

For Immediate Release**USAID and KEPSA Announce Partnership to Boost Kenyan SME Competitiveness within the AfCFTA**

Nairobi, Kenya, July 09, 2024 – The United States government, through USAID's Economic Recovery and Reform Activity (USAID-ERRA) program, implemented by TradeMark Africa (TMA) and funded by Feed the Future, has signed a grant agreement worth US\$199,988, with the Kenya Private Sector Alliance (KEPSA). This collaboration will facilitate 160 Kenyan Small and Medium-sized Enterprises (SMEs), particularly those owned by women and youth, to leverage opportunities in the African Continental Free Trade Area (AfCFTA) by linking buyers and sellers across the continent. The AfCFTA provides a single continental market, promoting the free movement of goods and services and economic integration. This initiative is designed to enhance the agricultural export capabilities of these SMEs by addressing critical challenges, such as export readiness and trade barriers, enabling them to effectively compete and thrive in this expansive market.

The project will scale up e-commerce capabilities by providing training to prepare SMEs for export; collaborate with trade facilitation agencies to tackle trade barriers; develop and implement market access strategies tailored to high-value agricultural sectors such as tea, coffee, rice, and vegetables; and raise awareness of trade opportunities presented by the AfCFTA, such as the Guided Trade Initiative (GTI) and the e-tariff book through increased sensitization and communication efforts. A critical feature of this project is the Training of Trainers (ToT), which will build long-term capacity within KEPSA to support SMEs beyond the project's lifespan, ensuring long-term sustainability. Empowering Kenyan SMEs with the tools to access alternative markets will not only increase their export competitiveness and resilience but also stimulate economic growth through increased export volumes.

The grant is part of the five-year US\$75 million USAID-ERRA program. USAID-ERRA drives investment reforms, facilitates trade, and deepens regional integration by strengthening the capacity of national and regional bodies under the frameworks of the AfCFTA and regional economic communities.

Eunice Ambiyi, Deputy Chief of Party, USAID-ERRA, commented on the partnership's potential, "This partnership is poised to improve the export competitiveness of Kenyan SMEs, empowering them with the tools to access new markets. This will not only help them withstand local economic challenges but also contribute to broader regional economic prosperity through increased intra-African trade and investment in export-oriented value chains."

KEPSA CEO Carole Kariuki stated, "As Africa begins the journey toward the full implementation of a common market under the AfCFTA, it is imperative that the requisite competencies and capacity for local industrial activities by both large and small enterprises are built to enable all countries to benefit from the single market arrangements."

This partnership underscores KEPSA's commitment to realizing an enabling business environment that delivers Kenya's global competitiveness. KEPSA is positioning SMEs, who constitute 98% of all businesses in Kenya, to leverage the opportunities presented by the AfCFTA while also strengthening their integration in the value chains of large enterprises within the priority sectors identified by member states. These include accessing financing as a means to engage and thrive within regional value chains and strengthening the regional capacity of women and



youth to mitigate the impacts of economic shocks, contributing to a flourishing and integrated African economy.

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About KEPSA

The Kenya Private Sector Alliance (KEPSA) is the apex body of the private sector in Kenya. KEPSA brings together business associations, trade associations, corporates, multinational companies, SMEs, and start-ups from all sectors of the economy under one umbrella to enable them to speak with one voice when engaging Government and other stakeholders on cross-cutting policy issues affecting private sector development, supporting businesses on training, opportunities to network for business, financial linkages, mentoring, access to markets, value chains and access to investment opportunities. The membership categories have been developed to meet the size of all businesses.

For more information, please visit: <http://www.kepsa.or.ke>.

About USAID-ERRA

The Economic Recovery and Reform Activity (ERRA) is a US\$75 million five-year program spanning from 2022 to 2027, funded by the United States Agency for International Development (USAID) through TradeMark Africa (TMA). ERRA aims to promote transformative trade and investment reforms in the East and Horn of Africa while supporting the region to return to a growth pathway and recover from the negative impacts from the COVID-19 pandemic while advancing competitiveness, resilience, and sustainability.

For more information, please visit www.trademarkafrica.com/erra/

About TradeMark Africa (TMA)

TradeMark Africa (TMA) is a leading African Aid-for-Trade organisation founded in 2010, with the mission to grow intra-African trade and increase Africa's share in global trade, while helping make trade more pro-poor and environmentally sustainable. TMA operates on a not-for-profit basis and is funded by: the Bill and Melinda Gates Foundation, Canada, Denmark, the European Union, Finland, France, Ireland, the Mastercard Foundation, the Netherlands, Norway, the United Kingdom, and the United States of America. TMA works closely with regional and continental organisations, national Governments, the private sector, and civil society.

Since its inception, TMA has delivered substantial gains for trade and regional economic integration in East Africa and the Horn of Africa, including a reduction of 16.5% in cargo transit times on the Northern Corridor from Mombasa to Bujumbura and a reduction of an average of 70% in the time taken to cross selected one-stop border posts. TMA works in 14 countries across East and West Africa, Southern Africa, and the Horn.

In 2022, TMA set up a catalytic finance company—Trade Catalyst Africa—that will pilot commercially viable projects for creating trade infrastructure (both physical and digital) as well as increasing access to Trade Finance for Small and Medium Enterprises (SMEs).

Both TCA's and TMA's headquarters are in Nairobi, Kenya. Offices are in EAC (East Africa Community) Secretariat - Arusha, Burundi, the Democratic Republic of Congo, Djibouti, Ethiopia, Ghana, Malawi, Rwanda, Somaliland, Tanzania, and Uganda, with operations in Mozambique, South Sudan, and Zambia. For more information, please visit www.trademarkafrica.com

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