

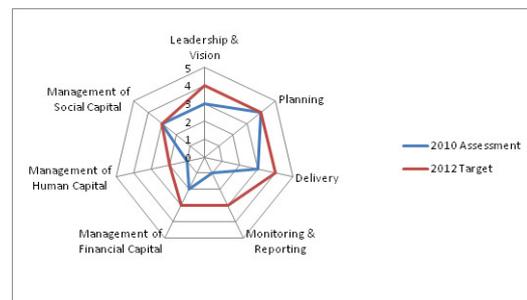
## East Africa Trade Hub

**Abstract.** Over the past nine years, USAID East Africa’s Competitiveness and Trade Expansion Program (USAID/COMPETE) and its predecessor project the Regional Agricultural Trade Expansion Support (RATES) program have helped the African Fine Coffees Association (AFCA) grow from a fledgling organization to an industry leader. USAID’s long-term engagement with this regional trade association has been a key factor in ensuring that AFCA has been able to steer a successful course to growth and has engaged and energized the private sector in the region.

Founded in July 2000, the African Fine Coffees Association (AFCA) – formerly the East African Fine Coffees Association - is a regional nonprofit, member-driven association representing coffee sectors in 11 member countries, including Burundi, DR Congo, Ethiopia, Kenya, Malawi, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe. AFCA’S vision is to be the leading origin of fine coffees in the world. USAID saw that East Africa needed to move beyond the highly competitive and volatile commodity-based coffee trade and play to the region’s strengths in developing a niche market for export differentiated, value-based products. In 2003 USAID began its partnership with AFCA and over the past 9 years, through the RATES and USAID/COMPETE programs, has helped AFCA refocus its core mission to expand specialty coffee exports, with a priority on training in coffee quality and marketing.

The process of institutional development has moved through many stages: from total dependence, to co-dependence and finally to operational independence (sustainability). What follows is a summary of steps in the Local Capacity Development (LCD) process.

**Organizational Strategy Development.** Institutional growth toward sustainability cannot be managed or improved unless it is measured. The COMPETE Institutional Sustainability Maturity Model (CISMM) seeks to measure an organization’s progress toward sustainability in more than 100 capability areas, including planning, internal control, training, process definition, and risk management. Based on the outcome of the institutional assessment, USAID/COMPETE makes recommendations, where necessary, for the partners to adopt in building their capacity to function sustainably. The Maturity Model approach, which is based on best practices, is a continual improvement framework of process areas that are assembled into a logical hierarchy of five maturity levels. It was pioneered by the Software Engineering Institute (SEI) of the Carnegie Mellon University under contract from the U.S. Department of Defense, and has today been widely adopted in the fields of project management, business processes, human capital management, organizational development, etc.



How Does AFCA Measure Up? Results of AFCA’s Institutional Sustainability Maturity Model Assessment

USAID/COMPETE engaged AFCA in a rigorous organizational strategy development process using the CISMM. Using the results from the model and a survey of members and other stakeholders, AFCA was able to look critically at programs that were not delivering value, view costs in the context of what was important to members and to think creatively about developing and expanding programs to meet member needs and deliver value to the coffee sector. These two data driven processes yielded a more targeted strategy that focused on delivering tangible services that are valued by members, aligned with AFCA’s organizational strengths and budget and regional mission.

**Focus on Core Values.** As a nascent regional organization, AFCA tried to take on too many roles and responsibilities without the programmatic structure and personnel to deliver. In reframing its strategy, AFCA honed in on its core values that focused capturing and disseminating information about the region’s high quality, specialty coffees and facilitating linkages between producers and buyers. Successful programs like the Annual Fine Coffee Conference & Exhibition, an international conference which brings the coffee industry to Africa and generates sufficient revenues to cover the organization’s annual operating costs, were not overhauled. Training in coffee quality and certification according to the Specialty Coffee Association of

America's cupping protocols also continued through AFCA's partnership with the Coffee Quality Institute. These efforts promote a standard quality measurement system within the region that levels the playing field for Africa's producers and increases transparency and traceability for the industry. The annual coffee conference and training programs generate revenues and have leveraged opportunities for additional funding from the European Union and the World Bank.

AFCA's annual Taste of Harvest (ToH) cupping competition was determined to be an under-utilized program that had the potential to revolutionize AFCA's value proposition. ToH evaluates the region's coffees using the SCAA Specialty Coffee Association of America's cupping guidelines and had, prior to 2010, focused exclusively on identifying the top five coffees in the nine participating countries to showcase at the regional competition. However, AFCA had overlooked the underlying value of the wealth of data it has collected on the region's best coffees over the years (cupping scores, producer details/contacts along with information on altitude, variety, grade, location, etc.) and the importance of that data to importers, roasters, and retailers. Capturing, cataloguing and disseminating this data became the focus of AFCA's product development work.

**Create Sustainability and Institutionalize Systems.** Institutional memory is an asset for many organizations; however, in small organizations where that memory rests exclusively with the individual responsible for the program/activity, the organization's viability could be threatened should the individual leave the organization. To safeguard against this, USAID/COMPETE and AFCA worked to document and institutionalize the processes for finance and administration, human resources and leadership, and service delivery systems. It also captured the systems and procedures for programs like the national ToH competitions that were developed and refined over years and highlighted opportunities to decentralize certain processes and reallocate responsibilities to national partners.

**Delivering Value.** AFCA recognized that its ToH data has value in the global marketplace. To make the information accessible, AFCA developed a ToH web portal. <http://africantoh.org/>. Upstream players, i.e. producers and exporters want to see the benefit and impact of ToH in terms of sales – price premiums and shortened sales cycles – and increased visibility of their coffees. AFCA is beginning to monitor the impact on the former and the web portal and post-competition results marketing are addressing the latter. AFCA is also rolling out sponsorship opportunities targeting buyers to increase their participation in ToH.

**Develop national chapters and build regional ecosystem.** AFCA determined that it was important to develop strategic partnerships with key national institutions such as coffee boards to both anchor programs like ToH at the country level and to secure access to resources (e.g. cupping laboratories, roasting facilities, etc.) critical for implementation. Additionally, AFCA's structure, which is built around national chapters, affords the secretariat access to a network of engaged private players to support implementation and manage logistics. The AFCA ToH manual helps national chapters understand their role, guide their participation, and build their capacity.

**Capacity Built.** The local capacity development approach highlights the importance of developing a solid and focused strategic foundation in-line with the organization's mandate. The CISMM was developed to provide a framework that can be used to demonstrate the progress of partner institutions toward sustainability and to provide recommendations for their continued development. As USAID/COMPETE works through numerous local and regional NGOs, business associations, and training institutions, it places strong emphasis on capacity building, both as a means of fostering sustainability and of achieving its project objectives and the CISMM is designed to support these efforts.

USAID's strategic, technical and financial assistance to AFCA has helped build their institutional capacity and operational sustainability. AFCA now offers products and services that their members need; furthermore, these products and services are aligned with AFCA's organizational strengths and budget, and appropriate for a regional organization. Continuous measurement of institutional capacity development process using a maturity model approach that is not prescriptive (but charts a path to continuous improvement) and the fundamentals can certainly be applied to most organizations with good results. AFCA has been receptive and open to the process of looking at itself with a critical lens and adapt to deliver better products and services. The market results show the impact of building AFCA's capacity to promote Africa's specialty coffee industry - specialty coffee sales have grown by an average of 20% annually over the last nine years and value of sales has quadrupled to over \$300 million compared to 2001. USAID's partnership with AFCA is successfully bringing African coffees to the world and the world to Africa.