Report on Regional Workshop and Policy Dialogue

Development of Agro-Industries and Agro-Enterprises in the EAC Region
Introduction
In March 2010, the African Union (AU) Member States endorsed the African Agribusiness and Agro-industries Development Initiative (3ADI) in Abuja, Nigeria. The vision of this Initiative is competitive, sustainable and inclusive agro-industries and agribusinesses in Africa as a pathway to increased economic growth and food security in the continent.

The Heads of State and Government attending the occasion registered their concern that Africa is yet to make much progress towards adding value to primary agricultural commodities and exploiting the opportunities for processed agro-food products in local, regional, and international markets. On the other hand, several African countries have made good progress on the production front such that many are now registering agricultural surpluses, especially in food commodities. However, most of the surplus is often lost or wasted due to lack of processing and marketing.

Lack of progress towards adding value to primary agricultural commodities for export causes low returns from agricultural exports because of the lost opportunity for creating wealth as a high proportion of the value does not accrue to the region. Furthermore, inadequate processing to extend the length of stable shelf-life of perishable food commodities such as starchy crops, vegetables and fruits, and livestock and fish products, leads to a very limited utilization of all sources of food – causing the perpetual hunger and malnutrition experienced in the region.

Therefore, to ensure income security, food security, and nutrition security of the majority of the people in Sub-Saharan Africa, investment in agriculture for development should go beyond improvements of on-farm productivity. More efforts and investment should be devoted to development of all post-production segments of agriculture value chains. Accelerated development of agro-industries and agrienterprises will be a critical part of such a strategy.

To respond to a call made in the Abuja Declaration, the EAC Secretariat, with the support of Kilimo Trust and FAO, initiated a process of developing the EAC’s chapter of 3ADI, titled “The East Africa Agri-business and Agro-industries Development Program (E3ADP)”. This workshop was designed as the first step to galvanize stakeholders’ views and recommendations.

The Workshop was divided into two parts. The first, from 15 – 17 March 2011, was a Technical Meeting attended by 61 experts and senior technical officers from governments, development agencies, and the private sector. The second part was a Policy Dialogue Meeting held on 17th March 2011 and attended by 30 Senior Directors and leaders from relevant government departments in the five EAC Partner States, development agencies, and the private sector.

The participants from governments cut across the departments responsible for policy, industrialization, agro-industries, trade and marketing, crops, livestock, fisheries, and rural infrastructure. The private sector included representation of two of the largest commercial banks in the EAC Region.

In her opening speech, read on her behalf by the Director of Industry Development, Mrs. Sikazwe, the Permanent Secretary of the Ministry of Industry and Trade of Tanzania, Ms. Joyce Mapunjo, emphasized the need for a high level of regional collaboration if
acceleration of the development of agro-industries and agro-business in the EAC Region was to take place. On this she said: “Each of us has a limited capacity to achieve an optimum industrialization for agricultural transformation. Therefore, there is an urgent need for putting our efforts together starting with the EAC regional block and finally the whole of Africa. … it is necessary to pool resources for mutual benefits in technology development and supply, infrastructure development, branding, packaging, and accreditation of food laboratories.”

**Key Issues on Agro-Industry Development in the EAC Region**

Agro-industries in the EAC Region have the following characteristics:

a) **Major component of manufacturing:**
   i) Agricultural value added contributes more than 80% of the total manufacturing in the region;
   ii) Food processing accounts for 40% of the value added by agro-industries, and more than about 30% of the total manufacturing in the region – however, highest proportion of the installed capacity for food processing is for primary processing only; and
   iii) Only about 28% of the agricultural produce in the region is processed.

b) **Low utilization of installed capacity** – with most operating at 30–50%, due to a combination of factors including: (i) unreliable supply of good quality raw materials and inputs; (ii) the scatter of the small quantities produced by each smallholder farmer; and (iii) long distances between areas of production and location of agro-industries coupled by poor state of transportation infrastructure.

c) **Limited technical skills base to run agro-processing facilities** – caused by little vocational training on the operation and maintenance of agro-processing plants and equipment.

d) **Inadequate Research & Development** – leading to very limited home grown technologies and/or local capacity to search for import, and absorb knowledge and technologies from other countries.

e) **Limited supportive infrastructure** – is a critical constraint to the development of agro-industries from both the perspective of supply of raw materials and marketing and trade of finished products. There are constraints in terms of:
   i) Lack of, and/or significant length of poorly maintained feeder roads which greatly increase the time and cost of transporting agricultural raw materials to agro-processing plants;
   ii) Limited reach of electrical power grids because of very little investment in electrical-powered equipment and the necessary connections to allow rural areas to exploit the national grid;
   iii) Poor storage and marketing infrastructure in the rural areas limiting the ability of producers to store and market their produce efficiently while reducing post-harvest losses.
The identified key opportunities in agro-industries development include the following:

a) **Rural-based primary and secondary processing**, especially to increase the length of stable shelf-life on major perishable commodities, is the highest priority at the moment.

b) **Tertiary processing of cereals to high valued differentiated products** because the relatively advanced primary and secondary processing of cereals opens up opportunities for further processing into highly differentiated consumer and industrial products.

c) **Equipment manufacturing and supply** – because most agro-processing equipment in the EAC region is currently being imported from China and India, and given that the technology is not complicated there is a huge opportunity for import substitution.

**Opportunities for Regional Collaboration**

The country paper from Burundi suggested regional collaboration with respect to:

a) Improved reach of financial services;

b) Development of efficient regional agricultural value chains; and

c) Mitigation of effects of high variability of weather.

The country paper from Kenya suggested regional collaboration with respect to:

a) Research and Development (R&D) and transfer of technologies;

b) Harmonization and further development of quality standards;

c) Sensitization of potential investors (local East Africans and foreigners) on available opportunities in agro-industries development;

d) Training and capacity building by pooling resources to reduce costs;

e) Business incubation and entrepreneurship development, and

f) Development of prioritized agro-industries in the region on the basis of comparative advantages.

The country paper from Rwanda suggested regional collaboration with respect to:

a) Market data and information;

b) Development of win-win contract farming; and

c) Improvement of financial services and investment through special funds, agri-insurance, and loan guarantee schemes.

The country paper from Tanzania suggested regional collaboration with respect to:

a) Appropriate and affordable technology for agro-industries and effective management to reduce post-harvest losses;

b) Improvement of quality and availability of packaging;

c) Branding – especially the development of regional brands; and

d) Harmonization and further development of quality standards including accreditation of food safety laboratories.

The country paper from Uganda suggested regional collaboration with respect to:

a) Attraction of investment in agro-processing facilities for priority value chains;

b) Manufacturing and supply of packaging materials;
c) Establishment of business incubation centers;
d) Manufacture and supply of intermediate inputs to agro-industries; and
e) Formation of industrial clusters.

Furthermore, the workshop was informed that the following policy and strategic objectives as well as initiatives have already been approved and/or initiated at the EAC level to foster regional collaboration:

a) The fully implemented EAC Customs Union (2005), and the recently operationalised EAC Common Market Protocol (2010);
b) The Third EAC Development Strategy which among other priorities calls for promotion of value addition, productivity, and competitive agricultural supplies to realize cross-border trade for sustainable food security;
d) A draft EAC Industrialisation Policy and Strategy to be completed by the end of 2011. In addition, an EAC-UNIDO Industrial Upgrading and Modernization Programme has been developed.

Recommendations from Thematic Work Groups

Key themes emerging from the plenary sessions:

a) Theme 1: on Agro-industry Development – including supportive agribusiness and agri-enterprises;
b) Theme 2: on Markets and Trade – to cover all aspects of market access and market information;
c) Theme 3: on Infrastructure – to focus on last-mile infrastructure required to improve linkages between areas of high agricultural production and agro-industries as well as urban areas;
d) Theme 4: on Policy and Institutional frameworks necessary to support accelerated development of agro-industries;
e) Theme 5: on Attracting Finance and Investment needed to support accelerated development of agro-industry; and
f) Theme 6: on Capacity Building to create a critical mass of experts and skilled workers to sustain expanded agro-industries in the region.

Four groups were formed, one group for each of themes 1, 2, 3 and 4. Each group was also requested to deliberate on themes 5 and 6 as these were cross-cutting.

Recommendations from the Work Groups

a) Theme 1: Agro-industry and Agri-enterprises Development:
   i) Improve the rate of capacity utilization of existing and planned agro-industries through better efficiencies in supply/procurement of raw materials;
   ii) Strengthen regional value chains to enhance returns and wealth creation; and
   iii) Enhance access to, and increase adoption of, affordable and appropriate technologies.

b) Theme 2: Markets and Trade:
   i) Expand regional trade in agro-processed products;
   ii) Improve market information systems;
   iii) Regional branding – identify national and regional opportunities and prioritize production,
processing, and branding; and
iv) Improve economies of scale and penetration of foreign markets by developing clusters of value chain actors.

c) Theme 3: Infrastructure Development and Maintenance:
i) Transport: the main bottleneck is in feeder roads for linking production areas to major transportation infrastructure in terms of highways, railways, and ports. There is therefore an urgent need to:
   • Balance investment between expanding major infrastructure and ensuring that such infrastructure is fully linked to areas of high agricultural potential;
   • Integrate the development of agro-industries and agribusinesses with infrastructure master plans; and
   • Harmonize specifications for the roads in the EAC to encourage cross-border collaboration.

ii) Warehousing – because of the role it plays in bulking commodities and thus reducing transaction costs for supply of raw materials to agro-industries, the working group recommended priority actions to expand warehousing in rural areas.

iii) Power Supply – perhaps the weakest link in the EAC at the moment, was identified as the core driver of agro-industries development. The working group recommended more investments to link areas of high agricultural production potential to the National Grid, with appropriate last-mile connections necessary and sufficient to accelerate the development of agro-processing in the rural areas.

d) Theme 4: Policy and Institutions:
i) A regional strategy and program on agro-industries development;
ii) Joint projects and actions to operationalise the regional strategy;
iii) Power supply – especially to jointly explore and develop critical sources of power available in the region with a regional market perspective, and find economic ways of reducing power tariffs; and
iv) Public-private-partnerships (PPP) especially by mainstreaming the development of agro-industries in major public initiatives as well as public procurement policies.

e) Theme 5: Financing:
i) Expand the availability of investment capital at costs comparable to other parts of the world;
ii) Establish means of attracting equity investors to agro-industries; and
iii) Strengthen collaboration and cross-border banking in the region to build economies of scale.

f) Theme 6: Capacity Building
i) Develop agro-industries’ incubation centres;
ii) Establish and/or expand centres of excellence dealing with agro-industries and agri-enterprises;
iii) Establish extension services dealing with agro-industries and agri-enterprises; and
iv) Expand and give priority to development of critical skills required in agro-industries and agribusiness.
Key Recommendations from the Technical Workshop

Building on the recommendations of the working groups the plenary session produced the following short list of Policy Recommendations for the Policy Dialogue Meeting with Directors. The recommendation was to adopt five themes for the proposed E3ADP:

a) Theme 1: Accelerated development of agro-industry in the EAC;

b) Theme 2: Getting markets and trade right for the thriving agro-industries;

c) Theme 3: Making infrastructure effective in supporting agro-industries and agri-enterprises in the EAC;

d) Theme 4: Ensuring policy and institutional framework that is more supportive; and

e) Theme 5: Attracting adequate finance and investment.
Outcomes of the Policy Roundtable Dialogue by Directors

Adoption of the E3ADP: – the Directors endorsed the priority themes and results recommended for the E3ADP, and further endorsed the development of the Programme to produce the following results:

a) Theme 1: Accelerated Development of Agro-industry – designed to mainstream agro-industries in key agriculture for development programmes and agri-enterprises, with the following intermediate results:
   i) A critical mass of skilled personnel to plan, establish, and effectively manage agro-industries;
   ii) Well organized and strong regional agricultural value chains for regular and quality supply of raw materials;
   iii) Improved culture of quality and productivity;
   iv) Regional agro-industry clusters;
   v) Centres of excellence, business incubation and BDS across the region to support especially SME agro-industries and agri-enterprises; and
   vi) Regionally coordinated R&D in agro-industries to stimulate innovation.

b) Theme 2: Getting Markets and Trade Right – is critical in accelerating development of agro-industries. The workshop recommended that E3ADP should be designed to deliver the following results:
   i) Harmonized and/or regional standards;
   ii) Robust Regional Market Information System supported by very good market research;
   iii) Minimum NTBs or none at all across the region;
   iv) A strong EAC agro-industry association;
   v) Strong regional value chains;
   vi) Regional brands to support export of agro-industry products; and
   vii) Vibrant regional commodity exchanges.

c) Theme 3: Making Existing and Planned Infrastructure Effective in Supporting the Development of Agro-Industries and Agri-enterprises. It was acknowledged that there is already major initiatives in the EAC on infrastructure development, so the E3ADP will focus on:
   i) Improved coordination and synergy in the development of infrastructure vs. agro-industries;
   ii) Strategy for expending last-mile infrastructure to ensure the infrastructure enables the stable and continuous flow of raw materials to agro-industries; and
   iii) Agro-industry clusters deliberately designed and located to effectively utilize the existing or planned infrastructure.

d) Theme 4: Policy and Institutional Framework to enhanced “business climate” for agro-industries and agri-business. It was noted that relevant policies are generally in place – what remains is implementation. Therefore, on this aspect E3ADP will strive to ensure:
   i) Consolidated regional strategy for agro-industry development;
   ii) Regionally shared “public good” services to support agro-industries and agri-enterprises;
   iii) Regionally-shared support industries such as manufacture of processing equipment;
   iv) Strong synergies between agro-industries development and other programs in agriculture and industries in general; and
v) A mechanism for strong coordination among Government Ministries and EAC Departments working on aspects with implication on agro-industries and agri-business.

e) **Theme 5: Attracting finance and investment** for agro-industries in the region by focusing on regional opportunities for collaborating with stakeholders to mobilize and put into place the necessary incentives and resources to make agricultural finance more accessible.

However, the directors emphasized that the following should be done in the process of developing the programme:

a) The E3ADP must be harmonized with existing and relevant initiatives in the region and Partner States.

b) The E3ADP should identify and enhance the comparative advantages among Partner States, and then build on these to develop the regional comparative advantages that would distinguish the EAC region.

c) The E3ADP should be driven by national level priorities starting with cross-cutting aspects selected by national stakeholders for regional collaboration.

d) The E3ADP should be fast-tracked for implementation, and if possible should be launched by the end of 2011, especially by working hard to turn into reality the well appreciated indication by FAO that it is prepared to consider a request from the EAC for a Technical Cooperation Programme (TCP) to support the further development of E3ADP.
Statement by the Organizers

The workshop and policy dialogue meeting reported here are products of a close collaboration between the following organizations:

• The EAC Secretariat through the Directorate of Productive and Social Sectors;
• FAO (the Rural Infrastructure and Agro-industries Division, the Sub-Regional Office for Eastern Africa, and the FAO Representation in Tanzania);
• UNIDO (the Agribusiness Development Branch and the country office in Tanzania); and
• Kilimo Trust – an organization focused on catalyzing the growth and competitiveness of strategic agricultural sectors for the benefit of large numbers of the people in the EAC Region.

We are grateful and acknowledge the support of the following in making this workshop a reality:

• Government of United Republic of Tanzania through the Ministry of Industry and Trade, for hosting the Workshop and providing in-kind logistical support during the preparations;

• The Chairperson of the Committee on Agriculture, Tourism, and Natural Resources (ATNR) of the East African Legislative Assembly, Hon. Safina Kwekwe Tsungu (MP) – for chairing the Dialogue Meeting;

• Commissioners and Senior Directors from Government Departments in Burundi, Kenya, Rwanda, Tanzania, and Uganda, who set time aside to participate at the Dialogue Meeting;

• The Private Companies which supported the workshop, especially those which made case study presentation of their agro-industrial businesses; and

• All the participants and their organizations.

We hope that this report of the proceedings of the Workshop and Dialogue Meeting will serve as a reference going forward in designing and implementing robust plans for accelerating of the development of agro-industries and related agro-enterprises in the EAC Region. The partners are committed to continuing in spearheading the development and implementation of the East African Agro-industries and Agri-enterprises Development Programme (E3ADP).
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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3ADI</td>
<td>African Agribusiness and Agro-industries Development Initiative</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>AGOA</td>
<td>African Growth and Opportunity Act of the USA</td>
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<td>AGS</td>
<td>Rural Infrastructure and Agro-industries Division of FAO</td>
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<td>ATNR</td>
<td>Agriculture, Tourism and Natural Resources Committee of EALA</td>
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<td>AU</td>
<td>African Union</td>
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<td>AUC</td>
<td>African Union Commission</td>
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<td>BDS</td>
<td>Business Development Service</td>
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<td>CAADP</td>
<td>Comprehensive Africa Agriculture Development Programme</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>E3ADP</td>
<td>East African Agro-industries and Agrienterprises Development Programme</td>
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<td>EAC</td>
<td>East Africa Community</td>
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<td>EAC Region</td>
<td>The region covered by the Partner States forming the EAC</td>
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<td>EALA</td>
<td>East African Legislative Assembly</td>
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<td>EC</td>
<td>European Community</td>
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<td>EPA</td>
<td>Economic Partnership Agreements (between EC and developing countries)</td>
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<td>FAO</td>
<td>United Nations Food and Agricultural Organisation</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>HLCD-3A</td>
<td>High Level Conference for the Development of Agribusiness and Agro-industries in Africa</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IPRs</td>
<td>Intellectual Property Rights</td>
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<td>KCB</td>
<td>Kenya Commercial Bank– often trading just as KCB</td>
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<td>KT</td>
<td>Kilimo Trust</td>
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<td>MSM</td>
<td>Micro, Small and Medium</td>
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<td>MT</td>
<td>Metric tonne</td>
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<td>NARES</td>
<td>National Agricultural Research and Extension Services</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>NMB</td>
<td>National Microfinance Bank of Tanzania</td>
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<td>NTBs</td>
<td>Non-Tariff Barriers</td>
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<td>Partners States</td>
<td>The Partner States forming the EAC – namely Uganda, Tanzania, Rwanda, Kenya and Burundi</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RECs</td>
<td>Regional Economic Communities</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SFE</td>
<td>FAO sub-regional office for Eastern Africa</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SMIs</td>
<td>Small and Medium Industries</td>
</tr>
<tr>
<td>TCP</td>
<td>Technical Cooperation Programme</td>
</tr>
<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organisation</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
</tr>
</tbody>
</table>
# Table of Contents

Executive Summary .............................................. i  
Statement by the Organizers ................................ ix  
List of Acronyms, Abbreviations and Units .................. x  

1 Setting the Scene ............................................. 1  
  1.1 Background ............................................. 1  
  1.2 About the Workshop and Participants .................. 2  
  1.3 Opening of the Technical Workshop: highlights of remarks .................. 4  

2 Initiatives and Issues on Agro-Industry Development in the EAC Region ............. 6  
  2.1 Overview of the Africa Agribusiness and Agro-Industry Development Initiative (3ADI) ........ 6  
  2.2 The Status of Agro-Industry Development in the EAC .................................................. 7  
  2.3 The Status of the Last Mile Infrastructure in the EAC Region ...................... 8  
  2.4 Key Issues Emerging from Plenary Discussions .................................................. 10  

3 Examples of Public Sector Initiatives and Opportunities for Regional Collaboration .... 11  
  3.1 Burundi .................................................. 11  
  3.2 Kenya .................................................. 11  
  3.3 Rwanda ................................................ 12  
  3.4 Tanzania .............................................. 12  
  3.5 Uganda ................................................ 13  
  3.6 Relevant Programs Coordinated by the EAC Secretariat .................................................. 13  
  3.7 Key Issues Emerging from Plenary Discussions .................................................. 14  

4 Articulation by the Private Sector on Key Constraints and Opportunities ............. 15  
  4.1 The Case Studies ...................................... 15  
  4.2 The EAC-UNIDO Industrialization Upgrading and Modernisation Programme .......... 17  
  4.3 The FAO-Government of Tanzania Southern Highlands Food Systems Programme .................................................. 17  
  4.4 Key Issues Emerging from Plenary Discussions .................................................. 18  

5 Output and Recommendations from Thematic Work Groups ............................ 19  
  5.1 Key Themes Emerging from the Plenary Sessions .................................................. 19  
  5.2 Recommendations from the Work Groups .................................................. 19  
    5.2.1 Theme 1: Agro-industry and Agri-enterprises Development .................................................. 19  
    5.2.2 Theme 2: Markets and Trade .................................................. 20  
    5.2.3 Theme 3: Infrastructure Development and Maintenance .................................................. 20  
    5.2.4 Theme 4: Policy and Institutions .................................................. 21  
    5.2.5 Theme 5: Financing .................................................. 22  
    5.2.6 Theme 6: Capacity Building .................................................. 22  

6 Key Recommendations from the Technical Workshop .................................. 23  
  6.1 Theme 1: Accelerated Development of Agro-industry ........................................ 23
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2 Theme 2: Getting Markets and Trade Right</td>
<td>23</td>
</tr>
<tr>
<td>6.3 Theme 3: Making Existing and Planned Infrastructure Effective in Supporting the Development of Agro-Industries and Agri-business</td>
<td>24</td>
</tr>
<tr>
<td>6.4 Theme 4: Policy and Institutional Framework</td>
<td>24</td>
</tr>
<tr>
<td>6.5 Theme 5: Attracting finance and investment</td>
<td>25</td>
</tr>
<tr>
<td>7 Outcomes of the Policy Roundtable Dialogue by Directors</td>
<td>26</td>
</tr>
<tr>
<td>7.1 Preliminary Design of the Proposed E3ADP</td>
<td>26</td>
</tr>
<tr>
<td>7.2 Way Forward in the Development and Commissioning of E3ADP</td>
<td>27</td>
</tr>
<tr>
<td>7.3 Creating a General Conducive Environment for Accelerated Development of Agro-industries in the EAC Region</td>
<td>27</td>
</tr>
<tr>
<td>Appendix 1: Summary of the 3ADI Program Framework</td>
<td>28</td>
</tr>
<tr>
<td>Appendix 2: Abuja Declaration on Development of Agribusiness and Agro-Industries in Africa</td>
<td>30</td>
</tr>
<tr>
<td>Appendix 3: List of Participants of the Technical Workshop</td>
<td>33</td>
</tr>
<tr>
<td>Appendix 4: Programme of the Technical Workshop</td>
<td>36</td>
</tr>
<tr>
<td>Appendix 5: List of Directors Participating in the Policy Roundtable Dialogue</td>
<td>38</td>
</tr>
<tr>
<td>Appendix 6: Programme of the Policy Roundtable Dialogue of Senior Directors</td>
<td>40</td>
</tr>
</tbody>
</table>
1 Setting the Scene

1.1 Background

While endorsing the African Agribusiness and Agro-industries Development Initiative (3ADI) in March 2010, the Heads of State and Government present registered their concern that *Africa is yet to make much progress towards adding value to primary agricultural commodities and exploiting the opportunities for processed agro-food products in local, regional, and international markets.*

On the other hand, several African countries have made good progress on the production front such that many are now registering agricultural surpluses especially in food commodities. However, most of the surplus is often lost or wasted due to lack of processing and marketing (Box 1).

Consequently, farmers (large, medium, and small) who invest and produce large volumes of food and other agricultural commodities hardly make any profit, while at the same time large numbers of people suffer frequent hunger and food shortages.

Lack of progress towards adding value to primary agricultural commodities for export causes low returns from agricultural exports. The EAC Region as a block is a leading exporter of several commodities. For example, it is estimated that as a block, EAC is the second largest exporter of tea by volume.

However, by exporting most of the commodities in raw form, the region loses a lot in terms of missed opportunity for creating wealth because a high proportion of the value does not accrue to the region (Box 2).

The “boom” and “bust” cycles in food supply and availability, frequently experienced in sub-Saharan Africa, are caused by many factors but the following four are critical:

a) Seasonality of production, which is also not reliable due to climate variability – consequently there are surplus commodities at harvest time leading to collapse of prices and post-harvest losses (causing losses for producers), followed by shortages (increasing food costs for consumers) soon after.

b) Very limited utilization of all sources of food (crops, livestock, fishery, aquatic, and marine resources, and forest products), leading to staple diets based on a very narrow selection of food sources. For example, starchy commodities, fruits, and vegetables are only consumed in their areas of production and only during the seasons of production.

c) Long-distances between centers of food production and the centers of consumption, due to urbanization.

d) Short stable shelf-life of most sources of food other than grains.

To mitigate and/or reduce the negative impacts of these factors require increased processing and preservation for extending the stable shelf-life of the most perishable commodities without degrading their nutritional value, taste, and presentational characteristics.

The discussion in the previous paragraphs points to a conclusion that, in order to ensure income security, food security, and nutrition security of the majority of the population in sub-Saharan Africa, investment in agriculture for development should go beyond improvements of on-farm productivity.

More efforts and investment should be devoted to the development of all post-production segments of agriculture value...
chains. Accelerated development of agro-industries and agri-enterprises will be key to such strategy, because:

a) Expansion of post-harvest processing, reduction of post-harvest losses, and increased distribution of food, will contribute more to reducing poverty and improving food security compared to enhanced productivity and/or expended production; and

b) Agro-processing and value addition provide tremendous backward and forward linkages and multiplier effects, with respect to:
   • increased access to markets that are distant in space and time,
   • extension of the reach of food, also in space and time,
   • creation of non-farm employment and income generation opportunities,
   • reduction of post-harvest losses, and
   • the improvement of food quality and safety.

In March 2010, the African Union (AU) Member States endorsed the African Agribusiness and Agro-industries Development Initiative (3ADI) in Abuja, Nigeria. The vision of this Initiative is competitive, sustainable, and inclusive agro-industries and agri-businesses in Africa as a pathway to increased economic growth and food security in the continent.

The 3ADI was developed through a consultative process involving the AU Commission working in partnership with UNIDO, FAO, IFAD, African Development Bank (AfDB), and the United Nations Economic Commission for Africa (UNECA). A summary of the 3ADI Programme Framework is presented in Appendix 1.

In their Declaration (Appendix 2) at the High-Level Conference on Development of Agribusiness and Agro-Industries in Africa (HLCD-3A) held in Abuja on 10th March 2009, the Heads of State and Government, specifically: Urged the RECs and regional financial institutions to facilitate the implementation of 3ADI; and REQUESTED the collaborating agencies (AUC, AfDB, and ECA) together with their UN partners (UNIDO, FAO, IFAD) to work with AU Member States on implementing the actions contained in the declaration.

1.2 About the Workshop and Participants

To respond to the call made in the Abuja Declaration, the EAC Secretariat, with the support of Kilimo Trust and FAO, initiated a process of developing the EAC's chapter of 3ADI, entitled “The East Africa Agri-business and Agro-industries Development Program (E3ADP)”. This workshop was designed as the first step to galvanize stakeholders’ views and recommendations on implementing the 3ADI in the EAC region. It was held in Dar es Salaam, Tanzania, on March 15 – 17, 2011.

The major objective of the Workshop was to firmly initiate the process towards implementation of the East Africa Agribusiness and Agro-Industry Development Program (E3ADP), leading to increased focus of policy, strategies, investments, and enabling frameworks to deliver the stated goals of the 3ADI, in the EAC Region.

The Workshop was divided into two parts. The first, from 15 – 17 March 2011, was a Technical Meeting and the second was a policy dialogue held on the afternoon of 17th March 2011. For the technical workshop, 62 experts and senior technical officers from governments, development agencies, and the
the development of agro-enterprises and agro-industries in the region. FAO and UNIDO also presented some of their major initiatives on private sector-based agro-industry development in the region.

c) Session 5 was a breakout session for participants to fully engage with the key themes identified in the previous sessions, and to propose key actions for the E3ADP.

d) Session 6 – the participants discussed the reports from groups and prepared a paper with recommended concrete actions, which was then presented to the Senior Directors for endorsement during the Policy Dialogue Meeting.

The Policy Dialogue Meeting was attended by 28 Senior Directors and leaders from relevant government departments in the five EAC Partner States, Development Agencies, and the private sector (Appendix 5).

The participants from governments cut across the departments responsible for policy, industrialization, agro-industries, trade and marketing, crops, livestock, fisheries, and rural infrastructure. The private sector included representation from two of the largest commercial banks (NMB and KCB) in the EAC Region.

The purpose of the meeting was to initiate buy-in by key stakeholders to the objectives of both the 3ADI and the proposed E3ADP. The dialogue was implemented in two sessions as shown in Appendix 6, and the main outcome was initial and tentative ideas on the elements of regionally coordinated efforts with respect to policy, strategies, investments, and enabling frameworks needed for the participatory design and implementation of the E3ADP.
1.3 Opening the Technical Workshop: highlights of remarks

Opening Address: by the Permanent Secretary, Ministry of Industry and Trade, Tanzania

In her opening speech, read on her behalf by the director of Industry Development, Mrs. Sikazwe, the Permanent Secretary of the Ministry of Industry and Trade, Tanzania, Ms. Joyce Mapunjo, highlighted the fact that: “the 3ADI is consistent with the consensus on agricultural development in the EAC as well as in Tanzania – that if agriculture is to be the main sector to stimulate economic growth then investments should go beyond improvement in on-farm productivity to also cover development of agro-industries and other postharvest segments of the agricultural value chains.”

The PS emphasized the need for a high level of regional collaboration if acceleration of the development of agro-industries and agro-business in the EAC Region was to take place. On this she said: “Each of us has a limited capacity to achieve an optimum industrialization for agricultural transformation.

Therefore, the need for putting our efforts together starting with the EAC regional block and finally the whole of Africa. … it is necessary to pool resources for mutual benefits in technology development and supply, infrastructure development, branding, packaging, and accreditation of food laboratories.”

Opening Remarks by the Representative of the EAC Secretariat

While welcoming participants the representative of the EAC Secretariat, Mr. Moses Marwa, informed the participants that the Secretariat is about to finalize a common action plan for food security in the region and that the plan emphasizes the central role of agri-business and agro-industries for ensuring food security.

He thanked Kilimo Trust for its continued support and collaboration with the EAC in enhancing regional collaboration in agriculture and food security.

Opening Remarks by the FAO Country Representative in Tanzania

Giving his remarks, Mr. Soren Dalsgaard, the Officer in charge of the FAO country office in Tanzania, said: “the Rural Infrastructure and Agro-industries Division of FAO … is deeply committed and gives priority to responding to the challenges of agri-business and agro-industries development “.

Mr. Dalsgaard informed the delegates that in a landmark session of 2007, the FAO Council recommended that the FAO gives priority to responding to the challenges of the agribusiness and agro-industry, and in so doing the FAO should:

- Reinforce expertise and capacity to respond to the challenges posed by agribusinesses and agro-industries development
- Provide high quality information and analysis to support agribusiness and agro-industry policy formulation and investment;
- Support agro-industry and value chain programmes and enhance the public-private cooperation with inter alia, the goal to create value-added for smallholder farmers and offer them the opportunity to go beyond subsistence farming.

Mr. Dalsgaard noted that the EAC Secretariat had now formulated, with the support of Kilimo Trust, a concept note for an East African Agri-enterprises and agro-industries Development Program (E3ADP) to implement 3ADI at regional level. He informed the participants that following a
request from the EAC for support from the FAO towards the development of the EA3DP, the Director General of FAO had confirmed FAO’s readiness to provide the requested assistance and mandated a technical mission to engage with the EAC Secretariat in formulating necessary actions. He expressed his confidence that the workshop would provide critical inputs for refining and finalizing the E3ADP document.

**Opening Remarks by the UNIDO Country Representative, Tanzania**
In his opening remarks, the UNIDO Representative in Tanzania, Mr. Emmanuel Kalenzi, noted that this workshop aimed to implement the 3ADI in East Africa and is important given that the five EAC Countries’ economies are all dependent on agriculture.

He pointed out that the 3ADI initiative is an attempt to promote agriculture as a business with competitive value chains, with high-value-added products brought to local and international markets. He noted that this would be done, inter alia, by promoting conducive policies, private and public investments, and technical assistance to build skills among entrepreneurs, and transfer to agro-industrial enterprises.

Mr. Kalenzi informed the participants that since the declaration of the initiative at the high level conference in Abuja, ten countries in the continent were selected to roll-out the 3ADI. Two of the 10 are EAC member states, Tanzania and Rwanda.

This workshop had come at a time when the EAC is at the stage of defining mechanisms to take forward an East Africa-wide Program on Industrial Upgrading and Modernisation, that was developed with UNIDO technical support and would also draw on the partnership of the sister UN agencies and other bi and multilaterals. Mr. Kalenzi reiterated the potential opportunity of seeking synergy and complementarities of the different initiatives, and re-affirmed the commitment of UNIDO to the 3ADI initiative in East Africa, and to the continued collaboration with EAC, FAO, AfDB, and other Development Partners, Governments, and the private sector. He wished the delegates a very fruitful workshop.

**Opening Remarks by the CEO of Kilimo Trust**
The CEO of Kilimo Trust, Prof. Nuhu Hatibu, pointed out that “The EAC Region in general has adequate production of food and a lot of spare capacity to produce more. The main problem is the limited and poor distribution of food in space and time caused by little or a lack of processing to increase the length of stable shelf-life of nearly all food commodities. This problem is much larger with perishable commodities such as starchy crops, livestock products, and fruits, and vegetables – most of which are available in plenty in the areas of production but, even in these areas, only during the time of harvesting. This has narrowed the range of foods that are widely available in space and time, to only grains – leading to the artificial food shortages we face from time to time and from place to place.”

Prof. Hatibu urged the delegates to aim at three major outputs from the workshop: (i) an EAC-wide understanding of the priorities for regional level action to facilitate the development of agri-businesses and agro-industries; (ii) an improved Concept Note for the E3ADP that takes into consideration the national as well as regional priorities for agro-industries and agri-businesses; and (iii) a proposed process for participatory development and implementation of E3ADP. He also explained that Kilimo Trust is proud of its collaboration with the EAC Secretariat, especially in its new capacity as a regional implementation partner.
2 Initiatives and Issues on Agro-Industry Development in the EAC Region

To facilitate the workshop discussions, three presentations were made, as background material. These covered an overview of the 3ADI and the Abuja Resolution, a study on the status of agro-industry development in the EAC based on selected cases studies, and a study on the status of last-mile infrastructure supporting the production, movement, and minimised wastage of agricultural and food products.

2.1 Overview of the Africa Agribusiness and Agro-Industry Development Initiative (3ADI)

The 3ADI is part of developments and initiatives to support agro-industries globally and for Africa. The process was initiated at an agro-industries forum in 2008 jointly organized by FAO, UNIDO, and IFAD and hosted by the Government of India. This was then followed-up by a consultation with African leaders which led to the High-Level Conference on the Development of Agribusiness and Agro-Industries in Africa (HLCD – 3A), Abuja, March 2010 jointly organized by FAO, UNIDO, IFAD, AfDB, UNECA, and the AU Commission.

The 3ADI is designed to work and deliver results on four thematic areas of focus:

a) Enabling policies and public goods;
b) Value chain skills, and technologies;
c) Post-production institutions and services; and
d) Reinforced financing and risk mitigation mechanisms; and as a cross-cutting theme, would support the associated financial mechanisms with the public and private sector.

The HLCD – 3A agreed that the funding arrangements for the 3ADI called for public and private windows of finance, and that consultations on the structure and governance of a fund have begun. For example, the NEPAD Planning and Coordinating Agency (NPCA) had expressed interest in supporting: (i) the mainstreaming of the 3ADI and its regional initiatives (e.g. E3ADP) into CAADP processes at country level, (ii) the further development of 3ADI programme framework and financial facility, and (iii) resource mobilization, and advocacy for 3ADI and its financial modalities within RECs.

The workshop was informed that the nature of the change to be brought to African agro-industries and agribusinesses by the 3ADI is not that of incremental but broad based substantial change. This is to be achieved through substantial investments from the private (through a fund and guarantee scheme for private banks) and public side as well as technical assistance for which the supporting agencies such as FAO, AfDB, IFAD and UNIDO have already earmarked substantial contributions.

The workshop was informed that UNIDO, in collaboration with FAO and IFAD, is already supporting several countries in Africa to fast-track the implementation of the 3ADI at national level. These are: Nigeria (with work initiated on cassava, rice, livestock); Liberia (with work initiated on fruits, vegetables, and rice); Madagascar (with work initiated on bio-silk and bio-honey); Ghana (with work initiated on cotton); Rwanda (with work initiated on livestock products); DR Congo (with work initiated on cassava, and oil palm with FAO, IFAD); Sierra Leone (with work initiated on coffee, cocoa, oil palm, and livestock); United Republic of Tanzania (with work initiated on red meat and cashew nuts); Comoros (with work initiated on fruit, and vegetables); Sudan (North) (with work initiated on leather); and Sudan (South) (with work initiated on rural livelihood development for food security).
2.2 The Status of Agro-Industry Development in the EAC

The workshop received and discussed a report on work to identify trends and factors driving the growth and performance of agro-industries in the EAC region. The report was intended to identify the key challenges facing these industries and some of the emerging opportunities for investment.

Importance of agro-industries in the EAC Region: The report revealed the following characteristics:

a) Agricultural value added contributes more than 80% of the total manufacturing in the EAC Region;

b) However, only about 28% of the agricultural produce in the region is processed;

c) Food processing accounts for 40% of the value added by agro-industries, and about 30% of the total manufacturing in the region;

d) However, the highest proportion of the installed capacity for food processing is for primary processing only.

Low utilisation of installed capacity: Agro-industries in the EAC are largely operating at low levels of capacity utilisation, with most operating at 30–50%. This is due to a combination of factors such as (i) unreliable supply of good quality raw materials and inputs; (ii) the scatter of the small quantities produced by each smallholder farmer; (iii) long distances between areas of production and location of agro-industries coupled by poor state of transportation infrastructure (see section 2.3).

For reasons of access to power and other industrial inputs, most large agro-processing facilities are located in urban areas, sometimes very far from the major production areas. This increases the distances to which raw and bulk materials have to be transported to the processing plant.

Limited technical skill base to run agro-processing facilities: There is little vocational training deliberately focusing on agro-industries, leading to inadequate technician skills required to operate and maintain agro-processing plants and equipment. This inadequacy coupled with the fact that most of the technology used by the agro-industries is imported leads to poor maintenance and performance of equipment.

Inadequate R&D: Although R&D is not the only driver of innovation, it plays a crucial role including building local capacity to search for, import, and absorb knowledge and technologies from other countries. Therefore, currently little public and private R&D on agro-industries is a major obstacle to the development of this sector.

There is an urgent need to build linkages between NARES, the private sector (from inputs suppliers to retailers of differentiated agricultural products), development supporting organizations, and other public institutions especially those undertaking industrial research. This should be designed to accelerate the use of existing knowledge and technologies while expanding indigenous capacity for the generation of new knowledge and technologies.

Un-conducive business environment: The EAC Region faces special challenges in dealing with inefficient customs procedures and high charges imposed on goods in transit arising from being land locked. While each additional day a shipment is delayed reduces trade by at least 1 per cent, time-sensitive products, such as fresh agricultural produce, are reduced by 6 times that amount.
In addition, taxes and duties on imported food products that directly compete with locally manufactured agro-products makes local industries less competitive. This is further compounded by importation and manufacture of sub-standard products that find their way on to the market.

**Limited supportive infrastructure** was found to be a critical constraint to the development of agro-industries both from the perspective of supply of raw materials and marketing and trade of finished products.

**Key Opportunities in agro-industries development**

Rural-based primary and secondary processing, especially increasing the length of stable shelf-life on major perishable commodities, is the highest priority at the moment.

This is because larger agro-industries are difficult to locate in rural areas for a number of reasons, while it is neither cost-effective nor effective in reducing post-harvest losses if perishable commodities are transported for long distances before processing. This opens up opportunities for small to medium scale agro-processing industries.

**Tertiary processing of cereals to high valued differentiated products** is the second most important opportunity due to the relatively advanced primary and secondary processing of cereals already existing. There is therefore an opportunity for further processing into highly differentiated consumer and industrial products.

**Equipment manufacturing and supply**, is the third high priority opportunity to service the two priorities mentioned above. Most of the agro-processing equipment in the EAC region is currently being imported from China and India, and given that the technology is not complicated there is a significant opportunity for import substitution.

**2.3 The Status of the Last-Mile Infrastructure in the EAC Region**

**What is Last-Mile infrastructure?** In transportation, last-mile infrastructure is what we normally call feeder roads. In most of sub-Saharan Africa this kind of infrastructure is largely missing and a very high percentage of the agricultural transportation of produce and inputs is done on the heads of women and children. In power supply, last-mile investment concerns the electrical powered equipment and the necessary connections to allow rural areas to exploit the national grid. In water systems, last-mile infrastructure is the down-stream and tail-end structures that enable farmers to exploit major water storage dams.

**Last-Mile Road Infrastructure** is a major limiting factor because the study results and analysis show that the time to transport agricultural produce on a poorly maintained feeder road can be three times what it takes on a well-maintained one. In some of the
high food production areas in the region, the mean distance to a feeder road can be as long as 4km. This implies that transportation of agricultural produce from rural areas to feeder roads, as well as inputs from the end of the feeder road, would be carried on the heads of predominately women and children walking. Furthermore, a significant length of the feeder roads is often poorly maintained, hence tremendously increasing the “time to and/or from the market”.

It is estimated that 57,000 km of new and/or improved feeder roads are urgently needed in the EAC Region to effectively improve the connectivity of the areas with high potential for agricultural production. The irony of poor last-mile road infrastructure with respect to agricultural potential is that it is found in the high rainfall areas where earth roads are most difficult to maintain leading to high levels of poverty amid rich and lush natural resources.

The reach of electrical power grid is limited because of very little investment in electrically-powered equipment and the necessary connections to allow rural areas to exploit the national grid. With respect to this infrastructure, the study found that rural agro-industries in areas not connected to the national grid are incurring up to 30% higher costs of operation compared to those in areas with good connection to the national grid power supply.

It is for this reason that nearly all medium and large agro-industries are located where there power is available from the national grid. Often there is a big mismatch between the availability of the national power grid and the location of high potential for agricultural production. Therefore, it is estimated that about 3,000km of power line extension would be required in the EAC Region to effectively connect areas of high agricultural potential to the national power grid. Of course this is assuming that the power generation capacity is also increased to serve these new connections.

Storage and marketing infrastructure in the rural areas is critical in enabling producers to store and market their produce efficiently to reduce post-harvest losses. The study found that while storage practices vary by type of crop or commodity, in general rural producers prefer storage facilities that are more secure, and more professionally managed, and more importantly, rural storage facilities with primary processing facilities like cooling, drying, and sorting. Such service facilities are increasingly being privately run. Primary processing facilities require pre-existing power infrastructure, and could be best managed following a village warehouse system currently being adopted in Tanzania.

Last-mile infrastructure for agricultural water is concerned with down-stream and tail-end structures that enable farmers to exploit major water storage dams often constructed for power generation. Currently, only 10% of the water from dams in the EAC Region is used for irrigation and/or domestic water supply downstream of the dam. The EAC Region utilizes only 3% of its total available renewable water resources for agriculture, compared to 16% for South Africa and 17% for Zimbabwe.

Conclusion: the existing major infrastructure although not adequate is highly under-utilized to support agricultural production and trade, due to serious shortage of last-mile infrastructure to link such major infrastructure to areas with high potential for agriculture. The most critically missing last-mile infrastructure is the road infrastructure.
Thus, the most critical investment in last-mile infrastructure in the region is feeder and community roads, as this will tend to drive investment in power generation, which will in turn attract investment in storage, water, and market last-mile infrastructure as the economic potential of a production area becomes more attractive to both private and public investors.

2.4 Key Issues Emerging from Plenary Discussions

Advocacy and policy coordination, should be enhanced to include:

a) Strong associations at regional and nation level to enhance the voice of investors and operators of agro-industries and associated agri-enterprises; and

b) Improving further the policy and regulatory environment to better support the private sector, especially to reduce risks to investment often caused by frequent changes of policy and/or regulations.

Economies of scale and reliability of supply of raw materials, is the most critical factor to investment in and performance of agro-industries and agri-enterprises:

a) This requires coordinated investment in last-mile infrastructure to enable smallholders to bulk their produce into economic volumes and/or undertake primary processing in the rural areas to reduce the transaction costs of delivering these commodities to the major processing plants; and

b) Improved management of water for agriculture so as to reduce the fluctuation in production caused by variability of weather.

Better linkages of areas with high agricultural potential to national and regional markets is urgently needed to fully exploit the provisions of the EAC Common Market:

a) The infrastructure development programmes of the EAC should pay more attention to last-mile infrastructure – which is not the case at the moment;

b) Improvement of market information systems to facilitate efficiency in trade within the EAC Common Market;

c) The serious shortage of affordable investment finance (otherwise referred to as patient capital or term financing) is a major constraint, and a solution should be found as matter of urgency; and

d) The EAC Partner State should remove all non-tariff barriers to trade in food and other agricultural products.
3 Examples of Public Sector Initiatives and Opportunities for Regional Collaboration

This section summarizes official presentations made by representatives from Ministries of Agriculture, Industry, Livestock, and Infrastructure in the five EAC Partner States, as well as the EAC Secretariat. These presentations focused on the key national priorities with respect to agribusiness and agro-industry development and the opportunities for regional collaboration.

3.1 Burundi

The national priorities with respect to the development of agro-industries are:

a) Rapidly increasing productivity and production to make investment in agro-industries attractive:
   i) Reversing the trend of decreasing soil fertility;
   ii) Changing from traditional systems of production to modern practices; and
   iii) Improved management of variability of weather and other effects of climate change.

b) Enhancing general food and income security:
   i) Addressing the problem of unemployment for the youth – the majority of the population;
   ii) Addressing the income and food security situation of over 1.2 million people living in the rural areas, with 15% having no access to land; and
   iii) Addressing the post-conflict impact for the refugees and internally displaced people.

c) Accelerated development and rehabilitation of infrastructure:
   i) Addressing inadequate control and management of water for irrigation and power generation;
   ii) Expanding the infrastructure for storage and
   iii) Enhancing the capacity and reach of financial institutions/services.

On the basis of the priorities listed above, the identified opportunities for regional collaboration in the development of agro-industries and agri-enterprises include the following:

a) Improved reach of financial services – such as through regionally coordinated and EAC supported loan guarantee schemes to enable banks to provide term financing to producers, agri-enterprise and agro-industries.

b) Development of efficient regional agricultural value chains for fish, banana, rice and fruits.

c) Building the economies of scale of producers through support to farmer organizations and institutions.

d) Mitigation of effects of high variability of weather.

3.2 Kenya

In Kenya, the Country Vision 2030 currently drives the national priorities for the development of agro-industries. Vision 2030 identified the following as priorities:

a) Manufacturing value addition especially of agricultural commodities;

b) Infrastructural development;

c) Expansion of energy supply; and

d) Building and strengthening Public Private Partnerships.

Vision 2030 identified micro and small agro-industries as the largest number of firms participating in agribusiness and agro-industry, followed by about 800 medium and large agro-industries that were regionally and globally competitive.

The majority of medium and large agro-industries firms were multinational companies that have been in Kenya for a long time, and have a deep knowledge of international markets and strong management skills.
With respect to opportunities for regional collaboration, Kenya would be keen to collaborate in the following:

- a) Research and Development (R&D) and transfer of technologies;
- b) Harmonization and further development of quality standards;
- c) Sensitization of potential investors on available opportunities;
- d) Training and capacity building to pool resources and reduce costs;
- e) Agricultural finance targeting opportunities in emerging agribusiness opportunities, regionally and internationally;
- f) Business incubation and entrepreneurship development, and
- g) Development of prioritized agro-industries in the region on the basis of comparative advantages.

However, to facilitate collaboration EAC Partner States must pay attention to the following:

- a) Low application of modern technology; and
- b) Inadequate development of market and marketing infrastructure.

### 3.3 Rwanda

The national priorities for the development of agro-industries and agri-enterprise in Rwanda are:

- a) Development of strong value chains, with the emphasis on supporting farmers to produce quality and quantity – for example through effective extension services, win-win contract farming arrangements, and expansion of irrigation;
- b) Enhancing the market infrastructure and information – for example, through market data exchange, efficient collection centres, and provision of BDS;
- c) Development of agro-based SMEs – by promoting innovations, investment, and provision of soft and long term financing (agricultural investment funds, agri-insurance, and loan guarantee schemes, FDIs); and
- d) Prioritizing agro-industries in the Industrial Policy and related public and private sector investment.

With respect to priorities for regional collaboration, Rwanda will be interested in the following:

- a) Market data and information;
- b) Development of win-win contract farming;
- c) Establishment of agricultural funds, agri-insurance, and loan guarantee schemes; and
- d) Strengthening of Technical and Vocational Education and Training programs.

### 3.4 Tanzania

Following the adoption of 3ADI at AU level, Tanzania has moved fast to initiate implementation, starting with the formation of Tanzania National Committee on 3ADI.

The committee has already identified three core benefits expected from implementation of 3ADI: the expansion and enforcement of an export-oriented economy, environmental, social and economic benefits including job creation, security, poverty alleviation, and capacity building of local institutions.

The Government of Tanzania with the support of UNIDO had gone ahead to identify two priority sub-sectors for agro-industry development. These are red meat and cashew nuts.

With respect to opportunities for regional collaboration, the following areas were identified:

- a) Appropriate and affordable technology for agro-industries and effective management to reduce post-harvest losses;
b) Improvement of quality and availability of packaging;
c) Branding – especially the development of regional brands; and
d) Harmonization and further development of quality standards including accreditation of food safety laboratories.

3.5 Uganda
The following are the national priorities for the development of agro-industries and agribusiness in Uganda:

a) Post-harvest management:
   i) Adequate infrastructure including storage facilities for warehousing and cold storage;
   ii) Marketing and agro-processing facilities, and
   iii) Reduction of post-harvest losses.

b) Improved agricultural productivity:
   i) Enhancing the agricultural supply chains with particular emphasis on institutional coordination and human resource capacity building;
   ii) Addressing the effects of climate change by particularly targeting seeds that are adapted to drought or low rainfall; and
   iii) Control of diseases and pests in the production areas.

c) Market and financial systems:
   i) Enabling priority value chains to respond adequately to market dynamics such as enhanced competition (quality) and standards;
   ii) Increasing access to affordable financing;
   iii) Enhancing domestic, regional and international markets for value added agricultural products; and
   iv) Addressing the issue of favorable terms of trade and enhancing membership to bigger markets like EAC, COMESA, EC, AGOA.

With respect to opportunities for regional collaboration, Uganda has identified the following:
a) Supply of seeds are adapted to drought or minimal rainfall;
b) Attraction of investment in agro-processing facilities for priority value chains;
c) Manufacturing and supply of packaging materials;
d) Establishment of business incubation centers;
e) Manufacture and supply of intermediate inputs to agro-industries; and
f) Formation of industrial clusters.

3.6 Relevant Programs Coordinated by the EAC Secretariat
The EAC integration process has achieved a number of key milestones, starting with the now fully implemented EAC Customs Union (2005) and the recently operationalised EAC Common Market Protocol (2010).

The following programs and initiatives of the EAC were considered as being pertinent to the development of agro-industries in the region:
a) EAC Agricultural and Rural Development Policy and Strategy;
b) The Third EAC Development Strategy – Promote Value Addition, Productivity and Competitive Agricultural Supplies to Realize Cross-Border Trade for Sustainable Food Security; and

With respect to EAC Industrialization Framework, the following was achieved:
a) Treaty for establishment of the EAC, under Articles 79 and 80, which stipulates that the Partner States: “shall take such steps in the field of industrial development that will:
i) Promote self-sustaining and balanced industrial growth;  
ii) Improve the competitiveness of the industrial sector; and  
iii) Encourage the development of indigenous entrepreneurs. 

b) Currently a draft EAC Industrialisation Policy and Strategy has been developed, and is expected to be completed by the end of 2011. In addition, an EAC-UNIDO Industrial Upgrading and Modernization Programme has been developed that addresses the following aspects:  
i) Institutional framework, business environment and financial instruments;  
ii) Capacity and capability of technical support institutions;  
iii) MSME development, investment promotion and improving enterprise competitiveness;  
iv) Technology transfer and best product innovation;  
v) Agro-food Processing (meat, dairy, edible oils, beverage & fruits juices, processed cereals);  
vi) Leather & footwear value chain;  
vii) Packaging industry value chain; and  
viii) Computer & information technology enabled services (ITES). 

c) On the way forward for the further development of the E3ADP, the following were proposed by the EAC Secretariat:  
i) Integration of the proposed E3ADI with the EAC-UNIDO Upgrading programme;  
ii) Further discussions with development partners and other stakeholders on required support to the proposed E3ADP;  
iii) Further consultations among FAO, Kilimo Trust, and the EAC on the development of E3ADP, planned to start on 21st March, 2011; and  
iv) Subsequent to these discussions and further consultations with Partner States, an E3ADP Validation Workshop should then be organized. 

3.7 Key Issues Emerging from Plenary Discussions

Improved Trade:  
a) There was need for infrastructure to support agricultural production, agro-processing (particularly post-harvest handling), and logistics for market access across the region; and  
b) Harmonisation of cross-border trade within the region, especially the need for stronger monitoring and enforcement of quality, tax, and other regulatory frameworks, were now key to enabling access to regional market opportunities. 

Priority Value Chains: The need for establishing strong agricultural value chains was emphasized. Key attention should be paid to enhancing regional collaboration in infrastructure development, strong agro-industry associations, access to agricultural financing, packaging and branding, enhancing farmer institutions, access to BDS and extension services, and R&D and technology transfer. 

Coordination of policies and actions within government departments and ministries, and across the different ministries and agencies across the region, was emphasized. The relevant departments were requested to enhance the availability and sharing of information. 

Agro-industrial extension services to complement the current agricultural extension services, especially with respect to the development of rural-based primary and secondary processing.
4 Articulation by the Private Sector on Key Constraints and Opportunities

4.1 The Case Studies

The following workshop participants made presentations to articulate private sector issues and recommendations:

- **a)** Ms. Maria Odido, the CEO of Bee Natural Uganda;
- **b)** Mr. Rajneesh Potey, Finance Manager of Mount Meru Group involved in edible oil industries in Uganda and Tanzania;
- **c)** Mr. Armel Kwizera, the Finance Manager of the Palm Oil Company in Burundi; and
- **d)** Mr. Jean Paul Mutalikanwa, the Finance Manager of Minimex Rwanda.

Bee Natural’s example of honey presented a “proof-of-concept” with respect to an un-exploited opportunity for import substitution. It showed that bee products (honey, wax, and propolis) have a ready market in Uganda, where local production stands at 2,000MT per annum against a local market demand of 20,000MT.

Furthermore, the case study presented showed how agro-processing facilities located in relatively “remote areas” with limited options for the reduction of poverty, can bring-in ways of increasing income and improving the livelihoods of the rural communities in those regions. The experience of the honey value chain points to a potential for agro-processing based development programmes in remote regions. Specifically, this enterprise indicates the possibility for concentrated investment in the area covering north-west Uganda; north-east DRC, and south-west South Sudan, each in a remote corner of its respective country.

Edible oil in Tanzania and Uganda: the two countries are net (by 55–60%) importers of edible oil. Therefore, import substitution provides a big opportunity for agro-industries in the region. This is particularly important for edible oils which are the most expensive imports after fuel, and whose sub-sector in Tanzania alone generates US$ 250 million, and employs over 2 million people.

**Experiences from the Palm Oil Company – Burundi:**

- **a)** Burundi has a largely un-exploited opportunity for palm oil processing because currently 75% of the locally produced palm fruits are processed employing manual methods which only achieve 12% extraction rates compared to an optimum of 20%, while yielding cooking oil with very poor quality and safety;

- **b)** The company in perspective:

  - **Set-up at a cost of USD1.1 million** – with planned payback period of 7 years at about yearly rate of return = 15%;
  - **Design capacity - 1040 MT of red palm oil per year;**
  - **Planned annual sales of USD 900,000;**
  - **Number of employees = 24;**
  - **However, financing was very expensive at 16 – 18% interest rate, and**
  - **Power supply is poor, increasing operational costs and reducing profitability.**

**The experience of Minimex from Rwanda** illustrated the importance of a reliable supply of raw materials in profitable operation of agro-industries. The factory started operations in 2007. It has a capacity of 45,000MT of processed cereals per year, which is utilized at only 13%. Yet, the factory cannot meet its orders and supply the market for six different products including maize meal, grits for breweries, bran, fine flour, and maize salmonella within Rwanda, let alone across the EAC Region.
In conclusion, the private sector presentations pointed out the following constraints for agro-industry development:

a) Inadequate and fluctuating supply of raw materials from local framers;

b) Inefficient value chains for procuring from local farmers – it is estimated that due to smallholders being widely dispersed the consolidation of their small volumes requires too many middle actors leading up to 66% extra cost for such raw materials, compared to the situation where farmers are organized into groups that can bulk their own produce and exploit economies of scale;

c) Lack of appropriately packaged investment financing products forcing investors to borrow at trade finance rates of 15 – 18% interest rates, 5-year payback period, with short grace periods;

d) Poor enforcement of standards (hygiene, food safety, and quality) allows sub-standard and unsafe products to be sold in the market at throw-away prices undermining incentives for investing in high quality processing facilities;

e) Absence of a coherent policy in the EAC Region regarding supporting the development and growth of agro-industry; and

f) Poor infrastructure especially roads and electrical power.

Key actions suggested by the speakers from the private sector include the following:

a) Development of efficient value chains linking producers, agro-processors and the market to better guarantee the supply of raw materials in a cost effective manner that is beneficial to the producer, processor and final consumer;

b) Improvement of the necessary infrastructure to reduce logistics costs;

c) Establishing agricultural financing mechanisms to reduce the currently very high cost of financing the development of agro-industries;

d) Harmonization of the tax and duties for imports across the EAC Region. It was noted that a lot had been done in this area by the EAC Secretariat. However, wider implementation across agricultural sub-sectors and at national level as well as better monitoring and enforcement was required; and

e) Increased promotion of the opportunities provided by the Common Market Protocol, particularly in the area of value-added agricultural products, especially in enforcing a level playing field against imports.

f) Strengthened R&D to address the lack of homegrown technologies and equipment, and thereby reducing on imported technologies, for which there is a serious lack of technical skills base.

g) Regional branding of agro-products from the EAC to export markets to fully benefit from economies of scale.
4.2 EAC-UNIDO Industrialization Upgrading and Modernisation Programme

UNIDO in collaboration with EAC has initiated the EAC-UNIDO Industrialization Upgrading and Modernization Programme. The goal is to enable the region to become a manufacturing and trade hub for the Eastern, Central and Southern Africa markets as well as a competitive production base for export-oriented FDI. It intends to help local industries face increasing competition resulting from a wider integration within SADC-COMESA-EAC Free Trade Area (FTA) and EAC-EU Economic Partnership Agreement (EPA).

The Programme has four Components: Component 1 addresses reform of the institutional framework, the business environment, and financial instruments related to the development of small- and medium-size manufacturing enterprises. Component 2 aims at strengthening the capacities and capabilities of technical support institutions providing assistance to SMI development, job creation and investment promotion.

Component 3 aims at supporting SME development, investment promotion and improving competitiveness of the manufacturing enterprises operating in priority manufacturing sectors. Component 4 aims at facilitating transfer of industrial technologies and best product innovation practices to the private sector SMIs operating in priority manufacturing sectors.

4.3 The FAO-Government of Tanzania Southern Highlands Food Systems Program

The program builds on a new concept of development in sub-Sahara Africa that focuses on Corridor Development and Cluster Formation. This Program consists of two distinct but complementary projects – the Food Industries Project and Farming as a Business Project. The program area is the Southern Agricultural Corridor of Tanzania, with the view that adequate road, rail, and power infrastructure are the pre-requisites for corridor development.

With respect to cluster development the key program thrusts are:

a) Concentration of commercial farms and smallholder farms with shared access to processing facilities (food parks) and marketing facilities (warehousing, markets and exchange commodities).

b) A shift from “subsistence farming” to business-orientated farming; the programme recognizes that the establishment of corridors and clusters is a long term goal, requiring the integrated efforts of multi-stakeholders and substantial capital investment.

The project will address strategic issues and initiatives related to the development of national food chains and will have three main foci of technical support and capacity building for better grain supply systems; accelerated development of the food industry; and up-dating of the sub-sector policy and institutional framework. This programme is primarily designed to:

a) Improve the marketing and business skills of producers and agro-processors;

b) Strengthen public and private agro-enterprise support services; and

c) Strengthen the links and networking of the private, public and civil society stakeholders.
4.4 Key Issues Emerging from Plenary Discussions

The collaboration among different actors and initiatives targeting development of agro-industries is currently weak or non-existent, and should be radically strengthened. Specifically, public programs on agriculture for development should mainstream the development of agro-industries. There should also be better collaboration between the public and private sectors with the public sector investing in what only the public sector can do, in ways that leverage and encourage private sector investment.

Strong regional collaboration opportunities do exist but are not fully exploited. Therefore, the following actions are recommended:

a) Development of strong and efficient regional value chains;

b) Ensure that development of agro-industries is given priority in the efforts of the EAC in developing a regional industrialization policy and strategy;

c) Better coordinate investment in supportive infrastructure; and

d) Improve agriculture financing across the entire value chain.
5 Output and Recommendations from Thematic Work Groups

5.1 Key Themes Emerging from the Plenary Sessions
The plenary agreed on six themes for working group discussions:

a) Theme 1: on Agro-industry Development – including supportive agribusiness and agri-enterprises;
b) Theme 2: on Markets and Trade – to cover all aspects of market access and market information;
c) Theme 3: on Infrastructure – to focus on last-mile infrastructure required to enhance linkage of areas of agricultural production to agro-industries as well as urban areas;
d) Theme 4: on Policy and Institutional frameworks necessary to support accelerated development of agro-industry;
e) Theme 5: on Attracting Finance and Investment needed to support accelerated development of agro-industry; and
f) Theme 6: on Capacity Building to create a critical mass of experts and skilled workers to sustain expanded agro-industries in the EAC Region.

Four groups were formed, each for themes 1 – 4. Each group was also requested to deliberate on themes 5 – 6 as these were cross-cutting. For each theme, the Working Groups were requested to answer the following questions:

a) What are key priorities for regional collaboration that should be addressed by E3ADP?
b) What would be the role of the private sector in addressing the agreed priorities?
c) What policy issues and recommendations should inform the high-level policy dialogue?

5.2 Recommendations from the Work Groups

5.2.1 Theme 1: Agro-industry and Agri-enterprises Development

Improve the rate of capacity utilization of existing and planned agro-industries, through better efficiencies in supply/procurement of raw materials. This requires:

a) Expanded number of strong and investable SME producers’ enterprises;
b) Stronger linkages and partnerships (such as through contract farming) between producers and agro-processors across the EAC Region; and
c) Commercially viable minimum and sufficient nucleus primary production by agro-processors themselves.

Strengthen regional value chains to enhance returns and wealth creation, through:

a) A critical mass of rural based primary agro-processing with most of them being part of the SMEs fully are partly owned by producers of the raw materials;
b) Strong associations (including of consumers) both horizontally and vertically within value chains; and
c) Well balanced clusters made up of agro-industries, other related industries, and providers of supportive services.

Enhanced access to, and increased adoption of, affordable and appropriate technology:

a) Build capacity to absorb knowledge and technologies to support innovation, especially by SMEs;
b) Develop a robust innovation culture including supporting R&D by local agro-industry firms (medium and large);
c) Increase support for technology-driven and hence innovation-supporting agro-industrial development programs;
d) Promote technologies that are applicable across the EAC Region;
e) Appropriate reward system for innovation and innovators, including enhanced and enforced IPRs.
5.2.2 Theme 2: Markets and Trade
Agro-industries, trade, and markets are inter-dependent and thus agro-industries cannot be developed without parallel and synergized development of trade and access to markets through thriving agribusinesses and agro-enterprises. To achieve this kind of synergy, the working group recommended the following for attention under the regional programme:

a) **Expanded regional trade in agro-processed products:** through:
   i) Accelerated removal of trade barriers as already agreed under the EAC;
   ii) Sensitization of stakeholders on the opportunities provided by the EAC Common Market; and
   iii) Harmonization of quality standards of the EAC Partner States including protocols for cross-border recognition of certifications.

b) **Improved market information systems:**
   i) Joint market research and benchmarking; and
   ii) Collaboration in the collection and exchange of quality and reliable data for policy and business planning.

c) **Regional branding:** identify national and regional opportunities and prioritize production, processing and branding.

d) **Improved economies of scale:** develop clusters of value chain actors for economies of scale and penetration of foreign markets.

Therefore, the following policy recommendations were proposed:

a) Governments of EAC Partner States should review and remove all remaining tariff and non-tariff barriers;

b) Governments and EAC should ensure total compliance with agreed protocols on tariff and non-tariff barriers;

c) All EAC Partner States to work towards harmonizing all duties and taxes;

d) Investors from EAC member region should receive preferential treatment on the same investment opportunities;

e) Agriculture for development programmes should mainstream the promotion of clustering of related production, agro-industries, services and agro-industries; and

f) Agricultural research should expand the size and quality of market research and the generation of relevant statistics.

5.2.3 Theme 3: Infrastructure Development and Maintenance
The main focus of the workshop and thus the group discussion was on last-mile infrastructure for agriculture. The working group discussed and made recommendations on such infrastructure for transportation, power supply, water for agriculture, and storage facilities. All these are necessary in linking agricultural production and agricultural processing.

**Transport** – the main bottleneck in transportation is in feeder roads for linking production areas to major transportation infrastructure in terms of highways, railways, and ports. There is therefore an urgent need to:

a) Balance investment between expanding major infrastructure and ensuring that such infrastructure are fully linked to areas of high agricultural potential;

b) Integrate the development of agro-industries and agribusinesses with infrastructure master plans; and

c) Harmonize specifications for the roads in the EAC to encourage cross-border collaboration.
**Warehousing** – because of the role warehousing play in bulking commodities and thus reducing transaction costs for supply of raw materials to agro-industries, the working group recommended priority actions to:

a) Expand warehousing in the rural areas and link them to national food reserve systems, agro-processors and large scale traders;

b) Enhance the quality of design, construction, and management of warehouses, including standardized practices across the EAC; and

c) Expand private sector investment in the construction and operation of warehouses.

**Power Supply** – is the core driver of agro-industries development and perhaps this is the weakest link in the EAC at the moment. The working group recommended that:

a) More investment is required to link areas of high agricultural production potential to the National Grid, with appropriate last-mile connections necessary and sufficient to accelerate the development of agro-industries;

b) Increased investment by the private sector in the power should be given priority; and

c) Agro-industries should exploit the use of water for the generation of electricity wherever possible, so as to reduce pressure on the national grid.

**Water Supply:**

a) There should be better utilization of water from hydropower systems for both agricultural production and agro-industries downstream; and

b) Sharing of best practice from other countries on water management for agriculture, should be expanded.

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### 5.2.4 Theme 4: Policy and Institutions

Key policy issues requiring attention to increase collaboration across the EAC in accelerating the development of agro-industries and agrienterprises, were identified:

a) **A regional strategy** and program on agro-industries development and within the framework of existing protocols and strategies on agriculture, industrialization, and food security.

b) **Joint projects and actions** – the regional strategy should be operationalised through:

i) Joint technology development, transfers and adoption;

ii) A regional inventory of existing technologies in research centers in the region; and

iii) Operationalise the provisions of the protocol for free movement of labor and capital in the EAC, including the development of a database for available skills for agro-industries.

c) **Power supply** – because of its central role in accelerating the development of agro-industries:

i) Restructure the power sector for provision of concessional power rates to agro-industries;

ii) Explore and develop critical sources of power available in the region with a regional market perspective; and

iii) Generally find economic ways of reducing power tariffs.

d) **Public-private-partnerships (PPP)** – the following policy actions were proposed:

i) Regional round-table to facilitate information exchange, networking, and business match-making;
ii) An EAC annual symposium/exhibition/expo within the framework of Africa industrialization day; and

iii) Mainstreaming the development of agro-industries in major public initiatives as well as public procurement policies.

5.2.5 Theme 5: Financing
Each of the four groups contributed to this theme and the consolidated suggestions and recommendations included the following:

a) As a matter of urgency, expand the availability of investment capital at costs comparable to other parts of the world because borrowing at trade financing rates is a major stumbling block to investment;

b) Establish the means of attracting equity investors to agro-industries investment opportunities; and

c) Strengthen collaboration and cross-border banking in the region to build economies of scale.

5.2.6 Theme 6: Capacity Building
The following actions were proposed for improving support services for Agri-business and agro-industry development and growth:

a) Development of agro-industries’ incubation centres;

b) Establish and/or expand centres of excellence dealing with agro-industries and agri-enterprises;

c) Establish extension services dealing with agro-industries and agri-enterprises; and

d) Expand and give priority to development of critical skills required in agro-industries and agri-business.
6 Key Recommendations from the Technical Workshop

Following presentations by the working groups the plenary session produced the following short list of Policy Recommendations for the Policy Dialogue Meeting with Directors.

6.1 Theme 1: Accelerated Development of Agro-industry

<table>
<thead>
<tr>
<th>Actions for Public Sector</th>
<th>Actions for Private Sector</th>
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<tbody>
<tr>
<td>a) Development of critical mass of skills agro-industries;</td>
<td>a) Build and sustain well organized and governed value chains for differentiated agricultural products;</td>
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<tr>
<td>b) Enhancing innovations in technologies and institutions for agro-industries;</td>
<td>b) Integrate organized and commercial smallholder producers in the value chains;</td>
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<tr>
<td>c) Enhanced investment to support relevant centres of excellence, business incubation, BDS, and agro-industries extension service;</td>
<td>c) Establish consumer associations to enhance demand for quality products and the enforcement of quality standards;</td>
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<tr>
<td>d) Use tariffs and duties strategically to support competitiveness of the EAC agro-industrial sector</td>
<td>d) Banks and other Financial Institutions: develop products and capacities to effectively serve agro-industries in particular and agricultural value chains in general;</td>
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<tr>
<td>e) Undertake relevant public sector development investments such as in power supply, infrastructure, and communication in coordinated ways that accelerate the development of agro-industries; and</td>
<td>e) Build willingness and capacity of enterprises to absorb and effectively use equity finance for investment; and</td>
</tr>
<tr>
<td>f) Mainstream agro-industries in all major Agricultural Development Programmes.</td>
<td>f) Develop strong agro-industry associations at national and regional level in the EAC.</td>
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6.2 Theme 2: Getting Markets and Trade Right

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<th>Actions for Public Sector</th>
<th>Actions for Private Sector</th>
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<tr>
<td>a) Establish and sustain a Regional Agricultural Market Information System (RAMIS) supported by robust research across the region;</td>
<td>a) Expand market horizon beyond national borders to embrace regional value chains;</td>
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<tr>
<td>b) Fully implement the protocol on EAC Common Market by: • removing all the remaining NTBs to trade in agro-processing products, • harmonization of relevant standards, and • consolidation of trade policies and strategies;</td>
<td>b) Establish and protect regional brands for strategic products from the EAC to export markets to increase competitiveness by exploiting economies of scale;</td>
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<tr>
<td>c) Undertake trade negotiations jointly.</td>
<td>c) Establish a Regional Agricultural Commodities Exchange (EAC-RACE) – linked to national and sub-national exchanges.</td>
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### 6.3 Theme 3: Making Existing and Planned Infrastructure Effective in Supporting the Development of Agro-Industries and Agribusiness

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<th>Actions for Public Sector</th>
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<tr>
<td>1) The EAC regional initiatives and programmes for infrastructure and power supply should be designed to synergize and enhance opportunities for the development of thriving agro-industries in high agricultural potential areas;</td>
<td>1) Plan and undertake investment deliberately designed to profitably utilize the existing and planned infrastructure corridors;</td>
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<tr>
<td>2) Support the of agro-industry clusters to effectively utilize the existing and planned infrastructure corridors;</td>
<td>2) Improve the quality and cost of mobile and other telecommunication systems/services to enhance trade across the region; and</td>
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<tr>
<td>3) Focus more public investment in Last Mile Infrastructure to effectively link rural areas to processing facilities for efficient delivery of raw materials to agro-industries; and</td>
<td>3) Ensure a greater synergy in the development of infrastructure and agro-industries in the EAC.</td>
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<td>4) Support public-private partnerships deliberately designed to expand infrastructures that support agro-industries and agribusiness to thrive.</td>
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### 6.4 Theme 4: Policy and Institutional Framework

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<th>Actions for Public Sector</th>
<th>Actions for Private Sector</th>
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<tbody>
<tr>
<td>1) Harmonize and enforce the tax and duties regimes across the region, as already agreed;</td>
<td>1) Organize critical assessment of effects of policies on agro-industries and raise awareness among key policy makers in the target institutions, with respect to the gaps that exist policies, mind-set, strategies and practices;</td>
</tr>
<tr>
<td>2) Strengthen capacity at the EAC Secretariat to facilitate enforcement and implementation of policies and strategies;</td>
<td>2) At the same time, improve the understanding of facilitating aspects of existing policies and design investments and industry strategies to fully harness these positive aspect;</td>
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<tr>
<td>3) Consolidate relevant aspects of existing policies and strategies to come-up with of a specific strategy for agro-industry development in the region;</td>
<td>3) Form multi-stakeholders platforms and sector councils to facilitate policy dialogue and advocacy;</td>
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<tr>
<td>4) Operationalise the provisions of the protocol for free movement of labour and capital in the region; and</td>
<td></td>
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<td>5) Explore and develop all potential sources of power supplies.</td>
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6.5 **Theme 5: Attracting finance and investment**

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<tr>
<th>Actions for Public Sector</th>
<th>Actions for Private Sector</th>
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| 1) Establish a strong regulatory framework for financial markets to build risk taking confidence among investors and financial institutions;  
2) Expand the availability of investment capital at costs comparable to other parts of the world – because borrowing at trade financing rates is a major stumbling block to investment;  
3) Establish means of attracting equity investors to agro-industries investment opportunities; and  
4) Strengthen collaboration and cross-border banking in the region to build economies of scale. | 1) Banks, equity investors, and other financial institutions: increase knowledge and capacity to develop and deliver products that are mutually beneficial with agro-industries and agrienterprises;  
2) Agro-industries and agrienterprises: use technology and superior value chain organization to reduce the real and/or perceived risks of investment in the sector;  
3) Jointly: embrace risk transfer mechanisms. |
7 Outcomes of the Policy Roundtable Dialogue by Directors

7.1 Preliminary Design of the Proposed E3ADP

Accelerated Development of Agro-industry - designed to mainstream agro-industries in key agriculture for development programmes and agri-enterprises. The main identified results include the following:

i) A critical mass of skilled personnel to plan, establish, and effectively manage agro-industries;

ii) Well organized and strong regional agricultural value chains for regular and quality supply of raw materials;

iii) Improved culture of quality and productivity;

iv) Regional agro-industry clusters;

v) Centres of excellence, business incubation and BDS across the region to support small-scale industry; and

vi) EAC level R&D in agro-industries to stimulate innovation.

Getting Markets and Trade Right – is critical in accelerating development of agro-industries, and the workshop recommended that E3ADP should be designed to deliver the following results:

i) Harmonized and/or regional standards;

ii) Robust Regional Market Information System supported by very good market research;

iii) Minimum NTBs or none at all across the region;

iv) A strong EAC agro-industry Association;

v) Strong regional value chains;

vi) Regional brands to support export of agro-industry products; and

vii) Vibrant regional commodity exchanges;

Policy and Institutional Framework to enhance the “business climate” for agro-industries and agri-business. It was noted that relevant policies are generally in place – what remains is implementation. Therefore, on this aspect E3ADP will strive to ensure:

i) Consolidated regional strategy for agro-industry development;

ii) Regionally shared “public good” services to support agro-industries;

iii) Regionally-shared support industries, such as manufacture of processing equipment;

iv) Very strong synergies between agro-industries development and other programmes in agriculture and industries in general; and

v) A mechanism for strong coordination among Government Ministries and EAC Departments working on aspects with implication on agro-industries and agri-business.

Attracting finance and investment for agro-industries in the region by focusing on regional opportunities for collaborating with stakeholders to mobilize and put into place the necessary incentives and resources to make agricultural finance more accessible.
7.2 Way Forward in the Development and Commissioning of E3ADP

Adoption of the E3ADP – the Directors endorsed the technical actions and policy actions recommended for the E3ADP, and further endorsed the development of the Programme. However, the directors emphasized that the following should be done in the process of developing the programme:

a) The E3ADP must be harmonized with existing and relevant initiatives in the region and Partner States;
b) The E3ADP should identify and enhance the comparative advantages among Partner States, and then build on this to develop the regional comparative advantages that would distinguish the EAC in agro-industry and agro-enterprise development;
c) The E3ADP should be driven by national level priorities starting with cross-cutting aspects selected by national stakeholders for regional collaboration; and
d) The E3ADP should be fast-tracked for implementation, and if possible should be launched by the end of 2011.

The Directors acknowledged and appreciated the indication by FAO that it is prepared to consider a request from the EAC for a Technical Cooperation Programme (TCP) to support the further development of E3ADP.

7.3 Creating a General Conducive Environment for Accelerated Development of Agro-industries in the EAC Region

Governments of EAC Partners States should review and remove all remaining tariff and non-tariff barriers, to enable the development of competitive agro-industries in the region.

This will require the relevant EAC organs to take necessary and sufficient actions to enhance the capacity of the responsible institutions to monitor and enforce the protocols.

All EAC Partner States should work towards harmonizing all duties and taxes and remove loopholes that put locally manufactured goods at a disadvantage when compared to imported products.

Investors from EAC Partners States should receive preferential treatment in accessing opportunities anywhere in the EAC Region.

This should include radical improvement of financing mechanisms with a special focus on facilitating or providing patient capital for agro-entrepreneurs investing in agro-industries.

Implement strong collaboration among the Partner States on the following:

a) Market information systems and other relevant statistics supported by robust research;
b) Common branding of products for export; and

c) Marketing infrastructure and other services at the internal borders of the EAC region.
Appendix 1: Summary of the 3ADI Program Framework

GOAL
The goal of the 3ADI is to have an agriculture sector in Africa which, by the year 2020, is made up of highly productive and profitable agricultural value chains that:

• effectively link small and medium size agricultural producers to markets;
• contribute effectively to increasing farmers’ incomes through value-addition processes;
• supply higher-valued and differentiated food, fibre, feed and fuel products to consumers at local, regional and global markets;
• lead to retention of a higher proportion of the consumer price in the communities or countries where the primary production takes place;
• utilize natural resources in an overall sustainable manner; and
• act as an effective basis for industrialization and generation of increased and high quality employment.

In the medium to long term the Initiative will lead to the emergence of:

• Efficient agribusiness and agro-industries which are profitable and competitive, provide inputs and services to smallholder farmers, and are able to mobilize investment resources from domestic, regional and international financial institutions; and

• Public sector policies and institutions which facilitate increased investments in the agriculture sector and efficiently provide services and inputs to the sector on their own or in collaboration with the private sector.

OBJECTIVES
The major objective of the 3ADI is to increase private sector investment flows going into the agriculture sector in Africa by mobilizing resources for agribusiness and agro-industrial development from domestic, regional and international financial systems.

Specifically the Initiative will:

i). leverage the current attention to agriculture for development in Africa to accelerate the development of agribusiness and agro-industries sectors that ensure value-addition to Africa’s agricultural products, respond to domestic market requirements and contribute to intra-Africa trade;

ii). enhance the governance of agribusiness and agro-industry and support a well coordinated effort by African countries, African Regional Economic Commissions (RECs), relevant UN and other international agencies, and the private sector to share knowledge and harmonize programmes in ways that capture synergies, avoid fragmented efforts, and enhance developmental impacts;

iii). support an investment programme that will significantly increase the proportion of agricultural produce in Africa that is transformed into differentiated high-value products, such that by 2020 more than 50 percent of Africa’s food products sold in local and national markets are in the processed form and such that the proportion of Africa’s agricultural exports that are processed into final consumer products more than doubles, fully meeting food safety standards demanded by consumers in the Continent and in the global market.
EXPECTED RESULTS
Expected results from the 3ADI fall into four main areas of support essential for agribusiness and agro-industries development:

i. skills and technologies needed for the post-production segments of agricultural value chains;
ii. innovative institutions and services;
iii. reinforced financing and risk mitigation mechanisms; and
iv. enabling policies and provision of public goods.

PROGRAMME APPROACH

i. CAADP Pillar II is the overarching institutional framework;
ii. Integration into regional organizations, alliances and initiatives;
iii. Giving priority to domestic and regional markets;
iv. Public support for engaging the private sector; and
v. Development of Synergistic and complementary financial mechanisms.
Appendix 2: Abuja Declaration on Development of Agribusiness and Agro-Industries in Africa

WE the African Heads of State and Government of the African Union assembled in Abuja, Nigeria, on this day 10th of March 2010;

EXPRESSING our appreciation to His Excellency, Goodluck Jonathan, the Acting President of the Federal Republic of Nigeria, the Government and People of Nigeria, for hosting this Summit which has offered us an opportunity to renew our commitment to promote sustainable economic growth and integration of our countries into regional and global markets as a means of fostering income growth and social development as well as combating poverty and food insecurity in Africa;

RECALLING the theme of the Thirteenth AU Summit and Africa’s collective responsibility and commitment to advance its agriculture through the AUNEPAD’s Comprehensive Africa Agriculture Development Programme (CAADP), which is the framework for institutional and policy reforms, capacity development and increased investments required for enhanced agricultural performance that is necessary for the achievement of food security and social economic development;

ALSO RECALLING the commitment made at the Abuja Summit on Food Security in Africa of December 2006 to increase intra-African trade of strategic commodities through the implementation of trade arrangements adopted in the Regional Economic Communities (RECs), harmonization of standards within and across RECs, the development of market information systems, and the building of trade related infrastructure;

TAKING NOTE of the efforts and progress being made by many African countries to promote agricultural growth and reduce food and nutrition insecurity;

UNDERSCORING the importance of funding mechanisms to increase the flow of resources into agriculture;

AWARE that agriculture remains an important source of livelihood and a key sector in African economies, accounting for a high percentage of the GDP, employment, and export earnings;

RECOGNISING the central role played by women in agriculture including food production, harvesting, processing and storage and the challenges they face, as well as the lost opportunity to support women entrepreneurship in order to involve them in agro-industry development.

OBSERVING the importance to involve the most vulnerable sections of society the physically challenged and youths, and to ensure that their special needs to participate in economic activities are embraced and supported in agricultural development strategies and investment programmes;

TAKING NOTE of AU Summit Decision on the Plan of Action for the Accelerated Industrial Development of Africa;

AWARE of the significant contributions that value addition to agricultural commodities can make to employment generation, export earnings and socioeconomic development;

CONCERNED that Africa is yet to make much progress towards adding value to primary agricultural commodities and exploiting the opportunities for processed agro-food products in local, regional and international markets;

RECOGNISING the backward and forward linkage potentials and multiplier effects of agribusiness and agro-industries;
ALSO RECOGNISING that through the development of agribusiness and agro-industries, access to markets, finance and technical assistance can be facilitated for smallholder farmers and opportunities for food self-sufficiency, food security, employment and income generation can be created for them;

AWARE that the development of agribusiness and agro-industries can serve as a major instrument for the expansion and diversification of Africa’s economy and trade, and for the attainment of food security through reduction of postharvest losses, improvement of food quality and safety, extension of the shelf-life of food, and greater efficiency along the food chain from production to consumption;

MINDFUL of the fact that in Africa agriculture has not been sufficiently linked to agribusiness and agro-industries, and consequently that the benefits of such linkages are yet to be realized;

RECALLING the AU Summit Sirte Declaration of July 2009 that explicitly acknowledged the need for proactive measures and interventions to increase investments in agriculture for the enhancement of the contribution of the sector to attainment of Africa’s accelerated economic growth;

RECOGNIZING that the actions identified in the proposed programme framework of the 3ADI are consistent with the initiatives recommended by the African Agriculture Ministers’ Conference held in Addis Ababa in April 2009, and coherent with the commitments made in the AU Summit Sirte Declaration of July 2009;

NOTING that High Level Conference for the Development of Agribusiness and Agro-industries in Africa (HLCD-3A) is a follow-up action to the Global Agro-industries Forum (GAIF) which was organised in New Delhi, India in April 2008, and at which Representatives of 44 African countries called on the participating UN agencies to organize a regional forum that would deliberate on concrete actions for promoting agribusiness and agro-industries development throughout Africa;

TAKING NOTE of the consultations and discussions that were conducted and the expert inputs made in the course of the preparation of the African Agribusiness and Agro-industries Development Initiative (3ADI);

NOTING further the necessity for strong commitment from African governments and partner organizations towards the development of programmes that foster agribusiness and agro-industries in Africa including the design and operationalisation of financial modalities to support programme implementation;

CONFIDENT that the programme priorities and financial modalities proposed in the 3ADI will, if implemented, spur the development of competitive, sustainable and inclusive agro-industries and agribusinesses in Africa and enhance economic growth and food security;
HEREBY: **ENDORSE** the African Agribusiness and Agro-industries Development Initiative (3ADI),

**UNDERTAKE TO:**
1) Enhance policy formulation and implementation mechanisms, and provide public goods that, consistent with the 3ADI principles and strategic vision, can enhance capacity, profitability and competitiveness of agribusiness and agro-industries and ensure that the development of agribusiness and agro-industries contributes to smallholder livelihoods, food security and nutrition, job creation and poverty alleviation;
2) Promote the establishment of appropriate financing modalities to support the implementation of 3ADI, taking into account the special needs of women farmers and entrepreneurs;
3) Enhance strategy development, planning and policy implementation by strengthening the capacity and linkages among public agencies responsible for agriculture, agribusiness and agro-industries;
4) Fast track the implementation of regional trade agreements and take additional measures as necessary to remove barriers to intra and interregional trade; Promote the building and harmonization of standards as a quality tool in the production, processing, storage and marketing of agro-products;

**URGE** Member States to:
1) Recommit to the Maputo Declaration of allocating at least ten (10) percent of their annual national budgets to the agriculture sector by 2015.
2) Establish the requisite legal, regulatory and institutional framework to support agribusiness and agro-industry development;
3) Promote and support the African Regional Standards Organization (ARSO) in the harmonization of industrial standards, grades and metrology for the promotion of regional and international trade.
4) Take measures to foster commercial bank financing for all segments of the agribusiness value chain and ensure that agriculture financing initiatives are enhanced through African institutions and made accessible to Small and Medium Enterprises (SMEs).
5) Put in place programmes to accelerate the development of the value chains for strategic food commodities, build competitive food supply systems and reduce reliance on food imports;
6) Reinforce capacities to build skills and technologies that improve efficiency and productivity along the post-production value chains as a complement to the support being provided to increase productivity in primary production;
7) Develop and build capacity relating to food standards that are responsive to domestic needs and, as necessary, comply with international requirements and standards;
8) Urge donors and partners to support the financing of agricultural programs for emerging medium-income countries.

**URGE** the RECs and Regional financial institutions: To facilitate the implementation of 3ADI

**REQUEST** the collaborating agencies (AUC, AfDB, and ECA) together with their UN partners (UNIDO, FAO, IFAD) to work with AU Member States on implementing the actions contained in this declaration and report on progress to the Ordinary Session of the Assembly annually.
## Appendix 3: List of Participants of the Technical Workshop

<table>
<thead>
<tr>
<th>NAMES</th>
<th>POSITION</th>
<th>ORGANIZATION</th>
<th>EMAIL ADDRESS</th>
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</thead>
<tbody>
<tr>
<td><strong>BURUNDI</strong></td>
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</tr>
<tr>
<td>1</td>
<td>Muvandimwe Lin</td>
<td>Executive Director / Senior Technical Officer Rural Infrastructure</td>
<td>Ministry of Infrastructure</td>
</tr>
<tr>
<td>2</td>
<td>Armel Kwizera</td>
<td>Finance Analyst</td>
<td>Oil Palm Co. E. African Freight Co.</td>
</tr>
<tr>
<td><strong>KENYA</strong></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Dr. M. Charles Moturi</td>
<td>Executive Director</td>
<td>KIRDI</td>
</tr>
<tr>
<td>4</td>
<td>Abraham Barno</td>
<td>Senior Technical Officer Agribusiness &amp; Marketing</td>
<td>Min of Agriculture</td>
</tr>
<tr>
<td>5</td>
<td>Joseph Kago</td>
<td>Senior Technical Officer for Rural Infrastructure</td>
<td>Min of Roads</td>
</tr>
<tr>
<td>6</td>
<td>Stephen Andika</td>
<td>Senior Technical Officer</td>
<td>Min of Fisheries Development</td>
</tr>
<tr>
<td>7</td>
<td>Hannah M Kiane</td>
<td>Chief Industrial Development Officer</td>
<td>Min of Industrialization</td>
</tr>
<tr>
<td>8</td>
<td>Salim Abdillahi</td>
<td>Chief of Value Addition &amp; Agri-business</td>
<td>Min of Livestock Development</td>
</tr>
<tr>
<td><strong>RWANDA</strong></td>
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<tr>
<td>9</td>
<td>Francois Nsongiyumva</td>
<td>Chairman, Head, Postharvest Taskforce</td>
<td>Min. Agric &amp; Animal Resources</td>
</tr>
<tr>
<td>10</td>
<td>Jean Paul Mutalikanwa</td>
<td>Head of Finance and Administration</td>
<td>MiNiMex / Prodev Ltd</td>
</tr>
<tr>
<td>11</td>
<td>Magnifique Nzaramba</td>
<td>Director General</td>
<td>Rwanda Horticulture Dev Agency, MINAGRI</td>
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<tr>
<td><strong>TANZANIA</strong></td>
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<tr>
<td>12</td>
<td>Juliet Magambo</td>
<td>Planning Commission</td>
<td>President’s Office-planning Commission, Tanzania</td>
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<tr>
<td>13</td>
<td>Arun Jacob</td>
<td>Consultant</td>
<td>President’s Office-planning Commission, Tanzania</td>
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<tr>
<td>14</td>
<td>Ibrahim Seushi</td>
<td>Trustee, TGT</td>
<td>Tanzania Gatsby Trust</td>
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<tr>
<td>15</td>
<td>Richard Mwaikenda</td>
<td>Jambo News Paper, Tanzania</td>
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<tr>
<td>16</td>
<td>Peter Masawe</td>
<td>Regional Coordinator, Cashew improvement Network for Eastern &amp; Southern Africa</td>
<td>Cashew Nut Research project, Naliende Agricultural Research Project, Mtwara, Tanzania</td>
</tr>
<tr>
<td>17</td>
<td>John Mbogoma</td>
<td>National Ranching Co. Ltd</td>
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<tr>
<td>18</td>
<td>Rajneesh Potey</td>
<td>Group Executive Director</td>
<td>Mount Meru Group, Arusha</td>
</tr>
<tr>
<td>19</td>
<td>Mwallu Mwachangi</td>
<td>Agri-Finance portfolio</td>
<td>FSDT, Financial Sector Deepening Trust</td>
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<tr>
<td>20</td>
<td>Robert Pascal</td>
<td>Head, Agri-business</td>
<td>National Microfinance Bank</td>
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<tr>
<td>21</td>
<td>Charles R. Tulahi</td>
<td>Project Coordinator</td>
<td>DASIP</td>
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<tr>
<td>22</td>
<td>Humphrem P Ndossa</td>
<td>Research Officer Grade One</td>
<td>TIRDO Tanzania Industrial Research development Institute</td>
</tr>
<tr>
<td>23</td>
<td>Odilo Majengo</td>
<td>Director of Marketing</td>
<td>Min of Industry &amp; Trade</td>
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<tr>
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**UGANDA**

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<tr>
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**EAC**

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<tr>
<td><strong>KILIMO TRUST</strong></td>
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<td>46 Nunu Hatibu</td>
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<tr>
<td><strong>INTERNATIONAL ORGANIZATIONS</strong></td>
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<td>51 Dennie Rweyemanu</td>
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<tr>
<td>59 Emmanuel Kalenzi</td>
<td>Representative in UR</td>
<td>UNIDO</td>
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<td>60 Feki Rafik</td>
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</tr>
</tbody>
</table>
Appendix 4: Programme of the Technical Workshop

Day 1: TUESDAY 15th MARCH 2011

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>08:00-08:30</td>
<td>Registration at the Venue</td>
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<tr>
<td></td>
<td><strong>Session 1: Plenary – Opening</strong></td>
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<td></td>
<td><strong>Chair:</strong> Moses Marwa – EAC Secretariat</td>
</tr>
<tr>
<td>08:30–08:40</td>
<td>Welcoming Statement by Hosts – Ministry of Industry, Trade and Marketing - Tanzania</td>
</tr>
<tr>
<td>08:40–09:00</td>
<td>Opening Remarks by Kilimo Trust</td>
</tr>
<tr>
<td>09:00–09:20</td>
<td>Opening Remarks by FAO</td>
</tr>
<tr>
<td>09:20–09:40</td>
<td>Opening Remarks by UNIDO</td>
</tr>
<tr>
<td>09:40–10:00</td>
<td>Opening Speech</td>
</tr>
<tr>
<td>10:00-10:30</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>10:30–11:00</td>
<td>Presentation: Overview of 3ADI and the Abuja Resolution - FAO and UNIDO</td>
</tr>
<tr>
<td>11:00–11:30</td>
<td>Presentation: Assessment of Opportunities in Agro-industries Development in EAC Region</td>
</tr>
<tr>
<td>11:30–12:00</td>
<td>Presentation: Assessment of the Necessary and Sufficient Last Mile Infrastructure Needs in the EAC Region</td>
</tr>
<tr>
<td>12:00–13:00</td>
<td>Discussion: Preliminary Identification of Key Constraints and Opportunities for the Development of Agro-Industries and Related Last Mile Infrastructure in the EAC Region</td>
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<tr>
<td>13:00–14:00</td>
<td>Lunch Break</td>
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<tr>
<td>14:00–14:15</td>
<td>Uganda Country Paper: Priorities and Suggested Aspects for Regional Collaboration</td>
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<tr>
<td>14:15–14:30</td>
<td>Tanzania Country Paper: Priorities and Aspects for Regional Collaboration</td>
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<tr>
<td>14:30–14:45</td>
<td>Rwanda Country Paper: Priorities and Suggested Aspects for Regional Collaboration</td>
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<tr>
<td>14:45–15:00</td>
<td>Kenya Country Paper: Priorities and Suggested Aspects for Regional Collaboration</td>
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<tr>
<td>15:00–15:15</td>
<td>Burundi Country Paper: Priorities and Suggested Aspects for Regional Collaboration</td>
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<tr>
<td>15:15–15:45</td>
<td>Agreement on Cross-cutting Issues Identified for Regional Level Intervention</td>
</tr>
<tr>
<td>15:45–16:00</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>16:00–16:20</td>
<td>Presentation: The Relevant Programmes of the EAC Secretariat</td>
</tr>
<tr>
<td>16:20–16:40</td>
<td>Presentation: Current Outline of E3ADP &amp; Agriculture for Development Programs in the EAC Region to which it must Synergize</td>
</tr>
<tr>
<td>16:40–17:30</td>
<td>Discussion: Identification of priority interventions by E3ADP</td>
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<td><strong>Close</strong></td>
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### Day 2: WEDNESDAY 16th MARCH 2011

<table>
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<tr>
<th>Time</th>
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<td>Registration at the Venue</td>
</tr>
<tr>
<td>08:30-08:50</td>
<td>Uganda – Honey Processing</td>
</tr>
<tr>
<td>08:50-09:10</td>
<td>Tanzania – Palm Oil Processing</td>
</tr>
<tr>
<td>09:10-09:30</td>
<td>Rwanda – Medium-Scale Maize (Cereals) Processing</td>
</tr>
<tr>
<td>09:30-09:50</td>
<td>Burundi – Palm Oil Processing</td>
</tr>
<tr>
<td>09:50-10:10</td>
<td>UNIDO – EAC Industrialisation Upgrading and Modernisation Programme</td>
</tr>
<tr>
<td>10:10-10:30</td>
<td>FAO – Tanzania Southern Highlands Food Systems Programme</td>
</tr>
<tr>
<td>10:30-10:45</td>
<td>Discussion: Cross-cutting Issues Identified for Regional Level Intervention</td>
</tr>
<tr>
<td>10:45-11:00</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>11:00-11:45</td>
<td>Discussion: Agreement on Four Major Themes and the Guidelines &amp; ToRs for Group Sessions</td>
</tr>
<tr>
<td>11:45–13:00</td>
<td>Session 5: Parallel Groups Discussions on Priority Themes for E3ADP</td>
</tr>
<tr>
<td>13:00–14:30</td>
<td>Lunch Break</td>
</tr>
<tr>
<td>14:30–16:00</td>
<td>Group Discussion (Cont.); Group Discussion (Cont.); Group Discussion (Cont.)</td>
</tr>
<tr>
<td>16:00–16:30</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>16:30–17:30</td>
<td>Preparation of Reports for the Plenary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td>11:45–13:00</td>
<td>Theme 1: Agro-industry and Agri-enterprises Development</td>
</tr>
<tr>
<td></td>
<td>Theme 2: Markets and Trade</td>
</tr>
<tr>
<td></td>
<td>Theme 3: Infrastructure Development and Maintenance</td>
</tr>
<tr>
<td></td>
<td>Theme 4: Policy and Institutions</td>
</tr>
<tr>
<td>15:00–14:30</td>
<td>Lunch Break</td>
</tr>
<tr>
<td>14:30–16:00</td>
<td>Group Discussion (Cont.); Group Discussion (Cont.); Group Discussion (Cont.)</td>
</tr>
<tr>
<td>16:00–16:30</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>16:30–17:30</td>
<td>Preparation of Reports for the Plenary</td>
</tr>
</tbody>
</table>

### Day 3: WEDNESDAY 16th MARCH 2011

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30-09:10</td>
<td>Theme 1: (to report on priority actions; by who; and recommendations for high-level dialogue)</td>
</tr>
<tr>
<td>09:10-09:50</td>
<td>Theme 2: (to report on priority actions; by who; and recommendations for high-level dialogue)</td>
</tr>
<tr>
<td>09:50–10:30</td>
<td>Theme 3: (to report on priority actions; by who; and recommendations for high-level dialogue)</td>
</tr>
<tr>
<td>10:30-11:00</td>
<td>Break for Refreshments</td>
</tr>
<tr>
<td>11:00-11:40</td>
<td>Theme 4: (to report on priority actions; by who; and recommendations for high-level dialogue)</td>
</tr>
<tr>
<td>11:40-12:30</td>
<td>Discussion: Recommendations for High-level Policy Dialogue regarding Themes and Implementation within E3ADP Framework</td>
</tr>
<tr>
<td>12:30-12:45</td>
<td>Closing of the Technical Workshop</td>
</tr>
<tr>
<td>12:45–14:00</td>
<td>Lunch Break and Meeting of the Recommendations Committee</td>
</tr>
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**Session 4:** Plenary - Experiences of the Private Sector and the Demand for E3ADP  
Chair: Charles M. Moturi – KIRDI - Kenya

**Session 5:** Parallel Groups Discussions on Priority Themes for E3ADP  
Chairs: EAC (George Ndira); FAO (Susan Minae), KT (Michael Kairumba) and UNIDO (Frank Hartwich)

<table>
<thead>
<tr>
<th>NAMES</th>
<th>POSITION</th>
<th>ORGANIZATION</th>
<th>EMAIL ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BURUNDI</strong></td>
<td></td>
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</tr>
<tr>
<td>1 Mutabazi Jean de Dien</td>
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<tr>
<td><strong>KENYA</strong></td>
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</tr>
<tr>
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<td>Min of Livestock Development Kenya</td>
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<td><strong>RWANDA</strong></td>
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<td>9 Magnifique Nzaramba</td>
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<td>RHODA, MINAGRI</td>
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</tr>
<tr>
<td><strong>TANZANIA</strong></td>
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<tr>
<td>10 Robert Pascal</td>
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<td>National Microfinance bank Tanzania</td>
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<td>11 Makame Mbarak</td>
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<td>Min of Agric &amp; Natural Resources Zanzibar</td>
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<td>12 Geoffrey Kirenga</td>
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<tr>
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<td>15 Sosthenes Kewe</td>
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<td>Financial Sector Deepening Trust</td>
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<td>16 Suitbert Kageuka</td>
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</tr>
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<td>17 Deodatha Mutagonda</td>
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<td>19 Elizabeth Kimambo</td>
<td>National Project Coordinator</td>
<td>Tanzania warehouse licensing Board</td>
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</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Position</td>
<td>Organization</td>
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<tr>
<td>20</td>
<td>Amanitus Msole</td>
<td>Director - Trade, Investment and Productive Sector</td>
<td>Director Trade Ministry of EAC, Tanzania</td>
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<tr>
<td>21</td>
<td>Toroka Epaineto</td>
<td>Chairman, Board of Trustee</td>
<td>Tanzania Gatsby Trust</td>
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<tr>
<td>22</td>
<td>Ronah Serwadda</td>
<td>Commissioner Production and Social Services</td>
<td>Min. EAC Affairs Uganda</td>
</tr>
<tr>
<td>23</td>
<td>Maria Odido</td>
<td>Managing Director</td>
<td>Bee Natural Uganda</td>
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<tr>
<td>24</td>
<td>Ssenkungu Samuel</td>
<td>Director for Trade, Industry and Cooperatives</td>
<td>Min. of Tourism, Trade &amp; Ind-Uganda</td>
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<tr>
<td>25</td>
<td>Okaasai S Opolot</td>
<td>Director for Crop Resources</td>
<td>Min of Agric, Animal Ind &amp;Fisheries UG</td>
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<tr>
<td>26</td>
<td>Roselline Nyamutale</td>
<td>Country Director</td>
<td>Sasakawa Africa Association</td>
</tr>
<tr>
<td>27</td>
<td>Safina Kwekwe Tsungu</td>
<td>Chairperson of the Committee on ATNR, EALA</td>
<td>EAC -EALA</td>
</tr>
<tr>
<td>28</td>
<td>Marwa Moses</td>
<td>Senior Agric Economist, Directorate of Productive Services</td>
<td>EAC</td>
</tr>
<tr>
<td>29</td>
<td>Nuhu Hatibu</td>
<td>Chief Executive Officer</td>
<td>Kilimo Trust</td>
</tr>
<tr>
<td>30</td>
<td>Michael Kairumba</td>
<td>Program Manager</td>
<td>Kilimo Trust</td>
</tr>
<tr>
<td>31</td>
<td>Divine Njie</td>
<td>Senior Agro-Industries Officer,</td>
<td>Representing the Director Rural Infrastructure and Agro-Industries Division of FAO</td>
</tr>
<tr>
<td>32</td>
<td>Frank Hartwich</td>
<td>Agri-business Development Unit</td>
<td>UNIDO, Vienna</td>
</tr>
</tbody>
</table>
Appendix 6: Programme of the Policy Roundtable Dialogue of Senior Directors

THURSDAY 17TH MARCH 2011

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30-12:00</td>
<td>Arrival of the Invited Delegates to the Policy Dialogue</td>
</tr>
<tr>
<td>12:45–14:00</td>
<td>Lunch</td>
</tr>
<tr>
<td>12:45–14:00</td>
<td>Policy Dialogue Delegates &amp; Participants of the Concluded Technical Workshop</td>
</tr>
<tr>
<td>14:00–14:15</td>
<td>Dialogue Session 1:</td>
</tr>
<tr>
<td>14:00–14:15</td>
<td>Chair: Hon. Safina Kwekwe Tsungu, MP – the East African Legislative Assembly &amp; Chairperson of the Committee on Agriculture, Tourism and Natural Resources (ATNR)</td>
</tr>
<tr>
<td>14:15–14:45</td>
<td>Opening: Welcoming Remarks and Introduction to the Dialogue Process</td>
</tr>
<tr>
<td>14:15–14:45</td>
<td>Presentation: Summary Issues and Recommendations from the Concluded Technical Workshop</td>
</tr>
<tr>
<td>14:45–15:05</td>
<td>Discussion: Necessary and Sufficient Interventions by the Public Sector at National and EAC Regional Level</td>
</tr>
<tr>
<td>15:05–15:25</td>
<td>Discussion: Necessary and Sufficient Interventions by the Private Sector (Investment and Services)</td>
</tr>
<tr>
<td>15:25–15:45</td>
<td>Discussion: Exploiting Regional Market Opportunities, Including Addressing Trade Barriers</td>
</tr>
<tr>
<td>15:45–16:05</td>
<td>Discussion: Complementarities and Synergies with On-going Initiatives at National and Regional Levels</td>
</tr>
<tr>
<td>16:05–16:15</td>
<td>Break for Refreshments &amp; Meeting of Recommendations Committee</td>
</tr>
<tr>
<td>16:15–16:35</td>
<td>Dialogue Session 2:</td>
</tr>
<tr>
<td>16:15–16:35</td>
<td>Recommendations and Closing</td>
</tr>
<tr>
<td>16:15–16:35</td>
<td>Chair: Hon. Safina Kwekwe Tsungu, MP</td>
</tr>
<tr>
<td>16:15–16:35</td>
<td>Tabling of Draft Workshop Recommendations by the Recommendations Committee</td>
</tr>
<tr>
<td>16:35–16:50</td>
<td>Adoption of the Workshop Recommendations</td>
</tr>
<tr>
<td>16:50–17:00</td>
<td>Closing Remarks by FAO</td>
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<tr>
<td>17:00–17:10</td>
<td>Closing Remarks by UNIDO</td>
</tr>
<tr>
<td>17:10–17:20</td>
<td>Closing Remarks by EAC</td>
</tr>
<tr>
<td>17:20–17:30</td>
<td>Closing Speech by a Representative of the Directors Present</td>
</tr>
<tr>
<td>17:30–19:30</td>
<td>Networking Cocktail Party – All Invited</td>
</tr>
</tbody>
</table>
Kilimo Trust is a regional organization dedicated to developing agricultural value chains to make markets work for the reduction of poverty in the EAC Region. It is a leading champion of using the East African Common Market as a platform for attaining food security in the region as well as the creation of wealth and reduction of poverty through agriculture. The Trust has six years of experience in agriculture for development through 50 projects and three programmes supported and implemented in the EAC Region.

Kilimo Trust is focused on developing and promoting regional solutions for local problems by providing leadership and hands-on implementation of programmes and projects on behalf of, or in partnership with, governments, international and regional organizations, and the private sector. Its initiatives, programmes and projects are mainly regional (EAC), but occasionally Africa-wide. For its partners the Trust provides the following:

- A Regional Platform for building synergies and achieving spillover effects;
- An Independent African Legal Entity with technical capabilities of international standards;
- A Strong and Independent Board delivering very high quality of governance and high level of accountability;
- A Diligent Management Team with vast experience in project management and implementation; and
- An Experience with the EAC’s Agriculture.

The impact focus is increased incomes of substantial number of households involved in farming and other agri-SMEs in the EAC region. For this to happen, the Trust operates at a strategic regional level with a focus at developing and promoting regional solutions to local problems. It is very focussed on (i) opportunities and constraints that are important to the stakeholders; (ii) working on few strategic commodity sectors and relevant regional value chains; and (iii) linking SME producers and other operators to national and regional markets. For these, the Trust designs and implements sector development programmes which respond to market opportunities in ways that can potentially revolutionize a sector and/or value chain(s). This is driven by critical and robust analysis and diagnosis of opportunities and constraints in strategic agricultural value chains.