8th May 2020

Dear EAGC Members and Stakeholders,

WEEKLY UPDATE ON THE COVID-19 PANDEMIC FOR THE GRAIN SECTOR IN EASTERN AFRICA

Greetings from the Secretariat.

This Communique is a continuation of our weekly updates to EAGC Members and Stakeholders on developments in the grain sector in Eastern Africa in the face of the Novel Coronavirus (COVID-19). Previous editions of this Communique are accessible here.

In the last one week, the Eastern and Southern Africa region has documented an increase in Covid-19 cases. The 10 EAGC mandate countries have registered a 34% and 28% increase in Covid-19 infections and fatalities respectively, accumulating to a total of 2,646 infections and a death toll of 91.

Guided by experiences gained from the initial encounter with the crisis, and the necessity for a resilient recovery, respective governments are imposing appropriate responses to the pandemic, in favor of the socio-economic well-being of the societies.

Source: WHO database as of 7th May 2020
This weekly brief therefore presents an update on:

A. New measures taken by governments in Eastern Africa
B. Updates on cross-border trade situation
C. EAGC support to grain trade

A. New Measures taken by Governments in Eastern Africa

Regional COVID-19 response

There were no new regional measures instituted in the past week. However, the East Africa Community (EAC) Covid-19 Administrative Guidelines for application during the pandemic period and the East Africa Community Covid-19 Response Plan providing public awareness and facilitating movement of goods and services during the Covid-19 pandemic still hold.

Kenya

Some new measures have been introduced in the past week, as follows:

- The cost of targeted testing and isolation in government quarantine facilities shall be met by the government, effective 6th May 2020, except for individuals isolated due to violation of social distancing and curfew rules. The move is meant to encourage more Kenyans to get tested as many had expressed fears of being forced to foot steep bills at quarantine centers if they test positive.
- Cessation of movement in and out of Eastleigh in Nairobi and Old Town in Mombasa for the next 15 days, effective 6th May 2020. The two areas have emerged as the country’s Coronavirus hotspots with most of the positive cases. Restaurants and markets within these areas will be closed during this period.
- Truck drivers shall undergo testing 48 hours before leaving Nairobi or Mombasa. Once cleared, they will be issued with a 14-day certificate proving that they are free of COVID-19. This is expected to reduce congestion at border crossings caused by COVID-19 screenings.
- Restaurants have been allowed to reopen with strict adherence to provided protocols by Ministry of Health.
- The national government has started distributing relief food to more than 1,800 families displaced by floods in Garissa Township after River Tana burst its banks.
- The government has confirmed that there will be no extension of maize importation window from international markets, despite some industry stakeholders raising concerns that the import window was too short and impractical. According to media reports, two vessels of maize from Mexico have been rerouted to other countries because they would not arrive at the Port of Mombasa within the current import window. A court case has also been opened against the maize import window, citing that it would allow important of sub-standard maize.
- Kenyans returning home during this period have been asked to provide a health certificate proving that they are free of COVID-19 from country of origin.
- Only core functions of loading and offloading vessels are allowed at the Port of Mombasa. Employees have been reduced to 4,000 from 6,200.

Tanzania

- No new measures have been instituted in the past week. However, the government appeals to citizens to adhere to preventive measures recommended by experts to curb the spread.
- The indefinite extension of the closure of all learning institutions and cancellation of large public events remains in place.
Rwanda

New measures introduced effective 4th May 2020 for a period of 15 days are as follows:
✓ Movements are prohibited from 8pm to 5am, except with permission.
✓ Borders will remain closed, except for goods and cargo, as well as returning citizens and legal residents who will be subjected to mandatory 14-day quarantine.
✓ Public and private businesses will resume with essential staff not exceeding 50%.
✓ Employers will provide masks for all employees while at work.
✓ Markets will open for essential vendors not exceeding 50% of registered traders.
✓ Hotels and restaurants will operate but will close by 7pm.
✓ Manufacturing and construction sectors will open with essential workers.
✓ Public and private transport will resume within the same province.

New measures have also been introduced in cross-border trade. These will be explained further in this Bulletin.

Uganda

Effective 4th May 2020:
✓ Insurance providers will be considered as part of essential services.
✓ Only the food markets will continue operating.
✓ Wholesalers will be allowed to open but will be required to comply with social distancing rules. The seller must be two (2) meters from the customer (but should be protected with a mask) and customers must stand four (4) metres apart. Air conditioning should not be operated.
✓ Restaurants shall be permitted to resume operations, but only offer take-away and delivery services.
✓ The Uganda Law Society has been allowed a quota of 30 lawyers at any one time to provide urgent legal services to the different businesses and to handle urgent criminal matters like arraignment.
✓ Other sectors of the economy that have been opened include hardware shops, vehicle garages, metal/wood workshops and warehouses.
✓ Only private cars with stickers are allowed to move. Public and private cars still not operational.

Commuters are advised to use marked buses, walk or cycle.

Previous measures that remain in force include continued closure of schools, tighter screenings at borders, introduction of seclusion areas along the cargo transit routes and permitting only one crew (the driver) per truck.

Malawi

- No new measures have been instituted in the past week. Previous measures that remain in place include:
  - Closure of central markets while smaller locality markets remain open during daytime to serve consumers within their vicinity.
  - Enforcement Officers appointed under the Public Health (Corona Virus Prevention, Containment and Management) Rules 2020 to ensure strict enforcement of COVID-19 mitigation measures.
B. Updates on cross-border trade situation

Cross-border trade remains open along major trade corridors in East Africa. However, the stringent testing and control measures at border points aimed at managing the spread of coronavirus have considerably slowed down cross-border movement of goods and thus reversing improvements witnessed in recent weeks.

Further disruption is anticipated between Kenya and Uganda as Kenyan truck drivers contemplate boycotting cargo destined for Uganda, to protest against what they term as harassment and discrimination by Ugandan authorities at the Malaba and Busia border points, following a raft of measures imposed by Ugandan authorities. Similar disruption has been reported between Tanzania and Rwanda as Tanzanian truck drivers protest the increasingly stringent measures imposed by Rwanda due to COVID-19.

Officials have warned that further delays are going to cause cargo pile up at the Port of Mombasa and an increase in cost of doing business as ships are forced to wait which comes with an extra cost. The cost of transport is also likely to shoot as turn around times for trucks has increased to two weeks for the Mombasa-Kampala round trip, from the record three days which had been achieved in recent times on reduced non-tariff barriers.

Below is a highlight of situations at key borders in East Africa.

**Uganda/Kenya borders**
- Long queues of trucks observed as both countries embarked on mass-testing for COVID-19 on all trucks and crew.
- A stretch of 30-40 kilometers into Kenya has been observed at the Malaba border, as drivers await clearance into Uganda, with the queue of trucks stretching to Mayanja market in Bungoma.
- Uganda has also restricted the number of crew per truck to only the driver from 3 crew members previously allowed.
- Night-time curfew in Kenya means the borders do not operate for 24 hours.
- Drivers heading to Uganda will undergo COVID-19 screening 48hrs before departure and be given a health certificate. This is expected to reduce transit times in the coming weeks.

**Kenya/Tanzania borders**
- Long queues of trucks have been observed for those entering Kenya through Tanzania at the Namanga border point, due to the strict testing done in Kenya.
- Police escort is still required for vehicles crossing from Tanzania into Kenya.

**Tanzania/Uganda border**
- Tighter controls have been instituted at Mutukula border as Uganda embarked on mass-testing for COVID-19 for all trucks entering Uganda from Tanzania.
- Only 1 crew member (the driver) is allowed per truck. Truck drivers entering Uganda will also be tracked as they are only allowed to rest in designated areas within Uganda.
C. Economic Impact of COVID-19 in East Africa

COVID-19 is exerting an unprecedented toll on already-fragile East African economies. Supply chain disruptions, reduced production and movement restrictions have pushed millions of people in the region deeper into poverty. Small and medium enterprises are perhaps the most affected. A recent survey by the Kenya Private Sector Alliance (KEPSA) found that the pandemic has hit SMEs much harder than larger companies.

Tanzania/Rwanda and Uganda/Rwanda borders

Rwanda has significantly stepped up border controls to curb COVID-19. A series of new measures have been introduced as summarized below:

- Transporters and cargo consignees are required to submit details of vehicle and driver to the Ministry of Infrastructure to facilitate clearance at Rusumo (Rwanda/Tanzania) and Kagitumba-Mirama Hills (Rwanda/Uganda) borders.
- Each truck should have an alternate driver on the Rwanda side. In case there is none, the truck will be offloaded. Offloaded cargo at the border must be cleared and picked within 24 hours after which storage and parking fees will be charged.
- Goods that cannot be offloaded at the border will be escorted at a cost of USD 500 and the driver accommodated at the cost of the owner/consignee of the goods.
- All transit trucks will be escorted to borders in convoys. Drivers will only stop at designated points
- Inland Container Depots will be availed for effective loading and transshipment exercises at the Customs entry point
- Warehousing facilities to be availed for loading, offloading and warehousing of cargo at the entry points
- Clearing of goods to be done using the pre-clearance mechanism currently in place (SCT Clearance framework and payment duties and taxes before the arrival of the goods for quick release at the entry border posts). Declaration documents are to be submitted electronically.
- Perishable and special consignments to proceed to destination after change of crew in respect with the current health guidelines in place.

Tanzania/Zambia border

- Zambia has tightened cross-border movement of vehicles at Tunduma/Nakonde border due to the rapid increase in COVID-19 cases in Tanzania.
- Movement of transit vehicles entering Zambia from Tanzania has been stopped from 20th April 2020
- Only the absolute essential cross-border movements will be permitted. Presumably, this includes food commodities but has yet to be clarified.
Sector-wise, Agriculture, Transport, Manufacturing and Tourism have been hardest hit, while finance, health and social work, and environment, water and waste management sectors have been less severely impacted by the pandemic. Media reports indicate that the country also faces a food shortage in the coming weeks as the pandemic is slowing down food imports and domestic output.

The International Monetary Fund has approved emergency loan disbursements under the Rapid Credit Facility to Rwanda ($109.4 million), Kenya ($739 million) and Uganda ($491.5 million) to cushion these countries against the economic crunch caused by the pandemic.

Looking specifically at the grain sector, EAGC has embarked on a rapid impact assessment in grain value chains in East Africa. The findings of the reports will be communicated to its Members & Stakeholders and will form the basis for further policy responses against the pandemic at national and regional levels.

D. EAGC support to grain trade

EAGC continues to receive facilitate trade in grains, farm inputs, equipment and services through the G-Soko and G-Hub systems as follows:

i. Logistical support for grain trade using pre-qualified service providers.

ii. Emergency working capital arrangements with partner financial institutions ease liquidity constraints affecting the grain suppliers as a result of COVID-19.

iii. Continued monitoring and regular reporting to Members on developments regarding the COVID-19 pandemic to inform the business decisions.

EAGC encourages members to engage in the trade of the commodities offered in these latest grain trade catalogues showing offers and enquiries respectively.

Noting the current restrictions to movement into or out of Nairobi Metropolitan Area, Mombasa, Kwale and Kilifi Counties, EAGC is supporting its Members in Kenya to obtain travel authorization to or from these places. Members requiring this service are encouraged to contact the Secretariat through the contacts provided in Annex 1 below.

EAGC is also engaging the Government of Uganda to support efforts towards emergency food supplies during the COVID-19 pandemic.

E. In other News

The President of Kenya, H.E. Uhuru Kenyatta, has appointed Ms. Jane Mumbi Ngige the Chairperson of the Warehouse Receipt System Council, a body established by the Warehouse Receipt System Act, 2019 to spearhead development of the Warehouse Receipt System in Kenya. The appointment follows the previous appointment of Members of the Council which include a Kenya Member of EAGC. With a Chairperson in place, the WRS Council is expected to soon be operationalized once budgets for funding have been approved.
EAGC is a key stakeholder in the WRS in Kenya having introduced the concept in 2008 and co-chaired the WRS Taskforce spearheaded the development of the WRS regulatory framework with support from AGRA, DFID, World Bank-IFC, the Business Advocacy Fund and Sida, which culminated in the enactment of the WRS Act in 2019.

EAGC further reiterates its call to Members and Stakeholders to bring to its attention any disruptions they experience in either domestic or cross-border trade through Secretariat contacts at the end of this Communique (Annex 1). The Secretariat continues to closely monitor developments to update Members and remains at your disposal for any support that you may require during difficult period.

Thank you and God Bless you.

Gerald Makau Masila,
EXECUTIVE DIRECTOR,
EASTERN AFRICA GRAIN COUNCIL
Annex 1: EAGC Contact Addresses for you to reach us for assistance

<table>
<thead>
<tr>
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<th>Contact Person</th>
<th>Contacts</th>
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