TRADE DEVELOPMENT FORUM – PLENARY AND BREAKOUT SESSIONS

SESSION ONE: DEVELOPMENT PARTNERS PANEL

Title: Trade, Aid, and the Future – TMEA's Development Partners

Brief

Africa's economies ended 2017 with an average annual growth rate of 2.6% and projected increases in 2018 and thereafter. We have seen a reinvigoration of commodity prices, and upward trends in global growth and trade; negotiations for the Continental Free Trade Area (CFTA) are progressing. Regional economic blocks have made substantial progress in eliminating trade barriers, but a lot more needs to be done. There is an urgent need for all African countries—especially commodity-dependent ones —to diversify, boost value-added, and industrialise to ensure sustained and inclusive growth and development. Concurrently, the region will need to urgently address the challenge of a growing unemployed youth population, and a demographic trend that could undermine income growth and exacerbate inequality.

Panellists:
- Canada
- The UK
- The United States of America
- The Netherlands
- Denmark
- African Development Bank

Moderator: Rob Rudy
Recorder: Core planning team
Total time: 45 minutes
Contact: Lkaranja@trademarkea.com

Discussion: Given that expanding intra-Africa trade is key to creating decent jobs, improving productivity, increasing incomes, and reducing economic vulnerability and risks:

Canada: How does Canada's Feminist Agenda impact its development aid priorities and link to the critical agenda of expanding Intra-African trade?

UK: As Britain becomes a more outward-facing trading partner, what is the UK strategy to strengthen its trading relationship with Africa and encourage African development and economic transformation through trade?

USA: Statistics indicate that Intra-Africa trade is only 15% of the total compared to just over 70% in Europe and 51% in Asia. As a key advocate of trade facilitation, how will the US support the WTO Trade Facilitation Agreement and impact Intra-Africa trade?

Netherlands: There are many parts in Africa where conflict has excluded the population from trade and other productive activities. What strategies does the Netherlands envisage to enhance inclusion especially in Fragile and Conflict Affected States in Africa?

Denmark: In performing their statutory trade regulatory roles, Government departments and agencies are often described as unresponsive to the needs of the private sector and often undermine business competitiveness urgently needed to support better intra-Africa trade. What can Denmark do to help improve the current situation?

AfDB: The availability of finance is essential for a healthy trading system but remains a significant challenge for financial institutions and the private sector in Africa, with SMEs facing the greatest hurdles in accessing affordable financing. What approaches involving development partners are needed to overcome these challenges?

DAY 1

PLENARY SESSION 2 - WOMEN AND TRADE

Title: Empowering Women Powering Trade: Lessons on What Really Works

Brief

Women play a key role in trade in East Africa and could potentially contribute towards boosting trade in Africa as drivers of growth, employment and poverty reduction. Eliminating gender-based inequalities and advancing women's equality could potentially result to a one-off increase in as much as 4.3% of GDP growth followed by year on year increases of between 2-3.5% points[1]

This session will explore the impact of the TMEA Women and Trade Programme on increasing the participation of women and their economic contribution to trade across the EAC. The session will feature lessons and examples from interventions that have enhanced women's representation and decision making, increased access to markets and how information has directly transformed lives through increased incomes, food security and improved well-being at the household level. The session will also highlight the role partnerships and innovation in trade facilitation play, in catalysing the participation of women in trade.

Panellists

- Hon Amelia Kyambadde, Minister of Trade & Industry, Uganda
- Representative from the Kingdom of the Netherlands: TBC
- Hellen Oriaro, Member of TMEA Council
- Dicksons Kateshumbwa, Commissioner of Customs, URA
- Charles Ocici, Executive Director Enterprise Uganda
- Santa Joyce Laker, Women SME/Exporter
- Clare Kabakyenga, Regional Woman Cross Border Trader
- Merian Sebunya, Chairperson – BTS Clearing & Forwarding Ltd
- Hussein Kiddedde, Chairperson Uganda Freight Forwarders Association

Moderators: Lisa Karanja, Sr. Director Business Competitiveness TMEA; Mr. Daniel Kalinaki, Journalist, Nation Media Group
Recorder: Core planning team
Total time: 60 minutes
Contact: gloria.atuheirwe@trademarkea.com

DAY 1 PLENARY SESSION 3 – TRANPORT

Title: The Importance of Transport in Trade

Brief

Trade means transport. Goods can't be traded if they can't be moved from seller to buyer. And in an increasingly interconnected world, the trade routes are becoming ever more complex. Notwithstanding all the high-tech requirements of a modern trade economy – from ICT to fuel-efficient equipment – there is no getting around the need for physical infrastructure: ports, roads, railways, airports, warehouses, border posts, weighbridges, sidings, interchanges, etc. East African leaders understand this completely, and for more than a decade have been putting substantial resources toward upgrading the region's transport network. In every EAC country, modern new transport facilities are enabling soaring growth in trade volumes, and bigger projects are on the way.
Yet challenges remain. Ambition requires financing, and debt is already straining the region's economies. The growing complexity of the network shows in the bottlenecks at the main logistics nodes. Maritime transport must interconnect seamlessly with surface transport, both road and rail; surface transport with logistics and waterways; and everything with the ICT networks. And of course,

[1] KEPSA Women's Agenda 2016/17

institutions don't modernize overnight. Just operating East Africa's major new transport systems is a challenge – a challenge the region's agencies are rising to meet.
TMEA has designed its transport programme in recognition of all these factors: the tremendous opportunities, the scale of the ambition, and the reality of the challenges. In Strategy 1, TMEA helped all six EAC countries knit the regional economy together with a network of one-stop border posts; supported major modernization initiatives at Dar es Salaam and Mombasa Ports; and helped prepare Africa's first logistics PPP in Kigali. This transport programme will continue in Strategy 2, with some important shifts in focus. With the arrival of SGR, TMEA will work to help integrate the new railway into the broader transport network. TMEA will also put more resources into lake transport, as the prospects for regional intermodal transport improve. And TMEA's OSBP programme will increasingly focus on the EAC's borders with its neighbours such as Ethiopia, DRC and Zambia. In these activities, TMEA will continue to work closely with all our development partners including the World Bank, the AfDB, the EU, JICA, the EIB, AFD, and others as appropriate.

Speaker – Dr. Gabriel Negatu - Director General, East Africa Regional Development and Business Delivery Office – African Development Bank

Contact: George Wolf – Sr. Director, Market Access George.wolf@trademarkea.com

BREAKOUT SESSIONS

Breakout Session 1: Trade Logistics

Title: Improving the Performance of East African Logistics Industry

Brief

Statistics around the transport and logistics sector in the EAC are hard to come by. However, by looking at the size of logistics sector in other developing countries and extrapolating the same to EAC, the size of the logistics sector can be estimated to be between USD 15-25 billion dollars per annum. Also, based on evidence from other countries, the sector is also likely to be one of the largest employers of people of all skill levels in the EAC.

Despite this large contribution to both economy and employment, the industry is low profile and largely not professional. There are several issues with the sector and these issues contribute to a high cost to serve the EAC and international markets.

The high cost to serve impacts the poor more than others. Logistics costs on basic commodities used by the poor can range from anywhere between 30-60% of commodity value while the logistics costs penalty on high-value items are considerably lower.

This breakout session will bring together three focus groups to debate specific topics related to improving performance of the logistics industry to allow it to meet the challenges of the rapid growth of E. African economies.
Panellists:
- Ms. Merian Sebunya, Managing Director, BTS Clearing & Forwarding Ltd
- Mr. Hussein Kiddedde, Graben 4PL & Chairperson Uganda Freight Forwarders Association (UFFA)
- Mr. Benon Mwebaze Kajuna, Director, Ministry of Works & Transport

Moderator: Abhishek Sharma
Recorder: Core planning team
Total time– 80 minutes
Contact: Abhishek.sharma@trademarkea.com

The rewards of cost effective logistics services are many. Evidence from around the world shows that decrease in logistics cost leads to significant increases in employment opportunities. It also helps in increasing the trade flows by increasing the inherent competitiveness of the economy. Finally, decrease in logistics costs leads to a decrease in poverty levels in the country through increased earnings for the poor.

Breakout Session 2: Ports

Title: East African Ports – The Principal Gateways to International Trade

Brief

The East Africa maritime ports, just as others in the world, are gateways to international (import and export) trade. The main East African ports of Mombasa and Dar es Salaam in 2016 handled 26.2 and 14.9 million tonnes respectively, which was about 92% of the countries' total East Africa's international trade of around 44.6 million tonnes. This makes the ports very critical in sustaining the desired or projected trade growth and, thus, development of East Africa. Any inefficiency and inadequacy in capacity of the ports results in high cost and impediment to trade growth and development. East Africa has also the advantage of large bodies of inland waterways, Lakes Victoria and Tanganyika, that play an important role in providing potentially cost competitive intermodal transport for the respective riparian countries. Thus, the major inland Lakes ports of Mwanza, Kisumu and Port Bell on Lake Victoria and Bujumbura, Kigoma, Kalemie, Uvira and Mpulungu on Lake Tanganyika also play an important role to facilitate international/regional and national trade and development.

Panellists:

- Mr. Ally Ahmed Saburi – S.S. Bakhresa & Co Ltd. East Africa grain importers and millers
- Mr. Tejpar Mebs – CEO Freight Forwarders Kenya & Tanzania
- Mr. Jared Zerb – Tanzania International Container Services
- Mr. Gichiri Ndua– ex KPA CEO
- Eng. Deusdedit Kakoko – DG Tanzania Ports Authority (TBC)

Moderator: Smak Kaombwe
Recorder: Core planning team
Total time: 60 Minutes
Contact: smak.kaombwe@trademarkea.com

In 2011 when TMEA started its programme to support East Africa to achieve regional integration, and later growing prosperity, through trade, the maritime ports were where most of the delays occurred along the principal international and regional trade routes/transport corridors. A corridor diagnostics study for Northern and Central corridors (2010/2011) determined that the ports were responsible for most of the delays. For example, the ports of Mombasa and Dar es Salaam were responsible for over 71% of the transit times for imports to Kigali of 17.6 and 18.9 days respectively. Ports improvement programmes by Governments, with TMEA and other support, have secured substantial improvements. For example, in 2016 transit times for imports to Kigali from Dar es Salaam and Mombasa had been reduced to 13.6 and 9.4 days respectively, with the ports responsible for 58.5% or 5.5 days for Mombasa and 60.5% or 8.3 days for Dar es Salaam. However, this improvement is still significantly below global average of 1-2 days dwell time at ports, with the best such as Singapore and Hong Kong achieving even lower than this. These dwell times comprise cargo handling, customs and other clearances and removal of cargo from port, involving many stakeholders.

Therefore, the challenge ahead for East African ports is to further develop capacity and improve efficiency to cope with expected high growth of trade. Associated issues include continuing ICT integration; evolving business models; external financing; improving health and safety; and reducing carbon emissions. This workshop is about better understanding the challenges ahead and learning how East African ports are addressing them. The discussions will be led by a panel of experts drawn from people with knowledge and experience on development of ports.

Breakout Session 3: Rail Logistics

Title: Improving Hinterland Connectivity by Rail in E. Africa - A Pathway to Growth & Jobs

Brief

With a fast-growing market of about 200 million people in the EAC region, a sustained growth of 5.5% annually over the last decade with a forecast growth of 5-6% for the next decade, the EAC is the highest performing regional block in Africa. This reflects strong political will and leadership to deepen regional integration, particularly around the development of large investments in big ticket infrastructure projects such as the Standard Gauge Railway while also making significant improvements to the business environment.

The transport sector can accelerate and intensify trade in Africa. Rail Transport in particular, because of its energy efficiency, reduced greenhouse gas emissions and lower cost per ton kilometre, has the potential to play an increasingly important role in conveyance of freight over long distances. The new Standard Gauge Railway (SGR) presents a major new opportunity to re-integrate rail into the Northern Corridor transport system. The SGR represents a very large investment in a new technology that avoids many of the technical issues that held back the original meter gauge system. The first phase of the network (Mombasa to Nairobi) is now operational, and further extensions are at various stages of development.

Panellists

- Principal Secretary, Ministry of Works & Transport, Uganda (TBC)
- Principal Secretary, Ministry of Transport & Infrastructure, Kenya (TBC)
- Mr. Atanas K. Maina – MD Kenya Railways Corporation
- Mr. Gilbert Langat, CEO, Shippers Council of East Africa

Moderator: James Nganga
Recorder: Core planning team
Total time: 60 minutes
Contact: james.nganga@trademarkea.com

Even so, regaining market share for rail after so many years of low volumes will be a challenge. Governments and operating agencies in the region recognised these challenge and opportunities and have started to articulate strategies for the transport sector that will insulate the business environment and ensure it derives maximum competitive benefits for the rail sector to kick start growth and job creation. Donors are also responding to this challenge with programmes aimed at helping governments implement such policies. Under its new strategy, TMEA is also setting up a programme to enhance the utilisation of the rail sector through development of rail-focused logistics facilities with specialized infrastructure and equipment that would promote support job creation in sectors and regions with high growth and job creation potential.

What are these new opportunities emerging for East Africa to set up rail infrastructure logistics facilities? What government policies are being articulated to attract investment? What challenges and opportunities are the private sector facing to invest in East Africa? What are TMEA's Rail Logistics Hubs and how can such be developed not only to promote the lowering of the competitiveness of transporting cargo by rail as well as promote export Trade and facilitate job creation in the hinterland of East Africa?

DAY 2:

Plenary Session 1: Technology and Trade

Brief ?

Moderator: Richard Kamajugo
Panellists: – Minister for ICT in Uganda - Hon. Frank
Panel – UNCTAD and GOOGLE (ICT and Trade, global perspective)
Recorder – Core planning team
Total time ?

Contact: Richard Kamajugo – Sr Director, Trade Environment Richard.kamajugo@trademarkea.com

BREAKOUT SESSIONS

Breakout Session 1: E-Government for Trade

Title: e-Government for Trade

Brief

E-Government can simply be defined as the utilisation of ICT to improve or enhance efficiency and effectiveness of service delivery in the public sector. This normally applies to provision of services and information with the objective of enhancing efficiency, transparency and participation by the population.
Utilisation of ICT has over the years revolutionized intra-Government (G2G) operations and improved interaction between Government and the population. Indeed, e-Government has proved to be an effective tool for achieving good governance and destroying the environment in which corruption thrives.

Given that trade is based on a framework of rules and regulations and requires exchange of information between the different players – private sector, regulators, enforcers, service providers etc, coherence and coordination along the chain greatly enhances efficiency and predictability thereby reducing trade costs.
In East Africa, there is a growing adoption of ICT in the provision of services, exchange of information and regulation of domestic and international trade, and a lot of progress has been realized. E-governance infrastructure and regulatory frameworks that have been put in place through the support of national governments and development partners are showing positive results in bridging the gap that has existed between government and business in the trade environment. There is more openness and improved customer-centred approach by government; service delivery in some agencies has improved with businesses spending less time and money to navigate government bureaucracy courtesy of ICT. Actually with ICT, service provision ceases to be location based which has greatly contributed to reduction in time and cost of trade.

While progress has been realized, there are still gaps to be addressed and lessons learnt from missed opportunities as the region journeys towards the **E-Trade Environment.** We must raise and answer the fundamental questions about issues that ail our government institutions involved in the trade chain and come up with solutions through participatory and partnership-based initiatives. In some cases, business has progressed way ahead of regulatory laws and policies. The panacea goes beyond simple amalgamation of ICT-systems to an environment of collaboration and cooperation where government and private sector adopt a common vision towards achieving economic development through enhancing trade, while using ICT as an enabler.

Moderator: Alban Odhiambo
Panellists
- NITA-U
- Revenue Authority (TBC)
- UNBS – Patricia Ejalu (TBC)
- Maersk (TBC)
- DG – EAC (TBC)

Recorder: Core planning team
Total time: 45mins
Contact: Alban Odhiambo- Director, ICT for Trade Alban.odhiamb@trademarkea.com

An effective E-government for trade environment will result in lowering the cost of trade to businesses and the cost of government operations in accomplishing their regulatory roles. A situation where ICT resources eg. Servers and technical expertise can be shared across government ministries and agencies could reduce government capital and operating expenditure while improving service delivery. Service by the smaller government agencies would be more consistent and sustainable. It will also enhance inter-agency coordination and collaboration and better traction with citizens seeking those services. E-Government for trade will result in new and smart ways of managing and regulating trade in the region.

To achieve this, the following questions should be addressed:

1. In the Eastern Africa trade environment, are the following areas of governance moving towards the E-Trade Environment Panacea – Access to Information; Service Delivery; Transparency; Predictability and Citizen/Business Participation?
2. How can E-Governance enable better G2G interactions for the benefits of citizens/business and how does this impact on the competitiveness of Eastern Africa businesses?
3. What institutional frameworks should we put in place as a region and as countries to improve trade through use of ICT?
4. What can be done to ensure consistence and sustainability of ICT interventions in Government institutions?

Breakout Session 2: Harnessing ICT for efficient and Inclusive Trade

Brief

Innovations in ICT have revolutionized trade processes over the years and ICT has become a major contributor and enabler of socio-economic development. For example, use of mobile money technology has been credited with lifting 2% of the Kenyan population out of poverty, and moving 185,000 women from subsistence agriculture[1]. This kind of evidence has been used to increase investments in ICT by governments, development partners and the private sector in East Africa. Mobile and internet penetration has increased year-on-year at unprecedented rates; a testament that East Africans have embraced ICT in their daily lives. Access to digital devices (mobile phones, TV, radio, computers) has become easier with reduced tariffs and other costs relating to end user devices. At the same time, the economies of the EAC Partner States have had steady GDP growth over the years averaging 6% between 2010 and 2015. However, this growth has been accompanied by a widening

[1] Suri, T. and Jack,W. (December 8, 2016). The long-run poverty and gender impacts of mobile money. Science Vol.354 (6317), 1288-1292. New York: American Association for the advancement of Science.

digital divide and increasing inequalities[2]. This then poses the question: how can we harness ICT to improve efficiency without compromising inclusivity in trade? As we look at applying complex ICT concepts such as block chain technology, internet of things, big data etc, we must not lose sight on developing appropriate technologies for small scale businesses such as cross border traders. Where, and how, should governments, development partners and the private sector invest their resources to ensure that growth resulting from innovations in ICT is more inclusive and sustainable?

Moderator: Patience Mutesi
Panellists
- UCC (Tbc)
- URA
- Uganda Coffee Development Authority (Tbc)
- Unifreight Logistics - Jennifer Mwijukye
- MTN
- ODI – Maximiliano Mendez Parra

Recorder: Core planning team
Total time: 45mins
Contact: Richard Kamajugo – Sr Director, Trade Environment Richard.kamajugo@trademarkea.com

ICT improves coordination, cooperation and exchange of information between the different government agencies involved in regulation of trade, and different players within the private sector. ICT also provides an effective avenue through which the private sector can provide feedback on different aspects of trade and governance so as to enhance relevance and ease of application. As governments focus on enhancing efficiency of trade, interventions should be as broad as possible to create impact at all levels of the value chain. This will ensure that change is transformational and inclusive.

Using ICT, adaptive and transformational solutions such as mobile payment platforms have been developed and these have proved very beneficial to small traders. In addition, financial sector liberalization in the region has simplified cross border payments and specifically facilitated small cross border traders. However, more needs to be done to simplify the trade regulatory environment in order to increase the benefits of ICT innovations.

On the whole, ICT is a necessary but not sufficient tool for socio-economic empowerment. It is through the people who own it and apply it, supported by the right policies that ICT innovations will complement and interconnect with other efforts to increase prosperity through trade.

ICT for trade is one of the paradigms that aims to achieve the objective of implementing technologies that are pro-poor through disrupting the existing ways of doing business and mindsets. It is the proper utilization of ICT in a sustainable and inclusive manner to support and enhance the socio-economic development through trade.

Some questions to ponder:
1. How can we practically make ICT improve trade for the poor and marginalized sectors of our societies?
2. What type of engagement frameworks should be developed to ensure that digitalized services offered by the public and private sector are designed and implemented *for the poor, by the poor and with the poor*?
3. What value-added variables must be put into consideration to design and implement transformative ICT for trade solutions?
4. Given that ICT delinks physical presence and service provision, what kind of alignments are required in the laws and regulatory frameworks that govern trade?

[2] Society for International Development (2016). State of East Africa Report: Consolidating Misery? The Political Economy of Inequalities in East Africa.

Breakout Session 3 (a): Export Led Industrialisation – A pathway to growth and jobs? (Mark)

Brief

With a fast-growing market of about 200 million people in the EAC region, a sustained growth of 5.5% annually over the last decade with a forecast growth of 5-6% for the next decade, the EAC is the highest performing regional block in Africa. This reflects strong political will and leadership to deepen regional integration, particularly around the creation of a Single Customs Territory, but also to make large investments in big ticket infrastructure projects such as the Standard Gauge Railway while also making significant improvements to the business environment.

However, despite these promising developments, East Africa industrialisation remains elusive and the region continues to be heavily import reliant to drive economic growth, while intra trade is still relatively low. While much progress has been made in driving down the time and costs of trade in the region, for instance the time for a 20 ft container to move from Mombasa to Kampala has dropped from 21 days to 6 days, there has been a muted 'supply side' response at firm level to trade and produce more. Lack of a response is also reflected by the high rate of unemployment across the region, particularly with youth. With the prospect of high population growth and more young people entering the job market, this demographic dividend could become a demographic liability unless the economy can create more jobs.

Panellists

- Hon. Minister Amelia - TBC
- Ms. Helen Hai
- Mr. Dominic McVey - TBC
- Mr. Frank and or Emmanuel

Moderator: Mark Priestley
Recorder: Core planning team
Total time: 70 minutes
Contact: mark.priestley@trademarkea.com

There is an emerging opportunity to facilitate economic transformation in Africa by promoting labour intensive, export-oriented industrialisation. With labour costs rising in Asia, there are many industries now looking to relocate their manufacturing base into countries in Africa to take advantage of low cost inputs and access to consumer markets in Europe and USA. This trend has started most notably in Ethiopia where many garment and shoe manufacturers have started to relocate their operations.
Governments in the region have recognised these challenges and opportunities and have started to articulate export oriented industrialisation strategies to kick start growth and job creation. While donors are also responding to this challenge with programmes aimed at helping governments implement such policies. Under its new strategy TMEA is also setting up a programme to support job creation through the creation of Trade and Logistics Hubs in sectors and regions with high growth and job creation potential.

What are these new opportunities emerging for East Africa to set up export oriented industries? What government policies are being articulated to attract investment? What challenges and opportunities are the private sector facing to invest in East Africa? What are TMEA's Trade and Logistics Hubs?

Breakout Session (3b) - New Ways of Funding Trade Development (David)

Brief

Developing countries face a range of supply-side and trade-related obstacles that constrain their ability to engage fully in international markets. They need financial and technical support to help create the right environment for trade, to remove barriers to business, and to become more internationally competitive. Better facilitation of trade is essential to create economic growth and new jobs. Over the last decade, the international community (supported by the WTO, multilateral banks, the UN system and bilateral donors) conceptualized and launched the global Aid for Trade (AfT) initiative. This substantially increased financial resources to developing country governments and businesses to modernize trade. AfT grant and concessional support reached $54 billion in 2015, and now represents a significant part of global aid flows.

Panellists

- Ms. Annette Mutaawe, WTO/EIF
- Mr. Clemens Calice, Lion's Head
- Mr. Paul Mullard DFID
- Mr. Elly Twineyo, Uganda Export Promotion Board

Moderator: David Stanton
Recorder: Core planning team
Total time: 70 minutes.
Contact: david.stanton@trademarkea.com

That support has brought impressive progress in trade facilitation and regional economic cooperation. TradeMark East Africa for example emerged since 2010 as a donor-funded company and one of the biggest AfT organisations, raising $975m since 2010. It has supported governments and business successfully to improve ports and borders; to update trade policy and IT systems; and to engage with business to improve productive capacity and increase exports.

However, much more still needs to be done to make developing countries truly competitive. Grant aid and concessional support alone are not enough to fill big funding gaps in infrastructure and systems development. New private investment is needed, and extra support from LDC governments to commercialise the modernization of trade. Whilst many donors remain strongly committed to AfT, new, non-traditional donors must be found to increase Africa's trade from just 4% of global trade.

Are traditional funding models still relevant? What are the best potential sources of new funding to sustain growth of trade in LDCs? Who are the new players, and how do governments and business attract them?