



# WEST AFRICA TRADE HUB

QUARTERLY PROGRESS REPORT #14

*April to June 2011*

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# WEST AFRICA TRADE HUB 2 QUARTERLY PROGRESS REPORT #14

WEST AFRICA GLOBAL COMPETITIVENESS HUB  
PROJECT # EEM-I-00-07-00006-00

***July 2011***

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# ACRONYMS & ABBREVIATIONS

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

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

## EXECUTIVE SUMMARY

At the 10<sup>th</sup> Annual AGOA Forum in Lusaka, Zambia, hundreds of stakeholders from across the continent reviewed the African Growth and Opportunity Act – the law that initiated trade hubs across the continent and the USAID West Africa Trade Hub in 2003.

“[T]he three regional trade hubs that USAID sponsors do much more than connect African and American businesses,” U.S. Secretary of State Hillary Clinton said at the Forum. “They support African entrepreneurs in writing business plans, raising capital, increasing their productivity, and improving their production processes so they can meet the export standards set by governments and companies around the world.”

Indeed. In the third quarter of FY 2011, the USAID Trade Hub facilitated USD 32.5 million in exports from dozens of companies in six nontraditional export sectors, providing technical assistance directly to 337 (including 129 women-owned) companies. 181 companies participated in 11 international trade events, establishing relationships 1162 with professional buyers. 967 jobs were created.



**Helinda Tetteh, 24, is a quality control supervisor at Lucky1888Mills, an apparel factory in Tema, Ghana.**

Helinda Tetteh, 24, a quality control supervisor at an apparel factory in Tema, Ghana, that was established with assistance from the USAID Trade Hub has one of those jobs. “I’m learning a lot of things at this job – particularly how to supervise employees,” she said. “I know so many people who want jobs but cannot find them... In one way or another, the jobs have changed people’s lives for the better. Some are able to educate their kids and others are saving to go to school, like me.”

In June, Togo welcomed the newest AGOA Resource Center in the region, in collaboration with Togo’s Chamber of Commerce and Industry. U.S. Ambassador Patricia Hawkins opened the center with Togo’s Minister of Commerce Artème Ahoumey Zunu and Minister of Industry Fofana Bakalawa. In the same month, Liberia shipped its first containers of apparel under the AGOA textile visa that ensures the products benefit from tariff exemptions upon arrival to the U.S.

Increased exports from West Africa’s companies are creating the jobs that, in turn, are leading to shifts across the region. Although millions of West Africans continue to struggle economically, the region’s middle class has expanded – and continues to do so, reported the African Development Bank in April.

“Empirical evidence shows that growth of the middle class is associated with better governance, economic growth and poverty reduction,” the report said. “This includes pressing for the rule of law, property rights and a higher quantity and quality of public services.”

The broad shifts are a combination of many factors. In this report, the Trade Hub presents results achieved and looks more deeply into the drivers of change that underpin its work with hundreds of partners across West Africa.

Indeed, one fundamental aspect of catalyzing change is the critical importance of partners (Annex 4 includes a complete list). Through close, constructive relationships with governments in West Africa, the regional bodies ECOWAS and UEMOA, development partners, civil society, and thousands of private sector stakeholders, the USAID Trade Hub's business, transport, telecommunications, business environment and finance teams obtain the insights and information necessary to implement solutions and affect change.

Partnership is also illustrated through alliances. In April, more than 100 stakeholders in the shea industry launched the Global Shea Alliance (GSA) – and its influence is already being felt. The GSA is increasing focus on quality, re-engineering national associations, providing technical support to exporters, and increasing demand for shea around the world (see Success Story, Annex 3). The Alliance was launched at the annual shea industry conference, organized by the USAID Trade Hub with sponsorship support from the industry's leading stakeholders. They voted a Ghanaian woman entrepreneur, Eugenia Akuete, into the presidency. She is now driving and leveraging change in the whole industry!

The African Cashew Alliance's role assistance to Brazilian raw cashew nut traders led to millions of dollars in exports from Africa – creating hundreds of jobs and generating household income for more than 500,000 cashew farmers. The companies' success led to investment that will create hundreds of more jobs. These jobs are predominantly filled by women. And women's economic empowerment leads to improved childhood education (particularly of girls) and child and maternal health.

Achieving reductions in transport costs illustrates another aspect of the Trade Hub's approach to driving change: presenting solid data and analysis in a compelling fashion, making the case for action to reduce road harassment, and helping streamline procedures at borders and implement regional trade protocols. In May, public and private sector stakeholders launched the Borderless Alliance – one year after leading stakeholders in launching the Borderless advocacy campaign to remove trade barriers and increase supply chain efficiencies.

The Trade Hub presented its analyses of gaps in the implementation of the ECOWAS Trade Liberalization Scheme to high-level experts from 13 countries in June. An ECOWAS and USAID West Africa communiqué (Annex 15) puts the issues squarely on the agenda of Heads of State, who will meet later this year. The meeting of Mali's and Senegal's prime ministers at their shared border in May – co-organized with the USAID PCE and IICEM projects – led to high-level commitments, key demonstrations of the political will necessary to making ETLIS functional and effective.

In finance, the Trade Hub's innovation and dynamism— key to achieving change, too – are show results. One year after revamping its strategy, the Trade Hub facilitated more in loans this quarter than it did in all of FY 2010. The new strategy demonstrates not just what is possible – but how continuous learning and improvising succeed, even when facing tremendous constraints.

With this report, the USAID Trade Hub marks the closure of its telecommunications infrastructure work. Over its life, the component showed the possibilities that the revolution in telecommunications technology – from mobile telephones to internet access – holds for exporters in West Africa. In Ghana, the pilot eBizBox program helped exporters improve the reach of their marketing through websites, lower costs through the use of productivity software, and improve the efficiency of their operations.

At the 10<sup>th</sup> Annual AGOA Forum stakeholders affirmed the value of trade hubs, and the State Department and the U.S. Trade Representative announced USD 120 million for trade hubs over the next four years. Importantly, people like Helinda Tetteh and hundreds of others benefit when trade expands. More jobs and more income mean better livelihoods for everyone.

## BACKGROUND

The USAID West Africa Trade Hub was initiated in 2003 under the President's African Global Competitiveness Initiative (AGCI). The USAID 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.

The USAID West Africa Trade Hub uses a demand-driven approach to facilitating exports and strengthening value chains, working from the market backward 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 USAID Trade Hub facilitates a better understanding among West African firms of market requirements, and then provides technical assistance to help those firms meet those 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 other industries of critical importance to their success, including the financial services, telecommunications and transport logistics industries.

This report summarizes the work achieved in the second quarter of FY2011 by the USAID Trade Hub's 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 Trade Hub's work. The Trade Hub produces marketing and branding materials, now maintains nine websites publishes a monthly newsletter and provides punctual assistance to client companies as well as ensuring constant translation of Hub generated reports and materials into French and Portuguese.<sup>1</sup> The USAID Trade Hub is on Twitter (@watradehub), posts its multimedia presentations on YouTube (watradehub) and has a Facebook page (watradehub). Borderless, AfricaNow!, and the Global Shea Alliance also developed Facebook pages this quarter. The project's primary website is [www.watradehub.com](http://www.watradehub.com).



<sup>1</sup> Our websites are [www.watradehub.com](http://www.watradehub.com), [www.agoatoolkit.com](http://www.agoatoolkit.com), [www.africa-now.org](http://www.africa-now.org), [www.africancashewalliance.org](http://www.africancashewalliance.org), [www.financetrade.org](http://www.financetrade.org), [www.globalshea.org](http://www.globalshea.org), [www.tastafricanow.com](http://www.tastafricanow.com), [www.wassda.org](http://www.wassda.org) and [www.borderlesswa.com](http://www.borderlesswa.com).

# INDICATORS

**Table 1: Trade Hub Performance Indicators**

Indicator	Unit of measure	FY2011 (Oct 2010 – Sep 2011)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
<b>Trade and Investment Capacity</b>							
Number of firms receiving capacity-building assistance to export from the Trade Hub	Number of firms	200	1,322	661%	825	2,885	350%
	Women owned firms	100	487	487%	200	903	452%
Number of Trade Hub supported capacity building events related to improving trade and attracting investments <sup>2</sup>	Number of events	15	30	200%	72	103	143%
Number of participants in Trade Hub supported capacity building events related to improving trade or attracting investment	Number of people	1,000	1,671	167%	3,400	7,649	225%
	Number of women trained	500	435	87%	1,000	2,085	209%
Value of investment facilitated by the Trade Hub (USD) <sup>3</sup>	Value of investments	4,000,000	31,086,026	777%	14,000,000	53,377,882	381%
Value of exports facilitated by the Trade Hub (USD)	Total value of exports <sup>4</sup>	15,000,000	41,572,580	277%	\$62,000,000	101,613,524	164%
Number of jobs created attributable to Trade Hub support	Number of jobs	1,000	6696	670%	4,000	9,930	248%

<sup>2</sup> ACA Cashew Trainings in **Gambia, Nigeria and Togo**, AGOA Training in **Cameroon**, Home Décor Buyer Prep Training in **Ghana**, CENTA Annual Convention, Association of Food Industries Convention, International Nut & Dried Fruit Congress, Sustainable Food Summit, Global Shea 2011 Conference, American Oil Chemists Society Annual Convention, New York Cosmetic Chemists Supplier's Day, Sustainable Cosmetics Summit, International Contemporary Furniture Fair, South Africa B2B Event, European Seafood Expo and Food Safety Systems Workshop.

<sup>3</sup> Data for work plan indicators on the value of investment 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.

<sup>4</sup>This value equals the total value of exports worldwide.

**Table 1: Trade Hub Performance Indicators, continued**

Indicator	Unit of measure	FY2011 (Oct 2010 – Sep 2011)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
<b>Transportation Infrastructure</b>							
Has the government adopted improved transportation-related policies or plans this year as a result of USG assistance <sup>5</sup>	Yes/No	Yes	Yes	N/A	Yes	Yes	N/A
Number of people receiving Trade Hub supported training in transportation-related policy and regulatory practices	Number of people trained	2,500	5,037	201%	8,500	23,768	280%
	Number of women trained	25	298	1192%	90	850	944%
Number of improved national transportation and logistics policies adopted this year as a result of Trade Hub assistance	Policy document	3	2	67%	7	8	114%
Percentage annual reduction in the number of barriers along priority West African trucking corridors <sup>6</sup>	Number of barriers/checkpoint	12%	3%	25%	27%	-1%	-4%
Percentage annual reduction in average transportation & logistics costs (direct & indirect) for key exports using priority West African trucking corridors <sup>7</sup>	Percent of cost	6%	N/A	N/A	16%	3%	19%
<b>Business Environment</b>							
Number of trade and investment enabling environment diagnostics conducted	Number of diagnostics conducted	0	6	N/A	17	13	76%
Number of consultative processes with private sector as a result of Trade Hub assistance <sup>8</sup>	Number of consultative processes	20	49	245%	63	73	116%
Number of ECOWAS capacity building activities	Number of activities	3	3	100%	4	4	100%
Finalization of the Common External Tariff	CET	CET completed	TBD	TBD	CET Completed	No	0%

<sup>5</sup> 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.

<sup>6</sup> This is the average number of barriers across all corridors, weighted by the length of the corridor. Reduction for life-of-project is based on the three original corridors: Tema-Ouagadougou, Lome-Ouagadougou and Ouagadougou-Bamako.

<sup>7</sup> This is measured on an annual basis. The baseline number was established in September 2009.

<sup>8</sup> Consultative processes are documented by questionnaires and other information provided by the Trade Hub's Business Environment Coordinator.

**Table 1: Trade Hub Performance Indicators, continued**

Indicator	Unit of measure	FY2011 (Oct 2010 – Sep 2011)			Life of Project (Oct 2007 – Sep 2011)		
		Target	Achieved	%	Target	Achieved	%
<b>Financial Services</b>							
Number of financial sector professionals trained on international standards this period with USG assistance	Number of participants	30	22	73%	310	161	52%
	Female participants	15	3	20%	150	34	23%
Number of alliances established with banks	Number of signed MOUs	2	1	50%	6	2	33%
Number of new banking products and services established by allied banks <sup>9</sup>	Number of products	2	1	50%	6	8	133%
Number of loans made by allied banks to client ERCs <sup>10</sup>	Number of loans	35	10	29%	105	28	27%
Value of new loans made to ERCs	Value of loans	USD 3,000,000	USD 4,456,000	149%	USD 4,000,000	USD 9,066,387	227%
<b>Telecommunications Infrastructure</b>							
Number of companies utilizing ICT value-added services	Company	25	19	76%	25	24	96%
Number of new ICT value added products and services being used by businesses	Product or service	10	8	80%	40	20	50%
Number of people trained in ICT value-added services <sup>11</sup>	Number of people	100	203	203%	150	425	283%
	Number of Women	N/A	75	N/A	N/A	172	N/A

<sup>9</sup> Allied banks are banks that work frequently with the Trade Hub, and who have implemented financial products and services that enhance access to finance for export-ready companies.

<sup>10</sup> Defined as loan funds disbursed to export-ready companies.

<sup>11</sup> 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.

**Table 2: Country Summary Table (April – June 2011)**

Country	Value of exports facilitated USD	Value of investment facilitated USD	# Jobs added (# women) <sup>12</sup>	Value of Inter-regional trade USD	# Companies received technical assistance (# women-owned) <sup>13</sup>	TIC training (# women) <sup>14</sup>	Transport Infrastructure: training (# women)
Benin	215,913		48(43)		29(11)	22(8)	
Burkina Faso	6,851,453		188(175)	3,500	16(9)	42(19)	
Cameroon	1,005,008		11(11)		33(18)	77(25)	
Cape Verde							
Chad						2(1)	
Côte d'Ivoire	3,450,648		375(356)		3(1)	3(1)	
Gabon							
Gambia		650			5(1)	5(1)	
Ghana	14,027,976	138,000	146(132)	304,957	77(34)	121(34)	401(76)
Guinea						2(0)	
Guinea-Bissau	3,900,000				6(1)		
Liberia					1(0)	1 (1)	
Mali	1,298,757	3,500			44(12)	36 (16)	
Mauritania					4(2)	50(0)	
Niger						2(0)	
Nigeria	1,674,470	30,015,000	200(190)		105(33)	73(22)	
São Tomé e Príncipe							
Senegal	35,248	2,760			11(7)	4(3)	
Sierra Leone							
Togo		61,000			3(0)	71(20)	
<b>Total</b>	<b>USD 32,459,473</b>	<b>USD 30,220,910</b>	<b>967(551)</b>	<b>USD 308,457</b>	<b>337(129)</b>	<b>511(151)</b>	<b>401(76)</b>

<sup>12</sup> Jobs figures are mostly from the cashew sector. Under the assumption that they are seasonal, figures are discounted by a factor of 0.25.

<sup>13</sup> Technical Assistance also provided to companies operating in Kenya, South Sudan, Uganda, United Kingdom and United States.

<sup>14</sup> Training also provided to participants from France, Germany, India, Italy, Kenya, Morocco, Netherlands, Norway, South Sudan, Sweden, Uganda, United Kingdom and United States.

# USAID TRADE HUB ACTIVITIES APRIL-JUNE 2011

Activity	Date	Location	Contact person
<b>Trade Investment Capacity</b>			
Journée du Cajou au Benin	March 31–April 1	Cotonou, <b>Benin</b>	Boris Houenou
Global Shea Alliance First General Assembly, Shea 2011: Sustainable Solutions, B2B, Exporter Training, Exhibition and Field Trips	April 4–9	Accra, Tema & Northern Regions, <b>Ghana</b>	Elitza Barzakova, Mutale Chilangwa, Stephanie Diakité, Kafui Djonou, Peter Lovett and Organic Monitor Consultant Joseph Hunwick
CENTA Annual Convention	April 7–8	London, UK	Christian Dahm
Mathieu Chatin Buyer Trip	April 10–17	Dakar, <b>Senegal</b>	Elaine Bellezza, Makhtar Thaim
Association of Food Industries Annual Convention	April 28–30	Naples, Florida	Christian Dahm, Elitza Barzakova, Jim Giles
Shea Butter Buyer Visit	April 29–May 2	Bolgatanga, Paga & Tamale, <b>Ghana</b>	Aaron Adu
Product Development Capacity Building Inputs, Ghana	April–June	Accra & Kumasi, <b>Ghana</b>	Elaine Bellezza
American Oil Chemists' Society Annual Convention	May 2–5	Cincinnati, OH	Elitza Barzakova
European Seafood Exposition – Networking	May 3–5	Brussels, Belgium	Makhtar Thiam Roger Brou
New York Cosmetic Chemist Suppliers Day	May 10–11	Edison, NJ	Elitza Barzakova, Mutale Chilangwa, Peter Lovett
Apparel Technical Assistance	May 10–21	Douala, <b>Cameroon</b>	Jacques Betsy
Sustainable Cosmetics Summit	May 12–14	New York, NY	Elitza Barzakova, Peter Lovett
International Contemporary Furniture Fair (ICFF)	May 14–17	New York, NY	Elaine Bellezza, Elitza Barzakova
Visit to Major EU Shea Buyers and Processors	May 18–20	Sweden, Denmark & Holland	Roger Brou, Peter Lovett
International Nut & Dried Fruit Congress	May 20–21	Budapest, Hungary	Christian Dahm, Roger Brou
INC Annual Congress/ World Cashew Task Force set up	May 20–21	Budapest, Hungary	Carlos Costa, Christian Dahm
Workshop on MSC Certification	May 25–26	Dakar, <b>Senegal</b>	Roger Brou, Makhtar Thiam
Handcrafts Workshop	May 28–June 4	Douala, <b>Cameroon</b>	Emmanuel Odonkor

Activity	Date	Location	Contact person
Product Development Capacity Building Inputs, Mali	May–June	Bamako, Mopti and Segou, <b>Mali</b>	Elaine Bellezza, Cheick Diallo
Product Development Inputs for buyer visit	May–June	<b>Ghana</b>	Elaine Bellezza
FDA Food Safety Modernization Act	June 6	Washington DC	Leah Quin
ARC Launch Togo	June 16–22	Lomé, <b>Togo</b>	Roger Brou, Abou Fall, Karen Radji
B2B Apparel Meeting	June 20–21	Cape Town, South Africa	Joop de Voest
Sustainable Foods Summit	June 23–24	Amsterdam, Netherlands	Peter Lovett
<b>Financial Services</b>			
Guinea Bissau Cashew Bank meeting	May 2–8	Bissau, <b>Guinea Bissau</b>	Stephanie Diakite
Senegal UBA Meeting	May 9–10	Dakar, <b>Senegal</b>	Stephanie Diakite
Nigeria Cashew Cluster Meeting	May 26–27	Lagos, <b>Nigeria</b>	Judson Welsh
Togo ERCs Meeting	June 22	Lome, <b>Togo</b>	Jean–Guy Biley
<b>Transport Infrastructure</b>			
Parliamentary Select Committee on Roads & Transport visited the Paga, Kulungugu and Missiga	May 3	Paga, Kulungugu & Missiga, <b>Ghana</b>	Bright Gowonu
Tema–Paga Caravan	May 16–19	Bolga, Tamale, Techiman & Kumasi, <b>Ghana</b>	Bright Gowonu, Kwasi Osei–Kusi, Niels Rasmussen
Formation of BORDERLESS Alliance	May 30	Accra, <b>Ghana</b>	Vanessa Adams, Sola Afolabi, Bright Gowonu, Niels Rasmussen
West African Transport and Facilitation Observatory	June 15	Accra, <b>Ghana</b>	Niels Rasmussen
Focal point set–up in Benin	June 26–30	Cotonou, <b>Benin</b>	Christophe Bruyas
Meeting on Togo Drivers Guide	June 26–July 3	Lomé, <b>Togo</b>	Aline Adamou, Roland Zouzou
<b>Business Environment</b>			
Senegal-Mali Prime Ministerial Meeting	May 20–21	Kayes, <b>Mali</b>	Vanessa Adams, Sola Afolabi, Aminata Guisse, Ometere Omoluabi
Kidira Border Information Center Assessment	May 23–24	Diboli, <b>Mali</b> and Kidira, <b>Senegal</b>	Sola Afolabi, Aminata Guisse, Ometere Omoluabi
Borderless Roundtable Event	May 30	Accra, <b>Ghana</b>	Aline Adamou, Sola Afolabi, Christel Annequin, Lydia Osei, Kwesi Osei–Kusi, Niels Rasmussen
Approved Economic Operator World Bank Validation Workshop	May 31–June 1	Accra, <b>Ghana</b>	Christel Annequin, Niels Rasmussen, Bruce Thomsom

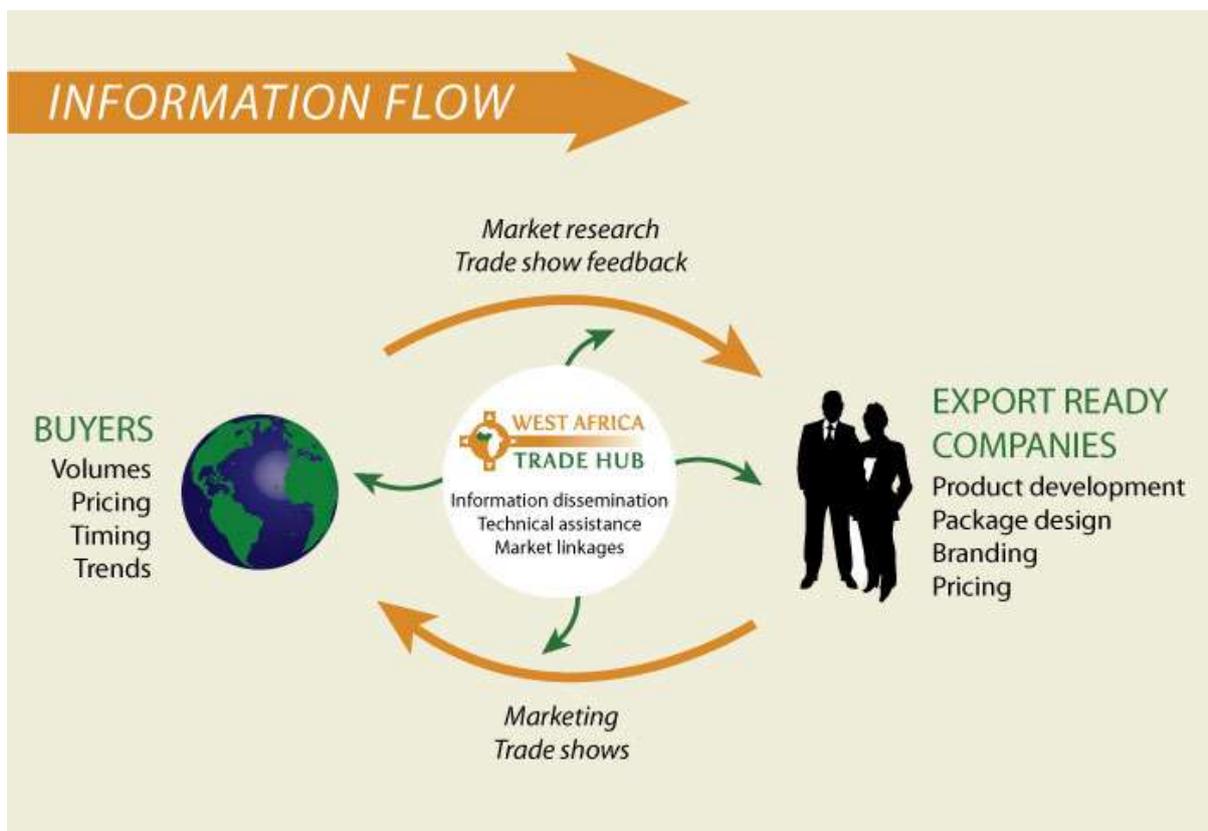
<b>Activity</b>	<b>Date</b>	<b>Location</b>	<b>Contact person</b>
UNECA–ECA Ad Hoc Expert Group Meeting on Supporting the Establishment of inter–REC Free Trade Areas	May 31–June 1	Addis Ababa, Ethiopia	Ometere Omoluabi
Return visit to Aflao and Lome with Border Information Material and Togo Ins	June 7–8	Aflao, <b>Ghana</b> and Lomé, <b>Togo</b>	Lisa Bruno, Jane Owiredu–Yeboah, Bruce Thomson
ECOWAS/ USAID Trade Hub High Level Expert Meeting	June 13–14	Accra, <b>Ghana</b>	Vanessa Adams, Sola Afolabi, Bright Gowonu, Ometere Omoluabi, Lydia Osei, Bruce Thomson
Logistics Planning for Border Information Launch	June 27–29	Aflao, <b>Ghana</b> and Lomé, <b>Togo</b>	Evans Klutse, Lydia Osei
ECOWAS Customs Connectivity Meeting	June 29–30	Lomé, <b>Togo</b>	Sola Afolabi, Jane Owiredu–Yeboah
<b>Telecommunications Infrastructure</b>			
ICT Training at Shea 2011	April 4–7	Accra, <b>Ghana</b>	Albert Biga, Ben Coleman



# 1. TRADE & INVESTMENT CAPACITY (BUSINESS)

This quarter, the Trade Hub's Trade & Investment Capacity (Business) component provided technical assistance to 337 companies (129 women-owned) and provided capacity building training to 511 people (151 women). Exports were USD 32,459,473 million from Trade Hub-assisted firms, and the Trade Hub facilitated USD 308,457 in regional trade. The Trade Hub also facilitated USD 30,220,910 in investments, and companies receiving Trade Hub technical support and assistance created 967 (551 women) new jobs.

The Trade Hub's 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.



## 1.1 AGOA Services

### Overview

The African Growth and Opportunity Act (AGOA) provides duty-free and quota-free market access to eligible sub-Saharan African countries on over 6,400 products. The USAID Trade Hub provides assistance in AGOA Services to trade-support institutions through a network of AGOA Resource Centers (ARCs) in the region, export-ready companies (ERCs), and governments on export procedures and documentation, and it facilitates stakeholders' efforts to develop export strategies that help countries take better advantage of AGOA.

From April to June 2011, AGOA Services trained 163 (30 women) stakeholders on AGOA and export requirements for the home décor sector in **Cameroon**, and export readiness in **Mauritania** and **Togo**. ARCs in **Benin**, **Cameroon**, **Mali** and **Nigeria** provided technical assistance (TA) to 163 (56 women) stakeholders on AGOA and export requirements in the apparel, home décor, and specialty foods sectors.

In collaboration with the Ministry of Commerce and the U.S. Embassy, the USAID Trade Hub officially opened an AGOA Resource Center (ARC) at the Chamber of Commerce and Industry (CCIT) in **Togo**. The ARC will provide information, identify ERCs and work with the Trade Hub to support companies to attend tradeshows.

The USAID Trade Hub also participated in the 10<sup>th</sup> AGOA Forum in Lusaka, Zambia, making presentations on taking advantage of AGOA and government support to women entrepreneurs that were attended by more than 300 participants, and networking with key U.S. and African delegates.

### Results

#### ***U.S. Secretary of State Hillary Clinton pushes AGOA forward at 10<sup>th</sup> Annual Forum***

The USAID Trade Hub participated in the 10th annual AGOA Forum in June and trade hubs across Africa were highlighted for helping to make the law effective. “[T]he three regional trade hubs that USAID sponsors do much more than connect African and American businesses,” U.S. Secretary of State Hillary Clinton told public and private sector



#### **U.S. Secretary of State Hillary Clinton talks trade with women business leaders at the 10<sup>th</sup> Annual AGOA Forum in June.**

stakeholders from across the continent at the Forum, which was held in Lusaka, Zambia. “They support

African entrepreneurs in writing business plans, raising capital, increasing their productivity, improving their production processes so they can meet the export standards set by governments and companies around the world.”

The Forum facilitated links to public and private sector stakeholders across the continent. Trade Hub Director Vanessa Adams presented on integrating SMEs into the manufacturing and services sectors to African ministers and presented to women business leaders of the African Women's Entrepreneurship Program (AWEP). USAID Trade Hub AGOA Services Manager also spoke as a panelist during the AWEP event. Each session involved more than 300 stakeholders. The USAID Trade Hub team also discussed collaboration with the Southern Africa Trade Hub and the East Africa Trade Hub and also met with delegates from Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Gabon, The Gambia, Liberia, Senegal and Togo to discuss issues related to the operation of AGOA Resource Centers in the countries.

### ***New AGOA Resource Center in Togo***

The **Togo** ARC—launched June 20, 2011 at the Chamber of Commerce and Industry (CCIT)—is the latest addition to the ARC network. It will provide **Togolese** companies with information on export requirements and will liaise with the USAID Trade Hub's technical



At the opening of the Togo AGOA Resource Center (from right): USAID Trade Hub Business & Finance Director Roger Brou, U.S. Ambassador Patricia Hawkins, Minister of Commerce Artème Ahoumey Zunu, Minister of Industry Fofana Bakalawa and Chamber of Commerce & Industry President Jonathan Fiawoo.

teams to screen ERCs and provide them with appropriate technical assistance and business linkage opportunities.

### ***Liberian apparel company makes its first shipment under AGOA using the textile visa***

Following the technical assistance provided by the USAID Trade Hub to the **Liberian** government, the United States Trade Representative approval of **Liberia's** textile visa, and follow-on training on AGOA and export documentation to **Liberian** Customs, **Liberia** registered its first shipment under AGOA using the textile visa.<sup>15</sup> The shipment was a

test order of 1,500 T-shirts that was cleared by U.S. Customs. The **Liberian** company is expected to make more shipments in the course of the year.

### ***Cameroonian home décor and apparel companies receive targeted TA from the enhanced ARC to boost exports***

Assistance provided by the USAID Trade Hub and the **Cameroonian** eARC led to a **Cameroonian** ERC company operating in various sectors shipping two 40-foot containers of handcraft products and a 40-foot container of specialty foods to the U.S. The containers are valued at USD 60,000 and USD 40,000, respectively. A **Cameroonian** apparel company shipped a trial order of swimwear, and has secured an additional USD 2 million in new orders.

<sup>15</sup> The textile visa allows **Liberian** exporters to take full advantage of AGOA concessions.

### ***Mali's eARC facilitates exports of home décor products***

The close working relationship between the USAID Trade Hub and the eARC in providing assistance on export documentation is producing results. The **Mali** eARC worked with two home décor companies to facilitate the shipment of scarves, cushions and bogolan shirts valued at USD 6,860. The eARC also assisted the **Malian** government in updating the signatories on the textile visa that was submitted to U.S. Customs and Border Protection.

### ***Nigeria's ARC establishes outreach model***

**Nigeria's** ARC conducts monthly training for sectors and periodically advertises its activities in a weekly television program that aims to attract more **Nigerian** companies to the ARC. This quarter, these activities resulted in a specialty foods company improving its packaging and being invited to attend the summer Fancy Food Show to be held in July 2011 in Washington D.C. The ARC, in close collaboration with the Trade Hub, also identified an apparel ERC and helped review the export documentation for an anticipated shipment of chef uniforms valued at more than USD 1.2 million.

### ***Mauritania's ARC gets support from UNIDO***

The Chamber of Commerce, Industry and Agriculture of **Mauritania** received support from UNIDO to build a showroom of exportable products from **Mauritania**. The ARC will play a pivotal role in identifying **Mauritanian** ERCs to display their products, and will link **Mauritanian** companies that could benefit from technical assistance and business linkages to the Trade Hub.



### **Mauritanian exporters participated in AGOA workshops.**

science and technology university—*l'Institut Supérieur D'enseignement Technologique*—that is incubating companies involved in food processing and drying.

Trade Hub also made presentations on AGOA and export readiness to about 50 **Mauritanian** companies during the 1<sup>st</sup> **Mauritanian** Economic Forum. The Trade Hub visited companies in the home décor sector, as well as a food

## **Analysis**

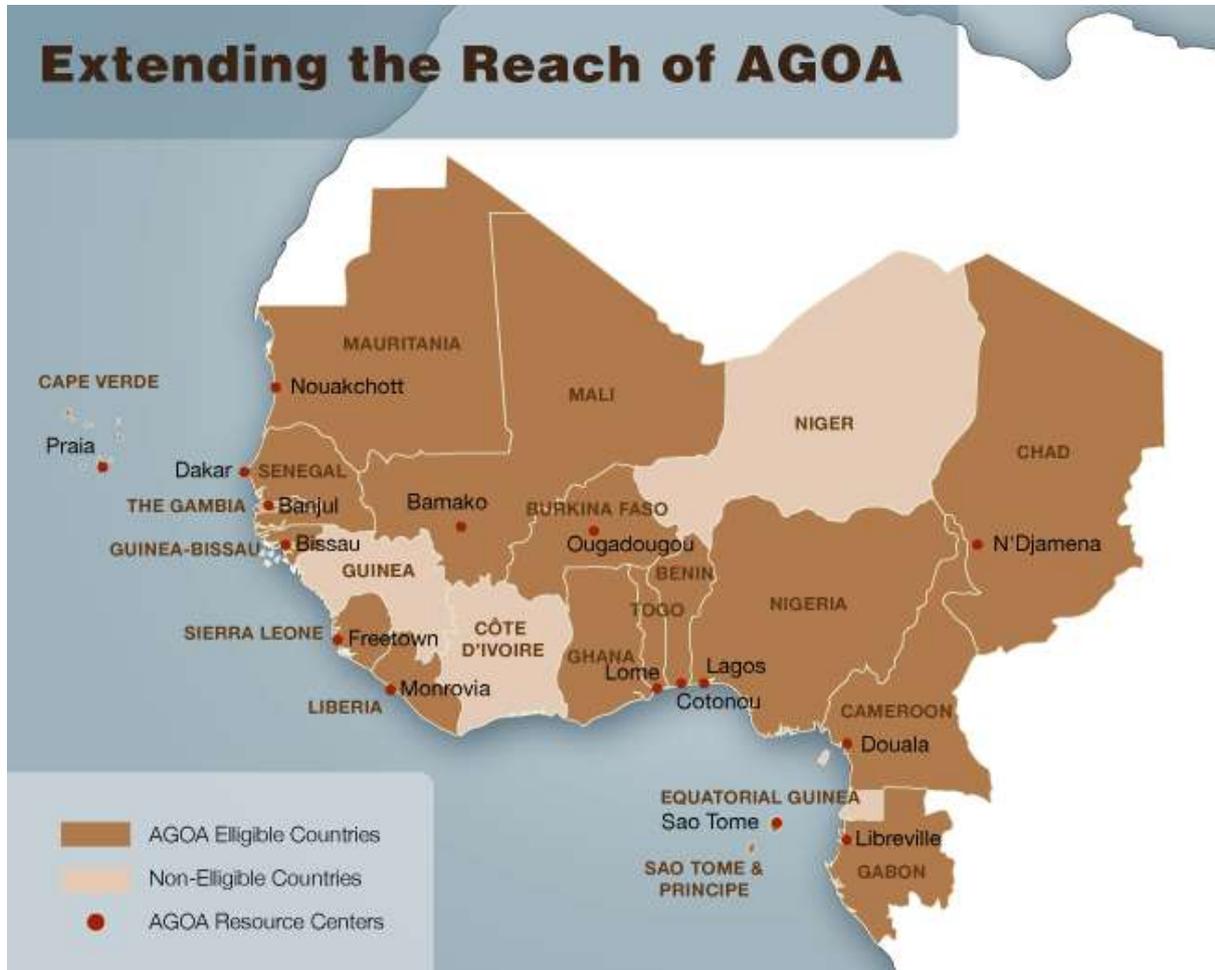
In the first quarter of 2011, total exports from sub-Saharan Africa to the U.S. increased by 17 percent, reaching USD 18 billion. AGOA-specific exports totaled USD 11.8 billion, 12 percent more than in the same period in 2010. Petroleum products excluded, U.S. imports under AGOA—almost exclusively dominated by raw materials—reached USD 1 billion, increasing by 23 percent as compared to the first three months of 2010. Imports of textiles and apparel (mostly from Lesotho and Kenya) grew by 23 percent.

Against this background, the 10<sup>th</sup> AGOA Forum, held in Lusaka, Zambia, reviewed progress and announced new initiatives to scale up exports by sub-Saharan African countries. The U.S. government announced the extension of the “third country fabric” provision beyond 2012, the extension of AGOA beyond 2015, and a new initiative, the African Competitiveness Trade Expansion program (ACTE), to help build the trade capacity of sub-Saharan African countries.

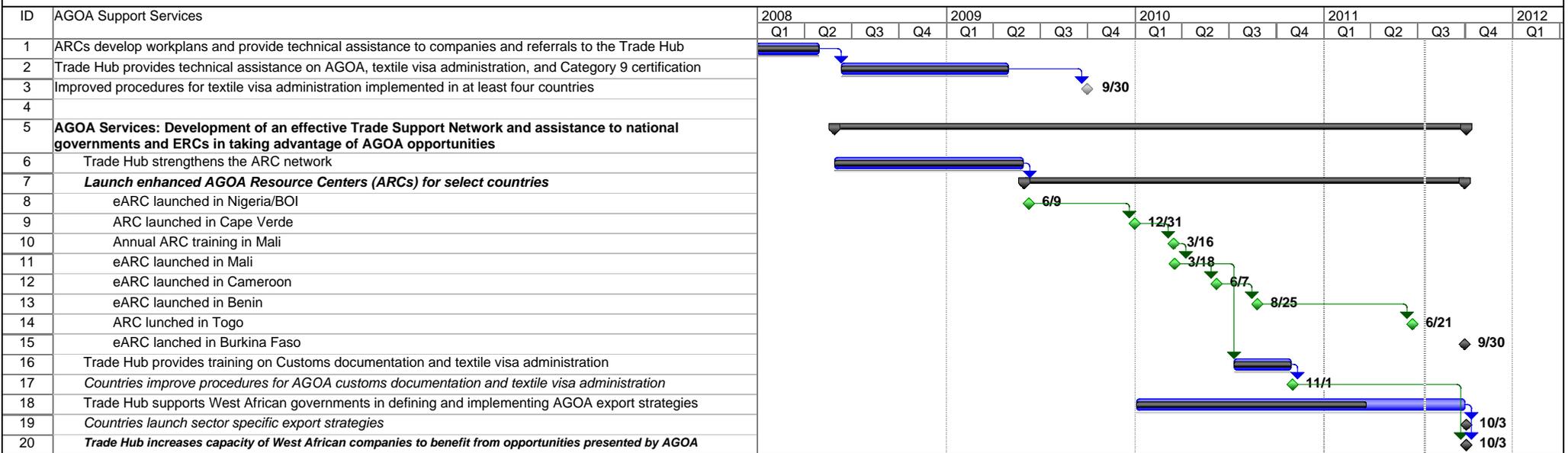
Although these new initiatives will provide a lifeline to many African countries, there is still a clear need for a strategic approach to build a long-term competitive framework that allows AGOA-eligible countries to diversify their economies and build stronger value chains. Now

more than ever, the USAID Trade Hub needs to push African governments to critically examine export value chains and design enabling business environments to stimulate exports.

The USAID Trade Hub will critically engage with West African governments to assist them with designing their own national strategies and establishing procedures to allow products to take advantage of AGOA through Customs services, in collaboration with the U.S. Customs and Border Protection.



**AGOA Services Gantt Chart**



Project: Trade Hub AGOA gantt chart 0  
Date: Thu 7/14/11

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 West Africa to world markets is critical to expanding exports from the region. Most buyers and investors in major international markets are not aware of the business opportunities in West Africa; similarly, companies in West Africa are unaware of the opportunities in international markets. The USAID Trade Hub's market linkages program addresses this gap, facilitating West African companies' participation at major international trade shows and communicating the opportunities in West Africa. During the third quarter of FY2011, the USAID Trade Hub facilitated 1,162 direct links between West African producers and international buyers at 11 international trade events, whereby 181 companies from 12 countries participated at the events, 65 of them women-owned.

### Results

#### **Global Shea conference creates B2B opportunities**

The Global Shea 2011 conference provided an opportunity for participants and new Global Shea Alliance members to formerly meet during a B2B event scheduled on the last day of the conference. Participants had the opportunity to register online, by fax or in person several weeks in advance of the April 7<sup>th</sup> event, and to choose the type of connection they wished to be matched to: ERCs, international buyers/importers, technical experts (certification, food safety, marketing, NGO, etc), investment or financial institutions, transport/freight firms, and equipment suppliers for packaging and processing. A total of 351 fifteen-minute, one-on-one meetings were scheduled, but the event took on a life of its own as participants held additional informal meetings.

#### **NYCCS highlights direct sourcing of African shea butter**

The New York Cosmetic Chemist Supplier's Day, held annually in Edison, New Jersey, is the largest ingredient-sourcing trade show in the U.S., and according to organizers, this year's event was the largest edition of the show to date. The May 10-11 show was the sixth for the USAID Trade Hub team and featured a new six-booth space hosting 12 firms and the Global Shea Alliance. The Trade Hub and partners highlighted direct sourcing of African shea butter as a bona fide and reliable source of this now well-established ingredient in the \$8.3 billion natural cosmetics industry.

#### **Trade Hub presents shea at Sustainable Cosmetics Summit**

At the Sustainable Cosmetics Summit on May 12-14, the Trade Hub presented a case study for sustainable sourcing of shea and the Hub's market linkages services to over 200 senior



africanoshealliance.com



africa-now.org



watradehub.com/trgreports



global Shea.com



tasteofafricanow.com



wassda.org

U.S. personal care industry stakeholders, providing valuable international exposure for the Global Shea Alliance and its recently elected president, Eugenia Akuete. Attendees participated in seminars, roundtable discussions and workshops on topics ranging from sustainability to marketing, regulation, and formulation. Organic Monitor, an industry research and watchdog group, organizes the conference annually in New York City and Paris.

### ***Oils and fats trends emerge at AOCS Convention***

The American Oil Chemists' Society (AOCS) Annual Convention, which represents the U.S. oils and fats industry, drew 1,400 members to Cincinnati, Ohio May 1-4 to discuss new research and developments in the edible, cosmetic and industrial applications of products falling into this category. The Trade Hub attended the conference to gather further information and insight into this industry which could have implications for shea butter, as an edible cocoa-butter equivalent in the confectionary industry and as a natural moisturizer in the cosmetics industry. Preliminary trends indicate that while sustainability is a hot topic, price and functionality continue to dominate buyers' purchasing decisions.



**Connecting stakeholders leads to more business.**

### ***AFI convention offers opportunity to present ACA Quality Seal***

The ACA and Trade Hub met with buyers and industry stakeholders at the annual Association of Food Industries conference, in Naples, Florida, April 28-31. They presented the ACA strategy and the newly developed ACA Seal during the Nuts & Agricultural Products section meeting. The team discussed various options for supporting African cashew processors in bringing their products to world markets, with U.S.-based importers, brokers, and roasters of cashew kernels seeing benefit in paying higher prices for clean, high-quality product.

### ***European Seafood Expo***

The Trade Hub participated in the European Seafood Exposition in Brussels on May 3-5 to meet partners and potential sponsors for an upcoming seafood conference on certification issues to be organized by the Trade Hub next fiscal year in Dakar Senegal. The conference envisions collaboration with international certification bodies and Senegalese public services and identification of resources for trainings and partnerships.

The Trade Hub promoted the West African Sustainable Seafood Development Alliance (WASSDA), and identified companies willing to become members or to cooperate with the Trade Hub in sustainable seafood issues. The Trade Hub also met with major certifying bodies the Marine Steward Council (MSC) and Friends of the Sea (FOS), third-party certification bodies, the European Commission Trade Policy in Fisheries, and buyers to discuss the feasibility of organizing a workshop in Dakar on certification and labeling, and specifically to establish an eco-labeling scheme for Africa and identify an appropriate label

for West Africa. These potential partners found the idea relevant and timely and are keen on supporting and participating in this initiative.

### ***Food manufacturers learn about sustainable sourcing at Sustainable Food Summit***

Food industry stakeholders talked about how consumers increasingly demand to know exactly what they are consuming and how sustainability is now a mainstream business concern during Organic Monitor's Sustainable Foods Summit in The Netherlands, June 23-24. More than 150 key stakeholders learned about sustainability in the West African shea, cashew, fish & seafood and specialty foods sectors during a presentation given by USAID Trade Hub Shea Advisor Dr. Peter Lovett. Event discussions focused on the environmental impact of food production – water, soil, carbon footprints – and included case studies on sustainable financing, packaging, certification, eco-labeling, and supply chains.



**Dr. Peter Lovett presented the USAID Trade Hub's work to hundreds of stakeholders at the Sustainable Foods Summit in Amsterdam in June.**

### ***Taste of Africa partnerships emerge in preparation for the Fancy Food Show***

During this quarter the Trade Hub market linkages team prepared for the Fancy Food Show, which will be held in Washington, DC July 10-12. Taste of Africa, the brand developed by the trade hubs to promote specialty foods, will bring together 37 companies from West, Southern and East Africa. In an ongoing effort to ensure the sustainability of our specialty food promotion efforts in the U.S., the Trade Hub nurtured a mentor-protégé relationship with Association Africa Agro Export (AAFEX), a pan-African industry association of 90 agricultural and processed food exporters. AAFEX's role in organizing joint tradeshows with the Trade Hub has greatly increased over the years; and the association is increasingly realizing the value of a cohesive marketing approach under the Taste of Africa brand. AAFEX's financial commitment to U.S. promotion efforts has increased as well, and it is financing close to 60% of the cost of the pavilion – a sign of AAFEX's commitment to the U.S. market. Other Taste of Africa partners include the Senegalese Export Promotion Council (ASEPEX), the Southern Africa Trade Hub, the East Africa Trade Hub (COMPETE) and South Africa's Department of Trade and Industry.



### ***International Contemporary Furniture Fair features high-end African products***

Three accomplished West African designers of high-profile home décor exhibited in the AfricaNow! booth at ICFF - making contact with buyers, decorators and architects May 14-17 in New York City. Top African designers are finding their footing in the U.S. market, and paving the way for the African crafts sector to access mid-markets at better pricing while building production capacity.

Sector	Trade & Marketing Events	# Participating companies (women-owned)	Countries Participating	# Buyer Linkages
Specialty Foods/ Cashews	CENTA Annual Convention	Trade Hub	Regional representation	5
	Association of Food Industries Convention	Trade Hub, ACA	Regional representation	23
	International Nut & Dried Fruit Congress	Trade Hub, ACA	Regional representation	20
	Sustainable Food Summit	Trade Hub	Regional representation	15
Shea	Global Shea 2011 Conference	165 (58)	<b>Benin, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, Ghana, Guinea, Mali, Niger, Nigeria, Senegal and Togo</b>	351
	American Oil Chemists Society Annual Convention	Trade Hub	Regional representation	5 <sup>17</sup>
	New York Cosmetic Chemists Supplier's Day	12 (5)	<b>Burkina Faso, Ghana, Mali, Nigeria, Togo</b>	407
	Sustainable Cosmetics Summit	Trade Hub	Regional representation	52
Home Décor	International Contemporary Furniture Fair	3 (2)	<b>Mali, Senegal</b>	162
Apparel	South Africa B2B	1 (0)	<b>The Gambia</b>	40
Fish & Seafood	European Seafood Expo	Trade Hub	Regional representation	37
	Food Safety Systems	Trade Hub	<b>Senegal</b>	50
<b>Total</b>		<b>181(65)</b>	<b>12</b>	<b>1,162</b>

## Analysis

The Trade Hub balances Africa's product supply by providing information about buyer and consumer demands for change – whether trends or innovations. The market linkages team liaises with buyers to identify their requests and needs and monitors market publications and industry events for global trends with staying power that are affecting the industry worldwide:

<sup>17</sup> 1,400 additional industry contacts for the Trade Hub from this event.

Supply of African products is traditionally difficult to change or adapt to market demands – yet this kind of innovation is what drives markets and consumption worldwide, be it technological innovations allowing for cheaper and more accessible products and services, or the aesthetic design processes that bring us new fashion and trends. For example, the home décor and fashion aesthetic is identified as ethnic African: traditional products with a very specific, consistent look. Although beautiful, consumers in most cases will buy it once and then move on to a different fashion trend. Shea and fruit are processed the traditional way, and do not often take advantage of technological innovations that will allow for better quality and more efficient, lower-cost manufacturing. Buyer demand is invariably for suppliers who have embraced these types of innovations.

### ***Shea***

Shea is an ingredient in both the food manufacturing (confectionary) and the cosmetics industries. The two industries require different marketing for this uniquely African-grown product. While 90% of Africa's shea crop is used in the food industry, primarily as a cocoa-butter equivalent (CBE), the volume of shea production is many orders of magnitude less than that of other vegetable oils, like palm oil and soybean oil, while prices tend to be higher. This makes shea less attractive to the global food industry. While its CBE properties will guarantee that it will continue to be used in confectionary and chocolate products, shea will need to actively tackle the perception that it is a low-volume and high-price product with limited functionality in order to significantly grow its market share. Branding it as a sustainable product should open the door to increased visibility and marketing of it as an ingredient.

The cosmetics industry, on the other hand, is very familiar with shea, where it is already widely marketed as a beneficial and sustainable ingredient. While only 10% of the shea crop goes to this industry, there is room to significantly increase shea use in cosmetic products. However, the demand for its use in mass-marketed products is currently limited by high prices. The use of handcrafted butter, which has the biggest potential for value-addition and job creation in Africa, is further limited by quality and consistency problems at the production level.

### ***Cashews***

The major issue of concern in the U.S. nut industry is still food safety. The Food Safety Modernization Act passed earlier this year requires importers to implement a foreign supplier verification program, preventive controls, and stricter origin labeling. However, with the continuing U.S. government budgetary crisis, it seems unlikely that the U.S. government will be able to monitor the implementation of these new regulations. The stricter regulatory environment should help drive demand for the ACA's proposed certification program, the ACA seal, but it will make imports of non-certified (ACA, HACCP or ISO) food products more difficult. The cashew sector will also continue to benefit from a high demand for snacking and the popularity of the nut, which is rated as best tasting after peanuts and almonds, according to a 2011 Mintel study on global snacking trends.

### ***Specialty Foods***

The Trade Hub will aggressively target the ethnic food market at the upcoming Fancy Food Show. The U.S. ethnic food market has potential, as it is quickly moving out of the "niche" mold and into the mainstream food industry. Demand for ethnic food is no longer spurred mainly by ethnic groups. According to Euromonitor International (2006), 75% of ethnic food consumption in the U.S. is now supported by mainstream consumption. This is a \$75 billion per year industry, which translates to \$1 for each \$7 spent on groceries. And this demand shows no sign of slowing down: sales are expected to grow by 20% through 2014 to an estimated \$112.5 billion.

The mainstreaming of demand for ethnic food was largely propelled by the American food service industry—namely restaurants that have been introducing the American palette to

ethnic ingredients through fusion foods. Mexican (42%), Kosher (20%), Chinese (10%), and other Asian (18%) dwarfs the share of African food in the U.S ethnic food market, though promising growth figures indicate that African food will have a place to thrive.

### **Home Décor & Fashion Accessories**

The global home décor and fashion accessories market continues to be dominated by Chinese and East Asian suppliers, whose ability to combine low-cost manufacturing with speed-to-market that capitalizes on every product trend (including ethnic African) is unparalleled. Suppliers from other regions must increasingly rely on new product design to stay ahead.

The sustainability of materials, inputs, production techniques, etc. are under the microscope for this sector as well: consumers increasingly prefer the products of suppliers that use FSC certified wood, organic cotton, recycled plastic or fast-growing bamboo and grasses. For African suppliers, many of whom use these products by default, this is a valuable point of differentiation and value-addition that needs to be marketed in a more visible way.

### **Apparel**

Trends in the global apparel market continue to favor Africa. Wages in China and other Asian countries are rising fast. According to Li & Fung, a Chinese trading company, the average price of goods rose by 15% in the first quarter of this year. Bangladesh, India, and Vietnam have been experiencing similar trends, with wages in Bangladesh rising by 87% last year. This means that international buyers are looking for producers outside of Asia. Wal-Mart, for example, is diversifying its risk exposure by establishing itself in new markets. The U.S. retailer recently bought a 51% stake in a South African firm, Massmart Holdings, which operates 288 stores in 13 countries in the region. This purchase will potentially strengthen linkages between Wal-Mart and African apparel producers, due to Massmart Holdings' activities in the textile market.



**AfricaNow! at the International Contemporary Furniture Fair in New York City.**



### 1.3 Shea

The shea industry has experienced a fundamental transformation from an opaque oligopoly of international buyers exporting 150,000 tons of raw materials involving fragmented suppliers in six countries to a recognized industry with a transparent and official industry alliance working with companies that export 350,000 tons of shea butter per year. When USAID Trade Hub shea supply chain reports were written in 2005, less than 500 tons of handcrafted butter left African shores annually and only 5,000 tons of mechanically extracted butter were exported. Unable to compete with American, European or Asian merchandise, few African-based firms risked developing personal care products. Although widely used as a functional – but invisible – edible confectionary ingredient, 10 years ago, shea was only just being tested on western cosmetic consumers and recognition was scarce.

## Global Shea Alliance



Since 2004, West Africa has seen millions of dollars in investment: factories built, secure vertical sustainable supply chains established, twice as many corporate firms involved and thousands of new jobs created. Exports now reach 350,000 sheanut equivalent in tons (SETs), and demand continues to grow.<sup>18</sup> Half of all exports have local value-addition, either by mechanical or hand extraction, as semi-refined or fractionated butter, or certified or finished products. Business models are numerous and diverse, and exports are picked by an estimated four million women for Trade Hub clients in at least nine West African nations<sup>19</sup> with growth in exported crop value exceeding 1,000% in under a decade.

### Results

#### ***Shea 2011: Sustainable Solutions builds skills, business relationships***

Over 400 people from 28 countries attended the formal opening of *Shea 2011* on April 6, with keynote addresses from His Excellency, Mr. John Dramani Mahama, Vice President of **Ghana**, U.S. Ambassador Donald Teitelbaum and the Brazilian Ambassador to Ghana, and the newly-elected president of the Global Shea Alliance. More than 500 participants passed through the conference on opening day alone. Speeches, in-depth technical presentations, and discussion panels covered topics ranging from carbon trading to market research, biochemistry to sheanut/butter quality, propagation to pollination to national strategies – and the industry’s sustainability followed.



**U.S. Ambassador Donald Teitelbaum (right) chats with Ghana Vice President John Dramane Mahama at the opening of Shea 2011: Sustainable Solutions.**

<sup>18</sup> SETs can be dry kernels, crude or fractionated butter, or finished product.

<sup>19</sup> **Benin, Burkina Faso, Ghana, Guinea-Conakry, Ivory Coast, Mali, Nigeria, Senegal, Togo**

Prior to the formal opening, 250 participants attended two days of demand-driven trainings opened by Dr. Sulley Gariba of **Ghana's** Savannah Accelerated Development Authority (SADA). The training focused on:

- Natural formulation, perfumery, and processing for quality
- Best practice and biochemistry in traditional sheanut processing and propagation
- Improving access to finance
- Sustainable supply-chain logistics
- ICT, social networking and website building

Throughout the event, 40 companies exhibited products and services – from finished shea cosmetics in retail-ready packaging to bulk shea products including industrially-fractionated olein and hand-crafted shea butter – including East African firms from Uganda and South



Sudan. **Benin, Mali, and Nigeria** featured country booths. Ecobank, Ecocert, network solutions provider K-Net, and inspection, verification, testing and certification company SGS explained their services to potential new clients.

In total over 40 speakers delivered trainings and presentations and then, following closure of the formal conference, more than 160 firms participated in a Trade Hub-facilitated B2B event. Some companies stated that the B2B was their primary reason for attending *Shea 2011*.

#### **The Global Shea Alliance Executive Committee.**

A field trip involving more than 100 participants included visits to Ghana Specialty Fats Ltd., a large-scale shea

processor, the Tema Port, SGS Laboratory, and the warehouse of Revy Trust, a large-scale buyer. A separate three-day field trip took 30 participants to the north of Ghana, where they visited Ghananuts at Techiman, The Pure Company at Buipe, Sekaf's Shea Butter Village in Tamale, a women's shea-processing co-operative in the village of Kanfiyilli. and shea parklands.

The conference's focus on how the shea industry can become more sustainable and competitively promote itself on the global market was clearly achieved. This annual event, the fourth of its kind, also took another step to becoming sustainable in its own right, as it earned almost \$100,000 in sponsorship, membership dues, and entry fees.

#### ***Global Shea Alliance elects first executive committee, establishes goals, working groups***

More than one hundred paid members of the new Global Shea Alliance (GSA) held their first General Assembly and elected seven executive committee members (including five Africans and four women). They also drafted a Code of Ethics that aims to provide members with broad guidance on their professional engagements with other stakeholders. This code will help others learn about GSA principles and may eventually form the basis of Gold Standards by which members will operate.

Executive Committee Member	Position	Country of Operation
Mrs. Eugenia Akuete	President	Ghana
Mamatou Djire	1 <sup>st</sup> Vice President	Mali
Peter Stedman	2 <sup>nd</sup> Vice President	Worldwide
Santosh Pillai	Member	Worldwide
Zainab Ibrahim Kuchi	Member	Nigeria
Mamounata Velegda	Member	Burkina Faso
Kadijatou Lah	Member	Mali

In response to the executive committee's request to know what members of the Global Shea Alliance seek to achieve, the Trade Hub organized a needs assessment survey of the 113 members of the alliance. The survey sought a members' mandate so that the EC will focus on activities most important to members. The summary of priorities emanating from the survey are:

- First Priority: Promote shea – aim to increase international market for shea, such as lobbying for use in cocoa butter equivalents (CBEs) in the U.S.
- Second Priority: Increase nut quality through establishment of grading system and/or standards
- Third Priority: Advocate to national, regional & international authorities for the need for greater support and recognition of shea



**Stakeholders voting for the Global Shea Alliance executive committee at Shea 2011.**

The survey results and future of GSA continue to be discussed during monthly EC telephone conferences.

### ***ECOWAS indicates future support for GSA***

The Trade Hub organized a meeting for the Global Shea Alliance (GSA) and the African Cashew Alliance (ACA) with Mr. Alfred Braimah, the ECOWAS Private Sector Director and Mr. Phillippe D. Tokpanou, ECOWAS Senior Advisor, Business and Trade Development, to discuss collaboration. ECOWAS agreed to:

- Invite the GSA and ACA to be partners in implementing a program for the Shea and Cashew sectors across the region
- Organize a meeting in August with stakeholders to discuss the current and future programs and determine how to build synergy in the two sectors
- Consider support to the GSA and ACA in the 2012 Budget to implement programs that are in line with the ECOWAS overall regional objectives of value chain actors and

stakeholders consultation awareness, value chain strategy development, and capacity building workshops

**Trade shows, industry meetings raise profile of West African shea in U.S., internationally**

The USAID Trade Hub facilitated attendance at the *New York Society of Cosmetic Chemists Suppliers Day* in New Jersey on May 10-11. Held annually, this was the largest event to date and the sixth attended by the Trade Hub Shea team. In a six-booth space, **12 firms** and GSA made **407 contacts**. Exhibiting firms were:

- Ariella Global Concept Ltd (Nigeria)
- BJ Exports (Nigeria/Germany)
- Charles K. Boateng Enterprise (Ghana)
- Dzifanou Group (Togo)
- Jobomax (USA/Various African nations)
- Karikis International (Burkina Faso)
- Naasakle Ltd. (Ghana/USA)
- The Pure Company (Ghana/Germany)
- Revy Trust Oil Extraction Company (Ghana/Netherlands)
- Shea Basics (Mali/USA)
- Shea Radiance (Nigeria/USA)
- Solution Oasis (Ghana)

*S silky Body Butter*

65% unrefined, handcrafted shea butter, *Ilutyraspermium parkii* organic

- Mango butter, *Magnifera indica*
- Rosehip oil, *Rosa mosqueta*
- Jojoba oil, *Simmondsia chinensis*
- Grapefruit essential oil, *Citrus paradisi*
- Lime essential oil, *Citrus aurantifolia*

This is an butter / oil based product.  
Highly nourishing for the skin, it can be used all over the body.

The handcrafted organic shea butter from West Africa forms the base, with added mango, rosehip (for fine lines) and jojoba which further contributes to its excellent moisturizing and nourishing properties. With the refreshing and invigorating smell of zesty lime and grapefruit.

Please test on a small area of skin first - e.g. the inner crease of the elbow, to make sure you are not sensitive to any of the oils contained in the products. They are not intended to treat any medical condition in any way. No medical claims are made or intended. These formulas are concept ideas only, intended to demonstrate the potential benefits and uses of incorporating unrefined handcrafted shea butter in cosmetic products. Store in a cool place - use sample within 1 month.

For more info on the benefits of using handcrafted shea butter in your products, contact [info@sheatradehub.com](mailto:info@sheatradehub.com)

Global Shea Alliance [www.globalshea.com](http://www.globalshea.com)

At the *Sustainable Cosmetics Summit* in New York City in May, the GSA and its recently elected president Eugenia Akuete gained valuable international exposure. Over 200 senior U.S. personal care industry stakeholders attended seminars, roundtable discussions and workshops on topics ranging from sustainability and marketing to regulation and formulation. With demonstrations of natural formulation concepts (prepared by Joseph Hunwick of Organic Monitor with 8- 65% hand-crafted, organic, unrefined shea butter), the Trade Hub was able to highlight direct sourcing of African shea butter as a bona fide and reliable source of this now well-established ingredient in the multi-billion dollar global industry.

**Natural cosmetics formulation sheets like this were distributed to potential buyers at the cosmetic chemists' show in New Jersey.**

With 5-6% annual growth in 2010, the natural cosmetics industry is currently estimated at US\$8.3 billion and the list of shea ingredients continues to increase – traditionally hand-

crafted, certified, industrially refined, fractionated. Some bioactive concentrations need 60:1 ratios of sheanut to product.

Following the Sustainable Cosmetics Summit, a major product development and manufacturing firm in the British beauty industry invited the Trade Hub's Shea Advisor to meet their technical director and formulator. The firm has been commissioned to develop a cosmetic line by a major British retail firm, using Fair Trade shea butter.

The American Oil Chemists Society (AOCS) annual convention, representing the U.S. oils and fats industry, gathered 1,400 members in Cincinnati, Ohio, to discuss new research and developments in the edible, cosmetic and industrial applications of products. Elitza Barzakova, Trade Hub Market Linkages Manager, attended the conference to gather information and insight in May.

"Consumer demands are changing and increasingly people want to know exactly what they are consuming, with sustainability now a mainstream business concern," food industry stakeholders said during Organic Monitor's Sustainable Foods Summit organized in The Netherlands, June 23-24. More than 150 stakeholders learned about sustainability in the West African shea, cashew, fish & seafood and specialty foods sectors during a presentation given by USAID Trade Hub Shea Advisor Dr. Peter Lovett. Participants initiated discussions about how authorities could be more involved with West African edible suppliers and the specifics of certification. Other event discussions focused on the environmental impact of food production – water, soil, carbon footprints – and included sustainable case studies on financing, packaging, and eco-labeling.

The Trade Hub's shea team met senior persons at AAK, Loders Croklaan, and SRC in Sweden, Denmark and Holland, to discuss the Global Shea Alliance (GSA) and collaboration with INNOVKAR partners at an October proposed conference. Feedback and support for the GSA was positive and pragmatic.

After hearing about the GSA at an international event last year, the Friends of Natural and Organic Cosmetics published a front page-article featuring the GSA and the Trade Hub's shea work. (see [http://www.natrue.org/news/read/article/the-story-of-shea-is-a-story-to-tell/?no\\_cache=1](http://www.natrue.org/news/read/article/the-story-of-shea-is-a-story-to-tell/?no_cache=1)). Additional outreach included presentations on shea by GSA members in Ghana, at the 10<sup>th</sup> Annual AGOA Forum in Lusaka and to a British Parliament committee by a procurement officer of The Body Shop.

### ***National shea industries are on the go***

Stakeholders in the **Benin** shea industry, led by Agence Beninoise de Promotion des Echanges Commerciaux (ABePEC) and U.S. Peace Corps, are preparing to launch a national association aimed at bringing stakeholders together for information exchange. A national shea event is also being organized with Trade Hub assistance.

GSA coordinator Aaron Adu discussed supply chain traceability of shea nuts for the coming season in Ouagadougou, **Burkina Faso**. Burkinabe shea firms have requested technical assistance from the GSA. Adu also met the General Manager of *Etablissement Velegda*, the biggest single supplier of shea nuts in Burkina Faso.

An American cosmetic firm (Chisara's Gold LLC) visited hand-crafted butter producers in north **Ghana**, where the company assessed traceability and the potential to direct source from Africa.

The Trade Hub provided feedback to the latest draft of the **Ghana** Ministry for Trade and Industry's National Export Strategy, in which shea is a key crop for future industry improvement in the country.

A televised program in **Ghana**, “Business Advocate,” hosted Georgina Koomson, Dr. Joshua Yidana and Trade Hub Shea Advisor Dr. Peter Lovett to discuss how the sustainable development of the shea industry can help Ghana’s savannah zones. Lovett received immediate and positive feedback for the evening talk-show from throughout Ghana.

With technical support from the Trade Hub finance sub-contractor CATEK, SIKA Mali is planning to renovate a shea processing plant that has seen no activity since initial attempts to extract shea butter after construction in the early-mid 1980s. It is hoped that this will kick off revitalization of the Malian shea industry.

## Analysis

### *The Business Imperative for Shea*

This decade has been a transformative period for the shea industry. Now, creating sustainable growth is an important focus, and many recognize how important collaboration will be in this process. Through AGOA and the USAID West Africa Trade Hub, partnerships already exist with hundreds of shea firms. Trade Hub-supported trainings, tradeshow and international conferences have caused a surge in networking, growth and investment, and organizations and firms have joined together to support a vision for the industry. Instead of operating independently, they agreed to come together and form a new industry association, the GSA.

The GSA network now reaches across stakeholder levels in the shea industry, including

women pickers, grass-root associations, national associations, international NGOs, internet providers, shippers, financiers, certifiers, exporters, convertors, formulators, retails and brands.

*Shea 2011* was the fourth Global Shea event held. As well as hosting the GSA’s formal inauguration, this year’s event was larger in scope. All of the main categories of stakeholders – bulk international buyers, bulk or SME-level suppliers, and producers of natural cosmetic finished products – had opportunities for technical training in practical, financial, biochemical, ICT, and logistical supply chain subjects. Although some wanted more opportunity to attend parallel sessions, positive feedback was overwhelming.

While the shea business is increasing, it is still relatively small, invisible to most global consumers and still mostly sold as a substitute. World use is just 0.1% of the vegetable oil industry: more than 120 million tons of palm, canola (rapeseed), soya and sunflower oil are produced annually.

In such an industry, where continued growth is paramount, efficiency is critical and sustainability key, the questions are: What is the **business imperative** for shea? What is so important about this crop? Why alter what we’re doing now? Or even, why bother keeping the shea industry on the planet? The



**Grafting shea trees at Shea 2011. Grafting can pass the qualities of a mature shea tree onto a seedling.**

GSA now needs to determine, in a pre-competitive manner, what is (are) the business imperative(s) for shea - socially, environmentally and economically. Through development of an achievable vision and a five-year plan, the GSA will set objectives measured through a series of milestones and a work plan of activities designed to attain those objectives – with funding in place for all of the above.

The GSA is successfully sharing a triple bottom line message that profitable businesses can and should responsibly look after both the people and the environment, and that shea does it all – sustainably. With increased efficiency and competitiveness, the GSA now aims to continue growing the shea industry. The industry is also considering the non-human components on which it is dependent – trees, parklands, pollinators, water, soil, climate, etc.

Concepts for developing triple bottom line business imperatives include:

- Social: Identify where and how shea is employing, feeding, educating and clothing people in the Savannah/Sahel. With proof of a vibrant industry, there is no requirement to migrate from these eco-zones in search of a better life.
- Economic: Identify how to increase production efficiency with workable programs that increase available volumes through quality improvements, increased pollination, and parkland enrichment.
- Environmental: Link up the industry in a fully sustainable manner that accounts for ecosystem services, e.g. carbon, biodiversity and water protection.

#### *Market Insight*

International converters of shea offered three key messages for successful promotion of shea in the Americas and Europe:

- State the business case [imperative] for encouraging shea use in edible products
- Positive branding of shea's qualities
- Selling shea's triple bottom-line benefits for people, planet and profit

Major chocolate brands are concerned about consumer-level labelling and identification of non-cocoa fats. This is because cocoa butter equivalents or improvers (CBEs/CBIs), labelled as 'non-cocoa fats' in European chocolate, contain palm oil tri-acyl-glycerides (TAGs). Therefore, unless they use a different source of the POP-TAG (Palmitic-Oleic-Palmitic) to combine with the main shea SOS-TAG (Stearic-Oleic-Stearic), there remain negative connotations for increasing the visibility of non-cocoa fat ingredients. Due to labelling regulations on shea in the U.S. on chocolate, this is less of an issue than in Europe, although American consumers are far less aware of shea edibility. Edible shea demand is insignificant and U.S.-based brands staunchly protect their 'pure chocolate' image. Improved functionality through use of shea stearin is well respected in the industry, but the economic opportunity of cheaper shea, as compared to cocoa, is said to play a minor role, and few major brands apparently use up to the 5% allowable level.

It was recommended that messages on quality passed to rural producers be kept simple to avoid complex regulations where high-level laboratory analysis is required to differentiate grades. Three simple standards were discussed:

1. Impurity-free, high-quality, boiled, sun-dried kernel
2. Impurity-free, standard-quality, boiled, sun-dried kernel
3. Anything else: unheated, fermented, smoked, rotten, black, high impurities, etc.

Experienced pickers can identify 'high' or 'low' quality shea, but, as they have little knowledge of international buyers, interventions should be directed through traders.

#### *Current developments and forecasts*

Despite Cote d'Ivoire's supplies returning to pre-conflict normality, cocoa futures maintain high prices (USD 3,000 per ton). This should be good news for shea, especially with the continued demise of the hydrogenated oils industry due to bad press for the trans-fats they contain. However, another growing threat to shea is the large-scale enzymatic conversion of edible oils into fats (olein converted to stearin using 'natural' but in vitro processes). This practice is growing in favor due to price, supply reliability, and concerns from international buyers over the growth potential and sustainability of shea production.

Projects involving entrepreneurs and volunteers across the core countries in West Africa and Cameroon, Chad, South Sudan, and Uganda will continue to help advance the industry.

Growth in the **Ghanaian** shea sector continues unabated with a second shea factory now under construction at in the northern **Ghana** town of Buipe. This will bring the total number of large-scale mechanical extraction plants in **Ghana** to eight. Along with a decade of growth in hand-crafted production facilities; estimated in-country annual processing capacity is already three or four times **Ghana's** current shea production capacity. Factories are also in operation, or under renovation, in other West African countries and processing capacity will soon exceed annual export volumes of the sub-region.

These concerns appear to be the motivation behind strong commercial interest in pollination and quality improvement, i.e. to quickly increase and improve the shea crop in the short term, while plans are developed to increase production in the medium (e.g. opening-up new stearin-rich production areas) and long term (e.g. develop propagation opportunities).

After six years of attending NYSCC Suppliers' Day, and two years at in-cosmetics, the Trade Hub has improved its promotional effectiveness. Booth design was exceptional, allowing separation of exhibitors with good visible prominence. Visitors praised the photographs and hanging displays of shea bioactives and the future use of 3D shea-models was discussed. The use of the natural formulation concept to promote hand-crafted shea butter was well received and encouraged by both exhibitors and visitors.

Also important, Trade Hub-assisted exhibitors are realizing the importance of working together to promote unrefined shea butter. As this is a new market, cooperation among shea producers is key. Several buyers visiting the Global Shea pavilion commented on the cohesiveness among exhibitors. Future exhibition at both by GSA and members is strongly recommended, as well as attendance at additional events, particularly for confectionary and cosmetic finished products.

Organic Monitor's sustainable summits provided a valuable opportunity to the Trade Hub. The value-add of the GSA President being invited to present in the Sustainable Cosmetics Summit in New York, through free attendance that was encouraged by the AAK chair of the session, clearly put the alliance and shea industry into perspective. Acceptance of invitations to partner in future Organic Monitor summits will continue this high-level exposure to corporate brands, retailers and organizations involved in the Global Sustainable Revolution.



## SUCCESS STORY

# Shea Alliance marks a historic first

**Representing every aspect of the industry, the Global Shea Alliance is building the industry**



Ryan Yingling/USAID Trade Hub

*The Global Shea Alliance Executive Committee includes major international exporting companies and leading traders.*

*The shea industry's continued success requires greater collaboration. The new Global Shea Alliance brings stakeholders together to leverage their knowledge, experience, and influence to grow sustainably.*

For many years, a core group of shea industry stakeholders have toiled to expand their industry – and largely, they have succeeded. In the last five years, exports of shea have increased dramatically. But, resolving key issues could unleash the sector's immense power to substantially improve livelihoods across Africa's arid Sahel-Savannah region. The newly founded Global Shea Alliance will build the industry's impact – ensuring all stakeholders benefit from increased global shea demand.

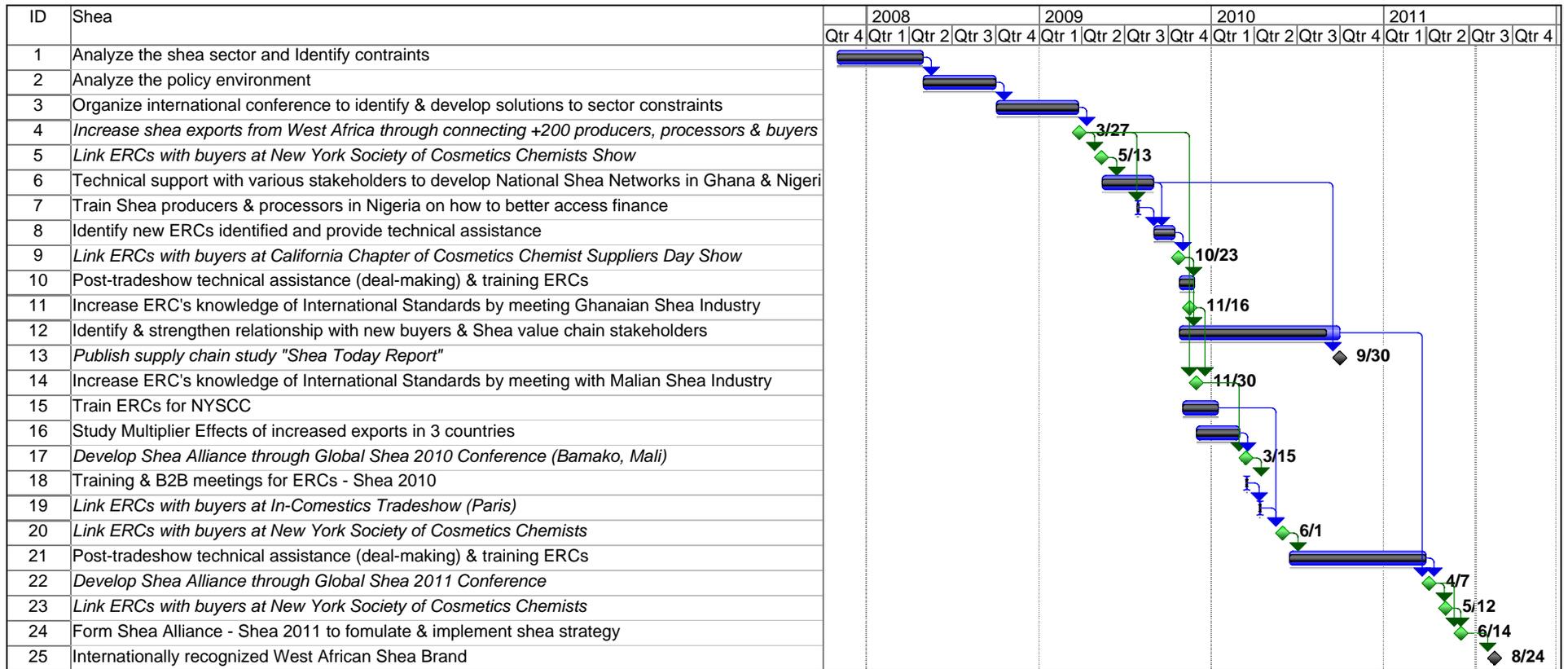
The problem had been that no single exporter, retail vendor or women's group could tackle the issues alone. At the industry's annual conference in April, organized by the USAID West Africa Trade Hub, that changed. More than 100 stakeholders – representing every aspect of the industry – joined the first-ever private sector-led shea coalition: The Global Shea Alliance.

"The impact will be tremendous," said Eugenia Akuete, the first president of the new Alliance – and one of four women on its seven-member executive committee.

The Alliance's birth has invigorated the sector. By June, stakeholders in Benin asked it to help organize its conference; a major trader in Burkina Faso also requested technical assistance. And the industry's regulatory body in Ghana invited the GSA to help revamp shea in Ghana. The Alliance also made a presentation at the 4<sup>th</sup> edition of the Sustainable Foods Summit in Amsterdam and visited the world's largest shea specialty fats company, AAK, at its factory in Sweden.

Alliance members set three priorities: Promote shea internationally, establish standards for social responsibility and for sheanut and butter quality, and advocate for international recognition and market access.

"In Burkina Faso, Ghana and Mali, women refer to shea as 'school fees work,'" said Akuete. "Women use the income they get from shea to send their children to school – it's driving education, mainly for young girls, too."



Project: Shea 10-13-10 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 1.4 Cashew and the African Cashew Alliance (ACA)

### Introduction

The African Cashew Alliance (ACA) supports growth of the cashew processing industry by providing technical assistance to local and international businesses and by facilitating market linkages the ACA increases the competitiveness of African raw cashew nuts. As cashew prices rise, farmer income increases. This season, farm gate prices reached \$1/kg in **Benin, Côte d'Ivoire, Ghana** and **Guinea Bissau**, a 50% increase from last year's prices.<sup>21</sup> Raw nut purchases by the Brazilian companies assisted by ACA since 2010 have amounted to more than \$15 million in income in 2011 for at least 100,000 farmer households in West Africa, providing supplemental income for food, healthcare and education expenses for more than 500,000 people in rural areas. Other multinational companies are now assessing opportunities for further investments in the African cashew value chain.



The USAID West Africa Trade Hub co-founded the ACA in 2005 with the objective of creating added value through the cashew value chain and alleviating poverty. Since 2006, the African Cashew Alliance has contributed to an 108% increase in cashew processing in Africa. The awareness ACA created in the potential of the African cashew industry has reached investors from Africa and overseas, and ACA members have made large-scale investments this year.

ACA is currently developing services for the industry that will ensure its sustainability and growth and strengthen the independence of the Alliance.

### Results

#### ***ACA facilitated USD15 million in exports of raw cashew nut to Brazil***

The Brazilian cashew processing industry is highly mechanized, concentrated in less than ten companies, and has capacity to process more than the national production of raw cashew nut (RCN). However, since 2005, the cashew crop in Brazil has seen strong fluctuations, with significant shortages in 2006 and 2008 and a catastrophic harvest (50%) in 2010 due to bad weather. These shortages have led Brazilian processors to look to Africa as an alternative source of supply for RCN.

As a result, RCN trade between West Africa and Brazil has been increasing exponentially. Since 2008, several Brazilian companies have approached ACA for assistance to initiate operations in Africa. ACA introduced them to cashew traders, farmers, government



**The ACA's technical assistance facilitated the exports of tens of thousands of tons of raw cashew nuts to Brazil.**

<sup>21</sup> This rise in prices is due primarily to crop shortages in Brazil and a delayed harvest in India.

representatives and service providers, and facilitated field visits. Thanks to the technical support of the Alliance and its network, four of the largest Brazilian cashew processors have started importing raw nut from West Africa. The total RCN exported from West Africa to Brazil this quarter from ACA members is estimated at more than 12,000 MT, mainly from **Ghana** and **Guinea-Bissau**. This represents more than USD15 million value of exports and hundreds of seasonal jobs created to clean and load the cashews.<sup>22</sup>

### ***ACA seal develops, U.S. and European giants Global Trading, Intersnack and Kraft commit***

As part of its mission to support the competitiveness of the African cashew industry, promote standards, and increase market linkages, ACA has developed a food safety and quality program. The ACA Seal is unique in the worldwide cashew industry. It requires processors to establish and maintain systems to ensure continuous compliance with controls that eliminate the major causes of customer complaints or rejections: infestation, foreign material, clumping/blocking, taste, food safety and grade compliance.

The program comprises fourteen procedures for quality and food safety, and several additional support systems developed for use in shelling plants. These include a Pest Control Manual, Master Cleaning Schedule, Hazard Analysis & Critical Control Points (HACCP) Program, Training Program, Auditing Expectations, Facility Inspection Program, Trace and Recall Manual, and Good Manufacturing Practice (GMP) Compliance Guidelines. Consultant Jim Giles, a food safety expert with 30 years of experience with Planters, one of the biggest cashew buyers in the world, provided technical expertise. A former Food and Drug Administration inspector also reviewed the seal program and ensured that it is compliant with the U.S. Food Safety Modernization Act.

The quality assurance departments at Kraft and Intersnack have reviewed the seal program to ensure that factories implementing it will meet the new more stringent U.S. food safety regulations. Both corporations committed to buy from factories that earn the seal. In addition, Intersnack demonstrated its support by committing USD 50,000 to the project. This represents the first time these two major players in the cashew industry have jointly collaborated in the African market.

This quarter, ACA also presented the seal program to major U.S. and European customers at the Association of Food Industry (AFI) Annual Convention in Naples, Florida, at the International Nut Council (INC) Annual Congress in Budapest, and at the Combined Edible Nut Trade Association (CENTA) Annual General Assembly in London. In the region, ACA presented information on the ACA Seal to **Beninese**, **Burkinabe**, **Ghanaian** and Mozambican processors.

ACA demonstrated that implementation of its program will represent a minimum of five cents per pound profit for processors and up to three cents per pound in profits for roasters.

A factory in **Benin** and a factory in **Burkina Faso** have agreed to pilot the ACA Seal. ACA aims to have them seal-approved by December 2011. Both factories are joint ventures with European brokers Global Trading. Global Trading has committed to implement the seal and has already recruited a food safety manager to follow-up on the ground.

### ***ACA and new World Cashew Task force promote health benefits of cashew***

Cashew business stakeholders from around the globe established a World Cashew Task force at the International Nut Council's Annual Convention. Over an initial four-year period, the task force will focus on developing a global cashew standard and researching and promoting the health benefits of cashew. The task force's promotion of cashew's nutritional benefits will positively impact the value chain by increasing demand for cashew, thereby making the industry more profitable and increasing the small farmer's return on the crop. The

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<sup>22</sup> Calculated with an average FOB price in West Africa from March to June 2011 at US\$ 1,300 per MT.

steering committee will support the United Nations' Food and Agriculture Organization (FAO) in developing a program to grow the global cashew crop—with Africa as the likely primary target.

ACA was nominated into the 10-member steering committee that will develop a program budget, along with the cashew associations of Australia, Brazil, India and Vietnam, and large processors—Intersnack, Kraft Foods, Olam, Rajkumar, and Richard Franco Agency. The task force gladly accepted the ACA's invitation to hold its first meeting at the ACA's Annual Conference, which is appropriately themed *Bringing the Cashew World Together*.

Four years ago, the USAID West Africa Trade Hub, ACA and ACA members Olam and the Richard Franco Agency had led an effort to establish a World Cashew Association at the INC convention in Madrid. ACA has continued to promote the cause of realizing common goals across the cashew world, for example by bringing Brazil, India and Vietnam to Africa at the 2009 annual conference, by attending talks at the 2010 Golden Cashew Festival in Vietnam and by appointing former ACA President Carlos Costa as advisor to the Executive Committee in pursuit of negotiations. Today most cashew task force members are already ACA members doing business in Africa.



**At the International Nut Convention Annual Congress in Budapest, Hungary, the ACA joined other cashew associations in establishing the World Cashew Task Force.**

### ***Togolese and Nigerian cashew processors receive new funding due to ACA assistance***

ACA and the USAID West Africa Trade Hub's Finance Team have helped two processing companies in **Nigeria** and one in **Togo** secure funding for working capital, making them operational and increasing processing capacity. The combined approved loans total USD 1.3 million and will allow them to process an additional 1,350 MT and create 300 new jobs. During this quarter, the ACA business advisor conducted several technical assistance trips to these companies to provide training in warehouse management and practices and capacity-expansion plans, as well as to assess operational and financial management.

### ***Beninese cashew stakeholders create an industry body***

Over 80 stakeholders from along **Benin's** cashew value chain gathered on March 30-31, 2011 for **Benin** Cashew Day, organized by the ACA **Benin** National Committee and supported by the Bill and Melinda Gates Foundation funded African Cashew initiative (ACi) and the Belgian Technical Cooperation (CTB). Participants discussed raw nut purchasing by local processing units and general strategies to improve the processing sector in **Benin**.

During the workshop, leaders from along the value chain were elected to the first industry body for the **Beninese** cashew sector. Government representatives from the ministries of Agriculture, Trade and Industry and participating businesses offered their support to the initiative, including new financial support to the value chain. The **Benin** National Committee is working to strengthen the new organization and register it as a legal entity.

### ***Technical assistance in processing and production across the region***

The ACA provided technical assistance to two investors in **The Gambia**: Cashew Gam which has already invested in a cashew processing facility building and is willing to invest in equipment and raw nut purchase, and Hambakor Enterprises, which is currently running a 15-hectare commercial cashew farm and wants to invest in a 1,000 MT-capacity cashew-processing facility.

The ACA also conducted a technical assistance and access to finance trip to **Guinea Bissau** to structure a private sector cashew-processing financing mechanism that will ensure raw material procurement for the season for four cashew processors.

The Cashew Team facilitated a field visit to a cashew farm in Greater Accra by Brazilian cashew processor IRACEMA and the President of the National Syndicate of Cashew Producers of Ceara, Brazil. The Ceara Syndicate president shared his experience on new productive varieties and efficient planting techniques with **Ghanaian** farmers.

### ***Cashew Team makes connections***

This quarter ACA representatives attended the Association of Food Industry Annual Convention in Naples, Florida, the International Nut Council Annual Congress in Budapest, and the Combined Edible Nut Trade Association (CENTA) Annual General Assembly.

In April the ACA released and disseminated its quarterly newsletter to more than 2,000 cashew stakeholders.

The ACA is developing a Market Information System. Since March 2011, ACA has been providing updates to ACA members on kernel and cashew nut prices in Africa, India and Vietnam. As part of the system, ACA also circulated a mid-season update on market developments in **Côte d'Ivoire** in response to an extremely large number of requests for information in the wake of the **Ivorian** political crisis.

## **Analysis**

The end of June marks the end of the cashew harvest in the northern hemisphere. This year's West Africa crop is likely to be comparable to 2010, i.e. around 700,000 MT. However, poor crops in Brazil, India and Vietnam, the **Côte d'Ivoire** political crisis, and low inventories contributed to a considerable rise in prices. Indeed, 2011 farm gate prices are unprecedented in West Africa: RCNs have been traded in large volumes at up to USD 1.00 per kilo at the farm gate, a 50% increase from 2010. Last year, African cashew processors struggled to buy their raw material and were forced to shut down factories or process under capacity, but this year they were much more prepared. Last year's experience led them to anticipate a probable hike in prices and negotiate agreements with farmers prior to the season. ACA National Committees in **Burkina Faso** and **The Gambia** organized workshops with cashew stakeholders in this regard.

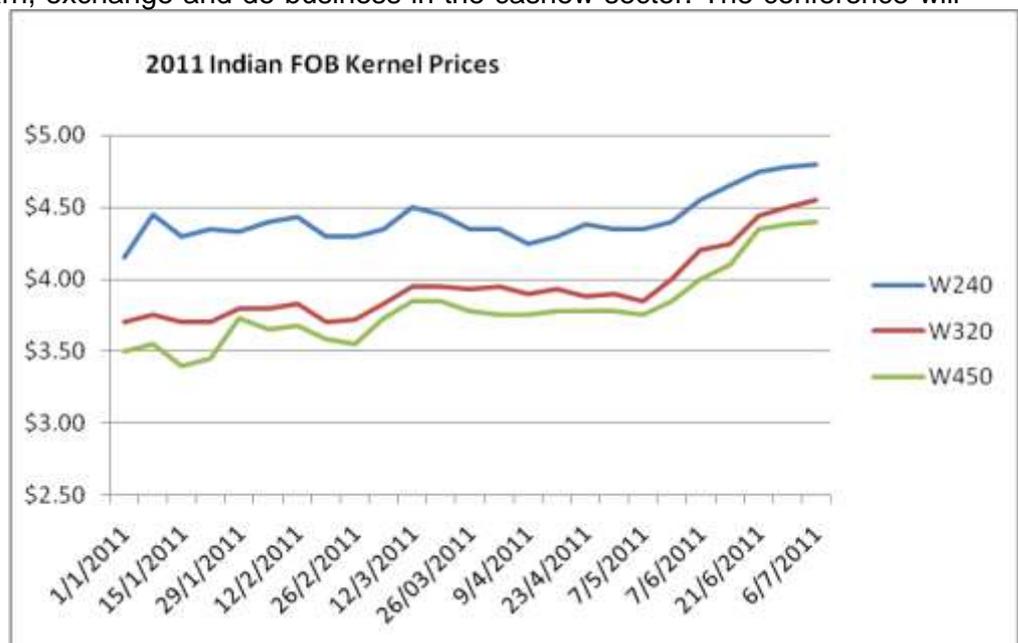
This price increase has been accompanied by rising prices for cashew kernels since January 2011: reaching USD 4.5/lb for W320s grade nuts in June. According to cashew market expert Pankaj Sampat: the trend of short-term buying will probably continue—supporting the market around current levels—until September or October, when there will be some indication of 2011/12 crops from the southern hemisphere and the U.S. and European Union

provide an Offtake forecast for first half of 2012.<sup>23</sup> If kernel prices remain strong, this will be good news for processors and especially newly-established companies that should have better margins this year.

The availability of large and growing volumes of raw material, land and labor in Africa combined with rising demand for cashew kernel make the African cashew industry increasingly attractive for overseas and local processors. “We all know now that Africa is the future for the cashew business,” said the Chairman of the Combined Edible Nut Trade Association at the INC meeting in May. Production in Africa will likely continue to increase as high raw nut prices over the past two years encourage farmers to plant more cashew trees. With the efforts of ACA and its partners the USAID Trade Hub and the ACi, at least eight local processors<sup>24</sup> will start or expand activities and the first two large-scale processing factories owned by ACA members Olam and Rajkumar Impex will open in 2011 in **Ghana** and **Côte d’Ivoire**. Meanwhile, more overseas investors are assessing how new mechanized facilities will perform.

Under the theme *Bringing the Cashew World Together* the 6th ACA Annual Conference in September in **The Gambia** will be the ideal platform for newcomers or experienced stakeholders to learn, exchange and do business in the cashew sector. The conference will offer new

services, including the first World Cashew Expo, an equipment exhibition with manufacturers from all over the world, and a forum which will offer technical and interactive sessions on farming, processing, marketing, quality, financing, investing and an enabling environment.



<sup>23</sup> Offtake is a forecasting service.

<sup>24</sup> Four in **Benin**, three in **Nigeria**, and one in **The Gambia**.



## SUCCESS STORY

# International investment in West African cashew brings growth, jobs

**Cashew investors find raw cashew nuts and build capacity in West Africa thanks to the African Cashew Alliance**



African Cashew Alliance

*Raw cashew nuts are loaded onto a boat. IRACEMA created hundreds of jobs and bought more than US\$40 million worth of cashew nuts from African sources in 2011.*

*The African Cashew Alliance helps investors understand the opportunities in Africa, leading to hundreds of jobs and increased market for the continent's raw cashew nuts.*

Last year, bad weather cut Brazil's cashew harvest in half and traders scrambled to fill the void. Thanks to the African Cashew Alliance, co-founded by the USAID West Africa Trade Hub in 2006, they turned to African sources – creating hundreds of jobs and generating millions of dollars in sales for farmers.

"I don't think we would have been able to turn to African sources without the ACA," said Shalin Behal of IRACEMA, a major Brazilian cashew processor. "They helped us do in a few weeks what would normally take about a year."

Tarciso Falcao, whose company Tafalco has exported 15,000 tons of raw cashew nuts to Brazil this year and is buying more, echoed Behal.

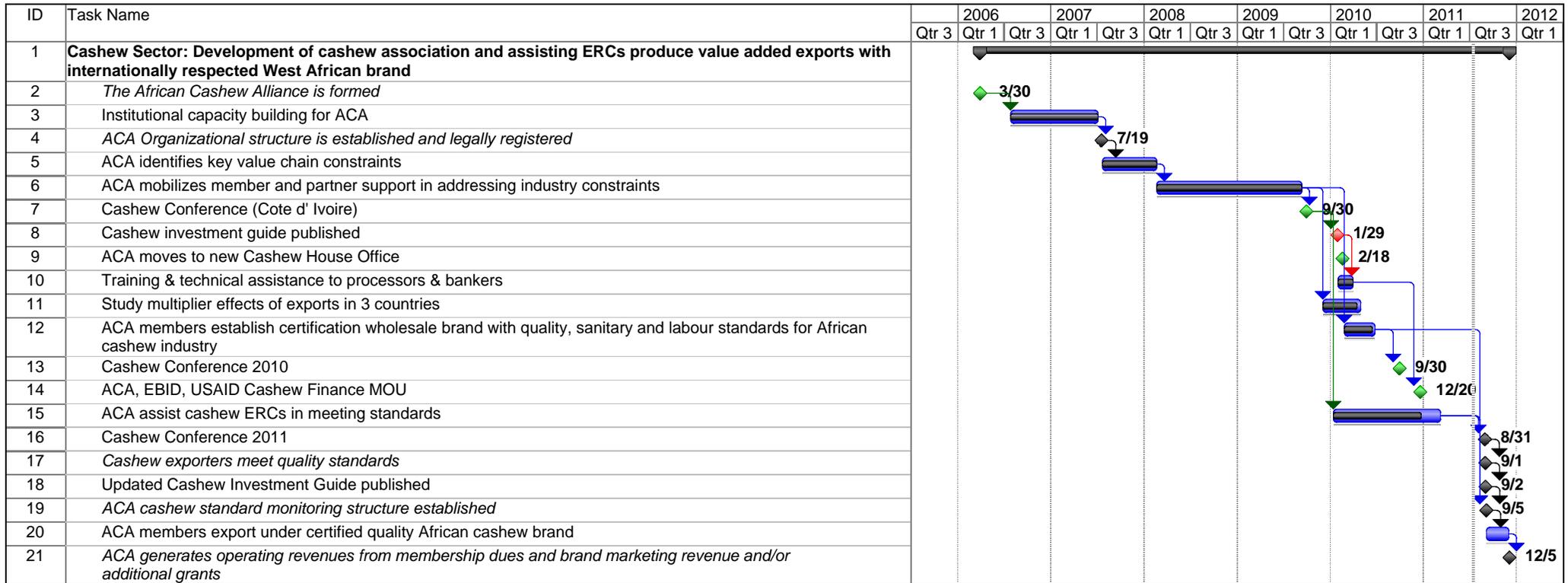
"The ACA and the Trade Hub were the gateway to Africa for our business," said Falcao. "They got us started, and now we are looking at how we can expand our operations with their support."

Behal met African cashew stakeholders at the ACA's annual conference in Maputo, Mozambique, in 2010. Within a few months, the ACA had facilitated his visit to Ghana.

"When you come into a place where you've not done business before and you have to move fast, investing US\$40 million is not something you do lightly," Behal said. "The ACA gave us information and confidence. They introduced us to the right people – bankers, lawyers, traders, technical experts, etc. They were there for us."

IRACEMA set up a facility to handle the raw cashew nuts that employs 200 workers, mainly young women. It replicated its Ghana operations in Cote d'Ivoire and Guinea Bissau. Today, vessels leave West African ports every week carrying raw cashew nuts destined for its factories in Brazil.

The company is not stopping there: it is planning to open processing factory that will employ up to 700 workers in Ghana.



Project: Cashew 07-13-10 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 1.5 Specialty Foods

### Introduction

Exported foodstuffs from West Africa used to be poorly labeled, unprocessed or semi-processed foods sold to small ethnic markets. While this is still sometimes the case, West African exporters and processors are becoming savvier about both their own and international markets. More semi-processed or finished food products from West Africa are appearing in creative packaging with correct labeling. A number of products boast international certifications, which makes them more attractive in international markets.

The USAID West Africa Trade Hub's specialty foods sector focuses on adding value to products sourced in West Africa by working with companies and partners to improve packaging, labeling, production process, quality, marketing and branding. This sector also assists businesses ranging from small enterprises to large-scale companies operating in agro-processing of food ingredients in West Africa. The USAID Trade Hub currently works with 64 specialty foods companies (23 women-owned).



With extensive partnerships developed with several national and regional organizations in Africa, the Trade Hub's Taste of Africa brand is able to provide marketing and branding assistance to leading companies and help them connect to international markets at key industry events, such as *Salon International de L'Alimentation de Paris* (SIAL) and the Fancy Food Show (FFS) in the U.S.

As the themes of traceability and sustainability echo all over the world, the USAID Trade Hub is helping companies develop and market environmentally-friendly products, for example through eco-labels and promoting organic products such as dried mango, baobab fruit, etc. in the international market.

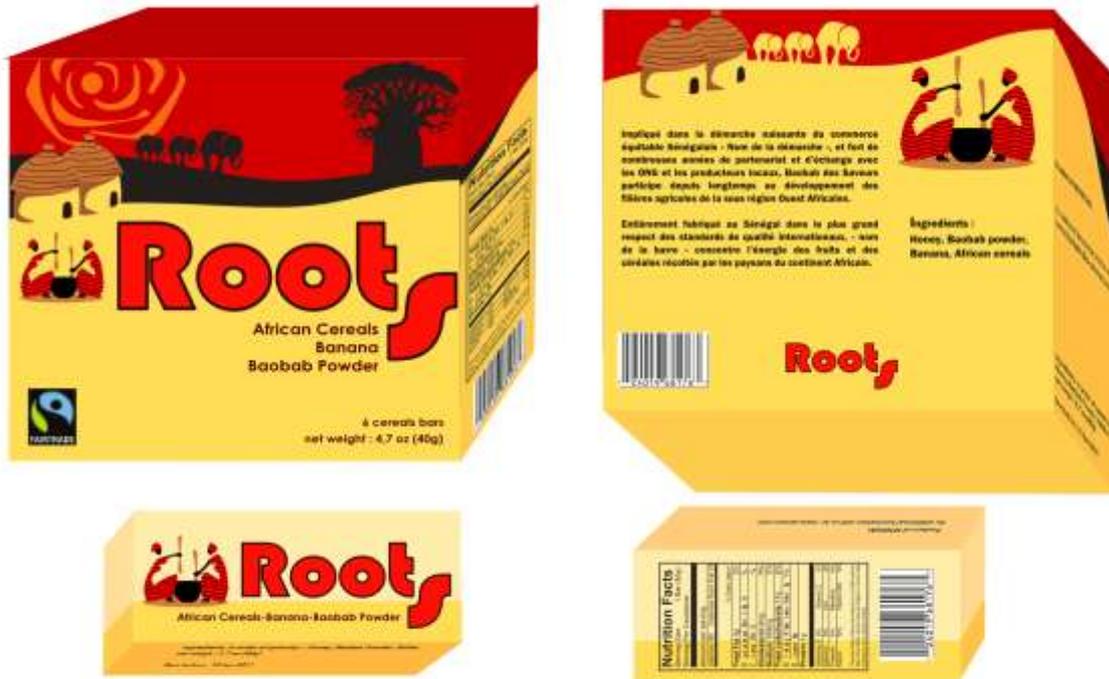
### Results

#### ***Fancy Food Show preparations span range of technical assistance***

This quarter the Specialty Foods Team focused on preparing for the 57th Summer Fancy Food Show, July 10-12 in Washington, D.C. The Trade Hub and its partners exhibit under the Taste of Africa ([www.tasteafricanow.com](http://www.tasteafricanow.com)) brand.

The Specialty Foods and Market Linkages Teams selected exhibitors and assisted in product development, packaging and labeling, buyer/investor linkages and funding. Specifically they:

- Provided technical assistance on packaging and labeling to Jal Yassin Enterprise (**The Gambia**) to improve on the packaging of its products: baobab fruit powder, dried locust beans powder and packaged peanut porridge.
- Continued to work with *Baobab des Saveurs* (**Senegal**) to develop a new product—a baobab cereal bar—for the American market. The USAID Trade Hub's Market Linkages Team selected and shipped a range of sample cereal bars available on the U.S. market to *Baobab des Saveurs* as examples of the specific consumer appeal features of the product e.g. taste, color, package, label, size.
- Assisted Moringa Revealed (**Ghana**) on its business plan.



Examples of labels and packaging developed.

### ***Senegalese company obtains European Novel Food certification***

*Baobab des Saveurs* finally received its Novel Food approval in January this year, making it the third company in the world to obtain this agreement and consequently, the second company in **Senegal** authorized to export dehydrated baobab pulp to Europe. The Novel Food legislation requires that any food or food ingredient without a “significant degree” of human consumption in the European Union prior to May 15, 1997 must be authorized.<sup>26</sup> Therefore exotic vegetables and fruits like baobab, despite their long history of safe use outside the EU, are considered novel foods. Consequently, each of these food products must undergo a safety assessment prior to being marketed. *Baobab des Saveurs* can now honor verbal commitments made to buyers met in the USAID Trade Hub-sponsored Taste of Africa booth at SIAL 2008 and 2010.

### ***Food and Drug Administration (FDA) Food Safety Modernization Act***

Leah Quin, CARANA’s Communications Director, attended a June 6 public meeting on the FDA Food Safety Modernization Act focusing on: inspections and compliance, enforcement authorities, frequency and targeting of facility inspections, and manner of inspection in a preventive controls environment. U.S. importers must now verify that their foreign suppliers have adequate preventive controls in place to ensure safety, and the FDA will be able to accredit qualified third-party auditors to certify that foreign food facilities are compliant with U.S. food safety standards. The USAID Trade Hub is disseminating this information to enable companies to meet these new requirements.

### ***Ahold/Bakker Barendrecht Sourcing mangoes from Mali***

Ahold is an international group of supermarkets and Bakker Barendrecht is a major fresh produce company, both based in the Netherlands. One of the products that Bakker sells to Ahold is mango. In Africa the mangoes are sourced from **Mali**, **Senegal** and South Africa. Ahold Europe has established a special department to develop guidelines for safety, quality

<sup>26</sup> Regulation (EC) No 258/97 of the European Parliament and of the Council.

and social accountability. This department is responsible for coordinating Global GAP certifications and the social audits for the Business Social Compliance Initiative (BSCI) certification.<sup>27</sup>

### ***Sustainable Foods Summit***

USAID Trade Hub Shea Expert Dr. Peter Lovett delivered a presentation on sustainability in the West African shea, cashew, fish & seafood and specialty foods sectors during the Sustainable Foods Summit in The Netherlands, June 23-24. More than 150 key stakeholders attended the summit, which reaffirmed that consumers increasingly want to know exactly what they are consuming and that sustainability is now a mainstream business concern. Discussions focused on environmental impacts—water, soil, carbon footprints—and included sustainable financing, packaging, certification, eco-labelling and supply chain case studies.

### **Analysis**

Agriculture is the most important sector in the economies of African countries, and most often takes the form of subsistence farming. According to the United Nations Food and Agriculture Organization (FAO), agriculture constitutes approximately 30% of Africa's gross domestic product (GDP), contributes about 50% to the total export value, and is the main livelihood activity for 70% of the continent's population. Thus, the development of food products grown and processed in Africa has tremendous potential to benefit masses of people in agriculturally productive areas.

Market demand for sustainable and organic products has increased worldwide. Africa possesses many unique ingredients that are mostly considered "bio or organic" because they are produced naturally, including tropical fresh fruit and vegetables, spices, herbs, essential oils, dried fruits, nuts, honey, coffee, cocoa, and tea. But this is not enough to qualify products for eco-labels. Producers must first apply for certification. Given the size and profile of many export-ready specialty food companies, the cost of certification is often prohibitive.

Beyond certification (and its costs), eco-labels require satisfaction of various criteria including scientific information gleaned from laboratory tests, proofs of corporate social responsibility in areas such as child labor, gender equality and fair remuneration of workers. As a result, eco-labels may be considered expensive market-based tools to achieve environmental objectives. The advent of eco-labeling also presents a great challenge for food processors, as it requires buy-in from multiple public and private stakeholders including government agencies, private sector companies, research institutes, NGOs, retailers, standard organizations, donors, consumer organizations, and relevant forums and networks.

The current debate in Africa is whether there is a case for creating an African eco-label or whether capacity needs to be built within Africa to ensure improved access to existing labeling schemes. Any eco-labeling initiatives in Africa need to involve a significant level of collaboration via partnerships to be successful. The main organic certification bodies operating in Africa are: Ecocert ([www.ecocert.com](http://www.ecocert.com)), Global GAP ([www.globalgap.org](http://www.globalgap.org)), Fairtrade ([www.fairtrade.net](http://www.fairtrade.net)), and UTZ Certified ([www.utzcertified.org](http://www.utzcertified.org)).

In most sub-Saharan African countries, the best potential for organic exports lies in low-volume, high-value crops (such as coffee, herbs, spices, medicinal and beauty products), non-perishable items, and items that can have value added locally, such as by drying or juicing tropical fruits.

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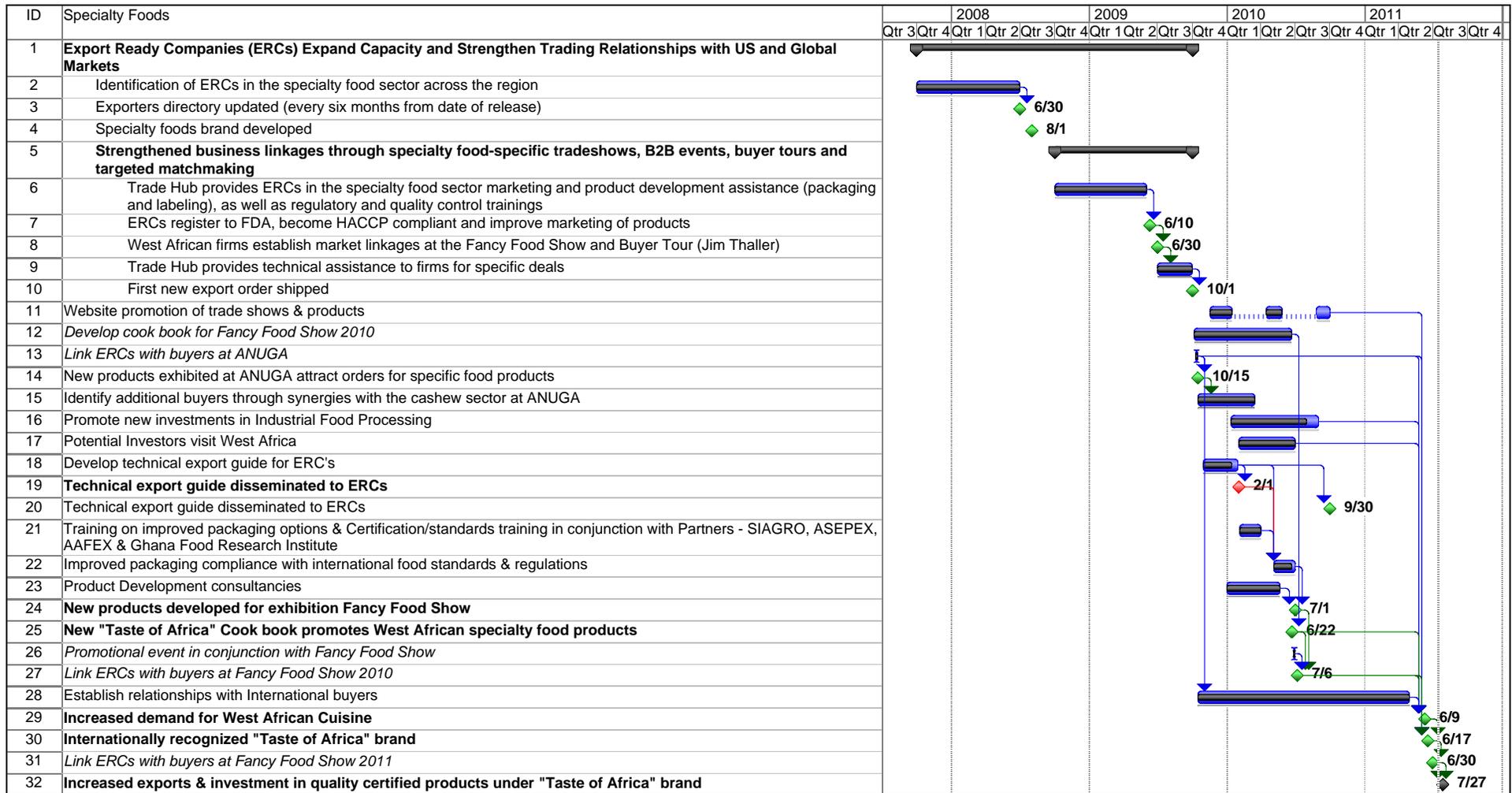
<sup>27</sup> Global GAP sets voluntary standards for the certification of agricultural products around the globe. BSCI is a leading business-driven initiative for companies committed to improving working conditions within the global supply chain.

To expand African product's market access, the USAID Trade Hub recommends:

- Developing a strategy and action plan for the creation and implementation of an African eco-labeling or existing schemes with clear branding
- Accessing sustainable markets
- Monitoring market needs and providing technical support through training, management support, advice, etc
- Attracting buyers and support agencies into the value chain
- Supporting capacity building of suppliers, and investing in audits and training
- Facilitating
  - Access to credit to invest in developing sustainable value chains
  - Sustainable value chain development
- Coordinating the establishment of sustainable, multi-stakeholder partnerships between all actors
- Ensuring value chain integration to farm level

**Certified companies now working with the Trade Hub**

Company	Country	Products	Certification
BURKINATURE SARL	<b>Burkina Faso</b>	Organic dried mango	ECOCERT
GEBANA AFRIQUE	<b>Burkina Faso</b>	Organic dried mango, papaya, pineapple	ECOCERT: mango, pineapple. FLO/FAIRTRADE: cashew
CERCLE DES SECHEURS	<b>Burkina Faso</b>	Organic dried tomatoes and papaya	ECOCERT
GIE NAFFA	<b>Burkina Faso</b>	Organic dried mango	ECOCERT
EBENUT GHANA LTD	<b>Ghana</b>	Organic dried mango, papaya, pineapple, coconut, banana	Certified by The Institute for Market ecology (IMO), FAIRTRADE
BAOBAB DES SAVEURS	<b>Senegal</b>	Baobab pulp	Novel Food Certification



Project: Specialty Foods 10-13-10 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

## 1.6 Sustainable Fish & Seafood

### Introduction

The USAID Trade Hub links export-ready sustainable fish & seafood companies to international buyers, provides technical assistance on food safety, and maintains the West African Sustainable Seafood Development Alliance (WASSDA), a stakeholder network to facilitate information-sharing and sector linkages.



Eco-labeling and fisheries management assessment tools are relatively recent developments that are significantly affecting the manner in which fish stakeholders are managing their operations. The overwhelming trend has been a proliferation of certification schemes in the sector. Government regulators, international bodies, and fishery industries face considerable, even conflicting, challenges in designing

effective fishery standards. They are responsible for overseeing the evolution of certification and quality signaling in fisheries that are both economically and environmentally viable. A major challenge for all parties is to specify which policy or management goals shall be pursued through combined private and regulatory systems of fishery standards.

### Results

#### ***European Seafood Exposition linked international certifiers, investors and partners to West African sustainable sources***

The European Seafood Exposition is recognized as one of the largest and most important exhibitions of fish and seafood worldwide. It brings together 1,600 companies and policy makers representing 140 countries. The Senegalese Promotion Agency (ASPEX) hosted the Trade Hub in its booth by providing space to display WASSDA banners and flyers.

Trade Hub Fish and Seafood Advisor Makhtar Thiam promoted WASSDA, identified companies willing to become WASSDA members or to cooperate with the Trade Hub in sustainable seafood issues, and met with partners interested in helping establish an eco-labeling scheme for Africa.

Thiam used the opportunity to discuss the feasibility of organizing a workshop in Dakar on certification and labeling. Most found the idea relevant and timely and are keen on supporting this initiative and to participate. He met with the following: buyers, major certifying bodies Marine Stewardship Council (MSC) and Friends of the Sea (FOS), third-party certification bodies Scientific Certification



**Makhtar Thiam meeting with Mrs. Yemi Oloruntuyi, the MSC Program Manager for Developing World Fisheries, during the European Seafood Exposition**

Systems (SCS), TUV Nord, and Bureau Veritas, NGOs, institutions such as the European Commission's Trade Policy in Fisheries and Nederlands Visbureau, and buyers Fotouri GmbH Handelshaus, Hans Tekath – Fischimport, etc.



**Thiam met with Mauritanian WASSDA members at the European Seafood Exposition to discuss certification issues in Mauritania**

***Strengthened collaboration with sustainable fisheries, food safety programs, organizations in West Africa***

The Trade Hub hosted USAID/COMFISH Project Director Chris Mathews and Deputy Director Khady Sane Diouf to collaborate to achieve common goals. They agreed to join WASSDA and to work with the Trade Hub on certification issues. The USAID/COMFISH project is a five-year project that supports the Government of Senegal's efforts to achieve reform of its fisheries sector by strengthening many of the enabling conditions necessary for improved governance and

demonstrating effective tools and approaches for ecosystem-based collaborative management of its marine fisheries.

Mr. Thiam attended a workshop May 17-18 in Senegal organized by EDES, an EU-ACP program (2010-2014) which aims to strengthen food safety systems in ACP's countries.<sup>29</sup> EDES will support the development of risk-based food safety systems for exports in line with European, international, and regional standards. Fifty Senegalese high-level representatives from government agencies, parliament, universities, exporters, laboratories, certification bodies, and consumers associations attended. Mr. Thiam talked about Trade Hub's experience with companies in the sub-region and discussed with EDES Program Director Christophe Schiffers ways of collaboration and synergy on trainings and technical assistance to Trade Hub's companies in the specialty food and fish and seafood sectors in West Africa.

On June 2, the Dakar Trade Hub Team met with Executive Secretary of the West African Association for the Development of Artisanal Fisheries (WADAF) Charles Bakundakwita and the project coordinator, Marie Madeleine Gomez Ndong, to discuss ongoing projects and initiatives in the fisheries sector in West Africa and possible synergies in the field of artisanal sustainable fishery.<sup>30</sup> WADAF greatly appreciates the Trade Hub's approach and accepted an invitation to become a full member of WASSDA. WADAF stated its interest in a workshop on certification later this year.

Thiam met with Dr. Ibrahima Niamadio of WWF Senegal and Mr. Boubacar Diouf, Marketing Director of the Senegalese Promote Agency (ASEPEX), to share the results of the Trade Hub's participation in the European Seafood Exposition and to renew their commitment to participate in and co-sponsor a proposed December workshop on certification issues in West Africa being initiated by the Trade Hub. During the meeting, they agreed to prepare a scope of work and budget for the workshop to be submitted to other potential sponsors and

<sup>29</sup> <http://www.coleacp.org/edes/index-en.html>

<sup>30</sup> <http://www.adepa-wadaf.org/?lang=en>

WASSDA's members during a meeting scheduled for July 22, 2011 at the Trade Hub office in Dakar.

### ***Senegalese fishermen complain of foreign trawlers to government, hear government plans***

This quarter, **Senegalese** small-scale and industrial fishers accused the **Senegalese** government of "selling off" **Senegal's** fishery resources by allowing foreign trawlers to fish small pelagics in Senegalese waters, despite the fragile state of fishery resources and the negative impacts of the trawlers on the Senegalese fishing industry. The Senegalese Association of Fishing Companies and Ship Owners (GAIPES) met WASSDA members to discuss the situation. GAIPES demanded that the Minister of Maritime Economy withdraw 22 licenses allegedly granted to trawlers from Belize, the Comoros, Mauritius, Russia, and Ukraine.

In June, the USAID Trade Hub provided technical expertise to the Senegalese government (through the Department of Fishing Surveillance of the Ministry of Fisheries) as it developed a four-year national plan to combat illegal, unreported, and unregulated fishing in **Senegalese** waters as recommended by FAO's International Plan of Action to Prevent, Deter, and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA),<sup>31</sup> with 40 other civilian and military participants. The Senegalese government expects to present the plan later this year to donors such as the European Union and USAID. The Director of the Senegalese Department of Fisheries' Surveillance, Mr. Matar Sambou, is keen to share with WASSDA's members all the documents and initiative about this issue.

## **Analysis**

Fishery management across the world— and especially in West Africa—remains a major challenge. Over 50% of the international fish trade originates from developing countries, much of which comes from artisanal fisheries. On the other hand, 72% of fish is destined for three main markets: the European Union, Japan and the U.S. These three markets dominate international fish trade in terms of prices and market-access requirements.

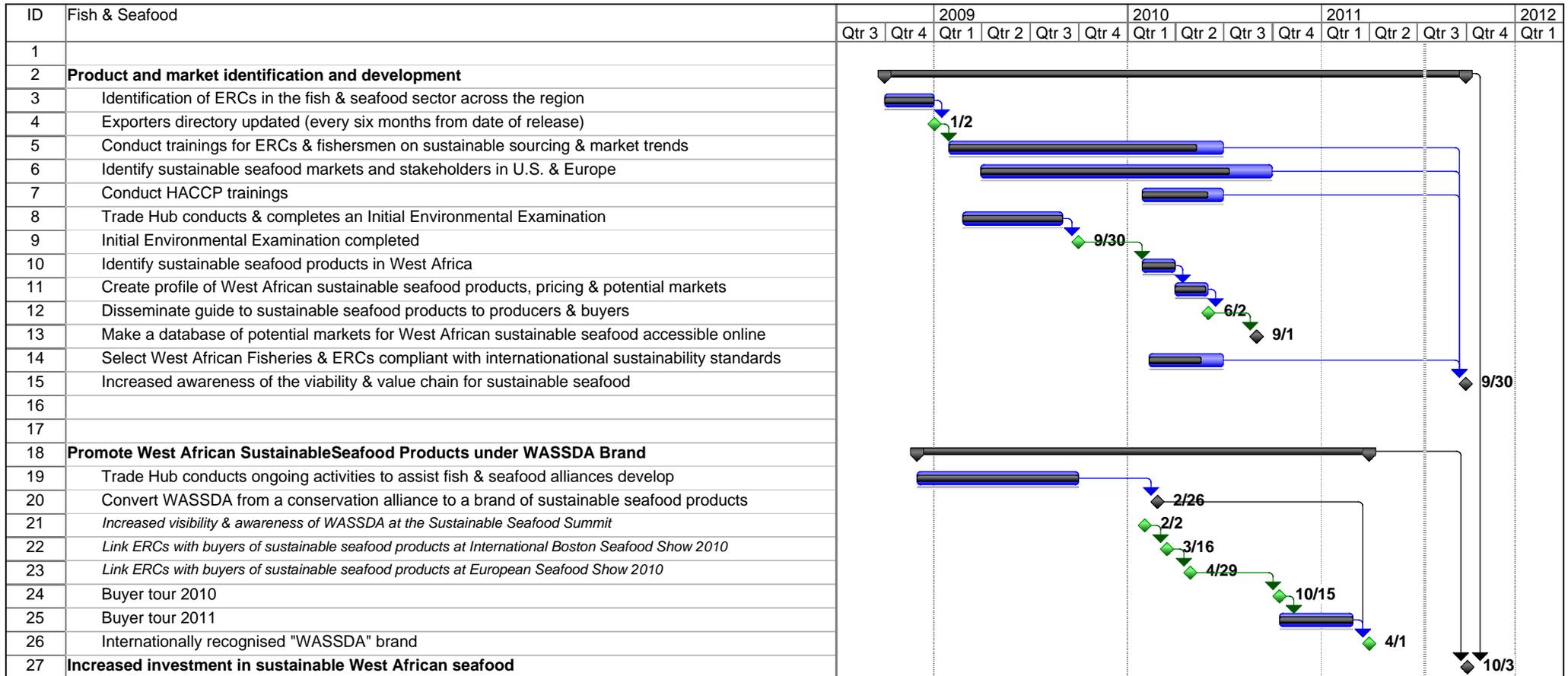
Meanwhile, coordination, coherence and implementation of national and international regulations face a variety of challenges in developing countries. To ensure successful execution of such regulations, African governments must create credible management and implementation mechanisms. Thus, new approaches and tools must be developed to promote and improve sustainable fishing and certification of market-based fisheries without becoming a non-tariff barrier. Market power and demand are an incentive for players (such as artisanal fishermen and governments) to introduce more sustainable fishing practices and to reward good practices through the creation and access to more lucrative markets.

In an independent poll, the World Wildlife Fund found that 88% of respondents in Europe believe it is important that seafood products come from sustainable fisheries. The poll results clearly show that consumers are keen to know that their consumption of fish is not contributing to overfishing. They need to have better information about the sustainability of the products they buy.

The Trade Hub encourages initiatives to anticipate and to prevent the consequences of exclusion of African countries on the international market by helping stakeholders work together to create credible, practical certification of seafood products in West Africa. Obtaining a premium price for fish caught sustainably, a key issue for exporting countries that want benefits from value-addition may be easier in the non-retail sector (restaurants, catering, etc). This could be a market well worth exploring.

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<sup>31</sup> <http://www.fao.org/fishery/ipoa-iuu/en>



Project: Fish and Seafood 10-12-10  
Date: Thu 7/14/11

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



## 1.7 Home Décor & Fashion Accessories

### Overview

The Trade Hub's Home Décor & Fashion Accessories team (Handcrafts) positions African producers and exporters in the global market to high-end design companies, middle market and mass-market retailers. West African producers are meeting the market expectations. This is an exciting time for AfricaNow! vendors, a time to step up to the plate, going for Nordstroms, Gallery Lafayette, West Elm, Anthropologie, William Sonoma, Pottery Barn and other mainstream buyers.

The door is opening for West Africa to become a world-class player, based on the merits of the regional producers' design, construction, and pricing. This is a sector that is moving, becoming more professional, and going global. West African producers still tell their stories and they still create ethnic products, but they are expanding to have a much larger presence.

### Results

#### ***Tradeshows attract orders and build West Africa's reputation***

*Ambiente Trade Show in Germany*

[www.africa-now.org/ambiente](http://www.africa-now.org/ambiente)

The six home décor companies from **Ghana** and **Senegal** showcasing collections at Ambiente 2011 and participating in AfricaNow! made a strong impact at the world's largest home décor trade show. AfricaNow! vendors are in the process of negotiating orders for at least five containers to major U.S. and European retailers, all new to buying direct in Africa.

*International Contemporary Furniture Fair (ICFF) in New York*

[www.africa-now.org/icff](http://www.africa-now.org/icff)

The Trade Hub showcased three West African designers who exhibited their latest collections geared to the ICFF's designer/decorator market: Cheick Diallo of Daillo Designs in **Mali**, Aissa Dione of Aissa Dione Tissues in **Senegal**, and Aida Duplessis of Yeléen Designs in **Mali**. The companies made 162 contacts, and several buyer representatives and showrooms have contacted them to negotiate solid working partnerships.

These three high-end designers from Africa are working on par with international designers. Their recognition in international markets will inspire buyer confidence across Africa.

#### ***Assistance for buyer leads to sourcing deal***

Bursie Leather Goods spent a week in **Senegal** identifying legally sourced snake hides and producers for his new high-end collection of bags and accessories. The Dakar Team facilitated this trip, including introducing the buyer to all official channels to ensure proper handling of the paperwork required for these exports.



**The works of Cheick Diallo won hearts at the International Contemporary Furniture Fair.**

### ***ERCs develop products in anticipation of large buyer visit***

The Handcrafts team is preparing for the return of a major buyer to **Ghana** in July. Formerly this large U.S. retail chain purchased multiple containers each year. In collaboration with the buyer's **Ghanaian** agent, the team has met consistently with over 10 companies to create products in line with this buyer's specifications.



**Aida Duplessis with a U.S. client at ICFE**

### ***Home décor exporter finds financing option***

The Handcrafts team has been facilitating discussions between Grassroots Business Fund (GBF) and **Ghanaian** exporter Geolicrafts, helping refine the scope of interventions best suited to both the working environment and the market. Geolicrafts is benefiting not only from loans but also grants and technical assistance from GBF—which has a new representative based in the Trade Hub **Ghana** office (Charles Polet).

### ***Exporters participate in environmental impact monitoring***

The Handcrafts team worked with the Expanded AGOA Resource Center in **Cameroon** to train ERCs on application of legal and environmentally sustainable sourcing practices. The Trade Hub distributed a Legal and Environmental Guide and focused the training on:

- Common and scientific names of wood for handcraft processing by country
- Legal definition of wood supply
- CITES Appendix I, II, III
- Lacey Amendment Act and phase-in schedule
- Harmonized Tariff Schedule (HTS) codes for handcrafts

During visits to three companies in **Cameroon** (*Ligne Moderne, Compagnie Equatoriale de Bois, Centre D'Art Appliqué-Mbalmayo*), the Trade Hub provided information on the Lacey Act and distributed Sustainable Sourcing Questionnaires.

In **Ghana**, the Trade Hub environmental monitoring team trained 25 producers on the Lacey Act, making sure the producers

not only acquired additional knowledge but also refreshed producers on the laws governing the export of wood products. The Hub distributed 13 Sustainable Sourcing Questionnaires for completion by new and existing companies as part of their export-readiness assessment. Two existing ERCs have already returned completed forms for further assessment of their compliance with wood products export regulations, and received the necessary technical advice. These activities are essential to maintain



**Stakeholders discussed compliance with international export laws at a workshop in Cameroon.**

compliance with international legislation and are in accordance with the USAID Trade Hub's Initial Environmental Evaluation.

## **Analysis**

*Low-cost inputs, high perceived-value* is a key product development strategy for the Home Décor sector. The USAID Trade Hub helps companies develop low-cost models that will achieve lasting results with high perceived-value. This means that the companies are finding ways to work more efficiently while generating a stronger and more professional image to the world.

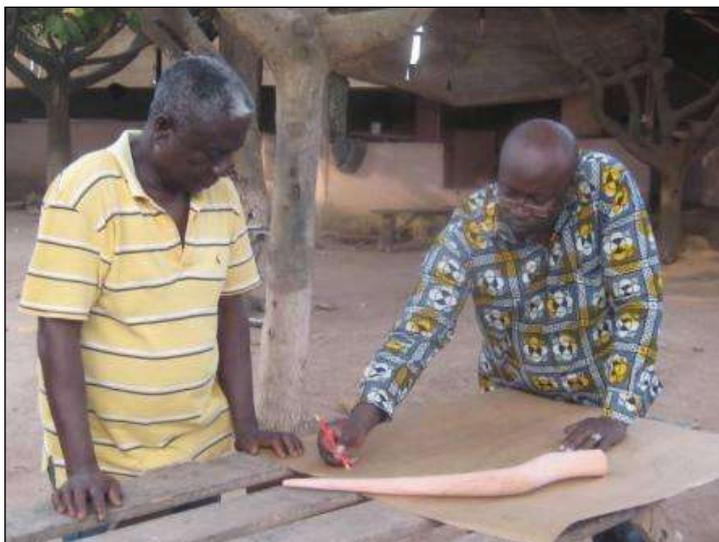
One *low-cost input, high perceived-value* initiative is a business-to-business market program, where international market consultants with strong buyer contacts work directly with exporting companies. The Trade Hub will assist companies on a one-time basis to develop a marketing strategy with the consultants. This one-time assistance can compound results for years to come.

Enhancing the capacity of individual companies on the ground, will enable mentoring to occur naturally through the sector in the long-term via a ripple effect.

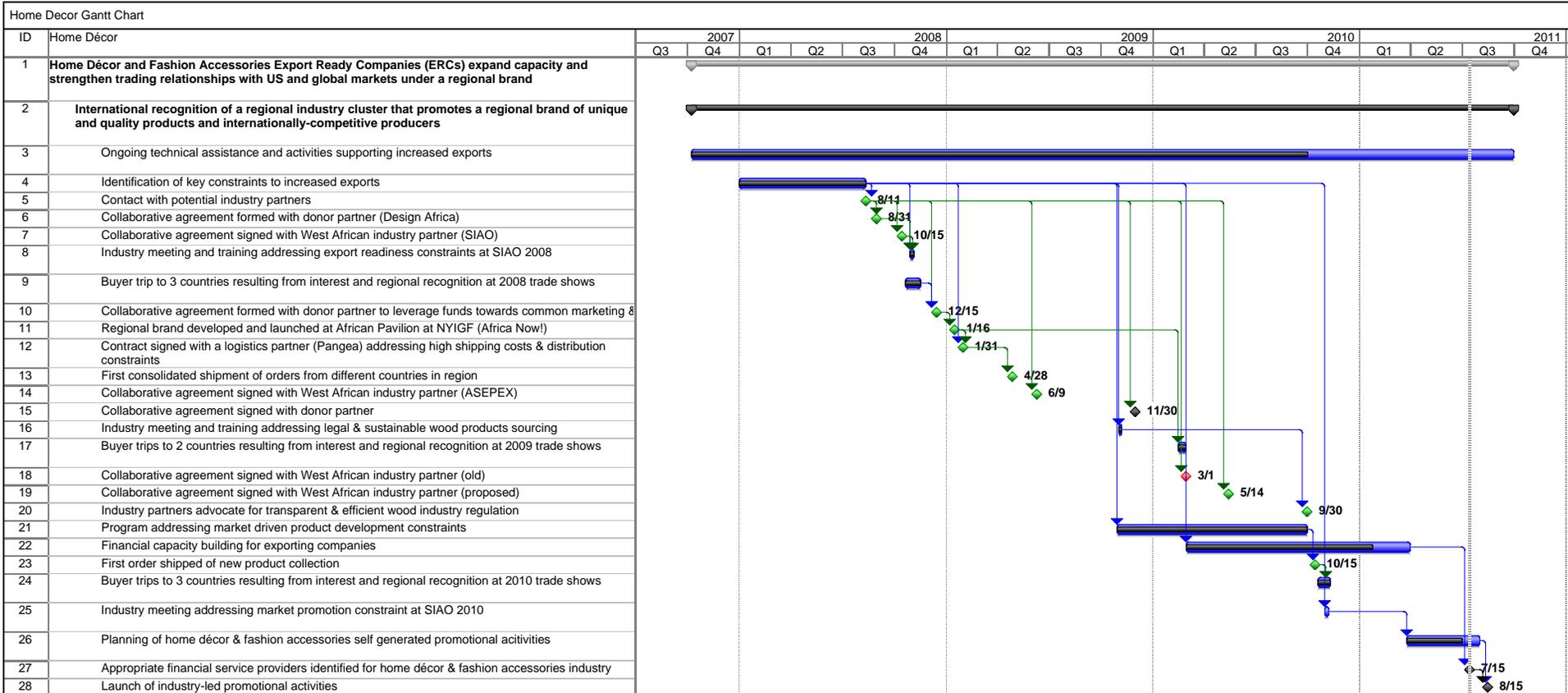
As the Handcrafts team strives to change the image of the sector as a whole to the international community, the team is simultaneously working with companies to alter their perspectives as well. Inevitably, if one asks a company what they need most, they say "access to markets"—their perspective is that they can sell their products only if they can get to the market. One of the key lessons the Handcrafts team has learned is that this is not the case, and this has been an impetus for the focus on professionalism and quality products.

In working closely on product design and development, producers realize that it is not the lack of market access holding them back, but the shortage of marketable products. This important shift in their perspective on how to grow their business is key to increasing sales and trade. As the market brings sales for great products and design, then capacity building for ancillary issues such as access to finance, regulations compliance and shipping becomes necessary.

To this end, the Handcrafts team is building awareness of product potential and market trends. The team believes it is not only working with companies to design marketable products but expanding their awareness to realize that new products are necessary, that new aesthetic sensibilities are possible and accessible, and that it is their responsibility to invest in this research and development in order to gain and sustain market interest.



**Designer Cheick Diallo working with Kweku Forson of Tekura in Ghana on a new collection for Ambiente 2011.**





## 1.8 Apparel

### Overview

The USAID Trade Hub provides technical assistance and expert consulting to apparel companies in **Cameroon, The Gambia, Ghana** and **Mali**—the countries in the region where the sector is most competitive. Due to its growing potential, the Trade Hub is now also providing assistance in **Senegal**. In general, companies' key challenges lie in connecting producers to market and overcoming production issues.

Over the past nine months, progress in the sector was pronounced. Companies negotiated deals with international buyers, and investors have initiated operations on the ground. An American-Pakistani joint venture opened in Tema, **Ghana**, in 2010, and was formally



inaugurated by the U.S. Ambassador and Ghana's Minister of Trade and Industry in March 2011. (See ["Apparel factory opens, 'weaving a better world,'" Tradewinds, April 2011](#)); U.S. buyer, Aramark, visited the factory and met with the USAID Trade Hub, and they shipped the first container of products to the U.S. this quarter. Overall, demand for this factory has intensified, and the investors are seeking more factory space to increase

their capacity to meet clients' requests.

In April, a second U.S. investor leased a factory building and equipment in Koforidua and will be exporting in the next quarter. Also, a factory in **Cameroon** is expanding its capacity to meet additional orders.

Buyers are sourcing from the region's companies, having become more familiar with West African apparel companies through their direct or indirect, consistent representation at the MAGIC international trade show over the previous three years. In fact, participation at MAGIC led to buyer visits in **Cameroon, Ghana**, and **Senegal** this quarter. Participation in the 2011 business-to-business meeting (B2B) in South Africa has opened up vast sourcing opportunities, leading to reduced lead time.<sup>34</sup>

While the West African apparel sector is improving on many fronts, these developments come at a time when sourcing trends are changing, with Africa definitely seen as the new sourcing frontier. The Apparel Team is embracing new strategies to exploit this opportunity.

<sup>34</sup> Cost, quality and lead time are considerations for apparel retailers outsourcing from different parts of the globe. Shorter distances to the U.S. from Africa rather than Asia offer shorter lead times for delivery.

## Results

### ***Regional and international business linkages are producing results***

In May, USAID Trade Hub Apparel Expert Jacques Betsy accompanied a buyer on a trip to evaluate a **Cameroonian** company that had completed trial orders. This resulted in an additional USD 2 million order.

In early June, another major U.S. corporate/kitchen/work-wear buyer visited a company in **Cameroon** to follow up their meeting and discussions at the MAGIC trade show in February. Together, they developed a list of improvements with the understanding that as soon as the improvements are completed, the company will be able place its orders.

The USAID Trade Hub provided sourcing assistance to another company in **Cameroon** and outlined West African sourcing options for a list of garments that a U.S.-Japanese importer was interested in.

A **Gambian** small manufacturer is completing a trial order of 5,000 mesh T/shirts made during the same MAGIC show in February by a U.S. buyer. Betsy is providing technical assistance.

In April, a U.S. investor leased the equipment and building of a **Ghanaian** clothing company that had been standing idle for two years. Betsy helped set up production lines and training modules and assisted in recruiting technical expatriates and local staff to run the factory. The company has already hired and trained approximately 200 people, and anticipates recruiting more. It is now in full swing and exporting a number of containers per month. Orders now exceed its capacity to produce from the one factory it occupies and now, with USAID Trade Hub assistance, it is searching for two more factory buildings. Having very recently acquired Free Zone status from the government of Ghana with technical assistance from the USAID Trade Hub, the company anticipates shipping its first container by end of 2011.

The Apparel team has previously discussed holding a B2B event in **Ghana** for the West African apparel industry. USAID Trade Hub Apparel Sector Advisor Joop de Voest's one-on-one discussion with one of the major U.S. buyers at the June 2011 B2B held in Cape Town reinforced the case for increasing manufacturing capacity in the region.

The USAID Trade Hub Apparel Team also provided inputs to a company (Clothes Live) considering holding a fashion event in **Ghana** for the region.

A local **Ghanaian** manufacturer also reported having signed a long-term contract with a Chinese manufacturer to produce and ship out of **Ghana**, confirming **Ghana's** growing competitiveness.

The USAID Trade Hub also provided technical and marketing assistance to a company in **Mali** that is contemplating working through the whole vertical value chain by adding knitting and dyeing facilities and starting a new line of medical garments (scrubs).<sup>35</sup>

A company in **Nigeria** has a pending order from the U.S. valued at USD 1.2 million to be shipped in 2011. The USAID Trade Hub is assisting with the necessary AGOA documentation. This is the first order involving a **Nigerian** company in some time.

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<sup>35</sup> The textile value chain extends from preparation or manufacture of yarn, to the making of fabric, dyeing and garment manufacture.

### ***B2B in South Africa leads to sourcing within Africa, opportunities for expanding businesses***

Apparel Coordinator Hanna Amichia represented the USAID Trade Hub and EGA Confection from **Senegal** at the Business to Business (B2B) event in Cape Town, South Africa, from June 20-21. Malick Mendy Tailoring (MMT) from **The Gambia** also attended the B2B and both MMT and EGA met a considerable number of fabrics and trims suppliers and companies in Southern Africa producing similar products. Amichia and MMT held approximately 40 one-on-one meetings at the B2B. Malick Mendy purchased 10,000 buttons at the end of the B2B, providing MMT with the materials to complete the police uniform order it has been working on. MMT will now be able to invoice and claim payment to repay the overdraft obtained for the purchase of additional equipment.



**The business-to-business event in South Africa connected West African companies to dozens of stakeholders.**

The Trade Hub also promoted other garment manufacturers in West Africa and

tested the ground for a B2B in **Ghana**, where factories from West African countries would be represented. The response from Southern African fabric and trims suppliers exceeded expectations. One textiles mill would welcome the opportunity to not only meet players in the West African garment industry, but also to evaluate the feasibility of a warehouse for fabrics they produce and complementary ranges they import from Asia. One accessories supplier is eager to establish distributors of its products in West Africa.

Representatives of a major U.S. retailer/brand pointed out at the feedback session that they would have liked to see more West African companies present at the B2B, as well as companies from Kenya and Ethiopia. They also suggested that attendance by additional players in the value chain—such as cotton producers and more yarn spinners—would allow them to more fully evaluate what the continent has to offer. The Apparel Team will take this into consideration, especially if a larger number of buyers from the U.S. and the EU attend.

Wal-Mart, which participated in the B2B, is familiar with the U.S.-Pakistani joint venture in **Ghana**. The Trade Hub discussed the garment industries in **Cameroon** and **Ghana** with Wal-Mart. The company expressed interest in visiting. Eventually, this may even lead to sourcing products to complement the garment line e.g. accessories.

## **Analysis**

### ***The Apparel Industry, Changing Trends***

The USAID Trade Hub's Apparel Team originally assisted all apparel companies in the region, but resources were spread too thin to be effective. Two years ago, the Apparel Team

started providing only selected apparel export-ready companies with technical, staff, costing, sourcing and marketing assistance. This has placed a number of companies in a position to produce for the export market (with a number already exporting).

Now the challenge is to secure more buyers for the region's manufacturing industry. The Apparel Team believes this challenge can be addressed by holding a B2B event in **Ghana** which incorporates key textiles, commercial apparel, and designer-wear companies from West Africa, as well as additional fabric and trims suppliers from the Southern Africa region. The latter will also allow shorter lead times.

The timing for a B2B event in West Africa is ripe. Global sourcing trends have changed. Asia is no longer seen as the only sourcing destination, as manufacturers in Asia grapple with lack of power supply, increased transport costs, rapidly increasing labor costs, labor availability problems, and even labor unrest in a number of countries. This change in sourcing trends is evident by recent forays into Africa by leading retailers such as Wal-Mart, JC Penney, H&M, Kohl's, Academy Sports & Outdoor, Rocky Brands, World Apparel & Design, TNO, I-Mark, Chef Works, and others.

Africa is currently viewed as the next sourcing frontier, and the Apparel Team aims to take advantage of this by both continuing with the B2B event in South Africa and by holding a B2B event in West Africa. The team may subsequently merge these events, possibly with East African companies, and thus showcase the Sub-Saharan continent to more buyers from the U.S. and the EU.

The West African apparel industry is also changing—there are more exporters and export-ready companies. Holding the B2B event in West Africa would also be more cost effective than taking all the West African export companies to trade shows. International retailers/buyers would then have the ability to evaluate not only sourcing options but also the industry's collective capacity through outsourcing opportunities.

With the rising costs of doing business in Asia, certain West African countries, notably **Cameroon** and **Ghana**, are now on a par with Bangladesh and Madagascar in terms of labor costs. With the added benefit of AGOA, they appear even more attractive.



## SUCCESS STORY

# Hundreds of new jobs are changing lives

**With technical assistance from the USAID West Africa Trade Hub, apparel factories are creating jobs**



Joe Lamport/USAID Trade Hub

*Helinda Tetteh, 24, of Tema, is saving her earnings to advance her education, with an eye to opening her own business in the future.*

*Jobs in the apparel sector – created with technical assistance from the USAID Trade Hub – are transforming the lives of hundreds of people, mainly young women.*

In mid-June, the Ghana Free Zones Board approved an application from an apparel manufacturer that is setting up its operation in Koforidua, a small city of almost 100,000 people two hours from the capital. The USAID West Africa Trade Hub assisted the company in obtaining approval to open a factory in a tax-free zone – which will create 900 jobs within five years.

“The approval allows us to move forward toward full operation,” said Maxwell Owusu of World Apparel Group. “The Trade Hub’s assistance has been important.”

Already, about 200 workers – mainly young women – are receiving training and are beginning to sew apparel destined for the U.S. market. The merchandise is competitive due to the trade preferences accorded apparel from Ghana under the African Growth and Opportunity Act.

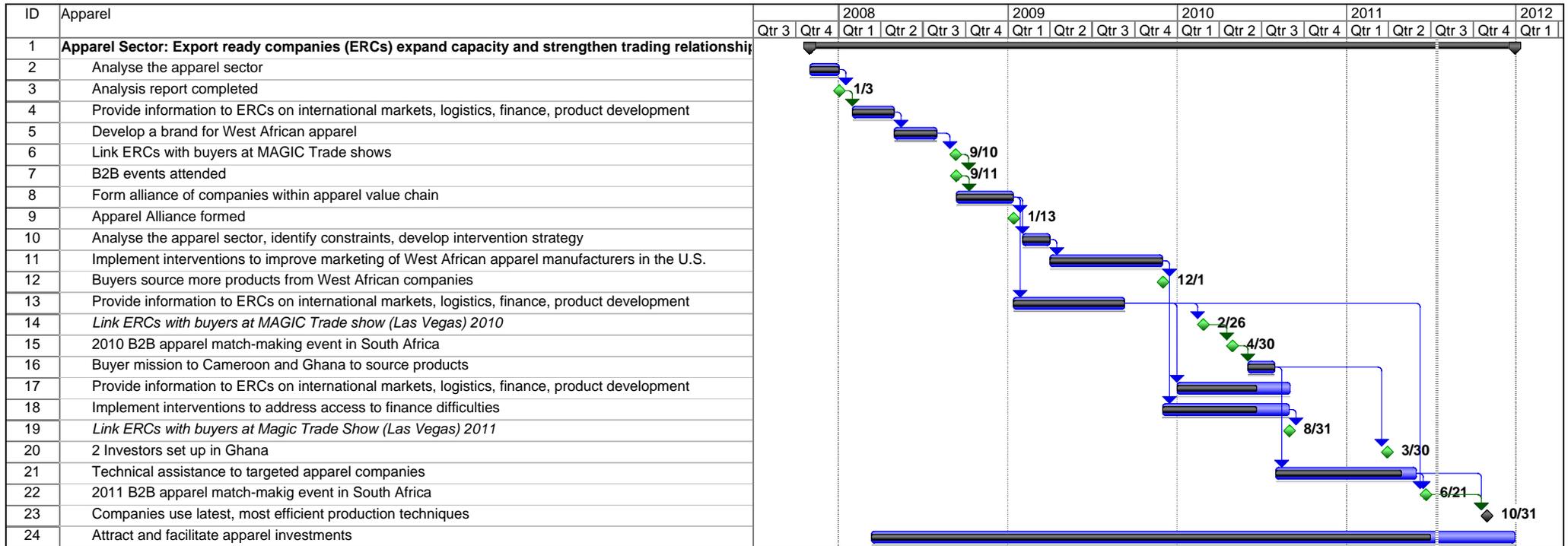
“The entire business model is premised on the AGOA preferences,” said a major investor in apparel in Ghana. “Without AGOA, it simply would not be possible.”

The Koforidua venture is the second in the span of six months that has launched with technical assistance from the USAID Trade Hub. In March, U.S. Ambassador Donald Teitelbaum and Ghana’s Minister of Trade and Industry Hanna Tetteh inaugurated a factory in Tema, which now employs 250 workers – and expects to add 300 more by the end of the year.

The jobs are changing lives.

“I’m learning a lot of things at this job – particularly how to supervise employees,” said Helinda Tetteh, 24, a quality control supervisor at the Tema factory. “I feel like the sky is the limit. I want to go back to school and learn computing and graphic design for use in the fashion industry.

“I know so many people who want jobs but cannot find them,” she added. “In one way or another, the jobs have changed people’s lives for the better. Some are able to educate their kids, and others are saving to go to school, like me.”



Project: Apparel Gantt 08-20-09 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 2. FINANCIAL SERVICES

### Overview

Sub-Saharan Africa is home to some of the most vulnerable people in the world. Given the risks associated with their precarious conditions, financial exclusion is very high and applies generally to local businesses, especially small and medium enterprises (SMEs). This translates into lack of access to even basic financial services and prevents entrepreneurs and small enterprises from seizing business opportunities that would increase income and employment in the region. Numerous attempts to engineer appropriate models to address this problem have had limited impacts thus far.



The USAID Trade Hub's financial services component is focused on securing access to finance for export-ready companies (ERCs) by providing technical assistance to the companies, educating and advocating in the financial services sector, developing products that meet all stakeholders' needs, and facilitating business linkages.

Over recent years, the USAID Trade Hub Finance team has provided training to bankers to encourage banks to lend more to non-traditional export sectors and enhance their understanding of those sectors' needs.

The Finance team has introduced a cluster-financing approach, through which the Trade Hub is structuring financing requirements by grouping a number of ERCs with similar needs in order to reach a sizeable financing total that is interesting to financial service providers. The USAID Trade Hub and the African Cashew Alliance are piloting the cluster-financing scheme in the cashew sector in Nigeria.

Additionally, the USAID Trade Hub's partners and sub-contractors are providing technical assistance along with financing, thus solidifying relationships and boosting confidence in the

relationships between financial institutions and the growing businesses that are financing or investment recipients.<sup>37</sup>

## Results

### ***Cashew processor in Togo obtains year-round financing***

USAID Trade Hub Finance sub-contractor CFS successfully secured crop financing for a **Togo** cashew processor. This financing allowed the company to procure close to 1,000 MT of raw cashew nuts (RCN) and will enable full-capacity processing for the remainder of this year's cashew season.<sup>38</sup> The

social implications are jobs and income for more than 400 staff (mostly women). The company is planning to expand its factory's capacity, and the Finance team has already collaborated with the company to complete a new business plan. The company is also now working on expanding the company's borrowing with a new long-term (seven to eight year) capital expenditure financing in the range of CFA 1–2 billion (USD 2-4 million). To this end, negotiations are underway with a regional development



bank—ECOWAS Bank for Investment and Development (EBID)—under a recently signed memorandum of understanding to promote cashew processing capacity in West Africa.

### ***USAID Trade Hub meets ERCs to prepare for financing and discusses options with banks in Benin and Togo***

The USAID Trade Hub Finance team and CFS met with potential **Togolese** ERCs at the opening of the new AGOA resource center hosted at the **Togolese** Chamber of Commerce in June. The team provided initial assessments of the ERCs' business activities and financial needs and identified two prospects in the specialty food category—Mievo and *Société Agro Filière*.

The team also met with **Togolese** transport and logistics company, Transaloman, which is ready to expand to meet growing demand in **Togo**. Transaloman requested assistance to help structure its substantial asset-financing needs.

In **Benin**, the Finance team met with two USAID Trade Hub ERCs—*Natura* and *Cooperative Agro Technique*. The team worked with the companies to draft an initial evaluation sheet to help secure much-needed financing this year.

### ***Malian companies obtain financing***

The USAID Trade Hub and sub-contractor *CATEK Groupe SA* continued to support financing to companies with significant outreach to and impact on rural women. **Malian** specialty food companies UCODAL and ATRAFEL received financing thanks to the Trade

<sup>37</sup> The Trade Hub financial sub-contractors comprise three companies: *CATEK Groupe*, African Investors Management Services (AIMS) and CFS. The companies deliver financial technical assistance to Trade Hub client-ERCs within specific countries in the region. See map p. 63.

<sup>38</sup> The West African cashew season runs from February to July.

Hub's strong partnership with the social impact equity fund Root Capital. These loans will facilitate direct employment and revenue generation for more than 1,000 rural women working in the fonio and mango sectors.<sup>39</sup>

The Finance team held initial talks with the International Finance Corporation about debt restructuring for shea butter processor SIKA. If successful, this debt restructuring exercise will be the first carried out by the team in **Mali** and should allow direct financing by commercial banks of the company's short-term requirements. The debt relief sought by SIKA **Mali** should enable the company to accelerate a factory re-fit that will create approximately 200 on-site jobs and regular revenue generation for at least 3,000 rural women working in the shea sector.

### ***Disbursements flowing from Nigerian Cashew Cluster Financing Scheme***

Two cashew processors received loan rescheduling for USD 1.2 million each, and loan approvals for transaction finance amounted to USD 750,000 as well, of which US\$ 400,000 has been disbursed, and an additional USD 350,000 is positioned to be released in July. The scheme has generated interest from other ERCs seeking access to finance.

The commercial bank invited to participate in the cashew cluster has demonstrable interest but is not positioned to provide pre-export financing, a void filled by two other commercial banks. The commercial bank has proposed to act as a collection bank for the three processors and is observing the transactions in order to be in a position to offer transaction financing next season.

Further, a collateral manager has been engaged by the lending bank at the recommendation of the cluster group and to the satisfaction of processors. The collateral manager provides additional security for the bank in terms of a third party verification of stocks of RCNs on hand for processing.

A trip in late June by the African Cashew Alliance, USAID Trade Hub, and sub-contractor AIMS resulted in a firmer understanding of the continued constraints faced by these processors, including a major bottleneck associated with Credit Administration. The development banks, Nigerian Export-Import Bank, Bank of Industry and EBID are poised to continue the dialogue and reduce the delay related to disbursements prior to the next season.

Another key lesson has been the amount of time necessary to supply not only technical support to carry the ERC through the credit administration process prior to disbursement. A detailed progress report on the Financing Scheme is included in this report as Annex 10.

### ***Cameroonian apparel manufacturer taking orders, qualifying for financing***

Cameroonian apparel manufacturer Ken Atlantic completed an order for U.S. company TNO Apparel with financing from earlier this fiscal year. This resulted not only in a completed transaction but also new purchase orders for up to USD 2 million from a U.S. buyer, which will carry production through March 2012 and provide 150 new jobs for women. The amount of financing required necessitates the risk being shared by four banks—an onerous structure which results from the lack of capitalization of the banks in **Cameroon**. Ken Atlantic benefited from financial technical assistance provided by sub-contractor AIMS and marketing and production management assistance concurrently from USAID Trade Hub Apparel Advisor Jacques Betsy.

### ***Financing for shea is in demand***

WAML, a shea and cashew company in **Ghana**, received short term trade financing from UT Bank **Ghana**.

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<sup>39</sup> Fonio is a nutritious and tasty small grain.

With the advent of the Global Shea Alliance, seven companies from **Ghana** and **Nigeria** are seeking access to finance to meet demand for shea.

The USAID Trade Hub is preparing an interactive workshop with processors, commercial banks and alternative sources of finance in anticipation of the upcoming shea season.

**Progress to date: Access to Finance targeted assistance to 33 ERCs**

Company	Sector	Country	Needs identified	Business plan created	Business plan to financier	Financing approved Terms met & accepted	Financing disbursed
NATURA	Shea	Benin					
AGROTECHNIC	Specialty Foods	Benin					
Karikis	Shea	Burkina Faso					
UGPPK	Shea	Burkina Faso					
BIO Foods	Specialty Foods	Burkina Faso					
AGROSERV	Specialty Foods	Burkina Faso					
Ken Atlantic	Apparel	Cameroon					
Guiding Hope	Specialty Foods	Cameroon					
NWCA	Specialty Foods	Cameroon					
GGT	Apparel	Ghana					
Geolicraft	Home Décor	Ghana					
Delata	Home Decor	Ghana					
WAML	Cashew, Shea	Ghana					
Home Foods	Specialty Foods	Ghana					
Ebenut	Specialty Foods	Ghana					
Agribissau	Cashew	Guinea Bissau					
Sicajou	Cashew	Guinea Bissau					
BandB Cashew	Cashew	Guinea Bissau					
Djondé	Cashew	Guinea Bissau					
EMICOR	Cashew	Guinea Bissau					
Quadé	Cashew	Guinea Bissau					
UCODAL	Specialty Foods	Mali					
LAHAM	Specialty Foods	Mali					
ATRAFEL	Specialty Foods	Mali					
SIKA	Shea	Mali					
ACET	Cashew	Nigeria					
Abod Success	Cashew	Nigeria					
KD Foods	Cashew	Nigeria					
La Vivrière	Specialty Foods	Senegal					
Zena Exotic	Specialty Foods	Senegal					
AGRINA	Multiple	Senegal					
MIEVO	Specialty Foods	Togo					
STE AGRO FILIERES	Specialty Foods	Togo					
Cajou Espoir	Cashew	Togo					

## Analysis

Word of mouth has proved a strong marketing tool for bringing in more clients seeking financing. However, many clients lack the capacity to prepare a business plan and negotiate a successful lending deal from financial institutions while operating their companies.

The USAID Trade Hub is employing an “intensive care” approach to guide companies to gain competence in managing relationships with commercial bankers or alternative sources of finance. This approach was the catalyst for the Nigerian Cashew Cluster Finance Scheme. The other components of this “intensive care” approach for ERCs are intensive technical assistance at the production and management levels and market linkage and assistance in improving communications between foreign buyers and the ERC.

Contextual constraints must be overcome to make access to finance sustainable for ERCs in the region. Commercial banks remain hesitant to finance ERCs due to:

- (1) Lack of in-depth knowledge of the sectors
- (2) Lack of capacity in managing trade finance products
- (3) Inability to provide term loans due to their base capital structure

These constraints were manifest in the difficulties faced by commercial banks in providing financing in **Cameroon**, so the sub-contractor spent considerable time training both bankers and ERCs in the process of accessing finance. In **Nigeria**, the development banks came through to the limits of their mandates and provided financing to the **Nigerian** cashew cluster members, but their role is limited. Commercial banks must be encouraged to grasp the opportunities created by the development banks.

“Alternative finance sources” are contributing to the access to finance solution. They have been entering the market in the last two years and can be divided into four categories:

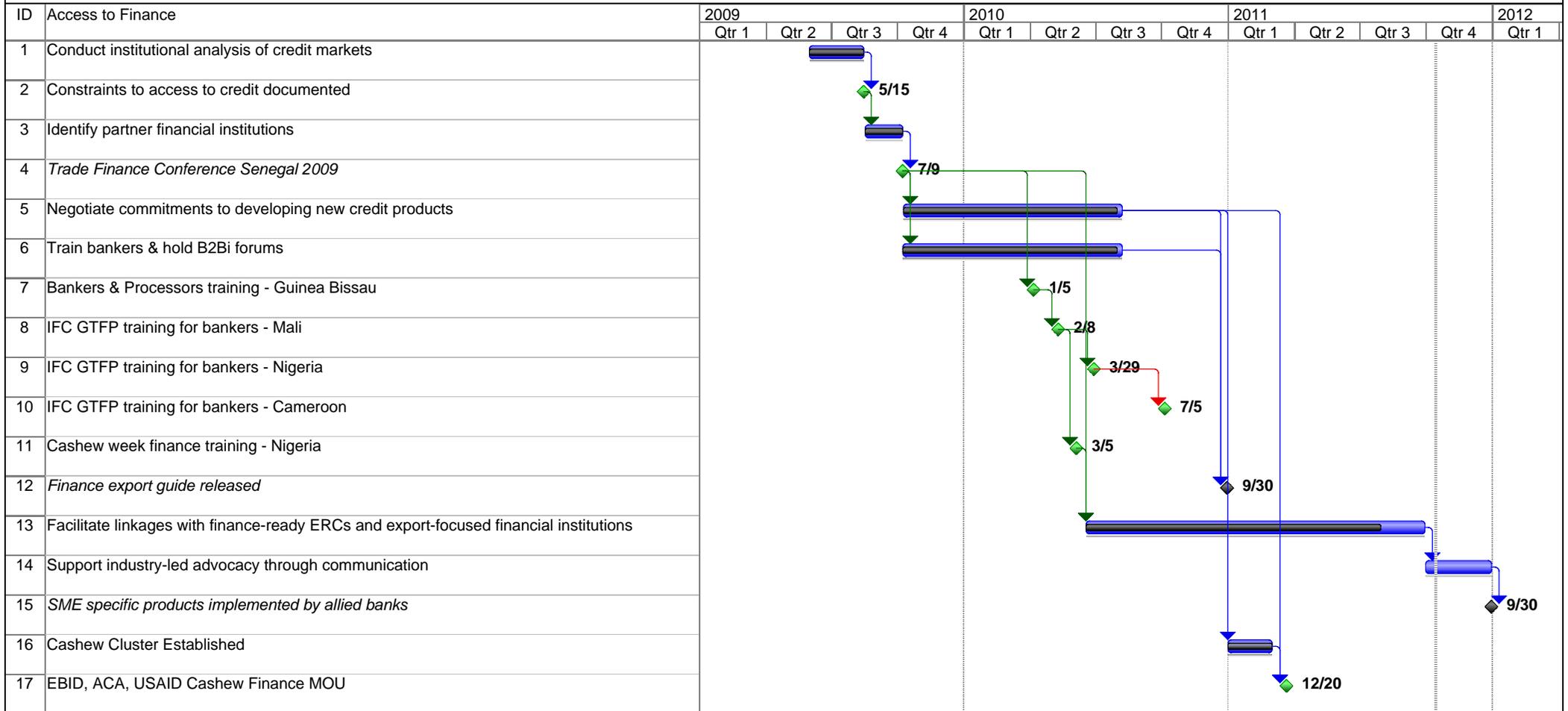
- (1) Impact investors
- (2) Private equity firms
- (3) Venture capitalists
- (4) NGOs that specialize in specific types of finance, mainly microfinance

Financiers need additional training and sensitization about the importance and opportunities of financing non-traditional exports. This lack of familiarity with long-range opportunities results in slow decision-making by commercial banks and investors and delays the disbursement of funds. In the Cashew Cluster Financing Scheme in Nigeria, these delays mean that disbursements came late or after the harvesting season for raw cashew nuts. The coffee exporter in Cameroon faces similar risk.

Finally, debt restructuring of heavily indebted companies is becoming a frequent request to the Finance Team. This financial exercise has the merit of improving the company’s overall balance sheet while providing a strong message of needed credibility and confidence to the financial community. However, the lack of provision for invoicing debt restructuring or relief obtained with USAID Trade Hub/subcontractor assistance represents an important gap in service delivery dynamics and performance motivation, which should be looked upon ahead of the end-of-year sub-contract review for update and renewal.

A need persists for specialized financing instruments and technical assistance for small and medium ERCs with weak banking histories, very little collateral security, and less than optimal internal governance. These companies risk lagging behind in business development if special financing arrangements such as investment funds and capacity building technical assistance is not developed and delivered for their benefit.

Access to Finance Workplan



Project: A2F Gantt Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 3. TRANSPORT INFRASTRUCTURE

### Introduction

The high cost of transport in Sub-Saharan Africa makes it difficult for West African companies to compete in world markets. The USAID Trade Hub works to correct this situation by focusing on improving the competitiveness of the transport corridors connecting Sahelian landlocked countries to seaports. The Trade Hub's Transport work comprises three initiatives:

- **Reduced Road Transport Costs (RRTC):** The Transport Cost initiative analyzes procedures, costs and delays experienced in West African ports, along the transport corridor and in the inland terminal when importing and exporting goods to and from selected landlocked countries. The aim is to identify opportunities for improvements and then mobilize public and private stakeholders to affect change.
- **Improved Road Transport Governance (IRTG):** The Road Governance initiative is under the auspices of the West Africa Economic and Monetary Union (UEMOA), and works through national Focal Points and Coordinators in host countries. The Road Governance program documents and publicizes the number of road barriers, the uniformed services that operate them and the delays and informal payments drivers incur at these barriers along major transport corridors in West Africa. The Trade Hub provides administrative, technical and financial support to this program.
- **Communications and Advocacy:** The Communications and Advocacy program educates stakeholders and raises awareness in order to strengthen political will to eliminate inefficiencies, introduce policy and regulatory reforms and fight road harassment, and thereby increase overall transport competitiveness. The communication and advocacy work is done through Trade Hub activities, Trade Hub-supported civil society organizations (CSOs), and private sector partners and stakeholders

The Transport team partners with public and private sector stakeholders, civil society organizations, sister USAID projects, and international organizations supporting transport and trade facilitation, such as the World Bank and the European Union.

### Highlights this quarter

- The Borderless Alliance for a West Africa without Barriers to the Free Movement of People and Goods was formally established on May 30<sup>th</sup> with the formation of an interim executive committee
- The study on the feasibility of establishing a West African Transport and Facilitation Observatory, which would include the institutionalization and expansion of the Road Governance project, was completed and a validation workshop to discuss its findings was held in June
- A 22-member Parliamentary Select Committee on Roads & Transport visited the Paga, Kulungugu and Missiga borders in the Upper East region of **Ghana** accompanied by a transport team staff member. The trip resulted from a meeting of the Transport Costs working group, during which recommendations from the report on Transport & Logistics Costs on Tema-Paga Corridor were explained and discussed. The Committee was so concerned by the issues brought to its attention by the working group that it decided to make a study tour of the border crossings.

- The 15<sup>th</sup> Road Governance report was released. The quarter saw a slight increase in road harassment, as the number of controls and delays increased by 8% and 4% respectively, while bribes decreased by 2%
- Initiatives to improve the quality, analysis and presentation of the Road Governance data were implemented as follows:
  - The 15<sup>th</sup> report benefited from a new design, including trends over time, more analysis, and clearer messages
  - National reports with in-depth information on checkpoints and the behavior of uniformed services were completed for **Mali** and **Senegal** (national reports were completed for **Burkina Faso** and **Ghana** in Q2 FY 2011)
- The Cotonou, **Benin** to Niamey, **Niger** corridor was added to the road governance observatory in June 2011; data collection will begin in the fourth quarter
- A Borderless “caravan” held workshops in four regional centers in **Ghana** along the **Ghana** leg of the Tema-Ouagadougou corridor, emphasizing the role of regional administrations in improving road governance. It was jointly organized by the **Ghana** Shippers’ Authority and the Trade Hub and with the participation of the Ghana Ports & Harbors Authority, the Ghana Haulage and Truck Owners Association, and the **Burkina** Shippers’ Council
- The USAID Trade Hub held a workshop for the validation of costs and procedures on the **Ghana** portion of the Tema-Bamako corridor in Tema in June

## Results

### **Reduced Transport & Logistics Costs**

The first draft of the study on procedures, delays and formal and informal costs (bribes) on the Lomé–Ouagadougou transport corridor is nearing completion. The report analyzes constraints to the efficient flow of transit goods between the port of Lomé and Ouagadougou and makes recommendations for improvements.

This report is the second in a series of Trade Hub studies on transport and logistics costs on corridors linking Sahelian landlocked countries to the world. The first report in the series covered the Tema-Ouagadougou corridor (published in April 2010). A third study looking at the Tema-Bamako corridor is under preparation. These studies aim to make West Africa more competitive. They will help decision-makers improve the performance of each corridor and enable West African traders to compare costs, constraints and procedures and thus choose the best route for their businesses.



#### **Lomé-Ouagadougou Corridor Profile**

*Total length: 1,020 km*  
*Togo segment: 746 km*  
*Burkinabè segment: 274 km*  
*Total imports: 513,000 t (2009)*  
*Total exports: 131,000 t (2009)*

Findings from the Lomé-Ouagadougou transport study

The total transport and logistics costs, informal costs, and delays for import and export from the discharging of the vessel to the clearance of the goods at the inland terminal – and vice versa – are summarized in the table below. The costs, both formal and informal, are similar to the Tema-Ouagadougou corridor. However, standard time and delays are considerably shorter on the Lomé-Ouaga corridor, which is largely due to efficiency improvements in the Ouagarinter terminal in Ouagadougou.

**Table 1: Import versus export transport costs for containerized cargo on the Lomé-Ouagadougou Corridor**

	Total transport and logistics (T&L) costs	Of which informal costs	Informal costs as percentage of total T&L costs	Standard time	Average delays
<b>Imports (average load: 28 t)</b>					
Total	USD 5,154 (USD 187/t)	USD 392 (USD 14/t)	8%	6.6 days	5.3 days
<b>Exports (average load: 17.5 t)</b>					
Total	USD 2,186 (USD 121/t)	USD 95 (USD 5.43/t)	4%	3.3 days	2.1 days

On both corridors, exporting cargo costs considerably less than importing. This is largely due to the imbalance between import and export – transit import volumes through Lomé port are roughly four times export volumes, which means that most Burkinabe trucks travel to Lomé empty as they are not allowed to carry Togolese goods within Togo according to trucking regulations in Togo. Bribes and delays are also much lower on export because export transit cargo does not attract duty and therefore receives much less attention from the authorities.

*Comparison of Ouagarinter (2008-2010)*

Ouagarinter is the cargo terminal in Ouagadougou where most imports to **Burkina Faso** are cleared by customs. Costs, time and delays have improved at Ouagarinter between data collected in 2008 for the Tema-Ouaga transport costs study and data collected in 2010 for the Lomé-Ouaga study, as shown in the figure below.

**Table 2: Ouagarinter Costs, Times, and Delays (2008, 2010)**

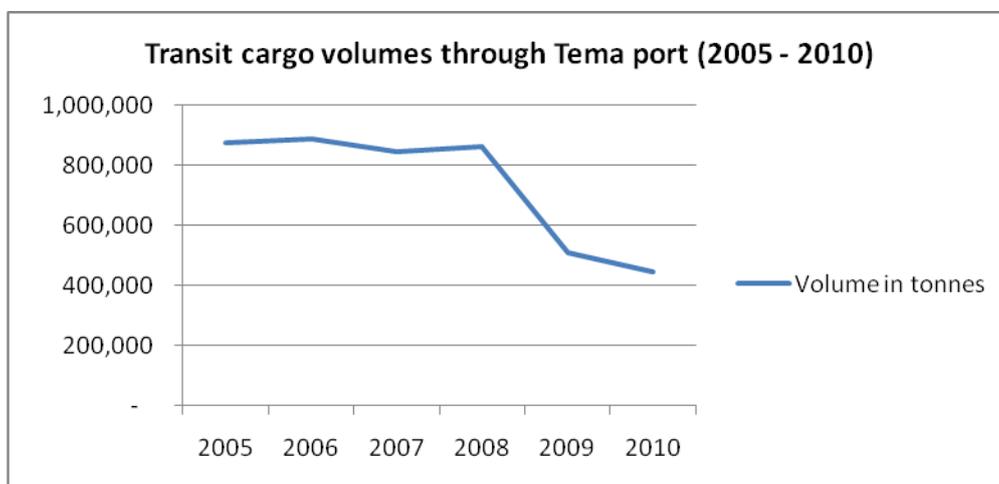
Ouagarinter Import Procedures by year	Number of steps	Formal cost (USD/20')	Informal costs (USD/20')	Standard time	Delays
<b>2008</b>	17	943	205	3 days	2.4 days
<b>2009-2010</b>	17	399	143	1.1 days	1.3 days

Several factors influenced the improvements. The computerized system Asycuda++ is operational allowing forwarders and customs brokers to connect directly to the system from their offices. Cotecna, the inspection company, has improved its services and thus shortened delays. Customs has also improved its processing efficiency and drastically reduced delays.

*Preliminary findings from the Tema- Bamako corridor study*

The Trade Hub held a workshop in Tema in June to validate data on costs and procedures at the Tema port and at the Paga border post (**Ghana** border with **Burkina Faso**). This completed the data validation for the Tema-Bamako corridor.

The Tema port is becoming less and less popular for Malian imports and exports. Bamako to Tema is a distance of 2,018 km, compared to a distance of 1,353 km to Dakar, 989 km to Conakry, and 921 km to Abidjan. After the implementation of axle-load restrictions in **Ghana** in June 2009, the volume of transits to all destinations fell significantly, as indicated in the graph below.



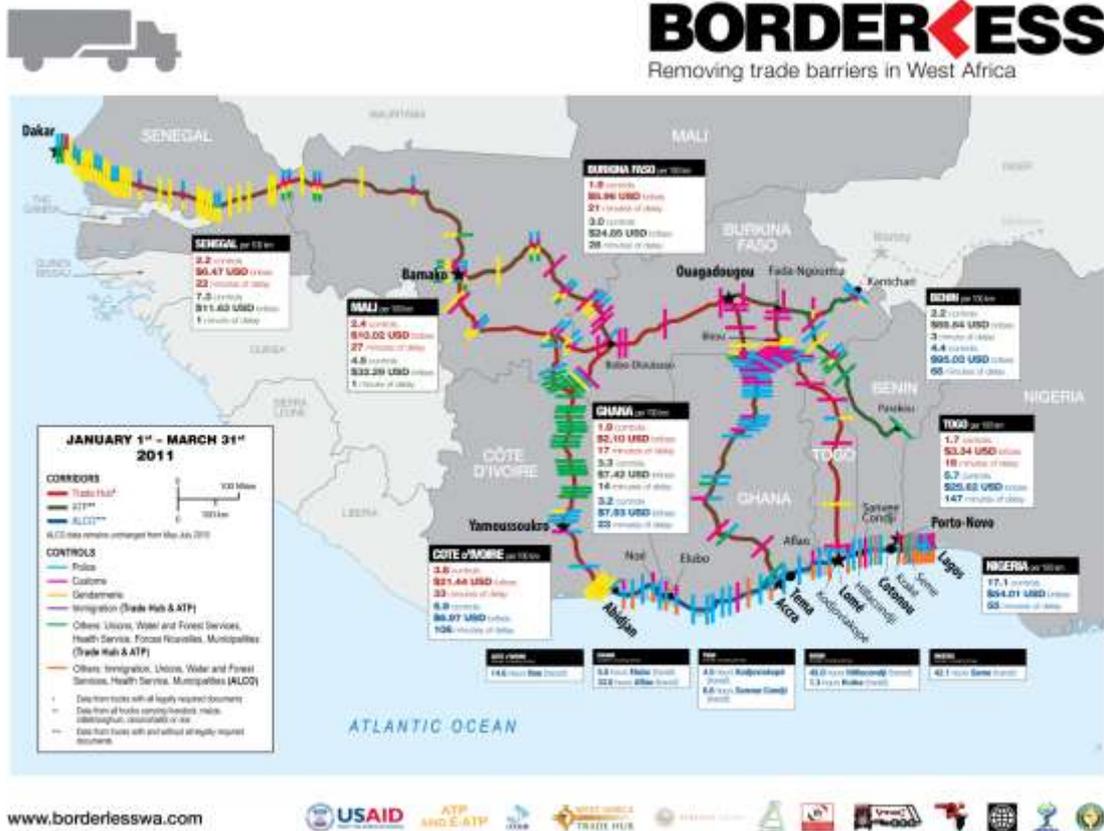
Specifically for **Mali**, import volumes through Tema fell from 207,100 MT in 2008, to 124,300 MT in 2009, and to 55,200 MT in 2010. No exports were recorded in 2009 and 2010.

Along the way for imports, congestion in Tema port is less of a problem than it was two years ago, though cargo clearance procedures still average three-five days for customs. Border procedures are not a major problem at the **Ghana-Burkina Faso** border, but the need to wait for customs escorts in Burkina is a major issue since customs in **Burkina Faso** requires transit trucks to travel in convoys. This adds considerable delays to the trucking journey, which averages 10 days. Containerized cargo is exempt from the escort system, which saves approximately three days of travel time. However, transportation in containers remains problematic for many traders, primarily because of the high container deposit fees and *demurrage*<sup>41</sup> charges demanded by the shipping agencies that own the containers. While usage fees vary, deposit fees can be as high as US\$ 6,000 and *demurrage* charges can reach US\$ 100/day for a 40-foot container. Finally, bribery at the **Malian** border posts is a serious problem, as drivers often pay up to 30,000 FCFA (USD 66.6) at Kouri and Heremakono (cities on Mali's borders with **Burkina Faso**).

### **Improved Road Transport Governance**

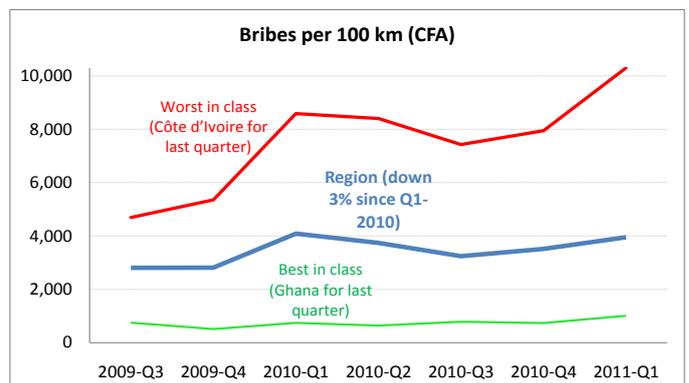
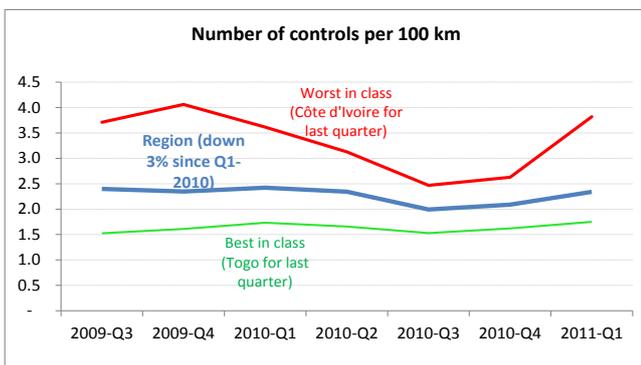
The results of the first quarter of 2011 observations show stabilization in the indicators. Compared to the previous quarterly report, the level of bribery has decreased by 2% in spite of the fact that the number of checkpoints has increased by about 8%. A driver of a truck that is roadworthy and properly documented pays bribes amounting to the equivalent of 90 USD on average per trip. The increase in delays observed during the fourth quarter of 2010 slightly increased again, by 4%. This is due in part to a real increase in delays at checkpoints and in part to a more exhaustive review of all delay times, particularly at borders, on the part of drivers.

<sup>41</sup> Demurrage charges are late fees charged for rented containers.



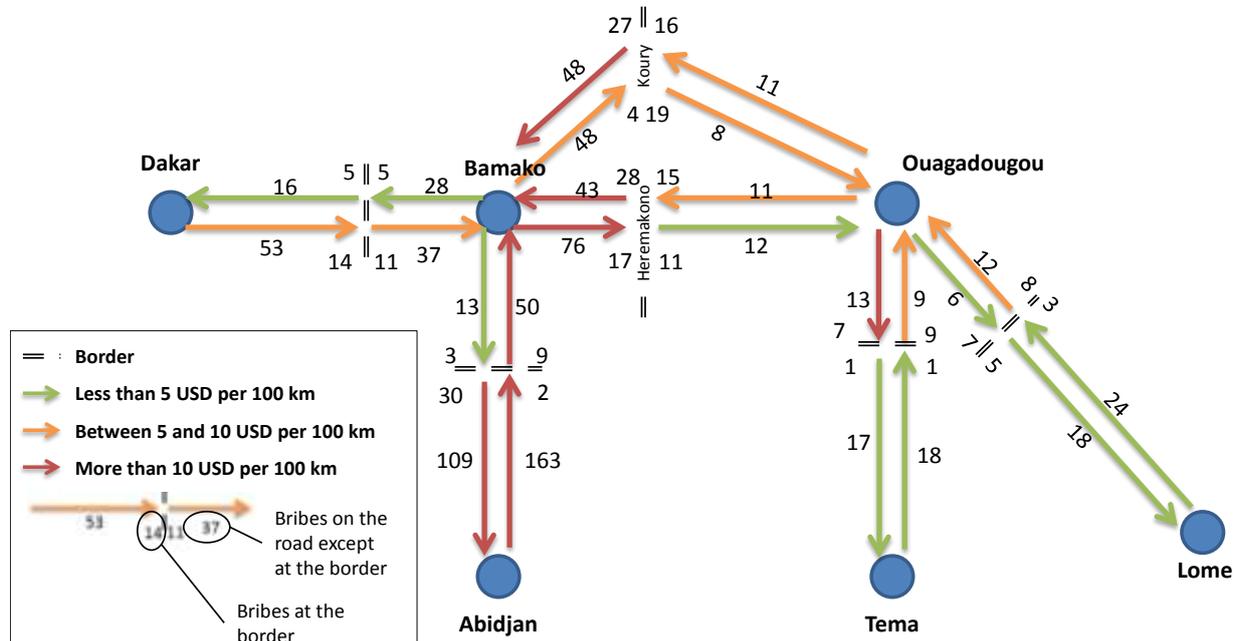
**Number of Controls:** With the exception of **Côte d'Ivoire**, the number of checkpoints remained stable this quarter compared to last and also compared to the same period one year ago. The political crisis in **Côte d'Ivoire** during the first quarter of 2011 probably explains the 50% increase in controls compared to the previous quarter. A slight increase in controls in **Ghana** is totally due to the police service. In **Mali**, the number of checkpoints operated by unions has decreased. The Abidjan-Bamako corridor has the most controls per 100 km: 3.2, or 38 stops per trip, on average. This is most obvious for imports on the Ivoirian segment of the corridor, with more than one control every 20 km. The Bamako-Dakar corridor has the lowest density of controls with 1.8 per 100 km. The number of checkpoints is again less for exports on this corridor.

**Bribes:** Apart from an overall increase in bribes paid in **Côte d'Ivoire**, in particular by police and gendarmes, the level of bribery is largely unchanged in other countries compared to the previous quarter. A slight improvement was noted in **Senegal** and **Togo**, and bribery slightly worsened in **Burkina Faso**, **Ghana**, and **Mali**. In **Mali**, the removal of checkpoints operated by agents of the National Transport Office did not compensate for a steep increase in bribes collected by customs agents. In **Senegal**, a marked decrease in bribes collected by the police and gendarmes was noted. In **Togo**, the police service dropped below customs in

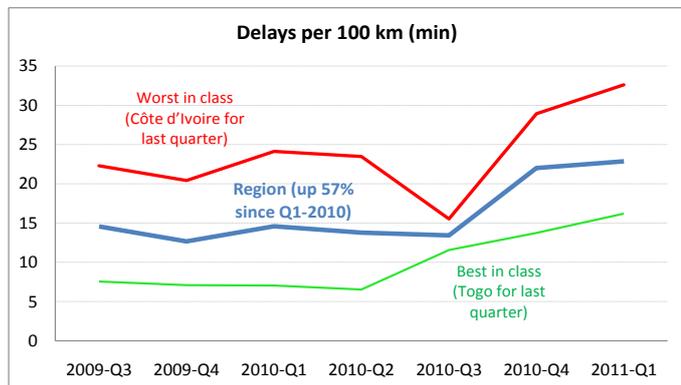


terms of bribes collected. The country ranking remained the same as it was one year ago: **Ghana** and **Togo** still collect the least bribes per 100 km while **Mali** and **Côte d'Ivoire** continue to collect the most. Unlike the number of checkpoints, the level of bribery varies considerably by corridor and by country. Bribes on the Abidjan-Bamako corridor are overall the highest at USD 16 per 100 km, while the Tema-Ouagadougou corridor has the lowest rate of bribery at about USD 3 per 100 km (in either direction).

**Bribes per trip (USD) – First Quarter 2011**



**Delays:** The overall increase in delays observed during the previous quarter was confirmed in this quarter's data. Mali and Senegal saw small decreases, though delays increased slightly in all of the other countries. Two factors explain the increase: 1) a real increase in delays at checkpoints and 2) more exhaustive consideration of all delays, particularly at borders, by drivers. Disparities in the level of delays vary significantly by corridor and by country. The Bamako-Dakar and Bamako-Abidjan corridors remain the worst with 29 and 27 minutes of delays per 100 km, respectively – or from 5 to 7 hours of delay per trip. The Ouagadougou-Bamako corridor showed the lowest level of delays – about 18 minutes per 100 km.

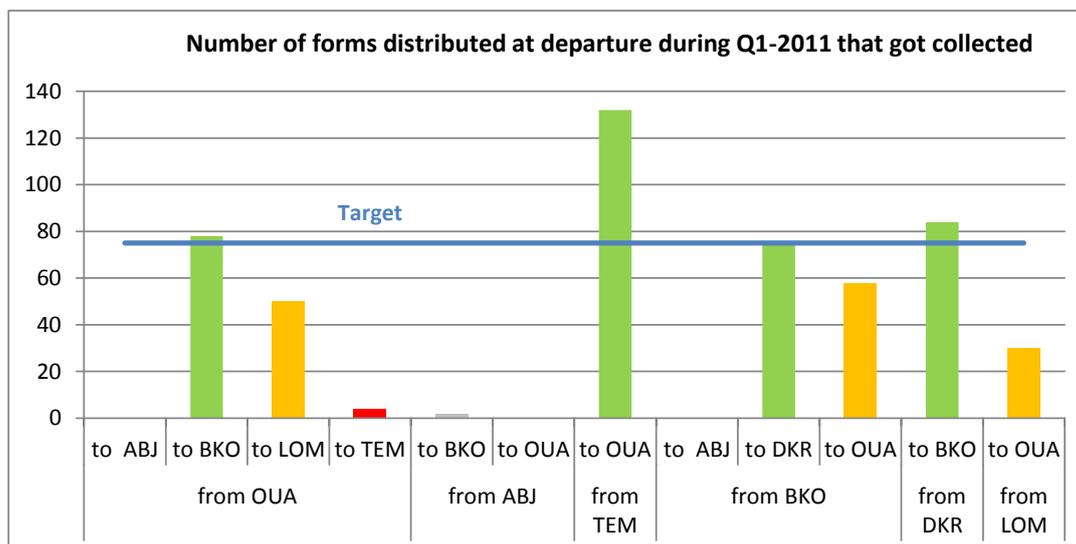


**Data analysis and improvement:** Although UEMOA agreed to implement the improvements proposed by the Trade Hub on the data collection software, procurement procedures and responsibility delayed the modification of the software. The short-term consequence is that the Trade Hub still has to spend a significant amount of time cleaning the data before the report is produced, which delays the dissemination of the report.

The Trade Hub has updated the survey form to include new variables that will be included in the database once the software is updated. The Trade Hub also prepared and distributed a

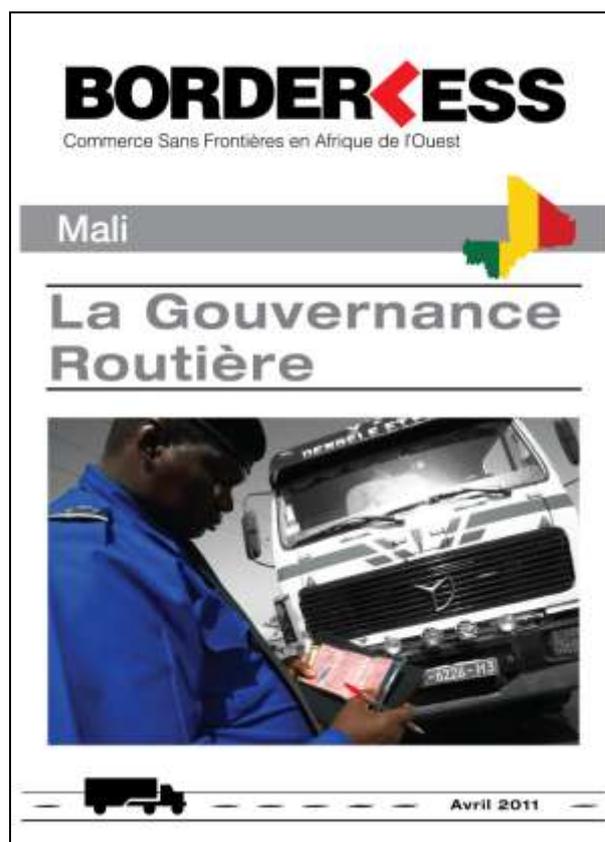
road governance data collection manual to all focal points. The 17-page document indicates procedures for the focal points, describing their tasks in details and providing concrete examples. Please see Annex 13.

**Focal point productivity:** This quarter, focal points' productivity has been stable overall, but with mixed results by country. There was a sharp decrease in forms collected in **Côte d'Ivoire** due to the political turmoil and a decrease in forms collected in **Burkina Faso**. On the other hand, there was a significant increase in number of forms collected and distributed in **Ghana** and better sharing of the forms distributed in **Mali**. **Togo** and **Senegal** performances were stable. The number of forms distributed in Ouagadougou to trucks going to Tema remains very low.



**National reports:** While the quarterly reports provide road governance indicators as averages per trip and per 100 km for sub-corridors and corridors, national reports provide detailed data on specific checkpoints and the uniformed services operating them. The national reports make it easier for stakeholders in each country, in particular the uniformed services and policy makers, to monitor behavior at checkpoints, verify policy implementation, and take action for positive change. Last quarter, Borderless, through the Trade Hub, published national reports for **Burkina Faso** and **Ghana**. This quarter, Borderless drafted **Mali** and **Senegal** national reports, which will be disseminated in July.

**Drivers guide:** In June, the Transport team began collecting information for a “*Drivers’ Guide to Togo*” on the request of and in cooperation with the **Togo** National Facilitation Committee. The Trade Hub and partners released a Drivers’ Guide to **Ghana** in 2010. A similar guide will also be prepared for **Mali**.



## **Borderless Communications and Advocacy**

**Prime Ministerial conference in Kayes, Mali:** The prime ministers of Mali and Senegal, accompanied by 18 government ministers and close to 250 state and non-state actors from both countries, met on May 20-21 in Kayes, near the Mali-Senegal border, to adopt recommendations to improve trade between the two countries and fluidity on the Dakar-Bamako corridor. Trade Hub reports and data were used extensively to advocate for implementation of the ECOWAS Trade Liberalization Scheme and for less harassment on the corridor.

The signing on July 1 of an agreement between the Senegalese and Malian Chambers of Commerce to implement the TRIE<sup>42</sup> Convention, in particular the customs guarantee system, was a positive outcome of this meeting. If successful, traders and transporters will have to pay a single customs bond covering the total trip from Dakar to Bamako or vice versa as of July 15. This was the original intent of the ECOWAS convention but it has not yet been implemented on any corridor, as each country has been insisting on its own customs guarantee.

**Borderless launch:** Private sector stakeholders led the founding of the Borderless Alliance in May. Present at the meeting were Blue Skies, Bollore Ghana Limited, Burkina Shippers Council, Ecobank Transnational Incorporated, Olam Internatioanal, Unilever Ghana Limited, and other transport and logistics companies. The participants appointed a seven-member Interim Executive Committee, and the USAID West Africa Trade Hub offered to provide the Secretariat. The ECOWAS Commission is a partner institution. Current membership of the Alliance stands at 30 private-sector companies.

**Road shows and workshops:** A Borderless “caravan” held workshops in four regional centers in Ghana along the Ghana leg of the Tema-Ouagadougou corridor, emphasizing the role of regional administrations in improving road governance. Over 300 transport stakeholders and public sector officials attended the Borderless Caravan event. The media – GTV, Metro TV, local radio stations, press – covered the events. The Ghana Shippers’ Authority and the Trade Hub jointly organized the caravan, with participation of the Ghana Ports & Harbours Authority, the Ghana Haulage and Truck Owners Association, and the Burkina Shippers’ Council.

Following the caravan, the representative from Ghana Haulage and Truck Owners Association sent the Trade Hub a letter (see Annex 19) saying that his members were reporting that harassment along the corridor had diminished considerably after the caravan.

**Table 3: Number of participants by event**

Event	City	Male	Female	Total
<b>Tema-Paga Caravan</b>	Bolgatanga	69	13	82
	Tamale	80	11	91
	Techiman	73	17	90
	Kumasi	75	7	82
<b>Borderless meeting</b>	Accra	3	25	28
<b>Transport cost workshops</b>	Tema	25	3	28
<b>Total</b>		<b>325</b>	<b>76</b>	<b>401</b>

<sup>42</sup> The ECOWAS Convention relating to Inter-State Road Transit of Goods (ISRT) – TRIE in French.

**Partnership with civil society:** A delegation made up of two officials from the Convention de la Société Civile Ivoirienne (CSCI) and one from the International Rescue Committee (IRC) spent one week visit at the Trade Hub to learn about how the road governance initiative is operated and to explore collaboration with the Trade Hub to improve the freedom of movement for people and goods in **Cote d'Ivoire**.<sup>43</sup>



### Grant-Funded Advocacy Campaigns

Legal Resources Center (LRC), a civil society organization based in Ghana, received a grant from the USAID Trade Hub for transport advocacy activities in early 2011. Holding uniformed officials accountable is key to improving governance on roads. LRC worked with the Ghana Police Service and Customs to prepare brochures outlining the complaint procedures for

distribution to truck drivers. Via media channels, LRC promoted good governance on the Tema-Paga corridor in particular and on road networks in Ghana in general. LRC presented on three radio and two television broadcasts, including the national GTV Breakfast show. The Trade Hub joined LRC on one radio and one television broadcast, emphasizing the damaging effects of unnecessarily high transport costs and recommending solutions. The U.S. Public Broadcasting Service filmed the radio shows on Uniq FM. Beyond the grant award, LRC has committed to continue publicizing complaint procedures and to follow up with the Attorney General's office on bills they authored, or are authoring, that aim to reduce corrupt practices. LRC completed activities in June 2011.

There has been a decline in reporting on media coverage for the third quarter of FY2011 because the number of CSOs receiving grants decreased from four to one.

<sup>43</sup> CSCI is a civil society organization which is implementing an EU sponsored two-year project called "*Defendre la liberte de circulation a travers une plateforme renforcée de la société civile.*" The objective of the project is to promote the free movement of people by reducing corruption along transport corridors in Cote d'Ivoire.

**Table 4: Summary of media outreach**

Media	Mali	Togo	Ghana	Senegal	Burkina	Total FY'11 Q3
Newspaper articles	1	N*	5	1	N*	7
Radio broadcasts (number)	N*	N*	3	N*	N*	3
Cumulative radio time (minutes)	N*	N*	60	N*	N*	60
TV broadcasts (number)	N*	N*	2	N*	N*	2
Cumulative TV time (minutes)	N*	N*	13	N*	N*	13

*\*Note: Nothing reported for this quarter*

### **Other Activities**

**A West Africa Transport & Facilitation Observatory:** The Trade Hub is proposing the establishment of a Transport & Facilitation Observatory because Trade Hub studies have shown that the road governance issue, although important, is only one of many issues that prevent West African transport and logistics services to be competitive. The main objectives of the observatory will be to provide policy makers and stakeholders, such as the national trade facilitation committees and corridor management committees, with the necessary evidence to make informed policy decisions and to support evidence-based advocacy.

Two consultants conducted a study (see Annex 14) on the feasibility of establishing a West African Transport and Facilitation Observatory, including the sustainability of the Road Governance initiative. The study followed recommendations made during the July 2010 road governance Steering Committee meeting. The Trade Hub held a meeting in June to share the findings with the main stakeholders, and to agree on a way forward. Having considered several institutional set ups, the study recommended creating a joint ECOWAS/UEMOA joint agency modeled on the West Africa Power Pool. This will allow the Observatory to obtain funding from multiple sources, including USAID and the EU, which have both expressed support. The next step will be to present the project to UEMOA and ECOWAS regional meetings to gauge interest.

### **Analysis**

The Road Governance project has now taken the necessary steps to expand to the Cotonou, **Benin** and Niamey, **Niger** corridor as a delegation from UEMOA and the Trade Hub visited the two capitals and made arrangements with the national focal points and coordinators to hire field agents who will recruit and instruct truck drivers on how to collect and report data. The Dakar-Guinea Bissau corridor will be opened later this year and the extending the Road Governance observatory's coverage to all UEMOA countries plus Ghana. Unfortunately we are still not seeing the sustained improvements in road governance we would like. Frequently authorities take steps to improve the situations by issuing decisions or decrees only for the observatory to find that they have not been implemented or that the success was short lived. Whereas it would be more satisfying to be able to report

continued progress, even reporting the lack of progress demonstrates the importance of the observatory in so much as it tells authorities and other stakeholders that issuing decrees are seldom sufficient to solve this complex problem.

The Trade Hub Transport and Business Environment components are benefitting from synergy around their expected results. With the completion of the study on the feasibility of establishing a West African Transport & Facilitation Observatory, this synergy may help the observatory project becoming a reality, as the Observatory will result in closer integration of the a) Road Governance and Transport Costs elements of the Transport program and b) incorporate the Trade Facilitation elements of the Business Environment program. The Observatory will continue the effective communication and dissemination activities for which the Trade Hub is well known and will be in a position to provide better evidenced-based support for advocacy activities to be undertaken by the Borderless Alliance, which was recently established. The Observatory will also provide data and analysis to the national and regional Facilitation Committees and corridor management committees, which have been established by ECOWAS and UEMOA but have not been very active.

The new Observatory will absorb and expand the current Road Governance Observatory, both geographically and in regard to indicators already collected plus total travel times and times before and after loading in order to get a better picture of truck utilization. The Observatory will also consider not only “legal” transit traffic – i.e. properly documented cargo and drivers and correctly documented, maintained and loaded vehicles – but also report on regional trade and traffic, such as regional agricultural trade. The Transport Costs element will continue to do benchmark studies of corridors but will also measure a number of indicators on costs and delays relating to ports, border crossings, and inland terminals operations and procedures.

The Observatory will provide the evidence needed to describe existing situations, identify priority areas for intervention, make effective policies and regulations, evaluate the impact of new policies and regulations, and carry out successful advocacy.



## SUCCESS STORY

### Delays dip thanks to Borderless Alliance advocacy

#### Transporters breathed “a sigh of relief” –thanks to new Borderless Alliance



The Ghanaian Times

More than 300 officials in northern Ghana participated in workshops on delays and bribery along the country's primary trade corridor.

*The Borderless Alliance fosters the collaboration necessary to remove trade barriers across West Africa. Achieving that goal will increase trade as West Africa becomes more competitive in world markets.*

A series of workshops co-organized by the Ghana Shippers' Authority and the USAID West Africa Trade Hub in regional capitals in Ghana, led to significant decreases in delays that truck drivers experience along the route, stakeholders reported in June.

“By all indications, we... can now breathe a sigh of relief,” wrote El Hadj Adams Saliah of the Ghana Haulage Transport Owners Association in a letter to the Greater Accra Regional Shippers Committee. Transit truck drivers “speak of a dramatic turn of event that see the hitherto delays caused by the numerous barriers... on the decline.”

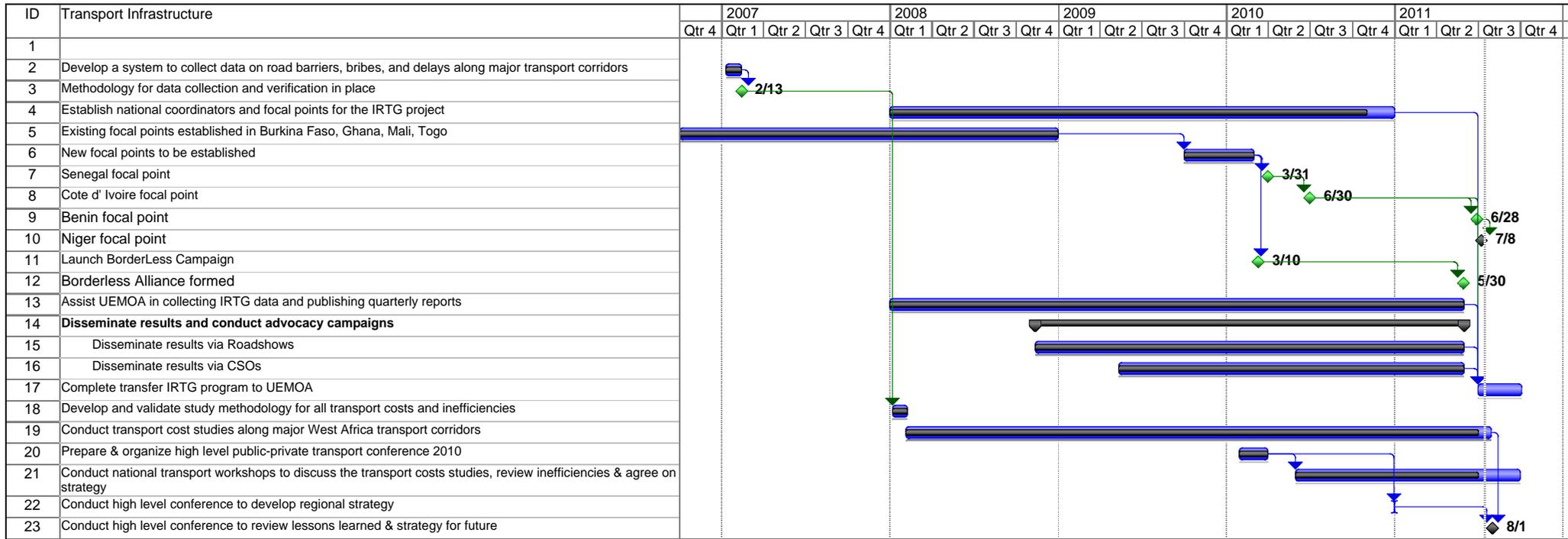
Experience has shown that reductions after workshops are sometimes short-lived, but the collaborative effort that took the Borderless vision to more than 300 officials is a sign of solid progress, industry insiders agreed. That collaboration is set to continue: the workshops were undertaken shortly after stakeholders across the transport industry and West Africa, including the regional bodies ECOWAS and UEMOA, formed the Borderless Alliance to lead efforts to remove trade barriers.

“It's massively in our interest to address these problems,” said one private sector representative at a workshop launching the alliance. The company exports millions of dollars in fresh fruit and fruit juices annually from Ghana.

“We are frustrated – that is the word,” said another major transport company's representative. “We know what the issues are clearly. We need to work together to address them effectively.”

The positive results in Ghana point to the potential that collaboration holds – and that the Borderless Alliance is fostering.

“Bottlenecks do not inure to our benefit,” said Kofi Mbiah, Deputy Minister for the Northern Region and executive secretary of the Ghana Shippers' Authority, echoing a common sentiment expressed during the workshops.



Project: Transport Infrastructure 10-13 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 4. BUSINESS ENVIRONMENT

### Overview

The costs of trading across borders in West Africa remain higher than other regions. The persistence of non-harmonized policies, tariff and non-tariff barriers and non-implementation of the ECOWAS Trade Liberalization Scheme (ETLS) has rendered regional trade static, averaging 11% of all trade over the last 10 years. Recommendations identified in the USAID Trade Hub ETLS Gap Analysis studies will boost regional trade and integration and enable countries become more competitive. For example, mainstreaming regional agreements in national development policies, strategies and budgetary allocations will expedite the process of regional integration in West Africa.

### Results and Highlights

#### ***Regional experts develop a roadmap for implementation of the ETLS Gap Analysis recommendations***

ECOWAS experts from thirteen countries—**Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Mali, Nigeria, Senegal, Sierra Leone and Togo**—and representatives of the European Union, the West African Monetary Institute, the Federation of West African Chambers of Commerce, and major private sector companies (including newly founded Borderless Alliance Executive Committee members from Unilever, Blue Skies and Tarzan Enterprises) developed a draft roadmap to enhance regional trade at a workshop co-organized by ECOWAS and the USAID Trade Hub in Accra, June 13-14, 2011.

The draft roadmap calls for specific actions among ECOWAS member states to increase trade in the region. Priority actions identified included:

- Create express lanes, or mechanisms for the accelerated movement of duty-free agricultural products through borders and ports
- Ensure free movement of transit goods
- Eliminate export bans and seasonal import restrictions, especially on grains
- Reduce total checkpoints to a maximum of three per corridor
- Revise and accelerate National Approval procedures for ETLS registration



**Alfred Braimah of ECOWAS discusses regional integration during the meeting of ECOWAS high-level experts organized by the Trade Hub.**

The material presented at the ETLS experts' meeting appears in Annex 15.

#### ***Prime Ministers of Mali and Senegal collaborate to improve cross-border trade***

The Prime Ministers of **Mali** and **Senegal** recognized USAID efforts during the bilateral cooperation meeting held May 20-21 in Kayes, **Mali**, to resolve specific cross-border trade

issues. The prime ministers reiterated their strong interest in collaborating to consolidate efforts already made throughout two years of targeted bilateral cooperation towards freer movement of persons, goods and transport on the Dakar-Bamako corridor. The Kayes Communiqué and Presentation are attached in Annex 16.

The prime ministers agreed to prioritize the following recommendations:

- Ensure that the Inter-State Road Transit system (ISRT in English and TRIE in French) between the two countries is functioning before July 1, 2011. This entails the use of a single document and the use of an ISRT Guarantee issued by the Chambers of Commerce of both countries.



Senegal Prime Minister Souleymane Ndéné Ndiaye (middle) with Mali Prime Minister Cissé Mariam Kaïdama Sidibé (right) in Kayes, Mali.

- Stop all harassment of transporters and reduce checkpoints to three in accordance with the ECOWAS and UEMOA protocols on free movement of persons, goods and transport.
- Enforce the axle-weight limit of 11.5 tons per axle for trucks operating on the Dakar-Bamako corridor in conformity with UEMOA regulation n° 14/2005/CM/UEMOA.
- Establish a joint monitoring committee.

Following the conference, **Senegal** established a monitoring committee to oversee implementation of the prioritized recommendations. To complement these efforts and resolve information needs along the corridor, the USAID Trade Hub, with its partners, plans to establish a Border Information Center on the Dakar-Bamako corridor.

### ***Building partnerships to open Border Information Centers***

A key recommendation from the ETLS Gap Analysis is to pilot Border Information Centers to provide information to public and private sector stakeholders on regional trading rules and procedures, as well as to provide access to internet and phones for troubleshooting and reporting issues. The centers aim to facilitate border processing, reduce costs and delays, and increase trade across borders. An information advisor staffing the center will provide technical assistance at the border to operators with inquiries. As a tracking mechanism, the advisor will record number of visits to the center, and the impact made in facilitating transactions through reduced costs and delays.



This quarter, the USAID Trade Hub signed a letter of collaboration with the Ghana Shippers' Authority, with the primary goal of establishing a Border Information Center at the **Ghana-Togo** border. Following assessment visits to both sides of the border, and preparation of relevant information tools, the center—is scheduled to be launched early next quarter.

**Survey identifies investment and economic benefits of implementing a Free Trade Area**

The USAID Trade Hub is advocating for free regional trade per existing legislation and regional agreements. Since the private sector is the engine of trade, the Trade Hub built on findings from its ETLs Gap Analysis reports to develop a business-oriented approach to promoting free trade. This approach emphasizes the benefits that free trade will have for businesses that could better utilize existing production capacity and invest in new capacity. This will, in turn, broaden countries' tax base (corporate and individual) and offset some of the short-term reductions in custom tariff revenues.

This quarter, the Business Environment team conducted a pilot study to elicit private sector companies' willingness to invest in their businesses, given greater evidence of ETLs implementation, and the impacts on their potential to increase sales in the region. The Trade Hub conducted face-to-face interviews with 17 companies from **Togo** and **Ghana**, representing a variety of industries and points along the supply chain. Initial results of the survey indicated that freer trade in the region will incentivize private sector actors to increase investment, generate more exports and create jobs (see table below, based on preliminary findings). The USAID Trade Hub will present the study findings to Ministers of Finance in the region as discussion points for implementing customs reforms needed to increase regional trade.

IMPACT OF FREER TRADE			
Would freer trade in the region lead to:	Yes - High	Yes - Some	No
Increased new investment?	7	4	1
Increased exports?	8	4	
Increased number of jobs?	5	6	1

\*\*Note: Of the 17 companies interviewed, 12 provided full responses to interview questions.

The Trade Hub presented the survey and its results at the June 13-14 ETLs workshop in Accra. ECOWAS representatives as well as public and private sector participants urged the USAID Trade Hub to undertake additional analysis and deliver its results to ECOWAS, Member States, and the private sector. The complete study with full results can be found in Annex 17.

**Stakeholders unify to form Borderless Alliance towards freer trade**

Borderless is a multi-sectoral, multi-stakeholder campaign to remove trade barriers and increasing trade in West Africa. On May 30, manufacturers, transporters and logistics companies, multinationals such as Nestlé and Unilever, and private companies formalized the Borderless Alliance. The



newly formed Alliance established an interim executive committee to promote more efficient processes for free movement of goods and transport in West Africa. See communiqué at Annex 18.

They agreed that the Borderless Alliance will:

- Raise awareness of the vision of free regional trade
- Provide access to reliable information
- Advocate for increased trade
- Build partnership and cooperation

### ***Borderless initiative partner World Bank assesses Approved Economic Operators—fast track system to reduce costs and delays in the region***

The Trade Hub participated in a two-day workshop hosted by the World Bank in conjunction with Private Investors for Africa (PIA) regarding a viability assessment of an Authorized Economic Operator (AEO) program along the Abidjan-Lagos corridor. The program envisions “fast track” lanes across borders for transporters who have been pre-screened and exhibit consistency and accuracy in their declarations.

Of the five countries assessed, **Ghana** and **Nigeria** are the most positive about the AEO program’s viability. Both have begun to establish national committees to pursue the recommendations of the World Bank reports and push relevant legislation through their governments.

## **Analysis**

The ECOWAS Common External Tariff is one of the instruments for harmonizing regional trade policy and increase the competitiveness of West African businesses. To achieve this, all Member States must submit and agree upon common tariff rates on products vis-à-vis third countries. All Member states are yet to submit their lists, therefore delaying the completion of negotiations on the CET.

ECOWAS has urged its member states to submit their lists of products under the CET, no later than December 2011. The importance of the CET cannot be overemphasized. As in the case of the ETLs, Member States may lose some revenue in the short to medium term in the process of implementation. However, as in the case of other regional economic communities e.g. COMESA and EAC,<sup>45</sup> a transitional fund can be reinstated with a deadline for countries that make significant progress in implementation. It is, however, expected that revenues may increase in the medium to long-term as import structures change due to CET implementation.

Representatives from 13 Member States jointly developed a roadmap for implementing recommendations from the ETLs Gap Analysis. Although the roadmap comprises the list of recommendations identified in the study, the Business Environment team will consult with ECOWAS to identify priority actions and next steps in the coming quarter. The USAID Trade Hub will serve as a coordinating unit in collaboration with ECOWAS to monitor progress made in meeting the targets.

Information dissemination is essential to empower the private sector and facilitate border processes. The Border Information Centers and campaign seek to provide information, address constraints and assist operators. According to Customs, truck drivers always request information on fees and location of agencies at the border. Visitors to the border also experience difficulty contacting clearing agents to facilitate their process. Signage indicating directions to offices and border procedures would help significantly as none exist currently. The team has developed posters and brochures to help operators at borders with clearance

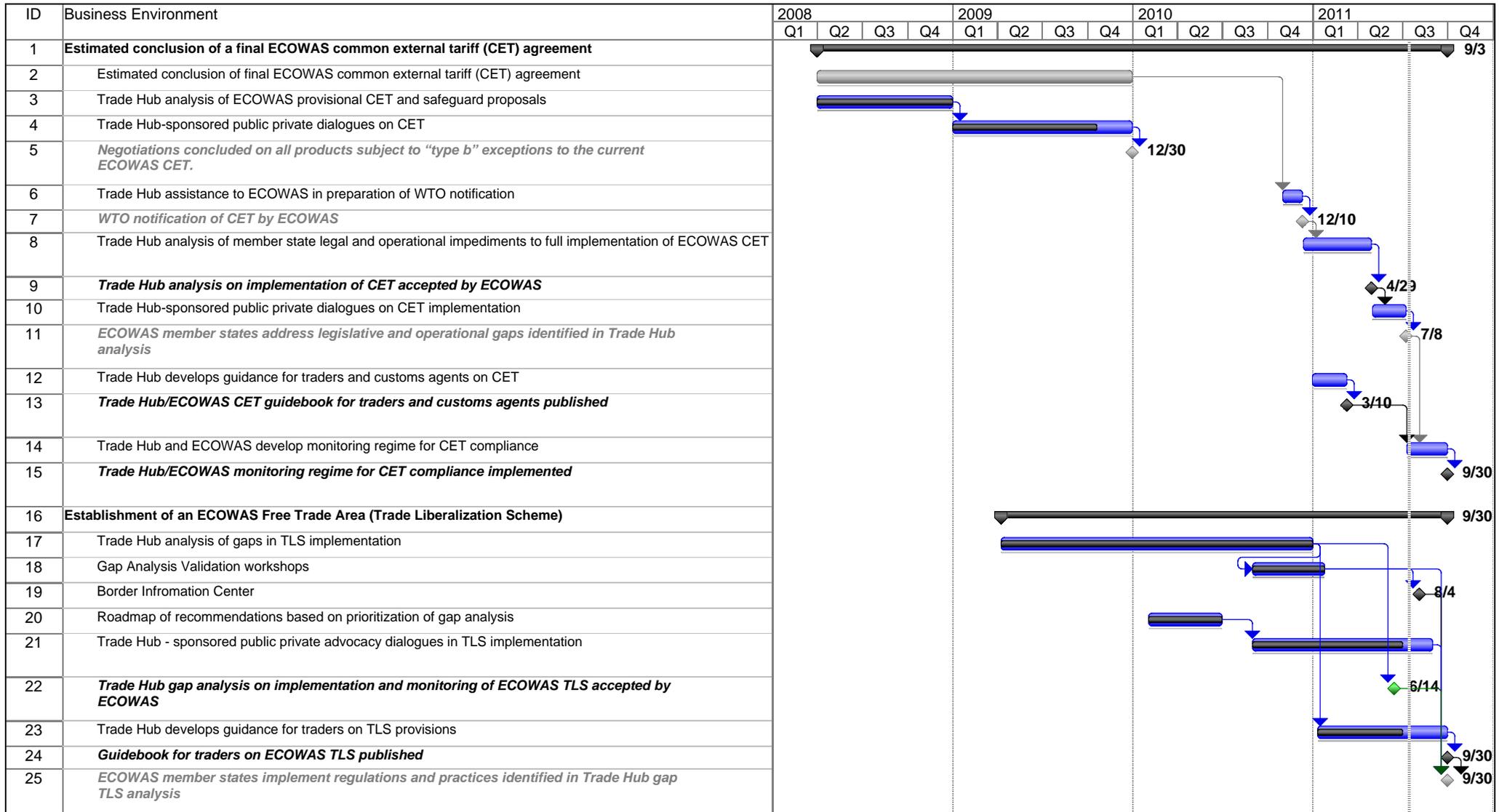
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<sup>45</sup> COMESA is the Common Market for Eastern and Southern Africa; the EAC is the East African Community.

procedures. The center will be launched on August 4, with representation from high-level officials from **Ghana** and **Togo**.

The joint border conference between the heads of government for **Mali** and **Senegal** provides a good example of bilateral cooperation towards corridor management and improvement. Although several other recommendations were discussed, prioritizing them became key to reach achievable agreements. It is crucial that the high-level monitoring committee be operationalized to ensure that the deadlines for achieving these goals are met. Such a committee must be able to convene stakeholders from the public and private sector and exercise its decision-making power.

While, the Authorized Economic Operator concept is appealing, the AEO program may run into similar challenges as the ETLS. A functional AEO program will require mutual trust and recognition of certifications, and a fast track system to reduce delays at the borders. The timeframe for the implementation of an AEO program will be very closely tied to better implementation of the ETLS.



Project: Business Environment 11-17-1 Date: Thu 7/14/11	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	



## 5. TELECOMMUNICATIONS INFRASTRUCTURE

### Introduction

Obtaining adequate ICT tools, as well as affordable, reliable and fast Internet connectivity are seen as key factors for using ICT to increase business. The USAID Trade Hub aimed to put practical ICT capabilities in the hands of export-ready companies in targeted sectors.

Through surveying and working directly with exporters and conducting site visits, the ICT team developed a close understanding of the ICT needs and realities of small and medium sized enterprises in West Africa. The USAID Trade Hub applied this knowledge in selecting appropriate ICT solutions, and training businesses to use them. This information was summarized in eBizBox I (and updated in eBizBox II), a package of software, hardware and services to help exporters take advantage of ICT. The ICT team also tailored and presented this knowledge to companies during industry conferences, and on the USAID Trade Hub website ([www.watradehub.com/ict](http://www.watradehub.com/ict)), extending reach at low cost.

By continually introducing ICT tools and services, the ICT team increased exporters' awareness and appreciation of the benefits of ICT. Businesses have adopted many of these tools and services, including tools such as Skype, Picasa, and the USAID Trade Hub supported online portal at [network.africancraft.com](http://network.africancraft.com).

The ICT team also worked with ICT suppliers, giving them feedback on their services and promoting exporters as an important, underserved target market. At the Technology for Exporters conference, held in Accra in 2010, the USAID Trade Hub brought suppliers and exporters together. The event was sponsored by local ICT suppliers, telecommunications companies and ICT service providers, and increased understanding of the key ICT challenges facing exporters and outlined ways that suppliers could better meet the demands of this market segment.

The USAID Trade Hub maximized activities within the constraints of a small budget through partnerships with international companies such as Intel and Google, as well as local companies like MyConfigSys and CompuGhana. Partners provided sponsorship, training or services to support the objectives of the ICT component.

Over the last 4 years, the ICT team trained 425 business people, including 172 women, from 7 countries (**Benin, Burkina Faso, Ghana, Mali, Nigeria, South Sudan and Togo**), and provided 20 solutions to 24 companies.

### Results

#### ***Exporters trained in the use of appropriate ICT***

The ICT team delivered separate training sessions in online marketing, Google Sites, and optimizing IT hardware during Shea 2011 to a total of 37 stakeholders (including 12 women). Exporters learned how to promote their businesses using online marketing tools, set up and customized their own websites using Google Sites, and practical



techniques to get the most from their computers.

Also in this quarter, the ICT team visited two exporters, providing practical, in-depth expertise in applying ICT at a new shea processing factory and new office. The ICT team recommended appropriate hardware and software and provided practical guidance to ensure ICT is incorporated into business processes from the launch. The ICT team will continue to offer advice during this startup period.

### **ICT Help Desk**

Exporters have shown that they are likely to discard new ICT tools when encountering a barrier, though the barrier may be easy to overcome with appropriate knowledge. For example, many companies abandon attempts to use online tools like Google Sites after failing to create a Google Account (a prerequisite step for access). The ICT Help Desk was conceived to address this.

Since its launch in October 2010, the help desk has provided nine successful solutions to five Ghanaian exporting companies. USAID Trade Hub staff dealt with each issue quickly and feedback from users was positive.

The USAID Trade Hub advertised the help desk by email, phone and at training events, yet even after increasing the number of companies taking part from 15 to 34, usage remained very low. Feedback from those involved suggests that the lack of popularity reflects the perceived benefits of ICT: the amount of time and effort businesses are willing to direct towards overcoming these barriers is less than they are willing to spend fixing the problem with the help desk.

As a result, usage was well below a level that could sustain a commercial help desk. Even when free and available, companies are reluctant to use a help desk.

### **Choosing an Internet Service Provider (ISP)**

Choosing an Internet package is a challenge for many businesses as they face a myriad of options, technical jargon, unknowledgeable sales staff and hard-to-compare pricing. To reduce this information gap, the USAID Trade Hub published an [online guide](#) helping businesses understand the available options and make an informed decision.

To complement this guide, the ICT team also published an [online report](#) comparing the speeds and prices offered by ISPs in Accra, Ghana. The report summarizes the different download speeds and the cost per MB offered by 12 ISPs, as well as providing a detailed breakdown of the information collected from ISPs by site visits, phone calls, and online. Exporters benefit from finding all this information compiled in an easy-to-understand format in one location.

The report was shared with ISPs for their comment and corrections. Although feedback has not arrived in this quarter, the USAID Trade Hub hopes that the report will contribute to the competition between ISPs, and encourage them to reduce prices, increase download speeds, and present their packages and pricing in a more customer-friendly format.



*Just to say a major  
thank you for saving  
my computer for me. I  
am back up and  
running so THANKS  
help desk.*

*Trish Graham  
ahene pa nkasa Ltd.*

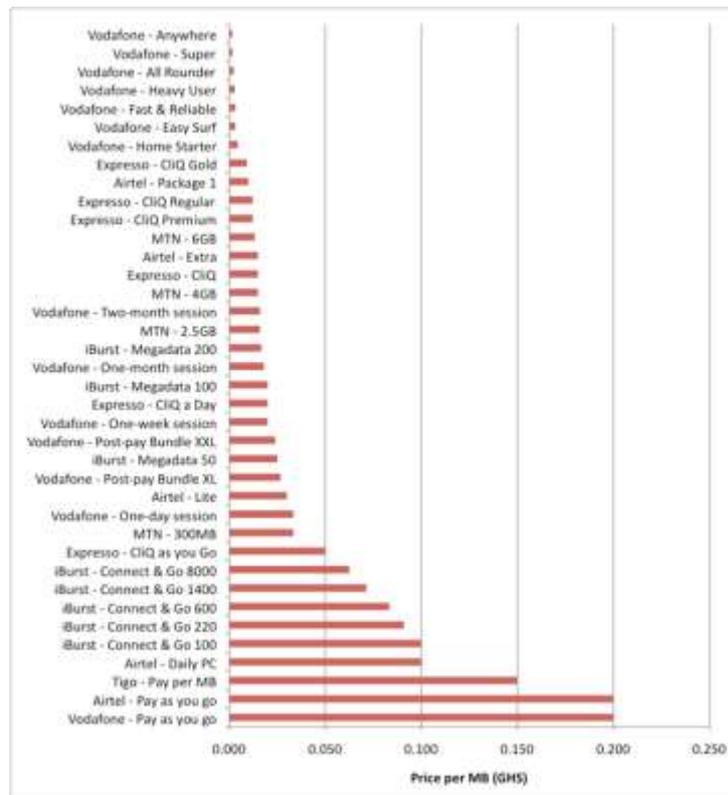


Figure 1: Graph showing price per MB for 12 Ghanaian ISPs (see more at <http://www.watradehub.com/resources/isp-information-accra-ghana>)

## Analysis

### Promoting change

The ICT team succeeded in raising the profile of ICT among ERCs.

Exporters continued to adopt new technological tools over the past quarter. By attending tailored and practical training sessions and having access to technical experts, they are gaining in confidence and seeing the benefits of using ICT.

The handful of companies that have shown the greatest interest in adopting new ICTs have made the biggest efforts to incorporate new tools into their business processes and are beginning to see results from these changes. And their interest in using ICT is in turn growing. This growing awareness was demonstrated this quarter by the enthusiasm shown by shea exporter, Solution Oasis, requesting USAID Trade Hub assistance in incorporating best ICT practices in a planned new factory and office.

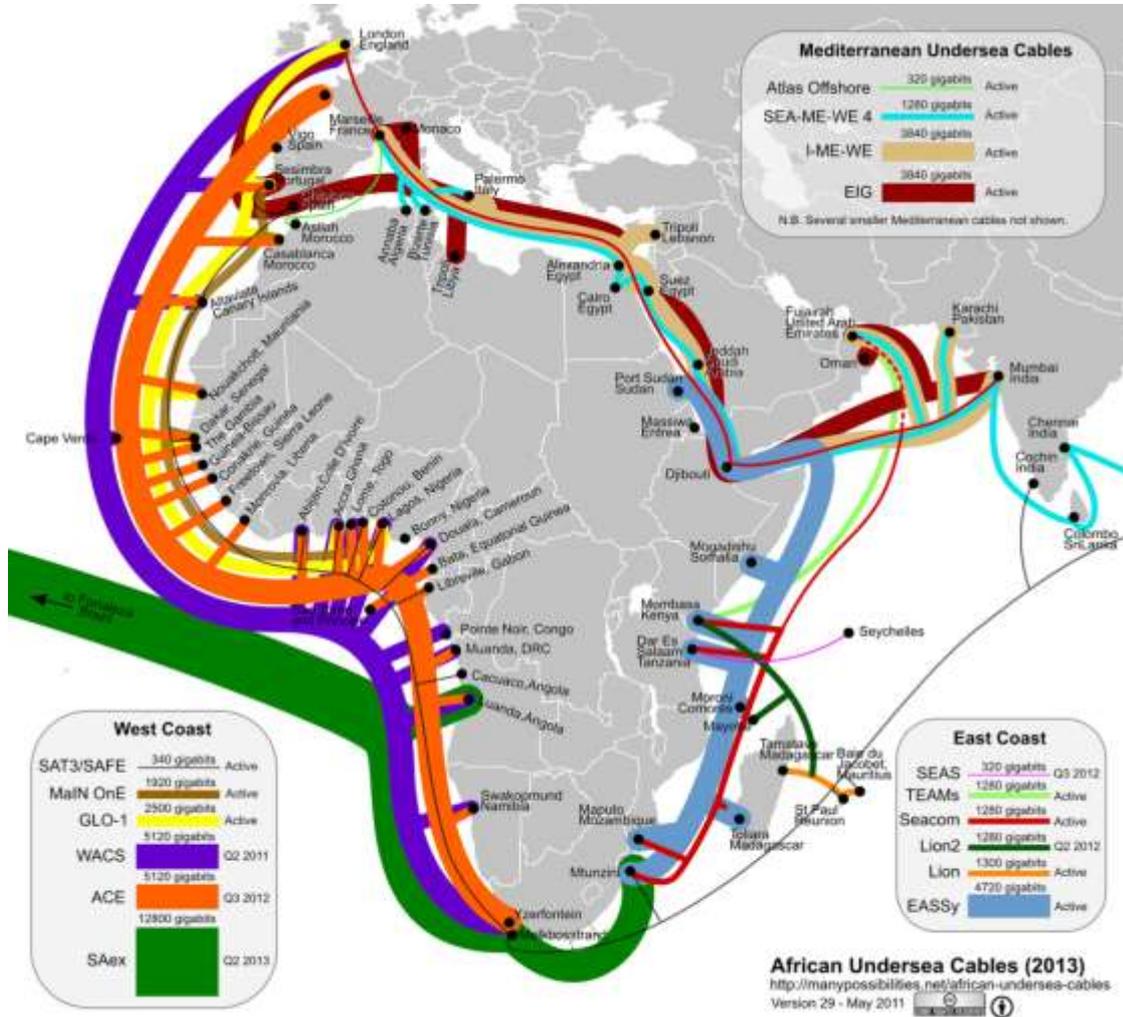
By leading the way in ICT use, these companies become role models. This is the case for companies like Shea Radiance, whose use of social media ([Facebook](#), [Twitter](#)) is something that other West African companies will imitate and aspire to.

For this demonstration effect to work, other companies need to hear about the successes. The USAID Trade Hub broadcasts these successes at gatherings like Shea 2011, where Shea Radiance presented their use of social media, and in articles in Tradewinds, the USAID Trade Hub's monthly newsletter.

Providing access to relevant information that assists exporters adopt ICT is another role that the USAID Trade Hub plays. This quarter, the USAID Trade Hub's ICT blog registered 233 unique page views and is developing into a rich resource for small- and medium-sized enterprises.

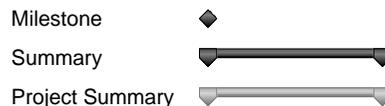
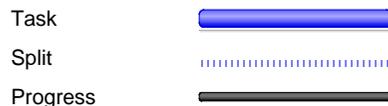
**Incoming undersea cables**

A fourth undersea cable, WACS, made landfall in Ghana at the beginning of May and is expected to go live in early 2012. Because of WACS's high capacity (5120Gb), it is widely expected to reduce broadband prices by a third. With the greatly increased capacity of undersea cables servicing West Africa have come reduced prices and improved connections for some countries. With an adequate physical infrastructure now linking the region to the rest of the world, intra-regional infrastructure, national regulatory structures, and competition between ISPs have become the limiting factors to low-cost, fast Internet.



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	Qtr 2	Qtr 3	
1	<b>USAID/Intel Alliance - Broadband Connectivity and Utilization Activity</b>															
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	<b>Improved access of ERCs to existing ICT products, services &amp; training</b>															
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	<b>Provide ERCs with ICT solutions to reduce major operating inefficiencies</b>															
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	<b>Provide ERCs with easy access to industry specific ICT training</b>															
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)															
30	Workshop for ERCs on ICT Applications for business															

Project: Telecom 11-13-2009  
Date: Thu 7/14/11



# ACTIVITIES PLANNED: JULY- SEPTEMBER 2011

Activity	Date	Location	Contact person
<b>Trade Investment Capacity</b>			
ACA Annual Conference	September 20–22	Banjul, <b>The Gambia</b>	Christian Dahm
ACA Conference Promotion Event in Guinea Bissau	July 11–14	Bissau, <b>Guinea Bissau</b>	Xenia Defontaine, Carlos Costa
ACA Conference Promotion Event in Benin	July 18–21	<b>Benin</b>	Boris Houenouhou
ACA Conference Promotion Event in Burkina	July	<b>Burkina Faso</b>	Mohammed Ouedraogo
ACA Conference Promotion Event in Ghana	July	<b>Ghana</b>	Yayra Amedzro/ Marian Lamptey
ACA Conference Promotion Event in Nigeria	August	<b>Nigeria</b>	Sunil Dahiya
ACA Conference Promotion Event in Senegal	July 7–9	Dakar, <b>Senegal</b>	Makhtar Thiam, Xenia Defontaine
Africa Fashion Week	July 14–16	New York, NY	Elitza Barzakova
AWEP Food Processor Training	July 13–14	Washington, DC	Makhtar Thiam, Elitza Barzakova
B2B Planning Meeting	August 10	Accra, <b>Ghana</b>	Jacques Betsy, Joop De Voest, Hanna Amichia,
Benin National Shea Conference	August 30–September 2	Cotonou, <b>Benin</b>	Aaron Adu
BUETEC Technical Assistance	TBD	<b>Cameroon</b>	Joop De Voest
Buyer Visit	July 11–16	<b>Ghana</b>	Elaine Bellezza, Emmanuel Odonkor
Mbarre Buyer Visit	July 25–30	<b>Senegal and Mali</b>	Elaine Bellezza
CAWER Factory Restructuring for Subcontracting	TBD	<b>Cameroon</b>	Jacques Betsy
eARC Launch in Burkina Faso	July	Ouagadougou, <b>Burkina Faso</b>	Abou Fall
ECOWAS Planning Meeting	August, 2–4	Accra, <b>Ghana</b>	Aaron Adu, Christian Dahm and Roger Brou
Export Strategy and Customs Training	July	<b>Mali</b>	Abou Fall
Fancy Food Show	July 10–12	Washington DC	Makhtar Thiam Elitza Barzakova Jean Pierre Rousseau Vanessa Adams
In-Country Shea Meeting	August 17–18	TBD, <b>Nigeria</b>	Aaron Adu
MAGIC Apparel Show	August 22–24	Las Vegas, NV	Jacques Betsy, Jean-Pierre Rousseau
ACA Workshop and	July	Dakar, <b>Senegal</b>	Makhtar Thiam

Activity	Date	Location	Contact person
Preparatory Meeting			Ndeye Fatou Ndiaye Kafui Djonou Alioune Gueye
MMT – Factory Restructuring for Orders	TBD	<b>The Gambia</b>	Jacques Betsy
NASPAN Launch	August 29	TBD, <b>Nigeria</b>	Aaron Adu
New York International Gift Fair	August 14–19	New York, NY	Elaine Bellezza, Jean–Pierre Rousseau
Product Development for Ambiente	June 24–July 11	<b>Mali</b>	Cheick Diallo
Regional Customs Training	September	TBD	Abou Fall, Karen Radji
Cashew Technical Assistance Visit	August	Lagos, <b>Nigeria</b>	Sunil Dahiya
Cashew Technical Assistance Visit	July	Tchamba, <b>Togo</b>	Sunil Dahiya
Trade Hub Annual Work Plan Retreat	August 8–9	TBC	Vanessa Adams
AAFEX/US Departments of Commerce and Agric Workshop	July 13–14	Washington DC	Makhtar Thiam Elitza Barzakova Jean Pierre Rousseau Vanessa Adams
<b>Financial Services</b>			
Develop financing plan, follow up on apparel financing	July	<b>Cameroon</b>	Judson Welsh
Cashew financing	July	<b>Nigeria</b>	Judson Welsh
Finalize financing plan, finalize apparel financing	August	<b>Cameroon</b>	Judson Welsh
<b>Transport Infrastructure</b>			
15th IRTG Report Road show	July 10–15	Bamako, <b>Mali</b>	Niels, Christophe, Bright
15th IRTG Report Road show	July 16–22	Dakar, <b>Senegal</b>	Christophe Bruays, Bright Gowonu, Niels Rasmussen
Benin/Niger Follow–up Meetings	TBD	Cotonou, <b>Benin</b> and Niamey, <b>Niger</b>	Christophe Bruyas
Cote d'Ivoire Roadshow	TBD	Abidjan, <b>Cote d'Ivoire</b>	TBD
Focal Point Set–up	July 4–7	Niamey, <b>Niger</b>	Christophe
Launch of Border Information Centre	August 4	Aflao, <b>Ghana</b>	Bright Gowonu, Niels Rasmussen,
Mali Drivers Guide meeting	July 10–15	Bamako, <b>Mali</b>	Afua Eshun, Roland Zouzou
Dakar–Bissau Corridor Opening	TBD	Dakar, <b>Senegal</b>	TBD
RRTC Workshops	TBD	Ouagadougou, <b>Burkina Faso</b> and Lome, <b>Togo</b>	Christel Annequin, Afua Eshun, Bright Gowonu, Niels Rasmussen
Shea Value Chain Research with DHL	August 15	Accra, <b>Ghana</b>	Christel Annequin, Niels Rasmussen
Roadshow/ Focal Points	TBD	Ouagadougou, <b>Burkina Faso</b>	TBD
UEMOA Meeting	September 5–7	Lome, <b>Togo</b>	TBD

Activity	Date	Location	Contact person
<b><i>Business Environment</i></b>			
ECOWAS/ USAID Trade Hub Action Plan for ETLs Implementation	July 18–19	Abuja, <b>Nigeria</b>	Sola Afolabi
Border Trade Information Campaign launch at Aflao	August 4	Aflao, <b>Ghana</b>	Ometere Omoluabi
Presentation of Border Information Campaign to stakeholders on Dakar–Bamako corridor	August 15	TBD	Sola Afolabi

# 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
3. Success Stories
4. Partnerships Table
5. ACA Newsletter – April 2011
6. ACA/ IRD MOU
7. Cracking the Nut Conference Presentation
8. Shea 2011 Evaluation Summary
9. Shea 2011 Presentations
10. Nigeria Cashew Cluster Financing Scheme Progress Report
11. Sustainable Foods Summit Presentation
12. 15th IRTG Report
13. IRTG Focal Point Data Collection Manual
14. West Africa Transport Observatory Feasibility Study
15. ECOWAS/USAID Trade Hub ETLs Experts Meeting Presentations
16. Kayes Communiqué and Presentation
17. Impact of Expedited Trade on Private Sector Investment Study
18. Borderless Alliance Communiqué
19. Ghana Haulage Transport Owners Association letter