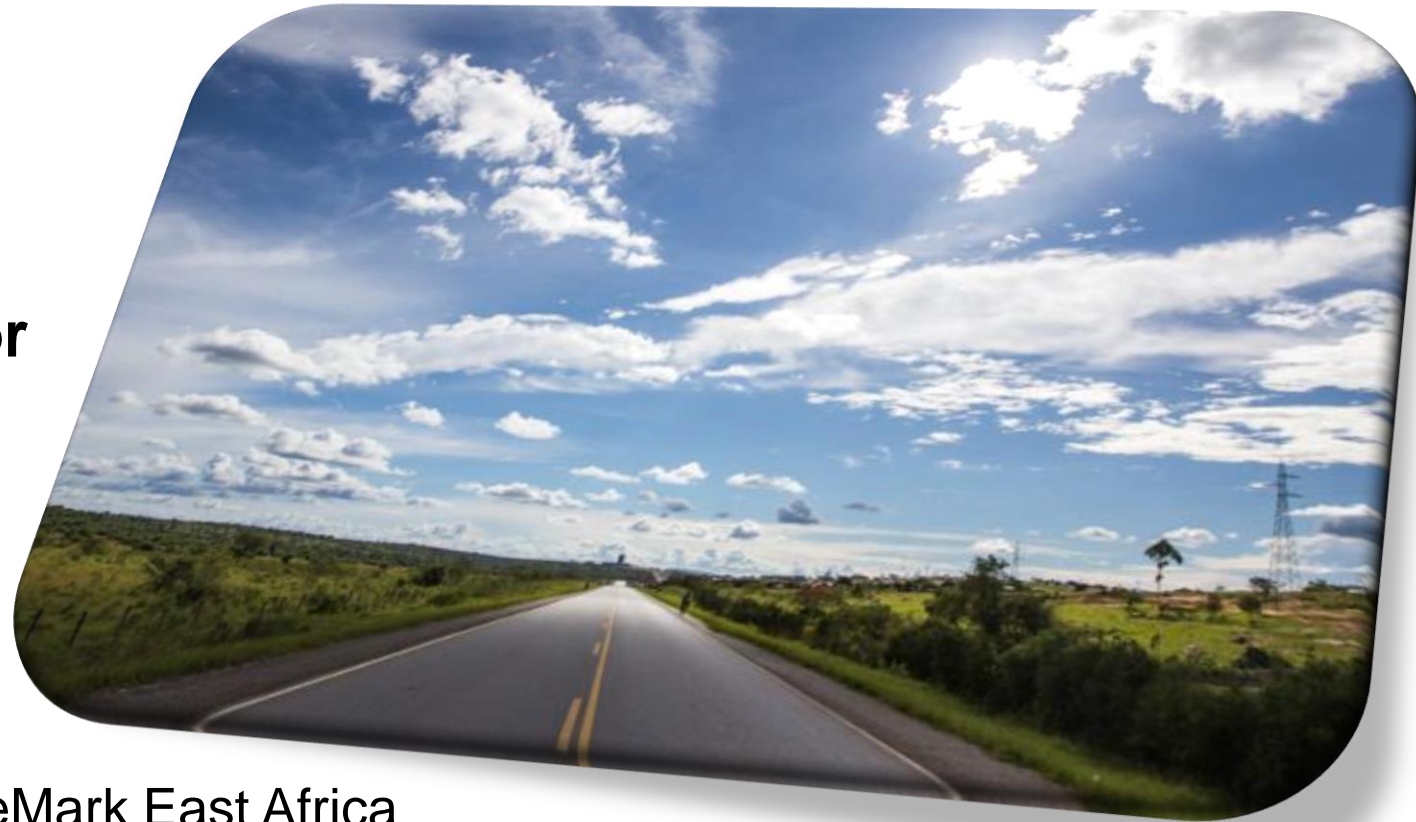


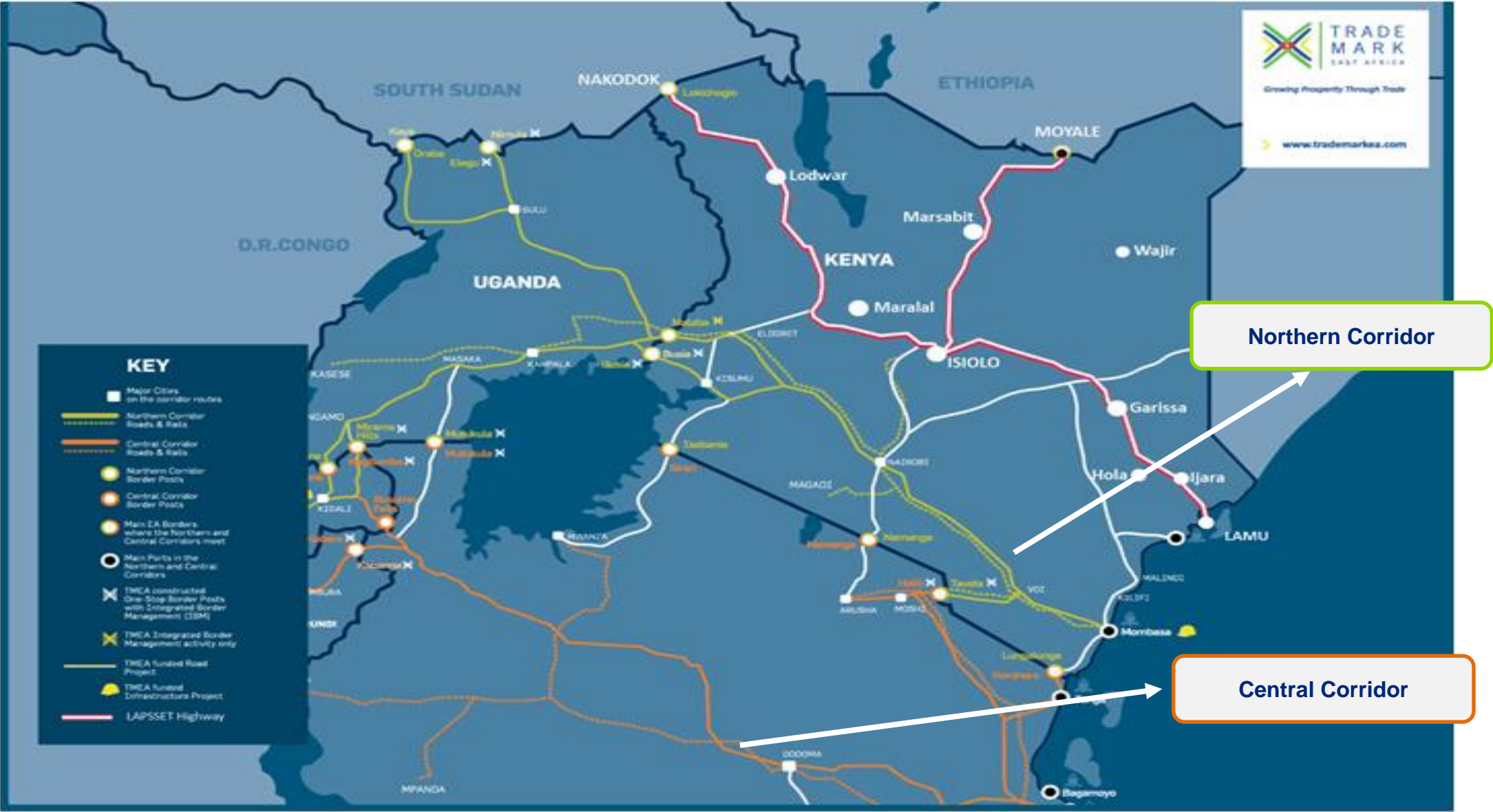
February 2017 | Kolkata, India

East African Experience on the Development of Economic Corridor

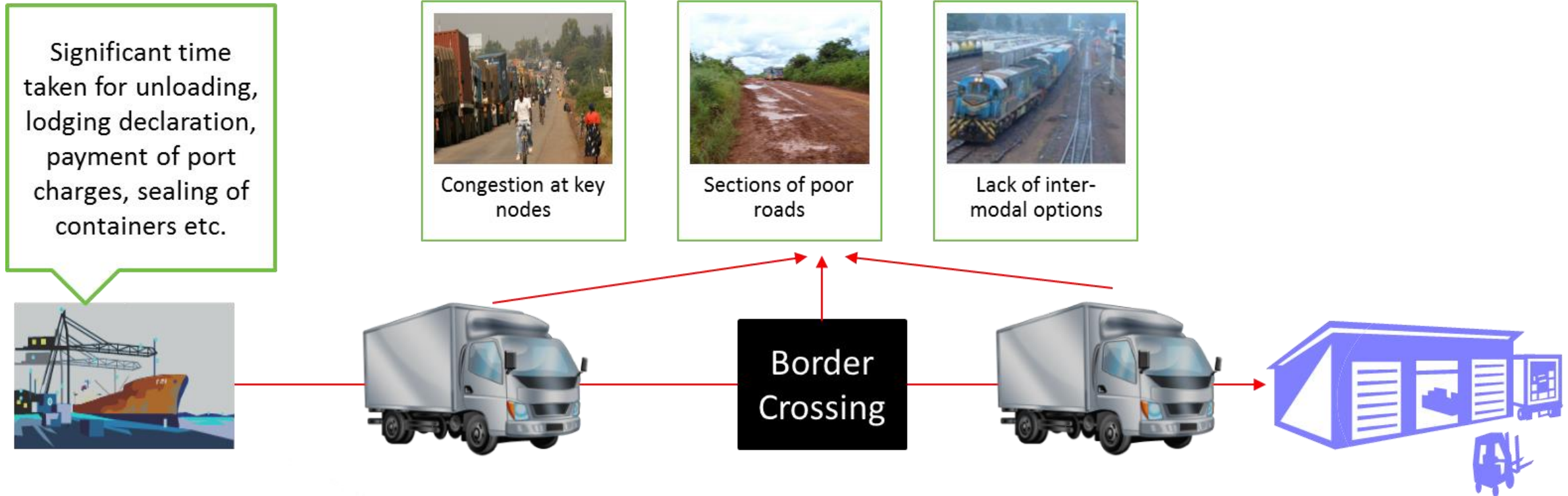
Abhishek Sharma, Director-Logistics, TradeMark East Africa



EAC growth corridors

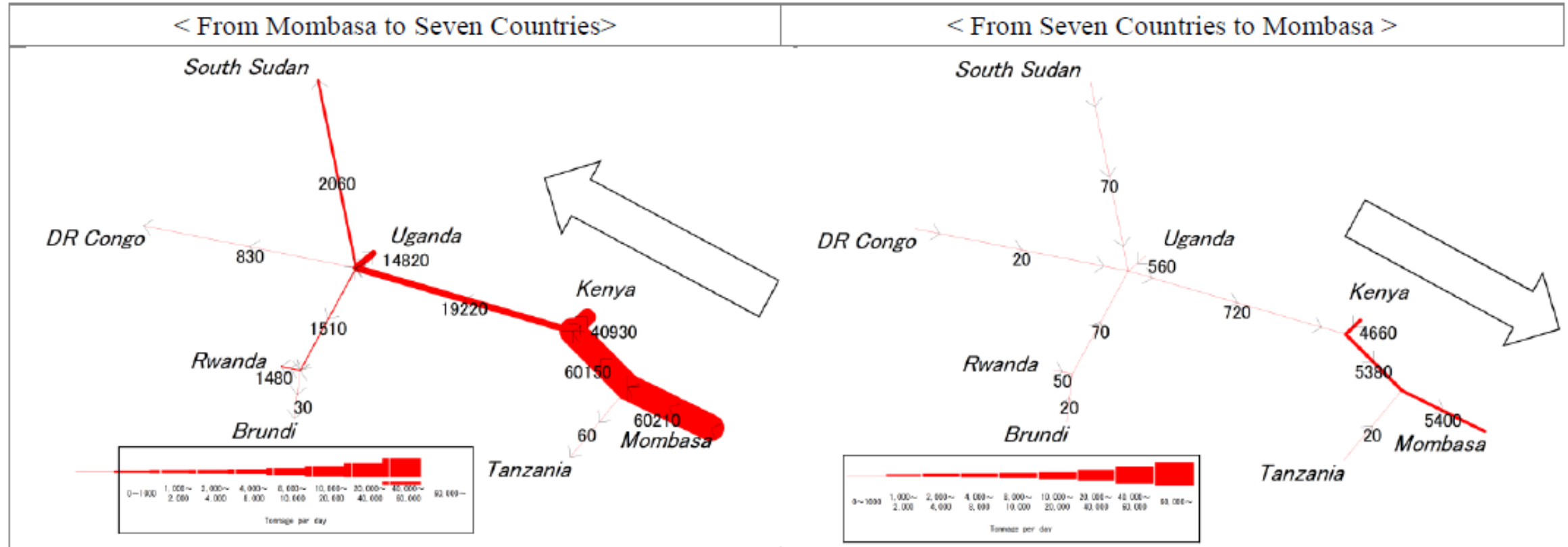


Corridor faced several challenges for the movement of goods



Transport volumes **on the northern corridor are expected to quadruple** by 2030
increasing the scope of challenge

One way nature of traffic flow also increases costs



Source: JICA Study Team

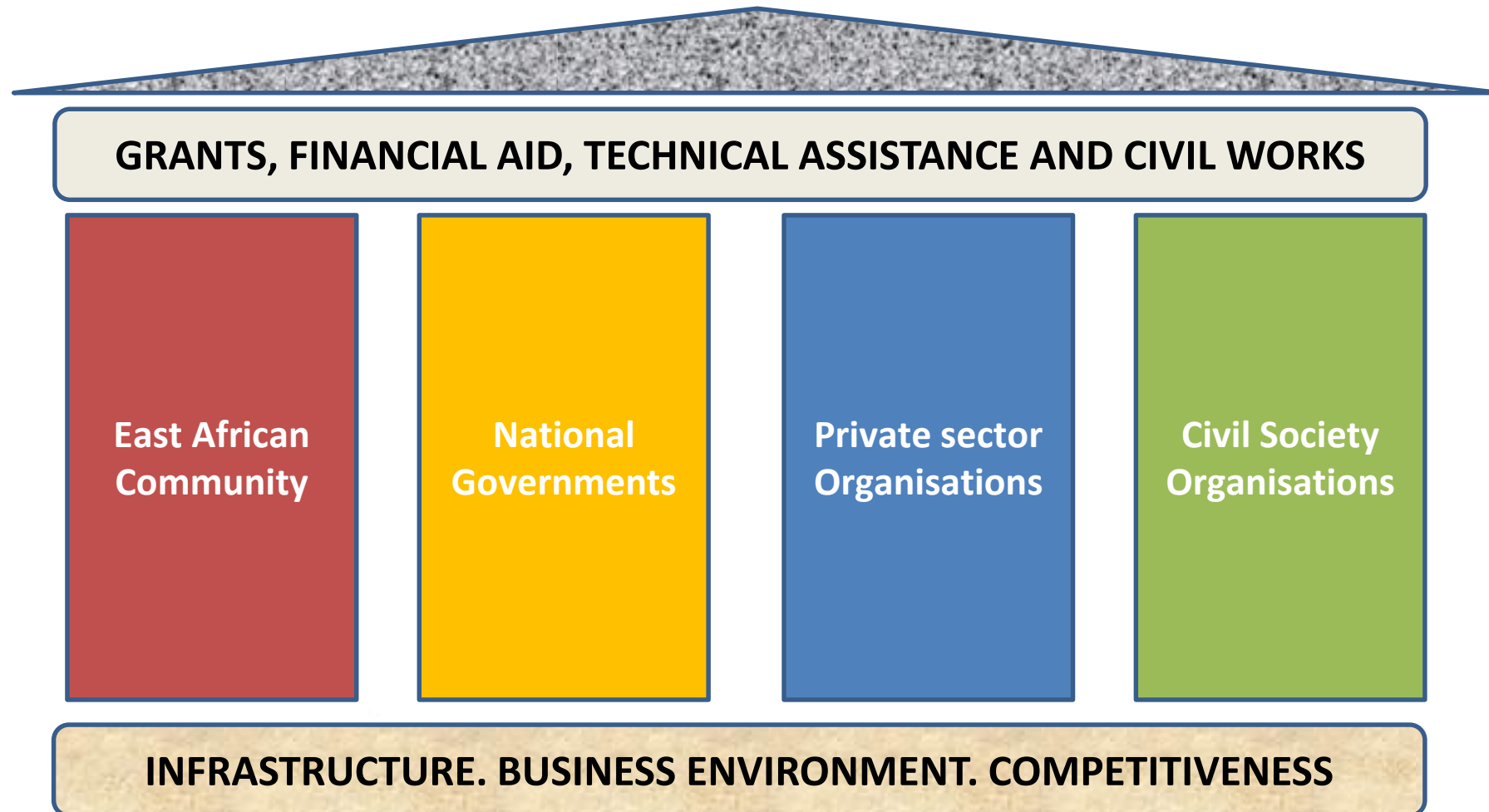
Who are we?



- **Trade** and **Markets** East Africa (TMEA)
- Presence in Arusha, Bujumbura, Dar es Salaam, Juba, Kampala, Kigali and Nairobi
- Multi-donor funded - Belgium, Canada, Denmark, Finland, Netherlands, Sweden, UK & USA
- Budget - \$560m 2010 to 2016/17

Established in 2010 to
“Promote rapid
advances in Eastern
Africa’s integration,
trade and global
competitiveness....”

National focus to support implementation of regional issues



How have things changed over the years?

- **41% import time reduction** (from 11.2 days in 2010 to 6.56 days in 2015) and **39% in export time** (6.8 days in 2015 from 11.2 days in 2010) at Mombasa Port
- Average transport costs for a 20ft container from Mombasa to Kampala and Kigali has reduced by **25% from US\$2.93/Km in 2011 to US\$2.2/Km in 2015**
- EAC corridor **transport time reduction** attributable to TMEA of **15.6%**
- Border Clearance time **reduced by 70%**



How have changes been achieved?

- A series of interventions from the ports to the borders and beyond. More details in the following slides.
- **National implementation** of regional policies
- Trade facilitation ('software') combined with infrastructure ('hardware')
- Fast & flexible **demand-led** approach
- Strong national and regional **governance**



Increase in Port Efficiency

Port Improvement



41% import time reduction (from 11.2 days in 2010 to 6.56 days in 2015) and **39%** in export time (6.8 days in 2015 from 11.2 days in 2010)



Mombasa Port Community Charter



Brings stakeholders together in forum with specific targets all geared towards improving port performance.

Reduction in border delays



Preliminary 80% reduction in time at Busia OSBP (Uganda) in 2016



Preliminary 79% reduction in time at Busia OSBP (Kenya) in 2016



82% reduction in time at Taveta OSBP in 2015



25% reduction in border clearance time at Kagitumba (Rwanda)



24% reduction in time at Holili OSBP in 2015

Better Road Infrastructure

Port Reitz Road Expansion



Expansion and improvement of the existing Port Reitz and Moi International Airport Access roads to provide for a dual carriageway.

Ntungamo Road



Link road (37kms) from Kampala to Kigali via Mirama Hills/Kagitumba OSBP to be completed in a record **30 months. (84% complete as at Nov 2016. To be completed in Q1 2017)**

Reducing Non Tariff Barriers

Monitoring Committees



Supported **Establishment of National and regional monitoring committees for NTBs.** National committees can meet to resolve bilateral issues.

SMS reporting systems



Supported the establishment of **SMS reporting systems for NTBs, enabling drivers to report instantly.** As at 2016, time for reducing NTBs had dropped from 24 months to 8.

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Customs improvements

Single Customs Territory



Single Customs Territory clearance provides for customs clearances to be made for Northern Corridor countries at Mombasa port. Rwanda and Uganda **saved a combined \$400 million** in clearance and inland shipping costs from the port till December 2015.

Electronic Cargo Tracking



Electronic Cargo Tracking & Customs Management System in Uganda-75% reduction in transit & clearance times, **\$56m** savings annually. System being extended to all countries.

Trade improvement measures



Standards Harmonization



74% reduction in average testing time within the EAC (38 days to 10 days) resulting in **cost savings of 59%** (from US\$500 to US\$205) per test

Tea Board of Kenya



Tea export verification & payment processes have reduced **from 8 days to 1.5 days**

Capacity Building



Freight Forwarder Training



4500 freight forwarders trained with 80% of trained agents providing quicker and lower cost service to clients

South Sudan Customs Service



Reduction in clearance time for humanitarian cargo from 4 days to 2 days at Nimule border

Private Sector Engagement



TRAC



TMEA investment of **US\$4.5m** has catalysed **US\$13.1m** from partners. Nearly **1,200 jobs** have been created resulting in **52%** increase in incomes for participating farmers

LIFT



TMEA investment of **US\$4.8m** has catalysed **US\$6.1m** from partners. Supported projects are expected to contribute to a further reduction in transport costs and time

Private Sector Engagement

Enhanced business environment for women traders
Increased understanding of EAC CBT requirements
Strengthened capacity of women's associations
Advocacy on gender dimensions of trade & inequality

Reduction in trade barriers faced by women traders and women entrepreneurs
ICT platforms to enhance business & trade competitiveness of women SMEs
Gender responsive frameworks for CBT

Increased participation of women in trade in East Africa
Export capacity development for women-led SMEs
Value chain analysis for women's broader participation
Business development training for women associations



Large impact of programming

**US\$
560m**

Budget
2010-2016



**US\$
17B**

over 10 years

For every
US\$1
invested



A return of
US\$ 30

Significant improvement in LPI rankings for EAC



Country	Rank 2016	Rank 2014	Number of Places Climbed
Kenya	42	74	32 places higher
Tanzania	61	138	77 places higher
Uganda	58	Not ranked	
Rwanda	62	80	18 places higher
Burundi	107	107	No change



Thank you

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