Annex II: TMEA - an overview

TradeMark East Africa (TMEA) is a an East African not-for profit Company Limited by Guarantee established in 2010 to support the growth of trade – international and regional – in the East Africa Community (EAC). It is registered in Kenya, with headquarters in Nairobi and branches in Burundi, Rwanda, South Sudan, Tanzania and Uganda, and has a budget of USD 650 million over 2011-2017.

TMEA was initially supported by the United Kingdom and Denmark. Today, it counts eight donor agencies (called investors) financing its operations. The other participants are the respective overseas development agencies of Belgium, Canada, Finland, the Netherlands, Sweden and the United States. Participating Donors fund TMEA through grants for all of its operations (‘core’ funding) or contributions which are ‘earmarked’ for a specific programme. They are know as “investors”.

As a donor-funded initiative supporting regional integration in an Africa, TMEA has several innovative features that set it apart from other support mechanism to regional integration on the continent. This annex details two features that inspire the development of a similar support mechanism in West Africa: its results orientations and the partnership with actors at the regional and national levels. It also details more recent evolutions that TMEA is undergoing.

Theory of Change and Results orientation

All of TMEA’s 200 or so projects are tied back to the Theory of Change (ToC) presented in Figure 1. To our knowledge TMEA is the only support programme to regional integration and trade that has moved away from the Logical Framework (or Logframe) Approach (LFA) and developed an explicit ToC to guide its operation.

ToCs have gained increasing prominence in international development in recent years. They are used to guide development interventions by describing a set of interventions, desired change and the causal links between them. While there is no one way of “doing” ToCs, they are usually seen as an effective way of:

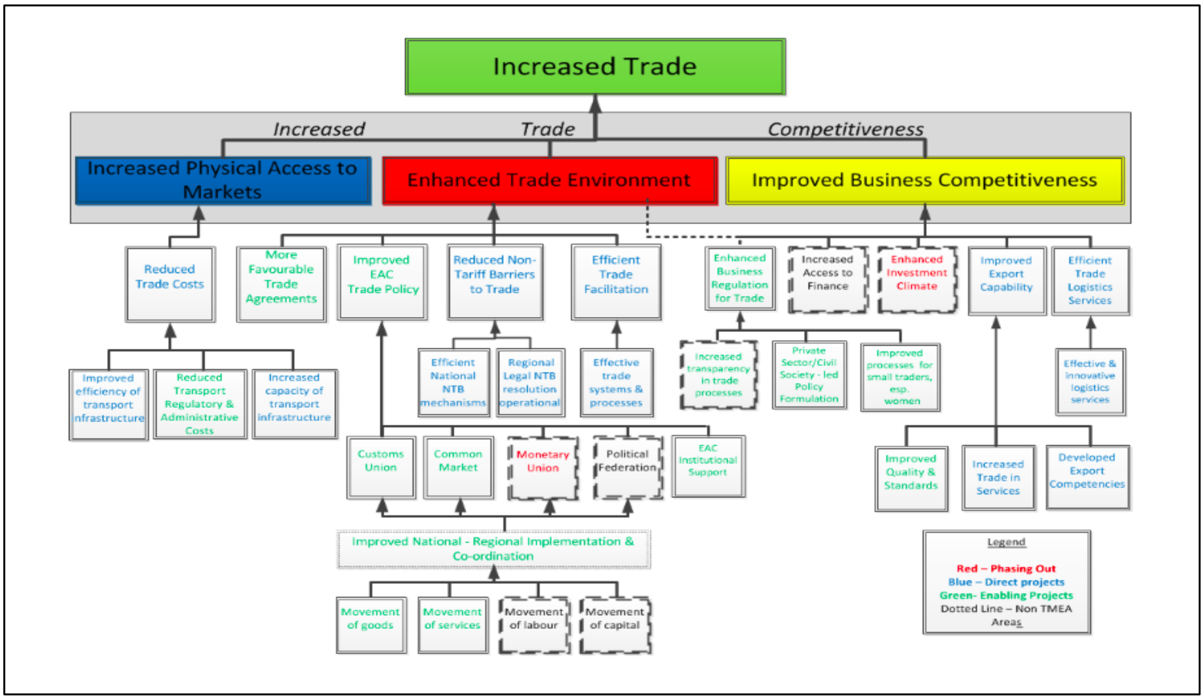
- Reducing and managing the complexity of a programme’s operating environment, thereby focusing interventions and facilitating decision-making;
- Laying bare assumptions that lie behind a programme’s objectives, or “how and why” a certain intervention will lead to positive change and outcomes. This is seen as one of the major advantages of a ToC over a LFA: whereas logframes are largely descriptive, ToCs require an explanation of the causal links between its various levels;
- Allowing stakeholders and programme staff to debate and visualise what the programme aims to do and how. ToCs are not fixed, they allow for learning and adaptation along the lifecycle of a programme.

In essence ToCs are causal models that encourage critical thinking and allow the planning of complex initiatives with rigorous requirements for success.[1] They are helpful tools in monitoring what contributions activities have made to observed changes, and to increase understanding of what has worked (or not) and why.

[1] See http://www.slideshare.net/ikmediaries/theory-of-change-and-outcome-mapping-for-intermediary-work

TMEA's own institutional structure is based on the three strategic objectives it promotes, with Strategic Objective Leaders in place to ensure the quality of project delivery in those areas.[2]

Figure 1: TMEA's Theory of Change



TMEA projects are systematically linked to a Strategic Objective at a sublevel of the ToC above. The project's outcome then feeds into the realisation of that specific Strategic Objective. This enables TMEA to analyse and compare implementation progress, results, lessons, sustainability, budgets and expenditure according to specific outcomes. It also enables TMEA to assess to what degree it may be able to aggregate outcomes (the Strategic Objective are tied to measurable targets).

TMEA has combined this approach to planning and strategy with a pronounced focus on measuring results. TMEA has a set of headline results alongside its ToC: a 10% increase in exports from the region, 25% increase in intra-regional exports when compared to total exports, 15% reduction in average time to export a container from a port (Mombasa or Dar es Salaam) to Burundi or Rwanda, and a 30% reduction in border crossing times at selected border posts. These results are based on studies and existing literature: TMEA has for example used research from Venables and Limao (1999) to estimate that a 10% reduction in trade cost could increase exports by a factor of 2.5.

Recent orientations in TMEA include clarifying to a greater extent some of the assumptions underpinning its work, first amongst which the link between trade and poverty and increase the "pro-poor" nature of some of its interventions. This is to be achieved among other things through a mainstreaming approach, encouraging pro-poor issues to be taken into account early on in the design of projects. This renewed focus on the poverty dimension seems to come at least partially from the donors supporting TMEA, suggesting that ATWA will have to devote specific attention to this issues going forward.

[2] Those are increased physical access to markets, enhanced trade environment, and improved business competitiveness, see diagram in Figure 1.

A second development is a new effort to track progress on headlines results presented above. TMEA has recently commissioned a "results meter" that has for objective of tracking progress on these targets.

National level and partnerships with actors

TMEA is designed to take into account the observation that regional integration is largely member state driven, and that the implementation of regional protocols and regulations takes place at national level. It thus relies heavily on its national level offices, who carry out the vast majority of its projects. Nearly two-thirds (66%) of the budget is for country programmes (with Kenya being the single largest beneficiary due to the inclusion of the Mombasa port project) with about one-third (34%) allocated to regional programmes (funded from core funding).

TMEA's programmatic approach is to introduce a range of complementary interventions in each country by working through its partners: EAC institutions, national governments, the private sector and civil society organisations. TMEA combines building *'hard'* physical infrastructure at border posts and ports, alongside '*soft'* system and IT improvements, integrated border management, and strengthening institutional capacity in strategic planning, communication, procurement and HR management. TMEA's work is designed in this way to raise the authority, competence and profile of TMEA's partners to deliver a functional Customs Union across the region. It also seeks to generate more tangible benefits in the form of modern physical infrastructure and streamlined operating systems that save time and money for traders in each member state.

The modalities of TMEA's support to its partners is highly flexible according to institutional circumstances, and the fiduciary capacity of recipients. They include technical advice, capacity-building services, procurement services, financial aid and small-scale institutional grants. TMEA aims particularly to maintain speed and flexibility in the face of increased in-depth oversight and demands for reporting.

TMEA has a robust governance structure that ensures interventions are demand-driven and overseen by key stakeholders at both national and regional levels. A notable strength of the initial two years of operation was the strong national ownership of programmes, through National Oversight Committees (NOCs) in each EAC member state. The NOCs are made up of representatives from relevant agencies and government bodies in each state. NOCs meet on a regular basis to review project proposals and business plans related to the programmes they are overseeing. It naturally took a little time for TMEA to become accepted and to be fully understood (as a relatively new concept), providing grant funds for technical and financial assistance to trade and transport infrastructure development. TMEA's governance structure and especially the NOCs have added much value as key TMEA partners have recognised their strategic and co-ordination functions.

Previously TMEA had a separate Donors Programme Investment Committee, which helped guide strategic decision-making in the organisation. This has now been replaced by a "Council", which provide high-level strategic support to the Board and TMEA Directors, setting the overall framework for what TMEA is intended to achieve, and the parameters within which TMEA must operate.

Two-thirds of the Council is made up of Donors' representatives, and the rest are independent council members, possessing the relevant skills in order to advise TMEA on its mission.

As it has developed TMEA has further strengthened its governance structure by appointing a Board, made up of leading business and civil society professionals in East Africa. The key role of the Board is to oversee operational delivery and management of TMEA’s objectives. The Board is concerned with how TMEA is to achieve its targets in accordance with TMEA’s outlined strategy and business plans