
Independent Evaluation of Trademark East Africa: Executive Summary

Prepared by: Andrew Wright and Keri Culver

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Executive summary

The Trademark East Africa programme (Trademark, or TMEA) was set up to lift barriers to trade in East Africa. It has invested in infrastructure at ports and border posts, worked with governments to reduce non-tariff barriers, and worked with the private sector to improve competitiveness. Its Strategy 1 (S1) ran from 2010 to 2017, and Strategy 2 (S2) is ongoing.

Overall, the evaluation summarised in this document finds that TMEA is generally well regarded as an influential trade actor in the region and that it has reached many of its key goals. These include reducing time and cost to trade: the evaluation found significant time reductions in trade transport and processes, and that TMEA's contribution was central. However, important data gaps were also found, and the evaluation makes recommendations on how these should be filled. The evaluators found that:

- TMEA's institutional and organisational model has been broadly effective, though there is some scope for streamlining processes for approvals, and donors should more closely monitor programme data and progress.
- TMEA's work increased ease of trading by significantly reducing the time spent in trade transport and processes, particularly at Mombasa Port and at Busia One-Stop Border Post (OSBP). TMEA's aggregate contributions reduced cost to trade by USD 115.8m in 2017 alone – a figure that can be expected to compound over time.
- Some interventions to reduce time and cost to trade were less successful, such as at Dar Port – where overall time and cost reductions were less than expected – and the Mirama Hills/Kagitumba OSBP, which has excess capacity.
- TMEA delivered adequate value for money on all aspects assessed – economy, efficiency, effectiveness and equity – and, in terms of cost-effectiveness, has a strong prospect of breaking even by 2025.
- TMEA's gender-related projects were effective in working with women informal cross-border traders to improve their ability to trade across OSBPs. Its export capability projects had some successes with improving access to markets and increasing income, though this work was carried out at pilot scale and no evidence showed systematic change. The evaluation also studied the longer-term, indirect effects of improved trade on poverty in the region, and found some evidence that exposure to trade was correlated with better poverty outcomes in some instances.
- Analysis of TMEA's theory of change points to scope for better and more frequent strategic planning and monitoring of political economy assumptions, more realistic assessments of partner capacity, and longer project timeframes.

The resulting recommendations for TMEA's ongoing work include:

- Take on less to accomplish more, by focusing on fewer long-term partner agencies and organisations in each country.
- Support governments and private sector to build the competitiveness of businesses newly exposed to international competition.
- Improve indicators and data quality across the board.

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- Pay more attention to building the capacity of local stakeholders to take advantage of cross-border trade opportunities, with particular attention to marginalized groups, SMEs and agricultural producers.
- Improve gender mainstreaming while maximising targeted gender programming. Improve indicators and monitoring, engage experts and learn more about how best to support poor and 'very poor' women – perhaps by partnering with other organisations with this focus – so that no-one is left behind.
- Make use of its important sectoral influence by working more actively with donor coordination bodies in the sector.

1. Introduction

The Trademark East Africa programme (Trademark, or TMEA) was set up to lift barriers to trade in East Africa, with the aim of reducing poverty by boosting the region's economies.

TMEA is a large and complex programme, with multiple donors including cooperation agencies from the UK, Belgium, Canada, Denmark, Finland, Netherlands, Sweden and US. TMEA was launched in 2011 as a not-for-profit company. Its first phase (Strategy 1, or S1) ran until 2017, investing over USD 500m in around 200 national and regional initiatives. It is now in its second phase (Strategy 2, or S2), which will involve a similar level of investment.

During S1, TMEA worked in the countries of the East African Community (EAC): Burundi, Kenya, Rwanda, Tanzania, Uganda and – since 2016 – South Sudan. The EAC's Single Customs Territory (SCT) became operational in 2014. The SCT and other policy initiatives aim to further deepen economic, social and political cooperation, ultimately establishing a federation of East African states. Home to 172 million people, the EAC is one of the world's fastest-growing regional economic blocs.

Nonetheless, the EAC is ranked by the World Bank as one of the least competitive sub-regions in Sub-Saharan Africa, which itself is the least competitive region in the world for cross-border trade.¹ In a study published in 2017, for example, truckers estimated that over a third of a typical journey from Mombasa to Kampala would be spent waiting to deal with paperwork at border crossings, checkpoints or weighbridges.² The evaluation finds that One-Stop Border Post (OSBP) wait times have reduced, but other times have increased, such as at the inland container depot in Nairobi.

TMEA had three strategic objectives in Strategy 1:

Strategic Objective 1: Increased physical access to markets

Investments in infrastructure at two ports – Mombasa and Dar es Salaam – and 15 one-stop border posts across East Africa. This included both hard infrastructure and soft infrastructure – that is, support for improving procedures and processes.

Strategic Objective 2: Enhanced ease of trading across borders

Interventions included working with the EAC and country-level systems to facilitate trade processes such as permits, improving use of ICT to making systems and procedures more effective, harmonising product standards, and strengthening national and regional systems to eliminate non-tariff barriers.

Strategic Objective 3: Improved business competitiveness

Working with private sector and civil society actors to strengthen their ability to advocate on trade policy, working with women and grassroots-level traders and businesspeople to

¹ World Bank. 2018. The Global Competitiveness Report 2018. Available at: <http://reports.weforum.org/global-competitiveness-report-2018/sub-saharan-africa/>

² Eberhard-Ruiz, Andreas, and Linda Calabrese. 2017. Trade facilitation, transport costs and the price of trucking in East Africa, at Overseas Development Institute. Available at: <https://www.odi.org/publications/10868-trade-facilitation-transport-costs-and-price-trucking-services-east-africa>

improve their ability to take advantage of domestic and export trade opportunities, and working with the logistics industry to make their services more effective and efficient.

The UK's Department for International Development (DFID) commissioned this evaluation to explore what lessons can be learned on TMEA's effectiveness and, more broadly, the role of trade in promoting development – an increasingly topical question around the world. A series of studies were carried out, including formative and process evaluations in an earlier phase that fed into the final phase of evaluation, which produced four in-depth studies:

- **Performance Evaluation (PE)** traces S1 outcomes, answers questions on the theory of change, coherence and coordination, and serves as an input for the other three studies.
- **Trade and Growth Impact Study (TGIS)** examines whether outcomes have led to trade impacts, through a range of economic data and econometric and modelled analyses.
- **Poverty and Gender Impact Study (PGIS)** assesses qualitative and quantitative data from households and communities near to and far from trade corridors.³
- **Value for Money Assessment (VfM)** reviews expenditures and outcomes to assess the “4 E's” of the intervention, primarily based on programme financial data and interviews.

These four studies are summarised in this document. Each one is an important and thorough resource, including significant and well-annexed information for the interested reader.

2. Evaluation questions

Overall, the evaluation finds that TMEA is an influential actor in the trade sector, and has had important positive effects on time and costs to trade. This is backed up by a 2019 World Bank report on regional integration that includes an influence network analysis of the key players in East Africa working on trade; the analysis rates TMEA's influence as at least on a par with the World Bank's, an impressive achievement given that the Bank has spent around USD 2.7 billion in trade interventions in sub-Saharan African, compared to TMEA's USD 560m.⁴

However, the story is not all positive. For the PE and TGIS, significant deficits in data made evaluation more difficult, including on some key outcomes. The only way to estimate to what extent improvements in trading conditions could be attributed to TMEA was to look at TMEA's investment relative to total investment, and assume it contributed proportionally. This may under- or overestimate TMEA's contribution: it does not account for the effects of TMEA's interactions with stakeholders, for example. Some small investments may have had outsize effects, or some national, bilateral or development bank investments may have been more important in terms of trading time and costs saved. Data need to be improved in S2 to enable TMEA's story to be told more effectively.

³ This study is in line with the literature around the effects trade may have on poverty. Rather than attribute to TMEA any indirect effects found, it contributes to the evidence base on the effects of trade on poverty. The study then also examines the effects of TMEA's *direct* projects with poor households, communities, and associations.

⁴ World Bank Independent Evaluation Group. 2019. Two to Tango: An Evaluation of World Bank Group Support to Fostering Regional Integration. World Bank Independent Evaluation Group, April 15, 2019. Available at: <http://ieq.worldbankgroup.org/sites/default/files/Data/Evaluation/files/Regionalintegration.pdf> p39.

This section summarises the findings of our evaluation, under headings that relate to the high-level evaluation questions DFID asked us to cover.

How effective was TMEA overall?

Has the programme been effective in delivering its outputs and outcomes? How has this been affected by the programme's organisational model and how could this be improved?

The evaluation found that TMEA deserves considerable credit for significant improvements to economic integration in East Africa. It has achieved breakthroughs in areas such as the Single Customs Territory and reducing non-tariff barriers, contributed to greater market access, helped improve regional and national frameworks for trading standards, and supported business competitiveness, including by strengthening civil society and professional service organisations.

TMEA's institutional and organisational model has been broadly effective. It has many strengths, including high quality staff, a presence and influencing role at country level, and the ability to work flexibly in a changing political economy environment.

Nonetheless, the evaluation identified some weaknesses with the organisational model. TMEA and its board should streamline governance and approval procedures. There is scope for TMEA to strengthen financial reporting and project monitoring, and for donors to more fully embrace 'doing development differently' by restricting earmarking and trusting TMEA and national priorities for capacity building and other aims. And, by TMEA's ambitious attempt to work across many agencies and organisations in each of six countries, the evaluators found TMEA's ability insufficient to address key partner capacity needs.

A recurring theme in the evaluation is that TMEA simply did not collect enough data or evidence to tell its story thoroughly. Some outcomes were not achieved – notably in work with non-tariff barriers (NTBs), standards, export capability and logistics sector projects. Other operational challenges affected outcomes, such as an overestimation of partners' capacity and a related underestimation of project timelines. Examples here included work with some government agencies, private sector and civil society groups. A key investment in the Customs Management System in Kenya remains incomplete at this writing, and some private sector partners reported being unable to continue without TMEA support.

There is also a need to engage more transparently and frequently with the theories of change behind interventions, and the political economy assumptions that affect their outcomes. For example, outcomes at Dar Port and at two OSBPs have been limited, despite significant expenditures. Gender issues should be considered more centrally. Assumptions that partners would have the capacity to absorb interventions and sustain outcomes were not borne out, for the ambitious list of partners with whom TMEA worked.

TMEA's organizational and governance model

The evaluation found that TMEA's political savvy, professional staff and durable relationships with government counterparts were important components of its operational model at both technical and political levels. Government partners perceived TMEA's work to be more aligned with their own national and regional efforts than with donors' agendas. They

report that TMEA flexibly addressed challenges that emerged – adjusting timelines, reallocating funding, and anticipating and mitigating problems.

TMEA's responsive and demand-driven model succeeded in creating a sense of ownership by ensuring buy-in from partners at the design stage of interventions. It steered a middle course between the extremes of imposing its own goals and providing hands-off budget support.

TMEA's status as a multi-donor programme was considered a strength. One advantage was that it led to more significant funding, enabling more impact. But it also helped to distance the programme from any individual donor's political agenda, giving it space to be a neutral broker in an environment with many competing interests. Respondents praised TMEA's commitment and engagement, saying they perceive TMEA as 'different to other donors', while at the same time complementing other donors' work.

Still, the evaluation found that TMEA could make use of its outsized influence – relative to its funding level – to act in a coordinating role with donor sectoral bodies. These working groups are run by governments and can be politically challenging, but TMEA is well placed to use them to maximise its own impacts and promote greater synergies.

Another strength was the small size of TMEA country office teams, which created a fertile environment for finding synergies. There was strong cross-team involvement in the activities of each strategic objective, in ways that allowed for shared brainstorming and pooling of their contacts in government to make things happen.

TMEA is governed by a Board made up of East African private sector leaders, and a Council made up of donors. Evaluators found some concern that this structure created layers of scrutiny that resulted in delayed approvals for procurement and project decisions.

At country level, National Oversight Committees were vibrant and active, with strong local leadership from government and the private sector. They were able to hold programming actors to account for progress. Partners and TMEA staffers at country level were nearly unanimous in praising this structure for enhancing country ownership and delivery: committee members felt sufficient ownership to invest their political capital in TMEA's work and facilitate access to their networks when necessary to solve problems.

Value for money

Comparing donor expenditures to savings from reduced trade times, costs and risks suggests that TMEA has a strong prospect of breaking even by 2025. Drilling down into value for money offered by particular TMEA activities, the assessment found that:

- TMEA's work in the two ports proved to be good value for money in Mombasa but poor value for money in Dar es Salaam, where results were considered less significant and less likely to be sustainable – largely due to political economy factors outside of TMEA's control.

- The Busia OSBP proved to be good value for money – in contrast to the one at Kagitumba/Mirama Hills, where value for money was rated as poor in part because the increase in traffic predicted by the feasibility study has failed to materialise.
- The ICT projects proved to be good value for money, contributing to significant time reductions and considered likely to be largely sustainable. The export capability projects were poor value for money, as results were inconsistent, and activities were not always well aligned with the interests, priorities and capabilities of intended beneficiaries. However, this was partly because these projects started later and were funded as pilots.

Assessment of the value for money offered by TMEA's Strategy 1 against programme-specific criteria for economy, efficiency, effectiveness, cost-effectiveness and equity resulted in an "adequate" ranking on all criteria, with good practices and important results in each area, mixed with some shortcomings. The assessment noted that many improvements have been made since the beginning of Strategy 2.

Did TMEA make trade easier?

Have the port and one-stop border post projects been effective in delivering their outputs and achieving their trade outcome objectives?

The evaluation found evidence that TMEA's work increased ease of trading across borders by significantly reducing the cost of and time spent in trade transport and processes, and reducing the associated uncertainty for businesses – an important change as it enables businesses to save on costs such as insurance and maintaining large inventories.

This work included strengthening the Single Customs Territory and supporting countries in adhering to it; investing in national customs management systems; building the capacity of agencies responsible for issuing trade permits; and instituting a new Regional Electronic Cargo Tracking System, which eliminates the need for expensive and time-consuming physical escorts for risky cargo consignments.

Crossing times at most OSBPs dropped significantly. The average crossing time at the Busia land border from Kenya into Uganda, to take one example, has dropped from 14 to 3 hours. The evaluators found that TMEA played a central role in this, and similar improvements in the time and cost of travel between other cities. However, outcomes vary by border: while Busia and Mutukula show positive outcomes for trade, for example, Mirama Hills/Kagitumba OSBP has significant excess capacity.

TMEA may wish to explore issues in S2 around ongoing bottlenecks at border posts, such as continuity of energy and internet services, that may occur when governments have not sufficiently prioritized them. Another issue that was not tracked was whether border inspectors were fully following EAC and national rules on mutual recognition of the standards TMEA worked so diligently to harmonise in S1.

Turnaround time at ports has also been lowered, although here the evidence suggests that TMEA's work was less important than other factors. For example, the time taken to import goods into Mombasa Port has halved from around 11 days to 5.5 – about 10% of this

improvement is attributed to TMEA interventions, in line with its share of financial contributions to wider investments at the port between 2010 and 2017.

TMEA helped to eliminate some non-tariff barriers to trade, such as weighbridges and checkpoints. Similarly, TMEA's work to harmonise standards reduced time spent on inspections and costs of testing for traders. However, evidence on TMEA's contribution to these improvements was imprecisely reported and not independently verifiable.

TMEA undertook a range of small and heterogeneous pilot projects to boost export capability, such as training farmer groups to comply with standards, and improving collaboration between governments and businesses. These projects achieved some localised gains in business competitiveness: one striking example was lowering the rate of rejected produce among participants in a Ugandan maize project.

Because these were only pilot projects, their outcomes were not systematic. Given findings in the TGIS that national exports and intra-regional trade fell during the S1 period, while imports from the rest of the world increased, going forward TMEA will need to target more systematic gains in exports to have a positive impact on regional growth.

Did TMEA boost economic growth?

What is the likely impact of TMEA on trade outcomes and growth, and what factors are critical in order to ensure the sustainability of positive impacts?

The aforementioned data gaps made it challenging to get a full picture of how TMEA affected economic growth. Nonetheless, evaluators were able to make some calculations by using a range of techniques such as computable general equilibrium analysis and a gravity model, using secondary data from large-scale datasets.

The TGIS thus estimated, for example, that every day a 40-foot container saved on the road equated to a savings of USD 210. The TGIS also gathered data through in-depth interviews, site visits and enterprise surveys.

Overall, the evaluators estimated that improvements in the ports and trade corridors increased welfare⁵ across the region by USD 582 million for 2017, of which it is possible to attribute USD16.8 million to TMEA. (In comparing 2010 with 2017, the TGIS is calculating the difference between conditions at the beginning and end of S1. This means any gains from intervening years are not included due to data gaps. It is not possible to know whether interim data might have revealed greater or lesser gains attributable to TMEA.) All four countries benefited overall, in welfare terms, from improved ports and cross-border trade.

Increase in welfare is not quite the same as an increase in GDP. The TGIS model estimates that the changes in trade to which TMEA contributed resulted in a GDP gain of around a

⁵ Welfare is a quantity measure representing equivalent variations of consumption, government spending and savings. It shows efficiencies to the consumption and allocation of resources brought about by changes in policies. A useful, but technical, discussion can be referred to here: <https://www.copsmodels.com/2000qtapconf/11hanslow.pdf>

third of a percentage point in 2017 relative to 2010. It is also unequally distributed, with Kenya doing best – gaining 0.7 percent – but negative impacts on GDP in Uganda and Rwanda. One reason is that the port projects made it easier for Kenya and Tanzania to trade outside the region, diverting trade from the landlocked countries.

Factors that contributed to welfare gains include greater productivity due to reduced costs, gains in allocative efficiency from better use of resources – when consumers are able to buy cheaper imported goods, rather than those produced domestically with state subsidy – and reductions in risk of delays, making it easier for businesses to plan.

To make these calculations, the evaluators first estimated the savings from reduced time, costs and risks of trade through the ports and corridors – in 2017, compared to 2010 – in the ports, OSBPs and corridors supported by TMEA. They then estimated how much could be attributed to TMEA, as opposed to other actions by donors, government and the private sector. Finally they looked at how these changes – along with changes in the policy environment for which TMEA was responsible – contributed to increases in trade, and their contribution to economic growth and welfare.

The evaluation estimated that TMEA interventions caused cost savings of USD 55.2 million in the trade corridors and USD 26 million in the ports. TMEA's work to reduce administrative burdens through ICT for Trade interventions led to savings totalling USD 34.6 million.

Next the evaluators looked at how much these reduced trade costs had increased trade, within the region and with other regions. TMEA's work on the trade corridors, for example, is estimated to have increased Uganda's exports by USD 2.2 million and Kenya's exports by USD 0.9 million, in 2017 compared to 2010. Imports increased by more. TMEA's work on the ports, meanwhile, increased imports from other regions while reducing intra-regional trade.

Cost and time savings attributable to TMEA's interventions to improve the trade policy environment are estimated to have increased overall exports by USD 278 million and imports by USD 177 million, in 2017 compared to 2010, in the four countries studied in the TGIS.

Did TMEA address poverty and gender?

What is the likely impact of TMEA on poverty and gender, and what factors are critical in order to ensure the sustainability of positive impacts?

Using two distinct study designs, the Poverty and Gender Impact Study (PGIS) examined questions of poverty and gender from two perspectives. First, it examined the direct effects of TMEA interventions with women informal cross-border traders – and, to a lesser extent, with women farmers and entrepreneurs – by visiting borders and projects and speaking with participants in person. Second, it examined the effects of trade more generally on poverty during the 2010-2017 period, using national household panel data and focus groups.

Direct projects

In the direct projects, many participants reported they had been able to increase their cross-border trade, earn more income, and save more. Individuals also reported increased self-reliance and self-confidence, leading to the ability to take on new roles in the community. The evaluation found evidence suggesting these projects improved many participants' access to food, education and health services, and installation of electricity.

Respondents indicated that these impacts changed relationships in households, as women gained greater influence over expenditures. Not all respondents welcomed these changes: a few, particularly men, said their marriages were strained by women being outside of the home more and expecting more say in household decisions. A few female respondents noted that when their businesses struggled, this caused conflict within the household.

Women entrepreneurs were supported in other projects with small businesses and with agricultural cooperatives. Although evidence suggests these projects were effective for most participants, alongside projects with women cross-border traders they nonetheless constituted only a small part of TMEA's overall activities.

Indirect relationship between trade and poverty

A body of literature and field research posits that increased trade has a positive effect on poverty. The PGIS looked at national household data for the approximate period of S1 to investigate whether households more exposed to trade fared better than others. Overall, this hypothesis was confirmed: households with more exposure to trade (from living on the trade corridor and/or the bulk of household income coming from a "tradable"⁶ sector) had lower incidence, depth and severity of poverty. Incomes increased for households along the trade corridor in Kenya, Rwanda and Uganda, but not Tanzania.

However, there were important caveats, as well as variations by country.

The most important caveat was that the improvements in poverty figures from 2010 to 2017 did not apply to households whose income came primarily from agriculture. Given the importance of agriculture in the four countries studied – nearly two-thirds of households in Tanzania, Uganda and Rwanda work in agriculture, and around a third in Kenya – this finding means that the benefits of trade are not reliably accruing for an important segment of the countries' poor. This effect was most pronounced in Tanzania, particularly along the trade corridor, and less pronounced in Kenya.

A second caveat is that, while being located in the trade corridor generally improved opportunities for income generation, the household data show a shift to self-employment over the S1 period. Kenya and Uganda saw a significant increase in self-employment in the trade corridor, which appears to indicate that more individuals are working multiple jobs

⁶ Trade sectors are defined as follows: **Agriculture**: Agriculture, forestry and fishing; **Tradable**: Mining and Quarrying, Manufacturing, **Mixed**: Electricity, gas, steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities, Wholesale and retail trade; repair of motor vehicles and motorcycles, Transportation and storage, Accommodation and food service activities, Information and communication, Financial and insurance activities, Professional, scientific and technical activities, Activities of extraterritorial organizations and bodies; **Non-tradable**: Construction, Real estate activities, Education, Human health and social work activities, Arts, entertainment and recreation, Other service activities, Activities of households as employers; undifferentiated goods- and services-producing activities of households.

rather than having steady, formal employment: while self-employment can reflect increased entrepreneurship, it often also reflects greater precariousness, as many families use a variety of income sources to earn enough to survive. In Uganda, employment shifted from agriculture to service and manufacturing jobs in the trade corridor but not elsewhere.

Results varied by country in patterns that are useful for future programming. Respondents in Tanzania did not see the same income increases from increased trade as those in the other three countries. The strongest effects were in Kenya, where consumption also improved; the effects in Rwanda and Uganda were smaller, and seen only when excluding households whose main income came from agriculture. Unemployment decreased in Kenya for households on the trade corridor; this was also true for Kigali, though not for the rest of Rwanda. In Tanzania unemployment increased away from the trade corridor, while remaining stable for households on the corridor. It was especially clear in Tanzania that households whose main income came from agriculture did not benefit from trade liberalisation.

Most beneficiaries of increased trade were not wealthy, but the wealthier beneficiaries benefited more consistently. More research is needed on these distributional impacts – by level of wealth, sector of employment, and gender.

The difference in effects on men and women varied widely: in Kenya, exposure to trade benefited female-headed households more than male-headed households; the opposite occurred in Tanzania and Uganda; and in Rwanda, all households benefited equally. That suggests exposure to trade alone is not sufficient to mitigate poverty among female-headed households, who tend to be poorer and universally had higher incidence of poverty at both time points. Other research on female-headed households shows greater deficits in savings, access to credit, and employment opportunities than male-headed households, indicating greater precariousness and a need for interventions that bundle multiple services.

Who benefits from lower trade costs?

Women traders who participated in TMEA's Women and Trade interventions at OSBPs reported that their costs decreased but they did not lower prices on the goods they traded – instead they enjoyed increased profit margins. This improved their standard of living, but did not translate into more affordability for their customers.

Nonetheless, prices increased more slowly in the trade corridor than elsewhere in Rwanda, Uganda and – to a lesser extent – Kenya. This was not the case in Tanzania, where prices outside the trade corridor dropped to come into line with the lower price level in the corridor.

At the same time, in all countries food prices increased more quickly than prices of other goods and services, both in and away from the trade corridors. But the link between changes in trade patterns and changes in consumer retail prices is complex, based on a detailed study of prices of maize – a staple crop common across the four countries studied. The primary conclusion is that trade likely contributed somewhat to higher prices of consumer goods, particularly food, between 2010 and 2018.

To the extent that female-headed households, households including persons with disabilities, and other vulnerable groups tend to be poorer, they would have borne the impact of higher food prices disproportionately. Poorer households living in the trade corridors in Kenya, Uganda, and Rwanda should have been somewhat less affected than those living in remote communities, as the overall price increases were smaller in the trade corridors. It is the poor in remote communities who will fail to benefit from increases in well-being and standard of living resulting from trade in those three countries.

Displaced workers

The improvements in trade efficiency had the effect of dislocating some workers, including clearing agents; truckers, as faster journey times lead to lower employment given that fewer employees are needed; and small-scale vendors who sell their wares to truckers as they wait at checkpoints and border crossings.

Very little was done to mitigate these negative impacts of TMEA's interventions on particular sub-groups, whether by TMEA itself, local or regional governments, or donor or civil society programmes – with the exception that some government compensation was provided to business owners whose premises were demolished to expand the ports, though most reported this to be insufficient.

Many complementary policies could be implemented alongside interventions designed to increase trade, in collaboration with other donors or government agencies, but it was not part of TMEA's mandate to organise such policies. Such policies could include cash transfers or active labour market programmes to ease transitions for displaced workers. In general, poorer households rely on informal networks of reciprocity or government transfers.

Did TMEA's theory of change stand up?

How robust and verified are the causal links and assumptions in the theory of change (TOC)? What does this imply for the relevance, coherence and sustainability of the programme, and what are the lessons learnt that are relevant beyond TMEA?

TMEA's original TOC was too general and high-level to be useful for implementation, given how broad was the range of projects – and TMEA did not capture the data that would have enabled the assumptions in the TOC to be tested. This made it difficult to evaluate the strength and validity of the original TOC. The evaluators reconstructed TOCs for each of the main strands of activity under S1, using TMEA's strategy documents, Results Framework (RF) and information from interviews with TMEA staff.

The lack of a strategic iterative feedback process around the TOC meant that TMEA did not have an iterative, candid TOC process through which to capture learning and guide implementation during S1. In some ways the RF served as that guide, and TMEA outputs were largely consistent with the goals expressed through the RF indicators. However, outcome results were less consistent, and the expected outcomes in the reconstructed TOCs were verified in some cases and not in others. The key findings included:

- Data backed up the assumption that the infrastructure projects, including soft infrastructure, would reduce time to import – but changes in time to export could not be verified.
- Data collected by the observatories funded by TMEA helped to monitor progress, particularly at ports, but were not sufficient to test if there were improvements in performance or exports and customs compliance.
- The ICT projects reduced permit processing times, which private sector respondents reported across the four countries studied. The PE also heard from private sector respondents that customs clearance times were reduced, though the TGIS found evidence only of slight reductions in Uganda and none reported for Kenya or Tanzania. The difference speaks to sustainability: the new permit processing systems provided a more constant time reduction, while customs clearance has not been so thoroughly automatised, and has been affected by changes in political economy and institutions.
- TMEA intervened with over fifty agencies to reduce their permit processing times; the evaluators recognised the benefits of this broad approach but note as well that the duplicative and political national systems of permits to export are themselves in need of reform. Though this would be a more politically challenging type of intervention, the benefits of helping governments to rationalise these systems would help traders more than simply automating the multiple processes needed for given commodities.
- Despite the successes of standards work at national and regional levels, it is not possible to verify the assumption that these two levels reinforced each other.
- The evidence was not sufficient to verify a causal link between eliminating non-tariff barriers and increased ease of trading across borders. A climate of increasing trade disagreements casts doubt on assumptions about reforms being sustainable.
- The capacities of partner agencies and organisations were assumed to be higher than they were in reality. Capacity gaps were often responsible for projects not completing successfully and on time. Especially significant capacity gaps were in M&E among private sector, civil society and government partners. The resulting poor data on project outcomes – notably in standards, export capability, and policy projects – meant that the evaluation could not reliably verify causality from TMEA to any positive system changes.

While the original ToC gave the impression that TMEA's three strategic objectives were relatively siloed, albeit complementary, the evaluators found that there was in fact considerable synergy – for example, between strengthening regional trade integration, supporting private sector and civil society in advocacy, and improving processes for traders, especially women. Synergistic work was particularly visible in country offices, where small teams required close collaboration across strategic objectives.

There is scope for more synergy. Broadly, the first two strategic objectives improved trade conditions, while the third build stakeholders capacity to take advantage – but much less was spent on the third objective, in part due to donor preferences. The risk that better trade conditions would create more benefits for importers than for domestic businesses looking to export was borne out, which limited gains for national exports and resulted in a reduction in intra-regional trade. Domestic production also saw worrying decreases in value addition.

TMEA's work was frequently affected by changes in political economy leading to reform efforts needing longer time horizons. However, it was difficult for the evaluators to track the

extent to which assumptions went awry, as TMEA leaders were wary of putting their political economy considerations on paper for fear of undermining their role as neutral brokers.

Among the political changes cited by respondents as affecting TMEA were changes in government, whether through elections or reshuffles, creating the need to take time to bring new leaders on board – a problem especially with the port reform projects; disagreements between countries; and problems in one country spilling over to others, as happened with elections in Kenya and insecurity in Burundi.

Are TMEA's S1 outcomes sustainable?

This section examines sustainability from different angles: sustainability of project outcomes, of economic gains, and sustainability in terms of the women informal cross-border traders who were assisted as part of TMEA's Women and Trade activities in S1.

Sustainability of TMEA project outcomes

Although TMEA staff are capable, professional and highly engaged, the problems they set out to tackle are broad and deep. In some cases they underestimated how much time this would take, how much capacity development was needed, and how volatile governments in the region can be. Often project timeframes were extended and costs increased, in part because of the wide range of agencies and organisations they supported.

There are valid questions about TMEA's ability to assess capacity levels, design projects to work with present capacities, build capacity as needed to keep pace with programming, and create sustainability by building institutional as well as individual capacity. Embedding capacity building in institutions is a challenge due to the vast number of agencies involved across the six countries.

Overall, projects that resulted in hard infrastructure, legislation, policy changes, ongoing budgets or new systems were more likely to be sustained – an outcome TMEA sought through Memoranda of Understanding and steering and technical committees. Both TMEA staff and donors suggested to evaluators that longer project timeframes would be more realistic.

Sustainability of economic gains

Sustainability of the economic gains discussed above will depend on the region's firms being able to innovate. Given that easier trade has led to more competition with the rest of the world – and the strong evidence showing that the four countries studied have lost value addition and sophistication – sustaining the gains will require targeting these issues specifically and successfully.

To secure pro-development growth, it is important that the entire innovation ecosystem is supported, and inclusive development efforts are made in parallel with those made by TMEA under S1. According to survey respondents, issues affecting the competitiveness of businesses in the region include trade policies, standards, remaining trade costs, power issues, roads and railway connectivity – as can be seen from the differing impacts of TMEA on GDP.

Some types of programming are more sustainable than others. Hard infrastructure, agency systems, standards harmonisation, and policy changes that are enshrined in legislation and with allocated budgets tend to be the most sustainable. Soft infrastructure and capacity building are more susceptible to changes in policy priorities. Wherever political economy influencers have levers to press, there is greater risk of backsliding or elite capture.

Despite TMEA's efforts to promote cooperation and coordination, recent years have seen a rise in political disputes which might threaten the sustainability of trade facilitation efforts.

Sustainability of outcomes for supported women cross-border traders

Significant lack of understanding remains – even in border communities – about reciprocal freedom to conduct cross-border trade. Protectionist attitudes remain common, particularly among the poor. TMEA could do more to ensure that OSBP training includes the need to inform the public on trade regulations and opportunities, and institutionalize practices through training for border and port personnel to build public confidence in the effectiveness of the system.

Poorer women supported by the project to date have had less success in maintaining gains and taking advantage of the opportunities provided by participation in TMEA Women and Trade activities. Sustainability of gains among poorer beneficiaries is therefore more tenuous, and would require additional support.

3. Recommendations

Strategic choices and capacity building

While breadth of programming has its benefits, notably in allowing for experimentation, it increases vulnerability to political economy and capacity challenges. TMEA risks spreading itself too thin, and could accomplish more by taking on less. Making more strategic choices around which trade agencies, private sector and civil society bodies to support also makes sense in terms of effectiveness, and would allow for longer and more realistic timeframes where capacity needs to be built and a competent handover plan needs to be developed.

It would be sensible to limit the number of projects taken on with organisations that need in-depth capacity building. In each sector or country, TMEA should focus on one or two agencies that can be long-term partners. Projects should be sufficiently in-depth, with realistic timelines that include enough scope for building capacity and political relationships, supporting partners and handover planning. TMEA's most effective capacity building in S1 was hands-on and demonstrative – leading their partners through specific project management skills. Donors should support this work for its long-term institution-building effects, for its alignment with the Paris Declaration imperative for country ownership, and for its realistic pathway to systems change. While donors were more likely to support infrastructure and systems upgrades which were more visible and measurable, these more subtle capacity building gains are more durable, relevant, and country-led.

Donors and TMEA should look for ways to streamline TMEA's current approvals structure: although it does a good job of putting local knowledge and connections front and centre, there is scope to reduce the number of layers of approvals. Technology could be used to fast-track approvals in a wider range of areas.

TMEA should develop a more candid and iterative theory of change process, particularly to track intermediate programme outcomes. This will improve ability to understand and take advantage of emerging synergies and cross-pollination among different programme components. The evaluators recommend creating space more frequently than annually for these discussions, and leading the process from the country level.

Data quality

The donors and TMEA need to improve indicators and data quality across the board. TMEA should give partners more support on data, training them to produce the kind of data that will show what they and TMEA are accomplishing together. This implies establishing clear baselines (for example, prior to using new standards equipment, or on transit times) and realistic targets. TMEA's monitoring, evaluation and learning team may need more support to build their own capacity to help partners.

Successive annual reviews noted the same problems with data, but they were not remedied, resulting in indicators with incomparable data, or no data, and gaps in coverage. When there are gaps in data, TMEA and donors should flag and remedy them rather than letting the problems compound over time. Donors should work together to limit the broad range of evaluative exercises, and evaluation products should be more targeted and digestible.

TMEA worked closely with the Transport Observatories for the two corridors to improve data quality and dissemination, an effort that is essential for the region's economies. However, this work should be strengthened. TMEA's RF should better capture the impact and outcome indicators of its TOC, and the team should find ways to capture the necessary data on trade outcomes that national and other actors do not.

The most challenging situation is the one faced in the Northern Corridor observatory project, which does not collect data relating to exports and the inland container depot in Kenya. Collecting these data is a national a regional priority, and should be carried out with consistency, accessibility and data quality.

Mitigating negative results of trade facilitation investments

The size and duration of TMEA, and its geographical placement in the key capitals of the EAC, create an opportunity for it to play more of a coordinating role in sectoral coordination, including joint research and action on political economy issues.

Donors should help TMEA to formalise coordination with other donors, through existing structures such as the working groups. Better coordination with other donors could create opportunities to leverage their priorities and investments.

In particular, TMEA should work with donors, community-based organisations and partners in national and/or local government on pro-poor services to mitigate impacts of its work.

This notably includes providing transition support to displaced workers in port communities and at border posts, and workers in sectors that find they cannot compete as it becomes easier to trade internationally. Transition support should aim to create other opportunities to earn a decent livelihood. Activities may include active labour market programmes, information campaigns about social transfers, or mentoring and financing for entrepreneurs to develop new business.

TMEA did not have a dedicated line of work around OSBP accessibility for people with disabilities. For S2, this might be addressed by first studying the extent to which OSBPs are accessible to individuals with a range of physical and sensory impairments, and what kinds of support could be provided at border posts to better meet their needs.

Often pro-poor national development plans are in place, but sustained prioritisation of pro-poor government funding requires political commitment – for example, to keep food prices affordable. Improvements in trade revenues should also increase government revenues from trade, and thereby governments' ability to implement pro-poor policies: donors should use their political clout with countries to ensure this happens.

TMEA should consider partnering with other organisations that can support cross-border traders and exporters. A large number of direct and indirect beneficiaries asked for skills training, education and advisory services. Some targeted beneficiaries suffer from a range of conditions leading to enduring poverty, and cannot pull themselves out of these conditions by TMEA's programming alone. Although these may be beyond TMEA's current mandate, a wide range of organizations in each country offer some of those services and might be interested in partnership opportunities.

Reaching vulnerable groups

Evaluators found that TMEA made little impression on respondents in border communities who were not already involved in cross-border trade. TMEA should ensure that government partners have more effective strategies in place to disseminate information about procedures, to enable a wider range of individuals and households to take advantage of cross-border trade opportunities. Outreach officers engaging with officials and traders on market days seemed to work well.

The concerns of vulnerable women, people with disabilities, and other marginalized groups need to be consistently heard and addressed by border committees. Women reported important gains from their ability to provide feedback to and their representation on border committees. Traders with disabilities should also be represented. How well these committees heed these concerns should be part of regular OSBP performance review.

TMEA should ensure that government partners have systems in place to institutionalise training on standard procedures. Staff turnover and lack of institutional memory presented

challenges and delays for small-scale women traders in particular, as new OSBP personnel for example were not always fully trained and fluent in the new functioning of the OSBP, the Simplified Trade Regime, or their responsibilities with respect to vulnerable groups. TMEA should work with countries and the EAC to ensure that this, too, is examined in performance reviews.

Donors and TMEA should ensure robust participation of SMEs, which drive the region's economies. It makes sense to give entrepreneurs at this level a bigger voice at the table – for example, on technical committees for harmonising standards, or to build their skillsets in transport and logistics services, and certainly in sectoral programming during Strategy 2.

Agriculture needs to be another priority. It employs a large proportion of workers in each country, but in three of the four countries analysed the benefits from being in the tradable sector disappeared when households in agriculture were included in the analysis. TMEA should identify strategies for ensuring that benefits of trade liberalisation reach households working in agriculture, both in the trade corridor and far from it. This could involve partnering with other organisations to help agricultural producers identify opportunities to add value.

Attention to gender impacts

TMEA's programming on women and trade seems to have positively impacted most participants. TMEA should consider expanding its offerings in new border locations in more remote areas, to reach those who have not yet benefited from increased trade, while looking for additional opportunities in existing locations.

Building capacity and supporting durable access to markets is most important. The programme should emphasise quality of interventions over quantity. TMEA should continue to work with organisations such as co-ops to build export capability, focusing on tradable sectors in which women are heavily concentrated.

TMEA should implement their 2015 Gender Strategy, or an updated version, both internally and with partners, and include gender in the theory of change process. Annual gender audits should examine how project statements relating to gender are implemented. This requires improving gender indicators and baselines, identifying gendered aspects of transport and trade systems, and stronger monitoring of context and assumptions. Trade and gender experts should be engaged for audits, planning and research.

Indicators should reflect ambitions for longer-term change in policies and systems, not just numbers of people supported or papers submitted. Embedding policy in institutions requires effort and resources, as does ensuring that the interventions work for the poorest. TMEA will need to develop different types of indicators – including qualitative indicators – to capture and tell the story of these changes over time.

TMEA needs to learn more about the different conditions in which poor and 'very poor' women take up and use new learning – including their unique requirements for access to credit, employment opportunities, training and child care – and the extent to which support services in these areas may be necessary to reach more marginalized individuals. Such

services could include access to finance and gender-sensitive extension services for women entrepreneurs and farmers, or 'bundled services' packages seen in economic development programming for 'very poor' women. While TMEA may decide not to increase resources for these ends, there is scope for partnering with other organisations to deliver Women and Trade programming so that the poorest are not left behind.

TMEA has shown great interest in creating a targeted, useful learning agenda to guide its research. Questions the evaluators would recommend considering for such an agenda that reflect concerns in serving the poor include:

- What are the differences in consumption patterns between poor and 'very poor' households, in particular women-headed households?
- What bundle of interventions help very poor beneficiaries, such as informal traders?
- What influences the extent to which reductions in trade costs are passed through to consumers?
- Are observed shifts from formal employment to self-employment sustained over time?
- Do short-term adverse effects on displaced workers lead to long-term unemployment and reduced earning power?
- When household consumption decreased, is this because increased access to trade enabled households to sell produce that they would previously have consumed?

Supporting businesses to compete

As trade is made easier, some countries and sectors lose out from competition with importers. Steps are needed to mitigate the harmful effects of a surge in imports and promote a balanced redistribution of the impacts arising from interventions. TMEA should provide governments with capacity building and support on trade defence mechanisms that are compatible with the membership of the WTO and EAC.

In coordination with organisations such as USAID and ITC, there are opportunities for TMEA to help governments, associations, and partners to support businesses to take advantage of the opportunities created by trade facilitation. This includes appropriate communication strategies to promote the results of TMEA's interventions, and engaging with businesses to provide market intelligence and expertise on supply chains and help with export strategies.

Another way to mitigate the displacement of intra-regional trade by trade with other regions is to step up support for stronger regional integration. Careful analysis of political economy will be critical here, as recent trends are towards less openness.

TMEA may also wish to explore formally what makes producers 'export-ready', and what are the incentives or drivers that make them take the leap, in order to make evidence-informed decisions about their S2 investments in this area.

Improving value for money

Assessment of TMEA's value for money identifies areas for improvement in each of the "Four Es". These include:

Economy: There is scope to improve travel budgeting in order to reduce travel costs, improve benchmarking and monitoring of fees paid to consultants, and ensure consistent compliance with revised guidelines on procurement. Donors can help by facilitating access to data from other similar programmes for comparison and benchmarking purposes.

Efficiency: TMEA should continue efforts to strengthen staff and partner capacity in project-level M&E and value for money appraisal. In coordination with donors, TMEA could take a more explicit, portfolio-based approach to project appraisal, in order to more explicitly identify trade-offs in the selection of potential projects, and should strengthen in-house capacity to periodically review programme and project cost-benefit analyses.

Effectiveness: Programme-level monitoring, evaluation and learning systems and tools need to be designed and used in ways that provide more timely and reliable information for accurate results measurement and review, and decision-making. Programme-level value for money can be strengthened by developing guidance and training for staff and embedding value for money in Programme and Project Cycle Management guidelines and project appraisal guidance.

Cost-effectiveness: The findings on the varied cost-effectiveness of the different one-stop border posts should be used to inform future border investments. Breakeven analysis should be used periodically to assess the benefits delivered by the programme relative to the value of the investment. Sustainability of outcomes is key to cost-effectiveness and should be a priority.

Equity: TMEA should continue to seek ways to ensure women and African nationals have access to opportunities at senior levels of the organisation. TMEA and donors should discuss and agree on the role TMEA is expected to play in relation to monitoring and mitigating the potential negative effects of its interventions on vulnerable groups.