



PHOTO: EATIH

MID-TERM EVALUATION OF THE EAST AFRICA TRADE & INVESTMENT HUB FINAL REPORT

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Final Report

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Cover photo: Display of jewelry and fashion accessories from Hub-supported AGOA exporters.

Source: East Africa Trade and Investment Hub Flickr page

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ACRONYMS

ACTE	African Competitiveness and Trade Expansion
ACTIF	African Cotton and Textile Industries Federation
AGOA	Africa Growth and Opportunity Act
ANSI	American National Standards Institute
B2B	Business-to-Business
CEA	Cost-Effectiveness Analysis
CMP	Common Market Protocol
COMESA LLPI	Common Market for Eastern and Southern Africa Leather and Leather Products Institute
COMESA	Common Market for Eastern and Southern Africa
COMSAT	Common Market for Eastern and Southern Africa Trade Statistics Database
DAI	Development Alternatives Incorporated
DCA	Development Credit Authority
EAC	East Africa Community
EAFF	Eastern Africa Farmers Federation
EAGC	Eastern Africa Grain Council
EATIH	East Africa Trade and Investment Hub
EPZ	Export Processing Zone
FEAFFA	Federation of East African Freight Forwarders Associations
FTE	Full-Time Equivalent
GEFE	Gender Equality and Female Empowerment
ICT	Information Communication and Technology
IFC	International Finance Corporation
IR	Intermediate Result
KALRO	Kenya Agriculture and Livestock Research Organization
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MT	Metric Ton
PMP	Performance Management Plan
PSDAG	Private Sector Driven Agricultural Growth

REI	Regional Economic Integration
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SME	Small and Medium Enterprise
SOP	Standard Operating Procedures
SOW	Statement of Work
SPS	Sanitary and Phytosanitary
STTA	Short-Term Technical Assistance
TAMIS	Technical and Administrative Management Information System
TBT	Technical Barriers to Trade
TMEA	TradeMark East Africa
UNCTAD	United Nations Conference on Trade and Development
USAID/KEA	United States Agency for International Development Kenya and East Africa
USAID	United States Agency for International Development
USG	United States Government
WTO	World Trade Organization

EXECUTIVE SUMMARY

The East Africa Trade and Investment Hub (EATIH, or “the Hub”) is a five-year project implemented by Development Alternatives Incorporated (DAI) with funding from the United States Agency for International Development (USAID). This mid-term evaluation covers the period from September 2014 to September 2017. The purpose is to inform the Hub’s implementation for the remainder of its operations and to guide future design and implementation of other trade and investment programs. The evaluation statement of work is provided in Annex I.

BACKGROUND

EATIH is the United States Government's (USG's) flagship regional trade project designed to boost trade and investment with and within Eastern Africa and is partially funded by the USG's Feed the Future initiative. The Hub implements activities in Burundi, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Tanzania and Uganda, with the main program office located in Nairobi, Kenya. The Hub's goal is to increase intra-regional and international trade that contributes to increased regional economic growth, resilience and integration. The Hub promotes trade and investment through four components: investment and technology; agriculture and agribusiness; trade promotion and the African Growth and Opportunity Act (AGOA); and policy and regulatory reforms. The program has two main objectives: to increase regional value chain competitiveness and to improve the regional trade and investment environment. The project's targeted results are:

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

EVALUATION QUESTIONS

The mid-term evaluation answers the following six overarching questions:

1. To what extent is the activity on track to achieve planned outcomes across all components and overall?
2. What are the major factors influencing the achievement or non-achievement of envisaged results and objectives, and how has the activity responded to challenges experienced so far?
3. Is the activity collecting the appropriate data on planned results and associated costs, and are systems in place for documentation of actual costs and results in a way that the activities' cost-effectiveness can be systematically examined in a final evaluation or final contractor report?

4. What measures have been put in place during planning and implementation to ensure that resources are efficiently utilized?
5. What mechanisms have been put in place to ensure sustainability of the project initiatives?
6. How is the activity adapting to align to the U.S. administration's priorities on support to U.S. companies while meeting existing contractual obligations?

EVALUATION METHODOLOGY

The evaluation used a qualitative approach, conducting 75 key informant interviews (KIIs) with stakeholders in six countries. Data collection took place over a four-week period. The evaluation team also conducted a desk review of key program documents and other contextual reports. The team compared and contrasted the primary data with secondary data on planned activities and results to arrive at the findings, conclusions and recommendations addressing each of the six evaluation questions.

FINDINGS AND CONCLUSIONS

The findings for the first two questions, which are about effectiveness, are summarized below.

Evaluation Question 1: To what extent is the activity on track to achieve planned outcomes across all components and overall?

Evaluation Question 2: What are the major factors influencing the achievement or non-achievement of envisaged results and objectives, and how has the activity responded to challenges experienced so far?

To increase intra-regional trade in staple foods, the Hub has worked with partners to support technologies such as post-harvest hermetic storage bags and shallow bag dryers to improve grain storage and preservation. The Hub has worked with the Eastern Africa Grain Council (EAGC) to support development of a model that will provide EAGC members with access to trade and lease financing for upgrading warehouses on the G-Soko platform. The Hub has also supported policy work, resulting in the approval of nine EAC staple food standards by the East African Standards Technical Committee on Cereal and Pulses and the removal of five nonconforming restrictions on the movement of goods, services and capital. Stakeholders in Kenya, Uganda, Tanzania and Rwanda point to these policy reforms as the primary reasons for the increased ease of doing business across the borders.

The Hub has facilitated buyer linkages through trips such as one to Ethiopia that reportedly generated almost USD \$28 million in maize and sorghum exports to Kenya and Uganda. Stakeholders also point to enhanced grain standards and improved EAC clearing points as factors in easing movement of commodities across the borders.

Despite the obvious success of these activities, results for intra-regional trade — particularly in staple foods — is lagging. Stakeholders claim that issues with intra-regional trade are primarily due to weather and political factors that have negatively impacted production and free movement of staples. For example, a political dispute caused Tanzania to prohibit grain imports to and from Kenya; this not only reduced trade, but also reduced incentives for farmers in Tanzania especially to produce. Stakeholders reported that although Zambia had a bumper harvest in 2017, its legacy of low production in 2016

justified its prohibition on exports in 2017. Another factor contributing to lower-than-expected results may be the high proportion of informal trade in staples, which stakeholders estimate to be approximately 50 percent of the total trade in staples.

The Hub's efforts to increase global competitiveness includes support to AGOA strategies and action plans, trade missions and product development. The inclusion of Ethiopia in the Hub scope and Madagascar's renewed eligibility to export to the U.S. under AGOA have contributed to an increase in AGOA exports. In 2017, Ethiopia's AGOA exports increased 33 percent (USD \$84 million) and Madagascar's exports increased 66 percent (USD \$140 million), representing more than 25 percent of the value of exports for all eligible member states. The Hub has also worked extensively to support sanitary and phytosanitary (SPS) standards and to address technical barriers to trade (TBT), and stakeholders believe these efforts have contributed dramatically to increased exports.

The Hub has facilitated investment of USD \$40 million in private sector firms in the agricultural sector and USD \$17 million in the non-agricultural sector. Subcontractors CrossBoundary, Open Capital and Grofin have been the primary actors conducting agriculture-related work to identify investors and companies requiring investment, as well as providing pre-investment technical assistance. Advisors embedded by the Hub within state promotion agencies have augmented these efforts. New investment has likely contributed to the dramatic increase in full-time equivalent (FTE) jobs that the activity has fostered.¹

The Hub has worked with private sector federations in Uganda, Tanzania, Rwanda and Kenya to facilitate policy reforms and reduce tariff and nontariff barriers to trade that have eased the movement of goods and service in region. The Hub's support for adoption of the SPS Protocol by Uganda, Rwanda, Kenya and Burundi has streamlined the movement of staple foods across the region by reducing the certification in multiple cross-border points in the region. The Hub has also worked with apex bodies to renegotiate policy, such as the elimination of a USD \$300 per metric ton (MT) tax on rice from Tanzania to Rwanda that had impeded trade, and to enact laws that facilitate the free flow of labor and capital. For example, the Hub successfully lobbied against the Companies Act that required 30 percent Kenyan ownership in foreign companies, paving the way for increased movement of capital.

A number of factors are potentially contributing to non-achievement of targets. Stakeholders believe the Hub's Nairobi-centric management structure limits expedient decision-making, implementation and achievement of results. Stakeholders also said that this factor results in approaches that are not appropriate for other East African countries. Another issue that key informants frequently mentioned was the lack of coordination among the Hub's components and between the Hub and its partners, both of which may impede achievement of results. Representatives of apex bodies, private sector associations, grantees and regional bodies claim that they are not fully aware of the range of the Hub's activities, many of which could amplify their results. In addition, the short-term orientation of some of the Hub's interventions was cited as a major impediment to the achievement of long-term results and sustainability, particularly those involving individual beneficiaries.

The Hub is not on track to meet its two objectives for **intra-regional trade**. Indicators reflect issues primarily with staple foods and commodities, and with lower-than-anticipated results in influencing policy administrative procedures, development, and implementation. While the Hub's work on

¹ FTE jobs have also been substantially supported by the resumption of operations in Madagascar's textile industry.

implementing standards, improving staples management and facilitating buyer linkages has positively contributed to increasing intra-regional trade, two critical factors affecting this objective — political will and weather — are beyond its realm of control. It is possible that these factors were not fully considered when establishing targets.

The Hub is behind its target for **facilitating USD \$100 million of new investment**, but this objective may be achieved. Activities required to fill the demand and supply pipeline occur in the early stages, with results accelerating at the later stages. Reporting on indicators for investment training reflect significant overachievement, which may result in reaching the new investment objective by the end of the project.

Similarly, the Hub is behind on meeting its target objective of **increasing exports to the U.S. under AGOA by 40 percent**. Activities for technical assistance to firms and AGOA strategies have been front-loaded, and the value of AGOA exports from Hub-supported firms is on track. If the Hub deepens its support to firms that have participated in trade missions, it may meet its AGOA exports objective.

The Hub has far surpassed its target to foster 18,500 new full-time equivalent jobs. Even without the anomalous increase of 26,000 positions in Madagascar — which resulted from a change in policy — the Hub's success in attracting new investment, firm-level assistance for next-stage growth, and workforce development initiatives has resulted in accomplishment of this objective.

Evaluation Question 3: Is the activity collecting the appropriate data on planned results and associated costs, and are systems in place for documentation of actual costs and results in a way that the activities' cost-effectiveness can be systematically examined in a final evaluation or final contractor report?

The Hub is not currently collecting data on results and associated costs in a way that allows for systematic examination of cost-effectiveness. While systems could be established for this purpose, this was not a requirement in the Hub's contract. Tracking cost-effectiveness by Hub activity would require identification of discrete activities and outcomes for examination. While the value of trade, investments and FTE jobs may be measurable, attributable outcomes within the project timeframe, and outcomes resulting from trade missions, capacity building and conferences, may be more difficult to count, monetize and attribute. Furthermore, costs associated with such activities would need to be clearly identified, with systems established to allocate costs. Decisions would need to be made regarding the types of costs to attribute to activities, such as staff and overhead, or only direct costs, such as trade missions or business-to-business (B2B) events.

As a regional program, cost-effectiveness analysis (CEA) may be particularly challenging for the Hub, as costs and outcomes are likely to vary considerably from country to country, and information would require tracking at the country level. Furthermore, data supplied by a vast number of partners has the potential to be unreliable as well as inconsistent across partners and countries.

Evaluation Question 4: What measures have been put in place during planning and implementation to ensure that resources are efficiently utilized?

The Hub has used a variety of approaches to maximize efficient use of resources, including leveraging local resources, requiring partners to cost-share, directly managing procurements on behalf of partners and maintaining a lean staff in Nairobi to minimize overhead costs. For example, most policy initiatives take

shape through partnerships with local law firms and with private sector apex bodies, rather than through use of paid consultants. Using local resources for implementation and cost-sharing has not only stretched financial resources, but often has had the added benefit of increasing stakeholder buy-in and ownership.

However, attempts to be resource-efficient have yielded mixed results. While the Hub's centralized administration and decision-making arm in Nairobi may be cost-efficient in terms of staffing and overhead, it may not be resource-efficient in terms of staff time. Direct funding may be an efficient approach to resource utilization, but it has sometimes resulted in curtailing project results when procurements — and hence activity inception — are delayed.

While the Hub's component structure is well aligned with achieving outcomes, the nature of the outcomes often requires coordinated efforts focused on competitiveness, policy and investment. Coordination necessitates additional time and effort, but the alternative of teams focused on different components working in silos can result in duplication of effort (time and money) and missed opportunities (that could be captured through synergies of activities). Efficiencies could be gained (and outcomes accelerated) through cross-selling to partners, such as with apex bodies and investment.

More formalized coordination with USAID missions and other USG resources could result in a synergistic effect, extending the impact of the Hub's resources. Although the Hub has begun coordinating with other USG-funded programs, further opportunities exist to leverage resources of USAID missions to advance the Hub's objectives.

Evaluation Question 5: What mechanisms have been put in place to ensure sustainability of the project initiatives?

The Hub's initiatives that are part of a long-term strategic initiative, that are aligned with stakeholder interests, and that demonstrate tangible stakeholder benefits are most likely to be sustained. One-off activities that are not anchored in a longer-term strategic initiative, and activities that are generic and not tailored to specific stakeholder needs, are unlikely to be sustained.

The Hub's investment in permanent entities such as governments, the EAC Secretariat, apex bodies, and business support organizations are likely to continue delivering results in the near term and to impact the enabling environment in the longer term. This is evident in areas of policy reform, as well as in efforts to institutionalize SPS and TBT standards through entities with a state mandate. The continuous presence of embedded advisors within government agencies has contributed significantly to these agencies' institutionalizing learning and practices. Similarly, memoranda of understanding (MOUs) with state actors formalizing their role in Hub initiatives, such as the Export Processing Zone, demands local ownership and a stake in continued successful operation. The Hub's funding of training materials to support awareness and implementation of the policies, standards and practices of these initiatives furthers their sustainability.

The cost-share approach required of partners appears to be effectively instilling ownership, and hence sustainability. Trade shows in particular are making an impression on firms as a worthwhile investment to expand their customer base, as well as for business support organizations by fulfilling a dual role: a revenue source for their operations and a tangible service they can offer to members. The full extent of benefits could perhaps extend to technical assistance to trade show attendees before and after the events to help them maximize the experience. When partners recognize tangible economic benefits, they are likely to continue these activities at their own expense.

Investment is likely to accelerate as nascent courtships develop into business relationships, business linkages gain momentum, and firms that have been groomed for investment are able to demonstrate readiness.

Evaluation Question 6: How is the activity adapting to align to the U.S. administration's priorities on support to U.S. companies while meeting existing contractual obligations?

Given the high value of exports from the EAC to the U.S., and the latter as the primary destination for a number of EAC products, the Hub's continued work with AGOA is likely to contribute to maintaining or increasing U.S. influence. The Hub's initiatives in attracting U.S. foreign investment and buyer linkages are contributing to economic opportunities for the American people, and the Hub's contribution to increasing the ease of doing business makes the EAC an even more attractive opportunity for American investment and business partnerships.

It is likely that the Hub's resources could be leveraged more effectively and efficiently to assert U.S. influence and leadership if its strategy and activities were better coordinated with other USG initiatives in the region. Alignment of the Hub's activities with the bilateral missions in participating countries and inter-agency agreements on trade and agriculture activities could go a long way toward enhancing economic opportunities for investors and the private sector in the U.S.

As Kenya evolves to become a middle-income country, there is an opportunity to reposition its relationship with the U.S. away from what has historically been donor/beneficiary to a more transparent, businesslike partnership in which the U.S.' interest is in investing resources to benefit the American people, with a simultaneous tangible benefit to local populations.

GENDER CONSIDERATIONS

While the Hub follows USAID policy with a thoughtful gender strategy and sex-disaggregated people-level indicators, titling a female grant manager as "gender specialist" is insufficient. Beyond counting the number of women beneficiaries, there is little evidence that the Hub has strategic or measurable objectives, or a coherent approach to promoting equality and reducing gender-based disparities. While the Hub has supported some one-off activities for woman-owned businesses, no apparent specific measures, through outreach or activity design, have targeted gender inclusion in areas where women are less "visible, vocal or have less access" due to the cultural legacy of lower education, fewer financial resources and exclusion from male-dominated business networks with shared business opportunities.

While the Hub prioritizes sectors with high potential for female job creation, such as textiles and apparel, home décor, fashion accessories, horticulture and coffee, these jobs are usually at the unskilled and semi-skilled levels and at the lower end of the pay scale, reflecting the existing gender dynamics.

On the other hand, harmonized and streamlined EAC trade policies supported by the Hub have significant benefit to women, as evidence suggests that women traders experience negative impacts from trade inefficiencies and that women-led firms prefer to export to neighboring countries.

Nevertheless, as the Hub appears to operate with a gender-blind approach that reflects existing gender-based disparities — in which men have more access to, participation in and benefits from resources.

RECOMMENDATIONS

Based on the findings of this evaluation, the following recommendations are offered to enhance results for the remainder of the Hub's implementation period:

1. The Hub should continue to support AGOA through implementation of strategies and action plans, as well as continue to support diversification of products exported to the U.S.
2. Working with USAID, the Hub should facilitate resolution of the potential loss of AGOA eligibility by Rwanda, Tanzania and Uganda during the current fiscal year to mitigate the potential loss in trade volume from these countries.
3. Following the examples of the Rwanda Standards Board and Kenya Bureau of Standards, the Hub should facilitate peer-to-peer assistance among other regional entities.
4. The Hub should focus on spreading its activities across countries to accelerate achievements in Tanzania, Uganda, Rwanda and Ethiopia. This may require additional resources.
5. The program should conduct an internal mapping exercise to determine where and to whom the Hub's activities can be cross-sold to partners.
6. The program should develop formalized plans for the embedded advisors to institutionalize their learning and results within their respective entities and to devolve their responsibilities to staff during the remainder of the program.
7. The Hub has significantly overachieved on several targets while underachieving on others. As revisions to the PMP are now in progress, the Hub and USAID should consider how much factors that are beyond the Hub's control — such as the speed of the political process and weather — may affect achievement of results. The Hub should then modify targets accordingly.
8. As most output targets have been significantly over-achieved, the Hub should focus on depth of assistance to those already supported. Such assistance may include helping close deals through order fulfillment, cultivating long-term relationships with contacts made through trade shows and buyer linkages, and providing follow-up support to firms assisted with product development. All new activities should be anchored within a strategic initiative rather than implementing one-off activities.
9. If USAID wishes to examine the cost-effectiveness or cost-benefit of the Hub's activities, the Agency should contract a specialist to work with USAID and the Hub to determine the types of activities to examine, the expenditures to attach to activities, and the data points required to conduct such analysis. Careful consideration should be given to realistic expectations for data quality, consistency and reliability. Given the time and expense of this exercise, determining beforehand how the resulting information will be utilized is essential.
10. To maximize the likelihood of sustained results beyond the Hub's lifespan, the Hub should make a concerted effort to engage with other donors and programs supporting the Hub's partners and strategic areas of focus to identify areas where resources can be leveraged. This includes USAID country missions, initiatives of other donors, and USAID programs/partners such as the Kenya Feed the Future Crops and Dairy Market Systems Development activity, Ethiopia Development Credit Authority (DCA), Ethiopia Advanced Maize Seed Adoption Program, Rwanda Private Sector Driven

Agriculture Growth (PSDAG) project, Uganda Feed the Future (which focuses on coffee, maize and beans), and the Southern Agricultural Growth Corridor of Tanzania (SAGCOT).

11. The Hub should appoint a gender lead to help accelerate implementation of the gender strategy and set clear, realistic targets for the remaining period of the Hub. The gender lead should hold a position of authority with clear support from the Hub leadership.
12. Quarterly and annual performance reporting should take a more nuanced approach to sex disaggregation to reflect ownership of businesses assisted through firm-level assistance, investment and capacity building within government and business support entities. This will provide valuable insight into exactly where and how resources are reaching men and women differently.

INTRODUCTION

This report presents findings, conclusions and recommendations from the mid-term evaluation of the United States Agency for International Development's (USAID's) East Africa Trade and Investment Hub (EATIH, or "the Hub"), a project implemented by Development Alternatives Incorporated (DAI). USAID/Kenya and East Africa (USAID/KEA) commissioned Management Systems International (MSI) to conduct the evaluation, which covers the Hub's operations from September 2014 to September 2017. The evaluation statement of work is provided in Annex I.

EVALUATION PURPOSE AND INTENDED USE

The purpose of the mid-term evaluation is to assess the Hub's progress toward achieving objectives and consider factors most significant in achieving or hindering them; to document project challenges; and to provide recommendations that inform the direction and structure of the project for the remainder of the contract. The key audiences for this evaluation are the Hub's technical team, who will use the evaluation to inform and/or revise the current work plan, and USAID/KEA, who will use this evaluation to inform ongoing and future programming.

PROJECT BACKGROUND

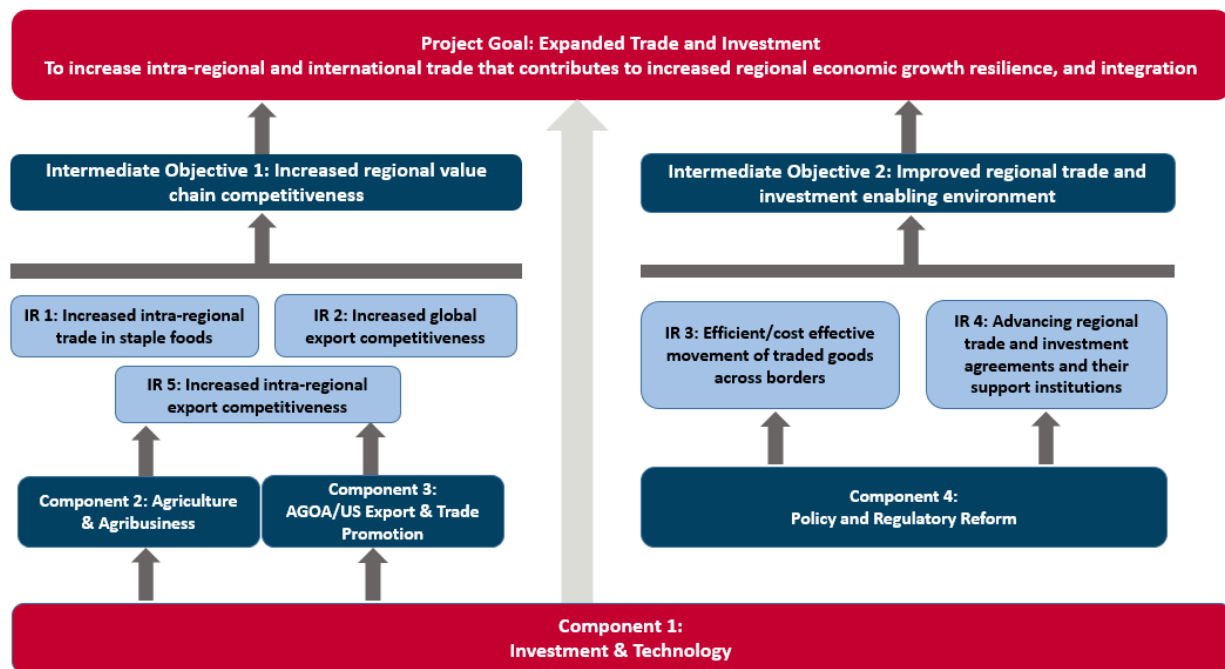
EATIH is the United States Government's (USG's) flagship regional trade project designed to boost trade and investment with and within Eastern Africa. It is a five-year, USD \$63.9 million project targeting Burundi, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Tanzania and Uganda, and it receives partial funding from the USG's Feed the Future initiative. The overall goal is to increase intra-regional and international trade that contributes to increased regional economic growth, resilience and integration. The project has two main objectives: to increase regional value chain competitiveness and to improve the regional trade and investment enabling environment. Within these objectives are five key intermediate results (see Figure I):

1. Increased intraregional trade in staple foods;
2. Increased global export competitiveness;
3. Increased intra-regional export competitiveness;
4. Efficient and cost-effective movement of goods and services across borders; and
5. Advancing regional trade and investment agreements and their support institutions.

To achieve these goals and objectives, the project is organized into four components:

1. Investment and technology;
2. Agriculture and agribusiness;
3. African Growth and Opportunity Act (AGOA)/U.S. export trade promotion; and
4. Policy and regulatory reform.

FIGURE 1: EATIH RESULTS FRAMEWORK



EATIH THEORY OF CHANGE

The USAID/KEA five-year Regional Development Cooperation Strategy has defined problems facing the East Africa region. In response, the Hub seeks to address several of these challenges, as prioritized below:

- Significant poverty and frequently recurring food insecurity;
- A lack of investment in key development sectors;
- Comparatively low levels in value and diversity of non-oil exports; and
- Comparatively low levels of intra-regional trade.

One approach to address these problems is to spur inclusive and transformational economic growth through trade and investment. AGOA aims to address the most serious constraints facing the East Africa Community (EAC) in its efforts to increase: integration; trade (both intra-regional and global) and investment in general; and trade with and investments from the U.S. In particular, these constraints can be classified into four categories: inadequate hard and soft trade-enabling infrastructure; government policies and practices that hinder trade and investment; constraints and inefficiencies throughout the agricultural value chains (including staple foods) resulting in higher costs for production/operations and trade; and difficulties of EAC and U.S. entrepreneurs to find potential partners, investors and suppliers.

To respond to these prioritized development challenges, the Hub's four components seek to contribute to strengthening regional cooperation and integration in the EAC, leading to the following end-of-project results:

- Double the value of intra-regional trade in the EAC;

- Increase non-oil exports to the U.S. under AGOA by 40 percent;
- Foster 18,500 new full-time equivalent jobs through firms assisted by the EATIH and its partners;
- Facilitate USD \$100 million in new investments within targeted EAC sectors; and
- Increase the volume and value of EAC's intra-regional trade in staple foods by 40 percent.

The project aims to achieve these results by working with the private sector and local governments to find practical solutions for trade and investment constraints that lead to improved business and investment environments. It also builds awareness of opportunities for African and U.S. firms to increase trade, expand business partnerships and invest in East Africa.

In support of Feed the Future, the USG's global hunger and food security initiative, the Hub seeks to increase access, availability and trade in East African-grown staple foods within the region. It supports regional initiatives that improve market information, increase access to inputs and reduce non-tariff barriers that can hinder trade across borders.

EVALUATION METHODS AND LIMITATIONS

EVALUATION QUESTIONS

This evaluation report responds to six overarching questions that are grouped into three key evaluation criteria: effectiveness, efficiency and sustainability.

EFFECTIVENESS

1. To what extent is the activity on track to achieve planned outcomes across all components and overall?
2. What are the major factors influencing the achievement or non-achievement of envisaged results and objectives, and how has the activity responded to challenges experienced so far?

EFFICIENCY

3. Is the activity collecting the appropriate data on planned results and associated costs, and are systems in place for documentation of actual costs and results in a way that the activities' cost-effectiveness can be systematically examined in a final evaluation or final contractor report?
4. What measures have been put in place during planning and implementation to ensure that resources are efficiently utilized?

SUSTAINABILITY

5. What mechanisms have been put in place to ensure sustainability of the project initiatives?
6. How is the activity adapting to align to the U.S. administration's priorities on support to U.S. companies while meeting existing contractual obligations?

EVALUATION DESIGN AND METHODOLOGY

The mid-term evaluation design used a qualitative method combined with a review of project and other contextual documents. A period of document review preceded primary data collection to inform the sample selection, development of tools and planning of evaluation activities. The review of data provided by USAID and DAI, as well as other relevant documents, continued through the evaluation period. Secondary data sources consisted of activity implementation documents and other periodic progress reports. Additional secondary sources included reports from stakeholders working with the Hub, including the EAC Secretariat, EAC member states, the Common Market for Eastern and Southern Africa (COMESA), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, grantees and co-implementers, among others. The evaluation team comprised four evaluators: a team leader, an investment expert, a trade specialist and an agribusiness specialist. The evaluation was conducted from November to December 2017, including travel to Uganda, Tanzania, Rwanda and Ethiopia to interview stakeholders.

DESK REVIEW

The secondary data review provided the team with information on activities implemented within each evaluation period and helped in the design of the instruments while defining information gaps that needed primary data to address the evaluation questions. Documents reviewed include the Hub's annual reports, annual work plans, performance management plans (PMPs), the EATIH statement of work, the Hub's gender strategy, African Competitiveness and Trade Expansion (ACTE) harmonized PMPs, activity output documents (e.g., AGOA strategies, policy reform documents, M&E reports), the World Bank's Ease of Doing Business reports and the EAC Common Market Protocol, among others. The list of reviewed documents is provided in Annex III.

KEY INFORMANT INTERVIEWS (KIIs)

Primary data collection consisted of in-depth interviews with key informants using semi-structured discussion guides. The evaluation questions were used to develop data collection instruments targeted at each stakeholder identified during the inception stage of the evaluation. Data collection tools differed depending on the targeted respondents' involvement with the Hub. The data collection tools are provided in Annex II. Interviews were conducted in English and lasted approximately 90 minutes.

Stakeholders were purposively selected to include those who had worked with the Hub during the evaluation period, including:

- USAID Regional Economic Integration (REI) Office staff;
- USAID mission staff;
- The Hub and partner staff;
- Officials of government ministries and public sector institutions;
- Staff of private sector apex bodies and companies; and
- Staff of inter-regional bodies.

With a few exceptions, group interviews took place with agriculture experts within USAID's REI Office and with technical experts within the Hub (comprising economic policy and sanitary and phytosanitary [SPS] experts). Informants were selected according to their depth of involvement and knowledge of the Hub's activities.

The evaluation team conducted 75 KIIs (32 women and 43 men), selected on the basis of the activities each participant had been involved in. Table I shows the stakeholder institutions interviewed for KIIs by location. KIIs with implementing partner staff were targeted at senior staff, including the chief of party, component directors and managers and staff responsible for key activity components. Use of the activity work plans and the Hub's annual reports ensured evaluation of most of the implemented activities. This guided the selection of stakeholders across the countries where the implementer had undertaken trade and investment activities.

TABLE I: COMPOSITION OF THE KEY INFORMANT INTERVIEWS

Country	USAID/KEA & Bilateral Missions Staff	Hub Staff & Co-implementers	Private Companies & Associations	Government Ministries & Public Sector Institutions	Interregional Bodies	Total
Kenya	5	14	9	8	6	42
Tanzania	1	1	3	2	2	9
Ethiopia	1	2	4	1	1	9
Uganda	1	1	3	2	0	7
Madagascar	0	0	2	0	0	2
Rwanda	1	1	0	4	0	6
Total	9	19	21	17	9	75

DATA ANALYSIS METHODS

Data analysis involved documenting the narrative responses from interviews, and developing an inductive coding framework to enable thematic and pattern analysis across respondent types. To specifically respond to Evaluation Question I, the team compared the data and documents reviewed with respect to the Hub's achievements, targets and activities planned.

A review of key project documents provided quantitative measures to address the evaluation questions. With regard to the achievement of results, the evaluation team analyzed the indicator quantitative data to assess the achievement against the planned results. Comparing and contrasting the data from interviews and the desk review was the basis to generate findings, conclusions and recommendations addressing each evaluation question.

LIMITATIONS

The design and implementation of this evaluation faced several limitations and potential biases from respondents, which the evaluation team sought to mitigate to the best of its ability.

The Hub's Geographical Scope: Given that the activities of the Hub span eight countries with varying levels of project implementation progress, achievements to date guided the evaluation team's selection of countries to visit. Depending on activities implemented in each country, there is likelihood of varied feedback based on each stakeholder group's experience with the Hub. The evaluation sought to capture experiences from most countries where activities were implemented, but time constraints and travel logistics were limiting factors, including the available number of stakeholders that would provide economies of scale to justify travel to specific countries.

Activity Achievement Attribution/Contribution: The evaluation team reviewed achievement of activities using the implementer's reports to USAID. The attainment of results cannot, however, be solely attributed to the Hub's interventions, as several intermediaries within the same space contributed to them. Trade and investment activities targeted under this project are also compounded by myriad factors that either foster or hinder the success of the activities. These factors are beyond the purview of the USAID-funded activities. Performance measurement data available to the team offers limited information to measure outcomes and to tie them to the implementing partner's specific interventions. Therefore, multiple factors and players influenced these activities (including policy, trade, exports and businesses' performance); assessing the Hub's contribution to their success is a complex undertaking. The evaluation's nonexperimental design made it impossible to isolate the contribution of others to the progress on each activity.

Potential for Key Informant Bias: The evaluation findings are based primarily on qualitative information provided by interviewed stakeholders; by their nature, these results are influenced by interviewees' individual experiences. Most respondents have a vested interest in maintaining positive relationships with the Hub to continue benefitting from funding or other relationship benefits. To mitigate bias in reporting, the team assured informants of the anonymity of their responses; asked follow-up questions for consistency of responses; and interviewed stakeholders whose honest responses would expose them to little risk. Further, the team triangulated responses with other data.

Availability of Cost-Efficiency Data: The Hub and partners do not maintain data in a manner that allows discrete activities to be linked to outcomes.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

EVALUATION QUESTIONS 1 AND 2: ACHIEVEMENT OF PLANNED OUTCOMES

FINDINGS

Note: As Question 2 answers the "why" of Question 1, answers to Questions 1 and 2 have been combined.

Evaluation Question 1: To what extent is the activity on track to achieve planned outcomes across all components and overall?

Evaluation Question 2: What are the major factors influencing the achievement or non-achievement of envisaged results and objectives, and how has the activity responded to challenges experienced so far?

As of the time of the evaluation, the Hub was 60 percent through project completion.

Objective 1: Increased Intra-Regional Trade in Staple Foods

As Table 2 indicates, the value of exports in targeted non-agricultural and agricultural commodities from firms supported by the Hub is well above its three-year target. However, the Hub is underachieving with respect to its three-year target on the value and volume of EAC intra-regional trade in staple foods.

TABLE 2: EAC INTRA-REGIONAL TRADE

Result	Achieved	Target	Achievement
Value of EAC (intra-regional) exports in targeted non-agricultural and agricultural commodities	\$1,028,319,000	\$2,141,000,000	48%
Value of EAC intra-regional trade in staple foods	\$676,701,000	\$2,184,000,000	31%
Volume of EAC intra-regional trade in staple foods	2,450,728,000	8,800,000,000	28%

According to the Kenya Agricultural and Livestock Research Organization (KALRO), poor post-harvest management in sub-Saharan Africa results in grain losses of 20 to 30 percent, estimated at USD \$4 billion annually.² To increase intra-regional trade in staple foods, the Hub has worked with partners to support technologies such as post-harvest hermetic storage bags and shallow bag dryers to improve grain storage and preservation. The Hub worked with the Eastern Africa Grain Council (EAGC) to help develop a model that will provide EAGC members with access to trade and lease financing to upgrade warehouses on the G-Soko platform.

The Hub has facilitated buyer linkages through business-to-business forums, such as those held in Ethiopia and Zambia (countries that each produce surplus grain), which reportedly generated almost USD \$42 million in confirmed intra-regional grain trade exports to food-deficit countries in the region. Stakeholders also point to improved grain standards and improved EAC clearing points as factors easing movement of commodities across the borders.

Yet despite the obvious success of facilitation trips, intra-regional trade in staple foods is lagging. Stakeholders claim that issues with intra-regional trade are primarily due to weather and political factors that negatively impacted production and free movement of staples. For example, a political dispute caused Tanzania to prohibit grain imports from Kenya, which both reduced trade and diminished incentives for farmers to produce. Stakeholders reported that although Zambia had a bumper harvest in 2017, its legacy of low production in 2016 justified its prohibition of export in 2017.

Perhaps another factor contributing to lower-than-expected trade is the high proportion of informal trade, which stakeholders estimate to be approximately 50 percent of the total trade in staples.

The most significant challenge faced by the Hub relative to achieving results in intra-regional trade of staple foods has been the unpredictable political initiatives to ban movement of staples between countries. To address that challenge, the Hub worked with its partners to support the Zambian government in its discussions with the Government of Tanzania to open specific corridors for Zambian maize trans-shipment to Kenya. The Hub worked also with partners to initiate grain trade with Ethiopia, a nontraditional grain trading partner.

² KALRO, Presentation to County Directors of Agriculture in Kenya. Nakuru, Kenya, October 2017.

Objective 2: Increased Intra-Regional Export Competitiveness

The Hub has surpassed most of its targets for intra-regional competitiveness, as Table 3 shows. The Hub also conducted extensive efforts focused on policy, including public-private dialogues, peer-to-peer dialogues and development of policy and advocacy briefs. This has resulted in the East African Standards Technical Committee on Cereal and Pulses approving nine EAC staple food standards. The Hub has also supported the removal of five nonconforming measures or restrictions to the movement of goods, services and capital that were inconsistent with the EAC CMP. Stakeholders in Kenya, Uganda, Tanzania and Rwanda point to these policy reforms as the primary reason for the increased ease of doing business across the borders.

TABLE 3: INTRA-REGIONAL COMPETITIVENESS

Result	Achieved	Target	Achievement
Level of compliance with regional trade agreements	5	3	167%
Number of agricultural and nutritional enabling environment policies/regulations/administrative procedures in each stage of development as a result of USG assistance	9	8	89%
Number of national policies for which an action has been taken toward the full implementation of a regionally agreed-upon policy as a result of USG assistance	3	8	38%
Number of private enterprises, producers' organizations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance	44	20	220%
Number of technologies or management practices made available for transfer as a result of USG assistance	58	14	414%

In addition to policy and standards to increase intra-regional export competitiveness, the Hub supported training of 232 cross-border traders along 26 EAC border points on enterprise management, structured trade, EAC grades and standards, cross-border trade regulations, market information and access to finance. The Hub has also organized trade missions, events, workshops, conferences and buyer/seller linkages under various components. Stakeholders point to new products and markets resulting from these efforts that have made them more competitive in intra-regional trade.

Factors that have contributed most to non-achievement are primarily due to lethargy of the political processes required to change and implement policies, procedures and regulations. The Hub has been able to exert influence over these processes but not fully control them.

Objective 3: Increased Global Export Competitiveness

Increased export competitiveness is closely tied to AGOA. As illustrated in Table 4, the Hub is on target for value of AGOA exports from Hub-supported firms, and has overachieved the three-year target for most of the other indicators, as Table 4 shows. Against the five-year target of AGOA trade from eligible countries, the activity has facilitated 56 percent of the targeted value of trade.

TABLE 4: AGOA ACTIVITY TARGETS AND ACHIEVEMENTS

Result	Achieved	Target	Achievement
Value of AGOA exports from AGOA-eligible countries to the United States as a result of project assistance	\$2,392,871,000	\$4,289,000,000	56%
Value of AGOA exports from EATIH-supported firms	\$284,120,000	\$286,000,000	99%
Number of AGOA strategies developed or updated	5	6	83%
Number of agricultural and nonagricultural sector assisted firms meeting international standards to export	15	11	73%
Number of firms receiving USG capacity-building assistance to export	1,345	525	256%

The Hub's efforts to increase global competitiveness include support to AGOA national strategic planning, action plan development, trade events, increased awareness among exporters through trade missions, and new product development (e.g., specialty foods, home décor). Stakeholders most frequently mentioned trade/buyer missions, trade fairs, events and conferences as most significantly contributing to their increase in exports, which is evidenced in the Hub's significant overachievement in its target related to assistance for export. The Hub has supported regional networking, such as the Kenya Flower Council assisting the flower industry in Ethiopia to develop a standards manual and to promote learning across the two countries to increase exports to the U.S.

The reauthorization of Madagascar to export to the U.S. under AGOA contributed to an increase in AGOA exports. The significant contribution by Ethiopia's AGOA exports (USD \$84 million in 2017, an increase of 33 percent) and Madagascar's (USD \$140 million, an increase of 66 percent) combine to total more than 25 percent of the value of exports for all eligible member states supported by the Hub. In addition, the previously dormant cotton, textile and apparel factories in Madagascar resumed operations after the country was readmitted to AGOA, creating over 26,000 jobs that have boosted the Hub's achievement of the full-time equivalent (FTE) jobs target.

The Hub replicated AGOA successes from Kenya, Ethiopia and Madagascar in other EAC markets such as Rwanda, Tanzania, Burundi and Uganda, as evidenced by the Hub's ability to quickly develop and implement AGOA national strategies and action plans in these countries.

The Hub has supported the five EAC partner states to participate in the international standards development process: Burundi, Kenya, Rwanda, Tanzania and Uganda are all adopting the ePing electronic alert system and TBT/SPS online notification submission system. The ministries of trade and standards boards of all member states (10 key informants) and four regional bodies who were interviewed report that SPS facilitation has successfully eased the clearance of staples across EAC border points.

The Hub supported training for personnel using the system and supported private sector firms' ability to understand changes in export procedures in compliance with World Trade Organization requirements. A number of stakeholders commented on how this training has already increased compliance with WTO requirements in the region.

Apparel continues to be the largest contributor to exports under AGOA, despite the Hub's specific interventions to promote cut flowers, footwear and specialty foods, which together contribute less than

15 percent of the value of exports to the U.S. Compared to Kenya, the rate of export growth from Rwanda, Uganda and Tanzania is relatively low, most likely due to their not actively pursuing investors for the textile industry in the early years of AGOA. The Hub has supported these states to complete an AGOA strategy with the objective of accelerating the growth in value of AGOA exports.

The intended gradual phasing out of the importation of used clothing and the subsequent out-of-cycle review of the eligibility of the EAC partner states for AGOA privileges have slowed down Hub activities, specifically in Rwanda, Tanzania and Uganda in the third year of implementation.

Objective 4: Advancing Regional Trade and Investment Agreements and Support Institutions

As Table 5 illustrates, the Hub has far surpassed its targets for the value of agriculture investments and job creation, but lags in value of USAID-leveraged non-agriculture investment.

TABLE 5: ADVANCING REGIONAL TRADE AND INVESTMENT AGREEMENTS

Result	Achieved	Target	Achievement
Value of new private sector agricultural or food chain investments leveraged by EATIH implementation	\$40,289,000	\$50,000,000	81%
Value of new private sector non-agricultural investments, leveraged by USAID implementation	\$17,373,000	\$50,000,000	35%
Person hours of training completed in trade and investment enabling environment supported by USG assistance	13,500	2500	541%
Person hours of training completed in trade and investment capacity building supported by USG assistance	16,000	5,000	323%
Number of full-time equivalent (FTE) jobs created with the assistance of the Hub	38,564	18,500	454%

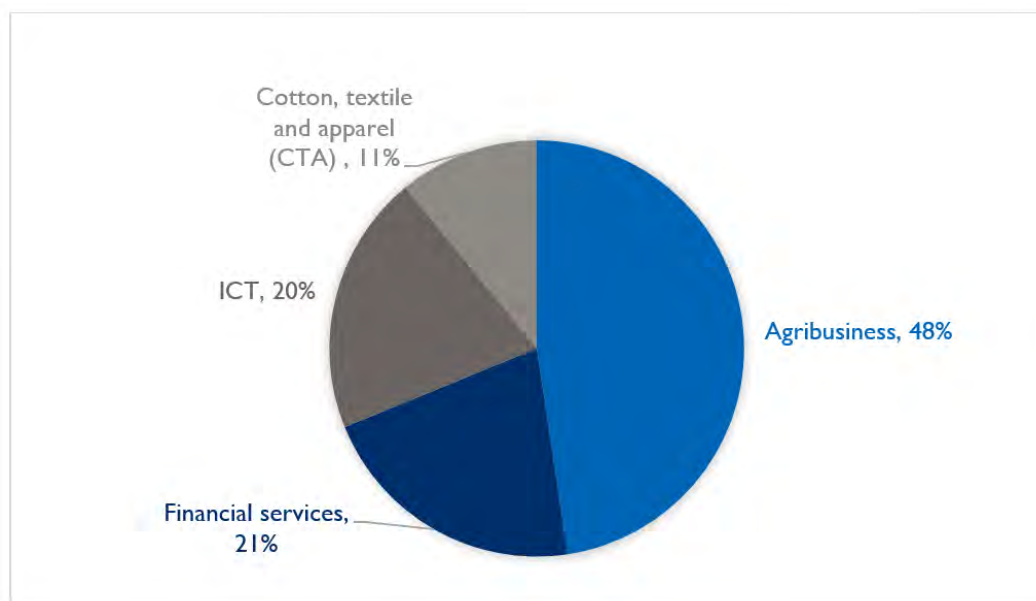
The Hub has facilitated investment of USD \$40 million in private sector firms in the agricultural sector and USD \$17 million in the non-agricultural sector. The Hub has worked with subcontractors such as CrossBoundary, Open Capital and Grofin over the three years to facilitate the recorded investments. The Hub's collaboration with CrossBoundary has thus far resulted in USD \$57 million in large investments in the private sector across the region, such as the USD \$6.3 million in private investment in Twiga Foods, a mobile-based business-to-business platform. The Hub is working with Open Capital to raise funds for small and medium enterprises, and through Grofin to support investments in agribusiness and to facilitate investment finance and support to small and growing businesses. These investments have likely contributed to the dramatic increase in FTE jobs fostered by the activity.³

The value of new private sector investment in the non-agricultural sector is significantly below the three-year target and to date stands at 35 percent of the life-of-project target. Over the three-year period, progress on this indicator has been inconsistent, with no investments recorded in 2017 in the non-agricultural sector. The engagement of multiple subcontractors to work with the investment component has broadened the net of targeted companies. However, the delay in Grofin's contract

³ FTE jobs have also been substantially supported by the resumption operations in Madagascar's textile industry.

stalled inception of its activities and, hence, inhibited results. The Hub has also deliberately focused on driving investment to the agricultural sector, as reflected by pipeline investments (see Figure 2).

FIGURE 2: DISTRIBUTION OF INVESTMENT PROSPECTS



To support intra-regional trade in staples and compliance with standards, the Hub assisted the EAC member states in the domestication of the EAC SPS Protocol. Through the Hub's facilitation, Kenya (in June 2016) and Burundi (in July 2017) ratified the EAC SPS Protocol. The Hub supported drafting the EAC SPS bill, which the EAC Sectoral Council on Agriculture and Food Security approved; it now awaits clearance from the EAC Council of Ministers and then enactment into EAC law by the East Africa Legislative Assembly. The protocol harmonizes regional measures that align the EAC states with each other and with global markets, easing intra-regional trade, especially in staple foods.

Objective 5: Efficient and Cost-Effective Movement of Goods and Services across Borders

The Hub has facilitated several activities that are easing the movement of goods and services in the region. The Hub has worked with private sector federations in Uganda, Tanzania, Rwanda and Kenya to facilitate policy reforms and reduce tariff and non-tariff barriers to trade. The Hub's support for Uganda, Rwanda, Kenya and Burundi adopting the EAC SPS Protocol has streamlined the movement of staple foods across the region by reducing the need for certification in multiple cross-border points in the region. However, EAC member state Tanzania has still not ratified the protocol.

The Hub has also worked with apex bodies to renegotiate policy, such as the elimination of a USD \$300 per metric ton (MT) tax on rice from Tanzania to Rwanda that had impeded trade, and other laws that facilitate the free flow of labor and capital. For example, the Hub successfully lobbied against the Companies Act, which required 30 percent Kenyan ownership in foreign companies, paving the way for increased movement of capital.

Support to the Federation of East African Freight Forwarders Associations (FEAFFA) to build industry capacity on the revised EAC Rules of Origin reportedly contributed to a 35 percent decrease in the cost to import containers into Kenya from other EAC member states. The Hub facilitated the negotiations

on the Container Deposit Guarantee Agreement between shipping lines and insurance companies to replace existing cash deposit guarantees for containers with insurance guarantees. This effectively reduces the cost of doing business in the region and eases capital pressure on importers who previously had to pay guarantee fees upfront.

Cross-cutting Factors Contributing to Non-Achievement

During interviews with a variety of stakeholders, the issue of the Hub's management structure was raised as a factor that may be contributing to non-achievement of targets. Stakeholders expressed the belief that country representatives are not empowered to make decisions, or equipped with resources to accelerate implementation of activities. Most country representatives are required to seek approval for expenditures from the Nairobi office, which results in protracted timelines for implementation and results. Stakeholders also believe that directives from Nairobi are frequently Kenya-centric, with approaches that are not appropriate for other East African countries. Members expressed a strong desire for the Hub to customize activities to suit local environments in the partner countries.

Another issue that key informants frequently raised was the lack of coordination among the Hub's components, and between the Hub and its partners. Both of these issues may impede achieving results. The apex bodies, private sector associations, grantees and regional bodies claim that they are not fully aware of the range of the Hub's activities that could amplify results. Eleven key informants cited poor communication, saying the lack of or slow communication either delayed or negatively affected the success of activities.

The short-term orientation of some of the Hub's interventions was cited as major impediments to the achievement of long-term results and sustainability, particularly those involving individual beneficiaries.

CONCLUSIONS

The Hub is not on track to meet its two objectives for **intra-regional trade**. Indicators reflect issues primarily with staple foods and commodities, and with lower-than-anticipated results in influencing policy administrative procedure development and implementation. While the Hub's work on implementing standards, improving staples management and facilitating buyer linkages have positively contributed to increasing intra-regional trade, two critical factors affecting this objective — political will and weather — are beyond the Hub's realm of control. It is possible that these factors did not receive full consideration when targets were established.

The Hub is behind its target for **facilitating USD \$100 million of new investment**, but this objective may be achieved. Activities required to fill the demand and supply pipeline occur in the early stages, with results accelerating at the later stages. Indicators for investment training reflect significant overachievement, which may well result in achievement of the objective by project end.

Similarly, the Hub is behind target to meet its objective of **increasing exports to the U.S. under AGOA by 40 percent**. Activities for technical assistance to firms and AGOA strategies have been front-loaded, and the value of AGOA exports from Hub-supported firms is on track. If the Hub deepens support to firms that have participated in trade missions, it may meet its AGOA objective.

The Hub has far surpassed its target to **foster 18,500 new full-time equivalent jobs**. Even without the anomalous increase of 26,000 positions in Madagascar — which resulted from a change in policy —

the Hub's success in attracting new investment, firm-level assistance for next-stage growth, and workforce development initiatives have resulted in accomplishment of this objective.

EVALUATION QUESTION 3: DATA AND SYSTEMS FOR EXAMINING COST-EFFECTIVENESS

Is the activity collecting the appropriate data on planned results and associated costs, and are systems in place for documentation of actual costs and results in a way that the activities' cost-effectiveness can be systematically examined in a final evaluation or final contractor report?

FINDINGS

Although USAID is increasingly applying cost-effectiveness analysis (CEA)⁴ as a means of comparing alternative interventions, tracking costs in a way to enable an examination of activity cost-effectiveness was not a requirement under the Hub contract. According to a USAID-supported presentation on CEA, cost-effectiveness (CE) is achieved through the following calculation:

$$CE = \text{Impact of program on specific outcome} / \text{Cost of implementing program}^5$$

The CEA offers the following:

- Summarizes a complex program in terms of a simple ratio of costs to impacts;
- Allows for comparison between programs evaluated in different contexts across different timeframes; and
- Enables sensitivity analysis to understand how the cost-effectiveness of a program might vary with context.

To calculate CEA for the Hub activities, “program” would be replaced by “activity.”

The Hub uses DAI's proprietary Technical and Administrative Management Information System (TAMIS) to manage indicator data, and uses a separate system to manage the project's activity finances. However, costs are tracked against budget lines that would enable an activity-level analysis. The Hub's activity data collection includes the following:

- Volume and value of trade on inter- and intra-regional exports and AGOA trade.
- Value of investments: disaggregated data on closed transactions; value of transaction per country; value of transaction for both agriculture and nonagriculture businesses; source of investment and business owner's gender.
- Number of person-hours of training: information on the number of trainings, participants, trainings of trainers and staff trained by trainers.
- Business-to-business (B2B) and buyer/seller linkages.

⁴ CEA is an economic tool used to compare alternative interventions to determine which one can achieve a desired result at the lowest cost. <https://www.usaid.gov/node/28721>

⁵ Meghan Mahoney, Policy Manager, J-PAL, Department of Economics, MIT. *Resources to Encourage Costing and Cost-Effectiveness Analysis*. https://www.usaid.gov/sites/default/files/documents/1865/USAID_Educ_Summit_Presentation_Mahoney.pdf

- Number of policies reviewed and revised in each of the eight countries and at the EAC level.
- Number of full-time equivalent jobs created within the Hub-facilitated organization of the firm's level of assistance, capacity building and investment.
- Number of trade missions, B2B events, conferences and workshops undertaken.

A USAID *Frontiers in Development* publication by the Agency's economists acknowledges the challenges in CEA, particularly in applying discrete expenses to activities and counting and monetizing development achievements.⁶ Further challenges exist relative to data quality and uniformity. The majority of the Hub's results data are provided by partners who are not professionals in data collection and reporting. Stakeholders raised issues that included: limited human resources and capacity to collect the data; data that is unverifiable and perhaps unreliable; and lack of incentive to collect accurate, timely data. In some instances, the M&E unit uses self-administered tools, such as Survey Monkey, to collect data from stakeholders across the eight countries. The response rate to Survey Monkey requests has been a meager 20 percent, making it difficult to effectively analyze data on planned results. Outcomes for intra-regional trade may depend on sources such as the Regional Strategic Analysis and Knowledge Support System (ReSAKSS), EAC Trade Help Desk, COMSTAT, U.N. COMTRADE and COMESA, where data may be outdated.

CONCLUSIONS

Tracking cost-effectiveness by Hub activity would require identification of discrete activities and outcomes for examination. While the value of trade, value of investments and FTE may be measurable, attributable outcomes within the project timeframe and outcomes resulting from trade missions, capacity building and conferences may be more difficult to count, monetize and attribute. Furthermore, costs associated with such activities would need to be clearly identified, with systems established to allocate costs. Decisions would need to be made regarding the types of costs to attribute to activities, such as staff and overhead, or only direct costs, such as trade missions or B2B events.

As a regional program, CEA may be particularly challenging for the Hub, as costs and outcomes are likely to vary considerably from country to country and information would require tracking at the country level. Furthermore, data supplied by a vast number of partners has the potential to be unreliable and inconsistent across partners and countries.

⁶ Rachel Bahn and Sarah Lane, *Reclaiming Economic Analysis*, www.usaid.gov/sites/default/files/documents/1868/RachelBahnandSarahLane.pdf.

EVALUATION QUESTION 4: MEASURES FOR ENSURING EFFICIENT USE OF RESOURCES

What measures have been put in place during planning and implementation to ensure that resources are efficiently utilized?

FINDINGS

The Hub considered resource efficiency in planning its internal operating structures and implementation. While some approaches have the additional benefit of contributing to effectiveness through stakeholder ownership, others have mixed results.

Leveraging Local Resources

The Hub leverages local resources to implement activities, which contributes to efficiency and has the added benefit of contributing to stakeholder buy-in. For example, most policy initiatives are undertaken through partnerships with local law firms and with private sector apex bodies, rather than through paid consultants. Another means of efficient resource utilization is requiring cost share for grants, trade missions, B2B events and buyer linkages. Some cost share is monetary and some is in-kind; this varies according to partner.

According to the Hub's statement of work, "coordination and cooperation with the USAID bilateral missions are absolutely essential. ... The Contractor shall make special efforts to build on and work with activities and investments of bilateral missions. Ideally the relationship between the [Hub] and bilateral projects shall be synergistic. EAC integration and the objectives of this project depend on implementation of agreements and protocols at the Partner State level. The Contractor shall meet regularly with USAID bilateral missions and implementing partners."⁷ However, the Hub has no formalized approach to working with USAID's missions in Uganda and Rwanda, and work plans are not shared to align activities and maximize the efficient use of resources.

The Hub has initiated efforts to leverage in-country USG funding and coordinate with other programs. This includes work with TradeMark East Africa (TMEA) in Kenya, primarily on cross-border trade improvements such as one-stop border points and infrastructure to facilitate the movement of goods, services and labor; work with the American Chamber of Commerce and the National Cooperative Business Association-Cooperative League of the USA (NCBA-CLUSA, which is also a beneficiary of USG funding in some programs) in Madagascar creating buyer linkages between U.S. buyers and local smallholder farmers, while identifying opportunities for American investment; and coordination with USAID's Rwanda Private Sector Driven Agricultural Growth (PSDAG), whose representative in Rwanda is housed by the Hub doing joint planning to accelerate investment in agriculture and identifying products that can be exported to the U.S. from Rwanda.

Embedding experts in sectors, such as apparel and leather in Ethiopia and Kenya, ensures that more staff of Hub-supported organizations benefit from in-depth capacity building, rather than short-term assistance that may be insufficient for change to take root in an organization. Embedded experts play a

⁷ Section C, Description/Specifications/Statement of Work, p. 46.

vital role in transferring knowledge and skills to the organizations they assist and are in a better position to influence policy, since they work with and can directly address the organization's senior staff.

Funding Mechanisms

Directly funding activities may intend to contribute to the efficient use of resources, but it may come at the expense of effectiveness. Stakeholders and partners indicated that the long procurement process for direct-funding activities sometimes resulted in not being able to deliver assistance until the following growing season, as in the case of procuring motorbikes for extension workers in Madagascar to reach vanilla farmers trying to export to the U.S. The seasonal nature of agriculture is particularly susceptible to negative impacts from delayed procurements, resulting in farmers and buyers forfeiting revenue and profits of an entire growing season and loss of credibility with partners, limiting the ability of Hub to meet its objectives. One investment partner reported waiting almost a year after submitting a project proposal before being notified of selection. The start of Grofin's contract to provide pre-investment readiness training to agribusinesses was delayed by three months. While the duration of its contract was honored, Grofin reports losing business opportunities as investors were unwilling to wait.

The Hub's fixed-grant operating model, through which grantees are reimbursed based on deliverables, may be efficient for the Hub, but is reportedly a source of frustration and may be adversely affecting results: As most grantees lack the large cash reserves required to make their co-funding contributions, partners report that cash flow challenges sometimes delay their implementation. Two of the three investment facilitators indicated that protracted reimbursement required them to dip into cash flows intended for their other business activities, and one reported that the situation diminished their profitability for that year. Along the same lines, partners frequently cited the information and documentation process for grants as overly onerous, and said lengthy approval times negatively affect start-up, implementation and results.

Organizational Structure

The Hub operates on a lean structure and has adopted a "hub-and-spoke" operations approach, with most technical experts and administration based in the Nairobi office. Tanzania, Rwanda, Ethiopia and Uganda each have a country representative who can access services from Nairobi as needed, while Mauritius, Burundi, Madagascar are served entirely by staff from Nairobi. While this structure minimizes the cost of in-country staff, it may not be an efficient use of resources, considering the time, expense and administrative efforts required for travel by high-level technical teams.

The Hub operates in distinct components: investment and technology; agriculture and agri-business, trade promotion and AGOA; and policy reforms and regulatory frameworks. Some overlap in activities, redundancies or duplication of effort may occur. For example, activities implemented by the policy teams are crosscutting, but coordination of expert resources to support policy activities within the components could be improved. Stakeholders and partners find this strategy inefficient. For example, the policy component works with apex bodies that include private sector firms seeking investment. Meanwhile, the investment component seeks private sector firms to draw investment toward. However, the investment component is not coordinated with the policy component, which has companies that are looking for investment at their fingertips. Another example is with the agriculture component, which requires a review of policy regarding movement of staple foods, yet the policy component reviews national policies to conform to agreed-upon regional policies and common market protocol. Although they are reviewing the same policies, they work independently in silos. One staff member from a

technical team conducting policy review reported receiving an invitation to an event hosted by the policy component on the same policies the technical staff had just reviewed.

CONCLUSIONS

The Hub's attempts to be resource-efficient have mixed results. The Hub's approach to cost-sharing has not only stretched financial resources, but appears to have encouraged stakeholder ownership. While the Hub's centralized administration and decision-making arm in Nairobi may be cost-efficient in terms of staffing and overhead, it may not be resource-efficient in terms of staff time. Direct funding may be considered an efficient approach to resource utilization, but it has sometimes resulted in curtailing project results, as procurements — and hence activity inception — are often delayed.

While the Hub's component structure is well-aligned with outcomes, the nature of the outcomes often requires a coordinated effort among competitiveness, policy, and investment. Coordination requires additional time and effort, but the alternative of components working in silos can result in duplication of effort (time and money) and missed opportunities that could be captured through synergies of activities. Efficiencies could be gained (and outcomes accelerated) through cross-selling to partners, such as with apex bodies and investment.

A more formalized coordination with USAID missions and other USG resources could result in a synergistic effect, thus extending the impact of the Hub's resources. Although the Hub has begun coordinating with other USG-funded programs, further opportunities exist to leverage resources of USAID missions to further the Hub's objectives.

EVALUATION QUESTION 5: MECHANISMS TO ENSURE SUSTAINABILITY

What mechanisms have been put in place to ensure sustainability of the project initiatives?

FINDINGS

Partnerships with Local Governments and Apex Bodies

The Hub has worked with Apex private sector entities such as the Tanzania Private Sector Federation, Kenya Private Sector Alliance, Rwanda Private Sector Federation, Southern and Eastern Africa Trade Information and Negotiations Institute, the EAC Secretariat, national governments, and standards regulatory institutions to identify regulations and policies that affect trade and investment. Support to the EAC Secretariat and apex bodies to conduct research on policy issues and engage in advocacy to change trade and investment policy has created capacity within the institution to continue beyond the Hub. In addition, the Hub has supported peer-to-peer linkages among apex bodies in Uganda, Tanzania, Rwanda and Kenya and private-public dialogues. Private sector stakeholders report that this expanded engagement with government has resulted in a “friendlier” environment. Through these initiatives, institutions report that they have gained both capacity and awareness of their roles.

SPS and TBT

The Hub has facilitated the Government of Kenya's launch of an SPS and TBT committee; other EAC member states are following suit. These committees are projected to be stakeholder platforms for

continuity of activities and to streamline issues of trade, and are being anchored in law to legitimize their role and mandate. The Hub has also trained the regional standards bodies and built their expertise to enable them to train others. For example, the Rwanda Standards Board has been accessing the expertise of the Kenya Bureau of Standards, an organization supported by the Hub.

State Participation

The Hub has formalized its work with state institutions through MOUs. While national governments and state institutions are not providing monetary contributions, some are making in-kind contributions in training, business incubation, office space, favorable business environments and provision of information. Perhaps more importantly, the MOUs formalize their commitment and participation to achieve desired results. Examples of such organizations are the state-owned Export Processing Zone (EPZ) in Kenya and the Rwanda Development Board, which intends to partner with the Workforce Development Authority to train exporters on meeting buyer requirements.

Institutional Capacity Building

The Hub has worked extensively to build the capacity of local institutions to continue initiatives that it has supported. Capacity building has included support in drafting AGOA strategies and action plans, technology transfer to businesses, trade and buyer missions and B2B linkages. In Kenya and Ethiopia, the Hub adopted an approach of embedding technical experts at public institutions, including support to investment promotion agencies. The Hub has also engaged consultants who offer capacity-building support to both the private and public sectors. For example, the Hub has seconded an expert who is embedded in the Ethiopia Investment Commission to aggressively attract foreign investment. In Kenya, the Hub has seconded a leather expert working within the Ministry of Trade. Not only are they continuously available to provide technical expertise, but their long-term engagement enables staff to build capacity to continue Hub-supported work.

Private Sector Involvement

The Hub's implementation of activities related to components 1, 2 and 3 has included significant involvement from private sector players. Involvement of the private sector in trade and investment was recognized as a positive shift and was said to boost trade and investment in the region. The Hub has tapped the expertise of private sector subcontractors to facilitate investment and support prospective participants to be investor-ready. The Hub has contracted CrossBoundary, Open Capita, and Grofin to foster new investment by private sector investors. This has created a supply of investor-ready businesses. Grofin provides pre-investment support to agribusinesses to prepare them for investors, which makes them more attractive to those they encounter through investment promotion agencies, and through trade shows they are exposed to with Hub initiatives.

Cost-Shared Activities

The Hub requires cost-sharing for partners it supports in attending trade fairs, expos and buyer/seller missions. Both the Hub and partners feel that this requirement cultivates a deeper stake in the outcome for those supported. Private sector stakeholders interviewed recognize the valuable marketing skills and exposure to clients through their participation in Hub-supported events, and indicate that these marketing skills and contacts are being gainfully exploited this over time. For example, businesses that have received incentives to attend trade missions to the U.S. are more aware of U.S. market

requirements and have furthered trade between their businesses and the identified clientele. Having recognized the benefits of trade events, some stakeholders indicated that they would be attending at their own expense in the future. For example, the Hub sponsored the Kenya Flower Council (KFC) with a trade booth and logistics to move display flowers from Kenya to attend the International Floriculture Expo in Chicago. KFC feels that the contacts they made with buyers were valuable and will result in future orders. According to the Flower Council, “we have created a market footprint for Kenyan flowers in the U.S.” KFC and member companies paid for their transport and accommodation costs. Another company, Urban Artefacts, which deals in beauty accessories, received support to attend the Magic trade show in Las Vegas. The owner said, “If I get enough momentum from orders from this show, I will participate in future trade shows on my own.”

Partners Moving Toward Self-Funding

Some stakeholders are being guided toward self-funding through Hub support. Associations in particular are seeking ways to continue funding Hub-supported activities through membership fees. For example:

- The Kenya Flower Council intends to continue cultivating American buyers through contacts established at the Floriculture show, and to attend other U.S. shows in the future. They believe that more sales for flower businesses will result in more funding for their activities.
 - The Council, a relatively mature organization, is building the capacity of the Ethiopia Horticulture Producers and Exporters to understand U.S. market standards to enable them to export.
- The Rwanda Private Sector Federation reports that they have experienced a decline in donor funding and are turning to income-generating activities like expos, which now cover 45 percent of their operating costs.
- The Hub has supported the Ethiopia Horticulture Producers and Exporters Association through its work on trade policies and standards, commercial interactions and skill development. Currently, membership fees cover between 30 and 40 percent of their operating costs. The Association now hosts an annual Horticulture Flora trade show that generates revenue of 2.5 million birr (USD \$90,700).

To continue these activities after the Hub ends, key informants indicated that they would mobilize internal and membership resources, look for other sponsors or incorporate activities in complementary programs. The American Chamber of Commerce in Madagascar said it seeks to increase collection of membership fees to ensure that it is a self-sustaining institution. The Hub is supporting them with organizational capacity building to help them achieve this.

Training Materials

To support future training needs, the Hub has developed guidebooks and curricula; documenting processes; trade requirements; legislation, such as the EAC Standardization, Quality Assurance, Metrology and Testing (EAC SQMT) Act; East Africa Customs Freight Forwarding Practicing Certificate (EACFFPC) curriculum; and country-specific investment promotion documents. Stakeholders will continue to use this knowledge in the future. For example, the Hub has supported FEAFFA with materials for customs agents and clearing and forwarding agents to train them in following the revised

EAC Rules of Origin. The Hub also supported updating training materials used in the EACFFPC curriculum on the revised Rules of Origin.

Layering and Synergy

The Hub is working with a number of partners and stakeholders who are layering Hub support with funding from other programs and donors. Some examples include:

- TradeMark East Africa (with funding from USG sources) and the Dutch-funded Center for Promotion of Imports co-hosted the Source East Africa trade fair for home décor and fashion accessories.
- Work with the United Kingdom's Department for International Development-funded Kenya Association of Manufacturers on issues related to the AGOA visa.
- Work with Rwanda Standards Board to complement support from the British Standards Institute.

Hub-supported partners mentioned receiving support from 45 donor agencies and programs, including USAID-funded programs such as PSDAG (Rwanda), NCBA-CLUSA (Madagascar) and East Africa Grain Council. Other donors that stakeholders mentioned as providing support include the U.K.'s Department for International Development (DFID), the United Nations Industrial Development Organization, the United Nations Development Program (UNDP), the Government of South Korea and the Danish development agency Danida, to mention a few. These donors finance activities that the Hub doesn't fund, such as infrastructure and equipment supply; for example, support to TradeMark East Africa has paid for one-stop border post construction to improve the movement of goods and people. No major overlaps were cited in their engagements, and funding is mostly complementary to USAID's funding.

The evaluation identified some approaches that are not favorable to long-term sustainability objectives. These include the following:

1. Some stakeholders cite Hub-supported activities that were developed without discussion with partners and don't address their particular needs. For example, the Hub subcontracted Generation Kenya to conduct a six-month training and place workers in the textile industry; however, graduates are trained on outdated equipment and, as a result, require an additional three months of training in the factories. In another instance, four organizations in textiles and home décor that had received support in "Master Artisan" training with the same technical expert reported that the expert trainer did not understand their industry or business, and the training was too basic and generic to be useful.
2. Some stakeholders report that the Hub conducts one-off events, such as workshops and trade missions, without an anchor to a broader strategic initiative and without follow-up, thereby limiting the consolidation of trade gains. For example, the Hub funded air tickets for a team of trade negotiators to travel from Kenya to Ethiopia. Negotiators reported that the follow-up from the Hub was simply to collect data on the trip. Several trade show attendees report that while the Hub supported them in covering the cost of a trade booth at the Magic show, they did not receive sufficient preparation with guidance on buyers, such as whom to target or effective approaches. Similarly, the Kenya Flower Council said it was not facilitated to meet with the

American National Standards Institute (ANSI) to understand standards for importing. A number of partners interviewed said that the Hub's planning cycle was later than theirs, resulting in partners' annual plans and budgets already established by the time the Hub approached them with opportunities that required them to cost-share.

3. Some stakeholders indicated that activities would not continue beyond the Hub. Regional interests and political factors supersede the common interests of the protocol for policy work; according to one stakeholder, "It will be a near miracle if the East Africa SPS protocol is ratified by all countries during the time that the Hub is operating." In addition, some stakeholders cite insufficient funding to continue activities.

CONCLUSIONS

The Hub's investments in permanent entities such as governments, the EAC Secretariat, apex bodies and business support organizations are likely to continue delivering results in the near term and to have an impact on the enabling environment in the longer term. This is evident in areas of policy reform, as well as with support to institutionalize SPS and TBT through entities with a state mandate and tangible benefit. The continuous presence of embedded advisors within government agencies has significantly contributed to these agencies' institutionalizing learning and practices. Similarly, MOUs with state actors formalizing their role in Hub initiatives such as the Export Processing Zone demands local ownership and a stake in continued successful operation. The Hub's funding of training materials in support of awareness and implementation of the policies, standards and practices of these initiatives furthers their sustainability.

The cost-share approach required of partners appears to be effectively instilling ownership. Trade shows in particular are making an impression on firms as a worthwhile investment to expand their customer base, and for business support organizations fulfilling dual roles as a revenue source for their operations and as a tangible service they can offer to members. The full extent of benefits could perhaps be extended through pre- or post-show technical assistance to trade show attendees on how to maximize the experience. When tangible economic benefits are recognized, partners are likely to continue these activities at their own expense.

The private sector firms that are groomed for investment and networks of investors and business linkages cultivated are likely to gain momentum as nascent courtships develop into business relationships.

While it is intuitive to conclude that initiatives supported by multiple donors are more likely to be sustainable due to their multiple facets and largesse of support, it is premature in the Hub's life cycle to make this conclusion.

The Hub's initiatives that are part of a long-term strategic initiative, align with stakeholder interests and demonstrate tangible benefit to stakeholders are most likely to be sustained. One-off activities that are not anchored in a longer-term strategic initiative and initiatives that are generic and not tailored to specific stakeholder needs are unlikely to be sustained.

EVALUATION QUESTION 6: ALIGNMENT WITH U.S. ADMINISTRATION PRIORITIES

How is the activity adapting to align to the U.S. administration's priorities on support to U.S. companies while meeting existing contractual obligations?

FINDINGS

The alignment of the Hub's activity to U.S. administration priorities began after the 2016 U.S. presidential election ushered in a change of administration. The funding criteria and requirements of all USG-funded activities were redefined to adhere to the following:

1. Aligning with U.S. national security objectives;
2. Asserting U.S. leadership and influence;
3. Fostering economic opportunities for the American people;
4. Addressing U.S. comparative advantages; and
5. Prioritizing transformational potential.

The requirement to adapt to the USG's priorities was introduced after the Hub's program planning and activities had begun. Two meetings took place between the Hub and USAID in late 2016 and early 2017 to realign activities with the new policies.

Asserting U.S. Leadership and Influence

The value of exports to the U.S. from Hub-assisted countries is USD \$2.4 billion for the period under review. America is the primary destination of apparel produced in these countries and, as such, the U.S. has significant influence in the region. America's continued influence in this area will be assisted by the Hub's support to AGOA strategic plans with the EAC member states, and action plans to guide implementation. Although the three EAC member states have great potential for growth in trade volumes, stakeholders in Rwanda, Tanzania and Uganda cited the risk of potential loss of AGOA eligibility privileges due to the countries' proposal to implement a ban on importing used clothes and shoes.

The value of foreign direct investment by U.S. companies that has been facilitated by the Hub thus far is USD \$10 million. For example, a linkage between local Malagasy farmer cooperatives to export directly to the U.S. under AGOA is promoting mutual interests between local people and the American people. The linkage has also resulted in investments by CLUSA-McCormick to support agriculture production and export. Not only has the Hub created economic opportunities for direct investment, but through trade promotion with AGOA, it has made some economic contributions to U.S. value chains engaged in logistics and transport.

Economic Opportunities for the American People

The Hub has facilitated and influenced amendments in policies, laws and regulatory frameworks within EAC member state countries. These amendments are geared toward opening the countries to investment and businesses, removing and reducing both tariff and non-tariff barriers to trade. The Hub has been at the forefront of lobbying for legislation that is more favorable to American investors who hold a minority share in Kenyan companies, strengthening investor protections by clarifying ownership

and control structures, introducing greater requirements for disclosure of related-party transactions to the board of directors, making it easier to sue directors in cases of prejudicial related-party transactions and allowing the rescission of related-party transactions that are shown to harm the company. The Hub was involved in lobbying the Kenyan Parliament and the rest of the government to repeal a section of the Company Act requiring foreign entities to have 30 percent local shareholders.

Other Hub-supported initiatives — such as training customs agents and freight forwarding professionals, and reducing Kenya's import processing time with single-window and electronic customs entries and support for removal of mandatory pre-shipment inspection for products imported into Rwanda — have made EAC countries more attractive to American businesses and investors. While attribution for improved ease of doing business does not rest entirely with the Hub, its initiatives have improved the enabling environment, as evidenced by higher ratings on the World Bank's Ease of Doing Business Index, where Kenya moved to 80 in 2017 (from 92 in 2016) and Rwanda moved to 41 in 2017 (from 56 in 2016).

Missed Opportunities

Interviews with bilateral missions in the countries indicate that the lack of a structured, coordinated approach that leverages resources among USG actors in the region is causing the U.S. to forgo opportunities to assert leadership and influence, capitalize on U.S. competitive advantage and forfeit economic opportunities for the American people. While none offered specific examples, they shared a general sense that a coordinated effort could accomplish more.

In discussing the U.S. interest in the EAC, some stakeholders suggested that the approach of other bilaterals — such as the British, Dutch, Chinese and Japanese — feels more direct and transparent than that of the American approach. They point out that when other countries give support, they make clear that their interest is to first benefit the people of their own country by supplying local employees and materials, and secondly, making sure that the benefit to the host country is obvious.

CONCLUSIONS

Given the high value of exports from the EAC to the U.S. — and the U.S. as the primary destination for a number of EAC products — the Hub's continued work with AGOA is likely to contribute to maintaining or increasing U.S. influence. However, if Rwanda, Tanzania and Uganda lose AGOA eligibility privileges, these countries' economic growth will be stymied, as will the Hub's goals.

The Hub's initiatives in attracting U.S. foreign investment and buyer linkages are contributing to economic opportunities for the American people, not only through these direct business dealings, but also through tertiary services in transport and logistics. The Hub's contribution to increasing the ease of doing business makes the EAC an even more attractive opportunity for American investment and business partnerships.

It is likely that the Hub's resources could be leveraged more effectively and efficiently to assert U.S. influence and leadership if its strategy and activities were better coordinated with other USG initiatives in the region. Alignment of the Hub's activities with the bilateral missions in participating countries and inter-agency agreements on trade and agriculture activities could go a long way to enhance economic opportunities for investors and the private sector in the United States.

As Kenya evolves to become a middle-income country, it has an opportunity to reposition its relationship away from what has historically been donor/beneficiary to a more transparent, businesslike

partnership in which the U.S. interest is in investing resources to benefit the American people, with a simultaneous tangible benefit to local populations.

GENDER CONSIDERATIONS

FINDINGS

According to the Hub statement of work, “The role and rights of women engaged in cross-border trade, particularly in agriculture, are critical to the success of regional integration and achieving greater food security. The [Hub] shall work to ensure trade and agricultural policy development, harmonization and implementation promote gender equality and facilitate opportunities for women in cross-border trade.”⁸ The Hub produced a detailed gender strategy describing gender-based disparities in trade and investment in the region, and provides detailed recommendations for each component. As with all USAID programs, the Hub is also required to follow USAID’s *Policy for Gender Equality and Female Empowerment (GEFE)*,⁹ which directs regional bureaus to “ensure that gender equality and female empowerment objectives are integrated into the bureau’s regional programming, and that solicitations and contracts that are awarded reflect the mandated gender analyses.” The policy directs programs to pursue an inclusive focus to “ensure that key gender gaps are reduced in ways that benefit all citizens, not just those who are the most visible, vocal, or who may have the easiest access to USAID programming.”

Staff and Management

The Hub treats gender as a crosscutting theme across program components and activities, rather than as a separate component of the Hub. As such, the Hub does not have a “gender component.” The Hub has a Gender Working Group that includes staff from all components and whose mandate is to ensure that gender is mainstreamed and incorporated in all Hub activities beginning at the design stage. The Gender Working Group is led by the grant manager, who has been given the additional mandate of serving as gender specialist. Rather than proactive involvement in design or activities to overcome some of the structural gender-based disparities, the gender specialist has a more passive role to lobby in favor of grant applications from women.

Administratively, the Hub has achieved relative gender parity in staffing the senior management team, which is split equally between male and female members. The same is observed at the middle and junior management levels, with female staff a slight majority at 52 percent. At the short-term technical assistance (STTA) staff level, a relatively large difference exists, with only 31 percent female STTAs. The Hub management claims that gender is taken seriously, pointing to the requirement for all staff to undergo a gender-awareness process during onboarding. Beyond that, Hub staff were unable to point to proactive measures to address the structural gender-based disparities identified in the Gender Strategy.

Gender-Disaggregated Data

The Hub has established a target for itself of 45 percent female beneficiaries. Table 6 presents performance data of people-level indicators.

⁸ Section C Description/Specifications/Statement of Work, p. 25

⁹ https://www.usaid.gov/sites/default/files/documents/1865/GenderEqualityPolicy_0.pdf

TABLE 6: PERFORMANCE DATA OF PEOPLE-LEVEL INDICATORS

Hub Indicator	2017		
	Male	Female	Total
Person-hours of training completed in trade and investment	7,500 70%	3,217 30%	10,717
Number of (full-time and part-time) jobs created (Indicator #26 – unit of measure number)	1,780 37%	3,084 63%	4,864
Person-hours of training completed in trade and investment capacity building supported by USG assistance (Indicator #31 – unit of measure person-hours)	3,691 37%	6,402 63%	10,093

While complying with USAID policy to sex-disaggregate people-level data, the Hub does not sex-disaggregate business ownership, which could provide significant insight into the Hub's effectiveness in promoting equal opportunities for women, rather than those who are “most visible, vocal, or who may have the easiest access to USAID programming,” as referenced in the Gender Strategy. For example:

- 25 small and medium enterprises (SMEs) are identified under the COMESA Leather and Leather Products Institute; the program does not sex-disaggregate applicants.
- 15 investment and trade linkages resulting from investment fora conducted in 2017 do not indicate how many participating businesses were woman-owned.
- In FY 2017, the Hub organized East African participants for 11 trade shows and one buyer's mission, resulting in 1,071 trade linkages and downstream deals. The Hub's reporting does not disaggregate woman-owned businesses that participated, nor the value of business deals closed by firms that are managed and owned by men or women.
- Sex-disaggregation is not available for the 15 training participants who are directly involved in investment promotion and facilitation, designing and implementation of investment strategies, policy and research at the investment promotion agencies in Burundi, Uganda, Tanzania, Madagascar and Kenya.
- While the Hub has facilitated 44 private enterprises and producers' organizations to apply improved technologies and management practices, data on these activities is not disaggregated for woman-run organizations and beneficiaries.
- Several of the 11 firms receiving technical assistance in home décor, fashion accessories and specialty foods are woman-owned, but activity reports did not reflect this information.
- Sex disaggregation is not available for the 20 companies the Hub registered with the Food and Drug Administration or the five certified in Hazard Analysis and Critical Control Points.

Programming

The Hub's Gender Strategy (Figure 3) proposes nine female-focused work plan activities to support women's participation in trade and export by improving their access to finance, targeting investments in sectors with female job growth potential and supporting women's economic participation in and benefit from enabling sectors, such as apparel and textile, home and décor and specialty fruits. The Hub is prioritizing sectors such as textiles and apparel, home décor and fashion accessories, horticulture and coffee, all with high potential for female job creation. Of the 38,564 jobs created by the Hub, 29,263

(76 percent), were female and 9,301 were male. The Hub's Apparel Workforce Skills Development Program implemented by Generation Kenya Program equips young women with skills to work in the apparel industry. However, these jobs are typically at the lower end of skills and pay levels, a reflection of the reality of rural East Africa, where women have had less access to education. According to the Hub's management, women's access to unemployment, even at lower levels, may constitute significant change in their financial empowerment and the increased well-being of families.

Although the Hub gender strategy recognizes that access to finance is a major constraint for woman-owned businesses, investment facilitation partners have no targets for women owned businesses, and do not appear to be taking specific measures to secure investment for women-owned businesses. Of the USD \$57.6 million in Hub-facilitated investments, 10 percent have been with woman-owned businesses. SMEs that are being considered by embedded investment advisors do not appear to take special measures to target women-owned businesses; the Hub management asserts that investment facilitation services are demand-driven and respond to demographics of the countries where they operate.

The Hub has supported various conferences and events, such as the EAC Conference on Women in Business, in which women entrepreneurs came together to exchange ideas on accessing affordable financing for woman-owned businesses. However, these events do not appear to be part of a strategic approach or accompanied by long-term assistance to participants or organizers.

The Hub facilitated formation of the East Africa Cross Border Trade Association; stakeholders who facilitated the formation of this association report that men dominate executive and decision-making positions, with women holding fewer and less-influential positions.

The Hub Gender Strategy, illustrated in Figure 3,¹⁰ recognizes how some policy reforms intended to improve food quality and increase intra-regional trade may adversely affect small-scale female intra-regional/cross-border traders. Although the Hub supported several agricultural policy reforms, including drafting EAC SPS regulations and standard operating procedures, it is not clear if they conduct policy review through a gender lens.

¹⁰ DAI, *East Africa Trade and Investment Hub Gender Strategy*, March 31, 2015

FIGURE 3: HUB GENDER STRATEGY



CONCLUSIONS

The Hub follows USAID policy with a thoughtful gender strategy and sex-disaggregated people-level indicators, and it recognizes gender-based disparities through gender awareness training for new staff. But its titling of a female grant manager as “gender specialist,” whose agency is limited to lobbying for grants to applicants who are women, reflects a perfunctory rather than deliberate effort toward promoting gender equality. Beyond counting the number of women beneficiaries, little evidence shows that the Hub has strategic or measurable objectives, or a coherent approach to promoting equality and reducing gender-based disparities identified in the gender analysis and strategy. Furthermore, giving a female staff member with a full-time position of grant manager the title of “gender specialist” discounts the importance of inclusive programming.

While the Hub has supported some one-off activities for women-owned businesses, it does not appear that specific measures have been taken through outreach or activity design to target women’s inclusion in areas where they are less “visible, vocal, or have less access” due to the cultural legacy of lower education, fewer financial resources and exclusion from male-dominated business networks where business opportunities are shared.

While the Hub prioritizes sectors with high potential for female job creation, such as textiles and apparel, home décor and fashion accessories, horticulture and coffee, these jobs are usually at the unskilled and semi-skilled levels and at the lower end of the pay scale, reflecting the existing gender dynamics.

As women traders experience negative impacts from trade inefficiencies, they have much to gain from streamlined EAC policies and procedures that are clear, predictable and implemented consistently. Additionally, as evidence suggests that woman-led firms prefer to export to neighboring countries, harmonized EAC trade policies hold specific importance for women.

As the Hub appears to operate with a gender-blind approach that reflects the existing gender-based disparities — in which men have more access to, participation in and benefit from resources — its activities are contributing to further widening the gender gap.

RECOMMENDATIONS

Based on the findings of this evaluation, the following recommendations are offered to enhance results for the remainder of the Hub’s activities:

1. The Hub has significantly overachieved on several indicators while underachieving on others. As revisions to the PMP are in progress, the Hub and USAID should consider the extent to which factors beyond the Hub’s control — such as the speed of the political process and weather — may affect achievement of results, and modify targets accordingly.
2. The Hub should continue to support AGOA through implementation of strategies and action plans, as well as continue to support diversification of products exported to the U.S.
3. Working with USAID, the Hub should facilitate resolution of the potential loss of AGOA eligibility by Rwanda, Tanzania and Uganda during the current fiscal year to mitigate lost trade volume from these countries.

4. Following the examples of the Rwanda Standards Board and Kenya Bureau of Standards, facilitate peer-to-peer assistance among other regional entities.
5. The Hub should focus on spreading its activities across countries to accelerate achievements in Tanzania, Uganda and Rwanda. This may require additional resources.
6. Conduct an internal mapping exercise to determine where and to which partners the Hub's activities can be cross-sold.
7. Develop formalized plans for embedded advisors to institutionalize their learning and results within their respective entities and devolve their responsibilities to staff during the remainder of the project.
8. As most output targets have been significantly overachieved, the Hub should focus on depth of assistance to those already supported. Such assistance may include helping close deals through order fulfillment, cultivating long-term relationships of contacts made through trade shows and buyer linkages and provide follow-up support to firms assisted with product development. Anchor all new activities within a strategic initiative rather than advancing one-off activities.
9. If USAID wishes to examine the cost-effectiveness or cost benefit of the Hub's activities, the Agency should contract a specialist to work with USAID and the Hub to determine the types of activities to be examined, which expenditures to attach to activities and what data points that would be required to conduct such analysis. Careful consideration should be given to realistic expectations for data quality, consistency and reliability. Considering the time and expense of this exercise, it should be determined how this information will be utilized prior to undertaking such an endeavor.
10. To reduce the challenges of reporting, providing additional training and in-country support to grantees can enhance their ability to deliver on technical and financial deliverables. Among grantees with limited operational resources, the Hub should consider front-loading some funding to alleviate cash-flow issues.
11. To maximize the likelihood of sustained results beyond the Hub's lifespan, the Hub should make a concerted effort to engage with other donors and programs supporting the Hub's partners and strategic areas of focus to identify areas in which resources can be leveraged. This includes USAID country missions, other donors and USAID programs such as the Kenya Feed the Future Crops and Dairy Market Systems Development Activity, Ethiopia Development Credit Authority (DCA), Ethiopia Advanced Maize Seed Adoption Program, Rwanda Private Sector Driven Agriculture Growth (PSDAG), Uganda Feed the Future (focused on coffee, maize and beans) and the Southern Agricultural Growth Corridor of Tanzania (SAGCOT).
12. The Hub should appoint a gender lead to help accelerate implementation of the gender strategy and set clear, realistic targets for the remaining period of the Hub. The gender implementation lead should hold a position of authority with clear support from the Hub leadership.
13. Quarterly and annual performance reporting should take a more nuanced approach to sex-disaggregation to reflect ownership of businesses assisted through firm-level assistance, investment and capacity building within government and business support entities, which will provide valuable insight into exactly where and how resources are reaching men and women differently.

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