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WEST AFRICA TRADE AND INVESTMENT HUB

PROGRAM FOR EXPANDING APPAREL
EXPORTS AND TECHNICAL ASSISTANCE,
MARCH 2016

MISSION REPORT I

Contract No.: AID-624-C-13-00002-00

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ACRONYMS

AGAM	Association of Ghana Apparel Manufacturers
AGOA	African Growth and Opportunity Act
ANC	Africa New Confection
APEX-CI	Export and Promotion Agency – Côte d'Ivoire
AVCA	Apparel Value Chain Advisor
AVCS	Apparel Value Chain Specialist
CMT	Cut, make and trim
CSR	Corporate social responsibility
COTVET	Council for Technical and Vocational Education & Training
EDAIF	Export Trade, Agricultural & Industrial Development Fund
EFI	Ethical Fashion Initiative
EAA	Ethical Apparel Africa (formerly MiA – Made in Africa)
F2F	Fibre2Fashion
FY	Fiscal year
GEPA	Ghana Export Promotion Authority
GFZB	Ghana Free Zone Board
GIPC	Ghana Investment Promotion Centre
GoRCI	Government of the Republic of Côte d'Ivoire
ITC	International Trade Centre
MSME	Micro, Small and Medium Enterprises—a component of MOTI in 2011-2012 that supported micro, small and medium enterprises through a World Bank matching grant fund
MOTI	Ministry of Trade and Industry
RCI	Republic of Côte d'Ivoire
TOR	Terms of reference
USAID	United States Agency for International Development
WB	World Bank

I. REPORT OF ACTIVITIES

I.1 PROJECT OBJECTIVES

USAID/West Africa’s mission-wide goal is the West African-led advancement of social and economic well-being. This goal is supported by several development objectives, including “broad-based economic growth and resilience advanced through West African partners.” The West Africa Trade and Investment Hub (the Trade Hub) contributes to this development objective by achieving two critical intermediate results:

- 1) Improving the capacity of West Africa’s farmers and firms in targeted regional and global value chains
- 2) Improving the business enabling environment by addressing transport constraints and trade barriers affecting the efficiency of the region’s corridors and borders

The Trade Hub works through regional private sector associations and regional governmental entities to help channel partners’ efforts to address critical constraints to trade competitiveness, capture opportunities to expand regional and global trade, demonstrate West Africa’s productive potential to investors, and facilitate greater investment in the region.

The project is building the capacity of several key groups of African partners—regional private sector associations and alliances, the Economic Community of West African States (ECOWAS), and the Economic and Monetary Union of West Africa (UEMOA). As the Trade Hub works with associations and regional alliances, it helps them serve as leaders in promoting reforms, attracting buyers and investors, and adopting improved practices.

The Trade Hub’s major components are:

- Regional staple foods development (livestock and grains)
- Global value chain development (targeted agro-processing and manufactured consumer goods)
- Finance and investment
- Transport and the trade enabling environment
- Capacity building
- Communications
- Administration and management, including grants administration

I.2 CONTEXT FOR THIS ASSIGNMENT

AGOA’s extension for the next 10 years holds significant importance for apparel export manufacturing factories in Africa. This is especially true in West Africa, where countries have not yet taken full advantage of the opportunities this trade agreement offers.

In Ghana, the Trade Hub was instrumental in helping revive the Association of Ghana Apparel Manufactures (AGAM), which is now advocating to the Ghana Ministry of Trade and Industry (MOTI) and its agencies. The Trade Hub was also instrumental during fiscal year (FY) 2015 in working with the government to ensure it met its commitments with Dignity/Do the Right Thing Apparel (DTRT) for training funds, enabling DTRT to maintain and grow its work force.

During FY2015, Trade Hub engaged with the Government of Ghana on the status of the apparel sector locally and internationally and was instrumental in helping the government to define an apparel sector strategy. The actions needed to prepare Ghana for apparel sector growth are clearly recognized— notably ensuring the availability of service factory space. The Trade Hub’s continued engagement with the apparel value chain in Ghana depends, in large measure, on the government’s readiness to take action to implement the sector strategy. Once key constraints are addressed, the Trade Hub will work with Ghanaian agencies to identify and attract potential new investors. There are signs that forward progress is being made.

In Benin, the Trade Hub was instrumental in assisting the government to revise its strategy to focus on the apparel (vs. textiles) sector, and has provided assistance to Benin-based apparel firm Africa New Confection (ANC), helping it to emerge as an effective champion to export capability development. In Côte d’Ivoire, the Trade Hub commenced a dialogue and industry assessment with the government and apparel companies.

I.3 INTRODUCTION

Due to the current medical situation of the previous Apparel Value Chain Adviser (AVCA), Joop de Voest, the Trade Hub recruited apparel and textile expert Ben Coes to serve as a replacement AVCA. March 2016 was the earliest the new AVCA could travel to the region, leaving the Trade Hub’s Apparel Value Chain Specialist (AVCS) to manage the apparel component without AVCA regional support from August 2015 to March 2016. The AVCS successfully managed the component, but it became clear that more regular AVCA support in the region will be necessary.

Though the AVCA and AVCS planned to travel to the Republic of Côte d’Ivoire (RCI), this portion of the trip was postponed due to recent terror attacks. Due to delays in travel approval, the trip was pushed back slightly, cutting the length of the mission by two days. The mission was thus mainly focused on touching base with the various actors in the garment field, including MOTI, Ethical Apparel Africa (EAA) and several companies.

The team’s main objectives on this trip were to:

- Follow up with key government agencies and other stakeholders in Ghana on activities and updates within the apparel sector.
- Follow up with EAA and partnering factories in Ghana and Benin to identify possible areas of technical assistance with sample production and order execution.

The following two objectives were originally planned for Mission 1, but are now scheduled for to Mission 2 due to the AVCA’s inability to travel to RCI following the recent terror attacks:

- Together with the EAA, define a strategic approach to encourage the Government of Côte d’Ivoire to support identified apparel manufacturing factories.
- Together with the Trade Hub apparel team, visit Abidjan to: (1) in the apparel sector, gain familiarity with ongoing sector activities and meet key stakeholders; and (2) in the textile sector, establish contacts and relationships to help prepare for a more detailed study of the sector.

I.4 GHANA

Ghana’s textile sector was once a very vibrant industry that employed more than 25,000 workers, and produced high quality fabrics and designs, with brands that had a good reputation across West Africa. In

recent years, though, the industry has shrunk. In 2004, the textile sector contributed about 10-12% of Ghana's gross domestic product (GDP), and, in the early 2000s, Ghana had a few good institutions for training students to work in the sector. As the sector declined, training facilities closed almost entirely, with little interest among students for a career in the textile sector. Ghana's garment sector has also had its ups and downs. Until the early 2000s, Ghana had a number of garment manufacturers producing uniforms and traditional garments for the West African market. Of the 20 textile mills that existed in Ghana, only four still operate, albeit with limited capacities. Industrial production of traditional garments has almost completely disappeared, and the remaining production is at the workshop level only.

Besides the 2007-2008 economic crisis, one of the main reasons for the industry's collapse was the Government of Ghana allowing very cheap garment and fabric imports, particular from China. The local industry was no longer able to compete with these cheap imports, which continue to flood the market even today. Without a policy change, local producers will not be able to compete in the local market.

No action is being taken to stop these illegal imports due to the high level of corruption within the Ghanaian custom authorities. In contrast, the local industry has to pay many fees, like import duties on machinery, spare parts, dyes, chemicals and other accessories used to produce fabrics and garments for the local and regional markets.

Cut, make, and trim (CMT) operations in the garment sector are relatively new to West Africa. Over the past 20-25 years, garment production has mainly been concentrated in Asia, with little production in Africa, excepting North Africa, including Morocco, Tunisia, and Egypt. This trend has changed dramatically over the past few years. East Africa, in particular, is experiencing major developments in the textile sector. West Africa is also gradually becoming a point of interest for potential investors—in particular, the establishment of initial collaborations between Ghanaian factories and U.S. buyers.

COMPANIES VISITED

1.4.1.1 Precious Textiles Ltd. (Tema)

Precious Textiles is a small but well-organized factory that produces uniforms. The company's technical director is from Sri Lanka, and his influence on the factory's organization is clear. Unfortunately, due to a power cut, workers were sent home and the factory was not operating on the day the AVCA and AVCS visited. EAA has audited the company, and it was selected as a potential candidate for producing export orders.

The company has one embroidery machine. Although it is not the latest version and has limited capacity, it is well maintained and sufficient for producing workwear emblems.

According to company management, one of Precious Textile's main issues is high labor turnover. Labor turnover is 30-40% annually, which has a significant impact on efficiency and productivity. This requires the company to spend a great deal of time on training, as skilled workers are not readily available. Once workers are trained, they often leave the company and easily find other jobs where they may earn slightly more money, though they sacrifice job security.

1.4.1.2 Anowah Afrique (Tema)

Garment factory Anowah Afrique has taken over the two buildings formerly occupied by 1888. The equipment for its sewing operation is still being set up, but it will soon start producing uniforms. Fabrics and accessories have already arrived and the cutting department is operating. The factory has about 130

sewing stations that are in very good condition. One of the garment experts who worked with I888 is now working for Anowah Afrique. The team intended to have a second meeting with the director, but due to time constraints, the meeting did not occur.

It was agreed that the AVCS will visit the factory later to meet with the management team.

1.4.1.3 KAD Manufacturing (Accra)

KAD Manufacturing is a smaller sewing operation mainly producing children and women's wear. The factory is well organized, and air conditioning units have even been installed to improve the working conditions. The CEO, Mrs. Linda Ampah, is very enthusiastic and motivated to help build a viable Ghanaian garment producing industry. Although the factory is located in a cluster of other buildings in which space is not used most efficiently, her factory is comparatively well organized and clean and meets international corporate social responsibility (CSR) standards.

KAD also faces high labor turnover. This has a negative impact on the company's performance. High turnover negatively affects the sector as a whole, as there is an enormous demand for skilled workers with low supply, and light industry has a poor reputation among workers.

Mrs. Ampah is one of the main forces behind AGAM, and is strongly driven to both change the image of the apparel sector and secure jobs.

1.4.1.4 NALLEM (Accra)

Unfortunately, NALLEM's management was not available to meet during the team's visit. The company is located in the factory next to KAD. NALLEM's factory is divided into two floors. The ground floor holds the production department, which produces garments for the local market only and is poorly organized. The only exception is the embroidery equipment, which was recently installed. The second floor is designed to produce export orders, but is also poorly organized and will need many improvements in order to meet international buyers' standards.

The ACVA should meet with NALLEM's management during his next visit to Ghana to understand their vision and direction.

1.4.1.5 Ethical Fashion Initiative (Accra)

The Ethical Fashion Initiative (EFI) is located next to KAD and NALLEM. EFI is a joint initiative between the International Trade Centre (ITC), Swiss Agency for Development and Cooperation and the UN. The center offers training to local designers and sewing operators. Its core activities include transferring a garment design into a pattern and producing the garment. This service will soon come to an end. It is strongly recommended that Trade Hub meet with EFI and its partners soon to determine how a second phase can be designed and implemented.

EFI's management was not present during the team's visit. EFI has very strong technical capacity, but almost no activities took place during the team's time in Ghana.

There are still no other organizations providing basic sewing skills in Ghana today. DTRT is the only example of a training facility for unskilled workers. Significant efforts will be needed in this area for Ghana's apparel sector to become competitive. **It is therefore strongly recommended that ITC, the Swiss Agency for Development and Cooperation, the UN, and Trade Hub have a serious discussion soon in order to continue this initiative for a second phase.**

Mr. Daniel Lauchenauer visited the Trade Hub. He was recently stationed in Accra as the second person in charge of the Swiss Agency for Development and Cooperation in Ghana. He is in charge of the Agency's work on EFI, and is trying to get a better picture of what the center has delivered to date and whether a second phase is an option. The team's meeting with Mr. Lauchenauer was also attended by EAA. In addition to current activities, the meeting discussed the possibility of integrating a training module for electronic pattern-making and printing into EFI. The Accra-based sewing company Rim Artex has an electronic pattern-making facility, but is underutilized, so a potential collaboration could be established.

It is strongly recommended that the AVCS closely collaborate with MOTI, AGAM and other donor programs to design a concept terms of reference (TOR) for a second phase as quickly as possible.

1.4.1.6 DTRT (Accra)

DTRT is the success story for Ghana's apparel sector. In 2011 and 2012, the AVCA served as the team leader on a World Bank project—the Micro, Small and Medium Enterprises (MSME) project—that supported a matching grant fund to MOTI's MSME department. The project funded 50% of the costs of garment technical experts—so-called “fly squads”—who provided technical assistance to DTRT. The company was very small in 2011, but, due to managerial efforts and the MSME project's support, the company grew to become the leading Ghanaian apparel manufacturer, with more than 1,000 workers and annual exports of almost US\$ 8 million.

The company has international management, offers secure jobs with social benefits, and is in compliance with international standards. It is suffering a luxury problem of receiving more orders than it can satisfy. DTRT is attempting to expand its capacity to meet demand.

It uses facilities that are government owned, but the company needs significantly more space to grow further. While MOTI is the legal owner of this industrial zone, it cannot allocate the necessary space to DTRT because of a dispute with another tenant. However, DTRT must expand soon due to pressure from a U.S. based customer. The customer wants to increase collaboration with DTRT, but it recently said it would look for an alternative producer if DTRT cannot “deliver” additional capacity.

Therefore, it is essential that the AVCS, in close collaboration with all parties concerned, find an acceptable solution to swiftly overcome the current capacity restrictions. This will help to secure over 300-500 additional jobs.

It is without question that DTRT is well organized professionally, with systems that comply with international requirements.

1.4.1.7 Rim Artex (Accra)

Rim Artex is located at the same site as DTRT, with 250 sewing machines that mainly produce uniforms. At the moment, the production location does not meet the minimum standards required to start collaboration with international partners. Rim Artex has a strong advantage with its proprietary “Gerber system,” which electronically produces patterns and different grades that are then printed on paper and cardboard. Cardboard patterns are mainly used to make samples in smaller workshops for local market production.

Mr. Karim, the CEO of Rim Artex, is interested in commercializing his Gerber technology. However, the poor standards of the factory and the lack of an acclimatized room—which is very important to maintain the equipment’s working condition—limits his ability to demonstrate the technology’s full potential.

He would like to set up a training program on pattern-making, possibly in collaboration with the Trade Hub, for pattern-makers of other larger scale manufacturers. Eventually, it would include training for more advanced or larger garment manufacturing workshops in Ghana.

The AVCA and AVCS have advised Mr. Karim to prepare a TOR to set up a training program, which he will present to the Trade Hub.

1.4.1.8 MOTI (Accra)

Two meetings took place with members of MOTI. The first meeting with Mr. Kofi Nuhu discussed how to improve skills for the garment sector, including improving industrial skills but also conducting small workshops for garment manufacturing all over the country.

Mr. Kofi is well aware of the current lack of skills among the workforce. He realizes not all professionally-trained workers will find job opportunities in export-driven organizations, and small local manufacturers are also in need of skilled workers. He is a strong promotor of establishing regional training centers throughout the country, and supports a second phase of EFI. We discussed eventually involving the Ministry of Labor and the Ministry of Education as partners to access funds that may be willing to support this initiative. It was agreed that the AVCS will take the necessary steps to facilitate this process on a short notice.

The second meeting at MOTI was held with Mr. Gerald Nyarko-Mensah, MOTI’s Technical Advisor for Export Trade Development. Mr. Nyarko-Mensah supports all initiatives promoting the small and medium sized enterprises sector, particularly those with a focus on driving exports. He is up-to-date on the Ghana’s manufacturing sector and its potential for growth.

DTRT’s need for additional space is one of the main topics he plans to address. He presented several documents on how MOTI is trying to solve DTRT’s space constraints within the existing legal framework. MOTI’s inability to secure additional space for DTRT and other manufacturers has been an important challenge for the industry for some time. The AVCA and AVCS continue to follow up with MOTI to encourage it to provide additional space and assist with this effort.

1.4.1.9 AGAM

The AVCA and AVCS raised the subject of space allocation for the Secretariat of AGAM at the meeting with Mr. Nyarko-Mensah. One of AGAM’s first activities will be appointing a Secretary General. It became clear from the meeting with Mr. Nyarko-Mensah that he expected the space allocation to occur soon.

1.5 CÔTE D’IVOIRE

A USAID Mission will be set up in Côte d’Ivoire, which will allow Trade Hub to support the apparel sector more closely within the country. Some members of Trade Hub advocated for addressing opportunities in the textile sector. It should be noted that revitalizing the textile industry would entail significant investments and would require a long term effort, as the industry is essentially defunct, and it

would require revitalizing a machinery park with mostly outdated equipment. Though an African print mill exists, the market for this commodity fabric is diminishing and under constant threat from cheap imports from the East.

Although not an area in which Trade Hub is involved, the Government of RCI (GoRCI) should not neglect its cotton growing and ginning sector.

The work plan for RCI was discussed during the previous AVCA's mission in August 2015.

Due to safety concerns in Côte d'Ivoire, the planned trip had to be cancelled and will be rescheduled for the AVCA's next trip in June 2016.

1.6 BENIN

On March 21, the AVCA and AVCS visited Benin, holding meetings with Mr. Isidore Kouton, owner of ANC, and Mr. S. Joël Kiniffo, Direction Générale des investissements et du Financement du Développement.

The discussions with ANC focused on two topics:

1. Trial orders through EAA
2. Investment plans, mainly concentrated on solar energy

EAA recently audited ANC to evaluate the facility and prepare a list of recommendations in order to meet required production standards.

The factory is divided into five floors, which limits ANC's ability to create an optimal layout. The current layout is as follows:

- Ground floor: main entrance, storey finished goods, embroidery, ironing packaging
- First floor: warehouse raw materials
- Second floor: cutting, sewing
- Third floor: sewing (all new machines) and sample room
- Fourth floor: offices and room for electronic pattern machine
- Fifth floor: apartment and big terrace

Most of the Trade Hub's recommendations have already been implemented or are close to being implemented. One of the main outstanding issues is positioning of the escape ladder, which is not in an optimal location. Mr. Kouton has had several unsuccessful consultations to try to find a solution.

Regarding health care, ANC has allotted a monthly allowance for basic medical insurance. A clinic close to the factory is now in charge of first aid. ANC still has not decided on a policy to provide lunch or provide a food allowance. Coming to an agreement with its workers on this issue has proved difficult. Workers will have access to water dispensers on each production floor, which should arrive by the week of March 28.

ENERGY SUPPLY

ANC is facing significant problems with its energy supply. The factory is cut off from the grid almost 10 days each month, and power has to be supplied by a generator. The existing generator has insufficient capacity to “feed” the factory when it runs at full capacity, so Mr. Kouton is planning to buy a new generator and for an estimated US\$51,000.

EAA connected the team with Mr. Georg Baunach of Etility Energy, based in Accra. Etility Energy offers consulting for energy efficiency solutions and manages larger scale projects to install solar energy solutions.

ANC is very interested in solar energy solutions. Just before leaving for Benin, an Etility representative sent ANC a short questionnaire on its energy needs (the questionnaire is included as Annex A). Based on the results of the questionnaire, Etility will prepare a draft proposal for Mr. Kouton.

Investing in solar power instead of a new generator would create a unique selling point for ANC, particularly to U.S. and European buyers and brands that want to showcase suppliers using alternative energy sources.

The article below from September 2014 provides a good example of a manufacturing garment operation using solar power:

Fiji Times Online

Ropate Valemei

Wednesday, September 17, 2014

ONE of the leading Pacific solar energy providers has installed a 273kW roof mounted solar photovoltaic (PV) array to provide clean, reliable energy at the Mark One Apparel's Suva textile factory.

Sunergise system will produce an impressive 350MWh of renewable electricity annually, and displace more than 260 tons of carbon dioxide, the equivalent of planting 1300 trees.

Sunergise director Ajay Raniga says the Fijian Made label has come to represent a hallmark of high standards and great value.

"We are delighted to be partnering with Mark One, one of Fiji's premier clothing exporters, to keep Fiji at the forefront of this global industry.

"Solar powering Mark One's factory will enable the company to continue their tradition of producing high quality clothing that embodies environmental sustainability, a commitment that is at the heart of the Fijian Made ethos."

He said the solar panels, installed by Sunergise's engineering partner Clay Energy, would enable Mark One to save thousands of dollars in electricity costs and "green" its carbon footprint.

The only specialist in men's shirts and women's blouses in the Pacific region, and renowned for quality manufacturing, Mark One Apparel is committed to leading the way with state-of-the-art technology and practices.

Mark One Apparel chairman Mark Halabe said there was a good feeling about knowing most of their power was from a renewable source with the added knowledge they were saving money every month.

With these savings, he said this would allow a slight competitive edge while also attracting new customers who valued their commitment for an environmentally sustainable energy source.

GOVERNMENT OF BENIN

The meeting with Mr. S. Joël Kiniffo, Direction Générale des investissements et du Financement du Développement, took place at his office at the Ministry.

The Government of Benin has chosen the textile and apparel sectors as two of the most important sectors to support in order to increase Benin's exports under the African Growth and Opportunity Act (AGOA) Trade Agreement and to create sustainable jobs.

Benin has a number of vertically integrated textile mills located in the north of the country, and the government is eager to bring at least one or two of these factories back online to process cotton from Benin. Mr. Kiniffo asked the AVCA and AVCS to schedule a visit to see these factories and to come up with recommendations.

The Government of Benin is in the process of adopting and implementing its final AGOA strategy. Although elections just took place and the opposition will take over power, Mr. Kiniffo does not expect this process to slow down, as all parties realize the importance of AGOA.

The Ministry understands that significant efforts will be needed to improve infrastructure (i.e., roads, communication, and electricity supply), train labor (No technical institutes are available in the country to train the potential workforce in textiles or other disciplines.), and increase access to finance. Banks in Benin do not have experience working with the private sector to provide finance.

2. ANALYSIS AND RECOMMENDATIONS

Firm-specific recommendations are bolded throughout this Mission Report. More general analysis and recommendations are included below:

In the previous AVCA's July 2015 Technical Trip Report, the apparel team indicated that it was time to vigorously re-engage the Government of Ghana and MOTI to prioritize the apparel industry as its number one employment creation opportunity. The extension of AGOA and the third country fabric provision for the next 10 years, together with the apparel team's capacity building workshop for the government, proved to be a necessary catalyst. The export strategy and work plan designed by the Trade Hub apparel team are set to be incorporated in MOTI's National Export Development Strategy 2015-2019.

The current AVCA worked with Ghana's apparel industry in 2011 and 2012. It is encouraging to see the industry's progress since that time, including the successful progress of DTRT. Fueled by the work of EAA and the AVCS, a few other companies are nearing the point of producing trial orders for new export customers, and through continuous support, could achieve production levels comparable to DTRT.

One key hurdle to facilitating investments, in particular foreign direct investment, as well as expanding existing players, has been a lack of service factory space available. MOTI's initiative of appointing an independent company to audit factory space and rental agreements should help more facilities become available. As a sign of its commitment to this goal, MOTI has not limited this initiative to Accra and Tema Garment Village Free Zones, but is also including the Shama Free Zone near Takoradi.

This process will take time. West Africa is not particularly on the radar as a potential production location for garments yet, although foreign investors are becoming increasingly interested in investing in the region's textile sector. The Trade Hub is helping to raise the profile of West Africa's garment industry, and is considering participating again in the Sourcing at MAGIC tradeshow in Las Vegas, NV (US) in February 2017.

The Trade Hub apparel team has recommended that AGAM include the MOTI Technical Advisor in Export Trade Development¹ in both meetings with board members and AGAM members, and to include the AVCS as an observer. This would also provide the AVCS with the opportunity to meet and start up a dialogue with decision makers at the highest level of government, which has not yet happened.

¹ The MOTI Technical Advisor in Export Trade Development (Mr. Gerald Nyarko-Mensah) is the key person at MOTI that has taken Trade Hub's proposed apparel export strategy to heart and incorporated it in to MOTI's National Export Development Strategy workplan.

3. FOLLOW UP

3.1 UPCOMING ACTIVITIES

3.1.1 GHANA

MOTI

- Mr. Kofi Nuhu will come up with a proposal as a representative of MOTI to set up training modules for potential machine operators.
- DTRT urgently needs additional space for expansion. This subject was discussed several times with multiple stakeholders including Mr. Gerald Nyarko-Mensah, MOTI's Technical Advisor for Export Trade Development. Unfortunately, progress is stalled. A first hearing at the Accra court took place at the end of March to see how additional space could be created.
- MOTI needs to allocate office space to AGAM soon, so the association can start executing activities. AGAM and MOTI have already agreed on the proposed activities to promote partners involved in apparel exports. Mr. Nyarko-Mensah is responsible for moving this forward.
- The Trade Hub will follow up with MOTI on its conversations with potential investors who may be interested in manufacturing garments in Ghana for the U.S. market.
 - The Trade Hub will meet with the Ghana Investment Promotion Center (GIPC) and MOTI to discuss a potential investment roadmap geared to the apparel industry. The Trade Hub will investigate where it could assist MOTI based on the needs of buyers and investors. This will also allow the Trade Hub to caution GIPC of "backing" the wrong companies through soliciting joint venture opportunities.
- The Trade Hub will respond to the inquiry from MOTI's Public Relations/Communications Manager with practical and user-friendly information on AGOA to incorporate on MOTI's website.
- The AVCS will follow up with AGAM to attend its bi-monthly meetings with the Deputy Minister of Trade and Industry and subsequently with the Minister as well.

Rim Artex

- Mr. Karim, CEO of Rim Artex, will present a TOR to establish a pattern design training school.

EFI

- EFI-Accra is offering training to local designers and training sewing operators. This project will soon end, and it is strongly recommended that the Trade Hub meet with the partners soon to determine how a second phase can be designed and implemented.

AGAM

- AGAM should start the procedure to appoint a General Secretary. Ideally, this secretary could start immediately after MOTI allocates the office space.

3.1.2 BENIN

- Mr. S. Joël Kiniffo, Direction Générale des investissements et du Financement du Développement, requested the AVCS and AVCA make a trip to the north of Benin to do a quick assessment of the existing vertical textile industry there. Although this is not a top priority for Trade Hub, the AVCA can allocate two days at some point during a future mission to Benin to comply with this request.
- The Trade Hub will follow up with Mr. Kiniffo regarding the adoption and implementation of the AGOA Trade Agreement.

3.1.3 CÔTE D'IVOIRE

- The AVCS and AVCA will conduct a scouting trip to Côte d'Ivoire in June to continue discussions with government stakeholders such as APEX-CI, the Ministry of Trade and Industry, and the Chamber of Commerce. They will also meet with companies that could become export-ready with technical assistance. Demonstrating to the government the potential of these companies can emphasize the importance of prioritizing the apparel sector in its development strategy. Supporting the apparel sector can have greater returns for a given amount of government effort and resources than the textile sector. Still, the government's current plan is heavily oriented to the textile industry.

A draft TOR for the AVCA's next mission to Ghana and Côte d'Ivoire is included as Annex B.

ANNEX A: QUESTIONNAIRE ON ANC'S ENERGY NEEDS

Description	Brand, model (if possible)	Quantity	Picture of spec plate	Usage (days/week)	Usage (hours/day)	# of machines used currently	# of machines used in future	Note
Light bulbs								
Sewing machine, type 1			One Clutch and one needle positioner per machine?	5				
Sewing machine, type 2	Only if not similar to sewing machine, type 1 in terms of Watt.				Only if not similar to sewing machine, type 1 in terms of usage.			
Sewing machine, type 3								
Sewing machine, type ...				5				
Embroidery machine		1		5		1	1	
Ironing table	Tongfa	3	What is the stamped KW?	5		3	3	
Fusion press				5				
Special machine, type 1				5				
Special machine, type 2	Only if not similar to special machine, type 1 in terms of Watt.			5	Only if not similar to sewing machine, type 1 in terms of usage.			
Special machine, type 3				5				
Special machine, type 4				5				
Special machine, type 5				5				
Special machine, type ...				5				
Gerber system		1		5		1	1	
Ac's	LG	5		5		3	5	
Fans		10		5			10	

ANNEX B: DRAFT TOR FOR AVCA'S NEXT MISSION

Terms of Reference West Africa Trade and Investment Hub

Program for Expanding Apparel Industry Growth and Exports
Apparel Value Chain Advisor (AVCA) - Short Term Technical Assistance: June 9-28, 2016

I. Project Background

USAID/West Africa's mission-wide goal is the West African led advancement of social and economic well-being. This goal is supported by several development objectives, including "broad-based economic growth and resilience advanced through West African partners." The West Africa Trade and Investment Hub (the "Trade Hub") contributes to this development objective by achieving two critical intermediate results:

- 1) Improving the capacity of West Africa's farmers and firms in targeted regional and global value chains.
- 2) Improving the business enabling environment by addressing transport constraints and trade barriers affecting the efficiency of the region's corridors and borders.

The Trade Hub works through regional private sector associations and regional governmental entities to help channel partners' efforts to address critical constraints to trade competitiveness, capture opportunities to expand regional and global trade, demonstrate West Africa's productive potential to investors, and facilitate greater investment in the region.

The project is building the capacity of several key groups of African partners—regional private sector associations and alliances, the Economic Community of West African States (ECOWAS), and the Economic and Monetary Union of West Africa (UEMOA). As the Trade Hub works with associations and regional alliances, it helps them serve as leaders in promoting reforms, attracting buyers and investors, and adopting improved practices.

The Trade Hub's major components are:

- Regional staple foods development (livestock and grains)
- Global value chain development (targeted agro-processing and manufactured consumer goods)
- Finance and investment
- Transport and the trade enabling environment
- Capacity building
- Communications
- Administration and management, including grants administration

2. Context for this Assignment

AGOA's extension for the next 10 years holds significant importance for apparel export manufacturing factories in Africa. This is especially true in West Africa, where countries have not yet taken full advantage of the opportunities this trade agreement offers.

In Ghana, the Trade Hub was instrumental in helping revive AGAM, which is now advocating to the Ministry of Trade and Industry (MOTI) and its agencies. The Trade Hub was also instrumental during FY2015 in working with the Government of Ghana to ensure it met its commitments with Dignity/Do the Right Thing (DTRT) for training funds, enabling DTRT to maintain and grow its work force.

During FY2015, Trade Hub engaged with the Government of Ghana on the status of the apparel sector locally and internationally and was instrumental in helping the government to define an apparel sector strategy. The actions needed to prepare Ghana for apparel sector growth are clearly recognized—notably ensuring the availability of service factory space. The Trade Hub's continued engagement with the apparel value chain in Ghana depends, in large measure, on the government's readiness to take action to implement the sector strategy. Once key constraints are addressed, the Trade Hub will work with Ghanaian agencies to identify and attract potential new investors. There are signs that forward progress is being made.

In Benin, the Trade Hub was instrumental in assisting the government to revise its strategy to focus on the apparel (vs. textiles) sector, and has provided assistance to Benin-based apparel firm Africa New Confection (ANC), helping it to emerge as an effective champion to export capability development. In Côte d'Ivoire, the Trade Hub commenced a dialogue and industry assessment with the government and apparel companies.

The Trade Hub worked closely during FY2015 with Ethical Apparel Africa (EAA) (previously Made in Africa) to identify five companies with the capability to develop exports and support several initiatives that have won interest and trial orders from international buyers.

In recent studies and reports, McKinsey among others, Africa is identified as the next apparel sourcing destination; however, the West African potential still remains untapped, irrespective of demonstrations by East and Southern Africa. The opportunity is now to take full advantage of the opportunity that AGOA offers.

The WATIH FY16 work plan includes the following objective and strategies:

- To grow the apparel export manufacturing sector in the focus countries (Benin, Côte d'Ivoire and Ghana) to take advantage of AGOA opportunities.

Strategies to Achieve the Objective:

- Strategy #1: Continue collaboration with EAA fair trade, niche and mass production export program
- Strategy #2: Provide ongoing support and technical assistance to the Ghana MOTI and its agencies to implement the apparel work plan
- Strategy #3: Continue to support ANC and the Government of Benin's focus on the apparel sector to achieve export plans
- Strategy #4: Identify and pursue opportunities to realize investments in the apparel sector

- Strategy #5: Investigate Côte d'Ivoire's intervention opportunities (including identification of export-ready companies), and as appropriate, assist in developing a plan of action

3. Tasks

The AVCA will work with the AVCS to:

1. Follow up with key government agencies and other stakeholders in Ghana on activities and updates within the apparel sector. Specifically, the AVCS and AVCA will:
 - a. Provide support and technical assistance to the Ghana MOTI and its agencies to implement the apparel work plan and provide technical support for selected factories.
 - b. Follow up on the request of the Director of Manufacturing to further discuss areas of possible immediate collaboration, more specifically to provide input for the drafting of a training program for machine operators and middle management staff.
 - c. Meet with AGAM for a needs assessment to enable a strategic approach and practical recommendation for a more dynamic association – Secretariat for the Association, hiring of the appropriate staff (e.g., Secretary General) and services to be provided.
2. Follow up with EAA and partnering factories in Ghana and Benin to further identify possible areas of technical assistance, including the hiring of production managers for KAD Manufacturing and ANC to ensure successful execution of secured orders.
3. Follow up with EAA and the Trade Hub on the proposed collaboration with the Ethical Fashion Initiative (EFI) on the inclusion of a Digital Pattern Making system for EFI's "Product Development Centre" as part of the Phase 2 project.
4. Follow up with MOTI regarding proposal setting up training facilities for potential workers in the garment sector.
5. Together with EAA, define a strategic approach to encourage the Government of Côte d'Ivoire to support identified apparel manufacturing factories.
6. Together with the Trade Hub apparel team, conduct a scouting trip to Abidjan to (1) identify potential export-ready factories in the apparel sector, (2) gain familiarity with ongoing sector activities and meet key stakeholders like APEX-CI, Ministry of Trade and Industry, Chamber of Commerce, and, if they exist, textile/garment associations; and (3) in the textile sector, establish contacts and relationships to facilitate a more detailed study of the sector.

4. Expected Results or Deliverables

Expected results and deliverables are:

- Improved and expedited implementation of work plan initiatives by the Government of Ghana.
- Continued realization of collaboration amongst key stakeholders in the Ghanaian value chain, such as AGAM, service providers, MOTI, and other government institutions that play a critical role in attracting companies to invest or expand.
- A strategy and action plan to encourage the Government of Côte d'Ivoire to support identified apparel manufacturing factories.
- A Scope of Work to carry out an analysis and benchmarking of the textile industry that will help to guide Trade Hub, USAID/Abidjan, the Government of Côte d'Ivoire and private actors in developing strategies, actions, and programs to revive and build the competitiveness of the textile industry.

At the end of the assignment, the AVCA will produce a report using the established Trade Hub report template covering all trip activities.

5. Estimated Schedule and Level of Effort

Task	Date	LOE (days)
Prep work at home base	June 9,10	2
Travel to Accra (Ghana)	June 12	1
Work in Accra	June 13, 14	2
Travel to Abidjan (Côte d'Ivoire)	June 15	1
Work in Abidjan	June 16-21	5
Return to Accra	June 22	1
Work in Accra	June 23-27	4
Depart Accra	June 28	1
Finalize reports	June 28-July 8	2
Total		19

6. Reporting Relationships

The ACVA will report to the Global Value Chain Coordinator and Value Chain Component Leader during this assignment. The AVCA will work closely with the AVCS.