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USAID EAST AFRICA TRADE AND INVESTMENT HUB

Annual Progress Report, October 2018

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

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ACRONYMS AND ABBREVIATIONS

AGOA	African Growth and Opportunity Act
AESDC	Africa Economic & Social Development Consultants
AFCA	African Fine Coffees Association
AGRA	Alliance for a Green Revolution
AGRF	African Green Revolution Forum
AGRIFOP	Agribusiness Focused Partnership Organization
AGMARK	Agricultural Market Development Trust
ALLPI	Africa Leather and Leather Products Institute
B2B	Business-to-Business
BDS	Business Development Services
C1	Component 1
C2	Component 2
C3	Component 3
C4	Component 4
CABI	Centre for Agriculture and Biosciences International
CLIN	Contract Line Item Number
CMP	Common Market Protocol
COMESA	Common Market for Eastern and Southern Africa
COP	Chief of Party
CPFF	Cost, Plus Fixed Fee
CTA	Cotton, Textiles and Apparel
DUS	Distinctness, Uniformity and Stability
EAC	East African Community
EACBTA	East African Cross-Border Traders Association
EAFF	Eastern Africa Farmers Federation
EAGC	Eastern Africa Grain Council
EALA	East Africa Legislative Assembly
EATIH	East Africa Trade and Investment Hub
EIC	Ethiopian Investment Commission
EHPEA	Ethiopia Horticulture Producers and Exporters Association
ERCA	Ethiopian Revenues and Customs Authority
FACTS	Financial Access Commerce and Trade Services Africa
FEAFFA	Federation of East African Freight Forwarders Associations
FNSAP	Food and Nutrition Security Action Plan
FNSS	EAC Food and Nutrition Security Strategy
FSMA	Food Safety and Modernization Act
FTE	Full-time Equivalent
FY	Fiscal Year
G&A	General and Administrative Expense
GIS	Geographic Information System
GMP	Good Manufacturing Practices
GSP	Generalized System of Preferences
HACCP	Hazard Analysis and Critical Control Points
ICs	Independent Consultants
ICT	Information and communications technology
IDC	Integrated Development Consultants
IESC	International Executive Service Corps
ILRI	International Livestock Research Institute

IPA	Investment Promotion Agency
IPDC	Industrial Park Development Corporation
ISTA	International Seed Testing Association
KEBS	Kenya Bureau of Standards
KEPSA	Kenya Private Sector Alliance
KFC	Kenya Flower Council
LTTA	Long-term technical assistance
MoU	Memorandum of understanding
MT	Metric Tons
NCBA CLUSA	National Cooperative Business Association, CLUSA International
NEMA	National Environment Management Authority
NFNV	New Faces New Voices
NICRA	Negotiated Indirect Cost Rate Agreement
NSS	Notification Submission System
OCA	Open Capital Advisors
ODCs	Other Direct Costs
OECD	Organisation for Economic Co-operation and Development
PCA	Post-Clearance Audit
PMP	Performance Monitoring Plan
PSFR	Rwanda Private Sector Foundation
Q4	Quarter Four
ROO	Rules of Origin
RSB	Rwanda Standards Board
RSE	Rwanda Stock Exchange
SADC	Southern Africa Development Community
SCAFS	Sectoral Council on Agriculture and Food Security
SEATINI	Southern and Eastern Africa Trade Information and Negotiations Institute
SMEs	Small- and Medium-Sized Enterprises
SOPs	Standard Operating Procedures
SOW	Scope of Work
SPS	Sanitary and Phytosanitary
STTA	Short-term Technical Assistance
TASTA	Tanzania Seed Traders Association
TBT	Technical Barriers to Trade
TCCIA	Tanzania's Chamber of Commerce, Industry and Agriculture
TF	Trade Facilitation
TIC	Tanzania Investment Centre
TOSCI	Tanzania Official Seed Certification Institute
TPSF	Tanzania Private Sector Foundation
UNBS	Uganda National Bureau of Standards
UPOV	International Union for the Protection of New Varieties of Plants
USAID	U.S. Agency for International Development
USD	U.S. Dollar
VAT	Value-Added Tax
WRAP	Worldwide Accredited Responsible Production
WTO	World Trade Organization

USAID EAST AFRICA TRADE AND INVESTMENT HUB

Funding Level:

\$63.9 million

Presidential Initiative:

Feed the Future



Project Goals:

- Improve the policy environment for East African Community (EAC) integration, trade, and investment
- Increase the competitiveness of select regional agricultural value chains and bolster regional trade in staple foods
- Promote intra-regional and export trade, particularly under the African Growth Opportunity Act (AGOA)
- Facilitate investment and promote the use of available global technology

Expected Accomplishments:

- Double the value of intra-regional trade in the EAC
- Increase non-oil exports to the U.S. under AGOA by 40%
- Foster 18,500 new full-time equivalent jobs through firms assisted by the East Africa Trade and Investment Hub and its partners
- Facilitate \$100 million of new investments in targeted sectors in the EAC
- Increase the EAC's intra-regional trade in staple foods by 40%

Project Locations:

The East African Community countries – Burundi, Kenya, Rwanda, Tanzania and Uganda – and, Ethiopia, Madagascar, and Mauritius.

EXECUTIVE SUMMARY

As of the end of fiscal year (FY) 2018, the U.S. Agency for International Development (USAID) East Africa Trade and Investment Hub (EATIH or the Hub) has either met or exceeded 17 out of its 27 life of project (LOP) performance goals, with five indicators on track to meet targets by project's end in August 2019.

The Hub continues to employ an enterprise-led approach to improve the market system and engage U.S. and East African companies and stakeholders to achieve commercial and development results.

To date, Hub activities have supported: \$143.2 million in new private sector investment to the region, a 69 percent increase in volume (486,616 metric tons (MT)) and 18 percent increase in value (\$43.68 million) of staple food traded within the East African Community (EAC) (when compared to a 2014 COMTRADE baseline), \$491.5 million in African Growth and Opportunity Act (AGOA) exports from AGOA-eligible countries, 44,000 full-time equivalent jobs, and 26 policy or regulatory reforms.

PROGRESS TO DATE	PROJECT GOALS
<ul style="list-style-type: none"> • \$491.5 million in supported exports through AGOA • \$143.2 million of new private sector investment • 44,104 new jobs (full and part-time) • 3,730 export buyer-seller linkages • 104 trade and investment missions • 875 food security producers and organizations supported • 26 policy and regulatory reforms • 1,635 firms receiving capacity building assistance to export 	<ul style="list-style-type: none"> • \$286 million in supported exports through AGOA • \$100 million of new private sector investment • 18,500 new jobs (full and part-time) • 1,050 export buyer-seller linkages • 72 trade and investment missions • 500 food security producers and organizations supported • 26 policy and regulatory reforms • 700 firms receiving capacity building assistance to export

At the same time, the Hub is unlikely to achieve three performance targets: value and volume of intra-regional trade (indicators 13 and 14) and value of intraregional trade in agriculture and non-agriculture sectors (indicator 6). This derives from a combination of factors that are outside the Hub's control (e.g. non-comparable baselines in the Hub's Performance Monitoring Plan (PMP), devaluation of EAC currencies and delayed data availability, incongruent with the project's life cycle). Activities under the FY2019 work plan will support the achievement of two additional targets by helping firms meet international standards and facilitating national domestication of agriculture policies (indicators 17 and 33). The latter is contingent on Tanzania's ratification of the Sanitary and Phytosanitary (SPS) Protocol. The Hub also tracks five additional context-level indicators.

FY2018 STAND-OUT ACCOMPLISHMENTS:

INVESTMENT AND TECHNOLOGY

- The Hub surpassed its LOP goal to facilitate \$100 million in new private sector investment in Q2. The Hub continued to raise its investment facilitation total over FY2018 and finished the year with a cumulative deal total of \$143.2 million, including U.S.-related investment of \$44.3 million or 31 percent of total investment.

- The Hub successfully diversified the geographical spread of its investment facilitation. It closed its first large-scale deal in Tanzania for \$15 million and added \$54.2 million in potential deals to the pipeline through its new Tanzania transaction advisor. The Hub's largest deal to date closed this year in Ethiopia through the efforts of the Hub's embedded advisor with the Ethiopian Investment Commission (EIC). The Hub also closed deals in Rwanda, which had previously been underrepresented.
- The Hub successfully launched the Rwanda Stock Exchange Listing initiative which will support three selected small- and medium-sized enterprises (SMEs) to raise alternative sources of finance from the capital markets. This initiative will support the Hub's move toward non-bank finance for mid-sized businesses and provide private capital flows into the regional capital markets.

AGRICULTURE AND AGRIBUSINESS

- In FY2017-18, the Hub facilitated trade commitments for 1.4 million MT of staple foods valued at \$472 million. The Hub has confirmed that 12 percent of these commitments, 161,406 MT valued at \$53.7 million, have been executed.
- In FY2018, The Hub held two livestock business-to-business (B2B) events in partnership with the International Livestock Research Institute (ILRI) and USAID Partnership for Resilience and Economic Growth (PREG) members. The events generated commitments for 9,321 cattle valued at almost \$1.2 million, demonstrating that agricultural trade facilitation can be applied across various supply chains.
- The Hub supported Tanzania to break a ten-year deadlock on International Seed Testing Association (ISTA) accreditation and International Union for the Protection of New Varieties of Plants (UPOV) and the Organisation for Economic Co-operation and Development (OECD) seed scheme compliance, positioning Tanzania for increased agricultural productivity and trade.
- With the Hub's support, the EAC Ministerial Council approved nine revised EAC Grain Standards after a record-paced revision, approval, and gazette process. Kenya and Rwanda have domesticated these new standards. The Hub has begun the revision process for an additional five revised EAC standards and EAC guidelines for sampling and testing of aflatoxin.
- The Hub revised the EAC Food and Nutrition Security Strategy (FNSS) and drafted the EAC Food and Nutrition Security Action Plan (FNSAP) 2018-2022, which were adopted by the EAC Sectoral Council on Agriculture and Food Security (SCAFS) in June 2018. The two are now waiting final approval by the EAC Ministerial Council scheduled for November 2018.
- The Hub enabled 17 East African agribusinesses' attendance at the Global Cold Chain Conference and Expo in Chicago, Illinois, where they were introduced to various cold chain equipment and technologies for purchase from U.S. firms. The Hub continues to provide support for U.S. and East African linkages and promote the sales of U.S. technology.

TRADE PROMOTION AND AGOA

- Hub-supported firms exported almost \$207.4 million under AGOA in FY2018, a 92.1 percent increase over FY2017's exports of \$107.9 million.
- The Hub provided technical assistance to 107 firms. Hub-supported firms created 4,653 jobs through this assistance and 28 reported being more profitable.
- The Hub led the collaboration with Kenya's government and private sector and provided extensive technical assistance to develop the Kenya National AGOA Strategy and Action Plan, 2018-2023. This marks the sixth AGOA utilization strategy supported by the Hub.

TRADE POLICY AND REGULATORY REFORM

- The Hub supported the EAC Partner States to become top users of the World Trade Organization (WTO) Notification Submission System (NSS) for Technical Barriers to Trade (TBT), with Uganda leading the 82 WTO members – a first for African countries.
- Three EAC Partner States (Kenya, Uganda and Tanzania) participated in the process of 8th Triennial Review on operation and implementation of WTO TBT Agreement. Kenya and Uganda were the only African countries beside South Africa that made contributions toward the 8th Triennial Review meeting held in June 2018.
- The Hub supported the establishment of an EAC TBT Forum to coordinate and drive TBT issues at regional level. All EAC Partner States now have national TBT committees except Burundi. These committees play an important role in helping national governments to meet their obligations under the WTO TBT Agreement.
- The Federation of East African Freight Forwarders Associations (FEAFFA) launched an e-learning Platform to educate freight forwarders on the revised EAC Rules of Origin (ROO). Hub support to FEAFFA has contributed to a cumulative reduction of 77 percent on the cost of documentary compliance in 2017 compared to 2016 and a cumulative reduction of 8 percent on the cost of border compliance over the same period.
- Two policy assessments in Burundi and Tanzania were completed in FY2018. The documents provide information on each country's legal and regulatory environment for foreign investment and serves as a tool for policymakers, reform agents and investors as they work together to stimulate, protect and retain greater foreign direct investment in the country.
- In the area of regional integration, Hub activities under the Common Market Protocol (CMP) have supported the removal of two non-conforming measures or restrictions to the movement of goods, services and capital in FY2019 bringing the cumulative total of reforms supported by the Hub to nine reforms.

CROSS-CUTTING

- Sixty-four organizations adopted and applied new technologies or management practices due to Hub assistance in FY2018, strengthening their efficiency and ability to compete in global markets.
- By improving organizations' competitiveness, the Hub's support generated 5,394 full-time equivalent (FTE) jobs in FY2018. Employment promotes economic growth and reduces poverty in East Africa and strengthens consumer bases for U.S. goods.

FY2018 ADMINISTRATIVE AND OPERATIONAL CHANGES:

- The Hub identified a new Chief of Party (COP), Marc Shiman, who will join the project on November 5, 2018.
- The Deputy Director Component 3 was promoted to Component 3 Lead and the Senior Technical Specialist in Tanzania was promoted to the Tanzania Country Representative. There are five additional staff promotions waiting approval.
- The Hub fielded a new Senior Customs Advisor in December to support the Ethiopia Customs Revenue Authority (ERCA) and a Value Chain Development Specialist – Component 3.
- The Hub finalized the recruitment process an Investment Promotion Advisor-Tanzania to support the Tanzania Investment Centre (TIC), as specified in the buy-in from USAID/Tanzania, and identified a new position of Program Officer-Tanzania to support the Country Representative. These positions will provide additional skills and enhance the team.



Component I

Investment and Technology

- After surpassing the life of project goal to facilitate \$100 million in new private sector investment in Q2, the Hub continued to raise its investment facilitation total. In Year 4, the Hub closed \$85.5 million in new private sector investment, bringing the cumulative deal facilitation total to \$143.2 million.
- U.S. investment continued to be a significant share of overall investment at \$44.3 million or 31 percent. U.S. investment included technology in agribusiness, logistics and healthcare that increased productivity, efficiency and innovation. For example, two U.S. investments in Lori and Twiga introduced technology platforms to optimize transport of agricultural products and movement of goods across borders.

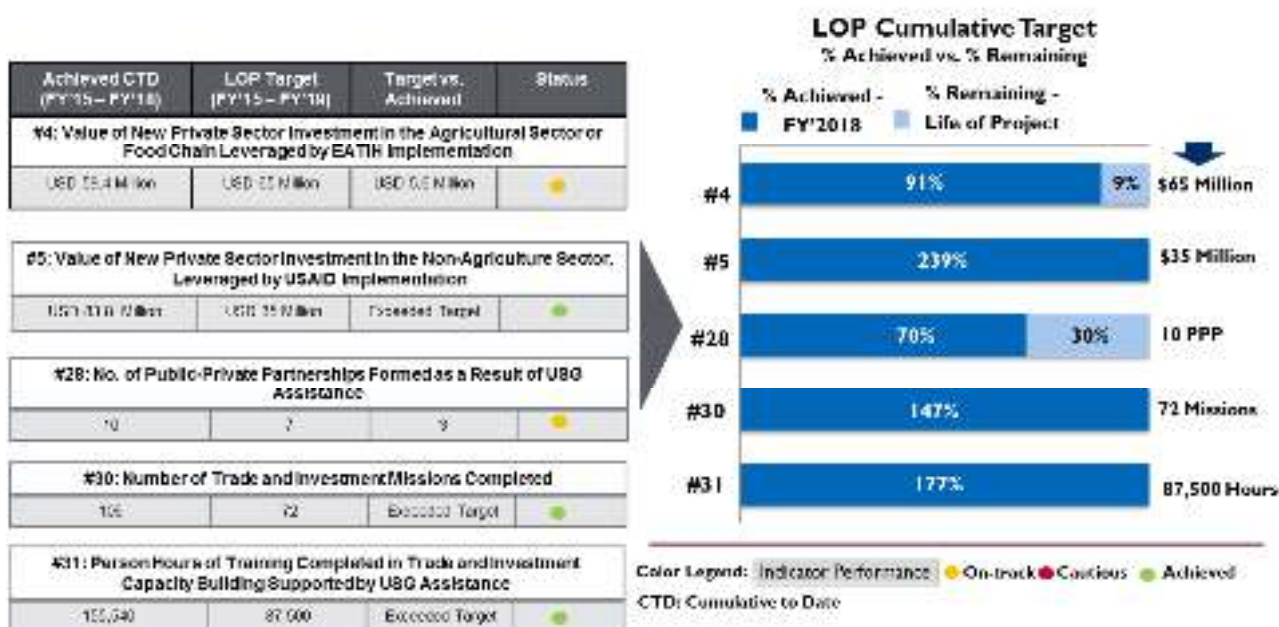
I. FY2018 KEY ACTIVITIES AND ACCOMPLISHMENTS BY HUB COMPONENT

COMPONENT I: INVESTMENT AND TECHNOLOGY

The objective of Component I is to attract, mobilize and sustain new private-sector investment within the East African region, directly facilitating the financial close of at least **\$100 million of new investment**. Investment is a core ingredient for firms of all sizes to innovate, grow and ultimately sell their products locally, regionally and internationally. Component I is therefore a central pillar of the Hub, offering crosscutting support to each of our three components.

FY2018 INVESTMENT AND TECHNOLOGY OVERVIEW

Investment and Technology Key Performance Indicators – Cumulative Achievements



SUMMARY

The Hub’s investment team closed \$85.54 million of new investment deals in FY2018. As of September 30, 2018, the Hub has surpassed its life of project investment goals by facilitating the financial close of **\$143.2 million in new investments in eastern Africa** (\$59.4 million in the agriculture sector and \$83.8 million in non-agriculture sector). A further \$249.2 million of transaction deals are “in the pipeline,” which refers to transactions that are under review for likely support and facilitation. Within the pipeline deals, \$95 million are in the active stage, \$65.3 million have completed their advisory engagements and are pending financial closure and \$88.9 are undergoing review to gauge the advisory support required before active engagement.

At the country level, Kenya represents 40.8 percent of closed transactions, followed by Ethiopia (36.5 percent), Uganda (11 percent), Tanzania (10.8 percent), Rwanda (0.8 percent) and Madagascar (0.1 percent). Ethiopia and Kenya’s predominance in closed deals is due to several factors, including: maturity of Ethiopian and Kenyan firms, strong governance structures, demonstrable financial performance and an overall relative dynamism in the private capital markets. For Ethiopia, the Hub has also benefited from an active partnership with the EIC to facilitate investment.

As indicated in Figure I below, Tanzania represents a significant portion of the Hub’s pipeline – a direct output of the USAID/Tanzania buy-in. Uganda and Rwanda have benefitted from the Hub’s support to “missing middle” enterprises, which broadened the range of enterprises eligible for Hub-supported transaction facilitation, leading to a more balanced distribution of Hub-supported investments.

FIGURE I. CLOSED AND PIPELINE INVESTMENTS BY COUNTRY

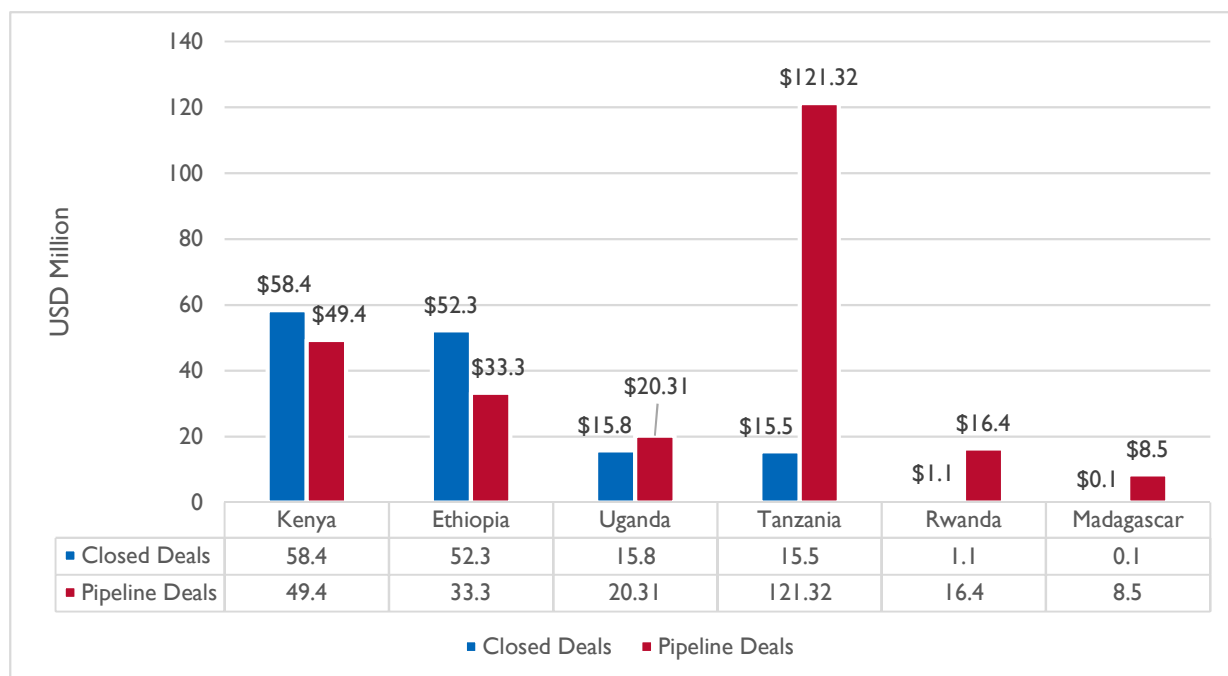


FIGURE 2. CLOSED AND PIPELINE INVESTMENTS BY SECTOR

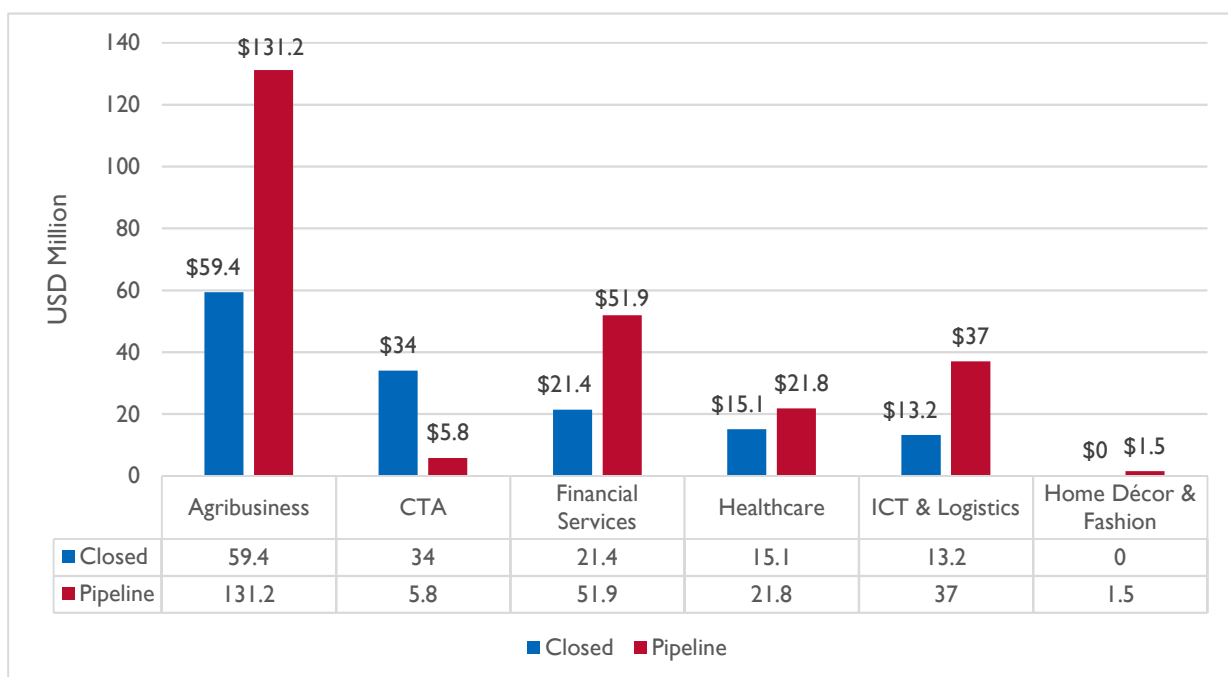
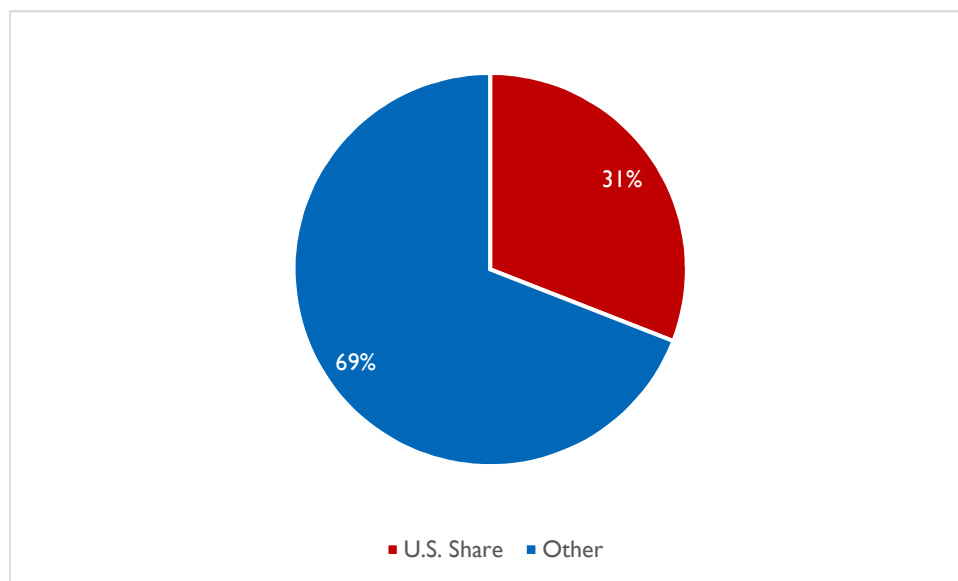


FIGURE 3. SHARE OF INVESTMENTS BY U.S. INVESTORS AND INVESTMENTS INTO U.S. FOUNDER COMPANIES



ACTIVITY I: OPPORTUNITY ASSESSMENT AND CAPITAL MOBILIZATION

SUB-ACTIVITY I.1: NEUTRAL INVESTMENT FACILITATION FOR MID- TO LARGE-SIZED FIRMS (IMPLEMENTED BY CROSSBOUNDARY)

Objective: Catalyze \$25 million in private investment to high-impact sectors,¹ targeting mid-to larger-sized firms that are seeking \$2 million and above.

Activities and Progress in FY2018:



Twiga Foods created an innovative B2B platform solution that simplified the farm to vendor supply chain in Kenya. The Hub supported Twiga to raise around \$6 million from a mix of debt and equity investors by developing a strategic and operational plan they could use with investors.

THE USAID HUB

The Hub facilitated the financial close of an additional \$38.9 million in investment from this mechanism in FY2028. This brought the total for closed deals up from \$ 57.66 million to \$96.6 million.

As of the end of FY2018, the CrossBoundary pipeline stands at \$185.2 million. The breakdown of the \$183.4 million is: \$31.2 million in transactions actively receiving advisory support, \$65.2 million in transactions with completed advisory engagements pending financial closure and \$88.9 million in transactions undergoing review to gauge the advisory support required before engagement.

¹ These include agriculture, financial services, technology/ICT, cotton textiles and healthcare innovation.

TABLE I. CROSSBOUNDARY DEALS CLOSED TO DATE

COMPANY DESCRIPTION	COUNTRY	SECTOR	SUB-SECTOR	VALUE (USD MILLION)
Kenya Agri-Retail	Kenya	Ag	Agribusiness	0.3
East Africa Agri-Mobile	Kenya	Ag	Agribusiness	6.3
Kenya Agri-Packaging	Kenya	Ag	Agribusiness	6.7
Ethiopia Poultry	Ethiopia	Ag	Agribusiness	10.0
Kenya Dairy Processing	Kenya	Ag	Agribusiness	8.1
East Africa Fund Equity	Kenya	Non-Ag	Financial Services	5.7
Kenya Microfinance	Kenya	Non-Ag	Financial Services	2.5
Uganda Mobile Money	Uganda	Non-Ag	Financial Services	1.6
Ethiopia Dairy Processing	Ethiopia	Ag	Agribusiness	4.8
Kenya Logistics	Kenya	Non-Ag	Logistics	7.6
Uganda Distribution	Uganda	Ag	Agribusiness	4.2
Uganda Tech Logistics	Uganda	Non-Ag	Logistics	5.5
Tanzania Pharma	Tanzania	Non-Ag	Healthcare	15.0
Kenya Agri-Retail (Financial Close II)	Kenya	Ag	Agribusiness	0.7
Kenya Agri-Mobile	Kenya	Ag	Agribusiness	3.1
Microfinance	Kenya	Non-Ag	Financial Services	11.5
Biscuit	Ethiopia	Ag	Agribusiness	3.0
TOTAL				96.6

TABLE 2. CROSSBOUNDARY TRANSACTIONS IN THE PIPELINE

COMPANY DESCRIPTION	COUNTRY	SUB-SECTOR	VALUE (USD MILLION)
Uganda Bakery	Uganda	Agribusiness	4.0
Uganda Leasing	Uganda	Financial Services	5.0
Ethiopia Lab Tech	Ethiopia	Healthcare	11.8
Madagascar Fine Knits	Madagascar	CTA	5.8
Tanzania Eatery	Tanzania	Agribusiness	4.3
Ethiopia Oils	Ethiopia	Agribusiness	2.0
Rwanda Poultry	Rwanda	Agribusiness	5.0
Tanzania Juice	Tanzania	Agribusiness	5.0
Kenya Agri-Retail (Financial Close III)	Kenya	Agribusiness	5.0
Kenya Agri-Tech	Kenya	Agribusiness	6.0
Madagascar Agri-Processing	Madagascar	Agribusiness	2.4
Kenya Microfinance II	Kenya	Financial Services	2.5
Kenya Tech VC	Kenya	Financial Services	10.0

TABLE 2. CROSSBOUNDARY TRANSACTIONS IN THE PIPELINE

COMPANY DESCRIPTION	COUNTRY	SUB-SECTOR	VALUE (USD MILLION)
Uganda Microfinance	Uganda	Financial Services	9.0
Kenya Warehouse Park	Kenya	Agribusiness	10.0
Kenya Tractor	Kenya	Agribusiness	2.0
Kenya Renal Healthcare	Kenya	Healthcare	2.0
Ethiopia Specialty Coffee	Ethiopia	Agribusiness	4.5
Tanzania Agri-packaging	Tanzania	Agribusiness	7.92
Tanzania Asset Finance	Tanzania	Financial Services	15.0
Ethiopia Manufacturing	Ethiopia	Agribusiness	15.0
Kenya ICT	Kenya	ICT	9.0
Tanzania ICT	Tanzania	ICT	20.0
Tanzania Biogas	Tanzania	Agribusiness	13.0
Rwanda Agro-processing	Rwanda	Agribusiness	9.0
TOTAL			185.2

SUB-ACTIVITY 1.2: INVESTMENT FACILITATION AND EXPORT LINKAGES FOR “MISSING MIDDLE” ENTERPRISES (IMPLEMENTED BY OPEN CAPITAL ADVISORS)

Objective: Provide investment-readiness support to export-driven firms, facilitating 10 new trade linkages, and raising at least \$5 million in new private investment over the next year.

Activities and Progress in FY2018:

- Open Capital Advisors (OCA) continued to provide advisory support to the 15 SMEs formally engaged under the grant initiative from Kenya (5), Uganda (4), Tanzania (2), Rwanda (2), Ethiopia (1) and Madagascar (1). The current value of OCA’s pipeline is \$8.01 million.
- In FY2018, OCA facilitated and fully documented investment valued at \$8.56 million. In Q4, Victory Farms raised an additional round of \$2.5 million and GreenPath Foods raised \$0.5 million.
- In addition to providing capital raising support, OCA is collaborating with the Hub’s trade promotion team to identify, assess and access emergent export opportunities for the supported SMEs. Ladah Craft (Madagascar), for example, participated in the New York Now trade fair in August 2018 where it gained insights on global market trends. OCA is following up with the company to track progress on the linkages made at the event and their conversion into sales in the long-term.
- The Hub’s grants and M&E teams conducted monitoring visits for three of the SMEs: Victory Farms (Kenya), Squishy Drinks (Kenya) and Bulamu Coffee (Uganda). The visits provided an opportunity to evaluate and experience the impact of OCA’s support on the companies, relevant value chains and communities. Visits to several other beneficiary SMEs are planned for the next quarter as the grant program draws to a close.

TABLE 3. SMES THAT RAISED CAPITAL THROUGH OCA PROGRAM

SME	SECTOR/ PRODUCTS	COUNTRY	AMOUNT (USD MILLION)	SCOPE OF WORK
Victory Farms	Agro-processing: Tilapia	Kenya	2.46	Closed first round fundraising of \$1.46M from a group of angel investors and second round of \$1M from a debt investor. The funds will be used for site acquisition and development and as working capital to increase fish production.
Squishy Drinks	Agro-processing: Fruit juice	Kenya	0.138	Closed equity investment from a Kenya-based investor, which will be used to meet working capital needs during sales expansion, purchase new machinery and raise efficiency by automating current machinery.
Natural Extracts Industries	Agro-processing: Vanilla beans, pods and natural extracts	Tanzania	0.285	Received \$285,000 in debt as trade finance from the Stichting Rabobank Foundation, an international financial services provider. The funding will enable the company to meet its short-term working capital needs, in particular, to purchase and process raw vanilla and meet existing customers' orders.
Bulamu Coffee	Processed coffee	Uganda	2.68	Developed a capital raise strategy for the company to raise multiple types of external capital that is tailored to their current needs and future growth plans.
GreenPath Foods	Horticulture: Avocados, chilies and spinach	Ethiopia	0.5	Reviewed term sheets, generated updated capitalization tables and assisted with completing due diligence requests.
Victory Farms	Agro-processing: Tilapia	Kenya	2.5	Supported additional round of debt funding from an independent developmental institutional investor that invests in industries of the future including aquaculture.
TOTAL			8.563	

TABLE 4. SMES FORMALLY ENGAGED UNDER THE OCA PROGRAM

SME	SECTOR/ PRODUCTS	COUNTRY	TARGET (USD MILLION)	SCOPE OF WORK
Morogoro Agricultural Group (MORAGG)	Agro-processing: Livestock feed and oilseed products	Tanzania	1.9	Initially, OCA focused on reviewing investor materials, facilitating investor introductions and supporting investor calls. In Q4, OCA facilitated introductions between MORAGG and Alphamundi, an impact investor. Alphamundi is reviewing the submitted materials and will provide more direction next quarter.
Golden Cat	Horticulture: Snow peas, French beans	Rwanda	0.8	In previous quarters, OCA's work with Golden Cat focused on supporting them to develop a financial model and investor teaser for their near-term capital raising efforts from local investors. OCA is now supporting the business with investor outreach.
Afribon	Agro-processing: Food flavors, fragrances and fruit compounds	Rwanda	1.0	OCA's previous work with Afribon focused on conducting a market research study to inform their growth strategy and demonstrate to investors the viability of their products in the East Africa region. In Q4, Afribon completed investor due diligence (legal) and was finalizing contract negotiations with Investisseurs & Partenaires (I&P) with the goal of closing a €800K equity round early in Q1 FY2019. OCA

TABLE 4. SMES FORMALLY ENGAGED UNDER THE OCA PROGRAM

SME	SECTOR/ PRODUCTS	COUNTRY	TARGET (USD MILLION)	SCOPE OF WORK
				is currently working with Afribon to identify additional investors for a €300K round for expansion into West Africa.
Wazawazi	Leather: Leather articles and fashion accessories	Kenya	0.3	Having supported Wazawazi with developing a five-year financial model, OCA's focus is now on investor outreach.
Ladah Craft	Crafts, Furniture & Home Décor: Home décor, raffia bags and shoes	Madagascar	0.3	OCA supported Ladah Craft to develop a financial model for their fundraising efforts with local investors and banks. Over the last quarter, OCA prepared a list of potential investors to guide the company's capital raise efforts. Given the sky-high interest rates for local microfinance institutions and commercial bank loans, the company decided to prioritize reaching out to international investors with OCA support.
V Interiors	Crafts, Furniture & Home Décor: Furniture and home décor	Uganda	0.26	OCA discussed work out approaches for the capital raise and recommended financing options/potential investors suitable for the business. OCA will support investor outreach and term sheet negotiations when they begin.
Raintree Farms	Agro-processing: Medicinal plants (e.g. Moringa oleifera)	Uganda	1.05	OCA supported the business to develop a financial model for their current capital raise and advised on the investor process with several investors. Subsequently, Raintree has undergone investor due diligence with two shortlisted investors, both of whom were interested in completing a deal. An initial deal with the prioritized investor, Live Love Well, a Kenyan-based Moringa company, failed to close, however, due to miscommunication. OCA is now supporting Raintree with term sheet negotiations with alternative investors.
Mookh Kenya	Financial Services: Online payment gateway	Kenya	0.4	OCA engaged with Compass VC, a prospective investor looking to invest in Mookh, by conducting a financial due diligence on Mookh. After several negotiations between Mookh and Compass VC, they reached the final term sheet stage. However, Mookh failed to reach an agreement with Compass VC, and is now reevaluating the timing of their raise.
Sseko Designs	Leather: Sandals, bags and accessories	Uganda	1.0	OCA reviewed Sseko's investor materials and identified and reached out to potential investors. OCA is now supporting the business to field due diligence requests from U.S.-based high-net-worth-individuals (HNWIs) and will continue to advise on the process of reaching out to additional investors and closing a successful investment round in Q1 of FY2019.
Tamuwa Limited	Agro-processing: Dietary fiber and briquettes	Kenya	1.0	Developed key supporting materials, the financial model and investor deck for conversations with the investor for a first round raise of \$1M. OCA is supporting the company in advanced conversations with selected investors for another equity and debt round.
TOTAL			8.01	

SUB-ACTIVITY 1.3: CATALYTIC FINANCIAL TOOL FOR THE AGRICULTURE SECTOR (IMPLEMENTED BY GROFIN)

Objective: Attract \$5 million in new investment in perennially under-served areas of the agriculture and agri-business sectors over the next two years.

Activities and Progress in FY2018:

- Over the last year, GroFin provided funding for \$3.6 million in deals in the agribusiness sector. GroFin works to solve the access to finance challenge for missing middle companies by funding companies that are at the startup level, have inadequate collateral and/or need more flexible repayment terms. GroFin’s business support is geared toward getting potential clients investment-ready. It primarily accomplishes this by supporting business plan development, revising financial scenarios and ensuring compliance with existing local requirements.
- The pipeline was streamlined this quarter to maintain companies with high likelihoods for investment and technical support, thus dropping the pipeline figure to \$1.8 million in Q4.

TABLE 5. DEALS CLOSED THROUGH GROFIN

COMPANY	COUNTRY	VALUE (USD MILLION)	COMPANY ACTIVITY	TECHNICAL SUPPORT
Bestever Paper Industries (U) Ltd	Uganda	1.5	Manufactures and distributes polypropylene bags used in agricultural produce packaging	Supported occupational health and safety policy development to increase quality and control storage space.
Dodoma Cement Co. Ltd	Tanzania	0.2	Produces agricultural lime to arrest soil acidity	Provided logistics support to ensure the safe transportation and installation of equipment.
Yak Fair Trade	Rwanda	0.6	Processing and commercialization of flour, meat products and animal feeds.	Provided assistance in selecting qualified equipment and civil works construction needed to expand plant.
Rivelco AgriFoods Ltd.	Kenya	0.5	Engages in mushroom production	Supported to improve debt collection, sales and brand management.
Dejolisa Uganda Ltd	Uganda	0.3	Produces eggs and poultry feed	Developed a well-defined marketing strategy and continuity plan, staff training program, robust health and safety policy and employment contracts, and formalized business contracts signed with major customers and suppliers.
Agasaro Organic Ltd	Rwanda	0.2	Produces organic juices, jam and biscuits from locally produced fruits	Advised owner to get a business partner, established formal trade linkages in Ivory Coast and Germany and positioning client to acquire a formal accounting system to better manage the inventories and easily produce financial reports.
Yak Fair Trade II	Rwanda	0.3	Processing and commercialization of flour, meat products and animal feeds.	Provided assistance in selecting qualified equipment and civil works construction needed to expand plant.
TOTAL		3.6		

TABLE 6. TRANSACTIONS IN THE GROFIN PIPELINE

COMPANY	COUNTRY	VALUE (USD MILLION)	SECTOR/ PRODUCTS	TECHNICAL SUPPORT
Eden Oils	Kenya	0.9	Processing of palm and maize germ into edible oils	Ensured that business achieves health and safety standards set out by the National Environment Management Authority (NEMA) and Kenya Bureau of Standards (KEBS). Support client to develop business plan and financial projections.
Isimbi Farm	Rwanda	0.1	Poultry farming	Supported business plan development, financial projections and occupational health and safety plan development.
Bugesera AgriBusiness Company	Rwanda	0.5	Maize and sorghum processing	At early stage with GroFin – no pre-investment business support to be reported at this stage.
Burton Bamber	Kenya	0.2	Fruit processing	At early stage with GroFin – no pre-investment business support to be reported at this stage.
Savannah Brands	Kenya	0.1	Fruit processing	At early stage with GroFin – no pre-investment business support to be reported at this stage.
TOTAL		1.8		

SUB-ACTIVITY 1.4: TANZANIA TRANSACTION ADVISORY WORK (IMPLEMENTED BY INDEPENDENT CONSULTANT)

Objective: Attract \$10 million in new investment in Tanzania by March 2019.

Activities and Progress in FY2018:

- The Hub engaged an independent consultant in August 2018 to focus on closing investment deals in Tanzania. The consultant will provide financial advisory support to select transactions within the Hub's sector focus. The current pipeline stands at \$54.2 million.

TABLE 7. TRANSACTIONS IN THE ADVISOR'S PIPELINE

COMPANY DESCRIPTION	COUNTRY	SECTOR	VALUE (USD MILLION)
Cashew nut processor	Tanzania	Agribusiness	10.0
Maize milling and packaging	Tanzania	Agribusiness	4.8
Sugar milling	Tanzania	Agribusiness	3.0
Coffee	Tanzania	Agribusiness	2.2
Grape farming	Tanzania	Agribusiness	1.3
Avocado farming	Tanzania	Agribusiness	1.0
Sunflower oil producer	Tanzania	Agribusiness	0.9
Non-banking financial institution	Tanzania	Financial Services	10.0
Commodity storage	Tanzania	Logistics	8.0
Agricultural packaging manufacturer	Tanzania	Manufacturing	5.0
Pharmaceuticals manufacturing firm	Tanzania	Pharmaceuticals	8.0
TOTAL			54.2

HUB INVESTMENT EVENTS

The Hub participated in the following events in FY2018, which directly resulted in companies being added to the pipeline for further investment facilitation support.

TABLE 8. INVESTMENT EVENTS SUPPORTED BY THE HUB

ACTIVITY TITLE	LOCATION	DATE
Africa Sourcing & Fashion Week (ASFV) 2017	Addis Ababa, Ethiopia	October 3-6, 2017
Les Recontres Africa Conference (Africa- France Business Forum)	Nairobi, Kenya	October 5, 2017
BiD Network Investor Trip to Uganda	Kampala, Uganda	October 8-14, 2017
Open Africa Initiative	Nairobi, Kenya	October 19, 2017
XL Africa Venture Showcase	Cape Town, South Africa	November 15-17, 2017
African Agribusiness Indaba	Cape Town, South Africa	November 20-22, 2017
CCA-U.S. Africa Business and Investment Forum	Addis Ababa, Ethiopia	January 30, 2018
East Africa Venture Capital Association (EAVCA) Breakfast on Tanzania	Nairobi, Kenya	February 20, 2018
5th Sankalp Africa Summit	Nairobi, Kenya	March 1-2, 2018
Angel Investor Masterclass	Nairobi, Kenya	March 5-6, 2018
Kenya Leather Industry Development Program Close Out Event (view video here)	Nairobi, Kenya	March 27, 2018
Rwanda Stock Exchange Listing Forum	Kigali, Rwanda	March 29, 2018
Africa Investment Rising Roadshow	New York and Des Moines, U.S.	April 17-27, 2018
Gender Lens Investing Pitch-Ready Training Workshop	Dar es Salaam, Tanzania	April 25, 2018
U.S.-Tanzania Investment Policy and Innovation Forum	Dar es Salaam, Tanzania	May 22-23, 2018
Gender Lens Investing Showcase	Dar es Salaam, Tanzania	May 24, 2018

- The Hub began preparation for an investment mission to Uganda for early stage impact investors organized by BiD Network. The Hub will support at least two U.S.-based and two local early stage investors' participation in November 2018.

ACTIVITY I CONSTRAINTS

- Investees and/or investors delayed the provision of transaction documentation that serves as evidence of a closed transaction due to confidentiality concerns. To mitigate this issue, the Hub is working with OCA to assure investors and investees of their information's confidentiality.
- Despite providing support, OCA was not always able to facilitate deal closure. For example, OCA conducted a financial due diligence on Mookh, an online platform based in Kenya that enables cross-border trade, for Compass VC, a prospective investor looking to invest in the company. After presenting the findings to the investor, Compass VC offered a term sheet to Mookh for \$0.4 million. However, the two parties could not reach an agreement on the terms of the offer and Mookh turned it down after several rounds of negotiations.
- GroFin dropped 11 agribusiness deals worth approximately \$8.6 million from its investment pipeline (3 from Kenya, 4 from Rwanda, 3 from Tanzania and 1 from Uganda). The deals had gone through different stages of review and pre-finance support, but ultimately fell through either because the entrepreneurs were not agreeable to GroFin's funding terms or the companies were ill-prepared for investment.

- During the M&E field visit it was noted that GroFin provides significant, yet weakly documented, pre-financing and post-finance advisory support to the targeted SMEs. In response, the Hub is helping GroFin develop an effective investee field monitoring reporting tool that will improve the documentation of all visits and technical support provided under the grant.

ACTIVITY 2: INVESTMENT PROMOTION PARTNERSHIPS

SUB-ACTIVITY 2.1: INVESTMENT FACILITATION AND PROJECT PROFILING CAPACITY BUILDING

Objective: Train at least three mid-level staff at all six regional investment promotion agencies (IPAs), ensuring that at least 70 percent of investment projects are properly profiled for investment.

Activities and Progress in FY2018:

- The Hub concluded its support to the investment promotion agencies (IPAs) in Uganda, Tanzania, Rwanda and Madagascar to improve their ability to attract/retain foreign direct investment and increase domestic direct investment (a similar training was completed in Burundi in FY2017).

TABLE 9. IPA CAPACITY BUILDING TRAININGS IN FY2018

ACTIVITY TITLE	LOCATION	DATE	NUMBER OF PARTICIPANTS
IPA Best Practice and Investment Profiling Workshop	Kampala, Uganda	October 18-20, 2017	9 (Male: 3, Female: 6)
IPA Best Practice and Investment Profiling Workshop	Antanararivo, Madagascar	December 18-21, 2017	6 (Male: 1, Female: 5)
IPA Best Practice Workshop	Kigali, Rwanda	January 16-18, 2018	6 (Male: 3, Female: 3)
IPA Investment Profiling Workshop Program	Kigali, Rwanda	January 22-25, 2018	5 (Male: 2, Female: 3)
IPA Best Practice Workshop	Dar es Salaam, Tanzania	February 22-23, 2018	11 (Male: 4, Female: 7)
IPA Investment Profiling Workshop Program	Dar es Salaam, Tanzania	February 26-March 1, 2018	6 (Male: 3, Female: 3)

- As a follow-up to capacity building activities, the Hub has been working closely with the IPAs' relevant staff to identify, assess and support high-potential SMEs to access capital. This support entails reviewing the SMEs' capital needs, scoping the market for various funding options, preparing necessary documentation, engaging the identified financier and supporting the subsequent conversations. Through these joint exercises, the Hub will build the staff's capacity to better support SMEs in their respective countries.

SUB-ACTIVITY 2.2: EMBEDDED INVESTMENT ADVISORS WITH SELECTED IPAS

Objective: Through embedded investment advisors, streamline selected IPA investment facilitation processes and attract \$5 million in new investment in each IPA.

Activities and Progress in FY2018 Q3:

- Although no deals closed this quarter, the Hub's embedded advisor to the EIC is currently supporting five foreign direct investment deals worth over \$180 million. To date, the advisor has

contributed \$34 million to Hub closed deals by supporting financing for two firms in the cotton, textile and apparel (CTA) sector.

TABLE 10. CLOSED EIC DEALS FACILITATED BY HUB EMBEDDED ADVISOR

COMPANY DESCRIPTION	VALUE (USD MILLION)	SECTOR	TECHNICAL SUPPORT
Bangladesh Textiles	31.0	Manufacturing – textiles (menswear)	The Hub's advisor facilitated informational meetings for the investors; supported the negotiations on a memorandum of understanding (MoU) including incentives and concessions between the investor and Industrial Park Development Corporation (IPDC) and helped to finalize the execution of MoU and investment agreement. The Hub also assisted with the business registration and licensing process.
Indonesia Textiles	3.0	Manufacturing – textiles (ladies' apparel)	The Hub sourced and attracted the investors to set up a factory in Ethiopia; held multiple meetings to inform investors about the business and investment environment; negotiated, completed and drafted MoU between investor IPDC; assisted with business registration, licensing and work permit issues; helped to finalize the execution of MoU and investment agreement; coordinated shed assignment in Hawassa Park; and facilitated approvals for duty-free exemption and other incentives. An estimated 590 jobs will be created as a result of this investment.
TOTAL	34.0		

TABLE 11. PIPELINE EIC DEALS FACILITATED BY HUB EMBEDDED ADVISOR

COMPANY DESCRIPTION	VALUE (USD MILLION)	SECTOR	TECHNICAL SUPPORT
Lebanese integrated poultry farming	40.0	Agro-processing	The Hub facilitated high-level meetings with the EIC, Ethiopia Electric Utility and the Amhara Regional Investment Bureau. The Amhara regional investment bureau approved the project after an agreement was reached on compensation for some farmer groups that were using the land for grazing purposes. It is in the process of completing a formal committee sign off. The Ethiopian Electric Utility deployed a team to study the area and is currently developing costs related to the provision of electric power to the sites. The company will incur the up-front costs of installing transmission lines in exchange for future reimbursement in tax breaks and other government related costs. It is expected that the project will start implementation before end of 2018 and the company, in anticipation, has already imported some equipment.
South Korean swimwear manufacturer	5.0	CTA	The Hub supported the investor decision process by facilitating the development of cost factors and several industry park visits across the country. The company signed a MoU, deposited its minimum capital requirement, was allocated 5,500 m ² of space in Kombolcha Industry Park and is set to receive final registration and license documentation in the next quarter.
Chinese lead-acid batteries and battery-related accessories manufacturer	15.0	Manufacturing	The Hub advisor facilitated meetings with EIC and strategic partners, conducted several site visits and presented the case for investing in Ethiopia. The company received approval to invest in Ethiopia and is now seeking a local partner to undertake the venture with so as to minimize its risk. The Hub is identifying and facilitating linkages with suitable strategic partners.

TABLE 11. PIPELINE EIC DEALS FACILITATED BY HUB EMBEDDED ADVISOR

COMPANY DESCRIPTION	VALUE (USD MILLION)	SECTOR	TECHNICAL SUPPORT
Italian industrial goods manufacturer	1.3	Manufacturing	The Hub is supporting the investors in developing a case for EIC consideration and approval in November 2018. The company will initially be importing finished products and selling to manufacturers as they put their local production in place.
Sri Lankan electronic goods manufacturer	120.0	Manufacturing	The Hub has provided facilitation services to secure registration in the country and to set up a sales office. The company is undertaking a feasibility study on the market opportunity (local and export) to justify setting up a facility to manufacture locally.
TOTAL	181.3		

- The Hub’s advisor to EIC also completed several investment opportunity briefings for potential investors.

TABLE 12. EIC-SUPPORTED INVESTMENT OPPORTUNITY BRIEFINGS

ACTIVITY TITLE	DATE	DESCRIPTION
PVH Neckwear Investor Summit	August 13, 2018	Provided half-day briefing for 8 neckwear suppliers and engaged one-on-one for specific investment case.
The Children's Place Investor Summit	August 15, 2018	Provided an investment briefing to a large group of investors exploring opportunities in Ethiopia and Kenya.
Africa Sourcing and Fashion Week	October 2, 2018	Moderated panel on Ethiopian Investment Opportunity and Investment Climate.
Zoscales Partner Investor Meeting	October 9, 2018	Provided investment environment briefing for the institutional investors doing country due diligence.
Canadian Trade Agency Investor Summit	October 12, 2018	Provide an investment policy and opportunity briefing for 18 Canadian companies.
Addis Build Construction Expo	October 13, 2018	Provide an investment briefing on the construction sector and building materials for over 120 foreign investors.

- Under the USAID/Tanzania buy-in, the Hub is recruiting an Investment Promotion Advisor to support Tanzania to strengthen the country’s investment climate. The advisor will be based at the Tanzania Investment Centre (TIC). The advert for the position was posted in May 2018. TIC requested that the Hub re-advertise the position because they did not find any of the shortlisted applicants suitable for position. The Hub re-advertised the position and conducted face-to-face interviews with five short-listed applicants in Dar es Salaam with TIC in September 2018. TIC selected a candidate and the Hub is concluding the recruitment process.

ACTIVITY 2 CONSTRAINTS

- The EIC nominated the Hub’s embedded advisor to develop an investment opportunity pitch book in the agro-processing and tourism sectors for potential Saudi and Emirati investors who demonstrated a strong interest in investing in those sectors after the Ethiopian Prime Minister visited the region. The advisor spent much of his time in Q4 working on the pitch book and therefore had less availability to support companies that require investment facilitation.
- There have been delays in identifying the embedded advisor to the TIC. The Hub is working closely with USAID/Tanzania and TIC to conclude the recruitment process.

ACTIVITY 3: MODELING INNOVATIVE FINANCIAL TOOLS AND BEST PRACTICES

SUB-ACTIVITY 3.1: CAPITAL MARKETS AS A TOOL FOR INVESTMENT MOBILIZATION

Objective: Support and develop a credible pipeline of at least five medium-to-large entities to access both debt and equity capital markets in the region, with an emphasis on cross-border trade entities.

Activities and Progress in FY2018:

- As a follow-up to the successful Rwanda Listing Forum 2018 hosted by the Rwanda Stock Exchange (RSE) in Q2, the Hub and the RSE have worked together to pilot an approach to support SMEs that expressed an interest in raising funds through the capital markets systems. Of the 11 interested SMEs, the Hub and RSE determined that only three (MobiCash, Gashora and Habona Ltd) were listing ready. These three will benefit from listing advisory services supported by the Hub. The rest of the SMEs will continue to receive investment readiness support to help them raise funds from other funding sources before using the capital market ecosystem.
- In the past quarter, the Hub requested proposals from licensed listing advisors to provide advisory services to the pre-selected SMEs. The Hub received four proposals selected the best proposal. Negotiations are on-going with the selected advisor to rationalize the work budget and timelines. Once an agreement is reached, the advisor will sign letters of engagement and support the SMEs to raise capital either on the RSE or from alternative sources by the end of next quarter.

TABLE 13. COMPANIES RECEIVING ADVISORY SUPPORT TO RAISE CAPITAL ON THE RSE

COMPANY	SECTOR/INDUSTRY	TARGET (USD MILLION)	PROPOSED UTILIZATION
MobiCash	ICT: E-payments platform	0.7	Develop Virtual MFI and meet statutory requirements for registration. Acquire more business and individual clients.
Gashora Farm	Agro-processing: Chili farming, processing and export	0.5	Growing local and international markets. Meet growing working capital needs.
Habona	Renewable Energy: Briquettes production for sale	0.65	Working capital needs. Acquire additional equipment.
TOTAL		1.85	

SUB-ACTIVITY 3.2: WORKING CAPITAL AND TRADE FINANCE MODELS

Objective: Support 20 firms to access at least \$10 million in working capital and trade finance through non-bank financial institutions, with an ultimate goal of reaching 20 firms in 18 months.

Activities and Progress in FY2018:

- The Hub's investment team is collaborating with the agriculture team on this activity with the latter taking the lead (see C2's Activity 1.1.2). The Hub began activities with Financial Access Commerce and Trade Services (FACTS) Africa. The Hub and FACTS Africa aim to facilitate up to \$2 million in working capital to at least 20 SMEs using a more streamlined and less onerous process than the banks. This activity began in Q4 of FY2018 and will run until Q2 of FY2019.

ACTIVITY 3 CONSTRAINTS

- None as of the last quarter under review.

TABLE 14. SUMMARY OF CI'S CONTRIBUTION TO HUB PMP INDICATORS

INDICATOR	ACHIEVEMENT IN FY2018
Value of new private sector investment in the agricultural sector or food chain leveraged by EATIH implementation (EATIH #4)	\$19,419,757
Value of new private sector investment in the non-agriculture sector, leveraged by USAID implementation (EATIH #5)	\$11,500,000
Number of buyer-seller linkages established in export capacity in the targeted sectors as a result of Trade Hub assistance (EATIH #29) ²	22
Person hours of training completed in trade and investment capacity building supported by United States Government (USG) assistance (EATIH #31)	6
Number of firms receiving USG capacity building assistance to export (EATIH #32)	3,747.8

² Result of the Africa Investment Rising Roadshow led by the Initiative for Global Development.



COMPONENT 2

Agriculture and Agribusiness

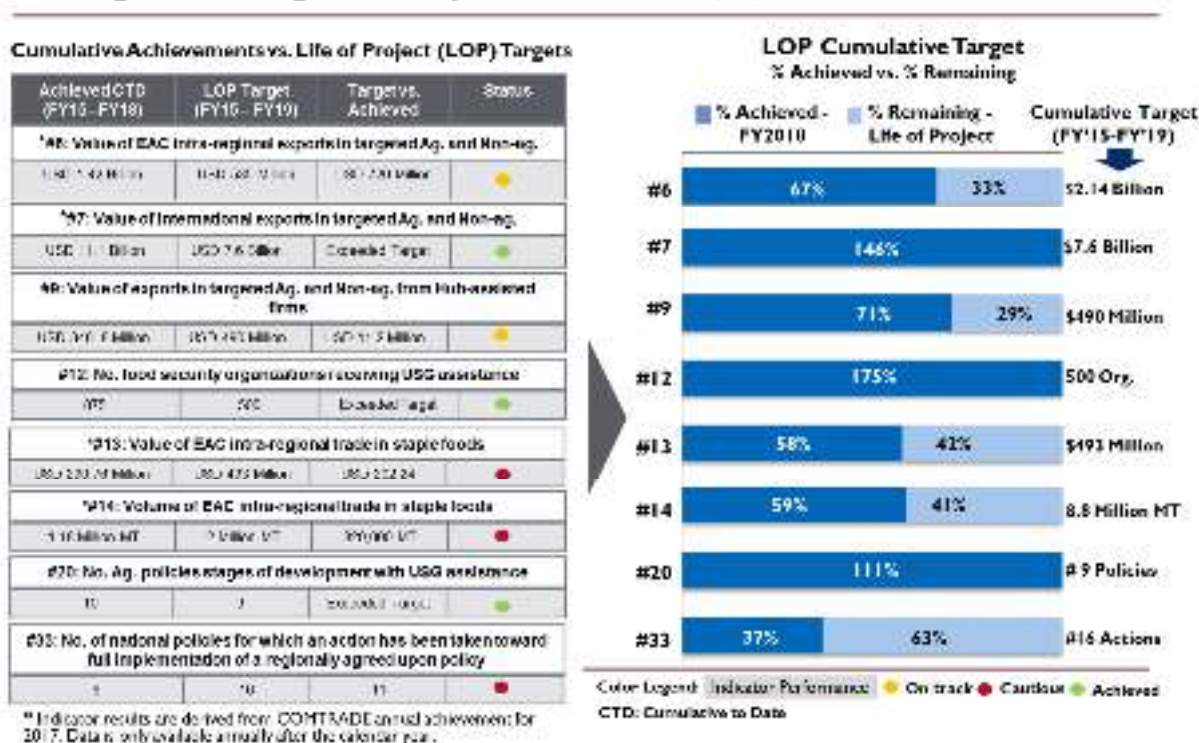
- The Hub facilitated trade commitments for 1.4 million MT of staple foods valued at \$472 million. To date, the Hub has confirmed that 12 percent of these commitments, 161,406 MT valued at \$53.7 million, have been executed. The Hub has also facilitated commitments for 9,321 cattle valued at almost \$1.2 million.
- The Hub supported Tanzania to break a ten-year deadlock on International Seed Testing Association (ISTA) accreditation and International Union for the Protection of New Varieties of Plants (UPOV) and the Organisation for Economic Co-operation and Development (OECD) seed scheme compliance.

COMPONENT 2: AGRICULTURE AND AGRIBUSINESS

The objective of Component 2 (C2) is to **increase the East African Community's (EAC) intra-regional trade in staple foods by 40 percent** and to improve access, availability and utilization of African-grown staple foods through regionally integrated markets. Activities under C2 build robust business enabling systems, strengthen regional agriculture trade policy and increase the commercial availability of technologies to support the competitiveness of East African value chains.

FY2018 AGRICULTURE AND AGRIBUSINESS OVERVIEW

Agriculture and Agribusiness Key Performance Indicators – Cumulative Achievements



SUMMARY

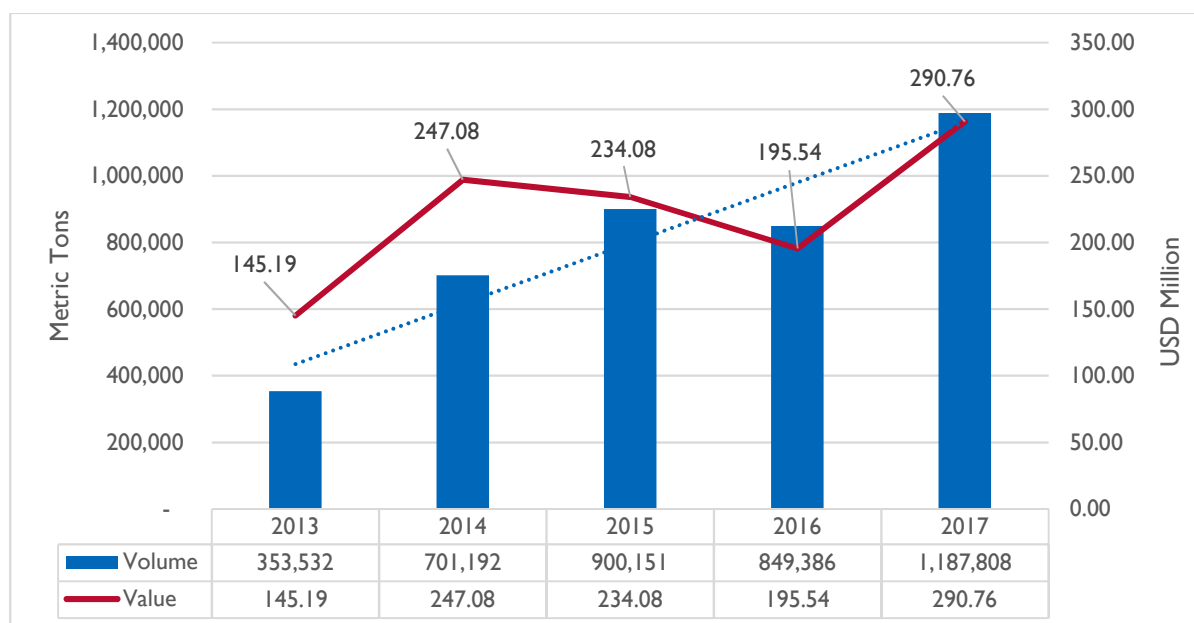
Based on the most recent available COMTRADE data (2017), the region has realized a **69 percent increase in volume (486,616 MT)** and **18 percent increase in value (\$43.68 million)** of **staple food traded** within the EAC since the beginning of the project. The COMTRADE adjusted LOP target – which does not include informal trade data – is estimated at 981,669 MT/USD 345.9 million versus the 2 million MT/USD 493 million target reflected in the Hub's PMP.³

With the exception of 2016, where there was a significant drought, regional trade has consistently increased due in large part to greater regional integration and the work of USAID development partners. USAID's strategic grain trade intervention and B2B activities in FY2017-18 partially contributed to this indicator, generating potential deals for over 1.4 million MT in cross-border staple grain traded and nearly 200 market linkages.

³ The Hub is unlikely to achieve the LOP targets for volume/value of intraregional trade in 2019 because the baseline for these indicators are not comparable to our current data source. The Hub's baseline target was derived from 2014 ReSAKSS data, which included informal trade statistics. Informal trade accounts for roughly 60-80 per cent of intra-regional trade in the EAC. As ReSAKSS data is no longer available the Hub's PMP was revised to source data from COMTRADE, which does not provide data on trade information. Consequently, the baseline for ReSAKSS data is almost double that of COMTRDAE, i.e. 1.46 million MT (ReSAKSS) vs. 701,192 MT (COMTRADE).

Figure 4 below illustrates this upward trend in both volume and value of staple foods traded over the last four years, with volume increasing markedly relative to value. The slower growth in value can be at least partially attributed to the depreciation of the EAC currencies against the U.S. dollar. Between December 2014 and December 2017, all EAC currencies weakened against the dollar by a range of 14 to 31 percent. This has a bearing on the value of intra-regional staple foods trade, since actual trade is transacted in local currencies.

FIGURE 4. VOLUME AND VALUE OF EAC INTRA REGIONAL TRADE IN STAPLE FOOD (2013-2017)



Source: COMTRADE

Over the last year, the Hub continued its work to improve the flow of staple foods from surplus to deficit areas within East Africa, building food security and self-sufficiency for East African citizens. In FY2018, the Hub confirmed signed trade commitments for 85,206.86 MT of staple foods valued at \$25.7 million, bringing the cumulative confirmed commitment total to **161,406 MT valued at \$53.7 million**. This represents almost 12 percent of the 1.4 million MT in deals facilitated by the Hub that remain unconfirmed. The Hub also supported trade commitments in the livestock sector through a new partnership with the International Livestock Research Institute (ILRI) to promote cross-border livestock trade in Northern Kenya and across the EAC. The Hub and ILRI held two livestock B2Bs in FY2018, which led to sales of 9,321 cattle, sheep, goats and camels worth an estimated \$1.2 million.

The Hub enhanced traders' capacities to participate in structured trade by addressing barriers to market information and finance. In FY2018, the Hub and Agribusiness Focused Partnership Organization (AGRIFOP) trained 142 female cross-border traders in the EAC to empower them with the knowledge and skills needed to use formal trade channels. The Hub also continued its collaboration with the Eastern Africa Grain Council (EAGC), Innovare Finance PCC and FACTS Africa to boost traders and agribusinesses' access to working capital. Notably, in Q4, the Hub completed the design of a trade facilitation fund for EAGC.

ACHIEVEMENTS



Source: Intra-regional trade data uses 2014 COMTRADE data as baseline

For agriculture policy, the Hub has supported the development of **ten agriculture- and nutrition-enabling policies** and the **domestication of six agriculture-enabling actions** at the national level since the beginning of the project. Tanzania’s delay in the ratification of the SPS Protocol has directly contributed to the underperformance of the Hub’s indicator number 33, which tracks the domestication of regionally agreed upon agriculture policies. As indicated in Table 15 below, the Hub would be well placed to exceed its target of 16 national level actions taken to implement regionally agreed upon agriculture policies by the end of the project if Tanzania ratifies the SPS Protocol. The Hub expects Tanzania to ratify the Protocol in the near term, however this may not happen before the project’s end.

To support this achievement, the Hub continued its work to encourage staple food and seed standards harmonization. Following the Hub’s success in December 2017 supporting the record-paced harmonization of nine EAC grain standards, in Q4, the Hub and EAGC began activities to revise an addition five EAC standards for sorghum grains, finger millet, green grams, composite flour and soy flour and to develop an EAC guideline for sampling and testing aflatoxin levels. Significant progress was also achieved in Tanzania where, after a ten-year deadlock, the country was accredited to ISTA and attained compliance with UPOV and the OECD seed schemes.

The Hub also reached milestones in support for the region’s food security outlook. The Hub’s drafts for the **EAC Food and Nutrition Security Strategy (FNSP)** and **EAC Food and Nutrition Security Action Plan (FNSAP) 2018-2022** were adopted by the **EAC Sectoral Council**

on **Agriculture and Food Security (SCAFS)** in June 2018. The two documents are now waiting final approval by the EAC Ministerial Council scheduled for November 2018.

TABLE 15. HUB SUPPORTED NATIONAL POLICY DOMESTICATION

POLICY	ACTION TAKEN WITH HUB SUPPORT	PENDING ACTIONS BY OTHER PARTNER STATES	COMMENT
The Companies Act	Kenya (1)		The amendments support by the Hub improved the operating environment for both ag and non-ag foreign firms investing in Kenya and supported the implementation of the CMP agreement. The amendment removed a 30% Kenyan shareholders requirement for all foreign investment.
EAC SPS Protocol	Kenya (1), Burundi (1)	Tanzania (1)	The Hub is in consultations with Tanzania's National SPS Committee on the EAC SPS Protocol's ratification. A high-level SPS stakeholder awareness forum has been discussed to sensitize policymaker.
EAC SPS Bill		Kenya (1), Tanzania (1), Rwanda (1), Uganda (1), Burundi (1)	The Bill is ready pending Tanzania's ratification of the SPS Protocol.
EAC SPS Regulations		Kenya (1), Tanzania (1), Rwanda (1), Uganda (1), Burundi (1)	Regulations are drafted, pending comments from EAC Secretariat and EAC Partner States.
EAC SPS Standard Operating Procedures		Kenya (1), Tanzania (1), Rwanda (1), Uganda (1), Burundi (1)	Regulations are drafted, pending comments from EAC Secretariat and EAC Partner States.
Nine Revised Standards for Cereals and Pulses	Kenya (1), Rwanda (1)	Uganda (1), Tanzania (1), Burundi (1)	Confirmation of the publication of the standards are being follow-up by the Hub and EAGC.
Five Revised Standards for Cereals and Pulses and EAC Guidelines for Sampling and Testing of Aflatoxin		Kenya (1), Tanzania (1), Rwanda (1), Uganda (1), Burundi (1)	Grant activity began in late FY2018.
Food Security Action Plan 2017-2021 and the EAC Food Security and Nutrition Policy		Kenya (1), Tanzania (1), Rwanda (1), Uganda (1), Burundi (1)	Pending approval by the EAC Council of Ministers.
ISTA Accreditation and compliance with International UPOV and Organization for Economic Cooperation and Development (OECD) seed schemes	Tanzania (1)		International Seed Testing Association (ISTA) accreditation and compliance with Union for the Protection of New Varieties of Plants (UPOV) under the OECD standards put Tanzania in compliance with both EAC and COMESA seed standards in support of intra-regional trade in both regions.
TOTAL	6	30	36

Source: East Africa Trade and Investment Hub

Finally, the Hub's promotion of technology sales will bolster regional trade and food security. The Hub's participation in the Africa Rising Roadshow created important connections with U.S. agribusinesses that are interested in bringing their products to the East African market. The Hub also facilitated the participation of 17 East African firms at the Global Cold Chain Conference and Expo in Chicago in June 2018 where they were introduced to new technologies that can enhance their operations. By the close of FY2018, the Hub had exceeded its LOP target for technology transfer by 269 percent and it will continue to follow up with linkages to promote U.S. technology adoption.

ACTIVITY I: BUSINESS SYSTEMS THAT ENABLE REGIONAL AGRICULTURE TRADE

SUB-ACTIVITY I.1: STRUCTURED TRADE AND REGIONAL MARKET LINKAGES FOR STAPLE FOODS

Sub-activity I.1.1: Support Enabling Policy to Facilitate Regional Trade in Staple Foods

Objective: Identify and facilitate policy dialogue and evidence-based decision making to remove measures that impede the flow of staple foods from surplus to deficit areas in the region.

Activities and Progress in FY2018:

- The Hub partnered with New Markets Lab to carry out a study of the Kenya-Ethiopia Northern Corridor in an effort to improve agricultural commodities trade and food security. In FY2018, the consultants completed background research, engaged with stakeholders during a field visit to Kenya and submitted the draft study report. The Hub is currently reviewing the report and has shared it with relevant stakeholders and USAID's Kenya and Ethiopia missions for input. The report will be finalized and the activity concluded in FY2019 Q1.
- The Hub carried out a study on the political economy of staple grains in the EAC, with a focus on Kenya, in partnership with Africa Practice in Q2. The findings detailed the political economy's effects on the availability and price of maize and other staple foods and food security in the region. The findings were intended to inform future Hub and USAID programming to enhance food security in the region.

Sub-activity I.1.2: Enhance Access to Financial Services to facilitate Regional Trade

Objective: Increase utilization of existing trade finance mechanisms, equity and debt investment and financing from banking and non-bank financial institutions to support large, strategic grain transactions.

Activities and Progress in FY2018:

- The Hub partnered with Innovare Finance PCC to provide lease finance and support services to at least five agriculture sector warehouse operators to help them acquire agricultural equipment for post-harvest storage, processing and other operations. In FY2018 the Innovare team conducted field visits to 17 warehouses in Kenya, Uganda and Tanzania identified by Hub consultants and EAGC. Innovare is now conducting risk analyses of the warehouses.
- The Hub partnered with FACTS Africa to facilitate access to working capital for traders, millers and warehouse operators in Kenya, Uganda and Tanzania. FACTS Africa was selected after a competitive bid process and successful capacity assessment. The Hub and FACTS Africa aim to facilitate up to \$2 million in working capital to at least 20 SMEs using a more streamlined and less onerous process than banks. The activity began in FY2018 Q4 and will run until FY2019 Q2.
- The Hub's consultants supported EAGC to design a trade facilitation fund that is intended to address the lack of financing for grain trade in the region. The consultants completed the design of fund in Q4 with input from EAGC members, banks and other financial institutions. Senior EAGC management approved the fund design and it is now waiting board approval before implementation.
- The Hub sponsored Ignite My SME finance seminars hosted by FACTS Africa in Kenya, Uganda and Tanzania. The full-day seminars aimed to improve agribusiness SMEs' access to working capital by aligning their operations to match standards required by financiers. As part of the sponsorship, the Hub facilitated the attendance of 27 female cross-border traders who are engaged in capacity building activities through the Hub's grant to AGRIFOP. A total of 306 participants attended the three seminars sponsored by the Hub.

TABLE 16. TRAININGS FOR CROSS-BORDER TRADERS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
Ignite my SME	Nairobi, Kenya	November 30, 2017	130 (9 cross-border traders)
Ignite my SME	Kampala, Uganda	March 21, 2018	60 (10 cross-border traders)
Ignite my SME	Dar es Salaam, Tanzania	June 13, 2018	116 (8 cross-border traders)

Sub-activity 1.1.3: Targeted Trade Facilitation and Business-to-Business (B2B) Linkages for Large, Strategic Deals

Objective: Facilitate large-scale cross-border and regional trade transactions of staple foods, thereby supporting the establishment of long-term trade relationships.

Activities and Progress in FY2018:

- The Hub facilitated signed trade commitments for 85,206 MT of commodities valued at \$25,768,112 in FY2018, including 2,846 MT estimated at \$587,270 in Q4. This brought the cumulative commitment total to 161,406.86 MT valued at \$53,702,112.
- The Hub continued to work closely with EAGC to confirm B2B grain transaction delivery data (i.e. volume, pricing and supporting documentation) from Hub B2Bs held in the FY2017 and FY2018. The Hub also partnered with a technology firm to develop a database that captures regional grain trade facilitation B2B data. The database is the primary depository for B2B data which supports documentation for all trade linkages and closed transactions.

TABLE 17. CONFIRMED STAPLE FOOD CONTRACTS FACILITATED BY THE HUB

REPORTING PERIOD	ORIGIN	DESTINATION	COUNTRY	VALUE (USD)	VOLUME (MT)
FY2017 Q3	Ethiopia	Kenya	Maize	\$8,624,000	25,200
FY2017 Q3	Ethiopia	Uganda	Sorghum	\$360,000	1,000
FY2017 Q4	Ethiopia	Kenya	Maize	\$18,950,000	50,000
FY2018 Q1	Ethiopia	Kenya	Maize	\$10,053,724	26,360
FY2018 Q1	Zambia	Rwanda	Maize	\$3,104,000	8,000
FY2018 Q2	Uganda	Kenya	Soya	\$286,029	1,000
FY2018 Q2	Tanzania	Kenya	Rice	\$54,000	60
FY2018 Q2	Uganda	Kenya	Soybeans	\$290,000	1,000
FY2018 Q2	Zambia	Rwanda	Maize	\$220,000	1,000
FY2018 Q2	Uganda	Rwanda	Maize	\$39,000	130
FY2018 Q2	Zambia	Kenya	Maize	\$650,000	5,000
FY2018 Q2	Ethiopia	Kenya	Maize	\$1,600,000	5,000
FY2018 Q2	Kenya	Uganda	Rice	\$4,821	11.7
FY2018 Q2	Zambia	Rwanda	Maize	\$1,897,780	4,994.16
FY2018 Q2	Uganda	Kenya	Maize	\$84,768	346
FY2018 Q2	Tanzania	Kenya	Maize	\$142,500	500

TABLE 17. CONFIRMED STAPLE FOOD CONTRACTS FACILITATED BY THE HUB

REPORTING PERIOD	ORIGIN	DESTINATION	COUNTRY	VALUE (USD)	VOLUME (MT)
FY2018 Q2	Ethiopia	Kenya	Maize	\$198,000	600
FY2018 Q2	Zambia	Kenya	Maize	\$99,000	300
FY2018 Q2	Uganda	Rwanda	Maize	\$65,100	210
FY2018 Q2	Uganda	Kenya	Maize	\$220,000	1,000
FY2018 Q3	Uganda	Burundi	Maize	\$2,700,000	5,000
FY2018 Q3	Zambia	Burundi	Maize	\$200,000	1,000
FY2018 Q3	Zambia	Rwanda	Maize	\$180,000	2,000
FY2018 Q3	Zambia	Tanzania	Maize	\$245,000	1,000
FY2018 Q3	Zambia	Kenya	Maize	\$897,120	2,848
FY2018 Q3	Zambia	Kenya	Maize	\$1,950,000	15,000
FY2018 Q4	Zambia	Rwanda	Maize	\$360,000	2,000
FY2018 Q4	Uganda	Kenya	Maize	\$84,770	346
FY2018 Q4	Tanzania	Kenya	Maize	\$142,500	500
TOTAL				\$53,702,112	161,406.86

- The Hub held two livestock trade facilitation events in northern Kenya in Marsabit and Wajir. Livestock traders from several counties in northern Kenya and from across the border in Ethiopia and Somalia participated and signed commitments for approximately 9,321 livestock valued at \$1.2 million, demonstrating that agricultural trade facilitation can be applied across various supply chains. The USAID Hub, in partnership with ILRI, organized the livestock trading platform as a means to efficiently draw traders together from the arid and semi-arid lands regions and make market linkages. The Hub also collaborated with the Partnership for Resilience and Economic Growth (PREG) who participated in the event.

TABLE 18. LIVESTOCK TRADE FACILITATION/B2B EVENTS

ACTIVITY	VOLUME (# OF ANIMALS)	POTENTIAL VALUE (USD)	MARKET LINKAGES	NUMBER OF PARTICIPANTS
Marsabit B2B Forum	5,373	406,773	61	68
Wajir B2B Forum	3,948	783,368	52	72
TOTAL	9,321	1,190,141	113	140

- The Hub was a key partner in the African Green Revolution Forum 2018 (AGRF 2018), which took place in Kigali, Rwanda from September 3-8, 2018. An estimated 2,000 global delegates consisting of agriculture experts, impact investors and agripreneurs attended the forum to devise new pathways to turn smallholder farms into sustainable agribusinesses. The Hub participated in two sessions: Mobilizing Private Investment in African Agriculture and the Policy Symposium on New Opportunities for Regional Food Markets and Food Trade in Africa. The Hub also hosted a breakfast meeting called "Leveraging Regional Trade for Food Security" with EAGC.

SUB-ACTIVITY 1.2: BUILD CAPACITY OF CROSS-BORDER TRADERS AND REGIONAL TRADE ORGANIZATIONS

Objective: Support formalization of cross-border traders, facilitating access to the representation, financing and business support they need to participate in structured market systems.

Activities and Progress in FY2018:

- In FY2018, the Hub and AGRIFOP organized three capacity building workshops (one session on each side of the border) for 142 female cross-border traders at the Kagitumba, Mirama Hills, Rusumo and Nemba borders. The workshops enhanced participants' skills in enterprise management, structured trade, EAC grain standards, cross-border trade regulations, market information and access to finance. In preparation for the workshops, AGRIFOP profiled 156 cross-border traders in Burundi, Uganda and Tanzania to build a database and baseline and developed training manuals, which were translated into Kinyarwanda, Kirundi, Kiswahili and Luganda. The Hub and AGRIFOP are now planning business linkage workshops for FY2019 Q1 that will strengthen the trade ties between the women traders on either side of the three borders.

TABLE 19. TRAININGS FOR CROSS-BORDER TRADERS CONDUCTED BY AGRIFOP

LOCATION	DATE	NUMBER OF PARTICIPANTS
Rusumo – Rwanda	July 24-25, 2018	21
Rusumo - Tanzania	July 26-27, 2018	24
Nemba – Rwanda	August 7-8, 2018	29
Nemba – Burundi	August 9-10, 2018	25
Kagitumba - Rwanda	August 21-22, 2018	22
Mirama Hills - Uganda	August 23-24, 2018	21
Total		142



Two women head to Rwanda to purchase goods at the Rusumo border. See photo story [here](#) for more information.

“I learned the benefit of joining trading groups and associations as this makes access to finance easier. For example, if a client needs products in bulk and you don’t have enough stock, you can visit a fellow member of the group to assist in sustaining the order.”

Mukarutesi Annasiatha, cross-border grain trader in Rusumo, Rwanda.

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The Hub’s grant with AGRIFOP built on its grant with Agricultural Market Development Trust (AGMARK), which was completed in November 2017 and focused on the eastern EAC borders. To date, the Hub has trained a total of 344 cross-border traders through these grants in an effort to drive formal cross-border trade.

The Hub, in collaboration with AGMARK, launched the regional East African Cross-Border Traders Association (EACBTA), which unites cross-border traders from Kenya, Tanzania, Uganda, Rwanda and South Sudan to give them a stronger voice in the EAC and a platform to participate in the formulation of trade policies. In FY2019, the Hub plans to identify a partner who will incubate the EACBTA.

- As noted under Sub-activity 1.1.2, a total of 27 female cross-border traders participated in the Ignite My SME seminars in Kenya, Uganda and Tanzania.
- Outside of the EAC, the Hub partnered with Feed the Future Ethiopia Value Chain Activity to carry out a training in March 2018 on international grain export procedures and related regulations in English and Amharic for Ethiopian farmers' unions and cooperatives. A total of 33 people from 26 cooperatives and unions were trained in national and East African grain export technical and legal requirements. Seventeen of the 33 participants attended a training of trainers session to enhance their capabilities to pass on the newly acquired knowledge to their members.

SUB-ACTIVITY 1.3: SUPPORT HARMONIZATION AND IMPLEMENTATION OF STAPLE FOOD STANDARDS

Sub-activity 1.3.1: Support Implementation of Staple Food Quality Standards

Objective: Implementation of harmonized and improved EAC grain standards.

Activities and Progress in FY2018:

- The EAC Ministerial Council's approval of nine revised EAC grain standards and two new standards for sampling and test methods in December 2017, achieved through a record-paced revision, approval, and gazetting process under a Hub grant with EAGC. The Hub and the EAGC hosted four subsequent introduction events for the standards in Uganda, Burundi, Tanzania and Rwanda to build stakeholders' awareness of the changes and to encourage the EAC Partner States to gazette and locally adopt the standards within the EAC-mandated time period.
- Building off this success, the Hub signed a grant with EAGC in Q4 to facilitate the review and revision of EAC standards for sorghum grains, finger millet, green grams, composite flour and soy flour and to support the development of an EAC guideline for sampling and testing aflatoxin levels. To kick off the process, the Hub and EAGC hosted a regional meeting in Entebbe, Uganda where members of the EAC Secretariat and the national technical committees, made up of public and private stakeholders and chaired by the bureau of standards, came together to review and draft the standards for sorghum grains, finger millet and green grams.

TABLE 20. EAC REVISED STANDARDS INTRODUCTION EVENTS

LOCATION	DATE	NUMBER OF PARTICIPANTS
Kampala, Uganda	February 7, 2018	53
Bujumbura, Burundi	April 10, 2018	40
Dar es Salaam, Tanzania	April 25, 2018	51
Kigali, Rwanda	April 30, 2018	31

Sub-activity 1.3.2: Support Harmonization and Implementation of Seed Standards

Objective: Address regional policy constraints limiting the flow of seeds within the Common Market for Eastern and Southern Africa (COMESA) region and seek ways to assist Tanzania to adopt equivalent standards.

Activities and Progress in FY2018:

- After a year of close collaboration between the Hub and the Tanzania Official Seed Certification Institute (TOSCI), Tanzania achieved accreditation to ISTA and compliance with UPOV and OECD seed schemes. These breakthroughs were unveiled by the Minister of Agriculture at the

Seed Industry Development Workshop organized by the Hub, TOSCI, Tanzania Seed Traders Association (TASTA) and the Alliance for a Green Revolution in Africa (AGRA).

- During the same week, the Hub supported TOSCI to conduct a validation workshop to finalize the domestication of the distinctness uniformity and stability (DUS) test guidelines for priority crops (maize, common beans, rice and sorghum) in compliance with UPOV. The approved test guidelines are undergoing final editing and will thereafter be forwarded to the Tanzania Plant Breeders Rights Office for gazette within the next six months.

ACTIVITY 1 CONSTRAINTS

- It has taken longer than anticipated to close deals through the lease finance activity due to unforeseen changes in the ownership structure of Innovare, the lease financing company.
- The trainings for cross-border women traders took place at remote border locations that lacked appropriate hotel facilities. The Hub and AGRIFOP addressed this challenge by working with border officials, which allowed them to use conference rooms at the one-stop-border post facilities. These venues enabled the women to further engage with officials and address the perceived power distance between them and the border officials.

ACTIVITY 2: REGIONAL AGRICULTURAL TRADE POLICY

SUB-ACTIVITY 2.1: SUPPORT THE EAC PARTNER STATES IN THE RATIFICATION OF EAC SPS PROTOCOL, FINALIZED SPS BILL AND DRAFTING OF SUPPORT REGULATIONS

Objective: Support the domestication of the EAC SPS Protocol in the region and strengthen the adoption, enforcement and coordination of the SPS measures in the region.

Activities and Progress in FY2018:

- The Hub continued consultations on the EAC SPS Protocol's ratification with the Republic of Tanzania, the only EAC Partner State yet to ratify it, through the National SPS Coordination Committee within the Ministry of Industry, Trade and Investment. The Hub and the committee discussed holding a high-level SPS stakeholder forum to demonstrate to policymakers how the protocol is a milestone toward promoting intra-EAC and international trade and to encourage its ratification. The presentation of the EAC SPS Bill to the EAC Ministerial Council and subsequently to the East Africa Legislative Assembly (EALA) for enactment is dependent on all the EAC Partner States ratifying the EAC SPS Protocol.
- The Hub contracted a local law firm to review the EAC SPS Protocol, EAC SPS measures and EAC SPS Bill and draft accompanying regulations and standard operating procedures (SOPs) for these legal instruments' implementation. The draft EAC SPS regulations and SOPs are ready to be presented to stakeholders at the national and regional levels for their feedback. Once these meetings are held by the EAC Secretariat, the consultant will finalize the drafts.

SUB-ACTIVITY 2.2: COORDINATION OF SPS MEASURES IN EAC PARTNER STATES

Objective: Strengthen the coordination of the SPS measures in EAC Partner States through national and regional SPS committees and drafting of regulations to operationalize the EAC SPS Protocol.

Activities and Progress in FY2018:

- The Hub, through a local law firm, reviewed the operations of the national SPS committees within the EAC region and identified changes to sustainably optimize their operations. The Hub subsequently supported national SPS stakeholders meetings where they engaged stakeholders on the draft country reports.

TABLE 21. SPS COORDINATION MEETINGS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
National SPS Stakeholders Forum	Nairobi, Kenya	April 6, 2018	30
National SPS Stakeholders Forum	Dar es Salaam, Tanzania	April 13, 2018	27
National SPS Stakeholders Forum	Kampala, Uganda	April 20, 2018	33
National SPS Stakeholders Forum	Kigali, Rwanda	May 25, 2018	31
National SPS Stakeholders Forum	Bujumbura, Burundi	June 22, 2018	33

SUB-ACTIVITY 2.3: CAPACITY BUILDING ON SPS MEASURES WITH EAC PARTNER STATES

Objective: Build SPS capacity in the EAC region to promote intra-EAC trade and expand trade internationally.

Activities and Progress in FY2018:

- The Hub held seven training workshops in FY2018 to build stakeholders' capacities. This included:
 - Partnering with the Centre for Agriculture and Biosciences International (CABI) to conduct a series of technical training programs for 76 competent authorities and experts on plant health, animal health and food safety official controls in Kenya, Tanzania and Uganda.
 - Conducting a technical SPS training workshop for 35 SPS experts and inspectors on animal health, plant health and food safety inspections.
 - Delivering a training on the U.S. Food and Drug Administration's Food Safety and Modernization Act (FSMA) that prepared 74 experts from the EAC, Ethiopia and Madagascar to assist local enterprises to meet U.S. import requirements for food products.
 - Training 16 experts on how to prepare business plans for laboratories that provide analyses used to inform SPS systems performance, pest/disease detection, hazard identification and compliance in an effort to enable laboratories to operate sustainably and delivery results that are accurate, timely and reliable.
 - Partnering with Promin Consultants Limited to convene the first ever regional SPS laboratories forum, which brought together 30 laboratory managers from the EAC Partner States to explore opportunities for collaboration.

TABLE 22. SPS CAPACITY BUILDING WORKSHOPS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
Animal Health Official Controls Training Workshop	Entebbe, Uganda	October 3-5, 2017	25
Plant Health Official Controls Training Workshop	Dar es Salaam, Tanzania	October 10-12, 2017	23
Food Safety Official Controls Training Workshop	Nairobi, Kenya	November 14-16, 2017	28
Training Workshop for Sanitary and Phytosanitary Inspectors in the EAC	Nairobi, Kenya	February 5-7, 2018	35

TABLE 22. SPS CAPACITY BUILDING WORKSHOPS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
International and U.S Risk Based Preventive Food Safety Standards Workshop	Dar es Salaam, Tanzania	March 12-14, 2018	74
SPS Laboratory Training in Business Planning	Nairobi, Kenya	March 19-23, 2018	16
Regional SPS Laboratory Stakeholders Forum	Nairobi, Kenya	June 13-14, 2018	30

- The Hub partnered with AKN Consulting SPRL to conduct one regional and five national training workshops on the development of national residue monitoring and control plans for Kenya, Tanzania, Uganda, Rwanda and Burundi. The objective was to draft monitoring and control plans for each of the EAC Partner States to help stem economic losses from trade rejection caused by high residue levels.

TABLE 23. RESIDUE MONITORING AND CONTROL PLAN WORKSHOPS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
Regional Residue Monitoring and Control Plan Workshop	Nairobi, Kenya	November 27-December 1, 2017	25
National Residue Monitoring and Control Plan Workshop	Nairobi, Kenya	December 13-15, 2017	21
National Residue Monitoring and Control Plan Workshop	Dar es Salaam, Tanzania	April 10-12, 2018	24
National Residue Monitoring and Control Plan Workshop	Kampala, Uganda	April 17-19, 2018	28
National Residue Monitoring and Control Plan Workshop	Kigali, Rwanda	May 22-24, 2018	25
National Residue Monitoring and Control Plan Workshop	Bujumbura, Burundi	June 19-21, 2018	26

SUB-ACTIVITY 2.4: SUPPORT IMPLEMENTATION OF THE EAC FOOD SECURITY AND NUTRITION STRATEGY POLICY

Objective: Develop a strategy to guide the implementation of the EAC Food and Nutrition Security Strategy (FNSS), assess the EAC Food Security Action Plan Food and Nutrition Security Action Plan (FNSAP) 2011-2015 and develop the Food and Nutrition Security Action Plan (FNSAP) 2018-2022.

Activities and Progress in FY2018:

- The Hub and its consultants produced draft reports of the FNSS and FNSAP. In partnership with the EAC Secretariat, the Hub convened five national consultative/validation meetings and a regional experts' meeting to discuss the drafts, which were subsequently revised and shared for the EAC SCAFS meeting in June 2018. The SCAFS adopted both the EAC FNSS and EAC FNSAP 2018-2022 and recommended that they be forwarded to the EAC Ministerial Council meeting planned for November 2018 for consideration. Once approved by the EAC Ministerial Council, they will be recommended for implementation by the EAC Secretariat and the Partner States.

TABLE 24. FNSAP AND FNSS NATIONAL AND REGIONAL VALIDATION MEETINGS

ACTIVITY	LOCATION	DATE	NUMBER OF PARTICIPANTS
FNSAP and FNSS National Validation Meeting	Kigali, Rwanda	October 30-31, 2017	48 (37M, 11F)
FNSAP and FNSS National Validation Meeting	Bujumbura, Burundi	November 2-3, 2017	21 (10M, 11F)
FNSAP and FNSS National Validation Meeting	Dar es Salaam, Tanzania	November 6-7, 2017	42 (23M, 19F)
FNSAP and FNSS National Validation Meeting	Nairobi, Kenya	November 9-10, 2017	39 (19M, 11F)
FNSAP and FNSS National Validation Meeting	Kampala, Uganda	November 13-14, 2017	34 (24M, 10F)
FNSAP and FNSS Regional Validation Meeting	Nairobi, Kenya	January 30-February 3, 2018	41 (30M, 11F)

ACTIVITY 2 CONSTRAINTS

- The Hub’s partners, such as the EAC Secretariat, have slow internal processes that impede delivery effort.
- EAC Partner States’ internal nomination and clearance processes affected attendance at stakeholder training workshops. Sometimes stakeholders are unable to participate, or they are substituted with participants who may not be conversant with issues and able to effectively contribute to discussions.
- Although the EAC Partner States have recognized the need for SPS capacity building, commitment and ownership have not been clearly expressed. There is a disconnect between governments’ policy commitments and implementation that creates this contradiction. While technical representatives often attend trainings, they are sometimes unable to gain policymakers support to implement lessons learned from trainings.
- Although the EAC Partner States express a need for SPS capacity building, their cooperation in arranging and participation in regional training workshops has fell below expectations and is inconsistent with expressed demand for these activities. Without effective or facilitative collaboration, planning becomes challenging, with sub-optimal participation both in terms expected numbers and relevant representation. In view of this, the Hub will condition training activities to specific contributions from Partner States.

ACTIVITY 3: TECHNOLOGY IDENTIFICATION, PROMOTION AND INVESTMENT

SUB-ACTIVITY 3.1: EXPANDING ACCESS TO MARKET AND TRADE INFORMATION SYSTEMS

Objective: Increase the efficiency of agricultural markets throughout the EAC by supporting existing market information systems in their data gathering, analysis and dissemination efforts.

Activities and Progress in FY2018:

- The Hub hired a consultant to review and evaluate the pilot stage of the e-Granary system owned and managed by the Eastern Africa Farmers Federation (EAFF). The e-Granary system is a structured trading and financing platform that aggregates farmers’ produce for easier access to market and facilitates farmer access to financial services and extension support. The review of the system’s pilot in Kenya provided useful insights on its successes and failures. The consultant also offered recommendations to strengthen and scale-up the platform at the regional level, which EAFF has begun implementing.

SUB-ACTIVITY 3.2: EXPANDING ACCESS TO STAPLE FOODS THROUGH TECHNOLOGY INNOVATION AND INVESTMENT

Objective: Make agricultural and trade enhancing technologies commercially available to East African farmers and agribusinesses, increasing the efficiency of farming operations, reducing post-harvest losses, lowering transaction costs.

Activities and Progress in FY2018:



East African agribusinesses explore U.S. technologies at the Global Cold Chain Conference and Expo.

“In the past I’ve used disposable temperature data loggers but these temperature data loggers from Cole-Parmer are designed in a way that I can reuse them which will go a long way in saving high costs for my business.”

Grace Mueni Nyaa, CEO of Safe Produce Solutions Limited.

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The Hub supported 17 East African agribusinesses that produce, handle, store, transport or distribute perishable agricultural commodities to take part in the Global Cold Chain Expo and Conference in Chicago in June 2018. The firms, who were drawn from Ethiopia, Kenya, Madagascar, Rwanda, Tanzania and Uganda, were introduced to various cold chain equipment and technologies from world-leading manufacturers and suppliers. The connections made between U.S. and East African businesses at the expo will facilitate the sale of U.S. technologies that can boost food safety, food quality and tradeable quantities, which will ultimately lead to greater trade, regional food security and resiliency. The Hub continues to follow up with the participants to establish which firms had purchased equipment and which needed support to actualize linkages.

- The Hub supported five Tanzanian agribusiness start-ups’ participation in a training boot camp during the annual Pitch Agrihack competition, which took place on the sidelines of AGRF 2018. Pitch Agrihack was organized by the Technical Centre for Agricultural and Rural Cooperation with the aim to accelerate e-agriculture entrepreneurship for improved livelihoods in the African, Caribbean and Pacific countries. The start-ups gained new skills to build their businesses and got a chance to make valuable linkages with potential investors.
- The Hub held a certificate issuance ceremony in Kampala, Uganda in July 2018 to recognize the ten East Africa Post-harvest Technologies Competition finalists’ completion of a Business Development Services (BDS) support program. The Hub, in partnership with Intellectap, provided a training session in Nairobi followed by individualized one-on-one mentorship sessions to equip the young innovators with the skills needed to scale-up their technologies and businesses for a greater impact on food security and trade across East Africa.

ACTIVITY 3 CONSTRAINTS

- East African agribusinesses expressed an interest in numerous cold chain technologies in the U.S. at the Global Cold Chain Expo and Conference, however, most of these technology manufacturers have no presence in or know very little about the East African market. The Hub is exploring opportunities to assist U.S. cold chain technology companies to export to East African buyers.

TABLE 25. SUMMARY OF C2'S CONTRIBUTION TO HUB PMP INDICATORS

INDICATOR	ACHIEVEMENT IN FY2018
Value of exports in targeted non-agricultural and agricultural commodities from Hub-assisted firms/associations (EATIH #9)	\$6,172,120
Number of food security private enterprises (for profit), producers' organizations, water users' associations, women's groups, trade and business associations, and CBOs receiving USG assistance (EATIH #12)	201 (82 new, 119 continuing)
Person hours of training completed in trade and investment enabling environment supported by USG assistance (EATIH #25)	7,993.51
Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) (EATIH #27)	68% (Ignite My SME Seminars and capacity building workshops for cross-border traders)
Number of buyer/seller linkages established in export capacity in the targeted sectors as a result of Hub assistance (EATIH #29)	67 (livestock cross-broader business linkages)
Number of trade and investment missions completed (EATIH #30)	5
Person hours of training completed in trade and investment capacity building supported by USG assistance (EATIH #31)	1,644.5
Number of firms receiving USG capacity building assistance to export (EATIH #32)	14



COMPONENT 3

Trade Promotion and AGOA

- Hub-supported firms exported almost \$207.4 million under AGOA in FY2018, a 92.1 percent increase over FY2017's exports of \$107.9 million.
- The Hub provided technical assistance to 107 firms to export to the U.S. and other markets. Hub-supported firms created 4,653 jobs through this assistance and 28 reported being more profitable.
- The Hub facilitated the collaboration between Kenya's government and private sector and provided extensive technical assistance to develop the Kenya National AGOA Strategy and Action Plan, 2018-2023.

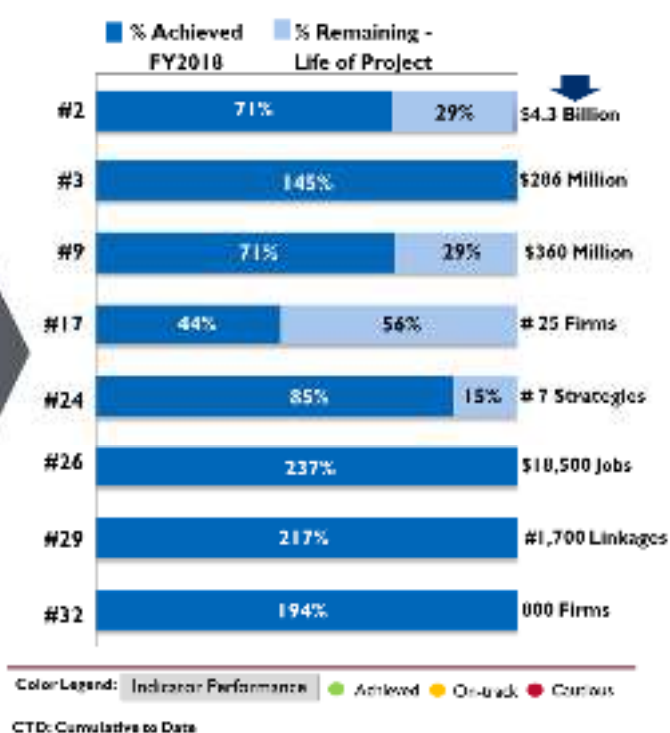
COMPONENT 3: TRADE PROMOTION AND AGOA

The objective of Component 3 (C3) is to promote intra-regional and export trade, facilitating a **40 percent increase in value-added exports** under AGOA and creating **18,500 full-time equivalent (FTE) jobs**. C3 cuts across all three of the Hub's components by strengthening East Africa's ability to attract and maintain investment (C1); supporting value addition, innovation and technology adoption in agriculture (C2); and incentivizing the need for broad-based policy reform (C4).

FY2018 TRADE PROMOTION AND AGOA OVERVIEW

Trade Promotion and AGOA Performance Indicators – Cumulative Achievements

Achieved CTD (FY15 – FY18)	LOP Target (FY15 – FY18)	Target vs. Achieved	Status
#2: Value of AGOA exports from Eligible Countries as a Result of Project Assistance			
USD 3.05 Billion	USD 4.3 Billion	USD 1.25 Billion	On-track
#3: Value of AGOA exports from EATH supported firms			
USD 415.6 Million	USD 282 Million	Exceeded Target	Achieved
#9: Value of Exports in Targeted Ag. and Non-ag. from Hub-assisted Firms			
USD 315.8 Million	USD 391 Million	17.5 Million	On-track
#17: No. of Ag and Non-ag. Assisted Firms Meeting International Standards to Export			
11	25	14	Critical
#24: No. of AGOA Strategies Developed or Updated			
6	7	1	On-track
#26: No. of Full-Time Equivalent (FTE) Jobs Created with USG Assistance			
41,851	18,700	Exceeded Target	Achieved
#29: No. of Buyer/Seller Linkages Established in Export Capacity in Targeted Sector as a Result of Trade Hub Assistance			
2,055	1,700	Exceeded Target	Achieved
#32: No. of firms receiving USG Capacity Building Assistance to Export			
1,500	800	Exceeded Target	Achieved



SUMMARY

Exports under AGOA and the Generalized System of Preferences (GSP) between October 2017 and August 2018 reached over \$888.6 million, an 18 percent increase from the same period in FY2017. Ethiopia experienced the largest increase with 64 percent growth, followed by Rwanda (53 percent), Uganda (45 percent) and Madagascar (34 percent). Kenya and Tanzania had moderate increases of 12 percent and 5 percent respectively, while Mauritius and Burundi's exports decreased by two percent and 36 percent within the year. Madagascar replaced Mauritius as the second largest AGOA exporter among Hub-supported countries (Kenya remains first) with over \$165.6 million in AGOA/GSP exports compared to Mauritius' \$150.6 million.

Hub-supported firms exported almost \$207.4 million under AGOA in FY2018, contributing 23.3 percent to the region's performance this year. This was a 92.1 percent increase over FY2017's exports of \$107.9 million. Within the year, firm-level exports (AGOA/GSP) rose from approximately \$28 million in Q1 to \$75.8 million in Q4. The 170.8 percent increase in quarterly

exports can be attributed to both greater export activities by the companies and more rigorous data collection by the Hub.

TABLE 26. VALUE IN USD OF GSP/AGOA EXPORTS BY COUNTRY

COUNTRY	OCT. 2016- AUG 2017	OCT. 2017- AUG 2018	PERCENT CHANGE	EXPORTS BY HUB-SUPPORTED FIRMS IN FY2018	HUB- SUPPORTED FIRM FY2018 PERCENTAGE
Burundi	\$1,710,251	\$1,094,444	-36%	-	0%
Uganda	\$2,096,295	\$3,048,225	45%	\$223,538	7.3%
Rwanda	\$3,628,088	\$5,555,538	53%	\$50,000	<1%
Tanzania	\$35,888,201	\$37,823,714	5%	\$110,966	<1%
Ethiopia	\$75,776,398	\$124,109,644	64%	\$10,719,299	8.6%
Madagascar	\$123,733,541	\$165,620,626	34%	\$15,448,621	9.3%
Mauritius	\$153,812,773	\$150,661,100	-2%	-	0%
Kenya	\$357,731,584	\$400,733,590	12%	\$180,834,113	45.1%
TOTAL	\$754,377,131	\$888,646,881	18%	\$207,386,537	23.3%

FIGURE 5. AGOA/GSP EXPORTS FROM HUB-SUPPORTED FIRMS BY FISCAL YEAR

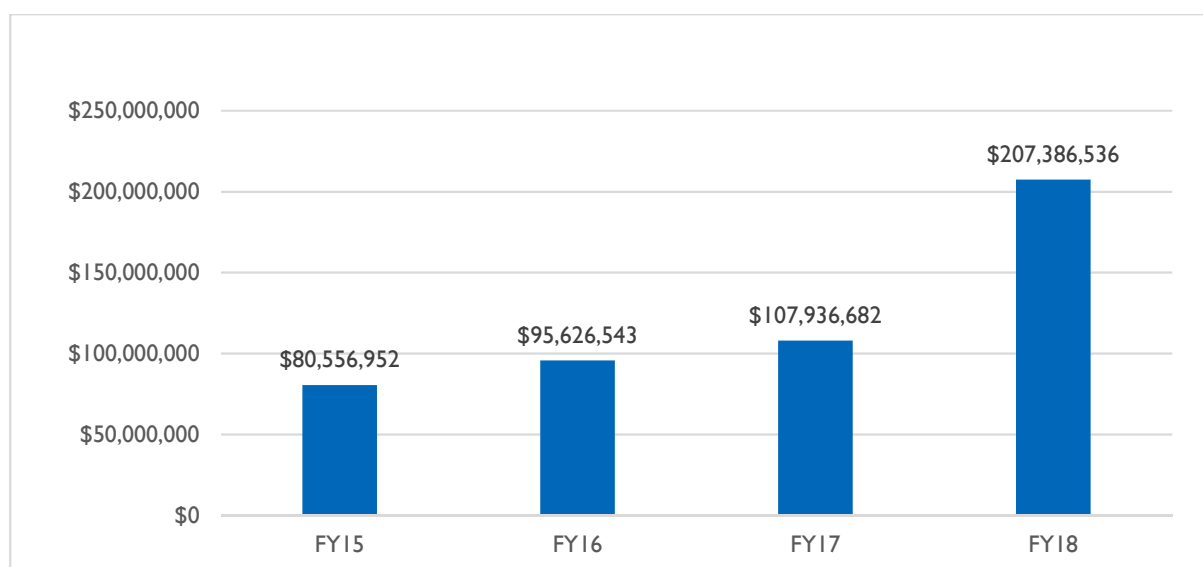


TABLE 27. VALUE IN USD OF GSP/AGOA EXPORTS BY SECTOR

SECTOR	OCT. 2016- AUG 2017	OCT. 2017- AUG 2018	PERCENT CHANGE	EXPORTS BY HUB- SUPPORTED FIRMS IN FY2018	HUB- SUPPORTED FIRM FY2018 PERCENTAGE
Apparel	\$102,877,476	\$749,835,010	19%	\$199,331,482	27%
Cut Flowers	\$4,248,791	\$9,646,289	11%	\$5,218,754	54%
Home Décor and Fashion Accessories	\$555,271	\$13,060,077	28%	\$578,937	4%

TABLE 27. VALUE IN USD OF GSP/AGOA EXPORTS BY SECTOR

SECTOR	OCT. 2016- AUG 2017	OCT. 2017- AUG 2018	PERCENT CHANGE	EXPORTS BY HUB- SUPPORTED FIRMS IN FY2018	HUB- SUPPORTED FIRM FY2018 PERCENTAGE
Specialty Foods	\$100,143	\$73,772,733	2%	\$1,806,591	2%
Footwear	\$155,000	\$30,479,997	16%	\$450,772	1%
TOTAL	\$107,936,682	\$888,646,881	4%	\$207,386,537	23%

In FY2018, the Hub supported East African firms to participate in 21 trade shows and nine buyer missions, creating over 1,300 linkages valued at approximately \$54 million. The Hub used these occasions and others to promote U.S. sourcing from East Africa, highlighting mutual benefits such as AGOA’s duty-free market access. Prominent U.S. firms like PVH Corporation, HomeGoods, Apparel Sourcing International, Anthropologie, West Elm and Bed, Bath & Beyond were included among these linkages, demonstrating a serious interest in U.S. sourcing from the region. The Hub continued to provide firm-level technical assistance and follow-up on linkages to ensure that east African firms meet U.S. buyers’ expectations and requirements.

The Hub also provided extensive technical assistance and private sector coordination to the Kenyan and Ugandan governments to finalize national AGOA strategies. These documents identify target markets and end-market requirements, giving the countries a clear roadmap to maximize AGOA’s duty-free benefits and supporting them to meet the U.S. Trade Representative’s AGOA utilization mandate.

ACTIVITY I: NATIONAL AGOA STRATEGIES AND ACTION PLANS

Objective: Support greater utilization of the AGOA preference and enable beneficiary countries to maximize the benefits brought about by AGOA.

Activities and Progress in FY2018:

- The Kenya National AGOA Strategy and Action Plan, 2018-2023 was launched in July 2018. Developed with Hub support, the strategy identifies key challenges to AGOA exports and the actions necessary to overcome them with the aim to double Kenya’s exports to the U.S. in five years, reaching \$1,015.3 million in exports by 2023. The strategy also defined seven priority product sectors that will account for the bulk of these exports.
- The Hub began the recruitment process for two consultants who will work together to support the Government of Ethiopia to update its draft National AGOA Strategy. The document will include a detailed end-market analysis and action plan. Ethiopia has experienced an upsurge in both investment and exports and AGOA is a key pillar in the country’s export strategy.
- The Hub engaged a consultant to support the development of Tanzania’s AGOA Strategy Implementation Action Plan. The consultant is working with the public and private sector Technical Working Group to draft the action plan, which will outline resource mobilization and coordination plans for the strategy’s four priority sectors: the garments-textiles-cotton value chain, agro-processing (cashew nuts), handicrafts and home décor, and leather goods and accessories. The consultant began the first phase of the work and engaged stakeholders to identify challenges in exporting.
- The Hub provided technical assistance to finalize Uganda’s National AGOA Strategy, which is expected to be officially launched in early FY2019.

ACTIVITY 1 CONSTRAINTS

- It is a complex and time-consuming process to develop a coherent national AGOA strategy with stakeholder participation and ownership. An effective strategy requires a detailed end-market analysis which requires multiple U.S. sector experts' inputs. This takes considerable staff time to coordinate and review/edit various draft documents.
- Despite AGOA having been in operation for over 18 years, the level of awareness among technocrats and entrepreneurs remains low, limiting their capacity to facilitate or participate in AGOA exports.

ACTIVITY 2: TRADE SHOWS, BUYER MISSIONS AND B2B EVENTS

SUB-ACTIVITY 2.1: TRADE SHOWS

Objective: Facilitate face-to-face meetings between selected exporters and buyers, competitors, suppliers and support agencies to facilitate business linkages.

Activities and Progress in FY2018:

- In FY2018, the Hub supported 132 firms to attend 21 trade shows, resulting in 1,125 business linkages worth approximately \$46.3 million in potential sales.
- The Hub supported East African exhibitors to participate in shows serving the target sectors. This year included shows where the Hub had not previously participated, such as the International Food Technologists Expo for specialty foods, Fruit Logistica for fresh produce, New York Now for home décor and fashion accessories, The Running Event for athletic footwear, Coffee Fest for specialty coffees, International Floriculture Expo for cut flowers and World Tea Expo for teas. Overall, exhibitors were better selected, better prepared and generally able to effectively engage with buyers.

TABLE 28. TRADE SHOWS

TRADE SHOW	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
African Sourcing and Fashion Week	Apparel	Addis Ababa, Ethiopia	October 3-6, 2017	6 exporters from Ethiopia, Kenya and Rwanda	7 linkages \$50,000 in potential orders
Coffee Fest	Specialty Foods/ Coffee	Portland, OR, U.S.	October 13-15, 2017	4 exporters from Rwanda and Ethiopia and 1 trade association from Kenya	10 linkages \$100,000 in potential orders
Destination Africa	Apparel	Cairo, Egypt	November 11-12, 2017	1 exporter from Ethiopia	0 linkages
The Running Event (TRE)	Footwear	Austin, TX, U.S.	November 28-December 1, 2017	1 manufacturer from Kenya	24 linkages \$27,500 in potential orders
Fashion Footwear Association of New York (FFANY)	Footwear	New York, NY, U.S.	November 29-December 1, 2017	9 exporters from Kenya and Ethiopia	62 linkages \$100,000 in potential orders

TABLE 28. TRADE SHOWS

TRADE SHOW	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
Fruit Logistica Expo	Specialty Foods	Berlin, Germany	February 7-9, 2018	5 exporters from Ethiopia	5 linkages
Ambiente	Home Décor, Fashion	Frankfurt, Germany	February 9-13, 2018	5 exporters from Kenya, Madagascar and Tanzania	100 linkages \$28,500 in sales and \$1,387,850 in potential orders
Sourcing at MAGIC/ Footwear Sourcing at MAGIC	Apparel, Footwear	Las Vegas, Nevada, U.S.	February 12-14, 2018	10 exporters from Ethiopia and Madagascar 9 exporters from Ethiopia and Kenya	164 linkages \$32,411,000 in potential orders
Natural Products Expo West	Specialty Foods	Anaheim, CA, U.S.	March 7-11, 2018	4 exporters from Madagascar Hub consultant displayed products from Kenya, Uganda, Rwanda and Tanzania	80 linkages \$1,801,800 in potential orders
Specialty Coffees of America (SCA) Expo	Specialty Foods (Coffee)	Seattle, WA, U.S.	April 20-22, 2018	17 exporters from Kenya, Uganda, Tanzania, Rwanda, Burundi and Ethiopia	91 linkages \$2,660,000 in potential orders
Apparel Textile Sourcing Show	Apparel	Miami, FL, U.S.	May 21-23, 2018	5 exporters from Mauritius and Madagascar	41 linkages \$3,883,800 in potential orders
Doing Business with the U.S. Forum	General	Nairobi, Kenya	May 30, 2018	2 Kenyan enterprises, 1 government coffee agency and 1 training grantee	5 linkages 120 U.S.-owned firms and firms doing business with the U.S. educated on AGOA trade opportunities, and available U.S. agricultural tech.
Fashion Footwear Association of New York (FFANY) Show	Footwear	New York, NY, U.S.	June 4-8, 2018	9 exporters from Ethiopia and Kenya	20 linkages \$1,347,000 in potential orders
World Tea Expo	Specialty Foods (Tea)	Las Vegas, NV, U.S.	June 12-14, 2018	5 exporters from Kenya, Rwanda and Tanzania and 2 related U.S. firms	128 linkages \$600,000 in potential orders
International Food Technologists	Specialty Foods	Chicago, IL, U.S.	June 15-28, 2018	9 exporters from Ethiopia and Madagascar	61 linkages \$545,330 in potential orders
Source Africa	Apparel	Cape Town, South Africa	June 20-22, 2018	3 exporters from Tanzania, Mauritius and Madagascar	36 linkages \$120,000 in potential orders
International Floriculture Expo	Cut Flowers	Chicago, IL, U.S.	June 24-27, 2018	4 exhibitors from Ethiopia and Kenya	12 linkages \$8,000 in potential orders

TABLE 28. TRADE SHOWS

TRADE SHOW	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
Sourcing at MAGIC/ Footwear Sourcing at MAGIC	Fashion Accessories, Footwear	Las Vegas, NV, U.S.	August 12-15, 2018	4 exporters from Kenya	77 linkages \$759,300 in potential orders
New York Now	Home Décor, Fashion Accessories	New York, NY, U.S.	August 12-15, 2018	7 exporters from Kenya, Ethiopia, Madagascar and Tanzania	62 linkages \$546,958 in potential orders
Origin Africa	Apparel, Fashion Accessories	Nairobi, Kenya	September 9-11, 2018	10 exporters from Uganda, Rwanda, Kenya and Burundi Kenya	19 linkages \$6,900 in potential orders
Sourcing at Coterie	Fashion Accessories, Apparel, Footwear	New York, NY, U.S.	September 15-17, 2018	Footwear: 1 exporter from Kenya Fashion Accessories: 2 exporters from Kenya and Ethiopia Apparel: 2 exporters from Uganda and Tanzania	121 linkages \$159,000 in potential orders

Sub-activity 2.2: Buyers Missions, Trade Missions and B2B Events

Objective: Create market linkages between exporters and buyers in target regions and sectors, enhancing collaboration between buyers, sellers, national governments and other relevant stakeholders to facilitate contracts, investments and exports at the country-level.

Activities and Progress in FY2018:

- The Hub completed nine buyer missions and four B2B events, creating 198 linkages and \$7,774,820 in potential orders for 129 firms. The buyers missions brought U.S. buyers from the coffee, home décor and fashion accessories and apparel sectors to Madagascar, Kenya, Ethiopia, Rwanda, Burundi and Tanzania. The Hub’s consultants also undertook linkage development work in several countries.
- In FY2018 there was an increased emphasis on participation in U.S.-focused B2B events where Hub consultants engaged with potential buyers and introduced AGOA benefits. This has led to an expanded interest by potential U.S. buyers in sourcing from East African countries under AGOA.

TABLE 29. BUYER MISSIONS, TRADE MISSIONS AND B2B EVENTS

ACTIVITY	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
Swahili Modern Imports Buyer Mission	Home Décor and Fashion Accessories	Ethiopia, Rwanda and Kenya	November 5-18, 2017	5 Ethiopian firms, 5 Rwandan firms, 2 Kenyan; 1 U.S. buyer	12 linkages \$15,000 in potential orders

TABLE 29. BUYER MISSIONS, TRADE MISSIONS AND B2B EVENTS

ACTIVITY	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
U.S. Coffee Buyer Mission	Specialty Food (Coffee)	Kenya and Ethiopia	January 29-February 3, 2018	2 Ethiopian firms and 5 Kenyan firms; 8 buyers	15 linkages \$437,300 in potential orders
HomeGoods	Home Décor and Fashion Accessories	Kenya	March 16, 2018	7 Kenyan firms; 1 U.S. buyer	7 linkages \$34,520 in quotations \$43,005 in converted orders
Coffee Safari Buyer Mission	Specialty Foods (Coffee)	Rwanda	March 19-21, 2018	3 U.S. buyers	5 linkages \$25,000 in potential orders
Coffee Safari Buyer Mission	Specialty Foods (Coffee)	Burundi	March 23-25, 2018	2 U.S. buyers	7 linkages \$230,000 in potential orders
Hub Apparel Trade Linkages Consultant	Apparel	Ethiopia, Kenya, Tanzania, Madagascar and Mauritius	April 1-June 30, 2018	10 Madagascar firms, 9 Ethiopian firms, 5 Kenyan firms, 4 Mauritian firms, 3 Tanzanian firms, 3 Ugandan firms; 34 U.S. buyers	67 linkages created
Rwanda Coffee Tea and Eco Tourism Producer Tour of Costa Rica	Specialty Food (Coffee)	San Jose, Costa Rica	April 8-14, 2018	6 Rwandan participants (2 coffee producers, 1 tea producer, 3 officials of public sector promotion agencies)	Benchmarking and learning from Costa Rica eco-tourism and coffee sectors.
American Apparel and Footwear Association Global Sourcing Summit	Apparel	Washington, DC, USA	April 24-25, 2018	---	Hub consultants engaged with sector decision makers
U.S. Coffee Buyer Mission through AFCA	Specialty Foods (Coffee)	Burundi	May 20-23, 2018	5 Burundian firms; 5 U.S. buyers	26 linkages \$3,050,000 in potential orders
U.S. Coffee Buyer Mission through AFCA	Specialty Foods (Coffee)	Rwanda	May 24-28, 2018	5 Rwandan firms; 5 U.S. buyers	18 linkages \$2,578,000 in potential orders
AmCham “Big Four” Economic Summit	All	Kenya	June 28, 2018	---	Hub engaged with potential exporters

TABLE 29. BUYER MISSIONS, TRADE MISSIONS AND B2B EVENTS

ACTIVITY	SECTOR	LOCATION	DATE	COMPANIES SUPPORTED	OUTCOMES
Footwear Distributors and Retailers Association (FDRA) Innovation and Sourcing Summit	Footwear	New York, NY, USA	July 24, 2018	---	Hub consultants established new relationships with footwear importers and brands
PVH Corporation	Apparel	Madagascar	August 27-29, 2018	4 Madagascar firms	4 linkages Currently following up
Apparel Sourcing International Inc representing Bernette Textiles	Apparel	Kenya and Ethiopia	September 6-7, 2018	5 Madagascar apparel firms	5 linkages \$1,000,000 trial order

ACTIVITY 2 CONSTRAINTS

- In October to November 2017, there was a plague outbreak in Madagascar that put buyer missions on hold. This caused a home décor buyer mission to omit its scheduled leg in Madagascar. The Hub resumed visits to Madagascar in January 2018.
- Buyers, particularly large apparel buyers who are new to East Africa, are cautious and reluctant to try out too many new firms or countries. They therefore tend to confine their activities to one or, at most, two countries, based on their own analysis of country attractiveness for sourcing. Suitable vendors may therefore be excluded from a buyer mission simply because of their country of origin.



The Hub supported Ivahona, a handbag and fashion accessories company in Madagascar, to attend the Ambiente trade show in February 2018. Ivahona garnered interest from major U.S. buyers, such as Bed, Bath and Beyond and World Market which both requested samples. Miami boutiques already stock Ivahona’s product. If Bed, Bath and Beyond and World Market like Ivahona’s samples and its price point, soon many more Americans could be donning hip raffia hats and carrying coral printed clutches.

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“We have coffees from Rwanda, Burundi and Ethiopia, and they seem to be a favorite with our staff and our customers. It’s more of the lighter, brighter coffees that really bring the customers into our cafes. These coffees are exciting to drink,” said Sarah Anderson, barista trainer at Intelligenstia Coffee, a U.S. coffee roasting company and retailer.

To learn more about why U.S. coffee buyers love East African coffees, watch our video [here](#).

THE USAID HUB

- Some selected exporters were unable to obtain visas despite applying reasonably in advance. This led to one not participating in Ambiente in February 2018 and another arriving late at New York Now. In addition, some exhibitors did not receive their shipped samples at New York Now and Sourcing at MAGIC. To prevent this going forward, the Hub will advise that exhibitors ship their samples early and carry some samples in checked luggage.
- Some East Africa exporters, particularly those from Rwanda and Tanzania, are hampered by a lack of funds to pay for their costs in technical assistance and business linkage activities and request financial support. When this is not forthcoming, participants from these countries do not participate. In response, the Hub has had country representatives attend shows and represent companies that show significant promise.

ACTIVITY 3: TARGETED FIRM-LEVEL ASSISTANCE

Objective: Enhance East African firms’ export competitiveness through firm-level assistance that facilitates long-term business relationships and increases trade under AGOA.

Activities and Progress in FY2018:

- The Hub provided technical assistance and trainings to improve East African exporters’ competitiveness and ability to meet U.S. buyer requirements. Technical assistance was delivered through independent consultancy agreements (ICAs) with skilled experts. In total, the Hub provided 107 firms with capacity building assistance and 133,007 person-hours of training. Hub-supported firms created 4,653 jobs through this assistance and 28 reported being more profitable.
- In FY2018 the Hub began a new activity with International Executive Service Corps (IESC) where skilled U.S. executives provided three weeks of targeted, pro-bono technical assistance to East African SME exporters. The volunteer experts addressed firm-specific issues ranging from product design to production technology to marketing strategy.

TABLE 30. FIRM-LEVEL TECHNICAL ASSISTANCE ACTIVITIES

TECHNICAL ASSISTANCE	SECTOR	BENEFICIARIES	DESCRIPTION	SUCCESSSES/OUTCOMES
Purchasing Power Parity Study for East African Fresh Produce in U.S. Market	Cut Flowers and Fresh Produce	Kenyan and Ethiopia potential exporters of cut flowers and fruits and vegetables to the U.S.	Study of New York market price trends over one year for key product exports and identification of market window for East African fresh produce in the New York market	Provided practical benchmarked freight costs and market windows for East African airlines and exporters to build a value proposition to U.S. importers in terms of competitive pricing and delivery time
SME Technical Assistance through BPA to IESC	All Sectors	East African vendors seeking to enter foreign markets	Firm-level technical assistance by a volunteer expert over 2-3-week assignments	8 IESC volunteer experts completed their assignments 9 East African firms received technical support (2 in Rwanda, 2 in Kenya, 2 in Madagascar, 1 in Uganda, 1 in Tanzania)
Food Safety Certification Support	Specialty Foods	2 Ugandan specialty foods producers	Technical assistance to conduct GMP, HACCP and FSMA third party food safety gap audit, awareness training and capacity building for staff, training for key departments on food safety certification programs	Supported two enterprises to develop pre-requisite and food safety management system manuals Identified gaps for companies to work on to achieve food safety certification

TABLE 30. FIRM-LEVEL TECHNICAL ASSISTANCE ACTIVITIES

TECHNICAL ASSISTANCE	SECTOR	BENEFICIARIES	DESCRIPTION	SUCCESSSES/OUTCOMES
				Completed 2 food safety gap audits report 15 staff trained on HACCP
African Apparel Suppliers Database	Apparel	African textile, apparel and fashion accessories exporters; U.S. buyers	Profiling and mapping of apparel companies in six East African countries	Mapped 68 apparel firms and completed report with recommendations Designed GIS mapping database and completed data entry (site link to be publicly activated)
Home Décor and Fashion Accessories Sector	Home Décor and Fashion Accessories	East African SMEs	Technical assistance and trainings to improve product design and enhance the capacity of exporters. Trainings focused on U.S. home décor and fashion trends, purchasing, production planning and AGOA	98 SMEs trained with 104 participants: Ethiopia (4M, 23F), Uganda (3M, 29F), Tanzania (16M, 11F), Rwanda (4M, 14F)
Footwear Sector Support (Ethiopia)	Footwear	Ethiopian footwear manufacturers and exporters	Technical assistance for product improvement and coaching on how to work with buyers and attend trade shows	Supported 7 Ethiopian firms to improve samples and prepare for upcoming shows Completed post-MAGIC follow up visits to Ethiopian manufacturers to give feedback on samples from the show and prepare new samples for FFANY in December 2018 Facilitated a joint venture investment between a U.S. firm (KIA) and an Ethiopian shoe manufacturer (Fontanina) to set up production in Ethiopia Developed Calvin Klein ladies' shoe sampling with three factories in Ethiopia Developed new product for Pittard's for U.S. market
Rwanda Coffee Tea and Eco Tourism Producer Tour of Costa Rica	Specialty Food (Coffee)	Rwandan specialty food stakeholders: 2 coffee producers, 1 tea producer, 3 officials of public sector promotion agencies	Organized and sponsored a study tour to learn from a Costa Rican coffee producer on how to use agritourism as an export marketing tool	Supported 6 Rwandan specialty food stakeholders to visit Costa Rica Benchmarking and learning from Costa Rica eco-tourism and coffee sector

ACTIVITY 3 CONSTRAINTS

- The completion of the GIS Mapping database project was hampered by data programming challenges, so for the better part of the year the model was in meta testing mode. However, the same information was made available in static mode through searchable MS Word profiles.

ACTIVITY 4: AGOA PREPAREDNESS AND INFORMATION DISSEMINATION

Objective: Educate and build the capacity of the public and private sectors on AGOA, leading to greater uptake of AGOA export opportunities.

Activities and Progress in FY2018:

- The Hub developed an AGOA 101 guide for Kenya, the second in a series of primers that outline the step-by-step process for exporting under AGOA. The publication was developed in collaboration with twelve Kenyan institutions that have a role in the AGOA trade process. The final document was uploaded to the Hub's website and shared with 14 Kenyan stakeholders for exporters' easy access. The Hub began to develop similar primers for other East African countries.
- The Hub continued to share AGOA resources through its website and social media platforms and respond to AGOA-related emails from firms across East Africa.
- The Hub conducted the following activities to raise East African exporters and U.S. businesses' awareness and application of AGOA trade benefits.

TABLE 31. AGOA AWARENESS ACTIVITIES

ACTIVITY	SECTOR	LOCATION	DATE	AUDIENCE
Support to the Ministry of Trade and Industry: AGOA/GSP Capacity Building	General	Kigali, Rwanda	December 18, 2017	21 Rwandan exporters mainly in the home décor and fashion accessories sector interested in exporting to U.S.
Trade with Africa Business Summit	General	Bentonville, AR, USA	May 11, 2018	U.S. firms and African diaspora in U.S. interested in African business opportunities
AmCham Madagascar Market Training of Handicraft Sector	Home Décor and Fashion Accessories	Antananarivo, Madagascar	May 15, 2018	39 producers and exporters of handmade goods
Apparel Textile Sourcing Show – Seminar	Apparel	Miami, FL, USA	May 21-23, 2018	U.S. and Central American apparel firms/importers
17th U.S.- Africa Trade and Economic Cooperation Forum (AGOA Forum)	General	Washington, DC, USA	July 9-12, 2018	Civil Society organizations from Africa, trade unions, trade associations and enterprises
Crown Women Rising /AWEF AGOA Seminar	General	Nairobi, Kenya	September 7, 2018	144 East African firms, mostly women owned, seeking business opportunities with U.S. counterparts
Post AGOA Launch Sensitization Seminar	Specialty Foods	Nakuru, Kenya	September 11, 2018	25 producers and exporters of nuts, spices and supplements

TABLE 31. AGOA AWARENESS ACTIVITIES

ACTIVITY	SECTOR	LOCATION	DATE	AUDIENCE
Post AGOA Launch Sensitization Seminar	Coffee	Mombasa, Kenya	September 13, 2018	14 producers and exporters of specialty coffees
Post AGOA Launch Sensitization Seminar	Tea	Nairobi, Kenya	September 20, 2018	53 producers and exporters of tea, including of purple and flavored teas

ACTIVITY 4 CONSTRAINTS

- AGOA preparedness training and information dissemination is a necessary prerequisite for a higher level of AGOA awareness and utilization, yet the dissemination methods that have been used are staff time and resource intensive. In FY2019, the Hub will develop and implement modules to train business development service providers on how to assist enterprises seeking to export under AGOA.

ACTIVITY 5: BUILD CAPACITY OF TRADE SUPPORT INSTITUTIONS

Objective: Enhance capacity of trade support institutions and private sector partners to serve as sustainable sources of trade support for AGOA exports.

Activities and Progress in FY2018:

- The Hub uses grants to support the long-term capacity of business support organizations in target sectors. In FY2018 the Hub provided new grants to Kenya Flower Council (KFC) and the Tanzania Chamber of Commerce Industry and Agriculture (TCCIA). The grants to American Chamber of Commerce, Madagascar (AmCham Madagascar), African Fine Coffees Association (AFCA) and Ethiopia Horticulture Producers and Exporters Association (EHPEA) concluded. Grants to Career Readiness Social Initiative (apparel sewing machine operator training), CLUSA (vanilla sector value chain development) and COMESA LLPI (leather sector enterprises training) continued.

TABLE 32. ASSISTANCE TO TRADE SUPPORT INSTITUTIONS AND PRIVATE SECTOR PARTNERS

TECHNICAL ASSISTANCE	SECTOR	BENEFICIARIES	DESCRIPTION	SUCCESSES/ OUTCOMES
Kenya Flower Council (KFC)	Cut Flowers	Cut flower exporters in Kenya seeking to export to the U.S.	Targeted awareness creation and promotion of Kenyan flowers; capacity building on packaging and market entry requirements for U.S. market	Grant initiated and signed. Kicked off in September 2018.
Tanzania's Chamber of Commerce, Industry and Agriculture (TCCIA)	All sectors	Tanzanian enterprises exporting to U.S. under AGOA	Enhancing capacity of TCCIA to provide sustainable trade support services for exports to the U.S. under AGOA	Grant initiated and signed. Kicked off in September 2018. TCCIA signed MOU with Tanzania Revenue Authority to share AGOA-related trade information.
African Fine Coffees Association (AFCA)	Coffee	Coffee producers and exporters in Kenya, Uganda, Rwanda, Tanzania, and Ethiopia	Strengthening AFCA's capacity to support coffee sector in East Africa	Grant complete. 60% increase in Kenyan coffee exports to U.S. following Kenya's

TABLE 32. ASSISTANCE TO TRADE SUPPORT INSTITUTIONS AND PRIVATE SECTOR PARTNERS

TECHNICAL ASSISTANCE	SECTOR	BENEFICIARIES	DESCRIPTION	SUCCESSSES/ OUTCOMES
				<p>participation as portrait country at 2017 SCA Expo</p> <p>12.9% increase in Tanzanian coffee exports to U.S.</p> <p>Highest price ever published for Uganda coffee following SCA Expo April 2018</p>
Ethiopian Horticultural Producers and Exporters Association (EHPEA)	Horticulture including cut flowers	Ethiopian horticultural exporters	Promoting investment in Ethiopia's horticultural sector to attract \$4 million in investment in one year, increase value of horticultural exports to U.S. under AGOA by 10% in one year and increase export value of vegetables and fruits to Eastern Africa countries by 5%	<p>Post-grant impact mission and study mission are completed.</p> <p>Spearheaded the introduction of an improved tax regime with a ten-year tax holiday for new investors</p> <p>Supported the development of new policy and regulations to facilitate the consolidation of shipments and logistic services for exporters in horticulture sector</p> <p>Supported Ethiopian firms to obtain Global GAP certification and establish new market linkages in the U.S.</p>
Generation Kenya Apparel Workforce Skills Development Program (Grant to Career Readiness Social Initiative Ltd.)	Apparel	Kenyan apparel employers and unemployed Kenyan youth	Technical and social skills training for youth under 35 years in five towns in Kenya through sewing machine operator program	<p>2,388 trainees mobilized</p> <p>748 trained</p> <p>677 completed training (529 F, 148 M)</p> <p>322 trainees passed National Industrial Training Institute assessment</p> <p>369 graduates placed with employers</p> <p>32 trainers completed TOT</p> <p>Females comprise 78% of students</p> <p>Females comprise 73% of trainees placed</p>
Increasing Vanilla Value Competitiveness in Madagascar (Grant to CLUSA)	Specialty Foods	Madagascan vanilla farmers and processors	Modernization of smallholder value chain through application of improved technology and adoption of sustainable value chain model	<p>Under extended grant:</p> <p>6 field agents trained</p> <p>Cooperative PO committees sensitized in 3 districts</p> <p>87 security kits deployed</p> <p>1,518 new members recruited to cooperatives (420 in Mirary and 1,098 in Avotra cooperatives)</p> <p>RFA monitoring visits conducted by certification consultant</p> <p>14 markets established and operational</p> <p>20 MT of green vanilla produced</p>

TABLE 32. ASSISTANCE TO TRADE SUPPORT INSTITUTIONS AND PRIVATE SECTOR PARTNERS

TECHNICAL ASSISTANCE	SECTOR	BENEFICIARIES	DESCRIPTION	SUCCESSSES/ OUTCOMES
Structured Design Training for Regional Leather and Leather Products SMEs (Grant to Africa Leather and Leather Products Institute (ALLPI))	Footwear and fashion accessories	SMEs in countries covered by COMESA LLPI engaged in leather and leather products production	Product design and development for leather products and market linkage support for leather goods enterprises	Coached East African enterprises on how to prepare for a trade show prior to 10 of them attending the Origin Africa trade show in Nairobi to showcase their products developed under the program

ACTIVITY 5 CONSTRAINTS

- Generation Kenya experienced a setback when two operating centers in Mombasa and Nairobi were closed and one center relocated to reopen later in the year. This led to a downturn in employment among some of the larger Kenyan apparel manufacturers. The withdrawals were mitigated by identifying other apparel firms willing to offer space for training. In addition, the training curriculum was revised to provide more hands-on machine time for trainees and to incorporate industrial engineers into the trainees' assessment. This has improved employer satisfaction with the trainees.
- Effective utilization of the grants by partners and beneficiaries requires they have adequate capacity to deal with the information and reporting requirements of USAID grants. Some beneficiaries were unable to deliver the required reports in a timely manner hampering effective delivery on the grant objectives.
- Many enterprises are unwilling to prove data on trade-related outcomes despite the Hub's need for grantees to report on results.

TABLE 33. SUMMARY OF C3'S CONTRIBUTION TO HUB PMP INDICATORS

INDICATOR	ACHIEVEMENT IN FY2018
Value of AGOA exports from AGOA-eligible countries to the U.S. as a result of project assistance (EATIH #2)	\$888,646,881
Value of AGOA exports from EATIH-assisted firms (EATIH #3)	\$207,386,537
Value of exports in targeted non-agricultural and agricultural commodities from Hub supported firms and associations (EATIH #9)	\$251,802,452.91
Person hours of training completed in trade and investment capacity building supported by USG assistance (EATIH #31)	144,804.18
Number of buyer/seller linkages established in export capacity in targeted sectors as a result of Trade Hub assistance (EATIH #29)	1,323
Number of trade and investment missions completed (EATIH #30)	30
Number of FTE jobs created with USG assistance (EATIH #26)	4,459
Number of firms receiving USG capacity building assistance to export (EATIH #32)	107



COMPONENT 4

Trade Policy and Regulatory Reform

- The Hub supported the EAC Partner States to become top users of the WTO Notification Submission System (NSS) for Technical Barriers to Trade (TBT), with Uganda leading the 82 WTO members – a first for African countries.
- The Hub launched a series of Investment Policy Assessments that provide U.S. and East African stakeholders with potential roadmaps to meet international best practices.
- The Hub and the Federation of East African Freight Forwarders Associations (FEAFFA) developed an e-learning platform to train freight forwarders on the EAC's Rules of Origin.

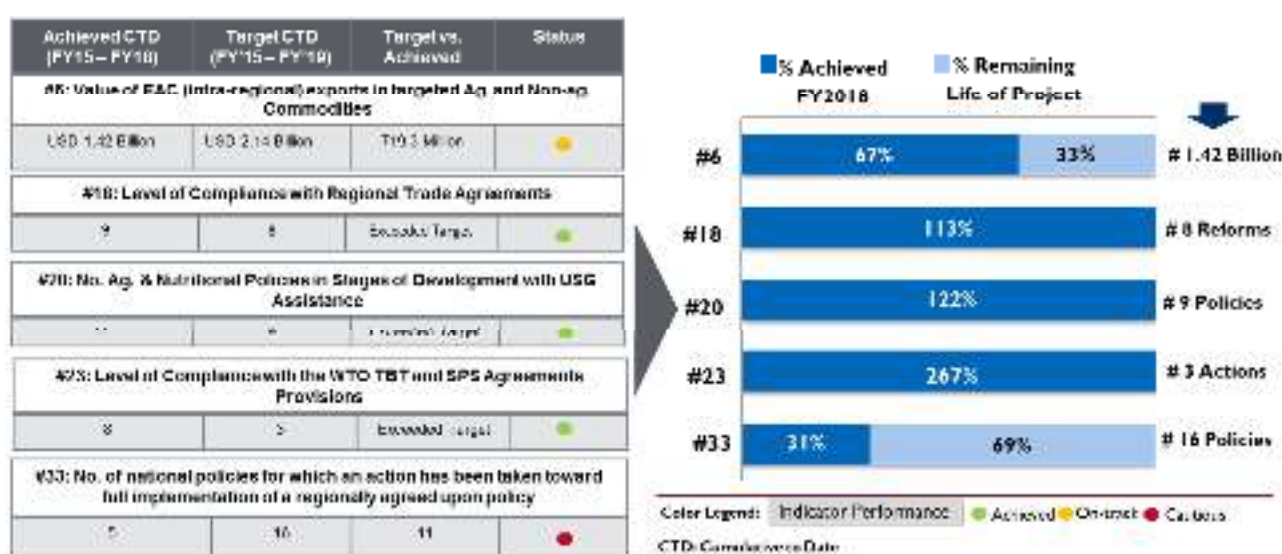
COMPONENT 4: TRADE POLICY AND REGULATORY REFORM

The objective of Component 4 (C4) is to promote a more predictable, transparent and enabling business environment in East Africa that is conducive to trade competitiveness and accelerated investment. Over the course of five years, activities under C4 will help **double the value of intra-regional trade within the EAC** through regional integration, implementation of intra-regional and international trade agreements and conformity to international standards.

FY2018 TRADE POLICY AND REGULATORY REFORM OVERVIEW

Trade Policy and Regulatory Reform– Cumulative Achievements

Cumulative Achievements vs. Life of Project (LOP) Targets



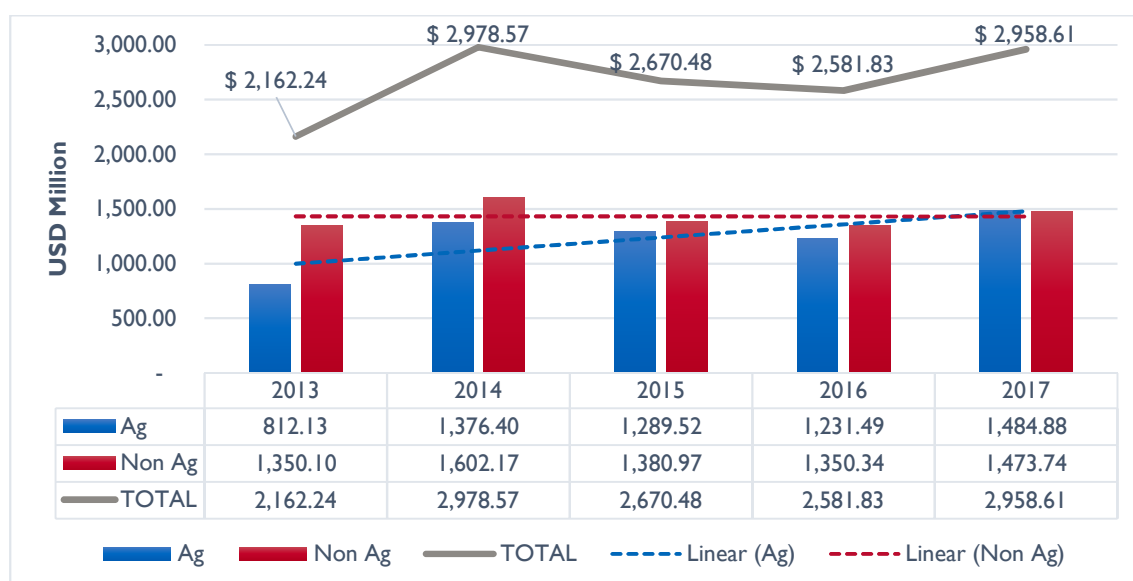
SUMMARY

Based on available data (2016-2017), the **value of intra-regional trade increased by 14.6 percent within the EAC** over the last year.⁴ The Hub's trade policy and regulatory reform activities have contributed to this increase by helping to accelerate the EAC's compliance with the U.S.-EAC Cooperation Agreement, supporting implementation of the EAC Common Market Protocol (CMP) and promoting trade and investment-friendly policies for an improved business ecosystem.

Figure 6 below illustrates an overall upward trend in the value of intra-regional trade since 2013, with agriculture increasing by 82.4 percent and non-agriculture increasing by 8 percent. Growth from our 2014 baseline year, however, indicates a slight downward trend of less than 1 percent, with agriculture increasing by 0.08 percent and non-agriculture decreasing by roughly the same. This can be attributed to increased trade within COMESA as well as the depreciation of the EAC currencies against the U.S. dollar. Between December 2014 and December 2017, all EAC currencies weakened against the dollar by a range of 14 to 31 percent. The devaluation has a significant bearing on our reported value of intra-regional trade, since actual trade is transacted in local currencies.

⁴ The increase is based on data obtained from COMESA for targeted agriculture and nonagricultural commodities with 2013 as the baseline.

FIGURE 6. VALUE OF EAC INTRA-REGIONAL TRADE IN AG AND NON-AG COMMODITIES



Source: COMTRADE

The Hub’s promotion of online notification systems has continued to improve trade and investment environment, resulting in eight actions taken with Hub support to improve the EAC’s level of compliance with the WTO TBT Agreement since the beginning of the project. In FY2018, the Hub activities achieved the following:

- Three EAC Partner States (Kenya, Uganda and Tanzania) participated in the process of 8th Triennial Review on operation and implementation of WTO TBT Agreement by convening preparatory meetings of stakeholders to discuss and develop country positions. Every three years, WTO members use the review process to evaluate how they are applying the TBT Agreement. **Kenya and Uganda were the only African countries beside South Africa that made contributions toward the 8th Triennial Review** meeting held on June 19-20, 2018 in Geneva, Switzerland.
- The EAC’s national TBT committees and coordination mechanisms were strengthened to support the notification process and assist in coordinating, driving and implementing TBT activities at the national level. In addition, the Hub supported the **establishment of an EAC TBT Forum to coordinate and drive TBT issues at regional level** and facilitate the implementation of a regional TBT work plan under the U.S.-EAC Cooperation Agreement. At the moment, all EAC Partner States have National TBT Committees except the Republic of Burundi. These committees are important forums for private sector consultation at the national level and play an important role in helping national governments to meet their obligations under the WTO TBT Agreement.
- The Federation of East African Freight Forwarders Associations (FEAFFA) launched an e-learning Platform supported by the Hub during the annual Global Logistic Convention 2018 in Kampala, Uganda on September 17, 2018. Currently, the Platform is being used for the Rules of Origin module in East Africa Customs and Freight Forwarding Practicing Certificate course on pilot basis. An AGOA module is planned for FY2019. Hub support to FEAFFA has contributed to a **cumulative reduction of 77 percent on the cost of documentary compliance** in 2017 compared to 2016 and a **cumulative reduction of 8 percent on the cost of border compliance** over the same period.
- Two policy assessments in Burundi and Tanzania were completed in FY2018. The document provides information on each country’s legal and regulatory environment for foreign investment

and serves as a tool for policymakers, reform agents and investors as they work together to stimulate, protect and retain greater foreign direct investment in the country.

In the area of regional integration, Hub activities under the Common Market Protocol (CMP) have supported the **removal of two non-conforming measures or restrictions to the movement of goods, services and capital** in FY2019, bringing the cumulative total of reforms supported by the Hub to nine as follows:

1. Amendment of Section 975 (2) (b) of the Companies (Amendment) Act 2015
2. Local Content Bill 2016, which defined local content to exclude capital from other EAC Partner States
3. Energy Bill 2015, which would have restricted the movement of capital by introducing definitions that only describe and apply to Kenyan nationals and would have required interests in extractive activities to be transferable only to Kenyan companies
4. Petroleum (Exploration, Development and Production) Bill 2015, which would have restricted supply of services and goods to Kenya thus excluding the other EAC Partner States
5. Information Communication Technology Practitioners Bill 2016, which would have imposed new and onerous access and licensing requirements to ICT practitioners impeding participation of foreign suppliers
6. Tanzania's exemption of VAT on capital goods, reducing importation costs on machines and plants used in strategic industries
7. Tanzania's zero-rating of VAT on ancillary transport services, reducing the costs incurred by transporters for goods in transit
8. Rwanda's elimination of a \$300/MT tax on Rice originating from Tanzania
9. Rwanda's removal of double taxation on trucks and trailers from \$400 to \$200

ACTIVITY I: SUPPORT IMPLEMENTATION OF THE U.S.-EAC COOPERATION AGREEMENT

SUB-ACTIVITY I.1: COOPERATION AGREEMENT SCORE CARDS

Objective: Monitor progress on the implementation of the U.S.-EAC Cooperation Agreement on Trade Facilitation (TF), SPS measures and TBT.

Activities and Progress in FY2018:

- EAC Secretariat is working with the Hub to develop an ICT monitoring tool to track implementation of TBT commitments under international, continental and regional legal instruments. The tool will serve as a model for the SPS Agreement, as soon as the legal instruments are finalized. The tool will include an online/cloud-based database that will serve as a single depository of technical regulations and conformity assessment operated by national TBT enquiry points.
- The Hub commissioned an ICT consultant to develop an online tool that will monitor the EAC Partner States' implementation of commitments under international, continental and regional TBT-related legal instruments. The consultant and the Hub's policy expert submitted an inception report on the tool's development and will move to the next stage of developing the tool with the aim to end the assignment in early 2019.

SUB-ACTIVITY 1.2: SUPPORT A REGIONAL WORKSHOP TO REVIEW REGIONAL TBT WORK PLAN

Objective: Reduce technical barriers to trade and increase compliance with the WTO Agreements through the implementation of regional TBT work plans.

Activities and Progress in FY2018:

- The Hub continued to support the implementation of the Regional TBT Work Plan 2017/2018. The work plan, which was developed in October 2017 with Hub support, has reached an implementation level of 70 percent. The remaining 30 percent relates mostly to regional activities, requests for infrastructure provision and international travel to ISO meetings.

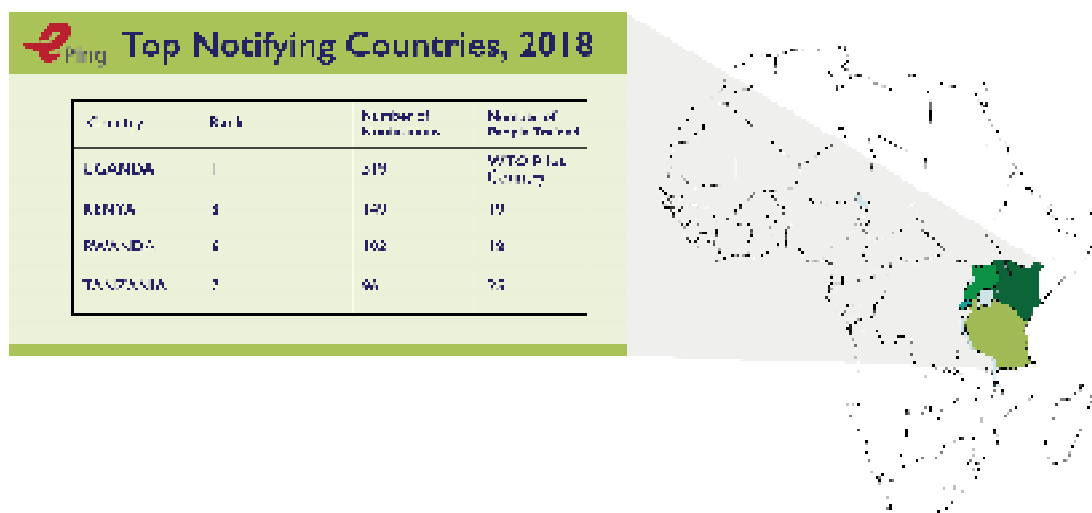
SUB-ACTIVITY 1.3: SUPPORT IMPLEMENTATION OF EPING ELECTRONIC NOTIFICATION SYSTEM (ENS) AND TBT/SPS ONLINE NSS

Objective: Train regulatory agencies on the obligations under WTO TBT/SPS Agreements and how to use TBT/SPS online NSS and ePing electronic alert system to meet these obligations.

Activities and Progress in FY2018:

- The WTO Committee on TBT met from March 21-22, 2018 in Geneva to conduct its 23rd annual review of the agreement's operations. For the first time, five EAC Partner States were ranked as top users of the WTO NSS for TBT. The EAC's performance is directly attributable to Hub technical support to increase notifications through the system.
- Of the 2,585 technical standards notifications submitted in 2017 by 82 WTO members, Uganda was the top notifying member (329 notifications). Tanzania (81) and Kenya (75) were among the top ten notifying members and Rwanda (29) and Burundi (2) placed among the top half. Notification systems are important because they alert U.S. businesses of non-tariff barriers and other trade concerns.

FIGURE 7. HUB COUNTRY EPING RANKINGS AND NOTIFICATIONS IN 2018



Source: WTO Notification Report for TBT Information System

- The Hub conducted trainings in Burundi, Kenya, Tanzania and Rwanda for 83 stakeholders in April and May on the WTO TBT/SPS Agreement, ePing alert system and TBT/SPS online NSS. The Hub did not conduct trainings in Uganda due to a requirement for internal approval.

SUB-ACTIVITY 1.4: CAPACITY BUILDING TO DEVELOP/UPDATE TECHNICAL REGULATIONS WITHIN THE EAC PARTNER STATES

Objective: Build capacity for stakeholders to comply with the transparency requirements of the WTO TBT Agreement, incentivizing increased trade and investment in the region.

Activities and Progress in FY2018:

- The Hub supported several meetings of national TBT Committees in Kenya, Tanzania and Uganda, including the first committee meeting in Tanzania in nine years. These committees are important fora for private sector consultation at the national level and play a key role in helping national governments meet their obligations under the WTO TBT Agreement. The Hub also supported the establishment of an EAC TBT Forum to coordinate and drive TBT issues at the regional level.
- Kenya and Tanzania prepared country positions on and responses to the draft report of the WTO's 8th triennial review on the operation and implementation of the TBT Agreement. They were the only African countries besides South Africa that made contributions toward the 8th Triennial Review of the operation and implementation of the WTO TBT Agreement.
- Tanzania's committee focused on addressing its challenges and strengthening operations after meeting for the first time since 2009.
- See Sub-Activity 1.1 for information on the ICT tool's development.

SUB-ACTIVITY 1.5: INCREASE EAC PARTICIPATION IN INTERNATIONAL STANDARDS DEVELOPMENT PROCESS

Objective: Support the EAC to participate in the international standards making process by linking EAC bureaus of standards with ISolutions technical resources and network.

Activities and Progress in FY2018:

- Burundi, Kenya, Rwanda and Uganda can now participate in the international standards development process through ISolutions, a web-based system supported by the International Standards Organization (ISO). Hub trained 77 secretaries/members of the national technical committees to use the system. Uganda, Rwanda and Burundi will fully adopt ISolutions by 2019 through grant support from the Hub.
- In-kind grants on ISolutions implementation for Rwanda Standards Board (RSB) and Uganda National Bureau of Standards (UNBS) were approved in September 2018 but require equipment approval to proceed. The in-kind grant for ISolutions implementation for Burundi Bureau of Standards (BBN) will be submitted to USAID in October 2018 for approval.

ACTIVITY 1 CONSTRAINTS

- The Hub was unable to hold a stakeholder training on the WTO TBT/SPS Agreement, ePing alert system and TBT/SPS online NSS in Uganda due to delay in receiving the cabinet's internal approval. It is not clear when the internal approval may be attained.
- There was a delay approving the in-kind grants for RSB and UNBS, which pushed back activities supporting ISolutions implementation.
- Planned regional activities have not taken place due to delays in concluding national activities.

ACTIVITY 2: PROMOTE THE MOVEMENT OF GOODS, SERVICES AND CAPITAL WITHIN THE EAST AFRICAN MARKET

SUB-ACTIVITY 2.1: STRENGTHEN THE LEGAL AND REGULATORY ENVIRONMENT FOR EXPANDED TRADE AND INVESTMENT

Objective: Facilitate removal of at least three measures inconsistent with the EAC Common Market Protocol (CMP) across the movement of goods, services and capital.

Activities and Progress in FY2018:

- In Q4, the Hub continued its review of the key issues that impact investor entry, protection and ease of exit in Rwanda, the latest in its series of Investment Policy Assessments for EAC Partner States. To date, the Hub has completed assessments for Burundi and Tanzania and received validation from national stakeholders. The same process will be completed for Rwanda, with Kenya and Uganda expected to follow.
- The Hub developed four case studies that highlight bottlenecks to trade and investments in the region. These studies are formal tools that assess the economic and social effects of public policy to improve awareness and transparency and encourage evidence-based advocacy. The pieces focused on container cash deposit requirements in Kenya, the implementation of trade policy instruments on rice trade in the EAC, non-implementation of the EAC rule of origin on motor vehicle assemblers in Kenya and technical regulations on Ugandan pharmaceutical firms operating in Tanzania.
- The Hub completed the implementation of grants with four private sector apex bodies: Tanzania Private Sector Foundation (TPSF), Rwanda Private Sector Foundation (PSFR), the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI Uganda) and Kenya Private Sector Alliance (KEPSA). The grants were designed to build the private sector's capacity to identify policies and regulations that inhibit the free movement of goods, services and capital and to advocate for evidence-based reforms, thus enabling the private sector to sustainably promote compliance with the EAC CMP and free-market principles. Only the grant with TPSF has had an official close out event where TPSF's eight trade-facilitating reforms were celebrated.

TABLE 34. PRIVATE SECTOR BODIES' ACHIEVEMENTS UNDER HUB GRANT

NAME	RESULTS
KEPSA	<p>Seven trade and investment-enabling reforms:</p> <ul style="list-style-type: none"> • An amendment to the East African Customs Management act on <i>CET on solar equipment</i> • An insurance amendment act on <i>marine cargo insurance</i> • Kenya's revision of the <i>Companies Act</i>, eliminating regulations requiring 30% Kenyan ownership in foreign companies that limited the movement of capital • The <i>Local Content Bill 2016</i>, which would have restricted the movement of capital by introducing definitions that only describe and apply to Kenyan nationals and would have required interests in extractive activities to be transferable only to Kenyan companies • The <i>Energy Bill 2015</i> which defined local content to exclude capital from other EAC Partner States • The <i>Petroleum (Exploration, Development and Production) Bill 2015</i>, which would have restricted supply of services and goods to Kenya thus excluding the other EAC Partner States • The <i>Information Communication Technology Practitioners Bill 2016</i>, which would have imposed new and onerous access and licensing requirements to ICT practitioners impeding participation of foreign suppliers
SEATINI Uganda	<ul style="list-style-type: none"> • Wrote 5 advocacy papers on edible oil trade, double taxation, tea exports, EAC investment related policies and the EAC CET, and held 3 validation and dissemination meetings • Held 3 public-private dialogue meetings • Developed a webpage to share information on CMP implementation

TABLE 34. PRIVATE SECTOR BODIES' ACHIEVEMENTS UNDER HUB GRANT

NAME	RESULTS
RPSF	<ul style="list-style-type: none"> • Two negotiation meetings with trade support institutions in Tanzania regarding container deposit guarantees and improving sea port activities in favor of Rwandan freight forwarders and transporters • Six capacity building trainings for 92 participants • Created a SWOT analysis, CMP implementation strategy and process scorecard • Held 6 sector-level meetings with private sector leaders, 8 private-public dialogue meetings on CMP reforms involving 160 stakeholders, 1 peer to peer dialogue process involving 30 corporate leaders and 3 CMP update meetings for 121 people
TPSF	<p>Eight trade and investment-enabling reforms:</p> <ul style="list-style-type: none"> • Rwanda's elimination of a \$300/MT tax on rice originating from Tanzania that limited exports • Presidential directive for the immediate 24-hrs operationalization of the Dar es Salaam port to fast track the clearing of goods from the port • Zero-rating of VAT on ancillary transport services for goods in transit to reduce the costs incurred by transporters when using our ports and make them more affordable and competitive • Abolishment of various fees and levies related to agriculture, e.g. inspection fees charged by TBS on fertilizer and cash crops • Reduction of cess from 5% to 2% for food crops, and from 5% to 3% for cash crops • Exemption of VAT on capital goods to reduce importation costs on machines and plants used in strategic industries e.g. edible oil, leather, textiles and pharmaceuticals • Exemption of VAT on locally produced compounded animal feed • Exemption of VAT on fertilized eggs for incubation in support for growth of domestic poultry sector

SUB-ACTIVITY 2.2: IMPROVE AWARENESS AND TRANSPARENCY FOR REGIONAL INTEGRATION, TRADE AND INVESTMENT

Objective: Strengthen the regional media's capacity to advocate for accelerated implementation of the EAC CMP through improved reporting analytics and content.

Activities and Progress in FY2018:

- This activity did not take place and the grant was cancelled.

ACTIVITY 2 CONSTRAINTS

- The Hub assessed what could be achieved under a grant to Agha Khan University/National Media Group following USAID's approval of a branding waiver, and given the limited time, opted to cancel the grant's implementation.

ACTIVITY 3: IMPROVE TRADE AND INVESTMENT ENABLING ENVIRONMENT

SUB-ACTIVITY 3.1: STRENGTHEN LEGAL AND REGULATORY ENVIRONMENT FOR FOREIGN INVESTMENT

Objective: Facilitate the adoption of at least five best practice policies, laws or regulations to attract greater foreign investment to the region.

Activities and Progress in FY2018:

- The Hub launched two investment policy assessments – one for Burundi and one for Tanzania. The assessments analyzed how the countries' laws, regulations and administrative actions influence foreign investors during the life-cycle of an investment. The Hub presented the documents to stakeholders and disseminated its findings with the aim to inform potential and

existing investors and government officials of legal areas that facilitate or impede investment and to provide them with potential roadmaps to meet international best practices.

SUB-ACTIVITY 3.2: STRENGTHEN CAPACITY OF CLEARING AND FORWARDING AGENTS AND SHIPPERS TO APPLY REVISED EAC RULES OF ORIGIN

Objective: Leverage technology to facilitate capacity building for the customs clearing agents, freight forwarders and shippers on application of the revised EAC Rules of Origin (ROO).

Activities and Progress in FY2018:

- The Hub supported FEAFFA to develop and launch an e-learning platform on the EAC ROO for students and practitioners completing the East Africa Customs and Freight Forwarding Practicing Certificate. Placing the content online creates flexibility, allowing more people to access and complete the ROO module no matter their schedule and location.

SUB-ACTIVITY 3.3: STRENGTHEN TECHNICAL CAPACITY OF CUSTOMS OFFICERS IN ETHIOPIA

Objective: Support the implementation of WTO TF Agreement and reforms related to customs in Ethiopian Revenues and Customs Authority.

Activities and Progress in FY2018:

- The Hub’s embedded advisor supported the introduction of Authorized Economic Operator (AEO) program. Currently, 29 companies are authorized, allowing them to clear borders and inland clearance stations more quickly.
- The advisor supported the introduction of Post Clearance Audit (PCA) and is preparing trainings for auditors to increase their capacity levels.

ACTIVITY 3 CONSTRAINTS

- The FEAFFA grant period was extended to October 2018 because the timing of the proposed five pilot classes extended beyond the initial grant period.
- To further facilitate trade and attain WTO membership, Ethiopia will need to consider conducting a time release study on corridor (border post) performance; forming a National Trade Facilitation Committee; and concluding a transit agreement with Eritrea.

TABLE 35. SUMMARY OF C4’S CONTRIBUTION TO HUB PMP INDICATORS

INDICATOR	ACHIEVEMENT IN FY2018
Level of compliance with regional trade agreements (EATIH #18)	4
Level of compliance with the WTO Bali Trade Facilitation agreements (EATIH #23)	7
Person hours of training in trade and investment enabling environment supported by USG assistance (EATIH #25)	7,993.57

II. LESSONS LEARNED

As of the end of FY2018, the Hub has either exceeded key performance indicators or is well on track to do so by project end in August 2019. To reach even greater success, the Hub technical team has identified several areas where they can adjust their approaches to be more effective. Examples of lessons learned are outlined below. Table 36 provides a comprehensive list of implementation challenges and solutions.

- **Build awareness of alternative finance.** To counter SMEs' lack of awareness of alternative financing options, the Hub will need to continue collaborating with relevant financiers and stakeholders on information dissemination and outreach to SMEs.
- **Focus on supporting transactions or deals that may not be considered “winners” and may succeed with substantial transaction advisory work.** The Hub identified more than 30 firms interested in exporting under AGOA that have a funding need. The Hub is completing direct advisory work to support them to access funding.
- **Promote access to trade finance for traders.** While implementing intra-regional grain trade facilitation, the Hub identified the lack of trade finance as a major constraint in the push for increased regional grain trade. Grain traders and millers struggle to access working capital from traditional channels due to onerous application requirements and the need for collateral. As a result, they are confined to their existing capital base, which limits the volumes they are able to purchase. In response to this barrier, the Hub identified consultants to work with EAGC to design a trade facilitation fund to benefit EAGC members.
- **Provide childcare facilities at training seminars.** It was noted that a number of the female cross-border traders attending AGRIFOP's training sessions had young children and no one else to watch the children. The women therefore had to bring the children to the training sessions or not attend. AGRIFOP will make arrangements for childcare facilities when they organize events in FY2019.
- **Address logistics challenges to unlock more regional trade of staples.** From conversations with grain traders and millers, the Hub learned that logistics are a major challenge when moving staple foods across the region. Traders struggle to identify logistics companies with haulage space for a specific route. To address this challenge, the Hub has initiated an activity to link grain traders and transporters through a platform designed to optimize efficient linkages between supply and demand for transport. The Hub will collaborate with IBM Research Africa and AGRA to identify and provide technical and financial support to a private sector partner who will receive customized technical support from IBM Research to commercialize a regional electronic logistics services matching system to cater to the grain market. The Hub's investment facilitation work for Twiga Foods and Lori Systems is also contributing to improve transportation options for traders.
- **Create more awareness of East Africa's potential as a market for U.S. technology sales.** After supporting 17 East African businesses' participation in the Global Cold Chain Expo and Conference in Chicago, it was clear that there is a huge demand for agricultural trade-enhancing technologies that are not available within the region. The Hub will encourage U.S. companies selling the equipment and technologies to develop a presence in the region as this will make it easier and cheaper for local companies to access the equipment and technologies.
- **Conduct more rigorous evaluations of firms prior to certification activities.** The food safety training of food firms in Uganda did not automatically lead to successful Hazard Analysis and Critical Control Points (HACCP) certification due to factors other than skill-level. For future HACCP certifications, a more comprehensive assessment of the potential firms will be

conducted, and the Hub will reimburse firms for incurred costs upon successful certification. This approach will motivate and reward firms' efforts.

- **Focus on reporting and documenting activities.** Reporting and documenting are just as important as the action. Collaborating between the technical teams and the M&E team makes it easier to capture and present results soon after activities are completed. For trade shows, the evaluation and feedback formats allow firms, the Hub and consultants to identify priority linkages and follow up.
- **Expand AGOA sensitization to increase AGOA exports from East Africa.** The Hub's AGOA sensitization activities have so far reached a relatively small group of decisionmakers. The Hub will need to conduct training of trainers and develop tools to scale up effective AGOA training to larger audiences, including the online AGOA 101 primer.
- **Hold well organized grant kick-off meetings.** Organized and comprehensive kick-off meetings enable more effective grant administration. When reports and procedures are thoroughly covered and discussed, grantees gain a better understanding, which translates into greater compliance.

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
INVESTMENT			
Activity 1: Opportunity Assessment and Capital Mobilization			
Investees and/or investors delayed the provision of appropriate transaction documentation that serves as evidence of a closed transaction due to confidentiality concerns.	The Hub is working with its investment facilitation partners to assure investors and investees of their information's confidentiality.	Investment Component and M&E Leads.	Completed.
Despite providing support, OCA was not always able to facilitate deal closure. For example, OCA conducted a financial due diligence on Mookh, an online platform based in Kenya that enables cross-border trade, for Compass VC, a prospective investor looking to invest in the company. After presenting the findings to the investor, Compass VC offered a term sheet to Mookh for \$0.4 million. However, the two parties could not reach an agreement on the terms of the offer and Mookh turned it down after several rounds of negotiations.	It is to be expected that not all deals will close and that parties may ultimately not reach an agreement. This is why the target pipeline is always larger than the active or closed deals. OCA added Sseko Designs to its list of engaged firms.	Investment Component Lead.	Ongoing.
GroFin dropped 11 agribusiness deals worth approximately \$8.6 million from its investment pipeline (3 from Kenya, 4 from Rwanda, 3 from Tanzania and 1 from Uganda). The deals had gone through different stages of review and pre-finance business support, but ultimately fell through either because the entrepreneurs were not agreeable to GroFin's funding terms or the companies were ill-prepared for investment. As a result, GroFin did not close any new deals in Q3.	Same as above. GroFin will replace the dropped deals with new deals.	Investment Component Lead.	Ongoing.
During the M&E field visit it was noted that GroFin provides significant, yet weakly documented, pre-financing and post-finance advisory support to the targeted SMEs.	The Hub is helping GroFin develop an effective investee field monitoring reporting tool that will improve the documentation of all visits and technical support provided under the grant.	Investment Component and M&E Leads.	Ongoing.
Activity 2: Investment Promotion Partnerships			
The EIC nominated the Hub's embedded advisor to develop an investment opportunity pitch book in the agro-processing and tourism sectors for potential Saudi and Emirati investors who demonstrated a strong interest in investing in those sectors after the Ethiopian Prime Minister visited the region. The advisor spent much of his time in Q4	The latter is within the advisor's SOW, but he will allocate more of his time in the coming quarter for deal facilitation.	Investment Component Lead.	Ongoing.

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
working on the pitch book and therefore had less availability to support companies that require investment facilitation.			
The have been significant delays in identifying and onboarding an embedded investment advisor at the TIC.	The Hub re-advertised the position and worked closely with TIC and USAID/Tanzania to identify the appropriate partner. A candidate has been selected and the recruitment process is nearing completion.	Investment Component and Tanzania Country Representative.	Completed.
Activity 3: Modeling Innovative Financial Tools and Best Practices			
No constraints.	N/A	N/A	Completed.
AGRICULTURE AND AGRIBUSINESS			
Activity 1: Business Systems that Enable Regional Agriculture Trade			
It has taken longer than anticipated to close deals through the lease finance activity due to unforeseen changes in the ownership structure of Innovare, the lease financing company.	The Hub has extended Innovare’s period of performance to February of next year to ensure that we capture the outcome of this support.	Agriculture Component Lead.	Ongoing.
The training for cross-border women traders took place at remote border locations that lacked appropriate hotel facilities.	The Hub and AGRIFOP addressed this challenge by working with border officials, which allowed them to use conference rooms at the one-stop-border post facilities. These venues enabled the women to further engage with officials and address the perceived power distance between them and the border officials.	Agriculture Component Lead.	Ongoing.
Activity 2: Regional Agriculture Trade Policy			
The Hub’s partners, such as the EAC Secretariat, have slow internal processes that impede delivery effort.	The Hub will continue to move things forward with the EAC Secretariat and Partner States, leaving behind a clear record of actions taken and next steps. The	Senior Agricultural Trade Policy Expert.	Ongoing.

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
	approach will ensure that any follow-on support builds on Hub work.		
EAC Partner States' internal nomination and clearance processes affected attendance at stakeholder training workshops. Sometimes stakeholders are unable to participate, or they are substituted with participants who may not be conversant with issues and able to effectively contribute to discussions.	The Hub team will continue to work with and train nominees sent to the training, but pass a clear message to the Partner States on expectations.	Senior Agricultural Trade Policy Expert.	Ongoing.
Although the EAC Partner States have recognized the need for SPS capacity building, commitment and ownership have not been clearly expressed. There is a disconnect between governments' policy commitments and implementation that creates this contradiction. While technical representatives often attend trainings, they are sometimes unable to gain policymakers support to implement lessons learned from trainings.	For Tanzania (where this issue is most pressing), the Hub will work through USAID and the Ministry of Agriculture to try to get an audience with Parliament to sensitize them on the issues so they can make informed decisions on policy actions that are placed before them.	Senior Agricultural Trade Policy Expert.	Ongoing.
Although the EAC Partner States express a need for SPS capacity building, their cooperation in arranging and participation in regional training workshops has fell below expectations and is inconsistent with expressed demand for these activities. Without effective or facilitative collaboration, planning becomes challenging, with sub-optimal participation both in terms expected numbers and relevant representation.	In view of this, the Hub will condition training activities to specific contributions from Partner States.	Senior Agricultural Trade Policy Expert.	Ongoing.
Activity 3: Technology Identification, Promotion and Investment			
East African agribusinesses expressed an interest in numerous cold chain technologies in the U.S. at the Global Cold Chain Expo and Conference, however, most of these technology manufacturers have no presence in or know very little about the East African market.	The Hub plans to organize at least one buyer mission for U.S. technology dealers to help introduce them to the market. The team will also continue to provide follow-up support on any linkages made during the expos to help support U.S. business entry into the East African market.	Agriculture Component Lead.	Ongoing.
TRADE PROMOTION AND AGOA			
Activity 1: National AGOA Strategies and Action Plans			
It is a complex and time-consuming process to develop a coherent national AGOA strategy with stakeholder participation and ownership. An effective strategy requires a detailed end-market analysis which	The Hub's staff spent significant time working on the document. Going forward, it may be beneficial to use both copy and	AGOA/Trade Promotion Component Lead.	Completed.

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
requires multiple U.S. sector experts' inputs. This takes considerable staff time to coordinate and review/edit various draft documents.	technical editors for AGOA strategies to save staff time.		
Despite AGOA having been in operation for over 18 years, the level of awareness among technocrats and entrepreneurs remains low, limiting their capacity to facilitate or participate in AGOA exports.	The Hub will conduct training of trainers and develop tools to scale up effective AGOA training to larger audiences, including the online AGOA 101 primer.	AGOA/Trade Promotion Component Lead.	Ongoing.
Activity 2: Trade Shows, Buyers Missions and B2B Events			
In October to November 2017, there was a plague outbreak in Madagascar that put buyer missions on hold. This caused a home décor buyer mission to omit its scheduled leg in Madagascar.	The Hub resumed visits to Madagascar in January 2018.	AGOA/Trade Promotion Component Lead.	Completed.
Buyers, particularly large apparel buyers who are new to East Africa, are cautious and reluctant to try out too many new firms or countries. They therefore tend to confine their activities to one or, at most, two countries, based on their own analysis of country attractiveness for sourcing. Suitable vendors may therefore be excluded from a buyer mission simply because of their country of origin.	The Hub will continue to educate buyers on the potential of East Africa firms by assembling clear data and information on their productive capacity, certifications and areas of specialization. In the long-term, the Hub will leave behind this data in an online database that include GPS and policy information of Hub supported firms and countries.	AGOA/Trade Promotion Component Lead.	FY2019 Q2Con
Some selected exporters were unable to obtain visas despite applying reasonably in advance. This led to one not participating in Ambiente in February 2018 and another arriving late at New York Now. In addition, some exhibitors did not receive their shipped samples at New York Now and Sourcing at MAGIC.	To prevent this going forward, the Hub will advise that exhibitors ship their samples early and carry some samples in checked luggage.	AGOA/Trade Promotion Component Lead.	Ongoing.
Some East Africa exporters, particularly those from Rwanda and Tanzania, are hampered by a lack of funds to pay for their costs in technical assistance and business linkage activities and request financial support. When this is not forthcoming, participants from these countries do not participate.	In response, the Hub has had country representatives attend shows and represent companies that show significant promise.	AGOA/Trade Promotion Component Lead.	Ongoing.
Activity 3: Targeted Firm-level Technical Assistance			

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
The completion of the GIS Mapping database project was hampered by data programming challenges, so for the better part of the year the model was in meta testing mode.	The same information was made available in static mode through searchable MS Word profiles on the Hub's website while the data programming challenges are addressed.	AGOA/Trade Promotion Component Lead.	Ongoing.
Activity 4: AGOA Preparedness and Information Dissemination			
AGOA preparedness training and information dissemination is a necessary prerequisite for a higher level of AGOA awareness and utilization, yet the dissemination methods that have been used are staff time and resource intensive.	In FY2019, the Hub will develop and implement modules to train business development service providers on how to assist enterprises seeking to export under AGOA.	AGOA/Trade Promotion Component Lead.	Ongoing.
Activity 5: Build Capacity of Trade Support Institutions and Mechanisms			
Generation Kenya experience a setback when two operating centers in Mombasa and Nairobi were closed and one center relocated to reopen later in the year. This led to a downturn in employment among some of the larger Kenyan apparel manufacturers.	The withdrawals were mitigated by identifying other apparel firms willing to offer space for training. In addition, the training curriculum was revised to provide more hands-on machine time for trainees and to incorporate industrial engineers into the trainees' assessment. This has improved employer satisfaction with the trainees.	AGOA/Trade Promotion Component Lead.	Completed.
Effective utilization of the grants by partners and beneficiaries requires they have adequate capacity to deal with the information and reporting requirements of USAID grants. Some beneficiaries were unable to deliver the required reports in a timely manner hampering effective delivery on the grant objectives.	Continue to provide grant kick-off trainings with grantees to review M&E, reporting and financial requirements. Where necessary, the Hub's Partnership fund team will provide one-on-one support to the grantee to ensure they understand and comply with USG reporting standards.	AGOA/Trade Promotion Component and Partnership Fund Leads.	Ongoing.
Many enterprises are unwilling to provide data on trade-related outcomes despite the Hub need for grantees to report on results.	The Hub will continue to utilize engagement agreements that outline expectations for Hub-supported firms. Where possible, Hub staff and consultants will follow up.	AGOA/Trade Promotion Component Lead.	Ongoing.
TRADE POLICY AND REGULATORY REFORM			
Activity 1: Support Implementation of the U.S.-EAC Cooperation Agreement			

TABLE 36. IMPLEMENTATION CHALLENGES AND SOLUTIONS MATRIX

PROBLEM/ISSUE	SOLUTION/CORRECTION	RESPONSIBLE PARTY	TIMEFRAME FOR COMPLETION
The Hub was unable to hold a stakeholder training on the WTO TBT/SPS Agreement, ePing alert system and TBT/SPS online NSS in Uganda due to delay in receiving the cabinet's internal approval. It is not clear when the internal approval may be attained.	The Hub is waiting for guidance from the Ugandan government.	DCOP-Technical and Economic Policy Expert.	Ongoing.
There was a delay approving the in-kind grants for RSB and UNBS, which pushed back activities supporting ISolutions implementation.	In-kind grants for RSB and UNBS were approved in September 2018. Activities are expected to begin in November 2018.	DCOP-Technical and Economic Policy Expert.	Completed.
Planned regional activities have not taken place due to delays in concluding national activities.	The Hub will review requests from the EAC Secretariat to conduct regional activities and assess their relative value at this point in the project.	DCOP-Technical and Economic Policy Expert.	Ongoing.
Activity 2: Promote the Movement of Goods, Services and Capital within the East African Market			
The Hub assessed what could be achieved under a grant to Agha Khan University/National Media Group following USAID's approval of a branding waiver, and given the limited time, opted to cancel the grant's implementation.	The grant was cancelled	COP and EAC Cooperation Agreement Coordinator.	Completed.
Activity 3: Improve Trade and Investment Enabling Environment			
The timing of the proposed five pilot classes extended beyond the initial grant period for FEAFFA.	The FEAFFA grant period was extended to October 2018.	DCOP-Technical and Economic Policy Expert.	Completed.

III. EAST AFRICA TRADE AND INVESTMENT HUB SUMMARIZED PMP INDICATOR TABLE

TABLE 37. SUMMARIZED PMP INDICATOR TABLE									
INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS	
PROJECT GOAL: EXPANDED TRADE AND INVESTMENT									
1	Foreign Trade Index as a percentage of GDP (EAC Facts and Figures Report)	-	CI	-	-	-	-	The EAC Facts and Figures Report which forms the basis for reporting on this indicator has not been released. We will provide the data once the report is made available.	
2	Value of African Growth and Opportunity Act (AGOA) exports from AGOA-eligible countries to the United States as a result of project assistance	915,068,880	227,134,093	888,646,881	97%	4,289,000,000	3,281,293,093	77%	On track. Overall performance is likely to surpass the 100% mark once data for September is factored in. The data is not available at the moment.
3	Value of African Growth and Opportunity Act (AGOA) exports from EATIH-supported firms	85,000,000	75,778,984	207,386,537	244%	286,000,000	491,506,713	172%	Increased capacity of supported firms to export coupled with enhanced data collection and follow-up mechanisms have contributed to the recorded high performance.
4	Value of new private sector investment in the agricultural sector or food chain leveraged by EATIH implementation	25,000,000	6,000,000	19,419,757	76%	65,000,000	59,709,047	92%	The cumulative performance is on track.
5	Value of new private sector investment in the non-agriculture	3,000,000	11,500,000	66,129,979	2204%	35,000,000	83,503,902	238%	Annual targets for this indicator were reduced last fiscal year due to the low deal closure in the non-agriculture sector recorded in the first two years

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

	INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS
	sector, leveraged by USAID implementation								of the project. However, increased efforts by the investment facilitation team to conclude deals in the pipeline paid off with the closure of major investments in the apparel and health sectors, resulting in the huge variance recorded.
6	Value of EAC (intra-regional) exports in targeted non-agricultural and agricultural commodities	482,000,000	393,389,049	393,389,049	82%	2,141,000,000	1,421,705,108	66%	Low performance in the agriculture sector over the previous two years due to adverse weather conditions and low production coupled with unfavorable trade practices affected the overall level of intra-regional trade. Significant improvements in the trade environment and agricultural production factors resulted in improved intra-regional trade over the past year.
7	Value of exports (both international and intra-regional) in targeted non-agricultural and agricultural commodities	2,600,000,000	2,958,614,853	2,958,614,853	114%	3,907,000,000	11,189,491,244	286%	The cumulative performance is on track.
INTERMEDIATE OBJECTIVE I: INCREASED REGIONAL VALUE CHAIN COMPETITIVENESS									
8	Number of private enterprises, producers' organizations, women's groups, trade and business associations and CBOs that applied new technologies or management practices	35	2	64	183%	60	107	178%	New agriculture-focused grants aimed at promoting the transfer of new technologies and management practices contributed to the achievement of the indicator target.

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

	INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS
	as a result of USG assistance								
9	Value of exports in targeted non-agricultural and agricultural commodities from Hub-supported firms/associations/entities	180,000,000	63,065,062	179,121,184	100%	360,000,000	348,874,623	97%	The growth of exports brought about by the Hub's technical support enabled firms to increase their sales, contributing to the reported performance, though the political climate slowed it a bit.
10	Number of firms/associations that are more profitable due to USG assistance	12	5	29	242%	46	60	130%	Improved follow-ups with assisted firms and associations contributed to increased data available on the profitability of Hub-facilitated exports, resulting in the overachievement of this indicator.
11	Number of technologies or management practices in one of the following phases of development in Phase III: made available for transfer as a result of USG assistance	12	2	12	100%	36	70	194%	Through strategic partnerships with private sector entities such as EAGC, EAFF and IREN, the Hub surpassed the original target by a significant margin. The East Africa Post-harvest Technologies Competition alone resulted in 25 different technologies being made available for transfer, and the finalists adopted management practices through subsequent BDS trainings.
INTERMEDIATE RESULT (IR) I: INCREASED INTRA-REGIONAL TRADE IN FOOD STAPLES									

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

	INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS
12	Number of food security private enterprises (for profit), producers' organizations, water users' associations and CBOs receiving USG assistance	200	17	201	94%	500	875	175%	This indicator's cumulative overperformance can be attributed to higher numbers in FY2017 when the Hub supported more organizations than anticipated due to the resources and unique competencies of other development partners' and private sector entities.
13	Value of EAC intraregional trade in staple foods	458,503,500	290,763,926	290,763,926	63%	493,000,000	290,763,926	59%	The Hub is unlikely to achieve the target for this indicator because the baseline for these indicators are not comparable to our current data source.
14	Volume of EAC intraregional trade in staple foods	1,902,335,500	1,187,808,055	1,187,808,055	62%	2,048,669,000	1,187,808,055	58%	The Hub is unlikely to achieve the target for this indicator because the baseline for these indicators are not comparable to our current data source.
IR 2: INCREASED GLOBAL EXPORT COMPETITIVENESS									
15	Score on the Global Competitiveness Index (World Economic Forum)		CI		0%		0		Data is presented on a separate table below.
16	Trade Performance Index ranking (ITC Trade Competitiveness Map)		CI		0%		0		We are waiting on data from the EAC Secretariat to report on this indicator.

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS	
17	Number of agricultural and non-agricultural sector assisted firms meeting international standards to export	5	0	-	0%	25	11	44%	While the Hub is making effort to support firms to obtain international certification, the process is very lengthy and requires significant resources from both the Hub and the supported firms. Low preparedness among the supported firms in terms of technical and financial capacity coupled with low awareness of the certification process and its benefits have also slowed the attainment of this result. Efforts have been put in place to address these constraints and we expect at least 10 firms to be certified in FY2019.
IR 5: INCREASED INTRA-REGIONAL EXPORT COMPETITIVENESS									
18	Level of compliance with regional trade agreements	3	0	4	133%	8	9	113%	The recorded overachievement is the result of the reforms recorded under the CMP in Kenya, Tanzania and Rwanda where the Hub worked through strong private sector apex bodies and sustained stakeholder engagement through public private dialogue sessions.
INTERMEDIATE OBJECTIVE 2: IMPROVED REGIONAL TRADE AND INVESTMENT-ENABLING ENVIRONMENT									
19	Trading Across Borders Rank (World Bank)		CI			CI	0		See data on a separate table below.

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

	INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS
20	Number of agricultural and nutritional enabling environment policies/regulations/administrative procedures in each stage of development as a result of USG assistance	1	3	4	400%	9	11	122%	The recorded overachievement resulted from growing need to strengthen regional SPS capacity through the development of the EAC SPS Regulations and SOPs. Ongoing work on staple food standards in partnership with EAGC has also contributed to a higher performance than initially anticipated.
33	Number of national policies for which an action has been taken toward the full implementation of a regionally agreed-upon policy as a result of USG assistance	5	2	2	40%	16	6	38%	The Hub is actively working with all the EAC countries to ensure increased implementation of regionally agreed policies. The process of actualizing these reforms has been slow but there are clear indications that we will have more results to report in the coming quarter. EAC Revised Standards on grains and pulses are expected to be gazetted by at least two more countries. Kenya and Rwanda have already domesticated the standards.
IR 3: EFFICIENT/COST-EFFECTIVE MOVEMENT OF TRADED GOODS ACROSS BORDERS									
21	Cost to trade goods across borders/or along corridors as a result of Trade Hub assistance (World Bank)		CI			CI	0		See data on a separate table below.
22	Time required to trade goods across borders and along corridors as a result of Trade Hub		CI			CI	0		See data on a separate table below.

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS	
assistance (World Bank)									
IR 4: ADVANCING REGIONAL TRADE AND INVESTMENT AGREEMENTS AND THEIR SUPPORT INSTITUTIONS									
23	Level of compliance with the WTO Bali Trade Facilitation agreements	1	1	1	100%	3	8	167%	On track.
24	Number of AGOA strategies developed or updated	1	1	1	100%	7	6	86%	On track.
25	Person hours of training completed in trade and investment enabling environment supported by USG assistance	6,000	0	7,994	133%	11,000	21,510	195%	The high demand for stakeholder capacity building on various policy instruments in the region contributed to the reported hours of training. Awareness creation is critical for the effective implementation of existing policy instruments such as the SPS Protocol, U.S.-EAC Cooperation Agreement on the WTO TBT and SPS provisions and CMP, among other instruments.
CROSS-CUTTING									
26	Number of FTE jobs created with USG assistance	5,000	918	5,394	108%	18,500	44,104	238%	The annual achievement for this indicator is on track, but the cumulative four-year achievement was surpassed by a big margin due to the

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

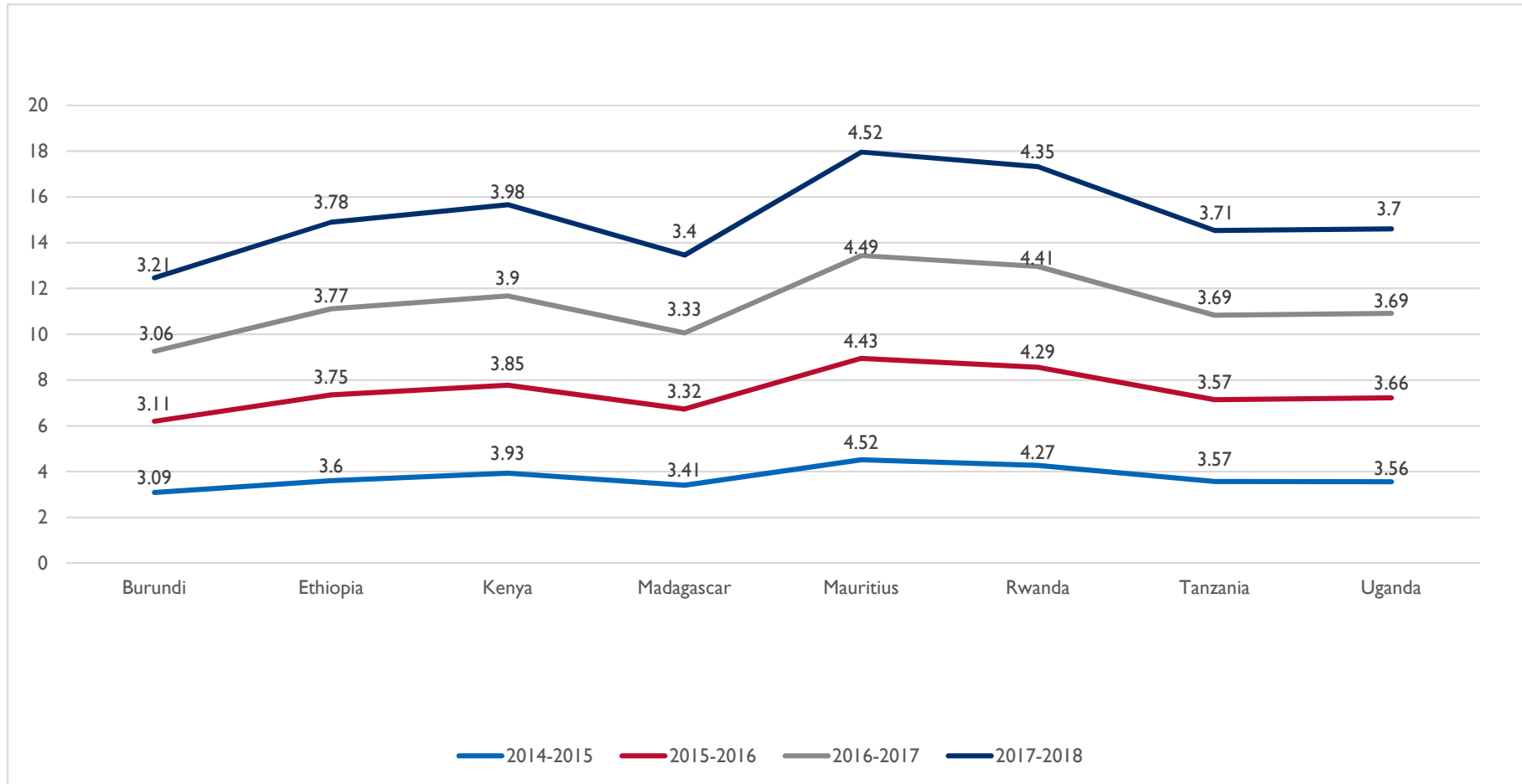
INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS	
								overachievement recorded in the first year.	
27	Proportion of female participants in USG-assisted programs designed to increase access productive economic resources (assets, credit, income or employment)	50%	61%	70%	61%	50%	52%	124%	The Hub's continued efforts to support women in business contributed to the number of female beneficiaries.
28	Number of public-private partnerships formed as a result of USG assistance	2	0	1	50%	10	7	70%	The process of concluding PPPs has been slow due to bureaucratic legal requirements for government entities' involvement. The LOP target will be attained over the remaining year based on ongoing Hub activities.
29	Number of buyer/seller linkages established in export capacity in targeted sectors as a result of Hub assistance	700	347	1,658	232%	1,700	3,730	219%	The Hub applied improved measures to track buyer/seller linkages for all trade missions, which contributed to the high numbers recorded during Q4.
30	Number of trade and investment missions completed	30	8	41	137%	72	106	147%	This increase derives from the Hub's deliberate effort to facilitate business linkages through B2B missions and tradeshows to promote export trade.

TABLE 37. SUMMARIZED PMP INDICATOR TABLE

	INDICATOR	FY2018 TARGET	Q4 ACHIEVEMENT	FY2018 ACHIEVEMENT	% ANNUAL TARGET ACHIEVED	LOP TARGET	CUMULATIVE ACHIEVEMENT (Y1-Y4)	CUM. % ACHIEVED	COMMENTS
31	Person hours of training completed in trade and investment capacity building supported by USG assistance	80,000	4,423	10,938	14%	87,500	31,574.5	36%	USAID provided guidance that Generation Kenya would no longer be included in the indicator following the target being raised with this activity in mind.
32	Number of firms receiving USG capacity building assistance to export	195	10	290	149%	800	1,635	204%	The overperformance of this activity is due in part to the addition of the livestock activity, which introduced firms the Hub had not previously targeted. Hub partners such as AFCA, EHPEA and ALLPI also reached new levels of membership while Hub consultants in the apparel and footwear sectors identified new firms with export potential to the U.S.

CI = CONTEXT INDICATOR

INDICATOR 15: GLOBAL COMPETITIVENESS INDEX RANKINGS, 2015-2018



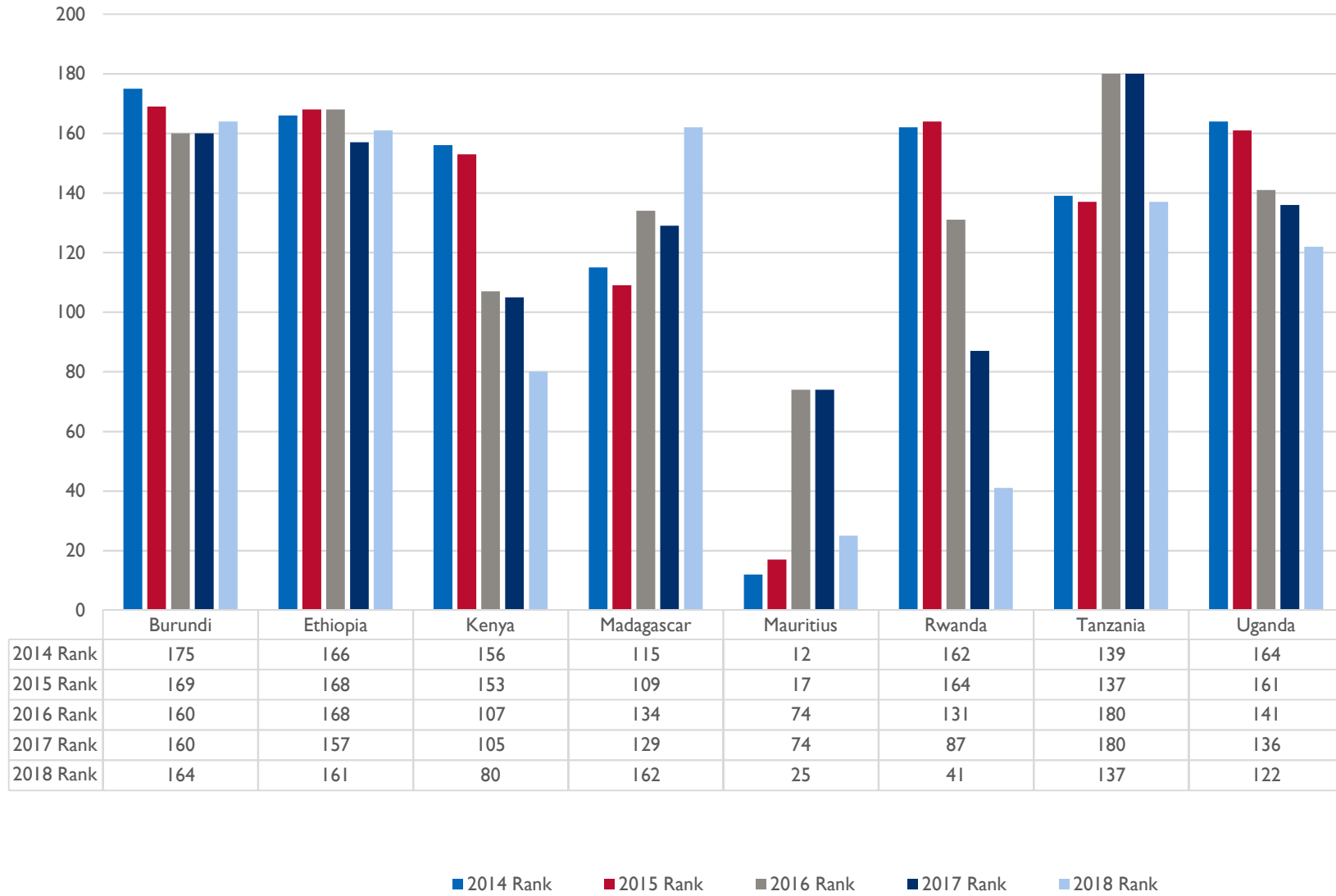
INDICATOR 19: TRADING ACROSS BORDERS RANK, 2014-2018

TABLE 38. TRADING ACROSS BORDERS RANK

COUNTRY	2014 RANK	2015 RANK	2016 RANK	2017 RANK	2018 RANK	2014-2018 CHANGE
Burundi	175	169	160	160	164	11 points improvement
Ethiopia	166	168	168	157	161	5 points drop
Kenya	156	153	107	105	80	76 points improvement
Madagascar	115	109	134	129	162	47 points drop
Mauritius	12	17	74	74	25	13 points drop
Rwanda	162	164	131	87	41	121 points improvement
Tanzania	139	137	180	180	137	2 points improvement
Uganda	164	161	141	136	122	42 points improvement

Source: World Bank Doing Business Report

Indicator 19: Trading Across Borders Rank 2014-2018



INDICATOR 21: COST TO EXPORT/IMPORT 2016/2017

Country	Cost to Export (USD)		Cost to Import (USD)	
	Documentary Compliance	Border Compliance	Documentary Compliance	Border Compliance
Burundi	2016-150	2016-106	2016-1,025	2016-444
	2017-150	2017-106	2017-1,025	2017-444
	2018-150	2018-136	2018-1,025	2018-444
Kenya	2016-191	2016-143	2016-550	2016-908
	2017-191	2017-143	2017-115	2017-833
	2018-191	2018-143	2018-115	2018-833
Rwanda	2016-110	2016-183	2016-366	2016-680
	2017-110	2017-183	2017-121	2017-282
	2018-110	2018-183	2018-121	2018-282
Tanzania	2016-275	2016-1,160	2016-375	2016-1,350
	2017-275	2017-1,160	2017-375	2017-1,350
	2018-275	2018-1,160	2018-375	2018-1,350
Uganda	2016-102	2016-287	2015-296	2016-489
	2017-102	2017-287	2016-296	2017-489
	2018-102	2018-209	2018-296	2018-412

Source: World Bank 2017 Doing Business Report

INDICATOR 22: TIME TO EXPORT/IMPORT 2016/2017

Country	Time to Export (Hours)		Time to Import (Hours)	
	Documentary Compliance	Border Compliance	Documentary Compliance	Border Compliance
Burundi	2016-120	2016-59	2016-180	2016-154
	2017-120	2017-59	2017-180	2017-154
	2018-120	2018-59	2018-180	2018-154
Kenya	2016-19	2016-21	2016-84	2016-180
	2017-19	2017-21	2017-84	2017-180
	2018-19	2018-21	2018-60	2018-180
Rwanda	2016-42	2016-97	2016-290	2016-282
	2017-42	2017-97	2017-72	2017-86
	2018-42	2018-97	2018-48	2018-86
Tanzania	2016-96	2016-96	2016-240	2016-402
	2017-96	2017-96	2017-240	2017-402
	2018-96	2018-96	2018-240	2018-402
Uganda	2016-64	2016-77	2016-138	2016-149
	2017-64	2017-71	2017-138	2017-154
	2018-51	2018-64	2018-138	2018-154

Source: World Bank 2017 Doing Business Report

IV. PERFORMANCE MONITORING CONTEXT

HUB PMP REVIEW

In October 2017, the Hub completed its second PMP review since the start of the project to reflect the evolving project landscape. The PMP revisions were mostly upward adjustments of where initial targets had been met or surpassed. This affected a total of 11 indicators. Adjustments were also made to streamline the data collection process and address issues of attribution for Hub-facilitated exports. The key changes to the PMP are summarized in the table below.

TABLE 39. SUMMARY OF PMP CHANGES

INDICATOR	INDICATOR NAME	CHANGES
EATIH #3	Value of AGOA exports from EATIH-supported firms	Revise data collection methodology to include use of secondary data sources at a discounted ratio based on the level of support provided to the firms.
EATIH #4	Value of new private sector investment in the agricultural sector or food chain leveraged by Hub implementation	Update the Performance Indicator Reference Sheet (PIRS) in line with the revisions made in the Africa Competitiveness and Trade Expansion (ACTE) harmonized PMP. The indicator definition has been updated to include operating capital. Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from \$15 million to \$25 million • Increase the 2019 target from \$5 million to 10 million • Increase the LOP target from \$50 million to \$65 million
EATIH #5	Value of new private sector investment in the non-agriculture sector leveraged by Hub implementation	Update the PIRS in line with the revisions made in the ACTE harmonized PMP. The indicator definition has been updated to include operating capital. Revise the performance targets as follows: <ul style="list-style-type: none"> • Reduce the 2018 target from \$15 million to \$3 million • Reduce the 2019 target from \$5 million to \$2 million • Reduce the LOP target from \$50 million to \$35 million
EATIH #7	Value of exports (both international and intraregional) in targeted non-agricultural and agricultural commodities	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from \$835 million to \$2.6 billion • Increase the 2019 target from \$885 million to 2.8 billion • Increase LOP target from \$885 million to \$7.6 billion
EATIH #8	Number of for-profit agricultural and non-agricultural private enterprises, producers' organizations, water users' associations, women's groups, trade and business associations and CBOs that applied improved organizational-level technologies or management practices as a result of USG assistance	Revise the indicator name to include agriculture and non-agriculture private enterprises, producer organizations etc., in line with the revisions made in the ACTE harmonized PMP. The PIRS has also been updated. Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 26 to 55 • Increase the 2019 target from 30 to 60 • Increase the LOP target from 30 to 60
EATIH #9	Value of exports in targeted non-agricultural and agricultural commodities from Hub-assisted firms/associations	Update the indicator definition in line with the updated ACTE PIRS. Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase 2018 target from \$120 million to \$180 million • Increase 2019 target from \$130 million to \$200 million • Increase LOP target from \$360 million to \$490 million
EATIH #10	Number of firms that are more profitable or associations that are more	Revise the indicator name to include financial self-sufficiency of associations. The indicator definition has also been updated and aligned with the ACTE PIRS.

TABLE 39. SUMMARY OF PMP CHANGES

INDICATOR	INDICATOR NAME	CHANGES
	financially self-sufficient due to USG assistance	
EATIH #11	Number of technologies or management practices in one of the following phases of development - made available for transfer as a result of USG assistance (Phase III)	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 4 to 12 • Increase the 2019 target from 3 to 10 • Increase the LOP target from 21 to 36
EATIH #12	Number of food security private enterprises (for profit), producers' organizations, water users' associations, women's groups, trade and business associations, and CBOs receiving USG assistance	Increase LOP target from 400 to 500 and 2018 target from 100 to 200.
EATIH #17	Number of assisted firms (agricultural and non-agricultural) meeting international standards to export	Make minor changes in the indicator definition as provided in the updated ACTE PIRS.
EATIH #20	Number of enabling environment policies analyzed, consulted on, drafted or revised, approved and implemented with USG assistance	Revise the indicator name and definition to include both agricultural and non-agricultural related policies. The indicator is now fully aligned with the ACTE harmonized PMP.
EATIH #25	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 1,000 to 6,000 (2100F; 3900M) • Increase the 2019 target from 1,000 to 2,500 (875F; 1625M) • Increase the LOP target from 4,500 to 11,000 (3850F; 7150M)
EATIH #26	Number of agriculture and non-agriculture FTE jobs created with USG assistance	Revise the indicator name and definition to include both agricultural and non-agricultural jobs. The indicator is now fully aligned with the ACTE harmonized PMP.
EATIH #28	Number of public-private partnerships formed as a result of USG assistance	Update the PIRS to reflect the definition provided in the updated FTF indicator definition (July 2016 version). The indicator will count PPPs in the non-agricultural sector hence it's not a standard USAID indicator but a custom Hub indicator.
EATIH #29	Number of buyer/seller linkages established in export capacity in the targeted agricultural and non-agricultural sectors as a result of Hub assistance	Revise the indicator name and definition to include agriculture and non-agriculture buyer/seller linkages. The indicator is now fully aligned with the ACTE harmonized PMP. Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 300 to 700 • Increase the 2019 target from 250 to 500 • Increase the LOP target from 1,050 to 1,700
EATIH #30	Number of trade and investment missions completed	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 7 to 30 • Increase the 2019 target from 5 to 22 • Increase the LOP target from 32 to 72
EATIH #31	Person hours of training completed in trade and investment capacity building	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 2,000 to 80,000 (28,000M; 52,000F) • Increase the 2019 target from 1,500 to 2,500 (875M; 1625F) • Increase the LOP target from 10,200 to 87,500 (30,625M; 56,875F)

TABLE 39. SUMMARY OF PMP CHANGES

INDICATOR	INDICATOR NAME	CHANGES
	supported by USG assistance	
EATIH #32	Number of firms receiving USG capacity building assistance to export	Revise the performance targets as follows: <ul style="list-style-type: none"> • Increase the 2018 target from 100 to 195 • Increase the LOP target from 705 to 800

HUB MIDTERM EVALUATION

During the year, USAID commissioned an external midterm performance evaluation by Management Systems International. The evaluation assessed the Hub's achievement of its objectives and intermediate results over the last three years, documented challenges and lessons learned and generated recommendations to inform activity implementation for the remainder of the project as well as for the design of future projects. The evaluation recognized the Hub's accomplishments, but also made recommendations to improve performance, results tracking and costs. Notable recommendations included:

- To monitor the food production and distribution situation across the EAC region and any non-tariff barriers that negatively affect staple food trade in the EAC region.
- To pursue the full implementation of the policies and protocols that ensure that staple foods move freely between food surplus and food deficit countries within the region and that help to achieve project goals on staple foods.
- To review and amend the targets for indicators whose performance targets have been met or surpassed while considering what the baselines and assumptions were.
- To put in place a system that helps link the activities and their costs before the end of the project.
- To institute regular planning and coordination meetings with other development partners to increase the prospects of sustainability.
- To further encourage matchmaking activities between U.S. investors and local companies that are beneficiaries of AGOA.
- To streamline coordination between the Hub and the bilateral missions in the region to fully align USAID activities to the Hub while supporting the project's alignment to U.S. administration priorities.
- To review the reporting of the Hub's targets to explicitly demonstrate how inclusive the activity is to both women and men.

The Hub has already put in place mechanisms to address the above recommendations by improving existing M&E systems and streamlining the project's coordination approach and implementation strategies.

QUARTERLY M&E PROGRAM REVIEW MEETINGS

To facilitate continuous organizational learning and adaptive management, the M&E team organized quarterly program review meetings for the project. The meetings allowed staff to review performance, address constraints, share lessons learned and improve project delivery. These reviews were instrumental in accelerating overall performance, as attested by the accomplishment of more than 74 percent of the LOP targets by end of year four.

M&E SYSTEMS STRENGTHENING

Several modifications were made to the M&E Module in the DAI Technical and Administrative Management Information System (TAMIS) to facilitate data visualization and project results tracking. The changes included further customizing the database to capture the volume and value of buyer/seller linkages.

MONITORING VISITS TO ENHANCE PROJECT IMPLEMENTATION AND DOCUMENTATION OF RESULTS

The Hub conducted monitoring and evaluation visits to its grantees, supported firms and supported associations in all of the project countries. The visits provided an opportunity to analyze completed activities, discuss strategies for fast-tracking pending activities' implementation and address monitoring and reporting issues. As such, they were necessary components of the Hub's strategy to continuously track project implementation, document results and support the effective delivery of results.

V. PROGRESS ON GENDER AND YOUTH

The Hub works to ensure at least 45 percent female participation in programs designed to increase access to productive economic resources (assets, credit, income or employment). To date, the Hub has demonstrated its commitment to female and youth participation through targeted capacity building interventions within the Hub’s four components.

- Of the total 44,104 jobs created through Hub support, 51 percent were filled by women.
- Of the 7,993 person-hours of training completed in trade and investment capacity building, females accounted for 32 percent of the person-hours.
- Females made up 52 percent of the participants in USG-assisted programs designed to increase access to productive economic resources.

TABLE 40. CUMULATIVE ACHIEVEMENTS BY GENDER AND AGE						
INDICATOR	MALE		FEMALE		TOTAL	
Person hours of training completed in trade and investment enabling environment supported by USG assistance (EATIH #25)	5,413.7 (68%)		2,579.8 (32%)		7,993	
Person hours of training completed in trade and investment capacity building supported by USG assistance (EATIH #31)	7,638 (50%)		7,722 (50%)		15,360	
Number of full-time equivalent jobs created with USG assistance (EATIH #26)	18-35yrs	>35yrs	18-35yrs	>35yrs	18-35yrs	>35yrs
	1,071	370	3,219.20	880	4290.2	1249.8
	26%		74%		100%	
Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment indicator) (EATIH #27)	52%					

HUB SUPPORTS WOMEN’S ACCESS TO FINANCE

Access to finance for female-owned and female-led enterprises remains a major constraint on business growth in East Africa. To address this barrier, the Hub helps connect female-owned and -led enterprises to investors who are looking for promising companies in East Africa. To date, the Hub has supported the closure of \$12.4 million in new investment for female-owned and -led enterprises and trained 600 female entrepreneurs on how to pitch their companies to investors and prepare for the export market.

- Sophy Nantongo incorporated African Queen in 1993 with \$3,000 in her pocket and a high school education. Her business concept is the same now as when she started: distribute consumer goods, such as foods and beverages, personal care (hair and skin), stationery and home care to an underserved but expansive consumer market. Now, in 2018, thanks to her ingenuity and hard work, and a \$4 million capital infusion supported by the Hub, Ms. Nantongo is delivering globally recognized brands using sales force automation technology, a new fleet of trucks, and a 235-person logistics team. In 2017, African Queen distributed \$13.6 million worth of high-quality commodities to schools, restaurants, hotels and retailers.
- Betty Wandabula, the managing director of Dejolisa Ltd., was able to expand her chicken rearing business thanks to Hub-supported financing. She increased her business from 4,500 chickens to

15,000 chickens with a production capacity of 180 egg trays per day. She expects to further increase to 20,000 chickens with a production capacity of 250 trays per day and to begin producing chicken feed to use and sell.

- The Hub dedicated two events to supporting female entrepreneurs in Tanzania. In partnership with the New Faces New Voices (NFNV) – Kenya Chapter, a member of the Graça Machel Trust, the Hub organized a pitching competition using a “shark tank” format, allowing women to showcase their businesses to investors, financiers, development partners, advisory firms, accelerators and service providers. To prepare the women, the Hub and NFNV also collaborated on a one-day pitch ready workshop. The top three women at the competition received cash prizes to further their business ideas and received several invitations to participate in additional fundraising support programs.

HUB PROVIDES SUPPORT TO FEMALE AND YOUTH TO BOOST TRADE

The Hub provides firm-level technical assistance to improve the trade capacity and U.S. market know-how of female-owned or -led businesses and young entrepreneurs. Since November 2014, the Hub and partners have supported 49 women entrepreneurs to access the U.S. market and make 883 trade linkages.

- The Hub conducted trainings for home décor and fashion accessories exporters in Rwanda, Uganda, Tanzania and Ethiopia to assist with securing AGOA deals with U.S. buyers. Of the 104 exporters who participated, 77 (74 percent) were women. Young business owners also represented 10 percent of participants.
- The Hub partnered with Intellectap to provide BDS services to the ten finalists of the East Africa Post-harvest Technologies Competition. All of the finalists are young entrepreneurs looking to acquire skills that can help them grow their businesses. By offering individualized mentoring sessions, the Hub is positioning young East Africans to sustain and grow their businesses for a greater impact on their economies.
- The Hub sponsored the attendance of 27 female cross-border traders at the Ignite My SME seminars in Kenya, Uganda and Tanzania. The women gained knowledge on supply chain financing and business management skills, which they are able to share with other female cross-border traders.
- The Hub issued a grant to AGRIFOP, a Rwandan-based organization, to provide capacity building exercises for female cross-border traders in Rwanda, Burundi, Tanzania and Uganda at the Kagitumba, Mirima, Rusumo and Nemba borders. The Hub supported trainings for 142 women, boosting their knowledge of intra-regional and extra-regional trade and enabling them to more effectively participate in formal cross-border trade. AGRIFOP will also focus on strengthening the cross-border traders associations that represent the female traders to provide them with a more effective advocacy platform.

HUB PREPARES WOMEN AND YOUTH TO ACCESS EMPLOYMENT OPPORTUNITIES

The Hub also aims to build women’s capacities and skills so that they can either secure employment or participate more effectively in the workforce:

- The Hub’s grant to Generation Program Kenya Ltd, now Career Readiness Social Initiative Ltd, enhances the skills of young, entry-level workers in the apparel sector through trainings to become sewing machine operators. This labor-intensive industry has a shortage of 10,000 to 15,000 skilled workers, 60 percent of which are sewing machine operators. To date, 677 trainees (148 male and 529 female) have graduated from the program with National Industrial Training Institute certification. Of this group, 369 (100 male, 269 female) have been placed

within various enterprises, providing a source of living for young women and men while also supporting the industry's growth. The remaining graduates will be placed with time.

- Through the Hub's grant to KLIDP, the Hub supported the training of leather artisans to reduce technical capacity gaps in the sector and increase competitiveness at different levels of the value chain for greater export trade, particularly through AGOA. Of the 28 trainees, 14 were women and 15 were youth.

VI. PROGRESS ON ENVIRONMENTAL MITIGATION AND MONITORING

During FY2018, the Hub had no technical or operational activities that required active environmental mitigation and monitoring. The Hub will continue to review activities on an ongoing basis against the categories and measures laid out in draft Hub Environmental Mitigation and Monitoring Plan. The Hub's current pipeline of activities is not expected to have significant environmental compliance implications.

TABLE 41. ENVIRONMENTAL COMPLIANCE STATUS OF ACTIVE GRANTS

GRANTEE	GRANT TITLE	STATUS	START DATE	END DATE	COMMENT
Open Capital Advisors Limited	Increase exports and investments through tailored business support	Active Grant	12/5/2016	12/4/2018	Categorical exclusion
Federation of East African Freight Forwarders Associations	Build capacity for customs Clearing and Freight Forwarding Agents for effective application of the Revised EAC Rules of Origin	Active Grant	5/30/2016	10/31/2018	Categorical exclusion
Africa Leather and Leather Products Institute (ALLPI) (previously referred as COMESA LLPI)	Support SMEs in the leather sector to enhance their product design and craftsmanship, improve export readiness and attract new investment	Active Grant	6/1/2017	12/31/2018	Categorical exclusion
Generation Program Kenya Limited	Apparel Workforce Skills Development Program	Active Grant	6/21/2017	5/31/2019	Categorical exclusion
GroFin SGB Fund Business Support Facility Trust	Catalytic Financial Tool for Underserved Sectors	Active Grant	9/25/2017	4/30/2019	Categorical exclusion
Agribusiness Focused Partnership Organization (AGRIFOP)	Capacity Building of Women Cross Border Traders in Rwanda, Burundi, Tanzania and Uganda at the Kagitumba, Mirima, Rusumo and Nemba Borders	Active	4/1/2018	3/31/2019	Categorical exclusion
Eastern Africa Grain Council (EAGC)	Improving Grain Trading Systems through Regional Grades and Standards, EAC Standards Review for Grains & Pulses - Phase II	Active	8/13/2018	3/31/2019	Categorical exclusion
Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)	Tanzania Export Competitiveness Program	Active	8/1/2018	5/31/2019	Categorical exclusion
Rwanda Standards Board (RSB)	Supporting the implementation of ISOLutions in Rwanda	Active	9/19/2018	4/30/2019	Categorical exclusion

Uganda National Bureau of Standards (UNBS)	Supporting the implementation of ISolutions in Uganda	Active	9/15/2018	4/30/2019	Categorical exclusion
Financial Access Commerce and Trade Services (FACTS)	Short term working capital finance activity	Active	9/18/2018	4/30/2019	Categorical exclusion
Kenya Flower Council (KFC)	Support Kenya's flower industry to enter the US market.	Active	9/15/2018	4/30/2019	Categorical exclusion

VII. PROJECT ADMINISTRATION

PERSONNEL

Throughout the year the Hub recruited and filled positions as needed to ensure that the team performed at a high level and maintained our excellent track record from FY2017. However, after the departure of the Component 4 Lead at the end of FY2017, the Hub has not yet identified a suitable candidate to fill this key personnel position despite advertising the position multiple times.

In FY2018 Q2 the Deputy Director of Operations resigned and, rather than recruiting a replacement, the Hub promoted internally and created a Procurement Manager position which has been pending USAID approval for four months. Other resignations include an M&E Specialist, the Tanzania Country Representative, the Senior Partnership Fund Director, a Senior Accountant and, most notably, the COP in Q4. Sadly, a great loss and shock to the team was the untimely passing of the Hub's Grants and Subcontract Specialist, Ms. Rosalid Ndoro, who passed away after a short illness during this last quarter.

While we continue to recruit for the M&E Specialist role, the Hub promoted the Senior Technical Specialist (Marwa Moses) to the Country Representative position in Tanzania and has identified a new COP who, pending USAID approval, will join the project in November 2018.

The Hub is using internal promotion, reorganization and reallocation of roles and responsibilities to cover other gaps. This strategy will become ever more important in the final year of the project as staff resign to take up longer term career opportunities elsewhere. Linked to this, the Hub has been waiting for five months for approval from USAID for the internal promotion of five staff members (originally there were six, but the M&E Specialist resigned).

The Hub continued the recruitment process for the Investment Promotion Advisor-Tanzania to support the TIC, as specified in the buy-in from USAID/Tanzania, and identified a new position of Program Officer-Tanzania to support the Country Representative. These positions will provide additional skills and enhance the team.

The Hub frequently reviews human resource needs and skills to ensure performance efficiency and productivity. The current team, with 47 team members in five countries, is well equipped to implement Hub activities.

At various time throughout the year, the Hub employed 40 STTA Independent Consultants (ICs) to bring in expertise and support Hub technical activities and deliverables both in East Africa and in the U.S. The prudent and targeted use of ICs allows the Hub to achieve our performance targets and maximize resources by bringing in expertise when needed.

VIII. SUCCESS STORIES

STORIES

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

In addition to short stories and blogs, we create photo stories and infographics to further explain what the Hub does and what accomplishments we have made. Infographics distill complex initiatives into digestible, engaging pieces and can highlight quick wins, i.e. numbers and takeaways. They complement more development-heavy technical briefs well.

ATTRACTING INVESTMENT TO EAST AFRICA (OCTOBER 2018)



Sophy Nantongo incorporated African Queen in 1993 with \$3,000 in her pocket and a high school education. Now, in 2018, thanks to her ingenuity and hard work, and a \$4 million capital infusion supported by the USAID Hub, Ms. Nantongo is delivering globally recognized brands using sales force automation technology, a new fleet of trucks, and a 235-person logistics team.

In Ethiopia, a dairy processor now has the equipment it needs to meet consumer demand for long-lasting milk products. In Uganda, a mobile money company has expanded its agent network to create hundreds of new jobs and make it easier for small- and medium-sized enterprises and agricultural traders to scale and grow their businesses. In Kenya, a mobile-based produce-supply company is providing seamless logistics support for fresh produce from farm to fork – removing intermediaries, reducing costs, cutting post-harvest losses, and getting food where it needs to go.

Across East Africa, socially and environmentally impactful companies have gained access to capital through USAID support. That capital has been transformative – helping them to innovate, grow and ultimately sell their products locally, regionally and internationally.

East Africa is one of the fastest-growing economic blocs in the world with a population of 146 million, a talented workforce, political stability, and an increasingly business-friendly environment, as reflected in rising World Bank *Ease of Doing Business* rankings. Yet the region maintains a reputation for risk; and the foreign direct investment that does enter often does not reach the capital-starved sectors that will generate the most development impact, i.e. those that create jobs or have social or environmental benefits.

To diminish perceived investor risk and direct capital to businesses that yield the highest development returns, the USAID Hub offers transaction advisory services to promising East African companies who operate in high-impact sectors. Those sectors include agribusiness, information and community technology, financial services, logistics, textile and apparel, and health care. The type of service that the Hub provides is transaction-dependent but could take the form of deal structuring or business plans for the investee and market intelligence for the investor.

The Hub's services accelerate transactions, reducing the time and cost of deal closure. The closures then serve as positive examples for other investors who may need a nudge to enter the East Africa market, particularly in sectors such as agriculture.

In the past four years, the Hub has helped close \$127 million of investment transactions for 39 firms; 40 percent of those closures were in the agribusiness sector where, according to the World Bank, an average of 60 percent of East Africans draw their employment.

The Hub's transaction advisory services are helping U.S. and international companies broaden their markets and helping East African companies access the capital they need for sustained, economically impactful growth.

The Hub has already surpassed its end-of-project target of attracting \$100 million of new investment into East Africa and it still has another year to operate. With \$93.1 million in transactions pending closure and \$211.7 million more in the pipeline, 2018-2019 should be a promising year for USAID-supported investment in East Africa.

View photo story [here](#).

USAID BOOSTS EAST AFRICA'S PERFORMANCE UNDER WTO TRANSPARENCY PRINCIPLES (JULY 2018)

For the first time, five East African Community (EAC) Partner States are ranked as top users of the World Trade Organization (WTO) Notification Submission System (NSS). The EAC performance is directly attributable to USAID technical support to increase notifications through the system. NSS is an online tool used by the WTO to help its members submit regulatory updates on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures. Notification is a key pillar of the WTO's transparency principle, which requires members to clearly communicate their policies and regulations affecting foreign trade.

NSS: Allows national notification authorities to submit WTO notifications to WTO Secretariat through an online platform.

ePing: Enabling timely access to trade rules and regulations and the changes that WTO member countries institute. It facilitates dialogue among public and private sector actors to address potential trade problems at an early stage.

Imagine you were exporting some perishable goods abroad. Once your goods reach the destination port you discover that they cannot be allowed into the country because of a newly introduced requirement or standard that your product does not meet. The goods have to be destroyed or returned. You stand to suffer massive losses and possibly lose a buyer. This hypothetical situation can happen in real life.

Scenarios such as these led the WTO to introduce measures requiring members to explicitly notify other members before adopting new measures, if the new measures are likely to affect international trade. Notifications provide an opportunity for members to comment on the measures and address potential trade problems at an early stage. The requirements are captured in the WTO Sanitary and Phytosanitary (SPS) Agreement and the Technical Barriers to Trade (TBT) Agreement. But how can an individual exporter, particularly an SME, keep track of all the changes that might occur?

Introducing the ePing Electronic Notification System (ENS).

Last month, the WTO released a report during its 23rd annual review of TBT implementation and operation. According to the report, a total of 2,585 notifications were submitted in 2017 by 82 WTO members. Uganda was the top notifying member (329 notifications), the first African nation to hold the ranking. Tanzania (81) and Kenya (75) were among the top ten notifying members and Rwanda (29) and Burundi (2) placed among the top half.

Over the last three years, USAID has been helping the East African partner states meet their trade transparency and SPS/TBT compliance obligations through national and regional training sessions, as a part of U.S. capacity building assistance under the U.S.-EAC Cooperation Agreement. The WTO Agreements on TBT and SPS contain provisions on transparency requirements and procedures. These transparency provisions aim to achieve a greater degree of clarity, predictability and information exchange about

trade policies, rules and regulations of WTO members. The NSS system is complementary to the ePing Electronic Notification System (ENS) system which USAID helped implement throughout the EAC region as well.

Notification systems are important because they alert WTO members of non-tariff barriers and other trade concerns; adherence to these systems demonstrate a commitment to transparency in trade.

ENTREPRENEURIAL YOUTH GAIN THROUGH ACCESS TO THE U.S. MARKET (MAY 2018)

LULEA's "Parachute Bag" was the high-demand product at the 2017 Sourcing at Coterie trade show in New York City. Coterie organizers gushed about it, trade show attendees flocked to the LULEA booth to view it, and U.S. buyers placed on-the-spot orders for it. Edmond Chesneau, the patriarch of the Kenya-based, family-run company declared his visit to the New York trade show as the "starting point of our success."

Chesneau, a Frenchman by birth, is not new to the luxury leather handbag market. He spent 20 years in Ireland building his brand, which is his surname, and training craftsman. He received training from a craftsman for Hermes, arguably the most recognized leather-focused luxury accessories company in the world. He now trains others.



Verline, Nancy and Edmond Chesneau.

But it's not Chesneau who is transforming LULEA, it's his young Kenyan daughter, Verline. She designed the hot-selling parachute bag and is now hiring other young women just out of university to contribute to the family business. Since its success at Coterie, LULEA has hired eight new full-time employees.

In 2013, Chesneau came to Kenya and fell in love. He started Luxury Leather Africa, or LULEA, a luxury leather goods enterprise that is committed to social impact through job creation and training. He considers his factory workshop a center of excellence, helping his Kenyan staff to master the leather workmanship that captures the attention of the export market and adds value to the sale of LULEA products. His daughter is a clear example of this success.

The Hub provides firm-level technical assistance to East African businesses like LULEA to build their export capacity and facilitate connections with U.S. buyers. This increases duty-free exports under AGOA and deepens trade relations with the U.S.

The Hub has provided export assistance to 1,546 firms since October 2014; LULEA is just one example. These firms have achieved \$358.8 million in exports under AGOA.

The Hub's support to LULEA demonstrates USAID's contribution to beneficiary self-reliance and resilience. The LULEA brand is taking off and so are employment opportunities with the company. "This is what we needed to realize our potential," said LULEA Founder Edmond Chesneau. Verline is confident that they can.

RWANDAN AGRIBUSINESS SECURES CAPITAL FOR GROWTH – FARMERS AND CONSUMERS GAIN (MAY 2018)

Rwanda Agribusiness “Yak Fair Trade” is creating jobs and expanding the availability of nutritious foods thanks to a grant program to GroFin funded by the USAID Hub. The program is helping East African agribusinesses get the support they need to secure financing, expand their businesses and ultimately serve as models for demonstrating that investing in agriculture is worthwhile and transformative for individuals and economies.

Seventy-five percent of Rwanda’s workforce is concentrated in agriculture. The sector is crucial to the livelihoods of millions of people and is the backbone of the Rwanda’s economy. Despite this, agribusinesses often find it difficult to secure the financing they need to grow their companies and expand their offerings. The USAID Hub’s grant to GroFin, a development financier which specializes in providing finance and support to small and growing businesses, is trying to change this.

With USAID Hub/GroFin support, Yak Fair Trade secured financing to expand the milling capacity of its maize flour plant and purchase a refrigerated distribution van for its meat processing venture. The milling expansion helped Yak secure a new supply contract from Africa Improved Food (AIF) and the refrigerated distribution van allows Yak to reach consumers in the Rwanda capital of Kigali. AIF specializes in producing nutritious foods for infants and pregnant and breastfeeding mothers.

GroFin is also assisting the business to reach its long-term, strategic goals through a detailed environmental impact assessment and by helping the company redefine the duties and responsibilities of its main shareholders for improved corporate governance. The combination of business support and access to finance is putting Yak Fair trade on a sustainable growth path.

“Getting a job in Yak Fair trade has financially transformed my life, my three children are now sent to school and I can secure few savings every month in provision to possible future hard times and personal development. I am also planning to open a small shop for my wife in near future from the money I am earning from this my new job with Yak Fair Trade Ltd,” said JM Ndagijimana, Yak’s new operation officer.

Ultimately, Yak’s growth also means growth for the 65,000 smallholder farmers who supply Yak and for the hundreds of thousands of consumers who rely on Yak for its nutritious products.

“With GroFin’s finance and support, we are set to deepen our reach to farmers, expand employment to four times the current levels, and improve food security for the community,” said Janvier, the company’s co-founder and Chief Operations Officer.

Yak Fair Trade is one of six companies that GroFin has invested in since partnering with the USAID Hub six months ago. The six investments, totaling \$3.3 million, brings the Hub’s overall supported investment closure to \$125.5 million.

PAST WINNER OF HUB-SUPPORTED COMPETITION LAUNCHES FARM SERVICE CENTER IN ETHIOPIA (MARCH 2018)

In 2016, Abrhame Endrias, Managing Director of Green Agro Solution PLC, won a young innovators competition supported by the Hub, Syngenta, Toyota Academy Kenya, and the Inter Region Economic Network. The competition was designed to help young East African innovators attract investors to their agribusinesses and ultimately support locally driven solutions for greater East African food security. This is exactly what Abrhame accomplished.



Abrahame Endrias, Managing Director of Green Agro Solution PLC.

In February 2018, Abrhame established the Sagure Farm Service Center, a "one-stop farming solution," 200 kilometers south of Addis Ababa, Ethiopia. The center provides farm inputs, vet drugs, animal feed and mechanization services. It also employs highly-skilled staff that provide information, services and training for smallholder farmers. The center is helping Ethiopian farmers make the step from subsistence to commercial production, professionalize their practices and improve productivity.

"The Young Innovators Agribusiness Competition was an eye-opening experience where I met other young agripreneurs and networked with various partners to craft my idea. It helped me to

see "one stop farming solution" concept from a different perspective," said Abrhame.

TRANSFORMING LIVES THROUGH PUBLIC-PRIVATE PARTNERSHIPS (JANUARY 2018)

New USAID-supported vanilla cooperative illustrates successful public-private partnership that has mobilized ideas and resources for economic growth and improved livelihoods. The partnership has created \$15 in exports for every \$1 of USAID investment. It is transforming lives by enabling a secure business environment for Malagasy farmers. This has led to increased wages and greater export of quality vanilla from Madagascar to the U.S.

Madagascar's vanilla industry contributes to 10 percent of the country's exports and supplies 80 percent of the world's natural vanilla. In the north of the island, where vanilla farming is most prevalent, the livelihoods of families are dependent on the sale of their vanilla. The amount of vanillin per pod determines price. The greater the amount: the higher the price.

In recent years, exploitive middlemen have harmed Malagasy farmers and thieves have stolen vanilla directly from their fields. These two conditions have led to the harvest of immature vanilla (less vanillin per pod), increasingly poor vanilla farmers, and the degradation of quality vanilla from Madagascar.

In November 2016, the USAID East Africa Trade and Investment Hub partnered with NCBA CLUSA and U.S. vanilla and spice buyer McCormick Corporation to establish a market-oriented vanilla cooperative that would create a more stable and predictable business environment for Malagasy vanilla farmers. The cooperative instituted a community police system and a short-term financing system. The community police system gave farmers the confidence to wait for mature vanilla pods before harvesting, and the financing system helped farmers reduce their reliance on middlemen who would hold them hostage with high-interest loans. The cooperative started showing results within months.

Velanafo Rene, a 51-year-old vanilla farmer from Doany, says the cooperative has been a game changer in his life. He received a \$350 cash advance from the cooperative, which he used to prepare his rice field and tend his vanilla crop. His earnings this year were \$14,000, three times the income he earned last year. With the income, he purchased one dairy cow and two oxen for plowing his rice field. He also built a new house and is leasing his old home for additional income.

“We used to get short-term loans from middlemen using our immature vanilla as collateral. The interest rates were usually very high and the middlemen took advantage of our financial challenges to exploit us. With the cash advance system, we now have a place to go and our vanilla crop is not threatened by exploitative tendencies from middlemen,” said Rene.



Velonao Rene, a vanilla farmer in Doany whose life has been transformed out of the vanilla business.

Another member of the cooperative, Valisy, tells a similar story to Rene’s. He’s doubled his income this year and similarly expanded his farming resources and household assets.

As of December 2017, the cooperative has gained access to a new vanilla curing and storage center thanks to an additional partnership with a local exporting company and because of its continuing partnership with McCormick. The integrated storage and curing center was built with a private investment from McCormick. The curing center will be managed as a joint venture between the cooperative and RAMEX starting in 2018. The curing center will enable farmers to sell cured vanilla instead of green vanilla, fetching them even higher returns.

The partnership has provided Malagasy vanilla farmers with a reliable long-term export opportunity and guaranteed returns from vanilla production. It is also enhancing the quality of Madagascar’s vanilla exports and improving the livelihoods of the farmers who produce it.

USAID supports public-private partnerships (PPP) to mobilize ideas, efforts and resources of government, the private sector, and civil society to stimulate economic growth and develop businesses and workforces. The Malagasy vanilla public-private sector partnership is the seventh PPP that the USAID Hub has mobilized for economic and social gain.

PHOTOGRAPHS

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