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EAST AFRICA

FY 2011–2015 Multi-Year Strategy

U.S. Government Document

The Feed the Future (FTF) Multi-Year Strategies outline the five-year strategic planning for the U.S. Government's global hunger and food security initiative. These documents represent coordinated, whole-of-government approaches to address food security that align in support of partner country priorities. The strategies reflect analysis and strategic choices made at the time of writing and while interagency teams have formally approved these documents, they may be modified as appropriate.

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ABBREVIATIONS AND ACRONYMS

ACTESA	Alliance for Commodity Trade in Eastern and Southern Africa
AfDB	African Development Bank
AFRICA LEAD	Africa Leadership Training and Capacity Building Program
AFSTA	African Seed Trade Association
AGOA	African Growth and Opportunity Act
AGRA	Alliance for a Green Revolution in Africa
AIIM	African Institutions Innovation Mechanism
APHIS	Animal and Plant Health Inspection Service
APS	Annual Program Statement
ARS	Agricultural Research Service (USDA)
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
ASIESA	Alliance for the Seed Industry in East and Southern Africa
AU	African Union
AU-IBAR	African Union - Interafrican Bureau for Animal Resources
AusAID	Australian Agency for International Development
AVRDC	World Vegetable Center (Asian Vegetable Research and Development Center)
CAADP	Comprehensive Africa Agricultural Development Program
CAR	Central African Republic
CDC	Centers for Disease Control and Prevention
CDS	Corridor Diagnostic Study
CEWARN	Conflict Early Warning Network (IGAD)
CIDA	Canadian International Development Agency
COMESA	Common Market for Eastern and Southern Africa
COMPETE	Competitiveness and Trade Expansion Program
CRSP	Collaborative Research Support Program
DFID	UK Department for International Development
DOD	Department of Defense
DRR	Disaster Risk Reduction
DRC	Democratic Republic of the Congo
EAC	East African Community
EAGC	Eastern Africa Grain Council
ECARO	East and Central Africa Regional Office of OFDA
ECSA	East, Central and Southern Africa Health Community
ECSACON	ECSA College of Nursing and Midwifery
EU	European Union
FAS	Foreign Agricultural Service (USDA)
FEMCOM	Federation of National Associations of Women in Business
FEWSNET	Famine Early Warning Systems Network
FFP	Food for Peace
FTF	Feed the Future
FOSTER	Food Security, Sustainable Trade and Environmental Resilience
GATE	Greater Access to Trade Expansion
GCC	Global Climate Change
GDP	Gross Domestic Product
GFSR	Global Food Security Response
GHoA	Greater Horn of Africa
GIS	Geographic Information System
HCA	Horticulture Council for Africa

HIES	Household Income and Expenditure Surveys
ICPAC	IGAD Climate Prediction and Applications Centre
ICT	Information and Communications Technology
IEHA	Initiative to End Hunger in Africa
IFPRI	International Food Policy Research Institute
IGAD	Intergovernmental Authority on Development
IITA	International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
IQC	Indefinite Quantity Contract
IR	Intermediate Result
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goal
MLI	Market Linkages Initiative
MSU	Michigan State University
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NORAD	Norwegian Agency for Development Cooperation
OFDA	Office of U.S. Foreign Disaster Assistance
P4P	Purchase for Progress
PATIA	Partnership with Africa Trade and Investment Agreement
PEPFAR	U.S. President's Emergency Plan for AIDS Relief
PMP	Performance Management Plan
RADDEx	Revenue Authorities Digital Data Exchange
RATIN	Regional Agricultural Trade Intelligence Network
RCQHC	Regional Center for Quality Health Care
REC	Regional Economic Community
REDSO	Regional Economic Development Services Office
REGI	Regional Economic Growth and Integration
ReSAKSS-ECA	Regional Strategic Analysis and Knowledge Support System - Eastern and Central Africa
RHH	Regional Health and HIV/AIDS Office
ROADS	Regional Outreach Addressing AIDS through Development Strategies
RTA	Regional Trade Association
SADC	Southern African Development Community
SAKSS	Strategic Analysis and Knowledge Support System
SFSA	Support for Food Security Activities
SIDA	Swedish International Development Cooperation Agency
SPS	Sanitary and Phytosanitary
TIFA	Trade and Investment Framework Agreement
UBOS	Uganda Bureau of Statistics
USADF	United States Africa Development Foundation
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
USTR	Office of the United States Trade Representative
WASA	West Africa Seed Alliance
WFP	World Food Program
WTO	World Trade Organization

I. DEVELOPMENT CHALLENGES AND OPPORTUNITIES

This regional Feed the Future strategy for East Africa presents the framework, partners, and core investment areas for a five-year program that will work closely with African regional institutions, USAID country missions, private sector trade organizations, and other development partners. It will contribute to the objectives of the Africa-led Comprehensive Africa Agricultural Development Program (CAADP) and the Millennium Development Goal (MDG) of halving the proportion of people living in extreme poverty and suffering from hunger by 2015. The strategy will be implemented within the evolving framework of USAID Forward. The U.S. Government will build upon established partnerships with African regional organizations to support their agenda of free trade areas that open up integrated regional markets. New mechanisms will be developed to expand direct support for African firms and organizations to contribute to the regional objectives of Feed the Future (FTF) and CAADP.

Contractors will be used to provide essential technical and management assistance for limited periods, and to build the capacity of the African partners. The strategy was developed in consultation with regional partner organizations and with our colleagues in USAID's new Bureau for Food Security, the USAID missions in the Feed the Future focus countries in the East Africa region, as well as the State Department, the U.S. Department of Agriculture (USDA), and other U.S. Government agencies. This strategy's regional programs and partners are linked with five Feed the Future focus countries; Ethiopia, Uganda, Rwanda, Kenya, and Tanzania and two aligned countries; Sudan and the Democratic Republic of the Congo (DRC). Close links are also maintained with Zambia and Malawi, which are focus countries in the Southern Africa region. The East Africa USAID Mission also provides support to programs in the Limited Presence Countries of Burundi, Somalia, and Djibouti (Figure 3).

I.1 CHALLENGES AND OPPORTUNITIES

It is difficult to make generalizations about the issues of agricultural development and regional food security over such a heterogeneous area, but certain challenges stand out.

High costs of doing business. The expense and risk of doing business in the region has slowed the growth of private sector investment in key sectors, particularly agricultural production, storage, transport, processing, and marketing. A World Bank study found that poor roads and inadequate transport and other infrastructure, but also non-tariff barriers and complex, inconsistent policies and regulations contribute to high transport and marketing costs¹.

Barriers to intra-regional trade. Residual tariffs, unpredictable export and import restrictions, and a wide range of non-tariff barriers keep the volume of intra-regional trade, particularly in staple crops, well below its potential. African governments, through their Regional Economic Communities (RECs), have committed themselves to regional integration as a broad policy agenda, opening up free trade areas and more efficient common markets. Much remains to be done to implement harmonized policies and regulations, improve the infrastructure, and build the support services to make this vision of regional integration a reality.

Low productivity and inadequate access to markets. Agriculture, which employs the majority of the regional workforce, suffers from low productivity. Yields are low, sometimes as much as 70 percent below global best practice, and post-harvest losses are high. In Kenya, post-harvest losses are estimated at

¹ World Bank Group. 2010. Doing Business in the East African Community: Comparing Regulations in 5 Economies. Washington, DC.

\$8/ton (large farmers) to \$15/ton (small farmers), while in Uganda, losses are estimated at \$28/ton². Many smallholder farmers, particularly women, do not have secure tenure rights, and rapid population growth puts constant pressure on the land and other resources available. Many farmers lack access to improved varieties, seeds, fertilizers, as well as crop, soil, water, and animal management practices that have proved their worth in many African trials, and which have transformed agriculture in other parts of the world, most recently in Asia. Successful examples of African agricultural research and development have been documented in different environments, but the scope and scale of the impact of most of them have been relatively small³. The scaling up of successes has been slow, in large part because the markets accessible to most smallholder farmers are small, fragmented, and risky. Reliable information is not widely available about prices in wider markets, or about the grades and quality standards they demand. Investments by smallholder farmers in increased output and quality are very risky and uncertain – effective incentives are low.

Low competitiveness. For the reasons outlined above, the competitiveness of African-grown staple food commodities in regional markets remains low.

High rates of poverty and malnutrition. Across the region, poverty rates are high, and most countries are not on track to achieve the MDG goal of halving poverty by 2015. Malnutrition rates according to the standard metrics of underweight, stunting, and wasting are also very high:

Table 1. Percentage of Children under Five with Standard Symptoms of Malnutrition in Eastern Africa, by Country

Country	Under-weight	Stunted	Wasted
Burundi	35	53*	7*
Djibouti	33	33	17
DRC	31	46	10
Ethiopia	38	51	12
Kenya	20	35	7
Rwanda	23	51	5
Malawi	21	53	4
Sudan	31	40	16
Tanzania	20	38	6
Uganda	22	44	4
Zambia	19	45	5

Source: UNICEF⁴

*UNICEF data unavailable, from ReSAKSS⁵

Causal factors include inadequate access to food linked to low incomes and poverty, exacerbated by large family sizes and closely spaced births, as well as behavioral and cultural practices that affect the

² World Bank, AFTAR. 2009. East Africa: A study of the Regional Maize Market and Marketing Costs. Washington, DC. P. xiv.

³ Hagblade, S. and P. Hazel 2010. Successes in African agriculture: Lessons for the Future. IFPRI and Johns Hopkins University Press, Baltimore.

⁴ UNICEF: State of the World's Children 2011. Most recent available data from 2003-2009. <http://www.unicef.org/sowc2011/statistics.php>.

⁵ Regional Strategic Analysis and Knowledge Support System (ReSAKSS). 2011. Trends in Key Agricultural and Rural Development Indicators in the COMESA Region. Nairobi

utilization of food, particularly by children under two and their mothers. Micronutrient malnutrition rates are very high, with significant adverse impact on the growth and development of young children.

Chronic food insecurity and chronic emergency food assistance. Food insecurity plagues the entire region. Emergency food assistance has become commonplace in the arid regions in Ethiopia and Kenya, as well as war-ravaged areas of the DRC, Sudan, and Somalia. Between 2005 and 2009, annual deliveries of food aid to the Common Market for Eastern and Southern Africa (COMESA) region as a whole fluctuated between 1.7 and 3 million tons⁶. Ironically, many areas of food surplus lie adjacent to areas of food deficit, but for precisely the challenges listed above –low productivity, lack of secure land rights, high costs of doing business, low competitiveness, and barriers to intra-regional trade – food does not move efficiently or reliably from surplus to deficit areas, limiting the potential market-based response to regional food insecurity.

Gender inequities. In eastern Africa, as in most of the continent, women provide approximately 70 percent of the agricultural labor, 90 percent of the hoeing and weeding work, 60 percent of harvesting and marketing activities, 80 percent of food storage and transport from farm to village, as well as 90 percent of household water and fuel wood and nearly 100 percent of household food preparation⁷. Nevertheless, they have little control over farm decision-making, resources or income. Relative to men, women also have fewer assets, poorer health, less employment, less education and less representation in political and decision-making bodies. Specific gender-based constraints to increased productivity of women farmers include insecurity of tenure and access to resources, low levels of literacy, limited resources to purchase inputs, and social restrictions on meeting with extension agents and accessing other sources of information. Women traders and other businesswomen face difficulties obtaining permits, financing, and services⁸.

Variability and heterogeneity across the region. East Africa is not a homogenous region, and single, one-size-fits-all interventions will not achieve impact. The percent of the population living on less than \$1.25/day ranges from a low of 20 percent in Kenya to close to 80 percent in Rwanda, Burundi, and Tanzania. As shown in Table 1, the percent of children under five years old who are stunted ranges from 33 to 53 percent. Agro-ecological zones form a complex patchwork of high and low potential areas, including productive highlands, broad savannas, sparsely populated arid and semi-arid lands, and rapidly developing urban centers. In almost any given year, some areas in most countries are food secure and generate food surpluses for sale, while other areas suffer moderate to severe shortages. Year-to-year fluctuations in rainfall over short distances mean that these patterns are highly variable in time and in location. Both the frequency and the amplitude of variation in food security, supplies, and prices in local areas are very likely to increase even more as a result of global climate change.

Regional Comparative Advantage

It is important to underscore that there are problems that are inherently regional in nature, and therefore a *regional* program is best placed to invest in solving them. The East Africa region has numerous trade and production-related issues that cut across borders, and therefore demand regional solutions. Movement of pests and diseases, droughts, and other factors that impact agriculture do not respect borders and require regional solutions. Partnering with African regional institutions to develop, design, and implement those solutions is a top priority for the U.S. Government. A summary of these inherently regional issues is as follows:

⁶ *ibid.*

⁷ ASARECA. 2009. *Gender Mainstreaming Strategic Plan*. Entebbe, Uganda, quoting FAO sources.

⁸ Rubin et al. 2009. *Promoting Gender Equitable Opportunities in Agricultural Value Chains*. Washington, D.C.: USAID.

- *Achieve economies of scale in larger regional markets (CAADP Pillar II).* Individual country markets are too small to achieve efficiency; prices received by farmers fluctuate in response to local changes in supply and demand⁹. Fragmented local and national markets are not large enough to attract private investments to reduce transactions costs for services. The integration of regional markets, a high-profile goal of the Regional Economic Communities (RECs), will open up opportunities to better balance supply and demand on a regional scale, buffering price volatility and achieving economies of scale.
- *Reduce transactions costs along regional transport corridors (CAADP Pillar II).* The time and cost of moving goods along transport corridors to regional markets are high, due to inadequate investments in roads and other transport infrastructure, inefficient procedures at borders and weigh stations, non-tariff barriers, corruption, and other issues. Coordinated support from governments, RECs, the private sector, and donors can do much to ensure that the enabling environment for regional trade improves as quickly as possible. The World Bank's *Doing Business in the East African Community 2010* observed that "if the best of East African regulations and procedures were implemented across the board, the business environment in East Africa, as measured by *Doing Business*, would be comparable to that in Thailand¹⁰."
- *Consolidate and rationalize fragmented regional value chains (CAADP Pillar II).* An unpredictable policy environment, tariff and non-tariff trade barriers, slow approval and implementation of harmonized standards, and shortage of structured trade facilities (e.g., warehouse receipt systems, commodity exchanges, regional finance and payment systems, and reliable market information) inhibit competitiveness of the region as a whole, leading to sub-optimal levels of intra-regional trade. Increased regional cooperation and investments by the private sector along regional value chains can open up opportunities from which many partners at the national and regional levels will benefit¹¹.
- *Facilitate access to science, technologies, knowledge, and inputs (CAADP Pillar IV).* Growth in agricultural productivity is a major driver of improved food security and economic growth, through decreased food prices, increased incomes to producers, accelerated agricultural growth, and increased exports¹². The diverse patchwork of agro-ecological zones across the region makes it difficult for under-funded national research and extension systems to meet the range of needs and demands for technologies, many of which are very similar to those faced in neighboring countries. A regional platform for coordination can pull together scientific capacity from multiple countries to meet common regional needs, and provide efficient linkages with advanced research institutions in the international

⁹ Owuor J. 1998. *Determinants of Agricultural Productivity in Kenya*, Tegemeo Institute for Agriculture Policy and Development, Egerton University, Njoro Kenya.

¹⁰ World Bank Group. 2010. *Doing Business in the East African Community: Comparing Regulations in 5 Economies*. Washington, DC. p1.

¹¹ Haggblade, S., J. Govereh, H. Nielson, D. Tschirley and P. Dorosh. 2008. *Trade in Food Staples: Prospects for Stimulating Agricultural Growth and Moderating Short-Term Food Security Crises in Eastern and Southern Africa*. World Bank.

¹² *ibid.*

arena. Farmers need quality seed of improved varieties; regionally harmonized standards and regulations will encourage private investments in multiplication and distribution systems. Regional supply chains for fertilizers and other imported inputs need improved policies, regulations, information and other components of the enabling environment to reduce wholesale costs at the country level.

- *Regionally coordinated research and sharing of best practices to mitigate uncertainty and risk linked to global climate change (CAADP Pillars I and III).* Increasing variability in weather conditions is increasing the frequency and severity of droughts and floods, as well as increasing the uncertainty of seasonal rainfall patterns across the region. This means higher risks for farmers and pastoral livestock herders, increasing their vulnerability to food insecurity. The heavy dependence of the region on maize is cause for concern. Regionally coordinated research and sharing of best practices on alternative, more drought resilient staple crops and on more resilient management practices will have wide regional benefits.
- *Regionally coordinated responses to chronic food insecurity and malnutrition (CAADP Pillar III).* Regionally coordinated, harmonized standards for fortification will encourage private sector trade and investment, building integrated regional markets for affordable nutritious weaning foods and micronutrient-enriched processed foods. Regional food safety standards will protect young children and pregnant women from unsafe food additives and fungal contaminants. Regional information systems will share best practices on crop and dietary diversification, improve regional standards for gathering food consumption data, and increase private sector and trade associations' social marketing efforts to improve feeding practices for young children. Advocacy through regional organizations on the high economic costs of malnutrition will increase the number of governments prioritizing nutrition as a critical economic intervention.

Regional Opportunities: A Review of the Evidence

A large body of research exists on the role of agriculture in stimulating growth, decreasing poverty and improving food security in the region^{13,14,15}. Agriculture in eastern Africa is dominated by large numbers of smallholder farmers producing only barely or less than their average household consumption needs under rain-fed conditions, making them highly vulnerable to a range of shocks – weather, price, government policy shifts, and other threats. These farmers mainly produce staple foods (crops and livestock) that are widely consumed in the region. It is estimated that staple foods comprise between 50 and 75 percent of the caloric intake by consumers, who spend 40 to 70 percent of household budgets on these commodities¹⁶. Because the livelihoods of such large numbers of food insecure households in rural areas are based on agriculture, improving agricultural productivity and increasing farmers' incomes are keys to achieving food security. Using a multi-market model to project the impact of increased productivity, a study by the International Food Policy Research Institute (IFPRI) found that

¹³ The World Bank. 2007. *World Development Report 2008: Agriculture for Development*. Washington, D.C.

¹⁴ InterAcademy Council (IAC). 2004. *Realizing the Promise and Potential of African Agriculture*. Amsterdam.

¹⁵ Juma, C. 2011. *The New Harvest: Agricultural Innovation in Africa*. Oxford University Press, Oxford and New York.

¹⁶ Michigan State University. 2010. *Variation in Staple Food Prices in Eastern and Southern Africa: A Synthesis Paper* prepared for COMESA meeting, Maputo, Mozambique.

increased productivity of the widely grown and universally consumed staple foods have the highest impact on Gross Domestic Product (GDP), followed by livestock, vegetables, fruits and oilseeds¹⁷.

Increased productivity and supply, according to the IFPRI multi-market model, will result in decreased consumer prices of these food commodities, thus allowing households to reallocate resources from basic food to other commodities, increasing demand that will encourage increased production of a diversified range of commodities¹⁸. The study found that if agricultural production were to be doubled, consumer prices would decline by 25 percent, while producer prices would fall by only 10 percent, generating a net gain of revenues for producers. Achieving these gains will require accessibility of inputs, access to land and water resources, improvements in transport infrastructure and reductions in trade barriers¹⁹. This means that while increased productivity of staple crops and livestock is essential, improved market systems are also needed to achieve the rates of growth in GDP needed to meet the MDG goals of reducing poverty and hunger. The study concludes that a robust and balanced growth strategy must support improved market access and trade, as well as increased productivity for a variety of staple foods, as well as growth in non-agriculture sectors.

Trade plays an important role in food security by moving goods from surplus to deficit areas. Staple foods are the fastest growing set of commodities in agricultural trade in east and southern Africa, with an estimated value of \$50 billion. Staples represent 75 percent of the value of total agricultural products traded²⁰. It is estimated that demand for staple foods in the region will grow from \$6.9 billion in 1997-99 to \$11.6 billion by 2015²¹.

With this growing demand, access to larger, more diverse markets can buffer the impact of local gluts and falling prices in high production areas and seasons, and reduce price spikes in areas suffering seasonal shortfalls. As elsewhere in the world, trade that crosses political boundaries entails many practical complications and added transactions costs. Nevertheless, regional trade in eastern and southern Africa is critical to reduce the vulnerabilities associated with small domestic markets and unpredictable supplies. Opening regional borders to staple food trade provides outlets for surplus production, creates incentives for continued increases in productivity, and reduces the risk for both producers and consumers by moderating price changes²². Several empirical studies in the region have identified significant benefits in increased incomes and reduced poverty from linking food surplus to deficit areas across borders²³. Diao *et al* found that if trade is not improved, a doubling of production would lead to a 35 to 40 percent drop in producer prices, resulting in lost incomes²⁴. However, their model predicts that increased agricultural growth combined with improved regional markets would lift

¹⁷ Omamo, S.W., S. Diao, S. Wood, J. Chamberlin, L. You, S. Benin, U. Wood-Sichra, A. Tatwangire. 2006. *Strategic Priorities for Agricultural Development in East and Central Africa. Research Report 150*, IFPRI and ASARECA. Washington, DC.

¹⁸ *ibid*

¹⁹ Diao, X *et al.* 2008. *Accelerating African's Food Production in Response to Rising Food Prices – Impacts and Requisite Actions*. Re-SAKSS Working Paper 3.

²⁰ Haggblade, S., *et al.* 2008. *Trade in Food Staples: Prospects for Stimulating Agricultural Growth and Moderating Short-Term Food Security Crises in Eastern and Southern Africa*. World Bank.

²¹ Riddell *et al*, quoted in World Bank. 2009. *East Africa: A study of the Regional Maize Market and Marketing Costs*. AFTAR. Washington, DC.

²² *O p. cit.*

²³ Haggblade 2008, Diao 2008 quoted in World Bank. 2009. *East Africa: A study of the Regional Maize Market and Marketing Costs*. AFTAR. Washington, DC.

²⁴ Diao, X., S. Fan, D. Headley, M. Johnson, A. Ninn Pratt, B. You. 2008. *Accelerating Africa's Food Production in Response to High Food Prices – Impacts and Requisite Actions*. IFPRI.

107 million Africans out of poverty²⁵. This is why the East Africa Feed the Future strategy is linked to the goal of regional integration of the East African Community (EAC) and COMESA.

A large number of recent studies highlight the importance of high transit costs as a critical constraint to increased intra-regional trade^{26,27}. This is particularly true for bulky commodities such as grain. There are a wide range of interventions that are needed to reduce the time and cost of transit. The East African Corridor Diagnostic Study (CDS) has identified a number of sections along the Northern and Central Corridors that need improvements²⁸. More investments need to be made in rural feeder roads and urban road networks, significant choke points in the overall performance of the transport corridors²⁹. The trucking and freight forwarding industry is inefficient, with many aging, poorly maintained trucks. Investments in construction and rehabilitation are important, but these studies show that streamlining border operations and improving logistical performance are also crucial. Delays at the region's borders range from several hours to several days, and logistical performance is hampered by burdensome paper requirements for trade.

There is a body of evidence showing that government actions such as ad hoc import and export bans and tariffs can actually result in increased price volatility³⁰, with negative impact on agricultural productivity³¹. Unpredictable policies and resultant price volatility act as disincentives to farmers and other private sector actors along staple foods value chains to make long term investments in storage, warehousing, and transport. Poor households who rely on markets to access food in periods of deficit become vulnerable to food insecurity when prices spike, while farmers further lose incentives to produce due to local supply gluts and falling prices. Trade barriers also affect market efficiencies, with high import tariffs forcing traders into the informal trade sector, increasing the cost of moving goods across borders³².

Risk management and predictable staple food prices are prerequisites for sustainable, long-term development and growth for African smallholder farmers. Many governments have set up food reserves as buffer stocks to mitigate price volatility, but a recent study comparing several countries in the region found that the countries pursuing food price stabilization policies through state interventions nevertheless often experience high price instability and low productivity³³. Tariff barriers are now decreasing due to concerted moves by the EAC and COMESA to build free trade areas and common markets for regional integration. Governments and the private sector are applying market-driven risk mitigation tools such as reliable, real time market information systems, warehouse receipt systems, crop insurance schemes, commodity exchanges, and futures markets to bring more stability and predictability to local and regional markets for staple commodities.

²⁵ *ibid.*

²⁶ Foster, V. and C. Briceño-Garmendia. 2010 *Africa's Infrastructure: A Time for Transformation*, World Bank Publications, Washington, D.C.

²⁷ World Economic Forum. 2009. *Africa Competitiveness Report*.

²⁸ DFID and USAID. 2011. *Corridor Diagnostic Study*. www.eastafricancorridors.org.

²⁹ Perez, AP and JS Wilson. 2008. *Lowering Costs for Development in Africa*. World Bank, Washington D.C.

³⁰ Haggblade 2008, Diao 2008 quoted in World Bank. 2009 *East Africa: A study of the Regional Maize Market and Marketing Costs*. AFTAR. Washington, DC.

³¹ Rashid, S and T.S. Jayne. 2010. *Risk Management in African Agriculture: A Review of Experiences*. For African Agriculture Markets Program paper for ACTESA and COMESA.

http://www.aec.msu.edu/fs2/aamp/sept_2010/aamp_lilongwe-summary.pdf

³² *ibid*

³³ Chapoto, A. and T.S. Jayne. 2009. *The Impact of Trade Barriers on Maize Price Predictability: Evidence from Eastern and Southern Africa*. Michigan State University. East Lansing. <http://www.aec.msu.edu/fs2/papers/idwp102.pdf>

A core objective of both African regional organizations and the regional Feed the Future strategy is to reduce barriers to trade and encourage investments in regionally integrated markets, significantly improving regional food security. As stated earlier, regional integration is a top priority of COMESA and the EAC, and the evidence from investments to date support this view: from 2000-2005, the average annual growth rate in intra-regional trade was 14 percent, a figure that jumped to 30 percent from 2005-2008³⁴. The implementation of the African-led program of regional market integration linked to the CAADP investment plans in each country – and the emerging regional CAADP framework – offers the opportunity to open up market links for key value chains across the region. Expanding roles for the RECs are an opportunity to set up structures that will enable innovation in agriculture³⁵. This will create incentives for investments in improved technologies to increase yields, improve post-harvest handling and processing, increase production, reduce losses, and add value.

The East Africa Feed the Future strategy is designed to unlock the trade potential of the region to get increased quantities of staple food commodities moving from surplus to deficit areas along strategic transport corridors. Targeted interventions will also make technologies, improved seeds, and other inputs available across the region at affordable prices. Opening up greater market opportunities provides strong incentives to producers to invest in productivity-enhancing technologies. More efficient regional markets will stimulate economic growth, leading to improved food security and improved nutrition.

I.2 EAST AFRICA REGIONAL STRATEGY

In response to these regional challenges and opportunities, the U.S. Government has developed a five-year Feed the Future strategy that addresses key regional issues. It is not an agglomeration of bilateral strategies, nor will it duplicate activities best managed on a country-by-country basis. Rather, the strategy looks across the region to identify those challenges that can be most effectively and efficiently tackled at the regional level and that will add value to the national CAADP investment plans and country Feed the Future strategies. Regionally supported activities will complement activities at the national level, shaping the regional dimension to them. The East Africa Feed the Future strategy will support the development of seamless cross-border supply chains that will catalyze increased regional trade and food production, including trade in fortified staple foods, promote regional food security and food safety, and encourage greater regional integration.

The goal of the regional Feed the Future strategy is *Increased Access, Availability, and Utilization of African-grown staple foods in Regionally Integrated Markets on the Northern and Central Corridors*. The planned activities will most directly affect availability, the total quantity of food available. Nevertheless, outcomes and impact on increased access through incomes, and with improved utilization through safe and nutritious foods, will be monitored.

The strategy is organized into three areas, as shown in the FTF framework in Figure 1.

Transformational Focus Area: Increase Trade Flows of Staple Foods in the Region

The regional investment activities to implement the strategy will be organized within this focus area. The core investment areas are organized into activities under three Intermediate Results:

- I) Integrated national and regional markets,

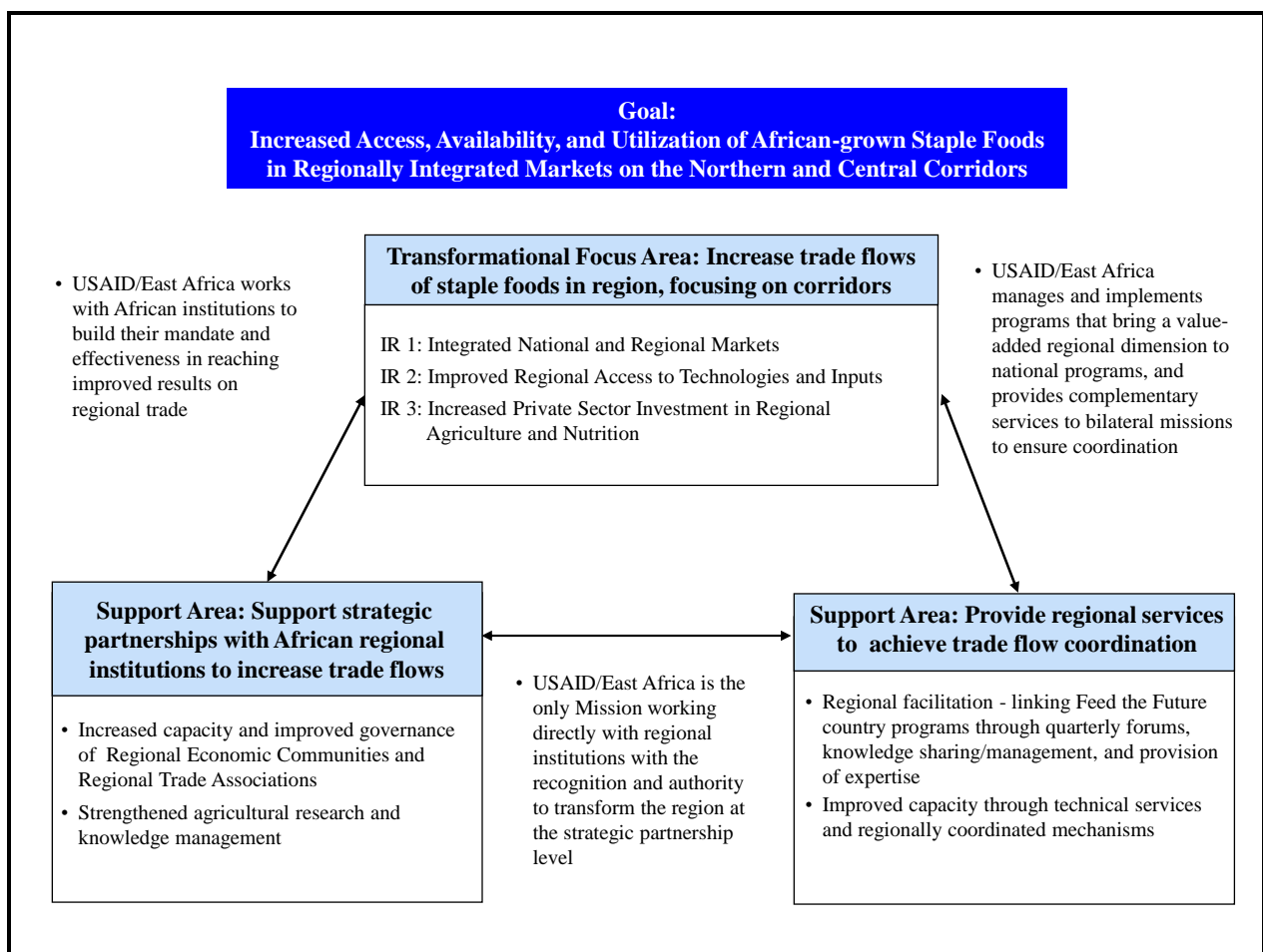
³⁴ COMESA. 2010, *Annual Report for 2009*. COMESA. Lusaka, Zambia.

³⁵ Juma, C, 2011, *The New Harvest: Agricultural Innovation in Africa*. Oxford University Press, Oxford and New York.

- 2) Improved regional access to technologies and inputs, and
- 3) Increased private sector investment in regional agriculture and nutrition-related activities.

These map exactly into the first three of the second-level objectives in the Feed the Future results framework: 1) Improved agricultural productivity; 2) Improved markets; and 3) Increased private sector investment in agriculture and nutrition-related activities. Investments will be focused along the Northern and Central transport corridors and the associated market sheds. As shown in the map in Figure 3, these run from the ports of Mombasa and Dar es Salaam to the Great Lakes including eastern DRC, with spurs to southern Sudan, Malawi, and Zambia.

Figure 1. East Africa Feed the Future Strategy



Support Area: Support Strategic Partnerships with African Regional Institutions

Investments in the focus area will be implemented in close collaboration with African regional institutions in both the public and the private sectors linked with CAADP. Capacity building and technical assistance, in coordination with activities of other development partners, will build the long-term sustainability of the regional integration agenda. The roles of the principal African regional partner institutions are summarized in Section 2.

Support Area: Provide Regional Services

USAID/East Africa provides some core operational services to bilateral missions including legal, financial management, environmental compliance, information and communications technology (ICT), Global Development Alliances and support to strategic planning and monitoring and evaluation (M&E). In addition, as part of Feed the Future, an expanded regional team will provide technical services on focused topics to missions in the focus countries, and to both regional and bilateral partner organizations, to build coordination and synergies.

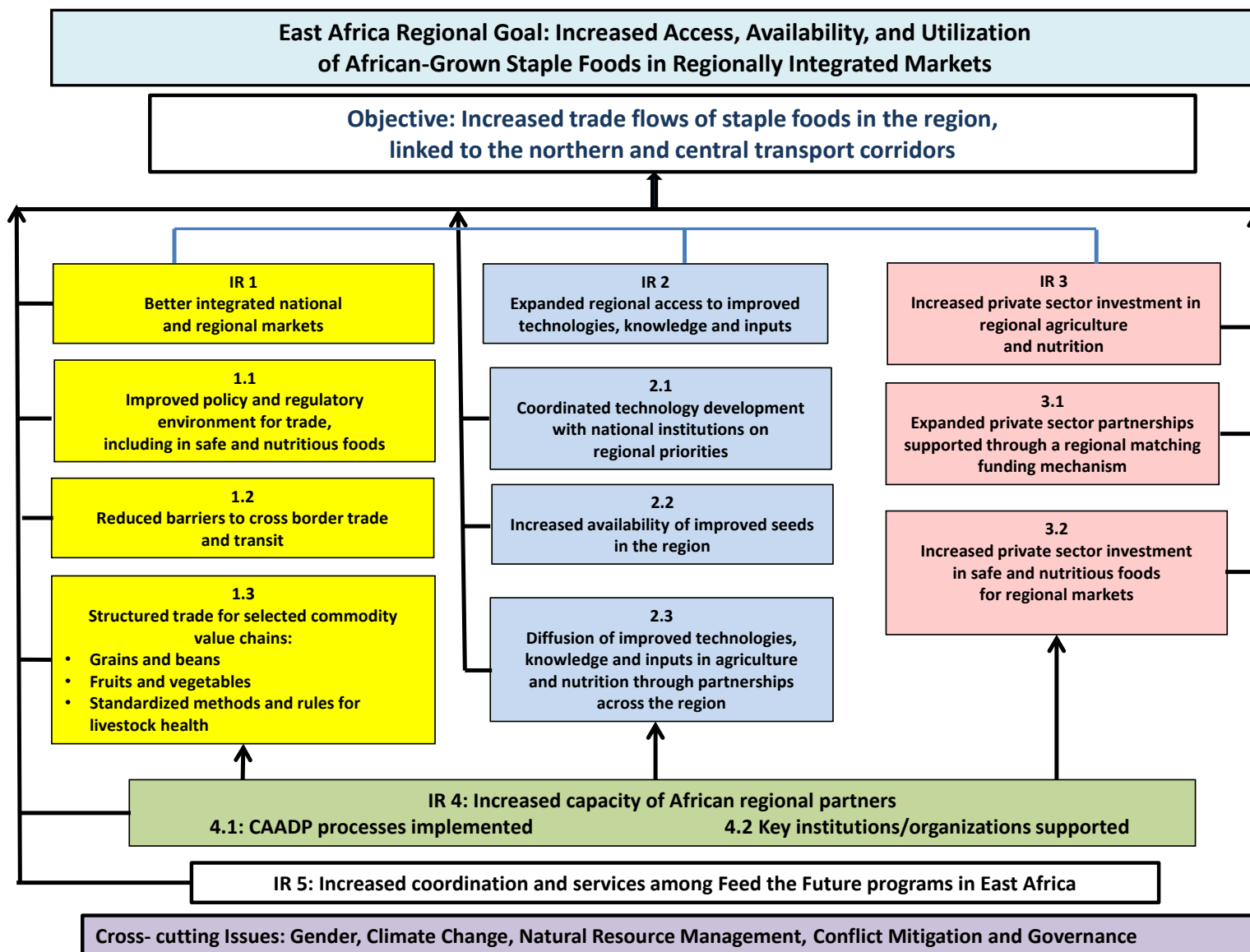
Development Hypothesis and Expected Impact

The implementation of this strategy will improve regional food security and nutrition by building structured regional markets that will significantly expand opportunities along selected staple food value chains for smallholder farmers, farmers' organizations, traders, storage and warehouse operators, processing firms, and transporters. Increased volume and value of intra-regional trade will have a direct impact on expanded access, availability, and utilization of the prioritized staple foods. Key regional leverage points, based on the principles of regional comparative advantage outlined above, are as follows:

- Support the EAC, COMESA, and their agencies to accelerate their own agendas to promote free trade and improve the enabling environment for regional trade and market access. Support will be focused on harmonizing policies and regulations to de-bottleneck trade in the targeted staple commodities, and to get them implemented and enforced at the national level.
- Support the design and implementation of streamlined procedures and systems to reduce the time and cost of moving commodities across six key border points on the Northern and Central transport corridors, as well as more broadly to reduce the transaction costs of moving commodities from surplus to deficit areas served by those corridors.
- Support regional trade associations, regional seed industry associations, and private sector firms to improve facilities and services for market access and structured trade in both the target commodities and the inputs required to increase productivity. Support for a regional seed alliance is one key element.
- Support regionally coordinated research in agricultural science to make improved technologies and knowledge available to partners across the region that have the capacity to transfer them to farmers and other users along the priority value chains.
- Support regional organizations in the health sector to build effective linkages with the RECs and other partners in agriculture, in order to implement policies and regulations that will improve nutritional quality and safety. Support the regional diffusion of best practices in nutrition that are linked to agriculture and trade, and which can be effectively addressed from regional platforms.

The strategy can also be visualized as a results framework shown in Figure 2 on the next page.

Figure 2. East Africa Regional Feed the Future Results Framework



The key outcome of success of the strategy will be reflected in increased volume and value of intra-regional trade in selected commodities. USAID/East Africa has invested heavily in an improved methodology for tracking this indicator, which will allow for more confident tracking of success in regard to increased regional trade flows and regional integration, linked to more specific outputs and outcomes at the project level. The Regional Strategic Analysis and Knowledge Support System (ReSAKSS) established the baseline of 2008 and will be providing regular reporting against targets, including detailed analysis of trends and factors influencing observed changes.

Reaching Smallholder Farmers and Reducing Poverty and Hunger

The overall goal of both the Feed the Future initiative and CAADP is to reduce poverty and hunger by transforming smallholder agriculture. As discussed above, smallholder farmers in East Africa face numerous constraints: small farm size; insecure access to land and other resources; low productivity due to very limited use of improved varieties, fertilizers, and other inputs; very limited access to credit and finance; high post-harvest losses; and risky and uncertain local markets.

Improved technologies and knowledge, as well as seeds and other inputs need to be distributed through extension and agro-dealer networks. Farmers' organizations need to help their members to produce the quantities and quality demanded in the market. Expanded private investments in storage, warehousing, warehouse receipt systems, finance, transport, processing, livestock health services, and many other improved facilities and services are needed to aggregate commodities and move them into regional markets. Other interventions are needed to ensure that increased farm incomes translate into better diets and improved nutrition, particularly in the critical first one thousand days of life. The regional value chain is a mechanism for coordination between programs and partners working on markets and trade for the same commodity at the local, national, and regional levels.

This regional Feed the Future strategy will focus and concentrate in those areas where there is a clear regional comparative advantage. Critical linkages down the value chains will require close collaboration and partnership with the country programs and other partners operating at the national and local levels. The private sector regional trade and seed associations, the RECs, and other regional partners will make linkages through their counterparts and members at the national level. USAID/East Africa will convene regional meetings and forums to clarify how to improve cooperation in the development of structured trading systems that are accessible to smallholder farmers to open up integrated regional markets. As a market-based approach, the regional strategy will encourage farming as a viable business. Linkages through the Office of U.S. Foreign Disaster Assistance (OFDA), Food for Peace, the World Food Program, and other partners will encourage the transition from relief to development for poorer households that cannot currently produce surplus commodities for sale.

To document the impact of increased regional trade on the higher-level goals of reduced poverty and hunger, the U.S. Government is working with ReSAKSS to develop a framework for evaluating the impacts of regional agricultural programs. The framework aims at defining regional public goods, as well as the causal pathways through which regional investments lead to impact on poverty and food security. In 2011, ReSAKSS will lead an impact study focused on the relationship between regional trade and poverty reduction in smallholder farmers. Further support for impact evaluations during the course of this strategy will build on the research questions that stem from this initial study.

Nutrition

Feed the Future is an agricultural growth strategy with important nutritional objectives. Research has shown that smallholder-based agricultural development does reduce the prevalence of malnutrition,

particularly stunting, in developing economies³⁶. Nutrition education and health-based interventions are more effective when they complement increased agricultural productivity, more diversified cropping, and increased household incomes. Increased flows of staple foods from surplus to deficit areas and lower food prices as a result of more efficient production and marketing systems are expected to have measureable impact on food security and nutritional status throughout the region. A small number of highly focused activities to synergize agriculture, trade, and nutrition objectives have been identified in collaboration with USAID/East Africa's Regional Health and HIV Office (RHH). An integrated program will contribute to both the Feed the Future and Global Health Initiatives, incorporating four priority areas focused on the critical "one thousand days" for pregnant and lactating women and their children under two: fortification and biofortification, food quality and safety, dietary diversity, and institutional capacity. These are embedded as cross-cutting factors within the focus and support areas of the strategy, contributing to increased availability of, access to, and utilization of food. Assuming that at least the minimum budget for nutrition is maintained, this strategy will contribute in the following areas:

- *Fortification and Biofortification.* The East, Central and Southern Africa Health Community (ECSA) will work with partners to support the implementation of regionally harmonized fortification, safety, and quality standards for salt, sugar, oils and grain-based products. The agenda will be expanded to address technical and other non-tariff barriers to trade in fortified commodities, as well as policy and regulatory barriers faced by the private sector for the regional distribution of fortified foods. ECSA will work with the relevant technical committees in the EAC and COMESA to advocate for the cross-sectoral implementation of harmonized policies and standards. Alliances of partners working at the regional and national levels will be formed to ensure that fortified foods reach vulnerable households. The consumption of biofortified crops will also be promoted. Lessons learned from pilot programs to evaluate the consumer acceptability of orange-fleshed sweet potatoes that are high in pro-Vitamin A, and of iron-fortified lentils, will be made available; an ongoing project in Rwanda will be supported by USAID/East Africa, and other FTF focus countries are supporting activities of this kind. Based on the results of these experiences, a plan will be developed to scale up the availability and use of biofortified commodities across the region.
- *Food Quality and Safety.* Aflatoxin, a naturally occurring mycotoxin that grows on grains and legumes, is endemic throughout the region. Contamination occurs across the production, postharvest and primary processing steps in the value chain. Acute exposure results in mortality rates of 25 to 40 percent, while chronic exposure of lower levels causes impaired immune function, growth retardation and liver disease³⁷. Aflatoxin poses the greatest risk to populations consuming maize as their staple food as well as groundnuts, and also affects livestock. Due to the effects of greater climate variability, areas that will see increases in rainfall and ambient moisture levels are expected to become increasingly more susceptible to aflatoxin contamination. An African regional partner will be selected to support work in this area.

³⁶ Webb, P. and Block, S. 2010. "Support for Agriculture during Economic Transformation: Impacts on Poverty and Undernutrition." *Proceedings of the National Academy of Sciences*. Washington, D.C.

³⁷ Gong Y, Cardwell K, Wild C, et al. 2002. *Dietary Aflatoxin Exposure and Impaired Growth in Young Children from Benin and Togo: Cross Sectional Study*. British Medical Journal, Clinical Research Edition, July 6.

Feed the Future seeks to support a comprehensive program of aflatoxin control measures in collaboration with partners including USDA, the International Institute of Tropical Agriculture (IITA), the Centers for Disease Control and Prevention (CDC), and the Bill and Melinda Gates Foundation:

- The development of the “Partnership for Aflatoxin Control in Africa” through the CAADP pillar institutions and the Africa Union (AU). This partnership will further define the array of programs that are needed across the health, agriculture, trade and manufacturing sectors to control aflatoxin.
 - Scaling up of “aflasafe” initiatives to promote biological control of aflatoxin, especially for small producers. “Atoxigenic” species that crowd out toxic strains are widely used across the southern United States.
 - Distribution of knowledge and best practices to organizations providing technical assistance to address aflatoxin challenges along the value chain through improved post-harvest handling and storage at the household, village and warehousing levels.
 - Strengthening the “whole of government” approach, USAID/East Africa will work closely with the CDC to disseminate the results of their research assessing the correlation between chronic exposure to aflatoxin and stunting.
- *Dietary Diversity.* Diets over-dependent on starchy staples contribute to micro nutritional deficiencies throughout the region. Over the next decade, the burden of diet-related diseases may overtake welfare gains attributable to growth in the agriculture sector unless concrete steps are taken^{38,39}. In this context, key priorities are to promote increased consumption of heme iron, vitamin A and zinc, coupled with reductions in the consumption of sugar, saturated fats and simple carbohydrates. Model policies will be developed and disseminated through regional organizations to promote a transition to more diverse and nutritious diets, based on analysis of nutritionally-linked economic impacts. Awareness will be built about the relationships between household food security, nutrition, stunting and malnutrition obesity. Support to the horticulture value chain, making fruits and vegetables rich in micronutrients and fiber more widely available and accessible, will complement these policy-level programs.
 - *Institutional Strengthening.* USAID/East Africa’s RHH office will engage a full-time nutrition advisor to provide technical assistance services to regional institutions and national programs. The regional office of Food for Peace will contribute 25 percent of the cost of this position.

³⁸ Lopez AD, Mathers CD, Ezzati M, Jamison DT, Murray CJL. 2006. *Global Burden of Disease and Risk Factors*. Washington, DC: Oxford University Press and World Bank, Oxford and New York.

³⁹ Abegunde DO, Mathers CD, Adam T, Ortegon M, Strong K. 2007. *The Burden and Costs of Chronic Diseases in Low-income and Middle-Income Countries*. Lancet 2007; 370: 1929–38.

I.3 CROSS-CUTTING ISSUES AND IMPLEMENTATION

Gender

USAID/East Africa is currently undergoing a gender assessment to identify the most appropriate interventions to integrate gender into its Feed the Future and climate change programs. The initial assessment report, based on a desk review, identifies key gender issues for Feed the Future, including improved policies and capacity building to encourage women to engage in regional trade; obtain credit; gain access to land, resources, agricultural research results and extension; and overcome barriers to women-owned businesses⁴⁰. Final decisions on gender related investments will be informed by the completed study, which is incorporating field visits and feedback from regional stakeholders to develop recommendations for priority program design components. The multi-year strategy incorporates gender-related investments in each of the three focus areas, with illustrative activities (pending final assessment report and funding availability) as follows:

1. *Transformational Focus Area: Increase trade flows of staple foods in the region, focusing on corridors.* The regional trade corridor program will address gender-based constraints through its policy and value chain related activities. Potential policy investments include: harmonization of gender policies in national trade policies, ensuring respect for international agreements guaranteeing women's land and property rights, and passing of the East African Protocol on Gender and Development and the East African Declaration on Gender Equality. Value chain programs will build the capacity of both men and women to be change agents for improving women's involvement in trade, safety, and reducing the limitations on their mobility due to harassment at borders. Investments in improved regional access to technologies and inputs will promote development of labor saving technologies for women, identify resilient crop varieties, and improve equitable access to regional market information systems. The U.S. Government will promote implementation of gender-responsive value chain programming using methods developed under the Greater Access to Trade Expansion (GATE) project. Its "Integrating Gender into Agricultural Value Chains" (INGIA-VC) process involves five phases, beginning with a mapping of gender relations and roles along the value chain, then identifying gender disparities and the conditions that cause them. Actions to address the constraints are tested and gender-responsive indicators track the success of those efforts⁴¹. For example, a gender analysis of Uganda's new trade licensing procedures revealed that it negatively affected women's ability to get trade licenses, as fewer women than men could afford the legal help to fulfill the requirements. The Ugandan government consequently simplified its procedures and the number of women able to formalize their businesses increased⁴².
2. *Support Area: Support strategic partnerships with African regional institutions to increase trade flows.* The strategy will support gender sensitive programs and effective representation of women in regional institutions, some of which are already developed and running, such as in COMESA, the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA), the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), and

⁴⁰ DevTech Systems, Inc. 2010. *Gender, Agriculture, and Climate Change: A Regional Analysis for USAID/East Africa*. A publication prepared under the WID IQC Contract No. GEW-I-00-02-00019-00, Task Order 01. Washington, DC: USAID.

⁴¹ Rubin, DKN Barrett, and C Manfre. 2009. *Promoting Gender Equitable Opportunities in Agricultural Value Chains*: USAID GATE project. Washington, D.C.

⁴² *ibid.*

the Federation of National Associations of Women in Business in COMESA (FEMCOM). FEMCOM has partnered with ACTESA to advance gender equity in all COMESA agriculture related programs. Targeted capacity building will help close the gap between gender equitable policies and implementation efforts, and support regional women's organizations, as well as key regional networks or associations to enhance the contributions of women researchers and businesswomen throughout the value chain.

3. *Support Area: Provide regional services to achieve trade flow coordination.* The regional gender assessment includes a training component for U.S. Government and implementing partner staff, which will build capacity to design and implement gender responsive programs. In order to expand USAID's expertise in gender, USAID country missions in the region will also have the opportunity to buy-in to this training component. Other potential service investments include the convening of technical meetings on gender and the management of a platform for the collection, analysis and dissemination of gender related information on lessons learned, best practices, and monitoring and evaluation.

Global Climate Change (GCC) and Natural Resource Management

Under the Global Climate Change Initiative, USAID/East Africa is developing a new program on regional adaptation to climate change. To assess potential opportunities for investment, USAID/East Africa is completing a set of related institutional, vulnerability and cost studies. The expanded program will build on the Mission's experience working with regional institutions working on land and water management in cross-border river basins, particularly the EAC and its Lake Victoria Basin Commission. Although the regional Feed the Future program will not direct its investments to achieve specific outcomes related to climate change, it will look for opportunities to enhance complementarities and synergies.

For example, maize is a major focus in the region, although it is already a risky crop to grow in areas of marginal and variable rainfall, conditions that are very likely to become more widespread as a result of climate change. Drought-tolerant alternative crops like sorghum or pigeon peas will only become profitable alternatives if larger, more reliable, integrated markets become available, which is the focus of this regional strategy. USAID/East Africa's adaptation program expects to contribute indirectly to the success of the Feed the Future program by expanding investments in scientific capacity, improved climate information, predictions and diffusion of information, and evidence-based analysis to identify vulnerabilities in selected value chains and agro-ecological regions. Furthermore, USAID/East Africa plans to invest in building the capacity of regional partners and stakeholders to make use of climate information and analysis in decision-making.

Conflict Mitigation and Good Governance

Conflict, pervasive corruption, and poor governance are key challenges to improving food security in the East Africa region. Northern Uganda, DRC, Sudan, and Burundi have all recently emerged from a decade or more of conflict. Somalia remains in conflict. The legacy of those conflicts includes lack of investment in infrastructure and development, as well as large segments of the population with little or no education and minimal means of livelihoods. Agricultural production stopped completely in the most insecure zones and was severely constrained in the remaining areas. Other countries in the region experience chronic conflict, particularly in pastoral areas, that deter investment and present challenges to improving livestock production and rangeland management.

The absence of consistently free and fair elections creates cyclical risks of political violence with each election cycle in many countries of the region. When sparked, electoral violence and contestation of

results frequently shut down trade and economic activity in the subject nation. This affects the subject nation as well as its regional trade partners. For example, Kenya's 2007/8 electoral violence spilled over into Uganda and other countries, as the rail routes from the port of Mombasa were closed and the road routes were severely compromised, undermining both the commercial and humanitarian supply of food and other vital supplies to these countries.

Corruption and poor governance present additional challenges. Corruption is among the highest non-tariff barriers to trade in the region. The 2008 East Africa Business Council's Business Climate Index estimated that East African businesses pay nearly \$9.8 million a year in bribes at weigh bridges, roadblocks, and customs points⁴³. Unpredictable trade policies and regulations contribute to price volatility, deter investment in agricultural production, and present additional trade barriers. Cumbersome government regulations and procedures increase the time required for trade transactions and provide multiple opportunities for petty corruption. Due to these factors, implementation of activities along these corridors will face many challenges, including interference from parties that have benefited from the status quo.

Increasing regional trade will require building the capacity of regional African partner organizations to reduce government and private sector corruption, as well as inefficiencies in the customs and freight forwarding sectors. Regional Economic Communities, Regional Trade Associations, and other partners will need strong internal governance systems in order to effectively implement Feed the Future programs and the regional integration and CAADP agendas. Working through regional and national processes to harmonize and implement effective policies and regulations requires strong institutional capacity, transparent systems and deliberate means of engaging civil society and on-the-ground stakeholders.

USAID/East Africa has a strong track record in working with RECs, Regional Trade Associations, and other stakeholders in policy development and implementation. Feed the Future activities will continue using this best practice of engaging both government and private sector actors in areas of policy and regulatory reform. Further, activities to increase efficiency and transparency in regional trade will continue to reduce opportunities for corruption along the Northern and Central corridors.

The East Africa Feed the Future team will continue to draw on the expertise of the Mission's Regional Conflict Management and Governance Office (RCMG) to inform the design and implementation of the policy and regulatory reform, anti-corruption, and institutional capacity building activities called for in this strategy. Further, the Feed the Future team will work closely with RCMG to identify and address any conflict risks that may emerge. "Do No Harm" and "Conflict Sensitive Service Delivery" principles will be applied.

I.4 SELECTION OF PRIORITY REGIONAL VALUE CHAINS

The strategic planning process for Feed the Future has challenged teams to provide focused, coordinated support to those commodities and value chains that promise the greatest impact on economic growth, poverty, and hunger. The regional trade agenda – reformed and harmonized trade policies, reduced transactions costs, and improved market facilities and services – will benefit multiple commodity value chains. Nevertheless, targeted value chain activities will focus on selected priority staple foods. The regional Feed the Future team worked through four steps to select the priority regional value chains.

⁴³ East Africa Business Council. 2009. *The Business Climate Index Survey 2008*. Nairobi.

The first was the identification of the most important regional value chains, based on analytical studies and modeling. Multi-market modeling analysis by IFPRI⁴⁴ indicated that interventions that increase productivity and trade in those staple commodities that are widely produced by smallholders and for which demand is the greatest – staple grains, beans, and livestock products – will have the most significant impact on economic growth and poverty reduction. Horticultural crops, oilseeds and dairy also showed significant potential. When aggregated into subsector groups, the staple grains, roots and tubers leveraged the largest GDP gains, followed by livestock products, fruits and vegetables, and oilseeds. Another study of regional value chains commissioned by USAID/East Africa confirmed that maize, horticulture, and dairy had moderate to high potential to achieve growth and poverty reduction, noting that almost all of the potential to increase maize trade is for markets within the region⁴⁵.

The second step was to look at the priorities of the Regional Economic Communities and other African regional institutions. The EAC's Food Security Action Plan endorses actions to increase the productivity of crops and livestock widely grown by smallholders, as well as processing to add value⁴⁶. The COMESA Secretariat has developed a strategy with three priority areas namely: (i) expanding agricultural markets; (ii) increasing adoption of technologies; and (iii) improving the enabling policy environment⁴⁷. The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), a specialized agency of COMESA, was designed to promote intra-regional trade in staple food commodities: grains and pulses, roots and tubers, livestock and fisheries, and some foods produced in forests and other natural resource areas⁴⁸. ACTESA is in the process of developing a ten-year strategic plan. The Eastern Africa Grain Council (EAGC), a key regional trade association in the private sector working on maize and other cereals, is nearing the end of its first five-year strategy⁴⁹.

The third step was to look at complementarities with the bilateral strategies in the Feed the Future focus and aligned countries in the region. Significant growth in intraregional trade will depend on improvements at every stage in the value chain: increased production and quality by hundreds of thousands of smallholder farmers; improved village level storage; increased investments in aggregation warehouses, supported by improved services including warehouse receipt systems, finance, and market information; commodity exchanges; improved transport; and finally improved policies and procedures at the borders themselves. The benefits of larger, regionally integrated markets can only be achieved by coordinated action at the national and regional levels⁵⁰. The following table shows the value chains that have been selected for investment in Feed the Future focus and aligned countries in the region.

⁴⁴ Were Omamo et. al. 2006. *Strengthening Strategic Priorities for Agricultural Development in Eastern and Central Africa*. IFPRI and ASARECA. Washington, DC.

⁴⁵ Carana Corporation, for USAID/East Africa. 2008 *East Africa Value Chain Assessment, a Desk Study*. Washington, DC.

⁴⁶ East African Community 2010. *Food Security Action Plan (2010 -2015)*. Arusha, Tanzania.

⁴⁷ COMESA Secretariat. 2010. *Agricultural Strategic Framework (2010-2014)*. Lusaka, Zambia.

⁴⁸ COMESA. 2008. *Design Plan: Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)*. 2008. Lusaka, Zambia.

⁴⁹ Eastern Africa Grain Council (EAGC), 2008. *EAGC Strategic Business Plan, 2008 – 2012*. Nairobi

⁵⁰ Webber, C.M. and P. Labaste (2010), *Building Competitiveness in Africa's Agriculture: A guide to value chain concepts and applications*. World Bank, Washington.

Table 2. Priority Value Chains in Feed the Future Strategies, 2011 - 2015

	Kenya	Uganda	Tanzania	Rwanda	Ethiopia	Sudan	DRC	Malawi	Zambia	East Africa
Maize	X	X	X	X	X	X	X		X	X
Rice			X							x
Other grains ¹	X				X	X				x
Beans and pulses		X		X	X	X	X	X	X	X
Cassava						X	X			
Bananas							X			
Horticulture	X		X			X			X	X
Coffee		X		X	X					
Other high-value				X	X					
Livestock	X ²				X	X				X
Dairy	X			X	X			X		
Fisheries						X				

Source: Group discussion at regional meeting on January 13, 2011

¹Include sorghum and millet as drought-resistant crops, and wheat in Ethiopia

²Although livestock is not formally one of the priority value chains in Kenya's Feed the Future strategy, the Mission does have a livestock program in support of the national CAADP country investment plan that will benefit from regionally harmonized health standards.

For the regional strategy, the choice of maize, the most widely produced, marketed, traded and consumed staple food in the region was obvious. Many of the same policies, procedures and systems that facilitate trade in maize also open up integrated regional markets for other grains, as well as for beans and pulses. Improved market access for relatively drought-tolerant crops including sorghum, millets, and pulses will encourage farmers to diversify away from maize. This will be particularly strategic for drier areas, where drought risk is likely to increase as a result of global climate change.

A final filter – nutritional value – led to the selection of horticulture and livestock, because increased availability and lower prices of these commodities would significantly improve the quality of diets in the region. Both of these commodity groups have significant potential for increased regional trade that is currently limited by the kinds of constraints which the regional strategy has a comparative advantage in helping to overcome. Dairy is an attractive investment area at the national level because of its economic value for smallholders and nutritional outcomes, but both research and past experience indicate that the potential for regional trade, at least within the next five years, is limited.

In summary, the East Africa Feed the Future strategy will focus on the following four value chains:

1. Staple grains, with a focus on maize
2. Beans and other pulses
3. Livestock (focus on harmonized regional standards and rules for livestock health)
4. Horticultural crops traded within the region

The level of effort will vary by value chain. At the regional level, many of the activities that are required to facilitate intra-regional trade in maize will also facilitate trade in other grains, beans, and pulses. Many farmers grow and sell more than one of these commodities. Traders, storage and warehouse operators, millers, and transporters – members of the same regional trade and transporters associations – usually work with more than one of these commodities. Grades, standards, and SPS

issues are commodity-specific, but they can be conveniently dealt with by the same regulatory bodies using very similar procedures. Maize is currently the most widely traded of this group of commodities; the weight given to the others will depend on the interests of the country missions, the RECs, the regional trade associations and other partners, as well as on the budget available.

The proposed activities on livestock will be very tightly focused on standardized methods and rules for livestock health. The lack of harmonized standards is a major constraint to trade, and this is an area where the regional mission has a clear comparative advantage. This strategy proposes a relatively modest budget to open up larger and more predictable regional market outlets, which will complement and add value to national investments in Ethiopia, Sudan, Somalia and Kenya.

The regional value chain for horticultural crops has very significant potential. Growth in this area will provide an incentive for smallholder farmers to diversify production. Increased regional trade will balance out seasonal variations in supply from one area to another, increasing the availability and lowering the average price of nutritious foods throughout the whole year. Nevertheless, less preparatory work has been done on this value chain, and activities will be scaled back or postponed under restrictive budget scenarios.

I.5 SELECTION OF PRIORITY BORDER POINTS ALONG THE NORTHERN AND CENTRAL TRANSPORT CORRIDORS

Feed the Future will support the reduction of the time and cost of transporting staple foods in the region through a combination of activities: customs reform, simplification of border procedures, reduction of delays along key corridors, and improving the efficiency of transit and logistics providers. These activities will also be complimented by additional investments from the Trade and Investment and Infrastructure program areas to support trade facilitation, and to enhance the role of internet-based information systems for tracking cargo.

The U.S. Government has prioritized investments in three ways: 1) by conducting an analysis of existing and potential flows of staple foods in the region 2) by engaging in a coordination process with other donors implementing programs in this area; and 3) by jointly supporting completion of the EAC Corridor Diagnostic Study which has conducted a cost/benefit analysis on different types of interventions along the Northern and Central Corridors.

USAID's largest success in the trade area has been the development of the Revenue Authorities Digital Data Exchange (RADDEX), a software program that allows customs officials to communicate virtually across borders - saving time, money and increasing transparency⁵¹. USAID is also collaborating with the Japan International Cooperation Agency (JICA), the UK Department for International Development (DFID), and the World Bank to support uptake of a single window system in the region that would allow traders to enter all information necessary for trade into a single internet-based portal for distribution and clearance to all relevant agencies. USAID piloted one of the region's first one-stop borders at Malaba, between Kenya and Uganda. The pilot reduced clearance times for cargo traveling by rail from 3 days to 3 hours. Clearance times for trucks carrying cargo were reduced from 16 to 6 hours. MOUs for implementation of joint inspection have now been signed between the Kenyan, Ugandan, and Tanzanian government agencies responsible for inspecting cargo, including the police, customs, and the Ministries of Agriculture, Health, and Finance.

⁵¹ See: World Bank Group. 2010. Doing Business in the East African Community: Comparing Regulations in 5 Economies. World Bank. Washington, DC., p. 39

Based on this combined analysis, Feed the Future will focus the next stage of activities on the key border points listed below:

Table 3. Selected Border Points

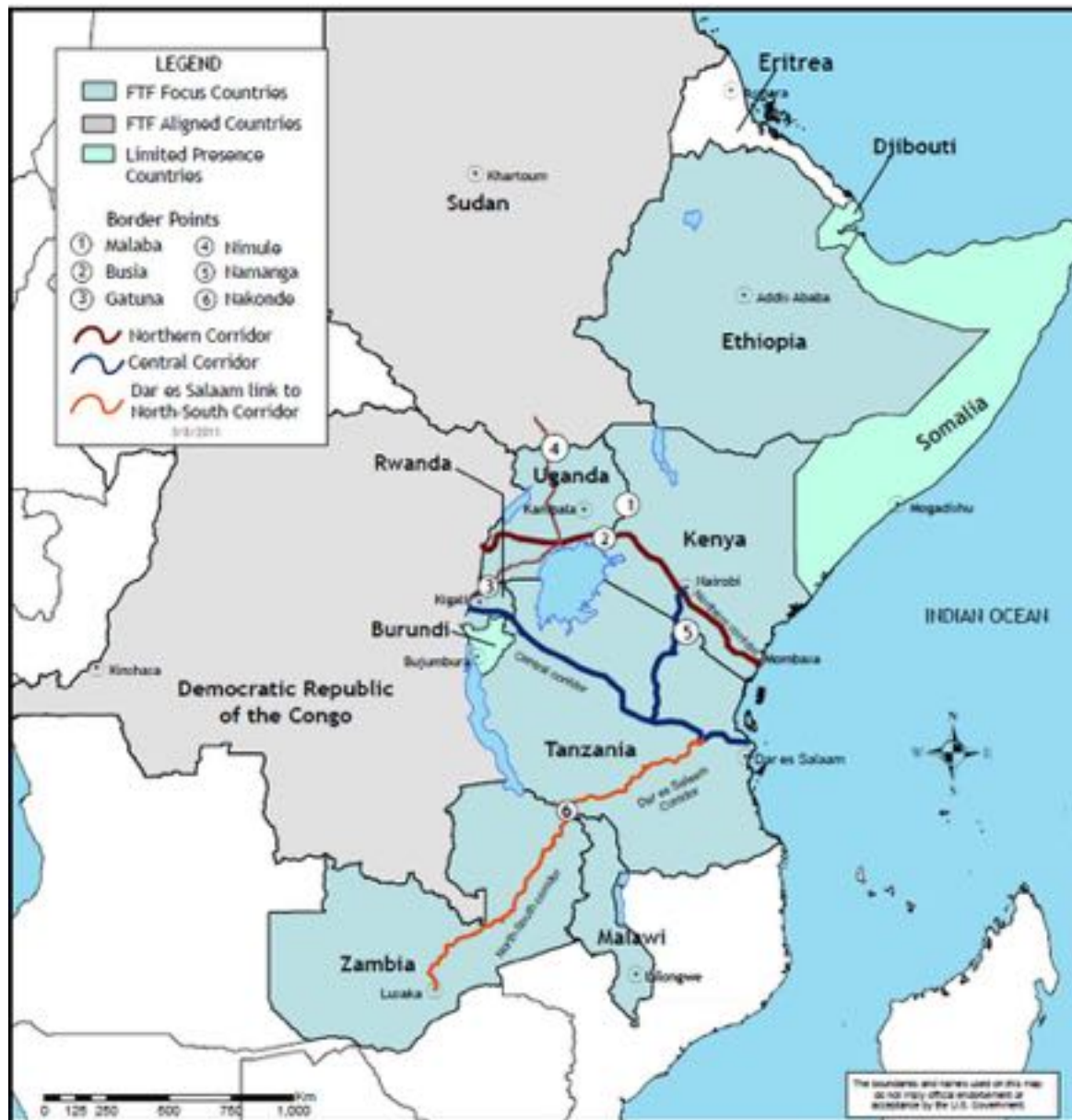
	Border	Linking	Reasons for Selection
1	Malaba	Kenya/Uganda	A critical border point along the Northern Corridor, through which inputs and commodities pass. This includes products destined for Uganda, Rwanda, Burundi, DRC, and Southern Sudan.
2	Busia	Kenya/Uganda	Kenya depends on Uganda to mitigate a portion of its food shortfall, and the Busia border point is an important entry point for maize and beans through both formal and informal channels.
3	Gatuna	Uganda/Rwanda	Major border crossing for trade in maize, beans, and bananas, as well as for inputs into Rwanda.
4	Nimule	Uganda/South Sudan	Major channel for food commodities (maize, maize flour and sorghum) into Sudan from Uganda (maize, maize flour and sorghum) and smaller amounts from Kenya.
5	Namanga	Kenya/Tanzania	Trade in agricultural commodities between Kenya and Tanzania is critical to regional food security. Kenya imports significant quantities of maize, beans, and rice from Tanzania through this border.
6	Tunduma/ Nakonde*	Tanzania/Zambia	Major border crossing on North-South Corridor, linking Tanzania with southern Africa. In good agricultural seasons, Zambian farmers, millers, traders and government benefit from export of grain, particularly maize, to lucrative markets in neighbouring countries.

* This border point was chosen in consultation with the RECs and other donors. USAID/East Africa will fulfil this commitment, but all other activities are focused on borders along the Northern and Central corridors.

USAID/East Africa's health programs also focus efforts along the selected corridors. Regional Outreach Addressing AIDS through Development Strategies II (ROADS) is a health, HIV/AIDS, and economic development project working in border communities along transport corridors in East and Southern Africa. Activities are designed to prevent HIV infection, increase access to health care, and enhance access of vulnerable families to livelihood opportunities. Innovative approaches are tested, and governments and country Missions are encouraged to scale up positive results. To support both the Feed the Future and the Global Health Initiatives, ROADS will strengthen community understanding of the benefits of nutrition and factors such as wider spacing between children. The program will promote the growth monitoring of infants and children and nutrition-related health education in communities, link families to services when a child's growth is faltering, introduce biofortified crops into communities, and evaluate the uptake of these measures. ROADS is already working at four of the six priority border towns listed in Table 3, and will initiate expanded work on nutrition and family planning services in Gatuna, Rwanda.

If the budget is reduced, the level of effort at individual border posts will be adjusted, depending on support available from other sources. At each border post, investments will be focused to ensure that the activities achieve milestones that make clear contributions to significant reductions in the time and cost of moving commodities across the border. If necessary, the total number of border posts could be reduced or activities delayed.

Figure 3. Map of the East Africa region with the Feed the Future Countries, the Transport Corridors, and the Priority Border Points



2. FEED THE FUTURE OBJECTIVE, PROGRAM STRUCTURE, AND IMPLEMENTATION

2.1 EAST AFRICA FEED THE FUTURE OBJECTIVES

Feed the Future's overall objective is to sustainably reduce global poverty and hunger, with two sub-goals of inclusive agriculture sector growth and improved nutritional status, especially of women and children. The East Africa strategy will support the achievement of these goals through regional-level investments; bilateral missions will have primary responsibility for individual and household level impact. The objective of East Africa's regional Feed the Future strategy is "increasing access, availability and utilization of African-grown staple foods in regionally integrated markets on the Northern and Central corridors."

2.2 AFRICAN REGIONAL PARTNERS

The U.S. Government will help to build the capacity of African partners to effectively impact the smallholder farmer, through improved policies, influence on national level institutions, availability of science, technology and knowledge, increased trade flows, and increased private sector investment. Institutional strengthening and capacity building will also improve the governance structures of key partner institutions, increasing transparency and accountability to stakeholders.

The regional Feed the Future strategy is designed to support the Regional Economic Communities (RECs) – specifically COMESA and the EAC – to achieve their goal of regional market and economic integration, as well as the goal of CAADP, which is to strengthen the smallholder agricultural sector as a key driver of economic growth. Other regional intergovernmental and African private sector organizations also play key roles in achieving regional food security, as outlined below.

The Common Market for Eastern and Southern Africa (COMESA) and the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)

The 19 member states of COMESA⁵² cover a total area of 11.6 million square kilometers and have a total population of 430 million people and a combined GDP of \$472 billion. COMESA aims to achieve regional integration through the harmonization and rationalization of a wide range of trade policies, regulations, and procedures. A COMESA Free Trade Area with 13 members was established in 2000. In June 2009, a Customs Union was formed that will be harmonized with two neighboring RECs, the EAC and the Southern African Development Community (SADC) under a Tripartite Agreement. COMESA has been designated by the African Union as the REC responsible for coordinating the CAADP process in its member states, including the development of a regional CAADP compact within the Tripartite framework. A draft regional compact was developed by COMESA in 2010, and a revised draft vetted by the other RECs should be available in mid-2011. USAID/East Africa has been supporting COMESA in various aspects of its trade agenda, including customs reform, internet-based information systems for processing customs procedures, harmonization of standards, and CAADP coordination.

⁵² The COMESA member states are Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe. Tanzania is not a member, but many activities are coordinated, a trend being strengthened by the Tripartite Agreement between COMESA, the EAC, and SADC.

ACTESA was established as a specialized agency of COMESA in 2009 as an early action of CAADP, to encourage increased regional trade in staple foods. ACTESA aims to increase regional integration and improve the competitiveness of staple food markets, leading to broad based growth and increased food security. ACTESA coordinates activities to improve and harmonize the micro and macro-economic policy environment; reduce trade barriers at borders; improve and expand market facilities; and support and increase the integration of smallholder producers into national and regional markets. USAID/East Africa worked with a group of partners on the design of ACTESA and has supported the start-up of its Secretariat. USAID is part of an organized group of donors supporting ACTESA and has contributed to activities in trade and biosafety policy harmonization, structured trade services, and input supply chains.

The East African Community (EAC)

The EAC has five member states – Kenya, Tanzania, Uganda, Rwanda, and Burundi – and is focused on economic and political integration. It has a regional parliament and each country has a Ministry for East African affairs to follow up on the implementation of policies at the regional level. In 2010, the EAC launched its own common market for goods, labor, services, and capital; it has set goals for a common currency by 2012 and political federation in 2015. USAID/East Africa and several of its partners have been working closely with the EAC on activities related to trade policy, harmonized regulations, grade and quality standards, and streamlined border procedures. The EAC recently upgraded a one-person Health Desk to a Health Directorate, with a proposed department of Reproductive Health and Nutrition, among others. This expansion increases opportunities for collaboration with ECSA (see below) on policy and regulatory issues related to nutrition and food safety. The five-nation EAC has proved to be an efficient partner with which to initiate reforms and activities that can then be scaled up to the wider COMESA community. Increased support for the EAC for agriculture and food security through Feed the Future will be closely linked with the evolving United States Government inter-agency EAC Integration Initiative.

Intergovernmental Authority for Development (IGAD)

IGAD is a REC with six member countries in the Horn of Africa: Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda. It manages regional programs in a range of sectors. USAID/East Africa's regional conflict management program supports IGAD's Conflict Early Warning Network (CEWARN), and the environment program helped to establish the IGAD Climate Prediction and Applications Centre (ICPAC). The regional Feed the Future strategy will link with IGAD in the development and implementation of programs on livestock health and regional trade.

The Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA)

ASARECA is a specialized intergovernmental organization that links the agricultural research institutes and their partners in ten countries⁵³. The organization is a mechanism for regional collective action – to pull together scientific capacity from research institutions, universities, and other partners in its member states to address issues of regional importance. Many of the national systems have very limited capacity, and ASARECA links them with other countries and with global sources of scientific expertise and innovations. The priorities in ASARECA's ten-year strategy (2007-2016) are based on an analysis of strategic options for agricultural research with the highest potential impact on reducing poverty and

⁵³ The member countries of ASARECA are Burundi, DRC, Ethiopia, Eritrea, Kenya, Madagascar, Rwanda, Sudan, Tanzania, and Uganda.

hunger in the region⁵⁴. As a lead institution for CAADP Pillar IV, ASARECA plays a critical role in testing and disseminating agricultural technologies of regional importance that boost agricultural productivity to ensure adequate supply of staple foods in the region. USAID/East Africa played a key role in building the capacity of ASARECA, which is now supported by an organized group of eight donors: the African Development Bank (AfDB), the Department for International Development (DFID), the Canadian International Development Agency (CIDA), the European Union (EU), the International Development Research Centre (IDRC), the International Fund for Agricultural Development (IFAD), the Swedish International Development Cooperation Agency (SIDA), and USAID. In 2011, USAID/East Africa will carry out an evaluation of USG investments in ASARECA over the past decade. The evaluation will be implemented in close coordination with a multi-donor, mid-term review of ASARECA's current five-year Operational Plan.

The African Union's Interafrican Bureau for Animal Resources (AU-IBAR)

AU-IBAR's mandate covers a broad range of issues revolving around livestock, including animal health, trans-boundary diseases, and the development and enforcement of appropriate harmonized standards and regulations. As an established technical body, AU-IBAR has the ability to convene policy-makers from all AU Member States and is well placed to translate technical recommendations into practical regulations and practices.

Eastern Africa Grain Council (EAGC)

The EAGC is a growing regional trade association that brings together farmers' organizations, traders, warehouse operators, millers, and other private sector partners to promote well-functioning regional grain value chains. Founded in Kenya in 2005 with support from USAID/East Africa, the EAGC has expanded into Uganda and Tanzania, and has established itself as a respected voice for the private sector in regional forums including the EAC, COMESA, and ACTESA. It has secured support from other donors, as well as from its members. The EAGC manages a market information system, the Regional Agricultural Trade Intelligence Network (RATIN), and is active on multiple fronts to encourage the development of facilities and services for structured trade – including warehouse receipt systems, commodity exchanges, standard contracts and arbitration procedures – and sponsors policy debates on food reserves, export bans, and other government interventions.

Horticulture Council for Africa (HCA)

The HCA is a council of national horticultural associations in eastern, central and southern Africa. Its principal focus has been the promotion of increased exports of high value horticultural crops, mostly to Europe. HCA's goal is to promote a competitive horticultural sector through information sharing, collaborative research, and advocacy. The HCA has expressed interest in strengthening intra-regional trade in vegetables and fruits, in recognition that the volumes traded regionally dwarf those going to international markets. The Council is well placed to promote harmonized systems and increased investments to improve quality and increase the volumes traded, with very significant potential impact on the year-round availability of nutritious vegetables and fruits in integrated regional markets at affordable prices.

⁵⁴ Were Omamo et. al. 2006. *Strengthening Strategic Priorities for Agricultural Development in Eastern and Central Africa*. IFPRI and ASARECA. Washington, DC.

The African Seed Trade Association (AFSTA)

AFSTA is a pan-African regional private sector organization that represents and supports private seed enterprises across the continent. Key objectives are to facilitate the movement of high quality seed through harmonization of regulations; to promote small farmers' use of high quality seeds; and to advocate with governments and intergovernmental organizations for the interests its members. AFSTA, from its Secretariat in Nairobi, supports and works through the national seed trade associations in East Africa. USAID, in cooperation with COMESA and ACTESA, has supported AFSTA to design and start up the Alliance for the Seed Industry in East and Southern Africa (ASIESA), building on the experience of the West Africa Seed Alliance (WASA).

East Central and Southern Africa Health Community (ECSA)

ECSA is an organization of the Ministries of Health of ten member countries that networks with other regional health institutions. It is a key partner of USAID/East Africa's regional Health and HIV/AIDS program. ECSA promotes improved health standards through advocacy, capacity building, coordination, inter-sectoral collaboration and harmonization of health policies and programs. In the area of nutrition, ECSA facilitates the development of harmonized policies, organizes short courses in mother and child nutrition, facilitates nutrition advocacy, and coordinates regional food fortification activities. In October 2010, the Health Ministers resolved to prioritize nutrition interventions including monitoring and measures to reduce stunting. ECSA has adopted harmonized standards for fortified foods to increase trade of these products throughout the region and is working with the EAC and COMESA Standards Committees for recognition of these standards by the RECs. ECSA convenes nutrition experts, country nutrition alliance members and regional private sector actors, such as flour millers associations, to develop policies, standards and monitoring and evaluation plans for nutrition and food fortification. ECSA is also home to the ECSA College of Nursing and Midwifery (ECSACON), which includes membership from 12 countries of Deans and Registrars of midwifery and nurse training institutions and chief nursing officers. ECSACON can enable pre-service curriculum changes in nutrition across multiple nursing and midwifery institutions in the region.

Regional Center for Quality Health Care (RCQHC)

RCQHC, based in Makerere University School of Public Health in Uganda, was established in 1999 to provide leadership in building regional capacity to improve quality of health care in Africa. RCQHC's activities include training of health managers, documentation and dissemination of strategic information, advocacy, technical assistance, and operations research. Maternal and child health, and nutrition, are core programs of RCQHC. RCQHC is currently working with a group of experts to determine key regional actions to address stunting. RCQHC regularly conducts training of master trainers through ECSACON.

2.3 ALIGNMENT WITH CAADP AND COORDINATION WITH OTHER DEVELOPMENT PARTNERS

At the national level, the Feed the Future strategies are closely linked to the CAADP country investment plans, coordinated through focal points and donor working groups. COMESA, EAC, and SADC are working on a CAADP regional compact, which will provide a framework for coordinating support to regional institutions and programs. In the meantime, there is no single regional donor working group for East Africa. Nevertheless, development partners coordinate support to regional organizations, as shown in Table 4.

Table 4. Coordinated Support to African Regional Institutions by Multiple Development Partners

Development Partner	Corridor Diagnostic	COMESA	ACTESA	EAC	ASARECA	AU/IBAR	EAGC	ECSA	RCQHC
USAID	X	X	X	X	X	X	X	X	X
EU		X	X	X	X	X			
World Bank		X	X	X	X				
DfID	X		X	X	X		X		
AfDB	X	X			X	X			
CIDA			X		X				
NORAD		X		X					
JICA	X			X					
SIDA					X		X		
AusAID		X	X						

USAID/East Africa will continue to make concerted efforts to coordinate and work closely with donors who support the same regional institutions. Eight donors have signed an MOU with ASARECA, agreeing to work together to support the institution's own strategic and operational plans as well as its planning, financial management, procurement, reporting, M&E and other systems. The Corridor Diagnostic Study is another example of good practice, promoting coordinated planning and complementarity, avoiding duplication and overlap. USAID/East Africa worked closely with DFID, JICA, the African Development bank, and other donors, as well as EAC and COMESA to review and synthesize previous studies and produce a database with clear guidelines for action. Similar support mechanisms are being developed for ACTESA, COMESA, the EAC Secretariat and other key partners.

Development partners include the Gates and Rockefeller Foundations, the Alliance for a Green Revolution in Africa (AGRA), and the Kilimo Trust of the Gatsby Foundation. Once the CAADP regional compact has been approved by the Tripartite mechanism set up by COMESA, the EAC, and SADC, further consultations will be held to strengthen coordination among development partners at the regional level.

2.4 AFRICAN INSTITUTIONS INNOVATION MECHANISM

A key objective of Feed the Future and the new USAID Forward initiative is to support the CAADP agenda by building the capacity of African regional organizations, private firms, regional trade associations and civil society. USAID is committed to new ways of doing business – shifting away from large contracts with American consulting firms to contracts and grants with more and varied local partners, including NGO's, private sector associations, and small businesses. At the same time, the Mission will continue to support and strengthen host regional systems in the public sector. Over the past years, USAID/East Africa has focused on building the capacity of African institutions, both through direct grants and through short term technical assistance and sub-grants managed by contractors. As part of the Feed the Future strategy, the regional mission will establish a new African Institutions Innovation Mechanism (AIIM). It will have two components: 1) an Annual Program Statement (APS) that will provide an opportunity for African organizations and firms to write proposals to participate in the regional Feed the Future agenda; and 2) a group of professionals available to provide technical services to missions and their partners. AIIM will complement and add value to ongoing support to the Regional Economic Communities and other African regional organizations.

2.5 WHOLE OF GOVERNMENT

The U.S. Embassy in Nairobi hosts USAID/East Africa and USAID/Kenya, as well as the regional offices of OFDA, Food for Peace, USDA, and other USG institutions. The Deputy Chief of Mission chairs monthly meetings of the Food Security Collective, a formal mechanism that catalyzes exchange of information and strengthens collaboration among the agencies, including State, USAID, the Department of Defense (DOD), USDA, the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), CDC, and the Peace Corps. The East Africa Feed the Future strategy was developed in consultation with other agencies, and activities will be planned and implemented in close consultation.

USAID/East Africa is organized as a regional mission with regional objectives, partners and activities. The Mission is in a strategic position to coordinate with USDA and other USG agencies that manage country-level activities in several countries from regional offices. As the implementation of the Feed the Future Strategy moves forward, USAID/East Africa will work with the other agencies to develop mechanisms for coordinated planning and reporting of closely related activities, within the context of the CAADP regional compact as it is finalized. A budget tracking template will be developed at the same time, with due diligence to avoid double counting of support for regionally coordinated activities at the country level.

USAID/East Africa works in close collaboration with USAID/Washington on the EAC Integration Initiative, which is under development as part of the National Security Council's Enhanced Engagement Initiative. USAID/East Africa is the lead agency for the Food Security Pillar. The other agencies involved are the State Department (Governance), Treasury (Infrastructure and Financial Integration), and the Office of the United States Trade Representative (USTR) (Trade and Investment). Within this context, USAID/East Africa is planning to build upon ongoing engagement with the EAC to focus on improving the policy environment in support of regional trade, and reducing regional barriers to the transport of staple foods. These activities will be fully integrated within the regional Feed the Future strategy. The EAC, with five member states in a compact geographical area, is a good context for implementing policy and regulatory reforms and testing innovations that can then be scaled up in collaboration with COMESA. This strategy will also link with the USG's Partnerships for Growth initiative in Tanzania, a key member state of the EAC.

USAID Office of U.S. Foreign Disaster Assistance (OFDA)

OFDA's East and Central Africa Regional Office (ECARO) provides humanitarian assistance in response to natural disasters and complex emergencies in the Horn of Africa and the Great Lakes region⁵⁵. OFDA provides support to vulnerable populations in times of crisis, including integrated management of acute malnutrition, economic recovery programs, market systems, and support for clean water, sanitation and hygiene.

To respond effectively to recurring disasters and widespread chronic food insecurity in the region, OFDA has developed a disaster risk reduction (DRR) strategy to support emergency assistance interventions and address the underlying causes of food insecurity and other vulnerabilities. Community-based DRR strategies complement USAID/East Africa's value chain and market systems approach, reducing vulnerabilities and improving communities' ability to respond to chronic shocks that impact food security. OFDA is also managing three-year programs in selected chronically food insecure areas of Ethiopia, Kenya and Uganda that were planned and funded as part of the Global Food

⁵⁵ USAID/OFDA/ECARO is responsible for Burundi, Chad, the Central African Republic (CAR), the Democratic Republic of the Congo (DRC), Djibouti, Eritrea, Ethiopia, Kenya, the Republic of Congo, Rwanda, Somalia, Sudan, Tanzania, and Uganda.

Security Response. The projects combine short-term humanitarian response activities with longer-term recovery interventions to create and diversify household assets and improve economic opportunities for vulnerable populations.

OFDA works with all the USAID Missions in the region and utilizes innovative mechanisms, including a “crisis modifier” in Ethiopia, to better link humanitarian interventions with the longer term development strategies, including Feed the Future. With a focus on high risk areas, the crisis modifier gives OFDA the ability to support development partners to respond to humanitarian crises that arise during the course of their programs. As partners use existing infrastructure, the crisis modifier allows for a rapid response that also helps maintain the development gains made prior to the crisis. These kinds of relief-to-development mechanisms form the basis for strengthening collaboration between the implementing partners of OFDA and Feed the Future. USAID/East Africa will build on ongoing collaboration with OFDA to identify opportunities for better integrated programming and sharing lessons learned systematically with partners throughout the region.

USAID Food for Peace (FFP)

The technical team in USAID/East Africa’s regional Food for Peace office provides backstopping and support, including some direct management, to Title II food aid programs in countries throughout the region⁵⁶. The majority of food aid is used to respond to emergencies, including the direct feeding of refugees, IDPs and other vulnerable populations. Approximately 20 percent of the resources are used for development programs supporting the livelihoods of vulnerable populations, including health, agriculture, nutrition, education, income generation, and support to people with HIV/AIDS. When possible, FFP also targets its emergency investments in ways that address the underlying causes of food insecurity, particularly in support of agriculture, disaster risk reduction, early warning and nutrition interventions. For example, using Food for Work and Food for Assets, FFP provides emergency food assistance, while supporting communities to develop better natural resource, rangeland and water management systems.

USAID/East Africa’s regional Economic Growth, Health, and Food for Peace offices have strong common interests in nutrition, and in strengthening market and trade systems. As part of the Feed the Future strategy, the Regional Health and HIV/AIDS Office (RHH) and FFP will share the cost of a full-time regional nutrition advisor. As FFP increases support for local and regional purchase, there will be a growing need for reliable information about what commodities are available in which markets at a particular point in time. Regional Feed the Future partners will continue to support improved market systems in the private sector – market information systems including regional food balance sheets, as well grain bulking centers, warehouse receipt and other credit programs, commodity exchanges and others – that complement local and regional purchase programs. The two offices worked together to design the Market Linkages Initiative (MLI), supported by the Famine Prevention Fund, which supports public-private partnerships to open up market opportunities for smallholders. Farmers’ organizations and NGOs supported through the Competitiveness and Trade Expansion (COMPETE) Program have worked with the World Food Program’s Purchase for Progress (P4P) project to leverage food aid purchases to strengthen local, national, and regional market systems. These activities are linked to the regional policy framework of the RECs through ACTESA. One key issue being addressed at the regional level is a harmonized regional biosafety framework that includes rules governing GMO content in commodities distributed as food aid.

⁵⁶ The regional FFP office provides support to programs in Burundi, Chad, the Central African Republic (CAR), the Democratic Republic of the Congo (DRC), Djibouti, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Tanzania, and Uganda.

United States Department of Agriculture (USDA)

USDA's Agriculture Counselor in Nairobi represents USDA in six Feed the Future focus countries: Kenya, Tanzania, Uganda, Rwanda, Malawi, and Zambia, as well as Burundi. USDA recently opened a new Agriculture Counselor position in Ethiopia that will have responsibility for Somalia, Eritrea, and possibly Northern and Southern Sudan.

USDA recently developed an Action Plan that describes how USDA will employ existing statutory authorities and resources to support implementation of Feed the Future during FY 2011⁵⁷. It names Kenya as a focus country and the east African region as a focus region. USAID/East Africa will coordinate with USDA in the areas where their two plans interconnect. USDA will support regional capacity building in food safety, sanitary and phytosanitary standards, agricultural biotechnology, plant and animal disease control and regional research. As an example, while USDA supports the advancement in the east Africa region of a bio-control technology for aflatoxin that was discovered by an USDA Agricultural Research Service scientist, USAID/East Africa will focus on harmonizing regionally acceptable levels of aflatoxin contamination in regionally traded maize and groundnuts.

USAID/East Africa will develop opportunities to link its regional programs with USDA's expertise and capacity building programs. The Collaborative Research Support Programs (CRSPs) can be one platform for collaboration. USDA will continue to support regional partners with its Cochran and Borlaug Fellows training and capacity building programs. USDA will continue to place a full-time professional from its Animal and Plant Health Inspection Service (APHIS) with USAID/East Africa to help build regional capacity that will facilitate trade in high-quality and safe agricultural commodities. USDA's expertise in statistical methodologies and analysis will be linked with ReSAKSS and other regional partners.

State Department

The East Africa Feed the Future strategy will require diplomatic efforts at the bilateral level in order to ensure that regional policy harmonization and related initiatives are implemented in individual countries. Importantly, US Ambassadors are also accredited to the EAC and COMESA and diplomatic relations with these RECs can assist in moving agreed upon actions forward. The State Department is the lead agency for the Governance pillar of the proposed EAC Regional Integration Initiative.

Office of the United States Trade Representative (USTR)

USTR is crucial to the regional integration agenda through its work with Trade and Investment Framework Agreements (TIFAs) to improve the trade policy environment with COMESA, EAC, and related institutions. USTR is leading the planning process for the Trade and Investment pillar of the proposed EAC Regional Integration Initiative, which may include the creation of a Partnership with Africa Trade and Investment Agreement (PATIA). USTR also provides diagnostics of trade competitiveness issues linked to the World Trade Organization (WTO) and the African Growth and Opportunity Act (AGOA).

⁵⁷ United States Department of Agriculture (USDA). 2010. *Global Food Security: FY 2011 Action Plan*. Washington, D.C.

Department of the Treasury

The Department of the Treasury is actively engaged in support for central banks and other institutions in several countries in the region, and is leading the planning process for the Infrastructure and Financial Integration pillars of the proposed EAC Regional Integration Initiative.

Millennium Challenge Corporation (MCC)

Through its compact in Tanzania, the MCC is supporting some of the larger “hard” infrastructure investments that will complement the enabling environment investments of USAID/East Africa in the corridors. USAID/East Africa would also encourage the MCC to consider building regional agreements with COMESA and/or the EAC, to help shape transformational investments that will facilitate intraregional trade.

United States African Development Foundation (USADF)

The USADF will contribute to Feed the Future through direct funding of agriculture production, processing, and marketing activities for marginalized community groups, cooperatives, agriculture producer groups, and small scale enterprises in 21 countries. The USADF model uses local development expertise to work directly with marginalized communities and supports a value chain approach for priority agriculture based activities. Its investments will contribute to the food security objectives of creating jobs, improving incomes and increasing available food supplies at the farmer and household level. USADF will work closely with USAID Missions to link its grant activities with the objectives outlined in the specific country and regional Feed the Future strategies.

3. CORE INVESTMENT AREAS

The U.S. Government will invest in one Transformational Focus Area and two Support Areas. Investments in cross-cutting areas of nutrition, gender and capacity building are integrated into the programs. All investments will contribute to the objective of increased access, availability, and utilization of African-grown staple foods in regionally integrated markets on the Northern and Central Corridors.

3.1 TRANSFORMATIONAL FOCUS AREA: INCREASE TRADE FLOWS OF STAPLE FOODS IN THE REGION, FOCUSING ON CORRIDORS

3.1.1 Intermediate Result 1: Better Integrated National and Regional Markets

Opening up integrated regional markets for staple commodities with a focus on selected regional value chains is the keystone activity of the regional Feed the Future strategy. Activities linked to this IR account for approximately 45 percent of the total planned five-year budget. Complementary resources from USAID budgets for trade, infrastructure and governance, plus additional aligned resources from the USG agencies outlined in Section 2, will support this IR. Activities will be implemented in close collaboration with the RECs: COMESA and the EAC. The private sector will be supported through regional trade associations (RTAs), creating industry linkages within the private sector and platforms for advocacy on a common agenda, including priority nutrition issues. Individual firms will be eligible to receive grants through the ALIM, and public-private partnerships will be encouraged. The Competitiveness and Trade Expansion Program (COMPETE) will play key roles in the first two years of the new strategy, providing technical assistance to the RECs and the RTAs, managing sub-grants, and

building the capacity of African NGOs and firms to link smallholder farmers to markets. Through the AIIM mechanism, the Mission will start immediately with direct grants and contracts to African organizations, building up rapidly as COMPETE phases out in 2013.

Improved policy and regulatory environment for trade, including in safe and nutritious foods

USAID/East Africa's major African partners in the policy arena are the EAC, COMESA, and ACTESA. Technical support will be provided by the COMPETE project through 2013, and thereafter by consultants or a follow-on program. The RECs work to reform policies and procedures to implement the regional integration agenda articulated by African leadership. In every country, food security and food prices are potent political issues. Policy-makers are often quick to respond to perceived potential shortages by imposing export bans, price controls, and other market interventions. Uncertainty about policy interventions is a major disincentive to investment, stifling the growth of regional trade. Reliable regional food balance sheets and other sources of information about food prices and availability at the regional level will help build a more stable, predictable environment. In addition, there are a whole range of regulations, rules and procedures that make doing business difficult. While the policy framework is becoming more favorable and the trends are improving, much remains to be done to facilitate trade in staples⁵⁸. Specific technical issues affecting trade in commodities include harmonized sanitary and phytosanitary standards, biosafety rules and standards, harmonized quality grades and standards, harmonized customs regulations, simplified rules of origin, standardized financial regulations, and a range of other reforms needed to facilitate the smooth movement of commodities within an integrated market.

A closely related set of policies and regulations restrict intraregional trade in fortified foods as well as the fortificants themselves. Reform and harmonization of regulations and labeling requirements will open up a larger regional market for food processors, encouraging private investment in making nutritious foods widely available. ECSA has agreed on a framework of harmonized fortification standards and will be supported to guide countries towards implementation. ECSA will also work with the EAC and COMESA for adoption of food fortification standards that will increase regional trade in fortified staple food products. USAID/East Africa will link with programs supported by USDA and the Bill & Melinda Gates Foundation on better detection and control of aflatoxin, a widespread problem in stored grains, peanuts, and other products with serious negative impact on health and nutrition.

Reduced barriers to cross-border trade and transit

USAID/East Africa will work with the EAC, COMESA, and relevant national organizations and associations to implement streamlined management procedures at the selected border points identified in Table 3. The COMPETE project will provide technical assistance to this process until it is phased out in 2013. Programs will reduce the time and cost of moving agricultural commodities across these borders, with a focus on the priority value chains. Activities will include reforms of procedures by customs authorities and other government agencies including one-stop border systems and the implementation of improved ICT applications including RADDEx 2.0. Linking the borders, some support will be given to activities that promote increased efficiency and competition in the transit logistics sector along the Northern and Central Corridors, based on the results of the Corridor Diagnostic Study. USAID/East Africa will link USAID missions in Feed the Future focus countries with the appropriate regional organizations to set quality standards for food commodities and to overcome bottlenecks that their programs may encounter moving goods across borders into regional markets.

⁵⁸ World Bank Group. 2010. Doing Business in the East African Community: Comparing Regulations in 5 Economies. World Bank. Washington, DC.

USAID/East Africa will track the reduction in the number of days required to trade goods across the six selected border points.

Structured trade for grains and beans

Structured trade refers to the set of facilities and services that facilitate the movement of commodities along value chains, from the farm gate to final retail markets in other countries. Key facilities include stores at the village level and larger warehouses in strategic locations along supply chains, where commodities of standard quality are aggregated and stored at known locations. A key service is timely, reliable market information, so that traders and buyers know the prices being paid in markets, guiding decisions of when to buy or sell and what a fair price should be. Rapid advances in cell phones and other IT systems are making real time information widely available. Expanded warehouse receipt systems, including collateral management insurance, as well as trade finance, and other services will make resources available to reduce risks and buffer price fluctuations from season to season, from location to location, and from year to year. Commodity exchanges can reduce transactions costs and provide a mechanism for integrating markets in different countries, linking areas of surplus with areas of deficit.

For the first two years of this strategy, COMPETE will continue to help USAID/East Africa provide technical assistance and support to key African private sector partners. These will include the Eastern Africa Grain Council (EAGC), its member organizations, financial institutions and other partners as they strengthen the building blocks of structured trade in maize and other grains, as well as beans and pulses. As the strategy takes hold, direct grants and public-private partnerships will be built up, to encourage private investments in facilities and services that will improve market access for smallholder farmers. ACTESA and the RECs will be supported to follow up on the practical implementation of regionally harmonized policies and regulations that will improve the enabling environment. USAID/East Africa will work closely with the USAID missions in the Feed the Future focus countries to link the market access programs in their CAADP country investment plans with facilities and services that will open up regional markets for smallholder farmers.

Structured trade for fruits and vegetables

Horticulture is a fast growing sector in East Africa; exports to Europe and other global markets of fresh flowers, vegetables, and fruits have become a leading agricultural sub-sector in Kenya, Ethiopia, Tanzania, and other countries. Sophisticated technologies for production, packaging, and marketing have been developed through partnerships between global and regional businesses. Kenya, the largest exporter, earned nearly a billion dollars in foreign exchange in 2010 from this trade⁵⁹. Nevertheless, in volume terms, intra-regional trade in fresh and processed vegetables and fruits far exceeds exports to high-value external markets⁶⁰. The major crops traded are mixed green vegetables (labeled as “Asian vegetables” in trade statistics), carrots, fresh beans, potatoes, and onions; as well as fruits and processed products on a smaller scale. Working through COMPETE until 2013, USAID/East Africa will support private sector trade associations and other technical partners. ACTESA, COMESA, and the EAC will have important roles to play in harmonization and implementation of related policies and regulations.

Structured trade systems for horticultural crops are well organized for export markets in Europe and elsewhere, but remain relatively disorganized and under-developed with regard to regional market

⁵⁹ Fresh Produce Exporters Association of Kenya (FPEAK), cited in the *Daily Nation*, February 11, 2011

⁶⁰ S. Karuga, 2010. *Kenya's Regional Horticultural Trade*. A study for USAID/Kenya. Market Economies Development, Nairobi, Kenya

opportunities. Support for this set of specialized value chains will require more basic groundwork than the program on maize, other grains, beans, and pulses. The first priority will be to link and build capacity of market information systems, and to set priorities for overcoming the major bottlenecks to trade: harmonizing standards for quality and pest and disease risks, streamlining border procedures and paperwork, and advocating with policy-makers to improve the enabling environment. As COMPETE phases out, African partners will be identified through AIM. Private investors will be encouraged to invest in facilities that will promote the aggregation and movement of fresh vegetables and fruits, to take advantage of variable seasonal patterns to meet expanding markets. This work will be closely coordinated with the USAID missions and their partners in Tanzania, Kenya, Sudan and Zambia, Feed the Future countries that are targeting horticulture. One of the key benefits of more regular supplies should be the nutritional benefits of increased consumption, encouraging the diversification of diets from over-dependence on maize and other starchy staples. ECSA, RCQHC, and other regional partners in nutrition will provide up-to-date information and best practices to influence consumer behavior.

Standardized methods and rules for livestock health

There is consensus among experts that better coordination and harmonization of animal health requirements and disease control programs will improve access by pastoralists and other livestock producers to trade safely and profitably in regional markets. A regional approach to animal health in the Greater Horn of Africa (GHOA) will facilitate livestock movement across borders and enable more efficient trade in both live animals and in chilled meat, hides, and other animal products. Trade barriers will be reduced by improving regional coordination and delivery of animal health programs. The controlling concept for the importing nations is safe trade with appropriate levels of protection.

A new regional project is being developed in support of uniform regional application of disease surveillance and control programs. It will be managed jointly by USAID/East Africa and USDA's APHIS. The program will link with institutions such as ACTESA, COMESA, the EAC, AU-IBAR and IGAD. The focus on animal health issues is expected to stimulate other investments in regional value chains from initial producers to final purchasers. Pastoralists and other livestock producers, market operators, transporters, feeders, abattoir owners and workers, meat processors, retailers, and consumers will all profit from the availability, sale, processing, and consumption of healthy animals. Activities will link with Feed the Future activities in Ethiopia, as well as with organizations working in Kenya and Somalia.

3.1.2 Intermediate Result 2: Expanded Regional Access to Technologies, Knowledge, and Inputs

Improved agricultural productivity is a key objective of Feed the Future, but most activities in this area are focused at the national and local levels. Nevertheless, regional collective action has critical roles to play in research, knowledge management, and input supply. USAID/East Africa will support regional activities that complement and add value in the areas of research, the diffusion of technologies and knowledge, and the development of a regional seed alliance. There are currently no plans to support programs working on regional fertilizer supply chains, but other donors are supporting ACTESA and other African partners in this important area.

Coordinated technology development with national partners on regional priorities

East Africa is a patchwork of diverse agro-ecological zones, many of which cut across national boundaries. Most national agricultural research and extension institutions are too small to address all of the issues they face, or to link effectively with diverse international sources of expertise and knowledge. ASARECA has been supported by USAID/East Africa and other donors to set regional

priorities, and to organize an effective platform for drawing together research capacity and resources from the countries and international organizations to meet common regional needs related to CAADP Pillar IV. An evaluation of this support will be completed by mid-2011 to help guide future priorities.

Increased availability of improved seeds in the region

The use of seed of improved varieties, as well of fertilizers and other inputs, is very low among smallholders in the region. Increased availability at affordable prices is critically important to raise yields to increase farmers' incomes and meet the goals of Feed the Future. Private seed companies will need to play a lead role, working in partnership with national research organizations, agro-dealer networks, and other partners. The private sector is currently constrained by small and uncompetitive markets in individual countries. Opening up regional markets will encourage investments in making seed more available, and in distribution chains to get it to the farmer.

Building on a foundation that has been laid with AFSTA, USAID/East Africa will support appropriate partners to develop a regional seed alliance, which will link national seed trade associations in neighboring countries to work together to enhance the competitiveness of companies in regional seed value chains. USAID/East Africa will also support ongoing efforts to harmonize the laws and regulations that currently restrict the release of varieties in multiple countries and the free movement of seed. Special efforts will be made to ensure that seed is made available for the best adapted and productive varieties of the priority value chain commodities. Several USAID missions have also requested assistance from a regional alliance to overcome seed supply bottlenecks in their countries.

Diffusion of improved technologies, knowledge, and inputs in agriculture and nutrition through partnerships across the region

USAID/East Africa will support efforts to make improved varieties, on-farm and off-farm technologies, and best practices and knowledge for productive management of crops, livestock, soil, and water available to partners in multiple countries to increase the productivity of selected regional value chains. A harmonized, well-enforced biosafety framework is essential to open up access to advanced biotechnologies, as separate standards and rules would create new barriers to trade. Extension and advisory services need significant strengthening in all of the Feed the Future countries. USAID/East Africa will contribute to regional consultations and support systems to disseminate models and best practices.

As described in Section I above, USAID/East Africa will provide support to ongoing and new programs in bio-fortification, aflatoxin control, dietary diversity and other topics linked to agriculture and trade, from which lessons can be learned and scaled up.

3.1.3 Intermediate Result 3: Increased Private Sector Investment in Regional Agriculture and Nutrition

One of the key objectives of the East Africa Feed the Future strategy is to strengthen the capacity of African regional organizations and the private sector to implement activities that build integrated regional agricultural markets in support of the CAADP agenda. COMESA and the EAC, as well as other African organizations including ACTESA, ASARECA, EAGC, and other private sector regional trade associations have been key partners in USAID's regional program. The regional Feed the Future strategy will build upon this success to increase direct support for the RECs and other inter-governmental institutions, which is the regional equivalent of host country contracting.

Expanded private sector partnerships supported through a regional matching funding mechanism

As part of the USAID Forward agenda, USAID/East Africa is setting up the African Institutions Innovation Mechanism (AIIM), the centerpiece of which will be a flexible APS procurement mechanism to support partnerships with African private sector firms. Technical support and training will be provided to successful grantees to build their capacity to access private finance and manage activities in order to contribute to the objectives of Feed the Future and CAADP. Over the past few years, contract projects COMPETE and MLI have managed sub-grants to regional trade associations, farmers associations, and private companies to advance the regional trade agenda and to build the grantees' management and technical capacity. The objective over the first few years of the Feed the Future strategy will be to build up AIIM as a mechanism for more direct support from USAID/East Africa to new African partners. AIIM will be targeted toward existing and new partners that bring competitive proposals, business plans, and some level of matching funds.

An example of the kind of strategic programs that could be supported through AIIM is the regional seed alliance and its partners. Private national and international seed companies have agreed to work together to overcome barriers and build regional markets for seed, thereby reducing costs, increasing availability, and leading to increased yields. Other private companies promoting science-based technological innovations along the priority value chains will be encouraged to become USAID partners.

Increased private sector investments in safe and nutritious foods for regional markets

AIIM will make special efforts to encourage private investments in the processing and distribution of safe and nutritious foods. Millers and other food processing companies could apply for matching funding through AIIM to help get safe, aflatoxin-free fortified foods into regional markets, increasing availability and improving nutrition.

3.2 SUPPORT AREA: SUPPORT STRATEGIC PARTNERSHIPS WITH AFRICAN REGIONAL INSTITUTIONS TO INCREASE TRADE FLOWS

3.2.1 Intermediate Result 4: Increased Capacity of African Regional Partners

A large and increasing share of the budget of the regional Feed the Future program will be provided to African regional institutions and firms to implement activities and achieve results in the three Intermediate Results of the Transformational Focus Area outlined in the previous section. The proportion of the budget that will go through African organizations – including the RECs, regional organizations, regional trade associations, and grantees of the African Institutions Innovation Mechanism (AIIM) – will go up from less than 40 to over 70 percent of the total budget after the second year. As part of each agreement, support will be provided to build capacity and improve governance of USAID/East Africa's African partner organizations.

CAADP processes implemented

USAID/East Africa will continue to work with and support the African institutions responsible for overseeing and coordinating the implementation of the CAADP agenda. The principal partner is the COMESA Secretariat, which is also supported by a multi-donor trust fund managed by the World Bank, to which USAID/Washington contributes. The focus in the first year will be the completion and implementation of the CAADP regional compact, within the framework of the Tripartite Agreement between COMESA, SADC, and the EAC. The regional Feed the Future strategy will support activities

linked to CAADP Pillar II (markets and trade), Pillar III (food security and nutrition), and Pillar IV (science and technology).

Key institutions and organizations supported

The CAADP agenda is to significantly scale up program and project activities in the agricultural sector at national and regional levels. The African organizations responsible for this process will require increased management and technical capacity to fulfill expanded roles. At a regional planning meeting in 2009, it was decided that this demand should be addressed at the regional level, rather than on a mission-by-mission basis. As a result, USAID/East Africa shares responsibility with the Bureau for Food Security in Washington and the two other regional missions for the management oversight of the Africa Leadership Training and Capacity-Building Program (AFRICA LEAD). All of the country missions can buy in to the program to meet their training needs. The first objective is to provide leadership training to a significant number of senior and mid-level professionals in both public and private African institutions charged with the implementation of programs linked to the CAADP agenda. AFRICA LEAD will also carry out institutional assessments and capacity needs assessments of selected partners, to guide plans for further training and mentoring. A database will be compiled of African institutions that provide training in management and in technical areas, to mobilize expertise from within the region. As the current project phases out in 2012, follow-on activities are likely to be hosted by an African institution.

3.3 SUPPORT AREA: PROVIDE REGIONAL SERVICES

3.3.1 Intermediate Result 5: Increased Coordination and Services among Feed the Future Programs in East Africa

As part of the intensive planning process for the Global Food Security Response and Feed the Future, USAID/East Africa has convened a series of regional meetings with the USAID missions in the focus countries. These have provided valuable opportunities to share approaches and discuss how the programs relate to each other and contribute to a shared regional agenda. USAID/East Africa has a long history of providing services to client Missions. In recent years, USAID/East Africa has focused more on the management of regional programs that complement and add value to bilateral programs. Nonetheless, as a result of consultations and discussions, the regional team will strengthen services to missions and their partners in key areas.

Convene Regional Consultations

USAID/East Africa will continue to convene regional meetings and consultations, bringing partners from the focus countries together in forums to share best practices, lessons learned, and to coordinate actions. This will contribute directly to the shared goal of increasing market access for farmers in the priority value chains. Consultations will link USG investments at the national level in areas like crop conditioning, aggregation, and market information, with facilities and services provided by regional institutions and partners. Improved efficiency at shared border crossings and information about market opportunities in neighboring countries will facilitate trade. A dialogue of best practices as well as common pitfalls facing institutional innovations, such as warehouse receipt systems, will speed more efficient implementation. Sharing of data and regional analysis will document progress towards regional food security.

Expand Technical Assistance

USAID/East Africa has been serving as a focal point for information and knowledge management through several mechanisms, including an online community (<http://communities.usaidallnet.gov/foster>), supporting activities in Food Security, Sustainable Trade and Environmental Resilience (FOSTER). FOSTER, which is co-managed by Nairobi and Washington, is a password-protected site that enables document sharing, discussion groups, calendar-sharing and other collaboration features between USG colleagues and partners in the development community. Since its creation in 2009, the site has attracted over 400 registered members and receives an average of 80 visits per week.

In recent years, USAID/East Africa's regional professional staff has focused on the management of regional programs and partners, and has reduced professional services in agriculture and related components of the Feed the Future agenda, as technical staff in country Missions has increased. As part of this strategy, resources have been allocated to hire additional service providers to facilitate the scaling up of Feed the Future across the region in support of CAADP. Some regional advisors, including the regional Sanitary and Phytosanitary (SPS) advisor seconded from USDA/APHIS and a new regional nutrition advisor will be part of the mission's regular staff. Additional professionals will be contracted as a complement to the African Institutions Innovation Mechanism (AIIM), specifically to provide services. The expanded team will provide technical assistance and disseminate best practices, and will also help to ensure that regional and bilateral programs complement and support each other.

4. MONITORING AND EVALUATION

Investments in monitoring and evaluation are designed to strengthen the evidence base for food security interventions in the region, contributing to both the CAADP monitoring and evaluation framework and the Feed the Future results framework. USAID/East Africa will require rigorous monitoring and evaluation systems as primary components of all Feed the Future programs and will enlist the services of the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) for more in-depth analyses, baseline studies, and impact evaluations. Through support to ReSAKSS, USAID/East Africa will also contribute to improvements in the collection of national-level data; analysis and dissemination of national and regional-level information; and use of these tools to promote evidence-based decision making and programming.

ReSAKSS, which is affiliated with the International Food Policy Research Institute (IFPRI), has a regional node for Eastern and Central Africa (ECA) based at the International Livestock Research Institute (ILRI) in Nairobi. The establishment of ReSAKSS was a direct response to the growing demand for credible information and analysis during the design and implementation of agriculture-led development strategies in Africa, especially in support of CAADP. ReSAKSS helps to fill knowledge gaps, promote dialogue, and facilitate the benchmarking and review process associated with the CAADP agenda. Through Feed the Future, USAID/East Africa will support ReSAKSS-ECA to fulfill this role under CAADP and also support the Mission and implementing partners with analysis and metrics that will guide programming and trace progress toward results.

ECSA will be the focal point for monitoring and evaluation of food fortification standards. In 2011, work will begin on developing standardized items for use in periodic national Household Income and Expenditure Surveys (HIES) to determine accessibility, affordability and consumption of fortified foods. Uganda has begun collecting food fortification information through HIES, and that country's work may serve as a foundation for a regional approach to collecting comparable data across countries. Future monitoring and evaluation efforts would include developing standardized nutrition indicators for countries to use.

4.1 PERFORMANCE MONITORING

Once program designs are finalized, USAID/East Africa will work with partners to select final indicators, set targets, and establish baselines where applicable. Both standard and custom indicator data will be collected annually through implementing partners, as well as contextual analysis provided by ReSAKSS. New implementing partners will develop Performance Monitoring Plans (PMP), and ongoing partners will receive USAID/East Africa support to review plans for alignment with the Feed the Future results framework and indicators outlined below. USAID/East Africa's Monitoring and Evaluation Advisor will continue working with partners to improve data quality and consistency through regular data quality assessments, performance planning, and M&E capacity building.

USAID/East Africa will integrate Feed the Future indicators into the PMP for the Regional Economic Growth and Integration Office (REGI), which will provide a detailed overview of the Office's plan and methodology for achieving and documenting all results. The PMP will be updated periodically to ensure it remains up-to-date with the changes that take place in the Feed the Future implementation process.

4.2 INDICATORS AND TARGETS

Due to the nature of regional programs, only selected Feed the Future indicators are applicable to this strategy. USAID/East Africa will continue to work with the Bureau of Food Security to establish meaningful regional indicators that track progress toward the Initiative's goals and show the value addition of regional programs. For performance monitoring, the Mission will collect data for standard and customized indicators to track whether desired results are occurring and whether performance is on target toward *"Increased Access, Availability, and Utilization of African-grown staple foods in Regionally Integrated Markets on the Northern and Central Corridors"*. Targets will be set in consultation with the Bureau of Food Security and with regional partners as part of the annual planning process.

The strategy's highest level indicator is "Percent change in the volume and value of intra-regional trade in targeted agricultural commodities". This is a context indicator that tracks the total regional change, rather than the portion that is a result of USG assistance. ReSAKSS has developed a methodology for tracking this indicator, which takes into account discrepancies in formal trade data and available information on informal trade in the region⁶¹. ReSAKSS established the baseline of 2008 and will be providing regular reporting, including detailed analysis of trends and factors influencing observed changes.

4.3 DATA QUALITY

Beyond internal data quality assessments, USAID/East Africa will invest in activities that improve the quality of tools used to measure evidence at national and regional levels. ReSAKSS will work with national SAKSS nodes to build national capacity to collect and analyze data, and produce quality national trends and outlook reports. These reports will be used for CAADP monitoring and evaluation and will also feed into the regional trends and outlook report. Through its work on the volume and value of intra-regional trade, ReSAKSS will engage national statistical authorities to improve and harmonize formal trade data collection in the region, working to reconcile data of trading partners for more accurate mirroring. For informal trade data, ReSAKSS will work with other partners such as FEWSNET, EAGC and the Uganda Bureau of Statistics (UBOS) to harmonize data collection methodologies, including selection of border points, commodities and appropriate time to collect data.

⁶¹ Gelan, A., et al. 2010. A Methodology for Tracking Trade in Selected Food Staples in COMESA. ReSAKSS. Nairobi, Kenya.

Over time, this work will improve the reliability of the indicator. Finally, ReSAKSS will provide targeted training courses on the application of geographical information systems (GIS), enhancing stakeholders' ability to use geospatial data in planning, coordination, monitoring and evaluation.

4.4 BASELINES

USAID/East Africa has commissioned several baseline studies and assessments in order to inform planning and build the evidence base for regional programming under Feed the Future. As mentioned above, ReSAKSS developed a methodology for tracking the volume and value of intra-regional trade in targeted agricultural commodities and established the baseline year data for 2008. Once USAID/East Africa's strategy is approved, the Mission will also carry out assessments to establish baselines for the percent change in the volume and value of intra-regional trade in (1) fortified foods and (2) agricultural inputs. USAID/East Africa has also commissioned ReSAKSS to provide studies on (1) the status, distribution and determinants of poverty in East Africa; (2) mapping of agricultural investments by national governments, USAID, and other donors; and (3) trade openness in COMESA and the implications for intra-regional trade in staple foods.

With DFID and the African Development Bank (AfDB), USAID/East Africa jointly funded the Corridor Diagnostic Study (CDS), which highlights key transit bottlenecks in the region's ports, roads, railways and inland waterways. The CDS also provides a cost benefit analysis of potential interventions, highlighting those deemed to have the greatest impact on the time and cost of transit in the region. USAID/East Africa is using the findings to prioritize investments, in line with other donors and the Regional Economic Communities.

USAID/East Africa has completed a nutrition assessment and is currently undertaking a gender assessment, which will result in recommendations for better integrating gender into USAID/East Africa's Feed the Future programs, as well as a training program for USAID and implementing partner staff. Bilateral missions in the region can also buy-in to the capacity building component of this gender assessment. As part of AFRICA LEAD, several of USAID/East Africa's partner institutions will receive institutional capacity assessments, which will be used to tailor future capacity building activities.

4.5 IMPACT EVALUATIONS

USAID/East Africa, in collaboration with partners including ReSAKSS, will develop and apply a framework for evaluating the impacts (i.e., scope, scale and effectiveness) of regional agricultural programs. The framework aims at defining regional public goods, as well as the causal pathways through which regional investments lead to impact on poverty and food security. In 2011, ReSAKSS will lead an impact study that focuses on IRI: Integrated national and regional markets, by analyzing the relationship between regional trade and poverty reduction in smallholder farmers. Further support for impact evaluations during the course of this strategy will build on the research questions that stem from the 2011 impact study.

In 2011, USAID/East Africa will also carry out an evaluation of USG investments in ASARECA over the past decade and a mid-term evaluation of the COMPETE contract. The USAID evaluation of ASARECA will be carried out in close coordination with a multi-donor, mid-term review of ASARECA's current five-year Operational Plan, but will focus on the efficiency of the USG implementation approach, the development hypothesis underlying the program, and the impact to which USG resources are contributing. The COMPETE assessment will help guide future support and the relative priorities to be emphasized with FY2011 – FY2013 resources.

4.6 COMMUNICATIONS AND OUTREACH

USAID/East Africa will ensure that USAID missions in the Feed the Future countries, the agencies involved in the Whole of Government, African partners in CAADP, and the wider public in Africa and in the United States are kept informed about the progress and impact of Feed the Future activities.

5. MANAGEMENT

5.1 PROCUREMENT REFORM

USAID/East Africa has integrated components of the USAID Forward reform agenda into this regional Feed the Future strategy. There will be a major push to significantly increase support to both ongoing and new partners in the African private sector, while continuing to build established partnerships with the Regional Economic Communities (RECs) and other African regional institutions through Inter-governmental Assistance Agreements, the regional equivalent of host country agreements. State Department Missions, both those accredited to COMESA and the EAC and in other focus countries, will assist in moving agreed regional reforms forward to implementation.

For African private sector partners, a new mechanism will be developed, the African Institutions Innovation Mechanism (AIIM), the core of which will be an Annual Program Statement. Statements of Work will be written for the core investment areas of this strategy. Proposals will be encouraged with business plans that include matching funds. AIIM will catalyze increased private sector investment in regional agriculture and nutrition activities, a key objective of CAADP and Feed the Future. Contractors will continue to play important roles, through USAID/East Africa's regional Support for Food Security Activities (SFSA) Indefinite Quantity Contract (IQC) and other mechanisms, operating on a smaller scale and over shorter time frames than they have in the past. A new procurement will provide management, technical, and strategic-planning assistance to successful grantees under AIIM.

5.2 TALENT MANAGEMENT

Since the Global Food Security Response Initiative began in 2009, the agriculture and food security team in USAID/East Africa's Office of Regional Economic Growth and Integration (REGI) has been building up its professional staff to manage the expanding regional agenda. A Personal Services Contractor (PSC) was hired that year, initially through an agreement with OFDA, to oversee regional coordination of activities and knowledge management, with an emphasis on addressing monitoring and evaluation from a regional perspective. A new PSC came on board in 2010, with a responsibility to guide the nexus between agriculture, food security and nutrition activities. A new Foreign Service Agriculture Officer will join in August 2011, and the DLI Team has agreed to assign a new Agriculture DLI for two years. New advisors on global climate change and regional trade provide additional professional support. The REGI office is in the process of updating and validating Foreign Service National (FSN) position descriptions, with the goal of increasing the numbers and capacity of FSNs in all of the teams over the next few years. The Regional Health and HIV/AIDS Office (RHH) will employ an additional nutrition specialist if funding is available.

5.3 REBUILDING POLICY CAPACITY

A critical support area of the regional Feed the Future strategy is dedicated to building the capacity of African regional institutions. These institutions and the leaders working for them have deep-rooted connections to member states' governments and private sector communities throughout the region. By investing in African institutions and leaders, the U.S. Government is investing and partnering with change agents capable of reforming and implementing regional integration policies favorable to

increased agricultural growth and reduced poverty and hunger. Partner institutions are discussed more fully in Section 2.

5.4 STRENGTHENING MONITORING AND EVALUATION

Section 4 summarizes the strategy for monitoring and evaluation. Through support to ReSAKSS and other partners, USAID/East Africa contributes to improvements in the collection of national level data analysis and dissemination of information; and the applied use of this information to promote evidence-based decision-making and programming.

5.5 INNOVATION

USAID/East Africa is committed to encouraging innovation that will create new pathways for opening up access to integrated regional markets through trade, and for increasing the productivity of smallholder agriculture, thereby improving food security and nutrition. The ALLM mechanism described above is being designed to bring a wider range of African private firms with innovative ideas and approaches into the implementation of the regional Feed the Future strategy.

5.6 SCIENCE AND TECHNOLOGY

Increased productivity and improved quality and value added along selected value chains will depend on flexible, innovative applications of science and technology. USAID/East Africa will link with the Bureau of Food Security, USDA, and other partners to help mobilize multiple sources of knowledge at the regional level. ASARECA has been supported by USAID/East Africa and other donors to set priorities and to serve as a regional platform for drawing together research capacity and resources from multiple countries to meet common regional needs related to CAADP Pillar IV. The balance of possible future support to ASARECA and potential partners in the African private sector will be guided by an evaluation and impact assessment of USAID's past support to ASARECA that will be completed by mid-2011.