



**SOUTHERN AFRICA  
TRADE  
+INVESTMENT  
HUB**



# USAID SOUTHERN AFRICA TRADE AND INVESTMENT HUB

The USAID Southern Africa Trade and Investment Hub (USAID TradeHub) engages with partners across the region to increase sustainable economic growth, global export competitiveness, and trade in targeted Southern African countries. It supports these objectives by increasing exports from Southern African countries to South Africa and the United States (under the African Growth and Opportunity Act [AGOA]) and boosting capital and technology flows from South Africa to other Southern African countries. The USAID TradeHub works with market actors to identify and resolve enterprise constraints and implement sustainable solutions through market-based trade and investment facilitation services. The USAID TradeHub partners with the USAID Bilateral Missions through the Regional Mission to successfully deliver its objectives.

## FAST FACTS

**FUNDING LEVEL:** \$73.7 million  
**PRESIDENTIAL INITIATIVE:** Feed the Future  
**DURATION:** 2016-2022  
**PROJECT HEADQUARTERS:** Pretoria, South Africa  
**GEOGRAPHY:** Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, and Zambia  
**KEY PARTNERS:** U.S. and Southern Africa private enterprises, U.S. government agencies, the Southern African Development Community (SADC), business membership organizations, and trade promotion service providers  
**IMPLEMENTING PARTNER:** DAI Global, LLC, Ndarama Works (Pty) Ltd., and Genesis Analytics

## ACCOMPLISHMENTS TO DATE

- Facilitated more than **\$89.6 million** in African intra-regional trade and exports to the United States, including through AGOA
- Facilitated **\$177.2 million** in private-sector investment (**\$114.2 million** in agriculture and **\$63 million** in non-agriculture sectors)
- Facilitated **\$16 million** in agriculture-related finance
- Formed **63** public-private partnerships
- Created **1,448** new jobs

## THREE OBJECTIVES

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3
Exports increased from targeted Southern African countries to South Africa	Investment increased from South Africa to targeted Southern African countries	Sustainable utilization of AGOA opportunities by targeted Southern African countries

The USAID TradeHub Objectives contribute towards USAID/Southern Africa's RDSCS DO 1 and IRs 1.1, 1.2, and 1.3.



**Development Objective 1:**  
Inclusive economic growth catalyzed



**Intermediate Results 1.1, 1.2, and 1.3:**  
Increased trade, increased investment, and private sector expanded



## IMPLEMENTATION PRINCIPLES

In its sixth year, the USAID TradeHub will maintain its strategic focus on these three objectives, which were established in year four. To achieve these, the USAID TradeHub has adopted implementation principles that include:

- **ADAPTIVE MANAGEMENT:** At the advent of the COVID-19 pandemic, the USAID TradeHub adapted its response to these risks by introducing webinars and virtual trade events, which have now been institutionalized in the project.
- **EMBEDDING SUSTAINABILITY:** The USAID TradeHub strengthens the relationships and market systems within which exporters and investment facilitators operate to the point where the private sector can engage directly without the project's support.
- **ENHANCING RESILIENCE:** The USAID TradeHub has adopted a digitalization focus by supporting partner financial service providers and trade promotion service providers to develop and launch algorithm-based trade platforms that match investors and investees and link exporters with buyers, financiers, and logistics service providers. Also, it is supporting export firms to enhance the utilization of e-commerce platforms (such as Amazon and Takealot.com) which have become a critical expansion and survival strategy for businesses in the region, to facilitate increased exports to South Africa and the U.S.

## STRATEGIES TO ACHIEVE THE OBJECTIVES

The USAID TradeHub strategy is two-pronged: 1) embedding the sustainability of the impact of its activities undertaken under the three objectives, and 2) enhancing market actors' resilience in the Southern African region by strengthening market-based trade and investment ecosystem players to enhance digital trade and investment capabilities, as captured below.

### 1. Increasing exports to South Africa from targeted Southern African countries:

**Mapping demand for imports:** through working with Trade Promotion Service Providers (TPSPs) and Business Membership Organizations (BMOs) to understand and access more South African buyers, establish relationships, and conclude export deals.

**Enhancing firms' export competitiveness:** by hosting or funding firms' participation in trade events, and providing cost sharing on technical assistance activities (e.g., product certification); improving marketing capacities of regional export firms through technical support.

**Building TPSP and BMO capacity:** sustainably enhancing firms' digitalization capacities by transferring technology, tools, skills, and networks to these market-based partners.

### 2. Increasing investment of capital and technology out of South Africa to targeted Southern African countries:

**Mapping demand for investment and contracting financial service providers:** through partnering with five financial service providers (FSPs), where capital providers will provide export firms with debt and equity capital to export.

**Deal facilitation:** through working with transaction advisors to generate and groom export deals that would otherwise go unnoticed by traditional capital providers.

**Enhancing business models:** through incentivizing capital providers to increase their financing of regional trade and investment activities and supporting their value propositions in underserved capital seeker market segments.

### 3. Facilitating sustainable utilization of AGOA opportunities by targeted Southern African countries:

**Mapping demand for imports into the U.S.:** working with TPSPs and BMOs to understand and access U.S. buyers, establish relationships, and conclude export deals.

**Provide support to regional governments:** to develop or revise, launch, and implement AGOA utilization strategies.

**Enhancing firms' export competitiveness:** hosting or funding firms' participation in trade events; providing cost sharing on technical assistance activities, (e.g., labelling review, U.S. Food and Drug Administration (FDA) certification, and meeting U.S. export requirements); and onboarding firms onto digital trade platforms.

**Building TPSP and BMO capacity:** sustainably enhancing firms' digitalization capacities by transferring technology, tools, skills and networks to these market-based partners.

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