



WEST AFRICA TRADE HUB

ANNUAL REPORT

October 2009 - September 2010



USAID
FROM THE AMERICAN PEOPLE

CARANA
CORPORATION

TABLE OF CONTENTS

ACRONYMS & ABBREVIATIONS	4
EXECUTIVE SUMMARY	6
BACKGROUND	9
INDICATORS	10
TRADE HUB ACTIVITIES JULY - SEPTEMBER 2010	15
PARTNERSHIPS TABLE	18
1. TRADE & INVESTMENT CAPACITY (BUSINESS).....	31
1.1. AGOA Services.....	33
1.2. Market Linkages.....	38
1.3. Sustainable Fish & Seafood.....	45
1.4. Cashew and the African Cashew Alliance (ACA)	50
1.4 Shea	59
1.5 Home Décor & Fashion Accessories.....	66
1.5. Apparel	72
1.6. Specialty Foods	76
2. FINANCIAL SERVICES	80
Access to Finance	80
3. TRANSPORT INFRASTRUCTURE.....	89
4. BUSINESS ENVIRONMENT	108
5. TELECOMMUNICATIONS INFRASTRUCTURE.....	115
ACTIVITIES PLANNED: OCTOBER – DECEMBER 2010	122
ATTACHMENTS	125
1. Trip reports	
2. Tradewinds Stories July–September 2010	
3. MOU for Benin eARC.....	
4. Global Trade Finance The New Frontier – Trade Hub Contribution.....	
5. NYIGF AfricaNow Directory.....	
6. VAO Product Development Presentation	
7. ACA Newsletter August 2010.....	
8. ACA Maputo Declaration.....	
9. Trade Hub/Ebenut/Food Research Institute MOU	

- 10. Exports, Employment and Incomes in West Africa
- 11. 12th IRTG report.....
- 12. 2nd Borderless Report - Joint Trade Hub/ALCO Road Harassment Report - Aug 2010
- 13. Ghana Truck Driver's Guide -.....
- 14. Compte rendu de l'atelier relative au 12th rapport.....
- 15. Ghana Axleweight Guide
- 16. ALCO Lagos Workshop Report for the Dissemination of the Results of OPA
- 17. Gap Analysis Country Report – Cote d' Ivoire
- 18. ECOWAS Customs Computer Systems Connectivity Project.....
- 19. Task Force Meeting Notes ECOWAS Connectivity Project March 2010.....
- 20. Experts Meeting Notes ECOWAS Connectivity Project July 2010
- 21. ICT Technology for Exporters Program
- 22. ICT Conference Presentations
- 23. Institutional Finance Report (Access to Finance)

ACRONYMS & ABBREVIATIONS

AATC	African American Trading Company
ACA	African Cashew Alliance
ACET	Associated Commodities Exporters and Traders
AGCI	African Global Competitiveness Initiative
AGOA	African Growth and Opportunity Act
AIMS	African Investors Management Services
ALCO	Abidjan Lagos Corridor Organization
ARC	AGOA Resource Center
ASEPEX	<i>Agence Sénégalaise de Promotion des Exportations</i> (Senegalese Export Promotion Agency)
BOI	Bank of Industry, Nigeria
CAADP	Comprehensive African Agricultural Development Program
CBC	<i>Conseil Burkinabè des Chargeurs</i> (Burkina Faso Shippers Council)
COCOBOD	Ghana Cocoa Board
COMESA	Common Market for Eastern and Southern Africa
COP	Chief of Party
CSO	Civil Society Organization
CY	calendar year
CET	Common External Tariff
DCA	Development Credit Authority
DFID	Department for International Development (U.K.)
DSI	<i>Département des Services Informatiques</i> (Information Services Department), UEMOA
ECOWAS	Economic Community of West African States
EDIF	Export Development and Investment Fund
EGAT	Economic Growth, Agriculture and Trade
ERC	export-ready company
EPA	Economic Partnership Agreement
ESE	European Seafood Exposition
ETLS	ECOWAS Trade Liberalization Scheme
FOB	free on board
FTA	free trade area
FY	fiscal year
FP	focal point
GAMA	Ghana Apparel Manufacturers' Association
GDA	Global Development Alliance
GSMA	Global System for Mobile Communications Association
GS2010	Global Shea 2010
GSP	General System of Preferences
GTZ	<i>Gesellschaft für Technische Zusammenarbeit</i> (German Development Corporation)
HACCP	Hazard Analysis and Critical Control Point
HTS	Harmonized Tariff Schedule

ICT	Information and Communication Technology
IESC	International Executive Service Corps
IFC	International Finance Corporation
ITU	International Telecommunications Union
IRTG	Improved Road Transport Governance
MCC	Millennium Challenge Corporation
MOU	Memorandum of Understanding
NEPAD	New Partnership for Africa's Development
NEPC	Nigerian Export Promotion Council
NGOs	non-governmental organizations
OPA	<i>Observatoire des Pratiques Anormales</i> (French name for IRTG initiative)
OPIC	Overseas Private Investment Corporation
PCV	Peace Corps Volunteer
PEFIB	Private ECOWAS Financial Improvements Board
PPP	public-private partnership
PSI	Presidential Special Initiative
ROPPA	<i>Réseau des organisations paysannes et des producteurs agricoles de l'Afrique de L'Ouest</i>
RRTC	Reduced Road Transport Costs
RTIS	regional trade information system
SAGIC	Senegal Accelerated Growth and Increased Competitiveness
SIAO	<i>Salon International de l'Artisanal de Ouagadougou</i>
SIDIM	<i>Salon International du Design d'Intérieur de Montréal</i>
SME	small and medium enterprise
SOW	scope of work
SPS	sanitary and phyto-sanitary
SSATP	Sub-Saharan Africa Transport Program
TIC	trade and investment capacity
TIFA	Trade and Investment Framework Agreement
UBA	United Bank for Africa Group
UEMOA	<i>Union Economique et Monétaire Ouest Africaine</i> (West African Economic and Monetary Union—WAEMU in English)
USAID	United States Agency for International Development
USG	United States Government
USTR	United States Trade Representative
WAEMU	<i>See UEMOA</i>
WACIP	West Africa Cotton Improvement Program
WAMI	West Africa Monetary Institute
WAMZ	West Africa Monetary Zone
WAML	West Africa Market Links, Ghana
WASSDA	West Africa Sustainable Seafood Development Alliance
WTO	World Trade Organization

EXECUTIVE SUMMARY

As the global economy began to recover, African economic growth seemed ready to stall but then continued its upward curve. Developing economies are now leading the global economic recovery, with forecasted growth rates of 5.7% to 6.2% from 2010 to 2012. The crisis revealed that Africa's economic development was more robust than previously estimated. The climate for business has turned a corner – although still far from ideal, the West African economy is fundamentally sound. Indeed, opportunities for growth abound and are key to the region's future. "The business sector is where the sustainability lies," said **Liberian** President Ellen Johnson Sirleaf at the United Nation's Millennium Development Summit in September.

Export-led economic growth remains the primary driving force for transforming West Africa's economy. A study sponsored by USAID's Trade Hub of four value chains (baskets, cashew, shea, wood products) shows the pathways of money into the region – and out of poverty for millions of West Africans. For every \$1,000 increase in sales of cashew, shea, handwoven baskets and wood artisanal products, hundreds of new jobs are created and thousands of dollars in new household income is generated in the communities where the activities occur. The potential is tremendous. Already, more than four million women collect shea nuts for export, more than 1.5 million farmers cultivate cashew and at least 10 million people in West Africa are involved in making handcrafts. But the study showed compellingly that the impacts go far beyond these workers – the money they earn is a tide that lifts all boats. They spend much of it locally, driving economic activity in their communities and regions. And new jobs transform lives. "Now I'm thinking about building my own house and opening my own business," said a new worker at an apparel factory in Tema, **Ghana**, which opened this year with technical assistance from USAID's Trade Hub.

The study makes a compelling case for increasing local processing of cashew, the primary objective of the African Cashew Alliance, co-founded by the Trade Hub in 2005 with private sector partners. Processing just one quarter of **Ghana's** exported raw cashew crop in 2006 would have increased household income by almost \$25 million – almost the value of the entire crop exported that year. A cashew processing factory in Dimbokro, **Côte d'Ivoire**, created hundreds of jobs, primarily for women. In interviews, people in the town said women now had less risky and more dignified options to earn money – prostitution has been virtually eliminated, they reported. That is the power of export-led economic growth: poverty in those **Ghanaian** communities would be significantly reduced; the impacts would be similar elsewhere.

The study also offers compelling new evidence for the Trade Hub's work to reduce the costs of transport in West Africa, which are among the highest in the world: A 10 percent decrease in transport costs would increase the price paid to shea nut collectors by 12 percent. In effect, the high costs of transport mean lower prices for producers of everything they produce, from rice to baskets. If farmers and other producers could obtain higher prices, they would produce more. Marketing is the best way to boost production – ensuring the food security of millions of West Africans.

In fiscal year (FY) 2010, USAID's Trade Hub facilitated over US\$12.3 million in exports, created 962 jobs (252 for women) and trained 2,112 people (787 women) in business skills. At 22 international trade events, 515 companies from 13 West African countries established almost 3,000 market linkages with professional buyers and industry resource people. Internationally recognized brands developed and managed by USAID's Trade Hub with key partners continue to drive awareness and leverage the relationships within and

beyond the industries they represent. FY 2010's business highlights include the third annual international conference for shea industry stakeholders in March, the opening of a new apparel factory in **Ghana** in May, the fifth annual African Cashew Alliance (ACA) conference in September, and the opening of three AGOA Resource Centers in **Benin, Cameroon** and **Mali** offering enhanced services to their respective business communities. New handcraft and specialty food products developed with technical assistance from USAID's Trade Hub impressed buyers throughout FY 2010, bringing new interest and new business to exporting companies.

As assisted export-ready companies grow and develop, their experience informs the project's component work in transportation, telecommunications, the business environment and finance. Each of these areas affects business across West Africa; the problems companies are facing increase costs and deter investment. Efforts to build alliances, a primary thrust of USAID's Trade Hub in addressing the fundamental obstacles to doing business, have made significant progress: As FY 2010 ended, an international shea alliance meeting was just days away and the foundations for a handcrafts alliance had been firmly laid.

Reducing transport costs remains a top priority for business in West Africa and USAID's Trade Hub. In FY 2010, transport stakeholders launched Borderless, an advocacy campaign to remove trade barriers across West Africa (see p. 89). The campaign gained international attention and has mobilized stakeholders across the region. A comprehensive study of transport costs (see p. 91) on one corridor led to a set of recommendations that, if implemented, could reduce costs by as much as half. Stakeholders are now discussing how to implement the recommendations. "We don't want this study to sleep in a drawer," one Burkinabe official said. "We need to see the recommendations actually implemented."

Concurrently, USAID's Trade Hub continues its close collaboration with UEMOA and USAID's Agribusiness and Trade Promotion project to raise awareness of road harassment – specifically, the bribes and delays which contribute to high transport costs. Over the last 12 months, marked declines in bribery and delays point to a new commitment among stakeholders to solve the problem. The World Bank-funded Abidjan-Lagos Corridor Organization (ALCO) also joined the partnership, which also includes ECOWAS, contributing its data to two new reports that were widely disseminated.

In FY 2010, the Business Environment component focused on gaps in the implementation of the ECOWAS Trade Liberalization Scheme, which – if uniformly implemented – would allow doing business in West Africa to be much more efficient and less costly (ETLS - see p. 108). Public and private stakeholders validated the studies and a roadmap for resolving the implementation problems can now be drafted with ECOWAS experts.

USAID's Trade Hub launched the second eBizBox technology initiative under the USAID-Intel Alliance, as new submarine cables cut the cost of internet access in half in **Ghana** during FY 2010 – all the more reason for exporting companies to use ICT to reach more clients, reduce their costs and build their brands. Exporters created websites and increased the visibility of their businesses, they said, by using the new package of hardware, software and internet connectivity solutions.

The business case for West Africa is positive. Exporters have weathered the worst economic storm in decades and have found their feet as the waves subside. Concrete solutions for reducing the costs of doing business in the region – which would decrease transport costs and delays and make the movement of goods and people more efficient – are being discussed and implemented. Technology for exporters is transforming their

business models, making them more competitive in world markets. And all of this is enticing banks and other financial services providers, including international investors. These are reasons for optimism – as are the impacts of increased income and new jobs for West Africa’s citizens.

BACKGROUND

USAID's West Africa Trade Hub was initiated in 2003 under the President's African Global Competitiveness Initiative (AGCI). The Trade Hub's overall goal is to help West African companies compete in international markets through direct technical assistance and expert consulting and by addressing barriers to trade that individual companies cannot overcome on their own, such as inefficient road transport and lack of access to finance.

USAID's Trade Hub uses a demand-driven approach to facilitating exports and strengthening value chains, working from the market backwards to identify how West African firms can improve their products and efficiencies to meet market requirements. By exposing firms to buyers and investors in global markets, the Trade Hub facilitates better understanding among West African firms of market requirements, and then provides technical assistance to help firms meet such requirements. Where constraints to competitiveness are not unique to one particular firm, the Trade Hub facilitates the formation and strengthening of industry clusters, alliances or trade associations that can address common constraints. In addition to enabling collaboration between industry leaders on initiatives such as joint marketing campaigns, these alliances and associations provide platforms for engagement with policymakers on issues of concern to the private sector. They also provide a platform for collaboration with related industries of critical importance to their success, including the financial services, telecommunications and transport logistics industries.

This report summarizes the work achieved in FY 2010 by USAID's Trade Hub teams working in five components: Trade and Investment Capacity (Business), Transportation Infrastructure, Financial Services, Business Environment and Telecommunications Infrastructure. While the Business component involves working directly with companies in specific value chains, the other components cut across the value chains.

A broad communications program supports the work of USAID's Trade Hub. The communications team produces marketing and branding materials, maintains nine websites, publishes a monthly newsletter, provides punctual assistance to client companies, and ensures that reports and materials are available in French and Portuguese.¹ This library can be found on the website www.watradehub.com.

¹ USAID's Trade Hub websites are www.watradehub.com, www.agoatoolkit.com, www.africa-now.org, www.africancashewalliance.org, www.financetrade.org, www.globalshea.com, www.tastafricanow.com, www.wassda.org and www.borderlesswa.com.

INDICATORS

Table 1: Performance Indicators

Indicator	Unit of measure	FY 2010 (Oct 2009 – Sep 2010)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
Trade and Investment Capacity							
Number of firms receiving capacity-building assistance to export from the Trade Hub	Number of firms	200	631	100+%	825	1,563	100+%
	Women owned firms	100	243	100+%	200	416	100+%
Number of Trade Hub supported capacity building events related to improving trade and attracting investments	Number of events	15	29	100+%	72	73	100+%
Number of participants in Trade Hub supported capacity building events related to improving trade or attracting investment	Number of people	1,000	2,112	100+%	3,400	5,978	100+%
	Number of women trained	500	787	100+%	1,000	1,650	100+%
Value of investments facilitated by the Trade Hub (USD) ²	Value of investments	\$4,000,000	\$15,787,928	100+%	14,000,000	22,291,856	100+%
Value of exports facilitated by the Trade Hub (USD)	Total value of exports ³	\$16,000,000	\$12,383,965	77%	\$62,000,000	\$60,040,944	97%
Number of jobs created attributable to Trade Hub	Number of jobs	1,000	962	96%	4,000	3,234	81%
Amount of private financing mobilized with a DCA guarantee	Value of financing with DCA	\$1,000,000	0	0%	\$4,000,000	\$350,000	9%

Table 1: Performance Indicators, continued

² Data for work plan indicators on the value of investments facilitated, new exports facilitated, and numbers of jobs created are collected from the export-ready companies the Trade Hub works with. The Trade Hub sends out questionnaires requesting information on indicators two weeks prior to the end of each quarter to all companies receiving technical assistance to collect data on investment, exports, and jobs, and reports on the total of their responses. The Business Technical Coordinators and the Monitoring and Evaluation Specialist save and file all information from individual companies and tally the information for reporting purposes. Further, the Trade Hub periodically validates the authenticity of data received from the responding companies by inspecting bills of lading for exports and conducting site visits to inspect new machinery purchased or new construction. Value of exports and investments are very conservative figures. They include products actually shipped to international buyers not pending sales and investments implemented not planned. All values are in U.S. Dollars.

³This value equals the total value of exports worldwide.

Indicator	Unit of measure	FY 2010 (Oct 2009 – Sep 2010)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
Transportation Infrastructure							
Has the government adopted improved transportation-related policies or plans this year as a result of USG assistance? ⁴	Yes/No	Yes	Yes	100%	Yes	Yes	100%
Number of people receiving Trade Hub supported training in transportation-related policy and regulatory practices	Number of people trained	2,500	8,519	100+%	8,500	18,731	100+%
	Number of women trained	25	270	100+%	90	552	100+%
Number of improved national transportation & logistics policies adopted this year as a result of Trade Hub assistance	Policy document	2	4	100+%	7	6	86%
Percentage annual reduction in the number of barriers along priority West African trucking corridors	Number of barriers/checkpoints	10%	8%	83%	27%	6%	22%
Percentage annual reduction in average transportation & logistics costs (direct & indirect) for key exports using priority West African trucking corridors	Percentage of cost	5%	3%	60%	16%	3%	19%
Business Environment							
Number of trade and investment enabling environment diagnostics conducted	Number of diagnostics conducted	15 ⁵	6	40%	17	7 ⁶	41%
Number of consultative processes with private sector as a result of Trade Hub assistance	Number of consultative processes	15	8	53%	63	24	38%
Year on year average of the reduction in the cost to import and reduction in the cost to export standardized goods	Reduction in import/export costs at borders	1% decrease	0%	0%	4% decrease	0%	0%
Number of ECOWAS capacity building activities	Number of activities	1	1	100%	4	1	25%
Finalization of the Common External Tariff	CET	CET Completed	No	0%	CET Completed	No	0%

⁴ On March 19, 2010 UEMOA Ministers of Transport adopted a new roadmap for implementing UEMOA's axle-load regulation N.14/2005/CM/UEMOA. This roadmap includes two articles which refer specifically to IRTG and the need to strengthen its work. IRTG project is also used to evaluate the effectiveness of the implementation of the axle-load regulations as weighbridges are often an additional source of bribery.

⁵ Although the target is set at 15, Trade Hub is currently not allowed to survey **Guinea**, and may in fact focus on the remaining countries with high traffic of regional trade.

⁶ The seven diagnostics conducted are: CET (1), Gap Analysis Overview (1), **Burkina Faso** report (1), **Ghana** report (1), **Nigeria** report (1), **Senegal** report (1) and **Cote d' Ivoire** report (1).

Table 1: Performance Indicators, continued

Indicator	Unit of measure	FY 2010 (Oct 2009 – Sep 2010)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
Financial Services							
<i>a. Mobile Banking</i>							
Number of legal barriers and gaps identified and options to overcome them	Number of gaps	2	0	0%	10	7	70%
Number of alliances established between the USG and private service providers	Number of signed MOUs	1	0	50%	4	2	50%
Number of countries that offer cross-border, cross-currency funds transfer services	Number of countries	1	0	0%	2	0	0%
<i>b. Access to Finance</i>							
Number of financial sector professionals trained on international standards this period with USG assistance	Number of participants	100	77	77%	310	139	45%
	Female participants	50	20	40%	150	31	21%
Do lending institutions access credit bureau reports as part of the credit investigation process? ⁷	Yes/No	Yes	No	N/A	Yes	No	N/A
Number of alliances established with banks	Number of signed MOUs	2	0	0%	6	1	17%
Number of new banking products and services established by allied banks ⁸	Number of products	2	0	0%	6	7	117%
Number of loans made by allied banks to client ERCs ⁹	Number of loans	35	9	26%	105	18	17%
Value of new loans made to ERCs	Value of loans	\$2,000,000	\$2,241,915	100+%	\$4m	\$4,610,387	100+%
Telecommunications Infrastructure¹⁰							
Number of companies utilizing ICT value-added services	Company	10	5	50%	25	5	20%
Number of new ICT value added products and services being used by businesses ¹¹	Product or service	30	6	20%	40	12	30%

⁷ Trade Hub is not working on credit bureaus under Fiscal Year 2010 due to limited funds.

⁸ Allied banks are banks that work frequently with the Trade Hub, and which have implemented financial products and services that enhance access to finance for export-ready companies.

⁹ Defined as loan funds disbursed to export-ready companies.

¹⁰ The Trade Hub reassessed current progress and strategy in the Telecommunications Infrastructure component. The result from this planning is reflected in the Trade Hub's FY 2010 work plan, with activities scheduled from January 2010 onwards.

Number of people trained in ICT value-added services ¹²	Number of people	150	215	143%	150	222	148%
	Number of Women	N/A	97	N/A	N/A	97	N/A

¹¹ To maintain a distinction between the use of free and purchased tools, and because of the difficulty tracking free tools usage, free tool uptake is not reported in the Trade Hub indicators “number of new ICT value added products and services being used by business” and the “number of companies utilizing ICT value-added services.”

¹² Providing 4 hours (half-day) or more of instruction to convey knowledge or impart training related to Trade Hub goals and objectives to relevant stakeholders.

Country Summary Table FY 2010 (October 2009-September 2010)

Country	Value of exports facilitated USD	# Trade Hub person trips ¹³	Value of investment facilitated USD	# Jobs added (# women)	Value of Inter-regional trade USD	# Companies received technical assistance (# women-owned)	TIC training (# women)	Transport Infrastructure: training (# women)
Benin	18,000	6	2,150	0	4,000	11 (4)	126 (27)	431 (22)
Burkina Faso	462,233	60	70,000	90 (86)	2,906,620	28 (9)	40 (4)	1,826 (42)
Cameroon	167,000	12	0	0	0	17 (4)	12 (4)	0
Cape Verde	0	3	0	0	0	14	94 (21)	0
Chad	0	0	0	0	0	0	0	0
Côte d'Ivoire	2,507,996	32	15,000,000	634	0	11 (4)	0	551 (22)
Gabon	0	4	0	0	0	5 (1)	123 (31)	0
Gambia	0	7	0	0	0	26 (15)	256 (157)	0
Ghana	4,641,167	35	662,098	91 (72)	741,063	201 (72)	582 (159)	1,234 (34)
Guinea	3,400,200	0	0	0	0	3 (1)	0	0
Guinea-	0	7	0	0	0	10 (1)	91 (12)	0
Liberia	0	3	0	0	0	0	60 (19)	0
Mali	1,029,582		5,000	12	0	206 (94)	370 (155)	2,262 (49)
Mauritania	0	2	0	0	0	10 (2)	30 (6)	0
Niger	0	0	0	0	0	0	0	0
Nigeria	32,840	16	16,280	110 (70)	0	36 (14)	67 (14)	138 (21)
São Tomé e Príncipe	0	0	0	0	0	0	0	0
Senegal	124,947	41	32,400	25 (24)	14,527	46 (21)	127 (127)	814 (49)
Sierra Leone	0	1	0	0	0	1	65 (16)	0
Togo	0	33	0	0	0	6	69 (35)	1,263 (31)
Total	USD 12,383,965	308	USD 15,787,928	962 (252)	USD3,666,210	631 (243)	2,112 (787)	8,519 (270)

¹³ During FY 2010 Trade Hub staff and consultants also traveled to countries outside West Africa, including Belgium, France, Germany, Kenya, Mozambique, Philippines, South Africa, Singapore, Turkey, United Kingdom and the U.S.

TRADE HUB ACTIVITIES JULY - SEPTEMBER 2010

Activity	Date	Location	Contact person
<i>Trade Investment Capacity</i>			
TIFA/Ambassador Marantis Visit	July 1	Accra, Ghana	Nathan Van Dusen, Hanna Amichia, Kafui Djonou
Textile Visa Follow-up and AGOA workplan	July 3 – 8	Dakar, Senegal	Abou Fall
Buyer Guide Update	July 7 – 29	Accra, Ghana	Joop de Voest, Jacques Betsy, Hanna Amichia
Survey on Wood Tracking	July 13 – 14	Accra, Ghana	Gustav Adu
Texworld Show and the Africa Fashion Week	July 13 – 15	New York	Elitza Barzakova
Procurement for Development Forum – "The Case for Better Shea"	July 15	London, U.K.	Peter Lovett
Product Development	July 17 – 22	Bamako, Mali	Elaine Bellezza
Trade Show Preparations	July 17 – August 4	Burkina Faso, Mali, Senegal	Elaine Bellezza
Textile Visa Arrangement	July 19 – 24	Monrovia, Liberia	Abou Fall
VAO Design Consultancy	July 31 – August 16	Ouagadougou, Burkina Faso	Frederic Alcantara
AGOA Forum	August 4 – 12	Kansas City	Roger Brou, Abou Fall, Elitza Barzakova
ONE Visit	August 12 – 13	Accra, Ghana	Nathan van Dusen, Emmanuel Odonkor, Hanna Amichia
Haggar Training for Trade Hub Consultant	August 12 – 13	Dallas	Jacques Betsy
New York International Gift Fair	August 14 – 19	New York	Elaine Bellezza, Elitza Barzakova
eARC Launch and assistance on Category 9 Certification	August 15 – 20	Cotonou, Benin	Abou Fall, Karen Radji
MAGIC Trade Show	August 16 – 19	Las Vegas, NV	Joop de Voest, Jacques Betsy, Jean-Pierre Rousseau
Ghana Shea Network Forum	August 18 – 21	Tamale, Ghana	Peter Lovett, Aaron Adu

Activity	Date	Location	Contact person
SIAO 2010 Preparations	August 30 – September 2	Ouagadougou, Burkina Faso	Elaine Bellezza, Joe Lamport
5th ACA Annual Conference	September 14 – 16	Maputo, Mozambique	Christian Dahm, Xénia Défontaine, Elitza Barzakova, Roger Brou
USTR Visit and AGOA Workshop	September 14 – 18	Monrovia, Liberia	Abou Fall
Procurement for Development Forum – 2nd Session	September 16	London, U.K.	Peter Lovett
USTR Visit and AGOA Workshop	September 18 – 23	Praia, Cape Verde	Abou Fall
GEPC Training	September 28	Accra, Ghana	Gustav Adu, Emmanuel Odonkor
HBA Global Expo Show	September 28 – 30	New York	Elitza Barzakova
Financial Services			
IFC training	July 1 – 4	Douala, Cameroon	Judd Welsh, Tidiane Traore
Negotiating Financing Mechanisms with EBID and BOAD	August 11 – 15	Lome, Togo	Roger Brou, Stephanie Diakite
ERC Financial Assessment	August 23 – 28	Monrovia, Liberia	Tidiane Traore
North West Cooperative Association Meeting	August 24	Douala, Cameroon	Judd Welsh, Serge Yudom
Transport Infrastructure			
IRTG Steering Committee	July 5 – 6	Dakar, Senegal	Niels Rasmussen, Jane Owiredu-Yeboah, Christel Annequin, Amadou Ba, Lacina Pakoun, Ryan Yingling
ALCO Grants Training	July 5 – 7	Cotonou, Benin	Jane Owiredu-Yeboah
Verification Tour	August 5 – 26	Burkina Faso, Ghana, Togo	Patrick Kpénou
MECAP Grants Training	August 22 – 24	Lomé, Togo	Jane Owiredu-Yeboah, Kwasi Osei-Kusi, Lacina Pakoun
Verification Tour	August 24 – September 21	Burkina Faso, Mali, Senegal	Seydou Ilboudo
Dissemination of the IRTG/ALCO Report	August 26	Cotonou, Benin	Niels Rasmussen, Kwasi Osei-Kusi

Activity	Date	Location	Contact person
CSOs Grants Training	August 30 – September 4	Dakar, Senegal	Jane Owiredu-Yeboah, Kwasi Osei-Kusi
IRTG Roadshows	September 4 – 24	Côte d'Ivoire, Mali, Senegal	Amadou Ba, Patrick Kpenou, Seydou Ilboudo
ALCO 2nd Joint Report Release	September 10 – 14	Lagos, Nigeria	Niels Rasmussen, Joe Lamport
CSOs Grants Training	September 12 – 16	Bamako, Mali	Jane Owiredu-Yeboah
RRTC Validation Workshop	September 29	Lomé, Togo	Christel Annequin, Afua Eshun
Business Environment			
ECOWAS/RTIS Meeting	July 23	Abuja, Nigeria	Ometere Omoluabi
ETLS Gap Analysis Validation Meetings with Stakeholders	August 17 – September 15	Burkina Faso, Côte d'Ivoire, Mali, Nigeria, Senegal	Ometere Omoluabi, Jane Owiredu-Yeboah
Telecommunications Infrastructure			
eBizBox II training: Basic Accounting using Excel	July 28	Accra, Ghana	Ben Coleman, Jade Ndiaye, Albert Biga, Nene Akwetey-Kodjoe
eBizBox II training: Online Marketing and Google Sites	August 11	Accra, Ghana	Ben Coleman, Albert Biga
eBizBox II training: Communication Efficiency	August 25	Accra, Ghana	Ben Coleman, Sokhna Seck, Albert Biga
eBizBox II training: Digital Image Management and Joining the Network Market	September 8	Accra, Ghana	Ben Coleman, Sokhna Seck, Megan Rhodes, Sandra Boateng
Technology for Exporters	September 28 – 29	Accra, Ghana	Ben Coleman, Sokhna Seck, Albert Biga, Christophe Bruyas, Nene Akwetey-Kudjoe, Antonina Bawuah, Vanessa Adams

PARTNERSHIPS TABLE

USAID's West Africa Trade Hub has partners around the world which represent virtually every aspect of business, including private companies, rural farmer cooperatives, government offices and civil society. From sharing information to advocating for policy changes, partnerships extend the impact of USAID's Trade Hub. These partners are often champions, the best examples of how business is done to create jobs and wealth across the region. Their success improves the livelihoods of thousands of farmers and laborers who provide and process the raw materials that ultimately end up on market shelves around the world. Through partnerships, USAID's Trade Hub connects global markets to West Africa and ensures that trade is a positive – and growing – force in West African communities.

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
AGOA Support Institutional Partners					
Chamber of Commerce and Industry	Benin	8 years	Increase AGOA awareness and promote exports	The institution has integrated the ARC into its action plan and has contributed to awareness and sensitization workshops and training.	MOU
Chamber of Commerce, Industry and Crafts	Burkina Faso	5 years	Increase AGOA awareness and promote exports	Strong relationship with the Trade Hub and the U.S. Embassy in promoting AGOA.	MOU
Chamber of Commerce, Industry and Mines	Cameroon	6 years	Increase AGOA awareness and promote exports	The institution has been very active despite financial constraints. Good relationship with the Trade Hub.	MOU
Cape Verde Investment Promotion Agency	Cape Verde	1 year	Increase AGOA awareness and promote exports	Strong relationship between the Trade Hub and U.S. Embassy.	MOU
Chamber of Commerce, Industry, Mines and Crafts	Chad	6 years	Increase AGOA awareness and promote exports	Weak	MOU
Chamber of Commerce	Gabon	3 years	Increase AGOA awareness and promote exports	Good working relationship with the U.S. Embassy.	MOU
Chamber of Commerce and Industry	Gambia	8 years	Increase AGOA awareness and promote exports	Good working relationship with the U.S. Embassy and the Trade Hub.	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
American Chamber of Commerce	Ghana	8 years	Increase AGOA awareness and promote exports	The institution has not been very active, essentially playing a referral role to the Trade Hub. Despite multiple attempts to re-energize the relationship, they are not responding accordingly. The objective is to collaborate with the Ministry of Trade and Industry (MOTI) to open a new ARC.	Verbal
Chamber of Commerce, Industry, Agriculture and Services (CACI)	Guinea-Bissau	4 years	Increase AGOA awareness and promote exports	Weak institution, the ARC Administrator is working for the Chamber on a voluntary basis. The ARC Administrator is quite dynamic but lacks the institutional support to do outreach activities.	MOU
Liberia Chamber of Commerce and Industry	Liberia	1 year	Increase AGOA awareness and promote exports	The heads of the institution are enthusiastic but may be limited in the short-term by financial constraints.	MOU
<i>Agence de Promotion des Investissements(API)</i>	Mali	7 months	Increase AGOA awareness and promote exports	Opened eARC with API, a public institution which is very dynamic.	MOU
Mauritanian Information Center for Economic and Technical Development	Mauritania	6 years	Increase AGOA awareness and promote exports	The relationship with the Trade Hub has been limited with the multiple changes in power and the fact that Mauritania is no longer benefiting from AGOA.	MOU
Bank of Industry (BOI)	Nigeria	1 year	Increase AGOA awareness, promote exports and expand access to finance	Newest institution to join the network and very strong partner to promote both AGOA-related activities and access to finance in Nigeria .	MOU
Chamber of Commerce, Industry, Agriculture and Services	Sao Tome e Principe	4 years	Increase AGOA awareness and promote exports	The institution is increasing its capacity to provide technical assistance (TA) to businesses as the ARC Administrator has been able to attend his first training. Limited, but growing relationship with the Trade Hub.	MOU
Senegalese Export Promotion Agency (ASEPEX)	Senegal	2 years	Increase AGOA awareness and promote exports	ASEPEX is one of the strongest partners of the Trade Hub and has co-sponsored several tradeshows with the Trade Hub.	MOU
Sierra Leone Chamber of Commerce, Industry and	Sierra Leone	8 years	Increase AGOA awareness and promote exports	The new leadership seems keen on promoting AGOA in Sierra Leone . The institution is weak due to limited	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Agriculture				financial resources, but is very much engaged with SLIEPA (Sierra Leone Investment and Export Promotion Agency) in promoting AGOA.	
Fish and Seafood Partnerships					
ASEPEX	Senegal	1 year	Facilitate sustainable seafood exports from Senegal	Help identifying buyers for Senegalese sustainable seafood products, with co-sponsors the American Chamber of Commerce Abroad (AMCHAMS) and the AGOA Committee.	Written
Commerce Ministry of Senegal	Senegal	1 year	Facilitate sustainable seafood exports from Senegal	AGOA Committee	Verbal
ENDA/Repao	Senegal	1 year	Sustainable seafood	Find markets for their sustainably harvested octopus.	Verbal
West Africa Sustainable Seafood Development Alliance (WASSDA) including its many members	West Africa	1 year	Sustainable Seafood	Website, blog, annual meeting	Formal/written
Wula Nafa	Senegal	1 year	Sustainable Seafood	Coordination with USAID coastal fisheries initiatives; advise on markets for their products	Verbal
World Wildlife Fund (WWF)	Gambia	1 year	Sustainable Seafood	Coordination with USAID coastal fisheries initiatives; MSC certification, advise on markets for their products	Verbal
Friends of the Sea	West Africa	3 months	Sustainable Seafood	WASSDA, find markets for their eco-labeled products.	Verbal
Department of Fisheries/ Senegal	Senegal	1 year	Sustainable Seafood	Find markets for their sustainably harvested fish and seafood.	Verbal
Fair-Fish	Senegal	1 year	Sustainable Seafood	Find markets for their certified products in Delta Saloum river in Senegal .	Verbal
Senegalese Fishermen	Senegal	1 year	Sustainable seafood	Train and organize fishermen association and help	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Organization (CONIPAS)				identify donors and partners.	
The West African Network of Journalist for Responsible Fisheries (REJEPRAO)	West Africa	1 year	Sustainable Seafood	Increase awareness with the public, decision makers and fishing industry representatives on the importance of sustainable fisheries and the role of ecosystem management.	Verbal
Wildlife Conservation Society (WCS)	West Africa	1 year	Sustainable Seafood	Help organize and promote a network for responsible fisheries in Gabon .	Verbal
PROFISH	West Africa	1 year	Sustainable Seafood	Find sustainable seafood products from West Africa for Dutch market.	Verbal
Marine Stewardship Council	Senegal, The Gambia	1 year	Sustainable Seafood	Help identifying key partners for certification of tuna in Senegal and sole in The Gambia .	Verbal
Cashew Sector Partnerships					
German Technical Cooperation – GTZ	Benin, Burkina Faso, Côte d'Ivoire, Ghana, and separately Nigeria	5 years	Increase cashew yields and quality	Sub-grant agreement and MOU signed	Sub-grant agreement and MOU
TechnoServe		5 years	Increase processing capacity	MOU signed	MOU
FairMatchSupport		3 years	Market linkages to specialty markets	MOU signed	MOU
Kraft Foods		5 years	Marketing cashew	In progress	MOU
Oltremare		3 years	Specialized cashew processing equipment and technology	In progress	Verbal
Global Trading		5 years	Technical support, information, investment facilitation	Executive Committee member	Founding member and MOU signatory
Olam		5 years+	Investments, technical support and information, budget support	Executive Committee member	Founding Member and MOU signatory

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Cashew International		5 years	Cashew sourcing	Ongoing	Verbal
Multi-national retailer (confidential)		2 year	Cashew sourcing, technical assistance	Ongoing	MOU
Shea					
Dutch Development Organization (SNV)	West Africa	4 years	Increase food security & rural livelihoods in the shea zone	Sponsor of two Global Shea events. Discussions towards formal partnership. Co-sponsor of Malian shea visit to Ghana	Verbal
Oxfam	Ghana	2 years	Advocacy to encourage empowerment of primary shea producers	Sponsors at Global Shea 2010 (GS2010). Review of advocacy project & invitations to present in Multi-Stakeholders Shea forums	Verbal
GTZ	Nigeria	1.5 years	Support primary producers of shea butter in Nigeria	Sponsor of two Global Shea events & collaboration on shea events in Nigeria	Verbal
INNOVKAR	West Africa	4 years	Shea R&D & dissemination of information in the industry	Letter written to director of Trade Hub to invite formalizing of partnership July 2008. Managed research breakout at GS2010	Verbal
Ecocert	West Africa	1.5 years	Certification of agribusinesses in West Africa	Sponsor of two Global Shea events & in depth provision of certification market information	Verbal
Center for International Forestry Research (CIFOR)	West Africa	1.5 years	Supporting projects that improve rural livelihoods of people utilizing tree crops	Gold Sponsor of Shea 2009	Verbal & contractual agreement on sponsorship
World Agro-Forestry Center (ICRAF)	West Africa	6 months	Supporting agroforestry research	Practical demonstration on grafting at GS2010	Verbal
Center for International Studies and Cooperation (CECI)	West Africa	1.5 years	Promoting trade in value added shea butter	Sponsor of GS2010, supported attendance at Shea 2009, exhibits on behalf of fair-trade producer groups at Supplier Days in U.S. Project proposal to develop regional shea markets.	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
<i>La Table Filière de Karité</i> (TFK)	Burkina Faso	1.5 years	Supporting Burkinabe Shea Industry	Collaborated along with U.S. Embassy & ONAC to host Shea 2009. Ongoing collaboration for SIKO 2011	Verbal
<i>Initiatives Intégrées pour la Croissance Economique au Mali</i> (IICEM - USAID project)	Mali	1.5 years	Development of Malian agribusinesses	Sponsor of two Global Shea events & assisting with introducing producer groups to visiting buyer	Verbal
<i>Projet Karité</i>	Mali	9 months	Supporting Malian shea Industry	Collaborated attendance & organizing two Global Shea events. Assisted with introducing producer groups to visiting buyer & trips to Ghana	Verbal
<i>Federation National du Karité</i> (FNK)	Mali	6 months	New Malian shea federation	Sponsor of GS2010	Verbal
<i>Project d'Appui aux Filières Agricoles</i> (PAFA)	Mali	6 months	Supporting Malian shea Industry	Sponsor of GS2010	Verbal
Peace Corps	Burkina Faso, Ghana, & Mali	4 years	Improving production & rural processing	Collaboration with training, providing technical assistance, outreach.	Verbal & written
KIT (Royal Tropical Institute, Netherlands)	Mali	3 months	Supporting Malian shea industry	Co-sponsor with SNV of Mali on preparations to visit Ghanaian shea industry.	Verbal
UNIDO	West Africa	6 months	Supporting women in shea industry	Sponsor of GS2010	Verbal
United Nations Development Fund (UNDP)	West Africa	3 months	Sustainable sourcing of shea	Discussions on certification of shea supply chains for their Green Commodities project.	Verbal
Aarhus Karlshamn (AAK)	West Africa	6 months	Largest private sector shea buyer	Sponsor of GS2010 & attendance at various roundtables.	Verbal
Wilmar	West Africa	6 months	3 rd largest private sector buyer	Sponsor of GS2010 & attendance at various roundtables.	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Body Shop International	West Africa	1.5 years	Retail brand of natural cosmetics	Sponsor of GS2010 & attendance at various roundtables.	Verbal
Department for International Development U.K. (DFID) & Procurement for Development (P4D) forum	West Africa	3 months	Forum of brands & retailers discussing sustainable sourcing	Invited USAID's Trade Hub to attend <i>Better Shea</i> forum at Chatham house & wrote supportive letter for shea alliance founders meeting.	Verbal & written
World Cocoa Foundation (WCF)	West Africa	6 months	Supporting sustainable cocoa industry	Discussions on alliance formation & agreement to present at October founders' meeting.	Verbal
Ghana Shea Network	Ghana	2 months	Supporting Ghanaian Shea industry	Invitation to attend & present at founders' meeting.	Verbal
Trade Right International (TRI)	West Africa	6 months	Supporting sustainable trade with U.K. & Africa	Discussions on alliance formation & agreement to attend October founders meeting.	Verbal
Manchester Trade	West Africa	1 year	Supporting sustainable trade with U.S. & Africa	Discussions on cocoa butter equivalents (CBEs) in U.S. confectionary.	Verbal
Engineers Without Borders (EWB)	West Africa	6 months	Supporting development in Africa	Analysis of shea sector in Ghana & identification of how government approved SADA program can link with & support Ghanaian shea industry.	Verbal
African Cashew Alliance (ACA)	West Africa	2 months	Supporting sustainable cashew industry	Discussions on alliance formation & agreement to present at October's founders meeting.	Verbal
Home Décor and Fashion Accessories					
<i>Salon International de l'Artisanal de Ouagadougou</i> (SIAO)	Burkina Faso	2 years	Collaboration at SIAO 2010 with sponsored trainings and buyer tours. Ongoing collaboration on helping SIAO develop a professional trade show component	Working to develop a highly visible professional trade show as a new component of the SIAO exhibition to international standards to bring a greater number of wholesale buyers to West Africa.	Letter of Collaboration
<i>Agence Sénégalaise de</i>	Senegal	1 year	Promote export ready companies	Looking at cost sharing arrangements for a number of	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
<i>Promotion des Exportations (ASEPEX)</i>			from Senegal and increase exports and trade	trade shows where there Senegalese companies will be participating as well as other market promotion activities.	
Ghana Export Promotion Council (GEPC)	Ghana	1 year	Collaborate on training sessions to increase awareness of new laws and compliance with them	Awareness of international laws concerning wood exports.	Verbal
Swahili Imports	West Africa	2 years	Promotion and collaboration with African companies under the AfricaNow! brand at various U.S. trade shows and website	Commercial and distribution partner under AfricaNow! brand with West African companies.	Verbal, possible written agreements with African businesses
Bamboula Ltd.	West Africa	2 years	Promotion and collaboration with African companies under the AfricaNow! brand at various U.S. trade shows and website	Commercial and distribution partner under AfricaNow! brand with West African companies.	Verbal, possible written agreements with African businesses
Tribalinks	West Africa	2 years	Promotion and collaboration with African companies under the AfricaNow! brand at various U.S. trade shows and website	Commercial and distribution partner under AfricaNow! brand with West African companies.	Verbal, possible written agreements with African businesses
Aid to Artisans, West Africa Cotton Improvement Program (WACIP)	Ghana	1 year	Collaboration at SIAO with trained artisans linking with Trade Hub-sponsored buyers	Share information with and about production enterprises in West Africa and buyer contacts.	Verbal
Peace Corps	Senegal	2 years	Technical assistance and mentoring to West African enterprises	Peace Corps Volunteers currently assist handcraft companies.	Verbal
Apparel					
Export Development and Investment Fund (EDIF)	Ghana	1 year	Increase exports and make apparel manufacturing sustainable in Ghana	Co-sponsored booths at MAGIC in August 2008. Discussing co-sponsoring booths at MAGIC 2010.	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Ghana Export Promotion Council	Ghana	3 years	Increase exports from Ghana	MOU written and approved for co-sponsored trade show participation in all sectors. Currently on hold due to lack of budget for trade show activities.	Verbal
Cloths Live	Ghana	2 months	Improve competitiveness of apparel manufacturers through trade and fashion shows	Co-sponsoring future Cloths Live trade show and trainings Sept. 2009 through 2010. MOU for Cloths Live show written, pending approval.	Verbal
Business Development Service Fund (BDSF)	Ghana	1 year	Identify consultant to provide technical assistance to improve management and technical expertise	Consultant identified. Proposal written and submitted for technical assistance. Currently on hold.	Service provider agreement for GAMA Verbal
Ghana Apparel Manufacturers Association (GAMA)	Ghana	2 years	Technical assistance of Ghanaian apparel manufacturers through increased sales and exports	Collaborated on writing proposal for technical assistance.	Verbal generally Service provider agreement
Transport Infrastructure					
Abidjan-Lagos Corridor Organization (ALCO)	Côte d'Ivoire, Ghana, Togo, Benin, Nigeria	1 year	Improve efficiency on the coastal corridor	Discussions underway on how to collaborate on coastal corridor.	Verbal
ECOWAS & UEMOA (regional organizations)	West Africa	5 years	Organize and participate in dissemination of IRTG findings to head of states and other high level decision makers	Participate in the monitoring of the project.	MOU
CBC, CCIM CCIT GSC (IRTG focal points)	Burkina Faso, Mali, Ghana, Togo	2-3 years	Reduce corruption in transport	Host the project at the national level, Organize data collection (collect questionnaires, computerize, verify and transmit data; facilitate outreach), Co-finance IRTG activities.	MOUs signed or in process

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
CCIM, CCIT, CCIB (Chambers of Commerce)	Burkina Faso, Mali, Togo	3 years	Improve efficiency in transport	Participate in diffusion of findings and provide feedback to the transport team on road harassment.	Verbal
DGTTM, DNTTMF, Ministries (national coordination/ government bodies)	Côte d'Ivoire, Burkina Faso, Ghana, Mali, Senegal, Togo	2-3 years	Coordinate efficient transport and trade in the region	Coordinate activities with other ministries; facilitate outreach.	Verbal
OTRAF, UNATROT, CMTR (transporters' unions)	Burkina Faso, Mali, Ghana, Togo	3 years	Reduce corruption in transport	Participation in IRTG advocacy activities at country level.	Verbal
Police Service, Customs, Gendarmerie (uniformed services)	Côte d'Ivoire, Burkina Faso, Ghana, Mali, Senegal, Togo	2-3 years	Good governance	Participating in one-on-one discussions and public meetings about IRTG reports to find solutions to road harassment.	Verbal
Private sector trucking companies	Burkina Faso, Ghana, Mali, Togo	9 months	Improve efficiency in transport	Developing a directory of formal-sector transport companies; some of whom have volunteered to collect data for IRTG.	Verbal
SIMPEXTO, SIMPEX, (importers' and exporters' unions);	Regional	3 years	Improve efficiency in transport	Participate in diffusion of findings and provide feedback to the project team on road harassment.	Verbal
UCRB, URT, SYNACOR	Regional	2-3 years	Improve efficiency in transport	Collect data, support IRTG team in mobilizing drivers	Verbal

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
(drivers' unions)				for training and sensitization sessions.	
Bollore Logistics Africa	Regional	6 months	Improve efficiency in transport	Participation in Reduced Road Transport Costs (RRTC) validation and review	Verbal
Maersk Shipping Line	Regional	1 year	Improve efficiency in transport	Participation in RRTC validation and review	Verbal
Access to Finance					
Bank of Industry	Nigeria	1 year	Training on Access to Finance	MOU Established for Access to Finance Desk in bank at AGOA Resource Center, Regular training to exporters	MOU
Ecobank Transnational Inc	West Africa	2 years	Financing under DCA guarantee	Has provided facilities to Trade Hub clients in Benin	MOU
UBA	Nigeria	1 year	Financing of agribusiness ERC	Central Bank of Nigeria (CBN) Agric fund manager	Verbal
<i>Banque Atlantique</i>	West Africa	TBD	Financing in Francophone West Africa	Partnership to be formalized	Verbal
Greylock Capital	West Africa	2 years	Provide debt or equity financing to ERC	Partnership to be formalized	MOU drafted
Makeda Fund	West Africa	TBD	Financing of woman-owned companies	Fund to be re-launched in FY 2011	Verbal
Root Capital	Ghana, Cameroon	3+ years	Financing of agribusiness ERC	Has provided facilities to Trade Hub clients in Ghana and Cameroon , ERC financing in process	Signatory of ACA MOU
International Finance Corporation (IFC)	West Africa	1 year	Train bankers and exporters, Provide guarantee under Global Trade Finance Program	Cooperation on joint training bankers and ERCs ongoing	Verbal, Working on MOU

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Bank Of Africa (BOA)	West Africa	2 years	Financing in Francophone West Africa	Has provided facilities to Trade Hub clients in Benin and Burkina Faso	Verbal
Attijari/ Compagnie bancaire de l'Afrique occidentale (CBAO)	West Africa	1 year	Financing in Francophone West Africa	Has substantial guarantee facility from DCA	Verbal
West African Development Bank (BOAD)	West Africa	1 year	Refinancing of commercial banks for Trade Hub sector lending	Two refinancing facilities being finalized for implementation in the UEMOA zone	MOU
ECOWAS Bank for Investment and Development (EBID)	West Africa	1 year	Financing of cashew processing facilities	One financing facility is being put into place	MOU
ICCO (Dutch NGO) and Oiocredit	Burkina Faso	1 year	Grants, financing and guarantees for shea, textile sectors	Joint involvement in on-going access to finance for shea processing development in Burkina Faso	Verbal
Making Finance (Work for Africa Secretariat MFW4A)	West Africa	1 year	Increase access to finance	Trade Hub will participate in MFW4A knowledge sharing and strategic thinking	Verbal
Funds for Africa Group of the African Development Bank	West Africa	1 year	Increase access to finance to members of the African diaspora and build financial services for micro-finance institutions	Trade Hub will source and framework applications for grants and lending	Verbal
Grassroots Business Fund	West Africa	1 year	Financing of export transactions	Has provided facilities to Trade Hub clients in Ghana ERC financing in process Maximum amount to be increased in FY 2011	Verbal
Telecommunications Infrastructure					
Intel Semi Conductor	U.S., West	2 years	Improve exporting companies'	Continuing cooperation to meet common objective,	MOU

Institution	Country	Duration	Common Objective	Status of Partnership, "What is New"	Type of Agreement
Limited	Africa		access to ICT	Intel has related relationship with USAID/Washington	
Esoko	Ghana	1 year 9 months	Using ICT to increase access to information and improve competitiveness of businesses	The Trade Hub plans to pilot Esoko's bulk SMS technology to announce SIAO training seminars to exporters	Verbal
Google Ghana	Ghana	1 year	Improve exporting companies' access to online business tools	Exploring ways to scale-up use of online tools such as Google Sites	Verbal
OpenEntry	U.S., West Africa	6 months	Increase traffic to online portal located at network.africancraft.com	The online portal is now available online at network.africancraft.com	SPA
AfricanCraft	U.S., West Africa	1 month	Increase traffic to online portal located at network.africancraft.com	The SPA was recently signed and AfricanCraft will be taking over management of the portal	SPA
Ghana -India Kofi Annan Centre for Excellence in ICT	Ghana	1 month	Providing targeted training to exporting companies	The Director-General chaired the recent Technology for Exporters conference	Verbal



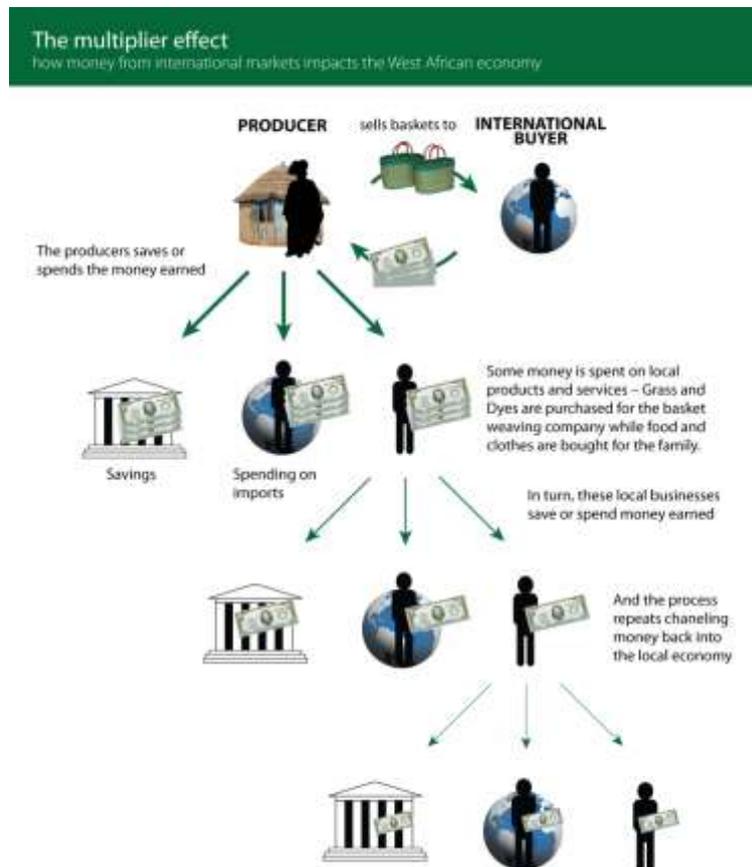
1. TRADE & INVESTMENT CAPACITY (BUSINESS)

During fiscal year 2010, USAID's Trade Hub's Trade & Investment Capacity (Business) component provided 631 companies with technical assistance (243 women-owned) and provided capacity building training to 2,112 people (787 women). Exports were USD 12.3 million from assisted firms. USAID's Trade Hub facilitated USD 3.6 million in regional trade and USD 15 million in investments, and companies receiving technical support and assistance created 962 (252 women) new jobs.

The business report is divided into AGOA and Market Linkages – cross-cutting services assisting all sectors – and industry-specific training, technical assistance to firms, activities and results in each of the value chains. Gantt charts elaborate specific business strategy and objectives and show progress to date.

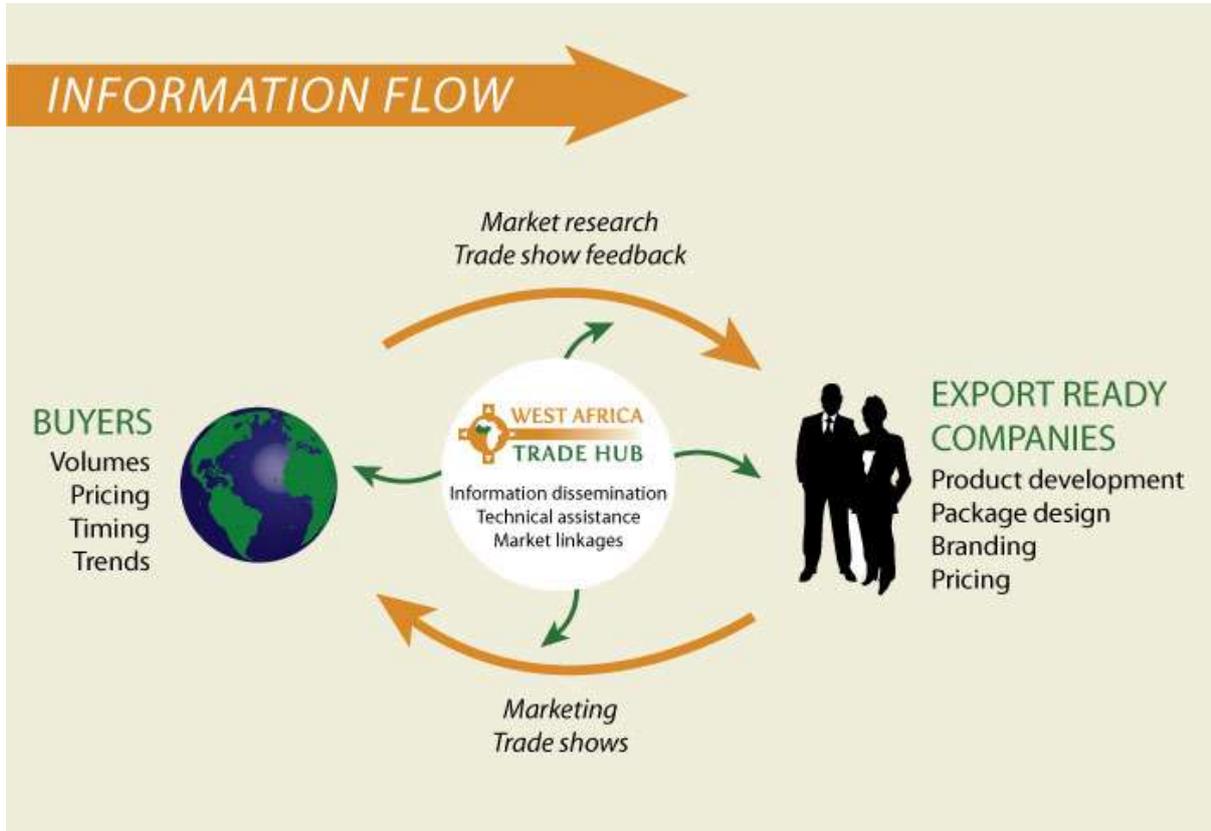
The Multiple Impacts of Increasing Exports

Economists generally agree that increasing exports leads to economic growth, creating jobs and increasing incomes. But how many jobs do increased exports create? And how much income do they generate? In FY2010, USAID's Trade Hub sponsored a multiplier effect study to evaluate the impacts of increasing exports from four sectors: cashew, handbaskets, shea and wood products. The study's preliminary results (a final study will be published in early FY2011) are compelling: increasing sales of these products by \$1,000 creates hundreds of jobs – from 100 in the case of wood products to 160 in the case of handbaskets – and generates hundreds to thousands of dollars in additional household income in the communities where these activities take place.



“Exports, Employment and Incomes in West Africa,” the draft study (Annex 10), was written by Dr. Daniel Bromley, distinguished Anderson-Bascom Professor of Applied Economics at the University of Wisconsin-Madison, in collaboration with economists at the University of Ghana and with data collection support from U.S. Peace Corps Volunteers. More detailed

preliminary results of the study appear in the cashew, handcrafts and shea sector reports in this section of the annual report.





1.1. AGOA Services

Overview

The African Growth and Opportunity Act (AGOA) provides duty-free and quota-free advantages to sub-Saharan African eligible countries on over 6,400 products. USAID's Trade Hub provides assistance in AGOA Services to Trade Support Institutions (TSIs) through the AGOA Resource Centers (ARCs), export-ready companies (ERCs), and governments on export procedures and documentation and at a higher level, export strategies to help countries take better advantage of AGOA.

In FY 2010, AGOA Services progressed in establishing a sustainability model for the ARCs as it launched enhanced ARCs (eARCs) in **Benin, Cameroon** and **Mali**. The eARCs offer additional resources and foster a stronger relationship between trade support institutions and USAID's Trade Hub, by accepting to integrate trade advisors, host institutions strengthen their capacities and lay the groundwork for a sustainable model to provide advisory services to ERCs.

In FY 2010, the ARCs in **Benin, Burkina Faso, Cameroon, Cape Verde, Gabon, Guinea-Bissau, Liberia, Mali, Mauritania** and **Nigeria** provided TA to over 1,526 stakeholders (250 women). Additionally, the eARC in **Nigeria** provided additional training on packaging, labeling, marketing, financing to 297 companies.

The AGOA Services component of USAID's West Africa Trade Hub enhanced the capacity of 26 customs officials from **Gabon** and **Liberia** to understand and effectively implement procedural systems to help ERCs take better advantage of AGOA. A notable success is the revision and signing of a new decree to ease procedures for administering the textile visa in **Senegal**.¹⁴ **Mali** is following suit and is revising its own procedures for textile visa administration.

From July to September 2010, AGOA Services focused on strengthening partnerships by networking with the United States Trade Representative (USTR) and African delegates at the 10th AGOA Forum, launched the fourth eARC in **Benin**, provided technical assistance to the Government of **Liberia** to draft its textile visa arrangement and the Government of **Benin** to finalize its Category 9 certification submission, and also worked with key public and private sector stakeholders in **Benin, Cape Verde, Liberia, and Senegal** to define national sector-specific export strategies.

Results

- USAID's Trade Hub participated in the 9th AGOA Forum in Washington, D.C., and Kansas City, Missouri, which provided an opportunity to discuss key issues with USTR, USAID officers, USAID sister projects such as COMPETE in East Africa, and several West African delegates who had received technical assistance. The forum also facilitated the building of new relationships with key women entrepreneurs through the African Women's Entrepreneurship Program (AWEP).
- USAID's Trade Hub launched its fourth eARC in Cotonou, **Benin**, at the Chamber of Commerce and Industry. U.S. Ambassador James Knight and **Benin's** Deputy Minister of Commerce Adam Ahanthede, officially opened the eARC. The new Trade Advisor will

¹⁴ The Textile Visa System is a set of regulations that AGOA-eligible countries must put into place in order to prevent illegal transshipment and take advantage of the duty-free advantages of AGOA. It is a requirement by the U.S. government.

work closely with **Benin's** export-ready companies to provide technical assistance on competitiveness issues, and with the **Benin** Government and AGOA National Committee to start defining and implementing national export strategies in the textiles and apparel, cashew, specialty foods and home décor sectors.

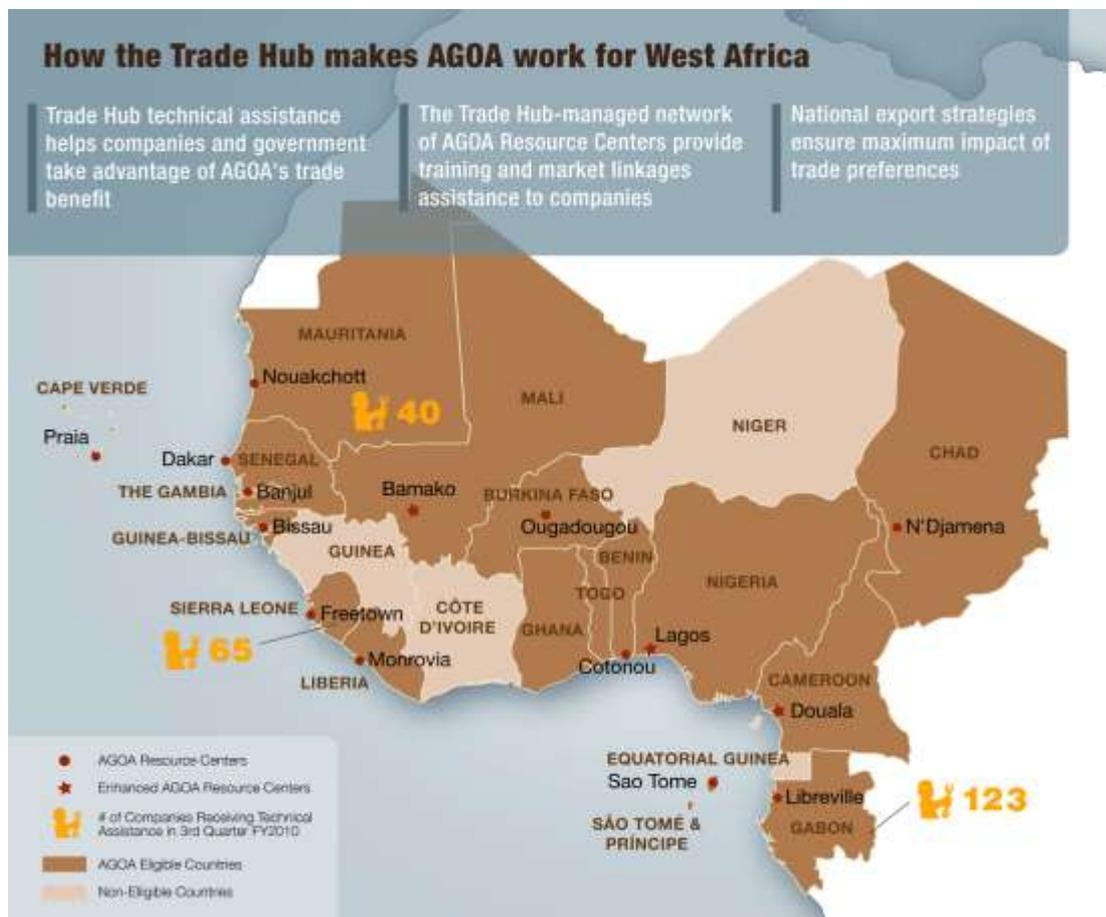
- USAID's Trade Hub participated in the National AGOA Roundtable organized by the Ghana Institute of Management and Public Affairs (GIMPA) Law School, the Leitner Center for International Law and Justice at Fordham University Law School in New York, and the Ghana Ministry of Trade and Industry. USAID's Trade Hub highlighted the necessity for **Ghana** to implement a national strategy to boost exports. The Ministry of Trade and Industry is currently drafting a national strategy and has stated that it will request input from the Trade Hub.
- The AGOA Services team provided technical assistance to the Government of **Benin** on its Category 9 certification submission.¹⁵ The Category 9 certification document was finalized, and the Government of **Benin** is currently compiling sample products, and will officially submit the document to the Committee for the Implementation of Textile Agreements (CITA) for approval.
- The AGOA Services Manager accompanied Deputy U.S. Trade Representative for Africa Connie Hamilton and USTR Director for African Affairs Laurie-Ann Agama to **Liberia** to provide technical assistance to the Government of **Liberia** on its textile visa system. Shortly after, a draft was informally circulated to USTR for comments, and the **Liberian** Government is currently amending its textile visa system and will resubmit officially to USTR for approval. The textile visa system will allow **Liberian** apparel companies to export duty-free under AGOA. While in **Liberia**, USAID's Trade Hub also conducted training on the textile visa administration to 13 officials from the Ministry of Commerce and Industry, customs officers and customs brokers, and held a workshop at the **Liberia** Chamber of Commerce where 47 participants (17 women) from the home décor, textiles/fashion, footwear, furniture, flowers, agro-processed food, and soap/cosmetics sectors attended.
- USAID's Trade Hub accompanied Deputy U.S. Trade Representative for Africa Connie Hamilton and USTR Director for African Affairs Laurie-Ann Agama to **Cape Verde** and held an AGOA workshop organized by the **Cape Verdean** Investment Promotion Agency, involving 25 participants. **Cape Verde's** export potential is still low since the number of products and volumes are small. With the **Cape Verdean** Investment Promotion Agency, the objective is to focus on niche markets for coffee and provide technical assistance to selected **Cape Verdean** ERCs in select sectors.
- From July through September 2010, ARCs in **Benin, Cameroon, Chad, Guinea-Bissau, Liberia, Mali** and **Nigeria** provided technical assistance to 784 public sector officials and companies (85 women), and the eARC **Nigeria** provided training on packaging, labeling, financing and marketing to 117 companies.

Analysis

This quarter marked the 10th anniversary of the AGOA legislation, which was celebrated at the AGOA Forum held in Washington, D.C., and Kansas City. The AGOA Forum is the

¹⁵ The Category 9 certification is a catalogue of hand-woven fabric and articles made from hand-woven fabric, folkloric articles and ethnic printed fabric from an AGOA-eligible country, and is a requirement by the U.S. Government in order to grant duty-free access under AGOA. The process requires making an official submission to the U.S. government through the Committee for the Implementation of Textile Agreements (CITA), under the Office of Textiles and Apparel, Department of Commerce, and getting a formal approval.

highest level discussion platform between the U.S. Government and sub-Saharan African (SSA) countries on trade and investment. This year's forum focused on new strategies for expanding U.S.-SSA trade, and included a private sector forum in Kansas City to provide networking opportunities between U.S. and African companies.



U.S. imports from SSA increased by 70 percent to \$31.9 billion in the first half of 2010 compared to the same period in 2009 and AGOA imports reached \$22.4 billion, 67 percent more than in the same period in 2009, mainly due to a 77 percent increase in petroleum product imports. The percentage share of non-oil products, \$1.6 billion, increased by just one percent as compared to the first six months in 2009; the textiles and apparel sector decreased by 34 percent, mainly driven by Madagascar losing its AGOA eligibility in 2010.

Despite the growth, policy dialogue at the AGOA Forum clearly showed the necessity for SSA countries to refocus their strategies to expand product offerings and address supply-side constraints. USAID's Trade Hub's AGOA Services has focused on the soft infrastructural issues with countries such as **Gabon**, **Liberia**, and **Senegal** to effectively implement procedural systems to facilitate exports under AGOA, enhance the capacity of Trade Support Institutions in **Benin**, **Cameroon**, **Mali** and **Nigeria** to increase the export capacity of ERCs, and push countries such as **Burkina Faso**, **Ghana** and **Sierra Leone**, to define and implement their own export strategies.

In light of the progress registered, USAID's Trade Hub will continue to work aggressively with countries with enhanced AGOA Resource Centers to identify more ERCs and hold stakeholder meetings to define and start implementing sector-specific export strategies to boost exports under AGOA. The lessons learned from this process can be extended to other countries that show interest and commitment to this process.



SUCCESS STORY

Enhanced AGOA resource centers help business increase trade

Enhanced AGOA Resource Centers with dedicated staff help business take advantage of AGOA's benefits.



U.S. Ambassador Gillian Milovanovic inaugurated an enhanced AGOA Resource Center in Mali in March. It was one of three eARCs USAID's Trade Hub opened in FY 2010, making AGOA work for businesses across West Africa.

AGOA makes West African products more competitive in world markets. USAID's Trade Hub helps companies take advantage of AGOA, creating jobs and lifting incomes.

For 10 years, the Africa Growth and Opportunity Act has opened up a world of trade opportunities for eligible African countries. Technical assistance at AGOA Resource Centers in West Africa puts the Act's benefits into action for business. In Benin, Cameroon, Mali and Nigeria, USAID's West Africa Trade Hub is collaborating with host institutions to offer enhanced services to local exporters.

"AGOA has been a success," said Rosa Whitaker, who served as the first Assistant U.S. Trade Representative for Africa. "It has created thousands of jobs in Africa."

Local institutions with strong commitments to host-country exporters house the new centers. Their new centers provide information on competing in international markets and full-time trade advisors trained by USAID's Trade Hub offer counsel – making business deals easier.

"We can use AGOA to increase the competitiveness of our processed agricultural products," said Sakoma Keita, general manager of Group Agridef in Mali. His company produces processed tomatoes, mangoes, potatoes and onions.

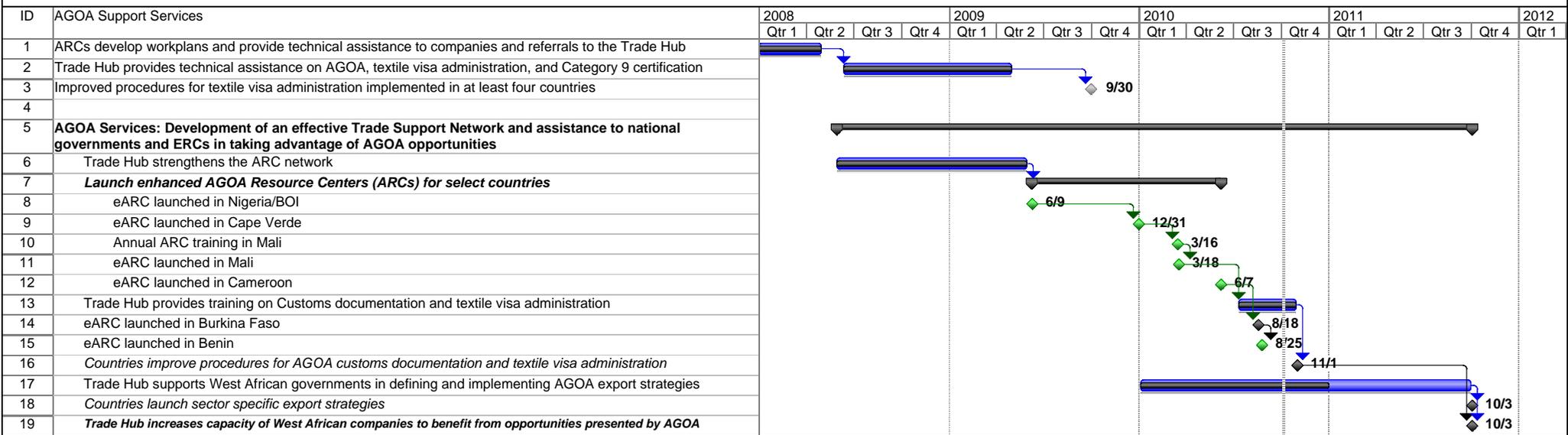
"AGOA has a positive impact on farmers," he said. "If we can export processed tomatoes to the world, it creates a stable market for the tomatoes that they cannot sell on the local market."

The resource centers are also helping officials develop national export strategies. A successful export strategy encourages public and private sectors to work together to expand exports.

"Enhanced ARCs connect businesses to local experts at the host institution and to experts at USAID's Trade Hub," explained Abou Fall, the AGOA Services Manager at USAID's Trade Hub. "The combination builds institutional capacity, making the gains sustainable as well as profitable. And it helps business export successfully."

Joe Lampert/West Africa Trade Hub

AGOA Services Gantt Chart



Project: Trade Hub AGOA gantt chart 0
Date: Tue 10/5/10

Task		Summary		Rolled Up Progress		Project Summary	
Progress		Rolled Up Task		Split		Group By Summary	
Milestone		Rolled Up Milestone		External Tasks		Deadline	



1.2. Market Linkages

Introduction

Connecting producers in West Africa to buyers in world markets is a key feature of USAID's Trade Hub's approach to increase export-led growth. Efforts to make these connections permeate virtually every aspect of its work and is not exclusively an enterprise development activity, although it most explicitly occurs within this component. To build market linkages, the Trade Hub helps West African companies participate in international trade shows; facilitates direct contact between producers and buyers, including buyer tours of the region; and, organizes business-to-business forums at sector conferences and workshops. West African companies can successfully compete in world markets if they understand the opportunities and the requirements for products in those markets and if buyers in those markets are interested in their products.

Initiatives and Results

- In FY 2010, the Trade Hub provided assistance (financial or technical) to 515 companies (41 women-owned) in 22 trade events, and created 2,817 direct links to buyers - more than doubling the number of linkages in FY 2009. The Trade Hub facilitated business deals, resulting in \$12.3 million in total exports.
- The Trade Hub launched a European marketing strategy in four sectors, with new attendance at three trade shows in Germany and France. Europe is a logical trade market for West Africa due to its population of 600 million (almost double that of the U.S.), solid middle class with good purchasing power, more familiarity with fair trade and sustainability concepts than U.S. consumers, and proximity to Africa. Exporters have begun developing their network of contacts at the first three shows, and the first orders are trickling in. Demand to return in FY 2011 with expanded pavilions is very strong.
- In the course of the last year, the Market Linkages team found that trade opportunities improve when importers can link to larger retailers. In cases where the retailer does not want to source directly from Africa, and prefers to go via an importer of African products, the Hub has been able to facilitate a number of importer-retailer linkages. This is beneficial to the exporters, who can focus on production and leave importing, warehousing, and distributing to the importers.
- The Market Linkages team is assisting the Home Décor and Shea sectors in establishing industry alliances. Alliances will provide a platform for advocating to governments on behalf of the industry, supporting suppliers through continued product development and training, and inviting the buyers to participate in the development process – both technically and financially. The Market Linkages team is researching and preparing alliance guidelines and standards to respond to stakeholder demand. In the longer-term, alliances will contribute to making the Trade Hub's work sustainable.
- Specific sector marketing strategies have evolved:
 - The African Cashew Alliance (ACA), responding to buyer demand to certify the quality and safety of African products, is working towards adopting a standard and consequently a brand that would identify compliant products on the packaging of well-known retail brands. The retail brands are beginning to promote these quality and sustainability standards, their involvement in the ACA (and its partner Africa Cashew Initiative project) and the origin of the cashews, via their own marketing channels.

- The Specialty Foods sector is forging a closer partnership with the Association of African Food Exporters (AAFEX). AAFEX was one of the co-sponsors of the 29-booth Taste of Africa Pavilion at the Fancy Food Show in June 2010, along with the Southern Africa Trade Hub and COMPETE. In the next FY, AAFEX and the Hub will share a 17-booth pavilion at SIAL, a major European food show, and will begin discussions for transferring the Taste of Africa brand to AAFEX, assuring its sustainability beyond the Trade Hub's project cycle.



- Home Décor & Fashion Accessories enjoyed high visibility for USAID's Trade Hub AfricaNow! pavilion at trade shows, linking up to major retailers and catalogs, and facilitating buyer trips for major retailers and importers to West Africa. In order to foster a closer working relationship with U.S.-based importers, USAID's Trade Hub will sponsor booth space and buyer trips for importer affiliates at the New York International Gift Fair. Affiliates will also play a critical role in the founding and support of an AfricaNow! alliance, planned for next year.
- The Shea sector launched the Global Shea brand at trade events this year, including first appearances at the In-Cosmetics show and the New York Cosmetic Chemists Suppliers' Day (NYCCS). At NYCCS, West African firms experienced lack of on-the-spot orders compared to previous shows. This may be a result of

the global economic downturn requiring a long-term approach prior to making a purchase (lab test, sample orders etc.) or the show may be shifting to limited purchases from well-established finished product exporters, in which case West African shea exporters would have more potential to target the bulk market or focus on private label orders. USAID's Trade Hub is refining strategies for NYSCC.

- West African companies participated in the summer and winter segments of the MAGIC Apparel Show, in Las Vegas, Nevada with a redesigned pavilion, unveiled at the winter show. It proved to be an astounding success, helping draw buyers to the Source Africa brand. For the summer show, the team worked with the Southern Africa Trade Hub to increase the visibility of the brand. Source Africa is well-known amongst MAGIC organizers, and repeat buyers recognize the brand. By increasing its visibility, the Hub is able to capitalize on the brand recognition and attract buyers to the pavilion. Marketing innovations included the launching of a website, www.sourceafricanow.com, and the printing of visible, high quality graphics.

Analysis

The U.S. market outlook continues to be uncertain, despite reports of small spikes in consumer spending, thousands of new U.S. jobs, and improved sales figures compared to one year ago. The continued weakness of the U.S. economy has implications for retail and marketing strategies – the focus of buyers is on lowering prices and stocking a larger proportion of products at the lower end of the price range. This trend is reflected in the home goods, apparel, cosmetics and food industries, as retailers make improvements and increase product selection under their own cheaper brands, and consumers see less reason to pay more for what is virtually the same product. “Brick-and-mortar” store shopping is also on a decline, as consumers increasingly turn to the internet for better prices, and brands are increasingly relying on internet-based social media outlets for low-cost advertising.

At the same time, U.S. and European consumers' awareness of the sustainability and health implications of their purchasing choices is at an all-time high. Natural, organic and fair trade products are in high demand. These choices often come with a higher price tag, but consumers' generally lower purchasing power in the last couple of years has led retailers to make sustainable and healthy products available at a more mass-market level. The African cashew sector has been able to capitalize on these trends, and has started production on a short documentary to raise awareness of the cashews' origin and sustainability, which will be distributed primarily via internet and social media channels. The ACA is also finalizing a food safety certification plan that will offer a healthy and sustainable snack product destined for mass and private label markets.

Demand for natural and organic products is strongest in the food and cosmetics industries, and both offer an abundant and exotic supply from Africa: naturally dried mango, organic shea body butters and lip balms, anti-oxidant-rich baobab juices and jams, new grains and cereals, teas, oils and spices from the new super-food, Moringa.¹⁷ West African companies are well-poised to take advantage of these trends, but will need to improve packaging designs and increase product development to compete in the retail market. High prices also remain a challenge, and may be even more so in 2011: General Mills, the world's sixth largest food company, expects raw material prices to rise by 4-5% next year.¹⁸

¹⁷ National Geographic featured an article on the baobab fruit's amazing properties in September 2010.

¹⁸ The Economist, September 25, 2010

Sustainability is also a major theme in the founding of the Global Shea Alliance. Buyers around the world are increasingly responding to market demand and looking to provide a sustainable product. Hundreds of them flock to industry events like the Sustainable Cosmetics Summit to learn about sustainable sourcing strategies and natural formulation. For shea to capitalize on this new interest, the industry will have to come together in support of the entire value chain, down to the four million women pickers who make up its base.

A Home Décor sector alliance will boost the visibility of sustainable handmade products through a common marketing strategy and will channel investment funding back to the producer workshops, focusing on product design and more efficient production systems in order to keep products and prices at internationally competitive levels. The markets for home décor and accessories are increasingly pushing for shorter order cycles (up to 16 per year!), lower prices, and higher quality – while West African suppliers struggle to launch one new product collection per year and require lead times of six-to-nine months due to slow production systems and inefficient equipment.

FY 2010 ends on a positive note for the West African apparel industry. Rising labor prices and political and social uncertainty in Asia are leading buyers to diversify their apparel sourcing strategies and seriously consider Africa as a sourcing base. For example, in July 2010 Bangladesh's labor ministry formally announced that the minimum wage for its garment workers would be doubled to almost \$50/month. Rising wages are also increasing the cost of manufacturing. Considering that the **Ghanaian** minimum wage is around \$50/month, this significantly reduces the gap in competitiveness between the two countries, and offers opportunities to investors and buyers looking to source closer to their markets. USAID's Trade Hub is well poised to help apparel companies respond to the changing world landscape.



AfricaNow! helped West African exporters exhibit at international trade shows throughout the year

FY 2010 International Trade Shows and Conferences

Sector	Trade Event	# Participating companies (women-owned)	Countries participating	# Buyer linkages
Apparel	MAGIC Las Vegas (February)	1 (1)	Cameroon	30
Apparel	B2B Apparel & Textiles Cape Town (April)	4 (2)	Ghana, Cameroon	25
Apparel	MAGIC Las Vegas (August)	6 (3)	Ghana, Cameroon	15
Apparel	Sustainable Sourcing Forum, New York (March)	Trade Hub	-	22
Cashews	Peanut and Tree Nut Processors Association Convention & Trade Show, U.S. (January)	ACA, Trade Hub	-	20
Cashews	Africa Cashew Alliance Annual Conference, Mozambique (September)	138 (2)	Benin, Burkina Faso, Côte d'Ivoire, Gambia Ghana, Guinea-Bissau, Nigeria, Senegal¹⁹	180
Fish & Seafood	Sustainable Seafood Summit, Barcelona (January)	WASSDA	-	2
Fish & Seafood	International Boston Seafood Show (March)	WASSDA	-	12
Fish & Seafood	European Seafood Expo, Brussels (April)	WASSDA	-	37
Home Décor & Fashion Accessories	California Gift Show (January)	3 (1)	Gambia, Mali	20
Home Décor & Fashion Accessories	New York International Gift Fair (February)	14 (6)	Burkina Faso, Ghana, Mali, Togo	168
Home Décor & Fashion Accessories	Ambiente Consumer Goods Show, Paris (February)	7 (3)	Ghana, Burkina Faso, Mali, Senegal	100
Home Décor & Fashion Accessories	International Contemporary Furniture Fair, New York (May)	3 (3)	Mali, Senegal	111
Home Décor & Fashion	New York International Gift Fair (August)	6 (3)	Burkina Faso, Ghana, Senegal	179

¹⁹ Also from Africa: Kenya, Mozambique, South Africa, and Tanzania. Non African countries: Brazil, France, Germany, Holland India, Italy, Jordan, Lithuania, Singapore, Spain, and U.S.

Sector	Trade Event	# Participating companies (women-owned)	Countries participating	# Buyer linkages
Accessories				
Shea	Cosmetic Chemists Suppliers Day, Long Beach (October 2009)	3 (2)	Benin, Ghana, Nigeria	201
Shea	Global Shea 2010 Conference, Mali (March)	106 (32)	Benin, Burkina Faso, Cote d'Ivoire, Mali, Nigeria, Senegal	213
Shea	Sustainable Cosmetics Summit, New York (March)	Trade Hub	-	27
Shea	In-Cosmetics, Paris (April)	4 (3)	Benin, Ghana, Senegal	350
Shea	Cosmetic Chemists Suppliers' Day New Jersey (May)	4 (2)	Ghana, Nigeria, Burkina Faso	350
Specialty Foods (& Cashew)	ANUGA Food Show Germany	6 (1)	Cameroon, Ghana, Guinea-Bissau, Nigeria	130
Specialty Foods (& Cashew)	Association of Food Industries Conference Tampa, Florida	ACA, Trade Hub	-	10
Specialty Foods (& Cashew)	Fancy Food Show, New York	16 (9)	Burkina, Cameroon, Cape Verde, The Gambia, Ghana, Mali, Senegal	615
Total	22 Trade Events	515 companies (71 women-owned)	13 WA countries	2,817 Buyer linkages

Trade Hub Brands (*bold type indicates a new initiative in FY 2010*)

Brand	Sector	Trade Shows	Website
	Home Décor & Fashion Accessories	New York International Gift Fair, California Gift Show, International Contemporary Furniture Fair, Ambiente (Germany)	www.africa-now.org
	Specialty Foods	Anuga (Germany) , Fancy Food Show	www.tasteafricanow.com
	Shea	Shea 2010 Conference, California & New York Cosmetic Chemists Suppliers Days, In-Cosmetics (Paris)	www.globalshea.com
	Apparel	MAGIC, South Africa Fashion Week B2B	www.sourceafricanow.com
	Cashews	Anuga (Germany) , Fancy Food Show, Annual Conference, ACA	www.africancashewalliance.com



1.3. Sustainable Fish & Seafood

Overview

Fish stocks around the world have declined sharply in the last decade, making sustainable practices imperative to the industry. USAID's Trade Hub has conducted an Initial Environmental Evaluation and implemented a variety of measures that make sustainable practices a *sine qua non* of assisted exporting companies. Overfishing of stocks in West African waters needs to be urgently addressed – and market demand has a critical role to play in preserving the stocks and creating sustainable sourcing practices. The stakeholders throughout the fisheries value chain need to be engaged in this change—from the artisanal fisherman, to local governmental agencies, to international sourcing agents, to retailers worldwide.

USAID's Trade Hub co-founded the West African Sustainable Seafood Development Alliance (WASSDA) to bring stakeholders together to promote sustainability, connect companies selling sustainable fish and seafood products to markets and serve as a platform for collaboration and information sharing. In FY 2010, WASSDA's work grew as collaboration intensified among stakeholders. WASSDA – representing sustainable fish & seafood in West Africa – identifies and links buyers to West African companies that engage in sustainable practices. Demand for sustainable fish and seafood is great, and interest in WASSDA among international buyers is growing.



Fishermen at the port of Nouhadibou, Mauritania

Results

Comprehensive assessment of impacts completed

In FY 2010, USAID's Trade Hub completed an Initial Environmental Evaluation for its work in the fish and seafood sector. The assessment outlined key measures to mitigate the impacts of increasing exports from the industry in West Africa. These measures are applied to ensure that sustainable practices are a condition for assistance.

International trade shows connect sustainable seafood to market

At international trade shows and sustainable fisheries conferences in FY 2010 in Boston, Brussels and Paris, USAID's Trade Hub connected companies engaging in sustainable practices to professional buyers seeking their products. The WASSDA brand improved the visibility of Trade Hub-assisted companies. Buyers, particularly in Europe, expressed great interest in sustainably sourced fish and seafood.

Building the WASSDA network

In FY 2010, USAID's Trade Hub re-launched WASSDA's website and the Sustainable Fish & Seafood team focused on building relationships with stakeholder members. USAID fish and seafood projects in **Gabon**, **The Gambia** and **Senegal** were connected to the network and

linked to partners, including buyers, NGOs, and public and private sector stakeholders across the industry. The Sustainable Fish & Seafood team facilitated activities to leverage the WASSDA network:

- Mr. Ousmane Drammeh of USAID's Ba Nafa project visited the [WWF Kayar/Senegal Project](#) in order to learn its best practices and implement similar practices in **The Gambia**. The Kayar project is an initiative by local fishermen to improve the marine environment and to regulate fishing efforts.
- Dr. Niamadio of the World Wildlife Fund (WWF) **Senegal** discussed organizing training on quality systems and traceability for sustainable fisheries projects in the sub-region and to assess collaboration on market linkages. Dr. Niamadio met with USAID's Trade Hub during the last European Seafood Summit.
- The team worked with the U.S. Embassy in **Gabon** to form a platform to assist **Gabonese** stakeholders in creating a sustainable fisheries policy.
- USAID's Trade Hub worked with the **Senegalese** Export Promotion Agency (ASEPEX) and the **Senegalese** Department of Fisheries to plan a workshop on the challenges and opportunities of sustainable fisheries in West Africa at the national or sub-regional level, to take place next FY.
- Mr. Bilo Heinzpeter of [Fair-Fish](#), a WASSDA member, requested USAID's Trade Hub-guidance to identify partners for its sustainable fishing project in the Saloum River Delta in **Senegal**. Fair-Fish has already certified the mullet caught in the region but is facing economic viability challenges in Switzerland's market.



Mr. Frank Schreur, managing director of Profish (second from right), visiting the Trade Hub booth during the European Seafood Exposition.

Analysis

According to the Food and Agriculture Organization (FAO) of the United Nations, 75% of global fish stocks are fully exploited, overexploited or depleted. To sustain the aquatic resources, the FAO introduced the Code of Conduct for Responsible Fisheries (CCRF). www.fao.org/fishery/ccrf/publications/en

Almost 90% of the fishing activities in developing countries are conducted on a small-scale or artisanal level. Though fishermen see stocks declining, most are not aware of the potential for sustainable fisheries management.²⁰ Certification can be successfully used as a market-driven tool. Due to rising consumer awareness and thus increasing demand, retail

²⁰ Several definitions of what constitutes sustainable seafood have been put forward, but in general, seafood is sustainable when the population of that species of fish is managed in a way that provides for today's needs without damaging the ability of the species to reproduce and be available for future generations. Sustainable sourcing is verified by assessing the stock, monitoring target reference points and establishing a precautionary harvest strategy. Good governance is critical in maintaining and promoting sustainable sourcing.

chains and importers for fish in industrialized countries are pushing for sustainable certification.

USAID's Trade Hub worked towards addressing the issues of sustainability and traceability by working with sustainable fisheries projects financed by USAID, donors and African policy-makers, civil society including NGOs, fishermen's associations and journalists. Together, interested stakeholders are developing advocacy programs to raise awareness of sustainability issues and to persuade authorities to take appropriate measures to preserve fish stocks for future generations.

Despite the growing awareness of sustainable fisheries issues and efforts, many barriers and constraints remain in the sub-region, notably:

- Weak transparency in the management of marine resources. Governments continue to sign fisheries agreements with countries that violate the laws regarding the preservation of resources.
- Approaches used by organizations, projects, and associations working in sustainable fisheries are not necessarily based on a comprehensive or consistent strategy. More alignment is needed with national policies.
- Weak regional policy.
- Low level of involvement of local fishermen limits the results of many projects.

West Africa can be a viable source of sustainable seafood products and efforts made by USAID's Trade Hub to identify buyers who are willing to visit and source from sustainable projects is a demand-driven approach that will be able to convince fishermen to preserve the marine resources and the ecosystem.

The table below lists the donor-funded sustainable seafood projects and species assessed:

Country	Seafood Products	Project
Gabon	Shrimp	Marine Reserve Project
	Tuna	Marine Reserve Project
Gambia	Sole	Ba-Nafa/USAID/Marine Stewardship Council (MSC) Certification
	Shrimp	Ba-Nafa/USAID
	Sardinella	Ba-Nafa/USAID
	Oysters	Ba-Nafa /USAID
Ghana	Tuna	MSC Initiative
Mauritania	Octopus	MSC/WWF
Senegal	Sardinella	Wula NaFa
	Shrimp	Wula Nafa/IDEE Casamance
	Oysters	Wula Nafa
	Mullet	Fair-Fish
	Tuna	Friend of the Sea Certification

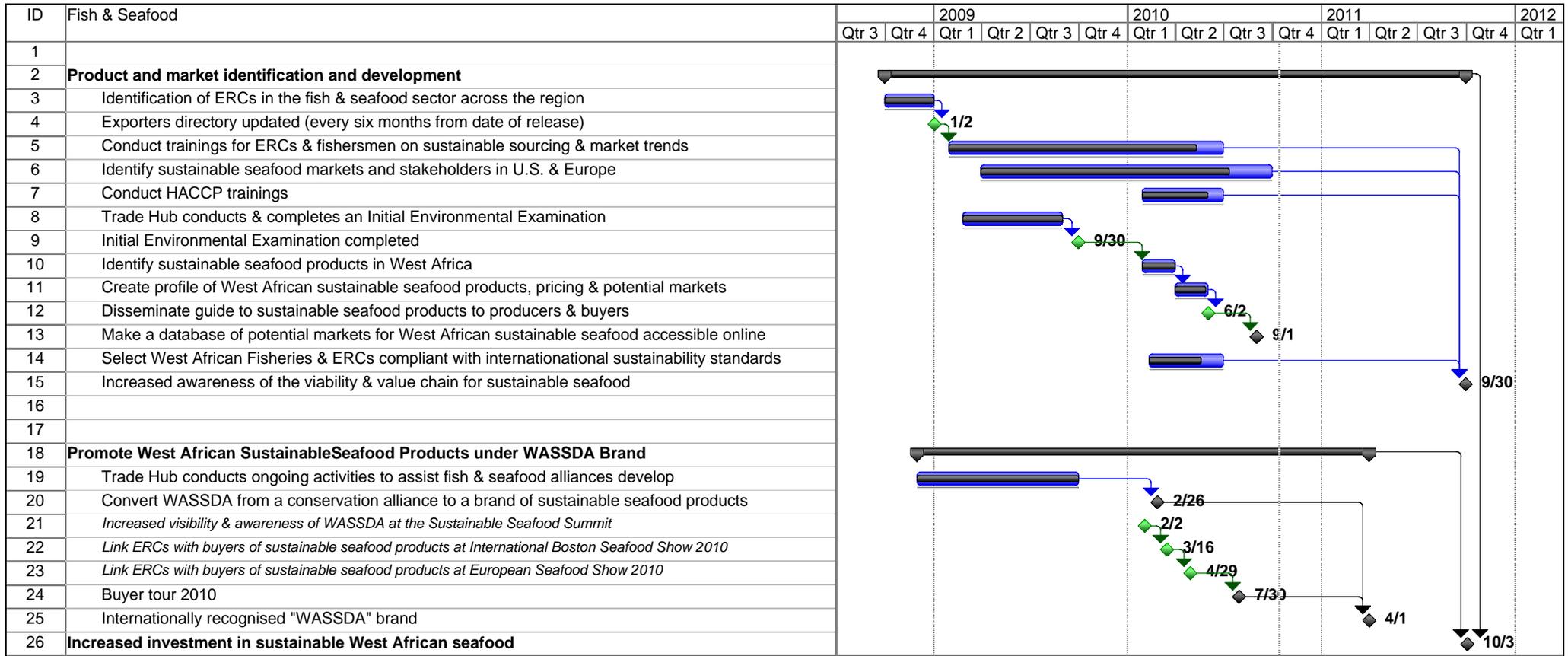
Buyers from the U.S. and (particularly) Europe are interested in sustainable sourcing in West Africa. Europe offers the most developed market for MSC-labeled seafood, characterized by consumers who are concerned about seafood sustainability and an active, engaged retail sector offering a wide choice of MSC products. The U.K. and Germany are the two countries where consumers can find the greatest choice of MSC-labeled products but Dutch, Austrian, Swedish and Swiss shoppers are also discovering more sustainable seafood products. According to MSC, more than 30 European retailers already offer MSC-labeled seafood across a wide range of fresh, frozen, canned, smoked, chilled products, and ready-meals.

USAID's Trade Hub has increased efforts to identify projects and products and also to strengthen partnerships with certification bodies as a response to this interest. Buyers generally request that a third party ensures the sustainability and traceability of the products. National, regional, international agencies and NGOs are working to address these issues through various projects.

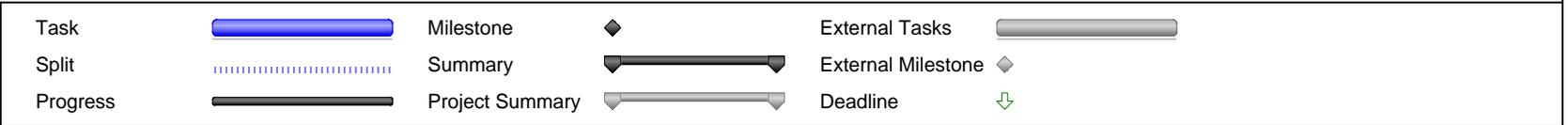
Given that the first buyer interested in visiting the USAID sustainable products project is from the Netherlands, an analysis of that country's market as an example of the growing trend towards sustainable sourcing appears below. The Netherlands provides an essential processing and logistics centre for seafood in Europe. It is the EU's sixth largest importer of seafood, importing 0.7 million MT in 2008 with roughly half originated from outside the EU. Its largest non-EU suppliers are Iceland, Norway, Vietnam and China. U.S. exports to the Netherlands totaled almost 21,000 MT, or 3 percent of 2008 imports. Exports were dominated by shipments of fish fillets, cod and salmon.²¹ The Dutch Retailers' Association (CBL) has committed that by 2011 all wild caught fish and seafood sold by its members will be MSC-certified. This is an unprecedented commitment for an organization that represents the vast majority of the Dutch food retail sector. It explains why individual organizations like Profish are actively diversifying their sources, and seeking sustainable certified products seeking sustainable certified products.



²¹ Gain Report, U.S. Department of Agriculture Foreign Agricultural Service, 2009.



Project: Fish and Seafood 10-12-10
Date: Wed 10/13/10





1.4. Cashew and the African Cashew Alliance (ACA)

Introduction

USAID's Trade Hub co-founded the African Cashew Alliance (ACA) in 2005 with 24 public and private sector stakeholders who shared a common vision: building a competitive African cashew industry. The ACA has since become the African cashew industry's platform and facilitator for advocacy, information exchange, investment promotion and market linkages. In FY 2010, the ACA moved its secretariat, which had been housed at USAID's Trade Hub, to a new office, dubbed "Cashew House." Grant support from USAID's Trade Hub now focuses on establishing market linkages and access to finance for cashew processing companies. USAID's Trade Hub continues to provide administrative and technical support to the Alliance.



The Alliance has become an independent organization receiving additional funding from private and public donors, including the German development corporation, GTZ, which is implementing the African Cashew Initiative (ACi) with a \$25 million grant from the Bill & Melinda Gates Foundation (matched by \$25 million from the private sector).

In FY 2010, the ACA continued to grow, doubling its membership and its budget. The secretariat is now composed of six permanent staff.

Ensuring a sustainable ACA is a priority; so, in FY 2010 McKinsey Consultants were engaged to develop a long-term strategy for the Alliance. The strategy will present the ACA's position in the cashew industry, its value proposition, objectives, targets and implementation plans, and will be completed by November 2010.

FY 2010 Activities

ACA mobilizes cashew stakeholders for advocacy

Preceding the cashew harvest seasons in **Benin, Burkina Faso, The Gambia, Ghana, and Nigeria**, the ACA facilitated stakeholder discussions including mid-term country strategies to develop and implement recommendations and priorities for the development of the cashew industry in each country. National Committees were elected with representatives at each level of the value chain. The committees advocate recommendations to decision-makers and policy-makers according to their country strategies

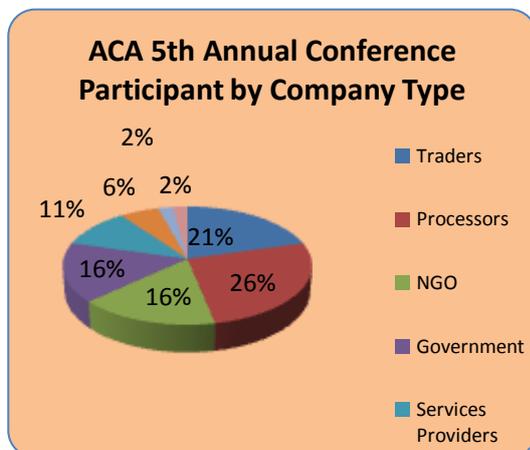
Declaration for the growth of the industry

More than 200 cashew industry stakeholders from 24 countries attended the African Cashew Alliance's 5th annual Conference in Maputo, Mozambique, Sept. 14-16. Mozambique's former president, its current Prime Minister, and the **Ghanaian** Minister of Agriculture attended, demonstrating the interest of policy makers in the cashew industry and its economic potential.

Industry stakeholders developed and agreed on a declaration that advocates business environment changes to promote the industry's growth. **The Maputo Declaration** (Annex 8) presents guidelines to achieve the African cashew industry's potential of realizing more than US\$300 million in raw nut sales by smallholder farmers and US\$300 million in added value from cashew processing – potentially creating more than 200,000 new jobs for the poor in rural areas. The declaration provides guidance on how to address issues affecting the African cashew industry. The Maputo Declaration will be disseminated to government policy

makers who will be urged to adopt its recommendations in order to facilitate the industry's development and the social and economic benefits the industry offers.

An analysis of participants reflects (see graphics below) the increasing interest of the U.S. and European companies (20% of delegates) in the African cashew industry. The conference also included the leading retailers, brokers, traders and processors. Sponsorship from Intersnack, Kraft Food and Olam demonstrated the market's strong support for the Alliance and its interest in African cashew developments.



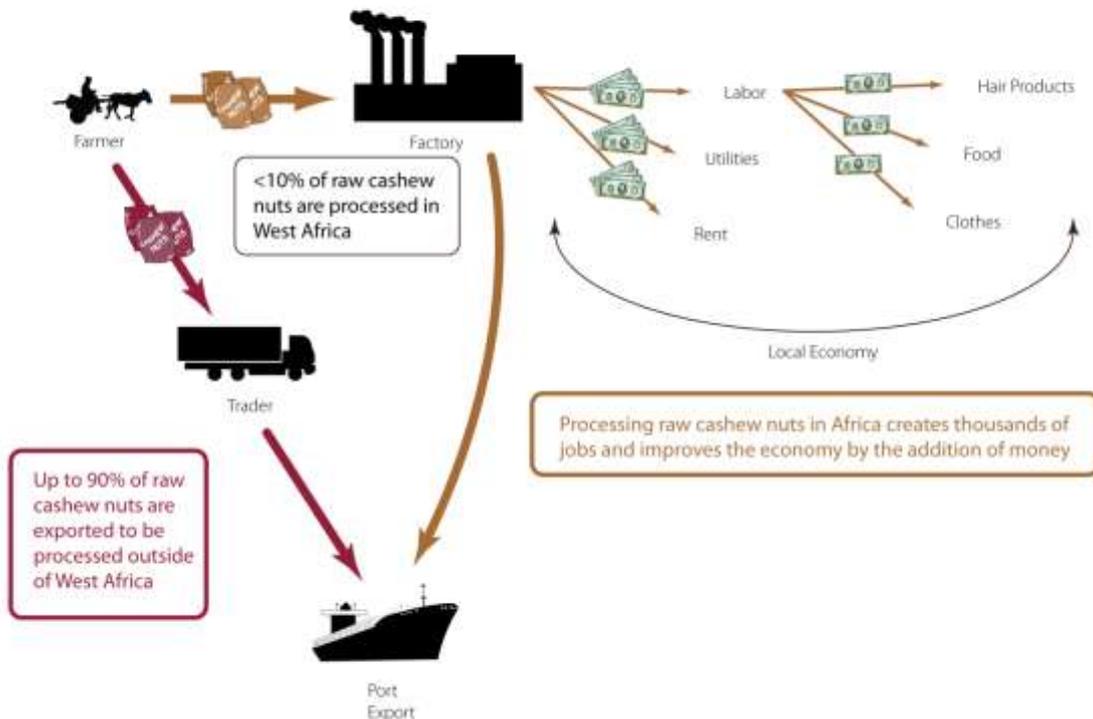
ACA members elected a new Executive Committee: Cherif Hibrahima, a cashew processor and managing director of Agribusiness Company in **Côte d'Ivoire** was elected the new President of ACA.²³ The number of candidates running for election underscored the increasing credibility and interest in the ACA. The new Executive Committee will target the sustainability and development of the ACA and representation in each cashew-producing African country.

Multiplier effect study confirms cashew impact

Cashew's economic growth impact is significant, according to the multiplier effect study conducted in FY 2010 (see Annex 10). While the study reported that a US\$1,000 increase in sales of raw cashew nuts would generate US\$1,150 in additional household income and create 120 new jobs, the researchers also noted a much more significant economic impact from processing the raw nuts in West Africa (as much as 95% of raw cashew nuts harvested in the region are exported for processing elsewhere). Locally processing a US\$1,000 purchase of raw cashew nuts would generate as much as US\$4,500 in additional household income, the researchers concluded. The graphic below illustrates the issue.

²³ The other members of the Executive committees are as follows : Mr. Idrissa Kilangi (vice-president, Agrofocus - cashew processor from Tanzania), Mr. Luis Soeiro (Vice-President, Molócuè Agro Processamento, cashew processor from Mozambique), Abou Bakr Adjibade (Afokantan - cashew processor from **Benin**), Ram Mohan (ComAfrique - cashew trader from **The Gambia**), Partheeban Theodore (Olam –cashew processor), Kees Blokland (Global Trading- cashew trader).

How Africa loses the economic potential of cashew



Building a world cashew association

In Binh Phuoc (Vietnam) and Beijing (China), representatives of the ACA, Vinacas (Vietnam Cashew Association), CEPCI (Cashew Export Promotion Council of India), SINDICAJU (Brazilian Cashew Association) and INC (International Nut Council) held fruitful discussions on establishing a World Cashew Association. The INC committed to support the project and handle the negotiations and administrative processes. The credibility and experience of INC is highly beneficial for the project and will help it to move forward rapidly. A new meeting with all the parties is set for October 2010 in Paris during the *Salon International de l'Agroalimentaire* international food show.

Branding initiative on track

A working group composed of ACA and ACi experts, the market linkages advisor at USAID's Trade Hub, and U.S. buyers worked on how to better market African cashews and improve competitiveness of the companies. The group produced a Business Code of Conduct that sets basic standards on food safety, quality, social environment, corporate governance and respect for the environment. This code promotes the ACA's vision of a professional and responsible industry and forms the basis for processing companies to meet U.S. and European standards and develop a brand for the industry.

The ACA disseminated the Code at the September conference. With the support of a food safety expert from the U.S., workshops on food safety, quality, risk and financial management will be developed in the coming months. Companies close to meeting the

standards will start with this program, with the idea of creating “success story” narratives and benchmarks for other companies.

“Cause marketing” documentary with Kraft Foods

ACA and USAID’s West Africa Trade Hub teamed up with Kraft Foods to develop a short documentary on how the cashew business helps farmers improve their livelihoods. The documentary will be launched in November 2010 and distributed to a wide range of international media and via Planters’ webpage. This short film will help to increase demand for African cashew and reinforce the ACA as the intermediary body for a sustainable business in Africa. The U.S. company’s objective is to associate its brand with sustainability.

Access to finance and technical assistance to processors

- ACA provided technical assistance to 30 targeted processors in **Burkina Faso, The Gambia, Guinea-Bissau, Nigeria, Senegal and Togo**. An ACA Business Advisor assessed the technical and financial needs of the companies, prepared business plans with them and conducted several meetings with banks.
- With the financial team at USAID’s Trade Hub, the ACA organized trainings for more than 20 bankers in **Guinea-Bissau and Nigeria** to learn about the specific aspects of the cashew sector and their opportunities to finance it.

Cashew investment guide published

The ACA’s new cashew investment guide provides key information for investors in order to understand better the cashew business environment in Africa. This guide will be disseminated via the ACA website and USAID’s West Africa Trade Hub website to investors and other stakeholders.

Quarterly newsletters in English, French, Portuguese update stakeholders of ACA activities

Newsletters presented the latest information on the African cashew industry, including cashew production, prices, and exported volumes. More than 1,000 stakeholders subscribe to the newsletter.

Buyer and investor visits to West Africa

The ACA organized and facilitated eight buyer and investor trips to **Benin, Burkina Faso, Côte d’Ivoire, Ghana, Guinea-Bissau and Nigeria**. As a direct result, a Brazilian company started to do business in **Ghana** with the objective of setting up a processing facility in FY 2011.

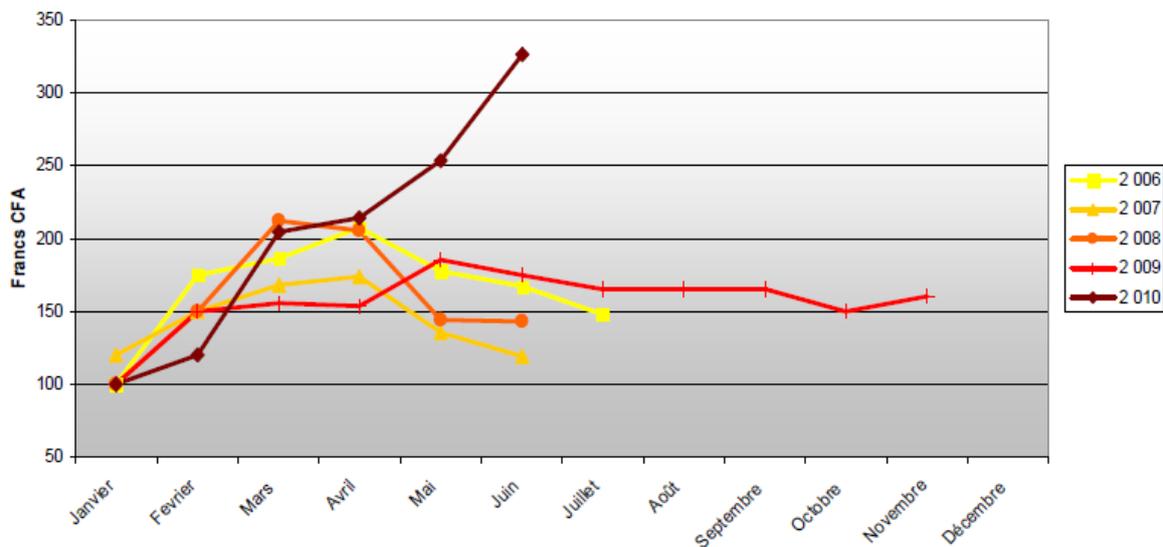
Analysis

Almost 1.5 million farmers cultivate cashew in West Africa, and the income they earn supports five or six dependents on average. Cashew represents 20-30 percent of the total household income for these farmers and their families, i.e. more than eight million people in West Africa. Further, West African processors have directly supported the livelihood of 90,000 farmers by buying their raw nuts for a total of US\$15 million.

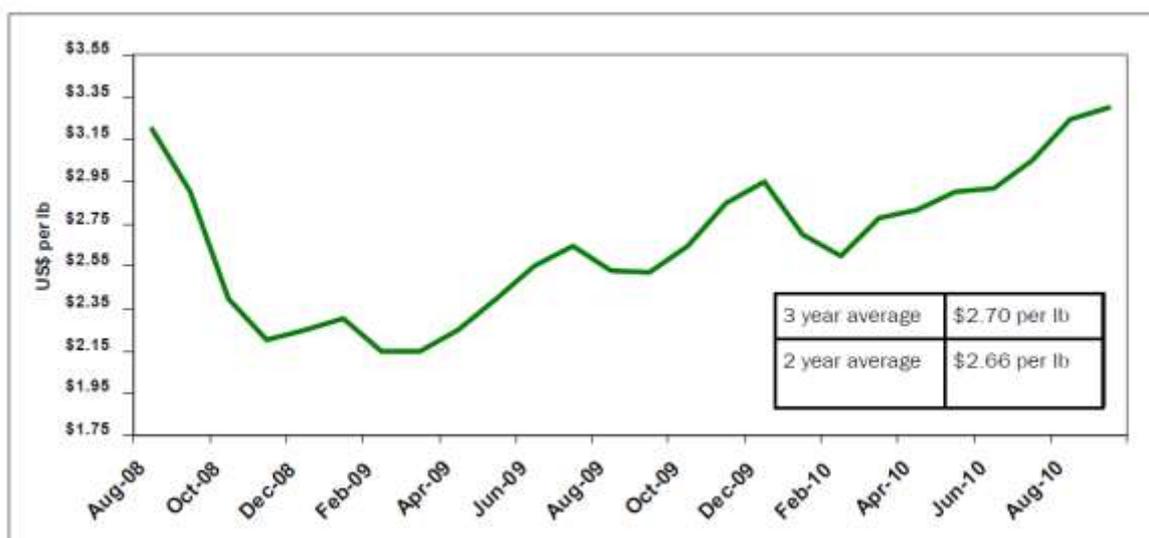
Between 2006 and 2009, cashew processing in Africa has grown significantly. Processed kernel output increased from 7,000 MT in 2006 to 15,000 MT in 2009. In the same period, West Africa processing has experienced spectacular development, multiplying by ten the amount of processed kernel from less than 500 MT to 5,500 MT, generating thousands of new jobs mainly for illiterate women in rural areas. This increase means US\$3 million dollars pumped into the local economy – and more money for education, health and food.

In 2010, processing continues to increase. Two new processing facilities opened with the capacity to process up to 5,000 MT in two or three years – one in Burkina Faso and the second in Côte d'Ivoire. In 2010, they will process about 2,000 MT of raw nuts, creating more than 600 jobs. In both cases, investments from international companies made the facilities possible, and the ACA and ACi provided technical assistance on the machinery choices as well as on training the workers in the different processing steps.

The cashew market continues to grow steadily. While U.S. and European demand is stable, demand is increasing in China, India, and the Middle East. The demand is encouraging for the African cashew industry, but also creates challenges. For example, production in the highest-producing countries was lower in 2010 than in 2009; increasing demand provoked historically high prices for raw cashew nuts. Low inventories and the weakness of the euro against the U.S. dollar complicated the situation. While high prices were good news for farmers, they made business difficult for small West African processors, who have been waiting for a drop in prices to buy cashew, which usually occurs in the middle of the season. Since the drop did not happen, most were not able to secure their stock for the year and will probably process under capacity.



Cashew farm gate prices in Ivory Coast- Francs CFA/kg. (Source: Rongead)



W320 prices – USB/Lb FOB origin (Source: Cashew Bulletin)

Securing access to finance for small and medium scale processors remains the most important hurdle to scaling up processing in Africa. Risk and finance management training are needed to build a generation of cashew entrepreneurs who can manage price fluctuations and processing facilities. Banks need also to be involved more actively to understand the potential of the African cashew industry.

The ACA will build on 2010's work to see new cashew processors operating and facilities reopening in FY 2011. International investments from Indian and Brazilian companies are expected and could widely contribute to propel the sector.

As the African cashew industry is still small, food safety and quality standards trainings will be highly beneficial and strategic. If the industry can match U.S. and European requirements, it will secure access to markets, long-term commercial contracts and better prices. The ACA has created momentum on this topic and support from USAID's West Africa Trade Hub and its private sector partners, will allow the ACA to implement trainings in this area.



From left, Carlos Costa - ACA president (2006- 2010), Joaquim Chissano - former President of Mozambique, and Christian Dahm - ACA Managing Director at ACA 5th



Newly elected ACA Executive Committee From L to R : Kees Brokland, Parthiban Theodore, Cherif Hibraima, Idrissa Kilangi, Carlos Costa (former ACA President), Ram Mohan, Luis Soeiro, Abou Bakr Adjibade



Chris Nubern from Kraft Food interviews a cashew farmer with the help of an interpreter for the documentary.



USAID | WEST AFRICA

FROM THE AMERICAN PEOPLE

SUCCESS STORY

Alliance is creating jobs, lifting incomes in West Africa

USAID's West Africa Trade Hub co-founded the African Cashew Alliance in 2005. Today, it is making African cashew competitive in world markets.



Xénia Défontaine/African Cashew Alliance

The ACA has increased processing of cashew in West Africa, creating thousands of jobs, primarily for women.

"I'm not just optimistic about the (cashew) industry – I'm very, very optimistic about it."

**- Cherif Hibrahima
ACA president-elect**

The African Cashew Alliance turned five in 2010. Since starting with 24 members, the alliance's membership has quadrupled and its reputation has spread to every corner of the cashew industry around the world. The ACA is achieving its primary objective: Local processing of raw cashew in Africa has more than doubled since 2006, rising from 7,000 metric tons in 2006 to 15,000 tons in 2009. The increase means the cashew industry is realizing its economic potential: creating jobs and lifting incomes.

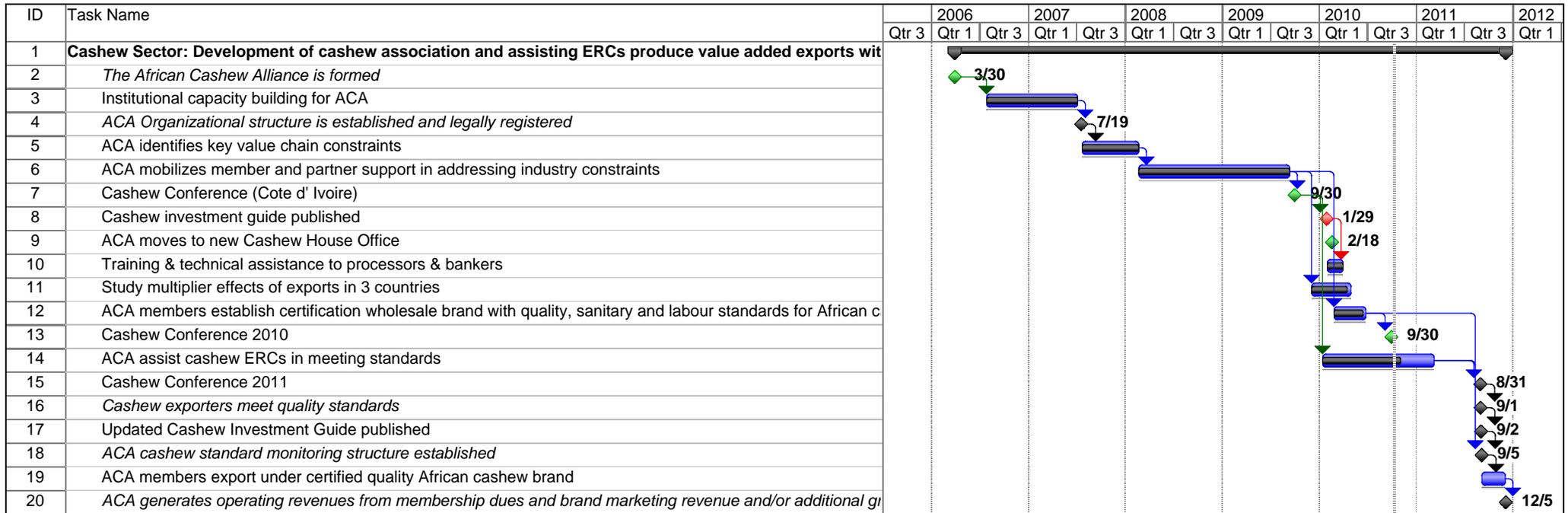
USAID's West Africa Trade Hub co-founded the ACA in 2005. More than a few observers were skeptical, but they were willing to take the chance. "I wondered how exactly the ACA would increase exports and create jobs," said one donor. "But for \$15,000 or \$20,000 in seed money, I was willing to take it on faith. And people were saying this was a good idea."

Turns out they were right. Previously, most raw cashew nuts – up to 95 percent – were exported from West Africa for processing and value addition, but the ACA is making that change. In 2006, barely 500 metric tons of raw cashew nuts were locally processed in West Africa; today, close to 10 times that is processed creating thousands of new jobs.

Cashew processing also stimulates economic growth. A study sponsored by USAID's Trade Hub showed that every \$1,000 of raw cashew nuts processed in West Africa generates almost \$4,500 in additional household income in the West African economy. ACA efforts will see even more processing capacity in the region in coming months.

In early 2010, the ACA secretariat, housed at USAID's Trade Hub since its inception, moved to the "Cashew House" in Accra, Ghana. The alliance's fifth annual conference in Maputo, Mozambique, led to progress on a number of fronts and increased support for its industry brand.

"I'm not just optimistic about the industry – I'm very, very optimistic about it," said Cherif Hibrahima, the alliance's new president and owner of a cashew processing firm in Côte d'Ivoire.



Project: Cashew 07-13-10 Date: Fri 10/8/10	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



1.4 Shea

Introduction

Shea trees grow in a three million square kilometer zone in the Sahel region, stretching from **Senegal** to Uganda; USAID's Trade Hub works with companies in nine West African countries. The trees are not intensely cultivated but are managed traditionally in parklands across the region; they are a significant economic and cultural force today and have been for millennia. Currently, more than four million women in West Africa contribute to their livelihoods by collecting the shea nuts to be processed into shea butter for local consumption and to be sold for export to international markets.



USAID's West Africa Trade Hub works closely with more than 50 export-ready companies in the shea sector. The companies sell unprocessed kernels to major international buyers mainly destined to become cocoa-butter equivalents (CBEs) for use in food confection; crude butter for use in natural cosmetics; and, finished personal care products for sale to retailers and consumers. The companies exported over US\$4 million in FY 2010 and more than US\$200,000 in the fourth quarter.

Preliminary results from the FY 2010 multiplier effect study regarding increased sales of shea indicated an income multiplier of 1.58 – for every US\$1,000 of sales from a producer, \$580 in additional income is generated in the local economy. Consistent growth in the sector over the past decade has resulted in exports increasing on average by 5 percent per year, and more small and medium enterprises engaged in shea. Foreign investment in West Africa has resulted in increased processing capacity – now half the current crop (2010 export harvest, predicted at 250,000 SETs) can now be processed into semi-finished products (crude butter or fractionated stearin) in the sub-region.²⁵

²⁵Sometimes given as 3-year rolling average (due to the cycle of managed wild-harvested shea) these figures are *Sheanut-Equivalent Tons* (SETs) exported from a harvest season, whether the commodity export is dry kernel, crude mechanically crushed butter, fractionated shea stearin/olein, handcrafted bulk butter or finished/packaged product. The largest export was seen from the 2007 harvest at 350,000 SETs excluding local consumption.

Consumer awareness of shea in natural cosmetics and beauty products continues to grow at the end market. This awareness was bolstered in FY 2010 by a scientific study demonstrating the anti-inflammatory and anti-tumor growth effects of shea applied to skin.²⁶ Growth in the use of natural cosmetics has grown by 10 percent over the past year and analysts expect that trend to continue.

Consumer awareness of shea's other and more predominant use – to make CBEs that are used in food confection – remains virtually non-existent. This presents an enormous market opportunity, since shea is healthier than other sources of vegetable fat. Increasing the use of shea as a CBE in the U.S. market – where federal law currently severely limits its use – would create, almost instantaneously, a surge in demand. Such demand would increase the incomes along the value chain, specifically to the women pickers at its base.

Results

Linking ERCs to market at international trade shows

USAID's West Africa Trade Hub facilitated the participation of export-ready companies at three international trade shows in FY 2010: the California Chapter of the Society of Cosmetic Chemists Suppliers Day, the In-Cosmetics show in Paris and the New York Society of Cosmetic Chemists Suppliers Day in New Jersey. ERCs established more than 900 market linkages combined at these events and made connections with technical experts and service providers.

Building relationships toward an industry alliance

Shea sector stakeholders continued to forge stronger ties and exchange information and ideas – critical steps toward establishing an industry alliance. USAID's Trade Hub contributed to a variety of events to build relationships among and between stakeholders necessary to build and sustain an industry alliance. These events included:

- Development of the *Federation National du Karité* in **Burkina Faso**, including private sector shea traders.
- Shea Industry Roundtable Discussion, Accra, **Ghana**, November 2009. The world's leading exporters and processors of shea nuts in West Africa met to discuss issues affecting the value chain.
- Second SNV/Oxfam **Ghana** multi-sector stakeholders' forum, Tamale, **Ghana**, August 2010. This included producers, traders, service providers and exporters.
- "Sheanut Industry in **Nigeria**: Exploring its Potential for Economic Growth and Development" organized by the Central Bank of **Nigeria**, August, 2010, Minna, **Nigeria**.
- Procurement for Development "Better Shea" forums, including major U.K. retailers, at the DFID-supported Chatham House in London, July and September 2010.

Connecting the industry and mobilizing private-public sector dialogue at Global Shea 2010

In March 2010, USAID's Trade Hub organized Global Shea 2010: Maximizing Quality, Expanding Markets, the only annual international shea industry event, in collaboration with the U.S. Embassy in Bamako and the Government of **Mali**. In addition to facilitating connections among hundreds of industry stakeholders, the event addressed key issues in the value chain: access to finance, cosmetic chemistry trends, research and development on

²⁶ <http://www.ncbi.nlm.nih.gov/pubmed/20484832>

chemical variation, quality control, tree propagation, NGO facilitation, transportation, increased market access through CBE-market information, and, of course, business opportunities. More than 300 people attended the one-day training for export companies that preceded the opening of the conference and 35 companies participated in over 80 meetings at the business-to-business event on the conference's last day. The conference led to new initiatives across West Africa, including the cultivation of grafted shea trees in northern **Ghana** (the technique was demonstrated at the conference), organization of an exchange visit by **Malian** stakeholders impressed at the quality and prices of **Ghanaian** shea butter products exhibited at the event to **Ghana**, increased collaboration among and between **Malian** public and private stakeholders, and the initial framework and consensus to establish an international shea alliance. Filmmaker Robert Booth produced a short film called *A Voice for Shea* based on interviews he conducted at the conference.²⁷

Demonstrating the multiple impacts of increased sales of shea

In FY 2010, USAID's Trade Hub sponsored a multiplier effect study of specific sectors, including shea. The study showed that for every \$1,000 in sales of shea by producers, \$580 in additional household income is generated in the local economy. In effect, the study demonstrates the importance of the work of USAID's Trade Hub in the shea sector: Increasing exports not only improves the competitiveness of West Africa's shea exporters by exposing them to international markets; exports drive economic growth in West Africa, creating jobs and increasing incomes. Importantly, the study also showed that transport costs for shea producers in **Mali** – though the lesson applies across the region – effectively reduce the price that producers can obtain at the farm gate. A 10% reduction in transport costs would lead to a 12 percent increase in the farm gate price, the study concluded.

Analysis

Despite a world financial crisis, exported volumes of shea, less than 150,000 SETs in 2004, have now reached more than 350,000 SETs.²⁸ Significant value addition has also occurred in the sub-region and, following multi-million dollar investments, more factories came online this year, including the large 3Fs Group plant in Tema, **Ghana**. Shea nut crushing capacity is now an estimated 160,000 tons in 10 active plants in **Benin, Burkina Faso, Ghana** and **Togo**. Each of these companies employs hundreds of people, generating more revenue and more economic activity for West Africa.

Crediting the shea value chain study and extensive technical assistance from USAID's West Africa Trade Hub, one venture reported that it has made US\$22 million of investment since 2006, developing facilities capable of converting 60,000 tons of shea nuts into fractionated shea stearin and olein. Destined mainly for the edible industry, this almost invisible bulk production forms over 90 percent of the traded shea for formulation of specialty fats used in confectionary and margarine, e.g. to produce cocoa butter equivalents, functional ingredients used to improve *chocolate* (as opposed to cheaper trans-fat rich Cocoa Butter Replacers, or lauric-rich Cocoa Butter Substitutes.²⁹ As is clearly illustrated in the recently completed Multiplier Study (Annex 10), such investments lead to more income for thousands of women who collect shea nuts, which in turn drives economic growth in their communities.

²⁷ <http://www.watradehub.com/activities/tradewinds/jun10/giving-voice-shea>

²⁸ Production of 100,000 SETs requires the work of an estimated 1.2 million women shea pickers.

²⁹ From the "paradox of *paradoxa*" described by Peter Stedman, Body Shop International, at Global Shea 2010: 90% of knowledge available to Western consumers is about *hand-crafted shea butter*, but this is less than 10% of the total supplies coming from rural Africa. Whether as a % of *chocolate improver* or as a formulation ingredient in a luxurious *body butter*, the actual identity and source of the shea component is rarely visible to consumers.



Shea processing in Mali

The financial crisis resulted in increased interest in cheaper cocoa butter alternatives and demand for shea-CBEs plummeted. With increased quality and quantity of supplies, the market quickly became saturated as demand and export orders decreased rapidly. With lower margins available, competitive pricing became the key driver in sourcing new orders. One buyer – keen to source bulk hand-crafted shea butter – asked, *“Can’t the women produce lower quality shea butter at FOB prices closer to the*

US\$1,200 per ton being offered by mechanical plants?” More recently, reports from the confectionary market are encouraging for shea, as cocoa bean futures – following large falls from earlier highs in July 2010 – have stabilized around the US\$3,000 per ton. With a return to growth in market, it appears that CBE demand has now bottomed out and leveled off. A return to a growth in demand is predicted for the coming months, and interest from various current and new players in sourcing their quotas in 2010/2011 season is steadily increasing. Sheanut prices have even started to recover after farm gate prices crashed from over US\$350 per ton to lows of US\$200.

There have also been notable improvements in the production of shea destined for niche markets. Although price-driven and still in need of good marketing stories, the export importance of West African hand-crafted shea butter has increased from just a few hundred tons in 2004 to thousands of tons today, as in turn, have the numbers of women processors involved and the economic contribution of shea to their livelihoods.³⁰ Many active women’s associations (with thousands of members each) have been successfully formed and now supply both international buyers and West African exporters with shea. West Africa has also seen a growing number of award-winning firms manufacturing shea finished products to supply national, regional and international cosmetic markets.

Members of the Procurement for Development (PfD) Forum – a collection of retailers and brands concerned about the positive impact their operations can have in the developing world – met twice at Chatham House during 2010 and continued discussions on the potential for pro-poor policies within the global shea industry, an initiative proposed by Body Shop International (BSI). Trade Hub Shea Expert Dr. Peter Lovett was invited to present the West African shea industry’s view. At both events the stable attendance levels and forum discussions confirmed all members remained positively engaged in this initiative. The win-win nature of shea is well understood and liked, while firms want to continue to improve their understanding of its African-based supply chain and how shea trade practices can enhance pro-poor opportunities. Forum members actively voiced their support for sustainable sourcing of shea and the formation of a focused industry alliance or roundtable. They consider that the key outcome of this alliance should be the development of some form of supply chain standards, adherence to which would demonstrate ethical shea trading. Such

³⁰Estimates currently range from 2,500 to 5,000 tons of hand-crafted butter annually exported in recent years.

standards would also present greater decision-making options during choice of supplier. A signed open letter of support was drafted for presentation by their representative at the Global Shea Alliance founders' meeting.

A network of grass-root organizations, traders, exporters, processors, brands/retails, researchers and service providers are now regularly meeting at international events such as the Global Shea conference, trade shows and in other roundtable meetings. As this network has strengthened and knowledge has been shared, there has been recognition of a growing number of generic issues faced by the sector. Stakeholders from throughout the value chain have voiced their wishes for *improved access to international markets, sustainably sourced shea* and *improved value addition at source*. Following developments at national shea network meetings, e.g. the formation of new associations and national networks, plus the support from international *Better Shea* forum; it appears the industry has become much more committed in its desire to form a functional alliance. In October 2010, USAID's Trade Hub will host the founders' meeting for this proposed Global Shea Alliance.

How can USAID's Trade Hub and a Global Shea Alliance address the challenges in the industry? Service provision is one area that clearly need improvement, e.g. the high costs of transport and limited access to affordable finance. But other issues closer to the heart of the industry also need to be addressed by the stakeholders themselves:

- **Improving quality** is a major topic of discussion and point of contention among producers, traders and international buyers. Yields of butter from poor quality shea nuts can be as low as 25 percent when fresh nuts are stored for months in deep pits and then *smoked* instead of being boiled and sun-dried quickly after harvesting. High quality nuts, when processed in this manner and stored in jute sacks in well-aerated warehouses, can produce as much as 40-45 percent yields of butter by weight. As well as extraction efficiency being affected by *nut quality*, the actual *quality of the fats and oils* contained in the shea nuts is a major issue. A 1 percent increase in free fatty acid levels (FFA) will result in a 1 percent loss of shea stearin finally extracted and fractionated. Raw nuts that are left in piles to rot and then poorly dried, can have FFA > 25 percent.
- **Increasing traceability** is being demanded by international brands and retailers, simply because their customers now demand it. The cost of achieving the logistics needed to achieve this is high, however, though the strengthening network of shea stakeholders is improving communications along the complex African supply chain, helping various certifiers of commodity supply chains. Furthermore, traceability allows knowledge transfer on the options for quality improvement and better pricing, further reinforcing the benefits possible from increased traceability. In turn, marketing options increase with more facts and figures available for market differentiation and choice. This is something that all the major and minor brands and retails around the world strive for.

The industry will have to work together to improve quality and traceability. Such improvements will increase profits that can be passed on to producers and other stakeholders without any need to make changes to an export price. This can increase the international competitiveness of shea as compared to other oils and fats and drive the market demand required to continue lifting this budding industry.

By developing a clear voice for shea, an industry alliance can promote advocacy and lobby for action on all these issues. An active shea industry can promote the exceptional win-win product that shea is – more productive parklands with more shea trees increasing environmental protection against desertification, increased numbers of trees for improved carbon storage; and more African rural women having improved livelihoods helping them to become more empowered and support their family's nutritional and educational needs.



SUCCESS STORY

One shea seedling launches a plantation

Global Shea 2010 reflects the increasing value of shea.



Olivier Asselin/West Africa Trade Hub

Shea trees grow in the Sahel from Senegal to Uganda, a three-million square kilometer area. As the value of shea nuts and butter increases, protecting shea trees is becoming more economically important.

Protecting shea trees has become vital to the economy of West Africa because of increased demand for shea in world markets. Millions of women in West Africa stand to benefit.

In a five minute presentation at Global Shea 2010, the shea industry conference held in Mali in March and organized by USAID's West Africa Trade Hub, Ouodiouma Samaké and his assistant from the West African branch of the World Agroforestry Centre (ICRAF) had grafted a shea tree, attaching a stem from a proven producer of superior fruit to a sapling with strong roots.

That small demonstration helped launch a big idea in northern Ghana. In May, DuPaul Wood Treatment Company announced the creation of a shea plantation. Together with the German development company GTZ, they encouraged farmers to plant a bushfire protection belt. Besides mango and oranges, this year, for the first time in history, Ghanaian farmers also wanted to plant 20 acres of shea trees.

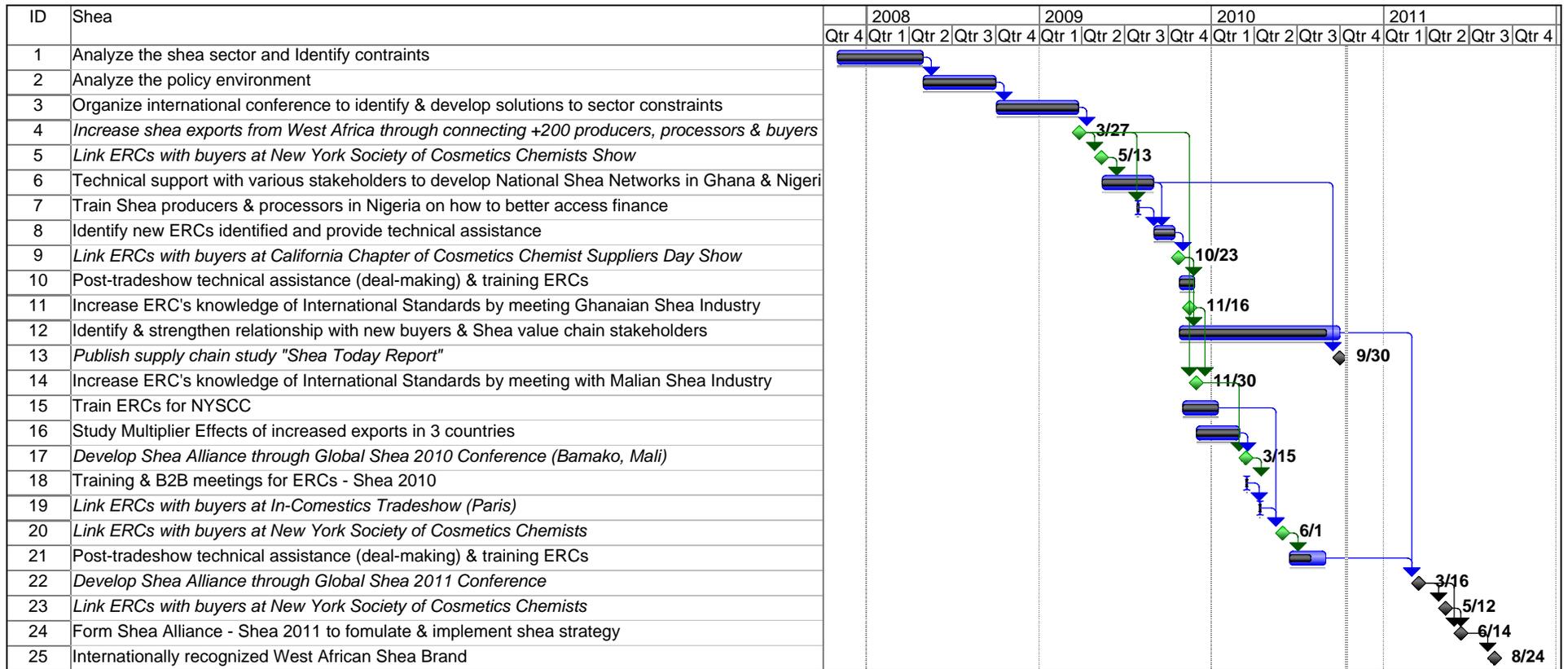
"We had planned the plantation for some time, but the opportunity turned into reality through connections made at the shea conference," said Andreas Hansen of DuPaul. Grown in Tamale nurseries by Dr. Joshua Yidana and supplied by local firm Taimaco, 15 acres of seedlings have been planted near Ejura.

"Shea has been traditionally managed for centuries across the Sahel, but desertification, bushfires and global climate change are distinct threats," said Trade Hub Shea Advisor Dr. Peter Lovett. "These plantings show how valuable shea trees have become to local families."

The Trade Hub's work has helped promote shea at all levels of the value chain: Dozens of new companies are processing shea in the region and new investments are expected. The net effect is that protecting shea trees has become vital to the economy of West Africa.

"Government has arrested people who cut shea trees to make charcoal," reported Thomas Ogunsanmi of GTZ/Nigeria.

The plantation is one step towards ensuring the sustainability of this resource. "We see this as the first part of our effort," said Andreas. "The need for shea trees will continue into the future."



Project: Shea 10-13-10 Date: Wed 10/13/10	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



1.5 Home Décor & Fashion Accessories

Overview

Millions of people in West Africa substantially augment their livelihoods by producing a wide variety of handcrafts for export. USAID's Trade Hub works with over 150 export-ready handcrafts companies that exported over US\$2,000,000 of products in FY 2010 (about US\$1.2 million in the fourth quarter). In turn, each of these exporting companies works with as many as 200 producer groups in rural and urban areas. These producer groups in turn procure raw materials (cotton, leather, natural dyes, beads, straw, etc.) from local producers. The sector is diverse, composed of several value chains. Constraints facing all of the value chains in the sector include access to finance, keeping abreast of market trends, and knowing the changing laws and regulations concerning the environmental impact of raw materials.

The international financial crisis and subsequent major economy recessions significantly impacted the sector in FY 2009. As the global economy began to recover in 2010 exports increased, but buying trends remained cost-driven and cautious. A positive sign is that buyer interest is growing and buyers are committed to restocking shelves with innovative and new products, though at very competitive (low) prices. This cost-conscious buying strategy formerly impacted mainly the lower strata of the market and certainly was the by-word for discount houses. Now it is inching up the economic ladder, and mid-market buyers are more cost-driven. This is forcing producers and local designers to relook at efficiency both in labor and materials use.

Over the last year, the Trade Hub initiated a proactive product development strategy that emphasized mentoring producers in creating products that have "low-cost inputs and high perceived value." Simplifying designs reduces costs while rendering products more contemporary and in line with trends. This strategy, coupled with the market resuscitation and other Trade Hub programs, has helped to increase Trade Hub assisted exports over the past year.



The June 2010 cover of *Elle Decoration*, a leading home décor magazine, highlights the Green trend. Most of the products featured on the cover are from Africa.

Additionally, handcrafts in West Africa had been experiencing a decline well before the financial crisis occurred for a number of reasons, including the lack of access to finance and transport costs. But the overriding word from buyers has been, "We want new and fresh products." This is a product-driven sector from low-end to elite levels of the market, which values design innovation and is fiercely competitive both with pricing and design. For West African companies, the challenge has been the inability to stay abreast of quickly changing market trends and increased market intolerance for non-discounted merchandise.

Two current trends lend themselves to West African products, the green revolution, which is here to stay for quite some time, and Ethno-Chic, which is a durable, though mutable, trend. Going green places a premium on anything recycled, and recycled is a *modus operandus* with African crafts. *Contemporary Ethnic*, and *Afro-Chic* hold a dominant position in market trends across the globe. Major retail chains such as West Elm, IKEA, and Anthropology are all featuring *Contemporary*

Ethnic and Afro-Chic. Many other retailers, large and small, are following suit.

USAID's Trade Hub has helped companies maximize on these trends. For example, USAID's Trade Hub has mentored many companies to value the recycled elements of their works, rather than try to hide them. Previously, recycled printers' aluminum plating was hammered, painted and treated so that it looked like a more expensive metal, actually rendering the article less valuable because of its lack of authenticity. But when the recycled nature of the printing element was left as a décor element with menus or news articles splashed across it, not only was it authentic, interesting, and obviously recycled, it was also trend-forward. This single input alone reduced labor costs by not having to rework a recycled element to hide its identity and increases value by enhancing its eco-friendly status.

In FY 2010, a study of the multiplier effect of increases in sales of handwoven baskets from northern **Ghana** confirmed the impact of expanding exports of handcrafts from West Africa: For every \$1,000 in sales of the baskets, \$580 of additional income is generated in the local economy studied (see Annex 10), the study found. Further, \$1,000 in sales creates approximately 120 jobs in the sector.

Results and Highlights

Developing new products with West African producers and exporters

In FY 2010, the Home Décor and Fashion Accessories team launched a product development program that 1) is trend-conscious and market savvy, 2) geared to multiple market streams to have greatest possible market share, 3) develops products with *low-cost inputs/high perceived value*, and 4) recognizes production and other constraints in the field and develops a pliable methodology to maximize and build capacity.

Positive signs for West Africa...



IKEA

IKEA is adding even more new patterns and colorways, including a whole new line inspired by Africa



These printer plate stools are a part of a larger collection that includes nesting boxes, tables, and mirrors. Bamboula Ltd. showed the collection for the first time at the New York International Gift Fair in August 2010 and a number of major retail and on-line companies are placing orders for samples. The collection embraces the "low-cost inputs/high perceived value" strategy. It uses fast-growing, inexpensive, sustainable wood with simple designs that are saw cut. The recycled metal is as-is, nails not hidden, adding to the design element.



Senegal wins with recycled: This collection from Centre de Récupération in Senegal, using recycled bottle caps, was shown at the AfricaNow! booth at the August NYIGF. The entire collection was picked up by Swahili Imports, which will serve as this company's U.S. distributor.

Nearly every new collection the Home Décor team helped generate or design has been picked up by buyers. Some collections have already enjoyed multiple container orders, and others are being sampled; still others will be exhibited in upcoming international trade shows.

Building the AfricaNow! industry alliance

In FY 2009, USAID's Trade Hub collaborated with the African Development Foundation and the International Finance Corporation's Pangea World Market and Café to conceive and introduce AfricaNow!, a brand that represented West African home décor "with a story." The brand has evolved, now representing professionalism, authenticity, and creativity. Because the AfricaNow! brand has gained recognition among international buyers and West African producers, it can be used as the platform to leverage significant sector-wide interest to develop the industry alliance.

An alliance can be important for African companies by helping to develop capacity, offering networking opportunities for information-sharing and buyer contacts, and creating a professional identity in the international community. For alliance stakeholders in the international community (importers of African products), raising consumer awareness of the AfricaNow! brand is crucial for increasing sales. Much as Fair Trade branding has ignited consumer demand for the brand, AfricaNow! can position itself to generate consumer preference for the authenticity the brand ensures. Establishing the industry alliance is not only a key goal for FY 2011, it is also the best way to foster overall sector growth and solidity and sustainability both in the African and international contexts.

Building professionalism and independence for West African companies

In FY 2010, USAID's Trade Hub connected exporters to professional buyers at three international trade shows – the New York International Gift Fair, the Ambiente Home Décor Show in Frankfurt, Germany, and at the International Contemporary Furniture Fair in New York City. The 33 companies that participated – from **Burkina Faso, The Gambia, Ghana, Mali, Senegal** and **Togo** – made almost 600 links to professional buyers.

In FY 2010 one African company, Global Mamas, was supported by USAID's Trade Hub to establish its own booth at the New York International Gift Fair, the largest U.S. home décor and gift professional trade show. In August, 2010 – though the company had only half a booth tucked away on the last aisle of the Global Handmade section – it doubled its sales over the previous show and is still getting orders. Global Mamas look forward to more success at NYIGF. Two more companies that have been mentored and sponsored to attend trade shows by USAID's Trade Hub are looking to establish an independent presence at major international trade shows in early 2011. Strong, independent, professional African companies are key to increasing buyer confidence and supporting the alliance position that Africa provides a viable sourcing opportunity for buyers from around the globe. Independent companies continue to wave the AfricaNow! banner in their booths, demonstrating their commitment to and benefits from the brand.

Linking exporters to market at buyer tours to West Africa

Key to growing orders and keeping buyers connected to their suppliers, buyer trips also encourage buyers to order from other producers not already in their portfolio. USAID's Trade

Hub supported six buyer trips in FY 2010. A number of product refinement activities and orders are in process, and actual sales figures will be available in the next quarter.

Developing a professional trade show component with the Salon International de l'Artisanat de Ouagadougou (SIAO) in Burkina Faso

SIAO is the largest African crafts fair in the world. Since 2004, USAID's Trade Hub has worked with its executives to implement a variety of initiatives, including a week-long seminar series during the 10-day show that takes place every two years. In FY 2010, USAID's Trade Hub and SIAO collaborated to develop a professional trade show component for SIAO 2012, starting with a Blue Star designation for export-ready companies in 2010, in order to draw significantly more and larger buyers to the continent. In July and August, a team of experts sponsored and led by USAID's Trade Hub worked with SIAO's executive management to assess institutional capacity and develop innovations that would make SIAO a destination for professional buyers.

Analysis

Accessing Multiple Market Segments

Historically, the main handcraft buyers that purchased in quantity in West Africa have been from the lower end of the market strata, willing to risk direct imports in order to keep shelf prices low. These buyers have been instrumental in building capacity of West African producers who have learned to do larger scale production, semi-industrialize their facilities, increase their chances to access finance, and figure out complex shipping issues and strategies. Most of these buyers concentrated on **Ghana** because of its port access, ease of communication in English, and its capacity to move more easily into large-scale production. But the thin margins and stringent requirements of working with these buyers have made it increasingly difficult for African companies to compete in the global market. Even in **Ghana**, with its history of working with these retailers, ERCs voice concern about unreasonable price demands. USAID's Trade Hub follows strategies that are geared to helping ERCs gain market access at various levels. USAID's Trade Hub will continue to support market linkages to the established lower-end buyers, while at the same time many of its new initiatives are geared to accessing multiple market strata.

Product Development

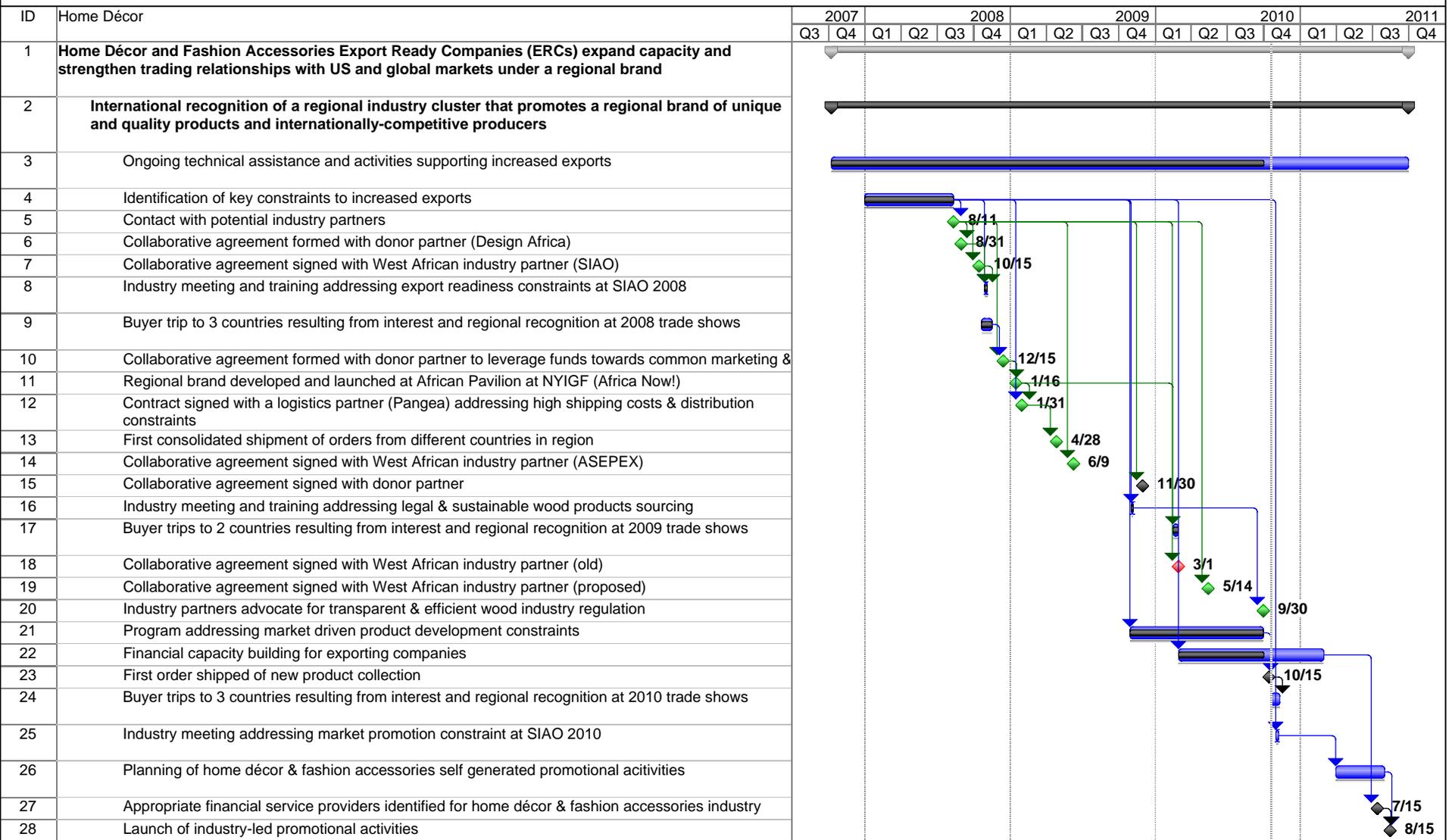
In retail, the primary factor in driving sales is "*Location! Location! Location!*" In the Home Décor & Fashion Accessories sector it is "*Product! Product! Product!*" ERCs need better business skills, access to finance, less costly transport, greater marketing opportunities, and knowledge of international standards, to name a few – issues that the USAID's Trade Hub works on every day. But first, home décor and fashion accessories exporters need products that buyers want to purchase, (meaning trend-conscious and target-market designed) and at the price they are willing to pay.

In developed countries consumers pay a premium for handmade items. The premier market for handmade crafts is the developed world, particularly for authentic ethnic products. USAID's Trade Hub has helped position West African handmade products to the important buying communities. Activities have helped artisans, producers and exporters reach important markets where their indigenous handmade products find avid markets and eager buyers.

In Africa, "handmade" has an even deeper meaning – and even deeper impacts on large numbers of people. For example, locally grown cotton is spun into beautiful knobby, expressive threads by thousands of women in villages when taking a break from farming and family. These threads are woven into 20 meter strips by men on handmade footlooms, just

as their ancestors did a thousand years ago. These strips of natural cotton cloth are sewn together to form fabrics by villagers across the continent. These bolts of cotton cloth are hand-dyed in natural dyes by women who harvest the leaves from their gardens. These dyed cloths are sewn into garments, bags or décor accessories and sold across the globe. For every thousand pillows sold to the United States or Europe, countless families are gaining access to valuable funds to feed their families, send their children to school and buy essential medicines. The multiplier effect study undertaken by USAID's West Africa Trade Hub confirmed the impacts of increased sales and spoke to the essence of the Trade Hub's work: Increased sales drive economic growth in some of the poorest communities, improving livelihoods for artisans and their families. It is with this goal that the Trade Hub helps producers find markets for their products, helps producers alter their products to attract the market while retaining authenticity, and upgrades the products just enough to have a slightly larger share of the market value to increase profits along the value-chain.

Home Décor Gantt Chart



Project: Trade Hub Apparel Gantt char
Date: Mon 10/18/10

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	



1.5. Apparel

Overview

After two difficult years for the apparel trade in the U.S., the West African apparel industry began to improve in 2010. Exports regained pre-crisis levels in FY 2010 and West African apparel manufacturers attracted investment. As FY 2010 ended, investors began to see their interest pay off as companies shipped containers. Further, issues in China, Bangladesh, Haiti, Pakistan and Sri Lanka encouraged buyers to source from Africa.

In FY 2010, USAID's Trade Hub modified its technical assistance strategy, providing comprehensive support to select apparel manufacturers, and this change has reaped dividends for the West African apparel industry.

Results

MAGIC Marketplace (MAGIC) is one of North America's premier fashion trade shows; it features apparel and accessories manufacturers; fabric and trim suppliers; and print and service providers. More than 2,900 wholesalers representing 5,000 brands and 20,000 product lines attend MAGIC in February (Winter) and August (Fall). Top American retailers often attend, representing over \$150 billion in U.S. consumer apparel sales. The apparel team represented six West African apparel companies at MAGIC in February and August in FY 2010, and one company exhibited at the show. More than 60 market linkages were established, and two of the buyers met at the show also attended the business-to-business (B2B) meeting in South Africa. Importantly, with Worldwide Responsible Apparel Production (WRAP) certification, two companies are set to be approved as suppliers by major buyers (technical assistance to obtain the certification was initiated and is ongoing). At MAGIC in February, the apparel team also met with a U.S. investor undertaking a project in **Ghana** regarding timelines for machinery, recruitment and training.

2010 B2B event: USAID's Trade Hub collaborates annually with the Southern Africa Trade Hub to facilitate meetings between pre-matched apparel companies. Held in April, the event involved 58 companies, including eight textile mills, 26 garment manufacturers (five fully vertical), six trims suppliers and 15 buyers from Australia, the EU, South Africa, and the U.S. More than 400 one-on-one meetings between pre-matched firms took place over the two days. Three West African companies – one from **Cameroon** and two from **Ghana** – were matched with companies to address their needs for sales, trims, fabric and yarn sourcing. In all, the West African companies participated in 40 meetings, laying the groundwork for orders for yarns, trims and fabrics. After the event, a major buyer visited their factories and orders are anticipated in January 2011. A number of buyers who attended the B2B have subsequently returned to various African countries for factory visits on buyer-trips facilitated by the apparel team.

New Investments

- **Sababu Conscious Clothing (Mali)** – Sababu officially opened in July in Bamako, **Mali**, where its 35 employees (80% women) produce T-shirts for the American market. Assistance by the Apparel team from USAID's Trade Hub led to the arrival in June of its machinery and its first shipment of fabrics. Sababu shipped its first order of T-shirts for the U.S. market in September 2010. The Apparel team also linked the company to an apparel company in **Côte d'Ivoire** to source fabrics, saving the company money and enhancing regional trade. The Apparel team's work across the region has created more opportunities to create linkages in the region to promote regional trade.

- **1888 Mills (Ghana)** – The Apparel team began working with 1888 Mills, a U.S. apparel company in 2007. In April 2010, 1888 Mills and its Pakistani partner installed machinery in its joint venture, 1888LuckyMills, in Tema, **Ghana**. The company has recruited and trained 80 workers (85% women) to complete its first orders for export in FY 2011. 1888LuckyMills expects to employ up to 400 people by the end of FY 2011. The presence of the U.S. garment manufacturer will also have a significant impact on the industry and will assist the apparel team in continuing to promote **Ghana** as an investment destination.
- **United Group USA (Cameroon)** – This USA/Bangladesh company has previously invested in the cotton growing industry and attended the B2B in South Africa as an observer. The company plans to install an apparel manufacturing factory in **Cameroon** in FY 2011.
- **Liberian Women’s Sewing Project (Liberia)** – This company initiated operations in July 2010 and shipped its first Fair Trade garments to the U.S. shortly thereafter. The company employs 40 people (94% women).

Technical Orientation Trip

Technical Consultant Jacques Betsy visited Haggar, a major American apparel manufacturer, in Dallas, Texas, at the request of a major buyer in order to better understand the company’s sourcing procedures. The visit covered global sourcing, quality control, logistics, customs compliance, fabric technology, merchandising and shipping. This market knowledge is being passed along to companies in West Africa to improve their competitiveness.

Analysis

The global economic downturn continued to bedevil the U.S. and EU retail trade and thousands of garment factories closed their doors, though tentative signs of a marginal increase in garment retail sales in the U.S. appeared in June and July. During that time, many retailers lost their sourcing base and were scrambling for new suppliers. However, consumers are still expenditure weary. Retail sales are thus anticipated to remain weak into FY 2011.

To make the situation more complex, wages in China increased significantly during FY 2010, and U.S. buyers at MAGIC in August feared an appreciation of the renminbi. The increased wages, sanctioned by the Chinese Government, will increase the purchasing power of its citizens and should see increased local garment sales. Wage increases of 100% in Bangladesh have also been a concern for U.S. and EU retailers. The devastating floods in Pakistan, and more recently northern India, have created further sourcing issues, in particular in terms of infrastructure. Related to the flooding and adding to manufacturing and retailer woes, cotton prices have skyrocketed, eroding margins at the factory’s and retailers’ doors. This has increased interest in synthetic-rich garment manufacturers.

These sourcing dilemmas provide West African apparel manufacturers with an opportunity. Africa was a sort of buzz-word at MAGIC, with more than usual number of buyers visiting the Source Africa Pavilion to evaluate capacities and capabilities of factories in Africa. Simultaneously, it should be noted that West African apparel Cut-Make/Cut-Make-Trim costs per minute are now in line with Bangladesh.



Women make up a large proportion of Ghanaian apparel manufacturer Oakbrook's staff

The Apparel team's emphasis on working with companies that are transparent in their dealings with buyers and Trade Hub consultants, rather than trying to assist all manufacturers, is providing returns. The consultants are able to be much more proactive in their approach and facilitation between buyers and vendors. The results from the B2B and subsequent MAGIC trade show have thus become much more encouraging and orders are being placed. Buyers deemed pricing to be acceptable and in some cases encouraging. The Apparel team was encouraged by the standard of expatriate technical teams that have been brought in to run the Trade Hub-assisted apparel factories. This has instilled further confidence with buyers.

Access to finance remains an issue, and the coordinated work of the Apparel and Finance teams at USAID's Trade Hub has helped identify options for apparel companies.



1.6. Specialty Foods

Overview

The specialty foods sector comprises various value chains that involve millions of farmers across West Africa. Linking exporting companies with competitive products to buyers in international markets creates increased demand for a variety of agricultural products, from mangoes to pineapples, and spices to palm oil, which are used to make products packaged and exported to international markets. When exports increase, farmers benefit – increased demand for their fruits, vegetables and grains leads to better prices. In turn, increased prices for their goods create an incentive to produce more – and food security becomes more certain. USAID's Trade Hub works with 63 specialty foods export-ready companies that exported almost US\$60,000 worth of products in the fourth quarter of FY 2010 and almost US\$500,000 during the year.

Results

Exporting companies link to buyers at international trade shows

USAID's Trade Hub assisted 21 companies at two major international trade shows that attract tens of thousands of professional buyers: ANUGA in Germany and the Fancy Food Show in New York City. Under the Trade Hub-managed Taste of Africa brand, the companies displayed their products in a highly visible African pavilion, establishing almost 1,000 links to professional buyers. The **Ghana** Export Promotion Council (GEPC), *l'Agence Sénégalaise de Promotion des Exportations (ASEPEX)*, the Association Africa Agro Export (AAFEX), the African Cashew Alliance and USAID's Southern Africa Trade Hub project worked with USAID's West Africa Trade Hub to increase the number of companies at the Fancy Food Show from four in FY 2009 to 29 in FY 2010. At each show, companies were promoted in an enormously popular African Food Cookbook – the supply of cookbooks was exhausted at both shows, with more than 1,000 distributed.

Technical assistance, collaboration helps companies develop new products

In **Ghana** and **Senegal**, workshops to develop new products, implemented with Talier Trading Group of the U.S., led to 20 new food products, including packaging and labeling design, ready for manufacture and export. Six companies participated in the workshops. To institutionalize the work, USAID's Trade Hub developed and signed memoranda of understanding with **Ghana's** Food Research Institute and **Senegal's** *Institut de Technologie Alimentaire (ITA)*. More recently in **Senegal**, the formulations of seven new products were finalized in the fourth quarter of FY 2010, as well as their pricing and packaging and labeling design. USAID's Trade Hub is working with the ITA on the nutritional analysis of these products. For one of these products, the assorted cereals bar developed by the company Baobab des Saveurs, a grant from the USAID Economic Growth Project in **Senegal** will assist the company to obtain equipment and working capital.

Potential mango and tomato processing in West Africa assessed with investors

USAID's Trade Hub worked closely with potential investors to assess the potential to produce dried mango in **Mali** and producing processed tomatoes in **Burkina Faso, Ghana, Mali** and **Senegal**. The specialty foods advisor visited the Philippines, among the world's leading producers of dried mangoes, to understand better the mango processing opportunities in West Africa.

Analysis

The majority of specialty foods companies (globally) are small enterprises, and the market has a tolerance for lower volume production and niche products. Given this profile, the specialty foods sector represents a significant opportunity for small food manufacturers in West Africa that are often women-owned. However, West African food processors need significant assistance to take advantage of these market opportunities. The support needed ranges from product development, to packaging improvements, to factory modernization to comply international production standards.

For example, many small, women-owned enterprises produce traditional West African foods that could be very marketable in the U.S. or Europe. However, often the production is very artisanal. To be competitive in international markets, at the very least, the product may need some modifications, the packaging may need to be upgraded, and in some cases, the factory may need to be expanded and modernized. To address these issues, USAID's Trade Hub has been leveraging partnerships to help companies prepare to enter international markets, developing Taste of Africa as an industry brand. Partners include Talier Trading



West African companies exhibited their products under the Taste of Africa brand during New York's Fancy Food Show

Group, Food Research Institute, as well as other donor-funded projects. Examples such as Homefoods suggest that the potential results are worth the effort. Felicia Twumasi, the CEO of Homefoods, started the company in her own kitchen in 1996. Today the company has fully industrialized operations, and is about to expand and modernize in the coming year.

The USAID Trade Hub's activities and work in the food sector spans the entire value chain, and highlights issues relating to agricultural productivity and lack of implementation of best practices.

Agriculture is the basis of most West African economies: agriculture accounts for at least 25 percent of GDP for many countries, sometimes as high as 77 percent and most West Africans rely on agriculture for their livelihoods – at least 65 percent of the labor force in most countries is engaged in agriculture. (In comparison, agriculture accounts for around 5 percent of world GDP and less than 1 percent of U.S. GDP.)

Despite the overwhelming importance of agriculture in West Africa, the base itself is characterized by inefficiencies and weakness: most farmers are producing at a near-subsistence level on small tracts of land. In the case of mango production in **Mali**, the

average farm size is approximately 2 hectares. Markets hold the greatest potential for increasing production: Farmers will respond if prices increase. Anecdotally, this is exactly what happens when farmers' produce is sought for an export product. In **Ghana**, one company reported that when it showed up in villages to source pineapple, they were warmly welcomed by local farmers who also wanted to develop closer ties. At harvest, much pineapple rots because it surpasses the demand of the local markets; further, the throw-away pieces of pineapple that are unsuitable for fresh consumption are of use to a dried fruit processor. The interest of exporting companies in farmers' products increases demand and therefore prices for farmers.

Given the focus on value addition, the Trade Hub's work in the processed food sector is not directly involved in improving agricultural production in West Africa; however creating the demand-pull via the international market has been proven to trigger rapid improvements in supply chain efficiency, packaging, as well as coordination and productivity at the producer level. The specialty foods program engages micro-enterprises through multinational corporations and promotes the export of finished products as well as bulk ingredients. The range of business/export models takes advantage of a diversity of opportunities for value-addition, and a comprehensive food program should include all of these models. This model offers opportunities to move up the value-chain and move populations away from their dependence on subsistence farming.

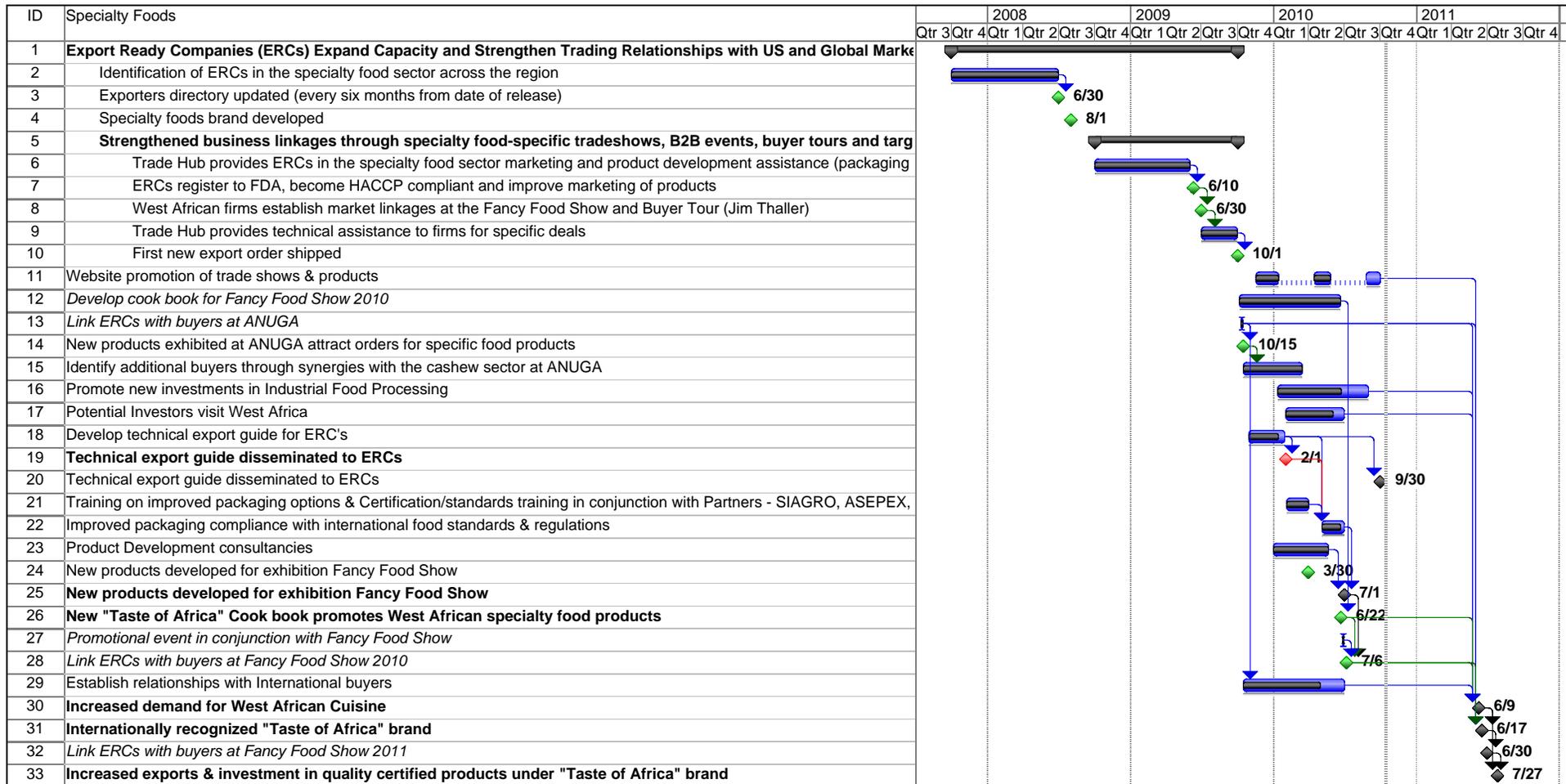
The specialty foods sector has supported small processors of specialty products, packaged for the retail market. Despite high quality standards, this niche market is fairly accessible to African processors, with significant potential for growth. The industry in the U.S. alone is about US\$73 billion, while the average turnover of American specialty food manufacturers is less than US\$1 million – size is not a barrier to entry.

Nevertheless, small processors face a myriad of constraints, not the least of which is raw material procurement and financing. Even on a small scale, the organization of a multitude of disparate farmers is a challenge – both from a logistical and quality perspective. One client company has to stop her production at points throughout the year because her raw material supply is not stable; another is considering importing vegetable stock from Europe because she cannot guarantee that the variety of vegetables cultivated by suppliers will be consistent.

Counter-intuitively, large, industrial-scale processors supplying the ingredient or bulk markets may face fewer difficulties with farmer organization than their smaller counterparts. The very scale of these operations enables them to organize and dictate suppliers' behavior more easily. However, these types of operations are typically backed by foreign investment, raising the stakes for performance and increasing the potential for negative fall-out should the supply breakdown.

Finally, some international processors are unwilling to tolerate any supply risk. In response to global supply fluctuations, there is a trend to explore acquisition of large tracts of land in West Africa for vertically-integrated farming and processing. This type of investment can provide opportunities to transition to more efficient production and transfer the latest technologies to the region. Ultimately, it is the role of the governments to facilitate the investment opportunities at this scale and structure deals that are mutually beneficial.

The work of USAID's Trade Hub in the specialty foods sector promotes increased production efficiency through market demand and provides employment opportunities outside of subsistence farming.



Project: Specialty Foods 10-13-10 Date: Wed 10/13/10	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



2. FINANCIAL SERVICES

Access to Finance

Introduction

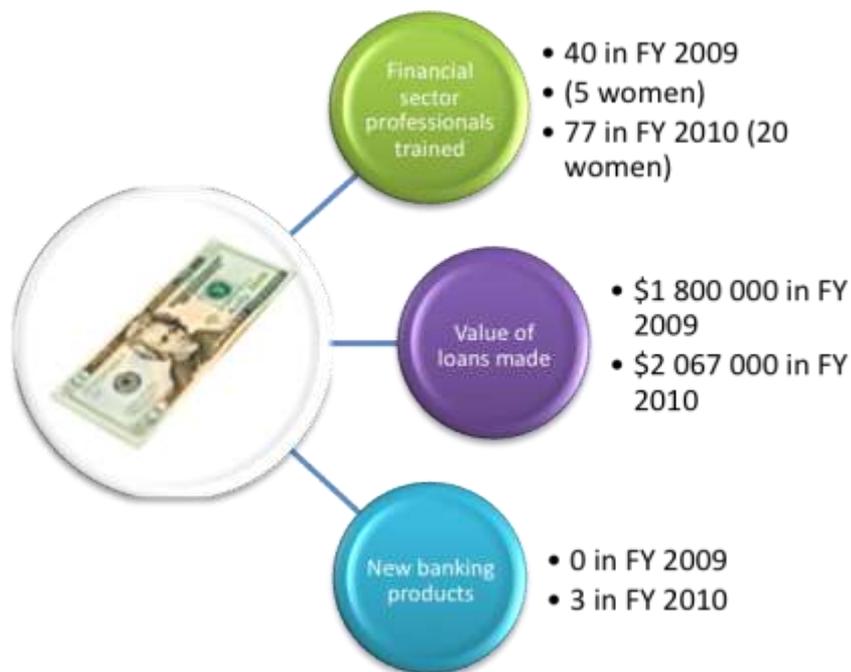
Access to finance (A2F) remains a critical constraint to the competitiveness of West African small and medium enterprises (SMEs) in all of the sectors assisted by USAID's Trade Hub. Subsequent to regional policy calling for growth based on SME promotion and internal structuring for this purpose, liquidity for lending by commercial banks has improved. However, companies continue to experience difficulties in fulfilling lending criteria, notably concerning collateral and guarantees for short-term transactional lending and mid-term business development and/or operating loans.

In FY 2010, the Trade Hub deepened its access to finance strategy initiated in FY 2009 – based on “making deals happen” and on “Transforming Trade Finance: An Institutional Analysis of Access to Finance Constraints Faced by West African Export Ready Companies and Regional Traders” report (Annex 23) which integrates activities driving the establishment of sector-specific guarantees and funded lines by international and regional financial institutions, donors, and commercial banks.

To increase its impact on ERC financing and to ensure the sustainability of the A2F approach, USAID's Trade Hub contracted three private consulting firms from the region on performance-based contracts in June 2010. Each subcontractor focuses on the most promising ERCs in designated countries and works to obtain appropriate financing for them. This method is designed for the ERCs to transition progressively to more commercial relationships where they directly contract firms to obtain the financial services they need, and will build a sustainable model for companies to access finance independently. The subcontractors have been instructed to source structured deals with high impact that build capacity in the benefitting companies, but also amongst its production partners (notably women's groups that work in pre-processing of raw materials) to increase their individual eligibility for access to finance as well. In this way, business development capacity building is extended exponentially.



High Impact Structured Financing Model



Evolution of selected access to finance results in FY 2010

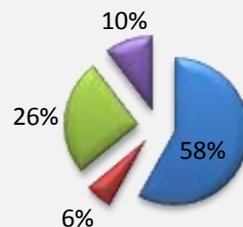
Results were linked to the number of new financial products rolled out and loans disbursed. The number of financial professionals trained improved significantly during the fiscal year, though institutional and operational barriers to access to finance for SMEs in West Africa are still high. Banks' inertia to change their mindsets makes the pace of improvements slow. With additional funding, the Trade Hub could intensify access to finance work at each of these levels and subsequently accelerate positive change on a larger scale.

During FY 2010, the number of financial professionals trained almost reached the target of 100. Most were trained as part of the Global Trade Finance Program, implemented by the Access to Finance team in collaboration with the IFC. The number of women financial professionals trained increased by 400 percent during FY 2010.

The value of new loans (US\$2,067,415) reached the objectives for both the fiscal year and for the life of the project. However, average loan value was higher than expected; hence the indicator on number of loans fell short of the target. Loans were disbursed from a variety of sources including commercial and institutional lenders, alternative financial service providers, private investors, and even from families of ERC owners.

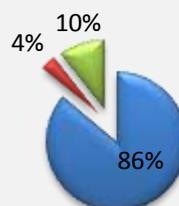
Country Breakdown Loans Disbursed FY 2010

■ Benin ■ Ghana ■ Burkina Faso ■ Cameroun



Sector Breakdown Loans Disbursed FY 2010

■ Cashew ■ Handicrafts ■ Shea



Major institutions, including the West African Development Bank (BOAD) and the ECOWAS Bank for Investment and Development (EBID), have approved the implementation of new financing and refinancing products in their relationship with commercial banks in West Africa subsequent to Trade Hub facilitation and intermediation.

Due to funding constraints, USAID's Trade Hub was not able to expend effort on attaining the A2F indicator "Lending institutions access credit bureau reports as part of the credit investigation process" during FY 2010. This issue, continued restrictive criteria for hard guarantees for business lending applied by central banks, and chronic judicial sector inadequacies as regards collateral security and commercial debt recovery are major macro level concerns for sustainable ERC access to finance.

Initiatives and Results

Training

The A2F team focused on bankers' training in collaboration with IFC's Global Trade Finance Program and financial sector regional events to reinforce partnerships with key financial institutions. In addition, some banks requested specific training sessions. The finance team also contributed to ERC training during **Nigerian** AGOA Resource Center training sessions, and during ICT training sessions organized by the Trade Hub ICT team.

Technical assistance to ERCs

Technical assistance focused on identification of ERCs' financing needs; support in financing applications including short and mid-term business plans; negotiating financing with institutional and commercial lenders; and, governance issues including accuracy of financial statements and realistic financial projections.

The Access to Finance team also conducted three basic accounting training sessions in conjunction with the eBizBox II launch by the Trade Hub ICT component, as well as one-on-one assistance to build accounting tools.

The team assisted 59 ERCs, covering six sectors and nine countries; 25, or more than 42 percent, of the companies assisted are women owned.

Access to Finance TA Administered to ERCs during FY 2010

Sector	Country	Number of companies assisted	Number of women owned companies assisted
Apparel	Cameroon	2	1
	Ghana	3	2
Cashew	Burkina Faso	1	1
	Côte d'Ivoire	1	0
	Ghana	1	0
	Guinea-Bissau	1	0
	Nigeria	2	0
	Senegal	1	0
Handcraft	Ghana	6	3
	Senegal	2	2
Shea	Burkina Faso	7	2
	Ghana	4	2
	Mali	9	1
	Senegal	1	1
Specialty Foods	Burkina Faso	1	1
	Cameroon	3	0
	Ghana	6	3
	Mali	2	2
	Senegal	4	4
Transport	Ghana	1	0
	Togo	1	0
Total		59	25

Increase awareness at commercial banks and introduce deals

The A2F team has sustained constant effort to train bankers in export sectors targeted by USAID's Trade Hub. Eight sessions were primarily designed for bankers, to maintain relationships, and to introduce specific financing opportunities that match banks' targets.

At the end of the fourth quarter of FY 2010, structured short-term and mid-term processing capacity building deals in excess of US\$1,200,000 were introduced for the shea sector to commercial lenders: they are pending at the time of publication of this report. Similar structured applications for the cashew and specialty food sectors are being prepared for submission to both commercial and institutional lenders during the first quarter of FY 2011. The overall expected direct and indirect business development results of these applications are indicated in the graphic below.

Expected Direct and Indirect Business Development Results of Structured Commercial Lending Applications in FY 2011



Develop appropriate financial products with public and private institutions

The A2F team successfully negotiated approval for the establishment of dedicated refinancing schemes. Short-term refinancing and microfinancing lines will be made available by the West African Development Bank (BOAD) for each of the sectors targeted by USAID's Trade Hub to address the urgent need for raw material procurement financing and operational working capital. Likewise, mid- to long-term direct financing lines will be provided by the ECOWAS Bank for Investment and Development (EBID) for the cashew sector's upcoming season, with the possibility upon satisfactory review to expand this pilot program to other sectors. Once running, these facilities will enable lending in excess of US\$8 million through commercial and institutional channels in the UEMOA and ECOWAS zones.

Support and facilitation of public-private partnerships involving both bilateral and multilateral donors will further these efforts in FY 2011 and drive the establishment of guarantee facilities in USAID's Trade Hub sectors of interest. Donors, particularly the ICCO/Oikocredit³⁵ consortium and the IFC, are supporting value-added processing investment in the cashew and shea sectors where there are strong opportunities for employment and entrepreneurship among women.

Furthermore, the Trade Hub Finance team is working to assess the Ecobank utilization ratio in order to restructure and possibly renew the USAID-Ecobank **Ghana** DCA cashew sector guarantee scheme which is due to expire shortly. USAID's Trade Hub will seek a broader application of this guarantee instrument for a wider geographical target within the Ecobank network coverage.

Towards the end of the fiscal year, the Finance team also set the stage for a closer and more influential relationship with the Making Finance Work for Africa Partnership and the Funds for Africa Directorate of the African Development Bank. These partnerships lend themselves to increased awareness and resolution of access to finance bottlenecks by both public and private sector financial services stakeholders in West Africa.

The team facilitated due diligence in support of major private investments in the tomato, mango, and cashew processing sub-sectors in **Mali** and **Burkina Faso**.

Assist targeted Alternative Financial Service Providers in selecting financing opportunities among ERC and facilitate the financing process

The Grassroots Business Fund (GBF) representative in West Africa located at USAID's Trade Hub is working with companies – approving two loans and disbursing US\$105,000 – and GBF intends to invest and lend larger sums in FY 2011. Follow-up with Root Capital has been strong – it has disbursed US\$114,000 to one ERC thus far – and collaboration with the Makeda Fund³⁶ was renewed.

Five additional AFSPs have been contacted, and deals were introduced to all of them, described in the figure below.

New Trade Hub AFSP Partnerships implemented in FY 2010



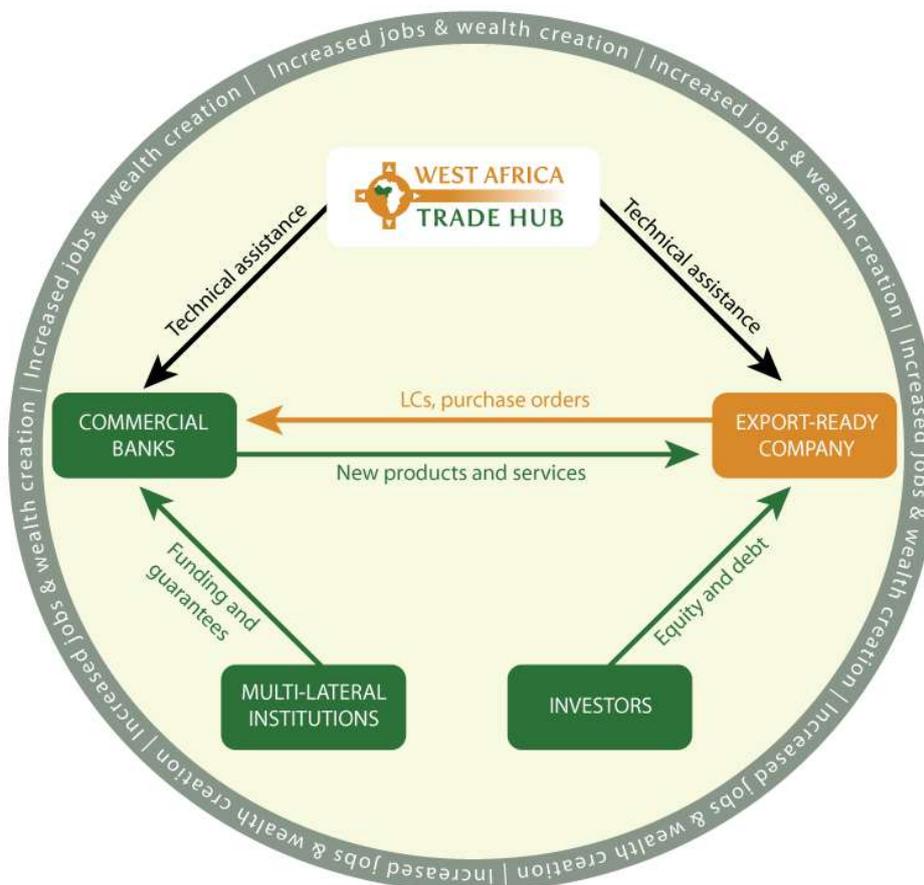
³⁵ ICCO is a Dutch-based inter-church organization for development cooperation.

³⁶ The Makeda Fund supports the growth of women-owned and women-run businesses in Africa.

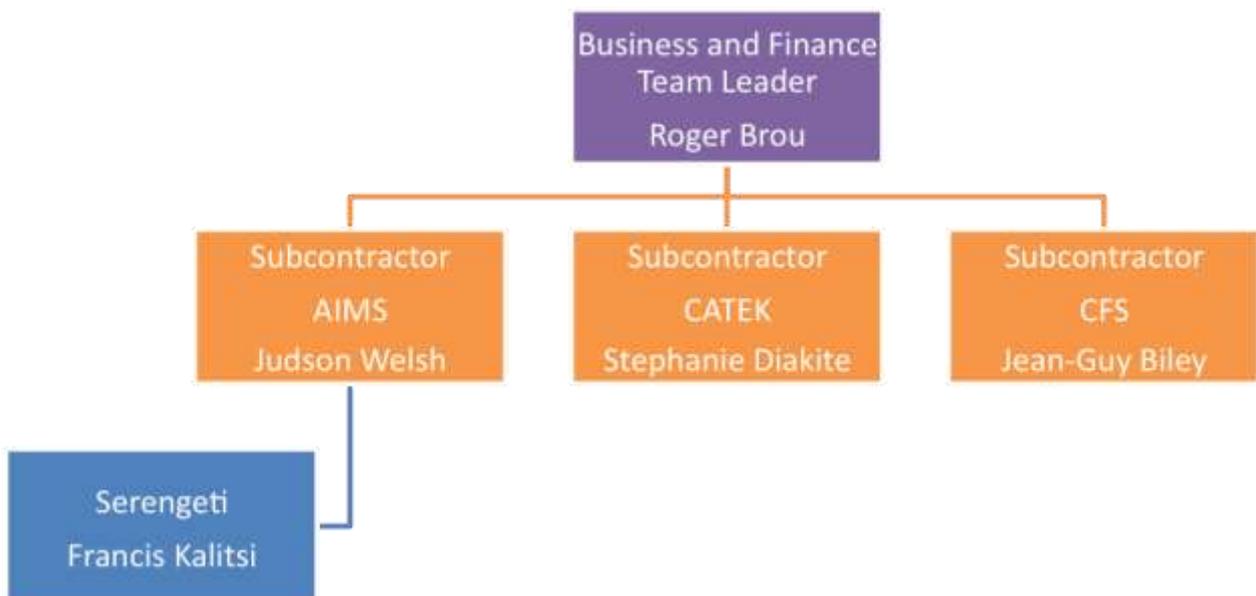
Analysis

The greatest obstacles to access to existing financing by Trade Hub ERC are related to lack of knowledge and interest in the sub-sectors by commercial banks. There is a very high perception of related risks, which in turn triggers high interest rates in most of the region and demanding types and levels of guarantees required for ERCs in non-traditional export sectors. USAID's Trade Hub is tackling these barriers by integrating its approach: training and attractive refinancing and guarantee schemes facilitated by development stakeholders are stimulating commercial banks' involvement, and ERC clients receive support for financing applications from qualified and experienced financial services professionals. Equity and private investors are supported in project and lending choices and in the roll out of these operations by the team.

STRATEGIC APPROACH TO ACCESS TO FINANCE



Although recently institutionalized, the approach described in this figure appears to be driving increased access to finance as illustrated by the positive evolution of the principal indicators of the component. In light of the adequate liquidity of commercial banks, the Finance team will concentrate on the development and roll out of guarantee schemes that will drive lending in sectors assisted by USAID's Trade Hub. These efforts will be directed to both bilateral and multilateral development partners, including USAID, and private sector guarantee providers such as the insurance industry.



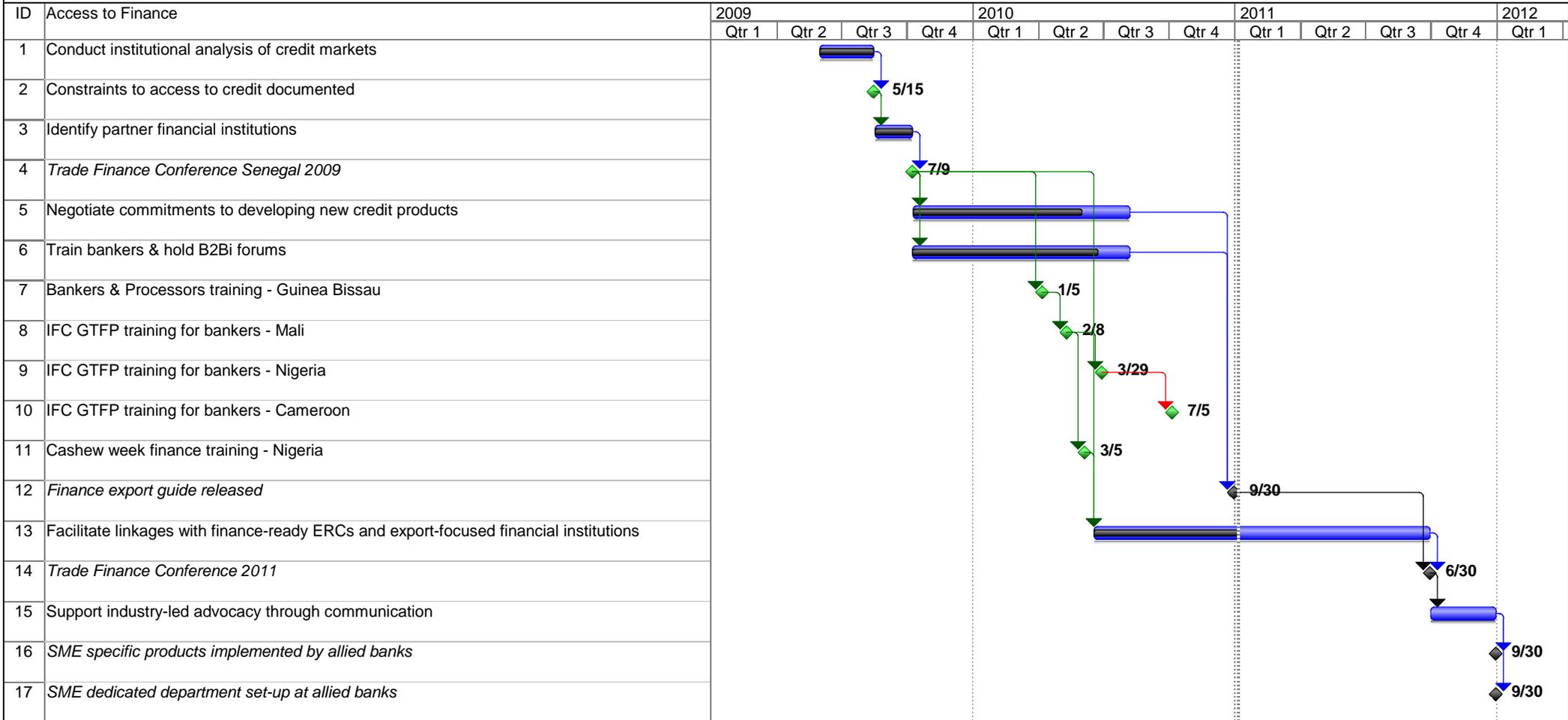
Access to Finance Team Organizational Chart

The Finance team will continue to build financing application capacity amongst both ERCs and their local partners, with special focus on structured financing applications that have high impact on both ERCs and their local production partners in value-added processing facility financing.

Due to funding constraints, the Trade Hub has not been able to substantively contribute to macro-level improvement and reform that would lead to increased access to finance for sustainable growth in its sectors of interest. Three principal issues merit additional effort in the interest of sustainable access to finance for business growth by ERC in West Africa:

- Institutionalization of credit rating and the use of credit ratings for lending decisions;
- Revision of central bank hard guarantee criteria for business lending;
- Judicial and commercial court system reform enabling collateral security and commercial debt recovery.

Access to Finance Workplan



Project: A2F Gantt Date: Tue 10/5/10	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



3. TRANSPORT INFRASTRUCTURE

Introduction and Overview

The costs of transportation and logistics in West Africa are among the highest in the world and a significant obstacle to the economic development of the region. USAID's Trade Hub Transportation Infrastructure component aims to reduce these costs through a strategy of stakeholder empowerment: providing stakeholders with credible, useful information about inefficiencies along the corridor and then supporting stakeholder advocacy to reduce these inefficiencies.

The component focuses on key transport corridors, particularly those linking landlocked capital cities with West African ports. On these corridors, it tracks and analyzes procedures, delays, and costs through its Reduced Road Transport Costs work. A second activity, the Improved Road Transport Governance initiative, targets one particularly visible source of inefficiency: corruption associated with the harassment of truck drivers at official checkpoints along transport corridors.

The data gathered by the transport team feed into a communications and advocacy program that makes analysis and statistics available to transport-sector operators and industry stakeholders, allowing them to better appreciate the weak links in their value chains and improve their advocacy to the public sector with a view to reforming government regulation.

Regional transport integration: In FY 2010, USAID's West Africa Trade Hub launched the Borderless campaign with the World Bank-funded Abidjan-Lagos Corridor Organization (ALCO) and the sister USAID Agribusiness and Trade Promotion (ATP) project. The campaign, which was developed pro bono by Publicis **Ghana**, is designed to bring attention to, and push for the realization of, the visions of ECOWAS and UEMOA for an integrated West Africa with free movement of people, goods and transport. This was the original vision of these organizations when they were established in 1975 and 1994, respectively; it is even more valid today than when it was first conceived.

Commerce Sans Frontières en Afrique de L'Ouest

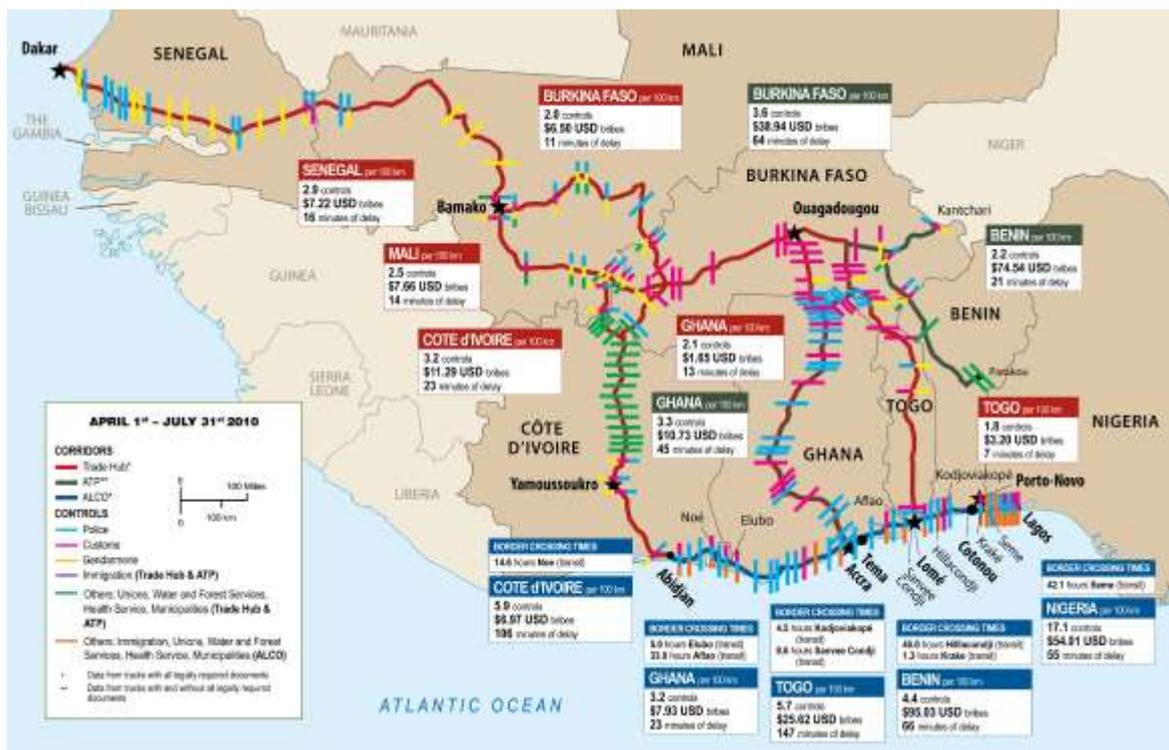
USAID's Trade Hub has identified the lack of an open regional transport market and over-regulation as the biggest obstacles to increasing the efficiency of the West African transport industry. Realizing the ECOWAS and UEMOA vision of an integrated West Africa could and should result in a regional open transport market with no internal borders.

The Borderless campaign was launched in Krake, **Benin**, at the **Nigerian** border in March 2010. At the same occasion, a first joint USAID Trade Hub, ATP and ALCO publication was launched. The publication, which is referred to as Borderless I, summarizes the three organizations' work on road harassment in West Africa. A second joint Borderless publication, Borderless II, was launched in September 2010 in Cotonou, **Benin**, and Lagos,

Nigeria, during workshops organized by ALCO and financed by a grant from USAID's Trade Hub.³⁸

Road governance: Both ATP and ALCO document road transport corruption using methodologies that complement the methodology developed by UEMOA and USAID's Trade Hub. UEMOA and USAID's Trade Hub collect data continuously from volunteer truck drivers and only those who are properly licensed, whose trucks meet legal requirements and whose cargoes are properly documented. ATP collects data on two corridors, Kantchari, **Burkina Faso**, to Accra, **Ghana**, (in onions) and Fada, **Burkina Faso**, to Parakou, **Benin**, (in livestock), from any driver/truck carrying these goods – whether legal or not. Finally, ALCO collects data through a consultant who takes snapshots of the road harassment situation during two-week periods every quarter paying particular attention to delays and bribes at border crossings. Like ATP, ALCO does not distinguish between trucks, cargoes, or drivers that have their papers in order and those that do not. USAID's Trade Hub and ATP work has been published jointly by UEMOA since the 8th UEMOA road governance report in June 2009, and the results of all three organizations are summarized in joint reports published since March 2010.

Map of road harassment in West Africa April 1st – July 31st 2010



Research has shown that the level of harassment varies greatly from corridor to corridor, even within the same country. However, trucks carrying perishable agricultural products and which do not necessarily meet safety and documentary requirements (ATP data indicated in the green boxes) are consistently subject to about six times more extortion and about four

³⁸ ALCO received funding to monitor road harassment on the Abidjan-Lagos corridor from the Global Fund up to the end of 2009 and will receive funding from the World Bank to provide monitoring and evaluation on the Abidjan-Lagos corridor starting in the fall of 2010. The Trade Hub grant provided bridge funding to allow ALCO to document harassment on the corridor in June/July 2010 and enable the joint Borderless II publication and its timely launch in **Benin** and **Nigeria**.

times longer delays at checkpoints than legal trucks (Trade Hub – indicated in the red boxes). For legal trucks, **Ghana** reports the lowest level of harassment in the region with bribes of US\$1.65 per 100 km, while **Benin**'s officials take the most bribes, from US\$74 per 100 km for livestock and US\$95 per 100 km on the Abidjan-Lagos corridor, the economically most important transport corridor in West Africa.

Transport Costs: USAID's Trade Hub published the Transport and Logistics Costs report on the Tema-Ouagadougou Corridor in FY 2010, the first in a series of planned transport cost studies on West African transit corridors. The study showed that West African transport and logistics face many problems in addition to the harassment encountered at road barriers. The magnitude of the differential is illustrated by the fact that moving a 20-foot container from a vessel in the Tema port to its destination in Ouagadougou, **Burkina Faso**, costs about five times more than moving a similar container from the port of Newark to Chicago in the U.S., a distance that is slightly longer. The West African trip also takes about four times longer and considerable uncertainty in both time and costs.

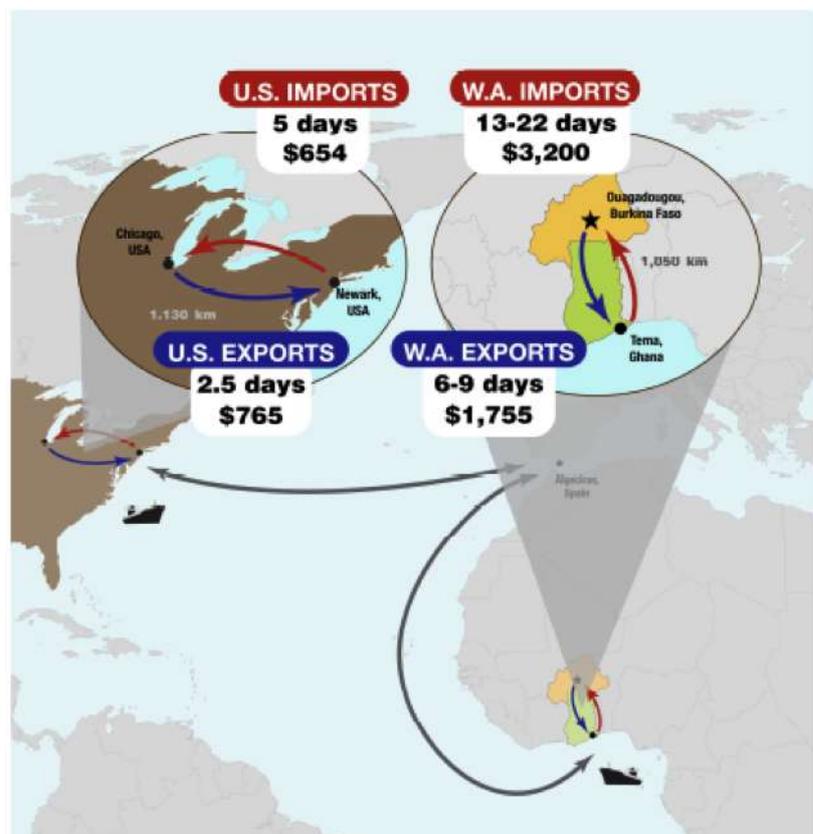
The costs report contained 23 recommendations which, if implemented, could cut West African transport and logistics costs in half for imports and by a third for exports.

In September 2010 USAID's Trade Hub held national workshops in Accra, **Ghana**, and Ouagadougou, **Burkina Faso**, to discuss the findings of the study. Stakeholders in each country formed four working groups to discuss ways to implement recommendations. The transport team will work closely with these working groups to ensure that the momentum and enthusiasm among stakeholders achieved during the workshops are maintained and will also coordinate among the working groups in the two countries. Follow-up workshops are planned for 2011.

The Transport team has started work on a similar study for the Lomé-Ouagadougou transport corridor and validation workshops were held in Ouagadougou and Lomé in September 2010. Data collection for a study on the Tema-Bamako transport corridor is also in an advanced stage and validation workshops in Tema and Bamako are planned for the first quarter of FY 2011.

The transport costs studies undertaken by USAID's Trade Hub are complemented by a FastPath analysis done by Nathan & Associates. FastPath is a transport logistics "toolbox"

Comparison of transport costs in the U.S. and West Africa (importing and exporting a standard 20' container)



that takes a holistic view of transport logistics and, in particular, allows a comparison of West African transport corridors with global and regional benchmarks. A FastPath analysis was part of the Tema-Ouagadougou transport cost study and will also be part of future corridor studies.

Severely overloaded trucks have been the bane of West Africa's infrastructure. To correct the situation, UEMOA countries have agreed on new axle-load regulations, which countries are beginning to implement. As **Ghana** seems to be the country furthest along in this process, USAID's Trade Hub published a case study "*Implementation of Axleweight Rules in UEMOA Member States: Lessons Learned from Transit Traffic in Ghana*" as a guide to other UEMOA countries. All UEMOA countries and **Ghana** are expected to implement the new rules in January 2011.

In order to promote legal trucking, to educate drivers and to strengthen links with the **Ghana** National Road Transport and Transit Facilitation Committee, the Trade Hub accepted a request from the Committee to produce a Truck Driver's Guide to **Ghana**. The importance given to the guide by **Ghanaian** stakeholders was illustrated by the fact that it was signed by and launched in the presence of two ministers, the Minister of Transport and the Minister of Road and Highways. Already, authorities in **Burkina Faso** and **Togo** have expressed a strong interest in having similar guides produced for their respective countries.



Communication and advocacy: The aim of the transport work done by USAID's Trade Hub is to reduce the costs of transport, which will make West Africa more competitive on world markets. Communication and advocacy are keys to reaching this objective.

In the road governance initiative, UEMOA disseminates quarterly road harassment reports to governments and ministries in member countries. In addition, USAID's Trade Hub organizes quarterly "road shows" in each country in order to 1) report on developments in road governance to transport stakeholders from both the public and private sectors, including the agencies which operate the checkpoints and the truck drivers who provide information for the reports on a voluntary basis, and 2) encourage debate between transporters, drivers and the uniformed services on how to improve the situation.

In FY 2010, the Trade Hub also organized press conferences for the launch of Borderless in Krake, Benin; for the launch of the Tema-Ouagadougou transport cost study in Accra and Ouagadougou; and for the launch of the Truck Driver's Guide to **Ghana** in Tema.

More than 6,000 people, of whom 181 were women, participated in events to learn about road governance and the need for transport reform.

To reinforce these activities, USAID's Trade Hub also awarded grants to civil society organizations (CSOs) that conduct advocacy campaigns for improved road governance. Eight grants were awarded in 2009 to nine CSOs in **Burkina Faso, Ghana, Mali** and **Togo**; their activities were completed in the first quarter of FY 2010. The CSOs effectively raised awareness of transport and regional integration issues and led USAID's Trade Hub to award further grants to five CSOs in **Ghana, Mali, Senegal** and **Togo** in the last quarter of FY 2010. Implementation has started in all countries except **Ghana**, which was still in the final stage of approval as FY 2010 ended. In addition, and as mentioned previously, a grant was awarded to the Abidjan-Lagos Corridor Organization in order to conduct a survey of road harassment along the corridor in June/July 2010 and thus provide input to the Borderless II publication.

FY 2010 Fourth Quarter Highlights

IRTG steering committee in Dakar

The 5th meeting of the road governance steering committee took place in Dakar in July 2010 and focused on the sustainability of the program, UEMOA announced that it will organize a high-level workshop in spring 2011 in order to solicit guidance from member states regarding the future of the Improved Road Transport Governance project, which is still officially a pilot project.

Truck Driver's Guide to Ghana launched

In August, the Truck Driver's Guide to **Ghana** was launched by **Ghana's** Minister of Roads and Highways with the Minister of Transport. The guide was co-written by USAID's Trade Hub transport team and the National Transport and Transit Facilitation Committee, which had requested Trade Hub assistance.

Borderless II report launched

The second joint report on road harassment, incorporating data from ALCO, ATP and the Trade Hub, was launched in Cotonou, **Benin**, with the participation of U.S. Ambassador James Knight, and in Lagos, **Nigeria**, on August 26 and September 14 respectively. The Trade Hub's road governance work does not presently extend to either **Benin** or **Nigeria** so this was a welcome opportunity to spread the knowledge of the work to a larger audience – important because the problem of road harassment is serious in **Nigeria** and **Benin**, where truckers encounter the highest level of bribes in the region, namely USD 95 per 100 km on the Abidjan-Lagos corridor.

Road shows continue to raise awareness, facilitate dialogue

Road governance roadshows or workshops were organized in **Burkina Faso, Côte d'Ivoire, Ghana, Mali, Senegal** and **Togo**. These quarterly events represent a sustained advocacy campaign which has had the following results:

- In **Burkina Faso**, all fixed police checkpoints have been removed, and security agencies are reviewing their strategy to address road corruption issues.
- In **Mali**, all the Direction of Transport agents have been removed from the checkpoints by the Minister of Transport. Drivers told officials at a road show that the agents were notorious for extorting bribes.
- In **Togo**, two checkpoints have been removed from the Lome-Ouagadougou corridor. The Minister of Security has pledged to remove more. In light of the opening of the

Togo-Burkina Faso joint border post at Cinkasse, the **Togo** side of the corridor will have only three additional checkpoints – at Davie, Mango and Tsevie. These three checkpoints will be jointly operated by the police, customs and gendarmes

- In **Ghana**, the national security service has issued a probe into customs activities at the borders and on the corridors. Metro TV and GTV – which, combined, reach almost half of all **Ghanaians** – are still conducting and running stories and documentaries on corruption at the borders. Also, the president set up a committee to probe corruption by customs at the borders.
- In **Senegal**, the gendarmerie introduced a global positioning system (GPS) to track all trucks using **Senegalese** sub-corridors. The Prime Minister has issued a decree to reduce the number of controls from 25 to three. Gendarmerie, police and customs established a toll free number where drivers could complain. See Annex 12, the joint report, for details.

Stakeholders tackle high transport costs

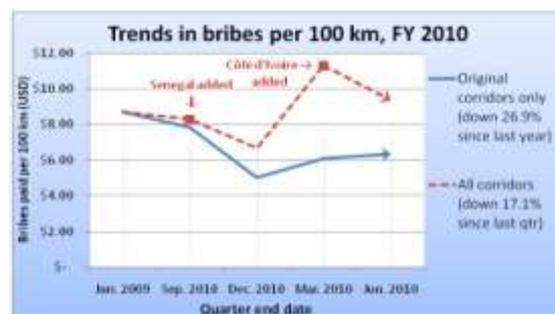
Implementation workshops on the challenges and opportunities identified in the Tema-Ouagadougou transport cost study were organized in Accra and Ouagadougou. These workshops led stakeholders to form working groups in each country, with each taking on the task of addressing two or three recommendations from the report and trying to resolve the issues. Follow-up workshops to assess progress and sustain the momentum are scheduled for 2011

Initiatives and Results

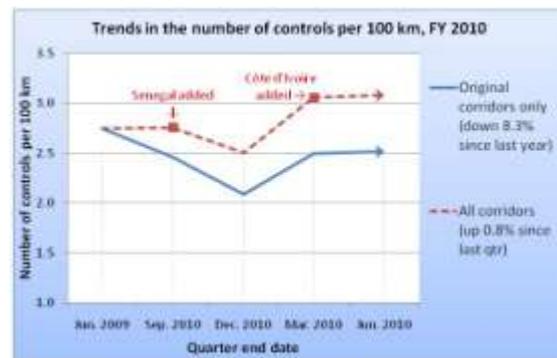
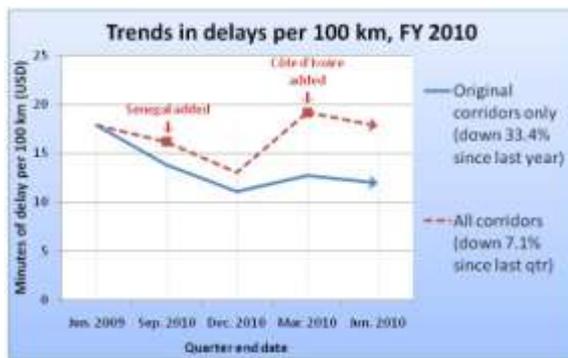
Improved Road Transport Governance initiative

In FY 2010, significant improvements in two out of three road harassment indicators occurred – bribes and delays decreased and the number of controls increased, but by less than one percent.

USAID's Trade Hub added the **Senegal-Bamako**, **Abidjan-Bamako** and **Abidjan-Ouaga** corridors in FY 2010.³⁹ Both **Senegal** and **Cote-d'Ivoire** have higher than average road harassment. However, governments in both countries have committed to improving the situation and indicators show they are serious: bribes in Q4 FY 2010 were reduced by 17 percent and delays by 7 percent on all corridors.



³⁹ The reach of the transport work in **Côte d'Ivoire** is limited by the fact that the country is divided between "government" and "rebel forces." USAID's Trade Hub does not have a working relationship with the rebel forces.



IRTG report improvements: In addition to the customary corridor-oriented tables, the 11th and 12th road governance reports – covering the period January-June 2010 – include new tables focusing on what happens in each country and the behavior and ranking of the different uniformed services. The premise for the change is that providing agencies with more specific information than the customary averages per corridor will offer better arguments for officials wishing to reduce bribery and delays. To compliment this initiative, the transport team has begun drafting the first of a series of national reports, which will provide more in-depth analyses of road governance indicators at the national level, identifying specific problem checkpoints that can be more effectively targeted by national and local authorities.

12th IRTG Report: Overview of bribes paid in each country per trip and per 100 km

Average bribes per 100 km, by corridor and sub-corridor								
Corridor	Distance (km)	Bribes per 100 km by corridor (USD)	Bribes per 100 km by sub-corridor (USD)					
			Burkina Faso	Côte d'Ivoire	Ghana	Mali	Senegal	Togo
Tema – Ouagadougou	1,057	4.33	17.01	-	1.80	-	-	-
Ouagadougou – Bamako	920	11.25	5.39	-	-	17.87	-	-
Lome – Ouagadougou	1,020	4.01	5.43	-	-	-	-	3.50
Bamako – Dakar	1,476	6.07	-	-	-	4.51	7.87	-
Abidjan – Ouagadougou	1,263	8.65	6.20	10.34	-	-	-	-
Abidjan – Bamako	1,174	11.11	-	14.40	-	6.09	-	-
Weighted Average		7.52	7.09	12.32	1.80	8.36	7.87	3.50

12th IRTG Report: Rank of services by country in bribes paid per 100 km

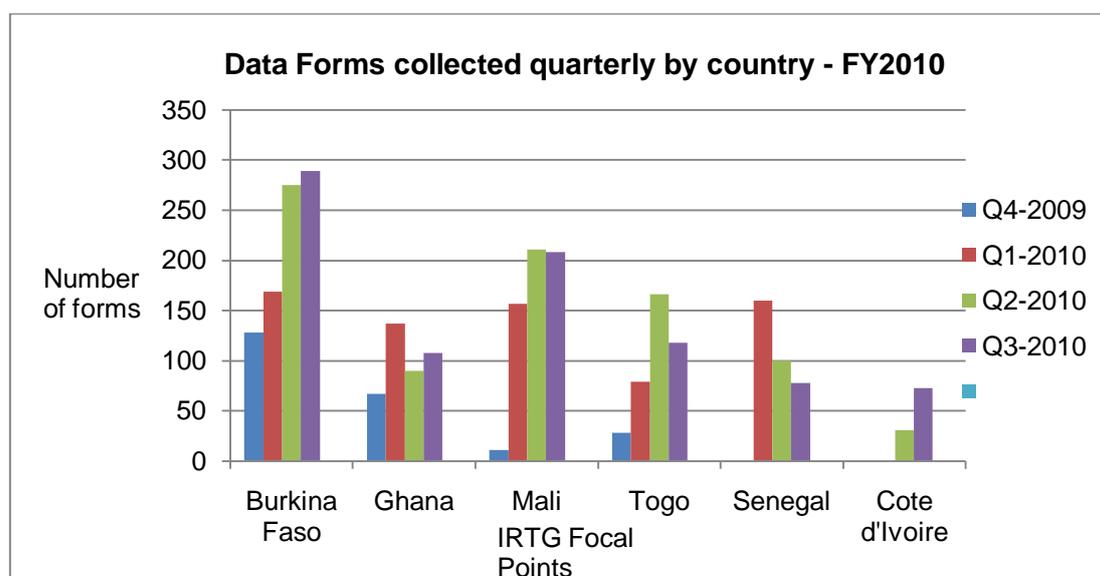
Responsible agency & rank Corridor segment & rank	Average per country	1 st		2 nd		3 rd		4 th	
1 st : Côte d'Ivoire	12.32	Forces Nouvelles	7.87	Police	2.07	Gendarmerie	0.87	Customs	0.86
2 nd : Mali	8.36	Police	2.66	Customs	2.08	Gendarmerie	1.67	Tax collectors	1.34
3 rd : Senegal	7.87	Gendarmerie	3.67	Police	3.58	Immigration	0.38	Customs	0.23
4 th : Burkina	7.09	Customs	3.11	Police	1.46	Gendarmerie	1.43	Immigration	0.88
5 th : Togo	3.50	Police	0.01	Customs	1.09	Gendarmerie	0.85	Immigration	0.34
6 th : Ghana	1.80	Police	0.99	Customs	0.79	Immigration	0.02		

The Trade Hub has also been working on improving the quality and accuracy of corridor verification trips by comparing the observations made during such trips against the historical averages and standard deviations derived from the data collected by the volunteer drivers. Trade Hub Transport Evaluators were also trained to use GPS-enabled “smart” phones to collect precise geo-coordinates of checkpoints.

Improved focal points’ productivity: IRTG data are collected by volunteer truck drivers who are recruited, vetted and instructed on how to complete the IRTG data forms by a national focal point field agent at one end of a corridor. The data form is subsequently collected by another national focal point field agent at the other end of the corridor. In order to have a sufficient sample, the Trade Hub aims for 75 data forms per quarter per corridor in each direction.

Focal points’ productivity has increased since the first quarter of 2010 due to increased Trade Hub technical assistance and coaching, upgrading of computers, training on the data collection software and closer monitoring of focal point performance. As part of the focal points training, USAID’s Trade Hub funded eight focal point agents’ verification trips in FY 2010 along IRTG corridors to improve the quality of the IRTG data, one from **Burkina Faso**, two from **Côte d’Ivoire**, one from **Mali**, two from **Senegal** and one from **Togo**. Overall, the number of data forms collected decreased during the third quarter of 2010, since focal points agents were instructed to be more rigorous in ensuring that drivers have proper documentation, but overall improvement is still reported.

The road governance initiative has gained support at the highest political level in many countries, and the Trade Hub is hopeful that important progress in reducing road corruption is in sight, particularly in **Senegal**, where government support for change has been repeatedly expressed in public. Should this result in real change on the ground, **Senegal** could become a catalyst for change in other countries.



Reduced Transport Costs initiative

The Tema-Ouagadougou transport cost study concluded that creating a single open regional transport market in West Africa would be the single most important step towards making the industry more efficient and cost effective. However, such a reform would have winners and losers and will therefore not be easy to achieve. USAID's Trade Hub therefore decided that the workshops should discuss issues with more universally palatable solutions in order to increase the chances of success. Workshops in Accra and in Ouagadougou in September 2010 were surprisingly well received and resulted in four working groups being established in each country committed to work on specific recommendations.

The challenge for the transport team is now to ensure that the working groups maintain their enthusiasm and momentum. To that effect, follow-up workshops are planned for 2011.

Transport cost studies on the Lomé-

How to Reduce Transport Costs	
Top recommendations from the Trade Hub's study of costs on the Tema - Ouagadougou corridor in order of greatest reduction	
Recommendation	Savings per ton
1. Deregulate West Africa trucking markets	USD 25.20 import USD 20.55 export
2. Fight corruption	USD 13.69 import USD 3.91 export
3. Speed up customs inspections at Ouagarinter	USD 11.16
4. Implement a single market in ECOWAS countries with no internal border control - like the European Union	USD 9.19 import USD 8.63 export
5. Abolish the Ghanaian USD 200 transit fee at the border	USD 9.09
6. Create more berth space for the Tema container operations	USD 7.78
7. Reform cargo and trucking allocation system in Tema port	USD 3.35

Ouagadougou and Tema-Bamako corridors are well under way and validation workshops were held in Lome and Ouagadougou in Q4 FY 2010 for the Lomé-Ouagadougou corridor.

Communication and Advocacy

During FY 2010, twenty four (24) road governance road shows and workshops were organized in **Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Nigeria, Senegal, and Togo** directly reached more than 6,000 people.

In addition, media played an essential role in the visibility of USAID's Trade Hub transport work in the region. The transport team worked closely with selected media in the advocacy process. As a result, 30 newspapers, 20 radio stations and seven television stations participated in the advocacy effort as shown in the table below.

Media per Country	MALI	BURKINA	TOGO	GHANA	SENEGAL	CÔTE D'IVOIRE	BENIN	NIGERIA	CUMILATIVE DATA
Newspaper articles	15	7	11	8	10	5	8	7	71
Number of radio broadcasts	10	8	25	8	9	10	15	4	89
Cumulative radio time (minutes)	30	24	75	15	28	21	45	12	250
TV broadcasts	4	4	3	4	3	2	2	1	23
Cumulative TV time (minutes)	12	30	15	10	14	7	8	2	98

Road governance news stories include newspaper articles, electronic media reports, and radio and television broadcasts. The table below provides links to a sample of these stories. A full catalogue of these stories is available from lpakoun@watradehub.com.

Country	Website
Ghana	http://www.modernGhana.com/news/267603/1/road-show-to-remove-trade-barriers-in-west-africa-.html
	http://234next.com/csp/cms/sites/Next/Money/5537624-147/usaid_ecowas_launch_plan_to_eliminate.csp
	http://www.thebftonline.com/bft_subcat_linkdetails.cfm?prodcid=6&tblNewsCatID=13&tblNewsID=3121
	http://www.businessGhana.com/portal/news/index.php?op=getNews&news_cat_id=&id=124115
	http://www.accra-mail.com/index.php?option=com_content&view=article&id=12312:road-show-to-remove-trade-barriers-in-west-africa-launched-in-tema&catid=62:business&Itemid=211
Côte d'Ivoire	http://news.abidjan.net/h/354678.html?n=354678
Mali	http://www.Maliweb.net/category.php?NID=58512
Senegal	http://www.tambacounda.info/societe/le-Senegal-sachemine-vers-trois-controles-sur-le-corridor-dakar-bamako.html
	http://www.lemessagersn.info/12e-rapport-de-l-opa-sur-les-tracasseries-routieres-Un-leger-mieux-dans-le-corridor-Dakar-Bamako_a5839.html
	http://www.lesoleil.sn/article.php?id_article=63192
	http://www.aps.sn/spip.php/dist/IMG/http/aps.php?page=articles&id_article=71967
	http://www.en24heures.com/Senegal/tambacounda-les-forces-de-securite-disposees-a-alleger-les-tracasseries-routieres-sur-le-corridor-dakar-bamako/2010/09/04/23958
	http://fr.allafrica.com/stories/201008310808.html
	http://www.bakelinfo.com/autres-equipements/627-kidira-les-forces-de-securite-disposees-a-alleger-les-tracasseries-routieres-sur-le-corridor-dakar-bamako.html?f32a68dc25eb9baf91928befa06c31f6=b5a31e929d5bb6cfab71c4b7fc5b77ce
Burkina Faso	http://www.lefaso.net
Togo	http://Togopresse.com

Direct advocacy was supplemented by visual communication materials specially designed and produced by USAID's Trade Hub, including T-shirts, pens, flexi-banners, giant stickers for trucks and handouts.

USAID's Trade Hub transport work is disseminated via two web sites, www.borderlesswa.com, which went live in March 2010, and www.watradehub.com/competitive-environment/transport-infrastructure. The web statistics are summarized below.

Indicators	Result		Comments
	Trade Hub transport site	Borderless site	
Number of visitors	1221	1437	Borderless site active since March 2010
Average time per visitor	2min22s	4min 47s	
The most popular page	English page	English homepage	English 55% of views, French 4.5%
Bounce rate (one page only)	71%	54%	
Page views per visit	1.2	2.35	

Grant-funded advocacy

In the first quarter of FY 2010, the Trade Hub closed out grant contracts with nine Civil Society Organizations (CSOs) in **Ghana**, **Burkina Faso**, **Mali** and **Togo**. The advocacy

activities carried out by the CSOs produced a wide range of results: televised public debates, radio interviews with senior police officers, production and broadcast of video documentaries, peer education of gendarmes, public meetings, and debates with stakeholders in the transport sector at the borders. In **Burkina Faso** and **Togo**, ministers of security held workshops focusing on the problems of corruption among gendarmes, police, and customs. In **Togo**, the Minister of Trade asked CSOs to formally suggest possible areas of collaboration to fight road corruption. In **Ghana**, investigative journalists documented corruption along the trade corridor and submitted video footage, which subsequently led to the dismissal of officers that were taped taking bribes. The Attorney General and Ministry of Justice also publicly committed to prosecuting corrupt officials.

Building on the successes of grant-funded advocacy activities in FY2009, the Trade Hub awarded grants to five CSOs in **Ghana**, **Mali**, **Senegal**, and **Togo** (two in **Senegal** and one in the other countries) and to one regional institution, the Abidjan-Lagos Corridor Organization (ALCO). The Trade Hub did not award any grants to CSOs in **Burkina Faso** because the applications received did not merit funding. Implementation has begun in all the countries except **Ghana**, which is in the final stage of grant award approval. All CSO grants were awarded through a competitive process advertised on the Trade Hub website and in widely-read, daily newspapers in all countries in April 2010. Sole-source grants were awarded to the **Malian** CSO and ALCO.

Transportation Infrastructure Grants Awarded in FY 2010

Country Coverage	Institution	Location	Advocacy Strategy	Implementation Period		Budget	
				Start Date	End Date	Amount Awarded	Grantee's contribution
Côte d'Ivoire, Ghana, Togo, Benin, Nigeria	Abidjan-Lagos Corridor Organization (ALCO)	Cotonou	Data collection, analysis and production of consolidated reports on the negative road governance practices on the Abidjan-Lagos road corridor with respect to time taken to move transit goods across borders, the number of checkpoints, delays caused by the checkpoints and total loss caused by corruption. The ALCO/IRTG reports are disseminated to key stakeholders capable of effecting change beyond the countries in the selected corridor via high level stakeholder meetings with mass media coverage.	01-Jun- 2010	15-Oct- 2010	\$48,529.00	\$16,353.00
Ghana	Legal Resources Center (LRC)	Accra	Dual strategies of media outreach and legal advocacy to put pressure on authorities to address existing policy/ implementation gaps.	TBD ⁴⁰	TBD	\$21,450.00	\$7,200.00
Mali	Coalition des Alternatives Dettes et Développement (CAD-Mali)	Bamako	Media outreach and direct pressure on authorities to implement WAEMU decision No. 15/2005 on application of regional controls on the major inter-state roads and educate transporters to conduct legal business to avoid road corruption and harassment.	15-Aug-2010	15-Dec-2010	\$25,935.00	\$2,204.00
Togo	Monde des Enfants de Cœur pour la Réduction de la Pauvreté du Frère Rural (MECAP/Togo)	Lomé	Media outreach and pressure to reduce road barriers on interstate roads, as well as road harassment and promote legal trucking for transporters.	23-Aug-2010	24-Dec-2010	\$11,823.26	\$2,372.00
Senegal	Collectif des Femmes pour la Lutte contre l'Emigration Clandestine (COFLEC)	Dakar	Partnering with the Union Sénégalaise des Transports Routiers (USTR), this project will implement a public awareness campaign, hold a stakeholder training session and an advocacy meeting, and execute a stakeholder workshop to produce a list of policy recommendations for reducing road harassment.	1-Sept-2010	31-Dec-2010	\$9,290.00	\$4,341.27
	Forum Civil	Dakar	Launch citizen vigilance committees and work at the grassroots level to mobilize pressure groups capable of advocating for improved road governance	1-Sept-2010	31-Dec-2010	\$21,800	\$6,000.00

⁴⁰ The LRC grant is in final approval stages for USAID submission

Analysis

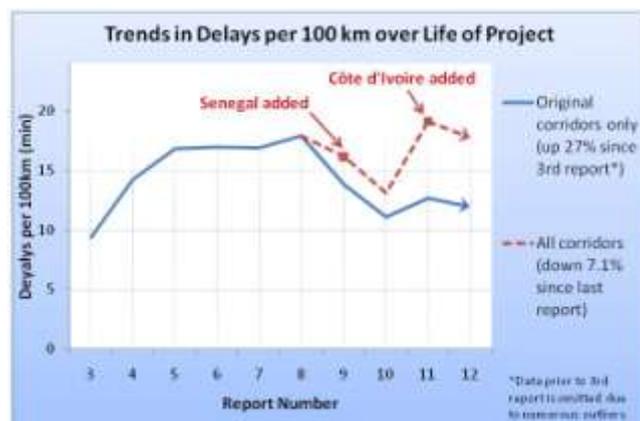
ROAD GOVERNANCE

USAID's Trade Hub doubled the corridors monitored from three to six and implemented a number of initiatives to improve the quality of data collected and its presentation. Results, growth and sustainability of the initiative require analysis.

Results: Although FY 2010 has shown encouraging reductions in bribes and delays, the graphs on this page showing trends from the inception of the project are somewhat discouraging. They suggest that improvements seen in FY 2010 will not be sustained in FY 2011, although efforts will be undertaken to ensure they are. A typical pattern is that governments declare a stop to road harassment and issue decrees to that effect, while uniformed services agents in the field continue to find ways to circumvent the decrees and extort money from truck drivers and traders. It is also common that the agencies manning road barriers prefer to deal with misbehaving agents "en famille" thereby avoiding sending a clear signal to either the public or agency employees that corruption will not be tolerated.

If there was no monitoring of the road governance situation in the field, governments and the uniformed services would most likely happily declare that the road harassment problem had been solved.

USAID's Trade Hub will pursue several strategies in FY 2011 to ensure long-term positive results. First is the publication of national reports with detailed information on control points, delays and bribes in each country. The premise of this initiative is that national reports will provide governments and uniformed agencies that wish to see change with more and better information to take appropriate action.



Growth: UEMOA has officially stated its desire to expand the road governance project to **Benin** and **Niger** and has asked for USAID's Trade Hub assistance. This expansion is interesting because UEMOA has advised the Trade Hub that it will pay for the focal points,

thus demonstrating a strong commitment to the project. Also, the Trade Hub has in the past not been able to ensure that UEMOA take on the responsibility of financing focal points. Such an expansion would mean that the Trade Hub would have to “do more with less” as the FY 2011 transport budget is expected to be less than what was available for FY 2010.

Sustainability: From the outset, USAID’s Trade Hub has been concerned about the sustainability of the road governance project. There have been five steering committee meetings and during the first four of these, from 2005 to 2009, the sustainability discussion focused on transferring the national focal points to UEMOA. However, focal point activity represents only about 10 percent of the road governance budget. In addition to focal point activities, road governance includes quarterly verification trips by Trade Hub researchers, quarterly workshops/road shows in each participating country, technical support and training of focal points, Trade Hub and grant-supported CSO advocacy, and Trade Hub research and general technical and administrative support. This means that even if the responsibility for the focal points were transferred to UEMOA, the sustainability of most aspects of the road governance program would remain unclear.

The possibility of transferring various aspects of the road governance project to national authorities was discussed during the 5th steering committee meeting, but the idea received no support because “*we can’t give the referee’s whistle to the players,*” as one participant put it, referring to the project’s monitoring role.

Because the road governance initiative is a regional program, it requires much travel and many regional activities and is therefore expensive to run. It is difficult to imagine how the program can survive without external funding, if not by USAID, then by the EU and/or the World Bank, both of which have shown interest in the initiative. The Steering Committee acknowledged this, and the first recommendation of its 5th meeting was therefore to request continued support by USAID and, failing that, to approach other donor organizations for support.

TRANSPORT COSTS

In FY 2010 the transport costs team moved from studies to action. Following the launch of the Tema-Ouagadougou transport cost study, working groups were established in **Burkina Faso** and **Ghana** to find solutions to many of the problems and opportunities identified in the study.

The Tema-Ouaga corridor study concluded that there are many issues in addition to road harassment that prevent the West African transport industry from being competitive. Most time and delays, as well as corruption, happen in the port and at the inland terminal. However, the study concluded that the biggest opportunity to reduce costs is to create an open trucking market in the West Africa region. The issues of liberalizing cargo-sharing rules between coastal and landlocked countries and eliminating the first-come-first-served cargo/truck matching systems are already being addressed by UEMOA and ECOWAS. However, USAID’s Trade Hub believes that it is necessary to go beyond those measures and create an open market where transporters from any country within the region can carry any goods anywhere, and thus reduce the many empty trips and long waits for permissible cargo.

The working groups have started tackling issues that have quicker solutions than a de-regulated trucking market. If the working groups succeed in resolving some of them, transport stakeholders may develop the momentum and courage to address bigger issues.



The Trade Hub will work very closely with National Trade and Transport Facilitation Committees in order to increase legitimacy for transport reform work.

As transport cost studies are completed for the Lomé-Ouagadougou and Tema-Bamako corridors, reform work will expand first to **Togo** and **Mali**, then to other UEMOA countries.

Advocacy

Awareness-raising and advocacy work through partnerships will continue and expand as it aims to influence decision-makers through targeted information, communications, and strategic dialogue. If realized, interest on the part of the private transport sector in **Togo** to develop a partnership for communication and advocacy could launch a new and sustainable approach to advocacy.

Partnerships

The Trade Hub recognizes the importance of leveraging its work through partnerships. Strong relationships with UEMOA and ECOWAS, national trade and transport facilitation committees in ECOWAS member countries, uniformed services, civil society, regional projects such as USAID's ATP and ALCO, bilateral USAID projects such as *Project Development Economique* (PCE) in **Senegal** and the Integrated Initiatives for Economic Growth in **Mali** (IICEM), and major donors with transport infrastructure and facilitation programs such as the World Bank and the European Union all contribute to leveraging the Trade Hub's work and increasing its impact. Importantly, FY 2010 has shown that U.S. Ambassadors in the region speak eloquently and forcefully on our common goals.

Furthermore, the Trade Hub will continue to work strategically with private sector stakeholders toward key systemic improvements.

West African Transport Observatory

The sustainability of the transport costs program would be increased through the establishment of a West African, or UEMOA-plus-**Ghana**, Transport Observatory that would incorporate road governance and the transport cost research and activities and, ideally, be expanded to also include a transport statistics component. Such an observatory, if proactive, could not only provide essential information for national and regional transport policy decisions but could also be a driver for change to reach the goal of a more efficient West African transport and logistics industry driving economic development.



USAID | WEST AFRICA

FROM THE AMERICAN PEOPLE

SUCCESS STORY

BORDERLESS campaign raises the stakes for removing trade barriers

Removing trade barriers in West Africa

Making a compelling case for the removal of trade barriers, the Borderless brand brings stakeholders together and builds the partnership necessary to make the change.



Ryan Yirnging/West Africa Trade Hub

Publicis Ghana developed Borderless materials that are now visible across West Africa.

Borderless is based on the ECOWAS vision of a fully integrated West Africa. Removing trade barriers is critical to realizing that vision.

Trade barriers take many forms in West Africa – from road checkpoints where drivers are harassed to pay bribes and the movement of goods delayed, to the lack of harmonized implementation of the ECOWAS Trade Liberalization Scheme among its 15 Member States.

In March 2010, USAID's Trade Hub launched Borderless, an advocacy campaign to remove trade barriers in West Africa and decrease the costs of trade. Publicis Ghana, an advertising agency, reviewed the Trade Hub's transport and business environment work to develop Borderless.

"We were able to stand back and see that the bigger picture of the USAID's Trade Hub efforts was a West Africa in which trade flows efficiently and unconstrained, with free flow from Tema to Timbuktu and beyond," said Kofi Amoo-Gottfried of Publicis Ghana. "We wanted to create compelling shorthand for that vision. Borderless represents that vision in a memorable fashion."

Since then, USAID's Trade Hub and its partners have introduced Borderless across the region. Bribes and delays have only declined since.

A wide variety of materials, including posters, banners, bumper stickers, T-shirts, hats and pens, and a website - borderlesswa.com, carry the message to millions of people. The Borderless launch in Cotonou in March reached hundreds of millions of people on international radio and subsequent reports have taken the message even further.

"The Borderless brand helps people understand the substance of the problem, and connect emotionally to our vision of a West Africa with efficient trade," Amoo-Gottfried explained. "It attracts attention and then builds awareness through other materials, like the website."

Now, partners are using the brand to build awareness of issues related to regional integration. In August 2010, the Government of Ghana used Borderless on *The Truck Driver's Guide to Ghana*, written with assistance from USAID's Trade Hub. The USAID Agribusiness and Trade Promotion project and the Abidjan-Lagos Corridor Organization have also used Borderless to promote regional integration in their activities.



SUCCESS STORY

New guide promotes professional truck driving – and a competitive industry

Stakeholders are working together under the Borderless partnership to remove trade barriers in West Africa.



Ghana's Minister of Roads and Highways Joe Gidisu (right) launched the Truck Driver's Guide to Ghana in August and passed out copies to drivers.

Working closely with public and private transport stakeholders is fundamental to building a more competitive industry. Promoting professional trucking fosters competition.

Driving in West Africa is complicated for truck drivers – there are numerous rules and regulations that differ from county to county and an array of enforcement mechanisms at checkpoints along the roads and highways. New limits on axleweights, implemented to reduce wear and tear on the roads, are of immediate concern – the rules are set to go into effect region-wide in January 2011.

To tackle this issue, Ghana's National Transport and Transit Facilitation Committee and USAID's West Africa Trade Hub developed and published a truck driver's guide. The guide helps drivers understand the rules and promotes professional conduct.

"USAID's Trade Hub' transport team's expertise was critical to developing the guide," said William Brocke, chairman of the committee, which includes representatives of more than a dozen ministries with a stake in transport, and multiple private sector organizations.

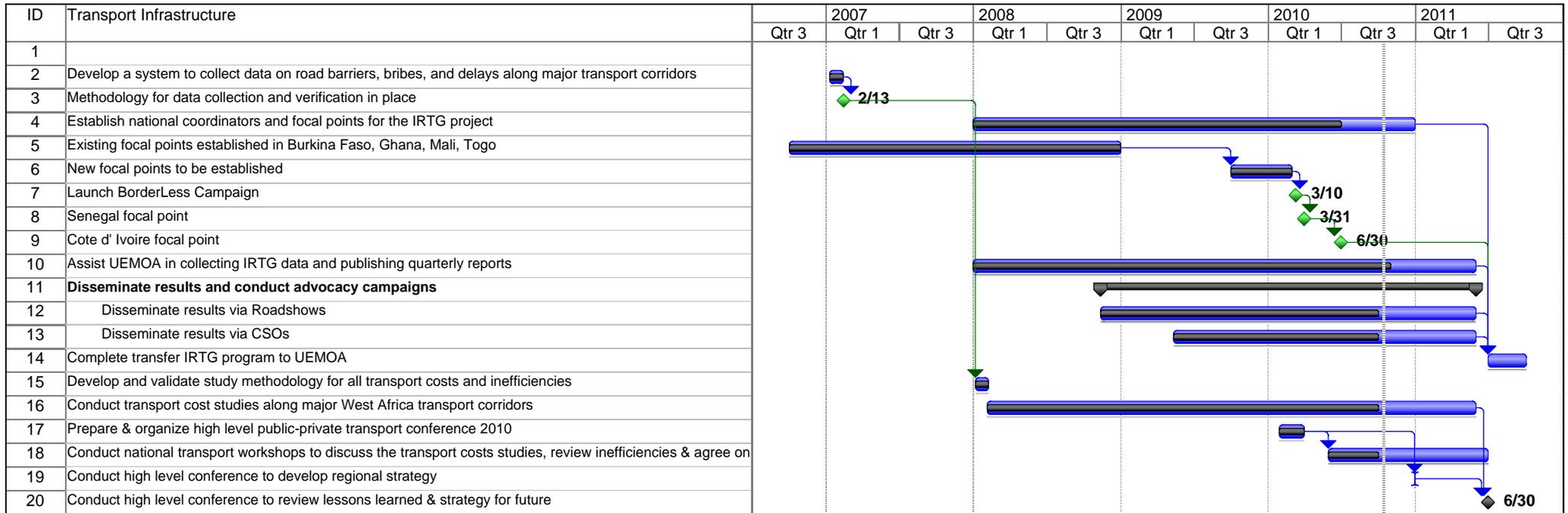
The 24-page guide, distributed in French and English, covers every major aspect of truck driving, from how to handle road accidents and breakdowns to the location of weighbridges and important telephone numbers. More than 200 drivers attended its launch in Ghana with the ministers of Transport and Roads and Highways.

"I see drivers every day, and this new guide answers a lot of questions they have in their daily work," said Yaya Yedan, the Burkina Shippers' Council representative in Ghana.

"Professional trucking is fundamental to a competitive transport industry," said Niels Rasmussen, transport director at USAID's Trade Hub. "You now see copies of the guide in truck drivers' hands – they're in great demand."

The Government of Ghana used the multi-stakeholder campaign brand developed by USAID's Trade Hub – Borderless – on the guide's cover, representing the partnership that is working across the region to remove trade barriers.

"Stakeholders worked closely together to make it a reality," Rasmussen said. "Collaboration is critical to addressing issues affecting transport in West Africa. The commitment to Borderless shows the partnership is healthy and thriving."



Project: Transport Infrastructure 10-13
Date: Wed 10/13/10

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	



4. BUSINESS ENVIRONMENT

Overview

The Business Environment component of USAID's Trade Hub focuses on reducing the costly policy barriers to intraregional trade that increase supply chain costs and hinder the competitiveness of West African exporters. Through hundreds of interviews with public and private sector stakeholders in FY 2010, USAID's Trade Hub documented how the failure to harmonize rules and procedures for trade within West Africa negatively impacts the region's export competitiveness. This research was undertaken in partnership with ECOWAS, which USAID is assisting to realize its agenda of a fully implemented free trade area leading to a full customs union.

The Trade Hub's work in FY 2010 focused on the first step in a phased approach to establishing a full customs union: the ECOWAS free trade area, or Trade Liberalization Scheme (ETLS), as it is formally known. The second and crucial phase involves implementation of a Common External Tariff (CET). The ECOWAS Treaty also envisions a customs revenue sharing scheme and, following the implementation of the customs union, a full economic and monetary union. The two core elements of the customs union remain incomplete, however, and are significantly behind ECOWAS' schedule for full implementation.

To better understand how and why ETLS implementation is lagging, USAID's Trade Hub developed a rigorous methodology for evaluating implementation gaps and soliciting stakeholder input on the institutional dynamics surrounding those gaps. In the 3rd quarter of FY 2010, Trade Hub and ECOWAS experts sorted through these findings and started charting a strategy for addressing those gaps. Looking ahead to FY 2011, the Trade Hub plans to continue working with ECOWAS as the driver of the ETLS at a high level within Member State governments, while also working with key industry associations along target corridors to pilot strategic interventions aimed at improving the operation of the Scheme.

Full implementation of the ETLS will directly impact the cost of inputs and equipment for exporters and should also reduce the time for moving goods into and out of the region. Progress in these areas will make it easier for firms, particularly those processing regionally sourced raw materials like shea nuts and raw cashews, to attain the economies of scale and supply chain efficiencies that are necessary to become competitive in a global market.

FY 2010 Highlights and Results

ETLS Gap Analysis reveals implementation issues, points to solutions

In FY 2010, USAID's Trade Hub completed its assessment of ETLS implementation and, with ECOWAS, began developing a roadmap to address identified implementation gaps. The Trade Hub completed research on ETLS implementation in nine ECOWAS Member States (**Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Niger, Nigeria, Senegal, and Togo**) and validated key findings in six of those countries with ECOWAS and national stakeholders (**Burkina Faso, Côte d'Ivoire, Ghana, Mali, Nigeria, and Senegal**).

Findings: The studies have shown that none of the Member States is fully implementing ECOWAS protocols as written. While some Member States have enacted protocols under the auspices of ECOWAS, in many instances they have not enacted the substance of those protocols in local law, regulations, or procedures – and when they have, implementation has often been lacking or incomplete. In fact, many of the persons in charge of implementation are unaware of the actual protocols, their implementing legislation and/or regulations.

Country by country, the gap analysis studies show that although progress has been made on the free movement of persons, gaps persist in the implementation of protocols on the movement of goods and transport, required to facilitate a free trade area within ECOWAS. When moving goods across borders in the region, traders still encounter tariff and non-tariff barriers (e.g. quantity, quota and seasonal restrictions) that increase the cost of doing business.

Transporters face similar hurdles in their operations, according to private sector respondents. Differing vehicle standards, inspection requirements, and axle weight limits, all of which were to be harmonized under the ETLS, increase the compliance burden for regional transporters. They also create opportunities for corruption, as many transport operators either do not have the capacity or choose not to comply with a complex web of conflicting rules. Transporters' costs are similarly driven up by customs procedures that conflict with the letter or spirit of the ETLS protocols, such as mandatory customs escorts for vehicles in transit and multiple payments for transit logbooks that are only supposed to be issued at the point of origin.

A summary report of preliminary findings for the region and individual country reports for **Burkina Faso, Ghana, Nigeria** and **Senegal** have already been disseminated. The country report for **Côte d'Ivoire** is in Annex 17.

USAID's Trade Hub also gathered national legislation relating to the ETLS and discovered that in several cases national legislation did not affect whether the ETLS was being implemented. For example, under the ETLS, agricultural goods grown in West Africa do not need certificates of origin to be moved across borders, yet these were required by officials at the border in **Senegal**, in spite of Senegalese legislation to the contrary.

Results delivered to key stakeholders: In June, USAID's Trade Hub hosted a two-day workshop with representatives of the ECOWAS Commission to present its findings and recommendations of the ETLS Gap Analysis. The presentation focused on themes emerging from the study and specific implementation challenges discovered. ECOWAS representatives indicated that the key findings would serve as points of dialogue for action to be taken by specific Member States that were lagging in implementation. The Commission also indicated that the gap analysis contributed to their understanding of implementation problems with the ETLS. The findings, once confirmed jointly by the Commission and technical experts from Member States, will serve as talking points for an action agenda to be taken up by the Council of Ministers for the Heads of State.



ECOWAS official prioritizes recommendations during June workshop in Accra

Following the June workshop, the Commission approved the dissemination of findings of the existing gap analysis findings and recommendations to Member States in order to initiate dialogue with public and private sector stakeholders on resolving implementation issues. Per ECOWAS' request, USAID's Trade Hub completed validation meetings in **Burkina Faso, Ghana, Côte d'Ivoire, Mali, Nigeria** and **Senegal** in August and September, and collected additional legislation on rules and procedures governing trade within the Member States.

The validation workshops provided an opportunity for the dissemination of the study findings in those countries, where stakeholders also expressed interest in the study.

In validation meetings, public and private sector stakeholders confirmed that the findings of the ETLS Gap analysis are accurate and useful for developing a roadmap for improvement. National stakeholders agreed that the gaps in implementation of the FTA were well identified – lack of political will, poor access to information for both public and private sector, and in some cases poor understanding of the benefits of the ETLS. Based on analysis of the ETLS implementation by Member States, the Trade Hub is generating new data, information and publicity on identified gaps in order to develop appropriate actions for responsible stakeholders. Since national governments have agreed and ratified these protocols, it is important to know why they are being ignored – and not enforced. Stakeholders can then address these problematic gaps/issues in ETLS implementation in a timely fashion.

Implementing the recommendations: A challenge for the Commission is moving implementation of the ETLS to the top of the agenda for the Heads of State. This challenge would benefit from a Member State “champion” to push for it, and if so USAID’s Trade Hub could provide the necessary background data and information for a persuasive case to be made at the level of key decision makers.

The ECOWAS Commission has requested assistance from USAID’s Trade Hub in applying the gap analysis methodology to evaluate ETLS implementation in **Cape Verde, The Gambia, Guinea, Guinea-Bissau, Liberia and Sierra Leone**, which were not a part of the Trade Hub’s initial round of research. Thus far, USAID’s Trade Hub has provided the Commission with a guidebook and country reports on the ETLS Gap Analysis and has offered further technical support upon the commencement of this effort.

To obtain a better understanding of challenges from the perspective of Member States and obtain feedback from national governments and adjust priorities according to needs from their perspectives, the ECOWAS Commission has proposed a meeting of national experts from Member States to review the findings and recommendations of the countries where the gap analysis has been performed. The meeting will prioritize solutions and solicit commitments and assignments for national teams to push forward improvements on priority trade corridors.

The table below summarizes key recommendations from the Preliminary Findings Workshop held with ECOWAS in June 2010.

	Recommendations	Comments
1	Advocacy – ECOWAS and USAID’s Trade Hub host high-level experts and ministerial meetings on ETLS Gap Analysis	The experts and ministerial meetings will provide Member State representatives information on remaining hurdles to full implementation of the ETLS, create a roadmap for stakeholders, and develop an implementation plan that addresses those hurdles.
2	Information centers at border posts and national hotlines	Participants agreed upon the need for ETLS information centers at border posts across the region. Such centers would service both traders and border officials, and could be supported by ECOWAS in collaboration with projects like USAID’s Trade Hub and USAID’s ATP project.
3	Capacity building of ECOWAS National Approval Committees	Several participants reiterated ECOWAS’ efforts to build the capacity of ECOWAS National Committees, which have been identified by the Commission as a weak link in the process of implementing the ETLS. Participants agreed that this initiative is an important point of collaboration between ECOWAS, USAID’s Trade Hub and USAID’s ATP project. Key gap analysis findings, for example, could be integrated into capacity building efforts.
4	Continued monitoring of ETLS Implementation	Multiple groups reiterated the importance of continual monitoring of ETLS implementation, led by ECOWAS in partnership with organizations like the West African Monetary Institute (WAMI), USAID’s Trade Hub, USAID’s ATP, and others.
5	Information dissemination through web tools	<ul style="list-style-type: none"> • USAID’s Trade Hub was asked to collaborate with ECOWAS Community Computer Center to develop a catalogue of national rules and procedures on trade and created a demonstration website. ECOWAS representatives made several suggestions related to the demonstration website, including: <ul style="list-style-type: none"> • Adding graphs on preliminary gap analysis findings and fact file to the site • Developing a content management system that ensures updates when legislation and forms are revised by Member States • Incorporating related (non-ETLS) information/ documents from all 15 Member States on trade and transport • Incorporating the site into ECOBIZ • Collaborating with UNECA, which is also proposing an ECOWAS trade-focused website, as well as partners like GTZ and CIDA
7	Revisit ETLS Protocols	Multiple work groups identified elements of the ETLS that should be revisited and perhaps modified, such as the freight-sharing provision of the ISRT.
8	Completion of gap analysis surveys	ECOWAS representatives encouraged USAID’s Trade Hub to conduct the gap analysis in other ECOWAS countries as part of its

<p>in remaining five countries (Sierra Leone, Gambia, Liberia, Guinea-Bissau, and Cape Verde)</p>	<p>strategy, alongside implementation of recommendations in target countries/corridors.</p> <ul style="list-style-type: none"> • ECOWAS representatives reiterated their readiness to seek out other sources of funding to complete the remaining country studies and requested information on the per country cost of carrying out the gap analysis.
--	--

Evaluation

Importance of improving the business environment for regional trade and prioritized course of action

Identifying and overcoming gaps in implementation of the ETLs regime go to the heart of improving the business environment to promote greater growth and competitiveness of the regional economy. If the rules of intraregional trade can be fully implemented in a coherent and transparent fashion, transit times and costs can be reduced significantly. World Bank research has found, for example, that for each day of transit time, international trade can increase by at least one percent. This increase in trade will have a magnified effect on the growth of the economy, in terms of more jobs and higher incomes.

Analysis of progress towards the implementation of the ECOWAS Trade Liberalization Scheme has been crucial in helping regional bodies ECOWAS and UEMOA and public and private sector stakeholders understand where problems exist. With that understanding, they can now develop concrete and targeted action plans to remove barriers to trade and facilitate regional integration, rather than just talking about the ineffectiveness of the free trade area in abstract or general terms. Priority recommendations emerging from the Gap Analysis include:

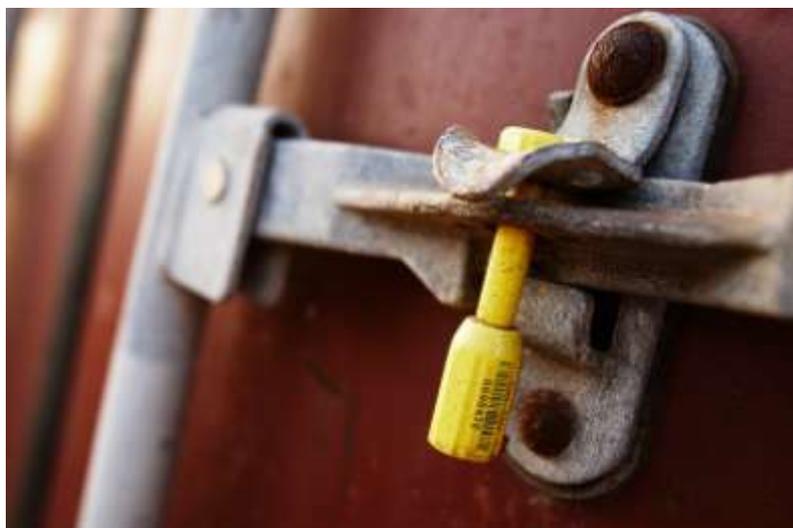
- **Communication of ECOWAS Protocols** – During the ECOWAS workshop, there was consensus that lack of effective communication of the ECOWAS protocols on regionally traded goods and poor implementation of transit facilitation measures create serious barriers to regional trade. The gap analysis research team found that knowledge of the ETLs was surprisingly low among the public and private sector experts interviewed. This presents a challenge for ECOWAS, as it will be difficult to improve implementation if the scheme is not well understood by regional customs officials and traders. While assisting Member States and private sector stakeholders in addressing specific gaps in ETLs implementation, ECOWAS and the Trade Hub will need to target public information as a key element of the overall strategy.
- **Removal of non-tariff barriers (NTBs) to intra-regional trade** – NTBs include import bans, seasonal and quota restrictions on regionally traded goods. According to the ETLs, these should have been phased out. However, the gap analysis shows that these restrictions continue to exist on both import and exports goods of local origin. These barriers are often politically sensitive, so will require a concerted top-down and bottom-up strategy with ECOWAS' endorsement and active involvement.
- **Harmonization of documentation for intra-regional trade** – ECOWAS-prescribed documents and procedures are often used in addition to national documents and procedures, according to private sector respondents. This adds to the paperwork, time and cost of moving goods across borders. Each added procedure also creates an opportunity for an informal payment. Promoting harmonization is politically easier than addressing other problems identified in the gap analysis, but may be logistically

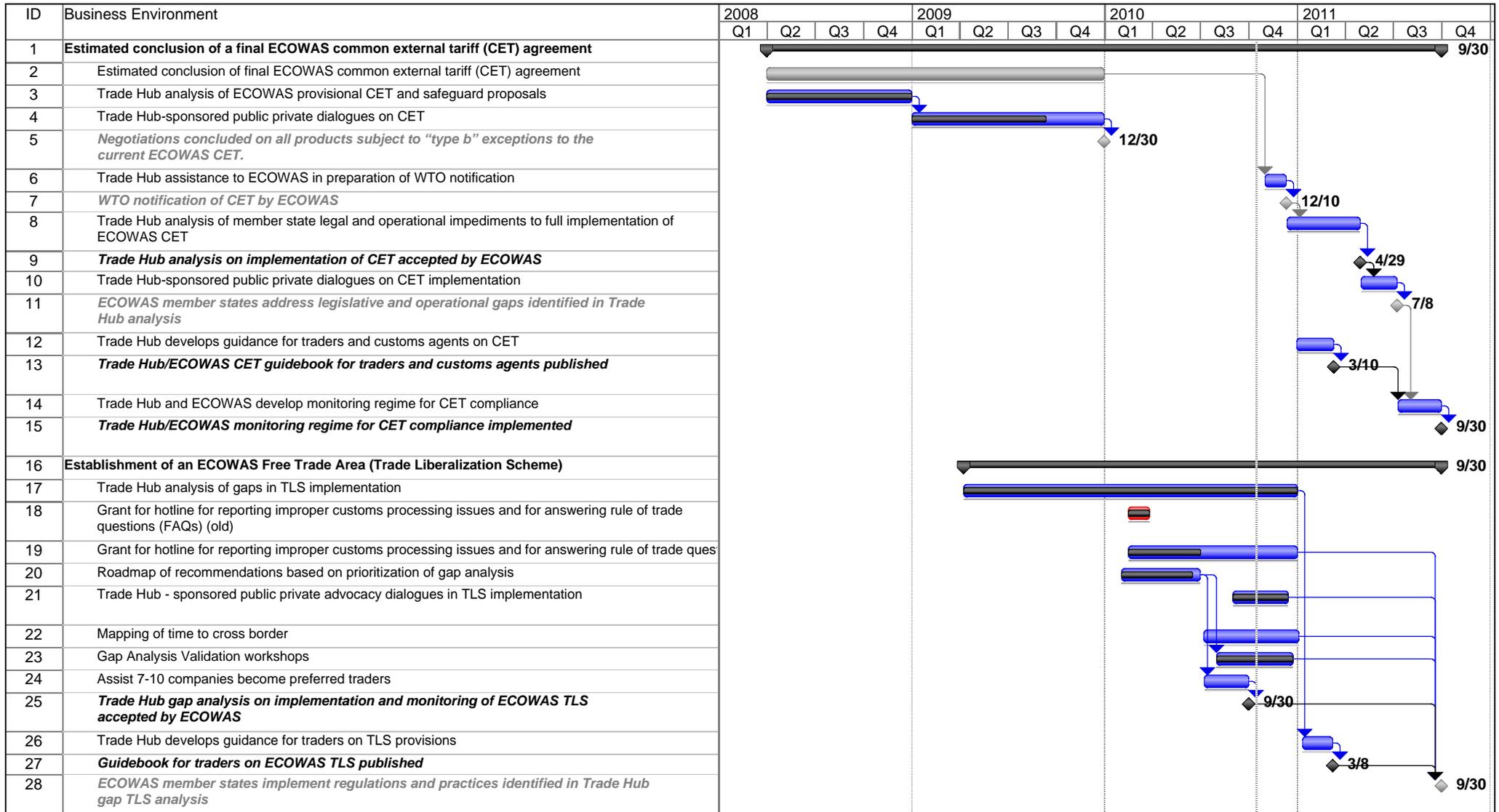
challenging and costly. Piloting harmonization efforts on corridors where the Trade Hub and other development partners are actively working with stakeholders already may be useful in showing Member States the benefits of undertaking these projects.

- **Poor implementation of transit facilitation measures** – ECOWAS Member States agreed to a series of transit facilitation measures, including a universally applicable customs bond and container seal, harmonized axle weight limits for trucks, and an ECOWAS customs declaration form. These measures should replace any previous national requirements in order to speed up the transit process. In practice, however, measures like harmonized axle weights have not been implemented in most countries. Other measures, like the customs bond and seal, have been implemented improperly. The customs bond fee is often charged in each country that goods pass through, though the fee paid at origin is intended to cover the entire journey. This is another issue that is likely best resolved through pilot demonstration projects on key trade corridors, where USAID and ECOWAS can work with stakeholders to build the trust required for mutual recognition of documentation from one Member State to the next.

These issues can be alleviated if the private sector organizes and engages public officials in addressing problems that increase their costs of doing business. Without such dialogue, national governments have few incentives to reduce barriers that are often generating public revenues. Phasing out some barriers can be as simple as revising or scrapping a redundant form. Others will require more complex solutions, such as compensatory tax regimes that replace customs revenues.

The Trade Hub has begun dialogue with ECOWAS and Member State representatives to review the gap analysis findings and recommendations, with a view to defining concrete action plans for implementation on key trade corridors over the coming year. Through this dialogue, the Trade Hub expects to receive commitments and assignments for national teams to push forward improvements along those corridors.





Project: Business Environment 11-17-1
Date: Thu 10/14/10

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	



5. TELECOMMUNICATIONS INFRASTRUCTURE

Overview

Information Communication Technology (ICT) has the potential to dramatically increase exporter competitiveness and bring the global market to exporters' doorsteps. The World Economic Forum's recently released Global Competitiveness Report describes how "ICT has evolved into the 'general purpose technology' of our time, given the critical spillovers to the other economic sectors and their role as industry-wide enabling infrastructure."

Ensuring that West African exporters are equipped to take advantage of the latest technology is the primary goal of the Telecommunications component at USAID's Trade Hub. ERCS currently face a variety of challenges: First, internet connectivity is expensive and bandwidth is limited in West Africa.⁴³ Second, computer hardware and software remains expensive for small businesses. Finally, training to use hardware and software does not cater to exporters' needs.

In FY 2010, USAID's Trade Hub focused on updating eBizBox, a previously-developed package of ICT hardware and software, based on lessons learned, and on new surveys and feedback from export-ready companies in **Ghana**. The year culminated in a regional conference that brought together exporters and ICT suppliers to share knowledge and to brainstorm solutions to common ICT issues.

Initiatives and Results

eBizBox II

USAID's Trade Hub promoted eBizBox II, a package of ICT hardware, software, services and training, to ERCS in **Ghana**. In contrast to the first eBizBox package developed in 2008, when orders were handled directly by USAID's Trade Hub, an effort was made to involve ICT suppliers directly in eBizBox II. The team interviewed and assessed five local ICT suppliers for technical competence, pricing, after-sales support, and interest in working with exporters. Two ICT suppliers, Compu-**Ghana** and MyConfigsys, were chosen to supply all items in the package.

A number of exporters also purchased products and services from alternative sources after being informed through eBizBox II and a Trade Hub training session: 18 companies stated interest in purchasing 25 separate ICT tools and/or services. This has translated into sales from Compu-**Ghana** and MyConfigsys, with additional orders still in process.

As part of the eBizBox II package, the ICT team provided free training to ERCS in key areas:

- *Basic accounting using Excel:* USAID's Trade Hub trained 18 exporters (including 7 women) in basic accounting. Participants left knowing how to cost and price their products using Excel, and how to use a custom-developed Excel spreadsheet accounting template.
- *Online marketing, and Google Sites* – 28 exporters, including 14 women, created websites during a four-hour workshop. Trainers from Google showed exporters how to design, modify and promote their websites using the free platform provided by Google Sites. Ahene pa Nkasa, a bead jewelry exporter in **Ghana**, prepared its website as part of its preparation for an international jewelry trade

⁴³ As FY 2010 ended, however, wholesale prices of connectivity in **Ghana**, where USAID's Trade Hub has piloted its activities, were effectively halved when the MainStreet submarine cable, with 10 times the capacity of the previously unrivaled SAT3 submarine cable, came online

show in Europe (www.ahenepankasa.com), while Solution Oasis, a shea products exporting company, won an award at the workshop for best new website: <http://sites.google.com/site/beautysecretsafrica/>. Both Google and USAID's Trade Hub trainers helped a number of companies to create and complete a functioning, professional website.

- *Communication efficiency* – 13 exporters including 7 women learned how to use ICT tools to be responsive and to stay ahead of the competition.
- *Digital image management and Joining the Network Market* - 24 exporters, including 11 women, learned how to take marketable product photos, and how to effectively process, store, and share these online or by email. A trainer from the U.S. firm OpenEntry led a remote training session on using and joining an online marketing portal set up by USAID's Trade Hub. By aggregating products and producers, this online portal will increase the visibility and credibility of West African producers. The portal, which will become active later this year, will be managed by the privately-owned company AfricanCraft (www.africancraft.com).

Pilots and partnerships

The USAID-Intel Alliance, while still promising, was low-key this year. USAID's Trade Hub will continue to inform Intel of planned activities and results with the hope of increased future involvement. If there is a product or service that has the potential to sell or be used by large numbers, Intel is likely to show more interest.

Google has vested interests in promoting use of its online tools and services, many of which have proven useful to exporters, and have provided trainers for both eBizBox II training and during the Technology for Exporters conference. The company is keen to scale up usage, and in FY 2011 USAID's Trade Hub will seek to increase collaboration and explore possibilities with Google.



Google provided trainers as part of an eBizBox II training session for exporters to learn how to use Google Sites

Esoko remains an active partner: it participated in the Technology for Exporters conference, and provided technology to enable the Trade Hub to pilot bulk SMS broadcasts to improve the reach of the Trade Hub's sectoral work. The new Esoko platform has improved considerably and looks like it now offers a valuable resource to the agricultural sector and certain Trade Hub sectors.

The **Ghana**-India Kofi Annan Centre of ICT Excellence, an ICT training and research center with Government of **Ghana** funding, was both the location of the Technology for Exporters conference and a promising partnership for the Trade Hub's ICT work. The Director General of the center took part in the conference and expressed interest in more extensive future collaboration.

SlimTrader has introduced a fee payable in return for assistance setting up an online payment platform. The fee is significant enough to dissuade exporters from wanting to take part, meaning the e-commerce pilot with SlimTrader will not be explored. Instead USAID's Trade Hub intends to explore the possibilities of piloting Esoko's website tool.

Another pilot partnership with U.S. company OpenEntry is continuing. The Trade Hub funded online marketing portal (network.africancraft.com) is now live online, and products from West African exporters are being added as exporters receive appropriate training. The team is also working with the U.S. company AfricanCraft.com, which has maintained an active website promoting African handcrafts. AfricanCraft.com has agreed to provide long-term management and a sustainable location for the online portal. An assessment will be carried out in one year to determine the success of the pilot.

Technology for Exporters Conference 2010

Fifty-two exporters and ICT suppliers from five countries (**Benin, Burkina Faso, Côte d'Ivoire, Nigeria, and Togo**), including 14 women, attended USAID's Trade Hub's first conference linking exporters to ICT solutions and suppliers. The conference attracted sponsorship from hardware vendors, connectivity providers, and training institutions, including BusyInternet, Compu-Ghana, Google Ghana, the Ghana-India Kofi Annan Centre of ICT Excellence, MTN, and MyConfigsys. Sponsors were selected carefully from a list of reliable ICT suppliers providing ICT services targeting SMEs.

The conference began with a series of presentations highlighting key ICT challenges identified by the Trade Hub and exporters throughout the year. USAID's Trade Hub distributed 53 "ICT Toolkit" CDs containing freeware tools appropriate for exporters were distributed during the conference. While these tools are freely available online, exporters may not know which software to look for, where to find it, or struggle to download large executable programs on slow Internet connections.

One objective of the conference was to bring ICT suppliers and exporters into the same room to reduce the differences between what the ICT sector offers and what exporters need. Suppliers and exporters were able to engage during a panel discussion, when exporters asked questions relating to the specific areas of focus of each supplier. Suppliers and exporters again interacted in a productive ICT solution brainstorming session. During the session participants identified the core causes of ICT challenges, and developed possible solutions.

The conference generated these concrete results:

- Greater understanding of the key ICT challenges facing exporters and their perceived root causes
- Practical training in and awareness of solutions that can address ICT challenges
- Greater appreciation on the part of exporters of how ICT can increase competitiveness. The tools and solutions in eBizBox II and the ICT Toolkit CD were well received; exporters were keen to put them to use.
- Greater awareness on the part of suppliers of the potential exporter market segment

Wider ICT Environment

USAID's Trade Hub continues to monitor trends in the wider ICT environment. At the Commonwealth Telecommunications Organization's conference on Connecting Rural Communities in Accra, **Ghana**, ICT service providers discussed the significant business opportunities in connecting rural areas to their services, including the Internet and mobile networks. Such services would improve productivity and expand opportunities for exporting companies in those areas. ICT Advisor Ben Coleman presented ICT activities of USAID's Trade Hub at the event.

Analysis

eBizBox II

The key value of eBizBox II is improved access to information about ICT solutions. The reasons and benefits for using each of the recommended tools and services are clearly described, as well as the prices. To date six orders have been completed by the recommended suppliers, and 19 more are in the pipeline. But exporters have purchased ICT products from alternative sources as well, as confirmed by the owner of Ahene Pa Nkasa, a bead exporter, who purchased an Internet connection from MTN during the conference. Similarly, Solution Oasis, a shea exporter, bought services not listed under eBizBox II after talking with recommended supplier, MyConfigsys.

Exporters are clearly benefiting from an increased knowledge of the ICT products and services that are available and appropriate for them: they are choosing to purchase these on their own terms, armed with the knowledge of a price they could expect to pay.

Domain registration is one area that eBizBox II provides more than just informational value: local businesses provide domain registration, but at rates much higher than those available internationally. USAID's Trade Hub negotiated with MyConfigsys to provide domain registration at cheaper prices, and four companies took up this opportunity to register their domains. This suggests this is one area that ICT suppliers can profitably focus on, and the Trade Hub should look to promote more.

The increasing growth of software and services available online provides an attractive opportunity for cash-strapped exporters to take advantage of ICT. In recognition of this potential, USAID's Trade Hub promotes freely available ICT alternatives whenever possible, e.g. training in Google business tools and distribution of freeware on the ICT Toolkit CD. To maintain a distinction between the use of free and purchased tools, and because of the difficulty tracking free tools usage, free tool uptake is not reported in the Trade Hub indicators "number of new ICT value added products and services being used by business" and the "number of companies utilizing ICT value-added services."

Several noteworthy recommendations have emerged from feedback and monitoring the results of eBizBox II.

Exporters should:

- Assign more importance to ICT when considering budget
- Take greater advantage of ICT
- Take greater advantage of free ICT tools
- Research their specific needs to help suppliers provide the right products

Suppliers should:

- Shift from supply to demand-driven
- Improve customer service
- Advertise products and services more
- Be clearer when describing services, e.g. defining "high speed" internet

This information will be used by USAID's Trade Hub when promoting eBizBox II and to guide future strategy and activities.

Technology for Exporters Conference

Conference feedback from participants was entirely positive, with many requesting that the conference be held over a longer period to give them more time to absorb and learn new ICT solutions. The conference aimed to attract 70 exporters, and though 85 exporters registered

online for the conference, 52 attended due to workload constraints, especially for ERCs in the home décor and fashion accessories sector.

The conference focused on practical ICT solutions and actions that exporters could take to improve their ability to use ICT to increase their competitiveness. Exporters learned how to apply new tools and gained targeted knowledge during the training sessions on the second day. In addition, the following practical steps exporters could take to improve their use of ICT were discussed:

- Increase ICT knowledge:
 - Purchase training at ICT training centers like the Kofi-Annan Centre of ICT Excellence
 - Purchase personalized training
 - Use free online tutorials and help
- Get advice before buying:
 - Go to a reputable ICT supplier
 - Use online review websites
 - Speak to the Trade Hub's ICT team
- Commit a larger proportion of budget to ICT products and services
- Consider collaborating with other exporters to benefit from: bulk buying discounts for products and services; shared advice and knowledge; a more powerful voice with which to address suppliers and government

USAID's Trade Hub will use the feedback and lessons learned from the conference to guide future activities aiming to improve the competitiveness of exporters through their use of ICT.

Scaling-up

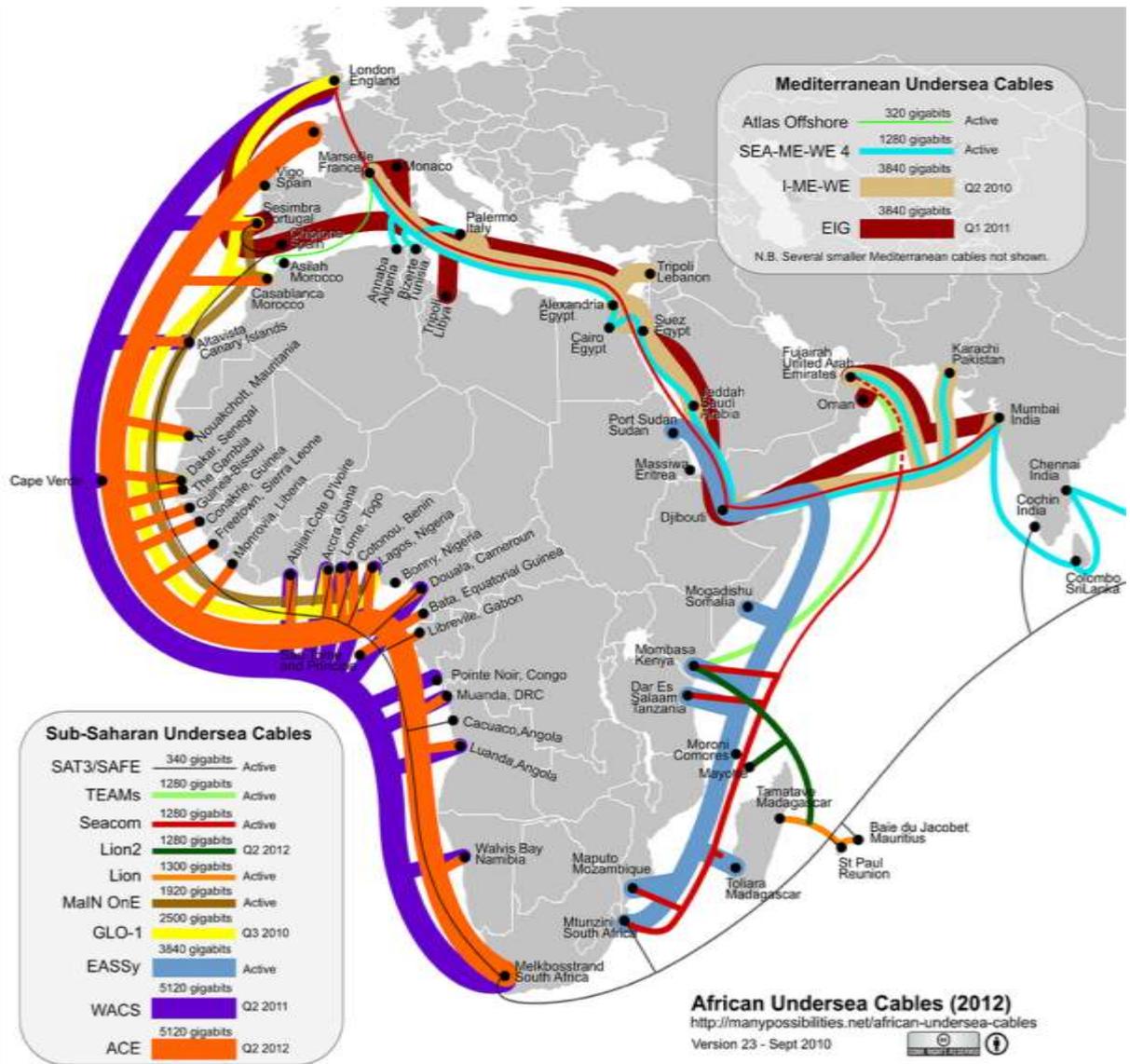
Scaling-up solutions that address exporters' ICT issues is the major challenge for USAID's Trade Hub, especially given budget constraints in this component. Due to budget considerations the ICT team has focused on **Ghanaian** companies, but exporters from four other countries were present at the conference, and confirmed similar ICT challenges. USAID's Trade Hub will leverage its growing partnership with private sector ICT firms to maximize reach and impact.

Some success is already in action: eBizBox II is empowering companies in **Ghana** with easy-to-access, trustworthy information, and with distribution costs of close to zero (by email or from website download).

One risk to minimize is the danger that some solutions may lead to other issues: e.g. empowering exporters to create their own websites can result in unprofessional branding, something that may be more detrimental to their business than not having a website to begin with.

Regional Connectivity

The MainOne undersea cable linking West Africa to Europe is now active (see map of cables below), which has broken the monopoly of the SAT3 cable. This has had a major impact on wholesale broadband prices, with prices dropping by more than 50%. This price reduction is yet to be passed onto consumers, but the effects are expected in reduced fees in FY 2011, increased speeds and/or improved reliability. The expected activation of GLO-1 will further increase competition and impact prices.



Planned African Undersea Cables as of October 2010



SUCCESS STORY

Technology lowers exporters' costs, increases competitiveness

Exporters find buyers, increase productivity and lower costs with better access to ICT thanks to the USAID-Intel Alliance.



Joe Lamport/West Africa Trade Hub

Edwina Assan of Edtex, a textiles firm in Ghana, said eBizBox II had transformed her production process, increasing efficiency and lowering costs.

“The biggest obstacle was thinking it couldn’t be done. But we did it!”

- Francesca Opoku, Solutions Oasis

Since she started her shea butter beauty products company, Solutions Oasis, Francesca Opoku knew she needed a website – it’s the best way to reach millions of people almost for free. But she was convinced she simply did not know enough to create a website.

“The biggest obstacle was thinking it couldn’t be done,” Opoku said. “But we did it!”

Opoku’s new website was created in about two hours during a workshop organized and conducted by USAID’s West Africa Trade Hub as part of its eBizBox II package of ICT solutions for exporters. The package includes hardware, software and connectivity, complemented by comprehensive free training by USAID’s Trade Hub under the USAID-Intel Alliance.

In the workshop, Google, a key eBizBox II partner, presented its online application to make websites; 23 exporting companies were soon presenting their companies and products to the billions of Internet users around the world.

The Internet has revolutionized international business but too often companies in Africa do not take advantage of the opportunities.

“Exporters have specific needs, which we carefully assessed to develop the eBizBox II package,” explained Ben Coleman, ICT advisor at USAID’s Trade Hub. “Exporters are getting real results with the package.”

Among them is Edwina Assan, who operates Edtex Textiles in Ghana. Assan attended an eBizBox II workshop that introduced accounting software (other workshops focused on how to use ICT to improve communications and manage digital images).

“The new software transformed the way we process orders,” Assan said. “We now know which orders to work on first and any of the staff can see where the order is in the production process. We’re saving time and money thanks to the change.”

Technology transforms business – USAID’s Trade Hub is helping exporters see how.

ID	Telecom Infrastructure	2009				2010				2011			
		Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
1	USAID/Intel Alliance - Broadband Connectivity and Utilization Activity												
2	Trade Hub conducts targeted client ICT needs analysis												
3	Trade Hub completes client ICT profiles												
4	Product development for broadband-enabled application packages												
5	Client-level testing of broadband-enabled application packages												
6	Refinement and pricing of broadband-enabled application packages												
7	Distribution and training for selected Hub clients on broadband-enabled application packages												
8	Improved access of ERCs to existing ICT products, services & training												
9	Survey ERCs ICT resources & access to ICT needs & compare with 2008 data												
10	Update eBizBox offering in partnership with private sector (old)												
11	Update eBizBox offering in partnership with private sector (proposed)												
12	Disseminate revised eBizBox offering (old)												
13	Disseminate revised eBizBox offering (proposed)												
14	Provide ERCs with ICT solutions to reduce major operating inefficiencies												
15	Conduct site visits to determine key ICT interventions for select ERCs in targeted sectors (old)												
16	Conduct site visits to determine key ICT interventions for select ERCs in targeted sectors (proposed)												
17	Apply ICT solutions to pilot ERCs (old)												
18	Apply ICT solutions to pilot ERCs (proposed)												
19	Evaluate success of new ICT solutions, document successes, and assess possibility to duplicate solutions sector-wide (old)												
20	Evaluate success of new ICT solutions, document successes, and assess possibility to duplicate solutions sector-wide (proposed)												
21	Workshop for service providers and ERCs to present ICT opportunities and solutions for ERCs in targeted sectors (old)												
22	Workshop for service providers and ERCs to present ICT opportunities and solutions for ERCs in targeted sectors (proposed)												
23	Provide ERCs with easy access to industry specific ICT training												
24	Collaborate with partners to develop 1 or 2 pilot business ICT training & service center(s) (old)												
25	Collaborate with partners to develop 1 or 2 pilot business ICT training & service center(s) (proposed)												
26	Business ICT training centre available for ERCs in Accra (old)												
27	Business ICT training centre available for ERCs in Accra (proposed)												
28	Train staff from ICT centers and computer equipped ARCs; Benin, Burkina Faso, Nigeria (old)												
29	Train staff from ICT centers and computer equipped ARCs; Benin, Burkina Faso, Nigeria (proposed)												

Project: Telecom 11-13-2009 Date: Tue 10/5/10	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

ACTIVITIES PLANNED: OCTOBER – DECEMBER 2010

Table: Key Events October–December 2010

Activity	Date	Location	Contact person
Trade Investment Capacity			
eARC Training and Stakeholder Meeting	October	Douala, Cameroon	Abou Fall
National Food and Agriculture Show (FAGRO)	October 12-17	Accra, Ghana	Christian Dahm, Xenia Defontaine
Bankers' training	October 14-16	Lome, Togo	Christian Dahm, Finance Team
SIAL	October 17–21	Paris, France	www.sial.fr
Sustainable Cosmetics Summit	Oct. 18-20	Paris, France	www.sustainablecosmeticssummit.com
SIAO	Oct. 29–Nov. 7	Ouagadougou, Burkina Faso	www.siao.bf
eARC Training at SIAO 2010	Oct. 31–Nov. 5	Ouagadougou, Burkina Faso	Abou Fall
Productivity and Merchandizing Training	October – November	TBD	Jacques Betsy, Joop de Voest, Hanna Amichia
Publish Apparel Buyers and Investment Guide	November	Accra, Ghana	Jacques Betsy, Joop de Voest
MAGIC Trade Show	November	Las Vegas	Jacques Betsy, Jean-Pierre Rousseau
B2B in Ghana	November	Accra, Ghana	Jacques Betsy, Joop de Voest, Hanna Amichia
eARC Training and Stakeholder Meeting	November	Bamako, Mali	Abou Fall
Planters cashew video launch	November	New York, NY	www.planters.com
Regional designers' workshop	November–December	Accra, Ghana	Jacques Betsy, Hanna Amichia
eARC Training and Stakeholder Meeting	December	Cotonou, Benin	Abou Fall
Financial Services			
Bankers' training	October 14-16	Lome, Togo	Christian Dahm, Finance Team

Activity	Date	Location	Contact person
Transport Infrastructure			
Ouagadougou-Abidjan verification trip	October 12–24	Burkina Faso, Cote d'Ivoire	Seydou Ilboudo
Launching advocacy campaign in Senegal	October 15	Dakar/Tambacounda, Senegal	Lacina Pakoun
SSATP Annual meeting 2010	October 18–21	Kampala, Uganda	Amadou Ba, Christel Annequin
Tema-Ouagadougou verification trip	Oct. 29–Nov. 10	Burkina Faso, Ghana	Patrick Kpenou
Meeting with UEMOA	November 4 – 5	Burkina Faso	Niels Rasmussen, Amadou Ba
Road Show	November 11	Tema, Ghana	Niels Rasmussen, Amadou Ba, Lacina Pakoun, Patrick Kpenou, Aline Adamou
Ouagadougou-Bamako-Dakar verification trip	Nov 19–Dec 8	Burkina Faso, Mali, Togo	Seydou Ilboudo
Road Show	November 25	Lome, Togo	Lacina Pakoun, Patrick Kpenou
Road Show	November 25	Sikasso, Mali	Amadou Ba, Seydou Ilboudo
Lome-Ouagadougou verification trip	Nov. 25–Dec. 5	Burkina Faso, Togo	Patrick Kpenou
Grants-supported Advocacy Campaign Monitoring	November 26	Togo	Kwesi Osei-Kusi, Lacina Pakoun, Patrick Kpenou
Grants-supported Advocacy Campaign Monitoring	November 26	Mali	Jane Owiredu-Yeboah, Amadou Ba, Seydou Ilboudo
Road Show	December 2	Dakar, Senegal , Ouagadougou, Burkina Faso	Amadou Ba, Lacina Pakoun, Patrick Kpenou, Seydou Ilboudo
Road Show	December 9	Cote d'Ivoire	Amadou Ba, Patrick Kpenou
Abidjan-Bamako verification trip	Dec 10–19	Cote d'Ivoire, Mali	Patrick Kpenou
Niamey-Cotonou corridor update trip	Dec. 12–21	Benin, Niger	Seydou Ilboudo
Focal Point set-up	December 13–14	Benin	Amadou Ba
Focal Point set-up	December 16–17	Niger	Amadou Ba

Activity	Date	Location	Contact person
<i>Business Environment</i>			
ECOWAS Experts Meeting – ETLs Gap Analysis	November–December	Abuja, Nigeria	Ometere Omoluabi, Harold Pohoresky
<i>Telecommunications Infrastructure</i>			
ICT Training	November 4	Ouagadougou, Burkina Faso	Ben Coleman, Albert, Biga

ATTACHMENTS

Trip and consultancy reports can be found in Annex 1 to this quarterly report, and the following documents are being distributed as separate attachments to this quarterly report:

1. Trip reports
2. Tradewinds Stories July–September 2010
3. MOU for Benin eARC
4. Global Trade Finance The New Frontier – Trade Hub Contribution
5. NYIGF AfricaNow Directory
6. VAO Product Development Presentation
7. ACA Newsletter August 2010
8. ACA Maputo Declaration
9. Trade Hub/Ebenut/Food Research Institute MOU
10. Exports, Employment and Incomes in West Africa
11. 12th IRTG report
12. 2nd Borderless Report - Joint Trade Hub/ALCO Road Harassment Report - Aug 2010
13. Ghana Truck Driver's Guide -
14. Compte rendu de l'atelier relative au 12th rapport
15. Ghana Axleweight Guide
16. ALCO Lagos Workshop Report for the Dissemination of the Results of OPA
17. Gap Analysis Country Report – Cote d' Ivoire
18. ECOWAS Customs Computer Systems Connectivity Project
19. Task Force Meeting Notes ECOWAS Connectivity Project March 2010
20. Experts Meeting Notes ECOWAS Connectivity Project July 2010
21. ICT Technology for Exporters Program
22. ICT Conference Presentations
23. Institutional Finance Report (Access to Finance)