TRADE AFRICA

ANNUAL REPORT 2016

"Africa [is] the world's next major economic success story. And the United States wants to be a partner in that success."

—President Obama, announcing Trade Africa at Business Leaders Forum, Dar es Salaam, Tanzania, July 1, 2013

"Together with our African partners, we are forging stronger alliances rooted in shared interests, shared opportunity, and shared prosperity."

—USAID Administrator Gayle Smith, September 2016

"History shows that it's a mistake to bet against Africa, and the progress we've made together through the African Growth and Opportunity Act encourages us to aim even higher."

—U.S. Trade Representative Michael Froman at the AGOA Forum, Libreville, Gabon, August 26, 2015

"In our global economy, our fortunes are linked like never before. So more growth and opportunity in Africa can mean more growth and opportunity in the United States."

—President Obama at Business Leaders Forum, Dar es Salaam, Tanzania, July 1, 2013

Cover photos: USAID/East Africa Trade and Investment Hub

LETTER FROM AMBASSADOR FROMAN AND ADMINISTRATOR SMITH

As President Obama said on the continent last year, Africa is "on the move," and our ties, which run deep, must evolve to keep pace with changes both within and outside Africa. The African Growth and Opportunity Act (AGOA) is a vital part of the U.S. relationship with Africa and, with the historic 10-year renewal of the program now in place, we look forward to working with sub-Saharan African countries to maximize AGOA utilization and begin exploring a path for a long-term, predictable, and mutually beneficial U.S.–Africa trade relationship beyond AGOA.

To build on AGOA's successes, the U.S. Government and its African partners launched the *Trade Africa* initiative with the East African Community Partner States in 2013 and then signed a multifaceted Cooperation Agreement in 2015 that forged complementarity between trade policy and trade capacity building to support compliance with World Trade Organization standards on trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade. The *Trade Africa* initiative built on this success by expanding to include new partners, including Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia. Further, recognizing the importance of investment to scaling up manufacturing of African products, the United States expanded its Trade Hubs into Trade and Investment Hubs.

We continue to consult extensively with African partners, including industry and civil society, academia, and the investor community, about the path forward. Drawing on the expertise of this diverse and distinguished group, we are working to develop a better understanding of the challenges and opportunities for trade and investment between the United States and Africa, and how we can harness the full potential of the U.S.-Africa trade and investment relationship. We look forward to the continued growth of our trading relationship and the increased competitiveness and economic vitality of our African partners. ■

Ambassador Michael B.G. Froman
Office of the U.S. Trade Representative

Administrator Gayle E. Smith
U.S. Agency for International Development

INTRODUCTION

Trade can have a profound, positive and lasting impact on society — particularly for the poorest. Trade and investment stimulate economic growth, generate employment, and reduce poverty. Trade connects small economies with their neighbors and the globe. It promotes economic stability through diversification. Expanding trade with and within Africa is thus key to attracting greater investment for the continent and promoting growth — allowing sub-Saharan Africa to deliver on its vast potential while accelerating poverty reduction.

It was with this vision that President Obama in July 2013 announced *Trade Africa* — a new partnership between the United States and sub-Saharan Africa to increase trade within Africa, and expand trade and economic ties between Africa, the United States, and other global markets.

Trade Africa uses a whole-of-government approach that harnesses the expertise of U.S. agencies, including the Office of the U.S. Trade Representative, USAID, U.S. Department of Agriculture (USDA), U.S. Department of Commerce, Overseas Private Investment Corporation (OPIC), Export–Import Bank of the U.S. (EXIM), Millennium Challenge Corporation (MCC), U.S. Trade and Development Agency (USTDA), U.S. Department of Transportation (USDOT), Customs and Border Protection (CBP), U.S. African Development Foundation, and the Small Business Administration. In partnership with the private sector and host countries in sub-Saharan Africa, these agencies are advancing regional integration, lowering the barriers to trade, and strengthening economic ties between Africa and the United States.

Trade Africa is also spurring investment and driving greater use of AGOA — which provides trade preferences for duty- and quota-free entry into the United States for most African goods — by African companies.

The initial focus of *Trade Africa* was to double intraregional trade in the EAC, increase EAC exports to the United States, and reduce the time and cost to trade in East Africa. In its first three years, the initiative exceeded several of its goals and made significant progress in others. It led to measurable increases in exports to the United States under AGOA, increased intraregional trade, and facilitated new investment, which is enhancing the competitiveness of firms. In addition, through collaboration with other donor partners in the Trademark East Africa project, *Trade Africa* achieved significant reductions in the time and cost to trade along East African corridors and across borders. Overall, the initiative is improving linkages with the United States and global markets and between African nations.

This initial success spurred President Obama to announce an expansion of *Trade Africa* into the West and Southern Africa regions in 2014.

Trade Africa is poised to fulfill the President's vision of unleashing Africa's economic growth potential, and this report details the progress toward fulfilling this vision. The report outlines the U.S. Government's programs that support the achievements thus far, and our strategy going forward to expand and accelerate results and impact. *Trade Africa* harnesses the power of trade to stimulate inclusive economic growth, create jobs, and reduce poverty in sub-Saharan Africa. Through broader collaboration with African governments and private sector partners, this is only the beginning of what we can, and must, achieve now and in the years to come to accelerate shared prosperity for both the United States and Africa. ■

Oren E. Whyche-Shaw
Trade Africa Coordinator, Deputy Assistant Administrator, Bureau for Africa, USAID

African Countries Receiving U.S. Support for Trade

Trade Africa programming and concentrated support from the Trade and Investment Hubs in East, West, and Southern Africa have ensured that a number of sub-Saharan African countries can more readily compete in African and global markets.

Pete Souza/Offial White House Photo

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TRADE AFRICA

EXECUTIVE SUMMARY

Increased trade is one of the drivers of Africa's extraordinary average annual growth rate of 5.1 percent over the past decade. Growth driven by trade and accompanied by complementary policies and good governance creates good jobs and reduces poverty, and a growing, increasingly integrated Africa with strong trade and economic ties with the United States benefits all partners and citizens.

In July 2013 President Obama launched *Trade Africa* — a new whole-of-government partnership between the United States and sub-Saharan Africa that seeks to expand trade between the United States and African countries — including by better utilizing the benefits of AGOA — as well as among African countries. The United States is committed to strengthening its trade and economic ties with African partners, and AGOA continues to be a cornerstone of this partnership.

In its initial phase, *Trade Africa* focused on the Partner States of the East African Community (EAC) featuring an ambitious set of goals:

- Double intraregional trade in the EAC.
- Increase EAC exports to the United States by 40 percent.
- Reduce by 15 percent the average time to import or export a container from the ports of Mombasa in Kenya or Dar es Salaam in Tanzania to the land-locked interior.
- Decrease by 30 percent the average time a truck takes to transit selected borders.

To achieve these goals, U.S. assistance supports trade capacity building, value-added production, value chain development, regional trade, trade with U.S. and global markets, and investment. It also advances the g oals of the Feed the Future initiative to expand regional access to, and availability of, staple foods grown in Africa, thus promoting food security. The initiative is closely linked to U.S. trade policy toward sub-Saharan Africa to promote reciprocal agreements and trade relations that benefit all partners.

U.S. Trade Representative Michael Froman and trade ministers from the EAC marked a milestone for Trade Africa in 2015 by signing a Cooperation Agreement to increase trade-related capacity in the region and deepen the economic ties between the United States and the EAC. During the ceremony, Ambassador Froman announced:

"Today's agreement builds on our progress. It's an important milestone for deepening what has already proven itself to be a promising and impactful partnership. By tackling tasks in important areas, this agreement will help us lift the burdens that trade barriers impose, unlocking opportunity on both our continents."

The Cooperation Agreement builds capacity in three key areas: trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade. Implementing critical customs reforms, harmonizing standards, and undertaking multilateral commitments will support greater EAC regional economic integration and strengthen its trade relationship with the United States and other global partners.

In addition, following the signing, the initiative was expanded to West and Southern Africa,

"Africa's progress will depend on unleashing economic growth — not just for the few at the top, but for the many, because an essential element of dignity is being able to live a decent life. That begins with a job. And that requires trade and investment."

—President Obama at African Union Headquarters, Addis Ababa, Ethiopia, July 28, 2015

USAID/West Africa Trade and Investment Hub

with bilateral programs in Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia to implement WTO and regional protocols. *Trade Africa* is also supporting the Economic Community of West African States (ECOWAS) in the areas of trade facilitation and sanitary and phytosanitary standards. The entire initiative now exceeds $150 million investment by the U.S. Government.

Program Impacts

The U.S. Government implements most of its *Trade Africa* programs through its three Trade and Investment Hubs, bilateral programs in the expansion countries, and interagency agreements. The Office of the U.S. Trade Representative, U.S. Department of State, USDA, U.S. Department of Commerce, OPIC, EXIM, MCC, USAID, USTDA, USDOT, CBP, and Small Business Administration all implement policies and programs that foster the goals of the initiative.

From July 2014 through 2016, the Trade and Investment Hubs facilitated more than $283 million in African exports and $140 million in investment under *Trade Africa*. In East Africa, the initial focus of the initiative, the results over the past three years have exceeded most of *Trade Africa's* targets:

- EAC exports to the United States increased by about 36 percent between 2013 and 2015, and in the past five years, by 95 percent.
- The average time to trade goods across borders along the Northern Corridor, from Mombasa, Kenya, to Kampala, Uganda, decreased from 18 days in 2013 to four days in 2014 — a 77 percent reduction. From Mombasa to Kigali, Rwanda, it declined by 71 percent, from 21 days in 2013 to six days in 2014. And, on the Dar es Salaam, Tanzania, to Kigali route, it decreased by 80 percent, from 25 days in 2013 down to five in 2014.
- Since 2013, the East Africa Trade and Investment Hub helped generate about 29,000 new jobs through $27 million in new investments in targeted sectors and over $163 million in exports under AGOA. ■

KEY ELEMENTS OF TRADE AFRICA

TRADE FOR INCLUSIVE GROWTH AND POVERTY REDUCTION

Promoting economic growth in Africa through increased trade benefits both Africa and the United States by opening new markets, expanding private investment, and increasing job opportunities. To strengthen the U.S. relationship with Africa in trade, President Obama announced *Trade Africa* in July 2013 in order to significantly expand U.S.–African private and public sector collaboration to increase trade with and within Africa.

Trade Africa targets key barriers to trade and investment and promotes regional integration and trade competitiveness, specifically aiming to increase intraregional African trade and exports to the United States and reduce the time it takes to import or export from ports to land-locked interiors on the continent. The initiative first focused on the EAC and its five Partner States: Burundi, Kenya, Rwanda, Tanzania and Uganda.

Under the U.S.–EAC Cooperation Agreement signed in 2015, *Trade Africa* strengthens our trade and investment relationship with the EAC by building capacity to implement WTO obligations in three key areas: trade facilitation, sanitary and phytosanitary measures, and technical

USAID/Southern Africa Trade Hub

Challenges in Cross-Border Business

A number of factors hinder trade in Africa. Among them are:

High costs
Poor physical infrastructure, numerous checkpoints, and bottlenecks from regulatory requirements at borders increase the time and cost to trade.

Poor environment for trade
Export taxes, regulatory requirements, and governance issues result in a poor enabling environment for trade and investment.

Strict export standards and barriers
African exports, particularly agricultural products, often face sanitary and phytosanitary standards they are unable to meet and other technical barriers to trade.

barriers to trade. Implementing critical customs reforms, harmonizing standards, and undertaking multilateral commitments will support greater EAC integration and strengthen its trade relationship with the United States. *Trade Africa* also works to advance the goals of the Feed the Future initiative to expand regional access to and availability of staple foods grown in Africa.

In July 2015, the President announced the expansion of *Trade Africa* to a new set of bilateral partners in Southern and West Africa: Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia. *Trade Africa* is also supporting ECOWAS. In the new partner countries, *Trade Africa* aims to improve compliance with WTO rules and regulations, foster an improved business climate that supports broad-based economic growth, and address capacity issues that constrain trade. ■

AFRICA TRADE LEGISLATION

To be eligible for AGOA, countries must meet a set of criteria related to economic policy, rule of law, political pluralism, corruption, and workers' rights. Thirty-eight countries are eligible for AGOA benefits in 2016.

First enacted on May 18, 2000, the African Growth and Opportunity Act (AGOA) is the cornerstone of U.S. economic engagement with Africa. AGOA helps eligible sub-Saharan African countries expand and diversify their exports to the United States by providing duty-free, quota-free access to the U.S. market for more than 1,800 products, in addition to the 4,600 products eligible for benefits under the Generalized System of Preferences. These additional products include manufactured goods, such as processed food, apparel, and footwear.

In addition, the legislation provides for the use of third-country fabric in the apparel sector, allowing for apparel to be manufactured in Africa using yarn and fabric imported from abroad. This provision is crucial to Africa's apparel industry. Apparel production generates hundreds of thousands of jobs in sub-Saharan Africa, and helps American retailers reduce their costs, diversify their supply chains, and provide greater low-cost apparel options for American consumers. These new market opportunities for African exports have helped African firms become more competitive internationally, boosting African economic growth and reducing poverty on the continent.

On June 29, 2015, President Obama signed the Trade Preferences Extension Act of 2015 into law, extending AGOA for 10 years through 2025. For the first time, the third-country fabric provision was extended for 10 years, rather than the previous five-year extensions. This greatly improves the investment attractiveness of the apparel sector in Africa, as investors generally look for at least five years of returns on investment in this sector. The Act also enhances AGOA by promoting greater regional integration, encourages the development of AGOA utilization strategies, and calls for a path to expand trade and investment ties between the United States and AGOA-eligible countries.

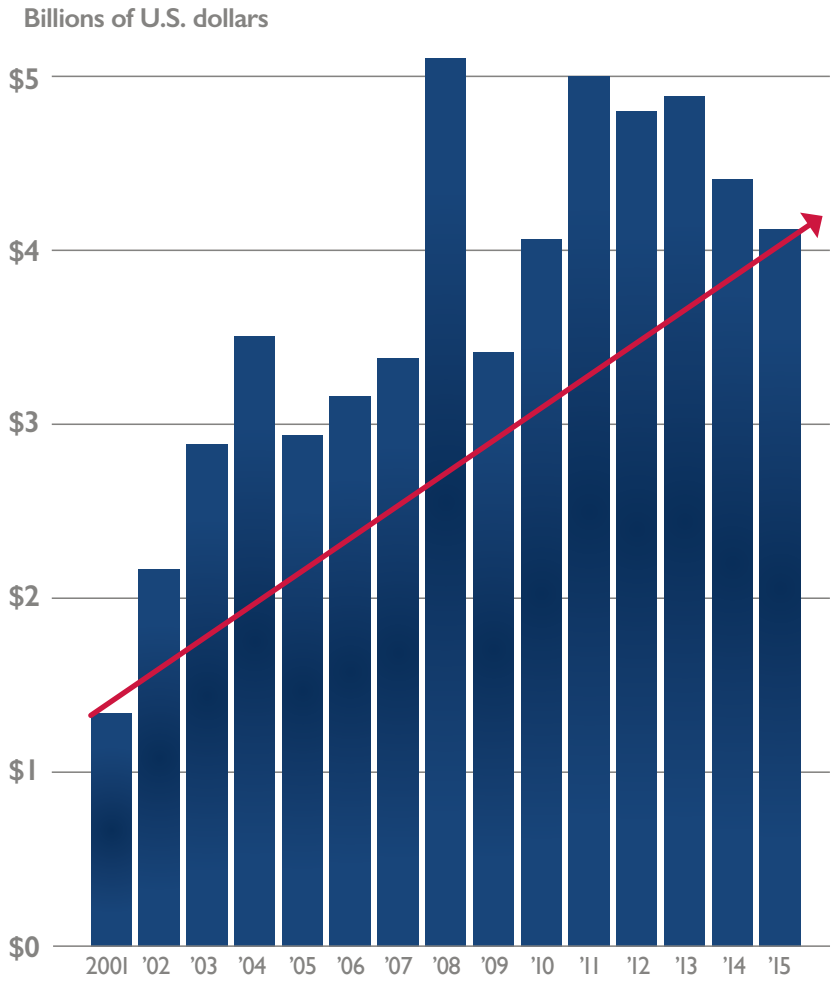
The Impact

While total exports to the United States under AGOA fluctuated dramatically between 2001 and 2015 due to changing oil prices, overall exports have nevertheless risen modestly from $8.1 billion in 2001 to $9.3 billion in 2015.

In comparison, non-oil exports from Africa to the United States under AGOA nearly tripled from $1.4 billion in 2001 to $4.1 billion in 2015. This was mainly due to increases in exports in autos and auto parts, apparel, fruits and nuts, cocoa and cocoa products, prepared

Exports Under AGOA

Even with African countries experiencing reductions in oil exports in recent years, the African Growth and Opportunity Act (AGOA) has enabled a steady increase of non-oil exports between 2001 and 2015. This has been instrumental in promoting inclusive growth.



vegetables, footwear, and cut flowers. This led to job creation, particularly in those countries that have taken advantage of non-energy exports. The sector most positively affected is apparel, where many jobs are held by women. The impact of this is especially great, given that African women are more likely to invest job-related income in the welfare of their families than men. ■

Significant Impact on Apparel Manufacturing

The impact of apparel manufacturing on employment in Africa cannot be overestimated. Following the loss of African Growth and Opportunity Act eligibility in 2009, Madagascar's total exports to the U.S. dropped significantly — by 56 percent — and apparel and clothing exports dropped even further — by 85 percent. Since reinstatement, Madagascar has gained employment in the apparel sector beyond those employed prior to its loss —more than 26,000 new jobs since 2014.

Department of State

U.S.–AFRICAN COOPERATION AGREEMENTS

Trade and Investment Framework Agreements (TIFAs) and Commercial Dialogues provide strategic frameworks for dialogue on trade and investment issues between the United States and other parties around the world. Through these agreements, the United States and partners consult on a wide range of trade and investment issues, including market access, labor, the environment, intellectual property rights, and capacity building. The United States has TIFAs with a number of sub-Saharan African countries and regional economic communities.

In 2008, the United States and the EAC signed a U.S.–EAC TIFA to strengthen our trade and investment relationship, expand and diversify bilateral trade, and improve the climate for business between U.S. and East African firms. Building on the TIFA, in 2012, the United States and EAC established a new trade and investment partnership to further enhance our engagement on trade and investment issues, including exploring a regional investment treaty, trade facilitation agreement, continued trade capacity assistance, and a commercial dialogue.

Under the EAC–U.S. Trade and Investment Partnership, and in collaboration with *Trade Africa,* the U.S. Department of Commerce, the Corporate Council on Africa, and the East African Business Council launched a Commercial Dialogue. The inaugural U.S.–EAC Commercial Dialogue focused on customs modernization, electronic payments, digital trade, cold chain development, and access to capital. As a result, companies including FedEx, Visa, and IBM agreed to provide the Partner States of the EAC with training and other technical assistance to help implement best global business practices in these areas.

The United States and the ECOWAS signed a TIFA in August 2014 on the margins of the U.S.–Africa Leaders Summit. The inaugural meeting took place during the August 2015 AGOA Forum in Gabon, including agreement to embed two advisors, one in the area of trade facilitation, the other on sanitary and phytosanitary standards. ■

INITIATIVE GOALS AND ACTIVITIES

The overarching goal of *Trade Africa* is to "boost trade with and within Africa." During his 2013 announcement, the President laid out four goals for *Trade Africa:*

- Double intraregional trade in the EAC.
- Increase EAC exports to the United States by 40 percent.
- Reduce by 15 percent the average time to import or export a container from the ports of Mombasa in Kenya or Dar es Salaam in Tanzania to the land-locked interior.
- Decrease by 30 percent the average time a truck takes to transit selected borders.

These goals broadened with the expansion of *Trade Africa* two years later, with an explicit focus on implementing regional and WTO protocols in trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade

High Cost of Moving Goods

Sub-Saharan Africa lags behind the rest of the world in the time and cost to move goods across borders. For example, transporting goods from the Port of Tema in Ghana to the capital of Burkina Faso, Ouagadougou, costs five times more than shipping goods from Newark, New Jersey, to Chicago, Illinois, a similar distance.

USAID/Southern Africa Trade Hub

TRADE FACILITATION

Once it enters into force, full implementation of the WTO Trade Facilitation Agreement is expected to reduce total trade costs by more than 16.5 percent for low-income countries by streamlining the flow of trade across borders.

The goal of trade facilitation is to help make trade across borders, including at ports, fast, cheap and predictable, while ensuring safety and security for goods and people. This includes simplifying and harmonizing the process of transporting goods from the seller to the buyer across national borders. This requires cooperation from all governmental agencies that facilitate or regulate the transit of goods. These include the various commercial entities that conduct business and move the goods, such as freight forwarders.

The development of customs unions is a valuable tool to reduce barriers to trade across borders. Several of the African regional economic communities (RECs) are moving to implement customs unions. Three RECs have begun to negotiate a Tripartite Free Trade Area, and the African Union announced the negotiation of a Continental Free Trade Area in 2015. These initiatives are intended to help lower barriers to the movement of goods across the continent.

In November 2014, WTO members adopted the Trade Facilitation Agreement (TFA), the first multilateral trade agreement to be concluded in 20 years. It has since become the new baseline for trade facilitation, with many countries striving to implement measures beyond those included in the agreement to maintain a competitive advantage in global markets.

One key area of trade facilitation where *Trade Africa* provides support to governments and RECs is coordinated border management. Coordinated border management includes the development of joint border committees, cross-border customs connectivity, national single window systems, corridor management systems and, often, a One Stop Border Post.

Joint Border Committees. These committees coordinate activities and office hours between border agencies, of which there are anywhere from three to 15 on each side of the border, to ensure the appropriate agencies are predictably available to clear customs documentation for cross-border traders.

USAID's Trade and Investment Hubs helped

Trade Africa *At-a-Glance*

Announced in 2013 by President Obama, *Trade Africa* aims to increase internal and regional trade within Africa and expand economic ties between Africa, the United States, and other global markets. The initiative allows the United States to deepen ties with sub-Saharan Africa, an emerging market with significant opportunity for U.S. exports and investment. At the same time, it supports U.S. Government efforts to end extreme poverty and promote resilient, democratic societies.

FOUR KEY AREAS

Trade Africa efforts fall into four primary areas:

1. Trade Facilitation
Efforts include expediting the movement, release, and clearance of goods — including goods in transit — by simplifying and harmonizing border procedures and working with the private sector to increase compliance.

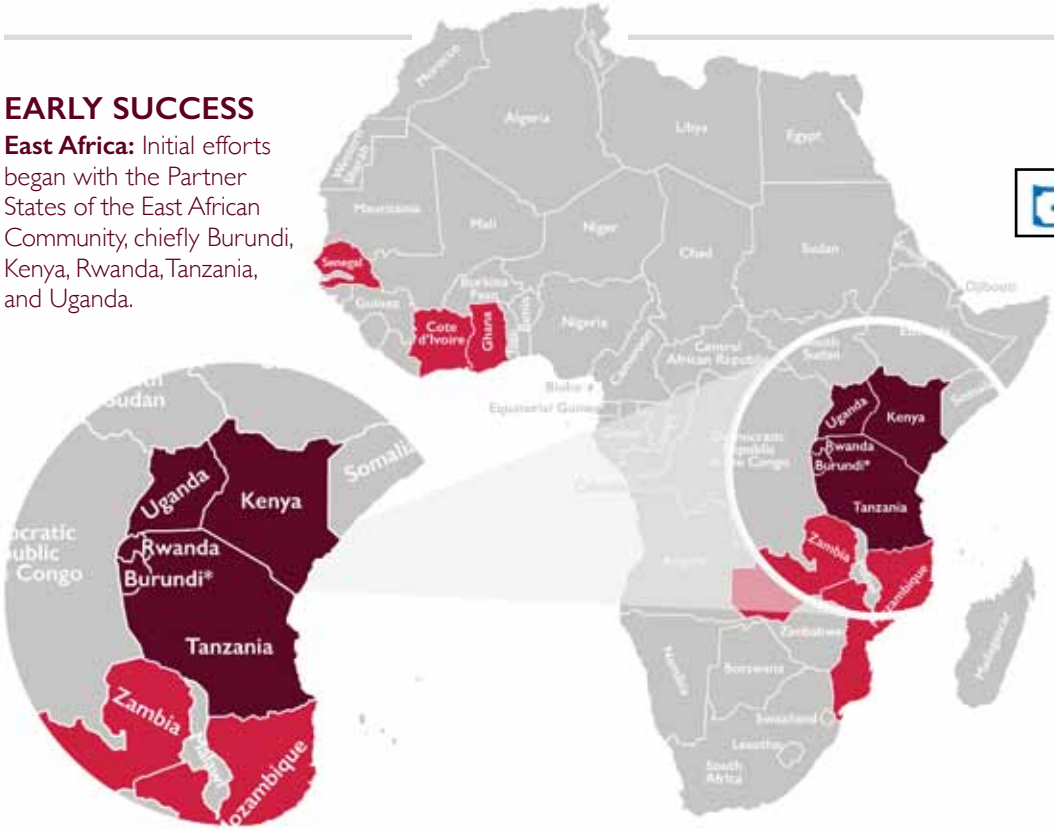
2. Removing Technical Barriers to Trade
Among other things, *Trade Africa* increases private sector participation and transparency in the development of technical regulations, standards, and conformity assessments and provides capacity building to help firms better understand and meet these requirements.

3. Sanitary and Phytosanitary Measures
Technical support enables industries to meet global food safety standards — particularly for agricultural products — and animal and plant health measures.

4. Improving Competitiveness
The initiative leverages the African Growth and Opportunity Act, promotes investment opportunities in sub-Saharan African firms, and makes U.S. technologies available to enhance the competitiveness of target sectors.

EARLY SUCCESS

East Africa: Initial efforts began with the Partner States of the East African Community, chiefly Burundi, Kenya, Rwanda, Tanzania, and Uganda.



$163 MILLION

Since July 2013, *Trade Africa* has facilitated more than $163 million in exports from East Africa.

EXPANSION

The initiative has since been expanded to include Côte d'Ivoire, Ghana, Senegal, Mozambique and Zambia and to offer technical assistance (including through two advisors) to the Economic Community of Western African States.

establish joint border committees at 16 border crossings in sub-Saharan Africa, enabling national border agencies to coordinate procedures, resolve concerns, and co-locate resources. This reduces border dwell time and lowers trade costs.

Customs Connectivity. Systems that enable different national customs software to "talk" across borders and seamlessly transfer documents from one country to another is key to border management. This streamlines import/export procedures and reduces paperwork to improve efficiency and transparency, while still maintaining border security.

National Single Windows. Traders often have to make multiple visits to different government agencies in numerous locations to obtain the papers, permits, and clearances necessary to complete import or export processes. A single-window system enables traders to submit documents at a single location or to a single entity. Such documents are typically customs declarations, applications for import/export permits, certificates of origin, and invoices.

The regional Trade and Investment Hubs have supported the development of national single windows to connect all trade-related stakeholders via a single electronic data platform. The Hubs have driven early-stage system implementation — critical in laying the groundwork for the difficult, complex job of integrating multiple policies and all border agencies into a single national border control management system.

One Stop Border Posts. Similarly, the Hubs are working with regional customs authorities to develop and implement data exchange systems that facilitate the electronic submission of certificates and allow advance declarations. Not only do these systems and physical locations expedite processing times at borders, but they also save traders significant working capital by enabling the cancellation of transit bonds within minutes of goods leaving the country, rather than months later.

Corridor Management. The USTDA works with regional partners to improve and facilitate the efficient movement of people and goods. This includes hosting delegations of senior public and private sector officials in the United States from across the continent for reverse trade missions and providing training grants for the improvement of port infrastructure.

In March 2016, USTDA hosted an East Africa Ports Security and Modernization reverse trade mission with representatives from Kenya, Tanzania, Mozambique, and Ethiopia. The delegation met with U.S. businesses and port operators and conducted site visits in Washington, DC; Miami, Fla.; and Houston, Texas. In April 2016, the Agency hosted an East Africa Airport Security and Modernization visit for delegates from Ethiopia, Kenya, Rwanda, and Tanzania to Washington; Miami; and Atlanta, Ga. Both visits introduced delegates to U.S. technologies, service providers, operational best practices, financing products, and training resources in port development, operation and security.

Regional Economic Community Protocols. Regional integration is central to the trade protocols of the RECs that cross Africa. The Trade and Investment Hubs and partners play a catalytic role supporting these agendas as successful implementation of these agreements is critical for growing interregional trade and investment. In West Africa, the Hub provides support to countries to improve compliance with the ECOWAS Trade Liberalization Scheme. This includes engaging in public–private dialogue for improved trade

Trade Without Borders

The USAID West Africa Trade and Investment Hub co-founded the Borderless Alliance in May 2012 with private and public sector partners, including the Economic Community of West African States, West African Economic and Monetary Union, the World Bank, and the Abidjan-Lagos Corridor Organization — with support from the Governments of Benin, Burkina Faso, Ghana, Mali, Nigeria, Senegal, and Togo. The Alliance's members represent manufacturers, farmers and producers, transport and logistics service providers, distributors, importers and exporters, financial institutions, consultancies, non-governmental organizations, and other partners.

With targeted technical and institution-building support from the Hub, the Borderless Alliance is now the leading West Africa regional organization advocating for improved road governance and enabling environment for trade. The Alliance uses evidence-based advocacy to help convince local authorities to remove barriers to trade, with measurable results. In FY 2015, the number of checkpoints along the border from Tema — near Accra, Ghana — to Paga, at the border of Ghana and Burkina Faso, declined from 53 to 33, due to advanced advocacy efforts by the Alliance, including a tour of the road with the Ghanaian Ministry of Trade.

USAID/Maria Gwira/West Africa Trade and Investment Hub

across borders and along corridors, disseminating information on the protocol for free movement across borders, and providing traders with information at borders to ease crossing.

In East Africa, the Hub led public–private sector dialogues to identify measures inconsistent with the EAC's Common Market Protocol and developed action plans to eliminate them. In Southern Africa, the Hub assisted the Southern African Development Community in developing a regional trade facilitation program.

Customs Connectivity

The East Africa Trade Hub facilitated the development, installation, training, and rollout of RADDEx 2.0, a software platform for regional customs and transit data exchange, management, and reporting. According to a 2014 impact evaluation, rolling out RADDEx 2.0 along the Northern Corridor in Kenya, which includes Burundi, Uganda and Rwanda, yielded a reduction in business and compliance costs of at least $6.4 million to $10.6 million per year. Savings were estimated at one-third of that amount after full implementation of the East African Community Single Customs Territory customs and tax system.

Removing Technical Barriers to Trade

Technical barriers to trade (TBTs) may result when the measures countries use to regulate markets, protect their consumers, or preserve their natural resources create unnecessary obstacles to trade. Such measures include labeling; standards on quality; product weight, size, or packaging; ingredient standards; shelf-life restrictions; and import testing and certification procedures. These measures are subject to the WTO Agreement on TBT.

Trade Africa provides capacity building at the firm, national, and regional levels to increase private sector participation and transparency in the development of technical regulations, standards, and conformity assessments and to help firms better understand and meet these requirements.

USAID supports the American National Standards Institute (ANSI) through a program called the Standards Alliance to provide capacity building to *Trade Africa* country governments and the private sector to reduce technical barriers to trade and increase compliance with the WTO TBT Agreement.

The Standards Alliance program aims to:

- Increase understanding of WTO TBT principles.

USAID/East Africa Trade and Investment Hub

- Encourage transparency in the development and updating of technical regulations.
- Improve implementation of the TBT Agreement's Code of Good Practice for the preparation, adoption, and application of standards, with the larger goal of promoting trade and economic development.

Since 2013, the Standards Alliance conducted a number of capacity-building programs in East Africa, including in-country and regional trainings, to assist in the development of effective WTO TBT enquiry points. Enquiry point offices within national governments are responsible for submitting notifications of proposed national technical regulations to the WTO. These notifications are distributed to all WTO member countries and represent the primary transparency tool used by industry to access information about the requirements governing market access and trade.

Following the expansion of *Trade Africa,* USAID and ANSI agreed to significantly expand the Standards Alliance program in Africa. In 2016, ANSI traveled to all five new *Trade Africa* countries to carry out needs assessments. During these trips, ANSI met with national standards bodies, Ministries of Trade, local companies and trade associations, and USAID project staff and U.S. Embassy staff, including the Departments of State, Commerce, and USAID. ANSI developed draft work plans for each of the five countries, including activities in the areas of transparency, good governance, and global supply systems.

Sanitary and Phytosanitary Measures

Sanitary and phytosanitary measures — rules and procedures that governments use to ensure foods and beverages are safe to consume and to protect animals and plants from unwanted pests and diseases — are vital for regional and international trade.

The Trade and Investment Hubs, alongside the U.S. Department of Agriculture (USDA), work closely with their respective RECs and national standards-setting bodies to accelerate the implementation of regional sanitary and phytosanitary protocols that are consistent with WTO protocols. This includes harmonizing technical regulations, standards, testing, and certification in line with international best practice. The Hubs and programs in *Trade Africa* countries are also supporting the establishment of WTO-compliant notification systems across Africa.

USDA sanitary and phytosanitary advisors, funded by USAID, are based in East, West, and Southern Africa to provide technical assistance and guide the implementation of plant and animal health and food safety systems, with an emphasis on harmonizing sanitary and phytosanitary regulations with international standards and increasing export opportunities for processed, horticultural, and animal products. The sanitary and phytosanitary program addresses economic diversification and issues that impact food security and increase exports of agricultural products, including taking advantage of AGOA for agricultural exports

Since AGOA was enacted, USDA has conducted training on phytosanitary issues for more than 35 sub-Saharan countries. USDA has several flagship programs that provide technical training and research opportunities for policymakers, scientists, private sector representatives, university professors, and other agricultural professionals. ■

APPROACHES TO ADVANCE COMPETITIVENESS

Developing value chains in key high-potential sectors and integrating with global value chains promotes efficiency and enhances the competitiveness of African firms. This, in turn, can drive broad-based income and employment growth. Under *Trade Africa,* the Hubs:

1. Identify and resolve key policy and regulatory barriers as well as institutional weaknesses that limit entrepreneurs' ability to participate in regional and global value chains.

2. Facilitate investment and transfer new technologies to improve firm competitiveness and harness Africa's comparative advantage in the global market.

3. Develop new value chains to diversify African exports. Value chains are most often chosen through a "gender lens," which ensures that the value chains in which USAID works predominantly employ women in formal employment systems.

This approach allows *Trade Africa* to direct its assistance toward the most important constraints faced by firms in the value chain, whether at the production, marketing, transportation, or policy level, and ultimately make firms more competitive.

In Zambia, for example, a new data management system for seed control and certification is underway. This allows seed companies to register seed growers online and effectively identify trading partners for seed, maize, groundnuts, and soybeans across Southern Africa. In West Africa, the Hub connected national livestock federations with new markets — facilitating $43 million in regional livestock sales in FY 2015.

Apparel Success

Such support enabled $64 million in Hub-facilitated apparel exports from East Africa to the United States in FY 2015, along with $12 million in footwear exports and $5 million in cut flowers and home décor. In Southern Africa, the Hub facilitated about $39 million in non-agricultural exports in FY 2015. In West Africa the Hub supported development of a

USAID/Southern Africa Trade and Investment Hub

Tailored Solutions

Trade Africa addresses specific challenges in different value chains:

- For a factory in Zambia that purchases peanuts from small farmers, U.S. Agency for International Development (USAID) secured new equipment that can test for aflatoxin and developed market linkages to facilitate exports to Madagascar.
- Across West Africa, USAID efforts to improve warehouse management for shea nuts have generated higher incomes for thousands of shea collectors, almost all of whom are women, by aggregating at a higher quality than normally seen on the market and enabling them to sell collectively when prices are higher.
- In Ethiopia, the East Africa Trade and Investment Hub supports an industrial zone for leather with a specialized leather advisor embedded in the Ministry of Industrialization and Enterprise to guide both the private sector and government actors.

Variety of Sectors

The regional Hubs are working to develop both global and regional value chains across a variety of sectors. Many of these — including staple grains, livestock, and soybeans and nuts — are in alignment with Feed the Future priorities.

nascent apparel sector in Ghana and Benin, facilitating over $4 million in apparel exports to United States under AGOA in FY 2015.

In February 2016, the collaborative efforts of the Hubs led to the largest ever African business delegation participating in the premier apparel sourcing show in the world, the MAGIC show in Las Vegas, Nevada. A total of 38 companies and associations from across sub-Saharan Africa exhibited together at the inaugural Pan-Africa Pavilion, featuring a wide range of apparel and accessories. To promote a unified African vision, the Hubs jointly developed a common theme, "The Africa Advantage — Next generation apparel sourcing — on time, on spec, on price."

Together with market outreach support, the Hubs provided MAGIC exhibitors with tailored support services, collaborated on identification of potential leads for sales deals and jointly arranged deal-making meetings during the course of the show. As a result, Hub-supported African firms have had more than 325 conversations with potential buyers. ■

Business-to-Business Linkages

In Kenya and Tanzania, the U.S. Department of Agriculture's (USDA's) Food for Progress program is sponsoring business-to-business sessions concurrently with trade fairs and other industry events, which attract a substantial number of agribusinesses. Participating small and medium agri-enterprises share information before the sessions, where they meet to shop deals and begin negotiations. In Tanzania alone, six sessions resulted in 89 trade deals valued at $105 million.

Global Shea Alliance

PARTNERING WITH ASSOCIATIONS

Under *Trade Africa,* the regional Trade and Investment Hubs work with associations and regional alliances across sub-Saharan Africa to expand their capacity to effectively promote reforms, attract buyers and investors, aggregate products, brand and market as a sector, and adopt best practices and certifications. By partnering with national and regional organizations, cooperatives, and associations in targeted sectors, the Hubs are maximizing the impact of U.S. taxpayer dollars to further develop potential markets and promote sector- and service-based sustainability for firms.

Africa has a significant comparative advantage in value chains such as shea, mango, and cashew. Beyond firm-level assistance to export, associations are necessary to bring value chains to scale, aggregate products across countries and regions, and increase revenues and employment, particularly for smallholder farmers, through expanded trade. This also promotes sustainability as associations build a customer base, provide business services to their members, and ultimately build fee-for-service systems. Correspondingly, USAID established the African Cashew Alliance in 2006, which currently has 130 member companies representing all aspects of the cashew value chain, and the Global Shea Alliance with more than 400 members from 31 countries.

The Hubs have also supported other organizations, like the East Africa Grain Council, the African Cotton & Textile Industries Federation, and the Regional Electricity Regulators Association of Southern Africa, to streamline policy implementation, increase visibility and influence in the respective sectors, and develop innovative tools to support trade and investment. ■

Transformational Impacts

Hub programs have had transformational impacts on key partner organizations. For instance, in East Africa, institution-building support from the Hub helped convert the African Fine Coffees Association from a start-up organization into a regional player with more than $1 million in annual revenues. The Hub provided technical support and training in coffee roasting and blending, among other techniques, helping members enhance the quality of their products. This helped drive a 25 percent annual increase in specialty coffee exports. The Hub further amplified outreach by showcasing the association at a series of high-profile regional events. With Hub support, the African Fine Coffee Association's annual conference is now a major industry event that enjoys robust participation from international buyers.

USAID/West Africa Trade and Investment Hub

INTRAREGIONAL TRADE IN STAPLE FOOD

The East African Trade and Investment Hub helped strengthen the Regional Food Balance Sheet, an information tool to support a region's ability to manage food security.

In Africa, increased intraregional trade in staple food plays a significant role in managing food security and reducing domestic price changes. More efficient markets for food also allow farmers to earn higher incomes. *Trade Africa* facilitates greater production and trade in staple foods across sub-Saharan Africa — efforts that also support the U.S. Government's Feed the Future initiative. Activities focus on:

Warehouse Receipt Systems. Hub programs in Southern Africa have developed warehouse receipt systems that allow farmers to store certified quantities of grains such as maize and sell their products when prices become more favorable. Farmers then get optimal prices for their produce, while the warehouse receipt allows them to access financing for new seeds and other inputs. Increased storage capacity also enhances food security. In Malawi, farmer training by the Southern Africa Trade Hub enabled peanuts to be properly sorted and stored. This allowed them to be used in the treatment for malnutrition targeting pregnant women and children under five.

Contract-Based Trade. Though trade deals made through verbal agreements are common in Africa, they are not always ideal. "If we set the price today, as soon as the price fluctuates, there will be a problem between the two parties," explained Alhaji Adamou Aboubakar, a cereal trader in Niger. "If the price goes up, the seller will want to raise the negotiated price and the buyer will want to retain it. If the price drops, the seller will want to retain the agreed-upon price and the buyer will want it lowered."

To more readily incorporate contract-based trade, the West Africa Trade and Investment Hub and its partners, Afrique Verte and the West Africa Grain Network, organized four "cereals exchanges" attended by cereals producers, traders, and manufacturers from across the region. The exchanges — held in Ouagadougou, Burkina Faso; Dakar, Senegal; and Abidjan, Côte d'Ivoire — provide a venue for buyers and sellers to sign contracts for the upcoming harvest and a chance for them to learn more about grades and standards, food safety issues, and good contracting practices. Participants signed 322 contracts outlining their intended transactions, and completed sales of $5.7 million, amounting to 17,466 metric tons of food.

In East Africa, the Hub works with the East African Grain Council to promote contract-based grain sales and champion policy initiatives to build a thriving grain trade in the region.

Business-to-Business Linkages. Connections between buyers and sellers are necessary to communicate supply and demand of agricultural goods, which increases competition and reduces risk for all parties. In Kenya and Tanzania, USDA's Food for Progress program sponsors business-to-business sessions during trade fairs and events that attract a large number of agribusinesses. Participating small and medium agri-enterprises meet to shop deals and begin negotiations. In Tanzania alone, six such sessions have resulted in 89 trade agreements valued at $105 million. ■

CRITICAL ROLE OF INVESTMENT

Traditionally USAID's Trade Hubs have promoted investment in sub-Saharan Africa as a complement to their core activities. Following the 2014 U.S.-African Business Forum, investment promotion is now an explicit objective of the Hub programs — reflecting investment's role in improving technology and firm competitiveness, driving higher-skilled, better-paying jobs, and facilitating entry into global markets. Investment is particularly important in diversifying African exports and helping industries scale up and integrate into global value chains.

Under *Trade Africa,* investment promotion efforts include:

Encouraging Reforms that Create Business Environments Conducive to Investment. The Hubs have encouraged host countries, the private sector, and industry associations to advocate and promote an improved investment climate. For example, the East Africa Trade and Investment Hub provided targeted technical support and organized public–private outreach workshops to help countries increase compliance with the Common Market Protocol, a mechanism to promote the free movement of goods, labor, capital, and services in the EAC.

Expanding Investor Networks, Creating Investment Linkages, and Increasing Access to Credit. In East Africa, the Hub identifies and matches local entrepreneurs with local and international — including U.S. — investment funds. This includes establishing investment advisory services in Kenya's textile sector and Ethiopia's leather industry to broker export and investment linkages.

In West Africa, the Trade and Investment Hub works through a network of skilled local investment advisors to expand access to finance and investment for small to midsize enterprises. A recent Ghana–Nigeria forum generated deals

USAID/East Africa Trade Hub

potentially worth $16.8 million. Ghana, through the Partnership for Growth Initiative, identified a need for targeted support for the newly formed Ghana Export-Import Bank. The Bank received Parliament's approval in March 2016 and is expected to spur growth in Ghana's export sector.

During its first year of focused investment promotion efforts, the three Trade and Investment Hubs helped attract more than $525 in prospective investment financing. Of this, $85 million in financing has already been closed.

Since the launch of *Trade Africa,* the USTDA's sub-Saharan Africa portfolio grew to support almost 30 new projects. These early-stage investments have the potential to mobilize more than $2 billion in private and public financing during implementation, delivering returns hundreds of times the initial investment. Among these, USTDA facilitated eight reverse trade missions, in which foreign delegates were introduced to state-of-the-art U.S. technologies, equipment, and services, including training related to infrastructure projects. Some 120 public and private sector delegates from 19 countries in sub-Saharan Africa participated in these reverse trade missions, increasing their capacity to make informed investment decisions in their infrastructure.

Catalyzing Support Services in Key Sectors. Small grants from the Southern and West Africa Trade Hubs have spurred new investments in seed production in Mozambique and Zambia and women-owned agricultural processing companies in Mali, Senegal, and Côte d'Ivoire. ■

Women-Owned Firms Get Access to Finance

Lack of access to finance, particularly working capital and credit, is a major obstacle for African women entrepreneurs. To systematically address these challenges, the West Africa Trade and Investment Hub launched a strategy for gender-based access to finance in 2015. The Hub began by providing training on financial management skills to 45 female business owners in Burkina Faso. It then connected these businesses with financial advisors who helped them prepare and submit applications for financing.

USAID/West Africa Trade and Investment Hub

So far, the Hub has supported 14 women-owned businesses in Burkina Faso to gain access to capital — 10 cereals processors, two parboiled rice unions, and two livestock fatteners. Together, they have received almost $230,000 in loans for working capital and new equipment.

"These loans have enabled the women to stock up their raw materials, which allowed them to sell at the best prices," explained Olivier Ouamenga, an access-to-finance consultant. "These activities have had an impact on their economic development, increasing their production capacity and profit."

TRADE AFRICA U.S. GOVERNMENT PARTNERS

U.S. Agency for International Development

USAID is the lead U.S. Government agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential. USAID implements the Trade and Investment Hubs in East, Southern and West Africa and manages the relationship with TradeMark East Africa, the Global Cashew Alliance, the African Cashew Alliance, the Borderless Alliance, and other trade associations.

U.S. Trade Representative

American trade policy works toward opening markets throughout the world to create new opportunities and higher living standards for families, farmers, manufacturers, workers, consumers, and businesses. The United States is party to numerous trade agreements with other countries, and is participating in negotiations for new trade agreements with a number of countries and regions of the world. The Office of the U.S. Trade Representative negotiates directly with foreign governments to create trade agreements, to resolve disputes, and to participate in global trade policy organizations.

U.S. Department of State

The U.S. Department of State advances U.S. trade policy objectives by opening new export opportunities for American businesspeople, farmers, ranchers, and workers. For example, the State Department's African Women's Entrepreneurship Program — a trade and investment initiative for African women — now includes 31 chapters with more than 1,600 women entrepreneurs in 48 African countries. The State Department annually hosts 30 – 50 program participants in the United States to attend professional development meetings and network with U.S. policymakers, companies, and industry associations.

U.S. Department of Agriculture

The USDA helps beneficiary countries improve their regulatory environments and assists them in meeting U.S. and international sanitary and phytosanitary standards. In addition to placing sanitary and phytosanitary advisors in sub-Saharan Africa, USDA provides short-term training opportunities to agricultural professionals in the United States through the Cochran Fellowship Program. Through this program, 59 participants from Trade Africa received training in the past two years.

U.S. Department of Commerce

As part of the Obama administration's economic team, the Secretary of Commerce serves as the voice of U.S. business within the President's Cabinet. Through its 12 bureaus and nearly 47,000 employees located in all 50 states and five U.S. territories and more than 86 countries worldwide, the Department administers critical programs that touch the lives of every American. The Department of Commerce manages the Commercial Dialogue under the Trade Africa initiative.

Overseas Private Investment Corporation

OPIC is the U.S. Government's development finance institution. OPIC works with the U.S. private sector to enter and expand in emerging markets, catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, political risk insurance, and support for private equity investment funds, when commercial funding cannot be obtained elsewhere.

Export-Import Bank of the United States

The Export-Import Bank provides financing support to U.S. exports to Africa. It offers loans, guarantees, and insurance programs to U.S. exporters as well as to African importers. Additionally, EXIM provided financing to modernize ports, rail infrastructure and other projects in sub-Saharan In the past two fiscal years, EXIM supported approximately $1.5 billion in financing in sub-Saharan Africa.

Millennium Challenge Corporation

MCC works with partner countries to tackle the most critical constraints to private investment economic growth, from trade-related

"[W]hen Africa is already home to some of the fastest-growing economies in the world and new leadership that is anxious to grab the future, we have to do more together."

— Secretary John Kerry at US-Africa Business Forum August 2014

infrastructure such as roads and electricity, as a key partner in Power Africa, to improving the productivity of small and midsize businesses. In Senegal, MCC supported road rehabilitation, including rebuilding the RN2 road, which stretches from Richard Toll to the town of Ndioum in northern Senegal, a distance of almost 550 km (more than 341 miles).

Customs and Border Protection

As the world's first full-service border entity, CBP takes a comprehensive approach to border management and control, combining customs, immigration, border security, and agricultural protection into one coordinated and supportive activity.

U.S. African Development Foundation

The U.S. African Development Foundation (USADF) works directly with Africans on the ground to combat some of Africa's most difficult development and foreign policy challenges. USADF awards small grants for technical assistance and capacity building to grassroots organizations, cooperatives and community enterprises that strengthen local institutions and achieve lasting impact.

U.S. Trade and Development Agency

USTDA opens emerging markets for greater U.S. exports and investment by supporting sustainable infrastructure development in sub-Saharan Africa and around the world. USTDA has supported more than 500 activities in Africa over the last 30 years. The Agency provides African projects with industry-leading U.S. expertise to conduct the critical financial, technical, and legal analysis necessary for financiers to gauge the viability of infrastructure projects. In support of Trade Africa, USTDA has significantly increased its portfolio in Africa to stimulate the construction infrastructure countries require to trade globally.

U.S. Department of Transportation

USDOT administers programs that enhance the safety and efficiency of transportation systems in Africa. In June 2015, via a transportation and trade mission, USDOT connected 14 U.S. companies with high-level African government officials for potential investment opportunities. Through the Tomorrow's Transportation Leaders initiative, USDOT is hosting a series of workshops focused on transportation issues, from transportation planning to regional connectivity. Thus far, 35 young African transportation professionals have taken part.

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) aids, counsels, assists and protects the interests of small business concerns in the United States, Puerto Rico, the U. S. Virgin Islands and Guam. We recognize that small business is critical to our economic recovery and strength, to building America's future, and to helping the United States compete in today's global marketplace. ■

USAID

COMPLEMENTARY TRADE EFFORTS

USAID/East Africa Trade and Investment Hub

The U.S. Government is committed to expanding trade and investment in sub-Saharan Africa to unleash inclusive economic growth, job creation, and poverty reduction. These efforts are not limited solely to *Trade Africa,* however. A number of efforts implemented by U.S. Government agencies also align with and complement the goals of the initiative:

Feed the Future

The Feed the Future initiative aims to sustainably reduce poverty and hunger by investing in partner countries' own plans and working with development organizations and other stakeholders to improve food and nutrition security. The initiative is led by USAID and involves activities by agencies across the U.S. Government, including the MCC, OPIC, the U.S. Department of Commerce, and the USDA.

Feed the Future supports agricultural trade by promoting improved policies in support of agricultural growth and assisting countries in complying with the WTO's Trade Facilitation and Sanitary and Phytosanitary Agreements. For example, the initiative helps countries and farmers diversify their crops and food output. It incorporates training and promotes innovations that lead to improved post-harvest handling, storage (including cold chains), processing, and packaging and labeling; and more efficient and less costly transport, logistics, and retail food distribution.

Meanwhile, USDA and Feed the Future Innovation Laboratories bring world-class science to help African countries comply with sanitary and phytosanitary measures; address aflatoxin and other pest, disease and fungal/viral problems affecting plants and livestock in agriculture; and meet the increasingly stringent food safety requirements of domestic, regional and international buyers. Feed the Future invested in 16 public and private institutions for improved food security assessments. In support of the Malabo declaration, Feed the Future is investing significant resources to support a tripling of intraregional trade in Africa by 2025.

Feed the Future has been successful in promoting investment under the New Alliance for Food Security and Nutrition to accelerate the implementation of the Comprehensive Africa Agriculture Development Program. To date about $10 billion of domestic and regional private sector commitments have been made in 10 African countries, of which six are Feed the Future focus countries. These investment promotion activities also align with the objectives of the Africa-led Grow Africa partnership.

USAID's Bureau for Food Security provided intellectual leadership within USAID and across donor agencies in developing, applying, and refining value chain methods of analysis and agricultural development programming. As the new Feed the Future strategy is being formulated, an agri-food systems approach will supersede more partial value chain approaches. USAID is also diversifying its focus to address horticulture, livestock — including dairy and poultry — and high-value cash crops such as coffee.

Doing Business in Africa

To amplify the U.S. Government's trade promotion efforts, President Obama established the Doing Business in Africa Campaign in November 2012. The campaign promotes broad-based economic growth and job creation in the United States and Africa by encouraging U.S. companies to trade with and invest in Africa.

The President's Advisory Council on Doing Business in Africa (Council) was established by

Feed the Future is a key partner in Trade Africa, supporting intra-regional trade in staple foods and the adoption of grades and standards to ensure safe food products move from areas of surplus to those of deficit, increasing food security.

Executive Order in August 2014 to advise the President, through the Secretary of Commerce, on ways to strengthen commercial engagement between the United States and Africa. In 2014, 14 private sector leaders were appointed to serve a two-year term. Members ranged from small businesses to large corporations and represented a cross-section of industries, including energy, infrastructure, and services. In August 2016, Council membership was expanded from 15 to 26 members. The 2016–2018 Council will have increased membership and represent diverse perspectives and key sectors in Africa.

Global Alliance for Trade Facilitation

Formed in 2015, the Global Alliance for Trade Facilitation brings together the business expertise of the private sector and the convening power of the public sector to assist developing countries in implementing the WTO TFA. The Alliance includes: the Center for International Private Enterprise, the International Chamber of Commerce, and the World Economic Forum as the host organization along with a number of multinational companies such as Maersk, Walmart and FedEx, plus the governments of Australia, Canada, Germany, the United Kingdom and the United States. U.S. efforts are being led by USAID.

Power Africa

Power Africa

Access to a reliable and affordable power supply is critical to enabling sub-Saharan Africa to grow its processing and light manufacturing and to take full advantage of AGOA for such power-dependent sectors like textiles, apparel and processed foods. Coordinated by USAID, Power Africa forms diverse partnerships with multiple foreign governments, international organizations, civil society organizations, and private sector companies. After three years of operation, Power Africa established an innovative development model focusing on "first-of-a-kind" transactions that create pathways for new market-based, sustainable energy projects. Through these efforts, Power Africa is supporting the development of power infrastructure, expanding access to electricity, and improving the business climate for trade and investment across sub-Saharan Africa. The initiative's impact goes beyond adding megawatts in the power sector. It also helps remove obstacles to specific projects and builds capacity to sustain future transactions, facilitating growth and investment, increasing host country institutional governance frameworks, and supporting regional power trade.

Nigeria Expanded Trade and Transport

USAID's Nigeria Expanded Trade and Transport Project promotes economic growth along Nigeria's Lagos–Kano–Jibiya transport corridor, primarily by reducing time and cost to trade along the corridor and spurring agribusiness investment. The project reduced the time to import by 25 percent and time to export by 21 percent. The project has also facilitated more than $13 million in new agribusiness investments along the corridor since 2012. Businesses have increased production capacity by an additional $14 million to meet demand from new markets. The project is additionally working to support implementation of the TFA by supporting the operationalization of the National Trade Facilitation Committee.

Safe Skies for Africa

The Department of State funds the Safe Skies for Africa initiative, implemented by USDOT. USDOT and the Federal Aviation Administration work to help African countries meet international aviation safety standards by providing technical assistance and training and promoting trade and investment opportunities in the transportation infrastructure sector.
In June 2015, via a transportation and trade mission, USDOT connected 14 U.S. companies with high-level African government officials for potential investment opportunities. The U.S. business delegation participated in a series of matchmaking meetings with local firms in Maputo, Mozambique; Johannesburg, South Africa; and Nairobi, Kenya. More than 150 meetings were held, each offering participating companies an opportunity to promote their products, technologies, and services. ■

USAID/East Africa Trade and Investment Hub

REGIONAL PROGRAMS: EAST AFRICA

FOCUS ON THE TIME, COST OF TRADE

The U.S. Government's regional program promotes trade and investment by helping to reduce the time and cost to ship goods across borders, and through Kenya's Port of Mombasa and Tanzania's Port of Dar es Salaam. An innovative partnership with TradeMark East Africa leveraged $560 million in international donor support to significantly enhance trade transit efficiency along the Northern and Central Corridors — important transit routes in the region. Efforts include improving transport system infrastructure, harmonizing trade documentation, and developing efficient trade logistics services. As part of this program, 16 One Stop Border Posts were established at key crossing points at the Kenya–Tanzania, Rwanda–Uganda, and Burundi–Tanzania borders. Over the past five years, these efforts have resulted in a 33 percent reduction in transit times and a 25 percent reduction in costs.

USTDA supported railway modernization across East Africa by linking Rift Valley Railways personnel and the Government of Uganda with U.S. rail sector experts and EXIM Bank and OPIC for potential financing for priority projects in the sector.

To promote intraregional trade in staple foods, USAID and the USDA supported the EAC to harmonize standards for 22 agricultural goods and successfully reconciled 45 regional policies. As a result, the volume of regional trade in staple foods rose by more than 150 percent between 2010 and 2015. These efforts are key to achieving the Feed the Future goal to increase access, availability, and consumption of African-grown staple foods in regional markets along the Northern and Central Corridors of East Africa.

In addition, support to the EAC Secretariat helps Partner States meet their WTO obligations for sanitary and phytosanitary measures and technical barriers to trade issues, and implement the U.S.-EAC Cooperation Agreement.

Finally, during FY 2016, CBP held four basic Regional Rural Border Patrol Unit training courses, training approximately 550 personnel from Uganda, Tanzania, Kenya, and Ethiopia.

FY 2015 Results

In FY 2015, USAID partners facilitated approximately $16 million of investment, primarily in the agricultural sector, a woefully underfinanced sector in East Africa. Partners also established a pipeline of investments — valued at nearly $150 million — to be brought to term over the next two years. In addition, with USAID support, 192 regional firms achieved $80 million in exports under AGOA. Finally, in partnership with the African Cotton & Textile Industries Federation, USAID provides significant ongoing support for the Origin Africa campaign to attract increased interest in and investment to East Africa.

Burundi

The agricultural sector is a major focus of the U.S. Government's technical support in Burundi. Through the Development Credit Authority, USAID guarantees the disbursement of hundreds of thousands of dollars in loans to agricultural businesses through financial institutions, and facilitates agricultural investment through the Agribusiness Chamber of Commerce. USAID also supports the Burundi Business Incubator to improve business operations through targeted training and capacity building.

Failure to demonstrate that Burundian products meet international quality and safety standards is a critical obstacle limiting exports to neighboring markets, as well as to the United States. USAID's East Africa Trade and Investment Hub supports the Government of Burundi to deploy an electronic notification process to increase government transparency by notifying the public about new regulations and standards requirements.

President Obama terminated Burundi's AGOA eligibility effective January 2016 because the country failed to meet the Act's rule of law, human rights, and political pluralism eligibility criteria.

Kenya

To promote exports and regional integration, the U.S. Government strengthens agricultural productivity and value chains. To attract

Empowering and Employing Women

Women are the driving force behind Africa's economy, running nearly half of small and medium businesses and growing 80 percent of the food supply. Increasing the number of women involved in trade and export activities is critical to meeting higher-level goals of regional integration and economic growth. Working with organizations, associations, and value chains that are female-led and that integrate women into their decision-making is key to the U.S. Agency for International Development's regional strategies.

In early 2015, the East Africa Trade and Investment Hub carried out a gender assessment to identify constraints and opportunities for women's participation in regional trade and export activities. The strategy recommended the Hub maintain a Gender Working Group, develop a database of female-focused organizations and women-led firms, and create a trade resource portal for women. These efforts will ensure that women are proactively engaged in leading the growth of firms that are globally competitive and can attract private investment.

USAID/East Africa Trade and Investment Hub

USAID/East Africa Trade and Investment Hub

investment, USAID helps Kenyan industries — especially in agriculture, tourism and energy — become internationally competitive.

Within the agricultural sector, small-scale farmers receive technical support to comply with standards required to access global markets. USAID also works with the banking sector to expand services to small businesses, including financial products that address the needs of microenterprises in agricultural value chains. In Kenya, the East Africa Trade and Investment Hub further supports access-to-finance workshops and trade finance seminars in coordination with the Kenyan Association of Manufacturers. The Hub partners with Kenya's Investment Promotion Agency to increase interest in the country as a manufacturing and technology center. It sponsored several high-profile investment conferences in Kenya, provided technical support to prepare for participation, and led investor field trips to maximize the visibility of participating firms.

Other activities to promote opportunities under AGOA include workshops on sanitary and phytosanitary requirements for food and fresh produce and, in coordination with the Kenyan Association of Manufacturers, workshops on access to finance for small and medium enterprises.

The Hub also funds two advisors in the Ministry of Industrialization and Enterprise in two strategic economic sectors — leather and apparel — to promote improved investment policy and provide technical and institutional support to both private and public actors.

The U.S. Government also works with the African Women's Entrepreneurship Program to identify opportunities for African women to export their products to new markets.

Additionally, CBP is working with the Department of State/Security Governance Initiative to build the border security capacity of the Kenyan border agencies. CBP's areas of focus include assisting with the creation and implementation of Kenya's Border Management Agency and identifying areas of need for the U.S. Government and Kenya; developing an implementation plan for Kenya's Integrated Border Management Strategy, with emphasis on integration, joint planning, interagency coordination, joint operations, and interdiction techniques and procedures; and

"The East African Community represents a market with significant opportunity for U.S. exports and investment."

—"Fact Sheet: Trade Africa," White House, July 1, 2013

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enhancing the country's information-sharing capabilities between the Kenya Revenue Authority and the Department of Immigration at two of Kenya's international airports in Nairobi and Mombasa.

Rwanda

In Rwanda, USAID efforts support private sector development by increasing the business acumen of, and market access for, Rwandan firms. In the agricultural sector, USAID developed a roadmap to attract private investment in agriculture that emphasizes upgrading key value chains and creating sustainable market linkages. In addition, to promote investment and exports under AGOA in Rwanda, the East Africa Trade and Investment Hub supported the development of a comprehensive AGOA action plan. Other activities to promote AGOA utilization include dissemination of AGOA-related information, export-readiness workshops, and development of a Rwanda export directory.

For landlocked countries like Rwanda, trying to increase food security, investment, and employment, eliminating challenges at the border is critical. To improve upon this, in 2014, officials from USAID and TradeMark East Africa signed a 3-year, $5.7 million cooperative agreement to streamline customs procedures, remove technical barriers to trade, and ultimately reduce the time and cost of moving goods across Rwandan borders.

Driving Innovation and Employment Among African Youth

Innovation and partnership can accelerate development impact. Through a grant to the Inter-Region Economic Network, the East Africa Trade and Investment Hub sponsored the Young Innovators in Agribusiness Competition in Tanzania in February 2016. "Our goal is to offer young innovators an opportunity to scale up agribusiness activities through training, with a view of stimulating enterprises that are investable, sustainable, and competitive," said James Shikwati, network director. A total of 90 participants — 45 start-ups and 45 small and medium enterprises — exhibited their products and made formal presentations before judges.

The top 30 ideas were selected for the Agribusiness Innovation and Trade Fair in May, where they competed for seed funding from a pool of $20,000. In the small and medium enterprise category, Abrahame Endrias of Green Agro Mechanization from Ethiopia claimed the top prize of $5,000. Noah Ssempija of Youth Initiative for Community Empowerment from Uganda won the equivalent honor among start-ups. All participants benefited from networking opportunities and business-training sessions held throughout the competition, which helped them improve their business strategies and refine their pitches to investors.

This shows that young entrepreneurs can catalyze the start-up and growth of African agribusiness.

Tanzania

Under *Trade Africa,* bilateral efforts in Tanzania focus on lowering barriers to trade and investment, promoting exports in selected agricultural value chains, and promoting policies that improve the enabling environment for private sector investment.

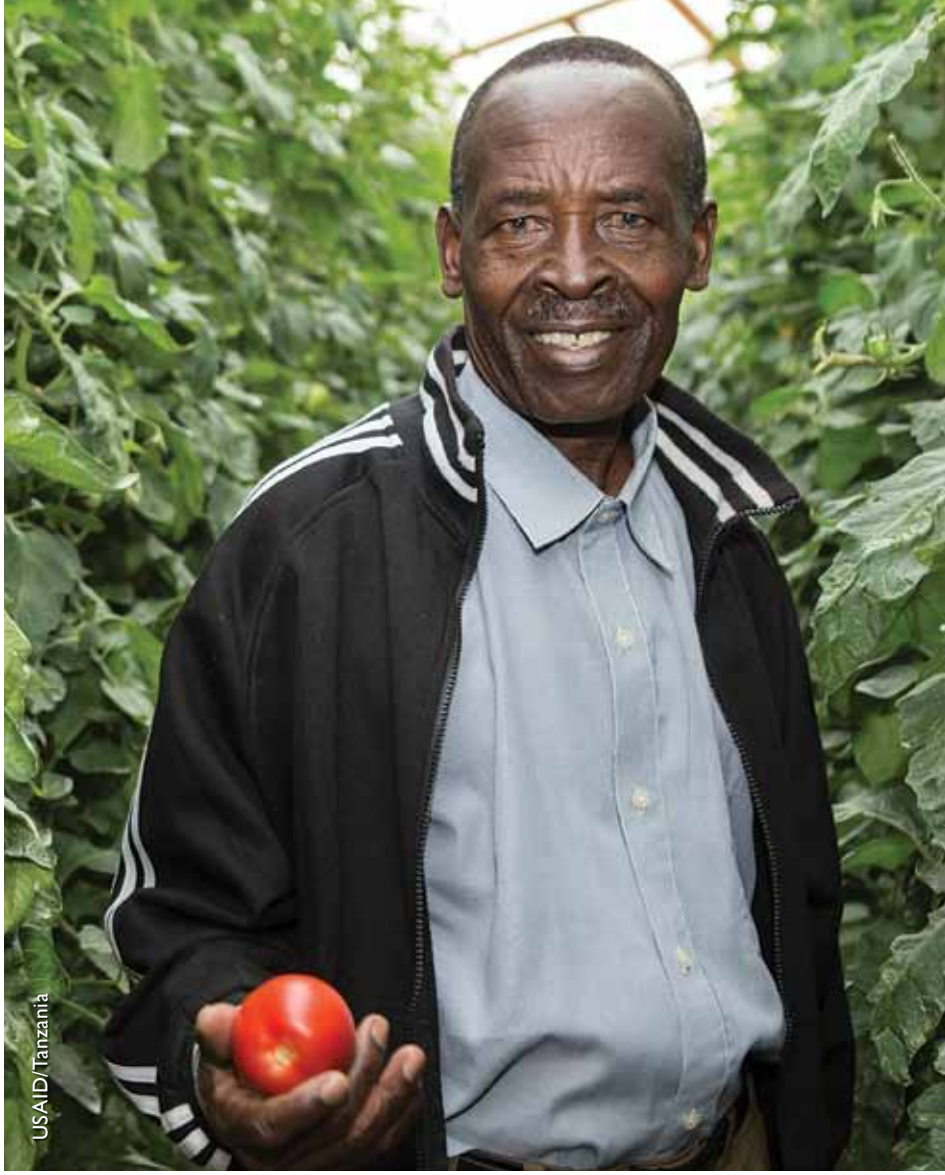
USAID is working with the Tanzania Private Sector Federation to implement the Common Market Protocol. The Hub also supports the development of an AGOA strategy and promotes women's entrepreneurship.

To promote the expansion of the agricultural sector, the Hub is working to increase bank financing to agricultural small and medium enterprises, in collaboration with the Agribusiness Investment for Market Stimulation program funded by USDA.

Uganda

In Uganda, efforts to increase trade and bolster the private sector are focused on broad-based agricultural development. To stimulate production, improve market linkages, and support increased trade, USAID/Uganda undertook a comprehensive value chain approach focused on certain agricultural commodities. These were selected for their potential impact on incomes, food security, and nutrition.

With the objective of regional integration, the East Africa Trade Investment Hub partners with the Private Sector Foundation of Uganda to implement the Common Market Protocol. The Hub also promotes increased investment in small and midsize enterprises in targeted sectors in Uganda. In one case, a private equity firm was linked with a Ugandan mobile money provider. This allowed the company to significantly expand its network across Uganda, create an estimated 160 new jobs, and increase mobile money availability to small businesses and agricultural traders. In another example, the Hub helped spur a $4 million investment deal for a woman-owned distributor of food and consumer goods. The company's large warehousing and distribution network will ensure that the benefits of the deal will extend down the value chain. The Hub also sponsored an annual event organized by the Uganda Investment Authority to showcase potential investments to diaspora Ugandans. ■


USAID/Tanzania

Help in Expanding Income Streams

David Mushera owns a small farm at the foot of Mt. Kenya. Amidst the goats, ducks, tea, and corn are old macadamia nut trees that have traditionally supplied smallholders like him with a modest income stream. But with one primary nut company in the area, small farmers had little opportunity to get favorable prices for their harvests.

In 2010, the U.S. Agency for International Development began supporting a new nut-processing company. Ten Senses Africa worked with Mushera and other macadamia growers to establish cooperatives and increase production and exports under the African Growth and Opportunity Act. The company received technical and financial support to establish a processing facility in Nairobi and farmers received training to become fair trade and organic certified.

Today, Mushera is president of the Mount Kenya East Macadamia Farmers' Association, a major supplier to Ten Senses Africa — which exports 90 tons of fair trade nuts each year to the United States. He and other farmers earn $3,500 per hectare for their macadamia nuts, a 350 percent increase on their earnings before Hub involvement. Ten Senses Africa has since expanded to work with some 62,000 farmers in Kenya and Rwanda and directly employs 262 full-time staff.

REGIONAL PROGRAMS: WEST AFRICA

INSTITUTIONAL ASSISTANCE, WITH WIDESPREAD IMPACTS

The U.S. Government in West Africa promotes trade and investment by providing institutional assistance to key regional development partners representing more than 500 producers and traders, including:

- **The African Cashew Alliance,** an association of African and international businesses that promotes a globally competitive African cashew industry.
- **The Global Shea Alliance,** an industry association with members from 31 countries that seek to drive a competitive and sustainable shea industry worldwide.
- **Borderless Alliance,** an independent regional platform for producers, traders, transporters, and financiers to advocate for improvements to the movement of goods, capital, and services across West Africa.

The regional program also provides assistance to national governments and ECOWAS to remove major physical, institutional, and legal barriers to regional trade. Borderless Alliance takes the lead in advocating for more flexible trade transit policies, such as the removal of checkpoints along transit corridors, promotion of the ECOWAS Trade Liberalization Scheme, and streamlining of the regional rules of origin.

The shea industry provides a good example of these partnerships. Direct support to the shea industry includes training members of the Global Shea Alliance in all the steps in production of quality kernels, from collecting and processing to sorting and checking the moisture content.

With direct USAID support, the African Cashew Alliance developed a quality and sustainability seal program to ensure compliance with international food safety, quality, and labor standards. With the alliance's technical assistance on such factors as management and linkages to international buyers, smallholder cashew production has more than doubled in the past decade — resulting in a significant increase in household incomes across West Africa.

In the second phase of the *Trade Africa* initiative, the U.S. Government extended bilateral support to Côte d'Ivoire, Ghana, and Senegal to provide assistance in trade facilitation, technical barriers to trade and sanitary and phytosanitary standards, and policies to promote trade and investment.

Côte d'Ivoire

In Côte d'Ivoire, U.S. Government support includes implementation of WTO TFA measures and improved capacity of the National Trade Facilitation Committee. To support sanitary and phytosanitary standards, the USDA provides assistance in accrediting national laboratories and strengthening food safety regulations.

Trade Africa in Côte d'Ivoire strengthens the national enquiry point and notification authority to increase WTO notifications of technical regulations and sanitary and phytosanitary requirements, increasing transparency and thereby improving the business climate. It will increase capacity building for risk-based import/consumer protection regulations.

To promote trade and investment, the initiative will strengthen mango, livestock, and cashew value chains and assist in developing AGOA action plans and resource centers. USAID will also facilitate financing to the cashew sector through a credit guarantee.

AGOA Trade Resource Centers

The West Africa Trade and Investment Hub supports seven African Growth and Opportunity Act (AGOA) Trade Resource Centers, including in three *Trade Africa* countries — Côte d'Ivoire, Ghana and Senegal. These centers help firms improve their products and processes to be able to trade with the United States and elsewhere.

They provide information on AGOA, phytosanitary standards, packaging regulations, and more. Coordinators at each country's trade resource center have also been trained on export processes, documentation requirements and regional business advisory services.

USAID/West Africa Trade and Investment Hub

Ghana

Bilateral support includes assisting the Government of Ghana to implement the WTO TFA, including strengthening regulation, certification and implementation of protocols, improving standards for fruits and vegetables, and developing a national traceability system. To address technical barriers to trade, the initiative strengthens the national enquiry point and notification authority to increase WTO notifications and increase capacity for risk-based import/consumer protection regulations. The initiative supported the Ministry of Trade in passing the Ghana International Trade Commission Bill and will further support the Ministry to update the AGOA strategy and help stand-up the Ghana Export-Import Bank.

Meanwhile, Hub efforts in Ghana are aimed at enhancing the competitiveness of its private sector, particularly through agricultural modernization. The Hub is working to reduce inefficiencies along value chains, supporting research to improve crop-processing technologies and addressing import and export challenges in specific sectors.

Supporting the Feed the Future Agenda

The U.S. Agency for International Development in West Africa, under the Feed the Future agenda, supports the Food Across Borders Program, which studied five central barriers to trade in staple agricultural commodities: road harassment, export restrictions, rules of origin, clarity of sanitary and phytosanitary regulations, and taxation. The Economic Community of West African States and the West Africa Economic and Monetary Union, which house the Food Across Borders program, incorporated these outcomes into their regional policy outreach efforts.

Senegal

To promote trade facilitation, *Trade Africa* assists in implementing WTO TFA measures. These include national enquiry points, border agency cooperation, use of international standards, a national single window, and capacity building for the National Committee on Trade Facilitation. USAID will build the expertise for sanitary and phytosanitary testing and inspection by academic institutions, government, and laboratory facilities. Finally, the initiative will

support Senegal in reducing technical barriers through capacity building for risk-based import/consumer protection regulations.

Recognizing the limitations of a solely national approach to investment and trade promotion in the mango value chain, *Trade Africa* supported the Ministry of Trade to host a regional Mango Week event in June 2016. The event brought together producers and exporters of fresh and processed mangoes from eight countries to launch a West Africa Regional Mango Alliance. Featuring an exposition of mango products and technical panels on common trade and investment challenges in mango value chains in West Africa, the event highlighted the advantages of a regional approach to trade and investment promotion for all stakeholders. Led by the private sector, the Alliance will provide a platform for promoting industry growth by addressing trade, investment, and other challenges at the regional scale.

While mango exports have grown rapidly, by 22 percent annually in Senegal since 2000, limited processing facilities and high levels of waste underscore the need for further investment and opportunities for further expansion of exports. *Trade Africa* will continue to support the development of the Alliance and promote exports and investments in the Senegal's mango value chain. The initiative is also working with the government to update its AGOA strategy.

The Trade and Investment Hub's efforts in Senegal align with Feed the Future initiatives. For example, the Hub is working with professional associations involved in the mango value chain to provide trainings on fruit fly management and production best practices. Its assistance in promoting export opportunities generated $1.4 million in mango sales in Senegal in 2015. ■

Building Skills for Success

A joint venture between a Ghanaian-owned company and a Ghanaian-registered company with American ownership, Dignity/DTRT started only two years ago. Yet today, it produces more than 20,000 garments per day and employs 1,500 people, mostly women. In 2015, the company exported $9 million worth of product to the United States.

To maintain this success, however, the company needed to build the skills of its factory workers. The Trade Hub has worked with Dignity/DTRT since 2014 to strengthen its technical and organizational capacity to produce internationally accepted, quality apparel for the global market, especially exports to the United States under the African Growth and Opportunity Act. In FY 2015, the Hub worked with the U.S. Embassy in Ghana to secure a $300,000 training grant from the Ghanaian Government's Council for Technical and Vocational Education and Training. With this grant, the company's factory workers — more than 90 percent of whom are women — were trained to meet surging demand without sacrificing quality. Working with the Ghanian Ministry of Trade and Investment and Ghana Free Zones Board, the Hub also helped Dignity/DTRT to secure additional factory space at government-owned factories that were lying idle.

USAID/West Africa Trade and Investment Hub

All of these activities helped the woman-owned Dignity/DTRT to become the largest apparel exporter to the United States in West Africa.

USAID/Southern Africa Trade Hub

REGIONAL PROGRAMS: SOUTHERN AFRICA

TRADE FOR REGIONAL FOOD SECURITY

Enhanced trade in Southern Africa promotes U.S. strategic objectives of growth and poverty reduction in the region. Trade Africa and Feed the Future initiatives support regional and country-led agricultural development plans to improve agricultural productivity, expand markets and regional trade, and further regional integration. The initiatives help countries fight hunger by encouraging more efficient production, in part through the use of high-yielding bio-fortified seeds that are drought and heat tolerant and pest resistant. Feed the Future also promotes seed policies and international and regional seed trade agreements and conventions to facilitate the availability of quality seeds leading to greater production and productivity.

Through its Southern Africa Trade Hub, USAID increases intraregional trade and regional food security. It also helps build an efficient regional market by reducing the time and cost of transporting goods across borders; improving the quality of seed production systems; and increasing trade and investment in Southern Africa's textile sector. The Hub also provides needs-driven trade liberalization assistance to the Southern African Development Community and Southern African Customs Union secretariats.

Higher levels of trade, particularly of goods under AGOA, often require new investment to help exporting firms expand and increase competitiveness. The program works with the Southern African Development Community and other regional bodies to improve the business and investment climate. Also to promote regional integration, USTDA supports the development of rail linkages and regional integration in Southern Africa focusing on innovative locomotive, signaling, and other rail sector technologies and services.

In the second phase of the initiative, USAID has extended bilateral support to Mozambique and Zambia to provide assistance in trade facilitation, sanitary and phytosanitary standards, technical barriers to trade, and policies to promote trade and investment.

Agricultural Grants

Hub-supported agricultural grants are encouraging linkages between South African investors and the Feed the Future focus countries of Malawi, Mozambique, and Zambia. The cost-share based grants leverage additional funds, which increase the net impact of Hub financing. As a result, thousands of smallholders have benefited from the infusion of new technologies, investments in storage, and improved production and trade in seeds, groundnuts, and grains.

Mozambique

U.S. Government bilateral support for trade facilitation includes assistance in implementing WTO TFA measures and improving the capacity of the National Trade Facilitation Committee, validation and implementation of the Migration Strategy for Pre-Shipment Inspection into risk-based inspection, and the reform of special port terminals with regard to WTO TFA fees and clearance. The initiative further supports issues with aflatoxin and the banana value chain, and strengthens soil labs to undertake sanitary and phytosanitary benchmarking studies.

On technical barriers to trade, the initiative will help Mozambique comply with the WTO Agreement on TBT, as well as strengthen the national enquiry point and the national standards institute. And, to promote trade and investment, *Trade Africa* supports development of trade policy and strategy, including export and AGOA strategies, and strengthens the institutional capacity of trade support institutions. It will also assess the impacts of the tripartite free trade agreement.

USAID/Southern Africa Trade Hub

Warehouse System Fetches Higher Prices for Farmers

With an influx of grain crops coming onto market at the end of the harvest season every year, small farmers in Southern Africa have little option but to sell at low prices. They do not have grain storage facilities to store their surplus crops, and they need cash to buy seeds and other agricultural inputs to prepare for the next season — as a result, farmers have to sell their produce at lower prices directly after harvest. In Mozambique, the Hub established a warehouse receipts system that allows farmers to store grain in secure warehouses and sell their harvest when prices are higher.

Last July, Mozambican farmer Pedro Milanzi deposited his maize in an accredited warehouse. At the time, the going price for maize was 6 meticals per kg. Two months later, Milanzi sold the maize at 10.5 meticals per kg — an increase of nearly 69 percent after the costs of financing and storage. "By using the system, I was able to increase my profit and use a loan to buy inputs for my business," he said. "More farmers should use the warehouse receipts system and deposit their maize in safe storage."

Zambia

In Zambia, bilateral support for trade facilitation involves assistance in implementing WTO TFA measures — including notifications, average release times, border agency cooperation, use of international standards, a national single window, and the National Committee on Trade Facilitation. The initiative provides technical assistance to private sector firms to meet sanitary and phytosanitary standards for export. It builds the expertise for sanitary and phytosanitary testing and inspection by academic institutions, government, and laboratory facilities.

To address technical barriers to trade, the initiative supports the implementation of an effective enquiry point, improves standards awareness among exporters and consumers, and trains government staff and industry on standards implementation. It further builds the capacity of the Zambia Bureau of Standards to expand management certification schemes for energy efficiency, food safety, environmental management, and occupational health. Other support for the Zambia Bureau of Standards includes expanding metrology services, supporting standards development, and developing a legal framework aligned with international practices. ■

CONCLUSIONS

LINKAGES TO U.S. TRADE POLICY

The U.S.–Africa trade policy has, at its core, strategies to enable sub-Saharan African countries to better engage in value-added trade and attract investment in manufacturing, services, and technology — in addition to natural resources. Undertaking reforms to meet WTO obligations and other international standards improves the prospects for African nations to succeed in trade, which in turn creates better markets for U.S. exporters and investors. *Trade Africa's* work to date on several of these building block areas has resulted from a close coordination of U.S. trade policy and trade capacity building. ■

USAID/East Africa Trade and Investment Hub

Program Impacts

Increase Trade Within the East African Community by 100%

Regional trade in East Africa rose 94 percent since 2013.

Increase Exports from East Africa by 40%

Since 2013, exports from the East African Community to the United States increased by 36 percent.

USAID/Southern Africa Trade Hub

Trade Africa included a number of specific and ambitious goals for the period of 2013 – 2017 that, when achieved, would help create a more conducive environment for trade. Already the initiative has met — and in some cases surpassed — these initial targets:

Reduce Shipping Time Between Key Coastal Ports and Landlocked Burundi and Rwanda by 15%

From Tanzania's Port of Dar es Salaam to Kigali, Rwanda, the time to trade declined by 80 percent, from 25 days in 2011 to five days in 2014.

Decrease by 30% the Average Time a Truck Takes to Transit Selected Borders

With *Trade Africa* efforts contributing, average border transit times for containers fell from 21 days down to six days—a 71 percent reduction.

LESSONS LEARNED

Investment is key to scaling up value chains and promoting trade.

USAID continues to build upon lessons learned to bring about broad-based export and income growth in sub-Saharan African countries:

Country Ownership and the Political Will of U.S. Government Partners are Critical for Success. Proactive partnerships with progressive non-governmental organizations and associations have proven critical in shaping and facilitating trade reform. In some instances, this included Hub support — both technical and financial — to strengthen existing local organizations and enhance their ability to advocate for key trade policy reforms, including the West Africa Grain Network and the East Africa Business Council. In other cases, Hubs helped establish new representative organizations — such as the Borderless Alliance and African Cashew Alliance — that have subsequently played a key role in leveraging critical reforms.

Across a range of trade-related policy areas, building the capacity of indigenous institutions is critical for promoting robust regional trade reform. As a result, *Trade Africa* programs are now making the financial and operational sustainability of key non-governmental organizations and associations a priority. These groups can then take the lead in moving forward dialogue around trade integration and export development in sub-Saharan Africa.

Poor Infrastructure Hinders Trade. Improved infrastructure plays a crucial role in helping countries capture the full benefits of trade integration. Over time, therefore, the U.S. Government has increased its focus on promoting policy and institutional reforms and leveraging investment in key infrastructure sectors. This includes a growing emphasis on harmonization of intra- and inter-regional regulatory standards around energy, transit, telecommunications, and water services. Investments and reforms in these sectors are needed if countries in sub-Saharan countries are to realize the full poverty-reducing benefits of trade reform.

Investment Fuels Growth. Trade reform is creating a plethora of growth opportunities for a new generation of African entrepreneurs. Unfortunately, they often lack access to finance, limiting businesses' capacity to expand. In addition, foreign direct investment in potential high-growth sectors has traditionally been constrained by a weak enabling environment — further limiting entrepreneurial access to the capital, technology, and partnerships critical to trade and income growth.

In response, *Trade Africa* programs have initiated innovative institutional approaches to expand investment access for entrepreneurs in sub-Saharan Africa. This includes recent Hub initiatives in East and West Africa to build networks of partner financial institutions and connect those institutions with a cadre of entrepreneurs looking to expand investment, exports, and jobs. The Hubs are further working to expand foreign direct investment in key export sectors, while addressing key constraints to increased investment. This heightened focus on investment to further bolster trade is reflected in the re-designation of the regional USAID trade-support programs as Trade and Investment Hubs. ■

USAID/East Africa Trade and Investment Hub

USAID/West Africa Trade and Investment Hub

LOOKING FORWARD

In its initial phase, *Trade Africa* made significant gains in facilitating regional integration and improving economic linkages with U.S. and other global markets through trade and investment and trade facilitation. This includes targeted efforts to reduce the cost and time to trade, reduce the technical barriers to trade, improve trade competitiveness, promote an enabling environment for trade and investment, and improve access to credit by deepening the financial sector. Strong partnerships among the U.S. Government, sub-Saharan African trading partners, and the private sector made these gains possible.

AGOA has served as a foundation for U.S. trade policy toward sub-Saharan Africa since 2000. Going forward, the *Trade Africa* model can continue to play a vital role in advancing policies that enhance AGOA utilization and can promote building blocks in additional policy areas — and with additional partners — in order to deepen our trade and investment relationship further, perhaps beyond AGOA.

The initiative's guiding principles:

1. Regional Integration, Creation of Regional Markets, and an Increase in Intraregional Trade. Regional integration and creation of regional markets are key to raising competitiveness, diversifying the economic base, and promoting food security —

USAID/West Africa Trade and Investment Hub

Continuing Efforts

The U.S. Government will continue to work with the host governments, private sector, and other stakeholders to achieve the following goals:

Increase Trade
Increase trade within Africa and bilateral trade with the United States

Stimulate Investment
Stimulate investment in global value chains in a diverse mix of products

Promote Regional Integration
Reduce barriers at borders and along regional transit routes and, in some regions, promote a customs union

Reduce Costs of Trade
Reduce time and cost to trade across Africa to improve the competitiveness of trading firms

benefiting both African consumers and the United States. USAID is working with RECs and national governments to reduce the barriers to trade and investment flows across the continent. In particular, the U.S. Government continues to promote trade facilitation, customs modernization, and standards harmonization; support regulatory coherence and transparency; improve infrastructure that strengthens regional trade and access to global markets; and explore ways to remove impediments to the efficient operation of supply chains in the region.

2. Improvement of Trade and Investment Linkages with the United States. Building on AGOA and United States trade policy, *Trade Africa* is promoting trade and economic ties with the United States, using opportunities under AGOA and potential trade agreements with African partners.

3. Value Addition and Integration into Regional and Global Value Chains. USAID is promoting investment and value addition, particularly in agriculture, that can increase competitiveness, foster links to global and regional value chains, and create jobs.

4. Encouragement of Regulatory and Institutional Reforms that Improve the Business Climate and Enabling Environment for Trade and Investment. The initiative is working with governments, the private sector, advocacy groups and multilateral organizations to improve the business climate for investment, trade, and private sector development.

5. Diversification of the Export Mix. Commodity and oil exports now account for a major share of sub-Saharan African exports. *Trade Africa* is therefore helping African countries diversify their export base by investing in new value chains and/or products exploiting Africa's comparative advantages. The newly developed mango value chain in West Africa is a case in point.

6. Improvement of Access to Finance. The U.S. Government continues to work to improve access to finance and financial sector deepening through various mechanisms, such as the Development Credit Authority. This includes facilitating improvement in host government policies to increase access to credit. ■

"Africa's progress will depend on development that truly lifts countries from poverty to prosperity — because people everywhere deserve the dignity of a life free from want."

—President Obama at African Union headquarters, Addis Ababa, Ethiopia, July 28, 2015

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