



TRADE  
MARK  
EAST AFRICA

*Growing Prosperity Through Trade*

# CROSS BORDER TRADE in the GREAT LAKES

DE BELGISCHE  
ONTWIKKELINGSSAMENWERKING



EMBASSY OF DENMARK

**DANIDA**

INTERNATIONAL  
DEVELOPMENT COOPERATION



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SWEDEN

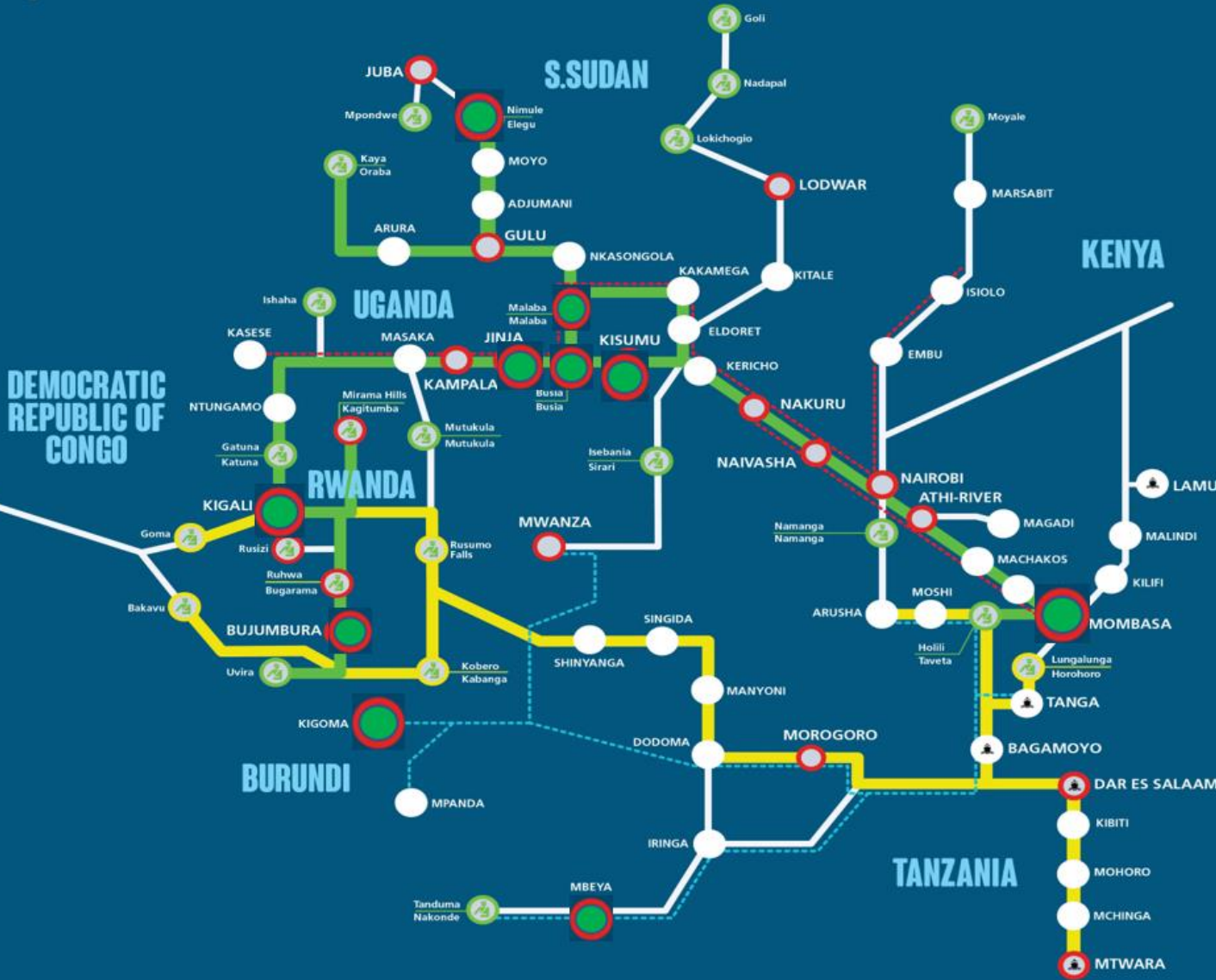


**UKaid**  
from the British people

# Eastern Africa Trade and Transport Network



## EASTERN AFRICA TRADING NETWORK



**KEY**

- Hubs
- Nodes
- Northern Corridor Roads & Rail
- Central Corridor Roads & Rail
- Eastern Corridor Roads & Rail
- Northern Corridor Border Posts
- Central Corridor Border Posts
- Selected T&L Hubs

## BACKGROUND

- DRC shares 2,000 Kms with five East African countries (Rwanda, Burundi, Tanzania, Uganda and South Sudan)
- Large Population in the Great Lakes - Bukavu, Goma/Rubavu and trade between Eastern DRC and EAC is about \$0.5 Billion
- Half of this trade is informal trade with 70% of informal trade being undertaken by women
- Women sell mainly foodstuffs (e.g. manioc flour, tomatoes, corn, onions, fish)
- Men sell higher value products like beer, household items and other fastmoving consumable goods

# Constraints to growing CBT



- Borders are thick and face a multitude of NTBs and Corruption
- Infrastructure-related constraints;
  - Poor state of roads at the borders;
  - Limited market infrastructure to facilitate trading;
  - Lack of proper storage facilities.
- Collection of informal taxes and fees;
- Low awareness of cross border traders on their rights and issues related to trade and border protocols
- Cases of harassment at the borders;-
- Prevalent use of porous bordersp (anya roads) by CBT traders
- Border closure – limited working hours

## Benefits of CBT

- CBT empowers women both as source of income and economic opportunity but also as a way to improve nutrition, health and education of children
- Sectors on the borders have lower rates of poverty, due to opportunities to trade with neighbouring countries;
- CBT is a vital source of goods for isolated communities;
- By improving economic livelihoods of vulnerable households CBT helps build resilience and poverty alleviation.
- CBT is a catalyst for export diversification in countries reliant on a few export commodities;
- Broadly CBT can improve stability in the wider region through increased trade and cooperation

# TMEA's APPROACH to CBT



Objective to reduce cost of trade and increase volume/value of trade

1) Upgrading border and market access infrastructure & systems.

- One Stop Borders
- Cross Border Markets

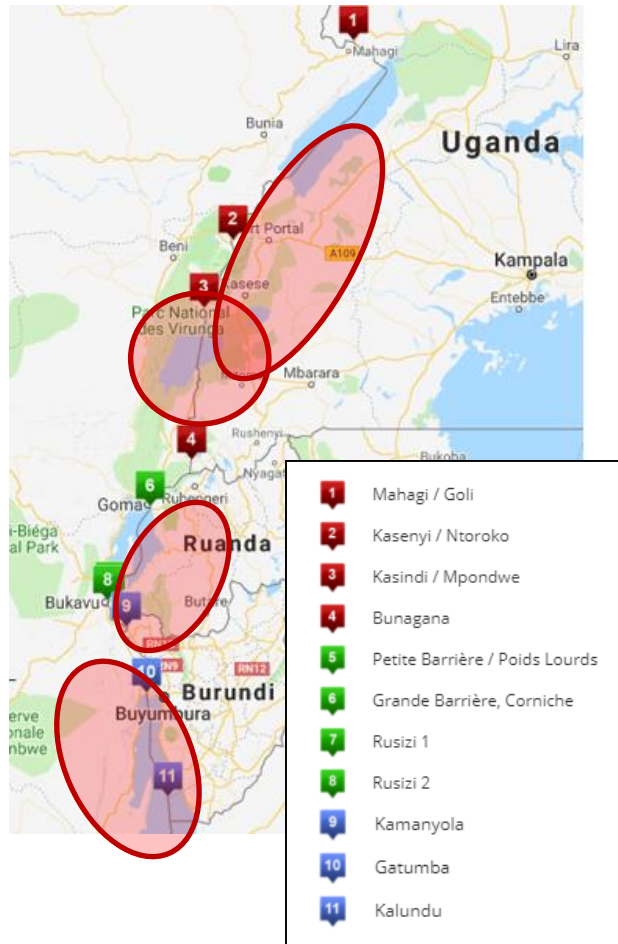
2) Improving the CBT business environment

- Customs harmonisation
- Joint border committees
- Advocacy platforms

3) Developing Trader and Producer Capacity to trade more & link upto markets.

- Agro Logistics
- Value chain support
- Support to CBT co-operatives and raising awareness

# CLUSTERING INTERVENTIONS – Borders are not isolated



- The unique trade environment in the DRC means each border can play a different role in a given eco-system - Traders generally "shop" for the "thinnest" border and depends on scale of trade type of goods, convenience and networks.
- **Four border clusters** have been identified centred around: 1) Bunia, Arua and Kisangani, 2) Beni and Butembo, 3) Goma and Bunagana, and 4) Bukavu - collectively these areas cover at least 11 major border crossings
- **Need to understand political economy environment at each border** – Issues for consideration: regulatory environment, the volumes of trade (formal and informal) and political, proximity considerations to major urban areas and resources available.



# TMEA CBT Interventions



# Rwanda interventions (Phase 1)



1. Development & implementation of the Rwanda CBT strategy;
2. Rubavu Cross Border Market;
3. Rusizi Cross Border Market;
4. Enabling cross-border trade regulation, coordination, and implementation through Joint Border Committees;
5. Enhanced capacity of women cross border traders;
6. Enhanced Trader & Producer Export Competitiveness;

# Rwanda interventions (Phase 2)



1. Lake Kivu Transport Project;
  - Development of ports at Rubavu; Rusizi and Karongi.
  - Legal, Regulatory and Institutional Review covering both RW and DRC
  - Transaction Advisory services to attract private investment to own and operate passenger and cargo ferries on the Lake.
2. Rusizi II OSBP
3. Trade facilitation:
  - **Regional electronic Cargo Tracking System** that ensures security of cargo to destination
  - **Electronic Single Window** that has brought all Trade transaction processes through a single Window
4. Integrated Border Management at key border crossings e.g. grand barriere.
5. TA to operationalise Cross Border Markets

# BURUNDI INTERVENTIONS (2018-2021)



**Objective:** increase 30% in trade revenues and formalise 50% of informal traders and businesses

Key planned activities:

- TA for the development of a **national CBT strategy**;
- **Advocacy for CBT facilitation and promotion:** STRs, bilateral agreement (e) DRC and Burundi , removal of anti-CBT measures, etc;
- **Improve info dissemination and awareness raising for traders** including info dissemination through trade information desks and through mobile phones messaging;
- **Trader/Trader associations capacity building: trainings in** CBT trade requirements, in financial management, association management, etc;
- **Construction/rehabilitation of light CBT infrastructure:** Markets, warehouses, Cold storage at selected borders and;
- **Markets linkages for CBTERS:** trade missions, fairs, B2B events, etc.

# DRC interventions – Phase 1

1. Modernisation Port of Kalundu (Lake Tanganyika)
2. Modernisation ports of Ntoroko/Kasenyei (Lake Albert)
3. Upgrade OSBP: Goli/Mahagi (DRC side)
4. Rusizi II OSBP (DRC side – TMEA and IOM)
5. Regional Electronic Cargo tracking (RECTS)
6. Deployment of Customs CMS (ASYCUDA World)
7. Enabling cross-border trade regulation, coordination, and implementation through Joint Border Committees;
8. Enhance capacity of women CBTERS (Rusizi 1, 2);
9. Enhance Trader & Producer Export Competitiveness (South and North Kivu provinces);

# Key Success Factors



- Partnership approach between the Governments with demand driven initiatives;
- Bilateral agreement between Governments to facilitate One Stop Border Post implementation;
- Close and constant engagement among border authorities e.g. customs, immigration, police etc to resolve issues identified;
- Collaboration with other Development Partners in facilitating CBT;
- Social cohesion across border communities, including women cross border and small traders;
- Sustainability- Facilitating stronger engagement of the private sector in CBT to foster ownership and replicability of demand-led interventions.



**Thank you**

**Merci**

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