



**USAID** | **COMPETE**  
FROM THE AMERICAN PEOPLE | *The Competitiveness and Trade Expansion Program*



## AGOA in Action:

Stories from COMPETE Partners and Beneficiaries

USAID Competitiveness and Trade Expansion Program  
East and Central Africa Global Competitiveness Hub

May 2011



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**East and Central Africa Global Competitiveness Hub**

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## ABOUT THIS PUBLICATION

*This compendium includes success stories and case studies produced by implementers of USAID's Competitiveness and Trade Expansion program (COMPETE) and its East and Central Africa Global Competitiveness Hub (ECA Hub). It highlights specific examples of successes that USAID programs have achieved in Africa in facilitating intra-regional and global trade.*

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### DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

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## ABOUT USAID COMPETE AND THE ECA GLOBAL COMPETITIVENESS HUB

### **The Regional Opportunity**

Since 2000, the African Growth and Opportunity Act (AGOA) has provided incentives for African countries to become more globally competitive by making economic and commercial reforms. The main incentive is the opportunity to export goods, from a list of over 9,000 qualifying items, to the US without paying import tax. This opportunity has the potential to significantly boost trade between Africa and the US and to fuel innovation and job creation in Africa. To take advantage of the AGOA opportunity, African companies must improve their products and connect with US buyers.

### **COMPETE's Strategic Approach**

COMPETE provides technical assistance to African firms and governments to enhance their competitiveness in global markets and helps African businesses take advantage of trade opportunities available under AGOA via an East and Central Africa Global Competitiveness Hub (ECA Hub). The ECA Hub has built strong working relationships with its regional partners to expand export opportunities and to promote increased interregional trade.

The ECA Hub is the one-stop shop in the region for business and national governments seeking to take advantage of AGOA, providing targeted assistance in two primary areas: firm-level assistance and AGOA national assistance. Firm-level assistance promotes direct business linkages between the United States and East and Central African firms. It addresses business development constraints; provides targeted technical assistance; educates private sector groups and associations about AGOA opportunities; and creates valuable business networking opportunities through trade shows, trade missions, business-to-business events and conferences.

At the national level, the ECA Hub assists AGOA-eligible East and Central African countries to develop action-oriented strategies to more systematically take advantage of AGOA opportunities and focus their efforts in areas of competitive advantage. For example, it encourages countries to integrate trade facilitation concerns into the national economic agenda and include private sector participation in national export diversification strategies.

### **Successes to Date**

At the national level, the ECA Hub has directly assisted several countries in the region to look strategically at the US market for the very first time. Efforts of the ECA Hub have led to the establishment of public-private partnerships focused solely on AGOA and have contributed to advancing the agenda of Trade and Investment Framework Agreement (TIFA) talks with the US. The ECA Hub has also identified outstanding hurdles/roadblocks that the private sector faces, which need government action, and set out a clear roadmap of specific activities that each country must undertake to increase export trade with the US.

Since 2003, the ECA Hub has worked with hundreds of firms assisting them to gain market access or expand in the US. Beneficiary companies have tripled their work force, created thousands of jobs throughout the region, hired hundreds of workers and increased production runs, penetrated the US market for the first time, and captured lucrative niche markets in the US. Key achievements over the past two years include:

Over \$50 million of exports in apparel, cut flowers, specialty foods, home décor and fashion accessories facilitated under AGOA as of 31 March 2011:

- Apparel - \$46+ million in exports from firms in Ethiopia, Kenya, Mauritius, and Tanzania
- Cut Flowers - upwards of \$2.6 million in sales
- Specialty Foods - honey, macadamia nuts, spices, green beans orders close to \$1 million
- Home Décor/Handicrafts - participating East African companies report orders in the range of \$600,000

As impressive as the above numbers are, it is also important to ensure that the businesses created have transformational impact and sustainability. The ECA Hub has taken an innovative approach to its programmatic assistance, introducing new strategies and initiatives that seek to broaden and deepen the commercial relationship between East African and US companies. COMPETE will continue to leverage the trade platforms and organizations that the ECA Hub has created:

- The Origin Africa awareness campaign to change perceptions about doing business in Africa;
- The Friends of Africa Apparel Board of Advisors, a cross section of 33 leaders in the US apparel industry who are contributing knowledge and expertise to guide Africa through its growth as a global sourcing destination; and
- A series of customized/targeted buyer missions composed of motivated US companies seeking to source from Africa.



*Celebrating the spirit,  
style & innovation of  
modern Africa*

*"Africa is nearer now..."  
Valerio Zaffalon, Flainox SRL*

*"I like Origin Africa – I will  
be placing orders in Africa."*

*Nick Moreno, Redcats USA*

## WHAT IS ORIGIN AFRICA?

Origin Africa is an ongoing campaign and initiative composed of producers, designers, small businesses, exporters, buyers and retailers dedicated to improving African trade. We work to develop, guide and promote African trade in the following sectors: textiles/apparel, cut flowers, specialty foods, home décor, and fashion accessories. Many educated, talented and skilled African designers and entrepreneurs are quickly and indelibly creating change in their countries. Origin Africa matches their enthusiasm with experienced industry leaders to facilitate, coordinate and advance trade efforts

### What do we want to achieve?

- Origin Africa's objective is to put Africa on the map as a preferred sourcing continent, and to demonstrate to international buyers and industry leaders that creativity and innovation are an integral part of Africa's future.
- We seek to improve perceptions about doing business in Africa, targeting a global audience of buyers, business leaders and designers.

### How do we work?

Origin Africa is a powerful trend in social entrepreneurship and empowerment, coupled with the recognition of Africa as a new frontier for business. Origin Africa translates into profitable, sustainable, and mutually beneficial long-term relationships. The Origin Africa awareness campaign aims to change perceptions about doing business in Africa through such efforts as:

- The Friends of Africa Apparel Board of Advisors, a cross section of 33 leaders in the U.S. apparel industry, who are contributing their knowledge and expertise to guide Africa through its growth as a global sourcing destination;
- A series of customized/targeted buyer missions composed of motivated U.S. companies seeking to source from Africa;
- An emerging network of designers, small businesses, manufacturers, and buyers who are building the value chain and leading the way in African trade;
- Outreach to millions in the U.S. via Africa-focused advocacy and cause marketing groups such as ONE.org, Invisible Children, Wrap Up Africa, and Indego Africa.

### How are we doing?

- \$50+ million in exports to the U.S. under the African Growth and Opportunity Act (AGOA) – all new business directly tied to assistance from the U.S. Government's East and Central Africa Trade Hub since 2008.
- Stronger more diverse economies – turning aid recipients into trading partners.

## COTTON, TEXTILES AND APPAREL

### **The Regional Challenge**

The African cotton-textile-apparel (C-T-A) industries in East and Central Africa continue to struggle in supplying global textile and apparel markets. Although a revival in the cotton lint (export) sector is underway due to 140 year high in cotton prices, the regional textile and apparel sectors are yet to reach their full potential. Intra-regional trade in textiles and apparel products is very low and Africa remains a net importer of textiles and apparel in spite of increased capacity in the region. This has mainly been due to protectionist trade policies, non-competitiveness of the products produced in the region, and a general lack of quality and consistency in supply that are demanded by global and regional buyers. The challenge for COMPETE is how to change to current situation and build on the emerging opportunities in the C-T-A sector.

### **COMPETE's Strategic Approach**

In recent years, the C-T-A sector is undergoing a renaissance fueled by global demand for fashion, diversification of sourcing and manufacturing locations around the world, and the growing African middle class who have stimulated demand for stylish, African-made apparel. COMPETE's approach is to build on this momentum and to support efforts to promote Africa as a reliable sourcing destination for international buyers and Africa as a market for African made apparel and textiles. This effort is further strengthened by linking COMPETE's support to the C-T-A value chain support to the textile and apparel industries through our AGOA program under the ECA Trade Hub component. This work also compliments our work in the finance sector to enhance financial products available to support the expected increase in business deals.

### **Successes to Date**

- Bringing the Private Sector Together through the African Cotton & Textile Industries Federation (ACTIF).
  - With COMPETE support, 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 Economic Partnership Agreement (EPA) negotiations to include a single transformation provision for the textile and apparel exports.
  - ACTIF revamped its [www.cottonafrica.com](http://www.cottonafrica.com) website in April 2010. The new site features more trading options and is expected to generate significant trading volumes. Since the launch, enquiries posted onto the site for fiber, yarn, fabric and clothing have surpassed USD 105 million.

- ACTIF with COMPETE support has developed a COMESA Common External Tariff (CET) 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.
- COMPETE has assisted ACTIF in formulating a regional position paper on the sustainability of AGOA
- With COMPETE support, regional textile firms have exploited the growing eco-friendly green/organic market for textiles in Europe and the U.S.
- COMPETE organized Origin Africa Designer Showcase events in April and November 2010 and in March 2011. By reaching out to the African design community, COMPETE is helping ACTIF tap into the potential of building a domestic market for African produced fashion and setting the stage for economic growth across the cotton value chain.
- Developing a Sustainable Cotton Industry. COMPETE has provided a partnership fund grant to Cotton Conservation International Uganda contribute to the economic development and resettlement of northern Uganda, in Gulu and Amuru Districts, by providing a financially viable farming alternative to people returning from internally displaced persons camps to their villages of origin before the insurgency of the Lord's Resistance Army. During the last harvest season, CCIU farmers were able to sell approximately 145 tonnes of cotton worth \$307,000. About 30% of this cotton has been traded regionally for further value added processing and export to the U.S. under the African Growth and Opportunity Act (AGOA).

COMPETE will continue to integrate the C-T-A value chain and ECA Trade Hub activities. Activities will focus on broadening firm level networks and collaboration, connecting businesses across the region as a means of increasing supply linkages, and identifying AGOA export ready companies, which in turn will enable firms to take better advantage of trade opportunities under AGOA.

## SPECIALTY COFFEE

### **The Regional Opportunity**

Coffee significantly contributes to the Gross Domestic Product of every country in the East Africa Community and in many others in the East and Southern Africa region. An important staple cash crop, coffee contributes to the livelihoods and food security of over 27 million Eastern African smallholder producers in remote rural areas. With access to the income generated by coffee, smallholder producers can better feed their families, educate their children and provide better health care to their families. However, the coffee value chain in the region has not yet rewarded smallholder coffee growers for producing high quality coffee that could gain a higher price on international markets and therefore bigger returns to producers. To capture more value upstream, coffee farmers must increase the quantities and quality of their coffees and become more integrated into the coffee value chain.

### **COMPETE's Strategic Approach**

COMPETE works closely with the coffee industry in the region and the international buyers of specialty coffee to support efforts to increase the volumes, quality and value of East African coffee. Working with regional and international partners, COMPETE has helped to re-engineer the way revenues are shared from producer to consumer along the value chain. COMPETE is working to build on the growing demand for increased transparency and traceability from coffee consumers.

COMPETE has supported the private sector through partnership fund grants to the Eastern African Fine Coffees Association (EAFCA) helping to transform this regional trade association into a viable advocate for the specialty coffee industry. COMPETE provides direct technical assistance and capacity building support to EAFCA and worked with the board and secretariat to develop a new five-year institutional strategy. COMPETE is currently working with the Executive Director and technical staff to improve EAFCA's product and service delivery in the key strategic areas of quality (primarily the expansion of the Taste of Harvest) and Market Information Systems.

Additionally through a subcontract with the Specialty Coffee Association of America and their education arm, the Coffee Quality Institute (CQI), COMPETE is training and certifying "Q" system cuppers and graders; the Q system is an international standard for scoring coffee quality. These efforts are promoting a standard quality measurement system within the region that

levels the playing field for East Africa's producers and increases transparency and traceability for the industry.

### **Successes to Date**

EAFCA has become THE voice of East Africa's coffee private sector. With the support of USAID, it has grown from a fledgling organization to a 174 member strong association drawn from eleven countries. Through membership subscriptions, which totaled \$52K in 2010, and revenue from the annual East African Fine Coffees Conference and Exhibition (\$300,000), which is the continent's premier coffee event and this year attracted 946 participants (including 250 farmers) and 57 exhibitors, EAFCA generates sufficient revenue to sustain its secretariat and implement key programs in line with its strategy. EAFCA is no longer dependent on USAID grant support.

- Through the Coffee Quality Institute (CQI), COMPETE is supporting the expansion of the "Q" system of coffee classification by training "Q" certified cuppers across East Africa. The growing acceptance of the "Q" is helping to expand the premium coffee category, which will pull more medium grade coffees into the premium category and help those farmers secure premium prices that are above commodity "C" grade coffees.
- Quality grading standards for Robusta coffees have been developed and validated in field testing workshops and with internationally certified graders and cuppers. These new Robusta standards will allow for greater differentiation and classification among Robusta coffees, which have been trapped in a low-price/low-quality loop for the past 20 years that has dragged down prices. Greater differentiation among Robustas and acceptance of quality classifications within the category would help expand specialty coffee output in East Africa and would benefit the region's approximately 7 million Robusta coffee farmers (located primarily in Uganda and Tanzania).
- Working with Sustainable Harvest, a socially-responsible US coffee importer, COMPETE has helped to reengineer the traditional way coffee is bought and sold in Africa by building direct linkages between producers and importers/roasters thus ensuring greater value capture for farmers

## TWO KENYAN SISTER COMPANIES TAKE U.S. SPECIALTY FOOD MARKET BY STORM

**Strong consumer demand for ethnic foods opens door for African products**



***“USAID/COMPETE’s support helped us successfully navigate our way into the U.S. market.”***

Victoria Muthusi  
Frigoken, Ltd.

“Shamba” is the Swahili word for “farm”, and “Choma” the word for “grilled”...these are two Swahili words that American consumers are getting to know quite well, thanks to the efforts of USAID East Africa’s Competitiveness and Trade Expansion Program (COMPETE). Following an intensive technical assistance program with USAID/COMPETE specialty food consultants Talier Trading Group, two Kenyan sister companies, Premier Foods and Frigoken, have taken U.S. specialty food markets by storm.

Within three months of the technical assistance program, which included packaging, product development, pricing, brand development, and value-chain assessment, the two created brands, Shamba Farms bundled vegetables and Choma “Wild Grillin’” BBQ sauce, an importer, two of the largest distributors in the U.S., and a rapidly expanding customer base. All of this happened before the companies even arrived in New York City in June 2010 to participate in the USAID/COMPETE-sponsored Fancy Food Show, the largest specialty food event of its kind in the U.S.

“I like these products for a few reasons”, says Talier managing director Jim Thaller. “First, they use commodities that have limited export potential on their own (green beans, carrots, tomatoes, onions, etc). Second, because they help brand a story from Kenya; letting people know what “choma” is and sharing a brief glimpse into Kenyan culture. Finally, they are two great companies and were an absolute pleasure to work with.”

The Shamba Farms brand has three products; all-natural, bundled green beans, carrots and yellow beans. The Choma, “wild grilling” brand has four products: Traditional, Pili Pili, Hot Sweet and Garlic BBQ sauces. Initial sales indicate that American consumers like the products. Over 700,000 bottles of the choma sauces have been distributed generating over \$350,000 in retail sales. The products can be found in supermarket chains such as Kroger, Foodtown, Hannaford and White Rose and independent retailers. The two companies plan to continue their assault on the U.S. specialty food market, while also approaching international markets, such as the United Kingdom, Japan and South Africa.

## TECHNOLOGY, INNOVATION AND DESIGN TALENT ATTRACT INTERNATIONAL BUYERS TO ORIGIN AFRICA FIBER TO FASHION SYMPOSIUM



Photo: USAID COMPETE

*Marsha Powell of Cotton Inc. and the Cotton Council International discusses new product developments in the cotton industry*

The outlook remains bright for Africa's cotton, textile and apparel sector fueled by the global demand for cotton, diversification of apparel sourcing to Africa and the growing African middle class who want African-made apparel. This was the conclusion of the Origin Africa Fiber to Fashion 2011 Symposium and Designer Showcase sponsored by USAID East Africa's Competitiveness and Trade Expansion program (USAID/COMPETE) and other partners (Mauritius Export Association, Enterprise Mauritius, and the African Cotton & Textile Industries Federation) from March 16-18 in Mauritius.

The two-day symposium brought together designers, manufacturers and buyers who learned about eco-friendly manufacturing practices, new cotton product development and innovations and how to integrate design and marketing strategies.



Photo: USAID COMPETE

*Winner of Origin Africa Fiber to Fashion 2011, Fikirte Addis of Ethiopia*

*From left to right: Barry Fisher (USAID COMPETE), Fikirte Addis and Kassaye Mekuria (Head of the Ethiopia Textile and Garment Manufacturers Assoc. ETGAMA)*

The Origin Africa Designer Showcase and Pan-Africa Graphic Design Show complemented the symposium and demonstrated the practical application of design and technology in apparel. In the Designer Showcase, Africa's new and upcoming designers presented their collections to a panel of international judges and connected with African producers and U.S. buyers sourcing from Africa. As the winner of the Designer Showcase, Fikirte Addis of Ethiopia will present her traditional hand-loomed cotton designs at Africa Fashion Week New York in July. Nima Rawah, a textile and fashion design student at the University of Mauritius, also won in the student category for her collection of tropical exotic bridal wear. Mauritian Graphic Design Show winner Kewin Kotadoo's "Joy in My Soul" design - depicting a blind woman who can see the future of Africa - seemed almost prophetic.

Many U.S. firms have made a conscious decision to look at Africa as a new sourcing origin and now see **Africa as the potential 'new frontier'**. The conference culminated in a Buyer/Sellers Platform led by Origin Africa's Friends of Africa Apparel Advisory Board, a group of 33 business leaders in the U.S. apparel sector committed to increasing trade with Africa. U.S. buyers like PPR/Redcats Group and the Orvis Group provided insights to African manufacturers about what is needed by U.S. companies doing business with Africa and highlighted the need for African factories to adapt to the U.S. market.



*Photo: USAID COMPETE*

*A collection of show stopping designs from the 12 participating designers from across Africa*

Marsha Powell, the Turkey and Africa Program Director for Cotton Incorporated, U.S.A., and other experts provided education and presentations to over two hundred business people and design students. Symposium attendees were also presented with new financial tools and innovations to support export trade and increase investment in Africa. USAID/COMPETE's 'Purchase Order Finance' initiative for example will allow producers to use purchase orders and other contractual agreements with international buyers as collateral to obtain loans. COFACE, a Paris-based risk management company, also announced plans to provide export credit risk insurance to the African market providing financial protection to exporters - including those selling garments to the U.S. under the African Growth and Opportunity Act - in the event that a buyer defaults on payments.

Feedback from Fashion Symposium participants asserts that the Origin Africa global awareness campaign is changing perceptions about doing business in Africa. U.S. Buyer Nick Moreno of the PPR/Redcats Group, the third largest e-retailer in the world, said, "I look forward to working with all of you in the future. We are definitely going to place business in Mauritius and Africa."

Origin Africa is an initiative of producers, designers, small businesses, exporters, buyers and retailers dedicated to improving African trade in the areas of textiles/apparel, cut flowers, specialty foods, home décor, and fashion accessories. To date Origin Africa has generated over \$50 million in new business exports to the U.S. under the African Growth and Opportunity Act (AGOA) and that figure continues to grow.

## SUPPORTING SOCIALLY CONSCIOUS GROWTH

### Strengthening Social Enterprises in East Africa



*Photo: Indego Africa*

*An artisan at the Ingenzi Knit Union in Rwanda works on a scarf to be sold at Anthropologie.*

***“USAID/COMPETE has helped get our company out there and our products on the market.”***

***—Deirdre McGuigan,  
Indego Africa Retail Manager***

Demand is growing for goods that help contribute to positive social outcomes. However, developing quality product lines that appeal to consumers with sophisticated tastes is challenging, particularly for socially-minded entrepreneurs bridging the gap between small producers and Western markets. To support these social enterprises – and the people they employ – the USAID Competitiveness and Trade Expansion program (USAID/COMPETE) provides marketing assistance to fashion and home décor businesses throughout East Africa.

Recently USAID/COMPETE partnered with U.S.-based Indego Africa, whose Rwandan operations employ women artisan cooperatives to produce unique products for sale in the U.S. Indego Africa reinvests 100 percent of its profits for cooperative training and educational programs. To expand Indego Africa’s business operations, USAID/COMPETE recommended it strengthen its production capacity and develop relationships with international buyers of socially conscious products.

USAID consultants visited the 127-member Ingenzi Knit Union to assess the cooperative’s product quality, vital for winning repeat orders. Ingenzi provides knit scarves that Indego Africa sells through the U.S. high-end chain, Anthropologie.

In 2011, USAID sponsored Indego Africa’s participation in the San Francisco International Gift Fair attended by U.S. retailers and wholesalers, as part of USAID/COMPETE’s “Origin Africa” campaign to promote products made in Africa.

Indego Africa scored record sales-- 25 percent over previous shows and made connections with new buyers. “The San Francisco Gift Show allowed us to get great exposure on the West Coast,” said Deirdre McGuigan, Indego Africa’s associate general counsel and retail manager. Indego Africa’s success in Rwanda will translate into steady employment for the women artisans who make their products. “And that,” she notes, “is the most important part.”

Since 2008 USAID/COMPETE has helped 150 companies in eight African countries market their goods and expand their products resulting in over \$50 million in exports to the U.S. under the African Growth and Opportunity Act (AGOA).

## RELATIONSHIP INFORMATION TRACKING SYSTEM (RITS) CONNECTING RURAL COFFEE FARMERS TO THE WORLD

### Smallholder Coffee Farmers Succeed in Global Market with RITS Program



*Photo: USAID COMPETE*

*Tracking coffee through user-friendly technology – the RITS iPhone application*

Ernest Munuo of Messengarony, searches for a signal. He's holding a light weight iBook notebook complete with a USB modem Internet connection. He's surrounded by several smallholder coffee farmers who are taking pictures with their iPhones and recording video. We're at a coffee washing station at the base of Mt. Meru in rural Tanzania, surrounded by dense foliage and clucking chickens. It is in this rural setting that Sustainable Harvest is piloting their Relationship Information Tracking System, RITS for short, a technology initiative to change the way Tanzanian coffee farmers do business. RITS is a web-based database that provides transparency and logistical clarity to all members of the coffee supply chain. It works by providing usable technology and training to farmer groups who then collect data to both enhance their coffee quality and appeal to international buyers' need for transparency.

Sustainable Harvest received a grant from the USAID Competitiveness and Trade Expansion Program (COMPETE) in January 2010 to begin piloting RITS, and the accompanying iPhone application. They chose Kilicafe, a coffee cooperative with 1,225 smallholder farmers working in four separate coffee washing stations, all in the Mt. Meru area. In the past year, these farmers have tracked over 150,000 kilos of coffee cherries. One RITS user reflects on the success of the program: "The farmers have much more faith now that they are being paid accurately because we can show them the exact number of kilos they sold in the system."

How it works: Through Sustainable Harvest, Kilicafe provides iPhones to their washing station managers. These managers use the RITS iPhone application to track the smallholder coffee farmers who contribute to each coffee lot. They include information such as when and where the lot was washed, dried, and stored. The Kilicafe quality control team then tests each coffee lot and adds the average cupping score. All this information is uploaded into the larger RITS system, a web-based database to which every Kilicafe farmer has access. Any farmer can view their own batches or the batches of their peers. This transparency allows farmers to replicate, or improve upon, the steps that produced the highest cupping scores. The end

result is better-tasting coffee and complete transparency – a winning combination for establishing long-term buying relationships with coffee buyers.

This year, the Kilicafe washing stations of Mesengaroney, and Amkeni sold 2 containers, 80,000 pounds of coffee, to Green Mountain Coffee, fetching the premium price of \$2.25 per pound. The two containers represent over \$180,000 in revenue for Kilicafe. “Buyers are willing to pay more when everything is transparent” – “people want to know the story” (Boss Farijallah, Africa Program Agronomist, Sustainable Harvest). Kilicafe is supporting Green Mountain Coffee’s mission to develop direct relationships with coffee farmers and coffee producing communities.

In just one year, RITS has helped 1,225 Kilicafe members raise their standard of living through organization and transparency. Tanzanian coffee cooperatives now have the technological means to collect the data they need to “connect” and compete in a global specialty coffee market.

## SAVVY ENTREPRENEUR TAKES ON U.S. MARKET

### Flotea Massawe finds success in the U.S. through her “Marvelous Flotea” product line



Photo: Fairwinds Trading

*Flotea Massawe displays one of her clutch bags*

***“The clutch really has created a chain of women in three different countries who linked together to help alleviate poverty by providing employment opportunities for African women.”***

East and Central African craft markets burst with color, materials, design and function. Yet lacking links to trade systems, many products never make it off the shelves. Flotea Massawe’s cloth designs are an exception --these handicrafts are thriving in the demanding U.S. market, allowing Flotea’s business to expand.

In 2002, Flotea Massawe possessed talent and a determination to succeed, but lacked links to structured markets. Because of this, she was beholden to customers who happened upon her cloth designs on the streets of Dar es Salaam, Tanzania. Then USAID’s East and Central Africa (ECA) Trade Hub discovered Flotea in 2005 and provided her fledgling company with technical assistance in design and marketing.

Flotea’s talent and ambition now had an outlet. After refining her product, the ECA Trade Hub sponsored Flotea to participate in four trade shows across the U.S., starting in 2005 with Sources New York and most recently at the 2010 New York International Gift Fair. While attending these events, Flotea spoke at workshops, networked with U.S. buyers and developed a company website ([www.marvelous.co.tz](http://www.marvelous.co.tz)). To fill her growing orders Flotea needed to expand. Through a U.S. African Development Foundation grant, she enlarged her factory and now employs nearly 200 hundred women to create her popular pillows, bags, runners and table mats.

Today, Flotea is supplying her “Marvelous Flotea” products to the high profile New York designer Rachel Roy and U.S. department store, Macy’s. Flotea’s Kuba cloth clutch sporting fabric woven in the Democratic Republic of the Congo is now exported throughout the U.S. Says Flotea, “The clutch has created a chain of women in three different countries linked together to help alleviate poverty by providing employment opportunities for African women.”

Flotea has reached commercial success. She has gone from making 200 pieces a month with an annual income of \$120 to producing 2,000 to 3,000 pieces a month with an annual income of \$100,000. Nearly 50% of her sales come from exports to the U.S., India, and Japan.

Flotea credits the ECA Trade Hub for giving her access to a global market, saying, “You are the ones who held my hand in entering the U.S. market. Thanks again for trusting my dreams.”

## INDUSTRY LEADERS SHARE EXPERTISE TO GUIDE AFRICAN APPAREL INDUSTRY



Photo: USAID COMPETE

Members of the COMPETE Friends of Africa Apparel Advisory Board at their February kick-off meeting at the MAGIC Apparel Trade Show in Las Vegas

***“As a long time buyer in Africa, I am honored to be part of this innovative initiative. I look forward to working with other like-minded advisors on the board for the benefit of Africa.”***

*Ronald Smith, Executive Vice President, Director of Sourcing, The Orvis Group*

The inaugural meeting of the Friends of Africa, the COMPETE African Apparel Board of Advisors, was held on February 17, 2010 at the MAGIC Apparel Trade show in Las Vegas, Nevada. The Friends of Africa is made up of a cross section of 33 leaders in the apparel industry who are contributing their knowledge and expertise to collaborate together to guide Africa through its growth as a global sourcing destination. Assistant U.S. Trade Representative for Textiles, Gail Strickler, provided the keynote address for this event. The meeting provided a forum for an open and frank discussion, with a lot of positive energy and creative ideas.

The Friends of Africa will raise awareness within the apparel sector about Africa’s comparative advantage in niche markets like organic cotton customized production, state of the art manufacturing facilities and viability as a sustainable, long term sourcing destination.

The Friends of Africa plans to meet periodically and collaborate with firms drawn from leading apparel manufacturing countries in Africa: Ethiopia, Kenya, Mauritius, Rwanda, Tanzania, and Uganda to share information on current market and manufacturing trends, certification requirements, quality control and assurance, and promote regional inward buyer missions to Africa.

Plans are already underway to conduct the first Friends of Africa Inward Buyer Mission in May which will be made up of a core set of US companies that will link individual buyers and factories. This will begin the process of designing innovative solutions to develop Africa into a leading sourcing destination

The Friends of Africa is an integral part of USAID/COMPETE's new awareness campaign for African manufactured goods called *Origin Africa*.

## U.S. FIRMS PARTNER WITH ETHIOPIA'S ALMEDA TEXTILES IN LONG-TERM APPAREL DEAL

**Trade Hub strategy to help promising firms become export ready yields huge U.S. orders**



*Photo: USAID COMPETE*

*From left to right: USAID Ethiopia Mission Director Thomas Staal, Chairman of Atlas Manufacturing Group James Langford, Ethiopian State Minister of Trade and Industry Tadesse Haile, General Manager Almeda Textiles Razvan lonele, and Deputy CEO Almeda Textiles Getachew Belay (not pictured, Patrick Methven, President Pinnacle Textile Industries).*

***“The USAID COMPETE project was the partner that brought us together.”***

*James Langford,  
Atlas Manufacturing Group*

*Razvan lonele,  
General Manager, Almeda Textiles*

On November 19, 2009 the USAID East Africa Competitiveness and Trade Expansion Program (COMPETE), a regional trade development project based in Nairobi, hosted a ceremony in Addis Ababa to highlight expanding U.S. - Ethiopian business ties.

Almeda Textiles, a member of the Effort Group, and two U.S. companies, Atlas Manufacturing Group and Pinnacle Textiles, signed agreements in Addis Ababa, Ethiopia establishing long term relationships in the apparel sector. Atlas is placing orders with Almeda worth \$3 million for T-shirts and other garments for delivery throughout 2010, while Pinnacle has forecast orders of kitchen wear valued at \$7 million for the same period.

Atlas Manufacturing Group is a leading corporation in the U.S. uniform, corporate wear, and medical garments market. Pinnacle is the U.S. leader in kitchen wear and hospitality garments. Almeda textiles is one the largest vertically integrated textile and apparel firms in Ethiopia spinning, weaving and finishing fabrics in its own textile mill and manufacturing apparel in its own garment factory. Razvan lonele, General Manager of Almeda Textiles says, “This type of agreement is like the foundation of a house and our company needs these types of agreements to put a strong structure in place to move ahead.” These partnerships will lead to initial production volumes of more than one million units of T-shirts, kitchen wear and uniforms per year, providing jobs to over 1,000 Ethiopians.

These commercial agreements are a result of several initiatives undertaken by COMPETE’s East and Central Africa Trade Hub (ECA Hub). COMPETE provided technical assistance to Almeda and sponsored the company to exhibit at the MAGIC Apparel Trade Show in August 2009. 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 Ethiopian Apparel sector under the U.S. African Growth and Opportunity Act (AGOA) initiative dates back to 2003.

## OPPORTUNITIES BLOOM FOR AFRICAN GROWERS AT SUPERFLORAL SHOW IN ATLANTA



Photo: USAIDCOMPETE

*View of the Africa Pavilion at the SuperFloral Show in Atlanta.*

USAID East Africa's Competitiveness and Trade Expansion Program (COMPETE) under its East and Central Africa (ECA) Trade Hub component organized an Africa Pavilion at the SuperFloral Show ([www.superfloral.com](http://www.superfloral.com)) which took place from June 10-12 in Atlanta, Georgia. SuperFloral is the largest trade show for volume buyers of cut flowers in North America and attracts participants from all over the world. Under the banner, "Grown Under the Sun: Africa Flowers", the show was attended by 14 companies from the region including 3 from Ethiopia, 8 from Kenya, 1 from Mauritius and 2 from Tanzania. Heads of each country's horticultural association representing a wide variety of cut flower exporters also attended.



Photo: USAIDCOMPETE

*Horticulture Exporters Association, APEXHOM), Finn Holm-Olsen (ECA Trade Hub Advisor, USAID COMPETE), Jane Ngige (CEO, Kenya Flower Council, KFC), Stephen Mbithi (CEO, Fresh Produce Exporters Association of Kenya, FPEAK), and Solomon Sebhatu (Vice Chairperson, Ethiopian Horticulture Exporters Association, EPHEA), and Jacqueline Mkindi, (CEO, Tanzania Horticultural Association, TAHA.)*

Several U.S. buyers commented on the outstanding floral displays and high degree of professionalism in marketing and logistics from all of the Africa Pavilion participants. Buyers were enthusiastic about the variety and quality of flowers on display. A number of varieties of flowers drew keen interest including colored lilies from Kenya and tropical anthurium from Mauritius. East African flowers, particularly roses, have established a favourable niche in the market. These flowers are sold as "intermediates" or "sweethearts"; the roses on average have much smaller bulbs and shorter stems than those from Latin America. Their relatively small size gives them a competitive advantage: a much longer shelf-life (at least 14 days) due to the fact that they are lighter and therefore take longer to wilt and bend. The lighter weight and smaller size also makes them a better value for money when bunched in a bouquet, since a single bouquet of East African roses can contain many more stems. Buyers also noted that flowers from East Africa have more vibrant colors making them more appealing to consumers.

The highlight of SuperFloral was Africa Night which brought together participants from the Africa Pavilion and select buyers. Kenyan ambassador to the United States, Peter Ogego, opened the event and warmly thanked USAID COMPETE for organizing and bringing together companies from throughout the region under an "Africa" umbrella. Other speakers, including COMPETE's ECA Trade Hub Advisor, Finn Holm-Olsen noted that the given the complexity and challenges of the U.S. flower market, regional cooperation as represented in the Africa Pavilion is the key to success for all.

Results from the SuperFloral show have been extremely positive. Exhibitors from the Africa Pavilion made tangible contacts with U.S. buyers and are currently following up on business leads. K-Net Flowers from Kenya is responding to buyer requests for sample product which will likely result in new business. Another exhibitor, Peeush Mahajan, CEO of East African Growers wrote, "We enjoyed the show thoroughly and have made contacts which will definitely generate business." SuperFloral delivered benefits for the show organizers and buyers too as Leslie Rosa organizer of SuperFloral commented, "The African Pavilion was an excellent addition to the show floor, and proved to be a stand-out with the product and companies in representation." Building upon the East and Central Africa Trade Hub's previous three-year effort at the World Floral Expo in Miami, COMPETE's Africa Pavilion at Super Floral emphatically stated that African flowers in the U.S. are here to stay.

The COMPETE project has a goal of increasing the volume and value of flower exports by at least 30% over the next four years. To capitalize on the momentum generated at SuperFloral, COMPETE is working with growers and horticulture associations in the region to focus marketing their efforts on the "Africa flower" brand. Challenges, chiefly in transportation logistics and costs, still remain. COMPETE is also educating individual companies about the intricacies of the U.S. flower market so that they can participate in future SuperFloral trade shows. Fostering regional cooperation and developing the Africa brand will help give African flower growers an edge in competing in the global marketplace and increase sales. With more African flowers being shipped to the U.S., chances are that you will feel the warmth of the African sun the next time you buy flowers at your local market.

## ACTIF MEMBERS: RAISING AWARENESS AND PROMOTING SOCIAL RESPONSIBILITY INITIATIVES IN EAST AFRICA



Photo: FEEDProjects.org

*WFP honorary spokesperson, Lauren Bush, has designed a new bag as part of her FEED Project to support WFP's school feeding program. The bag is crafted by Kenyan artisans in Nakuru.*

Jas Bedi, a Kenyan textile and apparel entrepreneur, is a strong proponent of the Africa Growth and Opportunity Act (AGOA) and the preferential trade opportunities that it provides. USAID East Africa has been instrumental in developing trade linkage networks such as the African Cotton & Textile Industries Federation (ACTIF) that help Bedi make worldwide connections in the textile and apparel industry. One of his proudest achievements is helping international firms give back to the local community. Global retail giant Tesco has partnered with Bedi to make school uniforms that are eco-friendly through its Ethical Clothing initiative. This year Tesco has taken that partnership one step further and has launched its "Buy One, Give One Free" promotion. For each pair of trousers sold in the U.K., Tesco will give a Kenyan child a school uniform skirt, shirt or pair of trousers.

Bedi continues to break new ground in his quest for new product innovations that will fit the U.S. market under AGOA. His wife, Viva, has taken up the challenge and has initiated a product line under the "FEED Project". The FEED Project started in 2006 when acclaimed model and activist Lauren Bush designed a bag to benefit the United Nations World Food Programme's (WFP) School Feeding operations. Inspired by the aesthetic of the bulk bags of food distributed by WFP, she created the FEED 1 bag (and then later, the FEED 2 bag), a reversible burlap and cotton bag stamped with "FEED the children of the world" and the number "2" to signify that each bag purchased feeds two children who are in school for one year.

Viva established a workshop in Nakuru, Kenya to produce these bags, which are handcrafted by a coop of women and deaf Kenyan artisans. Each bag is hand-beaded using traditional techniques and is made with natural burlap and the iconic Kenyan Masai tribal fabric. The bags are made as eco-friendly and fairly as possible, and the workshop is audited and certified as a fair labor facility.

"As a designer, Kenya is really inspirational," says Bush, who has visited the country twice. "We're trying to highlight the traditional Kenyan culture." The FEED initiative has raised nearly \$3 million for WFP. FEED 2 Kenya bags are sold exclusively through Bergdorf Goodman.

## ECA TRADE HUB SUPPORT FOR RWANDAN PEACE BASKETS CONTINUES TO REAP BENEFITS



Photo: Macy's

*"Peace baskets" were originally made as wedding gifts. The zigzag design tells a traditional story of friends walking together and visiting neighboring villages along the way.*

***"I have survivors, I have widows, I have women whose husbands are in prison. To see them sitting under one roof weaving and doing business together is a huge achievement. . . these women are now together, earning an income. It is amazing."***

Janet Nkubana,  
Gahaya Links, Ltd.

Immediately after the Rwandan genocide, women made up over 70 percent of the country's population. Facing an uncertain future, these women needed to find a way of making money to help their families survive. Many women turned to making traditional hand-woven baskets of papyrus and sisal to sell in local markets. Janet Nkubana and her sister Joy Ndunguste were also survivors of the genocide and came from a family that practiced traditional basket weaving. In 2004 they formed Gahaya Links Ltd. and embarked on transforming these traditional colorful baskets into high-end home decor with a unique Rwandan flair.

The fortunes of many of these women weavers changed when an East and Central African (ECA) Trade Hub delegation, funded through USAID East Africa, visited a trade show in Kigali and met Janet Nkubana. Representatives from the Hub realized the company's potential. They provided technical assistance in product design, marketing and pricing to help Janet prepare her baskets for international trade shows. The ECA Trade Hub then sponsored her trip to New York to take part in a major marketing event, the Sources Show. There, buyers from Macy's spotted her product line and offered her a deal worth US\$150,000 to supply baskets for their New York store and to sell online. Path to Peace baskets are being sold at: <http://www1.macys.com/campaign/rwanda/index.jsp>.

With USAID support and technical expertise, Gahaya Links continues to grow. Beginning with only 27 women, Gahaya Links has expanded and is now a profitable enterprise that works with over 3000 weavers across Rwanda. In 2007, the company produced 35,000 baskets with annual sales of \$300,000. Its baskets and other products have been featured in U.S. national magazines and new deals are in the works with major national retailers.

This success story is an example of how specific and targeted interventions can have positive and far-reaching results. Indeed, it has already made a huge difference in the lives of thousands of Rwandan women, and placed the spotlight on the unique capabilities of that country. Additionally, the success of this one company has spurred the Rwandan Government into action. Upon returning from the Peace Baskets Macy's launch in New York, President Kagame ordered his Ministers to do everything in their power to assist the company and clear any unnecessary hurdles for exporting baskets to the U.S. under AGOA.

## ONE CONNECTION CAN MAKE A DIFFERENCE: GROWING COFFEE PROVIDES LIVELIHOOD AND PRESERVES HABITAT FOR CHIMPS



Photo: USAID RATES

Jane Goodall in discussion with Chris von Zastrow at an EAFCA event in Tanzania.

**“Our effort to involve local citizens in restoring the forests and practicing sustainable agriculture is the most important work we can do to ensure a future for the Gombe chimpanzees and the people of Africa.”**

— Jane Goodall,  
[www.janegoodall.org](http://www.janegoodall.org)

Growing coffee to preserve habitat for chimpanzees may seem like an unusual way to improve livelihoods. But one connection can generate a ripple effect which benefits farmers, preserves the environment and protects the chimpanzees of the Gombe Reserve. When USAID East Africa grantee the Jane Goodall Institute (JGI), located in the Kigoma district of Tanzania, linked up with Green Mountain Coffee Roasters, it was a coup for chimpanzees and corporate social responsibility. The result of this partnership is Tanzanian Gombe Reserve coffee which is sold by Green Mountain Coffee. Since that connection was made in 2006, a lot has changed for the coffee growers around Kigoma and the chimpanzees that inhabit the nearby Gombe Reserve.

Kigoma, an impoverished area near the Gombe Stream National Park, is part of JGI’s Lake Tanganyika Catchment Reforestation and Education, “Take-Care” (TACARE) Project. Since 1994, TACARE has worked to give local communities the tools they need to grow their economies and conserve their environment, which is home to critically endangered wild chimpanzees. A major effort under TACARE is to motivate coffee farmers in strategically located villages to practice chimpanzee-friendly coffee growing by planting shade trees so that dwindling chimp populations can travel through reforested corridors. Originally USAID partnered with TACARE to train 2,700 small-scale coffee farmers in Kigoma’s Kalinzi Cooperative in techniques to restore soil fertility and intercrop coffee with shade trees and food crops like bananas and beans. The shade trees are good for the coffee and for the chimpanzees, which, according to Dr. Goodall, hate coffee and leave the trees alone. USAID sponsored training did not stop with best agronomic practices; five coffee washing stations were installed to allow groups within the cooperative to control post-harvest quality through sorting, fermenting, drying, and storage. The Kalinzi coffee is cupped at a specialty coffee laboratory in Kigoma, and the beans are certified as “Good for All” by the JGI, which then helps the farmers with links to specialty coffee roasters and buyers.

With USAID support for enhanced quality, JGI was able to connect Kigoma coffee growers with Green Mountain, (and with Starbucks and Whole Foods as well) in a relationship that increased incomes and gave farmers an incentive to set aside land for chimpanzees. In turn, Green Mountain has been able to reach its corporate commitment to “conduct business in a

manner that balances economic goals with environmental and social impacts on local and global communities.” Green Mountain also reports that the share of Fair Trade-certified and organic coffee grew 69 percent in FY 2006 — a level that is sure to grow.

USAID’s initial connection with the Kalinzi Cooperative has multiplied and the coop has thrived. In 2007, Sustainable Harvest, a specialty coffee importer that works with coffee farmers worldwide to improve coffee quality and market access, partnered with the Kalinzi Cooperative through its umbrella organization, the 4000 coffee growers of the Kanyovu Coffee Curing and Processing Cooperative. With funding from the Lemelson Foundation, Sustainable Harvest has trained coffee farmers in the Kigoma region to support the cooperative in improving the quality of its coffee production so it could directly export its coffee, earn a fair price, and lessen its environmental impact. Today the Kanyovu Cooperative exports its own coffee directly to buyers without relying on the government or middlemen. The co-op members have taken positive steps to be good stewards of the land, protecting the region’s fresh water and reforesting its bare slopes.

Of course in the specialty coffee market, quality is everything. In his most recent review of Gombe Reserve Coffee, Kenneth Davids editor of the independent journal *Coffee Review* awarded the brew an outstanding score of 91 (out of 100) enthusiastically noting that this is a coffee of “*giddy, honey-toned, floral sweetness as fresh but voluptuous as a tropical morning.*”

With support from USAID, and importers like Sustainable Harvest, Green Mountain Coffee and PT’s Coffee Company, coffee quality has improved, farmers are receiving record prices for their coffee crop and a threatened ecosystem is coming back from the brink. All these changes, as well as improvements to the infrastructure available to coffee growers, are adding up to greater sustainability for the coffee farmers’ livelihood.

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