undermining nutrition, and food security for already vulnerable populations.

04 Protecting Logistics Services and Keeping Borders Open

As COVID-19 crisis keeps unfolding, it threatens to erode progress made in reducing time and costs on the trade corridors in the region. Increased time and expenses incurred due to COVID-19 crisis are going to increase costs to export from EAC economies, thereby significantly reducing their competitiveness in export markets (Figure 8). The cost of complying with COVID-19 restrictions has increased both the direct and indirect costs (e.g., transportation and warehousing costs) reducing competitiveness. Additionally, the variability of implementation of regulations is resulting in significant uncertainty in the time taken for export and import.

Figure 8: Schematic Diagram highlighting Factors that reduce Competitiveness



The uncertainty created in the logistics chain will force traders and manufacturers in the region to significantly increase inventory levels, thereby increasing their cost to deliver services. The reduction in cross-border trade is also likely to increase poverty in the region. Women play a significant role in cross-border trade in East Africa with a UN Women report indicating that they constitute around 74% of the traders. Different studies show that women reinvest up to 90% of their increased earnings in the welfare of their families and communities. Cross-border trade therefore is essential for maximising the poverty reduction impact and ensuring welfare gains.

TMEA's [Safe Trade](#) programme supports a range of critical short to medium term measures to ensure that trade in Eastern Africa continues and is safe, avoiding job losses and protecting livelihoods.

Table 2 summarises the approach TMEA is taking through its Safe Trade facility. Some of the on-going interventions are specific, for example providing PPE, developing mutual recognition of testing, and development of a truck driver tracking application (app). Others are cross-cutting, such as using a corridor-based approach, being mindful of politics shaping country responses and building coalitions of diverse partners to tackle COVID-19 challenges. Sections 4.1. to 4.6 provide detailed information on TMEA's strategic approach in addressing the interventions in *Table 2*.

Table 2: Mapping TMEA Safe Trade Interventions against Challenges posed by COVID-19

Issues facing Logistics Services in the EAC	TMEA's approach to meet the challenges			
	SPECIFIC INTERVENTIONS	CROSS CUTTING INTERVENTIONS		
Safety related issues related to limited availability of personal protective equipment (PPE) at the ports and borders	Procuring And Distributing Personal Protective Equipment At Key Borders	Working on a corridor-based approach to interventions	Understanding regional and local politics and adapting programme accordingly	Following a partnership approach to build a strong coalition to take on the COVID-19 challenge
Issues related to compulsory testing of drivers at the borders	Developing a sustainable approach to testing » Supporting Ministries of Health in Kenya and Uganda on joint testing and mutual recognition of testing » Developing a driver tracking application » Supporting development of designated stop over areas along the corridor			
Issues affecting cross border trade due to border closures for movement of people on foot or by other means	Concept and design of Safe Trade Zones (STZs) to support informal cross border traders			
Supply chain issues related to imposition of lockdowns	Using a multi-disciplinary approach to meet the trade challenges posed by COVID-19			



A health worker at Busia One Stop Border Posts gets ready to conduct COVID-19 tests.

4.1 Building a Strong Coalition to take on COVID-19

One of the early lessons from the COVID-19 crisis was that cross-border coalitions would be needed to tackle the health and economic dimensions of the disease simultaneously. Also, while it was essential to work in a regional framework, it was equally imperative to find local traction nationally. For example, the EAC Secretariat was progressive in developing a series of Guidelines for tackling the pandemic. However, their implementation has been a challenge at the national level.

TMEA has drawn on its decade-old experience and relationships at the regional and national level to ensure that Safe Trade protocols are agreed, owned, and implemented by Governments. For instance, it supported harmonisation of rules and procedures on the number of persons per transit cargo truck, border opening hours, and required personnel at the border, including port health officials. TMEA has engaged with the EAC Secretariat to co-ordinate its approach and support common approaches with our core partner (*see Box 2 below*). To overcome the implementation challenge and build the coalitions, TMEA has strategically engaged the highest levels of Government in

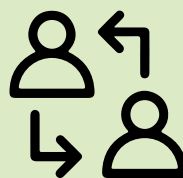
all EAC countries to understand their priorities, to agree on the needs and coordinate with key stakeholders.

EAC member states also set up weekly engagements with specific Trade Task Forces to monitor trade and transport at the national level, as well as with Ministries of Health, security agencies, and the media. As a result, TMEA has been able to influence Government decision making despite continually changing contexts. Besides, TMEA has also engaged other stakeholders through several e-conversations drawing in various stakeholders and the public to discuss topical issues (such as the impact of COVID-19 on the region's trade, on Standards and Sanitary and Phytosanitary measures on safe trade protocols (rules and guidelines) needed to move goods and people healthily across borders.

TMEA's Safe Trade is a convener of partnerships

-  Regional bodies (AUC, COMESA, EAC, and IGAD)
-  National Task Forces and key MDAs
-  Trucking & logistics industry including FEAFA, National Logistics Platforms, long distance drivers' associations, transporters
-  International bodies like WFP, UNECA, UNOPS, IOM and other UN bodies
-  Donors for fundraising
-  Private sector organisations such as EABC, Kenya Private Sector Associations (KEPSA), and civil society organisations

Box 2: TMEA's Engagement with EAC Secretariat



TMEA has been working closely with the EAC Secretariat to ensure the development of a unified framework for COVID-19 response. Regular high-level meetings between TMEA and the EAC Secretariat discuss a joint COVID-19 crisis response in the region. TMEA and EAC created various clusters for coordination and implementation of interventions in the EAC region. The areas of focus have been:

-  Regional Electronic Cargo Tracking funding mechanism & Digital Tracking App;
-  Trade Policy and removal of trade restrictions;
-  Deepening Protocols/Administrative Guidelines- Development of protocols indicating step-by-step border clearance process flow is already in progress;
-  Public dialogues and policy advocacy on Airfreight Regulations and E-commerce;
-  Safe Trade Zones - Informal Trade and Women Cross-Border Traders, Communications at Borders, and Ports; and
-  Post COVID-19 Economic Recovery Plan for the region.

To ensure rapid movement of food, medicine, and other health items, TMEA has supported the EAC Administrative Guidelines on flows of goods and services that have been adopted by the EAC Secretariat. Border managers at all the EAC border posts have also received these guidelines. Furthermore, the review of the EAC Common External Tariff - to align with the proposed WCO/WHO harmonised system classification for COVID-19 medical supplies - has commenced allowing for duty-free movement of such goods within the EAC.

TMEA has also engaged closely with UN agencies including WHO, WFP, UNICEF, UNDP, UNOPS and IOM, amongst others, to harmonise plans and jointly implement specific interventions. For example, TMEA partnered with WFP to provide short term PPE equipment and tents to some points of entry in Uganda/ Kenya; and discuss broader communications and public health sensitisation, e.g. to raise populations awareness on COVID-19 and mitigate bias and stigma against truck drivers.

4.2 Using a Multi-Disciplinary Approach to Meet COVID-19 Trade Challenges

TMEA is working on a programme on self-reinforcing interventions highlighted in *Table 3* below aimed at solving challenges that are often interlinked. For example, mutual recognition of test results requires close tracking of drivers and trucks, electronic testing certificates that cannot be faked, isolation centres, a corridor-focused approach, and EAC agreements on sanitary procedures for logistics providers. One key theme has been to maximise on

local production of PPE -given international shortages- which adhere to international standards, and supporting testing bodies to ensure that this is the case. This approach of creating a self-reinforcing portfolio of interventions helps to reduce risk and increase probability of successful implementation by looking at causes rather than symptoms.

Table 3: Mapping TMEA Safe Trade Interventions against Challenges posed by COVID-19

TYPE OF SUPPORT	INTERVENTION AND POTENTIAL IMPACT
Availability of protective gear, necessary equipment, and frequent and reliable COVID-19 tests	Supply of critical protective equipment to ensure safe trade. Such include masks, gloves, handwashing stations, soaps, sanitisers, protective gear etc. These are made available for regular operations to include availability of full hazardous material suits for officials dealing with suspected COVID-19 cases.
	Increasing the number of tests administered at key trade nodes to keep these zones COVID-19 free and develop a harmonised approach to testing. The support will be coordinated by port health services and health officials at border crossings.
Standards and Sanitary and Phytosanitary measures	As countries move to boost local production of PPE and other medical equipment to meet shortfalls, TMEA is supporting standards bodies to enhance testing capacity to ensure local manufacturing of PPEs meets international standards.
	Supporting consistent protocols on the movement of transit cargo, distancing, quarantine, cleaning, general hygiene, curfews etc., to prevent ad-hoc implementation of national guidelines and provide clarity amongst agencies in terms of their roles in the implementation process.
Public-Private Dialogues and Advocacy	Supporting public dialogues and advocacy initiatives by national and regional private sector organisations to unlock recurrent border closures and lobby for a better-coordinated approach across the EAC to facilitate the movement of goods and medical personnel.
	Supporting stakeholder engagement through established structures such as Joint Border Committees to harmonise interpretation and implementation of Government Directives, and supporting sensitisation activities for border communities on measures to contain the spread of COVID-19.
ICT for Trade	Maximising the use of technology to reduce physical contact in processing of trade as well as to track transit truck drivers when they are delivering cargo as they might act as a conduit of the disease across borders.
Trade Policy, Research, and Learning	Creating a forum within existing co-operation mechanisms for Eastern African countries to ensure they adopt uniform tariff and tax measures for the treatment of "COVID-19 essential goods" as well as to introduce measures to inspect and clear critical goods rapidly
	Carrying out research or surveys on the impact of COVID-19 on trade to help inform key stakeholders and guide partner Governments.

4.3 Developing a Joint Health and Trade Response for Logistics and Borders

COVID-19 has reinforced the need to marry health and trade responses. TMEA interventions for this are clustered in two broad areas.

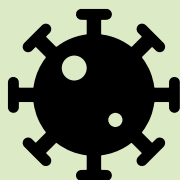
Procuring and distributing Personal Protective Equipment at key borders



To keep borders functioning effectively TMEA has committed to providing PPE at major borders across EAC and Horn of Africa. This is needed to ensure that border staff do not fall victim to the disease. Criteria for selection of the priority points of entry and borders have included volume of cargo, prominence along the northern and central corridor, and prior TMEA engagement (e.g. where TMEA had built OSBPs). In all TMEA is supporting procurement of essential PPE supplies at 28 borders and three ports for at least 5,000 officials

including customs, Immigration, Security and Port Health Officials for a period of 3 months. An important lesson during procurement has been that Governments are often overambitious in estimating their need for PPE. To get to a realistic estimate it is important to distinguish between front line staff and support staff, as their exposure levels are different. Another important lesson has been the need to maximise use of technology to reduce person-to-person contact at border post to reduce transmission. The final lesson is that given the global shortage of PPE the need to pivot towards local manufacture to supply it, by adapting manufacturing operations.

Developing a sustainable approach to testing



At a recent summit of the EAC heads of State from Kenya, Rwanda, South Sudan and Uganda; it was resolved that joint testing will be done from the point of origin, in this case Mombasa or Dar -es-Salaam ports. According to the directive, each driver is to be tested once in 14 days and given a certificate attesting his/ her status. However, there is now a need to enforce and put in motion this joint testing approach.

TMEA has engaged the various Governments and support the implementation of this strategy that seeks to ensure that transit truck drivers do not transmit disease to or contract it from population living along the corridor in course of their work. This requires a combination of testing, tracking and designated rest stops to ensure that there is complete traceability of the truck drivers during the period that they deliver cargo. To enable this TMEA is working on:

a) Supporting Ministries of Health in Kenya and Uganda on joint testing and mutual recognition of testing: For this TMEA is discussing partnership with health focussed institutions including IOM, AMREF and WHO to deploy testing equipment, accredit labs and make testing kits available in sufficient numbers.

b) Developing a driver tracking application: TMEA has developed a tracking app for drivers that leverages on the existing cargo tracking infrastructure in place also supported by TMEA. The system is expected to share truck driver's information leveraging on that which is managed and operated by Revenue Authorities in the region, and the existing health information systems in Partner States. The purpose of this initiative was to implement a real time integrated system that will assist to collect, collate, and analyse health data from EAC Partner States and share across all Partner states, including the EAC Secretariat. A final demo on the applications was done on 10th May and based on the demo the system was greenlighted for implementation. The system is now going to be piloted with World Food Programme (WFP) trucks and other logistics actors including Bollore before roll-out by end of June. The system is outlined in *Box 3 below*.

Box 3: Regional Electronic Cargo and Drivers Tracking System

TMEA has also developed a Data Privacy Policy (meets international standards) that seeks to ensure that the data collection, use, processing, and storage is protected.

The Regional Electronic Cargo and Drivers Tracking System (RECDTS), developed jointly by the EAC Secretariat and TMEA, is the core solution for tracking drivers doing transits or cross-border movement known as “long haul” due to the large distances covered. The application could also be used for “short hauls”, e.g. for Cross Border Traders and drivers doing transit short hauls, and a future upgrade could be envisaged dependent on the evolution of COVID-19 and availability of funding.

The platform has three main features: (i) Issuance of digital COVID-19 Test Certificates; (ii) Tracking and Monitoring of Drivers in real-time; and (iii) Communication and Continuous Support to Drivers while on transit. On 3 June 2020, the EAC and the Health and Trade Ministers of Countries along the Northern Corridor (Kenya, Uganda, Rwanda and South Sudan) adopted the application.

¹²An incremental approach to the rollout of the application solution has been agreed upon to take into account constraints related to the institutional capacity

of agencies, and the need to undertake massive capacity building and awareness-raising for users of the system.

The approach involves first the issuance of Digital Certificates, then the roll-out of the other two components, including tracking (within a period of 14 days). The expected rollout date when the first certificates are issued and verified digitally is 1st July 2020. All countries are expected to operate under the EAC Digital COVID-19 Certificate within a short timeframe from this date. To arrive at this stage TMEA has developed the app while engaging heavily with the EAC Secretariat, with the Ministries of Health and with Revenue Authorities in Kenya and Uganda and later including Tanzania, Burundi, and DRC. TMEA has also developed a Data Privacy Policy (meets international standards) that seeks to ensure that the data collection, use, processing, and storage is protected.

¹² <http://magazine.feaffa.com/eac-adopts-digital-COVID-19-surveillance-tracker-for-drivers/>

c) Supporting development of designated stop over areas along the corridor: TMEA is working with Governments of Kenya and Uganda to develop/refurbish designated rest stops for drivers that are 100-150 kilometres apart on the corridors and provide for safe parking spaces and amenities for drivers along the corridors while ensuring that they do not mix with populations living along the corridors.

A key part of any testing solution is behavioural change and hygiene training for the drivers and truck owners, and awareness-raising for communities along the transport corridors. TMEA is working with National Logistics Platforms bringing together Transporters, Cargo Owners, Truck Drivers Associations, Freight Forwarders to develop and implement behavioural change programmes.



4.4 Working on a Corridor-Based Approach to Interventions

TMEA has followed a corridor-based approach to tackling trade issues related to COVID-19 (as compared to a merely country-based approach). TMEA's work on the Northern corridor, for example, focuses on subjects extending from Mombasa Port to inland destinations including along the trade routes and at the border posts. This experience has allowed TMEA to examine the interdependency of the problems. For example, one of the challenges for transit goods to reach Uganda has been the unavailability of test kits at the point of origin of transit cargo in Mombasa. With no prior testing in Kenya, the Government of Uganda tests drivers at the borders when as they arrive. Working with the Governments, TMEA is developing mutually recognised approaches from origin to designation along critical corridors, e.g. mutual tests recognition across trade corridors.

4.5 Supporting Informal Cross Border Traders to Get Back on their Feet

As countries are slowly looking to ease the severe restrictions in place to tackle COVID-19, TMEA has developed the concept and design of Safe Trade Zones (STZs) to support informal cross border traders. STZs are restricted areas with clear procedures to ensure safety for traders, buyers, and users of the market. TMEA is developing protocols that will guide the design, structure, and operations of the informal markets during and after the COVID-19 crisis. TMEA is working with various Government authorities at the regional, national, and local level, and with medical organisations including AMREF to develop protocols for the STZs. Existing Government directives and guidelines shall guide the development of the protocols while considering the practicality and feedback from users on the ground. The pilot border markets considered are Busia on the Kenya / Uganda border; Rusizi - Rwanda and the DRC; Elegu / Nimule - South Sudan and Uganda and Tog Wajaale on the Ethiopia / Somaliland border. In addition to the STZs, a capacity-building approach to targeting informal traders and border communities focusing on i) COVID-19 , prevention, and management, and ii) business management during a crisis period and recovery is also being put in place.

4.6 Understanding Regional and Local Politics and Adapting Accordingly

A key lesson from the crisis has also been that regional, national, and local politics cast a significant shadow on the pandemic response. Countries in the EAC region have had varied responses to the pandemic with some member states going for strict lockdowns (Uganda, Rwanda) while some others have hardly any containment measures (Tanzania). The difference in responses has created several difficulties in cross-border trade as national priorities and narratives impact trade significantly. As a result, several COVID-19 related trade disputes have emerged between countries in the EAC. TMEA has followed the following approach to understanding regional and local politics by:

- Keeping abreast of developments through regular interactions with Governments, private sector organisations, civil society organisations and the media;
- With knowledge of key decision makers and reformers, engaging champions of cross-border trade to raise
- Working with sub-national agencies to advocate for a regional approach to tackle trade challenges related to COVID-19
- Supporting a healthy public-private dialogue and advocacy programme to provide feedback to the Governments on the requirements for tackling the pandemic.



Temperature screening at the border.

05 Conclusion

The EAC region has had experience with dealing with pandemics in the past, the most notable being Ebola, Crimean Fever and Marburg. Despite this, the speed with which the COVID-19 crisis hit East Africa and the rapid spread of the disease, has left health and trade actors scrambling for solutions.

The impact on trade has been substantial. Contraction has been seen in imports from the EAC's key trading partners. International exports have suffered as well. For example the Fresh Produce Exporters Association of Kenya (FPEAK) indicates that, by April 2020, Kenya's horticulture industry was losing about \$3.5 million a day due to lockdowns in Europe as well as the suspension of commercial international flights from Kenya.¹³ Also worrying has been the dramatic declines in intra-EAC trade, with a sharp fall in Kenyan exports to Uganda, Tanzania, and Rwanda. These trends are a cause of concern for the future recovery prospects of intra-regional trade in East Africa. Curfews and lockdowns in Kenya, Uganda and Rwanda, and cross-border disputes between Kenya and Tanzania as well as Kenya and Uganda are the main reasons behind declines in exports to these countries.¹⁴

While strong regional co-operation during the COVID-19 crisis is critical to ensure that trade continues, countries have pursued a degree of health and economic nationalism. This exacerbated the issues related to trade affecting millions of people across East Africa that rely on small businesses for their daily income. Measures like TMEA's Safe Trade Emergency Facility – that aims to reduce trade disruption – should help halt the decline in intra-regional trade and lay the foundation for operationalising the Africa Continental Free Trade Agreement. Lessons learnt in the implementation of Safe Trade will be an important guide to appropriate response in the current and any future pandemic. This paper has outlined six key lessons in approach during the early phases of implantation to help guide policy makers, donors and regional economic blocs address the COVID-19 crisis.

This note describes the continuing work that TMEA is doing along with our partners in ensuring trade in East Africa continues in a safe and reliable manner. It will be periodically updated to highlight progress of interventions highlighted here and any new interventions. To ensure that lessons are disseminated, TMEA has held discussions with other regional blocs such as IGAD and the African Union Commission, and AfCFTA Secretariat and more recently UNECA on sharing these lessons for replication across the continent. This will start with COMESA and the SADC region in Southern Africa, and ECOWAS in West Africa.

¹³ As European countries have begun to ease restrictions, some demand has started to revive, and losses have reduced to about \$1m a day.

¹⁴ Declines of exports to Rwanda can partially be attributed to its strategic shift to use the Port of Dar es Salaam for the import of goods. Data from the Central Corridor indicates that imports to Rwanda through the Port of Dar es Salaam increase by 19.6 percent between February and March 2020.



TRADE
MARK
EAST AFRICA

Growing Prosperity Through Trade

Head Office

2nd Floor, Fidelity Insurance Center

Waiyaki Way, Westlands

P. O. Box 313 00606

Nairobi, Kenya

+254 20 423 5000

info@trademarkea.com

www.trademarkea.com

TMEAs' Safe Trade Initiative is funded by:



Global Affairs
Canada
Affaires mondiales
Canada



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida



Ministry for Foreign
Affairs of Finland

Irish Aid
Rialtas na hÉireann
Government of Ireland



Ministry of Foreign Affairs of the
Netherlands


UKaid
from the British people