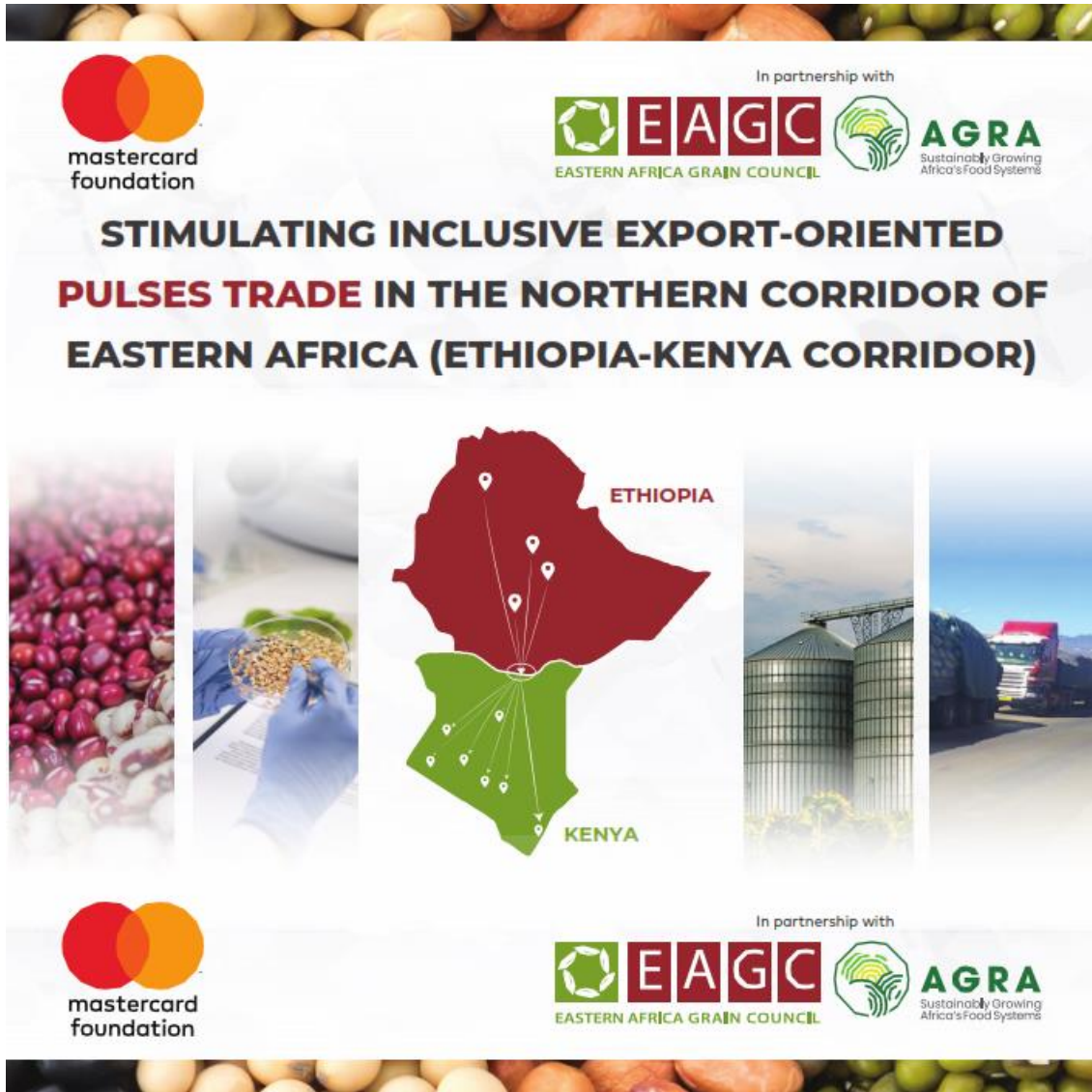


Communique on the project inception workshop held on September 24th, 2024, at Ramada Hotel in Addis Ababa, Ethiopia



Preamble:

On 24th September 2024, a landmark occasion unfolded at the Ramada Hotel in Addis Ababa, marking the launch of the Ethiopia-Kenya Pulse Trade Project. Spearheaded by the Eastern Africa Grain Council (EAGC) in partnership with AGRA and supported by the generous contributions of the Mastercard Foundation, this innovative initiative aims to catalyze inclusive, export-oriented pulse trade between Ethiopia and Kenya, laying the groundwork for sustainable growth in East Africa. The one-day event gathered 41 key stakeholders (see Annex 1), including project team members, partners, project beneficiaries, and government officials, to align on the project's goals and objectives. The [event concept note and program can be found here](#).

The workshop facilitated collaboration through discussions and brainstorming sessions, aimed at securing stakeholder commitment and refining the implementation plan based on

feedback. Notable outcomes included a revised project implementation plan, an agreed stakeholder engagement strategy, and signing of grain trade intent agreements valued at USD 6M between pulses importers and exporters.



Participants group photo during the inception workshop for the project on Stimulating Inclusive Export-Oriented pulses trade in the Northern Corridor of Eastern Africa (Ethiopia-Kenya Corridor).

Background and context for the project on Stimulating Inclusive Export-Oriented pulses trade in the Northern Corridor of Eastern Africa (Ethiopia-Kenya Corridor):

Pulses trade between Kenya and Ethiopia has significant potential, as pulses are Ethiopia's third most important agricultural export after coffee and oilseeds. Ethiopia ranks among the top ten global producers, with a production of approximately 3.47 million MT in 2021, projected to increase to 3.78 million MT by 2026. However, Ethiopia exports only about 10% of its pulses, averaging 340,000 MT annually, while its production potential is more than double the current output. In contrast, Kenya produces around 600,000 MT of pulses but has an annual consumption of about 800,000 MT, resulting in a deficit of 200,000 MT, exacerbated by climate change. Kenya imports 10% of its pulses from Ethiopia, highlighting the unexploited trade potential between the two countries.

Challenges hindering this trade include low smallholder productivity, weak market linkages, inefficient market systems, internal conflicts, lack of market knowledge, high local prices in Ethiopia, a stringent business environment, and low youth involvement in the export sector. To address these issues, the Eastern Africa Grain Council (EAGC) is collaborating with AGRA and the Mastercard Foundation to implement a project aimed at stimulating inclusive, export-oriented pulses trade in the Ethiopia-Kenya Corridor. The project will partner with local organizations, including Soil & More Ethiopia and the Ethiopia Pulses, Oilseeds, and Spices Exporters Association (EPOSEA).

Key interventions will include a situational analysis of gender dynamics, establishing buyer-seller relationships, facilitating trade through missions and forums, providing technical support and business development services, and hosting stakeholder dialogue workshops to address bottlenecks in the pulses trade corridor. The overall goal is to increase trade, income,

and job creation for youth and women in the pulses export value chain. The implementation period will be between July 2024 to August 2027.

Remarks from guest speakers:

Mr. Gerald Masila the Executive Director, EAGC highlighted the role of EAGC, and the objective of the workshop as follows:



EAGC is an organization focused on promoting the grain sector in Eastern Africa to enhance the livelihoods of grain producers, traders and millers through improved market access, policy advocacy, and capacity building.

EAGC works with various stakeholders, including farmers, cooperatives, traders, and government bodies, to address challenges in the grain value chain and foster

collaboration across the region.

- EAGC often collaborates with partners and organizations to implement programs that stimulate trade, improve food security, and support economic development in Eastern Africa.
- As the project commences, EAGC in partnership AGRA and EPOSEA project inception workshop is aimed at exposing Ethiopian and Kenyan stakeholders to the project, refine project goals, align stakeholder expectations and establish a roadmap for the project implementation.
- The workshop lays a foundation for successful project implementation by addressing potential challenges early and setting clear expectations and plans by:
 - Providing an opportunity for key stakeholders to understand the project's goals, objectives, expected outcomes and to manage stakeholders' expectations reduces risk of misunderstandings or conflicting assumptions later.
 - Obtaining stakeholders buy in building project implementation collaborations and securing commitments from the stakeholders
 - Refining project implementation plan with input and insights from stakeholders
 - Establishing a clear project communication and coordination mechanisms
- By improving market access, enhancing supply chains, and creating opportunities for job creation and value addition, the Ethiopia-Kenya Pulse Trade Project aspires to revolutionize the agricultural landscape of Eastern Africa through the Northern Corridor.

Mr. Edao Abdi, the President of EPOSEA emphasized the role of EPOSEA and the timely MoU partnership with EAGC stating that:

- EPOSEA, Previously EPOSPEA is a trade organization dedicated to promoting the interests of exporters involved in the pulses and oilseeds sectors in Ethiopia.
- EPOSPEA aims to enhance the competitiveness of its members and increase export volumes of pulses and oilseeds, which are vital components of Ethiopia's agricultural economy.

- EAGC and EPOSEA MoU signed on September 24th is timely in promoting:
- Structured grain trade, which involves creating a more organized and efficient market for grain transactions.
- Additionally, it seeks to revolutionize production practices by implementing innovative and sustainable farming techniques.
- Ultimately, the MoU is to enhance food security across the region by ensuring a reliable supply of quality grain and improving the livelihoods of farmers and stakeholders involved in the agricultural sector.
- This initiative marks a vibrant public-private dialogue towards a comprehensive policy framework to support pulse trade.



Dr. Yihene Zewdie the Country Director, AGRA Ethiopia emphasized:



The critical importance of cross-border trade in advancing the economic interests of Ethiopia, Kenya, and the broader African continent.

By promoting trade across borders, the program partnership ushers in a new era of regional cooperation that will fuel growth and prosperity for future generations.

Projects are necessary to catalyze innovation, however no country has ever solely transformed its agriculture sector with projects support.

- Called on policy makers, majorly Ministry of Agriculture and Ministry of Trade to institutionalize and scale up the project interventions beyond 2027 to spur pulses trade in a sustainable manner.

Mr. John Macharia, the Country Director AGRA Kenya joined the session virtually and remarked that:

- Pulses are rich in protein, fiber, vitamins, and minerals, making them a valuable component of a balanced diet. They are generally more affordable compared to meat and other protein sources, making them accessible to a broader segment of the population, particularly in low- to middle-income households
- Ethiopia is known for producing high-quality pulses, with various types that appeal to Kenyan consumers, enhancing marketability. The Kenyan market has a growing demand for various pulse types, including beans, lentils, and chickpeas, which can be met by Ethiopian exports.
- By 2027 AGRA in partnership with organizations such as EAGC and EPOSEA aims to transform pulses as raw materials into higher-value products, ensuring that trade benefits penetrate deep into local communities in Ethiopia.



In his keynote address on the role of the Ethiopian Government in stimulating and facilitating pulses trade through the Northern Corridor of Eastern Africa, **Mr. Abera Mulat, Senior Advisor at the Ministry of Agriculture in Ethiopia** stated that Ethiopia is charting a course toward inclusive growth, focusing on empowering smallholder farmers, women, and youth. His words resonated with the audience, reinforcing his commitment to inclusivity and reiterating the role of the Ministry of Agriculture in Ethiopia in facilitating export-oriented pulses trade between Ethiopia and Kenya through several key functions:

- Formulating supportive agricultural export policies and advocating for trade-friendly regulations.
- Supporting initiatives to promote Ethiopian pulses in international markets and facilitating trade missions and exhibitions.
- Providing training for farmers and exporters to improve production practices and marketing strategies.
- Enhancing transportation and storage facilities to ensure efficient movement of pluses to export markets.
- Coordinating with organizations like EPOSPEA and EAGC to align efforts and address trade challenges.
- Promoting research on better pulse varieties and sustainable farming practices.
- Establishing mechanisms to assess export performance and the impact of policies.



Overview of the project, presented by Jacinta Mwau, EAGC Country Manager, Ethiopia

The project overview was provided in summary as follows:

- EAGC will partner with local partners, Soil & More Ethiopia, and the Ethiopia Pulses, Oilseeds and Spices Exporters Association (EPOSPEA) both of whom will play key roles in the implementation process.
- The project aims to increase trade, income, and job creation for youths and women in the pulses export value chain between Ethiopia and Kenya.

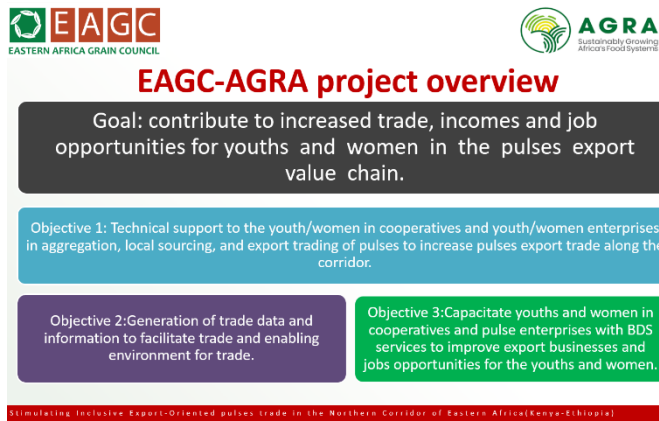


Key interventions will among others include a situational analysis incorporating a diagnosis of gender dynamics of the value chain, establishing buyer-seller relationships with Kenyan off-takers, trade facilitation through a trade mission, B2B forums, and one-on-one trade linkage, and technical support

and BDS provision to increase capacity in export business management of youths/women.

- The project will host stakeholder dialogue workshops and engage with relevant stakeholders to address bottlenecks along the Ethiopia-Kenya pulses trade corridor.

- On cross border trade facilitation of pulses through Moyale One Stop Border Post, a presentation was made on the profile of the border and the context under which trade takes place, both formally and informally.
- The project expected outcomes include: resilient supply and demand of supported agricultural products and services, inclusive market (output and finance) performance for supported value chains, expanded market access, investment, and capacity for inclusive market actors, predictable, inclusive, and harmonized market, trade and finance policies passed and implemented, improved enabling environment for inclusive markets, trade, and finance especially youth and agricultural entrepreneurs , increased youth uptake of training, finance, and new technologies.



The infographic features the logos of EAGC (Eastern Africa Grain Council) and AGRA (Africa's Food Systems) at the top. Below the logos, the title "EAGC-AGRA project overview" is displayed. The main goal is stated in a dark grey box: "Goal: contribute to increased trade, incomes and job opportunities for youths and women in the pulses export value chain." Three objectives are listed in colored boxes: Objective 1 (blue) focuses on technical support for youth/women in cooperatives and enterprises; Objective 2 (purple) focuses on generating trade data and information; Objective 3 (green) focuses on capacitating youth/women with BDS services. A red banner at the bottom reads: "Stimulating Inclusive Export-Oriented pulses trade in the Northern Corridor of Eastern Africa (Kenya-Ethiopia)".

The high-level expected results from the -project implementation are anticipated to be include: Increased employment opportunities and incomes for youths and women in the pulses value chain, expanded market access, investment, and capacity for youths and women in cooperatives and enterprises, increased pulses cross border trade to Kenya,

increased access and use of Business Development Services (BDS), financial services, and market information, enhanced export capacities for supported youths and women enterprises and an improved pulses export trade enabling environment.

- The anticipated project key results include: 30,000MT of pulses traded along the Northern corridor, 20% increase in formalization of trade and a 30% increase in volume of trade to Kenya, 50,000 farmers who are members of solely youth/ women cooperatives or heterogenous cooperatives (including 40% youths (20,000), 30 enterprises including the cooperative unions, SMEs, and individual exporters supported to participate in export value chain,
- 1,000 new job opportunities created including engagement in aggregation, enterprises, and cross-border trade and larges pulses buyers in linked to supplies in Ethiopia.

Break out sessions to provide feedback on the project goal, objectives and expected outcomes:

Two breakout sessions were facilitated by EAGC and EPOSEA team, each breakout group in response to the following questions:

1. Is the project responding to your needs? If yes, what are your needs and how else can the project respond to address your needs?
2. What is currently working in your sub sector. How can the project leverage on what's already working?
3. What can be done to make your subsector thrive most?

4. What risks do you foresee EAGC facing in the project implementation? How can each be mitigated?
5. What cross border trade bottlenecks do you foresee in pulses trade between Ke and Et? How can they be addressed to stimulate more trade?

Summary feedback from group 1: pulses producers, agro-input and post-harvest management service providers:

- In terms of project responsiveness, producers, agro input and post-harvest management service providers confirmed alignment to their needs for capacity building, income generation and creation of job opportunities. The project will contribute to improved seed availability and production while enhancing pre- and post-harvest handling and product quality for strengthened market linkages and supply chains. Access to finance, crop insurance, logistics and warehouse services was emphasized as much needed.
- On current successes that could be leveraged along the Ethiopian pulses supply side, some significant level of structure was appreciated among producers, agro input and post-harvest management service providers.



Recommendations for the thriving pulses sector were highlighted, among them the need for road standardization and harmonization for transport efficiency, need to improve access to agricultural inputs and finance, enhancing market access

and pre- and post-harvest handling and the need to focus on product quality and provision of market information.

- Some of the risks foreseen by this group during EAGC project implementation included: Quality challenges for the kind of exports requested by Kenyan importers compared to the quality that Ethiopian exporters avail for the export market, pricing, and policy issues especially taxes and tariffs. To mitigate such risks strategies proposed included the need to facilitate public-private dialogue, B2B forums, and capacity building sessions on best practices in post-harvest management.
- Cross-border trade bottlenecks identified included taxes, tariffs, truck load limits, pricing issues, under-standardized warehouses, and bureaucracy. Proposed solutions by this group entailed facilitating dialogue among key stakeholders to improve service and transport efficiency.

Summary feedback from group 2: pulses exporters and importers

- On project responsiveness, pulses exporters agreed that the project addresses their needs by providing trade data for exports, facilitating export transactions and solving operational issues like containerization vs transportation in open trucks covered with canvas material, easing policies from both governments. Importers on the other hand agreed that the project will promote pulses trade and ensure high quality, address

financial challenges and production season issues, enhance communication between parties and reduce trade disruptions.

- Current successes that could be leveraged by this project as noted by exporters and importers include its focus on value-added products, efforts to stabilize high prices in trade processes, improving tax and tariff processes, while providing additional sources for importers.
- Recommendations for a thriving pulses subsector included the need to recognize the seasonality of different pulses, need to address insurance challenges and language barrier, streamlining the issuance of permits and reducing informal trade at ports.
- Some foreseen risks by exporters and importers during pulses trade and implementation of the project included payment terms, logistics, truck demurrage, transport costs, cargo safety, and high insurance premiums. To mitigate such risks, exporters and importers proposed establishing proper warehousing at ports, government involvement, and enhanced insurance and security measures.
- Cross-border trade bottlenecks identified included heavy involvement of middlemen and communication barriers, lack of export permits and insecurity issues and finally foreign exchange challenges.



Panel session to complement insights provided by break-out groups:

To crown the breakout sessions, the workshop hosted a panel session comprising of Mr Edao Abdi, the CEO of Edao International Trading Company Ltd in Ethiopia, Mr David Muriuki CEO of Soy Afric Kenya Ltd, Mr Endashaw Belachew, CEO of Belayneh Kinde import export Ethiopia and Mr Hidaya Mahmoud, CEO of Hijaz Supplied Ltd Kenya. The panel complemented insights from the breakout groups as follows:



Standards in trade. The panel session noted that importing country standards (Kenya) are prioritized in trade contracts to ensure compliance with necessary requirements.

Challenges in trading with Ethiopia such as bureaucracy. Traders face delays due to unexpected policy changes; for example, a Kenyan trader experienced a three-week delay due to unannounced directives.

- Publicity & trust. There is need for increased business-to-business interactions to build trust, as many Kenyan traders are hesitant to enter the Ethiopian market due to forex exchange and delayed payment processing between Kenyan and Ethiopian banks concerns.

- Price fluctuations. The fluctuating US dollar affects the affordability of Ethiopian goods compared to products from Tanzania or Uganda.
- Transport and logistics. Logistical problems at the Moyale border increase costs due to excess capacity for Ethiopian trucks which must offload commodity into 28MT trucks. Better coordination of commodity offloading was recommended to ensure Kenyan importers do not lose money to transport and logistics while Ethiopian exporters incur demurrage charges. The payment delays were noted as common, creating risks for exporters who sometimes deliver goods without upfront payment.
- Opportunities for Small Traders. There's growing demand for pulses such as yellow beans, primarily held by smaller Ethiopian traders. The EAGC was encouraged to assist these traders with necessary documentation for formal trade.
- Security concerns in the Amhara region complicate safe transportation
- Need for Coordination. Improved coordination between Kenyan and Ethiopian banks is essential for timely payments to avoid trade disruptions.
- Trust over standards. Building trust between trading partners is crucial for smooth transactions, helping to mitigate issues like currency fluctuations and logistical challenges. EAGC was called to encourage Know Your Customer (KYC) information sharing by profiling the exporters and importers
- Documentation of Export Import procedures for pulses trade between Kenya and Ethiopia was encouraged by the panelists.

Business to Business market linkages forum

The workshop featured a meeting where importers met with Ethiopian exporters a dedicated Business-to-Business meetings session. Pulses exporters presented samples of various types of pulses to the exporters. Intends to trade pulses valued at USD 6,000,000 were signed for immediate and near future pulses trade actualization.





Way forward and recommendations

1. To enhance trade between Kenya and Ethiopia, all stakeholders were encouraged to embrace the concept of return cargo and return trade. Kenyan businesses looking to purchase from Ethiopia should also explore opportunities to sell to the Ethiopian market.
2. There is need to establish sustainable trade relationships among the exporters and importers where each identified what they can supply or source while engaging in pulses trade.
3. Engagements among farmer cooperatives, service providers, exporters and importers was encouraged to strengthen the entire supply chain.
4. Ministries of Agriculture and Ministries of Trade were called to leverage the support and frameworks established during this three-year project to ensure continued growth and institutionalization beyond its conclusion.
5. Kenyan importers were invited to participate in field visits to Adama on September 25th to explore pulses trade opportunities further.

Annex 1: List of workshop participants

1. Yihenew Zewdie- AGRA Country Director, Ethiopia
2. Mr. Abera Mulat- Ministry of Agriculture (MoA) Senior Advisor
3. Chimdo Anchala (Phd)- Agricultural Transformation Institute (ATI) Senior Director
4. Furo Beketa- Oromia Seed Enterprise CEO
5. Sisay Asmare- Rib Industrial and Commercial Pvt.Ltd.Co. General Manager
6. Ato Nigatu Tolla- Marketing CEO at Ethiopian Cooperative Commission
7. Ato Ambayie Woldie- Head of Secretariat at Ethiopian Cooperative Commission
8. Askale Yeshitilla from Awash Bank, which is a private bank- facilitate loans
9. Tayech Petros- Market Development and Promotion Manager at EPOSEA
10. Jigsa Assefa- CRM- Cooperative Bank of Oromia, a private bank
11. Meseret Workie- General Manager from Amhara region Farmers' Cooperative Union
12. Edao Abdi- EPOSPEA President
13. Ziad Tahir- Edao International Trading Unit Quality Manager
14. Christopher Wahi - Nemuwa Cereals Trading Company, Director
15. Tujar Kassim - Soreti International Trading Senior Supervisor
16. Gena Kasim- Kadarika plc Gena farm Director
17. Zelalem Zemed- EPOSEA General Manager
18. Miriam Ndungwa- Spice World Ltd- Procurement Manager
19. David Muriuki- Soy Afric General Manager
20. Hidaye Mahmood- Hijaz CEO
21. Bisrat Ermias -AGRA Program Officer
22. Deriba Mekonnen- IDH Senior Program Manager
23. Endashaw Belachew- Belayneh Kinde import export CEO
24. Sisay Yohannes- Sidama Elto Multi-Purpose Union (Southern Nations)
25. Caroline Njeri- Soy Pro Limited Director
26. Berhe Assefa- Maymsham Trading P.L.C. Owner and General Manager
27. Tayachewu Abera- Rib Industrial and Commercial P.L.C.
28. Zebiba Seid- Federal Cooperative Commission
29. Leah Maina- Unga Holdings Supply Chain Manager
30. Haymanot Asfaw- Yohannes Import and Export Manager
31. Agazi Luel- Krotaj Tahini Manufacture COO
32. Biruk G/medhin- AGRA Communication Consultant
33. Yusuf Hassen- Ramiya P.L.C. Manager
34. Yeshak Gebretatios- Krotaj Tahini Plant Manager
35. Gerald Masila- EAGC CEO
36. Jacinta Mwau- EAGC Country Manager
37. Winnie Momanyi- EAGC Finance and Admin Manager
38. Faith Mutuku - EAGC Gsoko Trade Facilitation Officer
39. Hussien Ahmed- Soil and More General Manager
40. Tigist Mekonnen- Soil and More Project Lead
41. Rahma Yohannes- Soil and More Project Coordinator

Annex 2: Pictorial representation of the workshop

EAGC and EPOSEA MoU partnership signing ceremony

