

# TRADE FACILITATION WORKSHOP

## 16 March 2022

### TMEA Programmes

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## WHO WE ARE

Aid-for-trade not-for-profit organisation.  
Founded in 2010.



## MISSION

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



## VISION

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



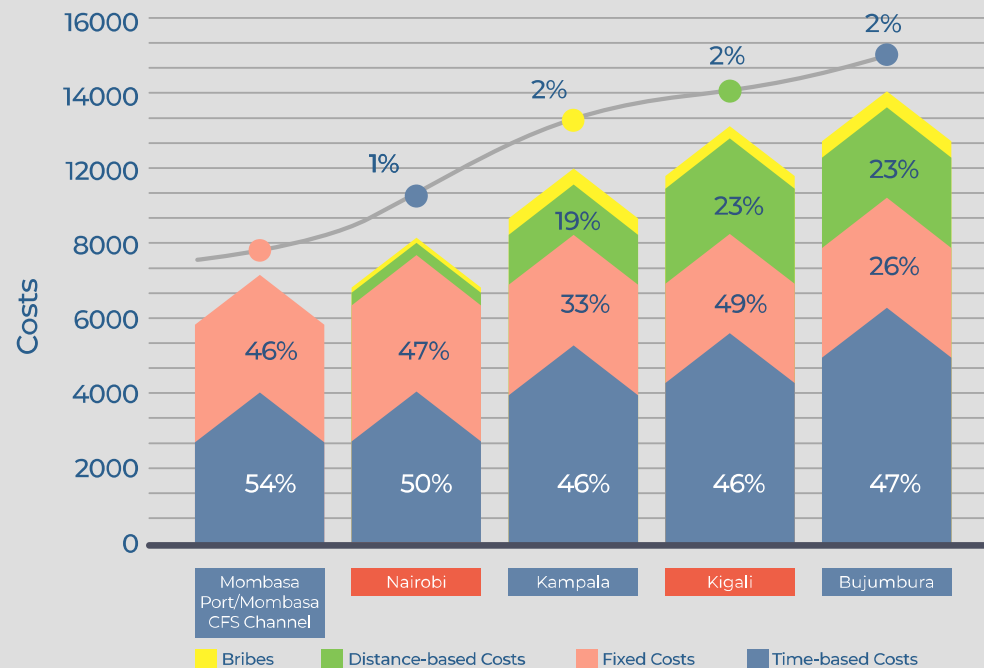


## BASIS OF TMEA EXISTENCE

### The Challenge

Minimal progress in resolving barriers to trade by East African countries. Subsequently; high cost of doing business, reduced demand for goods, slow economic growth.

Cost of an average Bujumbura bound container



Source: Corridor Diagnostic Study

# How we work



**Regional strategic approach:** Diagnosis of constraints to trade from a regional perspective.

**Corridor based solutions:** Aligning projects to efficient movement of goods from port to destination and vice versa. Includes working at ports, borders and other key nodes on corridors.

**Country level interventions:** National implementation of regional interventions e.g. OSBPs, CMS, AEO, NTBs, Single Windows.

**Cross border scale up:** of national interventions e.g. RECTS extension from Uganda to Kenya and Rwanda and operationalisation of OSBPs through bilateral cooperation.

# How we work

**Funding approach** - Regional and Country funding to deliver national and regional strategies e.g.

- Regional funding to support the EAC OSBP Act and IBM operational framework
- Country budgets to fund construction and operationalisation of OSBPs e.g. Tunduma with possible scale up for Nakonde, Zambia.

\*\*Less available regional funds requires close coordination and pooling of country budgets. For example, in S1, Transport Observatories were funded from regional resources. In S2, they are funded by all country programmes for corridor performance monitoring \*\*

# Strategy 2 Results Chain

## IMPACT

**SUSTAINABLE  
INCLUSIVE  
PROSPERITY**

## INTERMEDIATE IMPACT

**INCREASED  
TRADE**

## INCREASED TRADE COMPETITIVENESS

### OUTCOME 1

**REDUCED BARRIERS TO TRADE**

#### INTERMEDIATE OUTCOME 1.1

**IMPROVED, SUSTAINABLE  
EFFICIENCY AND CAPACITY  
OF TRANSPORT  
INFRASTRUCTURE**

#### INTERMEDIATE OUTCOME 1.2

**IMPROVED TRADING  
STANDARDS**

#### INTERMEDIATE OUTCOME 1.3

**EFFECTIVE TRADE SYSTEMS  
AND PROCEDURES**

#### INTERMEDIATE OUTCOME 1.4

**IMPROVED TRADE  
REGULATORY  
ENVIRONMENT**

### OUTCOME 2

**IMPROVED BUSINESS  
COMPETITIVENESS**

#### INTERMEDIATE OUTCOME 2.1

**IMPROVED TRADE  
CAPACITY OF EAST  
AFRICAN BUSINESSES**

#### INTERMEDIATE OUTCOME 2.2

**MORE INCLUSIVE  
TRADE**

# Innovation and expansion



Scale up of strategy 1 interventions and **ensure sustainability** e.g. introducing and mainstreaming KPIs at OSBPs for continuous monitoring of border clearance processes to ensure efficiency.

Closer linkages between projects for **increased cohesion and end-to-end solutions** e.g. using PPD and ICT to monitor and resolve NTBs or scaling up automated trade processes to increase export growth.

**Expansion of programmes** to the Horn of Africa, Zambia, Malawi and Mozambique in line with TMEA's *good neighbour policy*. This is expected to amplify TMEA's contribution to supporting trade growth in East Africa and beyond.

Increased focus on **donor relations** at project, programme and corporate levels to ensure the delivery of TMEAs strategy to support increased trade, even in a fast changing macro economic environment.

# How we work



In S1 TMEA contributed to increased trade through:

- Increased physical access to markets
- Enhanced trade environment
- Improved business competitiveness

In S2 TMEA is supporting *sustainable* and *inclusive* trade growth by:

- Reducing barriers to trade through transport infrastructure, standards and SPS, trade systems and trade policy; and
- Improving business competitiveness through capacity building, supporting export growth and working with women in trade



# THE INNOVATIVE RESPONSE

**& development arena focusing on:**

## Reducing Barriers to Trade



Improved capacity and efficiency of transport infrastructure (Roads, Ports of entry and exit).



Improved and harmonized standards and SPS; and reduced NTBs.



Improved effective trade systems and procedures (i.e. ICT4T).



Improved trade regulatory environment.

## Improved Business Competitiveness



Improve Export Capability



Women in trade, Climate change and Safeguards.



Effective trade systems and procedures (i.e. ICT4T).

## Partnerships for Success:

We build partnerships for success with the following: National Governments, Regional Intergovernmental Organisations (East Africa Community, COMESA, IGAD, AfDB), Private Sector and Civil Society Organisations, UNCTAD, WTO, Africa Union.



## UNPACKING THE APPROACH & RESULTS: 2010 – 2017 (STRATEGY 1)

### Target

#### Reducing Barriers to Trade



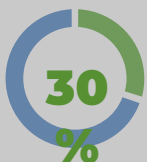
**25%** increase in intra-regional exports compared with total exports from EA.



**10%** increase in value of exports from the EAC region.



**15%** reduction of time to transport a container from Mombasa/Dar to Burundi/RW.



**30%** reduced time to cross borders.





## APPROACH TO DELIVERING RESULTS: IMPROVED BUSINESS COMPETITIVENESS

### Women in Trade, Business

#### The Issue

Corruption levels, low value exports and lack of diversification has negatively impacted Eastern Africa's ability to attract investments and create jobs for an increasing population.





# FOOTPRINT



2010-  
2017



Kenya



Uganda



Burundi



Rwanda



South  
Sudan



Tanzania



2017-  
2021



DRC



Somalilan  
d



Ethiopia



Djibouti



Malawi



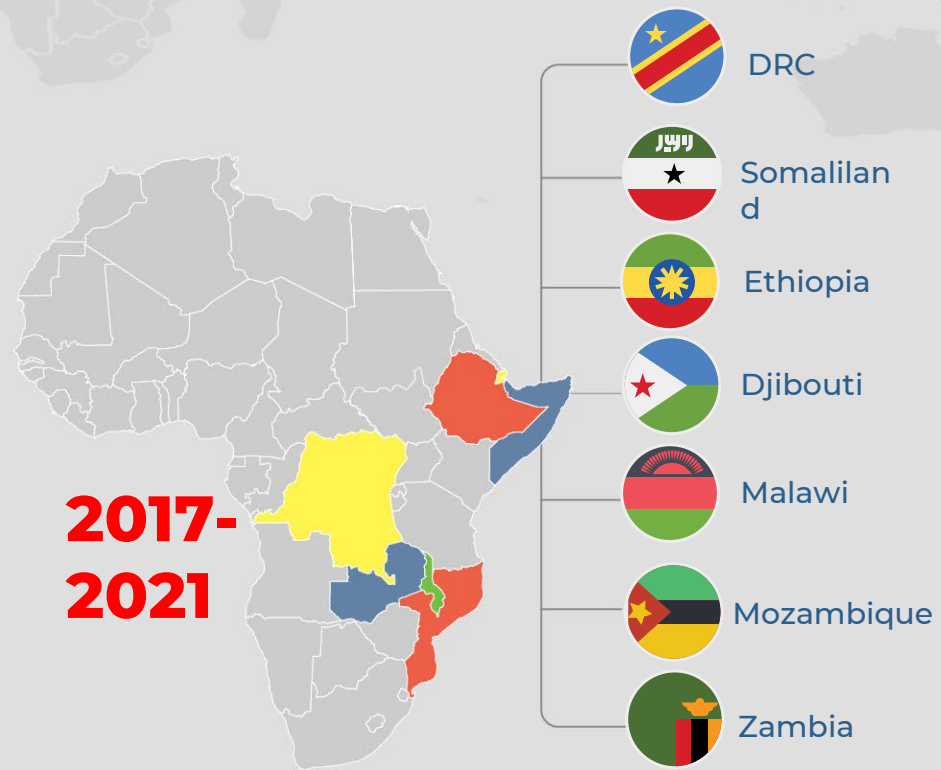
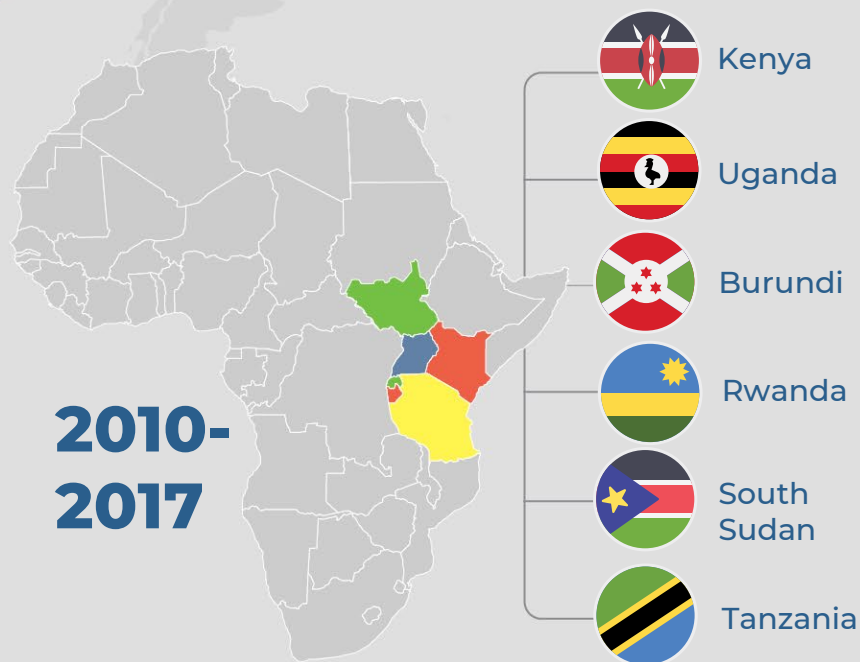
Mozambique



Zambia



**FOOTPRINT**



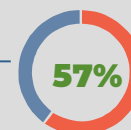
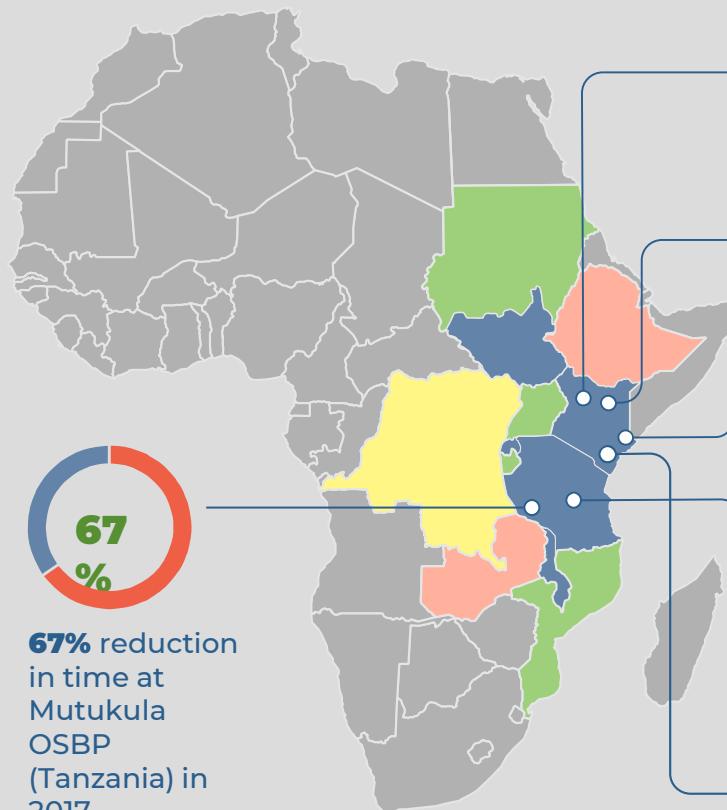


## APPROACH TO DELIVERING THE RESULTS

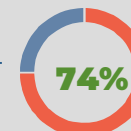
### One Stop Border Posts

#### Results:

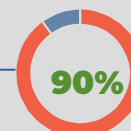
- Construction and functioning of **15 OSBPs** over a period of ten years.
- Reduced time to cross borders by an average of **70%** for both goods and people, as of 2016.



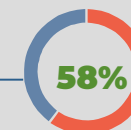
**57%** reduction in time at Busia OSBP (Uganda) in 2017.



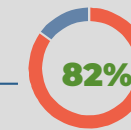
**74%** reduction in time at Busia OSBP (Kenya) in 2017.



**90%** reduction in time at Mutukula OSBP (Uganda) in 2017.



**58%** reduction in border clearance time at Kabanga (Tanzania) in 2016.



**82%** reduction in time at Taveta OSBP (Kenya) in 2015.



# SCALING UP: 2017-2024 (STRATEGY 2)

-Innovation -Expansion -Sustainability



## Contiguous Borders.



Trade Costs are still high in the region. Transport costs on the Northern Corridor at **US\$2.1/Km in 2017**, high compared to middle income countries average **US\$1/Km.**



Boost needed in industrialization and high value exports to **create jobs and move regions to middle income status.**



## High budget deficits:

- Facilitate systems that promote transparency .
- Support revenue collection.
- Expand tax base.



Reduce high logistics costs for **humanitarian assistance** to mitigate effects of natural and human made disasters.



**AfCFTA –** Opportunity to support nations define advantages of the free trade area.



# Innovation and expansion

## TRADE AND LOGISTICS CLUSTERS

THE GROWTH CLUSTER APPROACH INTENDS TO DRIVE INVESTMENT IN TARGET HIGH VALUE GOODS AND SERVICES AND CONNECT THIS INVESTMENT TO LOCAL ECONOMIES TO CREATE JOBS AND INCREASE INCOMES

Trade and Logistics Clusters in high potential geographic locations to attract investment and create an enabling environment for business growth in specific sectors.

Pilot projects at national level in Busia-Jinja (Uganda), Greater Imbo (Burundi), Kigali environs (Rwanda), Mombasa (Kenya).

# How we work



**Adaptive programming** and flexible budget allocation to align interventions to the prevailing environment but ensuring results delivery

**Increased coordination** between projects to extend successful projects (e.g. RECTs from Uganda to Rwanda and Kenya for road cargo; and onto rail cargo) and address critical constraints in other projects funded by TMEA and other development partners (e.g. Malaba infrastructure works)

**Integrated programme approach** across different Intermediate Outcomes for increased impact e.g. aligning SPS and Standards to priority export value chains and using automated national trade systems (strategy 1) for regional information sharing to promote efficient import and export trade

**Lesson learning** as part of programme implementation to support replication of successes at project and programme level and inform project design

**Increased oversight and continuous risk management** with special focus on environmental and social safeguards at project level. Also, ensuring inclusive interventions by mainstreaming gender in projects and developing *gender targeted interventions* such as the Women and Trade Programme.

# Asante Sana