



USAID
FROM THE AMERICAN PEOPLE

EAST AFRICA
TRADE
+ INVESTMENT
HUB

USAID EAST AFRICA TRADE AND INVESTMENT HUB

QUARTERLY PROGRESS REPORT



JUNE 30, 2015

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI, Development Alternatives Incorporated.

USAID EAST AFRICA TRADE AND INVESTMENT HUB

FY 2015 Q3 PROGRESS REPORT

01 April – 30 June 2015

Award No: AID-623-C-14-00006

Prepared for Michelle Bahk, Regional Trade Advisor, Trade Africa
United States Agency for International Development/Kenya
C/O American Embassy
United Nations Avenue, Gigiri
P.O. Box 629, Village Market 00621
Nairobi, Kenya

Prepared by
Development Alternatives Incorporated, DAI
7600 Wisconsin Avenue, Suite 200
Bethesda, MD 20814

DISCLAIMER

The authors' views expressed in this report do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

CONTENT

I. EAST AFRICA TRADE AND INVESTMENT HUB EXECUTIVE SUMMARY.....	3
II. KEY ACHIEVEMENTS.....	6
III. ACTIVITY PROGRESS AS IT RELATES TO THE PMP.....	15
IV. CONSTRAINTS AND OPPORTUNITIES.....	25
V. PERFORMANCE MONITORING.....	27
VI. PROGRESS ON GENDER STRATEGY.....	28
VII. PROGRESS ON ENVIRONMENTAL MITIGATION AND MONITORING.....	30
VIII. PROGRESS ON LINKS TO OTHER USAID PROGRAMS.....	31
IX. PROGRESS ON LINKS WITH EAC GOVERNMENT AGENCIES.....	32
X. SUSTAINABILITY AND EXIT STRATEGY.....	32
XI. SUBSEQUENT QUARTER'S WORK PLAN.....	32
XII. FINANCIAL INFORMATION.....	32
XIII. ACTIVITY ADMINISTRATION.....	34
XIV. GPS INFORMATION.....	36
XV. SUCCESS STORY GUIDELINES & PREP SHEETS.....	36

ACRONYMS AND ABBREVIATIONS

ACTESA	Alliance for Commodity Trade in Eastern and Southern Africa
ACTIF	African Cotton & Textile Industries Federation
AFSTA	African Seed Trade Association
AGOA	African Growth Opportunity Act
AIMS	Agribusiness Investment for Market Stimulation project
AmCham	American Chamber of Commerce
ANSI	American National Standards Institute
BOI	Board of Investment
CCA	Corporate Council on Africa
CET	Common External Tariff (EAC)
COMESA	Common Market for Eastern and Southern Africa
COMSHIP	COMESA Seed Harmonization Implementation Plan
EAC	East African Community
EAC+	East African Community plus Mauritius, Madagascar, Seychelles and Ethiopia
EAGC	Eastern Africa Grain Council
EATH	East Africa Trade Hub
EATIH	East Africa Trade and Investment Hub
FSNP	Food Security Nutrition Policy
GOK	Government of Kenya
KEPSA	Kenya Private Sector Alliance
MOU	Memorandum of Understanding
OPIC	Overseas Private Investment Corporation
PMP	Performance Monitoring Plan
ReSAKSS	Regional Strategic Analysis and Knowledge Support System
RFBS	Regional Food Balance Sheet
SPS	Sanitary and Phytosanitary
TMEA	TradeMark East Africa
USAID	United States Agency for International Development
USG	United States Government
USTDA	United States Trade and Development Agency
USTR	Office of the United States Trade Representative
WTO	World Trade Organization

I. EAST AFRICA TRADE AND INVESTMENT HUB

EXECUTIVE SUMMARY

The East Africa Trade and Investment Hub (the Hub) is designed to boost trade and investment with and within East Africa. The Hub continued to gain more traction toward its overall project objectives in quarter 3. Several key initiatives this quarter among others included bringing on new Country Representatives for Uganda and Rwanda; formalizing partnerships with the Corporate Council on Africa, KenInvest and the American Chamber of Commerce in Kenya; and publishing an Annual Program Statement for the Partnership Fund, soliciting applications to support the Hub in achieving its objectives across the four components.

The Investment Component secured transaction advisory services with CrossBoundary that has resulted in a pipeline of 17 transactions, with an estimated value of \$62 million. Of these, the Hub has approved six transactions valued at \$22 million in the financial services, ICT and agribusiness sectors. The transactions span the East African region, with two in Uganda, one in Kenya, two in Rwanda and one in Ethiopia. The advisory team is now working to close these potential investments and has already received a signed term sheet for the Kenyan transaction, worth \$7 million supporting dairy processing.

The Hub's Trade Promotion and African Growth and Opportunity Act (AGOA) Component has participated in seven key trade promotion events and facilitated over 165 buyer linkages cumulative since September, 2014, yielding nearly \$41 million in African exports through this quarter.

The Hub's Trade Policy and Agricultural Components are busy putting the policies and systems in place to provide for a more conducive trade and investment environment. In quarter 3, the two components supported the East African Community Secretariat to make progress toward implementing the East African Community (EAC) -- U.S. Government Cooperation Agreement. The EAC Secretariat now has a set of draft work plans that match identified priorities.

Here are a few of the highlights from quarter 3:

Investment highlights – Facilitating investment and technology adoption that drives trade growth intra-regionally and to global markets, particularly the U.S.

The Hub has established partnerships with investment promotion agencies from East African Community (EAC) Partner States. These partnerships provide an avenue for information sharing, collaboration on best practices, and improved data on investment opportunities. Where priorities overlap, investment agencies participate in Hub activities. On June 22, the East Africa Trade and Investment Hub signed a memorandum of understanding (MOU) with the American Chamber of Commerce in Kenya. On June 24, the Hub signed a MOU with Kenya's investment promotion state agency, KenInvest. Specifically, the Hub will work with KenInvest to present investment-ready pipeline projects through its Transaction Advisory Unit. The KenInvest MOU further cemented the Hub's upcoming plans for a Hub-, KenInvest-, and World Bank-supported Kenya investor conference.

These new partnerships complement an ongoing partnership that the Hub has with the Corporate Council on Africa (CCA). Through this partnership, the Hub is part of the planning committee for the upcoming U.S. Africa Business Summit in Addis Ababa, Ethiopia, November 2015. More than 1,000 private sector and government representatives are expected to attend the summit. In addition, more than 30 companies are expected to participate in a trade mission to Kenya before the conference.

In June, the Hub’s Investment Director was a panelist during the first ever private equity conferences in Kenya and Uganda. The Hub facilitated **35** investment linkages with regional private equity firm investors and potential investee companies during the two conferences.

The Hub is working with locally based financial advisory partners to develop a \$20-25 million pipeline of investment for Year 1 of the Hub. The Hub’s transaction team just signed a term sheet for a **\$7 million** investment in the Kenyan dairy sector.

Trade Promotion and AGOA highlights – Promoting intra-regional and export trades, particularly under the African Growth and Opportunity Act

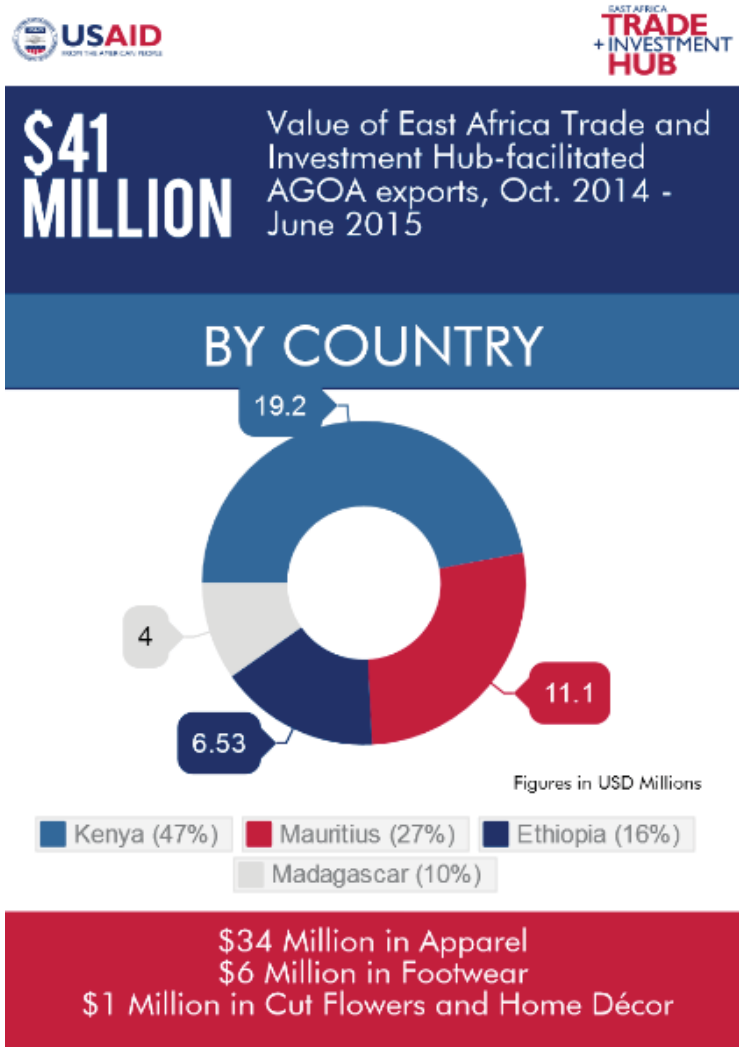
Supporting Madagascar to take advantage of AGOA opportunities

The Hub continued its engagement with Malagasy AGOA stakeholders. The Madagascar National AGOA Strategy is now final after stakeholder engagement and review.

With the Hub’s introduction, Madagascar’s Presidential Special Advisor was invited to participate at the next MAGIC show in August 2015.

With Hub logistical support, USAID developed an inter-agency agreement with the U.S. Customs and Border Protection that resulted in 11 Malagasy customs officials trained on AGOA visa enforcement in May.

Toward the end of quarter 3, the Hub’s Communications and Knowledge Management Team traveled to Madagascar and Mauritius to film a short video on the opportunities that the Indian Ocean islands have to offer for trade and investment, particularly through AGOA.



In quarter 3, the Trade Promotion and AGOA Component introduced the Investment Component to UAL apparel factory in Kenya. UAL exports exclusively to the U.S. through AGOA and is looking to expand to meet growing demand. In this case, facilitating investment for UAL expansion would support the Hub’s goals of driving new investment and promoting two-way trade with the U.S. under AGOA.

Trade Policy and Regulatory Reform highlight – Improving the policy environment for East African Community integration, trade and investment

The Hub facilitates progress on EAC-U.S. Cooperation Agreement

The East Africa Trade and Investment Hub gathered East African Community (EAC) experts in Nairobi from June 29 - July 1, to develop draft work plans for activities under the EAC-U.S. Cooperation Agreement. Thanks to the three-day workshop, EAC experts now have draft work plans that prioritize activities on trade facilitation, sanitary and phytosanitary standards and technical barriers to trade.

Read more about the Cooperation Agreement [here](#).

Agriculture and Agribusiness highlight – Increasing the competitiveness of select regional agricultural value chains and bolstering regional trade in staple foods

The Hub provides dedicated SPS expert to help the EAC formulate priority work plans for the USG-EAC Cooperation Agreement

The Hub's Agriculture and Agribusiness component is also helping operationalize the USG-EAC Cooperation Agreement by working with the EAC Secretariat and Partner States to get country and regional-level work plans in place. The Agriculture and Agribusiness Component hired a dedicated SPS expert to accelerate the implementation of the SPS portion of the USG-EAC Cooperation Agreement.

The Hub and EAC collaborate on improving agricultural policy

In collaboration with EAC Secretariat, the Agriculture and Agribusiness Component is reviewing the Regional Food Balance Sheet (RFBS) for improvement. The Agriculture and Agribusiness component is also developing a strategy for Food and Nutrition Security Policy (FSNP) implementation. Both RFBS and FSNP are regional tools in support of food security.

Subsequent Quarter's Work Plan

We do not currently envision any changes to next quarter's activities.

Activity	Jul-15	Aug-15	Sept-15
Investment and ICT			
Activity 1: High-Impact Sector Assessment Validation			
Activity 2: U.S. Tools and Incentives & New Tools			
Activity 3: Partnership Fund			
Activity 4: Private Sector Network and Partners			
Activity 5: Opportunity Assessment and Transaction Pipeline Creation			
Activity 6: Chokepoints and Intervention Strategies			
Activity 7: Public Private Dialogue			
Activity 8: Investment Promotion Partnerships			
Activity 9: Information Outreach			
Activity 10: Communications			
Agriculture and Agribusiness			
Activity 1: Promotion of structured trading system			
Activity 2: Enhance access to financial services			
Activity 3: Implementation of the Staple Foods Quality			

Activity	Jul-15	Aug-15	Sept-15
Standards			
Activity 4: Further Investment in Regional Food Balance Sheet			
Activity 5: EAC Trade Facilitation Instrument and Policy Awareness Raising			
Activity 6: Support enhancement of SPS capacity in the EAC region			
Activity 7: Implementation of EAC Food and Nutrition Security Policy			
Activity 8: Seed Systems in Eastern and Southern Africa			
Activity 9: Support market and trade information systems			
Trade Promotion and AGOA			
Activity 1: AGOA Information Dissemination			
Activity 2: Develop AGOA Strategies			
Activity 3: Build Capacity of National Export Promotion Agencies			
Activity 4: Deliver AGOA Workshops and Seminars			
Activity 5: Foster Greater Linkages Between Key Business Groups			
Activity 6: Targeted Grants to Support Increased Value Chain Competitiveness			
Activity 7: Trade Shows and Buyer Missions			
Activity 8: Firm-level Technical Assistance			
Activity 9: Uganda Cotton Value Chain Study			
Trade Policy and Regulatory Reform			
Activity 1: Strengthening the Enabling Environment- Identification of Key Chokepoints and Establishment of Policy and Regulatory Networks			
Activity 2: Implementation of Selected Policies and Regulations for Selected Sectors and Commodities			
Activity 3: Advancing Regional Trade and Investment Agreements and their Support Institutions			
Activity 4: Advancing Regional Trade and Investment Through Implementation of Key Elements of the EAC Common Market Scorecard			

II. KEY ACHIEVEMENTS

AGOA (African Growth and Opportunity Act) / U.S. EXPORT & TRADE PROMOTION

UAL looks to expand to meet growing demand

The Trade Promotion/AGOA and Investment/ICT Directors met on April 30, 2015 with CEO Pankaj Bedi from UAL, a Kenyan apparel factory that produces 100% of its capacity for the U.S. market under

AGOA. UAL plans to invest in a new textile mill to meet growing demand. UAL has been a beneficiary of USAID assistance via Trade Hub technical assistance and market linkage support.

UAL produces Levis Jeans for the U.S. Market. The factory employs nearly 1500 workers, 70% of whom are women. UAL intends to double their capacity production on EPZ allocated land.

UAL's capital expansion could make a good potential pipeline transaction for the Hub's investment facilitation work.



The Hub supports MAGIC trade show organizer make connections in East Africa

The Hub supported the visit of Mr. Bob Berg, an executive with the MAGIC trade show, April 13-24, 2015. Mr. Berg toured East Africa (Kenya, Madagascar, Ethiopia and Rwanda) to promote participation in MAGIC, the premier U.S. trade show for the apparel sector, held twice annually in Las Vegas, Nevada. The objective of the visit was to build on the momentum of the February 2015 show where 50+ African companies exhibited in a special “AGOA Duty-Free” zone.

The Hub helped Mr. Berg make appointments with key people in all of the above countries to ensure that he received an audience with those that might be interested in the opportunity that MAGIC presents.

Ethiopia AGOA resource center gathers public and private sector for action

The Hub's Trade Promotion and AGOA Director traveled to Addis Ababa, Ethiopia, in early April, to take part in the Ethiopia AGOA Resource Center's first public event. The center hosted AGOA-interested parties from Ethiopia's public and private sector to formulate an action plan based on the new Ethiopia AGOA strategy. The Hub participated in the work shop and stressed the need for Ethiopia to become more visible, (i.e. travel to trade shows and meet with interested trading partners) so that Ethiopia can take advantage of its AGOA potential.



The Hub finalizes Madagascar AGOA strategy and prepares for upcoming trade promotion events

The Madagascar AGOA National Strategy was presented to the AGOA Presidential Advisor Eric Randrasana, to both Ministers of Commerce and Industry and to a group of 57 stakeholders; it will now be disseminated and promoted by Ministry of Commerce.



The Hub's JC Mazingue and AmCham Executive Director Scott Reid discuss opportunities through AGOA in Madagascar.

The Hub is working with AmCham Madagascar to promote trade promotion activities under AGOA and within the region. The Hub and AmCham Madagascar will select organizations and institutions in Madagascar on ad hoc sectorial activities. Activities will include delegations to trade shows, buyer's visits, and training programs.

The Hub builds and maintains relationships to capitalize on AGOA opportunities in Madagascar and Mauritius

The Trade Promotion/AGOA Team traveled to Madagascar and Mauritius from May 12 – 19 to hold a series of AGOA discussions with public and private stakeholders. Meetings in Mauritius included U.S. Ambassador Villarosa, Board of Investment (BOI), Enterprise Mauritius (EM), and select companies exporting under AGOA. In Mauritius, BOI and EM were identified as key partners moving forward on both the AGOA and investment fronts. BOI shared that they will be posting eight trade and investment advisors around the world, including in New York. EM (headed by a new Chairman and CEO) expressed their desire to work closely with the Hub, not only in the critical textiles and apparel area, but also in other sectors (e.g. specialty foods).

Key stat from the trip -
 There are only an estimated 500,000 formally employed people in Madagascar outside of government, and of those 120,000 (25%) are in the apparel sector. The apparel sector drives non-agricultural livelihoods and formal employment.

In Madagascar, the Hub team was joined by Trade Africa Deputy Coordinator Matt Rees. The team briefed U.S. Ambassador Tanaka and held meetings with key government officials, including the Minister of Industry and Permanent Secretary of Commerce. The team also held a breakfast round table with private sector leaders, including AmCham and other leading associations representing the business community. The theme of the discussions in Madagascar was that the country is well positioned to return to its pre-2009 status as a top apparel exporter to the U.S. under AGOA, and particularly to benefit from the global sourcing shifts currently taking place. Big players like PVH are seeking investments in the region that bring their supply chain closer to East Africa from Asia. Electricity was identified as a key constraint that needs to be addressed if Madagascar is able to truly harness this potential. Towards this end, discussions centered on how Madagascar could perhaps replicate the Kenyan model of working with companies to help them establish, for instance, textiles cities in locations with dedicated, on-site power sources.

The Hub creates business linkages at the International Floriculture Expo, Chicago, Illinois, U.S.



The Hub supported the Origin Africa Pavilion at the International Floriculture Expo in Chicago, Illinois, June 9-10. The pavilion profiled the Ethiopian flower industry and Ethiopian Horticulture Producers Exporters Association, representing a dozen flower farms. The International Floriculture Expo offered

exhibitors access to high volume industry buyers and decision makers in the floral industry. It is the premier U.S. floral industry event for annual planning, sourcing and buying.

In addition to promoting business linkages, the Hub met with the Global Cold Chain Alliance to discuss opportunities for cold storage facilities in the cut flowers sector.



The Hub promotes East Africa sourcing opportunities with major U.S. retailer Target

The Hub’s Trade Promotion/AGOA Director and Senior Trade Advisor briefed Target senior managers on opportunities for sourcing from East Africa. The Hub previously met Target representatives at the MAGIC Trade Show that led to the trip to Target headquarters in Minneapolis, Minnesota.

INVESTMENT & TECHNOLOGY

Connecting investors with investees

The East Africa Trade and Investment Hub now offers *transaction support services*, with a goal of facilitating \$100 million in new investments and creating 10,000 jobs over the next five years. Target sectors include, ICT, agribusiness, financial services, and cotton, textile and apparel.

Eligible investors include private equity funds, commercial banks, impact funds, and development finance institutions. Priority transactions include those that contribute to employment, regional trade, technology acquisition, and gender inclusion.

The Hub transaction team acts as a neutral intermediary that provides:

- Opportunity validation
- Market intelligence
- Fundraising support
- Due diligence
- Deal structuring
- Financial analysis

The Hub supports first private equity conferences in East Africa



The [East Africa Venture Capital Association \(EAVCA\)](#) held its inaugural annual Private Equity in East Africa Conference on June 9 in Nairobi, Kenya. The event was well attended by industry practitioners and stakeholders both from within and outside the East African region.

The Hub’s Director of Investment and Technology introduced the Hub’s work in investment facilitation and took part in a panel on investing in agribusiness (photo on left).

Conference discussion focused on how to develop the still young Venture Capital and Private Equity (VC/PE) industry in East Africa. Participants engaged on a wide range of topics including:

- How to attract local capital to private equity, especially pension funds
- The role of the regulator and how regulators can play a part in promoting VC/PE in the region
- Current trends and challenges facing the industry
- Focus discussions on private equity investing in energy, agribusiness and financial services
- Impact investing

The Hub participated in the Uganda Investment Authority's Kampala Private Equity/Venture Capital the following week. Similar to in Kenya, the Hub had an opportunity to explain and promote Hub activities to the Ugandan business and investment community. The conference sought to promote private equity and venture capital as avenues for financing SMEs, under the theme "Introducing alternative financing options for Small and Medium Size Enterprises".



Nearly 200 SMEs, private equity firms, and other stakeholder organizations attended the event. The conference proceedings comprised of keynote speeches, panel discussions involving government, industry players and private sector as well as B2B networking sessions between SMEs and investors.

The Hub continues planning sessions with World Bank for Kenya Investment Conference, November 2015.

The Hub's role is to ensure that the conference is targeted towards facilitating trade and investment in the region. It will do this by strengthening the investment panel with private sector players, such as equity investors and financiers, to complement the government's focus on an investment enabling environment.

The Hub will sit on the regional integration panel to discuss investment opportunities in the EAC and on the trade promotion panel to create more awareness of opportunities under AGOA. The Hub will also support KenInvest in establishing sector focused panels that focus on strategic investment opportunities in the region. The sector focus will be Agribusiness, ICT, Clean energy and Cotton Textiles and Apparel.

The conference will attract investors from all over the world, regional government representatives and private sector players.

The Hub plans participation in upcoming OPIC (Overseas Private Investment Corporation) Diaspora Investment Conference with Aspen – Diaspora Investment Alliance

The conference, to take place in Boston later this year, seeks to enlighten the wider East African diaspora on various opportunities for investing back home. The Hub will have a session at the conference to highlight its investment facilitation work. The Hub is pushing for a wider East African focus and has encouraged Aspen to invite country investment agencies to participate.

In general, through its investor's toolbox, the Hub plans to present opportunities for financing to the OPIC SME team as appropriate options emerge through its investment facilitation work.

Revitalizing the Kenyan leather sector

The Hub is working with Kenyan Cabinet Secretary of Industrialization and Enterprise Adan Mohamed and the newly formed Leather Development Council to provide incentives and technical assistance for investors looking to add value to Kenyan leather products. The Kenya Government has already ear

marked \$3 million for the initiative, to include the construction of a "leather city" and a textile park within specially designated Special Export Zones (SEZs) across the country.

The Hub recently committed to providing a leather sector specialist who will be embedded in the Ministry of Industrialization and Enterprise. This specialist has a deliverable target to support the Ministry in identifying and facilitating \$10 million in new investments for the leather sector and the introduction of five new potential investors.

The Hub Signs MOUs with Business Association and Government Promotion Agency to Boost Regional and International Trade and Investment



On June 22, the East Africa Trade and Investment Hub signed a memorandum of understanding (MOU) with the American Chamber of Commerce in Kenya (AmCham Kenya).

"Formalizing the partnership between AmCham Kenya and the Hub will go a long way towards boosting trade and investment between the U.S. and Kenya by leveraging on the strengths of both organizations to achieve our mutual objectives,"

said Ms. Ferial Nathoo (pictured upper left with Hub Investment Director Kanini Mutooni), Chief Executive Officer of AmCham Kenya.



On June 24, the Hub signed a MOU with Kenya's investment promotion state agency, KenInvest. The two organizations will, under the agreement, join efforts to increase investment and trade in the East African Community.

Speaking during the signing ceremony, Dr. Moses Ikiara (pictured upper left with Hub Investment Director Kanini

Mutooni), Managing Director of KenInvest said,

"Kenya boasts strong economic relations and investment links with the U.S., and our partnership with the East Africa Trade and Investment Hub is set to further drive our ties to attract increased investment into Kenya, whilst fostering intra-regional trade."

Among other items captured in the agreement, the Hub will participate in trade delegations and investment promotion activities organized by KenInvest, while KenInvest will leverage the Hub's work in facilitating investments to help achieve its mission.

Read the [press release](#).

The Hub joins planning committee for upcoming Africa Business 10th Biennial US-Africa Business Summit, with Corporate Council on Africa

The Africa Business 10th Biennial US-Africa Business will bring U.S. private sector and government officials who are expected to lay ground work for broad and deep engagement by U.S. public and private interest in Africa. The conference will be held November 2-5, 2015 in Addis Ababa. In addition to being on the summit's planning committee, the Hub will also participate in selected panels that fall within the Hub's priority sectors.

The Hub expands investor networks at Africa Financial Services Investment Conference (AFSIC)

On May 12 and 13, the Hub's Director of Investment and ICT traveled to the AFSIC in Brighton, United Kingdom to present the Hub's investment strategy to some of Africa's most significant investors. AFSIC is one of Africa's leading financial services investment event where banks, insurance companies, microfinance institutions, leasing and other regulated financial services companies from across Africa gather to discuss opportunities and make connections. The Hub's investment facilitation strategy was well received and generated a lot of interest from participants.

The Hub was pleased to discover that conference participants identified financial services, payment services, and insurance as high-impact sectors in Africa, validating the Hub's recent sector assessment report. These sectors present a huge potential for job creation and intra-regional trade.

While in the UK, the Hub's Director of Investment and ICT met with key private equity firms and impact investors who are looking for investment-ready companies in the EAC region (e.g. TLG, Helios, Atlas Mara and Actis), and met with three commercial banks to discuss potential structures and instruments that could be used to finance companies in Agri-business, such as loan guarantees similar to the Development Credit Authority model.

AGRICULTURE & AGRIBUSINESS

Regional Food Balance Sheet

The Hub is conducting a management audit of the Regional Food Balance Sheet (RFBS). The RFBS is designed to capture monthly available food stocks by country in order to provide a snapshot of food availability in the East African region. RFBS is a tool to serve policy makers, the private sector actors and relief agencies for demonstrating regional locations of surplus and deficit areas to enhance regional trade and food security.

Though the RFBS was launched in July 2014, a review of RFBS status shows a state of apathy that puts to question the ability of RFBS to live up to the purpose for which it was designed, even though stakeholders still voice a clear demand for the product. The level of contributions from the public sector, private operators and relief agencies has been near zero. The Hub is undertaking an in-depth review in order to establish the factors behind extremely low reporting of RFBS data and overall non-performance of the RFBS system in general. The study examines institutional arrangements, including roles and responsibilities, the RFBS management structure and reporting structure. Appropriate recommendations based on the findings of the audit will be made to guide further investment in the RFBS.

Background

The RFBS provides a powerful and timely information tool to help the EAC region break the cycle of shortsighted and ineffective trade policies enacted under the banner of food security. The measures such as import/export bans, and other marketing controls, are typically instituted out of a perceived fear of looming food shortages and are often counterproductive as they serve as a disincentive to production in subsequent seasons. This can lead to real food insecurity.

Food and Nutrition Security Policy

The Hub' Agriculture and Agribusiness Component is supporting the development of an implementation strategy for Food and Nutrition Security Policy (FNSP). The FNSP helps the region to implement the provisions of the EAC Treaty relating to stimulating agricultural development, eliminating hunger, eradicating poverty, and ensuring food security.

Warehousing Kenya's grain

The Hub joined Fred Simon Otieno of Eastern African Grain Council (EAGC) to visit warehouses that are active in the trade and storage of grain in Kenya. The Hub and EAGC are working closely to implement newly harmonized food standards in the East African region. Training, capacity building, awareness raising and testing facilities for food standards are essential for a well-functioning warehousing and trading operations.



Hub supports COMESA/ACTESA in seed harmonization regulations

The Hub is partnering with COMESA ACTESA to assist the Feed the Future (FTF) countries of Burundi, Kenya, Rwanda and Uganda to effectively participate in the COMESA Seed Trade Harmonization Implementation Plan (COMSHIP).

POLICY AND REGULATORY REFORM

The Hub facilitates progress on EAC-U.S. Cooperation Agreement



The East Africa Trade and Investment Hub gathered East African Community (EAC) experts in Nairobi from June 29 - July 1, to develop work plans for activities under the EAC-U.S. Cooperation Agreement. The Agreement was signed on February 26, 2015 to facilitate critical customs reforms, harmonize standards, and undertake multilateral commitments that support greater EAC regional economic integration. These reforms will strengthen EAC's trade relationship with the United States and other global partners,

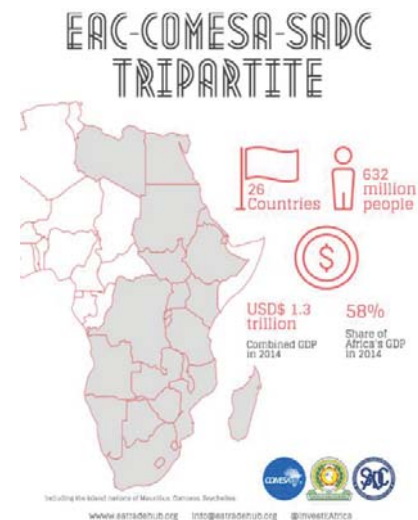
which will, in turn, increase exports, expand investment and help support job creation and economic growth.

Thanks to the three-day workshop, EAC experts now have draft work plans that prioritize activities on trade facilitation, sanitary and phytosanitary standards and technical barriers to trade. Workshop attendees presented these plans to EAC Partner State stakeholders for additional input. They will then present final work plans to the EAC Secretariat by July 31, 2015. When finalized, these work plans will form the basis for EAC and U.S. discussions during a joint meeting planned tentatively for August 14, 2015.

Tripartite Free Trade Area Creates Africa's Largest Free-Trade Zone with Significant Opportunities for the East African Community.

On June 10, 2015, Heads of State from African trading blocs Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), and Southern African Development Community (SADC) launched the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA). The Hub assessed the agreement, [here](#). Read the excerpt below.

TFTA should have enormous impact on African economies by boosting intra-regional trade, increasing investment flows, enhancing competitiveness and encouraging regional infrastructure



development. TFTA is designed to ease the movement of goods between 26 countries with a consumer base of 632 million people and a total gross domestic product of \$1.3 trillion. TFTA is a step toward integration of the total African continent.

TFTA increases regional trade cooperation through the removal of intra-regional trade restrictions, such as tariffs, quotas and non-tariff barriers. It should help address the challenges posed by small domestic markets, limited economies of scale and marginalization of African economies in world trade.

TFTA will also harmonize discrepant regulations governing trade among the three regional economic communities. This should improve the flow of goods along transport corridors, lowering transit times and reducing the cost of trading. Additionally, joint planning and implementation of infrastructure programs will enhance physical inter connectivity and improve operational efficiencies of border crossings and seaports. Business travel within the tripartite region will also be easier.

Technical barrier to trade: technical regulations and standards

A representative from the Hub's Policy and Regulatory Team participated in a joint Standards Alliance/USAID Southern Africa Trade Hub meeting on technical regulations and standards in South Africa. With the information and connections made, the Hub feels better prepared to implement their technical barriers to trade (TBT) initiatives in East Africa, including meeting the requirements of the TBT component of the US-EAC Cooperation Agreement.

The Hub consulted with the American National Standards Institute (ANSI) and reached a draft work program to implement TBT initiatives in East Africa this year, including: 1) Capacity building on good regulatory practices in support of food security; 2) Implementation of the Technical Barriers to Trade/Sanitary and Phytosanitary Electronic Notifications Systems; and 3) Standards that support U.S.-EAC trade in ICT. (The tentative goal is to align this last activity with the upcoming East Africa Business Summit scheduled for September. That summit will have a major ICT focus.)

The Hub moves forward with Economic Monitoring Unit (EMU)

The Policy and Regulatory Unit finalized the terms of reference for the Economic Monitoring Unit (EMU), which is designed to help monitor and report on key policy and regulatory issues related to Hub interventions. The Hub Country Representative will support the flow information to the EMU at the country-level.

EAC Food and Nutrition Security Policy Implementation Strategy

The Hub is developing a strategy to help guide the implementation of the EAC Food and Nutrition Security Policy in a timely manner.

Staple food trade chokepoint

The Hub identified key chokepoints inhibiting trade in staple foods and is drafting an action plan to address select constraints.

PARTNERSHIP FUND

The Partnership Fund in collaboration with the Component Leads published an Annual Program Statement throughout the region, soliciting applications on creative concepts/solutions from a wide array of stakeholders to support the Hub in achieving its objectives across the four components.

Lessons Learned

Getting a jump on M&E

Tracking progress on the EAC Common Market Score Card

The M&E team held discussions with the Hub Policy Team on how to track level of compliance with regional trade agreements based on the East Africa Common Market Score Card. The Hub plans to select specific parameters relevant to the project's scope of work that will track progress made by EAC Member States in meeting agreed to commitments, including freedom of movement of capital, services and goods. The Economic Monitoring Unit will play a critical role in tracking these measures once established.

Taking part in activities to better capture data and impact

The M&E Team participated in the EAC Experts Meeting to develop work plans for the implementation of the EAC-U.S. Cooperation Agreement on trade facilitation, sanitary and phytosanitary standards (SPS) and technical barriers to trade (TBT). The team has a better understanding of the process and ways to monitor the results. The team has now also established the necessary relationships and valuable contacts for M&E follow up.

Fleshing out Hub PMP indicator #17

The Hub's M & E team visited United Aryan (EPZ) Limited (UAL), a company supported by the Trade Promotion and AGOA Component, to better understand the international standards applied in the textile and apparel sector, and to use this information as a basis for defining the Hub's PMP indicator number 17 - percent change in number of non-agricultural sector assisted firms meeting international standards to export. UAL currently meets the international security standard on Customs Trade Partnership Against Terrorism (CTPAT) and Global Quality Standard- 2.5 Acceptable Quality Limit (AQL). The latter will be a critical standard to assess in the textile and apparel sector across the Hub-targeted countries.

Assessing PMP progress

As part of the 2015/2016 work plan development process, the M&E team presented an analysis on the status of PMP performance targets to the larger Hub team. This was meant to inform the year-2 work planning process by identifying and emphasizing where greater effort is needed on certain indicators.

Using simple web-based surveys to gather more information for Hub-supported entities

The Hub's Knowledge Management Team designed and conducted an online survey to determine the impact of Hub support on exports under AGOA. The online survey targeted all firms that have participated in Hub-supported trade shows, buyer missions, training, B2B sessions, and others, since start-up. This exercise was complemented by data on actual imports from AGOA-eligible countries and by another survey that targeted U.S. buyers. The Hub plans increase its communication with Hub-supported entities to ensure timely, accurate M & E attribution.

Reinforcing communications consistency within the Hub Team

The Communications and Knowledge Management Team created a long report template, including proper branding, style, disclaimers, etc. The team created a draft PowerPoint template with proper branding and overall project messaging.

III. ACTIVITY PROGRESS AS IT RELATES TO THE PMP

As of June 30, 2015, Hub-supported companies report \$41 million worth of exports under AGOA. The textile and apparel sector recorded the highest value with a total of 25 companies exporting \$34 million worth of product. Two Ethiopian footwear companies reported exports worth \$6 million. Cut flowers

and home décor contribute nearly \$1 million. The Hub expects to be able to report another \$10 million of supported exports before the end of fiscal year 2015.

The United States International Trade Commission (USITC) data portal also shows increased trade between EAC countries and the U.S. through AGOA. Overall exports from January-April 2015 show a 6% increase compared to the same period last year, rising to \$ 242,265,000 from \$ 229,132,000. By project completion, September 2019, the Hub expects to have supported the increase in total value of AGOA exports by 40%. Key interventions so far, include: the development and updating of AGOA strategies; building awareness of AGOA benefits through seminars, stakeholder meetings, social media, the Hub’s web interactive web portal, including “Ask an AGOA Expert”; and trade promotion activities, such as trade shows and buyers missions.

Table 1: Value of Exports to the U.S. under AGOA

Country	Value of AGOA Exports	
	Jan-April 2014	Jan-April 2015
Kenya	132,855,000	144,047,000
Ethiopia	15,727,000	16,065,000
Uganda	787,000	912,000
Madagascar	1,133,000	7,001,000
Mauritius	72,764,000	67,364,000
Tanzania	5,713,000	6,465,000
Rwanda	153,000	411,000
Seychelles	0	0
Burundi	0	0
TOTAL	229,132,000	242,265,000

Source: United States International Trade Commission (USITC)

The Hub’s investment component is working towards finalizing a deal that would increase private sector investment in the dairy sector by \$7 million. This would contribute significantly to increased EAC intra-regional trade and create hundreds of new full-time and part-time jobs in the sector. The Hub aims to facilitate \$15 million of private sector investment in its targeted sectors by September 30, 2015.

The Hub is supporting the implementation of three key regional policies in the agricultural sector: 1. the Food and Nutrition Security Policy; 2. the Regional Food Balance Sheet; and 3. the Sanitary and Phytosanitary (SPS) Policy. The implementation of these policies should increase intraregional trade in staple foods between the EAC countries and contribute to increased economic growth and regional integration. The project aims to increase the value and volume of intraregional trade in staple foods by 40%, by August 2019.

In quarter 3, the Hub promoted trade and investment within the EAC region, and globally, through three key trade and investment missions: 1. the International Floriculture Expo, held June 9-11 in Chicago, USA; 2. a private equity conferences in Nairobi, June 9; and 3. a private equity conference in Kampala, June 24. These events helped the Hub establish strong investment and buyer/seller linkages that are expected to facilitate more trade and enhance new investments in the region. The Hub established a total of 35 investment linkages during the private equity conferences.

To enable industry players to take full advantage of the benefits under AGOA the Hub organized a two-day training, May 7-8, in Madagascar. The training helped representatives from textile and apparel companies and Malagasy customs officials increase their knowledge on AGOA customs procedures and the use of the textile visa. A total of 28 participants (15 Female and 13 Male) participated in this training. This translates to 293.75 person hours of training completed in trade and investment enabling

environment supported by USG assistance. The training covered topics such as benefits under AGOA and GSP; eligibility criteria for textiles and non-textile products; rules of origin and the textiles certificate of origin; rules and procedures for exporting non-textile products under AGOA; customs entry requirements for textiles and non-textiles; transportation of merchandise in bonds, legal format of the textile visa stamp; and best practices for the administration of the textile visa.

More details on the quantitative achievements for specific performance indicators are provided in the tables below.

TABLE I: PERFORMANCE DATA TABLE

The following are the key achievements for the specified performance indicators as of June 30, 2015.

VALUE OF AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) EXPORTS FROM AGOA-ELIGIBLE COUNTRIES TO THE UNITED STATES									
INDICATOR #2									
DISAGGREGATE BY: Sector and Country									
UNIT	Geographic Location	Activity Title	Sector	Number	Subtotal				
US Dollars	Ethiopia	AGOA exports from eligible countries	All	\$16,065,000	\$16,065,000				
	Kenya		All	\$144,047,000	\$144,047,000				
	Madagascar		All	\$7,001,000	\$7,001,000				
	Mauritius		All	\$67,364,000	\$67,364,000				
	Rwanda		All	\$411,000	\$411,000				
	Tanzania		All	\$6,465,000	\$6,465,000				
	Uganda		All	\$912,000	\$912,000				
	Seychelles		All	0	0				
	Burundi		All	0	0				
	Totals					\$242,265,000	\$242,265,000		
Results:									
	Baseline	Results in Prior Periods	This Reporting Period 30-June-15 Achieved	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
	\$437,650,045	Achieved	Achieved	\$468,285,548	\$505,748,392	\$546,208,263	\$589,904,924	\$612,710,063	\$612,710,063
		0	\$245,265,000						

**VALUE OF AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) EXPORTS FROM EATHI SUPPORTED FIRMS
INDICATOR #3**

UNIT		DISAGGREGATE BY: Sector and Country, October 2014 – March 2015					
Geographic Location	Activity Title	Sector	Number	Subtotal			
Ethiopia	AGOA exports from assisted companies	Apparel	\$300,000	\$300,000			
Ethiopia		Cut Flowers	\$10,000	\$100,000			
Ethiopia		Footwear	\$6,000,000	\$6,000,000			
Kenya		Apparel	\$18,382,745	\$18,382,745			
Kenya		Home Decor	\$250,000	\$250,000			
Madagascar		Apparel	\$4,000,000	\$4,000,000			
Mauritius		Apparel	\$10,400,000	\$10,400,000			
Uganda		Apparel	\$40,000	\$40,000			
Tanzania		Apparel	\$100,000	\$100,000			
Totals				\$39,572,745	\$39,572,745		

Results:

Baseline	Results in Prior Periods	This Reporting Period 30-June-15 Achieved	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
	0	Achieved	Achieved	\$10m	\$15m	\$20m	\$25m	\$30m
	\$39,572,745	\$1,381,435						

NUMBER OF AGRICULTURAL AND NUTRITIONAL ENABLING ENVIRONMENT POLICIES COMPLETING THE FOLLOWING PROCESSES/STEPS OF DEVELOPMENT AS A RESULT OF USG ASSISTANCE IN EACH CASE: STAGE 1 : ANALYSIS, STAGE 2: STAKEHOLDER CONSULTATION/PUBLIC DEBATE, STAGE 3: DRAFTING OR REVISION, STAGE 4: APPROVAL(LEGISLATIVE OR REGULATORY) AND STAGE 5: FULL AND EFFECTIVE IMPLEMENTATION

INDICATOR #20

UNIT	DISAGGREGATE BY: Stage of development					
	Geographic Location	Activity Title	Stage	Number	Subtotal	
Number of policies	East African Community (EAC)	Development of policies	Stage I	3	3	
Totals				3	3	

Results:

UNIT	Geographic Location	Results in Prior Periods	This Reporting Period 30-June-15 Achieved	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
		Achieved	Achieved	3	3	3	-	-	9
		0	3						

NUMBER OF AGOA STRATEGIES DEVELOPED OR UPDATED

INDICATOR #24

UNIT	DISAGGREGATE BY: Country					
	Geographic Location	Activity Title	Date	Number	Subtotal	
Number of strategies	Rwanda and Madagascar	Updating of AGOA strategies		2	2	
Totals				2	2	

Results:

UNIT	Geographic Location	Results in Prior Periods	This Reporting Period 30-June-15 Achieved	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target

	0	Achieved	Achieved	2	2	2	-	6
Rwanda		1	-					
Madagascar		1	-					

**PERSON HOURS OF TRAINING COMPLETED IN TRADE AND INVESTMENT ENABLING ENVIRONMENT SUPPORTED BY USG ASSISTANCE
INDICATOR #25**

UNIT	DISAGGREGATE BY: Sex							
	Geographic Location	Activity Title	Date	W	M	Subtotal		
Number of person hours	East African Community (EAC)	Seminar on Policy Interventions needed to improve Regional and International Trade	12 th Nov 2014	38	38.5	76.5		
	Madagascar	Training on AGOA customs procedures and use the textile visa	07-08/05/2015	152.75	141	293.75		
Totals				190.75	179.5	370.25		

Results:

Additional Criteria If other criteria are important, add lines for setting targets and tracking	Baseline		Results in Prior Periods	This Reporting Period 30-June-15	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
	W	M								
	0		Achieved	Achieved	Target	Target	Target	Target	Target	Target
	W	M	W	M	W	M	W	M	W	M
Sex*: Women (W), Men (M)	38	38.5	152.75	141	250	500	500	500	1000	2250

NUMBER OF BUYER SELLER LINKAGES ESTABLISHED IN EXPORT CAPACITY IN THE TARGETED SECTORS AS A RESULT OF TRADE HUB ASSISTANCE

INDICATOR #29

UNIT		DISAGGREGATE BY: Sector					
Geographic Location	Activity Title	Date	Number	Subtotal			
East African Community (EAC)	Firm level survey	22-28/6/2015	19	19			
Totals			19	19			

Results:

Additional Criteria If other criteria are important, add lines for setting targets and tracking	Baseline	Results in Prior Periods	This Reporting Period 30-June-15	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
	0	Achieved	Achieved	19	Target	Target	Target	Target	Target
		151		150	50	50	50	50	350

NUMBER OF TRADE AND INVESTMENT MISSIONS COMPLETED

INDICATOR #30

UNIT		DISAGGREGATE BY: Location, event, date and gender				
Geographic Location	Activity Title	Date	Number	Subtotal		
Nairobi, Kenya	1 st Private equity conference	9 th June 2015	1	1		
Kampala, Uganda	1 st Private equity conference	24 th June 2015	1	1		
Chicago, USA	International Floriculture Expo	9 th - 11 th June 2015	1	1		
Totals			3	3		

Results:

	Baseline	Results in Prior Periods		This Reporting Period 30-June-15	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
		Achieved	3							
	0	4	3	6	7	7	7	7	5	32

PERSON HOURS OF TRAINING COMPLETED IN TRADE AND INVESTMENT CAPACITY BUILDING SUPPORTED BY USG ASSISTANCE
INDICATOR #31

UNIT	DISAGGREGATE BY: Location, event, date and gender							Subtotal
	Geographic Location	Activity Title	Date	W	M			
Number of election officials	East African Community (EAC)	Origin Africa Trade and Investment Seminars	10-12 Nov 2014	323	323			646
Totals				323	323			646

Results:

Additional Criteria If other criteria are important, add lines for setting targets and tracking	Baseline	Results in Prior Periods		This Reporting Period 30-June-15		FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target		
		Achieved	W	M	Achieved							W	M
		W	M	W	M							W/M	W/M
Sex*: Women (W), Men (M)	0	323	323	-	-	700	800	1000	1500	1000	5000		

**NUMBER OF FIRMS RECEIVING USG CAPACITY BUILDING ASSISTANCE TO EXPORT
INDICATOR #32**

UNIT		DISAGGREGATE BY: Sector						Subtotal
Geographic Location	Activity Title	Sector	Date	Number				
Madagascar, Mauritius	Firm Level Technical Assistance	Apparel	8 th -12 th June 2015	2			2	
Chicago USA	International Floriculture Expo	Floriculture	9 th -11 th June 2015	2			2	
Totals				4			4	

Results:

Additional Criteria If other criteria are important, add lines for setting targets and tracking	Baseline	Results in Prior Periods	This Reporting Period 30-June- 15	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	End of Activity Target
	0	Achieved 121	Target Achieved 4	Target 150	Target 175	Target 200	Target 100	Target 80	Target 705

IV. CONSTRAINTS AND OPPORTUNITIES

Opportunities

Meet the Hub's new country representatives for Uganda and Rwanda



Andrew Kaggwa has spent the last 16 years engaged in private sector development, specifically in the areas of trade policy, trade facilitation, project management, value chain development, and regional and international integration in the East African region. Mr. Kaggwa is the Hub's new country representative in Uganda.

AKaggwa@ctradehub.org



Michael Baingana has spent 15 years supporting public private dialogue in the EAC, most notably as Research and Policy Advisor for the East African Business Council (EABC). Mr. Baingana is the Hub's new country representative in Rwanda.

MBaingana@ctradehub.org

Mr. Kaggwa and Mr. Baingana are the Hub's new staff point of contacts in Uganda and Rwanda, respectively. They will help integrate Hub activities at the country-level and ensure that important country details and contacts are being considered from the regional perspective. The Country Reps have already introduced Hub Component Leads to key bilateral stakeholders who will help the Hub accomplish its regional initiatives.

Increasing Hub visibility

In line with its communications strategy of raising the Hub's visibility, the communications team provided support for Hub events. In quarter 3, support included the creation and production of appropriate handouts, vertical banners, photography, social media accounting, and storytelling.

Communications also publicized all events on the Hub website calendar and engaged with event stakeholders on social media.

Madagascar and Mauritius AGOA Industry Video

In quarter 3, the Hub's Communications Director and short-term videographer had a very successful trip to Madagascar and Mauritius to capture footage and interviews for an AGOA industry video. The video will showcase Madagascar and Mauritius apparel factories, company representatives, factory employees and government officials. The video will also promote AGOA as a trade and investment promotion tool. The video should set buyers at ease with Madagascar and Mauritius capacity, logistics, technology, and labor, making them more likely to pursue Madagascar and Mauritius as sourcing destinations. The video will be shown at trade expos, private buyers' missions and East Africa Trade and Investment Hub meetings and events. The primary audience of the video is buyers in the apparel industry.

Ask an AGOA Expert gains traction on www.eatradehub.org

The Hub is now averaging one or two questions a week. The platform has been so successful that we plan to replicate the model across all components. Here's one exchange example:

Ask Our AGOA Expert



Our resident AGOA expert is Finn Holm-Olsen, Director of Trade Promotion for the East Africa Trade and Investment Hub.

RECENTLY ASKED QUESTIONS

FREQUENTLY ASKED QUESTIONS (FAQs)

Do we need to contract a customs agent in the US?

Published on May 18, 2015

Hello Finn - My business partner and I run a fashion and manufacturing business. I am based on the Coast of Kenya running our workshop, my partner is based in NYC running the sales team. I need to export our goods to her in NYC. We have spoken to Kenyan-based freight companies who say that if we pack up our goods and provide commercial invoice and packing list, they can get a form from KRA that states we are duty-free under AGOA. I guess on this side this is clear enough (although if you could explain how an exported qualifies for duty free that would be helpful). When they ship it out, do we need to contract a customs agent in the US who will receive the product for us and process it? How does it exactly work on the US side?

Thank you!

see the answer...



Hi Kate, Thank you for your question.

I am assuming this is an air shipment and not so small that it would go through regular mail/courier. In which case, yes, it would be good to have a clearing agent on the U.S. side. Shipment should include commercial invoice and Certificate of Origin. You didn't mention product but if its textiles/apparel, you should use the Textile Certificate of Origin under AGOA. The form should include the HS code or codes particular to the products you are shipping. Also, If textiles/apparel, it requires an AGOA visa stamp. The stamp is required only for textiles/apparel, not other products. Kenya Association of Manufacturers (KAM) can provide this.

To check if your product(s) are duty-free, consult: www.usitc.gov under tariff link. Hope this helps.

[Please see the following document for more info](#), and feel free to reach out with questions.

Promoting Hub opportunities

To further promote engagement with the project, the team created a “Hello Bar” (below) to draw more attention to time sensitive opportunities, such as applying for grant funding through the APS.



The Hub newsletter and Weekly Roundup

Interested parties continue to join the Hub mailing list of their own volition, meaning they take the initiative to sign up. They either find us online or have the newsletter or Weekly Roundup forwarded to them from a friend. This improves our engagement with genuinely interested stakeholders and promises to yield more fruitful partnerships.

The Hub Website – now easier to search

To consistently promote knowledge management and the smart use of resources, the Communications and Knowledge Management Team created an internal search function for the ectradehub.org website by embedding a google search bar. This is in addition to the tag cloud that the Hub established in the previous quarter.



Constraints

Finding strong partnerships among regional bodies

A number of regional trade associations struggle with funding, stability and capacity. The Hub is eager to partner with regional bodies, but weary of organizations that lack sustainability.

Determining value of sales from Hub-supported firms

The M&E Team continues to receive a low response rate regarding value of sales. Most companies consider this information sensitive.

V. PERFORMANCE MONITORING

The Hub's PMP is approved!

The Hub's PMP was officially approved on April 20, 2015. (With the understanding that it is a living document that may need to be adjusted following an MSTAS visit in May)

The Hub participates in M&E peer review

To enhance collaboration with other USG-programs, the Hub M&E specialist participated in a peer review of the M&E plan for "Stimulating Agribusiness Finance and Markets in East Africa (AIMS)", a new 5-year USDA-funded program implemented by Global Communities. The program aims to expand trade in key agricultural commodities by increasing bank financing to small and medium agribusiness enterprises and by multiplying their trade outlets. The new project presents opportunities for

collaboration in data collection, information sharing and learning, especially on shared trade and investment indicators.

The Hub supports USAID MSTAS to create harmonized methodology for the collection of ACTE PMP indicators

In quarter 3, the Hub supported the MSTAS team to engage various partners in a process aimed at developing harmonized data collection methodology for all outcome and output indicators as prescribed in the ACTE PMP. The team met with several local and regional organizations that are engaged in trade and investment related primary data collection. These included Trade Mark East Africa (TMEA), Federation of East Africa Freight and Forwarders Association (FEAFFA), African Fine Coffees Association, Fresh Produce Exporters Association of Kenya (FPEAK), Kenya National Bureau of Statistics, East Africa Trade Help Desk, University of Nairobi- Department of Agricultural and Applied Economics, Tegemeo Institute of Agricultural Policy and Development and several local research companies. The key outcome of the visit was that the existing data collection approach for time and cost of trading that is spearheaded by TMEA is adequate but will require more collaboration with the Northern Corridor Coordination Authority. The process of collecting data on agricultural commodities has a number of gaps considering that ReSAKSS is not collecting any primary data at the moment. The team is expected to undertake further consultations with USAID and other players before making any concrete recommendations on how to address existing data collection inadequacies.

Ensuring Hub grant applications capture M&E

The M&E Team worked with the Partnership Fund Team to develop a project/grant application template that facilitates effective capturing of project objectives and expected results and ensures clear linkages between planned activities and Hub results and objectives. The template is currently being tested for an application by Tanzania's Textiles Development Unit and will be used in all other similar applications moving forward.

Tracking online technical support and engagement

The M&E Team developed a mechanism for tracking information on individuals/firms/companies receiving information support through established Hub online systems such as "Ask an AGOA Expert" on our website. The system has proved to be an effective tool for disseminating information on AGOA benefits and responding to various trade and investment related issues.

The M&E Team made preparations for the rolling firm-level baseline data collection for supported firms in Madagascar and Mauritius. The process will target firms that will be receiving support through development of a video that will showcase the two countries as strong sourcing destinations for apparel buyers.

VI. PROGRESS ON GENDER STRATEGY

The Hub's gender strategy was completed March 31, 2015.

For Hub program design, communications and M&E processes, priority recommendations are to:

- **Integrate gender into Hub program design cycle**, including modifying action memos to include a statement on female-focused programming or gender inclusion, developing an internal gender audit system, and using targeted procurement to engage women.
- **Include gender perspective in internal studies and external impact evaluations.**
- **Develop a communication database for targeted outreach**, including for communications and procurement activities.

- **Establish a learning and resource portal for women in trade and export** that includes information on EAC trade policy developments and requirements, AGOA outreach materials, women-targeted financial institutions or products, Hub news, and other relevant regional and national resources.

For the Hub’s technical approach, cross cutting recommendations are to:

- **Prioritize sectors with potential for female job creation**, such as apparel, horticulture, and coffee.
- **Encourage entry or expansion of women in Hub sectors** to promote a gender-equal presence of women in key trade and export sectors, and to position women owned/led businesses as key influencers of competitiveness and magnets for investment.
- **Support industry/sector standards that are socially responsible** to build women-friendly job opportunities while creating a positive brand for the region.
- **Disseminate national level models with gender impact at the regional level** to spread successful approaches to build gender-responsive organizations and associations.
- **Adapt trainings to maximize women's inclusion and produce practical benefit** by designing timing and location to facilitate participation, and tailoring content and delivery to be directly relevant.
- **Promote a coordinated voice for women in the private sector to produce greater impact**, including in promoting gender considerations in EAC trade policy design and implementation.

A few gender-focused activities in quarter 3 include:

The Hub nominates women to exhibit during the EAC Conference on Women in Business.

The Hub’s ICT and Investment component, through its partner African Women’s Entrepreneurship Program (AWEP) Kenya chapter, nominated three women entrepreneurs to participate in the forthcoming EAC Conference on Women in Business. The overall goal of the conference is to bring together East African women in business to explore opportunities offered by the EAC Single Customs Territory and exchange ideas on the ways and means of increasing affordable financing for women-owned businesses. The end result is to promote regional entrepreneurship and enhance economic empowerment.

The three nominated women were:

1. Baraka Zohra-Founder and Executive Director at Mohazo Ex Impo Ltd. She is also the Charlady /President of AWEP Kenya Chapter.
2. Josephine Ngethe – Managing Director Leowa Associates Limited
3. Evelyne Akinyi Odongo- Managing Director Mefa Creations

Mohazo Ex Impo Ltd and Mefa Creations were shortlisted to participate in the EAC conference on Women in Business.

The Hub discusses AGOA opportunities with AWEP Kenya Chapter

The Hub met with the African Women's Entrepreneurship Program (AWEP) Kenya Chapter on June 30 to discuss potential collaboration, including participation in the Partnership Fund. AWEP is eager to ramp up activities in training and mentoring that would help Kenyan women entrepreneurs take greater advantage of AGOA.

The African Women's Entrepreneurship Program (AWEP Kenya Chapter) seeks to equip African businesswomen with tools and opportunities to accelerate the growth of their businesses, become leaders in their communities and drive social and economic progress in Africa.

The Hub enhances its gender sensitivity at Gender Forum for Women in Agribusiness

The Hub participated in the Gender Forum for Women in Agribusiness which was held on April 30, 2015 in Nairobi. The forum's aim was to provide an opportunity for the general public to engage with leading experts and practitioners in gender and agribusiness as they seek to address the challenges that impede effective participation of women in agriculture and agribusiness. The forum brought together key stakeholders to share their experiences.

Forum speakers were drawn from organizations such as COMESA; International Development Research Centre (IDRC); East African Legislative Assembly (EALA); Ministry of Agriculture, Livestock and Fisheries in Kenya and African Women Agribusiness Network (AWAN) Kenya. The panel tackled issues such as the need for policy and legal reforms in order to promote women-owned agribusinesses in Africa. Women face many challenges that impede their successful engagement in agribusiness. These include lack of land which serves as security to acquire financing and inadequate capital to finance the growth of their businesses from subsistence level. The panel stressed the need for mentorship programs and affirmative action policies that will help women enter the agribusiness field on a more even playing ground.

The Hub attends events such as the Gender Forum for Women in Agribusiness to ensure that it is a way of gender-specific challenges and that it is considering gender in all of its activities.

VII. PROGRESS ON ENVIRONMENTAL MITIGATION AND MONITORING

The Hub has had very few activities that require environmental mitigation and monitoring beyond a desk review. Other than the Hub office build-out, all activities have been categorical exclusions for environmental determinations per the Hub's Initial Environmental Examination (IEE). The Hub team monitored the office build-out for environmental mitigation and safety measures per the IEE as this activity had a low risk for adverse impacts with mitigation measures in place. The mitigation measures for the construction were limited as the construction was carried out in the interior of an urban office building by a well-qualified contractor with oversight from both Hub staff and a highly qualified design firm that was hired to provide designs as well as construction QA/QC, including site monitoring for safety and environmental compliance. A few findings were noted during the process such as getting helmets, goggles and similar safety equipment to the workers on site during the construction (this was corrected), but no significant safety or environmental issues were noted during construction. Issues related to noise pollution, construction waste and paints, solvents and chemicals were addressed appropriately. The Hub anticipates all activities for the coming quarter will be categorical exclusions as covered in the IEE. Any questions related to environmental compliance at the project or activity level will be referred to the Mission Environmental Officer (MEO) or the Regional Environmental Officer for consideration before commencement of any procurement processes.

The DAI home office team has restarted drafting an Environmental Mitigation and Monitoring Plan for the Hub project. A staff member who left DAI had started the first draft but it was not turned over when the staff member departed the company. This will be finalized with the MEO in the coming quarter.

VIII. PROGRESS ON LINKS TO OTHER USAID PROGRAMS

The Hub continues to collaborate and share information with other USAID programs and donor-funded programs that overlap with Trade Africa and Feed the Future objectives, examples include TradeMark East Africa (TMEA), Food Trade East and Southern Africa, and

Here are a few highlights from quarter 3:

The Hub discusses unlocking private sector capital in sub-Saharan Africa with the Private Capital Group for Africa (PCGA), April 15, 2015

The Hub and PCGA have shared information on pipeline investment transactions and targeted investors in the EAC region. PCGA is familiar with most of the USG investment tools and incentives and will help connect the Hub to different U.S. agencies, e.g. OPIC, USDA.

Food Trade/Hub preparatory meeting for the USAID DFID meeting

In May, the Hub met with Food Trade East and Southern Africa and Africa Lead to develop a harmonized approach to implementing STS activities. It was also an opportunity for the projects to clarify what they are doing on food standards and highlight their planned upcoming activities on food standards in the region.

Stakeholders discuss opportunities with G-Soko

On May 14, the Hub joined representatives from USAID, Trade Mark East Africa, Alliance for a Green Revolution in Africa and Eastern Africa Grain Council to discuss the role that G-Soko could play in ensuring a structured trading system in the regional grains market. The meeting was convened by DFID's Food Trade in East and Southern Africa.

The Hub discusses optimizing work objectives with TradeMark East Africa

The Hub and TMEA continue to inform one another on cross-over initiatives and strategize for leveraging results.

The main areas of overlap include, trade facilitation; technical barriers to trade (TBT), including product standards; sanitary and phytosanitary measures (SPS); and non-tariff barriers (NTBs). The group decided that TMEA would take the lead on trade facilitation and non-tariff barriers with the Hub looking for ways to complement their activities. TMEA will continue its task of developing product standards and overseeing its implementation, while the Hub will remain focused on the implementation of the 22 staple foods standards. The Hub also briefed TMEA on its previous work with Kenya on electronic notification systems and its plan to further this work under the EAC-U.S. Cooperation Agreement. Also under the EAC-U.S. Cooperation Agreement, the Hub will take the lead on SPS.

The Hub forges a closer working relationship with the AIMS project

The Hub held a consultative meeting on May 29 with the AIMS (Agribusiness Investment for Market Stimulation) project. One of the main topics of conversation was financing modalities for agribusiness in the region. The two projects agreed to communicate often, and collaborate when possible, as we share a lot in common with respect to sub-sector focus (e.g. grains, pulses, horticulture); agribusiness financing support; and capacity building for SMEs and financial institutions. We will also be working with some of the same partners, such as the Eastern Africa Grain Council. The Hub plans to introduce AIMS to more commercial banks for their loan guarantee facility program. The two projects will continue to share information for mutual learning.

Background

AIMS operates in Kenya, Malawi and Tanzania. It proposes a \$50 million loan guarantee facility (LGF), backed by the Overseas Private Investment Corporation (OPIC) of the United States Government, to expand trade in key agricultural commodities by increasing bank financing to small and medium agribusiness enterprises, and by multiplying their trade outlets.

IX. PROGRESS ON LINKS WITH EAC GOVERNMENT AGENCIES

Revitalizing the Kenya leather sector

The Hub is working with Kenyan Cabinet Secretary of Industrialization and Enterprise Adan Mohamed and the newly formed Kenya Leather Development Council to provide incentives and technical assistance for investors looking to add value to Kenyan leather products. The Kenya Government has already earmarked \$3 million for the initiative, to include the construction of a "leather city" and a textile park within specially designated Special Export Zones (SEZs) across the country.

The Hub recently committed to providing a leather sector specialist who will be embedded in the Ministry of Industrialization and Enterprise. This specialist has a deliverable target to support the Ministry in identifying and facilitating \$10 million in new investments for the leather sector and the introduction of five new potential investors.

The Hub is also actively engaging with the EAC on the late-February signed US-EAC

Cooperation Agreement. In addition to supporting trade facilitation and the removal of non-tariff barriers, the Hub is helping the EAC define its sanitary phytosanitary priorities (SPS) and has assigned an SPS technical expert to support the EAC with its SPS-related work plans.

X. SUSTAINABILITY AND EXIT STRATEGY

The Hub works to find practical solutions for trade and investment constraints. The Hub partners with East African and U.S. businesses to attract investment needed to transform the East African private sector into vibrant global trading partners. Improving the region's trade competitiveness, encouraging the diversification of exports beyond natural resources, and promoting broader, more-inclusive economic growth will lead to more food secure and resilient East African communities.

XI. SUBSEQUENT QUARTER'S WORK PLAN

Identified above, no planned deviation at this time.

XIII. ACTIVITY ADMINISTRATION

Personnel

In the last quarter, there has been an increase in the number of the Hub staff both hired and identified to be hired for the team. The Hub has continued to recruit aggressively for a few technical staff positions, including for the trade and agriculture components, and for a few administrative positions. It is likely that the Hub will have hired nearly all of its team by the end of December 2015. Two staff left the project during the last quarter – Component 2 Lead: Interim Sr. Agricultural Trade Advisor and our Human Resource/Office Manager. The Hub’s Procurement Manager is currently overseeing the management of human resources and administration; recruitment for a human resources officer is ongoing. The Hub is

also looking for an Interim Sr. Agricultural Trade Advisor as we recruit for a long-term Component 2 Lead.

Name	Position
Duke Burruss	Acting Chief of Party
Kanini Mutooni	Component 1 Lead: Sr. Investment Advisor
Finn Holm-Olsen	Component 3 Lead: Sr. Trade Promotion Advisor
Scott Allen	Component 4: Sr. Economic Policy Advisor
Craig Berkenpas	Director of Operations and Finance
Katie Moulton	Communications Director
Protase Echessah	Senior Agricultural Trade Expert
Brian Muriuki	Procurement & Logistics Officer
Carol Watheka	Partnership Fund Director
Caroline Ngumba	Grants & Subcontract Specialist
Claude Katata	Administrative Assistant
Elizabeth Muange	Investment Analyst
Grace Mwai	Acting Admin, Human Resource and Procurement Manager
Hussein Yahya	Procurement Officer
Lukas Barake	M & E Specialist
Nelly Ngunguru	Sector Analyst
Richard Omwega	Finance Manager
Rosalid Ndoro	Grants & Subcontract Specialist
Stephen Obunga	Finance Assistant
Susan Mungai	IT Specialist
Wilfred Mworira	ICT Innovation Specialist
Justus Yofani	Accountant
Michael Baingana	Country Representative-Rwanda
Andrew Kaggwa	Country Representative-Uganda
Margaret Waithaka*	Component 3 Value Chain Development Specialist
Pauline Nguni	M&E Assistant
Ezekiel Oloo	Driver/Administrative Assistant
Under Recruitment	Chief of Party
Under Recruitment	Deputy Chief of Party
Under Recruitment	Component 2 Lead: Sr. Agricultural Trade Advisor
Under Recruitment	Gender Director
Under Recruitment	Agricultural Value Chain Specialist
Under Recruitment	Human Resource Officer
Hiring in Progress	Country Representative-Tanzania
Hiring in Progress	Component 2 -Sector Specialist
Hiring in Progress	Component 3 -Sector Market Linkage Specialist, Agribusiness and Specialty Foods
Hiring in Progress	Receptionist

Margaret Waithaka* has been hired, however will start on December 1, 2015

Contract, Award or Cooperative Agreement Modifications and Amendments

There were no contract modifications this last quarter though another obligation increase will be needed before the end of the coming quarter.

XIV. GPS INFORMATION

The Hub plans to maintain a google map of its activities. The start of that initiative is [here](#).

XV. SUCCESS STORY GUIDELINES & PREP SHEETS

Stories

We share Hub success stories on our home page blog and in our monthly newsletter. We promote these stories daily through our social media channels and weekly through our Weekly Roundup.

In addition to short stories and blogs, we create infographics to further explain what the Hub does and the accomplishments we have made. Infographics present a lot of information quickly and in an engaging manner. They complement more development-heavy technical briefs well. (see success story example below.)

Photographs

We maintain a flickr page <https://www.flickr.com/photos/76086802@N08/>

We emphasize high-quality, engaging photos in all communications pieces.