REPORT ON THE OVERSIGHT ACTIVITY TO ASSESS THE IMPACT OF COVID 19 PANDEMIC ON WOMEN IN CROSS BORDER TRADE IN THE EAC

25TH – 28TH FEBRUARY 2021
1.0 INTRODUCTION

The East African Legislative Assembly (EALA) is one of the Organs of the East African Community established under Article 9 of the Treaty for the Establishment of the East African Community. The Treaty bestows upon the Assembly three cardinal functions: legislation, oversight, and representation. In particular, the Assembly largely exercises the oversight function through its Committees. The Committee on General Purpose is one of the six (6) Standing Committees of the East African Legislative Assembly (EALA) that is specifically charged with among others, matters related to health, gender, population, and the budget.

Annex 5 (f) of the Rules of Procedure of the Assembly provides for the specific functions of the Committee on General Purpose which include but are not limited to, oversight of the work of the EAC and Sectoral Committees emanating from the following provisions of the Treaty; though not restricted or limited to them--

a) Chapter Sixteen – Co-operation in the Development of Human Resources, Science and Technology
b) Chapter Twenty One – Health, Social and Cultural Activities.
c) Chapter Twenty-Two – Enhancing the Role of Women in Socio-Economic Development; and
d) the pre-budgeting function

2.0 BACKGROUND

According to Article 121 of the Treaty for the Establishment of the East African Community, Partner States committed to work together to enhance the role in socio-economic development. The Partner States recognize that women make a significant contribution towards the process of socio-economic transformation and sustainable growth and that it is impossible to implement effective programmes for the economic and social development of the Partner States without the full participation of women. To this end, the Partner States shall through appropriate legislative and other measures:

a) promote the empowerment and effective integration and participation of women at all levels of socio-economic development especially in decision making;
b) abolish legislation and discourage customs that are discriminatory against women;
c) promote effective education awareness programmes aimed at changing negative attitudes towards women;
d) create and adopt technologies that will ensure the stability of employment and professional progress for women workers; and
e) take such other measures that shall eliminate prejudices against women and promote the equality of the female gender with that of the male gender in every respect.

Article 122 of the Treaty provides that, having recognized the importance of women as a vital economic link between agriculture, industry, and trade, the Partner States undertook to, among others:

a) increase the participation of women in business at the policy formulation and implementation levels;
b) promote special programmes for women in small, medium, and large scale enterprises;
c) eliminate all laws, regulations, and practices that hinder women’s access to financial assistance including credit; and
d) recognize and support the national and regional associations of women in the business established to promote the effective participation of women in the trade and development activities of the Community.

Following the outbreak of COVID-19, there was significant disruption in the global value chains with China being the hub of manufacturing for most business operations. The spillover effect of this disruption has been felt by other African economies and largely by East African businesses being suppliers and importers of goods and services in the global economy.

The outbreak of the COVID 19 led to Partner States adopting and implementing measures to mitigate the impact of the pandemics spread on the human population. This affected trade within the EAC and within the rest of the world. Some of the significant measures that affected trade included among others: Restriction on movement of people at the borders, Curfews & Lockdowns, Restriction of movement of nonessential goods, Closure of businesses and Mandatory quarantines.

Whereas women continue to contribute to the socio-economic development of the region through among others, engaging in trade within and across their national borders, it has been noted that the outbreak of the COVID 19 Pandemic created an unprecedented challenge for women in trade across the globe, including those working to grow prosperity through trade in East Africa.
In the exercise of its oversight mandate, the Committee on General purpose held meetings with representatives from the East African Women in Business platform (EAWIBP), Women Cross Border Associations, and women entrepreneurs to assess the impact of COVID 19 Pandemic on women in cross border trade in the EAC region. The meetings were held virtually from 25th – 28th February 2021.

3.0 OBJECTIVES OF THE OVERSIGHT
The principal objective of conducting the oversight activity was to assess the impact of COVID 19 on women in trade and services. It was expected that during this activity the Committee would:

a) appreciate the impact of COVID 19 on Women in Cross border trade.
b) understand how the different Government measures put in place to combat COVID 19 have affected Women in Cross Border Trade.
c) explore possible interventions that can facilitate the full participation of women in cross-border trade to spur sustainable socio-economic transformation and development of the EAC.

4.0 METHODOLOGY
During the oversight activity, the Committee:

i. held meetings with representatives from the East African Women in Business platform, women cross border associations and women entrepreneurs.

ii. prepared a report on the above subject matter for consideration by the Assembly

5.0 SUBMISSIONS BY STAKEHOLDERS

5.1 Republic of Burundi

The Representative from the Republic of Burundi stated that Burundi did not undertake lockdown measures but was affected by the closure of borders for Rwanda and the Democratic Republic of Congo (DRC). This further affected cross border trade and the movement of goods and people. There are several trade activities that take place between the borders of Burundi and Rwanda (Gasenyi – Nemba border) and Burundi and DRC (Gatumba border). The outbreak of COVID 19 impacted women cross border trade in the following ways;
1. The seven (7) days mandatory quarantine at designated port health that were subjected to all travelers discouraged the movement of people and women who owned hotels and lodges had their business affected.

2. The lockdown measures adopted and implemented in other Partner States led to production halts. Women traders whose businesses mainly depended on imported raw material business came to a standstill and this affected household earning and livelihood.

3. Many women have been abandoned by their husbands because they are not earning and the men can’t sustain providing for families.

4. Complete or partial closure of business. Due to closure most women have consumed and utilized their capital to purchase household items.

5. The Government of Burundi has not provided any funds to help revive the businesses that had been closed.

6. Women lack smart mobile phones to be able to conduct online marketing and selling. The Women have therefore been unable to explore the benefits of online marketing and selling.

**Possible intervention measures**

i. In order to revive women cross border business, the Government has adopted several Standard Operating Procedures to stop the spreading of COVID 19.

ii. Group selling is being encouraged where traders are encouraged to put products in the same vehicles / trucks and sell across borders.

iii. The Government of Burundi needs to provide funds to help those that have faced the closure of business.

iv. More training is needed on online platforms for trade especially during this COVID 19 Period.

v. There is need to explore the possibility of providing women with mobile phones.
5.2 Republic of Kenya / United Republic of Tanzania – Namanga OSBP

1. At the Namanga border post, Women cross borders are accepted to trade freely within a radius of 10 to 20kms but they are usually harassed and interrupted by border officials.
2. Each Partner State implementing national restrictions on COVID 19 has affected trade at the border.
3. Lack of a cold storage room for perishable products. During the designing of the One-Stop Border Post, there was a provision of cold room and storage. The cold rooms have never been established at any of the border posts.
4. Taxation and tariffs imposed on goods like livestock being crossed within a radius of less than 10kms in search of pasture and water. Communities living within a radius of ten kilometers along the common boundaries of the East African Community Partner States were allowed to move freely with their goods and services without being subjected to customs regulations.
5. Loss of capital and unemployment due to closure of business.

Possible intervention
i. The Government needs to come up with an inclusive COVID 19 recovery plan where no woman is left behind.
ii. During the designing of the One Stop Border Post, there was a provision of establishing cold rooms at the borders. Update, the cold rooms have not been established. The EAC needs to expedite the process of establishing the cold rooms at the borders.

5.3 Republic of Rwanda

In the Republic of Rwanda, informal cross border trade constitutes a big fraction of about 60% of Rwanda’s total cross border trade. In particular, Cross border trade constitutes about 40% of the country’s total trade therefore, any shrink in informal cross border trade affects the country’s overall trade picture. The Lockdown that started in March 2020 led to restriction in the movement leading to slowing down of cross the border trade and movement of raw materials.

The outbreak of COVID 19 led to:

2. Reduction of customers due to national lockdown and social distancing. Many households were purchasing necessities and this led to lowering consumption and production.
3. The high interest rate is charged by financial institutions. When the grace period was over it hard to pay taxes
4. Delays in paying loans
5. Liquidity challenges since most businesses closed down
6. Failure to pay salaries leading to the closure of business
7. Wastage of stock especially those involved in mass production. When the lockdown started
8. Increase in Warehouse cost leading to a loss in investment
9. Conferences like the Commonwealth Heads of Government Meeting (CHOGM) that were meant to be hosted in the Republic of Rwanda did not take place. Hosting such conferences creates a multiplier effect in the tourism, agriculture, and entertainment sectors among others.
10. Delay of goods in transit. Truck drivers were required to be tested and present a COVID 19 certificate before crossing the borders. This led to delays in clearance of cargo and goods being stored for long hours which affected their quality.
11. Inability to resume business affecting cross border trade. Women were psychologically affected to extent of being unable to revive their business due to lack morale.
12. Delays in payment of loans leading to accumulation of interest.
13. Wastage the stock was far from where they are located. Those dealing in school material like chalk, processing of foodstuffs. This also led to the depreciation of machines since they were not in use for a long time.

**Current situation/possible Intervention**

i. The Government is Supporting the conducting of cross-border meetings and technical consultations among border authorities: both multi sectoral (health, immigration, customs, local authorities, etc.) and specialized/technical consultations focusing on health and/or immigration to strengthen border coordination and enhance regional disease surveillance, information sharing, and reporting;

ii. The Ministry of trade and industry has offered training. The last training was in Rusizi on alternative financing and how to link traders with banks and there were discussions on the various financial opportunities offered in banks. Linking women with Bank of Kigali and other Banks. There was capacity building at the districts of Bugesera and Nyagatare.
iii. Online training on the use of e-commerce. This has offered many traders an opportunity to start marketing products through WhatsApp groups, Facebook, Instagram, etc. Most have started online trading and marketing of products.

iv. Training on investment which goes with alternative financing bringing together women in business and women in cross border business

v. The government of Rwanda provided food and other sanitary material to the vulnerable groups which include women.

vi. The Ministry of Trade and Industry is assessing to check the variation in trade across borders between 2019 as compared to 2020.

vii. The government organized people in small group cooperatives and associations to promote trade across borders. The cooperatives have benefited women in many ways which include among others, providing goods and services, foster business and social interactions with other businesses both inside and outside the region and offering capital to business traders.

viii. A special recovery fund has been provided to support local businesses through restructuring especially those in the hospitality tourism sector especially hotels and restaurants.

ix. The financial and commercial institutions need to provide a loan guarantee for small Medium enterprises (SME’s) that were mainly affected by the lockdown.

x. The Chamber of women entrepreneurs with the assistance of UN Women has started business clinics in Rwanda. These are Business facilitation networks that have provided social support for 30 women. This has helped to ensure business continuity, reopening, and diversification.

xi. Enhancing business networking and exchanging of products in the region and enhancing the value chain in the region.

xii. Prolonging the grace period for traders and lowering interest rates.

5.4 Republic of Uganda

1. The closure of Gatuna/Katuna border was closed for two (2) years. This affected women traders and disrupted their means of earning a living. The closure left both small and large scale businesses at the border struggling. Trucks taking goods to Rwanda and other neighboring countries like Burundi and the Democratic Republic of Congo were stopped at some border posts, been delayed, or had to use a much longer route via the Mira Hills. Traders living across the borders resorted to using illegal routes to cross.

2. Closure of business especially those in the entertainment industry, hotel and restaurant owners among others. This also led to the loss of employment and a reduction in cash flow.
3. Increased smuggling activities. The restrictions in movement and limitations of trade and domestic sale of goods has caused a huge increase in smuggling activities through undesignated points. Informal traders who survive on trading across the borders are now using undesignated crossing points to earn a living. But this comes with some heavy costs to the region as well as the traders.

4. Overproduction. In Uganda agricultural farmers' growers report that between 20 to 40 percent of the pineapples they produce on a large commercial scale go to waste. The situation has been exacerbated by the Covid-19 containment measures such as transport restrictions, quarantine (including on border districts), and ban of weekly markets.

5. Governments have mandated workers to take costly protective measures, such as the regular purchase of masks, the reduction in the number of passengers for motorcycle taxis, or the observance of curfews. Farmers have seen falling demand for their produce as restaurants have reduced their purchases in the face of dwindling traffic.

5.5 Republic of South Sudan

In South Sudan, women constitute about 70% of traders engaged in informal trade at the border especially at the borders with Uganda, Kenya, and Democratic Republic of Congo. Unlike the trading partners in these countries, many of the women in Cross Border Trade in the South are informal, lack experience, and are largely driving the sector as means of survival. Most of the women are household heads as a result of their men (Husbands) being engaged in the frontline fighting in the war, death, which left them single mothers.

Since the outbreak of the COVID 19 epidemic in early 2020, Women in Cross border have been impacted in so many ways which include the following;

1. The closure of the border especially the Nimule Border led to the closure of women-owned business since the majority of these women are involved in fresh produce or Agricultural products;

2. There was loss of capital for business as many women ended up using business products for consumption in the household. Some are selling off their household items such as sofas to raise capital for business;
3. Increased sexual exploitation and harassment as women traders try to negotiate their way to cross to Uganda to buy food items for sale in the South Sudan side. Many end up being exploited and sexually harassed.

4. Loss of life. Women who attempt to cross to Uganda to buy goods using un-designated roots especially crossing the river were targeted. In a recent assessment conducted, unknown gunmen would target the women crossing in the early morning hours, rob their business cash, and push them into the river.

5. Women have been thrown out from premises in which they operate at the border due to failure to pay rental fees;

6. There has been increased exploitation by uniformed forces at the South Sudan border side this is mainly because the uniformed forces have not been paid for several months thus taking advantage of women by exhorting cash from the women in border trade as a means of survival;

7. The women saving groups which they have often depended on as a source of business financing have collapsed due to non-on-going contributions. Women are struggling to find something from hand to mouth for family survival;

8. The cost of products and transportation has immensely increased rendering women in cross border trader helpless; and

9. The COVID 19 pandemic is causing women in cross-border trade to abandon trade and their businesses to cross to the Refugee camps as the cost of living has been worsened by the already conflict-affected situation and super hyperinflation in South Sudan. The inflation renders the money women earn of less value as they have to lose so much in sourcing for United States Dollars currency to cross to Uganda to buy goods.

The current situation on the ground in the Republic of South Sudan

i. The Republic of South Sudan is experiencing the strictest lockdown. There is an extremely high demand for financial services for women to engage in business. The Non-Government Organizations have stopped development projects and only working on emergencies. People working on development projects have not been paid for the last nine (9) months.

ii. Limited or lack of access to internet services. There is no network/internet coverage therefore it becomes difficult for women to carry out online sales and marketing.
iii. The livelihood of women has been affected and has led to an increase in suicidal cases and no psychological support has been offered to the women.

iv. Trademark East Africa which was established to support the growth of trade doesn’t have an office in South Sudan. This, therefore, calls for the need for the Republic of South Sudan to offer office space for Trademark East Africa to continue supporting trade related activities and training in the country.

5.6 EAC Secretariat: Department of Customs and Trade

1. Restriction in movement in the EAC Region to curb the spread of COVID 19. The current outbreak of COVID-19 has affected mobility at the regional and international level, with various travel disruptions, restrictions, and blockages. The transporters have to test for COVID-19 and get certificates and the testing has occasioned delays, curtailing the free movement of goods and services in the region.

2. Delays at border points; The various measures being imposed by EAC Partner States to try to control the spread of COVID-19 have led to delays in the movement of cargo at Ports of Entry. Even though there are deliberate policies to facilitate the speedy movement of cargo through the Ports, the COVID-19 procedures that have been put in place make this difficult to achieve. The need for trucks to be disinfected in some instances and the mandatory testing of truck drivers leads to delays in the movement of the most essential medical supplies and relief food.

3. The stigma associated with the COVID 19 pandemic. Since the outbreak of the pandemic, there existed negative attitudinal reactions directed toward the people who are infected or are suspected and the ones considered responsible for the spread of the virus. There is a negative perception towards those infected with the disease. The COVID 19 patients are accused of being ignorant and negligent, thereby held responsible for having spread the virus.

4. The COVID-19 patients are being stereotyped as the active spreaders of coronavirus and are being treated as the passive acquirers of the disease. Such a stereotype has led the society to adopt several negative treatments ranging from social media posts against them, stopping their entry into the residential areas, and spreading rumors against them. The consequences attached to stigmatization are so devastating that even the formerly diagnosed continue to
be stigmatized and even after defeating the virus, they have not been able to free themselves from being shunned by society.

5. COVID 19 Certificate is expensive and difficult to acquire. The cost of Covid-19 test is now becoming a hindrance to the free movement of people and goods within the East African Community. The Covid-19 related Non-Tariff Barriers (NTBs) continue to hinder cross-border trade due to different measures on Covid-19 in the region. Tests are priced differently in each EAC partner state, while containment measures vary.

It costs an average of $100 to carry out the Covid-19 test for visitors to the six EAC states. For instance; Tanzania and Burundi charge a standard $100 for both nationals and foreigners while the other partners’ charges vary. In Rwanda, it is $50 for the test.

6.0 OBSERVATIONS AND FINDINGS

1. Women SMEs constitute about 74% of the traders. The estimation of the trade value in some Partner States is approximately US$ 145.4 million in Rwanda and US$ 606.6 million in Uganda. Cross-border trade is also estimated to account for the livelihood of about 60% of EAC residents hence its significance. Due to the Covid-19 pandemic, there have been increased restrictions on the movement of goods and people across borders threatening the livelihoods of traders & their families, and reduced revenue for the Partner States.

2. Increased rate of Domestic Violence. Since the outbreak of the COVID 19 Pandemic in the region, Gender Based Violence cases, including physical and emotional abuse, rape, sexual exploitation, Female Genital Mutilation (FGM), and early marriages, are on the rise.

3. Quarantine restrictions, lockdowns, and curfews have often resulted in short-term or permanent job loss among primary household breadwinners, leading to increased violence toward family members, predominantly women. The abrupt decline in household income makes survivors even more dependent on their abusers and the accompanying stress and hardships, combined with close contact with the abuser, often provoke more instances of violence.
4. Escalated prices along key corridors including cities. Cross-border trade provides a lifeline for local communities and urban cities spanning entire corridors. Lower volumes of cross-border trade translate into lower supplies and increased prices of goods and services. In East Africa, many farmers have been unable to move their produce to border markets, which have cut off a vital source of cross-border trade. Much of the food crossing borders end up in cities in East Africa, which are now experiencing price hikes.

5. Loss of income for small-scale cross-border women traders. Cross-border trade provides an important source of income for cross-border communities, and vulnerable groups, including women and smallholder farmers. Many of these communities live subsistence existences and require weekly trade across the border to purchase essentials to survive. The majority of informal cross-border trade consists of perishable agricultural products such as tomatoes, peppers, cassava, fish, and eggs. Traders received very short notice – a couple of days in most cases – to prepare for border closures. The result is spoiled stock and hefty losses for the traders.

6. Losses of stock and sales from cross-border trade disruptions negatively impact revenue and the ability to repay loans leading to increase financial stress. The risk of financial stress is particularly acute for informal cross-border traders, who are typically unbanked and for bulk stock purchases, rely on expensive informal loan sharks. Many of these traders borrow money early in the morning to acquire merchandise and payback in the evening of the same day once they have sold their goods. Losses from unsold stock due to COVID-19 home directives and travel restrictions run the risk of quickly escalating into hikes in interest and a spiral of debt.

7. Lack of harmonized COVID 19 restrictions and measures. It is crucial that the EAC Region cooperates to harmonize COVID-19 border requirements and regulations to reduce delays, while not undermining the safety of traders. The region plays a crucial role in coordinating the responses to the pandemic of its States, to facilitate the free and timely flow of cross-border trade.

8. Trademark East Africa has supported women through organizing training where women are trained in Business to business Training, taxation and compliance with taxation systems, export promotion, reward women that have indicated innovation in business after presenting their business proposals, the virtual market platforms among others.
9. Slowdown in the development of cross-border value chains. COVID-19 has strengthened the case for developing intra-African value chains and unlocking the region’s business potential. At the same time, COVID-19 border closures and disruptions have contributed to blockages in supply chains both within and outside the region. Effective and efficient border management is crucial to provide an environment conducive to the development of value chains in support of the region’s industrialization and development agendas.

10. High Transportation costs. Transport connectivity plays a key role for growth and economic development. It is vital for increased competitiveness, productivity, trade, access to tourism markets, movement of goods, foreign investment, movement of people and integration. As a measure to curb the spread of COVID 19, Partner States implemented transportation restrictions ranging from travel bans of non-essential movement, to closing of air, land and maritime borders to passengers. As a result of COVID-19 road cargo transportation to and from the region was interrupted, resulting in higher shipping and transportation costs.

11. The governments in the EAC Partner States have not put any special recovery fund specifically targeting women traders. Measures that have been put in place are for both men and women.

12. Limited access to the internet. Many women lack access to the internet and many even lack mobile phones to enable them transact business online.

7.0 RECOMMENDATIONS

1. Strengthening of Joint Border Communities with regards to procedures for ease of movement of persons, goods, and services between borders. This will help to ensure that livelihoods amongst the local communities is not disrupted, as the move would impact negatively the success of the EAC integration. Border regulations are not always well understood and, in some instances, have been inconsistently applied. This has confused many traders and truck drivers and clashes with border authorities. Many disputes have arisen that have required diplomatic intervention.

2. The EAC Region must cooperate to coordinate and harmonize COVID-19 border requirements and regulations to reduce delays, while not undermining the safety of trade. A Regional response plan plays a crucial role in coordinating the responses to the pandemic of the Partner States. It facilitates free and timely flow of cross-border trade. A harmonized approach in the fight against the
COVID 19 pandemic makes communication and sharing of information on COVID 19 cases easy, coordination and collective action, issuing of actions and collective action easy issuing of basic recommendations on how states can mitigate the spread of the disease among others. Communication and transparency are widely seen as key to engender trust among populations and help create a basis for consistency in how measures are applied.

3. Financial institutions should lower conditions for accessing finances by women. Special purpose financing schemes to support the sector should be introduced. The Partner States need to consider supporting women with low-interest loans and giving them enough grace period before repayment. Tax holiday for at least six months. To ease liquidity constraints, many countries have introduced measures to defer tax, social security payments, debt payments, and rent and utility payments. In some cases, tax relief or a moratorium on debt repayments have been implemented;

4. Government to provide means for small manufacturing companies to access raw materials and other resources.

5. The need to lower and harmonize Covid-19 related charges in the East African Community, in a bid to ease the cost of doing business and boost intra-EAC trade. The EAC Secretariat should fast track coordination and harmonization of measures on Covid-19 for economic resilience and growth of the region.

6. The need to add value to produce so that it can be preserved for a long time attract higher prices. Value addition through processing, packaging, and branding; as well as group marketing plays a big role in reducing operational costs.

7. Introduction of an online platform e-hub where women traders upload products as a way of marketing. On the other hand, expansion of existing businesses calls for the utilization of digital and new technologies to enhance their reach and efficiency at lower costs. Partner states need to put in place structural policies to help women traders adopt new working methods and digital technologies and to find new markets and sales channels to continue operations under the prevailing containment measures.
8. Exploitation of new opportunities by women informal cross-border traders. The opportunities are manifested in terms of diversification into new products or expansion of existing enterprises. Diversification entails supporting the women acquire new skills and information, capital for trading and development of marketing strategies.

9. The need to support women to expand existing businesses with special emphasis on group marketing and value addition. Women need to be supported to identify and penetrate new markets. Once markets are identified, effective information sharing mechanisms must be instituted to inform the relevant women traders, links to financial institutions made and marketing strategies developed.

10. Government should provide a government COVID 19 recovery fund and programs that are targeting specifically women cross border traders. This will help to boost finances for women whose businesses have been affected by the outbreak of COVID 19.
REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE OVERSIGHT ACTIVITY TO ASSESS THE IMPACT OF COVID 19 PANDEMIC ON WOMEN IN CROSS BORDER TRADE IN THE EAC

25TH – 28TH FEBRUARY 2021

1. Hon. Dennis Namara

2. Hon. Ayason Mukulia Kennedy

3. Hon. Gai Deng

4. Hon. Kim Gai Ruot Duop

5. Hon. Jemathia F. Sergon

6. Hon. Wanjiku Muhia

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13. Hon. Bahati Alex
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15. Hon. Odongo George Stephen
16. Hon. Jean Marie Muhirwa
17. Hon. Alfred Ahingejeje
18. Hon. Sophie Nsavyimana