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One Year of MARKUP

Changing the face of Trade in East Africa

Achievements and Impact

The European Union - East African Community (EAC) Market Access Upgrade Programme (MARKUP) was officially launched in June 2018 in Arusha, Tanzania and the first meeting of the Steering Committee was held at the EAC Headquarters on February 6, 2019. In the year since launching, the MARKUP team have overseen the planning and implementation of a very busy schedule.



Cinnamon in Focus



Tanzania is one of the few producers of Cinnamon Zeylanicum, whose value is four times higher than that of the common Cassia Cinnamon in international markets. 2018 was an exceptional export year for cinnamon from Tanzania, and exporter George Ferreria from Agri-Ventures says this would never have been the case without the help of MARKUP. From a small and underdeveloped industry only selling locally, Tanzania's cinnamon is gaining recognition globally, and farmers are 'finally able to put food on the table' from a cinnamon crop.

MARKUP helped every step of the way, from facilitating the international laboratory testing – which showed Tanzania to have world class quality cinnamon - to bringing in international experts to train

growers in the proper methods of planting, harvesting and rolling. Eighty Tanzanian farmers were trained in quill-making, a rolling technique for processing cinnamon. The target is to introduce quill making to at least 1,000 farmers by July 2020.

Currently exporting to processors who on-sell in Europe and North America, the ideal next step is to sell directly to the end consumers. MARKUP is facilitating these relationships. In December 2019, the programme will be taking Tanzanian cinnamon growers to the 'Food Ingredients Europe' exhibition in Paris, France.

'Our biggest problem is right now demand has outstripped supply', says Mr Ferreria, but with research and pilot projects being started across Tanzania and ISO standards being introduced across the sector, he predicts a cinnamon revolution across Tanzania in the next five years.

MARKUP FACTS

18 East African coffee exporters attended the two-day World of Coffee Exhibition in Berlin, Germany.



80 Tanzanian farmers were trained in quill-making.

In May 2019, **six Kenyan avocado exporters** attended the Macfrut Trade Fair in Rimini, Italy.

One year down the road...



Welcome to MARKUP News 2019, marking the first year of the MARKUP programme and outlining all the exciting developments from across East Africa.

On June 20, 2018, MARKUP was launched at the EAC Headquarters in Arusha, Tanzania by the European Union (EU), the East African Community (EAC) Secretariat, participating EAC Partner States, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and the International Trade Centre (ITC).

MARKUP addresses both the supply side and market access constraints of selected key export-oriented commodities - coffee, tea, cocoa, spices, avocados and other horticultural products - and strives to contribute to the economic development of the EAC Region by increasing the value of both extra- and intra-regional agricultural exports. MARKUP is firmly rooted in the objectives of regional integration in the EAC.

One year down the road, MARKUP has put in place a governance structure with a Programme Coordination Unit (PCU), Regional Steering and Technical Committees and Na-

Coffee in Focus

The Tanzanian coffee industry has had many changes and challenges in recent years, and harmonising standards across the coffee industry with a view to benefiting everyone would be an excellent step towards a more equitable and profitable industry. MARKUP is working with small and medium sized coffee enterprises in Tanzania to help ensure compliance with international regulations and standards in a bid to improve competitiveness and reach intra-EAC and international markets.

Noel Yatera from the Tanzania Coffee Association, a lobby and coordination group representing 77 coffee growers and exporters across Tanzania, has been working in coffee for over 40 years. He is a strong advocate for harmonised standards, believing it will open

tional Focal Points, all of whom have met several times in Arusha, Plans and budgets as well as systems for administration, finance, monitoring, evaluation, reporting, sharing and learning are all now in place.

Most importantly, our teams on the ground in the five Partner States are enhancing the capacity to advocate for the removal of sector trade barriers; improving sector standards and harmonisation of sanitary and phytosanitary (SPS) measures; enhancing export competitiveness for small and medium enterprises (SMEs), and improving the business development capacities for those sector enterprises.

I want to thank the European Union for supporting the implementation of this important programme. I also commend our Partners for the implementation of MARKUP. We will soon welcome other partners who will be implementing MARKUP in Rwanda and Tanzania.

Working together with the Secretariat and Partner States, I am confident that MARKUP will make a valuable contribution towards improving EAC trade performance and strengthening enterprises in our region.

Alhaj Rashid Kibowa, Director of Trade, EAC Secretariat.

up more markets and help the world to see the extraordinary quality of coffee being grown in Tanzania. But this is easier said than done in Tanzania. The Coffee Board needs strengthening to work better with farmers, SMEs and the private sector in general to meet international standards, as currently only larger growers are aware of the standard requirements and have the capacity to invest in reaching them.

When 90% of the country's coffee is being produced by smallholders, it is going to take some time. 'MARKUP has the right approach - it is a long and slower process to build capacity and understanding around the importance of standards, and the implications for markets. Trainings by MARKUP to date have been very useful, and continued participation in the coffee trade fairs after learning all there is to know about how to take advantage of these opportunities, is the best way forward.'

TRAINING

Training is a key component of MARKUP, bringing together experts with industry and sharing skills in everything from finding finance to tea tasting. Working with ITC, 2019 has seen workshops and trainings conducted across MARKUP's focus areas.

Business and Trade Development for SMEs



To operate effectively in a regional and global marketplace, SME's need to have a range of skills across networking, negotiation and market information. Trade and Investment Support Institutions (TISIs) help SMEs to build these skills so they can become more competitive in their sectors. Training workshops for TISIs were held in February and April 2019 in Kenya, Rwanda, Tanzania and Uganda, and were attended by 48 participants from 33 institutions.

The TISIs were trained in a range of skills, including how to analyse the specific needs of SMEs and find solutions, creating partnerships, how to facilitate participation in trade fairs and other market mechanisms, as well as monitoring their own effectiveness.



Training on Service Portfolio Development in February 2019

Addressing Changing Global Trends for Kenyan Tea



A Tea Sensory, Tasting and Blending Skills Training Workshop for the Kenyan specialty tea sector was held in July 2019, aimed at building skills for diversification of tea products and adaptation to emerging tea consumption trends in global markets. The training was on the technical aspects of tea tasting and blending, EU requirements for tea, and global tea consumption trends, and also discussed the health and wellness benefits of tea.

Helping SMEs to Get Ready for Export

Three regional training workshops were conducted in Mombasa, Kenya and Arusha and Moshi, Tanzania in May 2019 for business support organisations in the tea, horticulture, spices and coffee sectors. Institutions from Kenya, Rwanda, Tanzania and Uganda acquired the skills to assess the export readiness of SMEs using the Export Readiness Assessment (ERA) Methodology.



Access to Finance: Boot Camps

Financial boot camps are a step-by-step process which maps finance gaps, provides coaching, and links SMES to financial service providers. In 2019, 137 SMEs and cooperatives, and 10 regional investors from Burundi, Kenya, Rwanda, Tanzania and Uganda attended boot camps on financial management, business planning and access to capital. The target is to have at least 400 SMEs attend 24 boot camps with 60 of them securing funding over the next three years.



MARKET EXPOSURE

Gaining access to international markets and creating relationships with potential buyers is very competitive. Training exporters in networking, marketing, and sales and exposing them to international opportunities through trade fairs is reaping rewards across MARKUP sectors.

Connecting Ugandan Cocoa Exporters to Buyers and Investors

Cocoa is rebounding as a cash crop in Uganda. In 2018, Uganda exported 30,803 MT of cocoa with a value of US\$ 65 million. To take advantage of market opportunities, cocoa requires aggressive marketing, so creating connections between Ugandan cocoa exporters and European markets and investors is vital for increased intra-EAC trade and exports.



One opportunity for outreach was the Chocoa Trade Fair in Amsterdam, The Netherlands in February 2019, where, with support from MARKUP, Ugandan SME's were given the opportunity to attend and network. In preparation for the Chocoa Fair, participating companies received training on improving marketing and sales and certification. Felix Okuye from

Pink Foods Industries Ltd. said: 'My participation in the program has uncovered the fact that I had never marketed at all in my business! All I was doing is selling and nothing more. Using techniques that I learnt in this Chocoa, I could expand it more rapidly than before. This program is really astounding'.

Subsequently, several deals were finalised or are in the pipeline and two companies extended their contracts with existing buyers. As Jimmy Bagonza from Rwenzori Co-operatives Farmers Union said, 'This was an opportunity that helped win trust of some major players we were already in contact with. Buyers feel more secure to do business with us given that our companies are supported by such a programme as MARKUP.'

Another company is negotiating a direct-payment contract with an interested new buyer instead of going through brokers, and one SME is exploring financing and partnership options with a foreign investor for US\$ 0.5 – 2.0 million.



Ugandan cocoa companies at the Chocoa Trade Fair, Amsterdam, February 2019

Taking Kenyan Avocadoes to International Markets



In May 2019, six Kenyan avocado exporters attended the Macfrut Trade Fair in Rimini, Italy. Macfrut is the leading European trade fair for fruits and vegetables, and promotes innovation in the sector. Companies exhibit produce, share expertise, learn about international market requirements and access knowledge about competition. The six exporters received pre-fair training on the EU fresh produce market, and subsequently established 70 new business leads worth US\$ 0.8 million. Tom Owuor, Direne Packaging and Business Advisory Services, said: 'Macfrut was an amazing event for Direne Packaging, as it was the first time we have participated in an international event of that scale. Through the networking opportunities we managed to secure an international investor for our operations in Kenya, who since the trade fair has already started setting up an ultramodern pack house and processing facility for frozen avocadoes, avocado pulp, frozen vegetables and avocado oil for us to use. This is a major step up for us, and without the chance to attend Macfrut, none of this would have been possible.'

East African Coffee Exporters Entice the World

In June 2019, a total of 18 East African coffee exporters attended the two-day **World of Coffee Exhibition** in Berlin, Germany. Five exporters came from Rwanda, three from Burundi, four from Uganda, three from Tanzania and three from Kenya. The exporters met over 200 potential coffee buyers and roasters from the EU, Japan, Turkey, the United Arab Emirates and the United States, with strong interest shown and business leads worth US\$ 5 million resulting from the exhibition.



Ugandan coffee companies at the World of Coffee Fair in Berlin, June 2019

ADVANCING THE REGIONAL AGENDA



Understanding international trade agreements is the first step towards benefiting from them, so educating the private sector across the region on the intricacies of trade policy is the first step towards breaking down the barriers and building opportunities. Harmonising standards will also benefit cross border trade.

Removal of Trade Barriers

Red tape, inefficient trade procedures and non-tariff-barriers (NTBs) still present an obstacle to intra-regional trade in the EAC. Through ITC and in partnership with the East African Business Council (EABC), MARKUP is enhancing the capacity of the private sector

and Trade Investment and Supporting Institutions (TISIs) to identify challenges and opportunities presented by the World Trade Organization (WTO) Trade Facilitation Agreement (TFA).

Through workshops in June and July held across partner states, a pool of master trainers have helped companies to better understand the WTO TFA and make optimal use of its provisions. Key benefits have been creating greater sensitisation of EAC trade operators on the need to simplify cross-border trade procedures, ensuring better participation of the private sector in public-private dialogue platforms responsible for the implementation of the TFA, and enhancement of national trade portals for Kenya, Rwanda and Tanzania to incorporate procedural requirements for MARKUP value chains.

Working Towards Harmonised Standards for Export

Harmonised standards and phytosanitary measures make it easier for SMEs to export their products across the region. Some of the MARKUP priority products do not have harmonised standards and where they do exist, it is important to ensure that the specific parameters are in line with the requirements of target markets. MARKUP has carried out a lot of work around harmonisation, with results including an EAC Standards gap analysis and a stakeholder capacity needs assessment to inform the process of developing new standards or reviewing existing ones. A GIZ report documenting safety and quality requirements set by the Codex Alimentarius Commission and the European Union for the MARKUP priority products was also produced.



Consultations were undertaken in Bujumbura, Nairobi, Kigali, Dar es Salaam and Kampala. Recommendations of standards to be updated or developed were discussed by stakeholders from the region in August 2019. The same forum also set priorities for capacity building to ensure more effective participation of key actors in standards development and harmonization.

HIGHLIGHTS FROM PARTNER STATES

Burundi



Implementing Agency: International Trade Centre (ITC)
Priority Sectors: Coffee, tea, selected horticultural products
Start date: November 2018

Duration: 48 months

Budget: EUR 3.68 million

Expected results:

1. National Quality Infrastructure framework, inspection and certification services strengthened
2. Laboratory testing capacities for coffee/tea improved
3. Quality related extension services strengthened

Kenya



Implementing Agency: United Nations Industrial Development Organization (UNIDO)
Priority Sectors: Horticultural products; mangoes, chillies, passion fruits, green beans, snow peas, nuts, herbs and spices

Start date: February 2019 (Official launch October 2019)

Duration: 48 months

Budget: EUR 4.05 million

Expected results:

1. Strengthened national Quality Infrastructures regulatory framework and capacities
2. Support sector smallholders, cooperatives and enterprises better integrate into export-oriented value chains.

Rwanda



Implementing Agency: Still to be identified
Priority Sectors: Coffee, selected horticultural products
Start date: Towards the end of 2019 or early 2020

Duration: 48-60 months

Budget: EUR 3.6 million

Expected results:

1. Strengthening of national food safety systems
2. Support to horticultural/agricultural high-value chains, SME and agribusiness development
3. Coffee value chain development

Tanzania



Implementing Agency: Result 1 - International Trade Centre (ITC)
 Result 2 - To be Identified

Priority Sectors: Coffee, tea, avocado, spices

Start date: Result 1: October 2018

Result 2: Implementation to start towards the end of 2019 or early 2020

Duration: 48-60 months

Budget: To be confirmed

Expected results:

1. Enhanced awareness on sector enablers through market analysis and research
2. Improved access and compliance with voluntary sustainability standards

The selection process for implementing partners for improvement of access and compliance with voluntary sustainability standards in Tanzania is underway. Contracts are expected to be signed by the end of 2019.

Uganda



Implementing Agency: Uganda Coffee Development Authority (UCDA)
Priority Sectors: Coffee, cocoa
Start date: October 2018

Duration: 32 months, from October 2018 to May 2021

Budget: EUR 3.430.000 matching grant + 200.000 Programme Estimate

Expected results:

1. Resistant varieties are developed and brought to market
2. Reduced production, harvest and post-harvest losses and increased marketing opportunities for small-holders
3. Increased small-holders price incentive through diversification into higher value export markets
4. Strengthened institutional capacities for trade analysis, market surveillance, project management and research

PROGRAMME MANAGEMENT

Programme Management

MARKUP has national, regional and international Partners implementing the different activities. The MARKUP Programme Coordination Unit (PCU) coordinates activities of all stakeholders through sharing information and lessons, as well as facilitating governance, monitoring, communication and visibility. The PCU, based in Arusha, Tanzania is supported by GIZ and ITC. It consists of a GIZ Programme Coordinator, and three GIZ advisors: Standards Expert, M&E/Communications Expert and Finance and Administration Professional. Furthermore it has one ITC Regional Technical Advisor and an ITC Accounting and Administrative Manager.

Governance

Developed in consultation with Partner States, the MARKUP governance structure is at national and regional level.

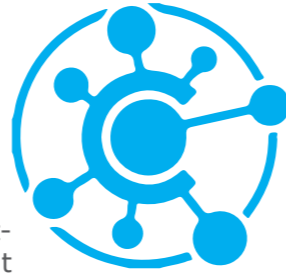
National Focal Points in the five MARKUP Partner States

	Burundi	Ministère des Finances, du Budget et de la Coopération au Développement Economique
	Kenya	State Department for Trade
	Rwanda	Ministry of Trade and Industry
	Tanzania	Ministry of Finance and Planning
	Uganda	Ministry of Agriculture, Animal Industry and Fisheries through Uganda Coffee Development Authority

- National Steering Committees provide a forum for information sharing, coordination and monitoring progress nationally and comprise representatives from relevant government agencies as well as private sector apex bodies and development partners. NSCs in Kenya, Tanzania and Uganda have already met.
- The Regional Technical Committee (RTC) meets monthly to monitor progress and address implementation challenges and comprises representatives from the EAC Secretariat, the EU, implementing agencies, the private sector and the PCU.
- The Regional Steering Committee (RSC) meets every six months and provides overall guidance and oversight. Two RSC meetings were held in February and July 2019 and were attended by representatives from Partner States, EABC, East African Farmers Federation (EAFF), EAC Secretariat, EU Delegations, GIZ, ITC, UNIDO and UCDA.

The PCU has developed a results-based Monitoring & Evaluation System (MMES), which will generate data and information on the programme's progress, achievements and impact, share good practices, and identify areas for improvement and change. Communication and visibility of MARKUP is the responsibility of all implementing partners, as guided by the MARKUP Communication and Visibility Plan (CVP).

The MARKUP information brochure is available at:
www.eacmarkup.org/resources/publications/brochures



THE MARKUP TEAM IN ARUSHA

Estella Aryada, Programme Coordinator



Estella is a trade and private sector development professional and a firm believer in trade as an avenue to development. Estella provides technical, managerial and coordination support to the MARKUP team and external partners of the Programme.

Martin Epafra Kimanya, Standards Expert

Martin is passionate about protecting and promoting the safety of food and ensuring fair practices in the food trade. He provides technical support to the East African Community Secretariat and Partner States in harmonisation of food standards and Sanitary & Phytosanitary (SPS) measures.



Donatien Ngomirakiza, Finance and Administration Professional



Donatien is a strong believer in resource optimisation, mutual interest between communities and trade for economic development. Donatien provides financial and administrative management and logistic support to the MARKUP Programme and its partners.

Bestina Arphaxad Maiba, Administrative Professional

Bestina is an Administrative Professional, and her responsibilities include logistics, procurement; travel arrangements and liaison with GIZ Country Offices.



Margrit Mueller, Communications Expert



Margrit is a communications expert and supports EAC MARKUP in communicating the agenda and impacts of MARKUP to the relevant stakeholders in close cooperation with counterparts in the EAC Secretariat, European Union and the implementing partners on regional and national levels.

Justine Wangila, M&E and Communication Expert

Justine is a Development Professional with a passion for evidence-based decision- and policy making. He supports monitoring, evaluation, communication and visibility of MARKUP.



Safari Fungo, ITC Regional Technical Advisor

Safari is dedicated to sustainable-inclusive development and pleased to foster trade in the region. He is the Senior Regional Technical Advisor for MARKUP under the International Trade Centre (ITC) in close cooperation with the ITC Geneva Office.



Aina Abtwalib Dallo, Accounting and Administrative Manager

Aina is an Accounting and Administrative Manager for the MARKUP Programme in the ITC Regional Office in Arusha. Her role includes office management and liaison with Head Office - Geneva.



UPCOMING EVENTS

East Africa Business Council Business and Investment Summit

28 – 29 November 2019, Arusha, Tanzania

Thea (Tea) Week

1st Week, December 2019, Bujumbura, Burundi

EAC Coffee Business Forum

17 – 18 February 2020, Nairobi, Kenya

Cocoa Expo

February 2020, Kampala, Uganda

Public-Private Dialogue on Non-Tariffs Measures (NTMs)

January / February 2020, Dodoma / Dar es Salaam, Tanzania

Micro Small and Medium-sized Enterprises Day

27 June 2020, Nairobi, Kenya



For more information, please contact:

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Co-funded by the
European Union



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