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COMPETE
The Competitiveness and Trade Expansion Program

COMPETITIVENESS AND TRADE EXPANSION PROGRAM

ANNUAL PROGRESS REPORT – FY 2009

FEBRUARY – SEPTEMBER 2009



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ACRONYMS

ACTESA	Alliance for Commodity Trade in East and Southern Africa
ACTIF	African Cotton Textile Industries Federation
AfDB	African Development Bank
AGCI	African Growth and Competitiveness Initiative
AGOA	African Growth and Opportunity Act
ASEAN	Association of Southeast Asian Nations
B2B	Business to Business
BDS	Business Development Service
CAADP	Comprehensive African Agricultural Development Program
CET	Common External Tariff
CMA	Customs Management Act
CMMI	Capability, Maturity, Model Integration
COMESA	Common Market of East and Southern Africa
COMPETE	Competitiveness and Trade Expansion Program
COP	Chief of Party
CQI	Coffee Quality Institute
CRS	Catholic Relief Services
DCA	Development Credit Authority
DFID	U.K. Department for International Development
EAC	East African Community
EAFCA	East African Fine Coffee Association
EAGC	East Africa Grain Council
EC	European Commission
ECA	East and Central Africa
EPA	Economic Partnership Agreement
EU	European Union
FAO	Food and Agriculture Organization
FBO	Farm Based Organization
FEMCOM	COMESA Federation of Women in Business
FSD	Financial Sector Deepening Trust, Kenya
GSFR	Global Food Security Response
HCA	Horticultural Council of Africa
IBM	Integrated Border Management
IFC	International Finance Corporation
ITC	International Trade Centre
ITCM	Integrated Transit Corridor Management
JICA	Japan International Cooperation Agency
KRA	Kenya Revenue Authority
KSA	Knowledge Sharing and Skills Analysis
LEAD	Livelihoods and Enterprises for Agricultural Development, USAID/Uganda
NCPB	National Cereals and Produce Board of Kenya
OSBP	One Stop Border Post
P4P	Purchase for Progress
PMP	Project Management Plan
RADDex	Revenue Authorities Digital Data Exchange
RATES	Regional Agriculture Trade Expansion Program
RATIN	Regional Agriculture, Trade, Information Network
RCMRD	Regional Center for Mapping and Resources Development
RCTG	Regional Customs Transit Guarantee

RECs	Regional Economic Communities
RRA	Rwanda Revenue Authority
RTA	Regional Trade Association
RUDI	Rural Urban Development Initiative
SC	Specialty Coffee
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association of Europe
SF	Staple Foods
SME	Small and Medium Enterprise
STR	Simplified Trade Regime
STS	Structured Trading System
TFI	Transit Facilitation Instrument
TRA	Tanzania Revenue Authority
UNCTAD	UN Conference on Trade and Development
URA	Uganda Revenue Authority
USAID	United States Agency for International Development
WBC	World Barista Championship
WCO	World Customs Organization
WFP	World Food Programme
WRS	Warehouse Receipts System
WTO	World Trade Organization

A. HIGHLIGHTS FOR FY 2009

The Competitiveness and Trade Expansion Program (COMPETE) program was officially launched on April 15, 2009. The COMPETE program's aim is to improve the efficiency of selected corridors in East and Central Africa as part of the USG commitment to the WTO "Aid-for-Trade Agenda". COMPETE is working to reduce clearance times at select border posts, remove unnecessary red tape and lobby for policy changes that will support increased competitiveness for targeted value chains in the region. COMPETE is maintaining the East and Central Africa (ECA) Trade HUB that is providing technical assistance to African firms and governments to enhance their competitiveness globally and assisting these firms to take better advantage of African Growth and Opportunity Act (AGOA) and other international trade opportunities.

Operating from a regional platform, COMPETE works to improve the enabling environment for trade in ECA by harmonizing regional trade and transit policies and procedures; developing financial markets; providing support to private sector associations to strengthen value chains; and building the capacity of regional businesses to take advantage of preferential trading opportunities.

Central to the program is the importance of an African private-sector led reform agenda – catalyzed through associations – and the use of new technologies. COMPETE plays a facilitative role; program partners carry out their plans resulting in enhanced capacity and sustainability. To achieve its objectives, COMPETE collaborates with regional economic communities (East African Community – EAC and the Common Market for Eastern and Southern Africa - COMESA), USAID's bilateral programs and other donor initiatives, and private sector partners, both regional and international.

USAID COMPETE's project objective to enhance economic growth and food security in East and Central Africa also contributes to Initiative to End Hunger in Africa (IEHA), African Global Competitiveness Initiative (AGCI), Global Food Security Response (GFSR) from September 28, 2009 this is referred to as the Global Hunger and Food Security Initiative, and Regional Conflict Management and Governance Team (RCMG) priorities. COMPETE is aligned with IEHA's Markets and Trade results area in both the sub area- Growth and Trade in Markets and the sub area - Regional growth dynamics and trade.

The program contributes to AGCI's primary goal of increased value of regional and international trade of Sub-Saharan Africa including its intermediate goal of increased competitiveness of Sub-Saharan Africa. COMPETE also contributes directly to GFSR's intermediate result of reduced agricultural trade and transport barriers. Finally, COMPETE contributes to RCMG's Sub IR 1.2 Regional Anti-Corruption and Associations supported under IR 2 Enhanced Initiatives and Partnerships to Support Good Governance under the Assistance Objective -Peace and Good Governance Advanced in the Horn and the Great Lakes.

The project team is led by our Chief of Party Stephen Walls. Three component leaders oversee technical implementation of activities in trade and transit facilitation, value chain competitiveness, and the ECA Trade Hub with the support of long- and short-term specialists. Additional programmatic support is provided by long-term specialists in communications, monitoring and evaluation, grants management, administrative operations, and finance.

This annual progress report summarizes the progress of the COMPETE program during FY 09. This report forms the second part of the annual COMPETE program report that also includes a separate performance monitoring report based on the COMPETE Performance Monitoring Plan (PMP). Together these documents provide a complete summary of COMPETE's activities and successes during FY 09.

Global Food Security Response

The Global Food Security Response (GFSR) is a U.S. Government initiative intended to promote sustainable food security in Africa. The strategy of the GFSR is to work with players in the regional value chain for staple foods, processed, nutritious and therapeutic foods to expand markets for farmers, traders and processors so as to ensure timely availability of food and unimpeded movement of food from surplus to deficit areas. The GFSR seeks to:

- Improve the enabling environment for regional trade in staples as a result of improved and harmonized policies and regulations and their implementation
- Improve regional trade in staples (primarily maize, beans and pulses, root tubers)
- Reduce time and transaction costs to move goods and other staples from areas of supply to areas of demand within countries and across the region efficiently
- Link small farmers to efficient market information systems and markets
- Improve market opportunities for processing firms involved in the value chain for high-nutrient therapeutic foods and specialty foods
- Accelerate the participation of the ultra poor in rural growth so as to improve their livelihoods.

As an implementing partner under the Global Food Security Response, COMPETE works to remove policy barriers to the trade of staple foods, strengthen regional markets, introduce appropriate and/or cutting edge technologies that will increase production and reduce post-harvest loss, and increase access to these markets for small holders. COMPETE focuses its transit activities on corridors that are most important to the trade of staple foods and will work to remove logistical barriers all along the staple foods value chain.

B. PROJECT INTERMEDIATE RESULTS

B.1 PIR 1: Reduced Barriers to Trade

KRA 1.1 Select Transport Corridor Efficiency Improved

COMPETE's interventions in reducing barriers to trade are framed the GFSR focusing on transit activities in corridors that are the most important to the trade of staple foods within the region. During the year, COMPETE partnered with the Regional Economic Communities (RECs) to increase transportation and transit efficiency by: 1) initiating work to reform customs operations in at least two new border posts; 2) continuing to simplify paperwork requirements and implement transit facilitation tools such as the Regional Customs Transit Guarantee (RCTG); and 3) by working with the private sector to prioritize a list of interventions based on their transit and logistics concerns. Finally, USAID/EA has continued to lead a donor coordination effort designed to generate increased collaboration between donors, regional partners, the RECs, members of relevant national ministries (e.g., Revenue Authorities, Ministries of Trade) and the private sector to maximize the use of our resources to reduce the time and cost of transit/transport in the region

The COMPETE transit team has initiated a number of key activities in this area:

- **Reduction of Port Dwell Times at Port of Mombasa.** COMPETE served as an independent broker and brought private sector, truckers, freight forwarders and shippers together with government to discuss problems faced in port operations

and customs clearance. Through COMPETE's facilitation, port authorities agreed to make shipment processing and banking services available and port services **are now truly a 24/7 operation, reducing port dwell times and streamlining port operations.** Mombasa is the largest and busiest port in East Africa handling the bulk of the region's import and export traffic.



- **Reduction of Border Transit Times.** The Malaba border crossing accounts for 80% of all transit traffic on the Northern Transit Corridor. The One Stop Border Post was not as efficient as it could be. COMPETE was able to bring various parties together and lobby for changes. For instance instead of dual customs inspections by Kenyan and Ugandan officials, now customs inspection is handled jointly. **Border clearance times have reduced from 16 hours to 6 hours.**

- **RADDex Goes Regional.** COMPETE has continued to support the linking of regional revenue authorities through the **Revenue Authorities Digital Data Exchange (RADDex)**, a software platform designed to exchange cargo information to various customs authorities. COMPETE software programmers are now upgrading **RADDex** into an integrated regional platform to replace the national level systems. Approximately **900-1000 customs declarations per day** are declared initially at the port of Mombasa and transmitted along the Northern Corridor via RADDex affecting the Malaba and Busia border posts. In the first 2 years of the project, RADDex will be implemented at the Gatuna (Uganda / Rwanda) and Song'we (Malawi / Tanzania) border posts.



- **Harmonization of Axle Load Limits.** In 2009 the Government of Kenya banned all trucks with four-axle loads from using Kenyan roads in order to protect the country's road network. Kenya is the only country in the five-member East African Community that has not implemented axle-load limits. Uganda, Rwanda and Burundi have harmonized axle-load rules in line with those of COMESA, while Tanzania has harmonized its axle-load limits with the Southern Africa Development Community countries. **As a result of COMPETE intervention through the Ministerial Forum on Northern Corridor Transport and Trade Facilitation Kenyan officials have agreed to review this ban.**

- **Harmonization of Gross Vehicle Mass Limits.** COMPETE, working with working with key private sector transit players, facilitated agreement with the government of Kenya to adopt to the EAC/COMESA maximum truck payload limit of 56 tons Gross Vehicle Mass (GVM) from the unilateral limit imposed by Kenya of 43 tons. This change will bring uniformity across the EAC region, and free up trucking capacity that was locked up as a result of this restriction by Kenya.

- **Reduction of Number of Police Road Blocks** which crowded the corridor. Private sector reports indicated that roadblocks between Mombasa and Bujumbura amounted to anything between 25-40 road blocks resulting in delays and high transit times and costs. **Blocks on Kenyan side of the border have been reduced from 40 to 14.**

- **Assessing Key Transit Issues.** COMPETE has convened a number of private sector focus groups that have identified major transit bottlenecks to staple foods trade. Highlights of these events included:
 - In July, COMPETE organized a **technical meeting for Accelerated Transit Efficiency** which brought together key partners directly involved in the Transit Transport Logistics Chain (TTLC) from the port in Mombasa, Kenya to the point of final destination in countries like Rwanda and Uganda. This meeting aimed to establish what the real issues are in transit and logistics. By bringing together all the industries stakeholders, COMPETE aimed to identify the relevant problems and to explore the practical measures for accelerating transit efficiency improvements on East African corridors.
 - In September, COMPETE along with the East African Business Council helped organize the **Ministerial Forum on Northern Corridor Transport and Trade Facilitation** under the theme, “Towards Reducing the Cost of Doing Business” One significant outcome of the meeting was that Kenya agreed to conform to the EAC/COMESA maximum payload limit of 56 tons Gross Vehicle Mass (GVM) from the unilateral limit imposed by Kenya of 43 tons. This decision, which was a result of COMPETE working with key private sector transit players to advocate for change, will bring uniformity across the EAC region, and free up trucking capacity that was locked up as a result of this restriction by Kenya.
 - **U.S. Department of Transportation/EAC Conference, Arusha , Tanzania** The Federal Transit Administration (FTA) of the U.S. Department of Transportation (DoT) in collaboration with the East African Community (EAC) Secretariat and with the support of the USAID/COMPETE Program and facilitation of the United States Embassy in Tanzania organized a forum for representatives public and private sectors in the East African region to share experiences with their U.S. counterparts with respect to best practices in transportation planning, infrastructure development In addition to providing sponsorship of private sector participants from EAC countries, which contributed to the quality of participation and enhanced the debate, COMPETE made a presentation on “Enhancing Transit Competitiveness in East African Corridors” with a focus on the Integrated Transit Corridor Management (ITCM) approach.
- **Donor Transit Coordination.** Three transit studies that are underway - the Corridor Diagnostic Study, the Northern Corridor Infrastructure Master Plan study and the Comparative Transport Cost Study along the Northern Corridor Region will identify the regional infrastructure priorities and related costs. **COMPETE** is hosting the team that is conducting the Corridor Diagnostic Study and has facilitated two Transit Donor Coordination meetings with development partners DFID, JICA, AfDB, and others.
- **Strengthening Associations in the Transit Value Chain.** COMPETE has engaged with existing transit associations with an aim to strengthening the voice of private sector on the advocacy front and towards possible regionalization of Private Sector Advocacy. Key transit institutions have been identified and preliminary assessment of their strengths and weaknesses undertaken:



- **Kenya Shippers Council (KSC)** representing cargo owners and shippers (importers and exporters).
- **Kenya Transport Association (KTA)** the largest transit transporters association in the region.
- **Federation of East African Freight Forwarders Association (FEAFFA)** which brings together clearing and forwarding agents in the five EAC countries into a regional network and are responsible for moving the bulk (over 90%) of imports and exports in East Africa.
- **Federation of Eastern and Southern African Road Transport Associations (FESARTA)**, a regional network of national truckers Associations in East and Southern Africa and therefore a powerful lobby group as truckers move over 80% of the traffic (both imports and exports) in East and Southern Africa with an even higher percentage of 96% for East Africa.

KRA 1.2: Regional Trade Policies Strengthened and Integrated

- **Trade Policy Study.** During the quarter, Bernard Kagira, Trade Policy Advisor laid the groundwork for a study of EAC and COMESA member trade policies that affect food security and flow of staple foods between countries. The studies examined staple food products such as maize, wheat, rice, sorghum, millet, beans and pulses (pigeon pea, cow pea, and chickpea), cassava and ground nuts. COMPETE engaged 2 consultants to analyze the staple foods sector in Tanzania. As part of this assessment, the team reviewed the existing policies and regulations in Tanzania that result in inhibiting trade in staples crops, especially those related to trade bans. Studies undertaken in Uganda, Kenya, Rwanda, Ethiopia, Malawi and Zambia were being finalized at the end of FY 2009.
- **Implement WTO and WCO Policy Standards for the Regional Trade of Staple Foods.** The COMPETE team met with EAC representatives to review the EAC's Customs Best Practices and Trade Facilitation report. The report's findings along with the EAC Customs Management Act are forming the basis for identifying specific elements of the WTO and WCO policy standards that may not already be in use. With GSFR support, a work program to implement these policies was finalized with EAC Customs Officials in July 2009. COMPETE, in collaboration with Commissioners of Customs and RTAs will evaluate the proposals of the report and the EAC Customs procedures against the WCO standards and propose an action plan.
- **Support Harmonization and Implementation of EAC and COMESA Simplified Trade Regime (STR).** COMPETE initiated the process of harmonization of the COMESA and EAC Customs Simplified Trade Regimes (STR) as a first step towards implementation. The EAC STR has simplified certificate of origin while COMESA has both simplified certificate of origin and customs document. Customs clearance procedure requires that both documents be in place. Lack of the simplified customs document within EAC frustrates cross border traders who choose to avoid the formal trade clearance process often at very exorbitant transaction costs. As part of this process of harmonizing systems, COMPETE is identifying a list of eligible products to be cleared through the STR. The simplified trade regime (STR) has been officially gazetted in Zambia, Zimbabwe, and the Democratic Republic of Congo (DRC). COMPETE is working with COMESA to



begin implementation at the borders between Zambia and the DRC and Zambia and Zimbabwe.

- **COMESA Common External Tariff (CET).** COMPETE supported ACTIF and EAGC in preparation and submission of the sector positions on the COMESA Customs Union CET. This intervention played a key role as evidenced in the final version of the COMESA CET schedule for the COMESA Customs Union that was launched by the COMESA Heads of State on 9th June 2009. Any sectoral proposals that were not taken on board, especially yarn in the case of cotton and textile will be addressed through a regional sensitive list which COMPETE is supporting COMESA in its development. COMPETE will support ACTIF and EAGC in providing sectoral input to the COMESA Customs Union Regional Sensitive list.

- **EAC Moves Towards a Fully Fledged Customs Union.** The EAC Secretariat with the assistance of the African Development Bank (AfDB) and with support from COMPETE's trade policy advisor has developed standard simplified operation customs procedures which will reduce the cost of compliance. The EAC Secretariat is developing a system of information exchange between the customs



administrations of the five EAC partner states. This will facilitate the seamless flow of customs information and is expected to reduce of doing business and improve collection of revenue. EAC is aiming to have the customs union functional by Jan 1, 2010 with the next step being commencement of the EAC Common Market, which is slated for July 2010.

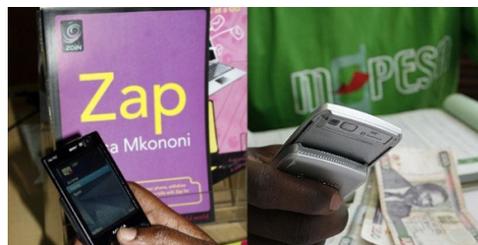
- **EAC-EPA Rules of Origin.** COMPETE supported ACTIF in preparation of a position for the Cotton, Textile and Apparel for consideration in the EAC EPA Rules of Origin. This position has since been integrated as the regional position to be finalized and negotiated with the European Commission in the FY09/10.
- COMPETE assessed the Reinsurance Pooling Agreement for COMESA that is supporting the RCTG.

KRA 1.3: Access to Trade and Infrastructure Finance Improved

The COMPETE Financial Sector advisor was initially scheduled to come on board beginning in year two. With USAID approval, this advisor joined the team in late April 2009. Early work under this component has focused on assessing the needs of the sector and developing future training programs. Progress throughout FY09 includes:

- **Agreement with Kenya School of Monetary Studies.** COMPETE facilitated an agreement with Kenya School of Monetary Studies to undertake a training program in agricultural lending for commercial bankers. In order develop a regional DCA in agriculture, it is essential to ensure that there is a sound base of commercial bankers that are knowledgeable about agricultural credit and risk management.

- **Foundation for Mobile Banking.** The COMPETE commenced work on harmonization of banking regulations and legislation to enable the growth and development of the mobile money transfer and branchless banking which will greatly facilitate access to finance to rural areas of ECA.



- **Agreement with Uganda Insurance Association.** COMPETE reached agreement with the Uganda Insurance Association to proceed with establishing a regional insurance association to build advocacy for regional certification and harmonization of insurance regulations.
- **Foundation for Establishing Regional Credit Bureau.** COMPETE worked with Central Banks in Rwanda and Uganda together with USAID EGAT to lay the foundations for developing a credit reporting bureau that can then be used as a model in the region.
- **Foundation for Infrastructure Bond Program.** Based on COMPETE's review of existing infrastructure funds in the ECA region and assessment of areas of opportunity, COMPETE has established relationships/networks with USAID EA, EGAT, AfDB and other partners on a multi-million dollar DCA infrastructure bond program for investment in agriculture and agro-allied infrastructure including, transport, logistics, storage, power, water and processing facilities.

B.2 PIR 2: Increased Competitiveness and Trade in Select Regional Value Chains

KRA 2.1: Capacity of RTAs Improved

During FY 09 COMPETE has expanded private sector contributions to regional trade initiatives and has improved the regional business environment in ECA by conducting strengthening regional trade associations, increasing cooperation to reduce policy and regulatory constraints, and developing value chain competitiveness strategies to design interventions to reduce inefficiencies and improve the competitiveness of each sector

The COMPETE program has developed a capability maturity model to demonstrate the maturity of partner associations and their ability to be sustainable. Drawing from the work of the Sustainability Integrated Guidelines for Management (SIGMA) project, the Business Sustainability Maturity Model and the Portfolio Programme and Project Management Maturity Model, COMPETE will use this Maturity Model to measure the ability of the organizational processes to propel the institution around the sustainability cycle. The Maturity Model assesses 30 process areas in 7 perspectives, namely: Management Control, Benefits Management, Financial Management, Stakeholder Management, Risk Management, Organizational Governance and Resource Management. Each perspective is assessed independently, and its maturity is established from 5 possible levels of maturity.

In initiating the assessment process, COMPETE worked with three regional trade associations to review their strategic plans. COMPETE conducted a strategic

planning workshop with the EAFCA board in September 2009. COMPETE worked with EAGC to undertake a review and validation of its strategic plan. ACTIF assessed its capacity to implement the regional cotton/textiles/apparel strategy. Other progress included:

With COMPETE support and guidance the following regional trade associations have made substantial improvements in their organizations:

Specialty Coffee

- EAFCA has taken a three-pronged approach to ensuring it remains a strong and sustainable institution. EAFCA is focusing on Quality Improvement which will covers coffee cupping trainings and competitions, and the creation of the EAFCA Coffee Quality Institute that will offer excellence courses on the main elements of the coffee industry, Institutional Strengthening – Human resource mobilization for EAFCA Secretariat, strengthening of chapters in each country, strategic team building for EAFCA’s board and staff, development of Women In Coffee empowerment and advocacy programs, and Market Linkages promoting trade and market expansion of specialty coffee via domestic consumption promotion through Barista training and competitions, strengthening market linkages and business relationships through advertising and PR initiatives, marketing and networking activities and events.



- **EAFCA Takes Lead in Coffee Quality Training.** With COMPETE support, EAFCA has launched its Coffee Quality Institute conducting two Price Risk Management trainings. The program, developed by the Commodity Risk Management Group of the World Bank, trains small and medium coffee traders and cooperatives in identifying risks in the coffee supply chain and to improve risk management of their businesses. With this increased knowledge, coffee traders will be able to minimize price losses and compete favorably with other international traders



- EAFCA has formed a partnership with ICO, CFC and national coffee institutions to implement a US \$3 million farmer certification awareness program to be run through the national coffee institutions training staff and managed by EAFCA. EAFCA will expand farmer trainings in a number of Certification Programs (i.e. Certified Organic, Rainforest Alliance, TransFair, Utz Certified, 4Cs, etc. through CQI market linkages)

- **Exports of specialty coffee has increased by 25% annually in the East African Region** due, in no small part, to the work of COMPETE and USAID bilateral programs. East African producers exported **over \$290 million** of specialty coffee during the 2008/2009 coffee season. Exports in 2001 were only \$60 million.
- **Through the Coffee Quality Institute (CQI), COMPETE is supporting the creation of a “Q” grade** coffee classification to add more value to medium grade premium coffees. Q coffees are expected to attract premium prices above commodity “C” grade coffees through a grading system that recognizes the unique

characteristics of these coffees. COMPETE is funding training of Q cuppers though the East Africa region.

- COMPETE is supporting the regional coffee industry to develop **a regional competitiveness strategy** with an aim of exploiting new and existing specialty markets. COMPETE is focusing on reducing transit and transportation costs, a major constraint to increasing the competitiveness of the coffee value chain.
- **Most coffee buyers from Europe, US and Japan now attend the EAFCA Annual Coffee Conference.** An estimated 1000 coffee professionals are expected to attend the conference in Mombasa in February 2010. COMPETE is continue to support EAFCA's marketing and promotion efforts. **EAFCA is expected to net \$350,000 from this event.**
- **Domestic and regional consumption.** With COMPETE support, EAFCA is supporting National Barista competitions as a way to highlight domestic consumption and showcase specialty coffees. Regional exports to countries like South Africa have increased by over 40%.
- **Ethiopian Commodity Exchange.** COMPETE through CQI and support to EAFCA provided guidance to the Ethiopian Commodity Exchange to change their policy on trading coffee that prevented international buyers from sourcing Ethiopian specialty coffee on the exchange.

Staple Foods

The objectives of USG activities in agriculture are to increase the availability of staple foods in integrated regional markets, open up access to markets for producers, and provide technologies and knowledge to for farmers – including chronically food insecure smallholders -- to increase productivity. Specific activities improve the policy and regulatory enabling environment that reduce barriers to regional trade, and work with the private sector to facilitate the movement of selected commodities along value chains that cross borders to link farmers with markets, reducing dependence on imports from global markets and on food aid. Regionally coordinated scientific research on regional issues make improved technologies and knowledge of best practices available more quickly and efficiently than separate national efforts can achieve. An activity supported by the Famine Fund focused on improved livelihoods and market opportunities for mobile pastoral livestock producers in semi-arid areas, to move vulnerable populations out of chronic food insecurity. Progress in FY09 includes:

- **EAGC Leading Partner in GSFR Activities.**

COMPETE continues to work with the Eastern Africa Grain Council (EAGC) as a principal partner in carrying out GSFR-funded activities. This regional trade association (RTA) is comprised of millers, processors, traders, and producers from all of the GSFR targeted countries, and is supported by multiple donors. Through training programs, market information dissemination and direct market linkage services, the EAGC serves as a connective link between the region's players in the staple foods value chains.



- COMPETE has facilitated linkages between EAGC and the **World Food Programme's Purchase for Progress initiative**. P4P has agreed to exercise flexibility in purchasing small quantities of staple foods from farmer groups; usually

WFP procures staples in 100 ton increments. WFP wants to procure as much as 15% of their annual requirements from smallholder farmers. WFP P4P is willing to provide Wikal tents as temporary storage facilities at local collection points. EAGC will assist in ensuring that surpluses purchased from FBOs meet WFP quality standards. Initial efforts have focused on NGOs working with farm based organizations that will have a tradable surplus of staple foods this year.

- **Finance and Credit for Farmers.** EAGC working with Equity Bank conducted two trainings with farmer based organizations in Kenya's Eldoret area to educate farmers on the finance and credit aspects of warehouse receipt systems.

- **Warehouse Receipts Workshop.** At the end of the 4th Quarter COMPETE co-funded and assisted EAGC in holding a regional workshop on Warehouse Receipt Systems/Commodity Exchanges in Lusaka. Leading stakeholders from around the region participated, and examples of both successes and failures were discussed.



Most of the stakeholders appreciated the need for improved exchange of information, especially if regional commodity exchanges are going to take off in the future, and expressed a wish to form an Association of Commodity Exchanges from the Eastern and Southern African Region. COMPETE has committed to fund this initially, since it will undoubtedly promote regional trade, first meeting expected in Addis Ababa in December.

- EAGC is working closely with the Kenyan government's National Cereals Production Board. EAGC will certify 10 NCPB warehouses to be included in a WRS scheme for the upcoming year. Equity Bank is also a partner. COMPETE will provide technical assistance to train NCPB on warehouse operation and management.
- The African Grain Trade Summit meeting is held every 2 years. COMPETE is working with EAGC on arrangements for this Third Regional Grains Summit November 2-4, 2009 in Dar-es-Salaam, Tanzania. The aim of the Grain Summit is to promote a regional network of stakeholders who can advocate for a more structured and free trading system in the region. Approximately 200 participants are expected to attend.

Cotton/Textiles/Apparel

- **ACTIF continues to a leading regional voice.** With COMPETE support, the African Cotton & Textile Industries Federation (ACTIF) has become as a key industry voice in regional and international trade deliberations. ACTIF spearheaded efforts to extend AGOA and include textiles in the list of eligible products under this agreement. ACTIF has guided COMESA and the EAC on recent EPA negotiations to include a single transformation provision for the textile and apparel exports.



- **New ACTIF Executive Director and Secretariat Established,** The African Cotton Textile Industries Federation (ACTIF) Secretariat opened a fully-equipped permanent office at Hevea Office Park in Westlands, Nairobi. During the Year 1, ACTIF established a staffing and recruitment plan and hired a full-time Executive Director, together with accounting, program personnel and other essential

support staff, are now in place and operational. Initial funding for 'start-up' staffing was made possible through the COMPETE Partners Fund, and additional/alternative sources will be a priority of the new management team.

- The East African region is currently a net importer of textile and apparel products, yet it **produces about 1 million bales of cotton fiber annually**, a production volume that could support very large value generation for the region of at least 3.5 billion dollars.

- **ACTIF Position Paper on AGOA.** As a follow-on to the AGOA Forum in Nairobi, COMPETE has assisted ACTIF in formulating a regional position paper on the sustainability of AGOA, **Since inception, upwards of \$10 billion US dollars of textiles and apparel have been exported to the US under AGOA**, more than 200,000 jobs created (over 1 million family dependants) and millions of dollars in new investments; an industrial transformation that Africa does not want to see abruptly reversed in 2015, with consequent effect on 26 apparel eligible countries across the continent.



- **Harmonized COMESA Common External Tariff.** ACTIF with COMPETE's support was instrumental in developing a COMESA Common External Tariff which harmonizes the tariffs for inputs to the textile and apparel industries. ACTIF has also developed CET positions for EAC and SADC in anticipation of future harmonized standards under the Tripartite Framework.

- **WRAP Certification for African Apparel Firms.** With COMPETE's support three Ethiopian firms have earned Worldwide Responsible Apparel Production (WRAP) Certification. WRAP is an independent body that monitors and certifies apparel manufacturers' facilities compliance with lawful, humane and ethical manufacturing standards throughout the world.



- COMPETE fostered partnership between COMESA, ACTIF and the International Trade Center (ITC) to develop the **COMESA Cotton to Clothing Strategy**. The strategy was formally launched at the COMESA Heads of State Meeting on June 4, 2009. Overall, this strategy is designed to integrate the region, improve competitiveness, increase trade and increase incomes.
- COMPETE held initial discussions with the Federation of Danish Textile Clothing (DTB) and the Danish Federation of Small and Medium-Sized Enterprises (DFSME) regarding plans to strengthen the African textile industry by focusing on capacity building, knowledge transfer, cluster building and vocational training on the basis of creating a strong sustainable foundation for Danish textile companies who want to invest in the African textile and apparel sector.
- COMPETE, has been actively engaged in assisting COMESA establish its long term regional industry strategy for the cotton, textile and clothing sectors was formally launched and presented by ACTIF at the Business Forum of the 13th Summit of the COMESA Heads of State in Victoria Falls, Zimbabwe held on 4 June 2009. After some years in the making, the COMESA cotton-to-clothing regional strategy is now a reality, and has been formally adopted by the COMESA. **Uganda was the first**

country to validate their national cotton/textile/apparel strategic plan and bring it into alignment with the regional strategy.

- **Traders have posted upwards of \$300 million dollars in offers to buy and sell cotton products on the COMPETE - supported website: www.cottonafrica.com** now maintained by ACTIF.
- **Regional Firms Find Niche Markets.** With COMPETE support, regional textile firms have exploited the growing eco-friendly green/organic market for textiles in Europe and the U.S.
 - As a result of participation at the **AGOA Forum, Polo/Ralph Lauren** is placing sample orders from African firms, paving the way for expanding production to Africa.
 - **Tesco**, one of the largest retailers in the UK, is sourcing organic cotton and manufacturing garments in East African factories. Tesco is aiming to convert 100% of its sourcing to Africa.
 - **Viva Africa** is producing designer “green” bags for the Lauren Bush WFP/Feed Project. Each bag purchased feeds two Kenyan children who are in school for one year.
 - **Edun:** Edun-Live is a sister brand of Edun Apparel, a company started by Bono and his wife Ali Hewson. Edun Apparel and Edun Live have been involved for some years in promoting apparel made from Organic Cotton from Sub Saharan Africa and enjoy wide market recognition. Clients using Edun Live tee shirts include U2, Cold Play, Aveda, Puma, Hard Rock Café, Barnes and Noble, Google, and Microsoft. Under a **COMPETE Partnership Fund Grant to the Cotton Conservation Initiative (CCI), EDUN will provide the demand for the T-shirts created with CCI cotton.**
 - **KiboTrade Textiles** in Tanzania received Fair Trade certification as well as ISA8000 labor accreditation and is in the process of getting its organic cotton certification.



KRA 2.2: Awareness of Harmonized Standards Enhanced

Harmonized Standards for Staples other than Maize. COMPETE has prepared harmonized standards for **rice and wheat** for review by COMESA and EAC.

KRA 2.3: Smallholder Access to Commercial Markets Increased

- COMPETE’s Partnership Fund has awarded a grant to **Farm Concern International** and they will be focusing on improved storage facilities at their Commercial Villages in Eastern Kenya and Western Uganda.
- **Cereal Growers Association** also received a Partnership Fund Grant to establish a system of food storage facilities at the village level which will serve as model centers for grain bulking, quality control, and has hubs for market information in the Trans



Mara district in the South Rift Valley region of Kenya and in the Arusha Region in Tanzania.

- In Kenya, the EAGC and COMPETE are working closely with the WFP to link the **P4P program** to farmers who participated in the pilot WRS program in Kenya coordinated by the EAGC and the USAID Kenya's Kenya Maize Development (KMDP) project. WFP P4P has indicated that they can exercise flexibility in purchasing small quantities of staple foods from farmer groups; usually WFP procures staples in 100 metric ton increments. We will continue to link these aggregation points with both private sector traders and P4P with a view to them being able to collect their minimum 10metric tons.
- In northern Uganda, COMPETE and the local EAGC office are working with a large international trading firm to include staple foods extension training as part of their overall support to contract growers. The EAGC will develop the curriculum and provide the training of trainers that are working with these producers. This is part of a broader effort to build regional market services that will facilitate the recovery of food production in northern Uganda and southern Sudan, areas with high potential coming out of years of conflict.
- Promoting home-based staple foods storage silos. COMPETE has identified a local manufacturer in Uganda who is producing an air-tight grain storage tank that can be used for home and community use to greatly reduce post harvest losses. The EAGC is interested in promoting this technology to member organizations.
- COMPETE is actively looking for appropriate village level storage technologies, that can be used for home and community use to greatly reduce post harvest losses. The EAGC can then promote this to its members and other training organizations.
- COMPETE through CQI and support to EAFCA provided guidance to the **Ethiopian Commodity Exchange** to change their policy on trading coffee that prevented international buyers from sourcing Ethiopian specialty coffee on the exchange.
- **3rd African Grain Summit.** COMPETE is supporting the Eastern Africa Grain Council in organizing the 3rd African Grain Summit that will be held in November '09, with over 200 millers, processors, traders, and producers attending. The aim of the Grain Summit is to promote a regional network of stakeholders who can advocate for a more structured and free trading system in the region.
- **Smallholder Access to Markets.** COMPETE grantee; Cereal Growers Association facilitated purchase of surplus staple foods from smallholder farmers in the Trans Mara region. World Food Programme's P4P program purchased 12,950 bags of grain with sales of approximately **\$400,000**.



- **Warehouse Receipts Systems. COMPETE** has worked with the Government of Kenya (NPCB) to expand warehouse receipts/structured trading systems as well as developing a commodities exchange, leveraging off the work already done by USAID and others in the region. Agreement was reached on the establishment of a regional commodities exchange association.
- **Eliminating Staple Foods Trade Bans.** COMPETE has engaged key policy makers in the region on convening a high level forum of strategic grain reserve authorities to develop a more transparent, information based and market driven strategy for revoking export bans on strategic staple foods.
- **Restructuring Public Sector Grain Bodies.** COMPETE and the EAGC are working with the National Cereals and Produce Board (NCPB) in Kenya to help this public entity develop a plan to restructure its grain purchasing operations with an aim to turn over its warehouse facilities to the private sector for management.
- **Training on Maize Standards.** COMPETE through its support of EAGC prepared a trader's handbook and trainer's manual on EAC maize standards. The main target groups for this awareness campaign are the Warehouse Receipt Clusters, groups of 500 smallholder farmers, an initiative which is being championed by the EAGC.

KRA 2.4: Cross-cutting: Efficiency of Staple Foods Transport Improved

- **Potential Market for Fortified, Therapeutic Foods.** COMPETE assessed the processed foods sector to identify firms that have the capacity to produce nutritious, high value, and therapeutic foods, building a regional value chain to supply demand from emergency relief programs.



- **Assessment of Uganda/Sudan Spur of the Northern Corridor.** SF team lead, Steven Humphreys visited USAID Uganda mission in June to brief the USAID Uganda mission about the COMPETE program and meet with local partners to discuss transport issues in the region. A follow up visit is planned for July to meet with USAID Uganda mission and the Livelihoods and Enterprises for Agricultural Development (LEAD) project to ensure that programs complement each other. This will include a field visit to Northern Uganda to identify key players in staple foods collection, bulking and storing with a view to review time and transaction costs and promote market linkages trading into Southern Sudan.
- **Expand RATIN Coverage of Customs and Transport Procedures.** With assistance from the COMPETE Trade Policy Advisor, RATIN is expanding its data resources to become a one stop source for information about current customs and transport procedures. During the quarter, tariff information for staple foods was prepared for uploading to the RATIN website.

The African Global Competitiveness Initiative

The African Global Competitiveness Initiative (AGCI) is a \$200 million, five year Presidential initiative aimed at promoting the export competitiveness of enterprises in sub-Saharan Africa (SSA) in order to expand African trade with the United States, other international trading partners and regionally within SSA. AGCI builds on the African Growth and Opportunity Act (AGOA) and works with other donor initiatives, including the World Bank's Making Finance Work for Africa and the multilateral infrastructure Consortium for Africa.

AGCI's overall objective is to promote export competitiveness of enterprises in SSA. To achieve this AGCI has two main strategies, to provide technical assistance that advances export competitiveness and to support complementary activities that contribute to the objectives of AGCI. AGCI seeks to leverage with those of other USAID-funded programs and programs financed by other IFIs as well as with investment resources from the private sector. AGCI strives to achieve a greater development impact through a multiplier effect.

B.3 PIR 3: Increased Trade and Investment between the U.S. and East and Central Africa

COMPETE's East and Central Africa Global Competitiveness Hub (ECA Hub) provides technical assistance to African firms and governments to enhance their competitiveness in global markets and help African businesses take advantage of trade opportunities available under the African Growth and Opportunity Act (AGOA). COMPETE/ECA Hub has followed a multi-layered approach to enterprise development and capacity building. All programmatic activities – technical assistance, training, market linkage activities – are part of a coordinated program of support to individual firms.

KRA 3.1: Ability of ECA Countries to Engage in Multi-lateral Trade Negotiations Increased

- **Provide Trade Agreement Technical Support.** COMPETE provided support to ACTIF in formal submission of ACTIF position on Rules of Origin for the EAC-EC Economic Partnership Agreements (EPAs). This position is instrumental in ensuring that EPAs contribute towards deepening integration of the cotton, textile and apparel industry in the region through the regional value chain approach. ACTIF will need to stay engaged until the negotiations on the Rules of Origin are finalized in order to ensure the position is adopted by the EC as well.
- **ACTIF Position Paper on AGOA.** As a follow-on to the AGOA Forum in Nairobi, COMPETE has assisted ACTIF in formulating a regional position paper on the sustainability of AGOA. Since inception, upwards of \$10 billion US dollars of textiles and apparel have been exported to the US under AGOA, more than 200,000 jobs created (over 1 million family dependants) and millions of dollars in new investments; an industrial transformation that Africa does not want to see abruptly reversed in 2015, with consequent effect on 26 apparel eligible countries across the continent and 472 ACTIF members.

KRA 3.2: U.S. and ECA Firms Taking Advantage of Opportunities under AGOA Increased

- **Trade Hub Generates Exports of \$11 million in 7 months.**

- COMPETE/ECA Hub organized an Africa Pavilion at the **Super Floral** trade show in Atlanta, GA, June 10-12. The Africa Pavilion showcased 14 companies from the region, including 3 from Ethiopia, 8 from Kenya, 1 from Mauritius and 2 from Tanzania. Exhibitors from the Africa Pavilion made tangible contacts with U.S. buyers resulting in orders of \$1 million.



- **MAGIC Apparel Trade Show.** The Africa Pavilion at MAGIC, designed and managed by COMPETE, has become the premier platform for African Apparel exporters to access the U.S. market. Sustained ECA Hub support to the apparel sector under the U.S. African Growth and Opportunity Act (AGOA) initiative dates back to 2003. Seventeen of the 23 companies making up the Africa Pavilion came from East and Central Africa. **Over \$10 million in deals have been generated from ECA hub-sponsored companies at this year's event.**

- **Targeted Firm-level Technical Assistance.** This is designed to raise the capacity of firms in the region to enable them to access the U.S. market through the AGOA initiative. **The COMPETE/ECA Hub worked with over 100 companies in the region and helped many firms to break into the U.S. for the very first time.**

- **Specialty Foods Potential in East Africa.** COMPETE/ECA Hub undertook an assessment of the specialty foods sectors in Kenya and Ethiopia. Several export-ready firms were identified in Kenya and Ethiopia for further, more intensive COMPETE interventions - particularly in the area of product development and packaging - to prepare them for participation in next year's Fancy Foods Show in New York. Among the promising companies were Farmer's Choice (processed meats), Ten Senses (macadamia nuts), and Tropical Heat (spices).

- **Apparel B2B Matchmaking.** COMPETE/ECA Hub designed and implemented a customized matchmaking service at the MAGIC show for all of its exhibiting companies. Over 600 buyers were targeted and each ECA Hub company had a full schedule of meetings with pre-identified buyers over the course of the four day MAGIC apparel show. The targeted approach is expected to lead to significant orders in the future.



- **Ethiopia-Kenya Business Forum.** COMPETE/ECA Hub, in collaboration with the Ethiopia-based, USAID-funded AGOA+ program, held a workshop on August 7 for Kenyan business persons seeking to do business in Ethiopia. The Forum, which brought together Ethiopian government and business leaders and approximately 50 Kenyan business persons, highlighted bilateral trade and investment opportunities. As a result of the interest generated, it is expected that a business trade mission to Ethiopia will be undertaken by Kenya in the near-term.

- **AGOA Forum.** The 8th United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum) held in Nairobi, August 4-6, 2009 was, from the perspectives of event planning and execution, a major undertaking. COMPETE was front and center on both scores. From day one of the project launch, COMPETE staff served on the organizing committee, chaired by Kenya Association of Manufacturers, for the Forum's private sector day.

In addition to contributing to overall planning of the event, COMPETE was responsible for designing and implementing three of the day's breakout sessions: "AGOA Nuts and Bolts Toolkit Session"; "AGOA Value Chain in Cotton and Textiles"; and "Making Trade Support Instruments Work



Better". COMPETE was a key contributor to a Ministerial session, chaired by AUSTR Florie Liser, focusing on specialty foods. COMPETE also coordinated the participation of the other Trade Hubs in the AGOA Forum proceedings, and organized and staffed an intra-Trade Hub Pavilion within the Forum's Trade Expo.

- **Mauritius AGOA Workshops.** Finn Holm-Olsen participated in several AGOA Week events in Mauritius, April 6-8. Mr. Holm-Olsen made two presentations: at an AGOA Workshop attended by 150 participants and a University roundtable discussion on trade under AGOA; and served as a panelist on the topic of AGOA on "Dossier", a live 75-minute television broadcast on Mauritian TV.
- **Textiles/Apparel Short Term Technical Assistance.** COMPETE/ECA Hub, through short term consultant Mike Phillips, provided targeted technical assistance to two firms in Ethiopia (Almeda and MAA Textiles) and Rwanda (UTEXRWA). The interventions effectively corrected shop-floor deficiencies at the two largest vertically-integrated factories in Ethiopia, which as a result has led to trial orders that will in turn likely lead to significant follow-on orders in the U.S. All three firms exhibited within the Africa Pavilion at the MAGIC apparel show in Las Vegas, NV.

C. PARTNERSHIP FUND

COMPETE has dedicated \$24 million of its funding to a Partnership Grant Fund targeting private sector trade associations and farmer based organizations to better enable these groups to advocate for policy change, increase market share for their products, and provide services to their membership that will increase the region's competitiveness in targeted value chains.

COMPETE's Partnership Fund has awarded nearly **\$2.3 million in grants in FY 09**. In addition to supporting regional trade associations working in specialty coffee (EAFCA), cotton/textiles/apparel (ACTIF), and staple foods (EAGC), COMPETE has an expanded mandate to work in the areas of transit and smallholder farmer access to markets. Partnership Fund grantees are:

- **Regional Trade Associations:** ACTIF, EAFCA, and EAGC [**\$1,463,800**]
- **Farm Concern International (FCI).** COMPETE awarded a grant to Farm Concern International which will focus on improved storage facilities at their Commercial Villages in Eastern Kenya and Western Uganda and training farmers on EAC

Maize Standards. FCI interventions will target 15,000 smallholder farmers.
[\$320,000 grant over 2 years]

- **Cereal Growers Association (CGA).** A grant to Cereal Growers Association will establish a system of food storage facilities at the village level which will serve as model centers for grain bulking, quality control, and has hubs for market information in the Trans Mara district in the South Rift Valley region of Kenya and in the Arusha Region in Tanzania. CGA's activities under this partnership grant will assist 30,000 smallholder farmers. **[\$248,000 for 1 year]**
- **Insta Products.** COMPETE's Partnership Fund awarded a grant to Insta Products which will allow this firm to increase RUTF capacity for its fortified peanut past (Plumpy Nut) product. Insta will work backwards down the supply chain, and assist FBO's involved in supplying their raw materials, particularly groundnuts and soya, to obtain supply contracts. **[\$242,000 for 1 year]**

D. ATTACHMENTS

Success Stories

- U.S. Buyers Look to Source Africa as an Emerging Brand for Quality African Apparel
- Kenyan Widows Reap Profits with Maize Sales



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EAST AFRICA

SUCCESS STORY

U.S. Buyers Look to Source Africa as an Emerging Brand for Quality African Apparel

Africa seen as up and coming source location for buyers wishing to diversify production from Asia.



Buyers discuss potential orders with Rwandan firm UTEXRWA at the MAGIC apparel trade show.

U.S. Agency for International Development
www.usaid.gov

Eighteen African firms exhibited clothing and accessories at the MAGIC apparel trade show in Las Vegas, Nevada, U.S.A. as part of the Source Africa Pavilion, a collaborative effort of the USAID Competitiveness and Trade Expansion Program (COMPETE) East and Central Africa Trade Hub (ECA Trade Hub), the Southern Africa Trade Hub, the West Africa Trade Hub, and Enterprise Mauritius. Source Africa Pavilion exhibitors came from Ethiopia, Rwanda, Kenya, Mauritius, Madagascar, South Africa and Cameroon. MAGIC (Men's Apparel Guild in California) is the largest trade show of its kind in the United States. It is held twice a year and hosts global buyers and sellers of apparel, footwear, accessories and sourcing resources.

One week after the show, deals are being finalized and the COMPETE ECA Trade Hub-sponsored exhibitors have plenty of exciting news to report. The show generated over 300 leads for the participating companies. Exclusive matchmaking sessions were arranged with high profile brands like American Eagle Outfitters, JC Penney, Coldwater Creek, Urban Outfitters, Orvis, and Abercrombie & Fitch. Kenyan company, United Aryan Ltd. (UAL) attracted the interest of several buyers with its ladies skinny jeans promotion, offering jeans at prices well below Chinese manufacturers. UTEXRWA from Rwanda has a deal with a major U.S. restaurant supplier to produce thousands of placemats. TSI Sportswear, one of the top ten licensees for U.S. collegiate sportswear, is placing a huge order with Ethiopian firm Almeda for T-Shirts.

Africa is seen as an emerging source location and a viable alternative for buyers wishing to diversify or shift production from Asia. After several years of participating in this trade show, perseverance is paying off. Source Africa has become a serious brand name at MAGIC. Thousands of buyers attending the show were able to see what African firms had to offer.

The USAID COMPETE project works across East and Central Africa in collaboration with regional economic communities such as the Common Market for Eastern and Southern Africa (COMESA) to reduce barriers to trade and to help African com-

panies become more competitive in the regional and global marketplace. COMPETE's overall goal is to increase the value and volume of trade from East and Central Africa by 30%. To gear up for this event, the COMPETE ECA Trade Hub engaged a textile expert to work with promising apparel manufacturers in Ethiopia, Rwanda and Kenya to improve the technical aspects of production from uniform stitch length, to fabric dyeing, and fabric finishing meeting exacting standards for international orders.



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SUCCESS STORY

Kenyan Widows Reap Profits with Maize Sales

Innovative partnership with WFP gives smallholder farmers access to commercial markets



Christine Nyogi (center), chairperson of the Koptigei Widows Group (KWG) displays the bill of sale from WFP.

U.S. Agency for International Development
www.usaid.gov

Four years ago life was a struggle for Christine Nyogi of Kenya's Trans Mara District. She had lost her husband to HIV/AIDS and could not afford to send her children to school. To help cope, Christine and other local widows formed the Koptigei Widows Group. After a few years, the 89 members decided to try to support themselves by growing and selling maize.

But the women lacked marketing skills. Most farmers sold their maize to middlemen who sold the maize to traders and processors at a higher price. If the widow's group sold directly to a buyer, they could make more money.

USAID/East Africa's Competitiveness and Trade Expansion Program (COMPETE) has been working since April 2009 with farmer organizations and humanitarian relief agencies to forge partnerships that promote access to markets for smallholder farmers like those in the widow's group.

A COMPETE grantee, the Cereal Growers Association (CGA), works with farmer's organizations to help them register so that they can conduct business and sell crops directly to buyers such as the World Food Program's (WFP) Purchase for Progress initiative. With COMPETE's support, CGA provided training to the Koptigei Women's Group on business skills, cleaning and drying maize and weighing and measuring moisture to meet standards set by Kenya's National Cereal Produce Board. CGA linked the widows group to WFP who signed a contract with them to buy 250 metric tons of their maize over the next year.

On October 23rd, Christine Nyogi, now chair of the Koptigei Widows Group, received a cheque for 2.6 million Kenyan Shillings (or approximately U.S. \$35,000) from WFP for 100 metric tons of maize—the first purchase installment. The maize will be distributed by WFP among drought affected communities within Kenya. For the Koptigei Women's Group, the benefits are substantial: A beaming Ms. Nyogi explained, "I am happy. I will be able to take my children to school."

The Koptigei Widow's Group is a marketing model for linking smallholder producers directly to large-scale buyers and processors. This model will now be replicated by COMPETE's partnership fund grantee, the Cereal Grower's Association, in thirty villages across East and Central Africa over the coming year.