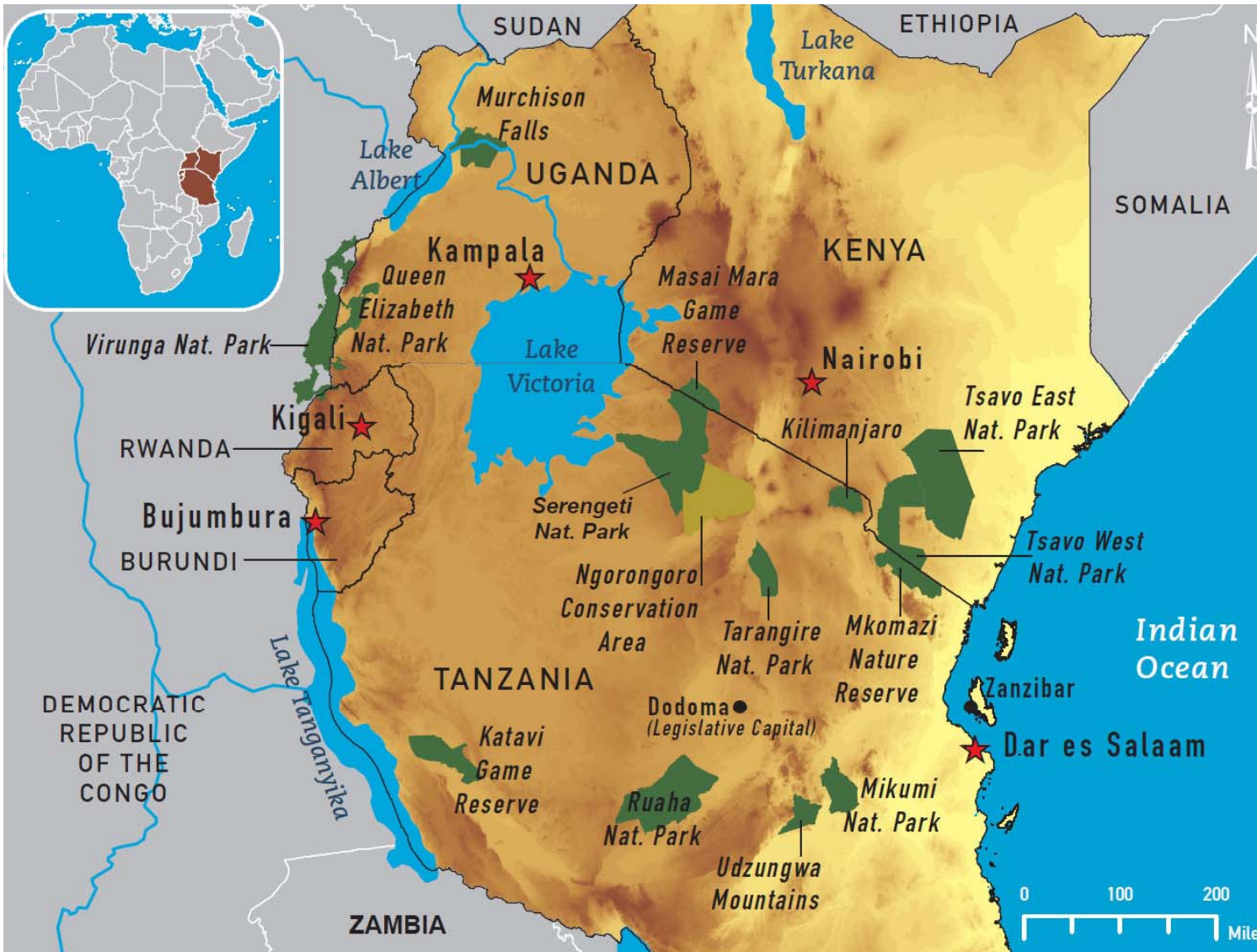




# Growing Prosperity through Trade

Tunis, April 2014

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# Who are we?



# What is TMEA?

- Trade and Markets East Africa (TradeMark)
- Not for profit registered in all partner states of East Africa
- Regional & national presence – 6 Countries (Rwanda, Burundi, Kenya, Uganda, Tanzania) South Sudan & Arusha, Tanzania where EAC HQ is situated.
- Multi-donor –Belgium, Canada, Denmark, Finland, Netherlands, Sweden, UK, USA
- Budget - \$540m- 2010 -2016
- This represents an impact return of \$34 per \$1 invested in TMEA (according to VFM analysis)

# Trade and Markets East Africa



Regional & national presence  
in EAC member states, Juba &  
Arusha

Company limited by  
guarantee,  
Not for Profit

## TradeMark East Africa

Multi Donor funded  
Budget US\$ 540M

EMBASSY OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION



**USAID**  
FROM THE AMERICAN PEOPLE



Kingdom of the Netherlands



Foreign Affairs, Trade and  
Development Canada

Affaires étrangères, Commerce  
et Développement Canada



SWEDEN

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## How are we different?



*Holistic approach: National implementation, regional synergies*



*Trade facilitation ('software') combined with physical infrastructure ('hardware')*



*Strong national and regional governance*

*Driven by Results and Value for Money*



*Focus on business needs & dialogue*

# Brief overview of Challenges





**CORRIDORS**



**PORTS**



**BORDERS**



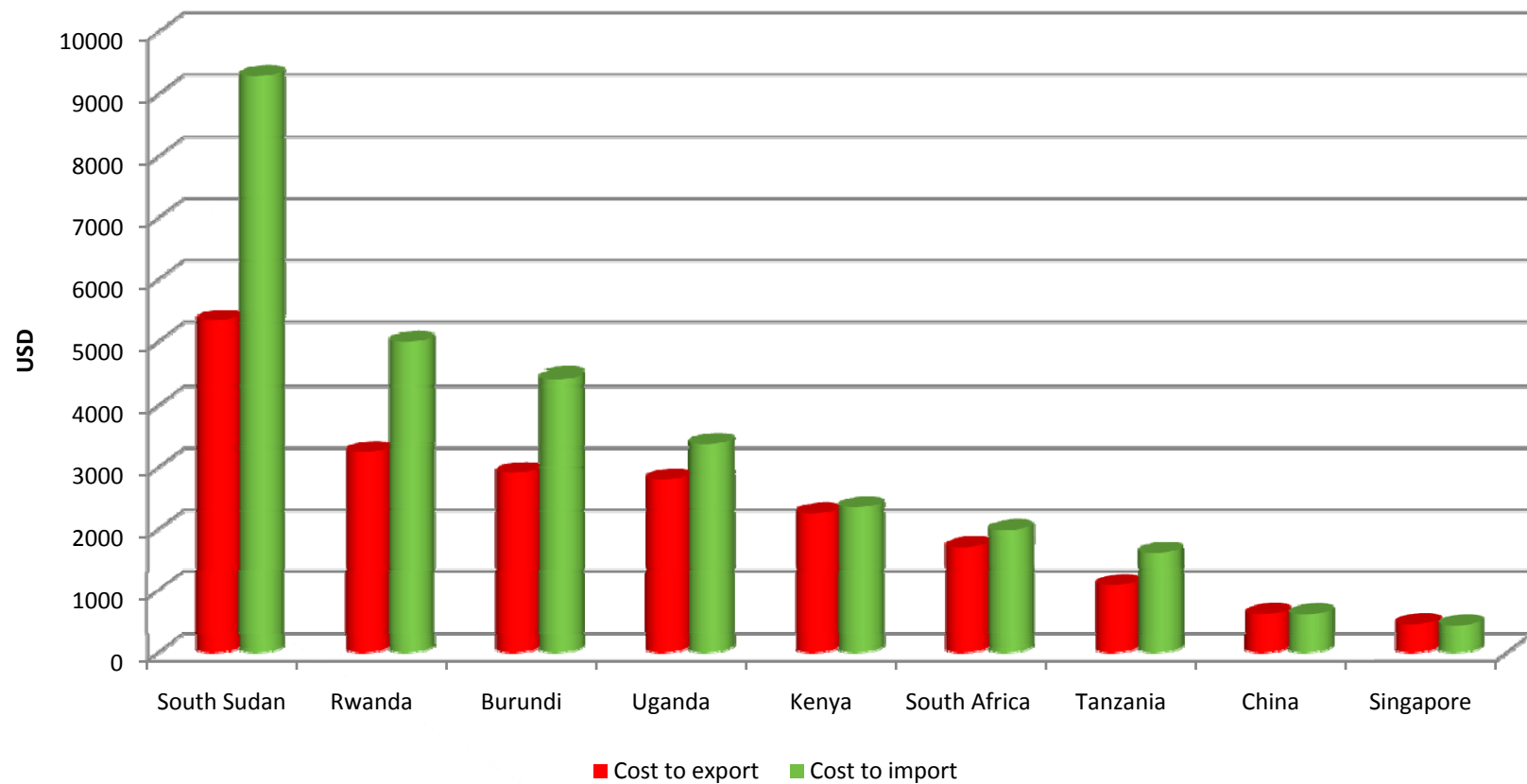
**RAILWAYS**



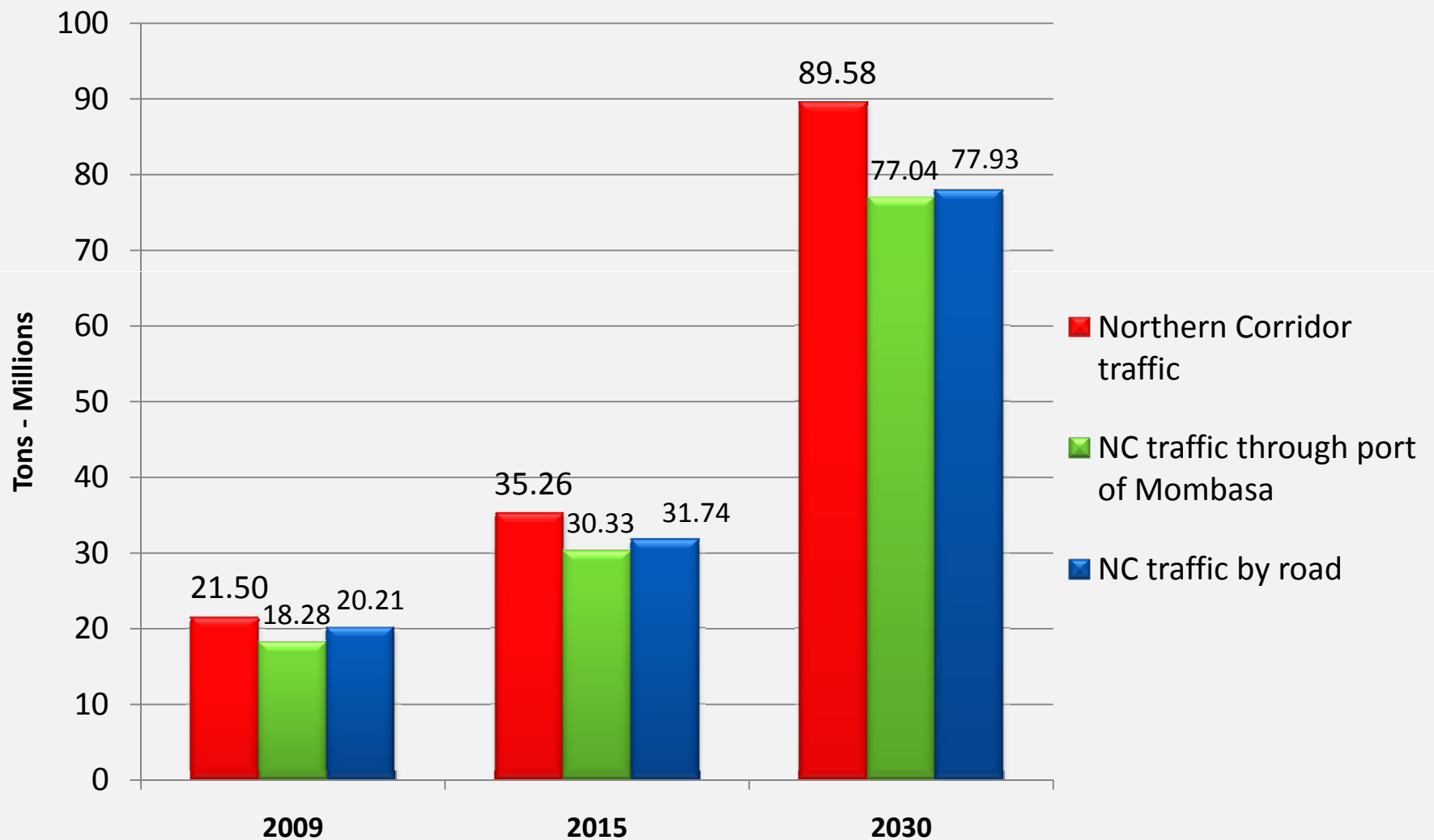
## Very High Transport & Trade Costs in East Africa



Cost to Import and Export a Container



## By 2030, Northern Corridor volumes will increase four-fold

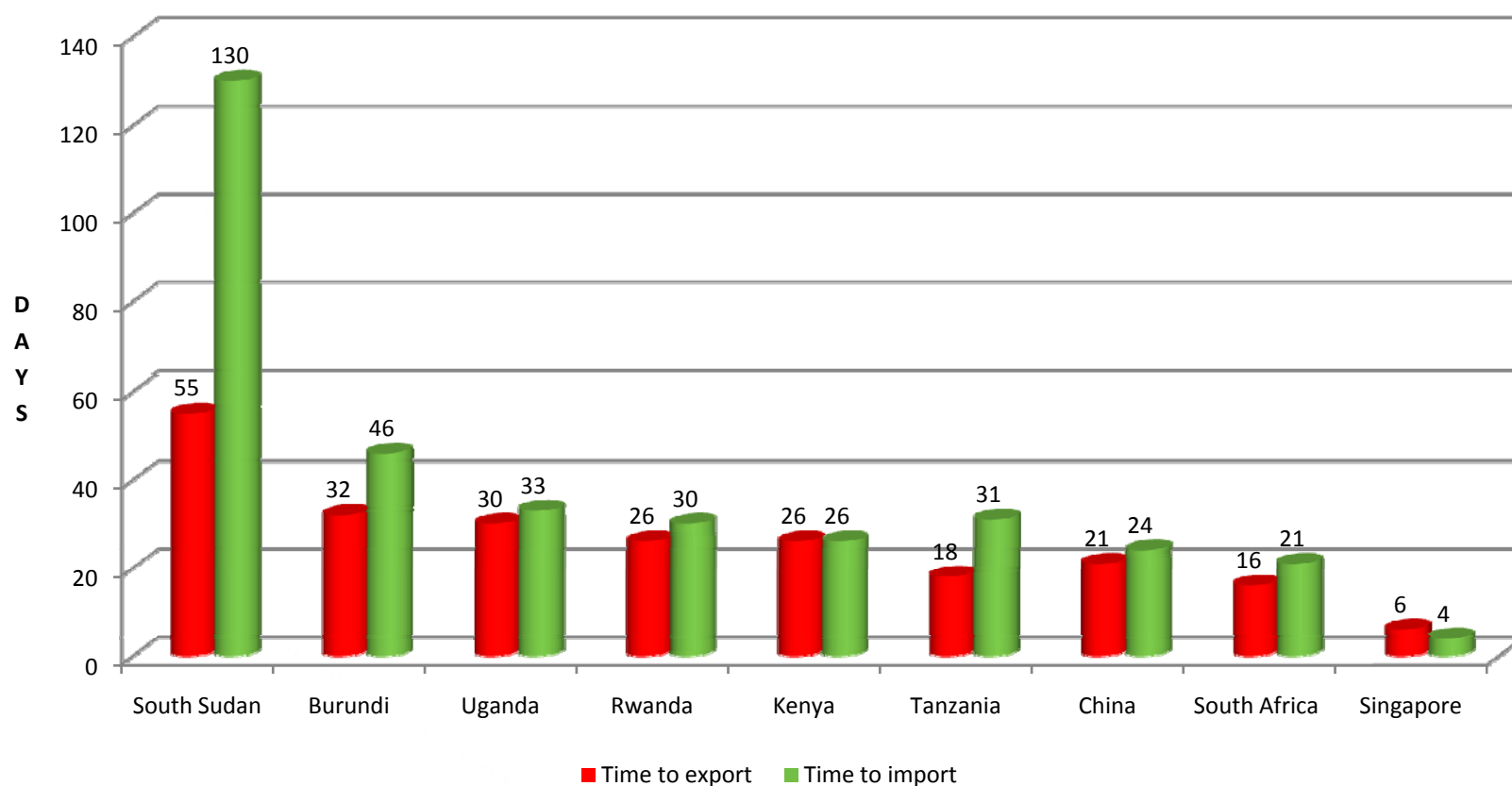


Source: Corridor Diagnostic Study

# Lead times : far too slow



Time to Import and Export a Container



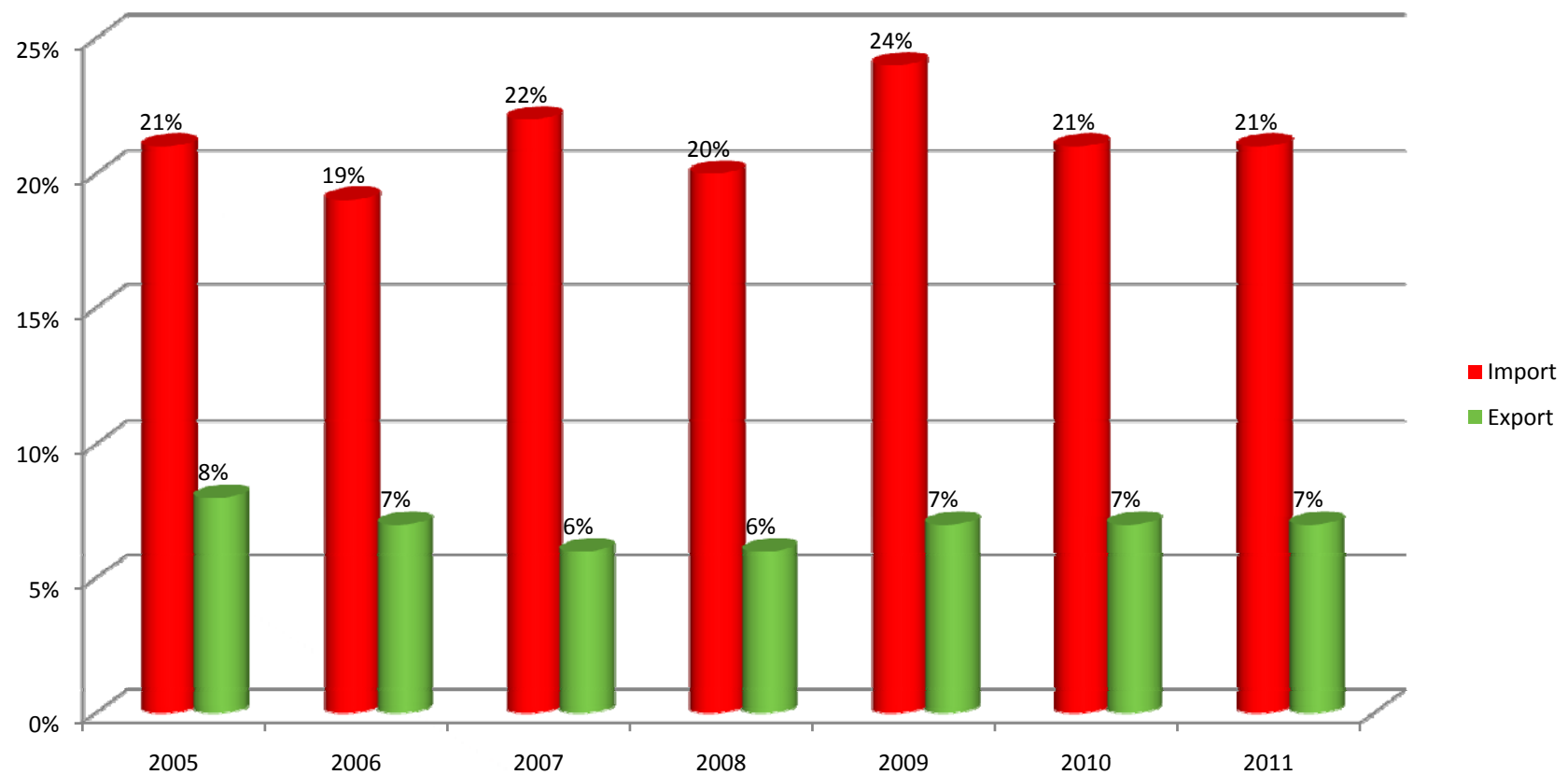
Source: Doing Business in Africa 2014

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## East Africa needs more intra-regional trade



Intra-regional trade as a share of East Africa's total trade (2005-2011)



Source: SoEAR2013

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# TMEA alignment of strategy & programmes to EAC regional integration

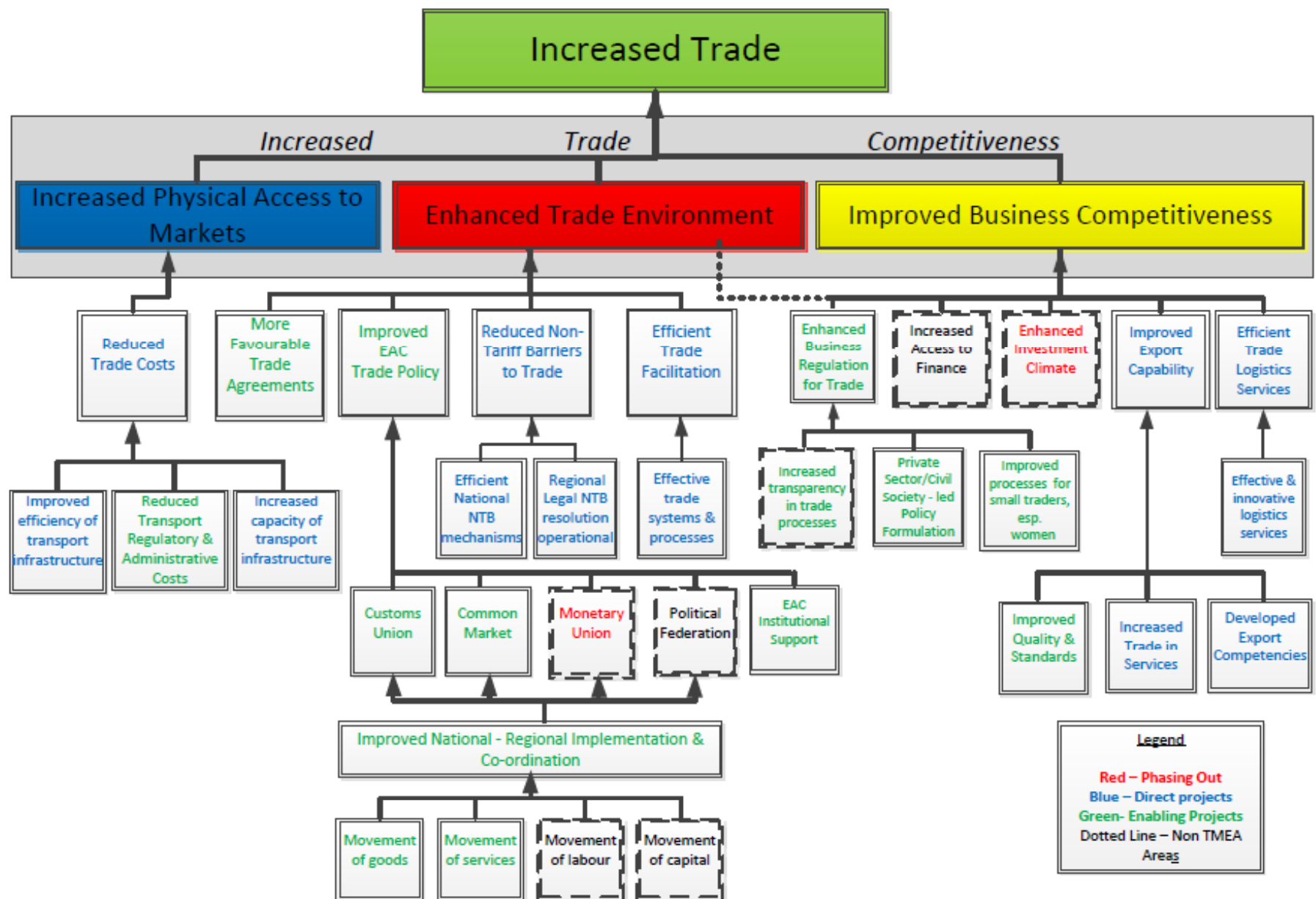
**Increased Trade**

**Increased market  
access**

**Enhanced trade  
environment**

**Increased business  
competitiveness**

**Increased Trade Competitiveness in East Africa**



**Regional Integration is a regional priority.. By 2016, we expect trade to grow...**



**10%** ▲ increase in the value of exports from EAC

**25%** ▲ increase in intra-regional exports compared to all exports in region

**15%** ▼ reduction in time to import or export a container from Mombasa or Dar es Salaam to Burundi or Rwanda

**30%** ▼ decrease in time a truck takes to cross selected borders







# Alignment to Regional integration



- EAC is a key strategic partner
- Strategic partnership with key ministries (ministries of EAC that are mandated to lead RI agenda)
- The infrastructure works at the Ports seeks to build capacity for the Central and Northern Corridor to handle traffic ( including transit traffic).. Other programmes One Stop Inspection Centre ( OSIS), customs software upgrading
- One stop border posts/Integrated Border Management will reduce time spent at border
- Programmes alignment to some of the priorities detailed in the EAC's 4th Development Strategy

# Breakdown of the USD 540M



Donor	Amount US\$ m
DFID	338.59
Belgium	28.49
Denmark	41.23
Netherlands	51.56
Sweden	32.31
Canada	10.83
USAID	31.62
Finland	5.36
<b>TOTAL</b>	<b>540.00</b>
<b>Spent to date Q3 (Jan-March) 2013/2014</b>	<b>US\$ 209m</b>

# Budgets and amount disbursed to date



Code	Grants/Partner Expenses	2010	2011	2012/13	Budget July 2013 - 2016	Total over Programme
52401	Project Funding	317,746	640,467	1,598,822	3,731,617	6,288,652
52402	Grants	100,096	7,325,284	10,858,759	36,250,830	54,534,969
52403	Financial Aid	0	2,834,284	4,535,998	3,759,849	11,130,131
	<b>Total grants/partner expenses</b>	<b>417,842</b>	<b>10,800,035</b>	<b>16,993,580</b>	<b>43,742,296</b>	<b>71,953,753</b>



# Programmes

## PROGRAMMES

### COUNTRY LEVEL

- Strengthen National capacity for implementation of East Africa integration by supporting ministries, department agencies, Private Sector and Civil Society

### REGIONAL LEVEL

- Increase efficiency of transport corridors and trade facilitation in East Africa
- Support efficiency and effectiveness of East Africa Community Institutions in Arusha
- Support Private Sector and Civil Society to increase their ability to influence implementation of East Africa integration

# EFFICIENCY OF TRANSPORT CORRIDORS

## PROJECTS

- One Stop border Posts (OSBPs)
- Non-Tariff Barriers (NTBs)
- Alternative System for Secure Transit (ASSET)
- Single Window Information for Trade (SWIFT)
- Integrated border Management (IBM)
- Transport Observatory
- Harmonising Standards



## Holili One Stop Border Post



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# Bureau of Standards – Testing equipment





# SUPPORT TO EAC SECRETARIAT

## PROJECTS

- Common market implementation
- Regional tax harmonisation
- Financial management systems development and implementation



## SUPPORT TO CIVIL SOCIETY

- Improving capacity of key apex organisations such as East African Civil Society Organisation (EASCOF)
- Improving research and advocacy for trade growth
- Improving communication with members and external audiences





## SUPPORT OF PRIVATE SECTOR

- Support to apex institutions such as East Africa Business Community (EABC)
- National and Regional level support to Private Sector Organisations
- Key themes (trade, regulation, common markets, labour, finance)
- Supporting research and advocacy





# TMEA Emerging Results





# TMEA Results To Date



- **6 positive reviews** – solid backbone of 220 projects
- **Trade Facilitation:** Electronic Single Window in Rwanda – up to \$40m savings pa; Customs system for Uganda \$56m savings pa
- **Regional Integration:** national legal approximation, NTBs illegal
- **Revenue:** 100% increase in National revenue collection 2011-2014 in Burundi through new revenue authority – 40,000 people with improved access to health services monthly
- **Infrastructure:** Rwanda Logistics Hub, Dar Port (Berths 1-7), on-going construction at 7 OSBPs, Mombasa Port programme
- **Private Sector engagement:** EAC CEO round-tables

# Key constraints/challenges experience (partners & TMEA)



# Key constraints potential beneficiaries face when accessing AfT funds



- Weak technical and institutional capacity e.g.
  - weak proposal writing;
  - lack of technical resource persons to deliver the project
- weak financial/operational/M& E systems
  - (low scores in Fiduciary assessments, due diligence assessments)

# Key Constraints



- Misconception about the TMEA mandate/ TMEA strategy
- Inability or lack of capacity of partners to align Projects / initiative's to TMEA TOC
- Lack of baseline data
- Inability to articulate expected changes

# Key Constraints



- Lack of (local and national) trade data, not enough research, information exists on national/regional trade
- Inability to articulate needs from a results perspective
- Lack of agreement on priorities among government and private sector institutions
- At times, need to align projects with government priorities rather than actual country needs

## Key constraints at TMEA level



- Lack of baselines in which progress can be measured
- Lack of “role model” projects to learn from
- Demand for quick wins by donors
- Linking of projects to impact on poverty reduction (our theory of change ends with increased trade)
- Slow implementation and weak capacities among partners (programme, M &E )
- Attribution – to what extent have we contributed to the success currently being seen
- Changing political environments – e.g. South Sudan, tensions between Tanzania and Rwanda



# Donor coordination mechanisms



- Coordination of the 7 donors is ensured at the Programme Investment Committee (PIC) level- which acts like the board; all donors are represented (avoids duplication e.g. of evaluations, annual reviews, approve programmes that are more than 1 million USD, TMEA strategy)
- All programmes integrated within a national/regional framework
- Donor coordination meetings, informal and formal donor working groups specific to programmes examples;
  - Mombasa Port Donor Investment Conference scheduled for end of May 2014.-key forthcoming infrastructure projects for donors / financier's to consider and proceed to finalise relevant business cases..

# Donor coordination mechanisms



- Dar Port – TMEA is coordinating the other key donors ( World Bank / DBSA/ DFID) under the Dar es Salaam Maritime Gateway Improvement Project ( DMGIP). TMEA to act as the focal point for engaging with Government of Tanzania.
- Donor working group on excise tax harmonisation
- Donor group engaged in PSO CSO work in the EAC
- TMEA validates that fragmentation or duplication is not taking place with the beneficiary

# Donor coordination mechanisms



- Stakeholders forum (held annually) provides an opportunity to engage with donors
- TMEA Arusha, Tanzania liaison programme also provides an opportunity for coordination given that most donors will engage with the EAC secretariat in Arusha (EAC HQ is located there)

# What works well/best practices



- Design and planning phase- well articulated proposals, consultation with key stakeholders at all stages
- Multi-pronged approach (trade facilitation, infrastructure, policy, national-regional programmes)
- Political buy-in
- Clear logic path and results- focus
- Strong M & E systems, ensuring baseline data and how changes will be achieved by the end of the project); testing of assumptions;
- Strong partner capacity (include capacity building components if lacking)
- Lots of analysis needed including, value for money
- Mix of partners (public, private, civil society, donors)
- Leveling of expectations ( development partners, governments, communities, RECs)
- Alignment of strategies to those of RECs and national level (plus those of development partners)

# Follow us



**#TradeMarkEastAfrica**





# Thank you !

## Q and A