



## **Baseline assessment of safe trade interventions on women Small Medium Enterprises (SME) and cross border traders**

### **EXECUTIVE SUMMARY**

The objective of the baseline study was to determine the challenges and opportunities being faced by formal and informal traders at the two border points of Isebania and Namanga between Kenya and Tanzania. Stratified random sampling methodology was used to collect data across the two border points. In addition, key informant interviews and Focus Group Discussions (FGDs) were used to collect data from Women Cross Border Traders (WCBT) in different sectors. A total of 1791 interviews were conducted with traders at the Namanga and Isebania Border points on both the Kenya and Tanzania side, with 71% of interviewees being from Kenya and the remaining 29% being from Tanzania. The WCBTs aged between 26 and 45 made up 79% of the total sampled CBTs. The remainder of WCBTs were aged between 46 and 55 years old (9%), 18 and 25 years old (7%), and above 56 years old (5%). The age distribution of WCBTs varied across the four border points.

In terms of sectors distribution of WCBTs interviewed, 17% respondents trade in fruits and vegetables, followed by trade in textiles, clothing and footwear (11%), hotel business (11%), grains (10%), cosmetics (9%), milk and dairy products (7%), cooking spices and additions (7%), general shops (7%), livestock and livestock products (4%), poultry and poultry products (2%), fish and fish products (2%), and other business such as operating mpesa shops, dry cleaning, photocopy shops, hardware shops, and posh mills, among others to smaller degrees. 99% of traders target the local market for transaction of their commodities.

Restricted access to markets, limited access to supply chains, restricted movements to and from border posts, increasing the prices of commodities, increasing the cost of transport and logistics business and either closing the business or not coping with the containment measures are some of the effects that COVID-19 containment measures had on WCBTs. Overall, the most reported effect of containment measures is restricted access to markets (55%) then increase in the prices of commodities (45%), restricted movements to and from border posts (35%) while 34% of respondents reported limited access to supply-chains - for purchase of raw materials or trading commodities.

FGDs with WCBTs particularly revealed that due to containment measures implemented by the governments in both Kenya and Tanzania, they had difficulties in accessing credit or loans

and where they could access it, the cost was high. Since some of them could not keep proper records because of increased workload, it reduced their chances of accessing credit. The challenge was compounded by lack of information on available credit products.

COVID-19, overall, brought about a decline in the revenues, costs, and net profits of traders at the border. At least 46 percent of traders report that there was a decline in their total revenues. 25 percent of traders report that there had been no change to their revenues. Within the livestock sector, more traders report that there had been no change in their revenues. For about 15 percent of traders, there had been an increase in the total revenues over the covid-19 period.

Gender Based Violence (GBV) was another challenge WCBTs experienced while doing their business. The most common type of harassment they experienced was verbal and emotional abuse. The acts of harassment were reported to mostly police, church, village elders or counsellors, with more respondents from Kenya indicating having reported than those from the Tanzania side. More Kenyan (73%) than Tanzanian (52%) respondents had reported their case to the authorities. More than half of the respondents (54%) said they had reported their cases to police, while less than 1 percent had reported to the hospital (Figure 4.38). 20% of the respondents reported to the church and 51% to the village elder. Report to police was highest in Isebania Kenya, followed by Namanga Kenya.

Majority of women surveyed indicated that their husbands, partners, family did not interfere with the way in which they conduct business. Overall, less than 10% of the women interviewed gave some indication of interference. Of those that faced interference, this mostly occurred in the form of restrictions around the marketplaces that they could trade in, as reported by over 50% of the sample of all the women traders.

The communication strategies used to pass information to WCBTs varied from mainstream media to social media, along with other more traditional modes such as word of mouth. For WCBTs, there were four major forms of communication that are used to obtain information on business and market opportunities. The first and most widely reliable is word of mouth relied upon by approximately 27% of the population. This is followed by television, social media, and SMS/USSD. Regionally, those on the Kenya side of the border rely mostly on in-person communication and a mix of television, social media, and SMS/USSD. On the Tanzania side, particularly on the Namanga border, WCBT information consumption from social media is significantly higher than the rest. Platforms such as TV and radio were found to be most attractive to those on the Tanzania side of the Isebania border.

Enterprises in the study rated their satisfaction with measures undertaken by government and the private sector since the pandemic started. One of the broad areas of government and private sector intervention that respondents were queried on was the facilitation of marketplace COVID-19 Health Safety measures. Respondents also felt mostly dissatisfied with the response of private sector and the government with regard to the facilitation of easier access to SME credit and grants. The sensitization, education, and communication of market opportunities to traders were mostly neither satisfied nor dissatisfied. A high proportion of respondents (38%) on the Tanzania side of the Namanga border were satisfied with the government and private sector approach to this particular intervention. This is different from the Kenya side where majority of respondents were either indifferent (32%) or dissatisfied (25%). These differences are based on the containment enforcement approaches by the authorities. More episodes of bribery and harassment was encountered in Kenya than Tanzania.

Satisfaction with the provision of opportunities for SMEs to supply goods and services to private sector firms varied across sectors. Respondents in Namanga-Tanzania mostly felt satisfied (46%) by interventions around providing opportunities for SMEs. On the Kenya side, however, majority of respondents felt dissatisfied (41%) or indifferent (28%). Responses on perceptions around the provision of better trading environment/ market conditions indicate that respondents were mostly indifferent. Relatively higher levels of satisfaction were recorded on the Tanzania side of the Namanga Border. On the Kenya side, most respondents were dissatisfied in Isebania while in Namanga most of the traders indicated that they were satisfied with the interventions of the government and private sector around this issue. People with disabilities mainly felt that measures by government and private sector were not uniformly applicable. Regarding facilitating health safety measures, opportunities to supply private sector organizations, and sensitization activities.

WCBTs expressed the need for the government to sensitize and communicate market opportunities for traders. This was followed by the proportion of those that would like the government to facilitate easier access to SME loans, grants, and credit. Nearly half of respondents also suggested that the government facilitate COVID-19 health safety measures within the marketplaces. To a smaller extent, traders would like the government to provide a better trading environment or marketplace, ease travel and lockdown restrictions, and enact policies that are targeted specifically to supporting women entrepreneurs. There were also a few responses highlighting the need for favorable taxation by the government. Priority points of possible interventions varied slightly by sector. While in most sectors the primary need was sensitization and education on market opportunities, respondents within the milk and dairy products and poultry sectors mostly wanted government to facilitate safety measures around COVID-19 in marketplaces.