



USAID
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EVALUATION

Evaluation of West Africa Trade-Related Projects

May 8, 2012

This report was produced for review by the United States Agency for International Development (USAID). It was prepared by Development & Training Services, Inc. (dTS).



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Rice Processing in Burkina Faso



Onion Transport in Burkina Faso



Meat Market, Dakar, Senegal



Garment Export Factory,
Tema, Ghana

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The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government (USG).

ACRONYMS

ACA	African Cashew Alliance
ACET	Associated Commodities Exporters and Traders
ADVANCE	Agricultural Development and Value Chain Enhancement Program–Ghana/USAID
AFD	Agence Française de Développement (French Development Agency)
AGCI	African Global Competitiveness Initiative
AGOA	African Growth and Opportunity Act
AGRITA	Agribusiness and Trade Association (Maize cooperative in Ejura, Ghana)
AGRA	Alliance for a Green Revolution in Africa
AI	Avian Influenza
AIMS	African Investors Management Services
ALCO	Abidjan Lagos Corridor Organization
AMASSA	Association Malienne pour la Sécurité et la Souveraineté Alimentaires
APROSSA	Association pour la Promotion de la Sécurité et de la Souveraineté Alimentaires au Burkina
ARC	AGOA Resource Center
ASEPEX	Agence Sénégalaise de Promotion des Exportations (Senegalese Export Promotion Agency)
ATP	Agribusiness and Trade Promotion Project
BRS	Banque Régionale de Solidarité
CAADP	Comprehensive African Agricultural Development Program
CBC	Conseil Burkinabè des Chargeurs (Burkina Faso Shippers Council)
CET	Common External Tariff
CFA	Currency unit for the Franc Zone in West Africa : Communauté Financière Africaine
CIC-B	Comité Interprofessionnel des Céréales du Burkina Faso
CIR-B	Comité Interprofessionnel du Riz-Burkina
CILSS	Comité permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel
COFENABVI	Confédération des Fédérations Nationales des Filières Bétail Viande des Pays Membres de l'UEMOA
COP	Chief of Party
CSO	Civil Society Organization
CY	Calendar Year
CET	Common External Tariff
DCA	Development Credit Authority (USAID)
DCOP	Deputy Chief of Party
DFID	Department for International Development (U.K.)
DMDA	Dawanu Market Development Association (Kano, Nigeria)
DOC	Day-Old Chicks
DSI	Département des Services Informatiques (Information Services Department), UEMOA
dTS	Development & Training Services, Inc.
E-ATP	Enhanced Agribusiness and Trade Promotion Project
ECOBIZ	Economic Community of Business Information System, an ECOWAS tool
ECOWAP	Economic Community of West African States Agricultural Policy
ECOWAS	Economic Community of West African States
EDIF	Export Development and Investment Fund
EGAT	Economic Growth, Agriculture and Trade (USAID/Washington)

EMMP	Environmental Mitigation and Monitoring Plan
ENCAP	Environmentally Sound Design and Management Capacity-Building for Partners and Programs in Africa
EPA	Economic Partnership Agreement
ERC	Export-Ready Company
ERF	Environmental Review Form
ERR	Environmental Review Report
ESE	European Seafood Exposition
ETLS	ECOWAS Trade Liberalization Scheme
EU	European Union
FAO	Food and Agriculture Organization (United Nations)
FCFA	Franc CFA: Currency of the Franc Zone in West Africa. Communauté Financière Africaine
F&S	Fish & Seafood
FOB	Free On Board
FTA	Free Trade Area
FTF	Feed the Future
FY	Fiscal Year
FP	Focal Point
GAMA	Ghana Apparel Manufacturers' Association
GAPTO	Ghana Agricultural Producers and Traders Organization
GDA	Global Development Alliance
GDP	Gross Domestic Product
GFSR	Global Food Security Response
GNAPF	Ghana National Association of Poultry Farmers
GSMA	Global System for Mobile Communications Association
GS2010	Global Shea 2010
GSP	General System of Preferences
GTZ	Gesellschaft für Technische Zusammenarbeit (Former name for German Aid Agency)
GIZ	Gesellschaft für Internationale Zusammenarbeit (New German Aid Agency)
GSP	Generalized System of Preferences
HACCP	Hazard Analysis and Critical Control Point
HDFA	Home Décor and Fashion Accessories
ICT	Information and Communication Technology
IEE	Initial Environmental Examination
IESC	International Executive Service Corps
IFAD	International Fund for Agricultural Development
IFANET	Information Aid Network
IFDC	International Fertilizer Development Center
IFC	International Finance Corporation
IPM	Integrated Pest Management
IT	Information Technology
ITU	International Telecommunications Union
IRTG	Improved Road Transport Governance
JAAL	Journées Agroalimentaires – Burkina Faso
LOP	Life of Project
M&E	Monitoring & Evaluation

MARKETS	Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites–Nigeria/USAID
MCC	Millennium Challenge Corporation
MIDA	Millennium Development Authority (MCC Ghana)
MIS	Market Information System
MISTOWA	Market Information Systems for Traders Organizations in West Africa (former USAID project - predecessor to Esoko)
MOU	Memorandum of Understanding
MTN	Mobile Telephone Networks
NEPAD	New Partnership for Africa’s Development
NEPC	Nigerian Export Promotion Council
NGO	Non-Governmental Organization
ONFO	Organisation Nationale de la Filière Oignon (Burkina Faso)
OPA	Observatoire des Pratiques Anormales (French name for IRTG initiative)
OPIC	Overseas Private Investment Corporation
ORO/AOC	Observatoire Régional de la Filière Oignon-Afrique de l’Ouest et du Centre
PAFASP	Programme d’Appui aux Filières Agro-Sylvo-Pastorales (Burkina Faso)
PAN	Poultry Association of Nigeria
PCE	Projet de Croissance Economique (USAID - Senegal)
PIVA	Partner Institutional Viability Assessment (USAID diagnostic tool)
PMP	Performance Monitoring Plan
PPP	Public-Private Partnership
PWS	Policy Watch System
RESIMAO	Réseau des Systèmes d’Information de Marché de l’Afrique de l’Ouest
ROESAO	Réseau des Operateurs Économiques du Secteur de l’Agroalimentaire de l’Afrique de l’Ouest
ROPPA	Réseau des Organisations Paysannes et des Producteurs Agricoles d’Afrique de l’Ouest
RRTC	Reduced Road Transport Costs
RTIS	Regional Trade Information System
SAGIC	Senegal Accelerated Growth and Increased Competitiveness
SIAO	Salon International de l’Artisanal de Ouagadougou
SIDIM	Salon International du Design d’Intérieur de Montréal
SME	Small and Medium Enterprise
SOW	Scope of Work
SMS	Short Message Service (E mail message)
SNV	Netherlands Development Organization
SPS	Sanitary and Phyto-Sanitary
SRI	Système de Riziculture Intensive
SSATP	Sub-Saharan Africa Transport Program
SWOT	Strengths, Weaknesses, Opportunities and Threats (diagnostic tool)
TIC	Trade and Investment Capacity
TIPCEE	Trade and Investment Program for a Competitive Export Economy–Ghana (former USAID agricultural export project)
ToR	Terms of Reference
ToT	Training of Trainers
UBA	United Bank for Africa
UCOVISA	Union des Coopératives du Vivrier des Savanes
UEMOA	Union Economique et Monétaire Ouest Africaine (WAEMU in English)

UGCPA-BM	Union des Groupements pour la Commercialisation des Produits Agricoles de la Boucle du Mouhoun
UNERIZ	Union Nationale des Etuveuses de Riz du Burkina Faso
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
USTR	United States Trade Representative
VAO	Village Artisanal de Ouagadougou, Burkina Faso
VAT	Value-Added Tax
VC	Value Chain
VCDP	Value Chain Development Plan
WA	West Africa
WAEMU	West African Economic and Monetary Union (UEMOA in French)
WAML	West Africa Market Links, Ghana
WASSDA	West Africa Sustainable Seafood Development Alliance
WATP	West African Trade Project
WATH	West Africa Trade Hub Project
WB	World Bank
WTO	World Trade Organization

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EXECUTIVE SUMMARY

This report presents the results of an evaluation of the performance of the West Africa Trade Hub (the Trade Hub), which focuses on export-ready companies, and two regional trade projects the Agribusiness and Trade Promotion Project (ATP) and the Extended-ATP (E-ATP), which focus on promoting regional trade within West Africa for value chains including grains, cattle, poultry, and onions. When discussing the latter projects in this report, they are collectively referred to as E/ATP, and All three projects conducted a tremendous amount of training and capacity building to build commodity associations and help individual companies and producer organizations improve their performance and exports. The challenges addressed, such as nontariff barriers to free trade in Africa, transport impediments, the severe shortage of credit for agribusiness, and marketing and policy issues were substantial and the projects undertook short-term and medium-term activities that met those challenges and in the process built capacity for the future and expanded trade.

The Trade Hub, under the current evaluation period (2007-2011) achieved a number of successes, directly facilitating \$178 million of private sector exports by small companies for non-traditional exports to America and Europe. E/ATP launched in 2009, specifically dealt with very small producers and their production and marketing organizations achieving success in expanding marketing information and contacts, introducing technological improvements, and building capacity in key producer and trader organizations, in a short time frame. Regional trade registered in these commodities by the trade monitoring system that E/ATP set up reached \$392 million in 2009/10 including cattle (\$293 million), onions (\$44 million), maize (\$15 million), sorghum (\$13.4 million), millet (\$12.9 million), parboiled rice (\$7.7 million), and poultry day-old chicks (\$6.8 million).

This evaluation looks at achievements in five cross-cutting areas:

1. Export promotion
2. Transportation impediments
3. Market information systems/information technology (MIS/IT),
4. Access to finance
5. Enabling environment/policy issues.

Separate sections are included on gender issues and environmental issues. Generally, all three projects helped private sector traders create modern business systems; introduce record keeping systems; helped companies and organizations develop realistic business planning, marketing, and credit proposals; encouraged financial institutions to provide sorely lacking credit, and helped West African regional associations and governments realize important advances toward their stated goals of having free trade in West Africa. The evaluation looks into these issues, comments on those working well and those needing adjustment, and recommends a framework for the best way for future USAID regional trade promotion programs to effectively interact with the active USAID bilateral programs that are operating in many of the countries of focus. (The five issues are discussed further in Chapter 6.)

For the Trade Hub, programs generally seem to be well managed and working well, meeting or surpassing most of the targets set by USAID. E/ATP also met or exceeded many of the USAID targets and many of its activities were very effective. The evaluation recommends modifying some of the tools and methods used by future regional projects to facilitate regional trade. Those suggestions include expanding cooperation of the private MIS networks supported by E/ATP with similar alternative public MIS systems. In addition the evaluation recommends that a future regional trade project should limit itself more strictly to regional trade

issues, as opposed to production and local marketing activities, while building on and actively linking bilateral efforts by USAID programs, a process already well underway. The evaluation recommends more intensive use of regional workshops to encourage cross-regional linking of efforts between bilateral programs and their stakeholders. The regional program should concentrate on harmonizing regulations, standards, programs and policies, and other useful cross-regional tasks involving finance or information systems—basically reinforce and expand upon successful efforts already undertaken. USAID programs are taking steps to prepare for a future trading system in West Africa more like the world-wide trading system, based on more formalized and reliable rules and practices that will make trading more efficient, lower costs, and increase the competitiveness of African products. Some large entities are already adopting many aspects of these formalized systems that use bank credit and permit them to purchase and sell based on written contracts, arbitration provisions, and standard commodity specifications. Modern communications systems and USAID training will speed the process of modernization for the entire commercial system.

GENDER: The three projects actively addressed gender issues by supporting many women entrepreneurs and encouraging local organizations to address gender issues. For example, E/ATP led some apex organizations to include women in their board, such as the rice association Comité Interprofessionnel du Riz-Burkina (CIR-B), and the livestock association Confédération des Fédérations Nationales des Filières Bétail Viande des Pays Membres de l'UEMOA (COFENABVI), and many activities focused on elements of the value chain which are mainly women run, such as parboiled rice in Burkina Faso. Linkages among business women increased with their participation in commercial fairs and they developed new contacts through ATP/E-ATP activities (Gender related activities and results are further discussed in Chapter 8).

ENVIRONMENTAL COMPLIANCE: On environmental issues, the team found the projects were in compliance, but recommends for future marketing projects further spot checking of document validity in the case of wood products, or linkage to other projects that can verify sustainable forestry practices. On fish, the evaluation finds that overly restrictive conditions set in the project environmental requirements (100 percent compliance) prevented the USAID Trade Hub from doing useful work with sustainable fisheries in Senegal and elsewhere. Future programs in other areas such as livestock also will have environmental consequences that projects will need to consider in order to comply with U.S. law. Ideally, linkages between USAID environmental and marketing programs should be included in the project design of both types of programs (e.g., the new sustainable forestry program currently being designed for several West African countries). Findings and recommendations regarding environmental compliance are presented in Chapter 8 and Annex C.

CONCLUSIONS AND RECOMMENDATIONS:

Following is a table of findings, conclusions, and recommendations. Additional information, including indicators and achievements, background, and findings are shown together with these conclusions and recommendations in Chapter 6.

TABLE SUMMARIZING MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Findings	Major Conclusions	Major Recommendations
<p>TRADE HUB EXPORT PROMOTION: The Trade Hub met or exceeded their performance indicators. It was active in trade shows, providing export “tool kits,” and supporting 13 AGOA resource centers. According to surveys of beneficiaries, Hub efforts resulted directly in \$178 million of exports during the evaluation period. Examples include:</p> <ul style="list-style-type: none"> • A handicraft exporter stated while Ghanaian banks charge 35 to 40 percent interest the Trade Hub helped him with social capital financing at 14 percent and later at 11 percent, ultimately tripling his sales. • A home décor exporter has been active with the Hub in setting up a network of Senegalese artisans, eventually establishing a U.S. warehouse on her own. • Food processors appreciated Hub help, expressing a desire for a warehouse and distributor in the United States. Hub support led to the development of a successful Cashew Alliance and substantial investment in West African cashew processing. 	<p>In sum, Trade Hub activities are working well, and there is substantial scope for continuing these programs, building capacity, and helping export-ready companies to access American and European markets.</p>	<p>Trade Hub Activities promoting exports by export-ready companies should be continued.</p>
<p>E/ATP EXPORT PROMOTION: E/ATP met or exceeded almost all of their performance indicators including value of new exports, new technologies/practices implemented, and associations assisted, , number of firms benefitting, and training programs. E/ATP activities witnessed a 26 percent increase in exports over the base</p>	<p>For regional trade programs, the most important inefficiencies to address are transport impediments, lack of finance, and harmonization of production and commercial practices across the region. A small regional export promotion staff could usefully organize and fund annual value chain workshops for USAID bilateral</p>	<p>Continue to support regional programs that are needed to help make the marketing system more efficient and bring some new players into the market information system.</p>

<p>period in regional trade according to the trade flow measurement system of the project. For example, AGRITA, a maize farmer cooperative in central Ghana, said E/ATP helped them increase production through training and assistance with applying for bank credit for fertilizer and tractor loans.</p> <p>E/ATP was also active in helping parboiled rice processors, sheep and cattle shippers, onion producers and traders, regional trade in poultry chicks, feedlots, sorghum producers and processors, and butchers.</p>	<p>missions followed by annual stakeholder workshops for each value chain to expand marketing contacts, to find cross region synergies for regional trade activities, and to include some stakeholders from countries with no USAID bilateral value chain activities.</p>	
<p>TRANSPORT CORRIDORS: The Trade Hub and E/ATP contributed data for 16 transport reports of UEMOA, the West African Franc Zone organization, reporting bribes and delays. The Hub met or exceeded performance targets except for reducing overall transport costs, and E/ATP met or exceeded performance targets except for implementing policy reforms. Illegal checkpoints and bribes were reduced, but not eliminated. Police and customs officials, who originally denied the extent of the problem, have accepted invitations to participate in “road shows” to try and address the problems, and truckers have been educated on the rules and their rights. Official and private sources have stated that USAID work on truck transport obstacles is very important and could not be done effectively by national organizations. Indeed, Trade HUB and E/ATP work to publicize transport impediments seems to have virtually universal</p>	<p>The Trade Hub concentrates on vehicles that are certified and sealed, and are supposed to pass through without stops except at the border, but road transport remains a challenge. While the current cost of transport bribes is small relative to cargo values and efforts to stop bribes have not been fully effective, the transport work is important because it has reduced bribes and delays and it enlists national and regional authorities to actively support efforts to resolve regional trade problems. Delays may be even more important than bribes particularly for perishable goods. A new initiative by the Trade Hub to facilitate more efficient cross border traffic between Ghana and Togo is promising and will be expanded if successful.</p> <p>Unmet needs include computerized booking for trucks returning empty, and truck certification for non-containerized cargoes in addition to the</p>	<ul style="list-style-type: none"> • Work to facilitate transport should be continued by the Trade Hub, expanding beyond sealed transit cargoes to include activities with truckers of other commodities such as bulk grains, previously covered by E/ATP. • Strengthen industry advocacy. • Formal computerized systems to book backhaul freight should be introduced in major commercial centers throughout the region and a linkage to the USAID-supported MIS network should be considered. • Truck certification and assistance to promote industry certification of conformity (weight, documents) at point of origin for trucks carrying grain and livestock and other bulk products should also be considered.

<p>support.</p> <p>The projects have not been active in trying to facilitate faster/cheaper imports at the ports and port inefficiencies exist.</p>	<p>certifications already done for containerized shipments.</p>	
<p>MARKET INFORMATION SYSTEM & INFORMATION TECHNOLOGY: The Trade Hub was not active in MIS systems, but was active in other information and communication technology (ICT) assistance to its clients. The Trade Hub met or exceeded a number of its indicators except in companies using ICT value added services, new services being used, number of companies getting ICT training, and broad band expansion. It exceeded targets in ICT trainees, including women trainees and dollars leveraged for ICT infrastructure projects. E/ATP exceeded its targets in number of users and on bids and offers (about 2000 each). The average bids and offers were substantially below truckload size, except for livestock. The system had problems with data reliability and with many traders reluctant or unable to read text messages, but some contacts of the team found the system valuable and there seemed to be considerable potential for the future.</p> <p>The government-run RESIMAO system covering many commodities and markets in 10 countries was also set up with donor support to provide basic price information to the public, and it is operating efficiently in two countries and imperfectly in six others with respect to week-later Internet listings of wholesale market prices.</p>	<p>Although many experienced traders will likely rely on calling their own marketing contacts for price information, the major beneficiaries of the system who do not have alternative sources of price information, such as farmers and new to market traders, need free market price information. If the public MIS national/regional network were improved with donor funding and guidance, it may be more sustainable and effective for price discovery in markets and free public announcements of the prices. Nevertheless, for-profit MIS regional platforms (Esoko and Manobi) may have an important role to play in analyzing and packaging price information for target audiences and they may be more reliable than the ECOWAS Economic Community of Business Information System (ECOBIZ) in listing bids and offers. These private platforms could provide some services more efficiently and faster than the public sector and eventually could be supported at least in part by user fees.</p>	<ul style="list-style-type: none"> • Future projects should consider improving the RESIMAO price collection system currently sponsored by 10 West African governments and review country by country whether it continues to be desirable to support a parallel for-profit network for gathering and publishing the basic market price information or whether integration of efforts is feasible. • Consideration also should be given to providing support to the private system because it can have the advantage of “real time” prices—without a week’s delay and can tailor information to client needs. Synergies could be found between the public and private system. • Weekly radio announcements of wholesale and retail process in major markets in local languages should be encouraged. Also, consideration should be given to the continuation and expansion of Internet programs to announce sales (preferably of truckload quantities).

<p>FINANCE: Projects generally did not meet their indicator targets for finance, except that the Trade Hub exceeded its \$4 million life of project financing target, and E/ATP indicated that it leveraged substantial funds for cereals through technical assistance to develop business plans and sales to the Burkina Faso food security agency.</p> <p>Generally banks have been reluctant to make agribusiness loans, and interest rates are generally exorbitant. For example, some exporters in Ghana reported interest rates of over 30 percent. The Trade Hub got “social capital” off shore financing for a couple of exporters – at more reasonable rates – 11 to 14 percent in Ghana, 10 percent in Senegal.</p> <p>Some banks indicated that Trade Hub programs made them understand clients better and helped give them confidence to finance some of the Hub clients, who were helped in loan applications by consultants paid by the Hub.</p>	<p>Credit was a major constraint for production and trade—both the availability of credit and the cost.</p> <p>New programs such as use of warehouse receipts (still experimental) and finding offshore social capital lenders for export shippers are promising activities.</p>	<ul style="list-style-type: none"> • Helping companies to become bankable, make sensible decisions on credit based cash flow expectations, and achieve new and cheaper access to finance should remain a preoccupation of USAID regional projects. • Continue programs of the Trade Hub and E/ATP that help companies develop business planning and bankable proposals. • Educating bankers about opportunities and seeking new sources of financing are helpful and should be continued preferably with some non-USG money at risk.
<p>ENABLING ENVIRONMENT: The Trade Hub and E/ATP exceeded targets in training and help for policy reform, but E/ATP did not meet targets on regional trade organizations because these were largely absent.</p> <p>Both the Trade Hub and E/ATP launched programs to identify trade barriers, such as export permits required for regional trade (inconsistent with ECOWAS free trade commitments).</p> <p>The Trade Hub spearheaded the formation of the</p>	<p>The major policy work on the enabling environment has been in transport and border crossing between Ghana and Togo—an important sector where efforts, if successful, could improve African competitiveness across a wide range of commercial activities. There was also substantial work in identifying and publicizing continuing barriers to regional trade.</p> <p>Much of the work on harmonizing policies would likely be best pursued by USAID bilaterals, though a regional project could expand regional</p>	<ul style="list-style-type: none"> • USAID should support sustainable commodity associations that will take a role in promoting policies that provide an attractive enabling environment for their value chain. • Educating officials on sensible economic policies should be a continual process supported by donors and by local industry associations. • Coordination among donors on programs and policy messages should be

<p>highly successful Cashew Alliance and of the promising Shea Alliance, both of which can pursue regional policy issues related to trade. The Hub also funded some civil society groups that launched a campaign against road transport corruption.</p> <p>E/ATP got a ban lifted on trade in day old Ivorian chicks to Burkina Faso. Activities with the livestock associations were particularly productive.</p>	<p>support for and harmonization of such efforts.</p> <p>There are a number of policies that are even more crucial than road harassment. Increased production and yields will be influenced by policies on fertilizer, credit and marketing and those policies (e.g., fertilizer subsidies) will work better if they are harmonized across the region to discourage smuggling. Other important policies where regional programs can be active include harmonization of rules and practices and adoption of a common external tariff, and policies related to customs procedures and charges that differ in neighboring countries and create a problem of illegal commerce.</p>	<p>actively pursued.</p> <ul style="list-style-type: none"> • Regional activities should be coordinated with other donors and focus on key policies. • The regional project should continue the work of a regional policy expert and dedicate one session of each regional workshop to examine national and regional status of key policies, and agree on an action plan to address important issues at both the national and regional levels, and as appropriate include important stakeholders in countries without USAID bilateral value chain programs.
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1. PURPOSE AND SCOPE OF REPORT

USAID contracted Development and Training Services (dTS) to send a team to West Africa, visiting Ghana, Burkina Faso, Nigeria, and Senegal to evaluate the regional trade and export trade programs of three USAID programs: the West African Trade Hub (the Trade Hub), the Agribusiness and Trade Promotion Project (ATP), and the Expanded Agribusiness and Trade Promotion Project (E-ATP) for the period 2007-2011. The three projects have the objective of increasing cross-border trade to increase the incomes of people in originating countries, particularly small holders.

The evaluation team consisted of:

- Tom Pomeroy – Team Leader
- Elodie Ritzenthaler – Work on marketing issues, ECOWAS issues, and general report.
- Michael Brown – Environmental expert
- Victor Antwi – Help in Kumasi/Techiman/Ejura visits
- Idrissa Traore – Help in Burkina Faso visit

The evaluation team has been asked to evaluate the three projects within the following technical focus areas:

1. Export/Trade Promotion
2. Transport Corridors
3. MIS and IT
4. Finance
5. Agriculture and Trade Enabling Environment
6. Environmental Compliance

Most of the marketing review of this report is organized under the first five cross-cutting areas of focus, in some cases with separate discussion of the Trade Hub, which focused on exports outside the region and E/ATP, which focused on promoting regional trade within West Africa. Discussion of environmental issues is discussed separately in Chapter 8 and in Annex C. A listing of all performance indicators and achievements is included in the detailed discussions under each of the five cross-cutting areas and there is a separate section on gender in Chapter 7. The statement of work for the evaluation is given in the Annex A and specific questions in the scope of work (SOW) are listed with responses in Chapter 7. A summary of the evaluation methodology and limitations is provided in Chapter 3 along with a summary table of the contacts and interviews on which the findings are based. Information on the main contacts is provided in Annex E and a bibliography is provided in Annex F.

2. BACKGROUND ON THE TRADE HUB AND E/ATP

USAID's West African Trade Hub (the Trade Hub) was initiated in 2003 under the President's African Global Competitiveness Initiative (AGCI) and a new contract was established in 2007—the subject of the current evaluation. The Trade Hub's overall goal is to help West African companies compete in international markets through direct technical assistance and expert consulting and also by addressing barriers to trade that individual companies cannot overcome on their own, such as inefficient road transport and lack of access to finance.

A major goal at the outset was to promote exports to the United States under the African Growth and Opportunity Act (AGOA) program and preferential customs duties. As these exports proved difficult, particularly with respect to competition with cheaper food products produced in Central America, the focus was broadened to include major markets in Europe, which had easier commercial ties and transportation routes. In the last few years both air and sea shipment options to the United States have improved and many African exporters are interested in pursuing markets in the United States, Europe, and worldwide. As the Initiative to End Hunger in Africa and the Feed the Future (FTF) initiatives were introduced, the focus of promoting regional trade in bulk products was strengthened.

The Trade Hub focused mainly on finding companies that were export-ready or nearly export-ready and improving their capabilities and contacts to promote exports to the United States and Europe. USAID/West Africa's key objective for the Trade Hub was to promote West African exports to the rest of the world, through greater efficiencies within enterprises and within the economies in which those enterprises operated, including the policy enabling environment and the availability of finance. In the 2007 SOW for a new Trade Hub contract, USAID indicated that issues of production inefficiencies would be principally the work of the bilateral missions rather than the regional missions.

USAID also noted in the 2007 SOW for the Trade Hub:

The existing value chains in which the Trade Hub operates are a useful starting point, but USAID is open to the exploration of alternatives, particularly where the Hub can take advantage of the work of others. If one constructs a value chain diagram with the producer of raw materials at one end and the final consumer at the other, the existing Trade Hub has operated roughly from the center of that chain to the consumer's end. The other half of the chain, from the center to the producers of raw materials, has been the focus of others. USAID is open to possible activities that achieve the desired result by linking the two halves of the value chain.

The ATP and E-ATP projects are companion initiatives of USAID/West Africa. The four-year (2008-2012) USAID ATP focuses on value chains in six countries for maize, livestock, and onions/shallots; the three-year USAID E-ATP (2009-2012) focuses on rice, millet/sorghum, and poultry in eight countries. Both aim to increase the value and volume of intra-regional trade in the specific commodities along the major commercial corridors linking Senegal, Mali, Burkina Faso, Niger, Benin, Togo, Ghana, Côte d'Ivoire, and Nigeria.

Both USAID ATP and E-ATP (when discussed together referred to as "E/ATP") contributed to the following outcomes:

1. Reduced incidence of physical and policy-related trade barriers

2. Improved linkages among value chain participants
3. Improved advocacy by the private sector
4. Improved efficiency of the value chain

The Trade Hub and E/ATP had slightly different components: The West African Trade Hub (2008-2012) aimed to improve transport, access to finance, business environments, and ICT to make West African businesses more competitive. The components of E/ATP are similar but were geared somewhat more to policy and the development of associations linked to bulk commodity value chains.

The Trade Hub, starting in 2003 and renewed in 2007 has operated much longer than E/ATP to develop programs and has concentrated on the export markets. In contrast, E/ATP (still two programs but coordinated and managed together), focused on regional trade in cereals, livestock, poultry, and onions. All three projects have operated in an environment where there are many donors and government programs that often overlap.

The regional trade projects operate within the context of the Union Economique et Monétaire Ouest Africaine/West African Economic and Monetary Union (UEMOA), or WAEMU in English, an economic and monetary union of French-speaking countries with a common currency (the franc CFA, with a fixed rate of exchange with the euro) and considerable harmonization of regulations and procedures. The broader economic union, the Economic Community of West African States (ECOWAS), includes Nigeria, Ghana, and other English-speaking countries in addition to the French-speaking CFA franc zone. ECOWAS has already enacted regulations that are supposed to permit free trade throughout West Africa and there have been lengthy negotiations seeking to establish a common external tariff (CET). However, in practice many barriers to trade and some export or import bans remain within West Africa, in spite of the formal agreements to create a free trade area. Several contacts mentioned to the team that Nigeria seems less than eager to harmonize its policies with the French-speaking countries of the region, though reportedly there have been efforts of Nigeria and Ghana—the two biggest economies in the region and both English-speaking countries—to harmonize.

Most of the policy-level reforms pursued by USAID have used UEMOA and ECOWAS as a source of the region's highest institutional authority (but often without significant enforcement power). Efforts by the projects have sought to build support for free trade and also centralize information on gaps between the theory of free trade and practice. A gap analysis was conducted for nine countries indicating the numerous areas where full regional integration has been agreed in principle but has not been achieved. E/ATP took producer representatives to ECOWAS headquarters in Abuja to discuss trade barriers. They were received warmly, but told to go back and lobby their national governments.

Most USAID actions have been concentrated on national or bilateral efforts among the nations of West Africa. The regional projects have helped create or strengthen organizations representing farmers or agro-industries. In most of the value chains, regional organizations representing all the countries of ECOWAS did not exist or did not cover some of the major countries, so that many of the efforts to promote regional trade focused on helping existing regional associations improve capacity and scope, and to strengthen national organizations to expand efforts for more efficient commerce across national boundaries. In many of the countries (Ghana, Senegal, Mali, and Nigeria), there were active USAID bilateral programs focusing on production and trade and also programs of other donors operating in some of the same value chains targeted by the USAID regional projects. In many cases the regional efforts being evaluated complemented these other nationally focused efforts, usually relying on USAID bilateral programs to focus on measures relating to

production and focusing regional activities on marketing and policy efforts, as well as introducing best practices regionally.

3. SUMMARY OF EVALUATION METHODS AND LIMITATIONS

The evaluation findings and conclusions are based on interviews with USAID-implementing partners and project beneficiaries in four countries—Ghana, Burkina Faso, Nigeria, and Senegal. The evaluation covered programs that were active in other countries as well, particularly Côte d’Ivoire, Mali, Togo, and Niger.

The team leader attended a presentation of activities by African Trade Hubs at USAID/Washington prior to the trip and also met separately with the office of the U.S. Trade Representative (USTR). All three of the main team members had substantial prior experience in West Africa and all were fluent in French. The team reviewed some of the documents listed in Annex F prior to the trip, including the annual reports of the projects, and trade reports of USDA and FAO. During and after the trip the team reviewed a number of other documents that covered issues, such as the loan repayment experience of the Millennium Challenge Corporation (MCC) program in Ghana; the background of the public MIS program (RESIMAO) and regional commodity price information available on its website; documents on gender in West Africa; and other documents on income multiplier effects of exports, finance, the Cashew Alliance, transport reports on bribes and delays; and laws, regulations, and reports on environmental issues. All three projects were extremely helpful in identifying appropriate contacts representing each value chain and cross-cutting area, helping to arrange meetings, and provide part of the team’s logistical support.

The evaluation team’s visits to Ghana, Burkina Faso, and Senegal began at project headquarters with a comprehensive review of the various aspects of project activities and presentations by a number of key project staffers. The chiefs of party of the projects ensured quick and complete responses to the numerous questions raised by the team during and after the field visits.

The project staff scheduled most of the meetings for the team based on detailed team requests for subject areas and project recommendations of key contacts active in the programs for each value chain and each cross-cutting area. The team also requested meetings with additional contacts such as RESIMAO (which was mentioned in an E/ATP annual report as not cooperating with E/ATP MIS work). The team scheduled some meetings directly, such as with USDA/Senegal, with donors, and with the bankers in central Ghana that were identified by some contacts as financing partners.

A large number of evaluation teams visit West Africa and some business people and officials are tired of receiving visitors asking questions. Without the support of the projects, it would not have been possible to get a full schedule of meetings with high-level people. Team efforts to schedule meetings by email were successful only with contacts who already knew team members, while other email requests for meetings were generally not answered. The three projects however had strong business and official relationships and were able to help the team get a full schedule of meetings with senior officials and key business executives. Some contacts were extremely accommodating with respect to timing, in some cases coming across town through heavy traffic to meet team members. Some meetings were scheduled on holidays, e.g., the entire women’s wing of the AGRITA maize cooperative held a meeting on the holiday of Tabaski. USAID was also very helpful in getting meetings for the team in Abuja with ECOWAS and a national official in Nigeria after initial team email requests failed to get any response. In the meetings in Central Ghana, an E/ATP staffer accompanied the team, but left after facilitating introductions, allowing for a fully frank exchange. Most of the meetings, other than those specifically with project staff, were without project personnel attending.

The Trade Hub took the team's environmental expert on a long field trip to a distant wood production area to investigate procedures for certifying wood export products. Staffers from all three projects held numerous meetings with the team and also followed up on email requests. In a number of cases, based on team requests, the projects generated budget data or other information on capacity building, credit, gender, and other activities beyond what was provided in their published reports. In sum, the projects were extremely open and helpful to the evaluation team.

Within the limited timeframe of the evaluation, the team met beneficiaries and partners, and other stakeholders in all the major value chains covered by the project, except for shallots which are particular to Mali, a country not visited by the team. Generally, each interview was about an hour long, as the team discussed programs and results with the 166 contacts listed in Annex E (some meetings included more than one of the contacts). Annex B includes guidelines for questions the team asked to various types of respondents—generally seeking to understand the contact's business, challenges and successes, and the role of USAID regional projects in helping them meet those challenges. This method helped to overcome the danger of getting an incomplete response due to the tendency of many respondents to want to give a positive report given that the project provided them with some resources. The team gained a wider perspective by talking with a number of bankers and a few contacts that were not substantial beneficiaries or partners of the projects such as RESIMAO-linked contacts in Senegal and Nigeria, a farmers' association in Ejura that had not received substantial ATP assistance as well as a separate a maize farmers' association in Ejura that did receive substantial ATP assistance).

Among constraints, was the inability to talk to all major stakeholders. The team pursued spot checking on the activities and impacts of the project by studying reports, asking questions of the project personnel, and meeting representatives of all the value chains and cross-cutting activities. The team visited neither Mali, which has a major bilateral program and is a key rice (and shallot) producer, nor Côte d'Ivoire which is an important trading partner for several of the countries and central to many cross-cutting issues investigated by the evaluation.

The evaluation team's original intention was to spot check beneficiaries and partners to quantify and tabulate trade or other results that beneficiaries received from the programs. But the results (estimates of trade benefits) were too scanty to permit a credible tabulation. Most contacts were positive about the results of training, business planning, and marketing support provided by E/ATP. A Senegalese trader said his grain purchases from Burkina Faso and Mali went up about 75 percent because of new contacts made in program workshops. A farmers' association in Ejura claimed their maize yields per acre increased 70 percent because of training and help from the program in getting fertilizer credit. A rice processing company in Burkina Faso told the team that they obtained bank credit with help from E/ATP and a farmers' organization met by the team in Ghana obtained credit for tractors with (indirect) help from ATP. In Burkina Faso, the regional onion group reported that new varieties of onions promoted by ATP permitted them to grow 6,000 T of onions in the rainy season. An onion trade association said police bribes decreased about 40 percent due to the advocacy and training stemming from the program. Some maize traders claimed that some police stops to collect bribes had been eliminated.

But in spite of some reports of direct impacts from the program, many of the major changes in trade were reported by private sector stakeholders as being due to general market conditions (e.g., in 2010-2011 there was a substantial fall in maize traded from Ghana to Burkina Faso reportedly due to high grain production that year in Burkina Faso and Mali). Onion traders in Accra said they appreciated ATP training and other programs, but attributed their increase in exports to the growth in population and increasing market demand, rather than ATP efforts. So while the team found much confirmation that the work of E/ATP was valuable,

attribution of specific trade increases to those efforts remained somewhat unclear, as did the specific effects of E/ATP relative to bilateral USAID programs or other donor programs addressing the same value chains.

The evaluation team was able to ground truth the effectiveness of many programs with respect to identifying those that were valued highly by recipients. But for the changes in trade numbers, some private sector beneficiaries told the team that increases or decreases in cross-border sales were principally due to changed market conditions, variations in rainfall, and trade diversions due to the civil war in Côte d’Ivoire, etc. Still, the evaluation team was able to get a fairly complete picture of which programs were working, which training was effective, what programs did not seem to be effective, and the key areas to pursue for the future if similar regional programs should be launched.

With respect to exports promoted by the Trade Hub, a number of processed product producers and traders met by the team attributed all or a large percentage of increased sales to training, business planning, marketing, and other support by the Trade Hub. But in many cases the specific effects and particularly the attribution of those effects on exports were not clear. That being said, that the Trade Hub based its claims of \$178 million in increased trade on reports from quarterly surveys to its beneficiaries (90 out of 300 companies generally return their surveys), so the data and attribution have some degree of reliability. In many cases the Trade Hub initiated new trade activities for producers and traders: specialty foods, handcrafts, the Cashew Alliance, and the Shea Alliance. In a few cases (e.g., cashews) due to changes in the international market, the timing was perfect for a ramping up African production, processing, and trade, and there were substantial results. In some other cases, the results included fledgling beginnings of a multi-year process of market development, though the beneficiaries who met the team provided generally positive reports on the usefulness of training, marketing contacts, consultancies, and a number of other activities. There were a few complaints—a food processor that wanted machinery subsidies, or others who wanted to participate in a fair or get visa help. Generally, however, almost all contacts were very supportive of the Trade Hub.

Following is a summary of main contacts met; the full list is in Annex E. Project staff refers to the three projects evaluated while bilateral USAID project staff is counted as “others.” Foreign officials include both regional and national officials. Some meetings had several of the contacts listed, while only a few contacts were listed for some large meetings with producers or traders (e.g., AGRITA women, farmers in Ejura and Techiman, maize exporters, and some of the producer organizations). Numerous meetings were held with project staffers and considerable follow-up information was requested and received during and after the field investigation on budgets, training, capacity building, finance, and other subjects. USAID Nigeria helped arrange some ECOWAS and Nigerian government meetings but they were not interviewed and so are not listed among contacts.

Table 1. Summary of Main Contacts Met

Country	Type of Respondent							Total
	USG Officials	Non-U.S. Donors	Foreign Officials	Project Staff	Producers /Exporters	Financial Institutions	Others	
Burkina Faso	1	3	6	10	18	1	1	39
Ghana	5	1	17	22	17	6	2	70
Nigeria			4	4	5		1	14
Senegal	6	1	4	3	20	1	4	40
U.S.-based	3							3

Country	Type of Respondent							Total
Total	15	5	31	39	60	8	8	166

4. TRADE AND TRADE ATTRIBUTION

TRADE HUB ATTRIBUTION-EXPORTS WITHIN AND OUTSIDE THE REGION:

Since the purpose of all three programs is to promote regional trade, it is useful to review the projects' reports of regional trade changes over the life of the projects. These numbers come from surveys of beneficiaries who reported exports related to the work of the Hub.

In the case of E/ATP, the trade increases were in part attributed to E/ATP, but also other influences, including general market conditions. For instance, maize trade decreased during the brief period evaluated.

Table 2. Exports Attributed to Trade Hub Programs:

Year	Total Exports (\$)	Cashew Exports (\$)	Shea Exports (\$)	Fish and Seafood Exports (\$)	Specialty Food Exports (\$)	Home Décor and Fashion Accessories Exports (\$)
Oct/Sep 2007/8	\$26,765,135	\$3,116,216	\$8,343,037	\$10,921,360	\$2,571,923	\$1,302,233
Oct/Sep 2008/9	\$20,865,358	\$3,700,362	\$2,511,707	\$11,613,345	\$1,139,621	\$1,675,389
Oct/Sep 2009/10	\$12,383,965	\$5,610,462	\$4,057,595	\$0	\$481,704	\$2,038,705
Oct/Sep 2010/11	\$118,477,044	\$82,310,096	\$29,230,614	\$0	\$2,929,653	\$1,704,502
Total	\$178,491,502	\$94,737,136	\$44,142,952	\$22,534,705	\$7,122,901	\$6,720,829

REGIONAL TRADE OF ATP AND E-ATP COMMODITIES DURING THE EVALUATION PERIOD:

Table 3. Value of Intra-regional Trade in ATP by Value Chain

Marketing channel	Baseline (Oct 08-Sept 09) US\$ million	Trade data (Oct 09- Sept 10) US\$ million	% increase (decrease)
Maize	19.15	15.16	(20.8)
Livestock/meat	205.12	293.02	42.8
Onion/shallot	30.19	43.82	45.2
TOTAL Trade ATP	254.46	352.00	38.3

Table 4. Value of Intra-regional Trade in E-ATP by Value Chain

Marketing channel	Baseline (Oct 08-Sept 09) US\$ million	Trade data (Oct09- Sept 10) US\$ million	% increase
Millet	10.96	12.89	17.60
Sorghum	10.93	13.44	22.96
Poultry (day-old chicks)	7.65	6.77	(11.50)
Parboiled rice	4.89	7.07	44.58
TOTAL Trade E-ATP	34.43	40.17	16.67

5. BUDGETARY ISSUES OF THE TRADE HUB AND ATP/E-ATP

BUDGET SPENDING UNDER THE REGIONAL TRADE PROJECTS 2007 - 2011:

The Trade Hub started in 2003 and the new contract in 2007 provided for \$32.9 million. ATP started in 2008 with a budget of 16.9 million and E-ATP started in 2009 with a budget of \$21.9 million.

Table 5. Trade Hub Spending

Total export promotion assistance	13,541,264
Shea assistance	2,157,638
Cashew assistance	1,324,565
Fish/seafood assistance	801,847
Specialty food assistance	1,396,669
Home décor and fashion accessories assistance	3,985,233
Other (non-export promotion)	5,248,851
TOTAL Assistance	28,456,067

Table 6. ATP Expenditures through September 30, 2011, by Category

Value Chain Development and Trade Facilitation	\$10,510,640
Maize value chain	\$4,016,730
Onion value chain	\$2,598,069
Ruminant livestock/Meat value chain	\$3,895,841
Trade Data Collection (M&E)	\$1,751,773
Market Information System (MIS)	\$613,121
Policy	\$1,240,839
Total	\$14,116,373

Table 7. E-ATP Expenditures through September 30, 2011, by Category

Value Chain Development and Trade Facilitation	\$9,766,762
Poultry value chain	\$2,669,566
Millet/sorghum value chain	\$3,548,574
Rice value chain	\$3,548,622
Trade Data Collection (M&E)	\$1,199,427
Market Information System (MIS)	\$685,387
Policy	\$685,387
Avian Influenza (AI)	\$599,713
Total	\$12,936,675

As can be seen in the Trade Hub exports, there were substantial exports of cashews and shea butter products, small exports of specialty foods, home décor, and apparel, while fish exports fell to zero after excessively strict environmental restrictions closed down USAID activities in fisheries.

For E/ATP, regional trade in livestock was quite large and it grew over the life of the project. Maize and poultry trade fell while trade in other products increased. The changes in trade for E/ATP were not as clearly tied to the result of E/ATP efforts as in the Trade Hub, where exporters reported successes in formal surveys on results of help from the project.

Looking at the budget numbers and trade numbers, investments in home décor and in maize would seem high relative to returns. But these are not commercial investments and in the case of maize, the numbers going up and down are more a result of general market forces than trade promotion efforts. If one looks at trade numbers, ruminant livestock trade dwarfs trade in bulk grains and onions, but the options for improving maize (e.g., providing fertilizer to double yields or developing new trade contacts between Ghana and Côte d'Ivoire) may provide a stronger likelihood of success than trying to promote regional trade in frozen meat, for instance. But the budgetary spending does show priorities and the trade potential is pertinent to spending priorities. The evaluation team found that spending allocations in the three projects by commodity group were justified, even in cases where there was no substantial and immediate trade response. Development of business can take a long time and success is not assured. If it were, the commercial sector would handle it and foreign aid programs would be unnecessary.

Given that the purpose of the programs was to increase trade, it may be interesting to compare budgetary spending with trade results. So combining the data from above, we get the information in the table below:

Table 8. Comparison of Budgetary Spending with Trade Results

Trade Hub 2007/8 to 2010/11 Increase in trade resulting from Hub activities	Budget assistance to value chain \$ million	Exports facilitated by activities \$ million
Cashew exports	\$1.3	\$94.7
Shea exports	\$2.2	\$44.1
Fish and seafood exports	\$0.8	\$22.5
Specialty food exports	\$1.4	\$ 7.1
Home décor and fashion accessories exports	\$4.0	\$ 6.7
Total	\$28.5	\$178.5

TABLE 9. ATP SPENDING COMPARED TO CHANGES IN TRADE 09/2008 TO 10/2009 (NOTE THAT RELATIONSHIP OF EXPORTS TO ATP EFFORTS ARE NOT CLEARLY QUANTIFIED).

ATP 9/2008 to 10/2009	Spending on value chain \$ million (through Sept 30, 2011)	Change in trade \$ million increase or (decrease)
Livestock/meat	\$3.9	\$87.9
Onion/shallot	\$2.6	\$13.6
Maize	4.0	(4.0)
Trade data collection (M&E)	1.8	
Market information system	0.6	
Policy	1.2	
Total Assistance	14.1	\$97.5
		POMEROY COMMENT – THE CHANGES IN DATES IS WRONG – PLEASE CHANGE THEM BACK

Table 10. E-ATP Change in Value of Exports 09/2008 to 10/2009 (note that relationship of exports to E-ATP efforts is not clear and not quantifiable).

E-ATP 09/2008 to 10/2009	Spending on value chains \$million (through Sept 30, 2011)	Change in trade \$million increase or (decrease)
Millet/sorghum	\$3.5	\$4.4
Parboiled rice	\$3.5	\$2.1
Poultry day-old chicks	\$2.7	(\$0.9)
Avian influenza (poultry doc ban)	0.6	
Trade data collection M&E	1.2	
Market information system	0.7	
Policy	1.2	
Total	12.9	\$5.8

6. INDICATORS, RESULTS, FINDINGS, AND CONCLUSIONS UNDER FIVE CROSS-CUTTING AREAS

This chapter presents the findings, conclusions, and related recommendations for each of the five cross-cutting areas (Export/Trade Promotion; Transit Corridors; MIS and IT; Access to Finance; and Agriculture and Trade Enabling Environment). The discussion of each topic includes:

- A brief description of relevant background and context
- A summary of relevant indicators and associated results data
- Findings from the evaluation document reviews and field interviews
- The evaluation team’s conclusions and recommendations.

EXPORT/TRADE PROMOTION

BACKGROUND AND CONTEXT

EXPORT PROMOTION KEY RESULT: Export promotion either within or outside the region was the most basic purpose of the projects. Following are trade data during the period as reported by the projects:

Table 11. Exports Linked to Trade Hub Programs:

Year	Total Exports (\$)	Cashew Exports (\$)	Shea Exports (\$)	Fish & Seafood Exports (\$)	Specialty Food Exports (\$)	Home Décor & Fashion Accessories Exports (\$)
Oct/Sep 2007/8	\$26,765,135	\$3,116,216	\$8,343,037	\$10,921,360	\$2,571,923	\$1,302,233
Oct/Sep 2008/9	\$20,865,358	\$3,700,362	\$2,511,707	\$11,613,345	\$1,139,621	\$1,675,389
Oct/Sep 2009/10	\$12,383,965	\$5,610,462	\$4,057,595	\$0	\$481,704	\$2,038,705
Oct/Sep 2010/11	\$118,477,044	\$82,310,096	\$29,230,614	\$0	\$2,929,653	\$1,704,502
Total	\$178,491,502	\$94,737,136	\$44,142,952	\$22,534,705	\$7,122,901	\$6,720,829

Regional trade of ATP and E-ATP commodities during the evaluation period:

Table 12. Value of Intra-Regional Trade in ATP by Value Chain

Marketing channel	Baseline (Oct 08-Sept 09) US\$ million	Trade data (Oct 09- Sept 10) US\$ million	% increase
Maize	19.15	15.16	(20.8)
Livestock/meat	205.12	293.02	42.8
Onion/shallot	30.19	43.82	45.2
TOTAL Trade ATP	254.46	352.00	38.3

Table 13. Value of Intra-regional Trade in E-ATP by Value Chain

Marketing channel	Baseline (Oct 08-Sept 09) US\$ million	Trade data (Oct09- Sept 10) US\$ million	% increase
Millet	10.96	12.89	17.60
Sorghum	10.93	13.44	22.96
Poultry (day-old chicks)	7.65	6.77	(11.50)
Parboiled rice	4.89	7.07	44.58
TOTAL Trade E-ATP	34.43	40.17	16.67

Exports outside the region were promoted by the Trade Hub rather than E/ATP, or in some cases exports of farm products were arranged by bilateral value chain-related USAID projects such as Projet de Croissance Economique (PCE) in Senegal (exports of feed grains to Norway) or in Mali (exports of mango products). (The team did not visit Mali) Some years ago the bilateral USAID program, the Trade and Investment Program for a Competitive Export Economy (TIPCEE) was very active in Ghanaian fruit exports in close cooperation with the German development agency (GTZ), now called GIZ, and host government regulatory authorities. USAID reoriented these programs (through the Agricultural Development and Value Chain Enhancement [ADVANCE] Program) toward poorer areas of northern Ghana, focusing on local production and trade in grains and animals, rather than exports.

A major original goal of the Trade Hub was to promote African exports to the United States, under the customs duty preference of the African Growth and Opportunity Act (AGOA) program, championed by the U.S. Trade Representative (USTR) as an important aspect of U.S. development assistance. The USTR advised the evaluation team that promoting exports to the United States continues to be an important objective and budgetary funding has been provided to ensure the continuation of AGOA resource centers and related activities.

Early efforts pursued for a number of years arranged regulatory changes to open American markets to African farm products. The USDA pursued “pest risk assessments” as the first step in adopting new American regulations that would permit exports of African crops to the United States after finding measures to mitigate pest concerns (e.g., fumigation procedures to kill bugs). The Sanitary and Phyto-Sanitary (SPS) advisor now working for USAID in Senegal commented to the team that although the USG did remove barriers to African exports to the United States (through mitigation methods), virtually no exports resulted. This was for a number of reasons. First of all, many of the agricultural products of Africa are also produced in Central America with lower landed cost to the U.S. market. Secondly, until recently there was limited air transport (now there are daily flights to the United States). Sea transport is available at a fraction of the cost for air shipment and viable for products that are frozen or not perishable in the 20 days or more required for sea trans-shipment through Europe to America. Other options include limited direct sea shipment options to Houston and Savannah. Thirdly, some of the mitigation measures required to kill pests were expensive or infeasible.

The following tables show the USAID indicators and the extent to which the projects met those indicators.

INDICATORS AND RESULTS

Export Promotion Indicators the Trade Hub

- **Number of firms receiving capacity-building assistance to export from the Trade Hub:**

FY2008: Target: 100 – Achieved: 340

FY2009: Target: 200 – Achieved: 666 (Women owned: target 100, achieved: 173)

FY2010: Target: 200 – Achieved: 631 (Women owned: target: 100, achieved: 243)

FY2011: Target: 200 – Achieved: 1,612 (Women owned: target: 100, achieved: 611)

Life of Project 2007/Sept 2011: Target: 825 – Achieved: 3,244 (Women owned: target: 200, achieved: 1,027) – Achieved total 397 percent (Achieved women: 514 percent)

●Number of Trade Hub supported training events on topics related to investment capacity building and improving trade:

FY2008: Target: 15 – Achieved: 13

FY2009: Target: 15 – Achieved: 25

FY2010: Target: 15 – Achieved: 29

FY2011: Target: 15 – Achieved: 40

Life of Project 2007/Sept 2011: Target: 72 – Achieved: 107 – Achieved total: 149 percent

●Number of participants in Trade Hub supported trade and investment, and capacity building training:

FY2008: Target: 40 – Achieved: 2,064 (517 women)

FY2009: Target: 1,000 – Achieved: 2,154 (691 women)

FY2010: Target: 1,000 – Achieved: 2,112 (787 women)

FY2011: Target: 1,000 – Achieved: 2,603 (606 women)

Life of Project 2007/Sept 2011: Target: 3,400 - Achieved: 8,933 – Achieved total: 263 percent

●Value of investment facilitated by the Trade Hub (\$):

FY2008: Target: 2 Million USD – Achieved: 5,142,630 USD

FY2009: 3 million USD – Achieved: 1,105, 319

FY2010: Target: 4 million USD – Achieved: 15,787,928 USD

FY2011: Target: 4 million USD – Achieved: 31, 740,180 USD

Life of Project 2007/Sept 2011: Target: 14 million USD – Achieved: 53,776,057 USD – Achieved Total: 384 percent

●Value of new exports facilitated by the Trade Hub:

FY2008: Target: 12 Million USD – Achieved: 26,765,135 USD (AGOA: 11.5 million USD)

FY2009: Target: 14 million USD – Achieved: 20,865,358 USD (AGOA: 1,753, 820 USD)

FY2010: Target: 16 million USD – Achieved: 12,383,965 USD

FY2011: Target: 15 million USD – Achieved: 118,477,044 USD

Life of Project 2007/Sept 2011: Target: 62 million USD – Achieved: 178, 491,502 USD – Achieved Total: 288 percent

●Number of jobs created attributable to Trade Hub support:

FY2008: Target: 1,000 – Achieved: 1,513

FY2009: Target: 1,000 – Achieved: 755

FY2010: Target: 1,000 – Achieved: 962

FY2011: Target: 1,000 – Achieved: 6,727

Life of Project 2007/Sept 2011: Target: 4,000 – Achieved: 9,957 – Achieved total: 249 percent

On the part “export and trade promotion,” there is Trade Hub support to AGOA Resource centers, but no indicator is related to their activities.

Export Promotion Indicators ATP

●Percent change in value and volume of intra-regional exports of targeted agricultural commodities as a result of ATP program assistance:

FY2009: 5 percent – Achieved: 4 percent

FY2010: Target 2010: 9 percent – Achieved: 50 percent.

FY2011: Target FY2011: 14 percent – Achieved: 37 percent

Life of Project FY2009/FY2011: Achieved: 26 percent

Note that since they could not add numbers of animals and tons of maize, the project used value. They showed \$296 million of exports, which was a 26 percent increase in value over the 2008 baseline. However, the change in value was not clearly linked to results of ATP efforts.

●Number of institutions/organizations making significant improvements in their ability to offer services to their clients based on recommendations of ATP-supported assessments:

FY2009: Target: 3 – Achieved: 3

FY2010: Target: 4 – Achieved: 3

FY2011: Target: 5 – Achieved: 4

Life of Project FY2009/FY2011: Target 12 – Achieved: 10 – Achieved total: 83 percent

This use of PIVA's was for commodity associations. Some associations such as COFENABVI were active in regional exports, but they are also involved in policy. Most of the discussion of the associations is under the Enabling Environment cross-cutting area.

●Number of new technologies or management practices made available for transfer as a result of USG assistance:

FY2009: Target: 3 – Achieved: 5

FY2010: Target: 3 – Achieved: 18

FY2011: Target 3 – Achieved: 1

Life of Project FY2009/FY2011: Target 9 – Achieved: 25 – Achieved Total: 278 percent

ATP transferred five technologies and management practices to partners in FY2009: cattle fattening, meat cutting, management practices in maize, maize grades and standards, and new onion seeds variety. In FY2010: seven techniques in the maize value chain, four in livestock/meat, six in onion/shallot trade, and two in trade facilitation and finance mobilization and leveraging. In FY2011: Over the life of the project, ATP reached 278 percent of the target. Some of the technologies such as new onion varieties probably resulted in exports (the 6,000 T of rainy season onions). Meat cutting reportedly didn't result in any regional trade so far, but perhaps some of the other technologies may have facilitated trade. Most of these technologies would seem appropriate to bilateral programs rather than regional programs, but in some cases were transferred to places like Burkina Faso, where there was no USAID bilateral value chain program.

●Number of producer organizations, water users associations, trade and business associations, and community-based organizations (CBOs) assisted as a result of USG interventions:

FY2009: Target: 8 – Achieved: 31

FY2010: Target: 8 – Achieved: 37

FY2011: Target: 8 – Achieved: 41

Life of Project FY2009/FY2011: Target: 24 – Achieved: 109 – Achieved Total: 454 percent

This indicator could have applied to export promotion or it could have applied to policy. Probably it was more effective in the short term in promoting exports.

●Number of agricultural-related firms benefiting directly from interventions as a result of USG assistance:

FY2009: Target: 8 – Achieved: 40

FY2010: Target: 15 – Achieved: 23

FY2011: Target: 20 – Achieved: 24

Life of Project FY2009/FY2011: Target: 43, Achieved: 87 – more than double the target.

●Number of public-private partnerships (PPPs) formed as a result of USG assistance:

FY2009: Target: 3 – Achieved: 1

FY2010: Target: 3 – Achieved: 5

FY2011: Target: 4 – Achieved: 4

Life of Project FY2009/FY2011: Target: 11, Achieved: 10 – 91 percent of the target.

In FY2009 ATP formalized a partnership with CropLife Africa Middle East, a private-sector organization representing the plant science industry. FY2010: Maize value chain with Nestlé and Premium Food Ltd. in Ghana; in the onion value chain with EmbalMali in Mali; and in the livestock/meat value chain with the Amassaman Butchers' Association

and Livestock Traders and Breeders Association in Ghana. Work with Nestle was modest but with other groups it was substantial. Nestlé has been discussing with ATP the possibility of a new program on the control of aflatoxin in grain production and storage

●Number of individuals who have received short-term agricultural sector productivity training with USG assistance (men and women):

FY2009: Target: 1,000 – Achieved: 1,178, including 120 women

FY2010: Target: 6,000 – Achieved: 7,912

FY2011: Target: 6,000 – Achieved: 3,445 (Target women: 1,200 achieved: 1,058)

Life of Project FY2009/FY2011: Target: 11,000 – Achieved: 14,664 – 133 percent of the target.

●Number of women’s organizations/associations assisted as a result of USG interventions:

FY2009: Target: 4 – Achieved: 2

FY2010: Target: 2 – Achieved: 5

FY2011: Target: 4 – Achieved: 12

Life of Project FY2009/FY2011: Target: 12 – Achieved: 20 – 167 percent of the target.

The team met women in the AGRITA association in Ejura, Ghana, who said this training was very useful and helped them increase yields by over 70 percent. In Burkina Faso, the Union Nationale des Etuveuses de Riz du Burkina Faso (UNERIZ) multiplied by 10 its turnover after training on parboiled rice.

In Côte d’Ivoire a women’s group, the Plateforme des Femmes Agricultrices de Côte d’Ivoire, were involved in the maize value chain; two were active in Burkina Faso, with one in the maize value chain (Réseau des Transformatrices de Céréales du Faso) and another in the onion value chain (Rose Eclat); and two women cooperatives in Mali were involved in the onion value chain.

Export Promotion Indicators E-ATP

●Increase in the aggregate value of intra-regional exports of targeted agricultural commodities as a result of USAID E-ATP program assistance:

FY2010: Target: 10 percent – Achieved: 12 percent

FY2011: Target 21 percent – Achieved: 25 percent

Document does not show a life of project target. It achieved \$36 million in trade, a 5 percent increase over the 2009 baseline.

●Number of new technologies or management practices made available for transfer as a result of USG assistance:

FY2010: Target: 3 – Achieved: 5

FY2011: Target: 3 – Achieved: 3

Life of Project FY2010/FY2011: Target: 6 – Achieved: 8 – 133 percent of target.

New management practices included the following: A traceability model for day-old chick production farms. Best practices for selecting millet and sorghum varieties adapted to the needs of cereal processors. Best contracting practices in intra-regional cereal transactions. A mobile money transfer and payment technology developed by INOVA Services to be used by value chain stakeholders to e-transfer money within or between countries. Best practices in bank negotiation for regional trade financing

●Number of producer organizations, water users associations, trade and business associations, and Community Based Organizations CBOs assisted as a result of USG interventions.

FY2010: Target: 7 – Achieved: 36

FY2011: Target 7 – Achieved: 44

Life of Project FY2010/FY2011: Target: 14 – Achieved: 80 – 571 percent of target.

E-ATP’s assistance consisted of building the capacity of these organizations to monitor intra-regional trade data, develop business plans, develop action plans, or access the Esoko platform. Targets were exceeded due to institutional factors: since no regional rice and millet/sorghum organization existed, the project had to work directly with national and local cereal organizations.

●Number of agricultural-related firms benefiting directly from interventions as a result of USG assistance:

FY2010: Target: 10 – Achieved: 39

FY2011: Target 10 – Achieved: 11

Life of Project FY2010/FY2011: Target: 20 – Achieved: 50 – 250 percent of target.

Rice processors (11): SANDIA, CODERIZ, GRENIER DU FASO, Wend Malgré de CODENI, OCADES, CODERI, SAWADOGO, ABDOULAYE, Wend Yam Malgré, SOKIMEX, Wend Konta. Poultry farms (10): Projet d'Aviculture Moderne d'Espèces Locales (PAMEL), Ferme Ouattara Ali dit Nanan Issa (FOANI SERVICES/Domaine de l'Est Agni), Société Ivoirienne des Productions Animales (SIPRA), PROVETO, Fabrication d'Aliment

Composé Ivoirien (FACI), Aliment de Côte d'Ivoire (ALCI), AVIPROD, SEDIMA, PRODAS, CAM. Millet/sorghum processors (18): Société d'Exploitation des Produits Agroalimentaires (SODEPAL), Société de Recherche et de Conception (SRC), Entreprise Mariame et Fatoumata, Lamogoya, NAFAMA, Entreprise de Transformation des Céréales Locales, Produit Naturel, BADEMA Wendmagda, Bon Goût, Entreprise Traoré et Fils, Chez Mimi, Unité de maltage de Ouidtenga, Association

Femmes enfants plus, DJIGUI ESPOIR, NOOMDE, Centrale de Transformation des Produits Agricoles, SUCCULENCE, Entreprise Ouédraogo Baguian Asséta.

USAID E-ATP's assistance consisted mainly of (a) sponsoring the participation of firms to trade fairs, (b) providing capacity building services (e.g., in the selection of the best sorghum or millet variety adapted to the needs of processors), (c) supporting the development of business plans, and (d) trade data collection and analysis.

● **Number of PPPs formed as a result of USG assistance:**

FY2010: Target: 3 – Achieved: 0

FY2011: Target: 3 – Achieved: 2

Life of Project FY2010/FY2011: Target: 6 – Achieved: 3 – 50 percent of target.

● **Number of individuals who have received short-term agricultural sector productivity training with USG assistance (men and women):**

FY2010: Target: 2,500 – Achieved: 370

FY2011: Target 2,500 – Achieved: 4,649

Life of Project FY2010/FY2011: Target: 5,000 – Achieved: 5,019 – 100 percent

Target for women: 1,000 – Achieved: 1,433 – 143 percent of target for inclusion of women.

E-ATP organized during the last quarter of FY2010 focused on the Rice Intensification System (SRI), rice parboiling practices, biosecurity in poultry farms, the use of market information to increase revenues, and trade data monitoring and use by value chain organizations.

● **Number of women's organizations/associations assisted as a result of USG interventions:**

FY2010: Target: 10 – Achieved: 14

FY2011: Target: 5 – Achieved: 20

Life of Project FY2010/FY2011: Target: 15 – Achieved: 34 – 227 percent of target.

Union des Groupements des Femmes Etuveuses de Sourou, Union des Groupements des femmes Etuveuses de Bama, Union des Etuveuses de Riz de Bagré (UERB), Union Départementale des Transformatrices/étuveuses de Banzon, Union des Productrices de Kandi, Coopérative des Etuveuses de Kandi, Coopérative des Femmes pour la Production/transformation et la Commercialisation du Vivrier de la Marahoué, Association des Femmes de SAMO, Nyebu bi yoona, Rice Processors Single Mothers' Association, GIE Agropastoral Kandé Alassane Ziguinchor, Femmes Pratiquant l'étuvage du Riz d'Avétonou, Groupement des Etuveuses de Gayéri, Etuveuse – Groupement agro-pastoral d'Anié

Evaluation team interviews on export promotion activities: Generally the team tried to get exporters to describe their business, their challenges and successes, and then to describe their relationship with the USAID trade projects.

FINDINGS REGARDING THE TRADE HUB EXPORT PROMOTION

Trade Hub export promotion efforts to the United States and Europe

To achieve export success, the Trade Hub concentrated on export-ready companies or ones nearly export-ready. It hired consultants to help business owners with developing business plans and financial plans, appropriate labeling, and learning about special conditions to reach U.S. markets. The Trade Hub also organized travel to trade shows in the United States and Europe for business owners to meet buyers. It provided and publicized extensive “tool kits” on exporting to the United States and set up 13 AGOA resource centers, mostly with chambers of commerce, throughout the region to provide extensive information on rules, procedures, and marketing information.

A number of exporters visited by the evaluation team (i.e., exporters of garments, processed food, artistic household items, cashews, and shea) seemed to have good products, attractive packaging and labeling, and some buyer contacts in the United States and Europe. The Trade Hub worked with some of them for years to improve their product quality, business management, and marketing to international buyers in Europe and the United States. Sometimes American buyers were encouraged to visit West Africa and over time some of them became more and more confident with the export-ready companies that were assisted and promoted by the Trade Hub.

A typical small export organization in the program seems to be an entrepreneur in a commercial center that groups together a large number (typically hundreds) of suppliers from extremely poor rural areas or artisans in or near the city to produce the raw materials for processing such as shea, hibiscus, cashew, or handcrafts—sometimes creatively modified in packaging or with product modification for American or European markets. The Trade Hub has attempted to help companies that are close to being export-ready to overcome the numerous challenges in financing and marketing their products. Labor in many cases (e.g., for garments and for cashew processing) is somewhat more expensive than in Asia according to contacts interviewed that were active in both areas, but those differences can be compensated by other advantages such as the preferential customs duties of AGOA or transport benefits—e.g., removing the shell of a cashew (two thirds of the weight) in Africa rather than shipping it to Asia for processing. From discussions with several exporters, it appears that importers in the United States frequently like to diversify their sources of supply providing that the African suppliers are competitive in price, timing of supply, and quality. In fact, consistent quality is crucial. One garment company began sales but later went out of business, reportedly because a shipment of garments had fasteners different from those desired by the buyer and the shipment was rejected.

Handcrafts

One entrepreneur the team visited who seems to be crossing the threshold of success is working in a surprising area—drum and basket production—which would seem to be in great supply, with much competition, and limited demand. This entrepreneur, working with hundreds of poor women on farms in the Upper East province of Ghana to make baskets out of straw and 85 low income artisans in Accra to make drums, has received several years of valuable help from the Trade Hub.

Like many of the entrepreneurs, he can now adapt his products to respond to needs of consumers in the music industry and in consumer outlets, e.g. supplying the needs of customers desiring a change in color, excellent quality and rapid availability. . The Trade Hub helped him redesign his products, work on his marketing to participate effectively at trade shows in the United States and Europe, and communicate with buyers in a way both sides could understand.. He is now working on inventory control, —having on hand enough wood (to be dried for six months) and straw for baskets to quickly fill orders.

Earlier, when he first encountered the Trade Hub, he was not able to finance his inventories. He said that Ghanaian banks would charge 35 to 40 percent interest, which he used to finance orders for a few months but not stock inventories of raw materials in anticipation of orders. With extensive help of the Trade Hub, which has taken him to shows (he paid his ticket, hotel and the Hub paid for the booth and shipping costs of product samples) he now sells nine containers a year, each with goods (baskets and drums) worth \$27,000 to \$46,000 per container. Prior to encountering the Trade Hub he had sales of \$200,000 a year with European buyers, but the Trade Hub's help with marketing, planning and finance helped him expand his sales to \$375,000 this year – with nine containers compared to the two to three containers he said he could have sold in absence of the Hub. The Hub introduced him to Grassroots, a U.S. “social capital” financing group (started by IFC) that provided him with two loans to finance export sales at reasonable interest rates (14 percent for the first loan of \$65,000 and 11 percent for the second loan of \$100,000 after he paid the first loan on time). Grassroots also paid for a general manager for a year to help him expand his business and handle the huge volume of tasks in sourcing products and exporting them. He will pay the manager after the first year. He has a number of repeat buyers in Europe and America and says he could potentially triple his exports of baskets—benefitting hundreds of women basket makers living in the impoverished Upper East. He seems to have a large and growing market after several years of help from the Hub.

Home Décor

A home décor exporter from Senegal with 20 years of exporting experience and who has been active in Hub-supported marketing activities recently set up a distributor in the United States on her own, with help from a rich partner and from Senegalese volunteers in the United States. The exporter modifies the home décor products to make them more universal and artistic. She originally lost one \$100,000 sale due to her customer's rejection of what seemed to be a solid third party financing and payment arrangement via Root Capital, but despite that loss, there seems to be strong demand for her products. She also is establishing a large network of Senegalese artisans for sourcing her supply for the export sales.

Garments

Promotion of garment exports to the United States has been extremely challenging. Some of the West African-made garment products, such as hospital scrubs and uniforms, are in demand in the United States, using imported Asian fabric, and finishing production of the garments in Ghana or Senegal. A couple of companies in Ghana and Senegal have succeeded in making sales to the U.S. A Senegalese uniform manufacturer benefitting from subsidized trips from both the Trade Hub and Corporate Council on Africa for marketing visits, explained that while few sales had resulted for him over several years of contacts, the American buyers had to buy test shipments at first and then would expand orders and would specify the exact type of Asian cloth to use. In some of the garment products with polyester/cotton blends, customs duties for non-African suppliers exceed 15 percent, giving a substantial preference for African companies that import Asian fabric and add value in making garments. Quality and reliability of delivery are even more important than price. In Ghana, some producers started exporting, but went out of business. In 2010, one large company with operations in Pakistan (supplying the cloth) and the United States (doing the marketing) opened operations in a Ghana duty-free zone in with extensive help from the Trade Hub in getting approvals for land and buildings. Several other garment companies are struggling to access export markets with the help of the Trade Hub. While labor costs in Ghana are reportedly higher than in Asia, largely mechanized production, and other advantages in shipping and customs duties (duty free under AGOA) seemed to overcome some of the difficulties. One garment (cotton/synthetic uniform) exporter from Cameroon also has experienced successful sales to the United States for a number of years, showing it may be difficult, but still possible.

Cashews

The African Cashew Alliance, started by the Trade Hub in 2005, was a risky bet but succeeded for a number of reasons, not the least of which was a favorable change in the worldwide demand for African cashews. As the project took off, the Cashew Alliance became independent, received major contributions from donors and large international trading companies, moved out of the Trade Hub premises, and seemed likely to have long-term sustainability. It attracted substantial donor support from the Bill & Melinda Gates Foundation, which contributed \$25 million in collaboration with the German GIZ development group, building on the initial sponsorship and success of the Trade Hub. The African Cashew Association aims to increase investment, production, trade, and quality, and expects to add at least \$100/year to the income of 150,000 cashew farmers in West Africa and Mozambique within four years, while creating over 5,000 jobs in cashew processing. Some major new Asian-owned mechanized cashew processing investments already have been launched in Côte d'Ivoire, Ghana, Benin, and Nigeria. Exports of nuts to India was the practice for almost all West African cashew exports in the past. Now, mechanized plants in West Africa may require only a tenth of the workers that were needed for the older hand processing methods but will still have substantial employment (1,000–1,500 workers for one new factory) as well as providing incentives and help to growers to get credit and expand production. In this case, a change in the worldwide market (most Asian cashews are now consumed in Asia instead of being exported to the United States) is making international investors more interested in developing African supplies and processing. The Trade Hub was at the right place at the right time and its risky efforts turned out to be very successful in expanding exports and encouraging investment.

Following is a chart showing the numerous steps to create the Cashew Alliance:

Figure 1. Steps Undertaken in the Creation of the Cashew Alliance



Specialty food

West African manufacturers can meet international standards such as the Global Gap for food products, or HACCP for manufacturing reliability, and if justified by pricing, they can arrange for more expensive organic or fair trade certifications. Tracing products back to the producer is becoming increasingly required by European importers and these systems are being developed by exporters. Several small specialty food processors and exporters told the evaluation team that Trade Hub assistance with their labeling, packaging, business planning, and marketing was crucial, but commented that while trips to fairs in the United States were helpful, they were insufficient. U.S. buyers will want small samples that aren't economical to ship and they will want them quickly. Several small processed food exporters who have experimented in U.S. markets for several years have said that what they really need is a distributor and warehouse in the United States so they can meet demands for small test shipment and get them delivered quickly. The manager of the Trade Hub satellite in Dakar suggested that if a distributor and warehouse were established in the United States, the exporters could continue to own the products in the warehouse and could pay for storage until they are sold. This might be a productive area for future marketing efforts. While some of the food processors already have customers in Europe that take substantial quantities of their products, they expressed keen interest in developing markets in the United States as well. Many of the food processors and exporters are women, sometimes starting with household processing and expanding as export demand for their products grows.

Shea

Shea nuts are gathered from wild trees and processed by very poor women in remote areas, representing an important cash supplement to their food production. Shea butter processing must be initiated just after harvest to produce a high-value product. The team visited a shea processing factory in Techiman, Ghana, and shea processors/exporters assisted by the Trade Hub in Senegal and Ghana. There are challenges in reaching the women in remote villages and addressing quality control issues. Small export companies also face challenges while attempting to access the cosmetics market which is dominated by major international brands. Better marketing of shea products for these small export companies is being actively pursued by the Trade Hub. The sector seems to be in a position similar to that of cashews a few years ago—not a clear winner but possibly on the threshold of takeoff. In addition to fairly good commercial prospects for a product unique to Africa, the social aspects of helping some very poor women access a source of much needed money increases the attractiveness of the shea sector.

FINDINGS REGARDING ATP AND E/ATP EXPORT PROMOTION VALUE CHAINS

Rice

E/ATP helped a number of small parboiling rice processors improve their techniques through training. The rice value chain in Burkina Faso is also supported by GIZ, which works with the Union Nationale des Producteurs de Riz du Burkina on rice production, with UNERIZ (with OXFAM and Canadian Technical Assistance) for parboiled rice, and follows the Plan d'Aménagement du Sud Ouest for rice hulling. Transporters are already well organized in each region of Burkina Faso. GIZ also helped traders organize and focus on the domestic market. Mali is almost self-sufficient in rice, but millions of tons of Asian rice come in each year for other West African countries with well over a million MT of Asian rice coming to Nigeria annually. Sources met in Burkina Faso indicated that around 314,000 tons of rice are produced in Burkina Faso each year and that the country imports between 250,000 and 350,000 tons of rice per year. E/ATP is cooperating with GIZ on the capacity of the CIR-B and on advocacy efforts; GIZ provided a technical advisor to the organization. Bilateral USAID programs in Mali (not visited) and in Nigeria (the MARKETS program) have been active in rice production and marketing programs. Since none of the countries is self-sufficient in rice production and all (even Mali) rely on Asian imports to some degree, promotion of regional trade in African rice was a challenge. Helping with processing of parboiled rice, rather than trade, permitted the project to find some useful activities to help the value chain. E/ATP focus is not usually on promoting production except when there is an attractive new technology. For example, the projects may seek to expand new methods of rice production in Mali to neighboring countries such as Burkina Faso where there is no USAID bilateral value chain program.

Maize

There is substantial regional trade in maize, though it varies by season and by year. As in rice, in addition to substantial work by bilateral USAID missions, support for the sector is being pursued by a number of other donors. The traditional regional trade in grains and livestock has been mainly by small traders, often operating without bank loans. The team visited a small regional trader in Senegal who buys up to 700 MT of millet and maize a year from Burkina Faso and Mali without using banks, carrying cash to arrange the purchase and booking trucks there for the return trip.

AGRITA, a maize farmers' association in Ejura, near Kumasi, Ghana, said they were very happy with help they have received from ATP with understanding the best production methods, and receiving fertilizer on credit, raising their yields by 70 percent (from seven 120 kg bags to 12 bags per acre). Trade Hub assistance also provided training for the organization to produce a business plan and get financing from a bank to

purchase two tractors for use on the organization's farm and the farms of the 134 members. Another maize farmer's organization, also in Ejura and not working with ATP, said they commonly got 12 bags per acre (using fertilizer). MCC/MIDA was active in the same area and had given AGRITA farmers training in boosting production (integrated pest management, etc) previous to the ATP training, but ATP also provided business planning training that was not in the MCC/MIDA program. Small traders in the area (many of them women) had often exported maize to Burkina Faso but had no exports for the previous year because of a good maize crop in Burkina Faso and Mali and no price advantage to trade (according to AGRITA). The farmers in the AGRITA group had received Esoko training to receive daily price information by SMS cellphone messages, which they said helped them negotiate more effectively with the market women who came from Accra to buy maize. Apparently the lack of an export market last year did not prevent them from selling their maize. A large maize processing company in Kumasi was in the process of buying yellow maize (often preferred for poultry layers) from Côte d'Ivoire because of insufficient supplies around Kumasi/Ejura.

E/ATP has explored the possibility of cooperating with Nestlé, on providing training on the proper production and storage of grain to reduce aflatoxin in grain (which can cause liver cancer in humans and kill poultry). Nestlé would provide the technical expertise but use another organization to reach farmers. (This is still under discussion between E/ATP and Nestlé).

Sorghum/Millet

E/ATP had some modest activities on sorghum and millet during its brief period of activity. It reported that it conducted some training on using the best sorghum varieties for processing. A millet and maize trader in Senegal visited by the evaluation team who was buying from Burkina Faso and Mali was about to get advice from an E/ATP consultant about purchasing machinery to clean the grain prior to resale (done by hand up to now), as well as trying to get a bank loan for the purchase. E/ATP also sponsored some seed fairs, and marketing and processing activities for a few sorghum/millet processors and traders. It also sponsored a trip by Ghanaian business women to review marketing processed millet products in Nigeria. E/ATP has been pioneering the establishment of a West Africa Grain Network with CIC-B serving as the lead organization.

Onions

In Burkina Faso, ATP, in cooperation with EmbalMali, a lead packaging business in Mali, promoted the use of mesh bags for onions (instead of larger cocoa sacks) for exporting to Côte d'Ivoire, which seemed an opportunity to reduce spoilage and compete with Dutch onions. (which come in similar mesh bags and are popular in coastal countries). There was an initial problem of the mesh holes being too big and damaging the onions, but it seemed a creative way to improve marketing in coastal markets. ATP also promoted a new variety of rainy season onions in Burkina Faso (where there is no bilateral USAID value chain program to handle production issues). But in most other countries where USAID had bilateral production programs for the target value chains, E/ATP concentrated on cross-regional impact and activities such as marketing, packaging, financing, regional seminars, and workshops and other areas that USAID bilateral programs could not easily address..

Poultry

E/ATP began work with poultry and helped to get the avian influenza ban lifted on exports of day-old layer chicks from Côte d'Ivoire to Burkina Faso. This was ostensibly just a technical issue for veterinary authorities, but apparently required more effort than just convincing the veterinarians. E/ATP also has been working on getting the ban lifted on day-old chicks exported from Ghana to Burkina Faso. E/ATP supported the Ghana National Association of Poultry Farmers (GNAPF) to analyze options for the country's trade policy regarding poultry meat imports and make proposals to Ghanaian policymakers. They told the team they would like to

see imports of frozen poultry gradually banned and replaced by the development of a Ghanaian broiler industry. The Ghana poultry association said that the imports of day-old broiler chicks from Côte d'Ivoire and exports of layer chicks to Burkina Faso continued in spite of the avian influenza ban. E/ATP had just begun work with the poultry associations and had to end it abruptly due to re-focused priorities of Feed the Future. The Ghana poultry association expressed displeasure at the ending of the program on short notice stating they had provided information to E/ATP but did not get feedback with the resulting data, which would have strengthened their efforts in informing members. They were also unhappy that a major chicken fast food retailer had recently opened in Ghana using imported frozen chicken instead of local chicken. The country has a thriving egg industry and sometimes sells live birds, preferred by many consumers around major holidays, but said they normally have trouble competing with imported frozen broiler meat largely due to the high cost of feed in Africa (over 80 percent of the cost of a broiler).

Livestock

Livestock is estimated to represent 75 percent of the value of regional agricultural trade, but finding new areas to make regional trade more efficient was a challenge. The traditional nomadic search for grasslands and traditional marketing of animals and meat by certain ethnic groups may be difficult to modify in the name of efficiency. Feedlot training to fatten young bulls in Mali and Burkina Faso was a useful activity that could support regional trade, but most appropriate as a bilateral rather than regional activity.

An example of a successful regional activity was selling rams from Burkina to Accra for the Muslim feast of the lamb (Tabaski). In its briefing book, E/ATP said:

Operation Tabaski. Starting in 2009, the project helped livestock traders mount Ghana's first sheep sale commonly organized in neighboring countries to cater to Muslim communities...arranged for Ghanaian traders to meet the Burkinabe breeders who delivered the sheep and helped organize and finance marketing campaigns in Accra. At the same time, it ensured minimal road harassment in transport of the sheep and helped with financial arrangements...Operation Tabaski quickly sold off all the sheep brought to Accra; 1,400 animals in 2009 and 2,564 in 2010.

The livestock association in Tema told the evaluation team that traders had traditionally brought rams to sell in Accra but the French-speaking truckers sometimes felt intimidated by the English-speaking police and customs officials in Ghana. ATP reportedly worked with the regional livestock association, COFENABVI, to organize a ram convoy, and ATP paid for the transport the first year. The convoy came to Accra without the usual illegal police and customs stops, and the traders sold all of their animals. The Ghanaian livestock association in Tema said they had advised the normal traders to wait rather than going to Burkina Faso to buy animals because this more organized marketing effort was taking place. They indicated also that there was a recent increase over normal levels of sales, though they attributed the sales increase in part to diversion from the civil war raging at that time in Côte d'Ivoire. In 2009, ATP and a World Bank program jointly financed the rail transport of animals from Burkina Faso to sell in Côte d'Ivoire. ATP paid for the rail transport of livestock (45 of 109 cattle and 200 of 350 sheep) and covered the cost of the animals' veterinary services, while the Programme d'Appui aux Filières Agro-Sylvo-Pastorales (Burkina Faso) (PAFASP) (World Bank) covered the rail transport of onions. All animals (350 to 500 kg each) were sold, for a total over FCFA 70 million (US\$152,174).¹

E/ATP launched other trade events aimed at supporting Burkina livestock actors in Ghana and in Côte d'Ivoire. In the last Tabaski event in Cote d'Ivoire in 2011, E/ATP facilitated the shipment of 6,379 sheep to Côte d'Ivoire, all sold, for a total of 663,525,000 CFA. (COFENABVI/Burkina Faso told the evaluation team

¹ Agribusiness and Trade Promotion, Annual Progress Report – October 2008-September 2009

that other traders also shipped sheep outside the E/ATP program in 2011 and that the total was approximately 15,000 to 20,000 head, but many of them were reportedly not sold. COFENABVI suggested to the team that better market information could help to prevent future excess shipments exceeding consumer demand). ATP also promoted sales of Burkina Faso animals to Nigeria in 2009 by bringing together 55 buyers and 70 sellers to establish business contacts, and formally introduce different types of animals available for export from Fada N’Gourma. Shipment of 300 head of cattle, representing FCFA 105 million (US\$228,261),² occurred from April through September 2009. Fada N’Gourma sold about 200 head of cattle a week to Nigerian livestock buyers who attended the fair, which represents revenues of FCFA 2.4 billion (US\$5.2 million) in six months. E/ATP data show an increase of cattle exports of 791,556 head (US\$416 million) between 2008 and 2011.

In Nigeria which is the biggest market, meat imports are still banned, so the only market is for live animals, generally the case for the entire region. A U.S. veterinarian who recently participated in a USAID study of slaughterhouses in the region (to be released in 2012) said that many of the slaughterhouses in Mali, Burkina Faso, and Ghana are very unsanitary and that as a result, frozen meat sales across borders seemed unlikely in the near term, since the quality of the meat would be poor due to high bacteria counts.

E/ATP helped create the Société Africaine d’Exportation de la Viande (Meat Export Company) by supporting the business plan; the company was created by three countries—Mali, Côte d’Ivoire, and Burkina Faso to improve sanitation and the carving of meat. . The program, still in process of establishment, did not yet result in any significant exports of frozen meat, although ATP said meat exports might occur in the longer term. E/ATP also developed plans with a large company in Kano, Nigeria, to develop meat processing in the north (it is now concentrated in the south of Nigeria). The company is able use its own financing to renovate some slaughterhouses in Kano and get refrigerators and adapted trucks to possibly export to Dubai. E/ATP is helping them with business plans for a cold room.

Work on abattoirs, standardization, and certification is an expensive and lengthy process and requires expensive equipment upgrades, so the programs focused on training on quality measures. The E/ATP program helped with sanitary practices and domestic marketing. There was no immediate effect on export marketing however, if that should develop in the future, the E/ATP preparatory work will have facilitated it.

CONCLUSIONS ON TRADE HUB EXPORT PROMOTION

1. **Indicators:** Generally, the Trade Hub exceeded its indicators, in capacity building, investments, exports and generating jobs. The Hub based export numbers on quarterly surveys of 300 of its beneficiaries (of which about 90 questionnaires were returned).
2. **Hub activities:** The Trade Hub concentrated on export-ready companies or ones nearly export-ready. It hired consultants to help the companies with business plans, financial plans, labeling, and meeting special conditions for reaching U.S. markets. The Trade Hub also organized travel to trade shows in the United States and Europe for company representatives to meet buyers. The Hub provided “tool kits” on exporting goods to the United States and set up 13 AGOA resource centers, mostly with chambers of commerce, throughout the region to provide extensive information on rules, procedures, and marketing information.

² Agribusiness and Trade Promotion, Annual Progress Report – October 2008-September 2009

3. **U.S.-based warehouse:** Processed food exporters noted that while trade fair participation was helpful it was insufficient. They stated they needed a warehouse in the United States so that they can quickly respond to potential buyers wanting small samples and test shipments quickly.
4. **Unique products:** Many of the Hub-supported companies had something special—such as shea, baobab products, or cashews—that were not available or were in short supply in the rest of the world.
5. **Food security:** The key to food security is income, not self-sufficiency in one or two products. Production and marketing of products in addition to the main cereal crop can provide important supplements for poor people, particularly poor women, who often treat cereals as family property (under authority of the male family head) as opposed to other minor cash crops, where women normally keep the sales proceeds.
6. **Multi-year effort needed:** Several of the companies had substantial sales to Europe, but less to the United States. Most companies visited seemed to be struggling, but a number of them seem to have crossed the threshold to achieve what appeared to be sustainable export businesses. Success usually takes years of interaction with buyers and substantial help in finance, management, and marketing and the Trade Hub has been effective in all of these areas of support.

CONCLUSIONS ON E/ATP EXPORT PROMOTION

1. **Attribution:** E/ATP, with a short time period of operation, changing commodity focus and no clear way to quantify the percentage of exports facilitated by E/ATP witnessed a 26 percent increase in exports over the base period in regional trade according to the trade flow measurement system of the project—counting trucks and cargoes as they arrived in key markets. It is not clear to what extent this increase was due to E/ATP export promotion activities.
2. **Livestock dominates trade:** About 75 percent of the trade was in livestock, with a traditional production and distribution system that was difficult to rapidly improve, though attempts were made in expanding trading contacts, and in promoting and sometimes subsidizing shipments to markets in Ghana, Nigeria, and Côte d’Ivoire. In addition, the project got political authorities to remove a ban on exports of Ivorian day-old layer chicks to Burkina Faso. Efforts to improve slaughter practices were of more significance to national markets than to regional trade. Feedlot training to fatten young bulls for meat could have been bilateral activities but also would have an impact on regional trade. Many of the successful E/ATP activities were in grains or onions, but the value of maize exports fell due to general market supply and demand conditions. E/ATP helped in some activities to improve production or processing of sorghum, millet, onions, and rice. In sum, the indicators were not a good measure of the E/ATP success, because although it appears that the programs helped promote regional exports, there was no easily quantifiable relationship between project activities and changes in the level of overall exports
3. **Overlapping programs:** A major difficulty for quantifying the results of E/ATP efforts in terms of regional trade was that many of the activities seemed to overlap with efforts of other groups—not only the bilateral USAID projects but also others such as MCC, the German government, the World Bank, etc. E/ATP actively cooperated with many of them, seeking areas in the value chains where a regional program could add value. E/ATP has been cooperating with GIZ to improve the capacity of the CIR-B and on advocacy; GIZ provided a technical advisor to the organization. Bilateral USAID programs in Mali (not visited) and in Nigeria (the MARKETS program) have been active in rice production and marketing programs. E/ATP explained that they usually do not promote production except when they

see an attractive new technology (e.g., new methods of rice production in Mali) that they may seek to expand to neighboring countries such as Burkina Faso, where there is no USAID bilateral value chain program..

7. **Existing trade network:** It should be recognized that an active network of private traders already exists to move commodities and cattle around the region in response to price signals. Regional programs are needed to help make the marketing system more efficient and bring some new players into the market information system.
8. **Grain trade harmonization:** Someday there may be standardized grain contracts and reliable inspection that would permit sight unseen trading of grain based on specifications, as in the United States. But that system is still fairly far away for most traders. The Ghana Grains Council wants two new grain grades to be recognized by the Ghana Standards Board, adding to the three existing grades. That could provide an opportunity for harmonizing Ghanaian grain standards with those of UEMOA, starting the path toward a more formalized trading system based on standard specifications and also facilitating the development of a warehouse receipts program. (This is discussed further under the credit area.)
9. **Production:** The most important work to stimulate regional trade is expanding yields and production by encouraging better use of productive seeds, fertilizer, and other chemicals, coupled with credit programs or other mechanisms to make it possible. These are activities most appropriate for bilateral rather than regional programs. The demand for products that are cost competitive and of adequate quality is substantial and expanded local grain production could replace millions of tons of imports of rice, vegetable oil, and frozen poultry. The regional program can help in promoting the regional harmonization of regulations on seeds, chemicals, and product standards, etc. It can support regional programs for traders and regulators to make production and marketing more efficient and to expand trading contacts.
10. **Regional program focus:** For regional trade programs, the most important inefficiencies to address that raise costs of trade are transport impediments and lack of finance, areas where much remains to be done.
11. **Future work on backhauls:** Work to connect traders with empty truckers seeking a cargo has not been a focus of efforts, but the Burkina Faso truckers association has set up a the beginnings of a system with World Bank credit (the program has reportedly ended) and said that more donor support could be useful to introduce such a system throughout West Africa. Esoko stated this could be an area of future activity for a regional MIS platform.

MAJOR RECOMMENDATIONS FOR EXPORT PROMOTION

Continue Trade Hub programs: Trade Hub activities are working well, and there is substantial scope for continuing these programs, building capacity, and helping export-ready companies to access American and European markets. Activities also can help regional associations promote investments and other activities linked to exports. Trade Hub programs represent substantial potential for further development of value added products to be exported from Africa. Activities promoting exports by export-ready companies should be continued.

USAID regional programs focused on grain/livestock and other commodities should continue to coordinate closely with USAID bilateral programs. Regional program leaders should organize and fund workshops at least once a year for USAID and project program leaders with one or more additional regional workshops for stakeholders in each value chain.

E/ATP can perform some services the bilateral USAID projects do not. This includes offering workshops and advocacy training for harmonizing regional regulations and removing barriers to trade, seeking to change rules on cargo transport, and developing information systems that facilitate trucks booking and carrying a cargo back from a cross-border trip. Regional seminars can be beyond the scope of the national programs and seem to have been useful to some beneficiaries in creating or deepening marketing contacts to expand regional trade. It would be useful to have a modest regional structure that would group managers of bilateral USAID projects at least once a year value chain by value chain to discuss opportunities for regional workshops for key stakeholders such as traders, processors, technical officials, and/or policy officials from across the region.

Regional stakeholder workshops are important and should continue: Following the USAID project leaders' initial regional planning sessions, separate value chain regional meetings could be organized for marketing stakeholders and including segments with regulatory officials, financial representatives, scientific representatives, and others pertinent to the value chain. These workshops would be useful to build the successes of the substantial value chain work of the bilateral projects and other donor projects.

Depending on the subject, consideration could be given to inviting some people from countries beyond the four countries to be targeted in Feed the Future programs—e.g., possibly including very poor and needy countries such as Burkina Faso and Niger, or major market players such as Nigeria.

The regional program should have a budget adequate to sponsor regional workshops for USAID experts followed later by stakeholder workshops for each major value chain.

There is a continuing need for a small regional export promotion staff. A small regional staff, perhaps attached to the Trade Hub, which is able to shift across value chains, using expertise and participant nominations from the bilateral value chain programs (and having regional funding for two or more regional activities each year for each value chain—one for USAID project interaction and planning, and one or more for stakeholders) could expand regional marketing contacts and address issues of harmonizing seed and agrochemical policy; harmonizing subsidies for inputs; and modifying inputs and production techniques, finance, and other subjects pertinent to regional trade. Input companies and bankers could be invited to give some of the presentations.

TRANSPORT CORRIDORS

The Hub and E/ATP both worked to identify and reduce barriers to regional trade in transport. The bribes and time delays increased the cost of doing business in West Africa. Below is a map prepared by the Hub showing customs and police road stops in some of the main corridors that the Hub monitored.

BACKGROUND AND CONTEXT

Both the Hub and E/ATP have put considerable resources into improving the efficiency of transport, particularly in giving information to regional and national authorities and private advocacy groups to seek to reduce the number of truck stops by police and customs, to reduce the bribes demanded and reduce the time taken. The 16 transport reports compiled by the Hub (sealed truck cargoes for transit) and by E/ATP (bulk grains, onions, and livestock) have been published by UEMOA and gotten considerable attention, including some official directives to reduce transit stops. The cost in bribes per trip is generally about \$50 to \$100 for transit cargoes and sometimes more for animals or other regionally produced goods in trucks that conform less to the rules. A truckload of 45 bovine animals (bulls) worth \$27,000 might be assessed a total of \$300 in bribes in a series of stops (1 to 2 percent of the cargo value). Work has also been started on a “borderless program” that includes not only efforts against the transport bribes, but includes work with customs officials



at the Ghana/Togo border to seek to speed transit of cargoes through the border and lower costs, and which is likely to be expanded if it is successful.

INDICATORS AND RESULTS

TRADE HUB TRANSPORT INDICATORS

AND ACHIEVEMENTS

●Has the government adopted improved transportation related policies or plans this year as a result of USG assistance? (indicator does not exist in 2008)

- FY2009: Target: Yes - Achieved: Yes
- FY2010: Target: Yes - Achieved: Yes
- FY2011: Target: Yes - Achieved: Yes

Life of Project 2007/Sept 2011: Target: Achieved: Yes

●Number of people receiving Trade Hub supported training in transportation-related policy and regulatory practices:

- FY2008: Target: 1,000 – Achieved: 2,475
- FY2009: Target: 500 - Achieved: 3,407 (Women: target: 25, achieved: 92)
- FY2010: Target: 2,500 — Achieved: 8,519 (Women: target: 25, achieved: 270)
- FY2011: Target: 2,500 - Achieved: 5,448 (Women: target: 25, achieved: 357)

Life of Project 2007/Sept 2011: Target: 8,500 - Achieved: 19,848 – Achieved total 244 percent/women: achieved: 799 percent

●Number of improved national transport and logistics (T&L) policies adopted this year as a result of Trade Hub assistance:

- FY2008: Target: 1 – Achieved: 1
- FY2009: Target: 2 - Achieved: 1
- FY2010: Target: 2 - Achieved: 4
- FY2011: Target: 3 - Achieved: 7

Life of Project 2007/Sept 2011: Target: 7 - Achieved: 13 – achieved Total: 186 percent

Note, the achievements seem to refer to the number of policy documents done but do not necessarily reflect policy change.

●Reduction in number of barriers along priority West African trucking corridors:

- FY2008: Target: 0 percent – Achieved: 19 percent
- FY2009: Target: 5 percent – Achieved: 19 percent
- FY2010: Target: 10 percent – Achieved: 8 percent
- FY2011: Target: 12 percent – Achieved: 29 percent

Life of Project 2007/Sept 2011: Target: 27 percent – Achieved: 14 percent – Achieved Total: 52 percent

The indicator refers to the number of checkpoints or controls along corridors which are between 20 and 40 on average. This data combines the results of the work that has been done in all the corridors covered by the Trade Hub, and while some corridors have seen an increase of the number of checkpoints (Abidjan-Bamako), others have seen stagnation or a small decrease. The data shown in Trade Hub annual reports are not always consistent with the different improved road transport governances (IRTGs). The indicators show a global decrease of 14 percent which means a cancellation of three to six checkpoints/controls on corridors with a small number of the total checkpoints. Sometimes checkpoints have been cancelled and then reinstated later unofficially, sometimes as “mobile” checkpoints. In general the advocacy and public attention has led to some decrease in stops and bribes.

•Reduction in average transportation and logistics costs (direct and indirect) for key exports using priority West African trucking corridors:

FY2008: Target: 0 percent – Achieved: 0 percent

FY2009: Target: 5 percent – Achieved: N/A

FY2010: Target: 5 percent – Achieved: 3 percent

FY2011: Target: 6 percent – Achieved: 2 percent

Life of Project 2007/Sept 2011; Target: 16 percent – Achieved: 2 percent – Achieved total: 12.5 percent means that the Trade Hub achieved 12.5 percent of its objectives)

Life of Project 2007/Sept 2011; Target: 16 percent – Achieved: 5 percent (2010-2011, no data available for 2007-2009) – Achieved total: WATH achieved 31 percent of its objectives (The target for 2010-2011 was 11% thus for that period for which data is available 45% of the objective was achieved)

The Hub examined the cost of shipping a 20 foot container in several corridors, e.g. from Ouagadougou to Tema Port in Ghana, costing a total of \$2,123 in 2008 of which 75 percent was the trucking cost and 25 percent was border and port costs; the figures included both formal and informal charges. The Hub reported that they changed the basis of transport cost calculation in 2010 and that the reduction from 2010 to 2011 was 2 percent if measured in CFA francs, adjusted for inflation (i.e. constant value CFA francs) or 5 percent per year (45 percent of the target) based on other estimates of costs used because of insufficient survey returns. While there is not a breakdown of the informal charges (bribes) in the above figures, from project reports, bribes paid by truck drivers at checkpoints and border crossings alone per trip are equivalent to an average of \$19/49 USD for Lome/Ouagadougou, or Tema-Ouagadougou, around 105/150 USD for Ouagadougou-Bamako, and around 87/132 USD for Abidjan/Bamako.

ATP INDICATORS ON TRANSPORT

•Number of policy reforms presented for legislation/decision as a result of ATP program assistance. FY2009: Target: 2 – ATP has not presented policy reform for decision

FY2010: Target 4 – Achieved: 2

FY2011: Target: 2 – Achieved: 2

Life of Project FY2009/FY2011: Target: 8 – Achieved: 4 – Only 50 percent

•Example for FY2010: modernization of transit regime, regional M&E system

Transport obstacles, as measured by bribe costs per 100 km.

FY2009: Target: 6 percent decrease in bribe cost: data done during three weeks: not relevant.

FY2010: Target 13 percent – Achieved 17 percent

FY2011: Target 20 percent – Achieved 40 percent

Life of Project FY2009/FY2011: 20 percent – Achieved: 40 percent

The value of the bribes is a small percentage of the value of the cargo and probably the time delay was more significant, particularly for animals. Livestock cargoes paid the highest bribes, sometimes \$300 per trip on a truckload

of animals worth over \$20,000. A delay might result in the death of one or more animals, worth about \$600 each for a large bovine animal. Delays were reported to UEMOA, but were not required as an indicator for USAID. Generally the total delay for a trip did not exceed seven hours—though the 2011 report showed a much longer delay for the first quarter, a huge increase over previous periods and surprising if correct.

E-ATP INDICATORS ON TRANSPORT

•Percent reduction in transport obstacles per 100 km:

FY2010: Target: 8 percent – Achieved: 0 Since no baseline.

FY2011: separation: Corridor Bama Koutiala: Target 16 – Achieved: 74. Corridor Koutialia-Dakar: Target not defined – Achieved: 2

Life of Project FY2010/FY2011: Achieved 0

These data do not allow a comparison with the previous year. Life of Project achievement is shown as zero. Transport bribes apparently went up, not down for cattle.

FINDINGS REGARDING TRANSPORT CORRIDORS

The Hub and E/ATP have collaborated to produce the information for 16 quarterly UMEAO reports on transport bribes, number of stops, and delays. USAID only required trade projects to report on targets set for bribes, but delays may be more important to set targets for.

The Hub reports reported average bribes in different quarters of \$40 to \$198.5 dollars per truck per corridor and total delays average 1 to 7 hours.

E/ATP reports on trucking of local commodities and animals had slightly longer delays and larger bribes reportedly sometimes reaching \$300 to \$500 in the different transport corridors they reported (e.g., those for onions or animals) and the bribes for trucks with animals seem to have gone up instead of down.

With a grain truck carrying commodities worth about \$6,000 and a livestock truck carrying animals worth over \$20,000, the total cost of the bribes totaling 1 or 2 percent of the value of the cargo may not be critical in competitiveness (e.g., for bulk products and animals coming from the interior to compete with imports in major markets and population centers on the coast.) The delays are more important, particularly for live animals or perishable products. Trucks were being delayed by five to seven hours on trips between major cross-border markets in West African transit corridors. Anecdotes from some contacts indicated delays for days or up to a week, but this does not seem to be reflected in Trade Hub reports or in discussions with transporters of bulk products.

One major importer and local agricultural processor met by the team commented that the cost of stops and bribes along the road is less of an important policy issue than other issues, such as harmonizing commerce rules throughout West Africa. For instance, not having a common external tariff, leads to the illegal transfer of goods overland from countries with low duties (Côte d'Ivoire has a 5 percent duty on rice plus a 7 percent value-added tax) to ones with much higher duties and taxes (Ghana has a 35 percent duty, with about a third of rice supplied by imports not paying the full Ghanaian duties and taxes).

Various reports indicate that customs and police stops and the amounts of bribes collected have decreased and then increased again. With occasional official pressure to reduce the number of police and customs stops, but then subsequently increases the number of stops and/or bribes. A transporter told the team that there are currently 12 police stops between Tema and Ouagadougou—down from the previous 18 stops. In Burkina Faso stops were eliminated at the border with Mali, but are now being reintroduced. The newest report is that Togo has eliminated customs stops other than at the borders. A transport association source told the team that they are waiting to see if this is true and if it will persist.

The Trade Hub and the E/ATP program take a different approach to transport, though they cooperate in cataloguing and publicizing data on stops and bribes. The Trade Hub concentrates on vehicles that are carrying certified and sealed containers and are supposed to pass through without stops except at the border. The E/ATP covers other cargoes— grain, onions, animals, or other products produced locally. An onion trade association representative told the team that it would be useful to have (at least temporarily) a donor subsidy for an industry committee that would inspect and certify vehicles carrying local farm products for proper documents, weights and cargoes, providing a windshield sticker of the certification. He stated that truckers trying to break the rules would not be given the certifications, and thus likely to face problems with police and customs officials. A Burkina Faso trucker's group representative said that if both the sealed trucks with transit cargoes and the trucks with local non-containerized cargo were to have credible checks at loading with windshield stickers, it would become more difficult for police and customs officials to systematically extort money from them via numerous illegal stops. But a number of contacts—traders, trade associations, and truckers—doubted that the problem of bribes and illegal stops would be resolved quickly, though it might be lessened somewhat. A high government official told the team that it would take time for civil society to understand the cost of this extortion and demand that it be eliminated. A major trader was skeptical that it would be eliminated any time soon but thought Trade Hub efforts were somewhat useful. A trucking association representative noted that it is easy for police to cause a costly delay making it much easier to pay the small fee (sometimes less than a dollar), rather than suffer a costly delay. But virtually all government and private contacts to the team, even those somewhat skeptical of the results, thought the Trade Hub and E/ATP efforts were useful and should be continued, with hopes that they would eventually lead to lasting change.

TRANSPORTATION CONCLUSIONS AND RECOMMENDATIONS

1. **Indicators:** The projects met the indicators on policy changes, and the illegal checkpoints and bribes were reduced, but not eliminated. The Trade Hub and E/ATP collaborated on conducting workshops and substantially exceeded targets to educate truckers and others on their obligations and rights. The projects also succeeded in publicizing transport problems and getting official attention, although this is hard to quantify.
2. **Focus:** The Trade Hub concentrates on vehicles that are certified and sealed and are supposed to pass through without stops, except at the border. The E/ATP covers its target value chains—for grain, onions, animals, or other products produced locally.
3. **Bribe reports:** The Trade Hub and E/ATP have collaborated to produce 16 quarterly reports on transport bribes, and number of stops and delays, issued by UEMOA as their own report. The USAID indicator focuses on reporting costs including bribes, but the team feels delays may be more important.
4. **Bribes are small:** Road transport remains a challenge—particularly for perishable goods moving across borders. The absolute charges are modest, often 1 to 2 percent of the cargo value. Delays can be crucial, particularly for animals (day-old chicks or cattle) or other perishable commodities. Cataloging of bribes and delays by the Trade Hub and E/ATP indicate a large number of stops, but fairly modest total delays—generally less than seven hours per trip.
5. **Bribes persist:** Customs and police stops and the amounts of bribes collected have decreased and then often increased again, although often at lower levels than before. While numerous sources doubted that the extortion stops would cease completely, virtually all government and private contacts of the evaluation team, even those somewhat skeptical of the results, thought the Trade Hub and E/ATP efforts were useful and should be continued.

6. **Official enthusiasm:** Regional officials in ECOWAS and UEMOA enthusiastically claimed ownership of the reports on the illegal stops and bribes done by the Trade Hub and E/ATP. Police and customs officials, who originally denied the extent of the problem, were shown that it does in fact exist and police authorities have participated in “road shows” to address the problems. Truckers have been educated on the rules and their rights, to give them some bargaining authority with police and customs officials, though far from equalizing the balance of power in such discussions.
7. **Border work:** The Trade Hub has also started a new program to facilitate easier, faster, and, cheaper transit across the Ghana/Togo border. If successful it will be expanded to other border crossing points.
8. **Port inefficiencies:** The projects have not been active in trying to facilitate faster or cheaper imports at the ports (since the projects focus on exports, not imports, or on major traditional exports such as cocoa and cotton). Some problems and delays at the ports do persist but there is currently a wave of modernization that could have a major impact on transport speed and cost once applied to all major ports.
9. **Computerized booking for empty trucks is an unmet program need.** One inefficiency not addressed by the regional programs is trucks returning empty. In West Africa many individuals own one to three trucks and rent them out to traders wanting to ship cargo in one direction. Some trucks may return empty rather than lowering their costs by carrying a backhaul. A computerized system to identify supply and demand for empty trucks could substantially increase the efficiency and lower the cost of shipping across borders. Burkina Faso shippers have been developing a computerized freight booking system under an (expired) World Bank program, but recommend that donors also help with similar systems throughout the region. The system developed for Burkina Faso shippers had bandwidth problems due to slow computer speed but the computer program is being revised.
10. **Truck certification is another unmet need:** An onion association representative and a Burkina Faso transport union representative suggested that it would be useful to have industry certifications for vehicles carrying locally produced products and animals to conform to weight and document requirements. They recommend a system similar to the certification process for sealed and certified cargoes going to and from the ports. They felt that this could reduce the incidence of police harassment, delays, and bribes and avoid damage to roads.

MAJOR RECOMMENDATIONS FOR TRANSPORTATION

Policy work on transport should be continued by the Trade Hub, expanding beyond the sealed transit cargoes to include activities with truckers of other commodities such as bulk grains: While the current cost of transport bribes is small relative to cargo values and efforts to stop them have not been fully effective, transport work does emphasize to national and regional authorities that problems exist in achieving regional trade. Periodic meetings, with the ownership of the data claimed by UEMOA and ECOWAS, highlight the issue, and indirectly highlight the issue that more work is needed to promote regional free trade, particularly for the bulk agricultural commodities produced in the region and targeted with programs by E/ATP.

Strengthen industry advocacy: Policy changes can take a long time in any country. The Trade Hub and E/ATP publicizing transport impediments seems to have virtually universal support as a useful and necessary function. This has reduced the problem somewhat and may eventually create enough consensus to not only change the official policies but to implement them as well. Successful efforts in the transport bribes and faster border crossings could strengthen local business advocacy groups and directly or indirectly lead to other measures to support freer trade within West Africa.

Formal computerized systems to book backhaul freight should be introduced in major commercial centers throughout the region: Linkage to the USAID-supported MIS network should be considered. Computerized backhaul work (booking empty trucks for return trips) could result in improved efficiencies for transport.

Truck certification and assistance to promote industry value chain certification of conformity (weight, documents) at point of origin for trucks carrying grain and livestock and other bulk products should be considered: Haulers of local cargo should be encouraged by an industry control system to fully conform to national requirements on weight load and documents and get a sticker of conformity on their windshield that would reduce excuses for stops other than at the border.

MIS AND IT

BACKGROUND AND CONTEXT

Modernization of Market Information in West Africa: Overview and Outlook: Market Information Systems and Information Technology are crucial to developing modern agricultural and agricultural regional trade systems in West Africa. While there are some modern trading and manufacturing businesses in West Africa, much of the trade in agricultural commodities is by small producers and small traders who are not used to keeping records and rarely receive bank loans. Many small traders cross borders with cash or commodities to trade, hire one or several trucks, and move commodities around West Africa. While the traditional system is somewhat effective in moving commodities long distances in response to market price differences, inefficiencies in this system lead to high costs, lack of competitiveness against some imports, (e.g., imported rice, onions, frozen poultry, vegetable oil, and tomato paste, etc.), and lack of knowledge causing some sellers to receive a low price.

In the medium to long term it is likely that Africa will adopt marketing systems similar to those in the developed world—with purchases based on contracts; arbitration clauses to address problems; standards for products and reliable inspection certificates; purchases without viewing the products in advance; and financial transactions, including credit for working capital and for investment handled through banks. Some large processors are adopting many aspects of these modern systems already. And it is worthwhile to move from the traditional system to the formal system.

E/ATP focused on agricultural value chains where a large number of the producers and traders had only a rudimentary level of education and skills. Substantial training and capacity building would be required to reach the Western model of trading, replacing the small trader coming with cash, examining the commodity prior to buying, and hiring a truck and driver on the spot. The livestock system, accounting for three fourths of the value of regional trade, is dominated by nomadic herders and may be particularly difficult to change rapidly. This system produces cattle and markets them at low cost, albeit without the full quality to be sold to the small segment of high income consumers. But there are opportunities for making traditional trading systems more efficient long before they will be completely transformed.

In Western developed economies, privately held companies purchasing by negotiation (one buyer and one seller) are usually reluctant to publicize the details of their transactions, though they may use modern communications to identify suppliers and investors, and use contracts and arbitration clauses as well as bank financing to finalize deals. Tax and other considerations can contribute to the reluctance to divulge prices. However, in agricultural trade worldwide, many commodities are purchased by public tender (often published to keep purchasing honest) and/or through commodity exchanges where the details of prices and deals become public through commodity news services and other means.

Publishing Prices, Bids, and Offers: Clearly, publicizing offers to buy and sell can expand the array of traders and transactions. Publishing the details of wholesale prices in major markets can be of great benefit to sellers, particularly those such as farm organizations seeking to group a few tons of production from each of their members into truckloads of commodities for sale in large markets or to traders willing to travel to remote areas. Hundreds of commodity markets throughout West Africa have active and entrepreneurial wholesale traders with warehouses and the financial resources to buy one or more truckloads of commodities. (e.g. 30 MT of grain or onions or 40 to 45 large bovine animals). Some local traders within a country may use smaller 7 MT capacity trucks to visit rural markets near a market town. Potential traders who know the prices in distant markets can determine whether it is worthwhile to ship commodities within or across national borders. For instance, price information available to the AGRITA Farmers Association made them realize that it would not be profitable during the last year to continue transporting maize from Ejura to Burkina Faso. Bids and offers on an Internet or cell phone-based market information system can identify likely trading partners. Profiles can help determine if those trading partners are credible and might also interest investors, supplementing the work of national investment promotion offices.

A wholesale price in a distant market does not tell a farmer what he or she will receive at the farm gate or in the local market. But changes in those prices from a month or a year earlier (comparing the relationship previously among retail, wholesale, and farm gate prices) can give some idea of farm gate prices likely to result from wholesale prices, particularly if changes in transport costs are also known. If the farmer organization can get prices the same day or the same week from the local wholesale market, that information might be useful in negotiating a sale, garnering some of the profit that might have otherwise gone to the wholesaler or broker. One warehouse owner (also on the board of AGRITA Cooperative) met by the evaluation team in Ejura, Ghana, said that after receiving training by ATP in market evaluation, discovered that a number of women traders from Ejura were exporting grain to Burkina Faso and he began to do the same beginning two years ago while market prices made it profitable. During the past year, information on market prices in Burkina Faso made it clear that the price differential was insufficient to provide a profit to such shipments, so the trade stopped (before they shipped grain at a loss). Other AGRITA farmers said that women traders came from Accra to buy their maize, so that the efficiency of the traditional system did permit them to sell their grain.

MIS history leading up to E/ATP focus on private MIS networks and mobile phones: A public market information system (MIS) was set up in Mali beginning in the 1980s. USAID funded a program through Michigan State University, with \$4.06 million available for the program from 1998-2003. Subsequently, after a regional conference among French-speaking countries, USAID provided computer equipment and Internet connections to create a regional network, forming the basis of RESIMAO, a public network providing price information, from national MIS systems to a regional platform for publication.

RESIMAO: The Réseau des Systèmes d'Information sur les Marchés d'Afrique de l'Ouest (RESIMAO www.resimao.org) is an official regional platform that reports market information on agricultural products reported by official national MIS agencies³. RESIMAO depends on the MIS systems of each government, generally receiving donor support. Governmental MIS linkages to RESIMAO were developed in 10 West African countries covering many markets and many commodities. The national MIS systems have a huge network of people who collect data every day on price (and some claim to collect quantity data as well). Then they use the radio, newspapers, or the Internet to make data known. Some countries in the RESIMAO network are providing only retail and farm gate prices—both easier to get than wholesale prices, but not as

³ Interview with Mr. Limane BARRAGE, Principal Programme Officer, Sectoral Database Coordination, ECOWAS Commission

useful. One contact suggested that RESIMAO is more focused on producing its monthly reports for analytical purposes than on rapid dissemination of market information. The national agencies and services producing the MIS data have different data collection methods that should be harmonized for an effective regional data system, e.g., determining the type of cattle for each price category for consistent reporting. Recent discussions are attempting to address this issue of harmonization of data collection. When the evaluation team in mid-December 2011 looked at the RESIMAO website (which is in the process of being revised) only Mali reported the last week's wholesale prices on maize, while Côte d'Ivoire reported prices about 10 days old. Several other countries in the network reported retail prices only—much less useful for traders. RESIMAO sources in Nigeria and Senegal told the team they were collecting data every week for RESIMAO, but Nigeria's data on the website was a year old and no data was shown for Senegal.

ECOBIZ: Another public sector platform called ECOBIZ includes bids and offers. ECOBIZ (www.ecobizworld.net), a platform developed by ECOWAS in 2007, disseminates information on business opportunities in all the different ECOWAS member States, covering industrial and agricultural goods. The IT Center has been managed and developed by the ECOWAS Commission, while data collection is done by the member States through Chambers of Commerce, and of Industry and Agriculture. ⁴ This Platform uses Internet but not mobile phones, and the objective is to provide information to increase trade. However, data provided by Google show that the ECOBIZ platform received only around 500 visitors per month, staying an average of three minutes, suggesting that the ECOBIZ platform is not yet highly effective.

Esoko: A Privately Managed MIS Network: Earlier USAID-funded regional programs experimented with computer training for private sector regional market information dissemination and the current project has focused on cell phone diffusion of information, especially as cell phones became so widely used in West Africa. These programs worked with private sector MIS organizations at the national level to collect prices, some of them supported by other donors for issues related to food security. In successive programs, a USAID program called MISTOWA was set up which later evolved into a private sector platform called BusyLab, and then experienced a name change to Esoko, the private sector platform currently running with E/ATP funding, with the hope that it will eventually be sustained by user fees.. The private sector platforms funded by USAID are supposed to provide accurate wholesale price data in “real time” (i.e., without substantial delay), in contrast to the public systems that when working properly, as in Mali, will provide wholesale price information from the previous week.

An early attempt to improve market information systems was to ask RESIMAO to collaborate with the private sector network, seeking to link buyers and sellers via mobile phone technology. But the collaboration was not achieved, reportedly because of the licensing cost, perceived difficulty to offer public network functions via a private profit making company, and disagreement on the question of who would pay for the text message costs. A RESIMAO contact in Senegal told the evaluation team that in a meeting in 2005, collaboration had been sought between the public and private MIS systems but they did not find workable areas of cooperation. In absence of this collaboration with RESIMAO, Esoko developed its own data collection network in different ECOWAS member States, which to some extent duplicated the existing public national MIS systems with respect to the collection of market prices.

The ATP-supported MIS configuration via the privately-owned platform (Esoko) was launched in 2008. Partners have been selected at national levels—AMASSA and Afrique Verte in Mali, APROSSA in Burkina Faso, Esoko Ghana in Ghana, ANOPACI and COFENABVI in Côte d'Ivoire, and PMDA and IFANET in Nigeria. Esoko Networks started working on the platform development for ATP. For E-ATP programs, the

⁴ Interview with Mr. Limane BARRAGE, Principal Programme Officer, Sectoral Database Coordination, ECOWAS Commission

call for proposals to manage the platform was won by Manobi, now providing the network for several French-speaking countries as of late 2011. Esoko continues to work in Ghana and on the Ghana/Burkina Faso maize trade.

The private sector Esoko platform supports bid and offer information for sales of agricultural commodities. It is possible (perhaps likely) that the private sector platforms (Esoko or Manobi) may be more rapid and efficient at publishing bids and offers than the ECOWAS sponsored ECOBIZ platform.

Data reliability: Contacts in the Dawano market in Kano, the biggest cereals market in West Africa, told the evaluation team that they have been collecting market prices for years, but report prices to RESIMAO, not Esoko.⁵ Contacts in Kano indicated that this is also the case for the five other markets in Kano that deal with other commodities - Onions, livestock, etc. Esoko developed its own data collection system in Kano, working with Information Aid Network (IFANET) as a subcontractor. The Dawanu Market Development Association (DMDA) told the evaluation team that they do not see the value added of Esoko. They said that although people are supposed to receive daily prices from Esoko by text message, these prices are changing from one hour to another, and they feel the Esoko system is less sustainable than the one that is already in place. Therefore DMDA does not provide information on price to E/ATP as they do not pay for it. The E/ATP MIS/IT coordinator based in Kano indicated that in Nigeria, at least seven companies are doing price collection.⁶ In addition, to provide current pricing information to farmers is not seen as positive for traders since farmers with better market knowledge will get higher prices at their expense. Also, they felt the system might bring other traders into the business, increasing their competition. In sum, giving farmers' organizations "real time" price information is positive for farmers if the data are correct, but there is a danger that it could lead wholesalers to provide faulty market price data.

In Accra, the Ghana Agricultural Producers and Traders Organization (GAPTO) indicated that the prices Esoko sent on onions were sometimes nearly twice the actual market prices. They shifted to having their women's sector market manager call her contacts in remote markets and get the daily prices, which they put on a chalkboard outside in the market (their only means of publicizing those prices).

In Ejura (near Kumasi, Ghana) the farmers' organization indicated that the Esoko text messages on prices were extremely helpful to them. They were able to assess market price trends through the group leader who read the Esoko daily market text messages and reported to the whole group in weekly meetings. They indicated that they could bargain more effectively with the traders who came from Accra and elsewhere to buy their grain. They could also assess market prices in neighboring countries.

Data collection as well as the software platform creation faced several difficulties. As an experiment, Esoko networks faced many obstacles: (1) computer training in projects proceeding Esoko resulted in only very limited use of computers, (2) the process of profiling companies was a huge task, and (3) it was necessary to train people on the use of text messages.⁷ Also, contents reportedly lacked important information (text messages did not provide comparisons with the past month and year), and many farmers are still illiterate. Several contacts of the evaluation team said cell phone text information provided via Esoko was not always accurate, and updated according to some commodity association representative met by the evaluation team

⁵ Interview with Mr. Ahmed Iman, Secretary General of Dawano Market in Kano

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⁶ Interview with Mr. Gafar AJAO, E/ATP MIS coordinator based in Kano.

⁷ Interview with Mr. Mark Davies, CEO, Esoko and also info from beneficiaries.

in the onion trade (in Accra as well as in Burkina Faso), livestock (COFENABVI in Burkina Faso) and cereals (CIC-B in Burkina Faso). These representatives of E/ATP partners said they continue to get market price information by calling their own market contacts on their cell phones. But some contacts did find the text message prices to be valuable and accurate. Also, the preparatory work that has been done—on data collection and company listings—has been useful in providing tools to business associations to increase linkages with their members and to better understand how markets function. Both ATP and Esoko said that the collection and dissemination of market data remains a work in progress as several tools are being tested and refined and as traders and farmers learn to use the new systems.

Sustainability Issues: Because of limited use of the text message prices so far, one of the current challenges is to make the MIS sustainable through subscriptions paid by users, which is at this stage still unproven. There is also a danger that wholesalers may seek to report false low prices if they feel the information will unduly benefit buyers (and decrease their profit margins) or they may report prices higher than normal (as experienced for onion trade in Ghana) if they think the information will permit their retail sector customers to bargain down their profit margins.

The new configuration for 2012 will be three platforms: Manobi (based in Senegal but with regional coverage in Burkina Faso, Mali, Niger, and Côte d'Ivoire), Esoko networks (in Ghana and for maize in Burkina Faso) and the public network, RESIMAO, with headquarters based in Mali but covering 10 countries in the region and a wider range of commodities. RESIMAO had discussions in 2005 on coordinating between public and private profit making MIS systems, but failed to formalize a workable relationship. In early 2011 a RESIMAO official, M. Pierre Traore, said that MISTOWA and its successor—Busylab (predecessors to Esoko) were competitors with RESIMAO and that attempts to get cooperation between the two systems failed. More recently, cooperation seems to have improved and there were meetings between RESIMAO and ATP staff in 2011 that sought ways to improve the MIS systems in West Africa. That improvement will need to overcome some substantial difficulties but could very likely result in a mix of complementary public and private sector efforts. There is likely to be a considerable period of time before the best methods of data generation, dissemination, and use are fully explored. USAID support to the development of a viable system may lead to some dead ends, but overall are likely to pay substantial dividends in the long run in making trade more efficient, hopefully increasing the incomes of farmers, and/or lowering prices for consumers, and replacing some of the substantial food imports from Asia and Europe.

It was not clear to the evaluation team whether many deals were finalized on the Internet or whether this was mainly a mechanism for buyers and sellers to identify each other and trade offline. The head of Manobi in Senegal told the team that most transactions would be concluded offline.

At present, Esoko relies on subsidies from USAID and that seems to be a continuing need for the near future to keep them operating. Manobi seems to be more self reliant and less dependent on profits from the agricultural sector, since it has other substantial IT business with government and private entities. Nevertheless, profits or donor subsidies will be necessary to keep a profit-making entity involved. Manobi said that it will provide basic market price information free, but will charge for more complex analysis or other information. Providing the basic price information free increases the likelihood that Manobi could cooperate with the public sector MIS network, perhaps helping they report information more quickly. Manobi also can be given access to information for quick distribution and other analytical or specially targeted purposes that can generate user fees. RESIMAO, as a public sector platform, probably has more credibility and influence in calling for harmonizing data collection and reporting with other public sector MIS systems. Thus cooperation among the platforms could lead to improved data and speed of publication for market prices. . The Regional USAID program is well placed to work with the regional platforms and also

could coordinate with bilateral USAID missions that could take the lead in encouraging national MIS systems to modify their procedures and make information more readily available to traders.

Following are the USAID indicators and achievements of the three projects with respect to MIS/IT:

INDICATORS AND RESULTS

TRADE HUB MIS/IT INDICATORS:

● **Number of companies utilizing ICT value-added services (No indicator FY2008 and FY2009):**

FY2010: Target: 10 — Achieved: 5

FY2011: Target: 25 — Achieved: 19

Life of Project 2007/Sept 2011: Target: 25 – Achieved: 36 – Achieved total: 144 percent (not reflected in making the addition of annual indicators as no data for FY2008 and FY2009)

● **Number of new ICT value added products and services being used by businesses (does not exist in 2008):**

FY2009: Target: 10 — Achieved: 6

FY2010: Target: 30 — Achieved: 6

FY2011: Target: 10 – Achieved: 8

Life of Project 2007/Sept 2011: Target: 40 (but FY2009+FY2010 +FY2011= 50) - Achieved: 20 - Achieved total 50 percent (or 40 percent in you add the three years of targets)

● **Number of people trained in ICT value-added services (does not exist FY2008 and FY2009):**

FY2010: Target: 150 - Achieved: 215 (Women: target: N/A, achieved: 97)

FY2011: Target: 100 - Achieved: 203 (Women: target: N/A, achieved 75)

Life of Project 2007/Sept 2011: Target: 150 - Achieved: 425 (well 215+ 203= 418). Achieved: 278 percent

● **Number of companies receiving ICT training (only FY2009):**

FY2009: Target: 12 - Achieved: 7

Cost to final customer receiving cellular service after USG assistance (percent reduced) (only FY2008)

FY2008: Target: 0 – Achieved: 0

● **Number of national regulatory authorities accepting license applications from companies incorporated outside of their national jurisdictions as a result of Trade Hub assistance (only FY2008):**

FY2008: Target: 0 – Achieved: 0

● **Number of companies with enhanced access to affordable broadband Internet services (only FY2009):**

FY2009: Target: 25 - Achieved: 12

● **Total of public and private dollars leveraged by USG for ICT infrastructure projects – value of funds leverage (only FY2008 and FY2009):**

FY2008: Target: 0 – Achieved: 800,000 USD

FY2009: Target: 0 - Achieved: 300,000 USD

MIS/IT INDICATORS ATP

- **Number of users of regional MIS:**

FY2009: Target: 5,000 - Achieved: 8,000 users

FY2010 Target: 4,000 - Achieved: 8,031

FY2011: Target 10,000 - Achieved: 21,619

Life of Project FY2009/FY2011: Target: 19,000/Achieved 37,650 – Achieved total: 198 percent.

Based on the indicator, the program was highly successful. As discussed in the evaluation below, the program was less successful than it appeared in the numbers. Many of the people trained to use the system did not use it. Nevertheless, quite a few people said the information was very useful to them. But the indicator was not an excellent measure of program effectiveness.

MIS/IT INDICATORS E/ATP

- **Number of users of regional market information systems in Nigeria and other markets dealing with USAID:**

ATP commodities in addition to the number of users attributable to USAID ATP (cumulatively over the baseline)

FY2010: Target 3,000 -Achieved: 5,848

FY2011: Target 5000 - Achieved: 2885

Life of Project FY2010/FY2011: Target: 8000 – Achieved: 8732 – Achieved total: 109 percent

Esoko market information platform registered nearly 5,000 new users requesting market information on rice (3,737), millet (1,116), and sorghum (994). Poultry products had no user information until recently when the Esoko platform integrated poultry—resulting in some bids on guinea fowl and profiles of poultry actors.

E/ATP also launched its market information activities in Nigeria (using the Esoko platform) in partnership with IFANET and the DMDA. This program in Nigeria was successfully launched in a short time. The E/ATP MIS expert in Kano pointed out that there are seven organizations in Nigeria currently collecting commodity prices.

FINDINGS REGARDING MIS/IT

THE TRADE HUB

The Trade Hub indicated that price information systems are not the most important aspect of marketing the processed product exports targeted by the Hub. The system of market price discovery is more pertinent to bulk agricultural products. Thus the focus on introducing MIS systems that publicize market prices, bids, and offers was more pertinent to value chains supported by E/ATP. Nevertheless, there were some useful IT programs introduced by the Hub, such as helping companies use IT in their marketing programs.

The Trade Hub put practical ICT capabilities in the hands of export-ready companies in targeted sectors since adequate ICT tools, as well as affordable, reliable, and fast Internet connectivity are key factors for using ICT to increase export businesses. From 2008 to 2011, the Trade Hub provided expert consulting to assist companies in overcoming pressing ICT issues, streamlining their business processes using ICT, increasing ICT capacity through training and mentoring, and disseminating information about how companies in West Africa can use ICT to become more competitive. The work built and strengthened the ICT capacity of industry-leading companies, demonstrating the benefits, and providing the means for other exporters to imitate these successes.

Expert Consulting: During the project, the Trade Hub worked closely on ICT support with 37 Ghanaian companies from five sectors. Many of these exporters received site visits to help determine their specific ICT needs and streamline their use of technology.

In 2008, the Trade Hub developed the eBizBox package, targeting the specific requirements of small and medium sized exporters. Additionally, the Hub distributed hundreds of ICT toolkit CDs, containing appropriate free ICT software, at conferences and events throughout the region. As a result, the project facilitated purchases of 20 ICT solutions for 24 companies, ranging from accounting software, to laptops, to domain registration and hosting services. To assist with technology adoption and reduce abandonment of these new tools, the Trade Hub ran a help desk that offered technical support five days a week for eight months.

Undoubtedly, there were unreported purchases and these numbers do not reflect the uptake of free software and website services like Skype that were an integral part of many workshops, and which were enthusiastically adopted. Feedback to the Hub from exporters indicates that many export-ready companies have integrated some of these free technologies.

Exporters training in the use of appropriate ICT: Over the four years, the Trade Hub trained 425 business people, including 172 women, from seven countries (Benin, Burkina Faso, Ghana, Mali, Nigeria, South Sudan, and Togo). In 2010, after incorporating feedback, the Trade Hub released an updated version of the ICT software and hardware bundle, eBizBox II, with an increased emphasis on training and Internet-related products to complement the ICT tools. Training sessions were practically oriented, and topics included: basic accounting using Excel, PC maintenance and backup, online marketing, social media, using Google Sites, website development, communication efficiency, digital image management, and joining the Trade Hub-supported online portal.

Dissemination of information: To reach a large audience on a small budget, the Trade Hub posted advice, links, and training material to the ICT blog (www.watradehub.com/ict). The blog acts as a reference source for those that attended training and presentations and as a resource for companies that were unable to attend. Since February 2010, when website monitoring began, visitors have viewed over 2,250 pages and spent more than 100 hours viewing the ICT blog.

In September 2010, the Trade Hub organized the Technology for Exporters Conference, bringing together 52 exporters and ICT suppliers from five countries (Benin, Burkina Faso, Côte d'Ivoire, Nigeria, and Togo) to address key ICT issues faced by exporters, develop solutions to common problems, and learn how to adopt new technologies.

The Trade Hub also took advantage of exporters' presence at conferences and events by giving presentations and training at popular events such as Shea 2010, SIAO 2010, and Shea 2011. The Trade Hub increased exposure to wider audiences by presenting and taking part in panel discussions at externally organized events such as the Commonwealth Telecommunications Organization's Annual Connecting Rural Communities Africa Forum in 2009 and 2010

E/ATP MIS/IT Activities and Successes

E/ATP spent only \$1.3 million on MIS systems but introduced some important programs using private sector networks to provide market information via the Internet and cell phones to distribute:

1. Regional market prices
2. Bids and offers for agricultural trades on Internet platforms
3. Profiles of companies to facilitate the bid/offer credibility and to promote investment opportunities

ATP support led to over 50,000 users gaining access to the Esoko MIS platform.

1. ATP	45,650
2. Additional subscribers via E-ATP	8,732

3.

The following is a summary of bids and offers in the MIS system supported by E/ATP:

Bids

FY	Cattle		Sheep & Goats		Cereals ATP		Cereals E-ATP		Onions & Shallots		Poultry	
	Bids	Heads	Bids	Heads	Bids	Tons	Bids	Tons	Bids	Tons		
2008	None	None	None	None	None	None	None	None	None	None	None	None
2009	245	9,427	169	9,409	767	13,482	None	None	66	360	None	None
2010	68	3,415	15	833	428	14,274	34	1,203.94	12	8	None	None
2011	37	2,032	30	14,420	34	4,206.18	90	28,101.35	10	7.6	None	None
Total	350	14,874	214	24,662	1,229	31,962.18	124	29,305.29	88	375.60	0	0

Offers

FY	Cattle		Sheep & Goats		Cereals ATP		Cereals E-ATP		Onions & Shallots		Poultry	
	Offers	Heads	Offers	Heads	Offers	Tons	Offers	Tons	Offers	Tons		
2008	None	None	None	None	None	None	None	None	None	None	None	None
2009	None	None	None	None	None	None	None	None	None	None	None	None
2010	261	8,436	128	13,671	468	81,997	81	3,996.60	19	614.60	None	None
2011	254	11,629	110	37,027	218	63,183.88	423	30,678.54	34	410.55	None	None
Total	515	20,065	238	50,698	686	145,180.90	504	34,675.14	53	1,025.15	0	0

Clearly the work of E/ATP, including training for individuals and associations, was instrumental in improving capacity for commodity associations. Most of the discussion of work with commodity associations in this evaluation is covered under the Enabling Environment cross-cutting area as well as in Chapter 4.

E/ATP had a challenging task because the largest number of target beneficiaries in its agricultural value chains were less literate and Internet savvy than the export-ready companies targeted by the Trade Hub.

TRAINING: Many training events took place in the six selected countries on how to collect data for facilitators and how to use the platform for beneficiaries. Demonstrations also have been done during trade fairs.

Further information on training and other activities are shown in the indicators table in the section below.

The speed with which modern information systems can be introduced depends on the speed of modernizing West African commodity trade. Developing an understanding of the best possibilities for MIS requires some knowledge of the current trading systems as well as the challenges and opportunities for evolution of those systems to support

MIS/IT CONCLUSIONS AND RECOMMENDATIONS

Major questions are how useful was the MIS program and whether the \$1.3 million spent on the program was cost effective.

Evaluators met with some of the market information suppliers—Esoko in Ghana and RESIMAO and Manobi in Senegal—and data collectors linked to RESIMAO in Nigeria to inquire about their systems and their experience to date. In addition, beneficiary traders were asked about their use of the MIS systems.

The head of Esoko admitted that the program of text price messages is still experimental and has not yet become self-sustaining. Esoko experienced technical problems with their data platform and GAPTO said their market prices on onions were wrong. However, the maize farmers and traders in Ejura seemed to think maize market prices were accurate. Esoko said that some years ago they tried to train many people on using computers to access market information, but that was not generally successful. The cell phone efforts may seem more likely to work since many people have cell phones, even in farming areas. Esoko was providing services for free during a trial period but has plans to try to charge its customers in the future. Esoko was considering two models for financial sustainability—one charging farmers and traders to access daily price information sent by text message or with a smart phone accessing a website. Another alternative, seemingly more promising but not yet working would be a license model to get input suppliers or other companies interested in marketing to a target group to pay Esoko or Esoko's national partners to provide information, coupling their marketing information (e.g., on agrichemicals, and seeds, etc.) with market price information. E/ATP Nigeria switched to another price collector because they did not think that the Esoko franchisee in Nigeria had good contacts in the market. In sum although the price information is very valuable to users and the mechanics and financial aspects of the system are still experimental.

Another MIS provider based in Senegal (Manobi) has just made a new agreement with E/ATP and will partner with them to provide the mAgri tool to post information on bids, offers, and prices from linkages with private sector national MIS partners in Senegal, Mali, Burkina Faso, Niger, and Côte d'Ivoire. The information will be provided by text messages; possibly via an expensive dedicated handset that they would sell (they have only 20 customers at present who have bought these handsets). Their agreement with E/ATP is just starting, so success is unsure. The handset provides pictures for semi-literate people to access their commodities and read the number (wholesale or retail price) sent by text and for more sophisticated users,

access to a data system rather than waiting for daily text messages. The more sophisticated users are more likely to buy the handsets while basic data can be received by normal cell phones. The following are specific conclusions:

1. Market price information systems are very important particularly for new traders and farm groups.
2. E/ATP spent \$1.3 million to support a private sector platform linked to and developing national private sector price discovery networks in major markets for several targeted commodities. The network also includes bids and offers for commodity trade and profiles of companies in order to facilitate credibility for trade and possibly to supplement national efforts to promote investments. It was not clear to the evaluation team whether many deals were finalized on the Internet or whether alternatively, this was mainly a mechanism for buyers and sellers to identify each other and trade offline. The head of Manobi in Senegal said that most transactions would be concluded offline.
3. Over 45,000 users signed up for the (initially) free MIS text message services and there were over 2,000 bids and 2,000 offers, on the system with the offers totaling 20,000 cattle, 50,698 sheep or goats, and 180,000 MT of cereals listed on the Internet sales contact system of the E/ATP-supported system during the project.
4. Contacts of the evaluation team indicated that many text message trainees do not read the cell phone text messages, but get the information orally each week from a farm organization leader who reads the messages and helps them coordinate with buyers during the market season. While many farmers and traders are illiterate or semi-literate and many are not fluent in English or French, E/ATP indicates that most trainees in receiving text messages funded by E/ATP are literate.
5. There is an existing network of cash traders in all the E/ATP regional value chains. Traders commonly call private market contacts on cell phones to get information on distant market prices—sometimes felt to be more reliable than a formal price discovery system. Even important beneficiaries of E/ATP programs such as GAPTO (Accra, onions), COFENABVI (Ouagadougou, livestock), and CIC-B (Ouagadougou, grain) expressed doubt about the accuracy or timeliness of Esoko price data and indicated that they still call their contacts for market price data.
6. Some of the newer players such as farmer organization leaders may not have reliable marketing contacts to call and may find the text data on prices to be crucial as they negotiate sales. This was the case of the AGRITA maize farmers' organization visited by the team in Ejura, even though only one of the 134 members of the cooperative read the text messages (and reported the results orally to the others each week). The E/ATP MIS/IT coordinator in Kano also indicated that some big agribusiness companies found published market prices to be useful in setting prices with interlocutors.
7. Sustainability of the private for-profit systems from user fees is in doubt and to continue experimental methods of getting user financing, it will likely require a prolonged period of donor financing. In the medium term, recipients of text messages may become more used to using them, particularly as more technology savvy young people replace some of the older traders.
8. A government sponsored system (RESIMAO originally supported by USAID and other donors) currently publishes recent wholesale and retail prices in Mali and Côte d'Ivoire and recent retail prices in Niger, Benin, and Togo. Ten West African countries (including the French speaking countries and Nigeria but not Ghana or other English speaking countries) have set up a weekly price discovery and publication

system (published the next week when working properly) and it could operate more reliably with increased donor support, guidance, and expansion to English-speaking countries. .

9. A combination of weekly radio broadcasting of market prices from the previous week in local languages and availability of price information on the RESIMAO website for computer-savvy users might reach key users more effectively than text messages, also permitting easy comparison of prices from a month to a year earlier for Internet users (e.g., farm leaders who can access the Internet through Internet cafes in market towns). Both the public and private systems can be accessed by computer to compare retail, wholesale and farmers' prices from a month or a year earlier. Those comparisons can provide a means of estimating likely farm gate prices based on current wholesale prices. RESIMAO needs a great deal of work but represents an excellent potential to generate basic market price data.
10. RESIMAO as a public sector system could have credibility in encouraging national official MIS systems to harmonize data collection systems, even if others such as the private sector platforms might play an important role in retrieving the data collected by public or private enumerators for quick distribution to targeted audiences.
11. Public MIS systems reporting through the regional RESIMAO network, even when working properly (as in Mali) report prices collected the previous week. Private MIS systems such as those coordinated by the Esoko and Manobi regional networks can report wholesale price information the same week (without much delay and thus in "real time"), and also are set up to post bids and offers for commodity trades and profiles of buyers and sellers. ECOWAS in 2007 set up a public system for regional bids and offers (ECOBIZ). The public and private MIS networks could play complementary roles in expanding trade contacts within a country and across borders.
12. It is unclear the extent to which sales will be completed online or the extent to which user fees will become sufficient to sustain the system. Donor support may be required for a long time to support the private MIS systems as well as the public MIS systems.
13. Private platforms like Esoko and Manobi could analyze and package key information for sale to users, including companies selling goods and services that would use the information to help interested target audiences in their marketing messages. Manobi intends to provide basic market price information free and Esoko seems doubtful about whether fees by small producers and traders would sustain the system. The public national and regional systems would also provide market price information free to users through radio messages in local languages and Internet listings. The public sector may be more willing to cooperate with Manobi (which like the public platform will provide basic price information free) than with Esoko, which was planning to begin charging users for the basic price information.
14. USAID and other donors have supported parallel public and private MIS networks, with the private sector network reporting prices the same week and the public MIS system reporting the following week. Some of these private sector national MIS systems were already operating prior to ATP, generally supported by donor funding.
15. RESIMAO indicated (early 2011) that the private MIS network originally set up by Mistowa and Busylab (predecessors to Esoko) was competitive with its system. ATP's 2009-2010 annual report mentioned a lack of cooperation from RESIMAO. The E/ATP/MIS/IT coordinator said there are seven different systems (mostly donor supported) in Nigeria reporting on the same agricultural commodity prices. Donor coordination on which systems to support would be desirable. E/ATP has participated in coordination

meetings in 2011 as RESIMAO seeks to improve its public MIS network by better harmonizing national MIS systems and setting up a new platform.

16. Whichever system is chosen, some of the trainees and programs from successive USAID efforts operating since 1999 will continue to be useful in developing a regional market price information system.
17. Regional trade is generally via 30 to 35 MT cargoes in trucks (or 40 to 45 cows in the same trucks). Some local brokers may use smaller trucks—e.g., sending a motorcycle buyer to rural farm centers where produce of several farmers can be grouped and subsequently sending a 7 MT truck to pick up the commodities and pay the farmers. For regional trade a 30 MT quantity of grain or 40 animals may be the minimum quantity to list, whereas for local farm to market targets, 7 tons might be the minimum. If bid/offer listings with less than a truckload of quantities are included in the public system, they should be in a separate section or alternatively quantities should be separated by a search mechanism of minimum quantities to make the system more user friendly for major commercial users and regional trade.
18. **Backhauls:** Esoko has not yet tried to include the availability of trucks to haul commodities on its system but when the evaluation team raised this issue, Esoko said it is a future possibility. The Burkina Shippers Association has already tried to introduce this system with a World Bank grant (now expired) but had software and bandwidth problems. Burkina Faso shippers suggested donors should create a computerized truck booking system (mostly for backhauls) throughout the region. Many trucks now haul in one direction and return empty, or may wait several days to find a cargo while many small traders seek to find a truck. A computerized system to locate backhaul opportunities could be included in a private MIS system and could eventually be supported by user fees. More efficient use of truck backhauls would reduce the cost of transport and benefit merchants and truck owners and ultimately farmers. This could be possibly included in the MIS regional platform.

Though the Trade Hub helps firms with IT as described above appears to be appropriate and useful, the evaluation team found that separate recommendations in the area of MIS/IT are appropriate only for E/ATP, with Hub conclusions and recommendations adequately covered in other cross-cutting sections.

MAJOR RECOMMENDATIONS FOR MIS/IT (E/ATP)

Future projects should consider improving the RESIMAO price collection system currently sponsored by 10 West African governments, and review country by country whether it continues to be desirable to support a parallel for-profit network for gathering and publishing the basic market price information or whether integrating efforts is feasible: The government-run RESIMAO system covering many commodities and markets in 10 countries (out of 11 originally listed) has been set up to provide basic price information to the public, and is operating efficiently in two countries and imperfectly in six others with respect to week-later Internet listings of market prices. Although regular traders will likely rely on calling their own marketing contracts for price information, the major beneficiaries of the system who do not have alternative sources of price information, such as farmers and new-to-market-traders, should get free market price information. If the public MIS national/regional network were improved with donor funding and guidance, it may be more sustainable and effective for price discovery in markets and public announcements of the prices than a profit making IT platform with respect to providing basic market pricing data.

On the other hand, consideration should also be given to providing support to the private system because it can have the advantage of “real time” prices—without a week’s delay: For-profit MIS regional platforms (Esoko and Manobi) may have a role to play in analyzing and packaging price information for target audiences and they may possibly be more reliable than the ECOWAS public system (ECOBIZ) in listing bids

and offers, with the publication, once proven effective, likely to be supported at least in part by user fees. Expanded coordination with other donors could improve a viable regional price discovery and communication system to take advantage of the public and private system capabilities with closer cooperation and less duplication. It will be important to recognize, however, that there is a possibility that a “real time” system could cut into wholesaler profits by giving their customers information and the wholesale merchants (who have associations in large markets and own the warehouses) could seek to game the system by reporting false low prices if they are concerned about purchases from farm organizations or false high prices if their main focus is sale to retailers.

Encourage weekly radio announcements of wholesale and retail prices in major markets in local languages: This may be the best way to get basic price information (wholesale, retail, farm gate) to semi-literate farmers and new-to-market-traders and it can be supplemented by Internet availability of the regional pricing data, available weekly.

Continuation/expansion of internet programs to announce for sale truckload quantities (30 MT or more for regional trade) could be valuable: Bid or offer quantities of less than a truckload, if included in the system, should be either listed separately or handled by a searchable system that specifies country and quantity. Smaller quantities (e.g., to fill 7 MT trucks) could be included for farm to local market trade. Announcing commodities for sale on the web is a valuable service to farm organizations and traders. This will help create new buyer and seller linkages. Completing deals on the web or finding a way to charge for that might not be the norm and thus opportunities could be limited for a platform that needs to generate profits for sustainability. The head of Manobi in Senegal indicated that while published offers and bids would be a useful online activity, deals would more likely be concluded offline. Company profiles listed by E/ATP-supported platforms can help establish the credibility of distant buyers and sellers and complement other national investment promotion efforts.

Find synergies between public and private systems: Coordinating different public and private MIS systems and determining which ones will work best to promote regional trade is a complex task. It should be recognized that efforts to improve national MIS systems would be most appropriate as the work of bilateral missions while work with regional platforms such as Esoko, Manobi, and RESIMAO to harmonize and disseminate useful marketing information is an appropriate role of a regional project. One or more regional workshops including both regional and bilateral USAID officials could help establish priorities and complementary activities. Regional MIS work should seek areas of complementary efforts to coordinate public and private MIS efforts and energize national efforts that make national public and private MIS systems more effective and more consistent.

ACCESS TO FINANCE

INTRODUCTION, CONTEXT AND BACKGROUND

Finance remains a major constraint to expanding production and trade. Banks have very high interest rates and are generally reluctant to lend to agribusiness. Financing for export sales is an issue somewhat easier to resolve than financing for regional trade.

INDICATORS AND RESULTS

TRADE HUB FINANCE INDICATORS

● **Mobile banking: The Trade Hub abandoned efforts in mobile banking; all indicators disappeared in FY2011**

●Number of legal barriers and gaps identified and options to overcome them (only FY2008/FY2009/FY2010-do not appear after):

FY2008: Target: 2 – Achieved: 7

FY2009: Target: 0 – Achieved: 0

FY2010: Target: 2 – Achieved: 0

●Number of alliances established between the USG and private service providers (only FY2009 and FY2010):

FY2009: Target: 2 – Achieved: 2

FY2010: Target: 1 – Achieved: 0

●Number of countries that offer cross-border, cross-currency funds transfer services (only FY2009 and FY2010) (Note Ecobank says they offer this service throughout West Africa):

FY2009: Target: 1 – Achieved: 0

FY2010: Target: 1 – Achieved: 0

●Number of financial sector professionals trained on international standards this year with USG assistance (indicator does not exist in 2008):

FY2009: Target: 100 – Achieved: 40 (Women: Target: 50 – Achieved: 5)

FY2010: Target: 100 – Achieved: 77 (Women: Target: 50 – Achieved: 20)

FY2011: Target: 30 – Achieved: 55 (Women: Target 15 – Achieved: 9)

Life of Project 2007/Sept 2011: Target: 310 – Achieved: 194 – Achieved total: 63 percent (Women 27 percent)

●Number of alliances established with banks (indicator does not exist for 2008):

FY2009: Target: 2 – Achieved: 1

FY2010: Target: 2 – Achieved: 0

FY2011: Target: 2 – Achieved: 1

Life of Project 2007/Sept 2011: Target: 6 – Achieved: 2 – Achieved total: 33 percent

This refers to signature of MOU with banks

●Number of new banking products and services established by allied banks (does not exist in 2008):

FY2009: Target: 2 – Achieved: 0

FY2010: Target: 2 – Achieved: 0

FY2011: Target: 2 – Achieved: 1

Life of Project 2007/Sept 2011: Target: 6 – Achieved: 8 – Achieved 133 percent – but do not reflect at all the data of FY2009+ FY2010 + FY2011

●Number of loans made by allied banks to client export-ready companies (ERCs) (Indicator does not exist in 2008):

FY2009: Target: 35 – Achieved: 8

FY2010: Target: 35 – Achieved: 9

FY2011: Target: 35 – Achieved: 11

Life of Project 2007/Sept 2011: Target: 105 – Achieved: 28 – Achieved total: 27 percent

●Value of new loans made to ERCs (does not exist in 2008):

FY2009: Target: 1 million USD – Achieved: 1,798,477 USD

FY2010: Target: 2 million USD – Achieved: 2, 241,915 USD

FY2011: Target: 3 million USD – Achieved: 4,758,513 USD

Life of Project 2007/Sept 2011: Target: 4 million USD (well FY2009+FY2010+FY2011= 6 million USD) – Achieved: 8,798,905 USD – Achieved total: 220 percent (if \$4 million is the LOP target or 145 percent if \$6 million – sum of the three years is the target).

●Amount of private financing mobilized with a DCA guarantee (indicator exists only in 2009 and 2010):

FY2009: Target: 1 million USD – Achieved: 200,000 USD

FY2010: Target: 1 million USD – Achieved: 0

Ecobank explained that it thought the international market was too risky after the international crisis of 2008 and the 50 percent coverage of the DCA did not make it willing to make risky loans likely to default.

● **Number of on-site examinations undertaken (exist only FY2008):**

FY2008: Target: 1 – Achieved: 8

● **Number of technological infrastructure barriers identified and options to overcome them (exists only FY2008):**

FY2008: Target: 3 – Achieved: 4

● **Number of core banking services established (exists only in FY2008)**

FY2008: Target: 1 – Achieved: 0

● **Number of countries with at least one service provider that has deployed M-banking services as a result of USG assistance (exists only FY2008):**

FY2008: Target: 1 – Achieved: 0

Do lending institutions access credit bureau reports as part of the credit investigation process (exists only in 2009 and 2010)

FY2009: Target: yes – Achieved: no

FY2010: Target: yes – Achieved: no

It has to be noted that Trade Hub indicators on finance changed almost every year since FY2008 and do not allow any continuity and comparison of indicators.

ATP FINANCE INDICATORS

● **Amount of private financing mobilized or leveraged to contribute to the realization of the project's primary objectives:**

FY2009: No set target – Achieved: 0

FY2010: Target 1 million USD – Achieved: 401,000 USD

FY2011: Target: 6 million USD – Achieved: 529,000 USD

Life of Project: 8 million USD – Achieved: 930,000 USD

Comment: The LOP target listed is much higher than the amount achieved: 930,000, or 12 percent of the target. While E/ATP did useful work on financing, the amount of bank financing given to the agribusiness sector is tiny relative to needs. Helping companies with business planning is useful, but only goes so far if banks are very risk averse. (See discussion below on various financing issues.)

E-ATP FINANCE INDICATORS

● **Amount of private financing mobilized or leveraged to contribute to the realization of the project's primary objectives:**

FY2010: Target: 0.5 million – Achieved: 1.12 million USD.

FY2011: Target 5 million USD – Achieved: 0.593 million USD

Life of Project FY2010/FY2011: Target: \$ 6 million – Achieved: \$1.7 million, 29 percent of the target.

FY2010: Amounts mobilized/leveraged were as follows: \$762,000 for rice, \$34,000 for poultry, \$224,000 for millet, and \$135,000 for sorghum. The mechanisms USAID E-ATP used to mobilize/leverage these funds consisted mainly of technical assistance to develop business plans, and in facilitating cereal transactions during the international cereals commodity exchange that USAID E-ATP supported in Burkina Faso by the end of 2009. For the rice value chain, most of the funds were mobilized/leveraged through procurement contracts signed between rice suppliers and the Burkinabé food security agency, following the technical assistance USAID E-ATP provided during the cereals commodity exchange event

The evaluators spoke with financial institutions and users of finance to get information on availability of the financing for agribusiness and the cost of financing. See Annex B for the list of questions asked during interviews.

FINDINGS REGARDING ACCESS TO FINANCE

The Trade Hub and Access to Finance

CREDIT CONSTRAINTS: Credit was a major constraint to trade—both the availability of credit and the cost. One maker of very artistic design household items had an order for \$100,000 from an American buyer and strong possibilities for selling several times that amount but the buyer rejected the proposal to finance through a third party (Root Capital) and acceptable financing was not available through normal banking channels. Root Capital (a social investment banking fund) was founded in Massachusetts by some donors to make loans that are socially valuable but also will be paid back. Their major method is to finance export shipments through a three-way contract: they finance the seller and then recoup the loan when the payment is made by the U.S. buyer paying through them. In the sale mentioned above, the buyer declined to work through a third party and the sale was not made, though the buyer reportedly continues to exhibit interest in the products.

Another financing donor group was Grassroots Capital (launched by IFC /World Bank but recently made independent). Grassroots financed a Ghanaian handcraft exporter with a first loan at 14 percent followed by a loan at 11 percent after repayment of the first (instead of over 30 percent from banks). Grassroots also gave him a 1 year subsidy for hiring a general manager and improving the management of his growing company. The entrepreneur previously did everything including sourcing, quality control, managing artisans (85 people in Accra and 250 in the far north), secretarial work, and export marketing. This transition from a one man operation to a bigger organization with more than one manager is a difficult hurdle for many African companies to cross but can be crucial to servicing buyers in the huge U.S. market. These social capital funds (Root Capital and Grassroots) are not licensed to make loans within West Africa and must use offshore funds. To make new export companies bankable, the Trade Hub pays contractors 3.5 percent of the requested loan amount for technical assistance to prepare business plans and submit loan applications to 3 potential financiers—and 4.5 percent of the loan amount when the loan application is successful and the funds are disbursed. The export-ready company does not have to pay the consultant, unless they decide to use the consulting services for a subsequent loan.

The Trade Hub's three finance subcontractors assisted companies in putting together documents on their work in the form of financial statements, company profiles, and business reports. The subcontractors helped the SMEs negotiate with appropriate financiers to finance these 18 business plans. This resulted in almost \$7 million in financing in 2010 and 2011.

In Nigeria, AIMS Limited initiated the Cashew Cluster Financing Scheme under which the subcontractor assisted three processors to put together the documentation needed to access financing (over US\$700,000 disbursed already) from NEXIM Bank and ECOWAS Bank for Investment and Development (EBID). The participation of NEXIM and EBID in the Cashew Cluster Financing Scheme was only secured after capacity-building visits and training events for bankers improved awareness of the particular challenges and opportunities in the cashew industry in West Africa.

In the Francophone zone, the CATEK Groupe of Mali provided technical assistance to the National Cashew Committee that led to the establishment of a \$20 million fund for cashew processing in Guinea-Bissau. It also helped government agencies and development partners to integrate cashew processing and capacity building into priority strategic planning and debt restructuring (resulting in a reduction from 1.7 million Euros to about 110,000 Euros).

EXORBITANT INTEREST RATES: Some exporters in Accra reported interest rates of over 30 percent, but one exporter of specialty food told the team he hoped to get a 23 percent fully commercial loan from a Ghanaian bank (not yet received). .. That is the rate Ecobank told the team that commercial borrowers with good credit might get in Ghana (and they said the rate may be dropping somewhat). The Trade Hub indicated that in Ghana normal Ghanaian Cedi loan interest rates are 21 to 30 percent, while dollar denominated loans made within Ghana are about 16 percent (much higher than dollar based interest rates in international markets). Ghana’s inflation rate (consumer price index) briefly reached 30 percent in 2010 but in December 2011 was about 8 percent). High interest rates make it difficult for traders with thin profit margins, but may be feasible for very quick turnaround transactions of a few months.

Much more feasible are situations where the buyer or a foreign partner provides more reasonable dollar interest rates from abroad. This is the case of the “1888” garment company recently established in the duty free zone in Tema, Ghana. Their company branch in Pakistan provided the cloth without immediate charge to prepare the export orders (i.e., the financing of the cloth was at lower foreign rates). Another option available to a few borrowers is offshore credit from buyers or from donor social capital institutions such as Root Capital, which is fairly certain of being paid back on its supplier loans through a three-party agreement in which the buyer pays the seller through Root Capital. Letters of credit that guarantee payment from the buyer could lower the risk for dollar loans but various contacts said that Ghanaian banks are reluctant to take any risk or loan to the agriculture/agribusiness sector or to facilitate international low interest rate loans in dollars or Euros.

MOBILE MONEY: The Trade Hub also pursued prospects for using “mobile money” or money transfers through cell phones, early on in its activities but dropped the idea because while some small scale transfers were made possible, regulatory authorities and other stakeholders were not very receptive to using such tools for larger regional commercial transactions. Ecobank said it is easy for commercial users or individuals to transfer money through its branches through West Africa. Also, a grain trader in Senegal said he did not want to pay the 6 percent fee they charge so preferred to carry cash to Burkina Faso and Mali for his purchases.

E/ATP and Access to Finance

CREDIT AND FARMING: Credit is a major constraint for farmers who lack cash to buy fertilizer, which might double farm yields. For traders, credit could be used to finance the purchase of commodities to sell within a few months. Finance for processing machinery or storage facilities also could make trade in bulk commodities more efficient, but interest rates at very high levels may make profitability difficult for such investments. Some traders told the team that their input supply company was providing credit, but only for 60 days, while the crop takes about 100 days to cultivate. Also, a longer period of credit would be desirable to delay sales since farmers might face a very low price if they sell during the main harvest season.

INTERBANK AND LOAN RATES: CFA ZONE: The interbank rate (rate banks lend to each other—the opportunity cost of money) as of December 2011 was about 5 percent in the CFA franc zone of French-speaking West Africa. An efficient banking system with low risk loans and low administrative costs might add 2 to 5 percentage points to the cost for good-risk business borrowers—far below what African banks typically charge. In Senegal, companies that are excellent credit risks reportedly might get loans with interest rates as low as 8 percent, but the exporters supported by the Trade Hub and visited by the team indicated they would get effective rates of 12 to 16 percent. A rice processor working with E/ATP in Burkina Faso (also the CFA franc zone) told the team she hoped to get an 11 or 12 percent loan for buying some rice processing equipment. One grain trader in Senegal indicated that after advice from an ATP consultant, he would seek a loan to buy some grain cleaning machinery.

CREDIT IN GHANA: Interest rates in Ghana are much higher than in the franc CFA zone, but the inflation rate is also higher (linked to interest rates and risk of devaluation). Consumer price inflation at the end of 2011 was about 8 percent in Ghana but it reached about 30 percent in parts of 2010, so banks may have had some logic in charging high rates of interest; this is now beginning to drop slightly according to banking contacts who met the team. In Ghana the interbank rate is about 8 percent and good agribusiness credit risks get loans with interest rates of a minimum of 23 percent (reportedly about to drop slightly). Many Ghanaian traders or farm organizations, if they can get credit at all, are charged rates well above 30 percent. AGRITA, a farmers' association in Ejura, Ghana, that benefitted from ATP training, bought two tractors with a two year loan with an effective interest rate well over 30 percent (15 percent down payment, 4 percent fee, and 30 percent interest—effectively a 37 percent interest rate). Funds for the earlier MCC/MIDA credit program (600,000 cedis for that bank) apparently had been used up and were no longer available. The rural bank took a 50 percent risk on the loan. In the MCC/MIDA program the Bank of Ghana charged the rural bank 17 percent interest to use the money and the rural bank charged the customer 24 percent, but MIDA program funds were exhausted and they charged AGRITA a much higher interest rate (nominally 30 percent; effectively 37 percent) for the tractor loan. For a number of agribusinesses contacted, even if they could get such credit, the interest rates are so high that credit is appropriate only for very short-term or high-margin business. In the CFA franc zone (with the currency tied to the Euro), interest rates are lower but still quite high—generally 12 to 16 percent in Senegal for a borrower with excellent credit and also very difficult to get for many agribusinesses.

BANK RELUCTANCE: High administrative costs and high risks of default keep costs high for loans to farmers. Most banks have not been willing to loan much to farm groups or agribusinesses without very strong collateral. In some cases input supply companies or big traders may be able to get financing that they can pass on to farmers to buy fertilizer, but generally it is difficult to get any kind of agribusiness financing. Many banks have preferred to invest in low-risk government securities or to make loans to low-risk non-agribusiness sectors, in spite of specific instructions to fund agribusiness (e.g., instructions to the Ghana Agricultural Development Bank to use a substantial portion of its portfolio for agricultural loans). Those instructions do not come with a guarantee against losses.

The MCC/MIDA quarterly report of September 2010 reported that in its Ghana program of 16 million cedis—US\$11 million—of bank credits to agribusiness (with a 50 percent MIDA guarantee against default) more than 70 percent had payments of principal or interest that were more than 30 days overdue. A rural agricultural bank in Ejura participating in the MCC/MIDA program told the team that 60 percent of its loan payments from its borrowers were overdue and they commented that some borrowers do not feel as strong a need to pay back loans where the government of Ghana is involved in the loans. So the problem of credit does not have an easy solution for farm producers. In the future as some aspects of trade become more formalized, a sales contract with a bank guarantee of payment could provide the basis for financing, replacing the traditional practice of a small trader traveling across the region with cash to buy commodities and finding an empty truck to rent to haul them back. This system is already used by a few businesses and could become more common.

There are a number of banking programs that are supposed to provide expanded credit to farmers. For instance, the Bank of Africa reviewed some business plans prepared with the help of E/ATP and approved around 1 million USD in loans for three or four local enterprises in Burkina Faso reportedly with “attractive interest rates” at about 11 or 12 percent. Also in Burkina Faso, the Société Financière de Garantie Interbancaire (SOFIGIB) was created and is supported by the Government of Burkina Faso and the Danish and Dutch Embassies. Guarantees are of 50 percent of the loan amount. In Nigeria, a financing program

called Nigeria Incentive Based Risk Sharing for Agricultural Lending (NIRSAL) has 450 million Naira (284 million USD) and risk covered can reach 80 percent (for rice). Nigerian banks are supposed to dedicate a specific part of their portfolio to the agricultural sector, with huge fines due if they fail to do so. As a result, some of the banks in Kano have reportedly started contacting the E/ATP offices to seek “bankable” projects to finance.

TRADING WITHOUT BANKS: Generally, the small trader with cash remains the norm in marketing bulk products. Banks generally either refuse to provide financing, or impose exorbitant rates, deposit requirements, fees, or difficult collateral requirements. It is possible to use banks to transfer funds, but small traders seem either ignorant of the system or reluctant to pay the fees. One Senegalese trader said the bank wanted to charge 6 percent to transfer a million CFA francs (\$2,000) from Senegal to Burkina Faso, so he decided just carry cash instead, perhaps the equivalent of \$5,000 to \$6,000 to buy one truckload of grain, or up to \$18,000 to buy three truckloads.

An agro-industrial buyer in Ghana with a bank guarantee of payment from a major regional bank made new contacts through the ATP program. They tried to buy a test shipment of 800 MT of yellow maize from a farmers’ organization in Côte d’Ivoire, hoping to expand to 10,000 tons if it worked, however, it did not. The Ivorian farmers group dealt with a little bank that limited financing to 70 MT—two truckloads at a time—inadequate to move large quantities in a timely manner. This situation had some obvious possible solutions, such as going through a commodity broker with a better bank, or the farmers’ organization could change banks). Such solutions could easily develop with time.

MAKING BUSINESSES BANKABLE: Clearly the regional trade programs helped to make financing more feasible by teaching organizations how to keep computerized records, adopt business planning, and prepare credit proposals. Some banks indicated to the team that they developed better knowledge about the sectors and better confidence in the borrowers because the USAID projects had worked with them and helped develop their business plans and marketing programs.

ATTRIBUTION OF CREDIT SUCCESSES: With respect to attribution of results, an aspect that is hard to evaluate is the existence of other programs with substantial resources covering many of the same products as E/ATP. In Ghana the Millennium Challenge Corporation (MCC) provided over 16 million cedis for agricultural lending in some of the same farming areas where E/ATP was active. MIDA provided a training program for the members of a group of maize farmers (AGRITA) on crop production and marketing. Later ATP gave very similar training but with additional training on business planning. Although AGRITA said that ATP did not write the business plan with them, the training permitted them to do their own plan and this work encouraged the farmers group to receive a two year loan to buy two tractors at 37 percent per annum. Plowing all the members’ fields at 30 cedis per acre would gross just over 40,000 cedis, nearly the cost of one of the tractors, not counting the cost of fuel and labor and not including the 30+ percent interest. It seemed doubtful that the association would fully pay the loan and accrued interest within two years, but it seemed quite possible that it might be able to pay over the longer term. The bank providing the loans in and outside of the MCC program (a small bank taking unusual risks) said they had never heard of ATP and that they provided the loan to AGRITA based on collateral and their traditional relationship with them. (Evaluator comment: The business planning and production improvements stimulated by ATP probably played a part as well). The farmers indicated to the team that the training covered better production methods (planting in rows) and increased use of the right kind of fertilizer at the right time. They got the fertilizer on credit, doubling the quantity they usually used, and applying it more efficiently, increasing their maize crop yields by 70 percent. The ATP program certainly had at least an indirect relationship to the success at getting the tractor loan.

WAREHOUSE RECEIPTS AND CREDIT: The warehouse receipts experiment, if successful, could help resolve the perennial problem of farmers not having cash or credit to buy fertilizer and other inputs. Effectively they would be holding their grain off the market until the main harvest was marketed, expecting price increases. This might also give them a source of cash around the time they need to buy fertilizer and possibly seeds and chemicals for the next crop.

The head of the recently formed Ghana Grains Council indicated that so far they do not have any adequate warehouses in Ghana for the warehouse receipts program with the physical security required for the products. He suggested that such a warehouse program should be run by private parties, but commented that to work, it would need a government (or donor financed) loan of 10 percent per annum or less to build the facilities (half or a third of normal interest rates in Ghana). Farmers in the AGRITA farmers association (one of the E/ATP beneficiaries) said a variation of the warehouse receipts had been tried earlier without success but they indicated that such a system (storing the grain in common and in bulk as a fungible product rather than the current storage system of identity preservation of individual farmers' sacks) could work. Effectively, under the program the farmer would hold his or her grain in storage waiting for the price to go up and possibly getting a loan on part of the crop based on a warehouse receipt. Delaying marketing and thus delaying access to the resulting cash resulting (around October), could obviate the need for expensive credit for crop input loans (for seed and fertilizer) when the main planting season arrives (often around May). Warehouse receipts remain a good opportunity for experimentation to see if the system would work in Ghana. This would be a sensible risk for USAID programs to take, since it could help to resolve a major problem for expanding farm production. But it is probably best handled as a bilateral national program, rather than a regional program.

ACCESS TO FINANCE CONCLUSIONS AND RECOMMENDATIONS

1. **Indicators:** Projects generally did not meet their indicator targets for finance, except that the Trade Hub exceeded its \$4 million life of project financing target—a low target considering the exports of \$178 million achieved under the program and the common need for exporters to have credit for working capital, inventories, equipment, and credit to pass to raw materials suppliers.
2. **Financial leveraging:** USAID E-ATP indicated that it leveraged substantial funds for cereals through technical assistance to develop business plans, and in facilitating cereal transactions during their cereals commodity exchange work and rice sales to the Burkina Faso food security agency.
3. **Credit constraints:** Credit was a major constraint for production and trade—both the availability of credit and the cost. Generally banks have been reluctant to make agribusiness loans. The Hub has sponsored some social capital lending by “Root Capital” and Grassroots, the former making 10 percent interest loans based on export contracts in Senegal and elsewhere and the latter making 11 to 14 percent interest loans in Ghana, both well below normal bank rates.
4. **Exorbitant interest rates:** Some exporters in Ghana reported interest rates of over 30 percent that would make it difficult to invest in inventories, facilities or machinery, but might facilitate a short-term trade transaction. But West African Banks are generally reluctant to make agribusiness loans due to high risk and some experience of non-payment.
5. **Mobile money:** The Trade Hub also pursued prospects for “mobile money” or money transfers through cell phones, early on but dropped the focus due to lack of financial sector enthusiasm for the large transactions needed for trade. Ecobank said it is easy for commercial users or individuals to transfer

money through its branches throughout West Africa, but a trader said that the fees are too high. E/ATP also explored the use of mobile money transfers through cell phones.

6. **Trading without banks:** Generally, the small trader with cash (or bringing a commodity across borders to sell and using the proceeds to buy another commodity to truck back) remains the norm in marketing of bulk products. One Senegalese trader said the bank wanted to charge 6 percent to transfer a million CFA francs (\$2,000) from Senegal to Burkina Faso, so he decided just carry cash instead, perhaps the equivalent of \$5,000 to \$6,000 to buy one truckload of grain, or up to \$18,000 to buy three truckloads.
7. **Bank money transfer:** An industrial buyer in Ghana with a bank guarantee of payment from a major regional bank made new contacts through the ATP program. They tried to buy a test shipment of 800 MT of maize from a farmer's organization in Côte d'Ivoire, but the program did not work well due to credit limitations by the seller's bank to two trucks at a time (70 MT). Alternative solutions could easily develop with time in this case.
8. **Credit for farming:** Credit is a major constraint for farmers who lack cash to buy fertilizer which might double their yields. Some farmers groups mutually guarantee repayments and manage to get financing, but generally credit is very difficult to get.
9. **Loan rates:** The interbank rate (rate banks lend to each other—the opportunity cost of money) as of December 2011 was about 5 percent in the CFA franc zone of French-speaking West Africa and 8 percent in Ghana. In Senegal, companies reported they pay roughly three times the interbank rate (12 to 16 percent) while in Ghana companies reported interest rates of over 30 percent (four times the interbank rate).
10. **Bank reluctance:** High administrative costs and high risks of default result in high costs for loans to farmers and very limited availability even at high cost. In some cases input supply companies or big traders may be able to get financing that they can pass on to farmers to buy fertilizer, but generally it is difficult to get any kind of agribusiness financing.
11. **Bankable businesses:** The Trade Hub and E/ATP helped to make financing more feasible by teaching organizations how to keep computerized records, adopt business planning, and prepare credit proposals. Some banks developed better knowledge about the sectors and better confidence in the borrowers because the USAID projects had worked with them and helped develop their business plans and marketing programs.
12. **Attribution:** Attribution of results is hard to evaluate due to the existence of other programs such as USAID bilateral programs, MCC, and programs of other donors, with substantial resources covering many of the same products as E/ATP.
13. **Warehouse receipts:** The warehouse receipts experiment, if successful, could help to resolve the perennial problem of farmers not having cash or credit to buy fertilizer and other inputs. High interest rates in Ghana make a long-term private investment in warehouses difficult though some donor programs may pay for a few warehouses.
14. **Loan risk:** U.S. donor programs (MCC, DCA) requiring banks to take 50 percent of the risk can be useful, but probably are not sufficient for a major change in mindset. MCC/MIDA loans in Ghana have very high rates of missed payments on 70 percent of loans according to a 2010 report. Thus some caution by banks may be justified. Some banking contacts in Ghana commented that if the loan comes from a government or donor program, some borrowers feel less compulsion to pay it back.

15. **Export financing:** The easiest places to develop viable sources of credit are in export shipments—and the Root Capital model of channeling the buyers’ payment seems a viable way to pursue financing using offshore funds, since Root Capital is not licensed to loan money within West Africa. International loans in dollars could cost a small fraction of local loans, albeit with a foreign exchange risk which would be mitigated if the sales contract is in dollars, or would be less of a foreign exchange risk if the payment from a European buyer is in Euros (tied to the CFA franc with the exchange rate very rarely changed).

MAJOR RECOMMENDATIONS FOR ACCESS TO FINANCE

Helping companies become bankable, to make sensible decisions on credit based on cash flow expectations, and to achieve new and cheaper access to finance should remain a preoccupation of USAID regional projects. The issue of credit remains a huge problem for farmers, traders, and processors and is largely unresolved. The task is easier with respect to export shipments.

Continue the programs of the Trade Hub and E/ATP that help companies develop business planning and bankable proposals: Educating bankers about opportunities and seeking new sources of financing are helpful and should be continued.

To the extent possible, promoting financing opportunities should proceed with someone else’s money at risk, both to avoid huge losses for the USG and to promote the development of a sustainable financing system: Loaning money is risky and should be done by experts and by local institutions with their own money at risk.

AGRICULTURE AND TRADE ENABLING ENVIRONMENT

BACKGROUND AND CONTEXT

ECOWAS comprises 11 less-developed countries and four developing countries in West Africa. On average the region’s GDP per capita is less than US\$400 per year. Nigeria accounts for over half the people and over half the GDP of ECOWAS. Although Nigeria has not eagerly moved forward with harmonizing policies with UEMOA, no marketing program in West Africa will be complete without substantial consideration of the Nigerian market, which unlike many of its neighbors, has a big enough market for large scale agro-industries. In ECOWAS in 2009, agriculture constituted 32 percent of GDP while industry was 19 percent, making agriculture the predominant occupation.

ECOWAS has formally established a Free Trade Area (FTA) and customs union jointly with the West African Economic and Monetary Union (UEMOA). For processed products, there are rules of origin. However, locally produced agriculture, livestock products, and handmade items are supposed to be exempted from certificate of origin requirements.

The free movement of goods continues to face challenges, which include illegal barriers, harassment, and multiple roadblocks. Some work has been done on harmonizing customs documents, procedures, and the inter-connection of IT networks, but problems linked to border crossings remain and some agricultural policies remain inconsistent, such as a customs duty on rice in Côte d’Ivoire that is much lower than that in neighboring Ghana and fertilizer subsidies in Nigeria that are much higher than in neighboring Benin (leading to smuggling in both cases). Animal health issues create barriers to trade and sometimes enforcement of the restrictions persists beyond the time they are necessary or legally in force. Export bans for grain have been imposed by several countries from time to time. A Nigerian official who met the team said that Nigeria would continue to pursue restrictive trade policies it felt were in Nigeria’s interest (apparently with relatively little regard for regional free trade commitments).

Negotiations have taken place on the adoption of a Common External Tariff among ECOWAS members States, based on the one already in place in principle at the UEMOA level. However, debates remain on the classification of sensitive products (such as rice, and pharmaceuticals, etc.) and on their tariffs.

INDICATORS AND EFFECTIVENESS ON ENABLING ENVIRONMENT

TRADE HUB INDICATORS ON ENABLING ENVIRONMENT

●Number of trade and investment enabling environment diagnostics conducted (indicator does not exist in 2008):

FY2009: Target: 1 Achieved: 0.27

FY2010: Target: 15 Achieved: 6

FY2011: Target: 0 Achieved: 2

Life of Project 2007/Sept 2011: Target: 1 – Achieved: 11 – Total achieved: 66 percent

●Number of consultative processes with private sector as a result of Trade Hub assistance:

FY2008: Target: 15 – Achieved: 4

FY2009: Target: 15 Achieved: 12

FY2010: Target: 15 Achieved: 8

FY2011: Target: 20 Achieved: 9

Life of Project 2007/Sept 2011: Target: 63 Achieved: 33 –Achieved LOP percent achieved: 52 percent

●Number of ECOWAS capacity building activities (does not exist in 2008):

FY2009: Target: 1 Achieved: 1

FY2010: Target: 1 Achieved: 1

FY2011: Target: 3 Achieved: 20

Life of Project 2007/Sept 2011: Target: 4 (note total of the three years targets is 5)Achieved: 22 – Achieved total 550 percent

●Finalization of the CET: (indicator does not exist in 2008):

FY2009: Target: CET completed Achieved: No

FY2010: Target: CET completed Achieved: No

FY2011: Target: CET completed Achieved: No

Life of Project 2007/Sept 2011: Target: CET completed Achieved: No

●Year on year average of the reduction in the cost to import and reduction in the cost to export standardized goods (exist only FY2009 and FY2010):

FY2009: Target: 1 percent decrease Achieved: 0 percent

FY2010: Target: 1 percent decrease Achieved: 0 percent

●Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of Trade Hub assistance (indicator only in 2008):

FY2008: Target: 4 – Achieved: 0

●Number of new requests, offers, revised offers, or other formal texts that are submitted by a host country as part of international trade talks attributable to Trade Hub assistance:

FY2008: Target: 7 – Achieved: 2 (indicator only in 2008)

●Number of legal, regulatory, or institutional actions (not mentioned above) taken to improve implementation or compliance with international trade and investment agreements due to support from Trade Hub assisted organizations (indicator only in 2008):

FY2008: Target: 4 – Achieved: 0

ATP INDICATORS ON ENABLING ENVIRONMENT

●Number of policy reform processes reaching dialogue milestone after significant advocacy by private and

other non-governmental across as a result of ATP program assistance:

Target for FY2009: Target 2 Achieved: 1

Target FY2010: 3 Achieved: 3

FY2011: Target: 1 – Achieved: 4

Life of Project FY2009/FY2011: Target 8 – Achieved: 8 – 100 percent

This includes the maize trade advocacy plan and campaign against cereals export bans. CIC-B has a seat at the UEMOA consultative committee on cereals, advocating elimination of requesting permits for Malian livestock exports, and on free movement on cereals in Togo. The LOP target was eight, exactly what was achieved. These are important issues and it may take time for countries of ECOWAS to realize that export bans are not appropriate and are not good policy for them. This understanding has not yet been achieved, but starting advocacy groups to focus on it is a good use of resources.

•Number of policy reforms analyzed as a result of USG assistance:

FY2009: Target: 3 Achieved: 4

FY2010: Target: 1 Achieved: 1

FY2011: Target: 1 Achieved: 1

Life of Project FY2009/FY2011: Target: 5 Achieved: 6 LOP percent achieved: 120 percent

ATP analyzed four policy measures in FY2009: (i) maize seasonal export ban in several countries; (ii) livestock export tax in Burkina Faso; (iii) onion export tax in Niger; (iv) authorization to export livestock required from Mali's Governors of Regions. FY2010: Certificate of origin The LOP target was five and they analyzed six or 120 percent of the target.

•Number of institutions/organizations undergoing capacity/competency assessments as a result of USG assistance:

FY2009: Target 6 Achieved: 21

FY2010: Target 10 Achieved 0.

FY2011: Target 0 Achieved: 2

Life of Project FY2009/FY2011: Target: 33 Achieved: 25 – 76 percent of the target.

ATP conducted SWOT assessments for 21 organizations and conducted three PIVAs. There are not many viable regional commodity associations in West Africa—so it may not be surprising that they did not meet the target. There could have been more follow-up PIVAs in addition to COFENABVI—the regional livestock group.

•Number of individuals who have received short-term agricultural enabling environment training as a result of USG assistance (men and women):

FY2009: Target: 250 Achieved: 648 (50 women)

FY2010 Target 250 Achieved: 497 – including 32 women (missed the target of 50 women)

FY2011: 200 Achieved: 255 (Target: 40 women – Achieved: 17)

Life of Project FY2009/FY2011: Target: 700 Achieved: 14,663

In FY2009, ATP organized advocacy training workshops for a total of 468 individuals, including 50 women—includes road shows. This might have been included under transport, but is appropriate here too.

E-ATP INDICATORS ON ENABLING ENVIRONMENT

•Number of policy reforms presented for legislation/decision as a result of ATP program assistance:

FY2010: Target 2 Achieved: 2

FY2011: Target: 2 Achieved: 2

Life of Project FY2010/FY2011: Target: 4 – Achieved: 4 – 100 percent of target.

FY2010: Removing the trade ban on poultry products between Burkina Faso and Côte d'Ivoire plus government support to the Ghanaian poultry industry. USAID E-ATP supported the Ghana National Association of Poultry Farmers (GNAPF) to analyze options for Ghana's trade policy regarding poultry meat imports and make proposals to Ghanaian decision makers.

•Number of institutions/organizations making significant improvements in their ability to offer services to their clients based on recommendations of ATP-supported assessments (as represented by significant

progress on specialized PIVA scores):

FY2010: Target 0 Achieved: 0

FY2011: Target 3 Achieved: 2

Life of Project FY2010/FY2011: Target: 2 Achieved: 3 – 150 percent of target.

The project organized four initial PIVAs for its key partners in rice (Comité Interprofessionnel du Riz du Burkina, CIR-B), poultry (Union des Organisations de la Filière Avicole d'Afrique de l'Ouest, UOFA), and millet/sorghum (Association pour la Promotion de la Sécurité et de la Souveraineté Alimentaires, APROSSA), and Association Malienne pour la Sécurité et la Souveraineté Alimentaires, AMASSA). The FY2010 target was 0 as it is only in the second year. When progress PIVAs are conducted, performance improvements of the partner organizations can be measured.

•Number of policy reforms analyzed as a result of USG assistance:

FY2010 Target: 2 Achieved: 3

FY2011: Target 2 Achieved: 2

Life of Project FY2010/FY2011: Target 4 Achieved: 4 – 100 percent achieved.

FY2010: VAT policy + ECOWAS rice tariff policy + Ghana policy options in the poultry trade.

•Number of institutions/organizations undergoing capacity/competency assessments as a result of USG assistance:

FY2010: Target 4 Achieved 22

FY2011: Target 4 Achieved: 4

Life of Project FY2010/FY2011: Target 8 - Achieved: 26 - 325 percent of target

FY2010: The data reflect the 22 SWOT analyses that were launched. Four of these organizations (CIR-B, UOFA, APROSSA, AMASSA) were then evaluated in-depth through initial PIVAs.

•Number of individuals who have received short-term agricultural enabling environment training as a result of USG assistance (men and women):

FY2010 Target: 50 Achieved: 142

FY2011: Target 50 Achieved: 183

Life of Project FY2010/FY2011: Target 100 Achieved: 325, 325 percent of target

Target for women in above programs: 20 Achieved: 69, 345 percent of target

FY2010: E-ATP facilitated the participation of 90 men and 13 women to three road shows aimed at sensitizing transporters, traders, and other stakeholders not to pay illegal fees along corridors and at the borders. Journalists also benefited from this program. In the poultry value chain, the project organized a capacity building workshop for public and private poultry value chain stakeholders on the conditions for lifting trade bans in intra-regional trade. Over 20 men and seven women attended this workshop. In addition, USAID E-ATP coached nine professional organization executives in preparation for a roundtable organized by the Forum for Agricultural Research in Africa (FARA), on Promoting Access to Regional and International Markets for Africa's Agricultural Commodities.

FINDINGS REGARDING ENABLING ENVIRONMENT ACTIVITIES

Most of the policy activities of the three projects were geared to road transport. The Trade Hub funded some civil society groups that launched a campaign against corruption in road stops by police and customs (see grants in Annex D). The Hub also sponsored a gap analysis that showed the numerous areas where free trade had not been achieved in nine of the 15 countries in West Africa. E/ATP sponsored a separate gap analysis and launched a formal monitoring system in cooperation with ECOWAS for its value chains. In addition a recent initiative within the “open borders” program is working with the customs officials on the Ghana/Togo coastal border to speed up the transit of cargo across the border.

Gap analysis

The ECOWAS Trade Liberalization Scheme (ETLS) is a set of protocols that was supposed to establish a customs union among ECOWAS Member States between 1990 and 2005. The ECOWAS customs union

aims to eliminate customs duties and taxes having equivalent effect, remove all non-tariff barriers (NTBs), and establish a common external tariff (CET). The Trade Hub funded a gap analysis of the implementation of the ETLS in nine of the 15 countries, intended as a framework for action that can be used by the government of the country.

Gap analysis general results:

1. Public sector officials have insufficient or inconsistent information on the ETLS
2. The private sector is skeptical of the ETLS and burdened by high and unpredictable trading costs
3. Incomplete implementation of the ETLS causes significant barriers to increased trade

The gap analysis revealed that there are two tracks to pursue solutions. One is improving knowledge and implementation of ETLS protocols through increasing the awareness of the trade community while increasing the capacity of trade officials to understand and implement ETLS protocols. Secondly, the political will must be there to forego revenues (including bribes) gained from non-compliance.

E/ATP did a separate gap analysis for its value chains and also got ECOWAS to sponsor a “policy watch” program to identify problem areas and shift to free trade. It encouraged attention to several policy measures including: 1. a maize seasonal export ban in several countries; 2. a livestock export tax in Burkina Faso; 3. an onion export tax in Niger; 4. authorization to export livestock required from Mali’s Governors of Regions and elimination of the requirement for certain certificates of origin, in accordance with ECOWAS and UEMAO rules.

E/ATP was successful in getting a policy changed with respect to the avian influenza-related ban on day-old layer chick exported from Côte d’Ivoire to Burkina Faso and is working on a similar program for the ban of day-old chick exported from Ghana to Burkina Faso. The Ghana poultry association claimed that producers were importing day-old broiler chicks from Côte d’Ivoire and exporting layer chicks to Burkina Faso in spite of avian influenza bans.

Associations (farmers and business) and policy advocacy in the ECOWAS region

Companies, business associations, and farmer/trader associations can be important in promoting policy advocacy and reform (as part of their primary goal of providing services useful to the members). Most business organizations in the ECOWAS region have very small budgets which limit in scope and depth the activities they can pursue. Many business associations cannot afford having permanent staff to help structure sectors and defend their interest through proper advocacy, but rely on voluntary influential business people, who head national and in some cases regional commodity organizations and often influence high officials in their countries. There are knowledgeable local scientists and regulatory officials who could better promote activities linked to regional trade with more resources, such as more linkage to farmers and harmonizing matters relating to crop and livestock production and trade. Generally, local experts that are knowledgeable about production in research or extension program do not get many resources to reach out to farmers except through donor value chain support programs.

Most regional associations (with a few exceptions such as the COFENABVI livestock association) do not have permanent staff but have an elected board of influential business people who have the contacts to interact with key players, including high officials. The main objective is to better connect the various value chain actors, and better analyze sectors through data collection and advocacy plans at local, national, and regional levels. Therefore main business associations received training in these different fields and areas such as management and accounting. .

ATP and E/ATP projects used SWOTs of possible partner organizations to select the best business associations to work with. A Partner Institutional Viability Assessment (PIVA) is a USAID methodological tool that organizations use to self-assess their capabilities and weaknesses and to plan activities. At the launch of the ATP/E/ATP projects, many national and the few regional associations were evaluated and a first assessment has been done through SWOT to analyze their institutional framework, their members, etc. Then, initial PIVAs have been done on those likely to be most effective in pursuing regional trade objectives. When there were no regional associations or weak ones, the focus was done on national associations, and mainly those that can play a proxy role at the regional level. This was the case for CIC-B, CIR-B, and PAN. In the associations selected, all the actors of the value-chain are included—farmers, producers, processors, and transporters, etc. PIVA resulted in capacity building plans, as well as a technical assistance package and partnership development with other donors (such as GIZ, among others).

At the same time, value chain development plans (VCDP) were done. After a first selection, VCDP with specific priorities and activities have been defined and approved aiming at reducing gaps in the value chain. VCDP were approved by beneficiaries through workshops: most of these ATP validation workshops took place between March and December 2008, while with E/ATP, they were done in late 2009 and 2010. An integral part of the VCDP was the capacity building of business associations of that value chain.

The Trade Hub also was active with associations, including spearheading the creation of the cashew and shea associations and working with other regional or Africa-wide associations in food processing and handcrafts. It sought to create Africa-wide brands of high quality products—more a marketing program than a policy program, though the Trade Hub did fund civil society advocacy programs for road transport.

There are also chambers of commerce in each country that provide services such as a place for AGOA information centers and may advocate some business-friendly policies on general issues. There are 13 AGOA information centers in the areas of West and Central Africa covered by the Trade Hub. The Hub bought computer equipment for each AGOA information focal point, providing payment of all or part of a salary for a couple of years and then passing on the responsibility to the Chamber of Commerce. Some governmental organizations such as export promotion offices in Ghana and Senegal have programs to facilitate business approvals to make a more business-friendly climate. But in general the ministries do not possess strong analytical units that are capable of influencing policy for issues such as how to handle sector or global trade issues, respond to food crises, or evaluate realistic and sensible public and private actions to create an attractive domestic business-enabling environment. There are substantial (donor financed) efforts in limited areas such as reducing the difficulty and time required for business permits for foreign investors and provide some investment incentives such as duty free production zones. But there is very limited analytical and policy focus on actions at national levels with respect to the large production and trade sectors for bulk commodities.

Program efficiency

The major policy work on the enabling environment has been in transport and border crossing. Work is proceeding to improve the crossing of the border between Ghana and Togo, an important sector where efforts when successful, could improve African competitiveness across a wide range of commercial activities.

The work on reducing bribery and delays in transport corridors and border crossing would seem to be among the best strategies to pursue in terms of ability to do something other nationally focused donors cannot easily do. Other policy matters such as achieving harmonized customs duties and taxes on regional rice imports, extending computerized customs controls to all the major ports (including Togo and Benin), and harmonizing standards on grains and other products would seem to be productive areas to promote regional

exports, but most of these efforts would take a long time and might not be achievable successes with a three year or five year project. It would be best to seek organizations that have a longer time frame and will pursue such policies on their own—benefitting from short-term training and some computer equipment, but likely to proceed with actions after the end of projects.

Commodity associations are weak in most countries. The Burkina Faso grain association was relatively strong and began to play some of the role of a regional association in French-speaking West Africa. The CIC-B was considered as being the best structure able to work at the regional level. CIC-B was created in 2003 and developed an action plan that they were not able to implement properly due to the lack of capacities. Work with ATP/E-ATP started in 2008/2009. CIC-B received a grant of 300 billion FCFA (US\$522,000, including capacity building, data collection and some technical activities). The validation workshop at the end of 2009 aimed at choosing CIC-B to lead the maize value chain. Efforts are to include sorghum and millet as well as maize. After a PIVA and a workshop in Ouagadougou in June 2009, it was decided to create the Réseau des Professions Céréalières d’Afrique de l’Ouest (RPCAO), but it is still not in place at this stage, although the Togo, Benin, Ghana, and Mali associations are on the way to be formalized and focal points were defined. Data collection was improved to better know the markets’ needs, trends and pricing, however, according to CIC-B, they are not reliable enough to launch proper advocacy.

The head of the Ghana Grains Council told the team that there is not much point in developing a regional grain association until there are strong national associations and he estimated that might take 10 years. Others were somewhat more positive, but clearly it is a multi-year effort. The French-speaking countries of UEMOA are closer to harmonization than the English-speaking countries and they already have a stable common currency tied to the Euro (assuming that is stable). Harmonizing regulations, standards, and policies with Nigeria are a challenge for the near term, although there is some work for harmonization between Nigeria and Ghana, which are both English-speaking and have close traditional ties. Ghana plans to adopt two new grain grades in addition to the three now legally established that could provide an opportunity for donor help to get them to harmonize grain standards with UEMOA countries. Harmonized regional grain standards could pave the way for a modern sight unseen grain trading based on standards, at some time in the future. Work on Ghana grain standards would likely be best pursued by USAID bilateral projects, though a regional project could expand regional enthusiasm and support for harmonizing regulations.

ENABLING ENVIRONMENT CONCLUSIONS

Both the Hub and E/ATP have worked on trade barriers, transport impediments, and helping associations to pursue trade policy and to plan and assess their activities, e.g., through E/ATP’s SWOT/PIVA process.

INDICATORS: E/ATP pursued policy activities with respect to issues in its target value chains and generally exceeded most of its indicators, except in promoting regional associations, hampered by the fact that there were not many regional associations for its target commodities. The Hub exceeded fewer of its indicators, but exceeded indicator targets in ECOWAS capacity building, presumably largely through transport activities in which both the Hub and E/ATP were very active.

THE TRADE HUB POLICY ACTIVITIES

MAJOR POLICY ACTIVITIES: Most of the policy activities of the three projects were geared to road transport workshops and other related activities. The Trade Hub funded some civil society groups that launched a campaign against corruption in road stops by police and customs. The Hub also sponsored a gap analysis that showed the numerous areas where free trade had not been achieved in nine of the 15 countries in West Africa. In addition a recent initiative within the “open borders” program is working with the customs officials on the Ghana-Togo coastal border to speed transit of cargo across the border.

ASSOCIATIONS: The Trade Hub also was active with associations, including spearheading the creation of the cashew and shea associations and working with some other regional or Africa-wide associations in food processing and handcrafts. It sought to create Africa-wide brands of high quality products—more a marketing program than a policy program, though the Hub did fund civil society advocacy programs for road transport (see grants listed in Annex D).

BORDER CROSSING: The major policy work on the enabling environment has been in transport and border crossing, between Ghana and Togo, an important sector where efforts if successful, could improve African competitiveness across a wide range of commercial activities.

E/ATP POLICY ACTIVITIES

POLICY ADVOCACY: USAID is limited in the extent it can pursue direct policy advocacy on issues such as corruption and must seek to work with local advocacy organizations. E/ATP did a policy gap analysis on impediments to regional free trade for its value chains and also got ECOWAS to sponsor a “policy watch” program to identify problem areas. It encouraged attention to several policy measures including: 1. a maize seasonal export bans in several countries; 2. a livestock export tax in Burkina Faso; 3. an onion export tax in Niger; and 4. authorization to export livestock required from Mali’s Governors and elimination of the requirement for certain certificates of origin, in accordance with ECOWAS and UEMAO rules. E/ATP was successful in getting a policy changed with respect to the avian influenza-related ban on day-old layer chick exported from Côte d’Ivoire to Burkina Faso and it was working on a similar program for the ban of day-old chick exported from Ghana to Burkina Faso (where poultry industry contacts claimed that they were importing broiler chicks and exporting layer chicks in spite of the ban). E/ATP, like the Trade Hub, hired a former ECOWAS official in order to improve access to ECOWAS. The E/ATP coordinator was resident in Abuja, near ECOWAS headquarters.

ASSOCIATIONS: Most associations (with a few exceptions such as the COFENABVI livestock association) do not have permanent staff but have an elected board of influential business people who have the contacts to interact with key players, including high officials. E/ATP projects used a SWOT analysis to determine the best associations to work with and then used PIVA methodology for the several organizations chosen. Examples of such E/ATP work were with CIC-B, CIR-B, and PAN. The project organized initial PIVAs for its key partners in rice, CIR-B, poultry, UOFA, and millet/sorghum, APROSSA, and AMASSA.

REGIONAL ASSOCIATIONS: When there were no regional associations or weak ones, the focus was on national associations that could play a proxy role at the regional level. E/ATP tried to work with some national organizations that had regional capabilities, such as the CIC-B, created in 2003. Work with E/ATP started in 2008/2009. CIC-B received a grant of 300 billion FCFA (US\$618,000 including payment for trade monitoring services) and it was planned that CIC-B would lead the regional maize value chain. The main objectives were to better connect the various value chain actors, to better analyze sectors through data collection and advocacy plans at local, national, and regional levels. After PIVA and a workshop in Ouagadougou in June 2009, it was decided to create the RPCAO, but it is not yet in place, although the Togo, Benin, Ghana, and Mali, associations are on their way to be formalized. The head of the Ghana Grains Council told the evaluation team that there is not much point in developing a regional grain association until there are strong national associations, and he estimated that might take 10 years. Some other contacts were more optimistic through clearly building an effective regional association is a multi-year effort. E/ATP’s work with associations was extensive and the SWOT/PIVA helped associations plan their activities and self-assess.

MAJOR RECOMMENDATIONS FOR ENABLING ENVIRONMENT

Work on harmonizing policies would be best pursued by a deliberate collaboration of USAID's regional mission with West African bilateral missions. The regional project could expand support for and harmonize regionally-agreed policies with implications for cross-border trade. The regional project will have greater expertise on the status of regional requirements in ECOWAS and UEMOA protocols and develop further expertise at approaches to national level implementing legislation for non-presence countries. For aid to be most effective, bilateral projects can work with national counterparts in both the public and private sector to leverage the topical expertise provided by the regional project on international trade protocols.

Further, regional projects can support companies, business associations, and farmer/trader associations with cross-border capacity and commercial interests. These stakeholders can be important in promoting policy advocacy and reform at both the regional and national level. The French-speaking countries of UEMOA are closer to harmonization than the English-speaking countries and UEMOA countries already have a stable common currency tied to the Euro. But the prospects of harmonization of standards, customs tariffs, subsidy programs, and other policies with Nigeria in the near future seem remote. Work with Ghana (e.g., making its new grain standards consistent with those of UEMOA) would be a useful area of collaboration between the regional and bilateral USAID mission. Regional trade projects do have limited roles in policy advocacy in a number of business enabling environment issues that do not have corresponding regional or international trade protocols. But in supporting the development of viable producer organizations, including commercial support and policy advocacy roles, they can help to create a process where agribusiness has a voice that is heard by policymakers.

USAID should support sustainable commodity associations that will take a responsible and durable role in promoting policies that provide an attractive enabling environment for their value chain:

- Financial support for associations may be necessary for a long time, but USAID should avoid supporting organizations that depend only on USAID subsidies to continue activities of benefit to their members.
- Educating officials on sensible economic policies should be a continuing process supported by donors and by local industry associations.
- Coordination among donors on programs and policy messages should be actively pursued.
- Regional workshops that include buyers and sellers and other stakeholders can help expand business contacts and promote an enabling environment with better rules and better enforcement of rules that promote more cost-effective regional trade.

USAID should be supportive of associations in principle and could continue to encourage them to advocate for useful policy changes (e.g., arguing against export bans on rice, maize, and other commodities occasionally imposed by several countries of the region). Associations and local experts within other organizations, perhaps within the ministries, could be used to promote sensible policies, possibly with training from USAID-financed programs. At some point, ECOWAS and UEMOA will become increasingly important in promoting the harmonization of regional regulations and the concept of West African free trade that is now partly theoretical.

FOCUS ON KEY POLICIES: There are a number of policies that are crucial to regional trade—even more crucial than road harassment. Increased production and yields will be influenced by policies on fertilizer, credit, and marketing and those policies (e.g., fertilizer subsidies) will work better if they are harmonized across the region to discourage smuggling. Other important policies where regional programs can be active

include harmonizing rules and practices and adopting a common external tariff. The major ports are quite close to each other by land or sea. When the customs procedures and charges differ in neighboring countries, it creates the likelihood of illegal commerce in low priced imports such as rice and vegetable oil. Some trade policy issues will be difficult for USAID to address. For instance, Nigeria according to several contacts has not been enthusiastic about harmonizing with policies of its smaller neighbors, which is one of the factors making free trade in West Africa and a common external tariff difficult to achieve. Clearly the time horizon for success must require incremental steps over a number of years.

Policy Sessions in Regional workshops: The regional project should continue the work of a regional policy expert and dedicate one session of each regional workshop to examine national and regional status of key policies, and agree on an action plan to address important issues at both the national and regional levels, and as appropriate include important stakeholders in countries without USAID bilateral value chain programs.

ENCOURAGE LOCAL ADVOCACY: Ideally, advocacy for a more attractive enabling environment will come from local organizations after an education campaign by the USAID regional projects. In the context of CAADP and NEPAD, those efforts should involve not just business advocacy, but helping host country governments develop the analysis and policies that will help them respond to crises and adopt sensible economic development policies. Most of those efforts in the short-term must be at the national (bilateral) level more than the regional level, but regional workshops that include national regulatory officials can encourage faster implementation of free trade and harmonized rules.

7. RESPONSES TO KEY USAID QUESTIONS, INCLUDING GENDER

The SOW for the evaluation and subsequent advice from USAID raised a set of key questions the team was asked to address. This chapter provides brief responses to these questions, drawing largely on material previously provided.

TO WHAT EXTENT HAVE THE TRADE PROJECTS ADDRESSED THE ISSUE OF GENDER?

In Trade Hub activities, many of the processors and exporters are women, as are many of the suppliers of raw materials for exported products, such as shea, baobab, baskets, and other products sourced from very poor areas that provide important supplementary income. The exporters were generally fluent in either English or French, unlike some of their suppliers. Farming women usually help the family in the production of grains for family food and for sale (with any financial proceeds of the main rainy season crop(s) or many of the livestock sales often under the control of the male family head). But the women suppliers for exports usually would control the cash income from some of the export-linked secondary activities, which they might for instance use to send their children to school. (The International Fund for Agricultural Development [IFAD] report cited in the bibliography discusses some of this gender-specific control of cash income in West African ethnic groups, as did Peter Lovett from the Trade Hub with respect to shea and yam production.) Women have more control over cash income from the principal crops in cases where the male head of the family is absent (e.g., working far away), but for some of the poorest women, the cash income from Trade Hub-supported exports is crucial.

During the E/ATP PIVA workshops, the gender specialist raised awareness of the importance of gender in organizational and institutional development, in value chain strengthening, and in intra-regional trade. Previous work to resolve gender issues had not been included within the PIVA analytical and planning tool. In most cases, it was the first time that partner organizations were offered assistance to build their capacities in organizational gender issues. E/ATP sought to include some women in traditionally male dominated associations such as those for onions and cattle. In some trading areas such as maize and other products, women were already very active. Some of them are illiterate while others are well educated. Some speak English or French while many others who are active in regional trading or in farming are fluent only in local languages. Many of them benefitted from capacity building activities of E/ATP in production, marketing, and processing, as well as training in the use of information technology.

There are a number of examples of gender oriented activities. In September 2010 in Ouagadougou, E-ATP organized a training on best practices in small-scale rice parboiling. Among 28 participants, 19 (two thirds) were women. On April 20-22, 2010, the USAID E-ATP gender specialist participated in an online forum organized by USAID on behavior change. In FY2010, USAID E/ATP developed 1. a gender webpage to be displayed on the project website (www.agribizafrika.org); 2. a leaflet on gender and value chain development to be distributed to partners; and 3. a toolkit on gender mainstreaming in value chains, with a focus on the six USAID E/ATP and ATP value chains. Some sectors are mainly men's activities such as livestock, onions, and trucking, though women participate in some livestock activities such as selling milk products and the team saw a few women selling offal in the Dakar meat market. One challenge for E/ATP was to increase the

sensitization of its own staff on gender issues, and to apply gender issues in selected value chains. Obstacles are related to the lack of leadership of women in the region, their low level of knowledge, and their limited access to finance.

PIVA work encouraged gender considerations in capacity enforcement of business organizations, and to assure that women are taken into account in the activities developed by E/ATP. A quota of at least 30 percent of women participation has been defined as a norm for organizations in general, while in some organizations such as processing of cereals, where women predominate, associations supported by E/ATP set a 30 percent minimum quota for participation of men.

Some apex organizations integrated some women in their board—CIR-B, COFENABVI—and focused more on elements of the value chain which are mainly women run, such as parboiled rice in Burkina Faso. Linkages among business women increased with their participation in fairs and they developed new regional contacts through various activities of ATP/E-ATP. A protocol has been signed with Women's World Banking in Ghana and a similar one is being developed in Burkina Faso with Caisse Populaire, Banque Régionale de Solidarité (BRS), and Caisse Notre Dame. Also more than 100 women opened bank accounts: from GAPTO, 5,000 cedis and from UNERIZ, 17 million FCFA (total, around US\$38,000). APROSSA in Burkina Faso and AMASSA in Mali increased their capacities in promoting business opportunities among women (train the trainers, participation to fairs, etc.).

In sum, there have been five different kinds of activities launched on gender-related issues:

1. Sensitization on the inclusion of gender issues in value chains.
2. Access to MIS for women
3. Activities on capacity building (training on management, leadership, entrepreneurship, transactions, and participation in fairs such as Journées Agroalimentaires (JAAL) in Burkina Faso or la foire internationale de l'agriculture et des ressources animaux (FIARA) in Senegal, etc.)
4. Access to finance for women

TO WHAT EXTENT HAVE USAID/WEST AFRICA'S TRADE PROGRAMS MET THEIR OBJECTIVES IN THEIR VARIOUS VALUE CHAIN AND COMPONENT AREAS AND WHAT CHALLENGES DID PROGRAMS ENCOUNTER?

The extent to which each indicator was met is laid out in detail for each indicator under the five cross-cutting sector discussions in Chapter 6. Generally, in export promotion, there were quite a number of successes that are reflected to some degree in the trade numbers (shown in response to the cost effective question below), particularly for the Trade Hub. The regional trade projects had a number of successes in every area and in most cases exceeded their targets. While some of their activities clearly resulted in increased trade, E/ATP activities were not wholly responsible for increases in onion trade or cattle trade and were not responsible for the fall in maize trade.

Generally the projects met many of their indicator objectives. Those indicators did not fully reflect the impact of the projects. The projects had positive impacts on many private organizations and companies and also created much publicity and public moral support for changes in transport rules. The full effects of such efforts in most cases will require a longer period of time than the 2007-2011 period under evaluation. They

have had some important successes and some of their activities are likely to have very positive results in the medium term if efforts are continued by USAID, other donors, or national/regional organizations.

The challenges included:

For commodities promoted by the Hub (generally processed products or handcrafts for Europe and America):

- The small size of exporters
- Difficulty meeting importer desire for a small quantity
- Difficulty for exporters and importers to communicate well and fully understand each other's needs
- Lack of business planning and record keeping skills
- Poor Internet connections
- Strong competition from Asia and Latin America
- Difficulty in getting reasonably priced financing for inventories, buildings, and equipment
- Environmental issues

For regional trade in bulk products (grains, onions, and animals):

- Lack of rapid and complete information on market prices
- Lack of and/or high cost of finance for producers, traders, processors
- Poor infrastructure
- Road harassment and extortion from police and customs
- Regional barriers to trade (e.g., occasional export bans on grains)
- Training needs of many small scale farmers and traders, many of them fluent only in local languages (not English or French), many of them illiterate or barely literate
- Uncertainties on costs, delays, and other elements
- Poor infrastructure of various types including rural roads, terrible traffic jams in urban areas, bandwidth for computers, irregular and high cost power, and expensive and hard to find spare parts
- Lack of reliable contracting mechanisms and enforcement
- Inability to get reliable inspection to buy commodities without seeing them
- Competition from imports: (Asian cloth, rice, vegetable oil, Dutch onions, and Brazilian frozen poultry, etc.)
- High costs for skilled labor as a percent of production, relative to some Asian competitors
- For poultry—high feed costs (over 80 percent of production cost)
- Need to consider not only cost effectiveness, but social factors as well (e.g., small labor intensive farms vs. large mechanized farms)

- Environmental issues

Some of the above issues such as finance, transportation, road harassment, and communications between exporters and buyers were addressed by the regional projects—and some (production issues) were addressed largely by USAID bilateral projects. The projects generally did a good job on the issues they chose to address—MIS/IT, finance, export promotion, transport costs, and enabling environment. They had many successes in each of those areas. Much more could be done in each of those areas, as pointed out in the findings/conclusions and recommendations in Chapter 6.

WHAT IMPACT(S) ON FIRMS, INDIVIDUALS, ASSOCIATIONS, SECTORS, AND OTHER COUNTERPART INSTITUTIONS CAN BE PLAUSIBLY ATTRIBUTABLE TO USAID/WEST AFRICAN TRADE PROJECTS IN EACH COMPONENT AREA AND VALUE CHAIN?

The biggest impact was in promoting trade. The Hub catalogued its immediate successes—\$178 million of exports caused by its activities within the evaluation period. For E/ATP there were many successes—50,000 signing up for MIS systems, 2,000 placing bids or offers on the system, many organizations improving their capacity and planning process and taking actions to promote trade and trade policy linked to trade issues. There is a discussion of each value chain in the export promotion section of Chapter 6 and considerable discussion about associations in the Enabling Environment section. Discussions of impacts on individual companies in each value chain are included in the Export Promotion section of Chapter 6.

TRADE HUB IMPACTS

The Trade Hub commissioned a study by Dr. Daniel Bromley, of the University of Wisconsin-Madison on the income multiplier effect of some of its activities. It was a study on jobs and income in collaboration with the University of Ghana and with data collection support from U.S. Peace Corps Volunteers, summarized on the Trade Hub website. The report points out: *“These sectors hold enormous potential to drive economic growth in West Africa... Increasing sales of these products would have a significant impact on rural poverty, particularly among women.”* He goes on to write that: If an additional \$1,000 of raw cashew nuts produced by farmers is then exported, it can create 120 new jobs in West Africa...and household incomes in the region would be increased by approximately \$2,430—the first \$1,000 going to the cashew farmers, and the remaining \$1,430 going to others in the economy. But a greater impact could be realized if raw cashews purchased from farmers were processed in West Africa. For every \$1,000 purchased from farmers, processors would spend an additional \$822 on wages and salaries and this would increase household incomes by an additional \$1,175. He concludes:

“I found that being able to process just three-quarters of the 2006 cashew crop – about 36,000 metric tons – would have produced new household incomes that are almost identical to the entire export value of raw cashew nuts in 2006... “Most of the raw cashew nuts are leaving West Africa unprocessed – and that’s where the jobs and incomes are.”

In shea, the sale of \$1,000 of shea nuts for export generates about \$1,580 in additional household income (the first \$1,000 to shea producers, and the remaining \$580 to others in the regional economy). The story in the basket industry is similar. For \$1,000 of sales by basket makers, 160 jobs are created and others in the regional economy earn \$580 of household income. And in wood, increased sales by producers of \$1,000 lead to 100 jobs and about \$2,150 in additional household income (\$1,000 to the producers and \$1,150 to others linked to wood producers).

The projects taught many traders how to get information on prices, keep records, apply for and get bank loans, contact buyers or sellers, and plan for the future. Attributing the trade numbers resulting from the project activities is difficult, except for the Trade Hub which received questionnaire responses from individual companies claiming specific results. Some of the associations such as cashews and shea became much more effective in promoting the interests of their members, and African logos and toolkits were very helpful in promoting international marketing. The programs clearly had impact on many low income people, including some small entrepreneurs with realistic business prospects, and a large number of small suppliers of raw materials or slightly processed materials that benefitted from more effective interaction with the commercial systems. While many farming families rely on a staple grain for their food needs (in many cases storing a years' supply for their families), ancillary sources of income can be very important, often providing women with income that they can keep for important uses (e.g., educating children) in contrast to the main grain crop harvest, often worked by the whole family with any revenues controlled by the male family head. Typically, improving and lowering the cost of marketing and/or processing products, will benefit suppliers in rural areas. In the case of shea products, hibiscus, or basket making, the beneficiaries include very low income women.

New associations such as the Cashew and Shea Associations (assisted by USAID programs but with substantial and durable industry support) seemed likely to be able to provide services to their members and shea and cashews associations already conduct advocacy activities. Helping export-ready or near export-ready companies to achieve trade through changes in their management and marketing practices would seem to be among the best activities for achieving near- to medium-term results.

The Trade Hub certainly had an impact on encouraging other organizations help its protégées, including other organizations such as the Bill & Melinda Gates Foundation and GIZ (helping the Cashew Alliance), Ecobank (which told the team they provided some financing because of the credibility of Trade Hub collaboration with some companies), and with external financing groups including Root Capital, and Grassroots. In Benin, Fludor, an industrial cottonseed crusher reportedly decided to branch out into shea nut processing because of a Trade Hub sponsored seminar. The small-scale traders met by the evaluation team and small-scale processors were linked to a network of low income suppliers and were an excellent target of efforts.

At some point some larger players may see competitive advantages to crowd out some of the smaller players or to give them lesser preference. The process of more modern larger scale and less labor intensive operations is being introduced in a number of the value chains—cashews, shea nuts, and feed grain processing. Sometimes there may be a dilemma of whether to focus on the small scale or poorest segments of the value chain or on the larger scale traders and processors based in the towns. A modern trading and manufacturing system will lower transaction costs, improve quality, and lower profit margins. Eventually that will drive some of the smaller players out of business. In the short term, efforts of the Trade Hub are helping many small players some of whom may become much larger as their exports expand.

E/ATP

E/ATP had an impact on many organizations and individuals. Some of the organizations (e.g., AGRITA farmers group visited in Ejura) seemed to have been formed mostly in hopes of benefitting from donor assistance and loans facilitated by group guarantees of repayment and stronger marketing structure and commercial viability of the group. Others, such as the livestock associations, had a long history and avidly took advantage of training, assistance with record keeping and promotional activities. An impact from E/ATP on associations can be seen in training numbers (see under the capacity building response below) and

in the process of getting associations to establish and self critique their objectives and activities through the PIVA process. The precise degree of impact on trade from E/ATP is very difficult to judge due to other influences on changes in trade over the brief evaluation period. But clearly they have started the process of moving to a more formalized trading system where prices are widely reported and attempts are made to buy and sell on the basis of contracts and with bank loans and clearly their activities have directly increased trade in sheep, cattle, and other products.

With respect to the impact on women, there are many women entrepreneurs working as processors, exporters, or inter-regional traders, often crossing borders with tradable goods or thousands of dollars worth of local currency to buy a truckload of maize or onions and book an empty truck to transport it elsewhere. Women are less common in cattle trade or in trucking, though the projects sought to increase gender sensitivity in work with the cattle traders as well as with a number of other associations that were somewhat more used to including women.

These regional projects have an important role to play and with a substantial impact over the longer term. The indicators (discussed under each cross-cutting section in Chapter 6) effectively demonstrated that the projects largely accomplished what they were told to do. The indicators were less effective in demonstrating the full value of efforts, some of which will bear fruit incrementally over a number of years. It is desirable for future projects to follow a results framework showing a progression of activities to reach ultimate goals (free trade, increased exports, etc.). While E/ATP did not prepare a formal results framework, they did define some intermediate results to support expanded regional trade including:

- Increased cross-border trader networks and trust
- More profitable, less risky cross-border trade
- Better market and price information (available to traders)
- More traders with easy access to credit

Many of the activities undertaken, such as training, capacity building, policy changes, and access to credit, etc., have made incremental steps within this process. The indicators generally did not show how effective the projects were in increasing regional trade. Instead that result is shown in the trade numbers and for E/ATP the impact is still difficult to quantify in spite of investing \$3 million in counting trucks and cargoes to remedy the absence of any reliable trade data. E/ATP seem to have been careful through the vetting process (SWOT/PIVA for E/ATP) to identify the organizations that had real potential before betting the USG money on them as having real potential for success. Because of program overlaps, and the short period of operation, coupled with some mid-project shifts in focus (DCA, Kano, poultry, and onions) the amount of that increased trade attributable to E/ATP remains unclear.

The MIS system and warehouse receipts programs have not proved themselves yet and are thus useful experiments that should be pursued, albeit with some changes to consider in the case of the MIS systems.

E/ATP have been trying to change traditional trading practices and make them more efficient in identifying what is needed for trade (quality or other characteristics of products—such as mesh bags for onions), arranging financing, establishing record keeping, and expanding buyer and seller contacts through workshops and MIS platforms, and trying to get policy changes on trade impediments. These are all important. Helping businesses and organizations adopt record keeping, management and planning systems that have results in promoting trade would seem to be clear and positive activities for a trade promotion project. Many of the organizations do provide effective services—such as the onion associations in Ghana which give individual

French-speaking traders from neighboring countries some support and solidarity against potential problems, such as extortion by police or others.

Helping associations such as the cattle traders association (COFENABVI) which responded very positively to technical help and was willing to put in its own resources to continue would seem to have long range benefits —albeit difficult to quantify during a three year project; even more difficult with only one year of trade data. Helping associations that are not as responsive to offers of assistance (e.g., poultry associations in Ghana) may be more challenging. Expanding marketing information and contacts should increase competition and buyers, benefitting sellers and consumers. Insisting that associations helped by the program be more sensitive to gender issues was reasonable and achievable during the evaluation period.

Helping farmers to get a better (fairer) deal from the small traders moving commodities around West Africa might be desirable, but should not distract attention from the main objective of promoting regional trade. Bilateral projects may be better equipped to assess the wide diversity of social issues in trading relationships and how best to address them. Better information and more efficient and cheaper transport and commercial systems were promoted by E/ATP and all three objectives should increase competition and benefit sellers and consumers.

USAID should not expect that every producer organization will succeed in regional marketing activities. It is the opinion of the evaluators that the bilateral projects have more leeway to consider sensible help to the poor and building the capacity of farmer organizations for social welfare purposes, while the regional projects need to have a much stronger emphasis on competitiveness and on regional trade promotion rather than national trade issues. Having a clearly defined role that complements and does not compete with bilateral USAID mission activities is best for a regional project. Obviously there are important linkages between the two types of activities which should continue to be part of the coordination efforts of future regional trade projects.

Finally, E/ATP cooperated with quite a number of different organizations including USAID bilateral, GIZ, Croplife, Nestle, various national MIS organizations, and the producer and trading organizations which it targeted and improved. COFENABVI and local livestock organization counterparts, which received substantial help from E/ATP were very enthusiastic about ATP capacity building efforts and training in record keeping and said they would continue counting market arrivals even after ATP stopped funding the effort. Serving as a catalyst for other organizations to become involved in promoting trade has been and should be an important impact of all three projects.

WHAT PROGRESS HAS BEEN MADE IN DEVELOPING LOCAL CAPACITY (LCD)? AND HOW MIGHT FUTURE PROGRAMS ADVANCE LOCAL CAPACITY DEVELOPMENT APPROPRIATE TO THE WEST AFRICA REGION?

TRADE HUB:

There has been much useful training (8,933 participants including 2,601 women trained) on production and marketing. For example, in the home décor and fashion accessories sector, Trade Hub consultants worked with over 50 local SMEs on new product designs for items exhibited at 27 international trade shows, which ultimately resulted in over US\$3 million in export sales. By working closely with the companies before, during and after the events, the Trade Hub increased their awareness of and ability to respond to changing market trends in the future. The Trade Hub also identified and trained individuals to act as agents for multiple design

firms, representing them at global industry events and filling an important gap between local producers and international buyers. In the shea sector, two firms in particular credit a series of Trade Hub reports, training, and workshops with their decision to invest more than US\$20 million in the sector. By pairing focused training with exposure to the global marketplace (the Trade Hub participated in 107 international trade events) and interactions with international buyers, the Trade Hub has built local capacity for the ongoing production and marketing efforts needed to sustain industry exports.

The Trade Hub's three finance sub-contractors assisted companies in putting together documentation on their work in the form of financial statements, company profiles, and business reports. The subcontractors helped the SMEs negotiate with appropriate financiers to finance these 18 business plans. This resulted in almost \$7 million in financing in 2010 and 2011.

In Nigeria, AIMS Limited initiated the Cashew Cluster Financing Scheme under which the sub-contractor assisted three processors to put together the documentation needed to access financing (over US\$700,000 disbursed already) from NEXIM Bank and Ecowas Bank for Investment and Development (EBID). The participation of NEXIM and EBID in the Cashew Cluster Financing Scheme was only secured after capacity building visits and training for bankers improved awareness of the particular challenges and resulting opportunities in the cashew industry in West Africa.

In the Francophone zone, Catek Group of Mali provided technical assistance to the National Cashew Committee that led to the establishment of a \$20 million fund for cashew processing in Guinea-Bissau. It also helped government agencies and development partners to structure cashew processing and capacity building into priority strategic planning and debt restructuring (resulting in a reduction from 1.7 million Euros to about 110,000 Euros), and for a shea processor in Mali.

E/ATP

The E/ATP approach to local capacity building has included building institutions and improving the technical capacities in value chain competencies. In institution building, efforts have focused on private sector associations mainly at the regional level, but also at the national level if no regional associations exist. In value chain competencies, members of beneficiary and other value chain associations have been trained in areas which constrain regional trade, from sufficient, high-quality supply to marketing to access to finance, and others.

Institutional support

Beneficiary associations were chosen by applying the SWOT analysis to 21 ATP and 22 E/ATP organizations at regional and national levels. Their results, together with consultations held in the region, formed the basis for the selection of regional private sector association partners, selected for their regional presence or outlook, and perceived potential to become credible, representative, and dynamic entities that respond to members' needs and contribute to increasing regional trade. Institutional support has been done through:

- The organization of PIVAs for apex organizations, to help the organization score, in a participatory fashion, its institutional performance, and to set priority areas and targets for improvement. Original PIVAs, done in FY 2009-10, have been annually updated.
- The development of capacity building plans as a result of the PIVA process, to serve as guidelines for USAID ATP's assistance.
- Support, both financial and technical, to areas identified in the capacity building plan (as part of the VCDPs). Assistance has focused on helping to draft statutes; organize general assemblies and

elections; clarify roles and responsibilities of elected officials and executive teams; coach members in management; train using innovative techniques; and collect data on commodity prices, availability, and trade flows.

Annual updates of the PIVAs allow for monitoring of the institutional progress and updating of the capacity building plan. Capacity building plans are monitored annually to track the improvement of skills as a result of activities that were undertaken during the previous year, and to shed light on areas still in need of improvement.

The project has used the PIVA instrument in two major innovative ways: by adapting the original PIVA to the characteristics of its partner organizations and by incorporating a gender dimension, which is not in the original PIVA template. At the end of the project, the project will share with the associations a summary version of the PIVA, allowing the associations to conduct the future PIVAs alone, if needed. To date, the project has organized 20 PIVAs with 11 organizations.

An important issue to consider is that PIVA scores reflect self-assessment, i.e., they should not be considered an objective score. When association members become engaged in a process of reflection, learning, and improvement, they may understand weaknesses or strengths of the organization in ways that they might not have done earlier. At the same time, when PIVA process targets are set and PIVAs will allow for the assessment of whether targets set were reached.

To date, PIVAs for six organizations have been done in the context of ATP, five in the context of E/ATP. General observations on them are as follows:

- Most organizations score their performance critically, commonly giving total scores that are only 40-50 percent of the maximum; two organizations scored themselves more generously, at around 80 percent.
- There are no clear trends in which aspects have been scored highest or lowest; this is expected, as organizations are very different.
- Normally, but not always, overall scores and most component scores have increased with progressive PIVAs and support.
- Objectives for the coming year are often not reached.

It is clear that PIVAs and the subsequent capacity building plans have become an important assessment and planning tool for the organizations. Although objective assessment of the stage of organization is difficult based on PIVA scores alone, PIVAs provide a monitoring tool to track members' perceptions of how their associations are doing.

Technical capacity building

Value chain development plans (VCDPs) are the projects' main tools for planning activities at the value chain level. These plans were developed after the conduct of thorough value chain assessments and their validation by value chain actors, conducted in FY2008 and FY2009 for USAID ATP, and FY2009-10 for USAID E-ATP. The assessments focused on the organization, operation, and performance of the value chain, summary estimates of major trade flows in them, and preliminary recommendations for the project's scope of work. Consequently, the project led the development of the VCDPs in close collaboration with the partners. These plans serve as guidelines for USAID ATP's value chain activities. They offer a basket of options for providing technical and financial support to strengthen the value chains for regional trade. Each VCDP covers a multi-

year period, to March 2012. After the initial VCDPs, annual updates have been undertaken, based on the project progress and new information and opportunities.

In the context of the priorities defined in VCDPs, there has been much useful training on production, enterprise management marketing, processing, hygienic slaughtering and storage, finance facilitation, and trade negotiation. Training focused on members of associations and at times included a training of trainers/cascade training approach. Previously, many organizations did not keep records and the projects trained them in how to gather data and keep records. Training in financial systems, making company projects bankable, training bankers in the details of agribusiness or related business sectors, identifying credit worthy enterprises were all useful.

Table 14. Training Numbers for the E/ATP Value Chains - Producer Associations assisted

Value Chain	Producer Associations Assisted (number of associations)
Maize	66
Onions	33
Ruminant livestock/meat	15
Millet/sorghum	28
Rice	41
Poultry	11

Table 15. Training Numbers for the E/ATP Value Chains - Individuals trained by value chain and type of training

Individuals trained	Short-term productivity	Enabling environment
Maize	3,036	366
Onions	4,317	302
Ruminant livestock/meat 7,310	495	
Millet/sorghum	3,603	185
Rice (parboiled)	1,144	92
Poultry (day-old chicks)	272	

This type of activity could and should be continued in future projects. The SWOT/PIVA system, examining a large number of organizations, and then determining the few worthy of extensive help, is one way to promote sensible use of development resources to help worthy business associations that are performing useful services for their members and contributing their own resources to the efforts, with a credible plan to sustain similar activities once donor funding ends.

WHAT CRITICAL CONSTRAINTS TO TRADE IN WEST AFRICA ARE NOT ADEQUATELY BEING ADDRESSED (BY COUNTERPARTS, USAID, OR OTHER DONORS) THAT ARE WITHIN USAID'S COMPARATIVE ADVANTAGE?

The recommendations include a few areas that could be more effectively pursued—working with other donors and governments to develop a centralized MIS system, working on a system to identify and book

backhaul freight (quickly finding cargoes for empty trucks for return trips), combining the transport efforts of the Hub and E/ATP, and seeking commodity associations to help verify documents and weight loads for trucks crossing regional borders. The team recommends that as is already done for sealed container transit cargoes, commodity or transport associations ensure at origin that trucks comply with regulations. The associations could provide a document and windshield sticker that the truck has passed review. (This was suggested by an onion traders association and the Burkina Faso transport association.) Such a system would further reduce the rationale for trucks being stopped en route multiple times by police or customs. A program focusing on regional trade could limit itself to coordinating and financing regional workshops and seminars to permit cross region planning by the bilateral projects followed by workshops to link their stakeholders and address issues of harmonizing regulations, finance, new technologies, and policy—expanding some of the coordination that has been done already by the existing projects.

HOW EFFECTIVE IS PROJECT MONITORING AT CAPTURING PROGRAM COMPONENT EFFORTS, RESULTS, AND PLAUSIBLE ATTRIBUTION?

Projects had extensive monitoring of systems, including training of enumerators and follow-up with companies. Over 300 survey questionnaires are sent out each quarter and usually the Hub only gets 90 or so responses in any given quarter. Reporting has been better with the African Cashew Alliance (ACA). But except for Trade Hub surveys (of which 90 of 300 quarterly surveys were returned), the assumption that changes in trade flows or even loans achieved by companies or organizations were directly attributable to program efforts is questionable, although not patently false, not clear as to attribution among donor efforts or with respect to changes caused by general market conditions..

Reporting prices rather than quantities (necessary if one adds grain and animals) gives an even less clear picture of trade results. The team was not able to survey all beneficiaries but did some spot checks. In the case of the AGRITA farmers organization in Ejura, or in the case of the Tabaski sheep operation, by replacing private trader individual purchases of maize and sheep with a more organized effort subsidized by USAID, there was clearly some positive effect by USAID programs. However, the net benefit attributed to the project (relative to letting the traditional traders handle these products on their own) is difficult to ascertain, even though ATP in their Briefing Book prepared in 2011 claimed two successes: creating what they said was “new trade” in sheep from Burkina Faso to Ghana (actually expanded trade) and addressing the problem of transport impediments).

A future bulk grains regional program could do some sample surveys of traders similar to those of the Trade Hub, but is constrained somewhat by the small commercial volumes and low education levels of many of the target beneficiaries. Questionnaires would be hard to collect and many of them would end up essentially being filled out by project personnel. Producer organizations receiving large subsidies may be loath to launch criticism, particularly in written documents. But much can be learned by some sort of sampling and interviewing of key players—much like the process of the evaluation team but with a more sustained and fully representative set of companies and traders, to be interviewed, perhaps every year or two with some changes in those interviewed to give a broader sample. Key wholesale buyers and sellers active in major markets often can provide excellent insights into trade flows, problems, and opportunities. A system of interviewing buyers and sellers can produce a reasonable picture of changes in trade, reasons for changes, and the role of program activities. Possibly a regional project could send out questionnaires to key organizations and interview them to get objective responses to bilateral activities at national levels that have an impact on regional trade. Use of outside consultants for such surveys would be an option, if costs could be kept within reasonable limits and might reduce the danger of antagonism between regional and bilateral USAID

programs. Questions and options raised during interviews of beneficiaries could form the basis of some discussions during regional value chain workshops that are proposed by this evaluation.

ACROSS COMPONENT AREAS, WHICH ACTIVITIES HAVE BEEN THE MOST COST-EFFECTIVE AND WHAT INTERNAL AND EXTERNAL FACTORS ARE RESPONSIBLE FOR THEIR RELATIVE SUCCESS?

The most basic (and simplistic) answer to the question is to compare spending in each value chain with increased exports.

Given that the purpose of the programs was to increase trade, it may be interesting, though less than fully instructive to compare budgetary spending with trade results:

Table 16. Trade Hub 2007-08 to 2010-11-Increase in Trade Resulting from Hub Activities

Value Chain	Budget assistance to value chain \$ million	Exports resulting from activities \$ million
Cashew exports	\$1.3	\$94.7
Shea exports	\$2.2	\$44.1
Fish and seafood exports	\$0.8	\$22.5
Specialty food exports	\$1.4	\$ 7.1
Home décor and fashion Accessories exports	\$4.0	\$ 6.7
Total	\$28.5	\$178.5

ATP spending compared to changes in trade 09/2008 to 10/2009 (note that relationship of exports to ATP efforts are not clearly quantified). Also note the short period of time for results—one year only.

Table 17. ATP 2008-09 to 2009-10

Value Chain	Spending on value chain \$ million (through Sept 30, 2011)	Change in trade \$ million increase or (decrease)
Livestock/meat	\$3.9	\$87.9
Onion/shallot	\$2.6	\$13.6
Maize	4.0	(4.0)
Trade data collection (Monitoring & Evaluation)	1.8	
Market information system	0.6	
Policy	1.2	
Total Assistance	14.1	\$97.5

E-ATP change in value of exports 09/2008 to 10/2009 (note that relationship of exports to E-ATP efforts is not quantified).

Table 18. E-ATP 2008-09 to 2009-10

Value Chain	Spending on value chains \$ million (through Sept 30, 2011)	Change in trade \$ million increase or (decrease)
Millet/sorghum	\$3.5	\$4.4
Parboiled rice	\$3.5	\$2.1
Poultry day-old chicks	\$2.7	(\$0.9)
Avian influenza (poultry day-old chick ban)	\$0.6	
Trade data collection (Monitoring & Evaluation)	\$1.2	
Market information system	\$0.7	
Policy	\$1.2	
Total	\$12.9	\$5.8

The short-term decreases in trade in maize and day-old chicks in spite of E/ATP trade promotion efforts demonstrate that short-term changes in general market conditions can be a major influence on changes in trade flows. There are two aspects to cost effectiveness of the trade promotion programs: short-term and long-term effects. For the short-term effects the main result is the trade generated from the programs. For the trade hub, the trade generated from the programs is pretty clear. For the E/ATP the causes of changes in trade certainly include both the E/ATP work, work by other donors, and general market conditions. Also, both projects reported other outputs, such as training people and helping producer organizations and companies develop planning and activities of benefit to their members.

For the medium to long term, the effectiveness would be gauged by changes in systems to facilitate trade in the future and/or year after year.

To assess cost effectiveness, one would have to know the results in regional trade in order to fully assess this issue. The help of the Trade Hub to train companies in management and marketing clearly led a number of them to have a realistic chance to access export markets. Similarly, efforts by E/ATP helped some companies obtain working capital for trading and in a few cases helped them to get equipment loans. Development programs must invest for the longer term in areas that help large numbers of people (including free riders such as non-paying market information users) or create conditions (e.g., good record keeping and business planning) that will improve the enabling environment and financial availability in the medium term.

The most basic answer to the question is to compare spending in each area with export results. That is particularly useful for the Hub, where the exports clearly resulted directly from Hub efforts. So by that standard, cashew investment was the most productive and home décor the least.

With respect to E/ATP, there is no objective measure of what exports resulted in each value chain from their efforts, though thanks to the USAID-financed trade monitoring system, we have data on changes in trade over a brief period when the projects were operating. Although the livestock sector dominates regional trade in commodities in terms of value, in some ways it is more difficult to change into a more modern regional trade system than crop production. Some of the activities undertaken on the slaughterhouses may have been desirable, but more effective from the perspective of national markets rather than regional markets in the near term. Production activities or activities for trade within a country are more appropriate activities for a bilateral project than for a regional one. Programs to fatten calves in feedlots could also be bilateral programs, though

they could have an impact on regional and trade and could be introduced without expecting to make a major change in the traditional production and distribution of nomadic herders. Trade linkages—bids and offers on computer systems circulated throughout the region and workshops that included traders—seem to have expanded trade linkages and increased trade, including some new trading channels such as Côte d'Ivoire yellow maize sales to a modern processing company in Kumasi, Ghana. A Senegalese trader purchasing maize and millet in Burkina Faso and Mali said the workshops deepened his relationship with one seller he already knew and introduced him to a farm organization that he hoped he could buy from at an attractive price.

Being in the right place at the right time is key, and is difficult to predict in advance. In the case of cashews, where the world market was poised to a takeoff, Hub activities contributed to private investment in new facilities in a number of countries and the same seems to be the case for shea, though the full picture is still being developed. Promotion of garments has been tough, but there are a few glimmers of hope, and the importance of the sector (currently adding value to Asian cloth) has political implications and is worth continued investment. The home décor, shea, and processed food sectors provide substantial opportunities to very poor local suppliers feeding into these industries. Success is far from assured for many of the players but some of them are succeeding. Promoting sustainable fishing in Senegal was a major opportunity (100,000 poor fishermen and US\$300 million of exports) that was lost due to an overly restrictive environmental directive that stopped all USAID assistance to the sector.

Recommendations are listed at the end of the Executive Summary and again under each cross-cutting activity. In general, the programs have been fairly effective and their work should be continued, not only for grain and livestock, but across a wide range of products where private traders can increase exports and generate income for the various subsectors of small West African producers and traders.

WHERE APPLICABLE, HAVE PROGRAM ACTIVITIES COMPLIED WITH THE IEE REQUIREMENTS, E.G., IN SUSTAINABLE SEAFOOD, AND HOME DÉCOR SECTORS? HOW CAN FUTURE PROGRAMS MEET REQUIREMENTS FOR ENVIRONMENTAL SUSTAINABILITY WITHIN EXISTING FOCUS SECTORS?

The environmental review in this report (see Chapter 8) points out that the projects have generally complied with environmental requirements, though perhaps those requirements should have required a bit more in spot checks of questionable documents and practices, and perhaps future USAID projects might want to consider broader implications of harvesting wild raw materials, crops, and especially animal production systems. The artisanal wood products marketing efforts are valuable and should be continued, but somewhat more rigorous spot checks should be adopted for future programs and/or separate USAID or other environmental donor programs could seek to strengthen national government regulatory systems already in place. Major American or European retailers being asked to buy African products will want to avoid any charges that they are damaging Africa's environment. In the fish area, the IEE was unreasonably restrictive and prevented USAID from advancing environmentally sound programs for thousands of poor fishermen and their families, currently generating over US\$300 million of annual exports in Senegal.

8. ENVIRONMENTAL COMPLIANCE⁸

The principal findings and recommendations of the Environmental Compliance Evaluation of the three West Africa Trade Projects—the Trade Hub, ATP, and E/ATP—are below. Additional detail on the environmental compliance assessment is provided in Annex C.

PRINCIPAL FINDINGS

Overall, the ATP and E/ATP projects are in environmental compliance with the requirements of 22 CFR 216 based on review of the governing Initial Environment Examination (IEE) and the Environmental Mitigation and Monitoring Plan (EMMP) requirements for each project. This is based on review of available project and other documents, interviews, and field visits.

The Trade Hub’s fish and seafood (F&S) sector activity is in compliance with the requirements of 22 CFR 216 based on reviews of the governing IEE requirements. This is because the Trade Hub largely eliminated any support for F&S capacity building leading to exports. This was due to the challenging requirement established in the revised 2009 IEE stating that USAID/West Africa could only provide capacity building assistance for export suppliers *“that can verify with reasonable certainty that 100 percent of their fish and seafood products were sourced sustainably.”* Few, if any, can currently meet this requirement in the sub-region. While compliance has been assured, the opportunity to launch fish and seafood programs that would provide leverage over progressive, incentive-based promotion of sustainability across the F&S value chain in West Africa has been compromised.

Compliance in the Trade Hub’s home décor and fashion accessories (HDFA) sector has been more difficult to verify with reasonable certainty. The present evaluation of compliance in the sourcing of wood and other plant materials by the sector has had to primarily rely on information supplied by the Trade Hub on its partners. This information did not, by and large, reflect field site visit verifications, normally a key component in assessing environmental compliance. This has meant that a higher degree of subjectivity in assessment, trust, and speculation is required to judge compliance in the HDFA’s activities. That considered, and based on the information provided by the Trade Hub together with the requirements established in the IEE governing the HDFA, Trade Hub’s HDFA appears with reasonable certainty to be in compliance.

PRINCIPAL RECOMMENDATIONS

1. The principal recommendation of the environmental compliance evaluation is that the F&S sector IEE should be revisited. The governing IEE (2009) virtually precludes the Trade Hub working with exporters in the sector, as reasonable certainty of 100 percent sustainable sourcing of F&S products is required. This is nearly impossible in West Africa’s F&S sector in 2011, and will remain so in the near future. Meanwhile, from both an economic development and food security standpoint, the sector is of enormous relevance in West Africa.
2. Comprehensive, random field site verifications for the HDFA sector should become part of the tools employed for future environmental compliance monitoring.

⁸ Prepared by Michael Brown

3. It is recommended that USAID consider how improvements can be made in monitoring and updated data base management for environmental compliance. This will also reduce perceived risks on the part of American and European buyers involving the HDFA and F&S value chains, facilitating trade.

On a separate level from point 3 above, it is recommended that sustainability be more squarely integrated into the strategic planning frameworks for all West Africa Trade Projects (WATPs). At present, the potential sourcing challenges that exporters and importers face using wood, bamboo, grasses, and marine fish supported by the Trade Hub, along with livestock in the case of ATP, are not addressed in an integrated and strategic manner. A rethinking of sustainability issues is recommended. Linkage of marketing projects to USAID environmental projects is one option to improve reliability of certifications on environmental sustainability. Thus, it is also recommended that concrete steps to improve the interface between the WATPs and bi-national USAID programs pertaining to environmental compliance and broader sustainability concerns be rethought, focusing on gaps in F&S, HDFA, and the ruminant livestock. Additional recommendations and further discussion of findings are included in Annex C.

9. CONCLUDING REMARKS AND LESSONS LEARNED

Through the three regional projects, USAID has helped new market players with marketing and business planning, seeking sources of credit, communicating with buyers, and accessing markets, within the region (E/ATP) and in the United States and Europe (the Hub). The projects promoted interchange and effective communication and business deals between parties that did not know each other, and encouraged banks and other financial institutions to eschew their traditional reluctance to lead to the agricultural sector, take a little risk, and provide credit to credit-worthy value chain players who need it.

The Trade Hub has done a commendable job, is showing some results after several years of working with individual companies, and should continue its efforts, including its policy initiative on transport.

E/ATP did not have the time to fully develop the kind of interactive marketing work the Trade Hub pursued in helping the exporters understand markets and adapt their products, packaging, and marketing to find buyers. It was quite active in seeking to work with and develop the capabilities of associations and had some success in the brief time the two projects have been in operation, in spite of not getting a DCA credit program and having some the activities closed early after very brief operation. The market for bulk products is easier to assess than processed export products in some ways —dependent mostly on price, quality, and timing of delivery. If one knows the prices in two markets and understands the competition of similar products, it is not very difficult to determine whether trade makes sense. But programs to make the system work better were very challenging because the number of actors is very large, their capacities often quite low, and the time period of the projects was very short. E/ATP had to do much of its work with associations, a more difficult task than working with individual businesses, particularly since the associations needed substantial capacity building and many of the trade results were not rapidly achieved. Given the many other donors operating at the national level, it is sometimes difficult to find the best activities for a regional project to effectively promote regional trade in bulk products. Most of the work on farm production, processing technology, should continue to be done by bilateral USAID projects and other bilateral donors, rather than a regional project.

The best future focus for a project promoting regional trade in bulk products and livestock is to bring together USAID bilateral missions in strategy and planning sessions and include key value chain stakeholders to improve marketing contacts, pursue harmonization of standards, explore avenues of private credit for the marketing systems, and consider what areas of policy advocacy should be pursued, in large part through private-partner organizations. The regional project(s) will have special expertise in some policy areas, particularly with respect to the status of regional requirements in ECOWAS and UEMOA protocols and also will develop further expertise at approaches at the national level implementing legislation for non-presence countries. E/ATP provided a number of useful services to associations that helped them build capacity and assess their own needs through the SWOT/PIVA process and launched some impressive advocacy initiatives that may help speed the development of a real commitment to free trade in West Africa. Pursuit of these goals—lowering costs and improving financing— (preferably with someone else’s money at risk) should be the main goals of the program with a main focus on regional trade promotion.

The evaluators suggest that most of the efforts made and organizations targeted were appropriate uses of USG money. For instance evaluators found that COFENABVI, one of the principal partners of ATP, seemed to have avidly accepted the capacity building activities and are experiencing long-term benefits in increasing their capacity to advocate for appropriate policies and provide services to members, while complementing donor financed activities with their own efforts.

The fact that some bets paid off handsomely (cashews) and others did not (maize) does not provide complete information to make decisions on future activities. Maize will continue to be an important item of regional trade and the evaluators point out that a fall in the value of trade one year does not provide sufficient grounds for ending the assistance of a regional program in maize. We also thought that some other commodities that were dropped including onions from Burkina Faso (and Niger) and fish from Senegal had much potential. We wondered if sufficient attention was paid to regional trade with Nigeria—the commercial giant in the region. We wondered about the value of some activities, such as:

- Does working on slaughterhouses have near-term likelihood of impact on regional trade?
- Is helping the AGRITA maize farmers association improve their cultivation practices an appropriate role for a regional project?
- Is taking processors from Ghana to Nigeria to look at millet processing a good program for a regional project to fund?
- Is there unrealized potential to utilize the public MIS systems in cooperation with the private platforms?

We are not sure of the answers to some of these questions which is why we raised them for further review. Clearly many of the activities of the regional and export associations were fully appropriate and some of them have already paid dividends in the form of increased trade; others will pay dividends in the future. Promotion of regional trade and export trade is crucial to the future of West Africa and is very appropriate for USAID to address. The export programs focus on only part of the value chains (cooperating with bilateral USAID programs that focus on the other parts), but the effects of the increased exports reach back to improve the lives of the poorest farmers and suppliers, and also have a substantial impact on the empowerment of women.

Recommendations from the five cross-cutting areas reviewed by the evaluation team are provided in the executive summary and in Chapter 7.

LESSONS LEARNED

1. Many of the successful efforts to help companies or organizations were multi-year processes.
2. USAID development projects should strive to maintain continuity in focus areas and commodities for at least five years to hope to change traditional ways of doing business and have a lasting impact.
3. Although many of the current producers, traders, and bankers involved in bulk commodity trade are not yet fully prepared to change to a modern marketing system, USAID programs can play an effective role in the incremental introduction of modern business management and marketing methods, taking advantage of new communications technologies, technological change, training some of the key players in companies and organizations in record keeping and business planning, and adapting foreign production and marketing methods to the realities and capacities of local conditions.
4. The process of introducing modern marketing methods will be faster in the export trade than in the internal regional trading system. Production methods, largely the work of bilateral USAID projects, can bring rapid change in some areas such as cereals yields, with a large impact on farm income. The program

of warehouse receipts is still experimental but could become an important alternative or complement loans for agricultural inputs and very important to local producers if successful.

5. West African governments and regional authorities can be very receptive to changes promoted by local and regional business organizations and supported by donors, though some changes accepted in principle (free trade) will take time to fully implement within each national political and social framework.
6. Credit remains a key and largely unresolved problem throughout the value chains. Some of the work of all three projects was effective in generating credit for some traders. Credit for producers is a bigger problem that should be addressed with a certain amount of caution by bilateral projects (if possible with private financial institutions that use their own money and/or share substantially in the considerable risk of default from risky loans). Making export businesses bankable and helping banks understand business will continue to be useful, as well exploring innovative interventions such as social capital funders for export shipments.
7. Evaluation of the quantitative results of projects with respect to trade can be very difficult. Even spending US\$3 million in counting each truck and cargo arriving in major markets can shed only partial light on the issue of which exports resulted from regional export program activities. Hub surveys provide useful monitoring and evaluation results but that technique would be more difficult for the regional trading system in bulk products, especially with many small players with low literacy skills. A combination of surveys coupled with interviews of wholesale buyers and sellers in major markets annually or bi-annually could generate useful information for follow-up planning and program adjustments during the future regional workshops proposed in the recommendations of this evaluation.
8. USAID indicators provided important monitoring of project efforts in attaining not only the main goal of increased exports, but also the building blocks to reach that goal. The planning, monitoring, and evaluation processes would be facilitated in the future by formal adoption of results frameworks for projects at the outset—clearly spelling out the relationship between intermediate objectives and longer-term goals.

10. WEST AFRICA REGIONAL TRADE PROJECTS EVALUATION ANNEXES

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ANNEX A: EVALUATION SCOPE OF WORK

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SECTION C – DESCRIPTION / SPECIFICATIONS/STATEMENT OF WORK

USAID/West Africa Trade-Related Projects

Purpose

This is a Scope of Work (SOW) for the services of a lead evaluator and a team of technical and evaluation experts who will conduct a participatory-program evaluation in partnership with USAID/Washington and USAID/West Africa staff of three trade-related programs: 1) The West Africa Trade Hub (WATH); 2) the Agribusiness and Trade Promotion (ATP) program; 3) and, the Enhanced Agribusiness and Trade Promotion (E-ATP) program. The West Africa Trade Hub is implemented by a consortium headed by Carana and launched activities in September 2007. ATP and E-ATP are implemented by consortia led Abt Associates and launched in 2008. The Mission is planning for these three contracts to expire in September 2012.

The purpose of this evaluation is to learn from the experience of these three trade-related projects (and perhaps other related USAID projects) to improve future programming. It is the intention of USAID/West Africa that this joint evaluation will inform the development of a new trade and agriculture program. However, the design of any new follow-on program will be completed separately by USAID staff.

Although ATP/E-ATP and WATH were designed before the launching of the Feed the Future Initiative (FTF), the Mission believes many of USAID/West Africa's activities are consistent with FTF's areas of emphasis and objectives. USAID/West Africa has proposed in its draft Feed the Future strategy a regional trade objective to create an integrated regional market for food staples and their agricultural inputs. USAID/West Africa also intends to continue funding technical assistance in support of AGOA legislation and the region's integration and improved trade competitiveness as a strategy to alleviate poverty in West Africa. As a result, the evaluation should focus its efforts on defining and examining approaches that could further the goals of these initiatives.

Background

Although USAID/West Africa has three significant trade programs, each has their own respective objectives. They work with different sectors, beneficiaries, partners, and stakeholders. They have in common the aim of increasing cross border trade and often confront similar challenges in developing trade within West Africa.

West Africa Trade Hub

The first USAID West Africa Trade Hub was initiated in 2003 to support the AGOA. The current Trade Hub contract was designed to support the President's African Global Competitiveness Initiative (AGCI) and launched in September 2007. USAID/West Africa's AGCI Trade Hub assisted West African companies compete in international markets through direct technical assistance and expert consulting and by addressing barriers to trade that individual companies cannot overcome on their own, such as inefficient road transport and lack of access to finance. USAID's Trade Hub uses a demand-driven approach to facilitating exports and strengthening value chains, working from the market backwards to identify how West African firms can improve their products and efficiencies to meet market requirements. By exposing firms to buyers and investors in global markets, the Trade Hub facilitates better understanding among West African firms of market requirements, and then provides technical assistance to help firms meet such requirements. Where constraints to competitiveness are not unique to one particular firm, the Trade Hub facilitates the formation and strengthening of industry alliances or trade associations that can address common constraints. USAID West Africa Trade Hub works in five West African Export sectors: 1) cashews, 2) shea, 3) apparel, 4) home décor and handcrafts, 5) specialty foods and 6) sustainable seafood.

Under its Multi-Year FTF Strategy, USAID/WA has prioritized, among the following broad categories of activity: 1) facilitating regional trade transactions in cereals and livestock along regional trade corridors (e.g. Ouagadougou-Bamako-Dakar and Niamey-Ouagadougou-Accra); 2) launching an agricultural and trade policy implementation campaign targeting two to three policy areas, possibly including facilitating border procedures and phyto-sanitary protocols, removal of customs duties and certificate of origin requirements in intra-regional agricultural trade, and removal of export bans; 3) reducing the cost of transportation through improved transportation procedures and policies including reducing the number of control points along West Africa's trade and transportation corridors. As a result, the evaluation should focus its efforts on evaluating these aspects of USAID/West Africa's ongoing programs.

Evaluators, in collaboration with USAID/West Africa, will finalize the overall evaluation methodology and plan. The Mission expects the evaluation's study designs, besides reviewing program data, will rely on additional independent data collection and analysis to maximize credibility and reduce bias.

The Mission expects bidders will propose a combination of methods, such as:

- Interviews— primarily with project beneficiaries, local partners, government counterparts, and implementers, including as well the most relevant USAID officials and USG agencies such as USTR.
- Comparisons of USAID/West Africa's trade program approaches, benchmarks, milestones achieved, and indicators with other USAID trade programs with similar objectives (such as other Trade Hubs or other regional agriculture programs).
- Interviews with farmers, traders, and businesses not benefiting from USAID's program to gather information that would support a counterfactual.
- Attending, reviewing, and assessing project events and trainings.
- Design and collection of new and independent survey data.
- Review of existing performance information and annual reporting from USAID's current partners to conduct independent analysis of results and relative costs.

In addition to enabling collaboration between industry leaders on initiatives such as joint marketing campaigns, these alliances and associations provide platforms for engagement with policymakers on issues of concern to the private sector. They also provide a platform for collaboration with related industries of critical importance to their success, including the financial services, telecommunications and transport logistics industries. USAID's Trade Hub work 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. The Trade Hub maintains a satellite trade hub in Dakar that works on sustainable seafood and forest product sectors activities with West African firms. A broad communications program supports the work of USAID's Trade Hub. The communications team produces marketing and branding materials, maintains nine websites, publishes a monthly newsletter, and provides punctual assistance to client companies. The website for the program can be found at www.watradehub.com.

Agribusiness and Trade Promotion Program

The ATP contract runs from April 2008 to September 2012. The Agribusiness and Trade Promotion (ATP) program aims to increase regional trade in maize, onions/shallots, and ruminant livestock in West Africa, with a view to reducing poverty and improving the livelihoods of large numbers of people. The program was designed in line with the common agricultural policies of the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU), with the goal of contributing to the achievement of the six percent annual agricultural growth target under the African Union's Comprehensive Africa Agriculture Development Program.

ATP aims to reduce trade barriers through four outcomes, namely (i) reducing the incidence of physical and policy-related barriers to moving agricultural commodities in West Africa; (ii) enhancing linkages among agricultural producers and agro-input suppliers, agro-processors, and distributors; (iii) increasing the efficacy of advocacy by regional private sector and other non-governmental actors in support of a conducive environment for increased regional agricultural trade; and (iv) improving the efficiency of trade transactions and regional market access, in particular through the improvement of regional market information systems (MIS). The website for both this program and E-ATP may be found at www.agribizafrika.org.

Expanded Agribusiness and Trade Promotion Program

ATP coexists with the parallel \$21.9 million E-ATP program. E-ATP has the same scope, except that it covers millet/sorghum, poultry, and rice, rather than ATP's value chains (maize, onions, and ruminant livestock) in eight, rather six countries.

The ATP and E-ATP projects maintain two offices, the main project office in Accra, and a technical one in Ouagadougou. The countries that ATP's activities cover include Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo; E-ATP is active in these six countries plus Nigeria and Senegal. (Niger was also a locus of activity until the promulgation of USG restrictions on non-humanitarian assistance to the country in October 2009.)

Both projects provide institutional and organizational capacity-building for regional producers' and traders' associations and field a network of urban market facilitators, who provide intermediation between buyers and sellers and monitor trade flows; and support trade fairs and other events that bring buyers and sellers together. Progress on institutional capacity-building is measured through the annual conducting of Partner Institutional Viability Assessments (PIVA), which include a category on how the organization is progressing in dealing with gender-related issues. Both projects work with regional organizations to produce advocacy plans by value chain and provide grants and other assistance to apex and value chain associations to strengthen their ability to engage in advocacy before regional and national policy-makers.

E-ATP and ATP are supporting the development of private and public MIS through cooperating with a private, Ghana-based provider of a cell phone-based MIS to fine-tune its business model and to facilitate

the spread of that system to other countries. E-ATP and ATP are assisting agribusinesses to access finance through capacity-building on developing business plans and loan applications; strengthening the capacity of selected financial service providers, so they are better able to evaluate the creditworthiness and risks associated with lending to agribusinesses. The programs are working through a number of public-private partnerships (PPPs). These PPPs include Nestle on supplying it with low aflatoxin maize for baby food production; with a Malian firm on using mesh sacks in regional onion trade; and with cereal processors in Ghana and Burkina Faso in support of cross-border trade.

Evaluation Questions

USAID/West Africa is interested in comparing (and contrasting) project components with similar goals in five areas: information technology and market information systems; export promotion/market linkages; transportation corridors; access to finance; and the enabling environment. USAID/West Africa trade programs also focus on a number of specific value chains that will need to be evaluated for their impact and potential for poverty reduction. The combine lists includes: cashews, shea, apparel, home décor and handicrafts, specialty foods, sustainable seafood, millet, sorghum, poultry, rice, maize, onions, and ruminant livestock.

With this background, USAID/West Africa has developed seven evaluation questions for the joint evaluation team to address:

1. To what extent have USAID/West Africa's trade programs met their objectives in their various value chain and component areas and what challenges did programs encounter?
2. What impact(s) on firms, individuals, associations, sectors, and other counterpart institutions can be plausibly attributable to USAID/West Africa trade projects in each component area and value chain?
3. What progress has been made in developing local capacity (LCD)? And how might future programs advance local capacity development appropriate to the West Africa Region.
4. What critical constraints to trade in West Africa are not adequately being addressed (by counterparts, USAID, or other donors) that are within USAID's comparative advantage?
5. How effective is project monitoring at capturing each program component efforts, results, and plausible attribution?
6. Across component areas, which activities have been the most cost-effective and what internal and external factors are responsible for their relative success?
7. Where applicable, have program activities complied with the IEE requirements, e.g. in sustainable seafood, and home décor sectors? How can future programs meet requirements for environmental sustainability within existing focus sectors?

Methodology

USAID/West Africa expects the evaluation team to develop credible evidence that responds to the above evaluation questions. It is not a requirement that all six evaluation questions be answered for all five technical areas. The evaluation questions can be matched against the technical areas in the planning stage to develop a study plan that focuses on the most relevant program component.

ANNEX B: METHODOLOGY

EVALUATION PURPOSE

USAID/West Africa requested that the evaluation compare and contrast project components with similar goals in five areas:

1. Information technology (IT) and market information systems;
2. Export promotion/market linkages;
3. Transportation corridors;
4. Access to finance
5. The enabling environment.

Particular attention was also e paid to the impact of specific value chains and their impact and potential for poverty reduction. The questions specified in the SOW that were addressed for each of the three trade programs, and in the aggregate overall are:

- To what extent has USAID/West Africa’s trade programs met their objectives in their various value chain and component areas and what challenges did programs encounter?
- What impact(s) on firms, individuals, associations, sectors, and other counterpart institutions can be plausibly attributable to USAID/West Africa trade projects in each component area and value chain?
- What progress has been made in developing local capacity (LCD)? And how might future programs advance local capacity development appropriate to the West African region?
- What critical constraints to trade in West Africa are not adequately being addressed (by counterparts, USAID, or other donors) that are within USAID’s comparative advantage?
- How effective is project monitoring at capturing each program component efforts, results, and plausible attribution?
- Across component areas, which activities have been the most cost-effective and what internal and external factors are responsible for their relative success?
- Where applicable, have program activities complied with the IEE requirements, e.g., in sustainable seafood, and home décor sectors? How can future programs meet requirements for environmental sustainability within existing focus sectors?

METHODOLOGICAL APPROACH

The project began in October 2011, with fieldwork spanning the period from late October to November. The team began by reading annual reports and related documents of the three projects and then by half day meetings with USAID and USTR in Washington, project staff in the field and some follow up meetings where the project staff presented their successes and programs and the team asked questions to clarify the meaning and validity of the data. Subsequently, the team interviewed beneficiaries, partners, and other stakeholders in Ghana: (Accra, Tema, Kumasi, Techiman, and Ejura), Nigeria (Abuja and Kano), Burkina Faso (Ouagadougou) and Senegal (in and near Dakar).

Interviews sought to get a picture of the overall activities of the respondent and then pursue to role and the value of the regional projects for the stakeholder. Some interviews with organizations not working with the

projects (some of the financial institutions, one of the farmers groups in Ejura) helped provide counterfactual information.

A detailed meeting schedule was prepared with the help of the Trade Hub and E/ATP. The program included team members meeting with contacts in Accra (Oct 30 – November 5, November 11, and November 23 – 25, Tema November 21 (Hub contacts) and 25 (ATP contacts), Kumasi and nearby Techiman and Ejura (Nov 7 – 10), Burkina Faso (Nov 8 – 11), Nigeria (Abuja) Nov 14 – 15, Nigeria (Kano) Nov 16 – 18) and Senegal (in and near Dakar) Nov 12 – 18.

The people interviewed are in the list of contacts shown in Annex E. The interview questions were a general guideline for the discussions, generally lasting an hour or sometimes a bit more. Originally it was planned to generate summary data from benefits specified by beneficiaries. However, while a few beneficiaries gave numerical estimates of the benefits of working with the program, most of those estimates are mentioned in the value chain or finance sections and there were not enough of them to permit a meaningful tabulation. The questionnaires were used by evaluators as a guideline for a conversational, interview with wording changes to fit the respondents' context and probes and follow-on questions as appropriate. Attempts were made to ask all beneficiaries about trade impacts of project activities but the number of quantitative estimates by beneficiaries was insufficient to permit a meaningful tabulation.

METHODOLOGICAL LIMITATIONS

As discussed more fully in Chapter 1, among the evaluation's constraints was the inability to talk to all major stakeholders. The team pursued spot checking on the activities and impacts of the project by studying reports, asking questions of the project personnel and meeting representatives of all the value chains and cross-cutting activities. The team visited neither Mali, which has a major bilateral program and is a key rice (and shallot) producer, nor Côte d'Ivoire which is a very important trading partner for several of the countries and in value chains, and also important to cross-cutting issues targeted by the program.

In addition, the evaluation team's original intention was to spot check beneficiaries and partners to quantify and tabulate the trade or other results that beneficiaries received from the programs. But the results (estimates of trade benefits) were too scanty to permit a credible tabulation.

QUESTIONS ASKED DURING INTERVIEWS

QUESTIONS FOR BENEFICIARIES, PARTNERS, AND STAKEHOLDERS OF THE PROGRAM AND OTHER CONTACTS

Questions for partners/beneficiaries in regional trade

After reading the annual reports, and discussion with projects leaders, the interviewers asked for key contacts in areas covering the full range of value chains and cross-cutting activities. The contacts were proposed by the projects and approved by the evaluation team and the evaluation team asked for additional meetings as well (e.g., with government regulatory officials on environmental issues, with donors, and with financial institutions and others based on information from initial interviews). The evaluators added Kumasi (and neighboring areas of Ejura and Techman) to the program because it is a major agricultural area with traders, farm organizations, processors and data collectors and added Abuja to the program to interview ECOWAS officials and a Nigerian government official.

[Note: Questions 1 - 8 are ice breakers/general background]:

1. What is your line of business, major activities?
2. When were you started?
3. If an association—who are your members or partners and how many are they?
4. How does your membership compare with the total number of people in that line of business (e.g., producers, or traders for your major product) in your country?
5. Who are your major competitors (including competition from foreign products? Describe your competitiveness relative to them in terms of price, quality, market timing, etc.
6. Who are your customers and how do you reach them?
7. How and when do you get paid?
8. What are some of the major challenges you face?
9. If any MIS systems are used please comment on the usefulness of those tools—what was the sales increase and what are some of the major challenges you face from use of those tools?
10. Do you get any credit for inputs, investments or marketing or do you have strong prospects of getting credit—from whom and what does it cost (interest rate, requirements for deposits, etc.—(some of them will not know but note that as well)?
11. What kind of donor support do you get and from whom? (Grants, training, marketing, and finance, etc.).
12. Please compare the donor support with the resources put in from you and your local members and partners (dues, etc.).
13. What is your relationship to USAID programs?
14. What has the E/ATP or Trade Hub done for you?
15. If they have given you grants, how does that compare in terms of administration and effectiveness with what you got from other donors?
16. What sort of reports did you have to provide to the regional project?
17. Was the information you had to report?
 - a Easy to get?
 - b Somewhat difficult?
 - c Very difficult?
 - d How does this compare to other donor projects if you have worked with any?
18. What have been the changes in your sales (quantity or value whatever the interviewee prefers) since you have begun working with the USAID project (give date for base amount and later amount)?
19. Did the USAID program result in some of the increase? Roughly how much resulted from
 - a This program or other donor programs? (differentiate if possible)

- b General changes in market conditions?
 - c Other factors (describe)?
20. Would you say that in expanding your regional or export sales the USAID program was
- a Not very useful?
 - b Fairly useful?
 - c Very useful?
 - d How does this compare to experience with other donor programs, if any?
21. What would happen if the project ended, would that be a problem for your continued success?
22. If you have had other donor support from USAID or other programs, how does that compare with the regional projects in terms of (may have already been answered above)
- a Usefulness?
 - b Results in increased sales?
 - c Difficulties in reporting requirements?
23. If the program is continued, what sort of assistance would you expect in the future or should there be any new directions in either
- a Activities? or
 - b Procedures?

Questions for Partners/Beneficiaries Export trade

These questions refer to export trade outside the West African region. Many of the activities of the Hub involve export trade. The evaluators asked to meet with one specific trader (Olam—very knowledgeable of West African and worldwide trade in cashews and rice) and the National Export Promotion Councils in Ghana and Senegal. In most cases the evaluators asked for good representative firms and groups that have participated in programs of the projects. [Note: Questions 1 – 9 are ice breakers/general background]:

1. What is your line of business, major activities?
2. When were you started?
3. If an association— who are your members, suppliers or partners, and how many are they?
4. How does your group compare with other exporters in that line of business (number, market share) in your country?
5. Who are your major competitors (including competition from foreign products? Describe your competitiveness relative to them in terms of price, quality, market timing, etc.
6. Who are your customers and how do you reach them?
7. What special certifications do you need and who provides them?
8. How and when do you get paid?

9. What are some of the major challenges you face?
10. If any MIS systems are used please comment on the usefulness of those tools—what was the sales increase and what are some of the major challenges you face from use of those tools?
11. Do you get any credit for investments or marketing or do you have strong prospects of getting credit—from whom and what does it cost (interest rate, requirements for deposits, etc.—some of them will not know but note that as well)?
12. What kind of donor support do you get and from whom? (Grants, training, and marketing, etc.)
13. Please compare the donor support with the resources put in from you and your local members and partners (dues, etc.).
14. What is your relationship to USAID programs?
15. What has the E/ATP or Hub done for you?
16. If they have given you grants, how does that compare in terms of administration and effectiveness with what you got from other donors?
17. What sort of reports did you have to provide to the regional project?
18. Was the information you had to report:
 - a Easy to get?
 - b Somewhat difficult?
 - c Very difficult?
 - d How does this compare to other donor project if you have worked with any?
19. What have been the changes in your sales (quantity or value whatever the interviewee prefers) since you have begun working with the USAID project (give date for base amount and later amount)? Interviewer must include the percentage increase in written notes on the meeting for later tabulation with responses of other contacts).
20. Did the USAID program result in some of the increase? Roughly how much resulted from
 - a. This program or other donor programs? (differentiate if possible)
 - b. General changes in market conditions?
 - c. Other factors (describe)?
21. Would you say that in expanding your regional or export sales the USAID program was:
 - a Not very useful?
 - b Somewhat useful?
 - c Very useful?

How does this compare to experience with other donor programs, if any?

22. What would happen if the project ended, would that be a problem for your continued success?
23. If you have had other donor support from USAID or other programs, how does that compare with the regional projects in terms of: (may have already been answered above)
 - a Usefulness?
 - b Specific results in increased sales?
 - c Difficulties in reporting requirements?
24. If the program is continued, what sort of assistance would you expect in the future or should there be any new directions in either activities or procedures?

Questions for Donors:

The evaluators met a few donors (German and French) who have been active in some of the same value chain projects addressed by the regional projects. The main purpose of these meetings was to get information on other activities affecting the value chains and possibly other important local contacts of people crucial to these sectors. USAID suggested that a survey of other donors should not be a major focus of the evaluation interviews and time constraints also limited the number of donor meetings in favor of other priorities. Meeting with USAID-supported bilateral program managers for agricultural value chain programs in Ghana, Nigeria and Senegal also provided some of the information that the team sought from non-U.S. donors.

Introduction: Mention the commodities and policy activities of the Trade Hub and E/ATP:

Commodities: Grains, livestock, poultry, onions/shallots, processed foods, shea, cashews, household furnishings, marine fish, and fashion or traditional clothing or cloth items.

Policies: Improving transportation, improving border procedures, improving businesses through training, promoting new market information systems via cell phones and computers for marketing and linking buyers and sellers, finance, and capacity building for advocacy organizations in some value chains.

1. Do you have activities in any areas that overlap with these activities?
2. Who are the major players in these activities?
3. Are you familiar with the activities of the Trade Hub or E/ATP and if so do you have any comments on how well they work to effectively promote regional trade? Coordinate with other related activities in the sector?
4. How would you compare USAID programs with those other donors with respect to speed, flexibility, effectiveness and sustainability?
5. Any good contacts for private sector folks who could comment more on these value chains or policy initiatives?

Questions for Ministry of Trade or other government officials commenting on trade:

1. Our projects cover a number of commodity areas—cereals, livestock, processed products, and a number of other products. They also cover policy initiatives such as training and encouraging regional organizations to improve contacts and promote policy changes. Some of the policy changes promoted include improved border controls and reduction in transport stops and charges.

2. What can the government do to reduce problems of road transport or other policy changes to facilitate trade?
3. How fast do you expect rules to be implemented to permit regional integration, elimination of barriers to trade across borders?
4. What is the role of major donors and how effective are their programs in promoting regional trade capacity?
5. What do you think is important to concentrate on for the regional USAID trade promotion groups? Why/why not?
6. Will policies to improve regional trade be implemented effectively?
7. We have bilateral trade promotion programs and also regional programs. Do you have any thoughts on things the regional programs can do better than the bilateral country by country programs?
8. Sometimes USAID and other donors have used different types of operating procedures and focus.
 - a Do you have any thoughts on these differences with respect to effectiveness?
 - b Are there areas or types of partners to target where you think USAID should concentrate its attention in promoting regional trade and export trade?

Questions for financial institutions:

The evaluation team asked projects to help identify some key financial institutions that have been active in credit programs for producers and traders and linked to trade promotion efforts the projects. The Hub advised us to include Ecobank in Ghana and Root Capital in Senegal and the Hub went to Grassroots to respond to a team question on their financing rates. During a meeting in Ejura, the Hub got contacts for the rural bank financing AGRITA Maize Farmers cooperative and met with them. Women maize exporters in Techiman also indicated they got financing from a bank next to the market, so the team met with the bank as well. E/ATP and the Hub indicated that they do not use microfinance (which has very high interest rates) so the team did not interview any microfinance institutions. In addition Premium Foods in Kumasi, a regional grain trader, and a basket exporter and a company in Burkina Faso provided information on financing activities by their companies. The following questions are targeted to banks (while other questionnaires also will elicit financial information from processors, traders and farm organizations):

1. What sort of financing do you do or have planned that can support expanded regional or export trade?
2. What sort of activities would you suggest to increase financing to the agricultural or trade sector? Is training people to develop bankable projects useful? At what level—farmers, farmer associations, small businesses, large businesses? Where are the best opportunities for expanding financing?
3. What sort of effective interest rates are offered in loans: short-term loans and medium-term loans?
 - a For large businesses, say wanting to build a storage or processing facility?
 - b For farmer organizations wanting to build a storage or processing facility?
4. How do bank interest rates compare with those of microcredit—e.g., for a farmer organization wishing to build a storage facility in a village or in a market town? (not asked because none of the three projects used microcredit programs)

5. What would be required for banks to expand lending to the agricultural or agricultural trade sector?
6. What about farm inputs? How are they financed or how can they be financed?
7. Tell us about money transfers using cell phones. Are banks interested in being involved in this kind of innovation? What are the likely costs to transfer money with a cell phone? How does this compare with the costs to transfer money through a bank to a distant town within the same country or across borders?
8. What changes do you foresee in trade financing in the near term that could help regional trade?
9. Who are the major banks or other financing facilities that finance agriculture or agricultural trade?
10. What is the role of foreign banks – are they your competitors or do they concentrate on services that you don't provide?
11. Do you have any thoughts on the DCA loan guarantee program effectiveness, cost?
12. What about warehouse receipts? How well has this worked so far? What is the outlook for expansion of this mechanism of delayed sale of products held in a warehouse, with credit to farmers waiting to sell their commodities?
13. Do you foresee any big changes in high value trade items or cross border trade?

Questions for private sector market players who are not beneficiaries:

(Note: Most private sector interviewees were linked to the regional programs in some ways as partners, beneficiaries, or stakeholders but some private sector contacts may have little linkage to most of the programs—e.g., some were only using cell phone marketing tools and were not very familiar with other training and marketing activities. There were discussions with some non-beneficiaries—such as a farmers group in Ejura that provided information on fertilizer use somewhat different from that of the ATP beneficiary. In Senegal the team spoke with RESIMAO, an alternative data collection and data platform not working with the USAID trade projects. Some donors and financial groups also met with the group providing perspective and a number of beneficiaries described relationships with other programs such as USAID bilateral programs, MCC, or the World Bank.

1. Describe your line of business.
2. How long have you been in business?
3. Describe your major partners if you cooperate with others in marketing?
4. Who are your major customers and how do you reach them to make sales?
5. How do you get paid? Payment mechanisms, timing?
6. If you get credit, how much do you pay for it? Interest rate, deposit requirements, etc.?
7. Describe your competitors, including competition from foreign products in the market.
8. What has been your increase in sales in recent years in value or quantity or both?
9. What are key challenges and opportunities?
10. What new marketing, delivery or financial techniques have made a difference or could make a difference if implemented in the future?

11. What government policy reforms could make help to improve your sales prospects?

Questions for government officials in Ministries of Trade, etc.

Interviewer should mention commodities and major initiatives (transport corridors, advocacy by regional associations, borderless program, MIS, and helping businesses develop bankable projects). The team met a few regional officials (UEMOA in Ouagadougou, ECOWAS in Abuja) or host country government officials in Ghana, Nigeria, and Senegal.

1. How do you see opportunities for expanding regional and export trade?
2. What can the government do to reduce problems of road transport or other policy changes to facilitate trade?
3. How fast do you expect rules to be implemented to permit regional integration, elimination of barriers to trade across borders?
4. What is the role of major donors and how effective are their programs in promoting regional trade capacity?
5. Do you have any specific comments or recommendations for the work of the USAID regional trade projects?

Questions for MIS service providers

1. Describe your line of business and how long you have been in business.
2. Who are the major clients using your service and what do they pay for each transaction?
3. What has been your growth recently and to what do you attribute that growth?
4. What kind of donor support do you get for the projects we are reviewing or other donor support including other USAID programs?
5. Do you have reporting requirements? How difficult is it to provide the information?
 - a Fairly easy?
 - b Somewhat difficult?
 - c Very difficult (if difficult – describe why)?
 - d How does it compare with difficulty of other donor programs if you have experience with them?
6. To what extent are your clients using the programs to make sales?
7. Is this mostly for players new to the market or do they usually continue to use these systems after they have contacts with buyers?
8. What do you foresee in changes in the near term with respect to your business?
9. In each major activity, what are the alternatives to using your system for marketing (e.g., radio reports of weekly prices) or payments (e.g., bank transfers) and why is your system better?
10. What are the relative costs of marketing through your service versus other marketing mechanisms?
11. Could you be competitive in this sector without any donor support? What is the timeline for that?

12. Describe the evolution that you foresee for your business with respect to marketing assistance for the value chains under consideration.

Questions Regarding Transport and Border Facilitation

The projects have mounted a major multi-year effort to identify police stops and extortion of funds from truckers. They have worked with truckers to explain their rights and/or make sure their trucks conform to regulations. They have publicized detailed information for several years. Although there has been some positive reaction from ECOWAS, national government action to reduce these practices has been modest. The border issue initiative (“borderless”) has been a new initiative (training, etc.) at the Ghana/Togo border to make transit faster. The following questions were asked of those active in these transport issues:

1. What has been the value of USAID programs in addressing transport issues (or border issues)? What was most important?
2. Have there been positive results already? Describe and if possible quantify.
3. How much reduction in bribes, total cost for transport, how much reduction in delays for transport or borders? What other benefits?
4. What more is needed to make this work? From local sources or donors?
5. How long do think it will take to make the changes?

ANNEX C: ENVIRONMENTAL COMPLIANCE

METHODOLOGY

The projects evaluated for environmental compliance include: the West African Trade Hub (the Trade Hub) implemented by Carana Corporation, the Agribusiness and Trade Promotion project (ATP), and the Expanded Agribusiness and Trade project (E/ATP), both implemented by Abt Associates.

It was clarified to the consultant by dTS and the evaluation team leader prior to the evaluation mission that an extensive in-field evaluation of environmental compliance was neither requested nor expected by USAID. Rather, emphasis would be placed on literature review, meetings with key project stakeholders in Ghana and Senegal, and to the degree appropriate and feasible, site visits.

Therefore, it is worth clarifying that the parameters for this evaluation did not permit a comprehensive assessment of environmental compliance. We have therefore relied on ‘best assessment given available information’ criteria. This was felt most where there were data gaps for raw material sourcing, or for the types of extractive or production practices actually employed.

Particular emphasis was placed on reviewing and understanding relevant project documentation, along with meetings and other phone and email communications. This led to areas where investigating compliance issues appeared most fruitful to enable fulfillment of the terms of reference (ToR), with emphasis on guidance provided by 22 CFR 216, the principal framework employed by USAID for identifying environmental compliance issues.

Additionally, due to the emphasis on export to U.S. markets that the Trade Hub home décor and fashion design (HDFFA) sector placed on products sourcing plant and animal materials, reference to the Amended Lacey Act also was made in the evaluation.⁹

Finally, the methodology employed also assessed how projects dealt with both environmental compliance issues, and a broader range of issues that pertain to the concept of ‘sustainability.’ Sustainability is a key concept for USAID, and embraces a much larger array of concerns than environmental compliance alone. This led to consideration of issues that could be of possible interest to USAID in future trade related program and project designs, with reference to environmental sustainability issues as they may relate to USAID’s Feed the Future (FTF) program.

ENVIRONMENTAL COMPLIANCE AND AMENDED LACEY ACT REQUIREMENTS

The governing Regulation for the overall process involving environmental compliance of USAID-funded projects and implementing partners is known as 22 CFR 216 (or more euphemistically, “Regulation 216”).¹⁰ Under 22 CFR 216, the principal criteria upon which the USAID funded West African Trade Projects (WATPs) are to be evaluated are explicitly framed by the Initial Environmental Examination (IEE) documents.

⁹ The Lacey Act is a fact based statute, versus a document based statute, that places specific knowledge and “due care” requirements upon both exporters of plant and animal products to the United States, and upon the transport, selling, receiving, acquiring, or purchasing of illegally sources plants . Most challenging for U.S. operators promoting trade in products sourced from plants, violations of the Lacey Act can be triggered relatively “easily” – e.g., when a plant is “taken, harvested, possessed, transported, sold or exported in violation of an underlying law in any foreign country or the U.S.” This means also that plants taken without, or contrary to any required authorizations, denote illegality under the amended Lacey Act. Additionally, failure to pay appropriate royalties, taxes, or fees associated with the plant’s harvest, transport or commerce also signal violations under the Act.

¹⁰ The full text of 22 CFR 216 can be found at: http://www.usaid.gov/our_work/environment/compliance/reg216.pdf.

IEEs, along with any required environment assessments that emanate from them, are formally reviewed by USAID for acceptance or revision. More details on the IEEs, “positive determinations,” “negative determinations with conditions,” and “categorical exclusions” is found in Section A.3.6.1.

In the Agriculture Trade Promotion Program (ATP) and the Supplemental Agriculture and Trade Promotion Program (E/ATP), the IEEs were prepared by USAID officers.¹¹ This was done as part of an overall agriculture portfolio IEE review process, and was approved on March 24, 2009. .¹²

The IEE for the Trade Hub’s two principal sectors of greatest environmental compliance concern in this evaluation—home décor and fashion accessories (HDFFA), and fish and seafood (F&S)—was prepared by two external consultants for HDFFA (Gustav Adu and Karen Menczer) and Karen Menczer for F&S. The HDFFA IEE final approval was granted on June 3, 2010, with concurrence from USAID obtained on June 21, 2010. For F&S, the governing IEE has itself gone through multiple revisions since 1997, with the most recent approved IEE fully concurred on January 25, 2010.

In addition to 22 CFR 216, the USG upholds a specific Act pertaining to the trade in wild plant and animals known as The Lacey Act (16 U.S.C. §§ 3371–3378) that is pertinent to this evaluation. The 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008), effective May 22, 2008, amended the 100-year old Lacey Act by expanding its protection to a broader range of plants and plant products than heretofore had been protected. The Lacey Act now, among other things, makes it unlawful to import certain plants and plant products without an import declaration.¹³

The amendment addresses importation into the United States, and was of relevance in this evaluation of the WATPs in so far as the Trade Hub, specifically, facilitates importation into the United States of plant products that are sourced in areas where the trafficking in prohibited wildlife or plant products might occur. Of additional relevance, the Amended Lacey Act also stipulates that “due care”¹⁴ be used to demonstrate compliance with the national laws governing countries where products are sourced.

The Lacey Act is consistent with 22 CFR 216, insofar as the intention is to clarify that sound environmental practice has been followed, that harm is to be avoided, that “due care” has been established, and that the environmental laws of exporting countries to the United States have been abided by.

Finally, USAID also maintains underlying enabling legislation specifically for environment, natural resources, biodiversity, and tropical forests known as Sections 117, 118, and 119 under the Foreign Assistance Act of 1961, also known as FAA 117/119. FAA Section 117 provides guidance under the direction of the president of the United States, on how environment and natural resources are to be approached in overseas work, particularly in sub-Saharan Africa.¹⁵ Section 118 addresses the range of policies and actions needed to support tropical forest conservation in developing countries.¹⁶ Section 119 deals specifically with endangered species, including policies and actions to best conserve biological diversity.¹⁷ These also have been considered in the evaluation.

11 These included Camilien J.W. Saint-Cyr, REA, USAID/SA, and Ron F. Ruybal, REA/WA in collaboration with ANRO Team Members.

12 Concurrence for ATP and E-ATP by USAID/W Bureau Environmental Officer Brian Hirsch was not available in the documents we were able to review, but is assumed to exist.

13 See http://www.aphis.usda.gov/plant_health/lacey_act/.

14 A very good source for understanding the Lacey Act, provided in hard copy By WATH’s HDFFA Sector staff to the Consultant while in Accra, is www.cia-global.org/lacey.

15 See http://usaid.gov/our_work/environment/compliance/faa_section_117.htm.

16 See http://usaid.gov/our_work/environment/compliance/faa_section_118.htm.

17 See http://usaid.gov/our_work/environment/compliance/faa_section_119.htm.

ASSESSMENT OF COMPLIANCE OF THE WATPS AS TO 22 CFR 216

Assessment of compliance under 22 CFR 216, the principal instrument relevant in the evaluation, is operationally made based on review of the Initial Environmental Examinations (IEEs) which establish the framework for which the WATPs must be evaluated.

The main findings for environmental compliance evaluation of the WATPs are as follows:

1. No “positive determinations” were identified in the governing IEEs for any of the three WATPs, thus obviating the need for compliance monitoring and reporting on any additional, more comprehensive, environmental impact assessment screening.
2. The predominant category of determination established by the WATPs in the respective applicable IEEs were for “categorical exclusions.” This establishes that no need for further environmental compliance monitoring was established for particular types of project activities, and was uniformly the case for information support and advocacy related activities in the projects. It also was the case for some training and technical assistance activities. In each case, the basis for ensuing environmental compliance monitoring for those activities was avoided, such that demonstration of compliance is not an issue under this evaluation for those activities.
3. For the three WATPs where negative determination with conditions was determined, compliance with reasonable certainty has been met, albeit conclusive verification of the Trade Hub’s HDFA was lacking.

Discussion

The ATP and E-ATP projects appear with reasonable certainty to be in environmental compliance with the requirements of 22 CFR 216. This opinion is based on review of the governing IEE and EMMP requirements for each project; review of available project documents including the Integrated Pest Management (IPM) PERSUAP documents, Environmental Review Reports (for training of farmers in integrated crop management for maize, sorghum, and parboiled rice); interviews; and field visits used to assess compliance. The one area where ATP has an evolving compliance issue is in the distance of slaughterhouses to human habitation¹⁸ which was reported by the Ruminant Livestock Value Chain Leader, Seydou Sidibe, as not being up to the norms. The problem was noted as due to the progressive creep of settlements near slaughterhouses.

For the fish and seafood (F&S) sector, the Trade Hub has met compliance, due largely to the fact that they ceased support for any capacity building assistance to exporters in the sector. This in turn was due to the inability to verify “with reasonable certainty” that 100 percent of F&S sourced by exporters was done so sustainably, per the requirements of the IEE (November 2009 version).

For the Trade Hub’s HDFA sector, compliance proved more difficult to ascertain. This was mainly because comprehensive in-field site visits were not employed in either the due diligence or ongoing monitoring procedures by the Hub. Nor did the IEE mandate that this occur. This complicates, if not precludes, conclusive verification of compliance. For the evaluation, this meant that more abstract methods of compliance verification were required, e.g., information provided by project staff, examples of available legal documents showing traceability of material sourcing, available due diligence questionnaires, available information extended for training or awareness raising, verbal information relayed on interactions with exporters, and personal judgment. Based on the standard for compliance established in the IEE for the Trade Hub, and the strategies the HDFA employed for due diligence and mitigation, the HDFA appears to be in

¹⁸ 350 meters minimum required from settlements.

compliance based on “reasonable certainty” as an ex-post evaluation standard. In the specific case of the F&S value chain, the opportunity to promote sustainability in one of West Africa’s key value chains from an export, livelihoods, food security, and nutritional perspective was, arguably compromised. This was due to an overly ambitious Recommended Mitigating Measure (4.2) in the IEE¹⁹ that accompanies the Negative Threshold Decision (4.1). The Mitigating Measure established in the IEE states: “*USAID may only provide capacity building assistance for export suppliers that can verify with reasonable certainty that 100 percent of their fish and seafood products were sourced sustainably. In other words, USAID must discontinue any assistance to exporters that process a mix of products that is not 100 percent sustainably sourced, because there is no apparent way to assure that USAID support to a company with mixed sources of fish and seafood does not benefit.*” This IEE requirement excludes progress toward sustainability; rather, sustainability must at present at the outset. This is a tough challenge to meet in 2011.

COMPLIANCE AND SUSTAINABILITY ISSUES TO CONSIDER IN FUTURE PROGRAMMING

This section of the evaluation provides input that may be useful in future USAID program planning.

Major compliance issues

Harmonizing standards in IEEs: Prevailing IEEs in the WATPs are uneven in verification standards and thresholds. This may have to do with multiple IEEs having been drafted by diverse authors, along with the nature of the sectors themselves. For example, in the Trade Hub’s F&S sector, “reasonable certainty” of 100 percent sustainability in sourcing is required to support efforts in the sector. This has precluded the Trade Hub from gaining leverage by progressively promoting sustainability. The HDFA on the other hand did not establish a 100 percent threshold for sustainability, nor did the ATP or E-ATP. That said, there are tradeoffs for either setting the bar too high, or conversely, too low in requirements. If and as the WATPs move forward, the standards and thresholds are worth re-examining.

The need for comprehensive, site level verification in the HDFA sector: This evaluation has led to the conclusion that a re-examination of basic assumptions about the standards and tools employed for verification of compliance in the HDFA would be useful for both compliance and export purposes. This should establish sampling methods that are comprehensive yet not draconian.

Major Sustainability issues

Assumptions of synergy between programs: The implicit assumption in the design of regional trade projects appears to be that that environmental sustainability issues will largely be addressed through bilateral programs. This assumption appears dubious. Evidence is lacking for effective complementarities and synergies having been established between the WATPs and bilateral programs in terms of environment and sustainability issues in the Trade Hubs HDFA value chain, the F&S value chain, and ATP’s ruminant livestock value chain.

Yet, not attending to sustainability from a production standpoint will impact on long-term exports, and could constrain the ability of U.S. and other buyers to commit to long-term contracts. It also could constrain trade within the West African sub-region.

Looking at just the F&S sector, where opportunities for synergy seem so promising, the disconnect between USAID national projects building sustainable fisheries management capacity and export projects is notable. It appears that under the IEE governing environmental compliance in the Trade Hub, demanding sustainable sourcing with reasonable certainty of 100 percent eliminated the potential for collaboration. The inability for

19 IEE cleared 11/30/09 by Regional Environment Officer and Mission Director.

governments to systematically enforce on-the-book regulations for management practices of both artisanal and industrial fishing boats, currently creates loopholes in the system easily capitalized upon by those set on short-term gains at all costs.²⁰

Holding the Trade Hub F&S to a higher standard than the bi-national programs who are working with fishing that is not 100 percent sustainably harvested and commercialized is difficult to understand given how much the bi-national programs could benefit from the Trade Hub F&S. Evidently, the benefits would work both ways.

The provision of air tight guarantees to keep free riders out of common resource pool fisheries is a challenge under prevailing legislation for either bi-national or regional projects, despite advances in policy and practice. While many exporters and artisanal fishermen are avid to have biological rest periods established and enforced, governments for various reasons have not yet gotten there. Thus, any unilateral attempts to encourage sustainable sourcing can be undermined by others who disregard sourcing to gain a short-term catch. This puts unsustainable pressure on the fisheries resource.

So too, as research and available data on fish stock by species is based on estimates with high degrees of uncertainty, precision in setting sustainable off take rates in West Africa remains a work in progress. As the bi-national programs are working on this, it would seem like synergy between the two would be necessary.

Harmonization with national agencies to promote sustainability: At present, there is no clear guidance on how the WATPs are to harmonize environmental compliance policies with national governments. In fact, one could argue that there is potential inconsistency.

The director of Ghana's Environmental Protection Agency and senior staff (see Annex E for list of contacts made at EPA and elsewhere), expressed the opinion that technically, the WATPs should harmonize environmental compliance frameworks with the Ghanaian EPA. Yet, no discussion occurred between the WATPs and the EPA to discuss establishing any compliance "frameworks" for harmonization with Ghanaian regulations and oversight procedures. Nor had anyone from ECOWAS, the regional authority responsible for oversight and official housing of the WATPs in the sub-region, sought harmonization with the Ghanaian EPA either.²¹ When asked, WATP senior staff in the projects referred to the lack of capacity within the national agencies as one rationale for why harmonization may not have taken place, at least in Ghana. Yet, whether capacity is weak or not at the EPA in Ghana (or any of the counterpart agencies in the 21 WATH countries, the United States not included, or the eight ATP-E-ATP countries they are working in), a first order issue involves determining the legitimacy of EPA authorities to oversee WATP project compliance.²²

²⁰ The current Minister of Maritime Fishing in Senegal is besieged by both artisanal fishermen (see GAIPES website, for a series of scathing accusations against the Minister and government - <http://www.aprapam.org/2011/11/14/le-gaipes-repond-aux-accusations-du-ministre-de-leconomie-maritime/#more-864>). The issue involves the suggestion of illegally granted licenses allowing Ukrainian trawlers to use illegal equipment far within the prohibited six mile limit for industrial trawlers, essentially allowing these trawlers to operate with impunity. Consensus opinion is that catch of pelagic fish and bottom shell fish are suffering withering losses, due primarily to either illegally granted licenses leading to inappropriate industrial catch practices. What is still unknown, and speculated upon, is the resiliency capability of the Senegalese fisheries which in the case of *tiouff*, the most highly demanded fish in Senegal, has witnessed a major comeback despite seeming to have disappeared several years back.

²¹ It is unclear whether ECOWAS in fact has a full time Environment Office handling these types of issues.

²² Claims for EPA/Ghana's authority to oversee ATP/E-ATP and WATH activities were made by the Director of EPAs to the Environmental Compliance consultant based on LI 1652 which falls under the 1999 Act conferring responsibilities to the EPA.

*Note – The suggestion that fertilizer bags might be used for onions in Niger came from an American in Accra that did not have direct information on this issue. Onion market traders in Kumasi, Ghana indicated to the team that fertilizer sacks are not used for onions in Niger and some of the onions from Niger in the market had bags that were marked as purchased in Nigeria and seemed to be new, i.e., not used chemical fertilizer bags. Many onion traders seem to have also previously-used cocoa sacks to transport onions, which would not be a danger to health. But this is one of many environmental and public health issues that could be addressed more fully.

If valid, a next step would be identifying a modality to efficiently review the specifics for how harmonization with national EPAs and other regulatory bodies could be efficiently pursued. This is logical from a sustainability perspective.

Impact of training and technical assistance on sustainability: The impact of training and awareness raising on behavior change is seen as fundamental to achieving sustainability in the WATPs. Yet, there appears to be scope at present for expanded consideration for understanding how training is impacting the WATPs. Under the prevailing IEEs and EMMPs, monitoring the impact of training and information support and awareness-raising at the level of cognitive, behavioral, or biophysical levels is not a requirement. Thus, much is left to conjecture as to the significance of training and awareness-raising from an environmental impact and broader sustainability perspective. This apparent gap represents an opportunity cost for USAID in future programming, as actual cognitive and behavioral changes key to sustainability in the WATPs is not being closely assessed. This information could prove to be a loss for the FTF.

Here it may be worth considering how the IEE shaped M&E requirements for training and awareness raising in the WATPs. For example, there is no demand for proof of compliance at the field level of people receiving trainings for integrated pest management, or for validation that the bagging and shipping of onions does not rely on reused fertilizer bags by upstream producers supplying the onion value chain from Agadez to collection points in Niamey and on to coastal markets. Thus, information on any improvements to production practices that may have been influenced by ATP and E/ATP training for agricultural commodity value chains is lacking. * Open access and corruption challenges to HDFA and F&S value chains: environmental and sustainability considerations for the future. Both the HDFA and F&S value chains share a common challenge: material sourcing is from locations that are mainly treated as ‘open access’ areas, where any existing tenure rights over resources are not respected. Often these areas are owned de jure by the state, yet the state is unable to extend authority to guarantee both legal and sustainable use. This leads to degradation of the resource base.

Both value chains rely to a considerable extent on the credibility of legal documentation that supports sourcing. Yet in the West African sub-region, the credibility of such documents is often suspect. This is due to administrative corruption in countries not in conflict, or to the extreme dysfunctional character of public administration in countries where conflict is endemic. Where conflict is used in conjunction with corrupt practices (e.g., the nature of accusations of Senegalese authorities about wood products sourced in Senegal yet exported from Gambia to China, or in the case of charcoal, sold locally in Gambian markets after being smuggled into the country), multiple challenges prevail. In the case of wood products with legal documentation from Côte d’Ivoire in the 2008-2011 period, for example, given the state of conflict over the past years in neighboring countries including Guinea, Liberia, Sierra Leone and most recently Côte d’Ivoire itself, the provenance of any wood exported from Côte d’Ivoire to Senegal is almost impossible to ascertain.

Senegal’s charcoal industry has gone from deficient in product and unsustainable, to self-sufficient and to all appearances, sustainable. This has occurred in a period of about seven years. The implications of this are important for all activities where resource use is based on open access to natural resources, lack of clear economic incentives, and unclear or contradictory management responsibilities, e.g., the F&S sector as currently structured and managed in the West African region, and arguably that of the ruminant livestock sector as well.

The basis of the success and sustainability achieved in the charcoal sector, supported by USAID’s bilateral Wula Nafaa project, was based on the successful operationalization of the Nature, Wealth, and Power (NWP)

framework.²³ In NWP, clear economic incentives (wealth), are woven with clear delegation of management responsibilities and authorities and tenure delineation (power). The state assumes responsibility for oversight of natural regeneration (nature). Needed capacity building and improved information and knowledge management are cross-cutting. In the absence of any one of the cornerstones, success and sustainability is not attainable. Lessons clearly can be learned for the next generation of WATPs regarding how incentives can be coupled to management and natural resource/environmental issues so that synergies are produced.

Biosafety Deferral: The ATP and E/ATP both were subject to a biosafety deferral. This deferral was premised on USAID undertaking an office-wide biosafety review. This evaluation confirmed that this review never occurred, thus perpetuating the deferral status as originally prevailing. With the focus in the WATPs on capacity building on regulatory matters, the prevailing deferral appears to be adequate to address current programming objectives in the WATPs.

Approaching sustainability in West African fisheries: The current status of West African fisheries (and apparent stocks in Senegal) indicates achieving sustainability in management and along the value chain is not close to being in hand.²⁴

Approaching sustainability in West African fisheries involves government commitment to sustainability, management practices at the level of fishing communities, as well as the practices of intermediaries across the value chain.

For fish products, the mobility of many fish means that provenance in the strictest sense is relative to begin with, e.g., many fish migrate across multiple borders, with catch being the ultimate determinant of provenance. Yet fish at present in West Africa, almost universally, are one commodity that is far from being managed sustainably. Most fishing is currently victim of open access use with management problems at both government agency and artisanal levels. Instead of being a commons that is well managed, the marine areas are owned by the state, yet not effectively managed by any party.

In conversations with experts in Senegal on sustainability issues in the F&S value chain, there was unanimity that at present, and for the foreseeable future, there are no private sector operators that are close to being labeled as “sustainable” to the standard in which the IEE for the F&S value chain required. Trade Hub staff and partners felt this requirement was leading USAID to lose valuable potential leverage in the value chain to promote more sustainable (though less than 100 percent perfect) environmental controls. USAID/Senegal’s Aaron Brownlee expressed hope that synergies between the bi-national program and the Trade Hub could still be established.

23 See http://www.usaid.gov/our_work/agriculture/landmanagement/pubs/nature_wealth_power_fy2004.pdf for the original vision of the paradigm that has come to drive much USAID-supported natural resource management and biodiversity conservation programming. In Senegal the Wula Nafaa project has championed this in the charcoal industry.

24 The status of West Africa’s fisheries is problematic to objectively assess. This is because the databases that serve as reference level for analysis and planning are not up to date. So too, two separate agencies are responsible in Senegal, the most active country in the region, for collecting statistics on marine fisheries. There is no reconciliation between the two, and the last credible statistics for the country are for 2008. In the interim, considerable pressure on marine resources has come from Russian boats, European trawlers, and Senegalese boats operating in the 5-10 mile area that is weakly patrolled, with scientific assessment of impact totally lacking. Christopher Mathews of USAID/COMFISH reported that in June 2011 alone, over 100 boats of approximately 50-100 meters had reportedly been operating illegally in the area, based on information obtained from the U.S. Navy which was conducting surveillance exercises in the area. This correlated with statements from artisanal fishermen from Ngor. Mathews extrapolated off the record that as much as 365,000 tons of illegal, unregistered, unregulated (IUU) catch *may have been* harvested in Senegalese waters over the past year, a figure equal to the combined legal catch of industrial and artisanal fishing. Due to the weak status of the marine fisheries database, actual trends, and the long-term impact on the sustainability of various fish from this magnitude of overfishing can only be speculated upon.

Projects promoting sustainable fisheries management that do not explicitly link to marketing projects face challenges. While identifying sourcing and dates of capture can eventually lead to “eco-labeling,” whether this can leverage changes in practices contributing sustainability is questionable in the absence of clear links to marketing activities. An example from the maize value chain in USAID/Senegal’s *Projet Croissance Economique* (PCE) project illustrates how quickly maize supply has been brought to scale in Senegal through facilitating guaranteed financing and pricing contracts to producers.²⁵ A similar example from the charcoal industry in USAID’s *Wula Nafaa* project is discussed in Section VI below. These experiences are worth reflecting upon by USAID and WATH in the F&S sector.

Approaching sustainability of common wood species like *twenaboa*: While the WATPs cannot be expected to be all things to all people, our evaluation led us to conclude that suboptimal awareness of environmental implications of enhanced trade in HDFA sector products even for common, yet valuable species such as *twenaboa*, was worthy of greater reflection than had been invested to date.

The experience in Ghana of high demand for *twenaboa* has led to its disappearance from one district where it was commonly sourced. While this clearly cannot be attributed to the Trade Hub, the issue has to do with the level of information leading to policy and practice that a USAID-funded project like the Trade Hub could or should support.

For example, should the Trade Hub involve itself in policy dialogue with the Forest Commission over sustainable management of common species like *twenaboa*? Should it advocate that for all future extractive activities, it would encourage (or require?) counterpart planting of *twenaboa* as replacement to better guarantee long-term sustainability of the resource? At present, it is hardly assured that the Forestry Commission is keeping track of these types of issues. And while the claim can be made that this is not the domain of a regional trade project, availability of primary material on a sustainable basis is clearly a primordial supposition for the sustainability and growth of all value chains and industries relying on natural resources. The issue of primary material availability was confirmed by Ghana Art for the Artisans as a big challenge for the handcraft sector in coming years.²⁶

While the issue is similar for rosewood (*kasso*, or *petrocarpus* sp.) harvested in central Ghana for manufacture by *Dagaris* from the trans-border area with Burkina Faso of marimbas, xylophones or drums, greater reflection could also be placed on harvesting practices, particularly in drier areas where the threat of widespread bush fire is endemic. The types of extractive practices that would accompany project support for harvesting woods in remote savanna zones would not seem to be any less necessary than, say, the kinds of pre-emptive, or mitigation activity through training in pesticide use and handling, or in IPM, that accompany the ATP or E/ATP conducted. The issue is similar between Senegal and Gambia, where major sourcing issues for any wood products that would be exported from Gambia to third countries would be posed due to the enduring conflict in the Casamance which, according to Senegalese authorities, provokes illegal harvesting and smuggling from Senegal to Gambia with subsequent marketing to China and elsewhere.²⁷

Information systems: Should improvements to information systems prove successful in ATP for the various value chains where SIM systems are being supported, there does not appear to be clear understanding of the

25 From meeting with Jean Michel Voisard, Senior Manager-value chains, PCE, Dakar.

26 Briget Kyerematen-Darko of Ghana Aid to Artisans foresaw this challenge over 10 years ago, and negotiated a long-term lease from the GoG for replanting of 1500 hectares in three 500 sites in different districts. Unfortunately, Art for Artisans has not managed to operationalize a replanting program to mitigate against recurrent availability problems that have been foreseen from within the industry for some time, with creation of plantations and cooperative approaches to assuring primary material production as a strategic cornerstone to plant material sourcing.

27 Source: Mamadou Fall, Forest Engineer, Water and Forests, Senegal.

implications that enhanced efficiencies will have on enhanced productivity and, impacts on the natural resource base underpinning any production increases. While this is pertinent for all farming systems at individual farm levels, it is also key to ascertain in common pool resources such as the ruminant livestock value chain. There, improved trading efficiencies could theoretically lead to higher pricing for livestock herders and traders. This could lead to higher resource demands around assembly points for livestock. The implications for the broader rangelands which serve as the resource base for the value chain could be variable, with positive implications from reduced pressures at points in time, and greater pressures on the resource base at other times impacting on longer term sustainability. Stochastic models incorporating multiple variables and which incorporate random variations to predict future conditions, could be a good investment in this value chain.

RECOMMENDATIONS FOR FUTURE CONSIDERATION IN ENVIRONMENTAL COMPLIANCE IN USAID SUPPORTED TRADE PROJECTS

1. Rethink the gamut of impacts that require monitoring. Insufficient consideration may have been given to capturing the cognitive and behavioral impacts of the myriad training events and information support and advocacy activities supported by the WATPs in both the Trade Hub and E/ATP that led to changes in environmental practices. To make sense of what happened beyond the basic quantitative indicators focused on in the M&E components of the WATPs, it is recommended that a more comprehensive set of indicators be fashioned to address impact assessment indicators of training and awareness raising activities. Given the importance of these activities in promoting regional trade, this seems appropriate. It also will in fact be pivotal for future work in support of achieving sustainability objectives under programs like Feed the Future.
2. It is recommended that USAID support activities in the F&S sector that verifiably support progress towards sustainability, as this inevitably is a long-term process that needs to be undertaken and involves each step along the value chain. Demanding a higher standard today (e.g., Marine Standards Council (MSC) certification) is unrealistic in all but the rarest instances, and undermines any leverage USAID and the Trade Hub could reasonably provide in the positive evolution of the sector. Moreover, it is a major opportunity to cost for bilateral USAID projects like Wula Nafaa, BaNaFa (managed out of the Regional Office in Gambia), and USAID/COMFISH, as it prevents these programs from benefiting from optimal marketing outlets that are key to reinforcing sustainability in fisheries management.
3. It is recommended that the HDFA sector not be abandoned because of weak monitoring systems for materials sourcing in the current phase of operations. The sector has the potential to support many hundreds of micro level businesses across the sub-region. Rather, any next phase activities in the HDFA sector devise a compliance plan that systematically verifies material sourcing and practices of beneficiaries. There is great variability as to the degree of concern involving plant materials sourcing across the sub-region. It should be acknowledged that simple reliance on stamped waybills and tax receipts to demonstrate both traceability and thus, legal compliance, could in fact be simplistic given the prevailing governance context in many West African countries.

While it may not be the place for regional marketing programs to verify the validity of documents for every piece of wood sourced that is to be exported, it is clear that a system for random spot checks would be of benefit to authorities and donor programs supporting regional trade. This would furthermore be more important if and as exports for furniture using more valuable hardwoods was to come into play, arguing for application of higher standards of third party chain-of-custody certification.

While the regional trade projects cannot realistically be expected to adopt a comprehensive program to utilize certification systems for hundreds of small scale artisanal exporters that primarily employ small quantities of non-CITES or restricted wood materials, neither should it completely ignore the likelihood that the paper certifications it is relying upon for legality and traceability may be fraudulent. It is recommended that spot checks and/or linkage to a more complete and comprehensive regulatory oversight program be pursued by national authorities. This could be assisted by donors. In the case of Ghana for example, this might include both the Forestry Commission and/or the EPA.

4. It is recommended that harmonization with national governmental environmental compliance agencies be rethought to (a) address legitimate legal requirements and regulatory bodies in country (b) add value to both USAID and respective national programs by enhanced program synergies (c) support field level verifications.

For projects involving raw material sourcing in value chains such as HDFFA, it is recommended that EMMPs incorporate on-the-ground monitoring at sites where wood materials in particular are sourced. Clearly, this extra dimension would add some transaction costs. On the other hand, it would also bear significant benefits in terms of guaranteeing market access by showing buyers that full environmental compliance has been met with.²⁸

Given the implications of compliance monitoring of the expanded Lacey Act to include imports of wood and plant products, it is recommended that USAID support design of adequate, cost-effective, material sourcing sampling strategies, that enables comprehensive assessment of environmental compliance among project beneficiaries. This will obviate primary reliance on legal permits and certificates as primary proof that environmental compliance is being met in sourcing of wood and plant products. In the West Africa sub-region where it is broadly known that the mere existence of permits and certificates in themselves does not necessarily signify that “environmentally sound practices or sustainable management” practices have been met in the sourcing of primary materials in the value chains.²⁹ Nor does it address expanded Lacey Act considerations. As export programs are successful in reaching major international buyers, those buyers will of necessity be sensitive to both the legal aspects and possibility of consumer boycotts or other negative publicity that could affect their corporate image. This will provide increasing pressure for provision of reliable proof of sourcing across the value chain.

It is recommended that proof of compliance should ideally incorporate more systematic field level verification, something that none of the WATPs were required to engage in given the environmental compliance frameworks created by the respective IEEs. In the future, USAID should not discount the possibility that compliance verification may not be reliably established by relying primarily on permitting and certificates, as is currently the case in the WATPs. The possibility that permits and certificates may have been

²⁸ Repercussions of potential Lacey Act Violations committed by Gibson Guitar were reported to still be creating ripples through the trade industry and HDFFA sector. The evaluation team learned that Pier 1 Imports in a recent visit to the sub-region, for example, was specifically discussing wood sourcing with prospective vendors, and the point was reinforced by Elaine Belleza, adviser in WATH's HDFFA sector, that buyers generally are increasingly demanding ever more solid proof of reliable chains of custody. This echoes on discussion of the implications of the expanded Lacey Act to cover importation of tropical hardwoods in http://www.illegal-logging.info/item_single.php?it_id=4347&it=news&printer=1. And for an opinion piece on how new enforcement of the Lacey is roiling the guitar industry, see http://www.science20.com/science_20/gibson_guitars_and_lacey_act_misused-82210.

²⁹ See <http://www.ghananewsagency.org/details/Economics/Mr.-Thomas-Otchere%2C-Brong-Ahafo-Regional-Manager-of-Forest/?ci=3&ai=35182> for a current description of forest management problems in one sourcing area of relevance one HDFFA partner, Geolcraft. Section A.3.6 presents more information on it, and another top firm, Tekura.

issued fraudulently by forest departments (in the case of wood products) and other regulatory agencies in the region (for seafood or pesticide use for example) should not be discounted.³⁰

5. Develop a new screening procedure for the HDFA sector that reduces risk for the Trade Hub and potential buyers in the sector, and that enables a clearer understanding of the sustainability of particular exporter practices. This holds for the sourcing of particular wood species, and for the useful role that extraction of dead trees (often categorized as firewood, or salvage) may play in fire prevention, a potential positive contribution to sustainability.

At present, the methods employed do not lead to credible information on whether the practices employed by partners in the sector are contributing either to unsustainable practices at field levels, or to sustainable practices. For example, the fact that Geolicrafts, one of the major exporters in the sector, no longer sources twenaboa for its drums from Jasikan, apparently has to do with a shortage of twenaboa at the district level. While Geolicrafts permits were in order for at least one shipment of four trees in 2009 from private lands, both Geolicrafts and the Forestry Commission noted that twenaboa is now in short supply in the district. This raises issues about sustainability that currently do not figure in the Trade Hub's HDFA screening procedures, but that may be of interest to USAID and even the Government of Ghana (in this case) Forest Commission on use of permitted species which may not be able to be sustainably harvested. As the forest commission in the case of twenaboa did not have inventory figures for twenaboa at the district level, one is left guessing as to whether the extraction of twenaboa for manufacture of export quality drums, while fully legal, is beneficial from an environmental sustainability standpoint. Currently the picture is unclear. This uncertainty benefits neither the exporters, nor those facilitating trade, nor USAID itself.

6. In looking to the future, the Trade Hub should strategically assess how competitive advantage can be gained through greater focus on environmental compliance and sustainability that it advocates for its project partners to champion. Specifically, how can an "appropriate" framing of sustainability factors add value to each of its value chains?

In addition to compliance with 22 CFR 216, and the Amended Lacey Act, a more systematic approach to sustainability issues should be undertaken for each product line and value chain and factored into pricing. Instead of being seen as a reporting burden, this approach to environmental compliance and sustainability is turned on its head to be a driving force in quality assurance, and for winning and sustaining market share for the partners the Trade Hub is supporting. Ultimately, reliable environmental controls for wood products will give major buyers in the United States and Europe assurance that they can claim to be helping Africa's people as opposed to facing the danger that they may be charged with harming them. It is recommended that financial support for adequate environmental controls be provided as a core component of doing business in the next phase of the WATPs.

7. It is recommended that USAID assess how to optimally harmonize the Amended Lacey Act with 22 CFR 216 for both purposes of compliance as well as sustainability of WATPs where sourcing of plant materials, as with the HDFA sector, is an issue.

It is recommended that any future work in the Trade Hub's F&S sector embrace sub-regional trade, as too strong a focus on international export could be detrimental to West Africa's local food security. This situation has important consequences, in particular where local fisheries contribute significantly to local diets and

³⁰ Again, see <http://www.ghananewsagency.org/details/Economics/Mr.-Thomas-Otchere%2C-Brong-Ahafo-Regional-Manager-of-Forest/?ci=3&ai=35182> for a current description of forest management problems in one sourcing area of relevance one HDFA partner, Geolicrafts.

where local trade provides a powerful economic engine indirectly supporting the food security of small scale processors and traders. Some Senegalese exporters have already established registration and traceability systems for the pirogues that supply them with fish, spurred by European Union traceability requirements. With donor aid and coordination among fishing organizations, exporting factories, and government regulators, a coordinated transition could be promoted. A credible step-by-step transition strategy is what is now needed.

It is recommended that to more accurately assess environmental impacts, ATP reconsider its arbitrary delimitation of the ruminant livestock value chain as beginning at the marketing collection point and feedlots, to include rangeland areas of production.

This is the only value chain in ATP and E/ATP that operates outside of the producer level (e.g., in the rangelands), with all the other value chains working to some degree with producers on production issues as a key component of value chain sustainability. This leads to recommended best practice training and information support in the use of integrated pest management and fertilizers for some of the value chains, as in the case of the AGRITA farm organization visited by the evaluation team in Ejura, Ghana. Yet for ruminant livestock, issues involving production are not addressed, perhaps because of the complexities that extensive pastoral production systems present. With livestock reportedly representing 75 of the value of all ATP commodities combined based on ATP and E/ATP data and 83 percent of trade increases, the relative importance of a sustainable livestock production system in this value chain could not be clearer. This demands rethinking where ATP could most appropriately intervene in with ruminant livestock producers, to respond to needs to address pasture and water issues which stakeholders to the value chain themselves have called for.³¹

Meetings with Agronomes et Veterinaires Sans Frontières in Dakar confirmed that at present, there is no research on the relationship between enhanced trade promoted through projects such as ATP, and environmental impacts in the rangelands, the primary resource base for ruminant livestock that works its way through that value chain. There has been work at hygiene and other practices at slaughterhouses, and ambitious plans to enable pastoralists to buy feed for their animals during the dry season, but no real focus on the extensive and heretofore de facto, successful meat production system in the Sahel that continues to operate on a hybrid of traditional practices with doses of “modern” supports (vaccinations, improved hygiene and some marketing services, etc.) Should ATP’s ruminant livestock sector in fact be as successful as it appears to be based on its own statistics for trade, one might safely assume that this is creating added impetus to increase livestock rearing activities in the rangelands. Who is measuring the environmental implications of this at present? To either ignore the issue, or assume that is being handled through bilateral programs, could perhaps be deleterious to sustainability objectives.

8. In the F&S value chain, it is recommended that USAID consider how the Trade Hub could more comprehensively support bilateral aid programs promoting sustainable fisheries management practices by offering facilitation services to exporters demonstrating they are working with value chains that are moving toward sustainable management and off-take rates.

This means that a 100 percent confidence level in terms of current sustainability threshold requirements be rethought, as this precludes any work from occurring on the export side. It is recommended that emphasis be placed on progressive nurturing of interfaces between exporters and fishermen practicing sustainability. The evolution to certified systems needs to be progressive. In the absence of strong, clear market pull, it is

31 ATP’s February 2011 newsletter cover story is on a CODEFABVI meeting in Mali where pasture and water issues were raised.

difficult to ascertain the incentive that operators along the value chain will have to adopt improved practices based on standards, principles and conservationist values alone.

Incorporate USAID's NWP framework more directly in future phases of the WATPs to enhance sustainability. USAID has invested considerably in developing and rolling out the NWP framework³² to shape natural resource management, agriculture, and biodiversity programming. It also has invested considerably in improving value chains in the region. At present, for the HDFA, F&S (both under the Trade Hub) and ruminant livestock (under ATP), the full synergistic potential that the framework could offer the WATPs is not being fully realized. Creative application of the framework could have positive impact on the success of future trade projects in West Africa too.

It is recommended that the F&S and USAID/COMFISH and Ba Nafaa be used as a test case to link the Trade Hub and those bilateral USAID projects to operationalize the NWP framework and create effective synergies. It is recommended that further acceptance of the assumption of inevitable synergies being developed between bilateral programs and the regional WATPs be rethought. This has not worked well to date in the case of F&S and USAID/COMFISH in Senegal or Ba Nafaa in the Gambia. Nor is it in any manner being addressed for the ruminant livestock value chain in ATP, as the impact of improved trade on the natural resource base and livestock production has not been considered under ATP. This has precluded generating key information and knowledge management to feed into the longer-term sustainability of the key components in the value chain.

FURTHER BACKGROUND DETAILS ON ENVIRONMENTAL COMPLIANCE

ENVIRONMENTAL SECTION: IEE GENERAL BACKGROUND

The IEE is one of the tools established under Regulation 216 for evaluation of environmental issues potentially impacting programs and projects it supports. The IEE leads to establishing a mitigation plan as needed for each respective project. This EMMP is meant to address any potentially negative environmental consequence that could arise during implementation of USG projects, in this case, the WATPs. Embedded in the mitigation plans, are monitoring and reporting requirements. Implementation of the IEE leads to full review of environmental issues that a USAID-funded project will or may face. These in turn lead to what is called "Determinations." Determinations may be either Positive, Negative, Deferral, or Categorical Exclusion.

Much interest in an environmental compliance evaluation is therefore placed on either positive determinations, or negative determinations with conditions that the IEEs establish. In the case of the WATPs, there were no positive determinations that were made during the time of the respective IEEs, and therefore, no environmental impact assessments were triggered. Therefore, in the case of the WATPs, we are primarily reviewing compliance with those activities involving initial negative determinations with conditions.

For negative determinations with conditions, the conditions prescribe a suite of further screening and reporting requirements that are identified in the respective IEE and more importantly, its accompanying operational guidance: the EMMP. The EMMP, which itself is often attached to the IEE, becomes the principal reference for all issues pertaining to compliance governing the respective projects. Subsidiary in the EMMP, are Environmental Review Forms (ERF), Environmental Review Reports (ERR), and specific Due Diligence Questionnaires (related to materials sourcing), etc.

³² See http://www.usaid.gov/our_work/agriculture/landmanagement/pubs/nature_wealth_power_fy2004.pdf.

If a determination is positive, this triggers undertaking further screening and reporting requirements. If negative, this normally comes with accompanying “Conditions” to be met.

A categorical exclusion lifts further specific compliance monitoring and reporting requirements for the given activity.

ENVIRONMENTAL SECTION EVALUATOR QUESTIONS AND RESPONSES ON WOOD

Questions were sent by email on November 23, 2011, to the West African Trade Hub by Michael Brown Concerning the “Sustainability Tracker, November 2011” to ascertain if the Trade Hub had information collected over the years illustrating environmental non-compliance concerns. Responses affirmed no known cases of non-compliance.

Additionally, a range of documents was received by the consultant on November 28, 2011. As this was the day the evaluation report was being turned in, only a cursory review and capitalization of the information could be made. The following major points were notable:

1. There is imperfect concordance between the Due Diligence Analysis table (no date) received, and the “Sustainability Tracker” (November 2011). At least two firms appear on the due diligence tracker who do not appear on the sustainability Tracker. As these companies either work with natural forest wood products or salvage materials, more precise information would be desirable, as the two firms—Wassalou and Dagarti—are indicated as “Export-Ready.” It is not clear whether this is still active or not.
2. Moreover, there is no clear sense as to why firms that are export-ready are not active. Based on conversations with one of these firms (Dagarti) our opinion was that issues of material sourcing may be more complex, and worthy of proximate follow-up, than may have been covered by the due diligence work to date. This does not imply non-compliance but rather, how the permitting for salvage wood has worked, how subcontractors (if any) are worked with, and how wood is collected to mitigate against fire, are issues worthy of being aware of.
3. Conversely, there appear to be firms who are listed as “active” in the sustainability tracker, but for which an updated summary due diligence analysis has not been made. Because the full packet of ERC Due diligence questionnaires, Due Diligence Analysis, Directory of Exporters, Analysis of technical assistance (TA) and checklist for Legality were received on the final day of contract validity on this assignment, the opportunity to fully explore the materials was not possible. It is clear, however, from a cursory review that much updating and synchronizing of information from the various sources would be helpful in providing an updated picture of information available. The “Sustainability Tracker, November 2011” goes some ways in doing this, but in our opinion does not provide a full picture of what has or has not occurred in the sector. It has, however, enabled the Trade Hub HDFA to assert that it has achieved compliance based on requirements established in its IEE. There is reasonable certainty that based on the IEE requirements, they have achieved compliance.

SUMMARY INFORMATION FROM THE TRADE HUB FOR HDFA

The following table provides summary information collected by the WATH from its due diligence in sourcing questionnaires for the HDFA.

Table 19. ERC Responses to Legal/Environmental Wood Questionnaire

Enterprises Screened			Export Ready Companies		Technical Assistance Offered		
Country	No.	Type	Trade Hub Registered Responses	Non-Trade Hub Registered Responses	Training	Other	Remarks
Ghana	45	All enterprises screened for legal and environmental compliance using Trade Hub Due Diligence questionnaire	23	6	(1) 3 Training Workshops in Ghana and 2 in Burkina Faso on Legal and Sustainable Sourcing of Materials. (2) Lacey Act and completion of Declaration Forms	(1) Inspection of factory sites to observe clean production practices and offer advice (2) Fact Sheet (Guide) on Sourcing Legal and Sustainable Materials (3) CITES Appendix I, II, III, for West African Countries (4) Non-Commercial Wood Species for Handcraft Production (Ghana)	(1) Materials are from known sources but no documentation to show compliance with national forest laws and regulations are kept. (2) Reclaimed and recycled materials mostly used. (3) Use of plant and animal listed on CITES is avoided. (4) Little compliance to environmentally clean production in clay winning, waste material disposal and protection of workers health and safety.
Senegal	5		1				
Mali	5		1				
Burkina Faso	2		0				
Cameroon	4		0				
Nigeria	2		0				
Niger	2		0				
Total	65			25			

ENVIRONMENTAL DISCUSSION ON FORESTRY PRODUCTS

The information that was provided from Trade Hub project staff itself during the evaluation indicated that staff is very aware of the challenges to compliance that the HDFA sector posed. Staff believes that the penalties for non-compliance through the marketplace are becoming so convincing to exporters, e.g., non-compliance would lead to export confiscation and/or annulment of contracts that exporters are becoming convinced of the need to comply, and have been doing so. Coupled with the Trade Hub's strategy of using initial checks and evaluations, disseminating its "Seven Principles for Legal Wood Sourcing" (in Ghana), workshops and training held on compliance in the value chain, dissemination of the Lacey Act and information on international standards for legal wood sourcing, as well as dissemination where possible of local procedures and laws, staff confidence in environmental compliance is high. To a degree, this confidence is reasonably founded, as illustrated by the responses provided to questions in the previous section of this annex.

On the other hand, because there is considerable contextual information we were able to gather during the evaluation, there is reason to maintain concern about material sourcing in the sub-region. Interviews with Forestry Commission managers in Ghana and Senegal, current newspaper articles from key sources in Ghana, and from comments by exporters themselves confirmed the following: (a) ongoing corruption in the forest sector leading to potential issuance of legal documents of dubious merit persists in places, (b) ongoing conflicts leading to weak regulatory agency oversight at borders in many countries in the sub-region persists, and (c) illegal chainsaw operators and enduring poverty in places, as well as among some operators in the handcraft sector, could lead to suspect practices, including the mixing of legal with illegally harvested materials. This contextual information argues mainly for the need for more comprehensive and strategic ground truthing to accompany the fully plausible awareness raising and information support services the WATH has been providing.

Moreover, in the case of exports from Senegal from materials sourced in the Côte d'Ivoire, the dubious credibility of documents provided in Côte d'Ivoire over the past several years raised questions for certain hardwoods that may well have original provenance in Guinea, Liberia, or elsewhere. Similar uncertainties exist for any exports that may have occurred from Gambia, as the only possible sourcing for such materials would have been from Senegal and, there in all likelihood, have been illicitly sourced materials.

In summary, based on the Trade Hub's records environmental compliance is being met. The issue has to do with 'reasonable doubts' that can be raised about material sourcing given (a) that ground level truthing is not a tool employed in compliance verification, and (b) the West Africa context is rife with corruption that can compromise perceptions of traceability and legality in the absence of actual on-the-ground verifications. This gap in in-field verification would appear well worth closing, and could be credibly approached on a comprehensive, random sampling basis in the next phase of the Trade Hub/HDFA activities.

ENVIRONMENTAL SECTION ATP AND E/ATP COMPLIANCE

One possible activity area under ATP and E/ATP was designated with Positive Determination: construction of roads. Based on review of available documents and questioning of stakeholders, the environmental compliance consultancy was unable to find evidence of any road construction under either project, so no environmental assessments were undertaken to mitigate for activities that did not take place. Compliance was met.

A range of activity areas in both ATP and E-ATP were provided Categorical Exclusions from further environmental compliance reporting. These included: technical assistance to agribusiness associations in their

advocacy; institutional strengthening and capacity building of agribusiness organizations in West Africa; research and information transfer; technical assistance to and training of extension staff and NGOs to build capacity in research and agricultural productivity; controlled experimentation plots (except for pesticides); and dissemination of market information (regarding prices and opportunities) to farmers, traders, and other market actors. For each of these areas, no further environmental compliance monitoring or reporting was conducted, as the Categorical Exclusion precluded this necessity. For these, compliance was met.

There were a number of Deferral Determinations in both projects, requiring first that in the case of Biosafety Procedures, Biosafety Review Procedures outlined in the IEE required completion.

The principal environmental compliance issues facing both the ATP and E-ATP in environmental compliance evaluation pertain to Negative Determination with conditions in the IEE. These were noted for the following activity areas:

- Trade and investment in the agriculture sector
- Other business law and policy, including business start-up procedures
- Global Development Alliance (GDA) activities
- Development Credit Authority
- Agri-business development and food processing
- Slaughterhouses and meat processing
- Support to use and procurement of fertilizers
- Pesticide procurement and use on crops, livestock and post-harvest conservation
- Small grants

Of these, only several of the above mentioned areas proved of immediate relevance in the Economic Commission for Europe (ECE): support to use and procurement of fertilizers; pesticide procurement and use on crops, livestock, and for Post-Harvest Conservation; and small grants, proved to be of immediate pertinence in this ECE. Compliance here was based on review of project reports triggered by the IEE and EMMP for both projects, along with interviews with staff from the two projects, including phone conversations with each of the value chain team leaders based in Ouagadougou.

Pertaining to integrated pest management (IPM), the ECE was able to ascertain that IPM was handled as a subset of integrated crop management (ICM) activities. The following description provides a basis for determination that E-ATP and Abt Associates are in compliance with the Negative Determination with condition Determination for Pesticide procurement and use:

USAID E-ATP organized cascade training on integrated crop management for two leading producer organizations identified as having strong potential to develop their intra-regional trade activities. Both the Union Provinciale des Producteurs de Céréales – Houet (UPPA-H), from Bobo Dioulasso, Burkina Faso, and the Coopérative des Exploitations Motorisées de Koutiala (CEMK), from Mali, are important cereal suppliers to institutional buyers such as the World Food Program, the SONAGESS, and the Commissariat for Food Security in Mali. In December 2010 and March 2011, the project respectively trained 39 and 25 endogenous farmer-trainers in integrated crop management, integrated pest management and integrated soil fertility management, targeting the organizations' most commercially oriented farmers. In the course of the

year, cascade training brought critical production skills to a total of 750 maize, millet and sorghum producers associated with the two organizations.

In May 2011, the project also organized a training of trainers in conservation agriculture for cereal producer groups, in partnership with USAID/Senegal PCE and USAID/Senegal Wula Nafaa projects. A total of 35 out of the original 39 trainers were selected to train 1,419 producers, of whom 36 percent were women.

Both indicate that training and information support were used to mitigate the Negative Determination with condition Determination under the IEE for E-ATP and ATP. The ECE concludes for this the ATP and E-ATP were compliant.

ENVIRONMENTAL SECTION TRADE HUB PROGRAMS AND COMPLIANCE

Fish and Seafood (F&S)

The updated IEE in 2007 included mitigation measures designed to link fish processors to sustainably harvested fish. USAID instructed its contractor implementing the Trade Hub program to comply with those mitigation measures.

Among the mitigation measures was the establishment of partnerships among donors, processors, conservation groups, government officials, and research institutions interested in the fish and seafood sector. The Trade Hub established and served as the secretariat to the West African Sustainable Seafood Development Alliance (WASSDA), originally comprising 13 members. The alliance was intended to address long-term sustainability, enforcement and management in the fisheries sector. At present, WASSDA is not active.

Simultaneously, the Trade Hub began to increase its efforts to promote exports of fish and seafood. For example, companies were assisted in implementation of sanitary standards generally necessary for entry to the U.S. market. Companies were also provided with guidance on how to develop and market new products for the U.S. market, identifying specific trade events where processors in West Africa could meet and potentially make business deals with U.S. and other buyers.

Increased effort under the fish and seafood marketing component demonstrated immediate and dramatic success. The January-March 2009 Quarterly Report (#6) states that the Trade Hub at the time worked with 10 companies in the fish and seafood sector. Trade Hub sponsored companies facilitated \$2,137,943USD in exports in that quarter. This was a 56 percent increase over total sales in the same period in 2008. Overall, the sub-regional fishing sector provides direct and indirect employment to 5.8 million job, and the value of regional exports alone exceed \$716 million/year USD, so even in 2009 the Trade Hub's leverage in the sector was modest.³³

Unfortunately, efforts with respect to WASSDA as a possible medium to enhance exports were disappointing. In late 2008, USAID received its first annual report expected to detail progress under the updated IEE. USAID rejected the report because it did not include those details. A final revision of the report received in early 2009 clearly indicated to USAID that mitigation measures were not proving successful, USAID subsequently dispatched staff to a key seafood show in Brussels, Belgium, to make direct observations of the fish actually marketed by processing companies receiving USAID assistance. USAID there determined that there seemed to be no effective way of verifying claims of sustainable harvesting, nor

33 Cited in "West African Fisheries Profiles, February 2011". West Africa Sustainable Seafood Development Alliance (WASSDA).

could one easily determine that companies assisted by USAID were not marketing fish known to be fully or overly exploited.

In light of this information, in mid-2009, USAID directed that the IEE be revisited once again. It simultaneously ordered that all support to the fish and seafood sector be suspended pending a review of the results of the new investigation. This IEE presents those results for USAID review.

In West African coastal countries where fish has been a central element in local economies for many centuries, the proportion of dietary protein that comes from fish is extremely high: 47 percent in Senegal, 62 percent, in Gambia and 63 percent in Sierra Leone and Ghana. Equally important is the fish's contribution to calorie supply. Where there is a lack of alternative locally produced protein and/or where a preference for fish has been developed and maintained fish can provide up to 180 calories per capita per day.³⁴

All professionals in the sector recognize that no fishing periods (“repos biologique” in French) are urgently required, and that current practice if continued will at least in the case of the Senegalese fisheries, likely lead to devastation. Yet, the technical issues of how to apply this across the sector remain to be worked out. With technical parameters for breeding varying by species, leading to significant spatial and timeline variations, this creates serious logistical challenges for regulators and the entire industry. Most poignantly, the absence of credible national databases across the region is seriously constraining, as even Senegal has not had an updated fisheries database in four years.³⁵

One proposal has been for a month of no fishing for certain varieties during their breeding system, with rice and vegetable oil provided to the families during the month of no fishing. As the fishing communities understand the value of preserving and expanding the fishing stocks by not fishing during the breeding season, the support could be switched to a marketing fee on all exported fish, used to buy the family food supply for the month of no fishing, once all factories and all fishermen were participating in the system. Theoretically the players (government, fishermen and factories) could see the value of this and do it themselves, but effectively, it will work only with a donor helping to organize the first efforts.

Home Décor and Fashion Accessories (HDFA)

The HDFA IEE recognized that raw material used in the HDFA sector may have been sourced in countries other than the country that produces the final product, noting for example that in Senegal, imports of wood from Cameroon and Gabon for its wood home décor products occur, thereby influencing the environmental impact evaluation.

The IEE identified the following types of products in the HDFA sector worthy of tracking for environmental compliance:

1. *Wood-based*: masks, musical instruments, bowls, candleholders, mirrors, boxes, craft furniture (tables, chairs, cabinets, etc.), and other small home “accents”

34 See WorldFish Center, 2005, “Fish and Food Security in Africa.” WorldFish Center, Penang, Malaysia. The paper makes the case for why fish is a pivotal resource requiring sustained support throughout the value chain in sub-Saharan Africa, with specific discussion of West African fisheries.

35 The Ministry of Maritime Fisheries and Centre de Recherches Océanographiques de Dakar-Thiaroye (CRODT), databases do not reconcile, with the latter reportedly a more credible resource. That said, CRDOT staff has been reduced from 35 to seven, with clear implications for their capacity to provide timely data support services. The Ministry is reportedly not in a better position either. CRODT capacity can be seen in a piece on analysis of the dynamics of the whole exploitation system of Senegalese ecosystems. <http://halieut.roazhon.inra.fr/istam/DOCS/152.pdf>, “Fishing tactics and strategies in coastal demersal trawling fisheries in Senegal,” by Massal Fall and Alassane Samba of CRODT. A listing of 544 CRODT publications from the 1970s to the 1990s can be found at http://www.mpl.ird.fr/ci/ecoscope/case_studies/West_africa/bib_crodt.htm.

2. *Grass, bamboo, raffia-based*: baskets, mats, small tables, and chairs
3. *Clay-based*: pots, bowls, and vases
4. *Skins/hides-based*: drums, other musical instruments, decorative items, and fashion accessories

Other Trade Hub-supported handicrafts include metal items, bead jewelry, weavings, and other cloth-based products.

The IEE noted that Trade Hub-supported HDFA items are produced by hand, with no or minimal automated machinery, and are mainly produced as “one-of-a-kind” items. It provided the example of wood-based products that are typically produced by cutting the wood, splitting to size, planing, and making a firm joint, noting that for some items, initial smoothing of the work surface may be done with a hand power tool. All subsequent carving, shaping, sanding and finishing of items for value addition is also by hand. Interestingly, the IEE authors estimated that about half of the labor is provided by women.

For furniture, design and production occur in small workshops by craftsmen, either formally or informally trained. They work mostly by hand with traditional woodworking hand tools. Natural wood or plywood is used. Note was made that none of the items in the HDFA sector are produced in mass quantities, and all are considered “artisanal.”

To provide further context, it was noted that a Trade Hub-facilitated order by a large buyer may fill a 40-foot container with a mix of about 70 different products; the large volume items being about 1,000 pieces each of statuettes, masks, vases, or handbags, which would have been outsourced from multiple groups of carvers, weavers, and potters. A container typically includes less than 10 sets of furniture comprising bedroom, living room, kitchen, or outdoor items.

From 2006 through 2009, the end date for consideration under the IEE governing environmental compliance for the HDFA, 11 countries were covered, with 178 Ghanaian firms supported in both Home Décor and Furniture, compared with the next closest country, Mali, with 33 firms supported and Senegal with 24 firms during the same period.

The ECE considered the range of products covered under the IEE, broken down by raw material. In this evaluation the environmental screening documentation provided by the project – their Environmental Review Questionnaires (ERQ)³⁶—was a principal source for assessing partner organizations practices that could have an environmental impact that may or may not have required mitigation. These documents proved very sketchy; some gave a fair sense of what materials were purportedly used and issues if any related to sourcing, most were extremely short on detail, and could not really provide much sense of whether good environmental practice or compliance was being met, save from the absence of information to the contrary. This would not however necessarily imply that best practice or compliance was being followed.

For the Trade Hub’s HDFA sector, stipulation for either random or systematic sampling at field levels to validate that raw material sourcing was in fact compliant with 22 CFR 216 regulations was not conducted. This has left the onus for IEE compliance to rest on paper trail verifications through the range of permits

³⁶ Technically these were called Materials Sourcing Due Diligence Questionnaires (DDQ). The Trade Hub maintains the originals on file.

and receipts WATH supported firms could produce. Excellent and fully compliant examples of this do exist for two main Ghanaian firms supported by the HDFA-Geolicrafts and Tekura.³⁷

The Hub relied principally on traceability of legal documentation, coupled with participation in awareness raising and training sessions to generate best practice and environmental compliance. Thus, to a reasonable degree of certainty, environmental compliance with the IEE requirements set in the EMMP was met. It seems, however, that this does not necessarily mean that compliance in fact was systematically adhered to throughout the value chain at levels closest to the sourcing of raw materials, as no one actually went out to the field to “kick the tires,”³⁸ given that the IEEs did not require this. Many gaps in the system could in fact exist, particularly if one considers the recent comments of the manager of the forestry Commission of Brong-Ahafo in Ghana.

In our evaluation, full information was lacking on any problems or issues that arose from materials sourcing across the gamut of countries the Trade Hub works in. With apparent differential follow-up to different partners, it was difficult to objectively assess how far the Hub went with environmental compliance evaluation for each beneficiary it supported.³⁹

Issues Regarding Compliance

While there was no specific evidence of non-compliance of the Trade Hub’s HDFA, the absence of evidence does not necessarily lead to a conclusive finding as to whether that there was compliance. Evidence was insufficient to allow for conclusiveness.

It is also important, at the same time, to note that based on conversations with Trade Hub staff, and on a relative scale of threat to the environment, the Hub in all appearances seems to be working with partners who are not placing great stress on endangered resources. There was no evidence to suggest that sourcing of protected wood species such as *Prunus Africa* or other CITES-listed species was at issue. Nor was there evidence that the legality of sourcing was directly at issue either; the several cases of traceability we were able to follow through from sourcing to export of two of the major exporters supported by the Trade Hub—Geolicrafts and Tekura, both in Ghana—appeared in order. That said, in conversations with these partners along with one other in Ghana who in the past had been supported (Christopher Doozie, xylophone maker, exact dates and extent of support unknown due to lack of information) the following results were also noted:

In its sourcing of twenaboa from Jasikan District, Ghana, Geolicrafts had itself been summoned by authorities to a road check point where it was determined that one of its trucks with legal twenaboa, had also been carrying wood materials that did not have accompanying legal paperwork. This apparently led to some manner of material confiscation by authorities and in turn, and led Geolicrafts to subsequent changes in its sourcing practices. Thereafter, it no longer provided Forestry Commission permits it had received to subcontractors who would actually source and deliver wood products. Thereafter, the firm itself assumed direct responsibility for cutting and delivering wood to their Accra factory.

³⁷ The contextual challenges posed by corruption and weak oversight in the forest sector that HDFA stakeholders in Ghana inevitably face, is well described in a November 2, 2011 article in Ghana News Agency: <http://www.ghananewsagency.org/details/Economics/Mr.-Thomas-Otchere%2C-Brong-Ahafo-Regional-Manager-of-Forest/?ci=3&ai=35182>.

³⁸ The importance of “kicking the tires” to assess compliance was suggested to the team at a meeting at USAID on November 1, 2011 by USAID’s Team Leader, Regional Office of Environment & Climate Change Response, Robert Buzzard.

³⁹ In our meeting with Vanessa Adams and Elaine Belleza of WATH, it was clarified that in addition to questionnaires, site visits and other direct evaluation tools were employed by WATH to determine compliance. Unfortunately WATH did not appear to maintain a current data base that covers the range of due diligence and compliance issues that can be of interest in an environmental compliance evaluation. Neither the Material Sourcing Questionnaires they employed as a first filter, nor the most recent November version of the “Sustainability Tracker” provided a full picture of information one might wish to see.

The incident illustrates that (a) illegal sourcing can cohabit (and has) with legal sourcing, contaminating the later and (b) this can occur if subcontractors are relied upon for actual tree removal and transport. From information available to us, it is impossible to say if this was an outlier incident or one more generalized

Incomplete information on practices where risks from fire exist in material sourcing

One area that we could not sufficiently evaluate involved material sourcing by project beneficiaries of plant materials in dry lands West Africa. Many drums and xylophones, for example, may be sourced from woods found in central and northern Ghana. These areas are highly susceptible to fire in the dry season, such that collection practice is imperative to appreciate, not only traceability and legality.

The collection process may place the harvester, operating legally or not, in areas where the potential for fire is high due to the combination of climactic conditions and density of underbrush. Unwittingly or otherwise, environmental issues in fact surpass what one may assume as the principal issue—traceability and legality of plant material removal—to embrace issues of broader threat to ecosystems and livelihoods. This was clarified in conversations with one former Trade Hub partner, Christopher Doozie whose family has been making xylophones in northern Ghana for 100 years. It was unclear how the Trade Hub was approaching best practice in this area, if at all. If for example the Trade Hub was supporting large volumes of legal sourcing of drum and xylophones for export, for example, one would hope that some form of due diligence over how fire containment was being addressed as part of best practice and ecosystem sustainability, would ideally be discernible from records kept on hand.

Weighing the value of legal documentation in the HDFA Sector as Principal Criterion for Environmental Compliance

Based on the one actual field trip time permitted in this evaluation mission to discuss with a district level forest commission manager in Ghana, we confirmed that legal documentation for Geolicrafts, was in fact on hand for at least one sourcing activity of twenaboa for drums⁴⁰ in 2009. Chronological filing, versus by company, precluded verification of how many Trade Hub supported missions Geolicrafts actually made to Jasikan District for sourcing. We know however it was more than this one.

This is important for the following reason: twenaboa has become rare in Jasikan District, where formerly it was apparently abundant. This was confirmed by both Geolicrafts owner, and by Kofi Afrifa, Manager of the Forest Commission in Jasikan District. What neither could confirm was why this was the case, whether it was a good, bad or neutral circumstance, and what active management practices were to mitigate any over-extraction of twenaboa, which to all appearances is a valuable tree for the HDFA sector now found primarily on farm fields, even if it is not a restricted species.

As all information points to environmentally compliant procedures being respected for the purchase of twenaboa in Jasikan by the Trade Hub, a more pressing issue has to do with how the project has or has not been promoting sustainable management practices for twenaboa, or whether this should even be at issue for a trade project of this nature.

Lack of any sense as to whether support for trade in products sourcing twenaboa was leading to non-sustainable practices appears clearly an issue of future interest from a sustainability perspective.

⁴⁰ Known in much of Ghana as “the drum tree,” species *Cordia Millenii*, tweneboa is a tree reaching 20 m in height, and is found widely dispersed in tropical Africa, so rarity is not at issue here. The tree has a fine spreading crown, has multiple uses, and it is often planted in towns and villages as a shade-tree in West Africa. In Ghana it may be grown specifically as a village fetish-tree.

ENVIRONMENTAL SECTION GHANA ENVIRONMENTAL REQUIREMENTS

ENVIRONMENTAL PERMIT⁴¹

An environmental permit (EP) must be obtained in order to commence or implement an undertaking in Ghana. The tree [sic] conditions to meet for EP issuance are:

If a "No objection" is given to a proposal's Form EA1 submitted. If PER submitted on a proposal is considered acceptable. If EIS submitted on a proposal is considered acceptable. An EP is an evidence of compliance with the Environmental Assessment Regulations, 1999 (LI 1652) and the Ghana EIA Procedures, in accordance with the Environmental Protection Agency Act, 1994 (Act 490). The EP validity period within which the proposal must commence is normally 18 months.

ENVIRONMENTAL PERMIT⁴²

Undertakings requiring registration and issue of environmental permit:

- No person shall commence any of the undertakings specified in Schedule 1 to these Regulations or any undertaking to which a matter in the Schedule relates, unless prior to the commencement, the undertaking has been registered by the Agency and an environmental permit has been issued by the Agency in respect of the undertaking.
- No person shall commence activities in respect of any undertaking which in the opinion of the Agency has or is likely to have adverse effect on the environment or public health unless, prior to the commencement, the undertaking has been registered by the Agency in respect of the undertaking.

Existing undertakings

Where the Agency considers that any undertaking in existence on the date of the coming into force of the Regulations has or is likely to have adverse effect on the environment or public health, the Agency shall issue a written notice to the person responsible to seek registration and obtain an environmental permit in respect of the undertaking within such time as shall be specified in the notice.

Environmental impact assessment

No environmental permit shall be issued by the Agency for any of the undertakings mentioned in Schedule 2 to these Regulations unless there is submitted by the responsible person to the Agency, an environmental impact assessment in accordance with these Regulations in respect of the undertaking.

Application for environmental permit

- A person required under regulation 1 or 2 to register an undertaking and obtain an environmental permit shall submit to the Agency an application in such form as the Agency shall determine. There shall be paid for the application such fee, as the Agency shall determine.
- In addition to any information that an applicant is required to provide on application, the Agency may require an applicant to submit such other information on the undertaking as the Agency considers necessary for the initial assessment of the environmental impact of the undertaking.

41 From "Environmental Impact Assessment (EIA) Requirements in Ghana – The Pathfinder to Sustainable Development," at <http://epa.gov.gh/ghanalex/report/cia.pdf>.

42 From "Environmental Assessment Regulations 1999," available at <http://www.lexadin.nl/wlg/legis/nofr/oeur/arch/gha/EIAREGULATIONS.pdf>.

ENVIRONMENTAL ASSESSMENT REGULATIONS, 1999

INITIAL ASSESSMENT BY SCREENING OF APPLICATION

The Agency shall on receipt of an application and any other relevant information required, as an initial assessment, screen the application taking into consideration:

- The location, size and likely output of the undertaking
- The technology intended to be used
- The concerns of the general public, if any, and in particular concerns of immediate residents if any
- Land use
- Any other factors of relevance to the particular undertaking to which the application relates

An applicant shall for the purpose of enabling the Agency to determine the level of environmental assessment of his undertaking, prepare and submit to the Agency a report on the undertaking indicating in the report:

- The environmental, health and safety impact of the undertaking
- A clear commitment to avoid any adverse environmental effects which can be avoided on the implementation of the undertaking
- Clear commitment to address unavoidable environmental and health impacts and steps where necessary for their reduction; and
- Alternatives to the undertaking.

SCREENING REPORT

After the screening under regulation 5, the Agency shall issue a screening report on the application and shall state in the screening report whether the application:

- Is approved
- Is objected to
- Requires submission of a preliminary environment report
- Requires the submission of an environmental impact statement

REGISTRATION AND ISSUE OF ENVIRONMENT PERMIT

- Where the Agency approves an application at the initial assessment, it shall register the undertaking, the subject of the application, and issue in respect of the undertaking an environmental permit.
- Where the agency approves an application at the initial assessment, it shall register the undertaking, the subject of the application and issue in respect of the undertaking an environmental permit.
- Where the Agency on the initial assessment reports that it objects to the application the report shall constitute a non-acceptance of the application and the undertaking shall not be commenced or where it is in existence, be discontinued.

A determination by the Agency that, an application at the initial assessment, is approved, objected to, requires the submission of a preliminary environmental report or the submission of an environmental impact statement, shall be communicated to the applicant within 25 days from the date of the receipt of the application for an environmental permit.

ENVIRONMENTAL SECTION GHANA LEGAL REQUIREMENTS

Summary of important information on Documentation of Legal Compliance for Wood Products Sourced by Two Home Décor and Fashion Design Value Chain Partners: Geolicrafts and Tekura

Documents were examined in Ghana that serve as the basis for legal compliance in use of plant and wood materials. The documents were provided by Geolicrafts and Tekura, respectively, to demonstrate their respective company's compliance with regulations established by the Ghanaian Forestry Commission for the legal harvesting of wood products in Ghana. These examples are meant to be illustrative of two major players supported by the Trade Hub in the HDFA sector, and are not meant to establish compliance for all participants in the sector.

Scanned copies of documents demonstrating legality and the chain of traceability for wood products in Ghana can be made available from michaelbrown.sdi@gmail.com. Due to size considerations, these examples have been left out of the present report.

ANNEX D: GRANTS

Table 20. ATP 2008-2009⁴³: Local Grants

	Period of Performance	Organization	Amount	Purpose
1	1/11/08 – 30/9/12	Esoko Networks Ltd.	USD 99,593	Supply training and documentation to assist ATP-selected market facilitators and enumerators with the setup and maintenance of enumeration networks in Mali, Burkina Faso and Côte d'Ivoire.
2	1/11/08 – 30/9/12	Esoko Ghana Ltd.	GHC 119,077	Establish a network of 10 enumerators in ten markets throughout Ghana to collect market information
3	19/1/09 – 31/3/12	ANOPACI	FCFA 48,857,500	Collect, process, and disseminate reliable, practical and continuous agricultural market information to allow producers to make good decisions and improve commercial negotiations in Ivory Coast

	Period of Performance	Organization	Amount	Purpose
4	23/1/09 – 31/3/12	AMASSA	FCFA 48,441,575	Collect, process, and disseminate reliable, practical and continuous agricultural market information to allow producers to make good decisions and improve commercial negotiations in Mali
5	23/1/09 – 31/3/12	APROSSA	FCFA 48,406,530	Collect, process, and disseminate reliable, practical and continuous agricultural market information to allow producers to make good decisions and improve commercial negotiations in Burkina Faso
6	24/2/09 - 31/3/09	COFENABVI	FCFA 10,478,800	Organize an in-depth assessment of the organization and develop a multi-annual strategic plan to become sustainable and provide adapted services to its members in order to develop the livestock and meat value chain in the region
7	25/3/09 - 31/3/12	GAPTO	GHC 96,000	Assist GAPTO and its affiliates provide reliable and verifiable collected data of cross-border trade on onion/shallot, livestock ruminants, and maize, imported to, or exported from Ghana
8	16/3/09 - 30/6/09	AYANI	USD 30,000	Assess financial market of agribusiness in Ghana, Burkina Faso, Niger, and Mali and develop a three-year plan for improving access of key regional value chain participants to finance
9	1/05/09 – 31/3/10	GAPTO	GHC 42,840	Contract Haruna Ageshaka as ATP Market Facilitator in Ghana
10	22/06/09 – 30/09/12	ORO/AOC	FCFA 59,810,000	Provide support for data collection on intra-regional onion/shallot trade flows
11	22/06/09 – 30/09/12	COFENABVI	FCFA 60,649,600	Provide support for data collection on intra-regional livestock and meat trade flows
12	22/06/09 – 30/09/12	CIC-B	FCFA 49,290,000	Provide support for data collection on intra-regional maize trade flows
13	4/7/09 – 11/7/09	Zoofor Consult	FCFA 2,016,000	Provide 5-day training of trainers for 25 cattle fatteners of Burkina Faso
14	22/8/09 – 30/10/09	Groupement d'Intérêt Economique 3k	FCFA 4,852,500	Organize and facilitate ToT program to develop a pool of skilled butchers on beef cut and good hygienic practices
15	8/9/09 – 18/9/09	Cabinet Yirvouya	FCFA 700,000	Assist ORO Burkina Faso and its member SOCAMAD to develop business plan to seek loan for onion cropping season

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Table 21. ATP Local Grants 2010⁴⁴

	Period of Performance	Organization	Amount	Purpose
1	5/10/09 – 5/10/12	ANYAN	FCFA 20,360,000	Contract Mamadou Boubacar Djaouga through ANYAN to serve as USAID ATP market facilitator in Benin.
2	9/11/09 – 13/09/09	INERA	FCFA 2,000,000	Provide support for data collection on intra-regional livestock and meat trade flows
3	9/11/09 – 31/12/10	AGRISERV	GHC 15,000	Assist with making trade/sales profitable between Ghanaian market dealers and Burkina Faso livestock traders during Tabaski festivities.
4	11/11/09 – 30/11/09	COFENABVI/ FEBEVIB	FCFA 8,187,500	Establish business linkages between producers of livestock products in Burkina Faso and consumers in Ghana through the sale of sheep for Tabaski festivities.
5	19/11/09 – 18/12/09	FIAB	FCFA 4,850,000	Organize the JAAL in Ouagadougou and publicize key activities of USAID ATP and FIAB during the event.
6	2/12/09 – 7/12/09	Cabinet Yirvouya	FCFA 150,000	Prepare and facilitate a workshop on trade contracting for USAID ATP value chain actors participating in the Ouagadougou JAAL.
7	2/12/09 – 7/12/09	Cabinet Lessokon	FCFA 150,000	Prepare and facilitate a workshop on access to finance for USAID ATP and EUSAID ATP value chain actors participating in the Ouagadougou JAAL.
8	8/01/10 – 31/08/12	APLS	FCFA 17,920,360	Collect, analyze, and monitor maize trade flows.
9	11/01/10 – 29/01/10	Cabinet Yirvouya	FCFA 1,050,000	Assess the prospects of introducing mesh bags to improve the packaging, transportation and export of onion as opposed to the use of jute bags and/or fertilizer bags.
10	16/01/10 – 31/01/10	Centre Ecologique Albert Schweitzer (CEAS)	FCFA 6,848,600	Develop a training guidebook for the training of trainers on integrated soil fertility management (ISFM).
11	13/03/10 – 30/04/10	MASIMCO Consulting	FCFA 13,530,000	Supervise and help organize a cascade training program in cattle fattening for at least 1250 cattle fatteners in Mali.
12	30/04/10 – 31/05/10	Agro-Alimentaire Consult	FCFA 2,687,000	Conduct training of trainers workshop for 25 butchers on good sanitary slaughter practices and meat-cut techniques, including preservation and display

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Table 22. E-ATP Grants Recap

USAID E-ATP GRANTS				
No.	Grantee for 2010-2012 performance	E-ATP Commodity	Committed/Value (Approved Budget)	
				US\$
1	Association des Acheteurs des Produits Locaux de Sikasso (APLS) Sikasso, Mali	Millet/Sorghum 2010-2012 Trade flow data	15,793,250	34,333
2	Comité Interprofessionnel des Céréales du Burkina (CIC - B), Ouagadougou, Burkina Faso	Millet/Sorghum, Trade Flow Data \$74,236, capacity building 198,424	125,423,760	272,660
3	Comité Interprofessionnel du Riz du Burkina (CIR-B) *	Trade Flow Data	10,301,127	22,394
4	Comité Interprofessionnel du Riz du Burkina (CIR-B)	Local rice, Capacity Building	17,943,300	39,874
5	Fédération des Coopératives Paysannes de l'Office du Niger (FECOPON) **, Mali	Local rice Trade Flow Data	3,886,700	8,449
6	Fédération des Intervenants de la Filière Avicole du Mali (FIFAM)	Poultry, Trade Flow Data	12,150,000	26,413

7	Ghana National Association of Poultry Farmers (GNAPF)	Poultry, Trade Flow Data	65,345	46,018
8	Information Aid Network (IFAnet) Ibadan/Kano, Nigeria	Millet, sorghum, local rice, maize, red meat, Trade Flow Data	34,008,877	226,726
9	Union des Groupements d'Etuveuses de Bama (UGER-B), Burkina Faso	Parboiled rice, Trade Flow Data	12,747,500	27,712
10	Union Nationale des Acteurs de la Filière Avicole (UNAFI), Dakar, Senegal	Poultry, Trade Flow Data	18,022,500	39,179
11	Association pour la Promotion de la Sécurité et de la Souveraineté Alimentaires au Burkina Faso (APROSSA)	All E-ATP commodities where applicable, MIS \$78,171, Capacity Building \$76,444	69,576,784	154,615
12	Association Malienne pour la Sécurité et la Souveraineté Alimentaire (AMASSA)	All E-ATP commodities where applicable. MIS \$84,498, Capacity Building \$57,556	68,424,118	152,054
13	Conseil de Concertation des Riziculteurs du Bénin (CCR-B)	Local rice, MIS	22,375,000	49,722
				1,100,149

Table 23. Trade Hub Grantees 2009- 2011

GRANTEE		Country	Component	Grant 1	Grant 2
Centre Afrika Obota de Burkina Faso (CAO-BF)	Info and sensitization campaign; media outreach - TV and radio debates; advocacy for change with decision makers; transport costs verification trips on three corridors	B Faso	Transport	\$16,316.28	
Coordination Régionale des Réseaux de Jeunes de lutte contre le SIDA de l'Afrique de l'Ouest et du Centre (CRJ/ACO)	Advocacy caravan on Ouaga-Bamako route; develop and distribute flyers and billboards in local languages, advocacy with road users/truckers and decision makers; advocacy workshops, radio and print media; transport cost verification trip	B Faso	Transport	\$10,000.00	
Coalition des Alternatives Africaines Dette et Développement – (CAD-Mali)	Public debates, media: press conference, TV talk show, radio programs; round table discussion with decision makers; transport cost verification trips	Mali	Transport	\$10,048.64	\$25,935.00
Western Africa Network Aids Service Organization (WANASO)	Validation workshop of IRTG results; training workshop of peer educators; advocacy with decision makers and stakeholders	Mali	Transport	\$10,000.00	
Monde des Enfants de Cœur pour l'Atténuation de la Pauvreté du Frère Rural au Togo (MECAP)	TV and radio debates, training of transporters and truckers, training session with uniformed officers, lobbying with decision makers for change	Togo	Transport	\$10,000.00	\$11,823.00
Social Support Foundation	Media advocacy; dialogue and engagement for advocacy with decision makers; empowering and training truck drivers and transport associations/unions on anti-corrupt practices; round table discussions with stakeholders	Ghana	Transport	\$13,757.00	
Legal Resource Centre (LRC)	Media outreach - TV, radio, print; training session with target groups; Advocacy/lobby high level government officials; create avenue for prosecution of offenders	Ghana	Transport	\$13,186.00	\$21,450.00
Foundation for Female Photojournalist (FFP)	Media outreach, TV documentary on reducing transport costs	Ghana	Transport	\$14,664.00	
African Cashew Alliance	Upgrade the management and operations of	Ghana	Trade Investment	\$ 145,000.	\$ 133,000.

GRANTEE		Country	Component	Grant 1	Grant 2
(ACA)	cashew businesses in producing countries; market the viability of the cashew industry to finance institutions; assess policy environment and required investment incentives and devise advocacy strategies with ACA members		Capacity		
Economics Department, University of Ghana	determine the current and potential future contributions of the basket and wood handcraft and furniture sectors to employment and income generation in Ghana; determine the multiplier effects in the economy of increased income to producers	Ghana	Business Environment	\$33,979.00	
Agricultural Economics and Agribusiness Department, University of Ghana	Determine the current and potential future contributions of the cashew sector to employment and income generation in Ghana and the region; determine the multiplier effects in the economy of increased income to producers	Ghana	Business Environment	\$25,967.00	
Abidjan-Lagos Corridor Organization	Monitor transports costs, delays on Abidjan-Lagos corridor	Benin	Transport	\$48,529.00	
Collectif des Femmes pour la Lutte contre l'Émigration Clandestine (COFLEC)	Build capacity of transport sector, media to fight against road harassment, corruption	Senegal	Transport	\$9,290.00	
Forum Civil	Rally grassroots communities around the cause of reducing transport costs; media outreach; social communication activities (theatrical performances to illustrate the problem of high transport costs)	Senegal	Transport	\$21,800.00	
			Totals	\$382,536.92	\$192,208.

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