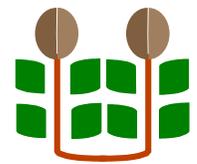




**USAID** | **COMPETE**  
FROM THE AMERICAN PEOPLE | The Competitiveness and Trade Expansion Program



**AGMARK**

## **COMPETE Agrodealer Trade Across Borders (ATAB)**

**07<sup>TH</sup> MONTHLY REPORT-OCTOBER 2012**



October 2012

This Report has been prepared by AGMARK for Agrodealer Trade Across Borders program

**Project:** ATAB – Agrodealer Trade Across Borders

**Donor:** USAID-COMPETE

**Prepared by:** James Mutonyi

**Period:** October 2012

---

**SUMMARY:** The main activities for the month of October were the Uganda/Tanzania–Mutukula border grain trade familiarization and facts finding trip, Regional stakeholders’ workshop preparations and data collection and entry.

## I. FAMILIRIZATION AND FACTS FINDING TRIP TO MUTUKULA BORDER

Mutukula border, is a major transit post on the Uganda-Tanzania border.



From a report titled Cross border women traders still use “panya’ routes published on Oct 16, 2012<sup>1</sup> indicates that majority of traders still engage in informal cross border trade despite the integration of the East African countries and the coming into force of the Customs Union and Common market protocol. Most traders still use ungazetted border crossing routes (panya) while trading.

It is against this background that a familiarization and facts finding trip was made by Rose Wanyiri Project Coordinator-ATAB with the aim of finding out the actual state of cross

border grain trade at the Mutukula border.

Discussions were held with several grain traders on both the Tanzanian and Ugandan side as well as with several border officials from the various institutions manning the Mutukula border point.

---

<sup>1</sup> <http://www.newvision.co.ug/news/636449-cross-border-women-traders-still-use-panya-routes.html>

## OBSERVATIONS

In a nut shell trading on the Ugandan side is okay and running smoothly however a number of challenges (non-tariff barriers) were observed on the Tanzanian side which is interfering with the cross border trade at the Mutukula border. These challenges are mainly the root cause of traders using panya routes (illegal border crossing). These challenges include:

## CHALLENGES

1. Manning of the "no man's land" territory the Mutukula border.
  - The Tanzanian authority has taken its control and restricts its usage like loading and offloading of produce by traders.
2. Restrictions in crossing purchased stock from Tanzania side even with permit issuance yet produce has already been paid for to the Tanzanian Authority.
  - This lack of recognition and respect for genuinely issued licenses by the same government affects the genuine players at this border point.
3. Unnecessary delays in clearing of tracks at the border which translates into unnecessary cost both in time and finance and also encourages corruption.
4. Lack of quality systems at the border especially Tanzania to ensure good produce crosses yet traders often pay in advance to Tanzania counterparts.
5. Police and the local authorities within the border town were cited as harassing traders.
  - The traders are forced to part with kitu kidogo especially to Tanzanian official to facilitate trade crossings and if one fails to sort this his/her trading with Tanzanian is made unbearable.

### **Recommendation**

It's very essential to engage the Mutukula border stakeholders (institutional heads, border officers, traders etc.) in a workshop in an endeavour to remove these bottlenecks that are inhibiting smooth flow of trade across the border.

This workshop should be held as cross to the Mutukula border as possible to ensure that the actual officers manning the border point are in attendance and also enable as many traders from both sides of the border to attend the workshop freely

## 2. MEETING

A meeting requested by grain traders from Nairobi was held on 3<sup>rd</sup> October 2012 at the AGMARK Nairobi Office. Present at the meeting were Isaac Tallam-Private Sector Grain Trade Advisor at USAID COMPETE, Rose Wanyiri-ATAB Project Coordinator, AGMARK and 3 grain traders from Nairobi – Mr. David Gitonga of Dagia Import and Export, Teresia Mugure of Tesamco Traders and Samson of Alysam Stores.

Mr. Gitonga reported that one of the grain aggregators from Busia Uganda whom he had met through the project had not honored a maize buying deal they had earlier agreed on. Mr. Gitonga had already visited the stores and seen the maize, paid for it and sent his lorry to collect the maize consignment. Mr. Tallam handled the issue and reminded the trader the importance of trust in business.

The traders also informed the meeting that they had formed and registered an association: **The Kenya Cereal Traders Association**. They wanted help from the project to strengthen their association.

In response the meeting appreciated this effort and advised the traders to continue building the association up by recruiting more members. The traders were also advised to brand the association by making a profile (with the help of ATAB project) and website for the association.

The traders also requested ATAB to introduce them to major grain buyers. Mr. Tallam and Rose agreed to introduce them to major buyers like WFP but also reminded them that they must be ready to meet the WFP specifications.

## 3. MONITORING AND EVALUATION

Data collection from traders in Uganda and Tanzania is ongoing, the activity is being coordinated by consultants contracted by AGMARK in the 2-countries; Tanzania and Rwanda. When the data is received, entry and analysis will be done and shared in the next quarterly report.

## 4. NOVEMBER 2012 ACTIVITIES;

- 1) Identification and mobilization of stakeholders and other workshop preparations for the Regional workshops in Mutukula and Rusumo.
- 2) Holding one day regional stakeholders consultative meetings at Mutukula and Rusumo.
- 3) Monitoring the projects progress and documentation of success stories in Uganda.
- 4) Data collection, entry and analysis.

## MONTH OF OCTOBER IN PICTURES



*Photo 1: Madam Nalongo Birime, a grain trader and her workers at her grain store*



Photo 2: Tracks awaiting clearance at the Mutukula border point



Photo 3: The Women traders' information and resource Center office in Mutukula which empowers women engaged on cross border trade by providing them with information.



*Photo 4: Plantains traders near the Mutukula borders*

## WORK PLAN FOR NOVEMBER 2012

Activities	Sub-activities	NOVEMBER					Responsible persons	Indicator Unit	Program Targets
		W1	W2	W3	W4	W5			
<b>Activity I. Regional Workshop</b>									
Preparations for the Regional Workshops.	Identification and mobilization of stakeholders and other workshop preparations for the Regional workshops in Mutukula and Rusumo.						Project Coordinator STTA	Grain traders at Mutukula and Rusumo, officers from various institutions manning the border, provincial administration etc Identified and mobilized to attend Regional workshops.	
Regional Workshop Mutukula, Tanzania.	Holding a one day regional stakeholders consultative meeting at Mutukula ,Tanzania						Project Coordinator, Compete team STTA	Cross border grain trade Challenges at the Mutukula border ironed out.	
Regional Workshop Rusumo Rwanda	Holding a one day regional stakeholder's consultative meeting at Rusumo Rwanda.						Project Coordinator, Compete team, STTA	Cross border grain trade Challenges at the Rusumo border ironed out.	

Activities	Sub-activities	NOVEMBER					Responsible persons	Indicator Unit	Program Targets
		W1	W2	W3	W4	W5			
<b>Activity 2. Success Stories.</b>									
Success stories	Make a trip to the Uganda to monitor the projects progress and document success stories.						Project Coordinator and M&E officer	Monitoring and documentation of success stories on cross border trade	
<b>Activity 3. Data collection and entry</b>									
Data management	Data collection, entry and monitoring						M&E officer, Project Coordinator and STTA	Documentation of volumes and value of grains traded across borders.	



