

Ethical Cross-Border Trading between Kenya and Uganda by Women-led Micro and Small Enterprises



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We would also like to extend our gratitude to our client Global Integrity for this opportunity to work on an important and meaningful project. We are also grateful that team members had the opportunity to attend the Global Integrity-ACE Conference in Washington DC in January 2020.

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We would also like to acknowledge the resilience and ingenuity of small-scale women traders in Kenya and Uganda, who continue to show immense courage and tenacity against the enormous challenges they face.

List of Terms

| | |
|--------|--|
| ACE | Anti-Corruption Evidence Program |
| CBT | Cross-Border Trade |
| CET | Common External Tariffs |
| COMESA | Common Market for Eastern and Southern Africa |
| COO | Certificate of Origin |
| EAC | East African Community |
| EABC | East African Business Council |
| EACC | East Africa Chamber of Commerce |
| EASSI | Eastern African Sub-Regional Support Initiative for the Advancement of Women |
| FAO | Food and Agriculture Association of the United Nations |
| KACITA | Kampala City Traders Association |
| KEPSA | Kenya Private Sector Alliance |
| NMC | National Monitoring Committees |
| NTB | Non-Tariff Barrier |
| NTM | Non-Tariff Measures |
| OCHHCR | The United Nations Human Rights Office of the High Commissioner |
| OSBP | One Stop Border Post |
| RCT | Randomized Control Trial |
| SACCO | Savings and Credit Cooperatives |
| SADC | South African Development Community |
| SCOO | Simplified Certificate of Origin |
| SIES | Stakeholder Initiative Effectiveness Scorecard |
| SIPA | School of International and Public Affairs |
| STR | Simplified Trade Regime |
| TMEA | TradeMark East Africa |
| UKAid | Department for International Development (United Kingdom) |
| UNCTAD | United Nations Conference on Trade and Development |
| USSIA | Uganda Small Scale Industries Association |
| WICBT | Women Informal Cross-Border Trader |

Executive Summary

Between 2015-17, small scale informal trade in Kenya was valued at \$300 million (Siu, 2019). Eighty percent of this trade is carried out by women with a majority of them depending on it for their daily sustenance (Informal Cross-Border Trade Data, n.d.). Over 81% of all women traders also mentioned that they face regular bribery, red-tape and sexual harassment during their daily trade journeys while using either formal or informal routes (Ruiter et al., 2017).

Exploring if improving accountability through community monitoring can help reduce corruption and improve trader journeys, the Earth Institute is leading the project “Ethical Border Trading between Kenya and Uganda for Small-scale Businesses.” They are partnering with the Busara Center for Behavioral Economics and Sauti Africa as part of Global Integrity’s Anti-Corruption Evidence Program funded by UKAid.

We, the School of International and Public Affairs (SIPA) workshop team (hereafter the SIPA Team), were brought on board by the Earth Institute as the policy think tank for this project. We sought to understand the ecosystem within which small-scale cross-border trade takes place in Kenya, particularly in the border town of Busia. This exercise included research on institutional, social and policy aspects of border trade such as formal processes and policies, cultural contexts, on-ground policy implementation and local interventions. We analyzed these factors using a gender lens which informed a Concept Note for a Policy Dialogue (see **Appendix I**) for our client, based on our key findings, analysis and recommendations.

Our project was split into 4 interconnected parts:

- 1) Understand formal and informal trader journeys and challenges faced by small scale traders
- 2) Understand and map key actors and interventions that impact trader journeys
- 3) Undertake a gap analysis of existing interventions
- 4) Suggest recommendations based on findings and gap analysis.

The long-term goal of this project is for the SIPA Team to assist in the design of a policy dialogue including key actors which would highlight identified gaps and problems that need to be addressed through policy change and help disseminate the research findings of the project.

Data collection included in-person and virtual interviews, literature review and desk research. We collated our findings and analyzed them through development frameworks such as stakeholder and power maps, a Stakeholder Initiative Effectiveness Scorecard, journey maps and problem trees. Our analysis led us to the following key takeaways:

1) Small scale traders perceive the cost of formal journeys to be higher than that of informal ones

The SIPA Team's findings revealed that formally crossing the border for a small-scale trader can be a very costly option. While paperwork is not complex, often, obtaining documents to cross the borders requires bribing government officials. After obtaining requisite paperwork, a trader must stand in line at the sole official border crossing, increasing the chances of spoilage of her often perishable goods. Transportation is costly and finding someone to split the fare with is a challenge. Once she reaches customs, she is at the mercy of the customs official who may or may not charge a small fee or gift for the goods to cross. With border crossings not even catering to basic needs like ladies changing rooms or toilets, the burden of using the formal border only increases. In comparison, informal routes are porous and while there are dangers to crossing them, women seem to prefer them due to fewer restrictions. They do often face sexual harassment or corruption at informal borders too, but they can usually cross the border within the day and return home, without having to stand in queues or their goods/paperwork being subject to scrutiny.

2) Corruption networks are complex and institutionalized

Eighty-one percent of women reported that they faced corruption from border officials and the police. The web of corruption among these agents seems to be well established. Often clearing agents and the police collude to collect small sums of money called "chai", in order to let goods pass (both at formal and informal borders). Express lines are also formed at the border, where, by paying a fee, a trader can jump to the start of the queue and has to wait less. Some of our interviewees also pointed that these networks may also involve supervisors and senior officials, thus pointing to corruption within the bureaucratic hierarchy.

3) Corruption is targeted more towards women and takes various forms

Our interviews with experts from the field revealed that women faced corruption more often than men. Women traders are less literate and knowledgeable about border processes and their rights as compared to men. Border officials take advantage of this and threaten women with fines or other official penalties without cause. Eighty-one percent of women also depend on CBT for their daily livelihood, often supporting their families financially through it. Thus, the stakes for them are very high. Officials and the police take advantage of their vulnerability, knowing fully well that women would be willing to pay a small amount just to cross the border. Often women are also asked

for sexual favors in return for permission to cross-border, with cases of rape also being reported.

4) Existing interventions are not gender sensitive

There are many interventions, both at the national and local level that aim to help smoothen cross-border trade, but they are not sensitive to the needs of women traders. As mentioned earlier, facilities for women such as child-care, changing rooms and washrooms are not available. Reporting mechanisms, such as using helpline numbers, reporting through the Non-Tariff Barrier (NTB) Tracker or using the channels provided by the Ethics and Anti-Corruption Commission (EACC), all require evidence for any case to be taken forward. In providing evidence, a woman would have to reveal her identity, which she fears, may put her daily trade in peril.

5) Policy incoherence and absence of political will at the regional, national and local levels are major concerns

In order for CBT to be seamless, policy coherence between countries is important. Many interviewees mentioned how language ambiguity in certain aspects of CBT lead to different interpretation and implementation of policy in participating countries. For example, Non-Tariff Barriers are now termed as Non-Tariff Measures (NTM) but they essentially mean the same thing, thus causing confusion between countries on what each term actually means. Similarly, lack of policy coherence between the national and local levels of government causes confusion on what the policies actually are. For example, the list of sensitive goods as decided by the Kenyan national government may not be passed on to the county government. As a result, a border official may withhold commodities as illegal despite them being legal. Finally, without the political will to implement policies like anti-corruption legislations, small scale traders will continue to face issues like harassment and corruption at the borders.

These findings led us to a broad range of recommendations outlined below:

1) Increase advocacy on corruption and harassment, especially in smaller border towns

Presently, many organizations and government entities have training sessions for traders on border crossing processes, documents required and dos and don'ts. Some organizations have also been focusing on training women to stand up for their rights and providing gender sensitization training for border officials. As of now, Busia traders who are part of recognized trade associations benefit the most but those in far

off border towns do not benefit. Thus, there is a need to ensure that such interventions reach far and wide.

2) Ensure gender sensitive policy implementation

Policy makers need to become cognizant of challenges specific to women traders and implement border policies accordingly. For example, ensuring border facilities for women, like childcare or making complaint mechanisms more easily accessible to women, would also incentivize them to use the formal border as compared to informal ones. In order to understand how policies can be more gender sensitive, a gender audit across institutions and processes that impact border trade may be required.

3) Organize cross-country policy dialogues to address key concerns of women traders

A policy dialogue which brings together traders, local government leaders, ministry officials, organizations working on gender equality and anti-corruption authorities, among others, would be very beneficial in creating a platform for these stakeholders to engage, understand core issues and develop collective practical solutions for them. While policy dialogues have taken place in the past, the aim of future ones would be to keep the traders at the center of the discussion, to ensure their challenges and opinions are heard and considered.

In conclusion, this project brought to the fore the complexity of corruption, its gendered nature and its impact on a vulnerable section of Kenya's society. Further research is required to understand how various national-level actors like ministry officials prioritize and engage corruption at the borders and how key actors can be held more accountable through institutional mechanisms as well.

1. Introduction to the Project

1.1 Client Agency

This project is a collaboration between the Earth Institute at Columbia University, Global Integrity and the Busara Center for Behavioral Economics. The project is funded by UKAid and is part of Global Integrity's Anti-Corruption Evidence (ACE) program. The ACE program funds research that "generates actionable evidence for use in designing and implementing more effective anti-corruption initiatives," while the Earth Institute focuses on a holistic multidisciplinary approach towards research around sustainability - including social sustainability - and facilitates research that helps inform policy.

1.2 SIPA Team

The SIPA Team consisted of seven second year students who were part of the Economic and Political Development concentration. The students' part of the team was Aarushi Prabhakar, Anindita Chakraborty, Brian Ting-Yu Chang, Chutong Zhu, Shruti Manian, Shruti Sriram and Veronica Akaezuwa. The SIPA Team conducted field research in Kampala, Uganda and Nairobi, Kenya in January 2020. The team also conducted numerous virtual interviews from March 2020 to May 2020 with stakeholders we were unable to meet with in person due to the global pandemic and consequent travel restrictions.

1.3 Key Partners

While not our primary clients, we worked closely in collaboration with the following key partners who played pivotal roles in the execution and success of this project.

- 1) Sauti Africa explores policy possibilities that have emerged from rapid expansion of cellphone use in the East Africa region through a prototype mobile app that helps traders report incidences of corruption and other border-crossing issues. Sauti works primarily with medium and small enterprises led by women and enables them to participate in cross-border trade by identifying and addressing key challenges.
- 2) The Nairobi-based Busara Center is a relatively young (established in 2015) organization that uses behavioral science methods and data, with a focus on Randomized Control Trials (RCT) to alleviate poverty. In this project, Busara will conduct an RCT using Sauti's mobile based platform to evaluate what might motivate cross-border traders to use a cellphone-based platform, managed by Sauti, to report their experiences of corruption.

1.4 Project Objective

Cross-border trade has been an integral poverty alleviation mechanism all over Africa, providing a source of livelihood to communities across the continent. Increasing the efficacy of cross-border trade has been one of the focal points of policy for numerous governments as evidenced by large investments in building roads and other associated infrastructure, streamlining the processes that govern cross-border trade and the establishment of multiple trading blocs all over Africa. One such significant trading bloc is the East African Community (EAC) comprising partner states Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan (referred to as “The Community”). The EAC has instituted a number of measures to expedite cross-border trade between these countries. However, most of these policies tend to focus on larger scale trade, while neglecting small-scale trade.

Addressing this gap in policy is essential because small-scale, informal sector accounts for almost 43% of Africa’s GDP and is central to the economies of both Kenya and Uganda (Lesser & Moisé-Leeman, 2009). Unfortunately, cross-border trade is rife with corruption which impacts small-scale traders disproportionately as they tend to be poorer, less educated and more vulnerable. This issue is further exacerbated for women who form almost 80 % of small-scale traders in some countries (Lesser & Moisé-Leeman, 2009). Small-scale, women traders face a variety of challenges ranging from demands for bribes, to arbitrary confiscation of goods, physical assault and sexual exploitation.

This project aims to identify the policy gaps that make cross-border trading journeys dangerous, difficult and costly for women. The success of cross-border trade is contingent on the conditions of border crossing and the treatment traders receive at the border outposts. If women continue to face serious barriers to cross border trading, the economic potential of cross-border trade will be undermined in the region as a whole.

1.5 Research Questions

The SIPA Team found that a vast amount of data deals with corruption, trade, gender and technology in East Africa individually, but literature at the intersection of all four topics is much harder to come by. Our research questions were designed to ensure that we acknowledge and address the interplay between these factors and are able to focus our findings to inform solutions that treat these issues as a composite.

Our research questions are:

- 1) How do small-scale traders make journey choices that create more or less risk of extraction of bribes or goods and what are the incentives and institutional dynamics that lead to corruption?
- 2) How must current trade policy and programming change to address the specific problems with corruption faced by small-scale traders including its gendered aspects?

1.6 Project Geography

For the purpose of this project, we focused on the border town of Busia, (see **Figure 1**) situated on the border between Kenya and Uganda, which is one of the most important cross-border trading points. Busia is the site of numerous trade policy interventions and research. We chose to focus on this region for two reasons. First, our project partners Busara and Sauti have been working extensively in the region, with the Randomized Control Trial (RCT) also being conducted here. Second, given the constraints due to the COVID-19 pandemic, we chose to focus on only one border town.

Figure 1: Busia County, Kenya - our region of focus



Source: Google Map

The rest of this paper is organized as follows. **Section 2** provides a quick overview of the economic, political and social context of cross-border trade in Kenya. **Section 3** outlines the methods we used to delve deeper into our analysis and in **Section 4**, we use these tools to illustrate our findings. **Section 4** also contextualizes our findings, followed by our recommendations in **Section 5**.

2. Overview of Small-scale Cross-border trade

Small-scale cross-border trade is inherently complex as it plays an important role in the local economy and has extensive implications on every aspect of local livelihood. To obtain a more holistic view on the issue of small-scale cross-border trade, this section will walk through the economic background, characteristics of small-scale cross-border trade, and other related fields like technology usage and corruption in the local context.

2.1 Economic Context

Cross-border trade plays a critical role in the livelihoods of low-income local communities. From an economic perspective, cross-border trade can improve the standard of living of local communities by leveraging the price differentials for various goods between the two countries. It is also possible that local communities may outpace the supply for certain products, and imports may help fill the gap.

A significant amount of the cross-border trading activities is considered informal as those individuals or enterprises engaging in such cross-border trade are not registered with the government, or their trading activities are not approved under customs regulations. The border monitoring survey conducted by Uganda Bureau of Statistics (UBOS) and Bank of Uganda (BOU) (2017) estimates that, in 2016, the informal trade between Uganda and Kenya was worth US\$ 105.7 million (See **Table 1**), representing 8.3% of the total trade amount between these two countries over the same period.¹

Table 1: Informal trade between Kenya and Uganda (in US\$ million)

| Commodity Category | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------|------|-------|------|-------|-------|-------|
| Export to Kenya | 69.5 | 80 | 69.7 | 92.9 | 96.4 | 79.1 |
| Import from Kenya | 27.0 | 24.5 | 26.5 | 30.8 | 31.9 | 26.6 |
| Annual total | 96.5 | 104.5 | 96.2 | 123.7 | 128.3 | 105.7 |

Source: BOU and UBOS

As a key component of the informal sector, informal cross-border trade is also a significant driver of employment. According to the International Labor Organization's statistics (2018), in Eastern Africa, where 76.6 percent of workers under employment are unofficially

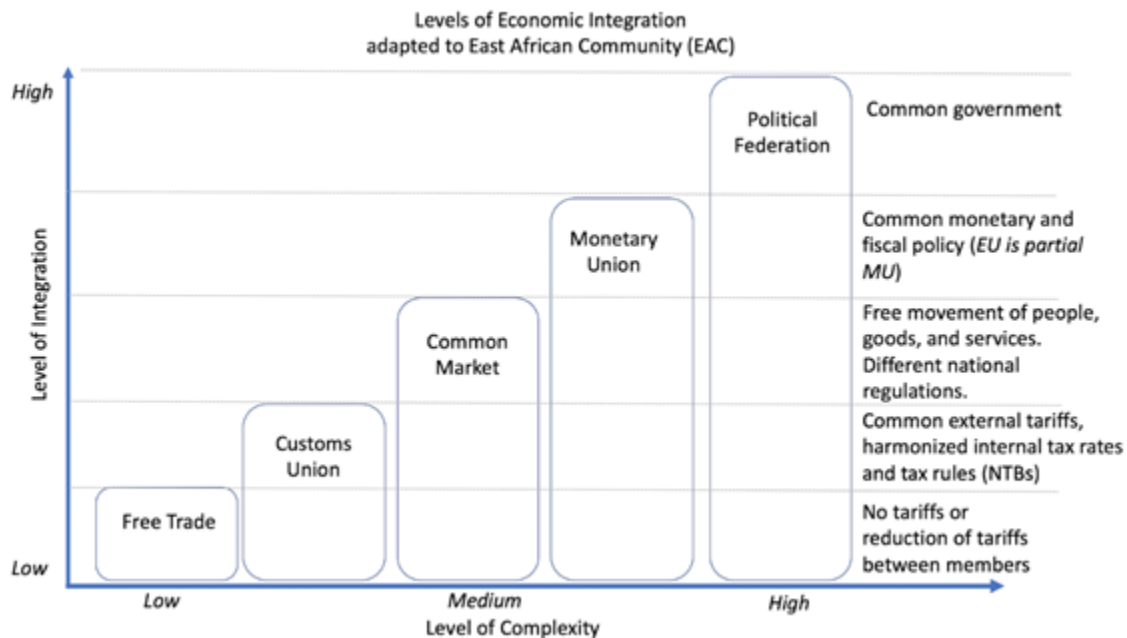
¹ Source: External Trade, UBOS

employed, the non-agricultural informal sector created employment opportunities for 82.1 percent of female workers. In comparison, the same number for men is 72.3 percent.

2.2 Cross-border Trade and Regional Economic Integration

The East African Community (EAC) is a regional body that plays a pivotal role in shaping policies that promote cross-border trade. It endeavors to become a political federation under which all partner states- Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda will share a joint government. **Figure 2** conveys the level of complexity needed to achieve each economic level of integration and suggests that a high-level of coordination and capacity is necessary for successful unification.

Figure 2: Levels of economic integration adapted to EAC (Rodrigue, 2020)



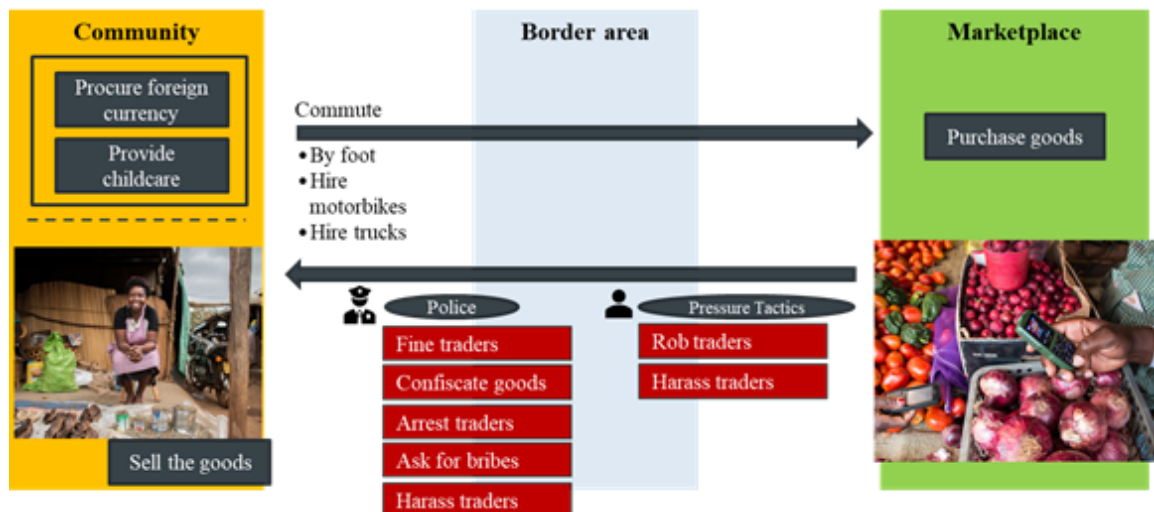
Similar to the constitution of a specific state, the EAC treaty is the principal source of community law and cooperation on which partner states have agreed to coordinate. The East African Council of Ministers is responsible for both policy and law-making functions of the EAC and provides key directives to facilitate trade integration. Even though partner states are legally obligated to harmonize policies, they continue to command a high degree of sovereignty. Additionally, persons can invoke the EAC law if their rights have been infringed under the treaty. The East African Court of Justice and national courts share jurisdiction to hear claims, but in practice, disputes, especially involving the protection of rights for citizens and businesses, are settled in national courts.

Consequently, the scope of the EAC law has limited powers in comparison to state-enforced legislation. Hence, the lack of coherence between EAC countries is a challenge and leads to information asymmetry and legal and policy incoherence between countries. Moreover, it causes much confusion at country borders and impacts cross-border trade.

2.3 Border Crossing Choices: Formal versus Informal Routes

Informal routes, also called *panya* routes in the local language, are commonly used by local traders. The informal routes have existed long before the national borders were established. Traders crossing borders through informal routes simply bypass all checkpoints and border control posts and therefore circumvent all legal procedures. However, traders cannot enjoy the safeguard provided by the law and are exposed to the threat of harassment, exploitation, and violence (Brenton et al., 2013). Often, law-enforcement officials are perpetrators of corruption and exploitation (Brenton et al., 2013). As will be elaborated in **Section 4.1.1**, women traders are susceptible to the risk of sexual assault and violence when they use informal routes (see **Figure 3**).

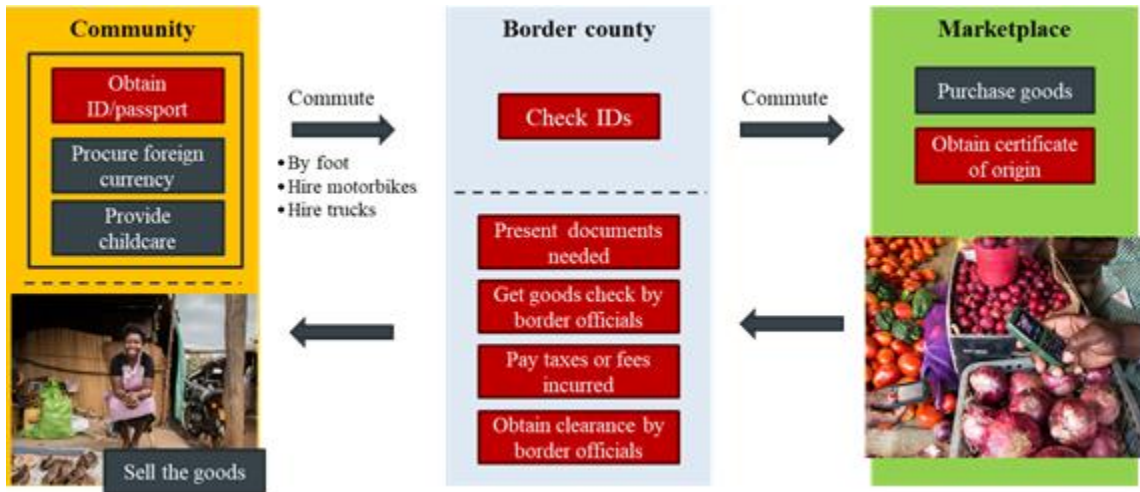
Figure 3: Trader journey - Informal Route



Formal routes, in contrast, are the legal way recognized by countries' governments to conduct cross-border trades. Formal routes are usually considered safer for small-scale cross-border traders because of the protection provided by the formal institution from exploitation and harassment. However, the benefit comes with costs. Traders can seamlessly cross formal borders if they are traveling without goods. Such trips occur when traders want to buy goods on the other side, while extensive documentation is required when traders return to their countries with goods. These required documents include valid, government-issued ID cards, a Certificate of Origin, and yellow fever immunization certificates. Additionally, traders need

to declare their goods at the customs office, where enumerators will verify if the goods correspond to the paperwork, and pay fees and taxes, if applicable, thereafter. According to current regulations, traders carrying goods valued at less than USD 2,000 are typically not subject to any border taxes depending on the type and origin of the good. Agricultural products are usually exempt, however sometimes levies still apply even though taxes are exempt (see **Figure 4** below).²

Figure 4: Trader journey - Formal Route



Therefore, despite the safeguards of traveling by formal routes, low rates of literacy and limited access to information result in a large proportion of cross-border traders traveling by the riskier informal routes. Even worse, formal routes do not necessarily guarantee the safety of the trades. In some cases, traders, mostly small-scale traders with weak bargaining power, are forced to use informal routes to avoid being harassed by border officials but are then at risk of corruption by police. Small-scale traders are also reluctant to take formal routes if the goods they trade might be considered “illegal” and would be confiscated at the border checkpoint. According to the interview with the local trade association, given that the Sensitive Goods list is frequently updated (sometimes even weekly) and the changes are not well-communicated, small-scale traders are seldomly aware of the revisions. When they find out that goods they may be attempting to sell are on the sensitive goods list (and therefore illegal to trade in), it is often too late as they have already traveled to the border carrying perishable products. To avoid such situations and earn a living, small-scale traders are compelled to travel through riskier informal routes.

Moreover, by traveling through informal routes, traders can avoid paying hefty taxes, custom duties, levies, and other charges. By avoiding cumbersome bureaucratic custom procedures,

² This information is provided by Sauti Africa in the interview the SIPA team conducted in January 2020.

regulations, and non-tariff barriers, traders taking informal routes can significantly reduce transaction costs.

2.4 Small-scale Traders versus Large-scale Traders

Cross-border trade can be classified as small-scale if the goods being traded are valued at less than \$2,000. About 80% of small-scale cross-border traders are female, and about two-thirds of them are the primary breadwinners of their families (World Bank, 2015). They primarily trade agricultural goods like maize, sorghum, and animal livestock (see **Table 2**).

Table 2: Goods traded by small-scale traders

| EAC partner State | Major exports within the EAC | Major imports within the EAC | Major exports to the Rest of the World from the EAC |
|-------------------|--|--|--|
| Burundi | Coffee and tea, tobacco, iron and steel, aluminum, and soap and waxes | Mineral fuels and oil, vegetable and animal fats, cement, beverages, and cereals | Coffee and tea, pearls, precious metals (unwrought gold), raw hides and skins and tobacco |
| Kenya | Mineral fuels and oils, pharmaceutical products, machinery plastics, electrical and electronic equipment | Dairy products, oilseed, paper & paperboard, textiles and cotton | Coffee and tea, cut flowers, edible vegetables, tobacco, and plastics |
| Rwanda | Coffee and tea, cereals, animal and vegetable fats, articles of iron and steel and raw hides and skins | Mineral fuels and oil, cement, dairy products, edible vegetables, fertilizers | Ores, slag and ash (including rare metal ores), coffee and tea, raw hides and skin, articles of iron and steel and beverages |
| Tanzania | Mineral fuels and oils, paper and paper board, salt and sulfur, cereals and textiles and clothing | Meat and dairy products, cereals, animal, vegetable fats and vehicles | Pearls, precious stones, and metals, slag, and ash, coffee, and tea, oilseed and fruits and nuts |
| Uganda | Tea and coffee, raw tobacco, salt and sulfur, iron and steel and animal and vegetable fat | Mineral fuels and oils, plastics, beverages and pharmaceutical products | Coffee and tea, mineral oils, fish, animal and vegetable fats and tobacco |

Source: ITC Trade Map

Unlike large-scale traders, small-scale traders usually lack financial resources or operational abilities to scale up their businesses. Access to finance continues to be a critical constraint that limits small-scale traders' ability to expand their business. Research conducted by Sauti Africa shows that while a variety of financial services are available, including ones targeting women entrepreneurs, lack of documentation makes it difficult for women entrepreneurs to access these resources (Ruiter et al., 2017).

2.5 Technology and Cross-border Trade

Technology, although a powerful tool to combat information asymmetry when utilized well, remains a non-tariff trade barrier for small-scale female traders in Uganda and Kenya (Ruiter et al., 2017). Technology facilitates sharing and disseminating the information over the digital platform. With mobile technology in hand, the ability of the traders to access necessary information can be largely improved. Over the last decade, mobile technology has gone through transformational change in Sub-Saharan Africa. Consequently, Sub-Saharan Africa reports the highest mobile penetration globally. Technology is considered as a powerful tool to communicate and disseminate valuable information in East Africa. However, insufficient access to electronic devices and internet networks undermine the potential impact of technological interventions. For example, in Kenya, while mobile phone ownership rate is comparable between male adults (86%) and female adults (82%), internet access is highly gendered: 43% of men have access to the internet compared to only 26% of women (Rowntree et al., 2019). In Uganda, only 58% of male adults and 46% of female adults have mobile phones, and only 13% of male adults and 8% of female adults have internet access (Hafkin, 2016).

A lack of quality social and economic infrastructure combined with corrupt governance, have perpetuated poverty cycles on the continent. However, the accessibility and affordability of digital technologies have tremendous potential to improve the quality of life and advance development in African countries. These technologies can promote government accountability, economic efficiency, and social equality, though they can also hinder economic, social, and political advancement.

Mobile technologies can offer cost-effective approaches and highly accurate information systems to develop infrastructure. Public infrastructure can improve the quality of life by increasing access to resources and providing more reliable (safe and efficient) transportation. As many areas in Africa were designed to serve Europeans in the colonization period rather than to support community-wide growth and development, infrastructure today does not meet the needs of populations.

2.6 Gender

The unique focus of this particular project is the gendered approach towards understanding the challenges that small-scale traders face when engaged in cross-border trade. Currently, there is a significant body of research that examines the corruption prevalent in cross-border trade. However, research that focuses on the impacts of corruption on small-scale women traders is nascent and not as robust. Most of the tools used to measure and record corruption

like the Afrobarometer of the African Peer Review Mechanism do not include a gender analysis.

A report by the UN Development Fund for Women shows that the impact of corruption is disproportionately high on women from lower-income backgrounds. Their agency to oppose questioning government officials is almost non-existent because of their low socio-economic status. Secondly, this also makes them more vulnerable to sexual assault and coercion as they are often unable to pay officials the bribes they demand (Hossain et al., 2010).

Our project attempts to identify the critical policy gaps within the existing legal structures that fail to protect women from corruption at the border. There are numerous pieces of legislation, both within the EAC framework and the Kenyan and Ugandan legal structures that attempt to safeguard the interests of women and promote gender equality.

However, these policies are not explicitly addressing the corruption small scale traders face at the border. They are broader policies and more general in nature. It has also been observed that women shy away from reporting crimes. How confident or comfortable women feel in coming forward to report crimes usually depends on the types of responses they receive as a result. Most women find that their complaints are not taken seriously, and punitive action against the culprits is rare. Instead, women end up facing social backlash, stigma, and increased harassment that threatens their livelihood further. These incidents create a vicious cycle wherein women are regularly subjected to criminal harassment with no avenues of recourse (Hossain et al., 2010).

A deeper understanding of the gendered impacts of corruption must be gained and then applied towards designing and implementing policies that target women's specific needs.

2.7 Corruption

Corruption has been studied extensively across literature in political science, economics, and sociology. Anoruo & Braha (2005) have explored it from the perspective of red-tapism or "sanding the wheels" which makes administrative processes more burdensome and from the perspective of "greasing the wheels" which makes processes easier. Corruption has also been studied as a collective action problem where it may make more sense to bribe collectively rather than being principled (Marquette & Peiffer, 2015). From a sociological perspective, corruption can be seen as a mistake/misconduct in a complex organization (Pinto et al., 2008).

Tyson's research on trade in the African context suggests corruption both in the form of bribes and red -tape is high - 48% of traders report to have been asked for a bribe when crossing the border at the Busia border crossing (Tyson, 2015). According to Sauti's research at the Busia

and Malaba border crossings on the Kenya/Uganda border, 56% of traders reportedly experienced corruption daily, while 21% experienced it weekly (Tyson, 2015).

Inversely, in 2018 the Ugandan Bureau of Statistics conducted a baseline survey under the auspices of the Great Lakes Trade Facilitation Project and concluded that 79% of traders do not report on any bribery demands. However, the report did not survey Uganda-Kenya border stops, and border officials were informed in advance about the survey being conducted, which could have influenced the results on such sensitive data.

In a 1997 survey of cross-border trade, informal trade was cited as a reason for an increase in corruption as it gives a greater incentive to officials to bribe traders and, in turn, let them trade across-borders (Ackello-Ogutu & Echessah, 1997). Ogalo (2010) also reiterates how informal border posts are fertile grounds for collecting bribes. In March 2014 alone, over 28,500 tons of agricultural goods were informally traded from Uganda into Kenya, about 20,000 tons of which were maize, sugar, and other cereals (Nyaoro, 2012).

In light of this existing literature, we decided to explore in the context of Busia, how the current trade rules and processes increase/reduce corruption, the most prevalent forms of corruption and what the triggers are for officials to engage in corruption.

The next section summarizes the research methodology, tools used, and also discusses some of the limitations of our study.

3. Methods and Methodology

3.1 Methods

In order to collect the data to answer our research questions, the team adopted a three-pronged approach which is detailed below -

- 1) **Desk research:** First, the team conducted research to build generalized knowledge of the topic at hand, the geography of focus, and our target groups. This meant identifying and understanding salient points from existing research papers, articles and reports on the status of cross-border trade in the East Africa region. This process gave us an early indication of the gaps in current research - for example, there was a paucity of data and reports on the gendered impacts of cross-border trade. Once the initial review was complete, the team then split its focus on specific intersections with the larger issue of corruption in cross-border trade, and also split the topic of corruption into its finer aspects. Therefore, the second phase of the team's desk research included the intersection of corruption with gender and technology, as well as research on institutional factors that lead to corruption and its various implications on women traders, especially with regards to existing policy gaps within the cross-border region.
- 2) **Field travel:** Two members of the SIPA Team travelled to Kampala, Uganda and Nairobi, Kenya in January 2020 in order to interview key stakeholders and gain a broader understanding of the issues in hand. During this field visit, the team interviewed eight stakeholders representing non-profit organizations, and the technology and evaluation partners of this project. These interviews bolstered the team's desk research with firsthand information from some of the key project stakeholders. During the same time period, two additional members of the SIPA Team travelled to Washington DC to take part in the Global Integrity Anti-Corruption Evidence Midpoint Workshop. This gave us valuable insight into the breadth of projects funded by UKAid and Global Integrity that dealt with issues of anti-corruption around the world, and allowed the SIPA Team to make valuable academic and professional connections
- 3) **Virtual interviews:** Due to COVID-19, the team's second trip to Nairobi was cancelled. Therefore, this phase of the project involved virtual interviews with eleven stakeholders, including government bodies and organizations representing the woman traders. Prior to the commencement of these interviews, the team compiled a detailed interview protocol (which can be referenced in **Appendix II**) covering a range of potential questions framed in language that was appropriate to the type of stakeholder

being interviewed, along with a standardized script to be used to open and close each interview. Before each virtual interview, at least two members of the team culled appropriate questions from the protocol. These interviews were conducted using means such as Zoom, Skype and international phone calls. When possible, the interview was recorded and transcribed, copies of which were then shared with the rest of the team. During this phase, the team was able to gain a deeper understanding of the situation on the field, however owing to the means of interaction, it was not possible to capture the lived experience of specific women traders.

3.2 Methodology

In order to understand the data that we collected, the team utilized various data analysis tools for, each of which is described below -

- 1) **Journey mapping:** The team used a visual platform to sketch the typical journey of a woman trader as she crosses across the border with her goods. To do this, the team used desk research to depict a basic version of the journey. We supplant the map with insights gained from stakeholder interviews to fill in any gaps in the map. During this stage, we were also able to sketch two different journey maps corresponding to the informal and formal journey routes, information that we were not able to piece together solely from the desk research. These maps can be referenced in **Section 2: Overview of small-scale cross-border trade**.
- 2) **Problem Tree:** With the journey map in place, we created a problem tree to highlight the critical challenges that traders face during border trading in both formal and informal routes. The team sought to verify and correct the tool based on our interviews and data analysis. This problem tree refers to **Figure 5** in this report, and each prong and its implications are explained in full detail in **Section 4: Findings**.
- 3) **Stakeholder analysis:** This process included creating a comprehensive list of all stakeholders and ensuring that our interviews covered voices from various backgrounds - including but not limited to academia, government, the private sector, international organizations, and practitioners knowledgeable about gender issues in Uganda. This analysis can be referenced in **Appendix III** at the end of this report.
- 4) **Power Mapping:** Once stakeholders were identified the team conducted a power mapping analysis in order to identify the areas of influence and authority that each stakeholder represented. This exercise helped us target our research and interviewing efforts to ensure that different perspectives were represented in our report. This mapping can be referenced in **Appendix IV** at the end of this report.

- 5) **Thematic coding of interviews:** The team coded all interviews that were conducted. By identifying the core themes covered in our interviews, the team was able to assess whether the issues were common or unusual and thereby ensured that these were adequately reflected in our findings and recommendations. **Section 4: Findings** draws heavily on the information we gained from these interactions.
- 6) **Policy Gap Analysis:** The combination of the team’s desk research and each of the tools discussed above was used to understand the critical policy gaps that were not a part of the current discourse, or whole policies themselves that needed to be introduced or amended. This analysis is further explored and explained in **Part 4.2 of the Findings** section that follows.
- 7) **Stakeholder Initiative Effectiveness Scorecard:** Finally, the team created a scorecard of all interventions currently underway to alleviate corruption at the border area, whether that be from the perspective of technology partners, government bodies, or development organizations. The scorecard was a vital part of our analysis and paved the way for focused recommendations. This scorecard is again further explored and explained in **Part 4.2 of the Findings** section that follows.

3.3 Limitations

The team has identified the following limitations over the course of this project -

- 1) **Broad scope of the project:** The team was initially presented with an ambitious scope and a variety of skilled partners. As a seven-member team, our priority was to have a more focused scope that was aligned to the four-month timeline. After extensive conversations with the client, the SIPA Team was able to narrow its research questions and determine priorities that aligned with those of the client to determine the final deliverable.
- 2) **Impact of COVID-19:** Due to the global pandemic, the team was not able to travel for its second field visit to Nairobi, Kenya, in March 2020. The travel restriction meant that many interviews that had been planned could not be held in person. Instead, the team turned to virtual channels to conduct as many of these interviews as possible. More importantly, the team was unable to visit the border town of Busia due to COVID-19 and observe a regular day in the life of small-scale cross-border women traders. Given that this critical component of our research could not be replicated virtually, some critical and nuanced insights were missed.

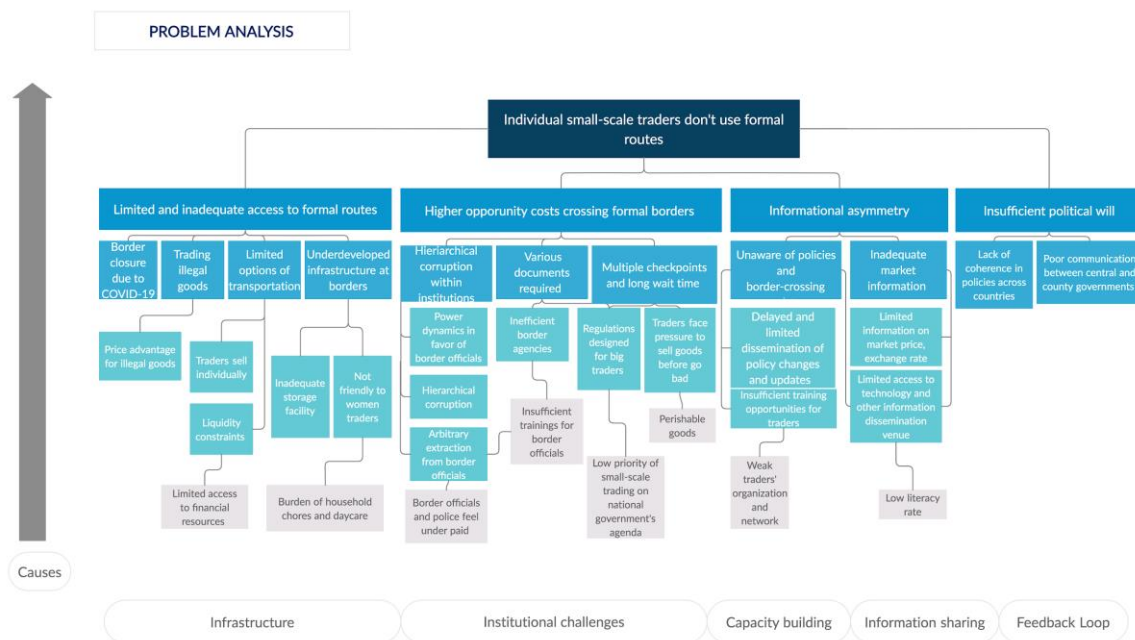
- 3) Lack of primary data:** Owing to the impact of COVID-19, the SIPA Team was not able to collect primary data through surveys, focus group discussions or participant observation. Consequently, our final report is based on existing secondary research and key informant interviews.

The next section details our findings and delves deeper into the most significant barriers to safe cross-border journeys for women traders, and policy gaps that the team found in the course of our desk and primary research.

4. Findings

The SIPA Team conducted twelve in-person and virtual interviews with the four key project partners, Kenyan NGOs working on CBT, gender specialists, and the Ministry of Trade officials over the course of the project. Based on our detailed interview notes, we created a problem tree (see **Figure 5** below), which allowed us to get to the root cause of why female small-scale traders face corruption and harassment while crossing the Kenya-Uganda border. We followed this exercise with a policy gap analysis to understand the efficacy of existing policies and interventions. Based on the problem tree and the policy analysis, we have prioritized our top four findings - each of these are presented in this section. In the next section, we provide recommendations built upon the analysis below.

Figure 5: Problem Tree



4.1 Problem Tree Analysis: Factors Leading to the Use of Informal Routes

Small-scale traders often conduct trade through the “*panya* route”, a dangerous, illegal path featuring mountains and rivers between Kenya and Uganda. As mentioned in **Section 2.3**, the *panya* routes are challenging to cross because of both physical rigor and security concerns. Without law enforcement or any type of protection mechanism, small-scale traders, especially women traders, face risks of robbery and harassment. In some instances, law enforcement officials become the predator and instigate risks for small-scale traders. Despite multi-sectoral approaches to formalize trading routes, 60% of small-scale Ugandan traders, especially 80%

of women traders, continue to use the *panya* route (Siu, 2019). This section carefully examines the problems and obstacles faced by small-scale traders when they make journey choices. Based on desk research and detailed interviews with Ugandan and Kenyan stakeholders, the four most common that emerged are (1) limited and inadequate access to formal routes; (2) higher opportunity costs in crossing formal borders; (3) information asymmetry and (4) insufficient political will.

Next, we will examine in more detail the four reasons identified for why small-scale traders do not use formal routes.

4.1.1 Limited and Inadequate Access to Formal Routes

Small scale traders have limited access to formal borders. The paucity of transportation options coupled with underdeveloped infrastructure (including storage options), liquidity constraints, and gender-insensitive facilities, significantly impact cross-border traders', especially women traders' business opportunities. According to UNCTAD's 2017 online survey administered to cross-border trader associations, 94% of respondents agree that limited infrastructure and transportation choices have prevented traders from formalizing and scaling up (UNCTAD, 2019). Apart from (1) limited transportation choices and (2) underdeveloped infrastructure, another factor that drives small-scale traders away from formal borders is when there are (3) illegal goods or practices involved in the crossing, such as carrying goods prohibited by the Sensitive Goods List or under invoicing. Each of these factors are explained below:

1) Limited transportation choices

Transportation plays a critical role in small-scale traders' cost-benefit analysis when choosing routes for trade. As mentioned in **Section 2.3**, to pass through the formal routes that usually lead to larger, more profitable markets, small-scale traders need to transport their goods in trucks, carts, and other vehicles. In other words, ownership of trucks, carts, or other vehicles determines a trader's ability to transport large quantities of goods, serve more customers, and reach more profitable markets at greater distances. To circumvent this issue, traders in Uganda often hire transporters to carry goods via trucks, cars, and motorcycles across the border on their behalf (Siu, 2019). Hence the total out-of-pocket cost includes a payment to the transporter, including wages and fuel expenses.

However, the SIPA Team's interviews and desk research both suggested that small-scale traders, especially women traders, rarely own vehicles and often do not have the financial resources to hire transporters (UNCTAD, 2019). Women, more often than

men, end up transporting goods by foot. As a result, the limited transportation choices jeopardize women traders' ability to transport large quantities of goods and access further, more profitable markets. To enhance access, traders often pool their resources together and share the costs of hiring vehicles or transporters to carry their goods across-borders. However, as interviews with local experts suggest, the consignments of vehicle-pooling often end up exceeding the \$2,000 duty-free standard, hence bearing the risk of being treated as "large, commercial transactions" instead of small-scale operations by border officials.

As a result, small-scale traders end up using the informal routes which they can access without paying for expensive transportation. The SIPA Team's interviews suggest that small-scale traders often carry their goods by foot and walk long distances before they can reach profitable markets.

2) Underdeveloped infrastructure

Another deterring factor for small-scale traders, especially women traders, is the underdeveloped infrastructure at formal borders. Currently, there are very few washrooms, sanitation facilities and changing rooms available at the borders. Without appropriate facilities, formal borders create an environment unfavorable to business. Childcare facilities are also missing for traders who decide to take the formal route. Women who conduct cross-border trade are often the primary earning members of their families and have to balance childcare responsibilities alongside earning a livelihood. Women traders, therefore, face considerable tradeoffs between taking a shorter trip via the *panya* route to a closer, less profitable market to get back to household responsibilities sooner or taking a more extended trip via the more time-consuming formal route to a more profitable market further away. Two of the SIPA Team's expert interviewees confirmed that the absence of facilities like changing rooms, sanitation facilities, washrooms, and daycare for children at formal border posts motivate women traders to choose informal routes and thereby significantly reduce their time away from home.

3) Illegal practices and goods

Admittedly, small-scale traders would resort to the *panya* route when there are illegal practices and goods involved in the transaction. In such cases, traders deliberately choose the *panya* route because they know some components of their goods or practices are illegal (*Where There Are Bills, There Are Other Ways: Informal Cross-border Trade in East Africa*, 2014). For instance, the SIPA Teams' interview with one government official from the Kenya Ministry of Trade revealed that although trading beer and other liquor is prohibited for small-scale traders between Uganda and Kenya, traders will import beers from Uganda, go through informal routes, and sell it at a premium in Kenya. Besides transporting illegal goods, illegal practices such as under-invoicing, misclassification of goods, and misdeclaration of the country of origin also incentivize traders to choose the riskier *panya* route. In this scenario, traders willingly pay a "fee" to middlemen, who guide them through the steep terrain and engage with brokers who collect paperwork and facilitate market exchange.

In addition to earning quick profits by selling illegal products, information asymmetry exacerbates the risks small-scale traders bear when trading across formal borders. As **Section 4.1.3** explains, lists of prohibited goods often change without prior notice; hence small-scale traders bear the risk of transporting goods that change legal status at short, or no-notice, driving up the opportunity costs in crossing formal borders.

4.1.2 Higher Opportunity Costs in Crossing Formal Borders

As mentioned in the previous section, the design and setup of formal borders are intended for large traders and to the advantage of customs officials: small scale traders face higher opportunity costs both in terms of time and money by using the formal trading routes. On the one hand, time costs are associated with acquiring the various required documents and experiencing delays at checkpoints. Compared with the Common Market for Eastern and Southern Africa (COMESA) regional average, export-import between Uganda and Kenya requires 34% more time to collect documents, pass through border posts, and complete cross-border trade compliance (UNCTAD, 2019). On the other hand, small-scale traders face higher financial costs considering that they are more vulnerable to corruption and likelier to lose access to more profitable markets further away, given their inability to afford expensive transportation. For instance, the SIPA Team’s interviews suggest that small-scale traders are more likely to be asked to pay a small “fee” at formal borders to expedite the process, even though this crossing is legally free. Sauti Africa’s research suggests that in 2017, over 80% of small-scale traders were asked for a fee or harassed within the course of a month (Ruiter et al., 2017). This evidence points to the prevalence and severity of the issue.

1) Onerous documentation requirements and long wait time at multiple checkpoints

Time and costs associated with logistics and the number of documents required for formal border-crossing are particularly discouraging for small-scale traders between Uganda and Kenya. According to the World Bank’s 2018 Ease of Trading Across-border Indicator, Uganda ranks 127 out of 146 countries while Kenya ranks 106 (World Bank, 2019). The average time associated with export in Uganda, including document compliance (64 hours of prepping, submitting and processing relevant documents) and border compliance (51 hours of customs clearance and inspections, port or border handling), is 115 hours. Similarly, on average, it takes traders 40 hours to comply with export documents (19 hours) and borders (21 hours) in Kenya. In reality, the time needed for cross-border trade is much more considering there are both export and import compliances on each trip, which takes an average of 355 hours to export from Uganda to Kenya and 332 hours to export from Kenya to Uganda (World Bank, 2019).

Compared with the COMESA average of 255 hours and EAC average of 338 hours to import, the length of time needed for cross-border trading between Uganda and Kenya results in particularly negative consequences for small-scale traders. First, time spent for documentation and border compliance impedes traders from reaching markets and other trading places during hours of operation. The SIPA Team’s interviews suggest

that often after travelling on foot all day from home to formal borders, traders have to spend such a long time waiting in line for border processing that marketplaces will be closed by the time the traders finally arrive there. Therefore, extra costs are generated if traders need to stay overnight. For traders carrying perishables or other time-sensitive goods, there is an additional risk of goods devaluation as a result of long wait time at formal borders. Therefore, the complicated paperwork and clearance-process at formal borders drive traders away to the more dangerous *panya* or informal routes. Compared with the COMESA average of 255 hours and EAC average of 338 hours to import, the length of time needed for cross-border trading between Uganda and Kenya results in particularly negative consequences for small-scale traders. First, time spent on documentation and border compliance impedes traders from reaching markets and other trading places during hours of operation. The SIPA Team's interviews suggest that often after traveling on foot all day from home to formal borders, traders have to spend such a long time waiting in line for border processing that marketplaces will be closed by the time the traders finally arrive there. Therefore, extra costs are generated if traders need to stay overnight. For traders carrying perishables or other time-sensitive goods, there is an additional risk of goods devaluation as a result of long wait time at formal borders. Therefore, the complicated paperwork and clearance-process at formal borders drive traders away to the more dangerous *panya* or informal routes.

2) Hierarchical corruption within institutions

As already noted, small-scale trading, defined as the transaction of goods less than \$2,000, is exempted from taxes and duties at the border. However, traders still need a full set of documents and to adhere to border crossing regulations, which can cause significant delays. To expedite the process, small “gifts” or “fees” can help. According to one study by Sauti Africa, more than 50% of small-scale traders reported encountering corruption and other extortion in the span of a week, and the number rose to 80% in the span of a month (Ruiter et al., 2017). Women traders also experience physical and verbal harassment. The same study by Sauti has found that over 30% of women traders have experienced sexual harassment at borders, including rapes and providing “favours” to officials in exchange for a smoother clearance process. Given their limited bargaining power, only 16% of harassed women traders complain or report the incidents (Ruiter et al., 2017). As discussed in **Section 2.6**, gender inequality and household dynamics in Uganda and Kenya make women traders more fearful of reporting crimes as they are concerned that their families and children will face ramifications, or they may be ostracized from their communities that they depend on for things like childcare. It must also be noted that as women begin to participate and benefit from income-generating activities (like cross-border trade), there is a corresponding rise in the instances of domestic violence they face. One 2018

UNCTAD report on cross-border female traders in Malawi, Tanzania, and Zambia also found that women often do not stand up against men and tend to be easy targets for bribe and exploitation and even sexual harassment (UNCTAD, 2019).

The perpetrators of this harassment are most often border officials and police. A survey conducted by Sauti Africa revealed that the police (59%) and revenue authority officials (18%) are the most likely sources of corruption (Ruiter et al., 2017), while middlemen (12%) and clearing agents (10%) also benefit from unofficial charges (UNCTAD, 2019). The SIPA Team's interviews with officials at the Busia county, the hustling business hub for cross-border trade between Uganda and Kenya, have revealed that the police and border officials feel that they are under-remunerated, and use bribes to supplant their incomes. Additionally, illicit payments and extractions are considered nominal and hierarchical. In other words, corruption is often passed up by the bureaucratic order, and therefore the superiors also benefit from the act of extracting illicit payments from small-scale traders. Although traders also face the risks of bribery, confiscation, and harassment on non-prescribed, informal roads, fear of the authorities and the perceived extractions still drive small-scale traders to the *panya* route.

Several interviewees also mentioned that the public officers in charge of ensuring smooth cross-border trade were themselves corrupt. One county official mentioned that money that was sanctioned for training traders sometimes went into the pockets of government officials. Three of our interviewees from Busia county also noted that there is an established nexus between clearing agents, police officers, and border officials. Another key informant explained that the nexus might also go up the hierarchy of officials, thus compelling junior officials to participate in corruption and exploit the information asymmetry barriers that small-scale women traders face. Obtaining documents like the Single Certificate of Origin, for example, is free, but women may not know this. As a result, officials may charge an "expediting" fee (which is illegal). Sometimes, despite knowing that the certificate is free, traders do not have the clout to argue or disagree with border officials who wield disproportionate power over them.

Another example of illegal payments are the bribes that are paid to border officials, to cross the border without any delays. According to the research conducted by Global Integrity Anti-Corruption Evidence project (2019), traders say there are four ways in which they pay irregular or illegal payments:

- As they are carrying items across the border, the officer could give a sign, and there is a box somewhere where money can be dropped.
- The officer makes a sign to take goods across the border and pay on the way back.

- There is a greeting the officer [makes] and he receives the money from the trader's hand. If the trader doesn't have money at that point, but has perishable goods like oranges or a cluster of yellow bananas, those are also often given in place of cash.
- The money is placed somewhere amongst the goods and as the officer is "checking" the goods, he picks the money.

These examples show that corruption is not a one-off incident but is a well-established part of cross-border trade. Thus, rooting out corruption would require reforms in accountability and monitoring, which require political will. The next section explores this aspect in detail.

4.1.3 Information Asymmetry

Another challenge the small-scale traders face is their limited access to information. These challenges include access to market price changes, real-time exchange rate fluctuations, and policy updates relevant to cross-border trading via formal routes. It was repeatedly affirmed across desk research and the SIPA Team's interviews that small-scale traders, especially women traders, face various constraints if they want to learn more about the latest policies and other information about small-scale border trading. The information asymmetry is not limited to the traders alone but also includes county and customs officials who are not provided with the most recent policy decision from the central government. We elaborate below a few well-evidenced factors that contribute to small-scale traders' limited access to information.

1) Unaware of policies and border-trading updates

One consequence of the information predicament is that goods and practices are "forced" into the illegal category unexpectedly. For example, the list of legal goods changes without notifications reaching the traders. The list changes on an irregular basis, but small-scale women traders are often left out of the loop and do not realize the goods they are trying to sell are illegal until they get to the border. As the goods are often perishable, women traders have to sell them immediately. Thus, they are forced to take illegal routes and bear the associated costs so that they can smuggle their goods across the border. Similarly, foreign exchange controls and import-export quotas can change unexpectedly and are seldom communicated to traders, if at all, therefore traders are not able to go through formal clearances legally.

Small-scale traders also receive little guidance in regards to finding trade-related information. Of the respondents surveyed in UNCTAD's survey, 64% of women were aware of the free movement of goods, services, and people within the region and the

elimination of internal customs border controls, and only 59% of them were aware of the elimination of taxes on goods and services originating within the EAC (UNCTAD, 2019). The SIPA Team's interview with experts on the matter has suggested that traders don't know their rights or what exactly is expected of them at the border and are more vulnerable to being coerced into paying bribes.

2) Inadequate market information

It is hard for small-scale traders to access adequate market information because (1) traders' education level is limited, and (2) regulations and processes related to cross-border trading are convoluted and hard to comprehend. According to UNCTAD's survey on COMESA trade, only 15.5% of small-scale traders completed secondary education or more, while 11% had no schooling (UNCTAD, 2019). Most cross-border traders, especially women, had primary or lower secondary education. This translates into substantial competitive disadvantage in accessing and using market information and extension services, applying for credit, and complying with export-import product standards and regulations. As a result, black markets for exchange rate and border agencies tend to take advantage of the traders' ignorance on the related information for profit.

While the government has introduced new policies, small-scale traders, especially women, don't have access to technology that can help them learn about policies, trade, industry, and business facilitation. A mobile survey administered by Sauti Africa suggests that female small-scale traders are 14% less likely to own mobile phones and 25% less likely to have access to the internet in comparison to their male counterparts (*Byte by Byte: Policy Innovation for Transforming Africa's Food System with Digital Technologies*, n.d.). Despite women receiving training from organizations like Sauti Africa, men are more likely to use their app to report their experiences in conducting cross-border trade (Ruiter et al., 2017). **Section 4.2** presents a more detailed discussion on existing policy initiatives aimed at enhancing small scale traders' access to market information through technology and their effectiveness.

4.1.4 Absence of Political Will

The SIPA Team's interviews and research also revealed that the absence of political will was a critical constraint when it came to addressing the concerns of small-scale traders. Incentivized by collecting public revenue, the government has started to clamp down on corrupt practices occurring at the border, but small-scale trade is still not a priority issue for the central government. While the lack of political will is not a direct cause, it is nonetheless a crucial factor in determining policy decisions which impact small scale traders. National

interests in tariff-setting include considerations of public revenue and private interests of government officials. Bearing diverse interests in mind and lacking incentives to streamline, different levels of government, including regional, central, and local, implement incoherent policies that exacerbate the complexity of information access for small-scale traders.

Two of our interviewees drew attention to the laxity of the government in addressing the challenges faced by small-scale traders. As one interviewee pointed out: “On paper, the anti-corruption law is pretty good, but the problem we have is of implementation...there is a sheer disconnect between the policies and how they are implemented (due to) poor political goodwill. If we have really solid political goodwill, then we will be able to avoid lip-service and get down to work.”

Below we discuss two factors that explain the absence of political will in greater detail.

1) Lack of coherence in policies across countries

Given the regional nature of cross-border trade, cooperation between countries on trade policies is imperative. For example, due to political differences, EAC regulations related to the \$2,000 limit for ‘informal trade’ are not uniformly applied across member countries. Inconsistent trade rules and regulations between partner states and the EAC impede decision-making when multiple rules can apply to the same action. Under the EAC OSBP Act, 2016, “officers from adjoining Partner States have the right to implement their national laws while operating across the border (*EAC Achievements*, n.d.).” For example, in Tanzania, the Kenyan Revenue Authority guidelines differ from the EAC guidelines. As a result, there is ambiguity as to which guidelines are to be followed and adopted. One of our interviewees from Sauti also mentioned that the speed of implementation might differ from country to country, resulting in differing norms across countries, thus creating further challenges for traders. While policy coherence between countries is lacking, there also appears to be within-country challenges regarding implementation of policy, an aspect that we explore in the next section.

2) Poor communication between the central and county governments

Our findings point to poor communication of federal level decisions to the county level, where they are implemented. An expert on cross-border trade noted that Non-Tariff Barriers (NTB), which include aspects like sexual harassment, inefficient customs procedures, bribery, and corruption, had been renamed as Non-Tariff Measures, but in essence, mean the same thing. Thus, county officials, who may not be aware of this change, may get confused about policies on Non-Tariff Measures.

The same interviewee also mentioned that communication between the Ministry of Customs, headquartered at Nairobi, and the customs officials were not seamless. The example mentioned was related to the sensitive list of goods. This list includes goods which cannot be traded, to protect the nation's interests and is subject to frequent change. Many times, the border officials are not aware of changes made to the list, and therefore, they may charge fines for goods that are no longer on it. Another interviewee from a regional organization mentioned that change management frameworks to implement policy decisions, like policies on anti-corruption, tariffs, or trade regulations, exist, but are not being used. These factors may also explain the poor communication between the federal and county-level officials, leading to poor policy implementation.

4.1.5 Summary of Problem Tree Analysis

Based on our interviews and literature review, our findings show that there are four significant reasons due to which traders regularly face harassment and corruption at the border. These include information asymmetry, high opportunity costs for female traders, limited access to formal routes, and lack of political will to reform the existing system. Some of the key takeaways regarding these challenges are as follows:

1) Women traders are worse affected since border processes are not gender-sensitive

Right from obtaining documents to crossing the formal border, to interacting with custom officials at the border, we note that women traders face a more uphill challenge than their male counterparts. Given that border processes don't consider factors like lower literacy among women, barriers to accessing financial assistance, and additional household responsibilities for women, the system is not gender sensitive. Absence of child-care and changing rooms, long wait times for all traders, and inadequate information dissemination on trade processes among women are just a few examples of why women choose to use informal borders instead of formal ones.

2) The four challenges encompass social, political, and administrative factors, which are highly interconnected

An example of this interconnectedness is as follows - the absence of political will leads to poor accountability at the border, which exacerbates corruption at both the formal and informal borders. Similarly, with women having lesser access to information, border officials who are not held accountable through the system take advantage of this information asymmetry and collect bribes or sexually harass women, in exchange

for their passage through the borders. Thus, any reform will have to tackle all three factors, to smoothen cross-border trade.

Presently, the government has implemented many policies and interventions to address these issues, right from establishing complaint mechanisms for traders, creating one-stop border posts to ease trade processes, working more closely with partner countries, and setting standard tariffs. These interventions are explored in greater detail in the next section.

4.2 Stakeholder Initiative Effectiveness Scorecard

Over the years, small-scale traders' obstacles outlined above have received more policy attention. Policies and programs (henceforth "initiatives") are formulated by various stakeholders on the county, national, and regional levels to simplify and facilitate the cross-border trading experience. This section highlights some of the most-noted policy initiatives focused on improving infrastructure, policy, and programmatic cross-border trade reforms. We use two tools to identify and assess stakeholder reforms:

- 1) **Stakeholder Initiative Matrix** as a tool to identify some of the major reforms conducted by actors, including international donors, regional/national level policymakers, Busia county implementers, civil society organizations, and private sector companies.
- 2) **Stakeholder Initiative Effectiveness Scorecard (SIES)** as a tool to assess how well these reforms have mitigated the daily challenges for traders.

4.2.1. Process and Scoring

Policy initiatives in the SIES include crucial regulation, oversight and administration, and products and programmatic efforts as identified by stakeholders in interviews. The SIPA Team utilized desk research and literature reviews to verify the initiatives and substantiate their impact on CBT. Validating and assessing the effects of stakeholders' efforts to improve trade facilitation was difficult due to the dearth of data and research available. Indeed, the lack of data on the topic is well known by practitioners and academicians in pursuit of reform. Even less documented are the gendered effects of CBT. As such, the SIES should be used directionally to provide a general grasp on comparative initiative performance at the Busia border.

Measures of effectiveness correlate to activities and the achievement of desired results. Stakeholders have a common goal of improved trade facilitation, but their objectives and activities focus on varying aspects of CBT reform, including social, economic, and political

reforms. As such, for simplification, the SIPA Team used one criterion to measure effectiveness: at present, is the Stakeholder's initiative successful in easing trade barriers for small-scale CBTs, especially for women informal cross-border traders (WICBTs). Initiative effectiveness is measured against the barriers that contribute to informal trade as diagnosed in the Problem Tree Analysis. After reviewing the evidence collected from primary and secondary research, the team assigned an effectiveness score to each respective initiative based on the following rating system:

- 1) a score of one designated in red means a barely effective initiative;
- 2) a score of two highlighted in light green signifies a somewhat effective initiative and;
- 3) a score of three denoted in dark green indicates the initiative is very effective.

There are two circumstances under which initiatives receive "no score": if the initiative is unrelated to an objective or if further information is needed to assign a score. For several initiatives mentioned, the team highlights performance gaps by comparing current initiative results against desired results. The team then specifies why current initiatives do not meet the mission or desired results and recommend which initiatives need further inquiry in the ensuing recommendations section.

Table 3: Stakeholder Initiative Effectiveness Scorecard






| Legend | | | | | | | | | |
|--|-------------------------|------------------------|---|----------------------|-------------|-----------------------------|-------------|----------------------|-------|
| No Score | No Score | 1 | | 2 | | 3 | | | |
| More information is necessary | Not applicable | Barely effective | | Somewhat effective | | Very effective | | | |
| Initiative <i>(Includes statutory, regulatory, oversight & administration, programs and products)</i> | Actor(s) | Institutional Barriers | | Information Barriers | | Insufficient Infrastructure | | Reporting Mechanisms | Score |
| | | Corruption | Administrative Barriers (excessive documentation) | Unable to Comprehend | Awareness | Transport | Goods | | |
| Trade Harmonization | | | | | | | | | |
| Sensitive Items List/ Common External Tariff | EAC - Regional | | 1 | | | | 1 | | 1 |
| Simplified Certificate of Origin | EAC - Regional | | 2 | | | | 2 | | 2 |
| Simplified Trade Regime/\$2,000 Consignment | EAC - Regional | | | | | | 2 | | 2 |
| Infrastructure | | | | | | | | | |
| One Stop Border Post | EAC - Regional | 1 | 2 | | | 2 | | | 1.7 |
| EAC Customs Management Act | EAC - Regional | 1 | | | | | | | 1 |
| Customs Officials and Clearing Agents | County | 1 | | | | | | | 1 |
| Reporting and Whistleblowing Mechanisms | | | | | | | | | |
| Reporting Non-Tariff Barriers | EAC - Regional/National | | | | | | | 2 | 2 |
| Hotline Numbers | All | 1 | | | | | | 1 | 1 |
| Ethics and Anti-Corruption Commission (EACC) | EACC - Kenya - National | | | | | | | 1 | 1 |
| Joint Committees | | | | | | | | | |
| Border Police | County | 1 | | | | | | 1 | 1 |
| Revenue Authorities | National/County | | | | | | | 2 | 2 |
| Advocacy and Capacity Building Programs | | | | | | | | | |
| Busia Uganda and Busia Kenya WCBTA | TMEA - EASSI | 3 | 3 | 3 | 3 | 2 | 2 | | 2.7 |
| Sensitization Programs | TMEA - EAC | 3 | | | 3 | | | | 3 |
| Busia Women Trader's Information and Resource Center | EASSI | 3 | | 3 | 3 | | | | 3 |
| Public Participation | | | | | | | | | |
| National Government-led forums | All | 1 | | | 1 | | | | 1 |
| Non-government led forums | All | | 3 | | | 3 | 3 | | 3 |
| Traditional Media - EAC Gazette | All | 3 | | 2 | 3 | | | | 2.7 |
| Sauti App | Sauti | | 3 | 3 | 3 | | 3 | | 3 |
| EFFECTIVENESS SCORE | | 1.80 | 2.33 | 2.75 | 2.67 | 2.33 | 2.17 | 1.40 | |
| AGGREGATED EFFECTIVENESS SCORE | | 2.07 | | 2.71 | | 2.25 | | 1.40 | |

*Chart should be used directionally. Analysis is based primarily on information from interviews and secondarily desk research. Please note that Uganda's Whistleblower's Act 2010, Kenya Witness Protection Act, No. 16, Ethics and Anti-Corruption Commission (EACC); EAC stands for East Africa Community; WCBTA stands for Women's Cross Border Trade Association.

4.2.2. Stakeholders

Traders in Busia County are part of a vast, industrious stakeholder ecosystem. **Figure 6** in the next page is not exhaustive: only actors mentioned during the span of our research that played a significant role in CBT reform are included. Additionally, some actors may work across a variety of reforms but are only classified in category(ies) based on the initiatives we reviewed. Those categories are (1) trade harmonization, (2) infrastructure, (3) education/training/information, (4) whistleblowing/reporting mechanisms. The next section will assess the effectiveness of trade initiatives.

Figure 6: Stakeholder’s Initiative Matrix

| | TRADE HARMONIZATION | INFRASTRUCTURE | EDUCATION, TRAINING, INFORMATION | REPORTING/ WHISTLEBLOWING MECHANISMS |
|---|--|--|--|--|
|  International Donors | UKAID, USAID, World Bank, AfDB, UNCTAD | UKAID | UKAID, UNCTAD | Interpol, World Bank |
|  Regional & National Level Policymakers | EAC Secretariat, Ministry of the Interior, Ministry of Trade, COMESA, EAC Ministry of East African Affairs, Lake Victoria Fisheries Organization, National Monitoring Committees | Ministry of Devolution, Ministry of Water and Sanitation, Ministry of Energy | Ministry of Education, USSIA, EAC Ministry of East African Affairs | EACC, National Police, Kenya Border Management Secretariat/Kenya National Intelligence Service |
|  Busia County Policy Implementers | Customs/Revenue Authority, Immigration, Bureau of Standards | | Busia County Government, Cross-Border Trade Information Desk | Border Police, Kenya Health Inspectorate Service, Trade Information Desk |
|  Civil Society Organizations | Cross-border Trader Associations, Global Integrity, Women’s Cooperatives, USSIA | KARA | Sauti, EASSI, Cross-border Trader Associations, Women’s Cooperatives | Sauti, Global Integrity, Women’s Cooperatives, Transparency International |
|  Private Sector Actors | KenTrade, TrademarkEA, EABC | | KenTrade, TrademarkEA, Busara | |

4.3 Policy Gap Analysis

4.3.1 Trade Harmonization Reform Policies

According to interviews and academic research, costly payments at the formal border are a deterrent to traders’ use of formal routes (Siu, 2019). Under the EAC Customs Union, Kenyan and Ugandan small-scale traders should enjoy free trade or reduced tariffs on most goods when crossing from one country to sell in the other (EAC, 2017). Traders can only take advantage of duty-free tariffs; however, if the goods are not sensitive items, they are selling items with a total value worth no more than USD 2,000; they present a Simplified Certificate of Origin Form which proves those goods originate in Uganda or Kenya (EAC, 2017). Traders should also expect to follow the same trade rules moving from one country to the other: import tariff rates, documentation, and certifications needed should be the same across the countries (EAC, 2017).

While trade harmonization encompasses many trade rules and procedures, the next section will focus mainly on Sensitive Items as they are evidenced to be the primary source of high-tariffs, unexpected border payments, and even illegal goods.

1) Sensitive Items and the Common External Tariff

One of our primary sources detailed: “there is a sensitive list of goods privies to tariffs – these are the goods that women are most likely to trade along *panya* routes.”

The Common External Tariff (CET) is the policy mechanism by which states unanimously agree to apply standard tariffs below the maximum rate of 25 percent to goods traded within the region (Newfarmer et al., 2018). However, states continually and unilaterally undermine the regional trade-friendly goals of the CET: research has found that many states bypass the EAC consensus-making CET process because they want to advance domestic interests over regional interests (Newfarmer et al., 2018). As a result, states have individually determined tariffs on goods that are higher from the CET’s maximum 25 percent rate. These different rates are applied to what are called “sensitive items (*The Treaty for the Establishment of the East African Community*, 1999).” The majority of these sensitive items are agricultural goods, the bulk of which are traded by small-scale traders. When states undermine collective decision making, it can have destabilizing local and on-ground effects. Since many agricultural goods fall into one of these categories, the CET does not reduce barriers to trade. Therefore, sensitive items are rated barely effective on the SIES under “goods.” **Table 4** below depicts the high tariff rates applied to sensitive items (Newfarmer et al., 2018). The sensitive list of products includes an average of 45-60 CET exempted products (Siu, 2019) with tariffs higher than the maximum 25 percent tariff-rate set for products under the CET.

Table 4: List of EAC tariffs for sensitive items

| Items | Rate |
|---|--|
| Cane or beet sugar and chemically pure sucrose, in solid form | 35% for jaggery; 100% or US \$200/metric ton (MT) for others, whichever is higher for industrial sugar and other types |
| Rice | 75% or US \$200/MT, whichever is higher |
| Wheat and meslin flour | 60% |
| Milk, cream, buttermilk, yogurt, and most other dairy products | 60% |
| Maize (corn) | 50% |
| Various types of woven fabrics of cotton or synthetic staple fibers | 50% |
| Wheat and meslin | 35% |

Source: Newfarmer et al., 2018

From an economic perspective, within each respective country, domestic small-scale and large-scale agricultural producers have aligned interests (Bünder, 2018). Therefore, Uganda and Kenya should have the same economic interests in the agricultural sector. However, Kenya has consistently kept tariffs rather high for

agricultural goods while Uganda has decreased unilateral tariffs on goods (tariffs not determined by EAC consensus). This difference in high versus low tariffs across countries is particularly devastating for Ugandan traders seeking to trade in Kenya.

If both countries have similar economic interests, why would Kenya unilaterally raise its tariffs above an EAC standard rate? The role of special interest groups and the private interests of government officials provides an answer. In Kenya, politicians come from the wealthiest families that have investments in agriculture and specific areas in manufacturing (Bünder, 2018). These interests lead to the concentration of business and power networks combined within a family or individual. By contrast, politicians in Uganda and Tanzania are less vested in the agriculture and manufacturing industries. (Ugandan politicians are more interested in real estate, tourism or the transport sector) (Bünder, 2018). Due to the proximity of politics and business in Kenya, private sector interests may have better access to a “seat at the table” than in Uganda.

2) Sensitive Items/CET scorecard rating

Sensitive items and the CET are rated barely effective on the Initiative Effectiveness Scorecard as they do not reduce trade costs for the majority of small-scale CBTs, especially for agricultural traders and Ugandan traders. The evidence suggests that import duties are often not duty-free since a majority of traders’ goods are sensitive items that come with high tariffs.

Aside from the CET, the other trade reforms associated with free duty or reduced import tariffs are the Simplified Trade Regime (STR) and the Simplified Certificate of Origin (SCO). The preceding Problem Tree Analysis section highlights the ineffective uptake of the STR and SCO due to trader’s lack of awareness that these reforms exist and the difficulty in proving origination for goods. In this context of border costs, the STR and SCO are also considered “somewhat effective” because neither reform guarantees import duties will be waived if goods are on the sensitive list. Further, the STR and SCO only apply to import duties; they do not apply to other border taxes traders must pay which include the VAT (value-added tax) and excise taxes. While research confirms that women are more likely to take informal routes when formal border payments are too high or when traders experience unexpected payments, VAT and excise taxes specifically were not emphasized in interviews as having a major effect on border payments, unlike import-tariffs. Therefore, these taxes are excluded from the SIES.

3) Sensitive Items/CET recommendations

The main recommendation for stakeholders to help stabilize CET levels would be to work with business associations and the agricultural sector to lobby on behalf of agricultural producers and traders. The agricultural sector should utilize lobbying strategies to influence government decision-making. Small-scale and large-scale agricultural producers and traders can organize and represent the same collective interest. Business associations like Kenya Private Sector Alliance (KEPSA) in Kenya and Kampala City Traders Associations (KACITA) in Uganda can represent the agriculture sector (Bünder, 2018); they are currently the most important actors in the CBT environment to influence CET negotiation levels. Collective action can put pressure on the government and influence decision-making. There have been few studies on the role of donors and the international community as special interest groups in CET negotiations (Bünder, 2018), but a first step would be to conduct dialogues with KEPSA and KACITA, which may lead to opportunities for these stakeholders to join the effort.

Primary and secondary research indicates that traders and customs officials are often unaware when changes are made to the sensitive list. Stakeholders should conduct further research on the availability of the sensitive list, how changes are communicated to the public, and how frequently the CET changes. It is important to note that CET levels can also be influenced by retaliation, so tensions between countries can be a factor in CET instability.

4.3.2 Infrastructure Reform

1) One Stop Border Post (OSBP)

Several interviewees determined that corruption was the most significant barrier to trade for CBTs. Moreover, stakeholders revealed in the SIPA team's interviews that women have claimed instances of harassment and bribery are most likely to occur at Customs/OSBPs. The team utilized data from Jade Siu's (2019) research on the effect of OSBPs on trader journey decisions to find that: traders identified "time taken to cross the border" and "security" as the first and second most important factors when considering trade route options. The One-Stop Border Post (OSBP) at Customs is an EAC-wide infrastructure trade reform initiative to improve trade facilitation at border crossings (*What Is the Customs Union?*, n.d.). Not all border crossings within the EAC trade bloc have an OSBP, but Busia County has implemented one; it integrates Ugandan and Kenyan border agencies into one shared space, consolidating all activities when exiting one country and entering the other (*What Is the Customs Union?*, n.d.). The desired results for the OSBP are to streamline trade processes and

ultimately reduce custom procedures wait times, making it easier for traders to conduct business. It would seem that OSBPs have improved some aspects of formal trade journeys: Jade Siu's survey concludes over half the traders surveyed claimed that OSBPs reduced overall wait times, 15% reported that instructions were more specific and 9.78% reported reduction in harassment (Siu, 2019). However, as detailed in the Problem Tree Analysis, the overwhelming majority of traders (60% of small-scale traders and 80% of women traders) (Siu, 2019) continue to use informal routes despite their claim that OSBPs reduce overall wait times.

Information from SIPA interviews suggests that traders also consider the predictability and consistency of wait times when making journey choices, which may help explain why traders still do not find OSBPs to be effective. An interview respondent noted unpredictable wait times as a significant barrier for CBTs with times varying anywhere from 5 minutes to 5 hours. Unpredictable wait times particularly disadvantage women traders who trade in perishable agricultural goods and who have time-sensitive household responsibilities like child-care. Further, stakeholders indicate that (1) poor service delivery by agencies and (2) inconsistent border performance of customs officials are significant contributors to both corruption and unpredictable wait times at OSBPs.

A SIPA interviewee identified that border agents have a "low level of awareness around expectations," which results in the failure of service delivery (or carrying out their job duties) and thus leads to corruption. Additionally, the interviewee detailed a lack of oversight, accountability, and enforcement of border agents claiming that "the level of supervision [at the border] is very minimal, far from power centers." At the regional level, The East African Community Customs Management Act, 2004 is the document that governs the regulatory functions and administrative duties of Customs for all Partner states. The provisions in the Act align with the information provided by the interviewee: Customs Officers in particular have a high degree of autonomy and authority when it comes to making decisions at the border. For example, customs officials have "...all the powers, rights, privileges and protections of a police officer of the Partner State in which such officer performs his or her duty."³

Additionally, officers can be authorized to exercise any power in the Customs Management Act by their boss (the Commissioner).⁴ A high level of autonomy isn't necessarily a bad thing as power confers the ability to make quick decisions, which leads to efficiency. However, unchecked authority can increase the likelihood of corruption, especially if there are strong incentives to do so.

³ EAC Customs Management Act 2004; (7), 22.

⁴ EAC Customs Management Act 2004; (503), 100.

According to another SIPA informant, “a lot of the reforms are driven by individuals, who rotate goalposts. When individuals move, the reforms aren’t institutionalized.” As part of the EAC Customs operations mandate, customs officers can be stationed anywhere throughout the EAC region (*The Treaty for the Establishment of the East African Community*, 1999). The respondent continued that the “biggest [policy] gaps are operational and administrative – day-to-day on the ground, ensuring there is a consistency that people don’t change goalposts.” Under the EAC OSBP Act, 2016, “officers from adjoining Partner States have the right to implement their national laws while operating across the border (*The East African Community One Stop Border Posts ACT, 2016*, n.d.).” Based on that observation, the mobility of customs officers may subvert initiatives that drive harmonized trade-promoting reforms.

2) Customs/OSBP Scorecard Rating and Recommendations

The team could estimate the effectiveness of OSBPs by utilizing interviews and Jade Siu’s research. OSBPs were assigned a score of “barely effective” for corruption, “somewhat effective” for both documentation simplification and transportation. Accordingly, customs personnel and The EAC Customs Management Act received a “barely effective” score for corruption. Soliciting bribes is punishable under the Customs Management Act⁵. Despite the prohibition of bribery, corruption remains a critical challenge for women.

3) Customs/OSBP Recommendations

At the regional level, stakeholders did not point to specific legislation around bribery or harassment, per se. However, data indicates that penal laws in the Customs Management Act should be reviewed and possibly amended to better reduce incidents of bribery at Customs/OSBPs. Also, at the regional level, the Ministry of EAC should determine precedence identifying which laws apply in specific contexts should be clearly articulated in legislation as well as communicated to Customs personnel. Doing so will simplify the trade rule application and help to ensure better adherence to proper protocols. At the national level, the Kenya Revenue Authority and the Uganda Revenue Authority are considered to have the most significant impact on intra-regional trade (Muluvi et al., 2012). They are responsible for the management and enforcement of customs laws. The KRA and URA also handle the administration of the CET (Muluvi et al., 2012). At the regional, national, and local levels, interviewees point to

⁵ EAC Customs Management Act 2004 section 9-2-3(a) reads “A person who directly or indirectly offers payments or rewards or enters into agreements is subject to a fine not exceeding two thousand five hundred dollars or to imprisonment for a term not exceeding three years or to both such a fine and imprisonment.”

trade reforms that address information gaps and improve trader collective bargaining through education and training programs, advocacy programs, and community reporting mechanisms. These reforms are discussed and assessed in the proceeding section.

4.3.3 Education, Training, Information Initiatives

1) Regional Training and Sensitization Programs for Border Agents

The EAC, national agencies, cross-border trade associations, private sector organizations and civil society organizations have been administering training programs for customs and other border agency officials to tackle the challenges of institutional corruption and raise the awareness of small-scale traders. These trainings include job-related functions (relevant trade policies and procedures at the border) as well as sensitization programs (awareness and education on gender equality). Sensitization programs include joint sessions with women cross-border traders on ways to address harassment. According to interviewed sources, unlike other borders, border agents at Busia have received considerable training, and some are very progressive and reform oriented. Thus, sources indicated that new traders in Busia are less likely to face issues. During the SIPA Team’s visit to Sauti Africa, we were informed that weekly meetings are held with border-officials to address grievances. Unanimously, stakeholders consider training and sensitization programs to be the most successful mechanisms to combat information asymmetry and corruption.

2) Support Programs for Traders

Stakeholder initiatives that involve advocacy, capacity building, education, and training are successful in reducing barriers to trade, most notably shrinking information gaps. Effectiveness scores for these initiatives were consistently rated “very effective” or “somewhat effective” on the SIES. During interviews, stakeholders highlighted the reported experiences of the women who completed the programs. The women claimed: (1) an uptake in joining formal trade associations which led them to embrace strategies that helped them increase revenues; (2) improved bargaining power when challenging border officials, which reduced their probability of facing corruption.

3) Training and Confidence Building Programs

As mentioned earlier in the report, evidence indicates that women often do not report instances of corruption for various reasons such as traders are themselves committing

an illegal act, the expectation that reported complaints would not be taken seriously, and fear of retaliation. According to the SIPA Team's interviewees, cultural norms are another factor that influences the likelihood to report issues. Many Ugandan WICBTs would not challenge the commands of an authority figure regardless of wrongdoing; this is often driven by a lack of confidence or the fear of violating a social norm on behalf of the woman trader. Interview sources continued to explain that in many Ugandan traditional cultures, women are taught to respect men, especially those in power.

Civil society organizations like EASSI help educate women and build their confidence through programs that teach long-term skills like the ability to communicate assertively with positions of authority. Confidence building activities have resulted in women feeling empowered. Consequently, border personnel may be less likely to take advantage of women who exercise their knowledge. For example, women walk into formal offices without fear, and they do not feel like they are committing a crime at the border post.

4) Networks and Cross-border Trade Associations

Influential women leaders and cross-border trade associations have emerged as important forces to help counter information asymmetry. Interviewees associated "strong women leaders" with descriptions of women who were entrepreneurial, independent, mentors and successful in their business. To address information gaps, EASSI created the Busia Women Trader's Information and Resource Center, which is located at every border post and acts as the first point of contact for any challenge women face. EASSI and Trademark EA have partnered and established two Women's Cross-border Trade Associations in Busia, Uganda, and Busia, Kenya (*Our Projects*, n.d.). Informants report on the benefits of networks like CBTAs:

- Women are trusting of each other, which makes it easier for them to work with one another without the presence of men;
- They don't compete against each other – collectively, cooperatives have helped to build solidarity.
- Originally women traders' associations, they have advanced to women cooperatives - they become registered and gain representative power.

According to our interviewees, information is power. Since implementing CBTAs, rates of exploitation and corruption have decreased, especially on formal routes - women realize that going via formal routes is more profitable than informal.

While women may not have access to the internet, with basic feature phones and apps, women can access information related to market data: the prices of goods and trade processes. The Sauti App, for example, has helped them find out the price of maize, based on which women could make an informed decision. Technology on mobile phones has also helped with anticipating delays and choosing transportation options. Some trade documents are also accessible via mobile devices. The technology could also be used to connect individual traders from remote regions to networks of established associations in more urban or busier cross-border trade areas. These networks can be a powerful way to introduce individuals to formal trade structures. Another valuable feature of phones is that money can be sent via mobile and business can occur without any movement.

4.3.4 Reporting/Whistleblowing Mechanisms

1) Community reporting mechanisms

The government has multiple mechanisms to ensure that traders can report their complaints. The mechanisms explored in our research include the (1) NTB tracker, (2) helpline numbers for various ministries, (3) the EACC, and (4) the joint committee. Data suggest that these mechanisms don't work well and are inefficient. For example, the NTB tracker is supposed to allow women to register complaints such as sexual harassment, security concerns at the border, corruption and other non-tariff barriers they may face.⁶ Three of our interviewees mentioned that in order for such complaints to be registered, evidence is required. Oftentimes, women may not have any evidence and even if they do, they don't want to report as their identity will be revealed, which may put them at further risk in the future. Another interviewee revealed that reporting to the police is not viable as they too may be involved in corruption networks and demand "chai" or informal fees which allow traders to cross the borders. Other hotline numbers provided by the EACC, Kenya Plant and Health Inspectorate Service and Police often don't work.

The EACC is also not widely relied upon by Kenyans in reporting corruption. For example, a 2012 survey found that while 60% of those surveyed 'observed or witnessed a corrupt act by a public officer' in the past 12 months, only 6% reported the incident. Of those who reported such incidents, only 11.7% made the report to the EACC (Ethics and Anti-Corruption Commission, 2013).

⁶ Women traders can file the complaint on the online platform of Non-Tariff Barriers at this link: https://www.tradebarriers.org/register_complaint

Apart from the NTB tracker and the EACC, a joint committee, comprising traders and government officials, has also been set up to address issues that women cross-border traders face. One of the officials we interviewed from the county government mentioned that this committee has been successful in tackling some complaints. For example, there were many companies providing car insurance at the borders, which often conned the traders. To stop this from happening, the committee only allowed one government-mandated insurance office to issue all the insurances. However, two of our interviewees, who had considerable grassroots experience, were skeptical of the efficiency of this committee.

2) Community reporting mechanisms scorecard

Across the scorecard, the effectiveness of community reporting mechanisms was assigned low ratings. A pooled average score for this trade reform is the lowest of all reforms assessed with a score of 1.40. Reporting initiatives were also the policy area with the least amount of data the team could access. The results of the scorecard demonstrate the need for policy focus to improve the reporting mechanisms for traders.

3) Community reporting mechanisms recommendations

Further research is needed on the burden of proof, or what constitutes “evidence” to register a complaint that will be taken seriously.

While further research is needed to understand the effectiveness of hotline numbers mandated to handle NTB complaints, there are several other challenges related to NTB reporting that can be explained further at the regional level under the EAC (Oiro et al., 2017). For example, one significant inefficiency with reporting is that all NTB complaints follow the same monitoring and reporting mechanism (Oiro et al., 2017). A better system should be established to resolve complaints by complaint category, i.e., sexual harassment, transportation issues, to name a few. Response time and resolution of complaints are cited by traders as a problem with the current system as well (Oiro et al., 2017). If complaints were separated, it could improve response time by identifying the responsible party mandated to address a particular problem. Relatedly, the time it takes to resolve NTBs is correlated with the degree of political will in imposing countries (Oiro et al., 2017).

4) Overall Stakeholder Initiative Effectiveness Scorecard Results

This scorecard can be used in multiple ways to draw specific insights. For our research, scores were used to make broad observations about which trade reforms had the most

substantial gaps. After conducting the analysis, policies, and programs addressing Insufficient Infrastructure and Information Barriers scored highest with 2.58 and 2.50, respectively. Institutional challenges scored in the middle with 2.09 and Reporting Mechanisms placed last with a score of 1.40. From our research, current Reporting Mechanisms have been rated the least effective of all programs and policies to address barriers to trade. The following **Summary** section will incorporate the essential takeaways from the stakeholder initiatives.

4.4 Summary of Findings

Numerous organizations are working to address gaps in knowledge, increase access to information, build skills for navigating borders, and educate traders on reporting grievances, to name a few. However, gaps continue to persist. Our study finds that both national, as well as regional government initiatives, have implemented policies like the One-Stop Border Post, Simplified Trade Regime, and Simplified Certificate of Origin to simplify trader journeys and thereby encourage more traders to use the formal routes. Despite these endeavors, small-scale traders (and especially women) take the informal (*panya*) route. Our research also indicates that traders' journey choices are gendered and depend on the nature of goods being transported and the quantum of the taxes and informal taxes that traders need to pay various agents and customs officials.

Also, despite the existence of policies and institutional processes to address complaints at the border, in most cases, traders were unaware of these mechanisms or steered clear of them in fear of ramifications. Additionally, gender-blind policies that fail to recognize the unique needs and constraints of women traders appear to be significant deterrents for women cross-border traders. Long wait-times at the border, lack of restroom and child care facilities and the risk of being harassed and forced to pay bribes encourages most women traders to take the informal routes, despite the associated risks.

Sensitization efforts by cross-border trader associations and civil society organizations appear to be having some effect. Cross-border trader associations, in particular, have played a vital role in informing women on documentation requirements, taxes, goods on the sensitive list, and other related policies. They also provide support to women traders who are harassed by agents and border officials. Busia, in particular, is an example of a border with influential women leaders and multiple cross-border trade associations. While Busia is currently saturated with interventions, it does set a precedent for others. Civil society actors, as well as technology platforms like Sauti Africa, can also play a catalytic role in working with these associations and also help traders with information on accessing financial and other resources. On the other hand, whistleblowing mechanisms, including hotline numbers and the NTB

tracker, have proven to be less than efficient channels in helping women traders, given their inaccessibility and gender insensitive reporting processes. Instead, they have deterred women from reporting harassment and corruption.

Based on our field visit and expert interviews, we found that significant institutional reform and political will is required to put an end to corruption and other non-trade barriers. There appears to be a close nexus between customs officers, the police, and clearing agents. These agents are often underpaid, and corruption has been the convenient status-quo for several generations. Robust change management frameworks, accountability, and law enforcement policies will be needed to counter the resistance and change these perverse practices. Additionally, regional governments will have to come together and iron their differences and standardize trade policies at the border. National governments will also need to set up and reform grievance redressal and anti-corruption channels alongside stringent enforcement mechanisms to ensure that these channels are used and ultimately useful in combating corruption.

5. Recommendations

This six-month research project has shed light on the various aspects of cross-border trade that impact the journey experiences of small-scale women traders, in particular, the corruption and harassment they face. Our interviews, background research, and policy gap analysis helped us categorize these aspects into four broad categories - lack of information, inadequate whistleblowing mechanisms, lack of gender-sensitive border processes, and institutional rigidity. We also found that the interventions and policies designed to address them fell short as they did not sufficiently consider the gendered aspect of small-scale trade. These findings were also corroborated by the experts and stakeholders from the field. Bringing together our gap analysis and experiences of our stakeholders, we recommended two broad strategies. The first is to ensure more gender-sensitive policy and implementation and the second, to bolster information sharing across women traders, thereby empowering them with the knowledge required to navigate formal borders. To transform these recommendations into actionable interventions, we believe that those who are a part of the cross-border policy ecosystem need to be brought together on a common platform to discuss possible and feasible solutions. To this extent, we proposed a policy dialogue where local government officials, trade organizations, civil society, and bureaucracy could share a platform and engage with each other through a series of moderated panel discussions.

These recommendations are but a starting point for tackling the corruption that women small scale traders face in Kenya. While our research attempts to provide an overview of the current policy context, several gaps remain. The spread of the pandemic and global lockdowns prevented us from traveling to Kenya (and particularly Busia) and interacting with national and county government officials and cross-border trader associations. Subsequent studies can try to address some of these gaps. Additionally, further research is required on areas like political will, regional coordination, and bureaucratic inefficiencies to provide more nuanced recommendations.

5.1 Improve Grievance Redress Mechanisms

The lack of a well-functioning grievance redressal mechanism came out as one of the most critical challenges during our interviews. Our interviewees concurred that the existing recourse and reporting mechanisms are ineffective as information dissemination is inadequate, and small-scale women traders are unaware of these mechanisms. Also, these channels are often manned by the same police officers who are a part of the corruption nexus. Additionally, these channels are also non-responsive and do not support anonymous reporting. Complainants rarely get updated on the status of their complaints. These limitations deter

women traders from reporting their experiences, and consequently, the vicious cycle of corruption gets further perpetrated.

However, it is critical that cases of corruption and harassment are reported and don't go unnoticed. Reporting these issues will help quantify the magnitude of the issue from an economic and social justice vantage point, which can form the foundation for developing policy interventions. We propose three key recommendations that can significantly improve accountability and encourage traders (mainly women) to lodge formal complaints.

- **Develop a comprehensive grievance redressal policy and grievance management system:** Robust grievance redressal policies, along with multiple reporting channels, escalation processes, transparent and well-communicated timelines, and continuous feedback loops, can remedy the current state of affairs. The grievance policy should be comprehensive, written in simple and unambiguous language, and be disseminated widely with the help of cross-border trading associations and NGOs working on gender issues. Additionally, developing a grievance management system can help track and analyze complaints, solutions provided, and the turnaround time. All of these will provide invaluable feedback and help improve the grievance process over time.
- **Provide pro-bono assistance to women traders:** The development of a formal grievance mechanism will require significant institutional efforts. Furthermore, for a grievance policy to work and be impactful, women traders need to be aware of the policies. More importantly, women traders need to trust the process and feel comfortable and empowered to use them. Civil society actors can play a vital role in helping women traders build capabilities, get pro-bono legal assistance when it comes to filing complaints or reaching an independent ombudsman with their complaints.

In this regard, a legitimate concern pertains to the fact that cross-border women traders are in the wrong as they are traveling by informal routes and often trade in illegal goods. Consequently, by lodging complaints, they are drawing attention towards their illegal activities and worsening their position. However, staying silent means that these women continue to be invisible, the injustices done to them go unnoticed, and the cycle of corruption and harassment continues undisturbed. The United Nations Human Rights Office of the High Commissioner (OHCHR) recommends that states should not criminalize victims of human trafficking if they are willingly or unwillingly illegally smuggled into another country. Criminalizing victims of trafficking will only make them more vulnerable and harder to identify. Civil society actors can draw from similar examples and advocate for prioritizing the highest standards of human rights at all points of time.

- **Advocate for gender-sensitive grievance policy formulation-** From our interviews, we learned that women traders feared that their complaints would not be heard if they did not provide supporting evidence. Consequently, most traders refrained from reporting cases where they were harassed or had to pay bribes. The need to provide evidence at all times is a severe limitation when it comes to sensitive situations like these. Civil society actors must advocate for harassment complaints to be accepted and investigated at face value as women traders are already traumatized by their experience and rarely have supporting evidence to back their case. Furthermore, they work towards sensitizing policymakers and helping develop progressive and women-centric grievance redressal frameworks, which can also set examples for other countries to adopt.

5.2 Leverage Cross-border Trader Associations for the Professional Development of Women Traders

From our interview findings, we learned that cross-border trader associations have been effective in disseminating information on trade policies, documentation requirements as well as supporting traders who were harassed at the border. These organizations are predominantly women-led, and a majority of the members are women, who come together, recognizing the collective benefits of being a part of an informal association. Given their extensive outreach, local connect, contextual awareness, and perceived effectiveness, it is critical to strengthen these institutions through civil society partnerships, training, access to networks as well as investment support. Knowledge-sharing platforms, webinars, and conferences where actors committed to eradicating corruption come together, and exchange lessons and best practices can be another effective way to build and share institutional knowledge and pledge solidarity to a common cause.

5.3 Develop Gender-sensitive Policy Implementation Protocols

An analysis of the findings from our interviews and background research suggests that existing policies are gender-blind and hence, can end up disadvantaging small-scale women traders. For example, small-scale women traders are often the sole breadwinner in their family and have small children. Thus, long waiting times at the queues, lack of restrooms, changing rooms, or child care facilities add to the opportunity cost and inconvenience them. Furthermore, their lower literacy levels, limited access to resources, as well as trading in ‘prohibited’ goods, put them in a precarious position and exposes them to the risk of bribes and corruption. Siu’s research based on data self-reported by cross-border traders shows that, in general, male traders made less informal payments in comparison to their female counterparts. Furthermore, a gender specialist we interviewed drew our attention to the strong positive correlation between economic growth and domestic violence. Small-scale women

traders hailing from low-income rural communities are at a greater risk of being subject to harassment and violence. Consequently, as East African nations continue to progress economically, extra efforts must be made to replace gender-blind policies with women-centric policies that attempt to dismantle the structural barriers that women face.

Based on our research, we are proposing a few key recommendations that can improve women traders' business competitiveness and trading journeys.

- **Identify needs of women traders:** Aptly identifying the unique needs and constraints of women traders and accordingly developing women-centric policies will require concerted efforts. While measures like increasing the number of women customs officers will require government support and institutional changes, doing so can help bring down the number of harassment cases that women traders face daily.
- **Catalyze access to finance and partnerships with technology providers:** Access to finance is a significant constraint that inhibits small-scale women traders from expanding their trade, selling legal and non-perishable commodities, and perhaps even switching to formal routes. The Global Findex report corroborates this finding. According to the report, 82% of adults own a bank account in Kenya, while two-thirds of women continue to be unbanked. Uganda paints a more dismal picture with a 13% gender gap, and only 59% of adults having access to a bank account. Limited awareness of government schemes, lack of collateral, and credit history make it nearly impossible for them to access financial services from mainstream lenders.

Small-scale women traders tend to have low levels of overall, technical, and financial literacy. Onerous documentation requirements tend to further discourage them from taking the formal route. Civil society actors and technology platforms working with these women traders can explore partnerships with microfinance institutions, savings, and credit cooperatives (SACCOs) and innovative fintech providers to catalyze access to financial resources.

Small-scale women traders also find it challenging to rent transportation and end up crossing the border on foot. Partnerships with agri-tech companies that provide options to pool goods and rent transportation at affordable rates will also ease the burden on women traders. Additionally, technology and financial literacy programs alongside initiatives to help women traders understand documentation policies and requirements will help empower them to understand and stand up for their rights.

- **Provide restroom and childcare facilities:** From a human rights standpoint; having necessary facilities like restrooms and child care services for women traveling with

small children is necessary. These fundamental changes will help improve the journeys of women traders significantly.

5.4 Establish a Platform for Collaboration

One of the goals of our research was to inform a policy dialogue that will be held in Nairobi at a later date. Our research aimed to identify the key stakeholders who should attend the policy dialogue and the policy questions for discussion. We would guide these areas through rigorous research and evidence-backed by primary data.

A policy dialogue might be the critical missing link to successful outcomes. Based on our expert interviews, it seems that ideally, the policy dialogue should involve regional trading partners from the East African Community. Naturally, active government participation from the national, state and local levels is essential. Agencies like revenue, trade, customs, and those dealing with issues related to women, employment, and technology should also partake in these discussions. Alongside the government, civil society, private sector, research, and academia must also participate in this conversation. The most important stakeholder in these discussions is the women traders themselves.

Consequently, a representative set of cross-border trader associations should be invited to engage in the discussions, and the policy dialogue must be an enabling platform that gives voice to their concerns and choices. A forum that adequately represents diverse perspectives will lead to constructive discussions on regional trade issues, motivations, and disincentives to formalize women traders, human resource and institutional reforms on accountability mechanisms, penalties, compensation review, and transfer of border officials. Finally, this forum can also be an excellent platform to ideate on possible anti-corruption mechanisms, complaint reporting, and grievance redressal policies.

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Appendix

- I. Concept Note for Policy Dialogue**
- II. Interview Protocol**
- III. Stakeholder Analysis**
- IV. Power Mapping**
- V. List of Interviewees**

Appendix I: Concept Note for Policy Dialogue

Background

Increasing the efficacy of cross-border trade has been one of the focal points of policy for numerous governments across the continent of Africa as evidenced by large investments in streamlining the processes that govern cross-border trade and the establishment of regional trading blocs. The East African Community comprising Kenya, Uganda, Burundi, Tanzania and South Sudan has instituted a number of measures to expedite cross-border trade between these countries. However, most of these policies tend to focus on large-scale trade even though small-scale trade accounts for over 43% of cross-border trade in Kenya alone.

Addressing issues that affect small scale traders is imperative to ensure that cross-border trade continues to thrive. The most salient and thorny issue assailing small-scale cross-border trade between Kenya and Uganda is corruption. More significantly, women traders who constitute almost 80% of all small-scale traders are impacted by corruption at significantly larger rates than male traders. Women traders tend to be poorer, less educated and therefore easier targets. There are also a number of social constructs and gender norms that make it easier to victimise women with impunity.

Funded by Global Integrity, a non-profit tackling governance and corruption issues worldwide, robust research has been conducted by the Busara Center for Behavioral Economics based in Nairobi. The Busara Center's Randomized Control Trial examined how cross-border traders could be encouraged to report instances of corruption they face using a mobile based platform created and run by Sauti Africa. Bolstered by research that ably identified specific policy gaps that make cross-border trading journeys dangerous for women and key stakeholders, two key recommendations have been put forth.

1. Advocacy on corruption and harassment
2. Gender Sensitive Policy Implementation

The success of cross-border trade is contingent on the conditions of border crossing and the treatment traders receive at the border outposts. If women continue to be subjected to harassment, the economic potential of cross-border trade will be undermined in the region as a whole.

Key Aim

A policy dialogue will fill the gap of the currently missing links between the actors involved in cross-border trade, from local traders to representatives of national government. Therefore, the aim of this dialogue will be to bring together all players of cross-border trade to a common platform in order to have constructive engagement and solution-finding for the most prominent issues facing women cross-border traders.

Logistics

Logistical aspects like the location of the policy dialogue should be decided upon at a later date. It is integral that the policy dialogue takes place at a location that is accessible to the wide variety of stakeholders who should ideally be present. The SIPA Team believes that this a decision best taken by those who are most familiar with Kenya's geography and have a deeper understanding of which stakeholders might be willing and able to travel and which stakeholders will not.

Suggested Agenda Items

1. Corruption and technology - the way forward
2. Gender and corruption - furthering the agency of women
3. Whistle-blowing and complaint mechanisms
4. Financing for cross-border traders
5. The impact of COVID-19 on cross-border trade
6. Regional trade and updates on One Stop Border Post

Suggested Attendees

Government level actors

1. Ministry of Trade
2. Ministry of Immigration
3. Ministry of Gender
4. Children and Women Protection Uni
5. Ministry of Transport
6. EAC Ministry
7. Kenya Revenue Authority
8. Women's Trade Associations in Kenya and Uganda
9. Women leaders and women trader focused organization representatives
10. Immigration policy personnel
11. Law enforcement agents

Partners we have already worked with

1. Trademark East Africa
2. Sauti Africa
3. Busara Center for Behavioral Economics
4. Kenya Residents Association

Appendix II: Interview Protocol

The following Interview Guide is a document to be used in preparation for any interviews that the SIPA Team conducts over the course of the project timeline. This guide contains the entire universe of questions that the team could ask an interviewee. Therefore, before an interview took place, the team went through this universe of questions and shortlisted those to be asked on the basis of the background and specialization of the interviewee along with the kind of organization they represented for example, a government officer, the head of a technology company, a gender experts etc.

The guide below is in script format wherein the basic setup of the interview is laid out. This is followed by the universe of questions asked by the team again in script format. Any follow-up questions that arose during the course of the interview can be found in individual interview transcripts.

- I. Key----- : Name/details need to be filled out which is different for each interview<> : Text in these brackets is optional depending on the situation of the interview

II. Interview Setup

Interviewee Details (Name, Designation, Location, Specializations, any other notes to keep in mind for interviewers): -----

Interviewer: 1 lead interviewer & 1 note-taker (additional members can be present as viewers)

Time: about 45 minutes - 1 hour

Lead Interviewer: _____

Note-Taker: _____

Viewing Members: _____

Date and time: _____

Introduction of SIPA Team

Goal: To ensure that the interviewee knows who we are and understands the aim of the team's project.

Good morning/afternoon/evening _____. Thank you for agreeing to meet with us over Zoom/call!

- If Zoom: My name is _____ and this is my colleague, _____. (with me is/are also other members of our team _____)
- If Call: My name is ----- and I have my colleague, -----
----- with me on this call as well. <with me is/are also other members of our team -
----->

We are student consultants from Columbia University. We are currently working for the Earth Institute and Global Integrity, undertaking research on ethical border trading between Kenya and Uganda for small-scale women-led businesses. We are planning for a policy dialogue on

this issue. This research topic is highly relevant to your work/expertise <insert specifics, if any, based on communication over email/how the interviewee was connected to the team etc.> Hence, we would like to hear your valuable insights. We greatly appreciate your assistance.

The information you share will be used to develop our research framework and help us envision our policy dialogue, going forward.

Getting Consent

Goal: To confirm that the interviewee understands the availability of information arising in the interview, understands their right to withdraw any information they choose to, and willingly consent to these principles.

Before the start of the interview, we would like to affirm that we have your permission to continue this interview and your consent to ask questions.

1. In order to capture all the information you share during the interview, would you allow us to take notes and record this conversation?
2. Are you willing to let us use your name as the reference for our final report? If not, we assure that your name and any identifiable characteristics will remain confidential.

If, at any point, you think that the information you provide could be sensitive and you prefer to be off the record, we will stop taking note and recording until you allow us to do so. Also, if there is any information you do not want us to put on the report, please kindly let us know.

III. Interview Questions

1. Introductory/Open-ended questions

- a. Can you tell us a bit about your organization and your role?
- b. How has your work led you to understand the challenges that cross-border traders face?
- c. In order of magnitude, which challenges that women face at the border are the most widespread in your opinion? Why would you say that is the case?

2. Policy Gap - Existing policies vs what happens on the ground

- a. Can you describe the journey that an average small scale woman trader makes, right from obtaining documents to selling her goods?
- b. What efforts (for example, awareness campaigns, training, forming associations) are being made to sensitize women traders on relevant trade policies and documentation requirements?
- c. Do you think women traders are more likely to take informal routes than their male counterparts? If so, could you explain why?

- d. Do you think it is possible to transition informal women traders to formal trade? (Can be asked to all interviewees)
 - 1. <If the answer to this is yes> what are some enabling factors?
 - 2. <If the answer to this is no> could you explain the barriers?
- e. What steps is the government taking to tackle some of the challenges you mentioned? How effective are they? Why would you say that is the case? Do you have any case studies or data to support it?
 - 1. We know that many policies exist on the ground to assist smooth cross-border trade, like the OSBP, STR – In your experience, how would you rate them? Why so? <Possible probes on adoption rate, limitations vs benefits, challenges to implementation>
 - 2. The SCOO was also an important policy change to facilitate cross-border trade. Do you think that has been beneficial? Why or why not? <Probes on costs, information asymmetry, distance etc>
- f. Our preliminary research showed that there are a lot of information gaps – for example, the “sensitive list” of goods changes every so often and traders aren’t aware. Has this been true in your experience as well? Where else does lack of information adversely impact women traders?
- g. In your opinion, who are the key players working on border trade issues?
- h. Do you feel small-scale women traders have high priority? <If the answer to this is no> what measures do you think need to be undertaken to give these issues more attention?
- i. How effective are cross-border trader associations in representing and advocating for small-scale women traders? Can you share some examples of success stories? What are the main challenges they face?
- j. In an ideal world, what do you think are the three key things that will help resolve issues related to corruption and harassment that small-scale women cross-border traders are frequently subject to? <this question can be asked to all interviewees>

3. Institutional set up - border trade

Border crossing process:

- a. What does the border crossing process look like? <can be asked to all interviewees and contextualized further on the basis of who is being interviewed, for example, what does the process look like from the perspective of the county government/trader/guard etc.>
- b. What are the specific documents and forms required of the traders for border crossing? <can be asked to all interviewees>
- c. How much flexibility do border guards have in interpreting situations to facilitate trade (especially in cases of gender, age, time of day etc.)?
- d. What are some of the resources available to help traders with the border-crossing documents and the process? (NGOs, government offices etc)
- e. How is your office responding to those issues you identified above? (government, NGOs)

- f. Are you familiar with other border-trade facilitation measurements? <can be asked to all interviewees>
- g. Who collects data on complaints and service quality and how is that used and/or shared, if at all?

Institutional setup - politics:

- a. Who checks the documents at the border? What are their roles? What, if any, are the challenges the border officers face? What is the culture/hierarchy there?
- b. What is the role of the county officials on small-scale cross-border trading? (border official)
- c. What is the role of the national level government? (NGOs, national-level officials etc.)
- d. How would you evaluate the level of national attention on this issue? (by national-level officials, NGOs for example)

4. Gender

- a. In your experience, do you think these biases impact trade journeys? In what ways? For example, choice of border, choice of goods, timing of crossing, technology tools used during crossing etc.?
- b. Can you give us examples that you've seen in your work wherein women cross-border traders are treated differently because of the current system of trading in place? In other words, how are men cross-border traders at an advantage because of the current cross-border trading system in place?
- c. Could you please explain a typical scenario at the border when a trader doesn't have the required paperwork? How would this situation get resolved? Would any part of this situation change if the trader is of the opposite sex of the border guard?
- d. Are there any and if so which policies in place that specifically target women traders - and to what extent are they implemented on the ground in your experience? (anything related to gender-based discrimination/violence/sensitization or other training programs etc.)
- e. How is gender addressed in trade policy and are there specific chapters on gender included in existing trade policy - can you point to specific legal instruments or mechanisms?
- f. Do you think other actors such as nonprofits, private corporations, development institutions etc have a role to play in gender aspects of cross-border trade - can you give us some examples based on your experience of what these roles could look like?
- g. What data exists on specifically female and informal cross-border traders and their experiences - and what data do you think is missing and needed to better understand women's experiences?
- h. Do women have certain advantages that help them avoid unfair practices at border crossings?

- i. Are women more likely to be harassed at the border due to their gender? What does this harassment look like and what do women do to avoid that? Are men facing the same kind of harassment - and what techniques do they employ to get out of it?
- j. Which other actors should we speak to in the gender space that can further help us with our research?
- k. What are the top issues in this area that you feel would be worthwhile to explore in a policy dialogue type format with others gender experts?

5. Technology

- a. In your experience, do you think technology has a role to play in cross-border trade? If so, what role can it play?
- b. Where have you seen technology used in cross-border trade - do you think it has been used successfully? Can you give us some examples based on your experience of where technology has been used to make cross-border trade more efficient?
- c. Can you also give us examples based on your experience where tech has been detrimental - especially for women?
- d. To what extent do small scale traders use technology - and for what purpose exactly?
- e. Which apps or other tools do cross-border traders use to ease their journeys? Do they also use communication tools such as phone calls, WhatsApp etc. in this work?
- f. According to your experience, at which stage of the trader journey (formal or informal) is technology being used?

<If interviewing a technology provider, the following questions can be asked>

- a. In your app/tool/efforts, how are you dealing with the issues of -
 - a. The digital divide (research that suggests that men are the key users and benefactors of technology) whether that be the phone or the app or data?
 - b. Data integrity and privacy (especially the information collected on small scale women traders) How is this data collected and in what ways/through which forums is it disseminated? Is there scope for coordination among the various players that collect/use/disseminate this data - in what ways can this happen?
 - c. Inputs of the cross-border traders, especially women dealing in small scale trade - does your technology/app take their voices/feedback into account and are they able to provide inputs?
- b. Are you able to collect any data on unethical border trade or instances of corruption or unfair practices through your technology? If so, how do you deal with the same - is there any way you see for technology to play a part in alleviating corruption in cross-border trade?

- c. Which other actors should we speak to in the technology space that can further help us with our research?
 - d. Do you think women use technology differently? In an ideal situation, how would you like to see women using your technology?
 - e. What are the top issues in this area you feel would be worthwhile to explore in a policy dialogue type format with others in the industry?
6. Corruption (Note: Depending on the context, the interviewers will decide whether it is appropriate to use the word ‘corruption’ or substitute it with alternative terms like ‘unfair/unethical practices’ etc.)

<the questions below would be asked primarily of interviewees from NGO’s, international organizations, cooperatives etc.>

- a. Possible opening question: You mentioned that corruption is one of the biggest challenges that women traders face. Can you give an example of how women traders are affected by it?
- b. What are the different types of corruption that they face? What are the main costs incurred by women traders, in terms of both monetary & non-monetary costs.
- c. Do females or males face it more? Any particular reason? Can you cite from your own experience of working with them/ interacting with them?
- d. Does the type of corruption change according to whether a trader is rich or poor? If yes, how so?
- e. What is the difference in corruption on the formal and informal routes?
- f. What are the underlying factors that have led to corruption? Why is it happening?
- g. What is the government currently doing to help traders who face corruption?
- h. Are the county offices of the EACC functional? What about the NTB tracker to lodge complaints? How effective are these mechanisms? Who uses them?
- i. How high on the priority list do you think this issue is, for governments? Why do you think that is the case? Can you cite from your personal experience or provide some data around it?
- j. If we wanted to address this issue in a policy dialogue, given how sensitive this topic may be, what do you think would be the best format? Who should we call?
- k. Do you have any data around corruption that women/male traders face? Any government data that you are aware of?
- l. Can you give us examples of NGOs that work on anti-corruption issues? Do these entities have a presence at the grassroots? (For NGOs and international organizations/academic institutions)

<If interviewing a government official, the following additional questions can be asked>

- a. Many traders have cited corruption as a key issue. What are some of the steps that your office has taken to curb corruption at the borders?

- b. If you had unlimited resources, what steps would you take?
- c. How do you think this situation can be improved, going forward?

7. Policy Dialogue

- a. What is the data that is being collected and how will it inform the policy dialogue?
- b. Who would you consider an ideal partner for the policy dialogue? Or if not a specific organization, what are the biggest strengths to look out for when considering partners?
- c. Who would you consider the most important stakeholders to have in the room? Who are the stakeholders who we should not invite?
- d. How would you envision such a panel? What are the pressing issues you think should be brought up?
- e. Where do you think it should be held? The border town or Nairobi or another place?

8. Concluding questions (for all interviewees)

- a. Thanks for your insightful sharing! We sincerely appreciate your time and participation. Are there any questions we should be asking or do you have other ideas or suggestions you would like to share?
- b. Do you have any questions for us?

IV. Conclusion:

As we mentioned in the beginning of the interview, we will only share or use the information for which we have received your approval. Your name and job title will be removed from the final report or any deliverable to ensure anonymity of your identity. We will also be happy to share our final report with you, if you like.

Also, would you be open to us contacting you if we have any further questions on the information provided by you during this interview or any general questions we may have in formulating our key research question in future?

Thank you once again!

V. Steps to be undertaken after interview completion:

- 1. Thank you email along
- 2. Follow-ups on connections mentioned during interview
- 3. Sharing by the team of any additional information promised during interview
- 4. Cleaning up and uploading of interview transcript and recording to shared team folder

Appendix III: Stakeholder Analysis

Scale:

Stakeholder’s likely alignment with project goals: unsupportive, agonistic, supportive, Unclear

Stakeholder’s importance: low, medium or high, Unclear

Stakeholder’s influence: low, medium or high, Unclear

Key:

Green Not-for-Profit Organizations

Government Government Agencies

Private Private Sector Institutions

Blue Other

() denotes stakeholders we already met during January Travel

* denotes stakeholder March Team should meet

()* denotes stakeholders who were met with in January and should be met with again in March

| Stakeholder | Stakeholder role(s) | Stakeholder’s likely alignment with project goals | Stakeholders’ resources, capacity related to the project | Stakeholders’ constraints related to the project | Stakeholders’ importance | Stakeholders’ influence | Links to other stakeholders | Strategy to engage/ involve |
|-----------------|---|---|--|---|--------------------------|-------------------------|--|--|
| | | I. International Level | | | | | | |
| Earth Institute | Client organization focusing on sustainability research | Supportive | Collaborates with other stakeholders to maximize resources and | One of many projects that EI is working on so limited resource and staff investment | High | High | Engages, collaborates and builds relationships with other stakeholders | Regular communications , check-in sessions |

| | | | | | | | | |
|------------------------------|---|------------|--|--|--------|--------|---|---|
| | | | provide research guidance | Not on the ground and have to rely on inputs from local partners for any data | | | | |
| (Global Integrity) | Partner organization collecting evidence to fight corruption | Supportive | Collaborates with other stakeholders to maximize resources and provide research guidance | One of many projects that GI is funding so limited resource and staff investment | High | High | Engages, collaborates and builds relationships with other stakeholders | Regular communications , check-in sessions after introduction with client contact |
| (Sauti Africa)* | Partner organization developing mobile-based platform to combat corruption and other issues related to cross-border small-scale trading | Supportive | Already runs a mobile-based platform that will be expanded to report corruption and other challenges small-scale traders face when crossing border | Limited funding and staff. On-going projects without primary results | High | High | Supports the work of other organizations that support small-scale trades and provides first-hand research publications on anti-corruption and trade | Request interview and follow up regularly |
| Transparency International * | Work on corruption in Uganda and Kenya | Supportive | Leverages resources to build an anti-corruption network | One of many projects TI works on. Relatively low stake | Medium | Medium | Connects and builds networks for other anti-corruption organizations | Request interview |

| | | | | | | | | |
|--------------------------|---|--------------------|--|--|--------|--------|--|-------------------|
| World Bank | Work on policy research on corruption globally and Sub-Saharan Africa | Supportive | Provides guidance on research and key policy areas to focus on | WB's role is more relevant to addressing financial access, one aspect of the project | Medium | Medium | Connects and builds networks for think tanks and other anti-corruption organizations | Request interview |
| Brookings Institute | Work on policy research on corruption globally and Sub-Saharan Africa | Supportive | Provides guidance on research and key policy areas to focus on | Limited funding and relatively low stake | Medium | Medium | Connects and builds networks for think tanks and other anti-corruption organizations | Request interview |
| African Development Bank | Work on policy research on corruption globally and Sub-Saharan Africa | Supportive | Provides guidance on research and key policy areas to focus on | More relevant to the financial access aspect of the project | Medium | Medium | Connects and builds networks for think tanks and other anti-corruption organizations | Request interview |
| | | II. National Level | | | | | | |

| | | | | | | | | |
|--|--|------------|---|--|--------|--------|---|------------------------------------|
| (Busara Center)* | Nairobi-based research center studying behavioral economics with a focus of financial inclusion using Randomized Control Trial (RCT) | Supportive | Expertise on financial inclusion using RCT | One of many projects Busara works on. COVID-19 delayed RCT. | Medium | Medium | Collaborates with other organizations on small-scale cross-border trading | Request interview |
| Ministry of Trade, Industry and Cooperatives * | Government office in Uganda with intention to foster small and micro level trading and cross-border businesses | Supportive | Liaison between local micro-small businesses and other government offices | Limited power and constrained by superior government offices | High | Medium | Connects government offices with local businesses | Request interview and office visit |

| | | | | | | | | |
|---|---|------------|--|---|-------------------|-------------------|---|---------------------------------|
| Ministry of East African Community* | Key as the all trade between Kenya and Uganda falls under the purview of the East African Community | Supportive | In charge of creating and executing cross-border trade laws for countries in the EAC | Difficult to enforce any EAC laws unless national governments cooperate | High | High | In charge of ensuring that cross-border trade is safe and smooth | Request an interview |
| UN Women | Work on policy research on gender globally and Sub-Saharan Africa | Supportive | Provides guidance on research and key policy areas to focus on | One of many areas pursued by UN Women. Low accessibility | Medium | Medium | Connects and builds networks for think tanks and other organizations focusing on gender | Request interview |
| (Kenya Alliance of Residence Association) | Association on Consumers' and taxpayers' rights | Supportive | Provides resources to provide information on taxpayers' right | Limited expertise on cross-border trading | Medium | Medium | Broad network of Residents Associations, Corporate organizations and Individual members | Request interview and reference |
| (Trademark East Africa)* | Works on reducing trade barriers and increasing | Supportive | Provides resources on trade barriers and existing trade policies | One of many projects Trademark East Africa works on. Limited staff and resources. | Request interview | Request interview | Broad network with access to governments, organizations and civil society | Request interview and reference |

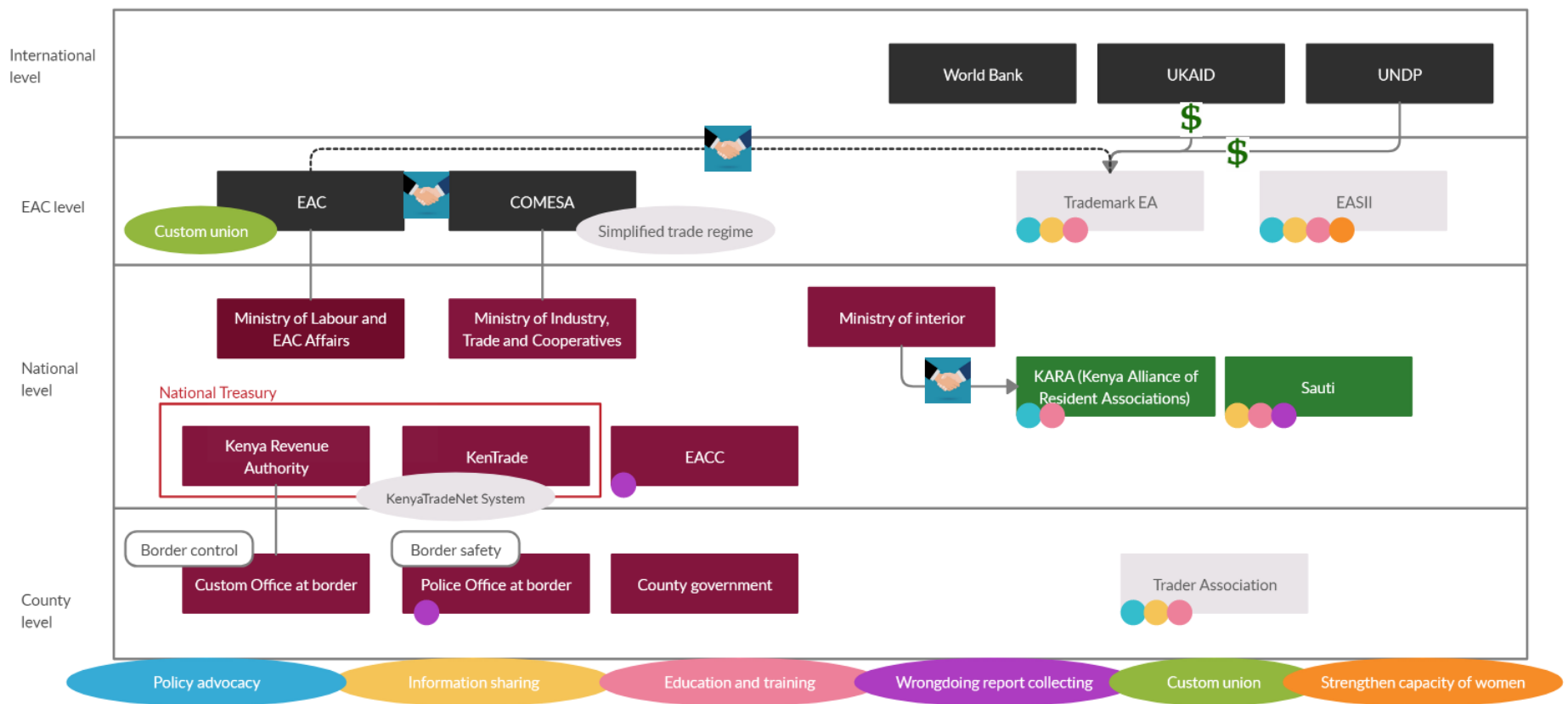
| | | | | | | | | |
|--|---|---------------------|--|--|--------|--------|--|---------------------------------|
| | business competitiveness | | | | | | | |
| Uganda Small Scale Industries Association (USSIA) | Not-for-profit servicing small and medium enterprises to foster growth | Agonistic | Provides resources to grow for small and medium enterprises | Limited expertise on cross-border trading | Medium | Low | Broad network of small scale businesses across Uganda | Request interview and reference |
| | | III. Regional Level | | | | | | |
| Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI) | Women's advocacy organization that makes policy recommendations under the framework of Theory of Change (ToC) | Supportive | Expertise in Theory of Change and regional network in Eastern Africa | Limited resources and staff denoted to relevant research and fieldwork | Medium | Medium | Partners and collaborates with other organizations on the gendered aspects of cross-border trading | Request interview |

| | | | | | | | | |
|---|---|------------------------|---|--|------|------|--|--|
| Border officials (customs) | Key player in cross-border issues | Unsupportive-Agonistic | Provide unique perspectives as executors of cross-border small-scale trade policies | Potential reluctance to participate in the project | High | High | Provide perspectives from the local authority | Request focus group discussions |
| Trade Cooperatives | Key players in ensuring fair standards for traders | Supportive | Power of numbers, improve bargaining power and increase legitimacy | Unclear if they think this is the most pressing issue for them to tackle | High | High | Bring together traders | Request an interview or focus group discussion |
| IV. Community/Local level | | | | | | | | |
| Cross-border small-scale male traders | Not central but certainly important as they will be part of the data collected via Busara's RCT | Unclear | Source of data for Sauti and Busara | Might not have inputs that provide an accurate reflection of the hardships women traders deal with an might lead to their issues being underreported | High | Low | They use the Sauti app and have to interact on an almost daily basis with border officials | Busara's RCT will have a sample of ALL cross-border traders including male traders. So they will be part of the data collected |
| Cross-border small-scale female traders | Key players in the project , at the very center | Very Supportive | Source of data for Sauti and Busara | Very low in terms of influence, might be afraid of being too vocal | High | Low | They use the Sauti app and have to interact on an almost daily basis with border officials | Busara will collect data from border traders to try and gauge how women are disproportionate |

| | | | | | | | | |
|--|--|------------|---|---|------|--------|---|---|
| | | | | | | | | ly impacted by corruption |
| Local communities in border towns - Uganda | Important as they rely on cross-border trade for their livelihoods and need the process to be safer. | Supportive | Intimate knowledge of the issues that exist in cross-border trade and the detrimental effect on the communities | Extremely low influence as they usually tend to be impoverished or at least lower income and are at the mercy of border officials | High | Medium | Center of everything in the project | Gather data from them via both RCT and Diff-in-Diff analysis |
| County Government of Busia - Trade and Cooperatives Department | County-level government promoting trade and cooperatives | Supportive | Programmes promoting cooperatives and enhancing equity distribution across the county. Committed to citizen participation | Potential unwillingness to share information, over researched/interviewed | High | Medium | Cooperatives, direct contacts with traders | Email, informal interviews |
| Busia Cross-Border Trade Association | Trade facilitation platform, step-by-step guides to licensing, clearance, and goods. Information on | Supportive | Demonstration of a government-effort to provide transparent information/procedure | Potential unwillingness to share information, over researched/interviewed | High | Medium | Collaboration with Ministry of Trade Industry and Cooperatives (MTIC), National Trade Facilitation Committee, Trademark East Africa, USAID, | SIPA Team needs to explore the website and gauge how accurate/updated information posted is, interviews/visits for field trip |

Appendix IV: Power Mapping

The underlying power mapping demonstrates the function of each major actor (highlighted by the colored circle) the SIPA Team have identified and the power dynamics of actors at different levels and in different sectors.



Appendix V: List of Interviewees

| No | Name | Designation | Organization |
|----|--------------------------|---|--|
| 1 | David Orega | Director of Operations | Sauti |
| 2 | Paul Omondi | Project Lead | Busara Centre for Behavioral Economics |
| 3 | Florence | Trade Officer | Busia County Government |
| 4 | Mary Rowlatt | CEO | Sauti |
| 5 | Leonard Waweru | Analyst | Busara Centre for Behavioral Economics |
| 6 | Henry | CEO | KARA (The Kenya Alliance of Resident Associations) |
| 7 | Leah Goldman | Technical Advisor | Raising Voices |
| 8 | Simon Konzolo | Kenya Country Program Manager, Business Competitiveness | TradeMark East Africa |
| 9 | Gloria Atuheirwe | Director of Women in Trade across the Region | TradeMark East Africa |
| 10 | Sheila Kawamara-Mishambi | Executive Director | EASSI (Eastern African Sub regional Support Initiative for the Advancement of Women) |
| 11 | Joseph Kembo | EAC Principal Regional Integration Officer | EAC Uganda (East African Community) |
| 12 | Ivan Masembe | Program Assistant | USSIA (Uganda Small Scale Industries Association) |