



## HIGHLIGHTS

### Training: World Class Coffee Qualifications: Women getting ahead in coffee

In late 2019, 24 Rwandan coffee exporter – 12 of them women – from the private sector and government successfully ...  
> Page 4

### Market Exposure: EAC Quality Portal launched

The EAC Quality Portal was launched at the EAC Coffee Business Forum in Mombasa and will serve as a one-stop-shop allowing users to discover...  
> Page 5

### Partner States Updates

The Quality Champions concept is starting to be implemented across the MARKUP partner countries...  
> Page 7

# Coffee in Focus

## EAC Coffee Business Forum

The EAC Coffee Business Forum was held in Mombasa, Kenya in early February, bringing together 150 stakeholders from across East Africa's coffee value chain to discuss barriers to trade and how to capitalise on current opportunities to be competitive on the international coffee market. Organised jointly with the African Fine Coffee Conference & Exhibition and financed by the European Union through MARKUP, the week featured interactive discussions, workshops and networking events designed to educate and inform growers, exporters and others in East Africa's coffee industry and facilitate an environment of positive change and growth for the future. Key highlights included the launch of the EAC Quality for Trade Platform, a coffee cupping and tasting event with a mini live online auction event which saw buyers in Europe bidding on coffee at the forum in real time, and workshops around packaging and branding and financing. With focus given to how to capitalise on the European market and the various barriers to overcome, multiple opportunities were identified. "The EU is a prime market for East African coffee, and we are pleased to be facilitating business to business linkages in order to increase



Group photo at the Coffee Business Forum Opening

market opportunities for African countries in Europe and other parts of the world. MARKUP is working to harmonise standards across the EAC, raise coffee quality and empower farmers with the knowledge and tools to be competitive. More employment and higher income is the ultimate goal – a sector which is high performing and bringing East African coffee to the world," said Ambassador Mr Manfredo Fanti, Head of Delegation to Tanzania and EAC, European Union, one of the panellists at the forum. Key recommendations that are in line with MARKUP will be integrated into the respective Result Areas and implemented over the next two years. For more information see [www.eacmarkup.org](http://www.eacmarkup.org)



## Coping with the Coronavirus threat

The COVID19 coronavirus has had an unprecedented impact around the world and its effects will continue far into the future. MARKUP is adapting to the necessary changes, but continues to function and forge ahead. While most workshops and trainings have been postponed, we are working hard to find ways to keep our momentum. We are using online conferencing tools such as MS TEAMS, Skype and ZOOM to fill communication gaps and exploring the potential of e-learning to deliver training. Our thoughts are with anyone in the MARKUP family who has been adversely affected, and we are looking forward to a time when we can once again fully pick up and meet the MARKUP objectives at full capacity.

# Editorial

Jean Baptist Havugimana (Director Productive Sectors, EAC Secretariat)



It is hard to believe that the EAC-EU MARKUP programme is already into its second year, but the results are really starting to show, and there are so many more events and trainings for our SMEs stakeholders planned for the coming year that I am confident of even greater success and impactful outputs.

Accessing international markets and contacts is one of the key components of the programme, and already this year MARKUP has taken EAC avocado and spices growers to big events in Europe, mainly to Fruit Logistica in Berlin and the Food Ingredients Europe and Natural Ingredients, thus providing great opportunity for learning and interacting with other similar industry players in Germany and Europe for further improvement of their business back home wherever applicable.

From the coffee corner, breaking the barriers and capitalising on new markets (especially the EU) was the theme for the Coffee Business Forum held in Mombasa, Kenya in February, with an array of international and regional experts looking at how best to ensure East African coffee can grow on the world stage. This followed the excellent attention at the EABC Business Summit in late 2019 accorded to businesses/SMEs supported under MARKUP where the EU/EAC MARKUP Programme was recognised as having brought a valuable addition to the regional trade of cotton, coffee, avocado and cocoa sectors.

Finally, with the launch of three new policy briefs around standards harmonisation (now [available on our website](#)), MARKUP continues to make inroads towards our goal of improving EAC trade performance and strengthening enterprises across the region.

## Impressions from the EAC Coffee Business Forum



East African Coffee Brands



Showcasing Uganda Coffee at the Forum



Mr Kenneth Bagamuhunda, EAC Director General Customs and Trade



A participant in the Coffee Tasting Event



Mrs Dorothy Tembo, ad interim Executive Director of the International Trade Centre



Mr Manfredo Fanti, European Union Ambassador to Tanzania and the East African Community



Hon. Christophe Bazivamo, EAC Deputy Secretary General in charge of Productive and Social Sectors



Dr Kirsten Focken, EAC- GIZ Programme Manager, talking to the media

# Avocados in Focus Kenya and Tanzania

MARKUP, implemented in Kenya and Tanzania by ITC, has chosen avocado as one of the priority products with good reason. Global demand grew by about 18% between 2014 and 2018, mainly driven by the nutritional value of fresh avocado, and technological advances that have greatly reduced the time to market. The most common varieties are Hass and Fuerte. Hass is preferred due its higher yield, richer flavour and higher fat content, which translates to longer shelf life. Selling nearly 72,000 tonnes in 2018, Kenya was the top African exporter of avocados and 7<sup>th</sup> largest exporter globally. While the volume of Tanzania's exports was about 10% of Kenya's, the value increased by 78% between 2014 and 2018, demonstrating that significant head room still exists. The EU (notably the Netherlands, France and Spain) and UK are the leading importers of avocados.

In equipping SMEs to better understand and take advantage of the market opportunities for avocado, MARKUP has conducted market opportunities studies for both countries. Avocado exporters were supported to participate effectively in the Fruit Logistica Fair in Berlin in 2020. This followed the success of the Mac-



Participants from Kenya in the Fruit Logistica 2020

fruit Fair in 2019, where Direne Ltd - an avocado exporter from Kenya- secured additional investment which led to a 10-fold increase in packing capacity. In addition, 10 avocado SMEs in Kenya and one in Tanzania were selected to benefit from special coaching provided by Quality Champions, who were trained under MARKUP. All of this will lead to industry players who are better equipped to capitalise on global opportunities and can grow their businesses confidently in the region.

### Avocado: Facts and Figures

Global demand (2018)	2.5 million tonnes valued at US\$ 6.1 billion
Top exporters (world)	Mexico (45% of total); Peru (15%); Netherlands (10%)
Top exporters (Africa)	Kenya (Ranked 7); South Africa (Ranked 8); Tanzania (Ranked 21)
Top importers by value (world)	USA (41% of total); Netherlands (9%); France (7%)
Growth in exports (2014-2018) Kenya	23% (volume); 31% (value)
Growth in exports (2014-2018) Tanzania	36% (volume); 78% (value)



## TRAINING

### Results-based management training

Thirteen participants representing eight institutions in the horticulture, avocado and spices sectors in Kenya, Rwanda and Tanzania participated in a three-day training in Nairobi on results-based management. As part of MARKUP's initiative, implemented by ITC, to strengthen Trade and Investment Support Institutions (TISIs) – who play a crucial role in the development of local SME's - it was the third training arranged in 2019. The training focused on a wide range of topics, from basic concepts through to complex action plans for each organisation. Expressing their appreciation, participants said they felt empowered, with an improved confidence in their abilities to introduce relevant changes suggested by the training into their work. 2020 will be the time to implement the proposed changes and continue with knowledge sharing and learning through webinars and home-based assessments.



Participants in the workshop on Results-Based Management in Nairobi

### Tea packing in Burundi

Burundi produces some excellent tea, however poor packaging, labelling and branding strategies are in large part the reason for the failure of locally manufactured products to compete favourably both at home and abroad. The ITC provided packaging and branding training to four Burundian companies engaged in post-harvest production, helping them identify target markets, design and promote the brand's identity and make tailored investments

to improve their competitiveness. MARKUP has been coaching them throughout the year and participants will also attend a specialised six-month programme with individual coaching and expert advisory services. These steps will enable them to develop a solid portfolio of products for the local market.

### World class coffee qualifications

In late 2019, 24 Rwandan coffee exporters and producers – 12 of them women - from the private sector and government successfully passed the exams of the Specialty Coffee Association, putting them among the top of the industry globally. Under MARKUP, the ITC organised the training on Sensory Skills and Green Coffee in Rwanda, focusing on how to evaluate coffee's natural characteristics and taste. Official certificates are essential for building credibility internationally, and the certification will help the SMEs have better employability opportunities in the industry and negotiate from a position of strength with international buyers.



## MARKET EXPOSURE

### EAC Quality Portal launched

The EAC Quality Platform was launched at the EAC Coffee Business Forum in Mombasa. Developed through ITC, the Portal will consist of four primary modules, which are being launched in stages. The first is the Quality Compass, which allows users to access relevant quality requirements for products exported to the EU. So far the Quality Compass has information on green coffee, tea, avocado, cocoa and cinnamon.

When completed, the portal will also serve as a one-stop-shop for information on quality-related topics and a forum to share success stories and best practice. Through the portal, users will connect with relevant institutions or individuals who can offer help along the way. The portal will be linked to the MARKUP website and those of other MARKUP Partners. Mbula Musau, from Utake Coffee in Kenya said, "The EAC Quality Compass is a valuable tool especially for an SME business like ours, because it enables us to obtain relevant market requirements and standards specific to EU countries for our specific products, in my case coffee, without literally groping in the dark. This saves valuable time and also helps with proper planning therefore increasing our capability to trade effectively. Information is powerful."

EAC Quality Platform:

<https://un-consulting.ch/eac>; Quality Compass: <https://un-consulting.ch/eac/compass>

### Tanzanian spices in Paris

With the support of MARKUP, five Tanzanian SMEs participated in one of the world's leading trade fairs in Paris, the Food Ingredients Europe and Natural Ingredients (Fi Europe & Ni), where they met with potential buyers and displayed aromatic Tanzania spices. 'I learnt that the spice market in Europe is all about connections, most buyers were not aware of Tanzania as a spice producer. By participating in Fi (Food Ingredients Europe) I had the opportunity to meet some potential European buyers and promote Tanzanian origin,' said Agness Ayo, an exporter of GFP Organics. Facilitated



Participants from Tanzania and Kenya in the Fruit Logistica 2020, Berlin (Germany)

by ITC, the exporters attended around 100 business meetings, returning to the region with 20 concrete business leads with an aggregate value of up to 1.75 Million USD.

### Fruit Logistica in Berlin

Avocado exporters from Kenya and Tanzania travelled to Berlin in early February for the Fruit Logistica fresh produce trade fair, meeting potential buyers and experiencing the latest innovations, products and services at every link in the international supply chain. As the world's largest fair of its kind, it was a prime opportunity for the African exporters to learn, network and create opportunities for themselves and their industry for the future.



Tanzania Participants at the Fi Europe & Ni

## ADVANCING THE REGIONAL AGENDA

### Regional Coffee Advocacy exchange

The ITC hosted a Regional Advocacy Meeting in Arusha from December 10-12, 2019. After a year of activities, the three-day meeting represented the peak of the efforts to improve regional trade for coffee in the EAC through the advocacy for the removal of sectoral trade barriers. Representatives of coffee sector associations from the five MARKUP countries as well as individual national associations/federations on coffee also collaborated with the East African Business Council (EABC). This partnership aims at increasing regional and international trade. Being the first regional event of the advocacy component, this meeting represented a key opportunity to exchange experiences and bring the conversation to the regional level. The participants highlighted a number of obstacles, including numerous administrative



*Regional Coffee Advocacy Meeting, Arusha (Tanzania)*

and regulatory procedures, lack of clarity on Government policy objectives, arbitrary road user fees, delays in obtaining VAT refunds, among others. Over the coming months, ITC will work with the coffee sector to develop obstacles papers that will form the basis of policy advocacy with relevant Government authorities.

### New Standards for the Cocoa Value Chain



*National Consultative meeting on Cocoa Standards in Burundi*

Following the regional consensus on priority products for which new or revised standards are required, MARKUP- through GIZ- has embarked on the exercise to develop or review standards. Working with the East African Standards Committee and its Technical Committees and Working groups, MARKUP is bringing together stakeholders to discuss and draft regional standards for the identified priority products.

A case in point is for the cocoa subsector. The Technical Committee held a workshop at the end of 2019 to review draft standards for cocoa beans, cocoa butter, cocoa powders and chocolate and chocolate products. Following this, a National Consultative meeting organised by the Burundi Bureau of Standards was held in Bujumbura in January. It brought together private and public institutions

to consider the draft standards and obtain inputs and comments from stakeholders and relevant regulatory agencies. Representatives from the Burundi Federal Chamber of Commerce and Industry, the Agro-Industry Risk Management Society (ARIMA) the Farmers and Processors Association and Mutoyi Cooperative all took part. Similar consultations will be undertaken in Rwanda, Uganda, Kenya and Tanzania between March and April 2020. The revised draft standards will then be submitted to the East African Standards Committee for approval.

## PARTNER STATES UPDATES

### Burundi



ITC, the MARKUP Implementing Partner in Burundi, has been supporting the Government of Burundi to develop a National Quality Policy (NQP) in line with the EAC Standards, Quality, Metrology and Testing (SQMT) Protocol and Act and adoption of an implementation action plan. Following the preparation of the draft policy, a national retreat was organised to obtain additional stakeholder input before the policy is finalised. ITC has been working with service providers in Burundi to build capacity towards adoption of ISO17021 and ISO17065. Certification experts have assessed OTB (Burundi Tea Authority) as well as five factories and are developing final action plans in close collaboration with OTB, plus assisting in preparing the required documentation (quality management, work procedures, etc.) in order to comply with requirements of HACCP/ISO22000 and ISO9001.

Through MARKUP, ITC facilitated the refurbishment of two laboratories of BBN (chemistry and microbiology) with the aim of providing analytical services required by SMEs in Burundi. The refurbished laboratories were handed over to BBN in late 2019.

### Kenya



UNIDO - the implementing Partner for MARKUP Kenya - has concluded the inception phase of the programme and the report was approved by the MARKUP Kenya National Steering Committee in February 2020. Following consultation with authorities, the private sector and other partners in Kenya, it was agreed that MARKUP will be implemented in 12 counties, each focussing on specific priority products as shown below:

Subsector	Value Chain	County Selected
Fruits	Mango	Makueni, Machakos, Embu
	Passionfruit	Uasin Gishu, Bungoma, Trans Nzoia
Vegetables	French Beans	Trans Nzoia, Bungoma, Taita Taveta, Machakos, Kajiado
	Snow Peas	Trans Nzoia, Nakuru, Taita Taveta
Herbs & Spices	Export Oriented herbs e.g. basil, coriander, dill, sage, mint, etc.	Kajiado, Nakuru
	Chilies - capsicum	Busia, Kajiado
Nuts	Macadamia	Embu, Bungoma
	Groundnuts	Busia, Siaya, Homabay

Since last November key partner institutions in Government and the private sector have been identified which will be instrumental in improving the infrastructure for conformity assessment, and upscaling SME revenue and access to export markets for the targeted value chains.

UNIDO has signed agreements with Kenya Bureau of Standards (KEBS), Fresh Produce Exporters Association of Kenya (FPEAK), Horticultural Crops Directorate (HCD) and Fresh Produce Consortium (FPC). Specific activities include consultations with industry on new action plans and regulatory controls, approved pesticides, reviewing a consolidated riskbased food control system and training on new marketing trends. Training of extension officers and business tours will continue in the next six months. Areas of collaboration have also been identified with the European–Africa Caribbean-Pacific Liaison Committee (COLEACP), Agricultural Finance Initiative (AgriFI), and Trade Mark East Africa (TMEA) with a view to improving the competitiveness of small scale farmers across the 12 counties.

The Inception report was presented to the MARKUP Kenya National Steering Committee in February.

### Rwanda



The process of recruitment of implementing agencies for MARKUP Rwanda has now been finalised. Consortia led by Oxfam Ireland, Tearfund UK and ICU-Istituto per la Cooperazione Universitaria-Onlus will kick start implementation from March 2020.

The expected results of MARKUP Rwanda are:

- Sustainable livelihoods in horticulture value chains
- Catalysing market prospects for horticulture smallholder farmers and small and medium enterprises in Rwanda
- A market driven approach for value chain improvements and the expansion of the Rwandan coffee market.

### Tanzania



MARKUP Tanzania has two expected results:

1. Enhanced awareness on sector enablers through market analysis and research – this result area is implemented by ITC
2. Improved access and compliance with voluntary sustainability standards – this result area will be starting now.

Solidaridad (EA) has been selected to implement Result 2, following a tender process launched in 2019. The company presented their profile and approach to the task to the MARKUP National Steering Committee in February and have embarked on the inception phase of the programme.

## Solidaridad

### Uganda



Working through the Uganda Coffee Development Authority (UCDA), the focus of MARKUP Uganda is on coffee and cocoa, in line with the current National Export Development Strategy and the coffee roadmap. The overall objective of the programme is to contribute to the economic development of Uganda by increasing the value of coffee and cocoa exports to the EU. Specifically, MARKUP will enhance market access to EU and the East African region by supporting private operators in the coffee and cocoa value chains to improve quality and quantity of the produce and retain premium prices for the same through niche markets. This will be achieved largely through the provision of matching grants to SMEs. Following a call for Proposals in October 2019, 35 applications were received- 24 from coffee SMEs and 11 from cocoa. Following the evaluation of the concept notes, nine companies in the coffee value chain and five under the cocoa value chains were shortlisted and requested to submit full proposals. Final selection and launch of the scheme will take place between March and May 2020.





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## MARKUP FACTS

Top coffee consuming country worldwide:  
**Finland (per capita consumption)**

Coffee farming provides primary livelihood  
to about **25 million people**



**Kenya was the top African exporter of avocados** and 7<sup>th</sup> largest exporter globally

Global demand for avocados **grew by about 18%** between 2014 and 2018