



## SOUTHERN AFRICA **TRADE** + INVESTMENT **HUB**



# USAID SOUTHERN AFRICA TRADE AND INVESTMENT HUB

The Southern Africa Trade & Investment Hub (the Hub) is a regional platform that advances USAID's enterprise-led development strategy to increase prosperity in Africa and the United States by promoting deeper trade ties and increased access to open markets and finance.

The Hub supports U.S. investment, grows African enterprises and improves the overall business climate in southern Africa. It advances USAID's mandate of supporting commercial expansion in southern African countries to lift lives, strengthen communities and accelerate self-reliance.

### FAST FACTS

**FUNDING LEVEL:** \$73.7 million

**PRESIDENTIAL INITIATIVE:** Feed the Future

**DURATION:** 2016-2021

**PROJECT LOCATION:** Pretoria, South Africa; Lusaka, Zambia

**GEOGRAPHY:** Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa and Zambia (eligible but not active countries: Angola, Democratic Republic of the Congo and Zimbabwe)

**KEY PARTNERS:** U.S. and southern Africa private enterprises, U.S. government agencies, the Southern African Development Community (SADC), local and regional trade associations and other development partners

**IMPLEMENTING PARTNER:** DAI Global, LLC

### ACCOMPLISHMENTS TO DATE

- **\$50.6 million** in AGOA and global exports facilitated
- **\$129 million** in new private sector investment:
  - **\$86.3** in agriculture/agribusiness investment
  - **\$42.7** in non-agriculture investment
- **77,174 MT** of staple grain traded via commodity exchanges/certified warehouses supported
- **\$16.8 million** in agriculture finance accessed
- **650** firms assisted with market access, capacity building and trade facilitation
- **745** buyer-seller market linkages made
- **3** national AGOA utilization strategies developed
- **\$12 million** in new private sector investments utilizing DCA products

### WHY U.S. INVESTMENT AND TRADE IN AFRICA?

Rapid urbanization, a burgeoning middle class and increasing demand for goods and services across southern Africa are creating opportunities for U.S. businesses and investors seeking new frontiers for growth. The Hub supports U.S. business by:

- Identifying prospective investment and trade opportunities that enhance U.S. and African businesses
- Facilitating U.S. investment, technology transfer, consulting sales and innovation
- Fueling demand for U.S. goods and services by growing export-related enterprises in Africa
- Building widespread trade capacity to enhance reciprocal trade between the U.S. and southern Africa
- Supporting USG agencies with technical expertise, market insights and robust local networks
- Lowering barriers to market entry by building more transparent, predictable and enabling business environments



## FOCUS AREAS

### ATTRACTING INVESTMENT TO SOUTHERN AFRICA

Investment is a core ingredient for enterprises of all sizes to innovate, grow and ultimately sell their products locally and globally. The Hub attracts, mobilizes and sustains new U.S. and regional private-sector investment across southern Africa utilizing South Africa as a regional “gateway.” The Hub has facilitated **\$129 million in investment** and is actively pursuing closure on high impact transactions that will transform markets across the region. The Hub offers neutral investment advisory services and market linkage support to reduce the risk, cost and deal time of transactions in the region. The Hub prioritizes investments in the region’s agribusiness sector and facilitates access to trade finance.

### PROMOTING AGOA EXPORTS AND INTRA-REGIONAL TRADE

Exports, especially value-added exports, raise profits and create jobs. **To date, the Hub has facilitated AGOA and global exports worth \$50.6 million.** The Hub supports buyer-seller linkages, buyer missions and business-to-business events for U.S. companies looking to source from and invest in southern Africa. The Hub also provides firm-level technical assistance to southern African businesses across four budding export sectors – textiles/apparel, specialty foods, leather/footwear and handicrafts/accessories – to improve their export capacity and prepare them to meet U.S. buyers’ demands. The Hub positions firms to take advantage of AGOA duty-free access to the U.S. market by educating firms on AGOA benefits, Food and Drug Administration (FDA) standards and sector-specific export requirements. It also supports governments to develop and implement national AGOA utilization strategies in partnership with the private and public sectors to improve export competitiveness to the U.S., in response to U.S. Congress’s bipartisan legislation for AGOA.

### BOLSTERING STRUCTURED TRADE IN STAPLE FOODS FOR FOOD SECURITY AND STABILITY

Efficient agricultural markets enable cross-border trade in staple foods and contribute to economic growth and food security. The Hub partners with commodity exchanges, grain traders and agribusiness and international financial institutions to promote warehouse financing and expansion, engage in regional grain trade deals and integrate regional commodity exchanges through an electronic commodity portal.

### CREATING AN ENABLING ENVIRONMENT FOR TRADE IN ZAMBIA

Predictable, transparent and enabling business environments boost trade, competitiveness and investment. Through the **Zambia Trade Facilitation Agreement Program**, a “buy-in” with USAID/Zambia, the Hub assists the private sector and the Government of Zambia to implement the World Trade Organization’s Trade Facilitation Agreement (WTO-TFA) in Zambia to promote more efficient movement of goods, services and capital. The Hub is working with a network of private businesses, investment firms and trade associations to advocate for trade policies and regulatory reforms that foster a business-enabling environment across the region.

### DESIGNING COMPACT INTERVENTIONS IN LESOTHO WITH MILLENNIUM CHALLENGE CORPORATION

The Hub is assisting the Lesotho Millennium Development Agency on the design phase of the Millennium Challenge Corporation (“MCC”) compact through a U.S. government interagency buy-in. The compact targets four major growth sectors: agriculture, manufacturing, tourism and finance. Part of the compact design includes a proposed **\$100 million impact investment fund** with MCC providing a first loss mechanism. To inform the design, the Hub is conducting value chain analysis of the agribusiness infrastructure which would support a viable anchor commercial farm-driven economic model. The Hub is also investigating how to further expand apparel manufacturing, the largest private sector employer in Lesotho.

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