

USAID East Africa Trade and Investment Hub



Funding Level:
\$64 million

Presidential Initiative:
Feed the Future

Duration:
September 2014 – August 2019

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

Accomplishments to Date:

- **\$358.8 million** in supported exports through AGOA
- **\$103.5 million** of new private sector investment
- **42,734** new jobs (full and part-time)
- **15** policy and regulatory reforms
- **2,777** export buyer-seller linkages
- **858** food security producers and organizations supported
- **82** trade and investment missions
- **1,543** firms receiving capacity building assistance to export

Key Partners:

The EAC Partner States, the East African and U.S. private sector, U.S. government agencies, regional trade associations, and other development partners.

OVERVIEW

The USAID East Africa Trade and Investment Hub (the Hub) partners with East African and U.S. businesses to attract investment that transforms the East African private sector into vibrant global trading partners. The USAID Hub also promotes a more predictable, transparent and enabling business environment in East Africa by supporting adherence to intra-regional and international trade agreements and conformity to international standards. Improving the region's trade competitiveness, encouraging the diversification of exports beyond natural resources, and promoting broader, more-inclusive economic growth will lead to more food secure and resilient East African communities.

A stable, business-friendly Africa also provides economic opportunities for U.S. companies and workers, and reduces irregular migration and violent extremism.

FOCUS AREAS

Attracting investment to East Africa

The Hub attracts, mobilizes, and sustains new private-sector investment within the East African region. To date, the Hub has **facilitated \$103.5 million of investments** and has \$ 207.9 million in deals in its active engagement pipeline, for which the Hub is aggressively providing investment facilitation. Investment is a core ingredient for firms of all sizes to innovate, grow and ultimately sell their products locally, regionally and internationally.

The Hub, through partnerships with Cross Boundary and Open Capital Advisors, offers neutral investment advisory services and market linkage support to reduce the risk, cost and deal time of transactions in the region. The Hub also sources needed investments in the region's agribusiness sector with impact investor GroFin. To ensure that East Africa continues to attract and maintain investment, the Hub provides customized technical assistance and training to investment promotion agencies, building governments' abilities to profile investment opportunities and facilitate deals.

Bolstering regional grain trade for food security and stability

Efficient agricultural markets enable cross-border trade in staple foods and contribute to economic growth and food security. The Hub partners with governments, strategic private sector actors and institutions to harmonize regional policies and create an enabling environment for intra-regional trade in agriculture. With Hub support, the EAC adopted nine harmonized grain standards that improve grain quality and reduce transaction costs for trade. The Hub also provided implementation training on the World Trade Organization's Sanitary and Phytosanitary

Project Locations:

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

**Implementing Partner:**

DAI Global, LLC.

East Africa Trade and Investment Hub**Contacts:**

Juan Estrada-Valle

Chief of Party

JEstrada@eatradehub.org



info@eatradehub.org



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USAID/East Africa Contacts:

Lisa Walker

Deputy Chief – Energy, Trade and Investment
Office of Economic Growth and Integration

USAID/Kenya and East Africa

liwalker@usaid.gov

Richard Mugo

Trade Team Lead

Office of Economic Growth and Integration

USAID/Kenya and East Africa

rimugo@usaid.gov

(SPS) notification systems, building in-country knowledge of and compliance with food safety and animal and plant health measures. The Hub's policy work is complemented by its staple foods transaction facilitation, which reduces food shortages and establishes long-term relationships among traders, creating a base for continued intra-regional staple foods trade.

To date, the Hub's business-to-business (B2B) activities and strategic grain trade interventions have generated contract commitments for **1.46 million metric tons of grain and staple foods**. Once contract delivery is complete, grain traded through the B2B forums will have contributed to the **food security of 14.9 million East Africans**.

Promoting intraregional and export trade, particularly through AGOA

Exports, particularly value-added exports, raise profits and create jobs. To date the Hub has facilitates exports to the US under AGOA worth \$358.8 million, creating over 42,000 jobs. The Hub provides firm-level technical assistance to businesses across five sectors -- textiles/apparel, footwear, cut flowers, home décor/fashion and specialty foods -- to improve export capacity and create connections with international buyers. The Hub trains firms on African Growth and Opportunity Act (AGOA) benefits and sector-specific technical export requirements and facilitates buyer-seller export linkages, buyer missions and business-to-business events. The Hub also works with governments to develop national AGOA strategies that address the constraints impeding firms from taking full advantage of export opportunities. The Hub has supported the development or revision of five national AGOA strategies, as well as their implementation, creating a path for the continued growth of East African AGOA exports.

Creating an enabling environment for trade and investment

Predictable, transparent and enabling business environments boost trade, competitiveness and investment. The Hub supports countries' compliance with intra-regional and international trade agreements and international standards, namely the U.S.-EAC Cooperation Agreement on Trade Facilitation, Technical Barriers to Trade (TBT) and SPS and the EAC Common Market Protocol, to promote the freer movement of goods, services and capital. The Hub also works closely with a network of private businesses, investment firms and trade associations to gather and assess evidence that can be used to advocate for trade policy and regulatory reform in support of business-enabling policies. These activities help U.S. and East African companies take greater advantage of opportunities in one of the world's fastest growing frontier markets.