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FINAL REPORT

**West Africa Global Competitiveness Hub:
West Africa Trade Hub/Accra**

October 2007

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FINAL REPORT

West Africa Global Competitiveness Hub: West Africa Trade Hub/Accra

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TABLE OF CONTENTS

LIST OF TABLES	ii
ACRONYMS & ABBREVIATIONS	iii
EXECUTIVE SUMMARY	1
1. INTRODUCTION	7
1.1 USAID/WA and the Hub.....	7
1.2 WATH/A Goals and Objectives	7
1.3 Early Institutional History	8
1.4 Institutional Changes	8
2. WATH/A TECHNICAL COMPONENTS	10
2.1 Business Environment	10
2.1.1 AGOA Textile Visas and Category 9	10
2.1.2 Regional Policy Program: SPS Standards	13
2.1.3 World Trade Organization (WTO) Training.....	17
2.1.4 Trade-Capacity-Building Database.....	17
2.2 Infrastructure.....	18
2.2.1 Improved Road-Transport Governance (IRTG).....	18
2.2.2 Regional Trade Information System (RTIS)	27
2.3 Enterprise Development	33
2.3.1 Export Business Development (EBD).....	33
2.3.1.1 Apparel and Fashion	36
2.3.1.2 Home Décor, Fashion Accessories, and Furniture	40
2.3.1.3 Shea Nuts, Butter, and Products	44
2.3.1.4 Cashews	48
2.3.1.5 Wood Products	53
2.3.1.6 Finance.....	56
2.3.2 AGOA Support Services.....	60
2.4 Cross-Cutting Components.....	64
2.4.1 Communications & Outreach / Monitoring & Evaluation.....	64
2.4.2 Hub Management & Administration.....	67

LIST OF TABLES

Table 1. WATH/A Performance Indicators (FY 2005 – FY 2007)	3
Table 2. Country Summaries (October 2005–September 2007)	5
Table 3. Business Environment - AGCI Indicators	10
Table 4. AGOA Textile Visas and Category 9 Activities by Country.....	11
Table 5. AGOA Category 9 and Textile Visa - AGCI Indicators	12
Table 6. SPS – AGCI Indicators	15
Table 7. Infrastructure – AGCI Indicators	18
Table 8. IRTG – AGCI Indicators.....	24
Table 9. Data on Regional Trade Corridors Disaggregated by Country	24
Table 10. RTIS – AGCI Indicators	30
Table 11. Export Development – AGCI Indicators.....	33
Table 12. EBD Results FY 2005 – FY 2007 by sector*	35
Table 13. EBD Major Activities and Accomplishments	35
Table 14. Cashews: Major Activities and Accomplishments	50
Table 15. Finance: Major Activities and Accomplishments	58
Table 16. AGOA Support Activities Accomplished by Country.....	60
Table 17. AGOA Support Services – AGCI Indicators	61

ACRONYMS & ABBREVIATIONS

ACA	African Cashew Alliance
AGOA	African Growth and Opportunity Act
ARC	AGOA Resource Center
APHIS	Animal and Plant Health Inspection Service (USDA)
ASAP	<i>ASAP Global Sourcing Show</i>
AU	African Union
B2B	business to business
CCC	Community Computing Center (ECOWAS)
CD-ROM	compact disc (read-only memory)
CITA	Committee on International Textile Agreements, U.S. Department of Commerce
CPWM	Cost Plus World Market
EBD	export business development
ECOWAS	Economic Community of West African States
GAEC	Ghana Atomic Energy Commission
GTZ	German Development Cooperation
GSC	Ghana Shippers Council
HACCP	Hazard Analysis and Critical Control Point
IESC	International Executive Service Corps
IRTG	Improved Road-Transport Governance
LOP	life of project
LTTA	long-term technical assistant
M&E	monitoring and evaluation
MT	metric ton
NGO	nongovernmental organization
NEPAD	New Partnership for African Development
OPA	<i>Observatoire des pratiques anormales</i> (UEMOA & ECOWAS)
RTIS	Regional Trade Information System
SIAO	<i>Salon International de l'Artisanal de Ouagadougou</i>
SME	small and medium enterprise
SPS	sanitary and phytosanitary
SSATP	Sub-Saharan African Transport Program (World Bank)

STCP	Sustainable Tree Crop Program
STTA	short-term technical assistant
UEMOA	<i>Union Economique et Monétaire Ouest Africaine</i> (West African Economic and Monetary Union, WAEMU)
USAID/WA	United States Agency for International Development/West Africa Mission
USAID/WARP	USAID/West Africa Regional Program
USG	United States Government
USTR	U.S. Trade Representative

EXECUTIVE SUMMARY

Business environment

WATH/A's policy work has focused on two areas: Developing consensus on harmonization of sanitary and phytosanitary (SPS) policy and improvement of SPS capacity; and providing support to AGOA-eligible countries on how to obtain, and use effectively, the textile visa and Category 9 certification.

First, WATH/A supported UEMOA's SPS work in the form of a commentary on the draft harmonized policy for its eight member states. Then ECOWAS sought WATH/A's assistance in initiating the work of SPS policy harmonization for its seven non-UEMOA member states. A WATH/A team conducted and published an SPS capacity study for each non-UEMOA country. WATH/A followed up with a national workshop in each country (except Cabo Verde and Guinea) to validate and improve the country reports. The next stage was to hold a meeting for all non-UEMOA countries to reach agreement on the principles of SPS harmonization. At this point, USAID/WA decided to de-emphasize this work, but WTO intends to complete it by bringing the non-UEMOA and the UEMOA countries together to agree on an ECOWAS-wide strategy. EU is in the wings, ready to finance infrastructure and training for the harmonized regional initiative.

The AGOA Support Services component worked with public-private national AGOA committees to guide them through the steps required by the U.S. Government to obtain their textile visas and Category 9 certifications. This support resulted in 11 textile visas approved by U.S. Customs and 6 Category 9 certifications approved by the Department of Commerce. However, delays between obtaining these approvals and the moment when the customs services needed to use them resulted in a lack of understanding of the modalities of implementation. So in Nigeria and Cameroon, WATH/A trained customs staff and representatives in the private sector in the steps necessary to get AGOA benefits for the U.S. importer of eligible goods.

WATH/A also built a database of all trade-related donor initiatives in West Africa and held a three-country, weeklong training on the WTO General Agreement on Trade in Services.

Infrastructure

WATH/A has worked in two infrastructure areas: road-transport governance and customs connectivity.

The road-transport work takes place on trucking corridors that ECOWAS and UEMOA have prioritized as part of their joint work to increase the efficiency of transport and transit in West Africa. WATH/A's role has been setting up an information system on road-transport corruption and disseminating the results to government, the private sector, and civil society, in order to put pressure on the police, gendarmes, and customs agents to reduce bribery and delays. The work so far has taken place in Burkina Faso, Ghana, Mali, and Togo. The Improved Road Transport Governance (IRTG) staff select literate truckers with orderly paperwork and roadworthy trucks to collect data on bribes and delays. Focal-point organizations in each country collect and verify completed data sheets, computerize the data, and send them to UEMOA's IT department, which does statistical analysis that WATH/A and UEMOA staff convert into periodic reports for wide distribution. The first such report, released in July 2007, sparked considerable interest. Additional staff members keep civil society, the press, and the formal private sector updated and motivated to keep road-transport issues in the public eye.

ECOWAS' Community Computing Centre (CCC) is working towards building a Regional Trade Information System (RTIS) that will allow customs services in each ECOWAS member state to exchange trade data with the others and with CCC. WATH/A provides technical assistance to this process, in the form of software, hardware, and institutional surveys in each of the five pilot countries on the coastal corridor (Nigeria, Benin, Togo, Ghana, and Côte d'Ivoire). Using the WATH/A-generated material, ECOWAS is assembling and cross-referencing it to create a concept note. USAID/WA will then submit the package to a technical team at

USAID/Washington for approval to authorize the software architecture, hardware procurement, installation, and testing in the pilot countries. This work has suffered from delays and changes of direction. ECOWAS is currently considering integrating all five of its project-support components for customs connectivity into a single coordinated whole, of which RTIS would become one module.

Enterprise development

The Export Business Development (EBD) component has generated \$11.5 million in new exports outside West Africa, generating around 800 new jobs. It follows a “narrow and deep” approach to export development, working with select export-ready firms, mostly small and medium enterprises (SMEs). WATH’s mandate prioritizes exports to the U.S. under AGOA; other international markets and the regional West African market were developed as opportunities revealed themselves. EBD has screened 475 candidate firms, of which it works with approximately 200 judged export-ready in its sectors of focus. These sectors are: apparel, handicrafts, shea, cashew and wood products, with one cross-cutting sector: finance. Export-ready companies participate in industry-specific training workshops to prepare them for tradeshow participation, often as part of an African pavilion organized in collaboration with other USAID-financed trade hubs. In this way, they have forged relationships with U.S. importers, generated orders, and launched new products. After tradeshows, the EBD team follows up to track sales, learn about pending orders, assist where needed, and provide U.S.-based support to create and reinforce market linkages and consummate deals. Concentrating resources on West African winners has created success stories that allow imitation by other firms and replication across countries. Complementary U.S. buyer trips contribute cost-effectively to the success of the EBD work. In addition to its primary focus on exports to extra-African exports, EBD has generated \$1.3 million of new intra-regional exports and has facilitated \$3.6 million of investment in West Africa.

Monitoring and Evaluation

Please refer to Table 1 for a summary of project performance in the current fiscal year and cumulative figures for previous fiscal years and the life of the project.

Table 2 outlines major WATH/A activities and accomplishments by country.

Indicator tables in each section reflect quarterly and annual progress according to AGCI pillars.

The Hub documented its technical assistance throughout the region in [trip reports](#).

Table 1. WATH/A Performance Indicators (FY 2005 – FY 2007)

Indicator		FY 2005 (Oct 2004 - Sept 2005)			FY 2006 (Oct 2005 - Sept 2006)			FY 2007 (Oct 2006 - Sept 2007)			LOP (Oct 2004 - Sept 2007)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved	Target	Achieved	% Achieved	Target	Achieved	% Achieved
Technical Component 1: Policy & Governance													
Number of people trained	Total	300	0	0	275	194	71%	900	1,217	135%	1,000	1,412	141%
	Female	not defined	0	0	50	32	64%	81	138	170%	400	170	43%
Person-months of technical assistance provided		28	18.8	67%	14	35	252%	32	27.52	86%	84	81.32	97%
Person-months of training provided		20	1.2	6%	20	10	51%	50	44.51	89%	80	55.71	70%
Reduction in time taken for trucks to traverse priority WA trucking corridors		not defined	not started	0	TBD	0	0	0	0	0	0	0	0%
Number of national customs offices connected to the ECOWAS CCC and ECOWAS		5	0	0	9	0	0	0	0	0	15	0	0%
Technical Component 2: Export Business Development													
Number of people trained	Total	1,200	885	74%	750	1,443	192%	750	888	118%	2,500	3,216	129%
	Female	400	328	82%	300	731	244%	250	311	124%	834	1,370	164%
Person-months of technical assistance provided		9	19	208%	9	24	266%	9	24.3	270%	27	67.3	249%
Buyer-seller links created		50	1531	3062%	700	323	46%	400	1,326	332%	120	3,180	2650%
Value of new exports outside of region **		\$700,000	\$1,463,000	209%	\$2,000,000	\$3,948,839	197%	\$3,600,000	\$6,132,283	204%	\$7,000,000	\$11,544,122	165%
Value of new intra-regional trade/exports in region **		\$300,000	\$255,000	85%	\$400,000	\$704,007	176%	\$300,000	\$377,586	126%	\$1,000,000	\$1,336,593	134%
Value of investments facilitated by WATH/A **		\$2,000,000	1,310,000	65%	\$1,000,000	\$1,032,265	103%	\$1,500,000	\$1,313,974	88%	\$5,000,000	\$3,656,239	73%

* From FY 2003–FY 2004, WATH indicators were significantly different from the current indicators represented in Tables 1 and 2. The nature of the data available does not allow for a representation of the numbers across fiscal years (e.g. FY 2003–FY 2007) in a common table.

** However certain indicators (value of new exports outside of region, value of new intra-regional trade/exports in region, value of investments facilitated by WATH/A) for EBD include numbers from previous quarters.

Table 1. WATH/Accra Performance Indicators, continued

Indicator		FY 2005 (Oct 2004 - Sept 2005)			FY 2006 (Oct 2005 - Sept 2006)			FY 2007 (Oct 2006 - Sept 2007)			LOP (Oct 2004 - Sept 2007)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved	Target	Achieved	% Achieved	Target	Achieved	% Achieved
Technical Component 3: AGOA													
Number of people trained	Total	700	979	140%	800	634	79%	400	734	184%	2,000	2,347	117%
	Female	Undefined	141	Undefined	300	49	16%	100	212	212%	Undefined	402	Undefined
Person-months technical assistance provided		12	15.43	129%	17	7.62	45%	1	5.29	529%	36	28.34	79%
Person-months of training provided		12	31.16	260%	3	30.38	1013%	18	27.69	154%	36	89.23	248%
Number of ARCs established		Undefined	n/a	n/a	1	1	100%	1	2	200%	7	9	129%
ARC CD-ROMs distributed		2,000	1,034	52%	1,000	1,798	180%	1,000	1,953	195%	5,000	4,785	96%
Technical Component 4: Communication & Outreach													
Number of people trained	Total	100	165	165%	100	108	108%	60	68	113%	200	358	179%
	Female	0	0	0%	40	36	90%	30	20	67%	80	61	76%
Person-months of technical assistance provided		10	3	30%	5	7	140%	7.5	7.91	105%	30	24.01	80%
Person-months of training provided		4	1	25%	1	0.53	53%	0.3	0.34	113%	12	1.97	16%
Number of press releases		12	11	92%	18	24	133%	12	17	142%	36	62	172%
Average monthly website hits		5	6	120%	60,000	91,209	152%	95,000	112,352	118%	72,000	100,814	140%
Number of people on WATH contact list		2,000	3,086	154%	3,000	5,574	186%	6,000	8,277	138%	6,000	8,277	138%

* **AGOA component:** 6 ARC's were established before FY 2005.

Table 2. Country Summaries (October 2005–September 2007)

Country	Value of exports facilitated (\$)	# Jobs added (# women)	# People trained (# women)	# WATH/A person trips	# Companies sponsored for trade shows (#observers)	# Companies received technical assistance	\$ Value of investments facilitated	Value of intra-regional trade facilitated	AGOA TA & certifications (# and type)	SPS studies (# and type)	WTO, RTIS, IRTG activities (# and type)
Benin	82,000	83	360 (76)	18	2 (1)	13		57,971	Existing textile visa and TA for Cat 9 certification		RTIS pilot country
Burkina Faso	859,791	44	627 (153)	56	14	46	856,200	132,632	Textile visa approved and TA for Cat 9 certification		IRTG (data collection, media training, private sector Lunch). RTIS pilot country
Cameroon	171,612	1	281 (63)	21	8 (1)	34	703,000	78,000	TA for re-submission of existing textile visa, approved		
Cape Verde			47 (14)						Existing textile visa	1 SPS capacity evaluation study	
Chad			346 (104)	3		1			Textile visa approved		
Côte d'Ivoire	304,828	60	10 (11)	5	2	4					
Gabon			89 (16)	8		35					
Gambia			54 (7)	9	(1)	6			TA for textile visa (currently pending) and Cat 9 certification	1 SPS capacity evaluation study	
Ghana	7,494,964	406	1254 (369)	47	79 (2)	141	636,418	342,956	Existing textile visa and Cat 9 certification	1 ToR engineering study of GAEC, 1 SPS capacity evaluation study	IRTG (data collection, media training, private sector Lunch) RTIS pilot country
Guinea	410,000	12	3 (1)	2	2 (1)	9		271,791	TA for textile visa and Cat 9 certification, processes initiated	1 SPS capacity study	
Guinea-Bissau	15,240	7	2 (1)	7		6					
Liberia			50 (13)	8						1 SPS capacity study, validation report	

WATH/ACCRA FINAL REPORT

Country	Value of exports facilitated (\$)	# Jobs added (# women)	# People trained (# women)	# WATH/A person trips	# Companies sponsored for trade shows (#observers)	# Companies received technical assistance	\$ Value of investments facilitated	Value of intra-regional trade facilitated	AGOA TA & certifications (# and type)	SPS studies (# and type)	WTO, RTIS, IRTG activities (# and type)
Mali	698,550	116	362 (73)	25	11	18	3,980	6,841	TA for re-submission of existing textile visa and Cat 9 certification approved		IRTG (data collection, media training, private sector Lunch)
Mauritania				1					Existing textile visa		
Niger	86,137	76	575 (63)	2	4	44	100		Existing textile visa and Cat 9 certification approved		
Nigeria	630,552	57	944 (486)	38	8 (2)	78	193,400	100,610	Existing textile visa and Cat 9 certification approved	1 SPS capacity evaluation study, regional report, 1 regional synthesis report	RTIS pilot country
São Tomé e Príncipe			12 (3)	2							
Senegal	190,556	12	42 (18)	18	8	38	7,000	3,300	Existing textile visa and Cat 9 certification approved		
Sierra Leone			96 (12)	7	2				Existing textile visa and Cat 9 certification approved	1 SPS capacity study,	
Togo	37,100		160 (1)	11	1						IRTG (data collection, media training) RTIS pilot country
Total	10,981,330	874	5,314 (1,484)	288	141 (7)	473	2,400,098	994,101	12 textile visas (6 Cat 9 certifications)	9	

Note: These are NOT life-of-project numbers because data on these indicators (value of exports, investments and intra-regional trade) was not recorded by country previous to FY 2005.

1. INTRODUCTION

The links in this document can also be accessed through the [library](#).

1.1 USAID/WA and the Hub

The West Africa Trade Hub in Accra (hereafter known as WATH/A) is the result of the presidential Trade for African Development and Enterprise (TRADE) initiative, launched on October 29, 2001, and completed in 2005 by President George Bush. TRADE encompassed six themes:

- Enhance the competitiveness of African products and services
- Expand the role that trade can play in African poverty-reduction strategies
- Promote U.S.– African business linkages
- Improve the delivery of public services supporting trade
- Strengthen African capacity for trade policy formulation and implementation
- Strengthen the enabling environment for African businesses

The TRADE initiative was transformed to the current African Global Competitiveness Initiative (AGCI) in July 2005. AGCI is expected to build upon successes of the TRADE initiative, by providing additional resources to increase competitiveness of countries in the sub region under AGOA within a 5-year period. The initiative is made up of four main strategic objectives:

- Improve the policy, regulatory, and enforcement environment for private sector-led trade and investment
- Improve the market knowledge, skills, and abilities of private-sector enterprises
- Increase access to financial services for trade and investment
- Facilitate investments in infrastructure

WATH/A was established by Task Order #815 under the General Business and Trade and Investment indefinite quantity contract signed with CARANA Corporation with Abt Associates as the key subcontractor on November 21, 2003. The Hub is under the direction of USAID/WA; both are based in Accra, Ghana. There is an additional Hub in Dakar which was opened in November 2005, under a separate contract, but with the mandate of working in direct collaboration with WATH/Accra.

1.2 WATH/A Goals and Objectives

The purpose of the Hub is to:

- Develop and implement private-sector business support strategies for increasing trade under AGOA and with international markets.
- Facilitate the effective implementation of customs reform and harmonization.
- Support trade facilitation initiatives and the provision of business services in order to promote the creation of a more globally competitive West African region.
- Reduce non-tariff barriers to increased intraregional trade.
- Encourage greater intraregional and external agricultural trade including the development of sanitary and phytosanitary (SPS) and food safety standards and practices that comply with import requirements of the U.S. and the European Union (EU).
- Increase awareness of West African investment opportunities.

In November 2005, USAID opened a second West Africa Trade Hub in Dakar, Senegal (WATH/D). Managed independently, WATH/D complements the activities of WATH/A. WATH/D took over from WATH/A the responsibility for export business development (EBD) work in fish and seafood and has since April 2007 also taken over work started in Accra in specialty foods. Additionally, WATH/D has responsibility for AGOA Support Services in Burkina Faso, Cape Verde, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone and The Gambia. While WATH/A retains this role in the

other former WATH countries. In EBD and AGOA Support Services, as well as communications and outreach, WATH/A collaborates closely with WATH/D. (WATH/D does not undertake work in policy or governance, leaving that role to WATH/A.)

1.3 Early Institutional History

Most of the text in the body of this report relates to the 2005–2007 period. This section summarizes some of the most important developments during 2003–2004.

WATH project implementation began at the start of FY 2003 as a project of USAID’s West Africa Regional Program (WARP). Ryan Washburn was the CTO until April 2005. The project hired its first staff at the end of 2002. The first director, Andrew Lambert, arrived in the first quarter of 2003, and activities started in the second quarter. In addition to the director, there were two expatriate (Margaret Bishop and Emily Miller), two Ghanaian (Kofi Humado and Charles Nornoo) technical staff and four Ghanaian administrative staff. The first director left in the second quarter of 2003. Jerry Wein was interim director until October 2003. In addition, John Holtzman (Abt Associates’ project lead and technical advisor) visited to give technical backstopping during the interim period. After a trial short-term consultancy in October 2003, Andy Cook arrived as the second director in November 2003. The ground floor of the Horizon Suites office block in Osu housed the WATH office during this period. Sarah Helmstadter was the WATH task manager at CARANA Corporation.

Over the course of 2003 and 2004, WATH worked to identify and build relations with export-ready manufacturers of apparel and AGOA-eligible Category 9 textiles and handcrafts. It also provided AGOA-related training, particularly to the first AGOA Resource Centers (ARCs) in AGOA-eligible countries that it had inherited from an earlier WARP initiative.

In January 2004, the project identified shea butter and processed cashew as additional sectors in which to work. At the same time, WATH started launching ARCs in other countries as they became AGOA-eligible. The project also provided support to UEMOA’s work to develop regional SPS standards and built a trade capacity-building database. In the second quarter of 2004, WATH supported its first West Africans to attend a tradeshow in the U.S. (Sources, a handicraft tradeshow in NYC), followed by the Magic apparel show in Las Vegas in August 2004. For the tradeshows and other export-development work, WATH began to make use of IESC volunteer experts, under the USAID funded Africa Fast Track Trade program. During this period, the project also liaised with the DC-based WAIBL (West Africa International Business Linkage) program, which ended in 2005. In the third quarter of 2004, WARP decided to extend WATH to August 2007 and increase its budget significantly. During the same quarter, WARP gave WATH the responsibility for technical assistance to enterprises and infrastructure development to ECOWAS through the Regional Trade Information System. At the same time, WARP developed an agreement with ECOWAS and UEMOA for WATH to develop a road-transport corruption component that would become the Improved Road Transport Governance (IRTG) initiative. As a result of anticipated growth, at the end of 2004 the project moved to the top two floors of Jubilee House (across the street from Horizon Suites). During the fourth quarter, Vanessa Adams replaced Margaret Bishop as head of Export Business Development.

WATH started with a project zone that included 18 countries: the ECOWAS 15 plus Mauritania, Chad, and Cameroon. In 2005, it also took responsibility for Gabon, Sao Tome, and Equatorial Guinea.

1.4 Institutional Changes

This report utilizes the most recent institution names. Please note that three important name changes have taken place during the last five years:

The project started as the West Africa Global Competitiveness Hub but was always referred to as the West Africa Trade Hub (WATH). When USAID/WA opened a second West African trade hub in Dakar in November 2005, the original WATH in Accra became WATH/Accra (or WATH/A) and the new hub became WATH/Dakar (WATH/D).

USAID's West Africa Regional Program (USAID/WARP) was originally housed in USAID/Mali in Bamako. WARP moved to Accra in stages over 2003–2004. It became the USAID/West Africa mission (USAID/WA) in 2006. This change of name did not represent any change in institutional structure.

ECOWAS Secretariat became the ECOWAS Commission on January 1, 2007. At that time, the Secretariat's executive secretary became the Commission's president and the internal structure was revamped to look like that of UEMOA. Thus each of the seven ECOWAS commissioners has a counterpart at UEMOA.

2. WATH/A TECHNICAL COMPONENTS

The WATH/A technical components are:

- Business environment
- Infrastructure
- Enterprise development
- Crosscutting components: communications and outreach, monitoring and evaluation, hub responsiveness.

In addition, WATH/A has a management and administration component.

WATH staff and consultants from all components wrote [trip reports](#) covering all technical assistance provided outside of Accra, Ghana.

2.1 Business Environment

Below are AGCI indicators. Please refer to Table 1 for life-of-project performance indicators.

Table 3. Business Environment - AGCI Indicators

Indicator	Current Quarter (Jul 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
AGCI PILLAR: BUSINESS ENVIRONMENT							
Number of people trained	Total	70	20	29%	360	408	113%
	Female	25	7	28%	75	120	160%
Person-months of technical assistance provided	2.5	0.29	12%	7.50	13.08	174%	
Person-months of training provided	14	0.31	2%	44	36.06	82%	
Number of textile visas granted	0	0	0%	2	3	150%	
Number of Category 9 certifications granted	2	0	0%	2	2	100%	

* AGCI pillar Business environment numbers are the sum of AGOA Textile Visas & Category 9 and SPS components.

Note: Please refer to Table 1 for life-of-project performance indicators.

2.1.1 AGOA Textile Visas and Category 9

Overview and scope

In 2000, the U.S. government enacted the African Growth and Opportunity Act (AGOA), which provides a framework for trade and investment between the United States and sub-Saharan African countries. AGOA provides duty-free and quota-free preferences to exports from AGOA-eligible African countries to the U.S., enhancing job creation and expanding business opportunities between African and U.S. entrepreneurs.

The U.S. government supports AGOA through the African Global Competitiveness Initiative (AGCI), which provides technical assistance through its Global Competitiveness Hubs in sub-Saharan Africa. The West Africa Trade Hub (WATH) was launched at the beginning of 2003 to be a resource for African and U.S. government agencies and the private sector to access information and technical assistance to boost trade.

In order to benefit from the apparel and textile duty free and quota free provisions of AGOA, the U.S. government requires that AGOA-eligible countries set up a textile-visa system to prevent illegal transshipment of textiles and apparel to the U. S., and requires a further “Category 9” certification for exports of hand-loomed articles and ethnic-printed fabrics. WATH/A reviews national submissions for textile visa and Category 9 certification, and provides trainings for national government officials in the administration of the textile visa, Category 9 certification, and customs documentation. The Trade Hub provides varied [types of technical assistance](#) in utilizing AGOA. In Business Environment, AGOA focuses on [textile visas and Category 9 certifications](#) to AGOA-eligible countries.

Objectives

- Assist AGOA-eligible countries to obtain the textile visa and Category 9 certification, enabling companies to export textiles and apparel under AGOA.
- Assist AGOA-eligible countries with the administration of the textile visa.

Activities accomplished

Table 4. AGOA Textile Visas and Category 9 Activities by Country

Countries	Technical Assistance in Textile Visa and Category 9 Certification
Benin	<ul style="list-style-type: none"> • 2004–2007. Ongoing TA. GoB to finalize sample collections and description of products for WATH/A to review.
Burkina Faso	<ul style="list-style-type: none"> • October 2005. Textile visa reviewed by WATH/A before submission to USTR. Approved August 4, 2006. • 2004–2007. Ongoing TA. GoBF to finalize Category 9 sample collections and descriptions of products for WATH/A to review.
Cameroon	<ul style="list-style-type: none"> • February 14–15, 2007. Customs and training in textile-visa administration to GoC. Submission of new textile-visa signatories to USTR and U.S. Customs & Border Protection (U.S. CBP). • 2005–2007. Ongoing TA. GoC has not initiated any work on Category 9 certification.
Cape Verde	<ul style="list-style-type: none"> • 2005–2006. Inquiry made to Promex (GoCV) about its intention to seek Category 9 certification. No interest suggested.
Chad	<ul style="list-style-type: none"> • 2005–2006. Revision of textile-visa agreement and follow up. Approved April 26, 2006. • 2006. Inquiry made about Category 9 certification submission to the Chamber of Commerce. No apparent interest was manifested.
Gabon	
Gambia	<ul style="list-style-type: none"> • 2004–2006. TA on textile visa and follow up. Approval pending at USTR. • April 19–20, 2006. Textile visa training with GoG.
Ghana	(Ghana had obtained its textile visa and Category 9 certification before the creation of WATH.)
Guinea	<ul style="list-style-type: none"> • May 2004–2007. TA for textile visa. GoG has not made progress in submitting the textile visa. • May 2004–2007. TA for Category 9 certification. GoG is still collecting samples.
Liberia	<ul style="list-style-type: none"> •
Mali	<ul style="list-style-type: none"> • 2004–2006. TA for Category 9 certification to Mali National AGOA Committee. • July 4–11, 2007. TA to resubmit signatories for textile visa and amend Category 9 certification.
Mauritania	
Niger	<ul style="list-style-type: none"> • 2003–2006. TA for Category 9 certification to Ministry of Tourism and AGOA Committee.
Nigeria	<ul style="list-style-type: none"> • November 28–December 1, 2006. AGOA/Customs/textile-visa training in Abuja and Lagos.
Sao Tome e Principe	<ul style="list-style-type: none"> • Dec 04, Apparel and handcraft industry assessment and AGOA training (see trip report).
Senegal	<ul style="list-style-type: none"> • May 04–June 2005. Provided TA to the Ministry of Commerce for Category 9. Approved June 2005.
Sierra Leone	<ul style="list-style-type: none"> • 2004–2006. TA for Category 9 certification. Approved November 2006.

Milestone highlights

- Four textile visas approved (Burkina Faso, Cameroon, Chad, and Mali). Two textile visas (Cameroon and Mali) had to be updated and resubmitted before USTR granted final approval.
- Four Category 9 certifications approved (Mali, Niger, Senegal, and Sierra Leone) by the Committee for the Implementation of Textile Agreements (CITA). Mali’s Category 9 certification required updating, resubmitting, and a second approval from CITA.
- Trained 170 people (31 women)—including 60 customs officers, 30 from Nigeria and 30 from Cameroon—in AGOA, Customs, and the administration of the textile visa.

Table 5. AGOA Category 9 and Textile Visa - AGCI Indicators

Indicator	Current Quarter (Jul 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
AGOA CAT 9 and TEXTILE VISAS							
Number of people trained	Total	20	20	100%	50	80	160%
	Female	5	7	140%	20	38	190%
Person-months of technical assistance provided	0.5	0.29	58%	1.5	1.92	128%	
Person-months of training provided	2	0.31	16%	6	6.31	105%	
Number of textile visas granted	0	0	0%	2	3	150%	
Number of Category 9 certifications granted	0	0	0%	2	2	100%	

Note: Please refer to Table 1 for life-of-project performance indicators under the AGOA section.

Operational modalities

WATH/A works with governments that are interested and proactive in acquiring textile visas and Category 9 certifications. WATH/A's assistance consists of working with the relevant government authorities to draft a [workplan and a timeline](#), and reviewing submissions of textile visa and Category 9 certifications to make sure they adhere to the requirements of the [approval bodies](#), namely the United States Trade Representative (USTR) for textile visas, the Committee for the Implementation of Textile Agreements (CITA), and U.S. Customs and Border Protection (CBP). WATH/A has published a [guide for obtaining Category 9 certification](#)

The textile visa and Category 9 certification processes are usually undertaken by national AGOA Committees under the authority of ministries of commerce. The national AGOA Committees have subcommittees that initiate and follow these processes.

The [difficulties and challenges](#) under this activity relate to the fact that governments in the region do not have the technical knowledge, and usually lack an in-country champion, to diligently undertake the textile visa and Category 9 certification processes. Once WATH/A provides guidelines and technical assistance to members of the national AGOA Committees, it is up to such committees to continue the processes, which require, for example, signing a decree establishing the textile-visa process, and selecting textile samples and providing relevant descriptions before submission to the relevant USG authorities.

Even when the process has been finalized, there is generally poor follow-up in the implementation of the textile visa, as was recently the case in Mali where the Ministry of Industry and Commerce claimed no knowledge of Mali having been granted the Category 9 certification, in spite of its being in effect for 6 months. Also, when Customs officers who have been designated as signatories change post, some governments take no action to find new signatories of the textile visa, as was the case for Cameroon and Mali. This renders the administration of the textile visa and Category 9 certification ineffective.

Finally, as noted earlier, the national AGOA Committees, which are supposed to champion the textile-visa and Category 9 processes, have not been dynamic agents in this process, lacking generally in market intelligence and export technical know-how.

Recommendations

In order to make the administration of the textile visa and Category 9 certified products more effective and to maintain institutional knowledge, WATH 2 should continue its efforts in educating the local trade and customs officials on the requirements for exporting textiles and apparel to the United States and, to some extent, getting key officials to visit the U.S. and go through the clearance process. This effort would target countries with established textile-visa systems that have shown interest in utilizing them. This effort should also try to get U.S. Customs and Border Protection more involved in giving practical advice on the

administration of the textile visa. WATH 2 should also develop a curriculum (see [AGOA curriculum development paper](#)) for local Customs services to train their fellow officers and maintain institutional knowledge.

Follow-up

- Follow up with the Government of Mali and USAID/Mali to make amendments to the textile-visa system, and train Customs officers on the administration of the textile visa.

2.1.2 Regional Policy Program: SPS Standards

Overview

West Africa has exported few agricultural products to the United States in spite of the African Growth and Opportunity Act (AGOA) that provides duty-free and quota-free access of eligible products into U.S. markets. Limited market access has been due largely to the noncompliance of West African agricultural exporters with U.S. import regulations. Similarly, there is minimal intraregional trade in agricultural products among ECOWAS countries and with other international trading partners due to a lack of harmonized national and regional SPS regulations under the World Trade Organization (WTO) Sanitary and Phytosanitary (SPS) Agreement.

In 2004, the West Africa Trade Hub (WATH) saw an opportunity to build capacity of the public and private sector in ECOWAS countries to improve compliance with WTO SPS standards in order to increase intraregional trade in agricultural products as well as trade with non-West African countries.

WATH/A's SPS activities therefore began within the Policy and Governance component in May 2004. Mr. Kofi Humado was tasked to lead WATH/A staff responsible for this work order with support from the Hub director.

[Partner organizations](#) included the Agriculture and Environment Department of the *Union Economique et Monétaire Ouest Africaine* (UEMOA) based in Ouagadougou, the Agriculture and Rural Development section of the ECOWAS Secretariat based in Abuja, and SPS institutions in non-UEMOA West Africa (Cape Verde, Ghana, Guinea Conakry, Liberia, Nigeria, Sierra Leone, and The Gambia).

Scope and focus

WATH/A identified poor national and regional training and capacity building programs to improve SPS compliance as a key constraint to market access. At the regional level, UEMOA had already initiated SPS harmonization for its eight member states while non UEMOA states were left out. WATH/A therefore adopted a strategy of, first, assisting ongoing UEMOA SPS harmonization efforts as well as later assisting the ECOWAS Secretariat to initiate a similar SPS harmonization process for non-UEMOA member countries. The goal was to merge these two SPS systems eventually under one harmonized set of regional ECOWAS SPS regulations.

Objectives

The overall objective of this work was to improve SPS compliance among ECOWAS member states and ultimately increase export earnings from agriculture, thereby contributing to increased farm employment and income, and better standards of living among farmers in West Africa.

Specific WATH/A objectives for the SPS component were as follows:

- Support the UEMOA Commission and the ECOWAS Secretariat to achieve regional SPS harmonization for all 15 member states in the areas of consumer food safety and plant and animal health, in order to improve economic integration, increase agricultural exports, and enhance regional food security.
- Train and build capacity of public and private-sector institutions and enterprises in ECOWAS countries in improved SPS compliance and food quality.

- Support the use of irradiation as an alternative quarantine measure for West African agricultural exports to gain market access into the U.S.

Activities accomplished

- Supported UEMOA and ECOWAS to achieve regional SPS harmonization.
 - Provided international SPS consultant, Dr. Ernst Graf, to review the draft UEMOA SPS Regulation within the context of the WTO SPS Agreement, and produced an analytical report, [UEMOA SPS Initiative](#), that assisted UEMOA member states to finalize and adopt the Regulation in April 2007.
 - For non-UEMOA West Africa, undertook [SPS capacity evaluation studies](#) on the legal and institutional status and resource capacity for SPS compliance in Cape Verde, Ghana, Guinea, Liberia, Nigeria, Sierra Leone, and The Gambia. See [summary table for report production and workshop dates](#) of evaluation.
 - Prepared country reports, with recommendations for building SPS capacity of the public and private sectors in each non-UEMOA country listed in previous bullet.
 - Held [validation workshops](#) in each of the non-UEMOA countries listed above to solicit feedback from the private and public sectors for finalizing the country reports. Supporting documents include participant lists and proceedings.
 - Blended the individual country reports into a [regional synthesis report](#) of the SPS systems for non-UEMOA West Africa, containing recommendations for implementation by the ECOWAS Commission. This report is available in English and French.
 - Held a regional SPS harmonization workshop for non-UEMOA West Africa under ECOWAS Commission auspices and made recommendations ([Report of ECOWAS Regional Harmonization for Non UEMOA Countries](#)) for integrating UEMOA and non-UEMOA SPS systems into a single set of regulations for all 15 ECOWAS member states.
- Trained and built capacity of public and private-sector institutions and enterprises in SPS compliance.
 - Held review and capacity-building SPS workshops for public and private-sector institutions and companies in Ghana, Liberia, Nigeria, Sierra Leone, and The Gambia (link to [validation workshops](#)).
 - Organized [anti-bioterrorism training](#) for agricultural food-exporting companies in Nigeria.
 - Collaborated with Africa Fast Track Trade Program (AFTTP) to organize voluntary experts for Hazard Analysis of Critical Control Points (HACCP) training of export-ready fishing companies in Senegal, The Gambia, and Mauritania (June – July, 2005). HACCP involves planned measures taken by a production or processing plant to ensure the health and safety of food products that meet international standards.
 - [Partner organizations](#), including meeting agendas and lists of participants at training sessions, and SPS [technical reports](#) are available.
- Supported the Ghana Atomic Energy Commission to pilot the use of irradiation as an alternative quarantine measure to improve access of West African horticultural exports to the U.S. market.
 - Undertook an economic feasibility of exporting irradiated Ghanaian agricultural exports to the U.S. market ([Irradiation Quarantine](#)).
 - Undertook an engineering assessment of Ghana's Gamma Irradiation Facility at the Ghana Atomic Energy Commission ([GAEC GIF Engineering Assessment](#)).

Milestone highlights

- Several challenges emerged during implementation of WATH/A's SPS program. Initially, the program planned to assist ECOWAS to achieve a single SPS regulation within WATH/A's project life. WATH/A fell just short of achieving this goal, however, due to a change in strategic

direction by USAID/WA following a [midterm review of SPS activities](#). The initial recommendation was for the component to end just after SPS capacity evaluations and national workshops were completed. However, the component head was able to justify continuation of WATH/A's assistance to the ECOWAS Commission. This enabled the program to organize a regional workshop for all non-UEMOA SPS public and private-sector officials and to attain consensus on the way forward for implementing a common ECOWAS SPS Regulation.

- WATH/A could have then continued its assistance to ECOWAS Commission up to the development of a single, common SPS Regulation, but the project's SPS activities stopped at this point. However, to support the ECOWAS Commission's commitment to develop a common SPS Regulation, WATH/A's SPS component head sought assistance from the WTO, Standard Trade Development Facility (STDF) for grant funds to be provided through CARANA Corporation to enable ECOWAS to complete the harmonization process. With CARANA financing, a proposal to WTO STDF was prepared on behalf of the ECOWAS Commission.
- The recommendations of the SPS synthesis report emphasized the need for capacity building and training on the WTO SPS Agreement in non-UEMOA countries. This training would have enhanced SPS awareness among public sector officials about their technical roles within the context of international trade and export revenues. In collaboration with the U.S. Department of Agriculture (USDA), WATH/A had planned to train the heads of animal health, crop protection, and food safety from all five Anglophone non-UEMOA countries. This 2-week training would have taken place in the U.S. under the USDA's Cochran Fellowship, and was to emphasize the importance of technical work within a framework focused on increasing trade in agricultural, livestock, and food products. USAID/WA required WATH/A to drop this activity following its midterm review.
- Similarly, the midterm review recommended discontinuing WATH/A support to developing the use of irradiation as an alternative quarantine measure for Ghana and ECOWAS. WATH/A recommended that the Millennium Challenge Compact (MCC) support this activity but MCC has not. Confident that this measure offers the most likely means to boost exports of West African horticultural products to the U.S., the SPS component head liaised with South African company PICOWAVE and led a Ghanaian private-sector business delegation to Cape Town, South Africa, to observe the use of this technology for horticultural exports (see trip report [no. 220](#)). The South African government sponsored most of this trip. Following this visit, a Ghanaian company, **Can** and **Kaa**, began negotiations with the Government of Ghana to rent the gamma irradiation facility at the Ghana Atomic Energy Commission to undertake commercial trials and exports of horticultural products into the U.S. The USDA Animal and Plant Health Inspection Service (USDA-APHIS) delegation to Ghana in June 2007 recommended irradiation and the use of screen houses as the most feasible SPS measures for Ghana to get its horticultural products into the U.S. market.

Table 6. SPS - AGCI Indicators

Indicator	Current Quarter (July 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
SPS							
Number of people trained	Total	50	0	0%	300	259	86%
	Female	20	0	0%	60	91	152%
Person-months of technical assistance provided	2	0	0%	6	11.14	186%	
Person-months of training provided	12	0	0%	38	27.75	73%	

Note: The SPS component's work essentially finished in May 2007.

Please refer to Table 1 for life-of-project performance indicators under the policy and governance section.

Operational modalities for SPS

- Support to the UEMOA Commission in Ouagadougou to achieve common SPS regulation for its eight member states:
 - The WATH/A SPS component collaborated with Dr. Mouslim Maïga (Director of Agriculture and Food Security, UEMOA) in identifying areas where WATH/A could assist in promoting SPS Regulation for UEMOA-member states. Initially the working relationship was cordial. UEMOA invited the WATH/A SPS component head to participate in a January 2005 workshop in Dakar to review UEMOA's draft SPS policy. UEMOA also provided WATH/A with copies of its draft SPS regulations which enabled WATH/A and ECOWAS to design a strategy for ECOWAS SPS harmonization workshops. However, the working relationship became less cordial when the process WATH/A adopted for SPS harmonization in non-UEMOA countries evolved slightly differently from that of UEMOA. WATH/A adopted a trade-based approach that involved significant private-sector input, as well as input from the public sector. UEMOA's response to proposals was not always as swift as expected, and WATH/A had to resort to reaching them through requests routed through ECOWAS Commission. However, during the final stages, in early 2007, UEMOA collaborated wholeheartedly. Dr. Maïga was a key participant at the regional SPS workshop held in Abuja in May 2007, and provided inputs that helped to design a way forward for merging the two SPS systems under a single ECOWAS SPS Regulation.
- Support to ECOWAS Secretariat (ECOWAS Commission from January 2007) to advance SPS Regulation for non-UEMOA members.
 - Initially, the ECOWAS Secretariat did not show strong commitment to the SPS harmonization program, probably due to inadequate staff to lead SPS activities. In addition, although WATH/A organized the national SPS workshops in ECOWAS' name, an ECOWAS representative attended only one, in Abuja. However, with better staffing levels at the end of 2006, Dr. Daniel Eklu, Director of the Agriculture and Rural Development Department, collaborated effectively with WATH/A to the point at which a regional workshop was organized for all non-UEMOA SPS country officials. ECOWAS' Agriculture and Rural Development Department was strongly Francophone during the period in question, whereas only one of the seven non-UEMOA countries was Francophone. ECOWAS SPS staff can be found in the list of [partner organizations](#).
 - The WATH/A SPS component worked with directors of public SPS institutions in seven non-UEMOA countries. It also collaborated effectively with the USAID/WA and country offices of FAO, USAID, and Ministry of Trade, agricultural-producer and export associations and companies in the respective countries. However, poor Internet connectivity in most of the non-UEMOA countries hindered swift communication and responses.
 - WATH/A participated in the 21st General Assembly of the Inter-African Phytosanitary Council held in Dakar, May 23–28, 2004, as well as a regional workshop in May 2007 organized by WTO in Bamako, Mali. This participation enabled WATH/A to present its program of SPS capacity building for non-UEMOA states in West Africa and to obtain feedback (see trip report [no. 206](#)).
 - WATH/A collaborated with the WTO Office for SPS Agreement and Standard Trade Development Facility (STDF) for funding assistance to develop a harmonized SPS Regulation for the 15 member states of ECOWAS. WATH/A submitted a draft STDF proposal to WTO on behalf of ECOWAS Commission to complete the SPS Regulation.
 - WATH/A collaborated with the USDA–APHIS representative in Accra Ghana, Dr. Shawn Robertson, in various aspects of SPS development. He served as the Chief Technical Officer (CTO) for the SPS component and led the midterm review of the WATH/A SPS component.

Recommendations

The outstanding issues that need to be addressed include training in the WTO SPS Agreement, as well as providing guidance and support to ECOWAS to achieve a single SPS Regulation for its 15 member states. Specific issues include:

- For the public and private sectors, building knowledge and capacity for implementation of the WTO SPS Agreement (explained in the [WTO STDF proposal](#)). As mentioned, WATH could not undertake this activity because of a change in strategic direction after the midterm review. Knowledge of the WTO SPS Agreement is basic to understanding the roles of public SPS officers within international trade. Future programs may involve such training through collaboration with regional and international training institutions such as the International Plant Protection Convention (IPPC), WTO, University of Michigan, and University of Tuskegee in the U.S.
- Pursuing WTO to approve funding for ECOWAS to achieve its common regulation for SPS harmonization. The EU is another possible source of funding for SPS capacity building in ECOWAS.
- Assisting the committee comprising Plant Protection and Regulatory Services (PPRSD) Ghana, the Ghana Atomic Energy Commission, and Ghana Standards Board to finalize irradiation and screen house protocols with USDA–APHIS, thereby paving the way for exports of irradiated and screen-housed agricultural products into the U.S. as a pilot for ECOWAS.

2.1.3 World Trade Organization (WTO) Training

WATH/A carried out a [WTO Trade in Service training workshop](#) at the behest of USTR, which was in turn responding to a request from the Nigerian Delegation to WTO in Geneva. The subject matter was the General Agreement on Trade in Services (GATS). CARANA staff member Ann Casanova and consultant Donald Mackay gave a 1-week workshop in Abuja in November 2005. WATH/A worked to organize the workshop with the Federal Ministry of Commerce's Director of External Trade, Dr. Yemi Obafemi, inviting not only Nigerians from a range of service sectors but also representatives from Ghana and The Gambia.

2.1.4 Trade-Capacity-Building Database

As WATH began operations in 2003, WARP and WATH agreed to create a [trade-capacity-building database](#) that would list all trade-related project support from donors and lenders to individual countries in WATH's project zone and to groupings of them by type of support. Charles Nornoo built the database, which provided the trade-capacity-building context in which to plan WATH's original activities. He updated it once for inclusion on the WATH website in 2004, where it remained until it became outdated.

2.2 Infrastructure

Table 7. Infrastructure – AGCI Indicators

Indicator	Current Quarter (Jul 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
AGCI PILLAR: INFRASTRUCTURE							
Number of people trained	Total	200	0	0%	600	958	160%
	Female	21	0	0%	21	47	224%
Person-months of technical assistance provided	6	0	0%	26	16.38	63%	
Person-months of training provided	4	0	0%	12	17.16	143%	
Reduction in time taken for trucks to traverse priority WA trucking corridors (percentage based on Oct 2006/May 2007 baseline)	N/A	N/A	N/A	10	N/A	N/A	
Customs agencies in RTIS pilot countries RTIS accepting concept paper and technical attachments accepted	5	0	0%	5	0	0%	
Customs agencies in RTIS pilot countries accepting RTIS technical design for implementation	0	0	0%	5	0	0%	

* AGCI pillar infrastructure includes WATH/A technical components, IRTG and RTIS

Note: Please refer to Table 1 for life-of-project performance indicators.

2.2.1 Improved Road-Transport Governance (IRTG)

Overview

West Africa has the highest costs of road transport in the world. A variety of factors contribute, including the high cost and high taxation, low capacity use, overloaded vehicles running on degraded roads, and a surfeit of old, inefficient trucks operating when they should be retired from the fleet. Another source of high cost, which also exacerbates some of these factors, is the numerous road barriers set up—mostly by law enforcement agents—to exact bribes from truckers through threats of extended delays if they are not paid. Bribery and delays at international border posts are a variant on this, where officials may additionally exploit the need to redo paperwork for cargo as part of the transition from one country to the next. This situation holds true for transport of passengers by bus as well.

This roadside corruption pervades the customs, police, and other government agencies involved. Public pressure, or political pressure from an adjacent country, may temporarily force governments to suppress the number of control posts but they inevitably spring up again, so great is the incentive to extract revenue from this lucrative but illegal practice. The issue is not one of technical change or organizational restructuring but rather of governance: unless governments fundamentally change the incentive structures that they enforce for the agencies concerned, the problem will persist. Governments must become more aware of the cost of this practice to their national economies and must understand the advantages of changing the incentive structure for their agencies.

So far, the pattern is one of transport-sector resentment, combined with resigned acceptance that occasionally bubbles over into unsustainable trucking strikes and brief orchestrated demands for change. These do not alter the situation in the long run. There is no source of information to generate ongoing debate within civil society on this topic, that is, no frequent, reliable means to identify which trucking corridor endures most corruption and delays or whether, on a given route, the costs of corruption and delays are increasing or decreasing over time. Only insistent reminders to government, donors, regional organizations, and civil society can keep the issue of roadside corruption in the public eye and generate enough pressure to reduce this form of corruption.

Scope and focus

WATH/A provided support to two regional organizations, the Economic Community of West African States (ECOWAS) and the *Union Economique et Monétaire Ouest Africaine* (UEMOA). The two organizations are jointly implementing a regional program, African Road Transport and Transit Facilitation. Various donors are implementing other elements of the program, including enforced axle-weight limits, jointly manned border posts, the introduction of a single customs document, and better vehicle safety, as well as major investments in highway engineering. WATH/A contributed to a specific aspect of this program related to reduction of road-transport corruption.

WATH/A's support took the form of the Improved Road Transport Governance (IRTG) initiative,¹ which aims to reduce road-transport corruption via a series of activities that provide negative feedback to the government agents responsible for the corruption, in [collaboration with ECOWAS and UEMOA](#). On a day-to-day basis, its staff members have worked with UEMOA and with IRTG focal points in each participating country. National IRTG focal points based in government ministries oversee the work in each country. Staff keeps ECOWAS informed of progress. IRTG activities follow guidelines explained in an agreement reached with ECOWAS, UEMOA, and the World Bank² at a meeting in Accra on May 17–18, 2005. IRTG's trucking corridors are the three routes from Ouagadougou to Tema, Bamako, and Lomé, which lie in Burkina Faso, Ghana, Mali, and Togo.³

WATH/A's IRTG component has two subcomponents dealing with (a) the information system and (b) dissemination and advocacy activities. Since September 2005, the information-system subcomponent has focused on gathering data and producing quarterly reports on corruption along the corridors. Since September 2006, the civil-society and media outreach subcomponent has focused on making key stakeholders (especially journalists, civil society, and the private sector) aware of IRTG issues and promoting partnerships leading to debate and advocacy on these issues.

Objectives

IRTG aims to provide credible information on the state of road-transport corruption to stakeholders so that they can successfully undertake advocacy to reduce the corruption. This reduction would diminish trucking costs by lessening the direct cost of doing business and by allowing faster transit times along these corridors, thus increasing capacity use, increasing trucking efficiency, and lowering the transaction costs of trade, including loss of perishables. It would also diminish costs by reducing the uncertainty associated with delays in trucking. WATH/A initially anticipated that, by the end of Year 4 of the project, the system would have been operational along some priority corridors for over 18 months.

More specifically, the objectives of the [information-system](#) subcomponent are to:

- Collect reliable data on bribes and delays along priority corridors.
- Ensure appropriate statistical analysis of those data.
- Produce quarterly IRTG reports, noting trends over time, on (a) checkpoints; (b) bribes collected; and (c) delays by agent, corridor, uniformed service, and country.

The objectives of the [civil-society and media outreach](#) subcomponent are to:

- Disseminate IRTG reports of results on a quarterly basis to a wide audience, including ministries and other agencies of government (including police, customs, and *gendarmérie*), local and

¹ In French, IRTG translates to *Observatoire des Pratiques Anormales* (OPA), and has a more negative connotation.

² During the WATH/A project, the Sub-Saharan Africa Transport Project (SSATP), funded mostly by the World Bank, contributed funding to IRTG.

³ IRTG has not yet worked on other trucking corridors identified, in order of decreasing priority:

1. the routes from Niamey to (a) Cotonou and (b) Ouagadougou (specified by ECOWAS and UEMOA but de-emphasized by WATH/A because of lack of means);
2. the five-country Abidjan–Lagos corridor (where the World Bank-financed Abidjan-Lagos [ALCO] Project currently works on HIV/AIDS due to border delays, and which ECOWAS states will use the IRTG methodology once validated); and
3. all other major trucking corridors in West Africa (eventually).

international media, civil-society organizations (CSOs), ECOWAS and UEMOA, donors, the Bretton Woods institutions, firms, and private-sector organizations, and via other means to less literate stakeholders (including truckers' associations and drivers' unions).

- Design and implement incentives for national and regional CSOs to generate maximum debate on the subject, to engage actively with governments in actions against road-transport corruption and to increase media coverage and/or publications highlighting findings from the data on bribes and delays.
- Encourage formal private-sector actors to hold national governments accountable for corruption and inefficiency in road transport.⁴

Activities accomplished

- WATH/A worked with UEMOA to build a national IRTG system in each of the four participating countries, comprising a government ministry overseeing IRTG activities in each country as “national coordinator” and a focal-point organization that collected, entered, and transmitted data. In Burkina Faso, Mali, and Togo, the governments nominated the Ministry of Transport as the national coordinator; the Government of Ghana chose the Ministry of Foreign Affairs, Regional Cooperation, and New Partnership for African Development (NEPAD). The process started with a joint UEMOA–WATH/A team visiting each country, evaluating plausible focal-point organizations and recommending the best to UEMOA. UEMOA then requested approval of the proposed organizations from the national coordinator. This process resulted in recommendations that the *Conseil Burkinabè des Chargeurs*, the Ghana Shippers' Council, the *Chambre de Commerce et d'Industrie du Mali*, and the *Chambre de Commerce et d'Industrie du Togo* become [focal points](#) to assume IRTG tasks. These organizations have committed themselves to IRTG work since December 2005 in Burkina Faso, April 2006 in Ghana, November 2006 in Mali, and February 2007 in Togo.
- WATH/A worked particularly with UEMOA and the focal points, but also with ECOWAS and the national coordinators, to generate five-party agreements governing the modalities of IRTG operations within each country, including details of remuneration to the focal point for its contributions.
- WATH/A provided computer equipment to each focal point along with training in IRTG methodologies and software use. The methodologies included the selection of long-distance truck drivers who would be entrusted with blank questionnaires to complete, based on whether their documents were in order and their trucks met technical norms. WATH/A used a Ghanaian company, Road Safety Limited, to train focal-point staff in Tema, teaching them how to check trucks for compliance with technical norms. Focal-point agents distributed 750 forms and collected 250. Of these 250, focal-point staff computerized data from the 125 that were completed correctly.
- IRTG designed, tested, refined, and adopted a methodology for data collection.
- In 2006, short-term consultant Adinan Kaleem designed computer software for the entry, transmission, aggregation, and analysis of data. After testing, IRTG began using the software in the first quarter of 2007.
- WATH/A organized four [media and civil society workshops](#): October 2006 in Ghana, November 2006 in Burkina Faso and Mali, and March 2007 in Togo. These workshops explained the IRTG mission and raised consciousness about road-transport corruption.
- In April 2007, WATH/A sponsored the *Ghanaian Times* journalist Innocent Appiah to travel by truck on the Tema–Ouagadougou corridor to report on road corruption. He wrote several

⁴ The activities of the civil-society and media outreach subcomponent were guided by a September 2006 report by consultant David Schacht's: [IRTG recommended civil-society outreach and diffusion strategy](#) and [IRTG recommended rolling work plan for the civil-society outreach and diffusion activities](#).

[articles for the Ghanaian Times](#) on road-transport corruption, particularly in Ghana, that generated significant interest in the topic.

- WATH/A organized three formal [private sector workshops](#), in which media and civil society also attended. They were April 2007 in Ghana, and June 2007 in Mali and Burkina Faso. The themes for these workshops were similar to those presented in the media and civil society workshops.
- Between January and August 2007, WATH/A:
 - Distributed 2,500 trifold [brochures](#) to inform stakeholders about IRTG work. Brochures were handed out at various meetings with drivers and at workshops with the formal private sector, media, and civil society.
 - Distributed 220 cassettes and 20 CDs of anti-road-corruption songs in the Bambara language, widely spoken in Mali, as well as 160 cassettes and 64 CDs in the Ewe language, widely spoken in Togo, mixed with French. Drivers received cassettes to encourage them to fill in forms and desist from paying bribes. This distribution was done during sensitization meetings. Radio stations in Mali and Togo received CDs to broadcast the debate about road corruption.
 - Produced and distributed 1,000 [pocket guides](#), called Required Interstate Documents for Ghanaian Truck Drivers, for truckers in Burkina Faso, Mali, and Togo, in both French and English. These booklets aimed to increase driver professionalism. WATH/A gave some of these booklets away to promote IRTG work but sold most of them to drivers to encourage their use as a valuable tool.
 - Produced [outreach documents, banners and posters](#) with the data map “West Africa – Priority Corridors Check Points, Bribes, and Delays” to use as visual aids in sensitization meetings with drivers and in other events.
- IRTG presented its [first report of findings](#) during an [IRTG Conference at the UEMOA Commission](#), July 5-6, 2007; 115 people attended—including representatives from ministries of transport; police, *gendarmerie*, and customs services; the formal private sector; civil society; and the media—from several UEMOA countries, as well as Ghana and Nigeria. The conference recommended that IRTG start working at ports and on the Cotonou–Niamey corridor in 2008.
- WATH/A diffused the reports and [maps](#) through the contact database software *SalesForce* and distributed 300 hard copies in Burkina Faso, Ghana, Mali, and Togo. The recipients included governments (police, *gendarmerie*, and customs), unions, companies, donors, the media, and civil-society organizations.
- In 2007 WATH/A presented the first results on checkpoints, bribes, and delays to truck drivers: on August 7 in Dakola (Burkina Faso), on July 17 and August 23 in Tema (Ghana), on August 22 in Circle (Ghana), on September 13 at Agbogbloshie (Ghana), on September 4 in Bamako (Mali), and on September 19 in Lomé (Togo).
- IRTG held two steering-committee meetings, in January 2006 and January 2007. In each case, participants included representatives of USAID/WA, ECOWAS, UEMOA and/or Sub-Saharan African Transport Program (SSATP), national coordinators, and focal points. In addition, truckers and drivers’ representatives from some countries participated. In each case, the meetings generated consensus on future directions but did not reach any conclusions on post-WATH sustainability.

Milestone highlights

- The Ghana Shippers’ Council appointed two staff for IRTG and provided 35% of their salaries. The *Conseil Burkinabè des Chargeurs* provided an office and appointed a full-time senior staff to manage three new staff. It is no coincidence that most of the correctly completed data collection sheets used for the first IRTG report pertain to the route for which these two institutions have responsibility. Focal points’ commitment will be crucial in ensuring sustainability of the IRTG information system after WATH/A withdraws from the project.

- UEMOA committed itself to IRTG by tasking its IT department to host IRTG data analysis.
- In April 2007, multiple [articles for the Ghanaian Times](#) written by WATH/A-sponsored journalist Mr. Innocent Appiah were published. A front-page article with a photograph of an angry Ghanaian police officer apparently threatening a truck driver attracted a lot of attention and provoked reactions in other media. This press resulted in the Ghana Police Service ordering drivers not to pay bribes and/or report police officers demanding bribes, and threatening punishment of drivers who pay bribes.
- IRTG published the [first report of findings](#) showing how many checkpoints truckers encountered during their journeys, along with bribe levels and time lost, on three corridors. The report compared corruption levels between countries, corridors, and uniformed services.
- About 100 participants from 10 West African countries—including Burkina Faso, Ghana, Mali, and Togo—attended the [IRTG conference at the UEMOA Commission](#), launching the first report of findings. For the first time ever, the event brought together representatives from ministries of transport and trade, chambers of commerce and industry, media, transporters, civil society organizations, and the formal private sector—with the police service, *gendarmerie*, and customs service from the countries concerned.
- The first report was commended by former World Bank President Paul Wolfowitz in the U.S. and other stakeholders internationally and reported in an [Economist article](#). At least two [blogs](#) reproduced the map.
- WATH/A generated a total of 42 [published articles](#) in newspapers and journals. In addition, five radio and four television [broadcasts](#) reported on IRTG.
- WATH/A produced and sold to truck drivers [pocket guides](#) providing information on documentation formally required for trucking in Ghana, Burkina Faso, Mali, and Togo.
- In January 2006, the ALCO project indicated that it wanted to develop its own methodology for measuring road-transport corruption. However, ECOWAS stated that WATH/A's methodology, once validated, would be the standard methodology for West Africa.

Major obstacles encountered

- A UEMOA–WATH/A team evaluated the *Chambre de Commerce et d'Industrie du Mali* (CCIM) as the institution best qualified to be Mali's IRTG focal point. However, CCIM has not yet shown much sign of contributing to the sustainability of the system. Its two agents are not IT-literate, as requested. In August 2007, the CCIM proposed a third agent who is IT-literate and bilingual but also asked WATH/A for significantly larger remuneration than GSC or CBC receives for more work. The national coordinator has not sought to solve this problem.
- The evaluation team chose the *Chambre de Commerce et d'Industrie du Togo* (CCIT) as the best qualified institution to serve as Togo's focal point. However, after several months, Togo's national coordinator has not yet validated that choice and CCIT has made little effort to facilitate the validation.
- The selection of Ghana's national coordinator took almost 2 years because the government's original choice was merged into another ministry, following which the more technical Ministry of Roads and Ministry of Ports, Harbors and Railways, as well as the Ghana Highway Authority, wanted to play the coordinating role. As Ghana is not a member of UEMOA, the UEMOA Commission was not in a position to play an influential role in resolving the impasse. Eventually, the government chose the Ministry of Foreign Affairs, Regional Cooperation, and NEPAD.
- IRTG does not have agreements for Ghana, Mali, or Togo that define duties and rights of the different participating organizations. For Ghana, the delay has been due to the government's indecision about which ministry would be the national coordinator. For Mali, the problem stems

from the focal point's proposal for higher remuneration than either Burkina Faso or Ghana, both of which do significantly more IRTG work. In Togo, the national coordinator has not yet accepted UEMOA's nomination of CCIT as the focal point. With UEMOA's approval, WATH/A has made an interim payment to GSC, which has done good work so far without an agreement, but this is an irregular situation.

- Along the three corridors, IRTG collected only 250 data forms, 35 percent of the number of forms distributed (700). The low collection rate mainly concerns the Lome–Ouagadougou and Ouagadougou–Bamako corridors, largely because of the lack of operational focal points in Mali and Togo. In addition, many trucks traveling to or from Bamako to Lome or Tema do not stop at the Ouaga–Inter truck stop in Ouagadougou where CBC agents are located to supply and collect forms.
- At WATH/A's request, UEMOA defined the Structured Query Language (SQL) software that IRTG was to use for the entry, transmission, aggregation, and analysis of data. This formed the basis of the work that IRTG programming consultant performed for UEMOA. However, the UEMOA IT expert left UEMOA's IT department shortly thereafter and his two successors took several weeks to start running the IRTG system.
- Delays in setting up data analysis capacity at the UEMOA Commission resulted in delayed publication of the first IRTG report. This delay resulted in the first report appearing significantly later than foreseen and in turn, pushed back the date of the workshop for the regional IRTG launch from March to July 2007. In addition, IRTG's media subcomponent got underway before there was a report to publicize. The subcomponent therefore continued with its publicity of the road-transport problem in general. However, without a report to reference, the articles in *The Ghanaian Times* that stimulated significant popular interest lacked firm statistics to validate the issue. The unexpected publicity raised the possibility of a backlash against what might have been perceived as a USAID-sponsored antigovernment campaign against uniformed services, without hard facts to back it up. So, as a precautionary measure, WATH/A:
 - curtailed its program promoting journalistic coverage of road-transport corruption; and
 - bought and distributed existing cassettes and CDs of anti-road-transport-corruption songs, rather than commissioning its own.

Reflection on the experience raised the idea that CSOs might be better placed to promote anticorruption advocacy and work directly with the press, even once the first report is released.

- Annual steering-committee meetings may not be sufficiently frequent to keep all actors current and focused on IRTG activities, and have not yet enabled ECOWAS and UEMOA to solve some fundamental organization questions linked to focal points and national agreements, or the basic issue of long-term sustainability. ECOWAS did not send a representative to the second of these meetings.
- For WATH/A's monitoring and evaluation, IRTG generates its own baseline in the form of its first report, which will contain statistics for the indicator "reduction in time taken for trucks to traverse priority West African trucking corridors" (see indicator table below). The baseline now exists for the three corridors surveyed. The second report, including changes in time taken to traverse the corridors, was published in October 2007.

Table 8. IRTG – AGCI Indicators

Indicator		Current Quarter (Jul 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)		
		Target	Achieved	% Achieved	Target	Achieved	% Achieved
IRTG							
Number of people trained	Total	200	0	0%	600	958	160%
	Female	21	0	0%	21	47	224%
Person-months of technical assistance provided		6	0	0%	18	16	89%
Person-months of training provided		4	0	0%	12	17.16	143%

Note: Please refer to Table 1 for life-of-project indicators under the policy and governance section.

Table 9. Data on Regional Trade Corridors Disaggregated by Country

Indicators	FY 2007				Total all countries		
	Burkina Faso	Ghana	Mali	Togo	Target	Achieved	% Achieved
Reduction in time taken for trucks to traverse priority West African trucking corridors	NA	NA	NA	NA	10%	NA	NA
Number of anti-corruption measures implemented by regional/national level governments to reduce bribes and delays among major transport corridors	1	2	0	0	2	3	150%
Number of people trained in anti-corruption measures	236	396	219	204	600	1,055	176%
Number of articles or press releases published on corruption	7	18	5	5	8	46	575%
Number of civil society organizations engaged in supporting IRTG work	5	5	4	3	6	17	283%
Number of people informed about bribes and delays along major transport corridors	399	657	357	532	1,000	1,945	195%
Number of milestones achieved in building capacity of civil society organizations to apply anti-corruption measures	2	2	2	2	2	8	400%

Note: The Conflict Mitigation and Corruption Reduction Office of USAID/WA required that IRTG report on indicators 2–7 as a condition of providing \$150,000 to financing civil-society and media outreach activities.

Operational modalities

- UEMOA had already tried to undertake a project similar to IRTG in 2002. So when ECOWAS and UEMOA agreed to collaborate on the wider Road Transport Facilitation Programme in November 2003, UEMOA had more experience with road-transport-corruption systems and took the initiative to prioritize the corridors on which it had already worked. Thus, UEMOA became the de facto IRTG manager on behalf of both organizations. ECOWAS and UEMOA agreed that, for corridors that lay entirely within UEMOA countries, UEMOA would take the lead and that, for all others, ECOWAS would take the lead, with one exception: UEMOA would manage corridors linking Burkina Faso and Ghana. Thus all three corridors included so far converge on Ouagadougou, site of the UEMOA Commission, and all five “priority corridors” are UEMOA-managed.
- The World Bank finances the Abidjan–Lagos Corridor Organization (ALCO) for ECOWAS. ALCO is an international organization set up to undertake work across five countries. During its initial funding period (to the end of 2007), ALCO has looked principally at the HIV/AIDS aspects of trucking delays at the border posts along this corridor. However, ECOWAS has stated that it wants ALCO to implement the IRTG methodology as soon as that methodology is

validated. IRTG therefore keeps in contact with ALCO and has participated in its midterm evaluation.

- WATH/A's points of contact with these organizations are: Mme. Hélène Guissou, Director of Land and Maritime Transport, and M. Augustin Karanga, Transport Economist (UEMOA); Mr. David Kamara, Director of Land and Maritime Transport, and M. Jules Gogoua, Transport Economist (ECOWAS); Mr. Yao Azigbey, Coordinator for West & Central Africa (SSATP); and M. Edy Anthony, Director (ALCO). See [list of principal IRTG contacts](#). WATH/A staff frequently consult Mme. Guissou and her staff because UEMOA acts on behalf of both UEMOA and ECOWAS in IRTG matters.
- IRTG follows guidelines given in the minutes of the Accra meeting on May 18, 2005, and its annual steering-committee meetings.
- Through WATH/A, IRTG received funding from the Trade and Investment Office and the Conflict Mitigation and Corruption Reduction Office of USAID/WA. In addition, the mostly World Bank-funded SSATP has provided funds directly to UEMOA for IRTG activities.⁵ SSATP funds proved to have cumbersome disbursement criteria so IRTG used them for large costs borne directly by UEMOA, which dealt with SSATP to obtain these.
- Work started with the recruitment of the first information-system staff member in September 2005. He spent 6 months on roads, at harbors, and at truck stops, talking with truck drivers and their unions, studying road-harassment problems and involving them in the search for solutions, paving the way for data collection on bribes and delays. He drafted questionnaires and started a list of truckers' contact information. To ensure sustainability, he identified road-transport trade unions and associations willing to take part in IRTG without remuneration. He trained trainers of focal points; at WATH/A's expense, Ghanaian company Road Safety Limited trained them in verification of truck safety.
- Focal-point agents register truckers daily at major truck stops or ports. When they find trucks—with educated drivers who are willing to complete the data collection form and have appropriate documentation—that are ready to travel, they verify the roadworthiness of the trucks and fill in the first part of the form, leaving the second part for drivers to complete each time they are stopped. The first part notes the driver's code but no name (to protect the driver should the form become contentious). It also notes the driver's citizenship, details of the vehicle and its cargo, and the truck's origin and destination. Focal-point agents' counterparts at the destination collect completed forms from drivers, check the data quality, enter the valid data into a computer, and transmit it to UEMOA's IT department. From time to time, IRTG agents travel in trucks on corridors to verify the accuracy of the data collected.
- IRTG began its work on the Tema–Ouaga corridor, judged to be the easiest, given the locations of the WATH/A office and the UEMOA Commission. Only when it had set up a functioning data collection system on that corridor did it expand its activities to the Lome–Ouaga and Ouaga–Bamako corridors. WATH/A estimated that it did not have the resources to tackle the Cotonou–Niamey and Niamey–Ouagadougou corridors in FY 07 and left those to a later date.
- Two staff members have worked on the civil-society and media outreach subcomponent since its activities started in September 2006.
- IRTG works with a diversity of economic operators, ranging from illiterate drivers in the informal sector to sophisticated professionals in the public and formal private sectors. It has therefore tailored its approaches and outputs to the different needs of these groups. It has been

⁵ Donors active in other aspects of the West African road-transport sector are the World Bank, the European Community, the African Development Bank, the West African Development Bank, and the Islamic Development Bank.

important to maintain contact with the drivers who collect the data through meetings, including those held to give feedback on IRTG results. This contact builds their commitment to IRTG. Meetings are also necessary with more literate stakeholders, though reports, phone calls, emails and visits in person are a partial substitute.

- The first IRTG report received favorable feedback but reached only around 500 recipients because the WATH/A *SalesForce* contact database was not fully ready for the electronic mailing. WATH/A has taken steps to revise *SalesForce* so that future reports will go out to a larger tailored IRTG readership.

Recommendations

- WATH/A will have to prioritize several distinct ways of expanding its work:
 - Once its operations on the three existing corridors have been consolidated, UEMOA expects IRTG to reproduce this work on the Cotonou–Niamey and Niamey–Ouagadougou corridors. Similarly, ECOWAS expects IRTG to start work on the more demanding, high-volume, five-country ALCO corridor. Other countries have expressed an interest in IRTG, and USAID/WA has received expressions of interest from bilateral missions in Senegal and Sierra Leone.
 - UEMOA has requested that IRTG be extended to cover passengers in buses traveling along IRTG corridors. This work is distinct from that already done in that it does not deal with truckloads of merchandise and it would require a different methodology. The proposal also raises the issue of reporting by different type of truck, the details of which IRTG has aggregated so far.
 - UEMOA has requested that IRTG be extended to work on port corruption, presumably with an emphasis on the ports at the termini of the corridors it current monitors (by definition, however, such a module would cease to be “IRTG”).
 - More generally, work could expand to cover the entire logistics of transport and transit along specific corridors, including, for example, port and transport costs (including corruption), insurance, banditry, overloading, and red tape (costs of documentation and doing business). Collecting ongoing data on all of these issues would cost a lot. An alternative model for fact gathering would be a rolling series of data collection exercises to provide data for the “market-chain” model, each significantly lighter than the ongoing collection of data for the current IRTG reports.
- The work of data collection will have to keep drivers motivated through rewards for good data collection, constant feedback on IRTG news, and in other ways in order to increase the proportion of data collection forms completed and submitted to focal points.
- An “800” phone number for drivers who have problems at barriers could be a way of gathering information, but IRTG would have to decide how it would work and whether to make it available only to approved drivers.
- IRTG should develop software to integrate data from sections of corridors. Few corridors are going to have qualified drivers who will be willing to (1) gather data from end to end and (2) make the effort to give data collection sheets to focal-point staff. For instance, the current system does not gather much data on the Bamako–Ouagadougou corridor in part because many drivers from Bamako to Tema take the Bobo-Dioulasso–Wa road rather than passing through Ouagadougou. Also, few drivers are actually going to travel all the way from Abidjan to Lagos on the coastal corridor.
- If IRTG starts operating, perhaps under ALCO auspices, on the Abidjan–Lagos corridor, ECOWAS will be responsible for this work. IRTG will then have to decide whether and how to integrate results produced by ECOWAS and UEMOA.

- WATH/A should increasingly administer grants to CSOs to organize outreach and advocacy activities.
- IRTG’s success depends on maintaining updated and regular contacts—by phone calls, emails, chats, and visits—with key partners, media, and CSOs, to keep relationships strong.
- USAID/WA and WATH 2 should reduce to no more than three the number of IRTG indicators for reporting on its outreach and advocacy work.
- IRTG should begin to work directly with large companies that have fleets travelling along the corridors it monitors. For instance, the petroleum company Total leases at least 200 tanker trucks for its Ghana-based regional operations from a series of subcontractors with which it works closely; the company is interested in participating in IRTG.

Follow-up

- The labor-intensive work of motivating drivers, training and retraining them, and giving them feedback on IRTG progress and results must be sustained in order for the system to continue to have sufficient reliable data. So must quarterly verification through clandestine checks by IRTG staff.
- UEMOA’s IT department intends to upgrade the software program in time to generate statistics for the second IRTG report. WATH 2 should follow closely this process and be ready, if necessary, to use WATH/A’s existing software as a fallback to generate statistics for the second report.
- IRTG published its second report in October 2007. The resulting information serves for the indicator “reduction in time taken for trucks to traverse priority West African trucking corridors.” From January 2008, reports should appear quarterly within 10 days of the end of the previous quarter.
- WATH 2 should provide UEMOA’s IT department with details of how to calculate delays as a cost, through a formula based on the monetary value of time. This allows a comparison of the cost of bribes and delays and the summing of both to get a total monetary value of road-transport corruption.
- WATH 2 intends to hold a road-transport advocacy workshop with CSOs to map a strategy and plan advocacy activities for phase II. Participation of CSOs from priority countries will enable identification and understanding of cultural and institutional similarities and differences between countries. The workshop should outline a competitive process for allocation of grants to CSOs (or consortia of CSOs) to do outreach and advocacy work in each country where IRTG operates. WATH 2’s tasks then become evaluation of grant proposals, allocation of funds, support to grant recipients, and M&E.
- IRTG will hold its next steering-committee meeting in January 2008.
- UEMOA and ECOWAS will have to achieve more coherence in focal-point performance and remuneration at the next steering-committee meeting, if not before. Poor focal-point performance is limiting data collection for Mali and Togo.

2.2.2 Regional Trade Information System (RTIS)

Overview and context

The Regional Trade Information System (RTIS) is an initiative that ECOWAS designed to generate efficient flows of harmonized trade data across the region. WARP and USAID/WA have supported RTIS through WATH since mid-2004. WATH/A has worked with ECOWAS’ Community Computer Centre (CCC) in Lome, Togo, to design an implementation plan.

ECOWAS' RTIS conception has evolved over time, partly as a function of changes in available technology. The key benefits of the currently proposed system are:

- Easy exchange of customs data within and among the member states, which would greatly reduce:
 - internal customs procedures (e.g., customs escorts).
 - customs clearance time at borders, and overall transport time (e.g., avoiding repeated data entry because only the country of departure need do this).
- Rapidly available data for the compensation mechanism of ECOWAS' Common External Tariff.
- Easy reconciliation of customs data between the points of transit origin and destination.
- Facilitating trade analysis across products, countries, importer/exporter, port, or supplier (e.g., ad-hoc querying and creating/customizing reports).

Scope and focus

RTIS' scope extends to a functional 15-country integrated system for customs information, linked to statistical services and other partners, including the private sector (see table of [RTIS Contacts](#) for details). This requires software and hardware to link all customs services to each other and to CCC, institutional logistics to support the system in each country (including training, as necessary), and changes to any laws in each country that would not allow the system to function.

In practice, WATH/A found the FY 07 workplan for this component too ambitious, and secured ECOWAS agreement to limit the focus to building and implementing a five-country pilot RTIS. The first RTIS steering-committee meeting further limited FY 07 activities to the following:

- An initial package describing the goal and the current situation and providing proof of political commitment:
- A high-level [concept note](#) outlining the context, goals, benefits, and staged implementation of RTIS.
- Four surveys in the five pilot countries covering software and hardware, as well as the institutional and legal issues (with ECOWAS taking responsibility for the legal survey).
- Endorsement of the concept note and the four surveys by the Directors General of Customs in the 15 member states.
- Software architecture.

To meet USAID rules for activities that involve significant investment, USAID/Washington had to approve the initial package before USAID/WA would approve the software architecture.⁶

Objectives

Contribute to the design of a five-country pilot RTIS that will link customs services of ECOWAS member states via a structure that enables efficient flows of harmonized trade data across the region. For each area below, the system should be able to:

Software:

- Capture export, import, and transit data from all member states and transmit them to a central server hosting a regional customs database.
- Use common definitions of terms and standardization of customs data content and format among ECOWAS member countries.

Hardware:

⁶ The procurement of hardware and the implementation of the pilot phase during WATH2 would follow a second review by USAID/Washington. This would include setting up hardware, writing software that would allow all customs services to convert their data to a common system, training of customs IT staff as necessary, and providing support to CCC (which would maintain the system).

- Allow reliable data communication between customs services and CCC.⁷

Institutional aspects:

- Ensure that individual customs services are configured and have staff trained to fully participate in RTIS.

Legal aspects:

- Ensure that member states' laws do not inhibit the implementation of RTIS.

Within these objectives, WATH/A's responsibilities lay mainly in recruiting personnel for software development and financing an ECOWAS-led hardware survey and a planning workshop for directors of IT and legal affairs from member states' customs services. In contrast, ECOWAS took full responsibility for the legal aspects.

Activities accomplished

1. Louis Chanco, consultant, completed a [mid-term assessment](#) of the Regional Trade Information System in May 2006.
2. The WATH/A customs-database expert:
 - Redrafted RTIS goals and objectives in the light of the midterm assessment.
 - Made visits in June 2006 to customs offices in Togo, Ghana, and Benin to study their IT operations and procedures (see trip report [no. 128](#)).
 - Worked with ECOWAS customs and IT experts in June and July 2006 to:
 - draft functional specifications for regional customs databases.
 - choose the pilot RTIS countries for FY 07: Nigeria, Benin, Togo, Ghana, and Burkina Faso.
 - assessed the telecom infrastructure available in West Africa, as part of an RTIS telecom subcommittee meeting (telecom subcommittee meeting report was produced).
 - Produced a [prototype database structure](#) for the RTIS application by consolidating the customs-information-tracking database structures of GCNET (Ghana) and ASYCUDA 2.7 & ASYCUDA ++ (Côte d'Ivoire, Togo, and Nigeria).
 - Evaluated available application development platforms that could be used for building the RTIS application and proposed Microsoft .NET or J2EE.
 - Conducted [national inventory audits](#) (involving software, hardware, and institutional framework) in five pilot countries, namely Benin, Côte d'Ivoire, Ghana, Nigeria, and Togo from February 27 – March 9, 2007 (see trip report [no. 214](#)). He also conducted a similar audit in Senegal (see trip report [no. 175](#)).
 - Based on the inventory audits:
 - performed software analyses detailing the findings of [national inventory audits](#) in six countries.
 - developed a [prototype database structure](#) with sample data collected during the audits.
 - Reviewed [ECOWAS' Official journal](#) to establish the official position of ECOWAS on the responsibilities of the CCC and the interconnectivity of customs databases.
3. ECOWAS drafted an RTIS [concept note](#) providing the context for action and a vision for the system.

⁷ For CCC, ECOWAS expanded the hardware specification to include communications between ports, airports, border posts, and headquarters within countries. The expanded specification also included real-time exchange of data.

4. An ECOWAS-led team of four experts surveyed telecommunications hardware in the five pilot countries.
5. As part of the reorientation of the CCC Director’s drive to unify the customs connectivity activities taking place under CCC:
 - The WATH/A director attended a meeting in Abidjan, hosted by ECOWAS and the Ivorian Customs Service, to review the different projects (including RTIS) taking place under CCC’s aegis and discussed (and ultimately recommended) their consolidation into a single customs-connectivity initiative.
 - ECOWAS held a WATH/A-financed meeting in Abuja with the heads of IT and legal affairs of the customs services from the RTIS pilot countries to discuss software harmonization and legal aspects.
6. WATH/A hosted three RTIS steering-committee meetings (with participation of ECOWAS/CCC, USAID/WA and WATH/A):
 - December 18, 2006: Reduced activities to be accomplished within FY 07 (relative to the FY 07 workplan); grouped activities and agreed to obtain USAID/WA approval of each group before progressing to the next; provided feedback on documentation produced thus far.
 - February 2, 2007: Adopted a revised RTIS workplan, clarified communication channels, agreed on recruitment of experts for the telecom hardware survey and on details of the meeting of Directors General of customs.
 - July 16, 2007: Discussed CCC’s new approach to customs connectivity, unifying several CCC projects with overlapping responsibilities (not entirely consistent with the FY 07 workplan).

Table 10. RTIS – AGCI Indicators

Indicator	Current Quarter (Jul 2007 – Sep 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
RTIS							
Number of people trained	Total	0	0	n/a	0	0	n/a
	Female	0	0	n/a	0	0	n/a
Person-months of technical assistance provided	0	0	n/a	8	0	0%	
Person-months of training provided	0	0	n/a	0	0	n/a	
Customs agencies in RTIS pilot countries accepting concept paper and technical attachments	0	0	n/a	5	0	0%	
Customs agencies in RTIS pilot countries accepting RTIS technical design for implementation	0	0	n/a	5	0	0%	

Note: Please refer to Table 1 for life-of-project performance indicators under the policy and governance section.

No results have been recorded for RTIS because the workplan did not envisage technical assistance or training and because ECOWAS did not complete the concept paper and technical attachments and so could not forward them to customs agencies in the pilot countries for consideration.

Operational modalities

- The ECOWAS Council of Ministers established CCC in June 1986 as a decentralized department of the Executive Secretariat. CCC has acted as a regional base for the promotion of ASYCUDA (Automated System for Customs Data) and EUROTRACE software (the latter used for statistical analysis of the customs data, typically by national statistical offices). CCC’s mission is to carry out installation, training and logistical support for the ASYCUDA and EUROTRACE

software in member states, as well as centralization and publication of the region's external trade statistics.

- WARP decided to channel its support to CCC's RTIS initiative through WATH/A. WARP and ECOWAS agreed that WATH/A would support RTIS administratively while ECOWAS would retain overall technical control. Thus WATH/A's RTIS staff would report administratively to the Director of CCC and administratively to the WATH/A director.
- ECOWAS requested that WATH/A recruit two staff members for CCC, a hardware coordinator and a database expert. The ECOWAS-selected hardware coordinator did not take the position. When this candidate backed out, CCC decided not to renew the recruitment process but to replace him with an RTIS hardware subcommittee.
 - Two rounds of interviews in Abuja resulted in the hiring of a database expert. The recruitment process lasted from late 2004 until March 2006.
 - ECOWAS requested, and WARP agreed, that the WATH/A staff members be recruited at a salary level on the ECOWAS salary scale that would allow them to be integrated into the ECOWAS Secretariat at the end of 2 years. ECOWAS later stated that it could not guarantee that the ECOWAS Secretariat would absorb the WATH/A staff members and deemphasized this issue.
 - ECOWAS and USAID/WA administrative rules are quite different in terms of setting salaries and benefits, recruitment, per diem, country clearance, etc., which caused delays on several occasions.
- Once at post in Lomé, the database expert traveled to Accra for WATH/A technical staff meetings (every four weeks) in order to maintain a sense of his being part of the WATH/A team.
- Due to slow progress, USAID/WA had asked for a mid-term RTIS review, which took place as the database expert started work at post.
- During most of 2006, the CCC Director was largely absent and delegated RTIS responsibilities to his head of research and training, based in Abuja (while the database expert was based in Lomé).
- The database expert achieved his output through information gathering and interaction with ECOWAS, UEMOA and their member states' customs authorities.
- The single biggest challenge so far has been a lack of sustained clear communication of expectations between ECOWAS, WATH (in Accra and Lomé) and USAID/WA. Although ECOWAS approved the RTIS component of each successive WATH/A annual workplan from FY05 onwards, the first RTIS steering-committee meeting did not take place until December 2006. In addition, ECOWAS' reference point tended to drift way from both the contents of the workplans and the agreements made at steering-committee meetings. The net result was recurrent deviation in workplan implementation.
- Once the director returned full-time to CCC in January 2007, he re-conceptualized the project support that various donors were providing and moved towards unifying the different elements. However, he delayed informing USAID/WA of the changes that this would mean for WATH/A support to RTIS.
- USAID/WA now awaits the results of the unified customs-connectivity planning currently underway to see the role that WATH 2 might assume.

Recommendations

- WATH 2 should have a full-time representative at CCC to ensure good communication between CCC, the trade hub and USAID/WA.

- Formally, the WATH/A FY2007 workplan, complemented by the results of steering-committee meetings (particularly that of December 2006), defines WATH/A activities in support of RTIS. However, in practice, over the course of 2007, CCC has decided to unify its project support and ask donors to support modules, essentially with effect from the last quarter of 2007. This invalidates the basis of WATH/A's workplan, though not the RTIS goal. Therefore, WATH's contribution should be reassessed in terms of the revised ECOWAS conception of RTIS (due in late 2007) and the modules of work that WATH 2 can appropriately undertake.

2.3 Enterprise Development

Table 11. Export Development - AGCI Indicators*

Indicator	Current Quarter (Jul 2007 – Sept 2007)			FY 2007 (Oct 2006 – Sep 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
AGCI PILLAR: EXPORT DEVELOPMENT							
Number of people trained	Total	350	106	30%	1150	1,622	141%
	Female	84	40	48%	350	523	149%
Person-months of technical assistance provided	3.25	7.59	234%	10	30	296%	
Buyer-seller links created	100	474	474%	400	1,326	332%	
Value of new exports outside of region	\$1,000,000	\$1,877,149	188%	\$3,000,000	\$6,132,283	204%	
Value of new intra-regional trade/exports in region	\$100,000	\$103,104	103%	\$300,000	\$377,586	126%	
Value of Investment facilitated by WATH/A	\$500,000	\$135,594	27%	\$1,000,000	\$1,313,974	131%	
Number of ARCs established	1	1	100%	1	2	200%	
ARC CD-ROMs distributed	300	244	81%	1000	1,953	195%	

*The AGCI Export Development pillar consists of Export Business Development (EBD) and AGOA Support Services.

Note: Please refer to Table 1 for life-of-project performance indicators.

2.3.1 Export Business Development (EBD)

Background & Operational Modalities

In late 2004, the EBD team put in place a “narrow and deep” approach to export development. The team was initially 2.5 people, and grew slowly, building a core group of about 10 expert consultants. In early 2006, the EBD team added several additional full-time staff, 1.5 in the U.S. and 2 in Ghana. Finally, in June 2006 the EBD team was at its full capacity of a director, 5 full-time sector expert advisor-managers, 2 full-time technical coordinators, 1.75 U.S. market-linkages advisors, 5 part-time sector-lead experts, and 10 short-term consultants. This team was recognized both regionally and internationally for their credibility and dedication, which was also reflected in the results produced.

WATH chose to work closely with select export-ready firms, large and small-to-medium enterprises (SMEs), to target the U.S. initially and other international markets by 2006. WATH/A’s mandate prioritizes exports to the U.S. under AGOA; other international markets and the regional West African market were developed as opportunities revealed themselves.

WATH/A’s EBD team has screened over 475 candidate firms, using export-readiness questionnaires, site visits, product reviews, and interviews resulting in 198 export ready firms in WATH/A sectors of focus. If organizations pass through this first filter, they are invited to participate in in-depth, industry-specific training workshops, typically held in Accra, that cover export marketing, how to penetrate the U.S. market in particular, packaging and labeling, shipping, financing, and other key topics. Of the companies that participate in a training workshop, those that are sufficiently ready for international buyer linkages are invited to attend and exhibit at a tradeshow with sponsorship from WATH/A. In almost all cases, participating firms cover their travel and per diem costs; WATH/A pays for the booth space and much of the décor; provides technical support on the tradeshow floor as well as promotional material about the relevant product group, AGOA benefits, and WATH/A programs; and assists in tradeshow logistics (getting samples through U.S. Customs; dealing with tradeshow managers, etc.). Occasionally, EBD partly subsidized high-potential firms or a cooperative’s participation (e.g., reimbursing half of the international air fare). Firms or organizations with potential and sufficient funding, but not fully ready for immediate export, have been invited to international tradeshow as observers. This has been a successful approach

for introducing producers to the demands of the international marketplace, prior to doing full booth exhibits without sufficient product offerings.

Following tradeshows, the Hub captured potential buyer contact information from all exhibitors electronically into *SalesForce.com*, a web-based contact management and sales tracking tool, and the most promising leads were pursued by phone. The EBD team periodically followed up on past exhibitors to track their sales, learn about pending deals, and provide assistance where needed. Subject matter specialists and core team advisors provided value chain leadership, as well as specialized technical assistance in helping West African firms with significant pending orders meet U.S. buyer specifications and requirements. These same specialists often led or participated in workshops that preceded tradeshows, ideally by 4–5 months. WATH/A also provided U.S.-based support to create market linkages and consummate buyer-seller relationships around tradeshow activities.

One of the advantages of EBD’s narrow and deep approach is that firms with which EBD has worked receive timely, relevant, and often firm-specific information that took some of these firms from near export-ready to export-ready and actually exporting. By promoting a smaller group of firms to achieve a number of export “winners,” this model created success stories that could be imitated by other firms and replicated across countries. This has proven true in Mali, for example, where from 2005 to 2007 the number of fully export-ready firms in handicrafts grew from one to five.

During trade shows, combining exhibitors with the Southern and East Africa Trade Hubs under an “Africa Pavilion” umbrella has provided even more market-entry leverage and made a stronger statement to U.S. buyers (i.e., Africa has arrived as a viable supplier). EBD has found that, aside from targeted buyer trade missions, recurring participation at U.S. tradeshows is the best means for U.S. buyers to gain confidence in West African exhibitors and products, and it builds supplier credibility. Through WATH/A-sponsored tradeshows, qualified West African suppliers have made joint-venture or customized supplier deals with U.S. buyers/importers, generated orders, launched new products, and achieved many more intangible results. West African firms are able to see competing firms and country pavilions, observe promotional materials and packaging/labeling, and gain a far better understanding of the U.S. market and buyers’ requirements. Nearly all sponsored exhibitors go back to the drawing board to upgrade their production processes, packaging and labeling, pricing, marketing materials, or ‘story’ line (describing the unique nature of their products or history of their firms).

An essential part of the EBD team was based in the U.S., managing these marketing events: maintaining relationships with tradeshow managers, negotiating prime booth space/locations, inviting buyers to shows, preparing marketing materials and signage, facilitating at tradeshows, and following up with inquiries after shows.

Recommendations

In spite of these significant efforts, even more U.S. market-linkage work could be done using additional part-time specialists with specific expertise in different product groups. Consultants or brokers who have bought or sold a particular product (e.g., shea-based products, handicrafts, furniture, or apparel) in the U.S. market make the best market linkage facilitators. They know the product requirements, pricing ranges, and buyers, and can provide a communications bridge between African suppliers who may not fully understand how to do business in the U.S. with U.S. buyers/importers who assume that everyone understands how to ship, import, and meet their specifications. Product or industry-specific knowledge is invaluable in talking with prospective buyers, whose time and patience are limited. The assistance of specialized market linkage facilitators can mean the difference between consummating a deal and not making the sale.

This model of export promotion is labor- and management-intensive, but it generates quantifiable results, as export sales gained momentum over the 3 years since implementation began. The EBD team feels that this model should be continued under WATH 2, with some additional emphasis on the EU market.

Another recommended marketing and business linkage approach is to continue to use U.S. buyer trips in West Africa, organized and led by WATH/A. One example was the home décor/fashion accessory buyer trip to three West African countries around the biannual *Salon International d’Artisanat de Ouagadougou* in fall

2006, which succeeded in strengthening trade relationships and increasing exports, and was highly cost-effective. Such visits (combined with interactions at U.S. tradeshows) led U.S. importers to invest in joint-venture enterprises, provide production or working capital advances, or commit to long-term orders and production plans with West African partners, who are often starved for capital. In the future, we recommend that EBD continue to explore opportunities to promote foreign investment in joint ventures or in foreign-owned production facilities. Such investments can infuse capital, liquidity, market knowledge, improved technology, and productivity into West African firms in need of these factors to increase their competitiveness.

EBD focused on six sectors: apparel, handcrafts, shea, cashew, wood products, and specialty foods (which moved to WATH/Dakar in April 07 and will be addressed in that final report), with one cross-cutting sector: finance. WATH/A authored [export guides](#) in each of these sectors as well as for processed foods (with the exception of wood products), plus [guidelines for exhibiting at tradeshows](#) and obtaining Category 9 certification. The major activities and accomplishments of each sector are summarized in the remainder of this section.

Table 12. EBD Results FY 2005 – FY 2007 by sector*

Sector	Export Sales (\$)	Investment (\$)	New Jobs	Intraregional Trade (\$)
Apparel	4,815,341	1,284,041	291	247,850
Handcrafts	3,453,041	26,657	206	16,697
Shea	2,179,005	982,400	83	473,083
Cashew	401,843	100,000	186	256,471
Other	132,100	7,000	8	0
Total	10,981,330	2,400,098	774	\$994,101

Note: These are NOT life-of-project numbers because data on these indicators were not recorded by sector previous to FY 2005. Please refer to Table 1 for life-of-project performance indicators. The wood-products sector shows no results in this period, as an Initial Environmental Evaluation needed to be finalized prior to focusing on exports.

Table 13. EBD Major Activities and Accomplishments

Month	Tradeshows	Trainings
2007		
Oct	<i>High Point Furniture Market</i> , North Carolina (2 companies, 1 country)	
Sep	<i>Natural Products Expo East (NPEE)</i> , Baltimore (7 companies, 3 countries)	
	<i>Material World</i> , NYC (6 companies, 4 countries, 1 observer)	
Aug	<i>Magic</i> , Las Vegas	
Jul	<i>Santa Fe Folk Arts Market</i> (1 company)	PCV Shea Post-harvest & Processing, Tamale July
	<i>California Gift Show</i> , LA	
	<i>Fancy Food Show</i> , NYC (ACA booth)	
Jun		Apparel Processing Efficiency & Finance Training
		Pre <i>Sources</i> and <i>Material World</i> Training
		Shea Post-harvest & Processing Training, Chad
May	<i>Cosmetic Chemists Supply Show</i> , NJ	Shea Training, Mali
Apr	<i>High Point Furniture Market</i> , NC	Home Décor & Fashion Accessories Export Dev (41 companies from 9 countries)
Mar	<i>Natural Products Expo West (NPEW)</i> , Anaheim, CA	<i>Fancy Foods</i> Training (17 companies, 6 countries)
Feb	<i>Magic</i> , Las Vegas	AGOA Central Africa Workshop, Douala
Jan	<i>California Gift Show</i> , Los Angeles	Ecologic Finance Forum (36 companies from 3 countries)

Month	Tradeshows	Trainings
2006		
Dec		Apparel Efficiency & WRAP Training Shea Finished Prod Training (31 companies, 7 countries)
Nov		Shea Export Dev (<i>Bourse de Karite</i>), November (52 companies, 6 countries)
Oct	<i>Natural Products Expo East, Baltimore</i> <i>SIAO</i> (1 company, 1 country, WATH booth)	SIAO Handcraft Export, Photography, Finance Training (75 companies, 7 countries)
	<i>High Point Furniture Market, NC</i> (3 companies, 3 countries)	
	<i>Salon International de l'Agroalimentaire International Paris</i> (5 companies, 2 countries)	
Sep	<i>Inside Beauty Expo (Health Beauty America), NYC</i>	
	<i>Material World, NYC</i>	
Aug	<i>Magic, Las Vegas</i> (4 companies, 1 country)	Shea Training: Exporting Quality @ Quantity, Abuja (40 companies, 5 countries)
Jul	<i>Sources, California Gift Show, LA</i> (14 companies, 5 countries)	
	<i>Fancy Foods Show, NYC</i>	
Jun		Apparel Export Dev
May		Handcraft Export Dev, Design, Production Management
Mar	<i>NPEW</i> (4 companies, 4 countries)	Cost Plus World Market (CPWM), Export Process Training (42 companies, 2 countries)
Feb	<i>ASAP</i> (5 companies, 2 countries)	Shea Training, Nigeria
Jan	<i>Sources LA</i> (16 companies, 7 countries)	
2005		
Dec		Handcraft & Apparel Export Dev, Niamey (32 companies)
		Cashew Export & Finance, Guinea-Bissau
		Shea Export Dev (27 companies, 6 countries)
Nov		Apparel ASAP Prep, Costing, Marketing (13 companies, 5 countries)
Oct	<i>NPEW, Anaheim</i> (6 companies, 5 countries)	<i>Sources LA</i> Prep, October (20 companies, 5 countries)
		Handcraft Export Dev (26 companies, 9 countries)
Sep	<i>IBE, NYC</i> (9 companies)	Shea <i>IBE</i> Prep (9 companies) <i>SIAO</i> Training
Aug	<i>ASAP, Las Vegas</i> (9 companies)	
Jun	<i>CCA Summit 2005 Handcraft Fair</i> (3 companies)	Apparel ASAP Prep, WRAP Certification (9 companies)
May	<i>Sources NY</i> (19 companies from 6 countries)	
Mar	<i>International Boston Seafood Show, Boston</i> (11 companies)	<i>Sources NY</i> Prep, Product Development, Marketing (16 companies, 6 countries)
	<i>NPEW, Anaheim</i> (8 companies)	
Feb	<i>ASAP</i> (11 companies)	Fish & Seafood <i>International Boston Seafood Show</i> Training, (7 companies)
		Shea <i>NPEW</i> Training, (22 companies)
2004		
Oct		<i>SIAO</i> Export Readiness Training
Aug	<i>ASAP, Las Vegas</i>	
Jun		Apparel <i>ASAP</i> Prep, (11 companies)
May	<i>Sources NYC</i> , (3 booths, ATAG-managed exhibit)	

Note: See [trip reports](#) for each event outside Ghana for more information.

2.3.1.1 Apparel and Fashion

Overview

WATH/A has focused since 2004 in identifying internationally competitive apparel and textile enterprises. In this period, many new factories have opened, and many have grown considerably. The 2006 [Adding Value to West African Cotton](#) study conducted by Joop de Vost and John Holtzman gives a very thorough review of six of the leading countries in this sector for West Africa. The commercial

apparel sector (as opposed to the artisanal apparel or fashion sectors) in West Africa has come into being over the last three to four years, and, as such, is still developing in order to take full advantage of the U.S. markets under the AGOA trade agreement. The textile sector is characterized, with few exceptions, by antiquated equipment and a management fixated with African prints. Commercial garment factories are now located in Cameroon, Ghana and Senegal while apparel production is still mostly artisanal in the other countries. Benin and Nigeria are working hard to modernize and draw investment into this sector.

Because the apparel industry is in its infancy, WATH/A hosted a number of workshops to familiarize the industry with the way the U.S. market operates and what is required to service the needs of sophisticated buyers. Since many companies were opened by people with little experience in the commercial apparel industry, they required training in fabric sourcing, profiling their companies, marketing, and manufacturing, as well as close guidance in their first exhibiting endeavors at overseas tradeshows.

WATH/A identified 16 companies that were becoming export-ready and prepared them for the challenges of selling their products to the U.S. market and producing competitively priced and efficiently produced garments. They are Filsah (Burkina Faso); Ken Atlantic (Cameroon); Africstyle, California Link, Oakbrook, Premier Quality, Global Garments, Cadling Fashions, Sleek Garments, Textile Pro, Top Circle, Sixteen 47, Global Mamas (Ghana); HT Creations (Niger); and EGA Confection (Senegal). There are a number of other companies that are gearing up for exports, some of them, like Buetec Broderie (Cameroon), a semi-integrated (knit and dye) unit with garment manufacturing plant, will be set up in 2008. Consult [Table of Apparel Companies, Activities and Accomplishments](#) for details of WATH/A's assistance and pending opportunities.

Activities accomplished

- Regional apparel export training workshops were held in Ghana in Dec 2004, June 2005, Dec 2005, June 2006, Dec 2006 and June 2007. Presentation topics included efficiency, sourcing, production planning, reducing lead times, costing, financing, customs documentation, WRAP (World Responsible Apparel Production) compliance, marketing, and exhibiting.
- WATH/A conducted apparel export readiness presentations and workshops in September 2005 in Mali, in August 2006 in Ghana, and in February 2007 at the AGOA Regional Forum in Cameroon.
- In 2005 and 2006, WATH/A facilitated pre-WRAP audits of eight companies. Three of these companies could quickly become WRAP-compliant with minor modifications and improvements. Others will need considerable extra work and follow up.
- WATH/A sponsored booths and assisted companies at international buying events: the *ASAP* trade shows in Aug 2004, Feb and Aug 2005, at *MAGIC* tradeshows in February and August 2006 and 2007, and *Material World* in Sept 2006 & 2007 with booth set-up, brochures, marketing materials, and introductions to and negotiations with [key apparel buyers](#).
- Six West African companies (one in 2006 and five in 2007) attended the Southern Africa Regional Textile, Apparel and Retail Business to Business (B2B) Event in Johannesburg, South Africa. In 2006, the companies attended 75 one-on-one 30-minute meetings with six sourcing houses for the U.S. market, three South African retailers, and suppliers of yarn, fabric, and trim. One company attracted a major European investor to become a shareholder in the company.
- WATH/A increased market intelligence through [Adding Value to West African Cotton: Assessment of the Cotton-Textile-Apparel Value Chain](#), completed in the fall of 2006, and through workshops. WATH/A showed companies how and with whom they could do business in the West Africa region and explained opportunities for sourcing within Africa (mainly South Africa and Mauritius) and selling product within the region.
- [Adding Value to West African Cotton](#) study has been distributed in English and French to relevant stakeholders in the textile pipeline in West Africa, including cotton organizations such as

Olam, Dunavant, and other cotton organizations such as Cotton SA, to an Italian investor looking to invest in a gin (and textile mill), and to textile mills on the southern African continent. Around 40 linkages were provided between West African companies and U.S. companies, 13 linkages with South African companies (over and above the B2B linkages), 2 with companies in India, and 1 with the UK (Fair Trade). A U.S. company (with investments in India and Bangladesh) named the study as its impetus to explore investment opportunities in Ghana.

- In 2007, both Ghana and Cameroon have set up textile and garment industry associations to lobby on their behalf and assist in much-needed cluster development to share resources.
- A U.S. company that had tried for three years to get an investment in Senegal off the ground, to no avail, has partnered with a Ghanaian company for an integrated textile mill, from yarn to garment. However, until Ghana can sort out its electricity and water problems, this and other investments are unlikely to materialize.

Recommendations

- Until high electricity and water costs, two key obstacles to more competitive textile production are resolved (respective governments are addressing), the industry investments will continue in a stop-start mode. WATH 2 is strongly encouraged to work closely with governments in countries with competitive or potentially competitive textile and apparel manufacturers to address key infrastructure constraints related to power (electricity), water, port access and efficiency, and other drags on industry development.
- There is a need to reduce the level of political interference in the textile industries, particularly in Benin and Mali.
- While lack of market intelligence as an inhibitor to trade has been addressed in [Adding Value to West African Cotton](#) and B2B events, WATH 2 should consider a regional textile, apparel, and retail B2B event to increase regional trade and linkages to be held in West Africa in 2008. WATH 2 should also invite select southern African companies/suppliers and buyers to complement the range of products available from the West African companies.
- To compete with Chinese and other Asian manufacturers in the U.S., West African companies must concentrate on synthetic-rich garments where the duty advantage vis-à-vis the Chinese is greatest (33%). Simultaneously, they must try to shorten lead times for fabric and trims by exploring the southern Africa textile industry for suppliers (7–10 days shipping vs. 35–40 days from the East). A few Ghanaian and Cameroonian companies are now successfully doing this. Although FOB prices for fabric are higher in southern Africa, this price gap is considerably reduced by the time the raw materials land in West Africa.
- Greater efforts in marketing support are required to assist manufacturers to get access to new buyers and markets, particularly pre-tradeshows. Also, technical assistance in productivity and further training are required for exporters.
- Continued participation by leading firms in [international buying events](#) is encouraged. The trade hubs (WATH 2, SATH, and ECATH) should also work more closely together prior to and at trade shows to increase the image of Africa as a sourcing destination for U.S. buyers.
- The newly created industry associations need to lobby governments for greater assistance, act as export conduits, and generate buyer interest in all manufacturers rather than a select few. West African companies are not the competition; Asia is.
- The start up of the industry associations in Ghana and Cameroon need to be nurtured, as it is the beginning of cluster operations. More buyers can be attracted as critical mass is reached, and companies with large-volume orders can make sure delivery deadlines continue to be met through subcontracting part of the production to other firms within the cluster.

- WATH 2 should coordinate with USAID/WA's West Africa Cotton Improvement Program (WACIP) project in the C-4 countries and Senegal. WACIP explores ways to make the West African textile industry more viable and forward-looking through facilitating linkages between selected spinners in Francophone West Africa and West African buyers of yarns to make fabric and ultimately apparel. WACIP is also examining ways to reduce energy costs and selected textile mills' dependence on public power utilities, as well as opportunities to convert struggling mills to specialized production of yarn and fabric made from organically grown cotton in West Africa (Burkina Faso and Mali). The WACIP textile industry consultant is the same person who has led textile/apparel value-chain work for WATH/A since 2004. WATH 2 should coordinate with the Support for Accelerated Growth and Increased Competitiveness (SAGIC) project on assessing, in more depth, opportunities to revitalize the struggling Senegalese textile and apparel industry. WACIP will send two consultants (Joop de Voest and Greg Green, both of whom have worked for WATH/A) to Senegal and Cameroon in November 2007.
- WATH 2 should seek out and encourage foreign textile companies to consider investing in leading apparel clusters, such as Accra/Tema, and encourage foreign sourcing houses to source from apparel producers in West Africa.
- Cerfitex (also known as CSIR) should conduct a fabric course in Ghana for garment manufacturers (fabric constructions, yarn counts, fiber content, end-uses, etc).
- WATH 2 should evaluate study tours, in particular for Ghana's Presidential Special Initiative (PSI), Cameroon Export Processing Zone (EPZ), and private-sector delegates, to Lesotho to see that government's successful strategy of attracting, retaining, and expanding its textile and apparel industries.
- WATH 2 and Government of Ghana (GoG) should initiate an analysis of all trade between Ghana and the U.S., convert this to export and import tonnages, and present to Maersk and other shipping lines to see whether re-establishing a direct shipping line is warranted, in particular to the east coast of the U.S. This is especially important for tightening lead times.
- There are opportunities for greater regional trade of yarns and textiles, in particular bleached cotton for medical purposes. This is addressed in [Adding Value to West African Cotton](#).

Follow-up

- Booths must be reserved for the February 2008 *MAGIC* show as soon as possible. WATH 2 needs to finalize plans and payment for this show; exhibitors need to be selected, and targeted technical assistance, coaching, and training should be organized by November 2007.
- WATH 2 should conduct another pre-WRAP certification audit to bring companies closer to actual WRAP-certification audit-readiness. Three companies are due to come on stream during late 2007 and early 2008 (approximately 1,500 workers), and will need to be aware of WRAP-compliance issues. A fourth company (another 500 employees) setting up will likely be able to do so on its own as they have existing facilities in Kenya that produce for the U.S. market.
- Specific company assistance is needed for:
 - Follow up on the Steve and Barry sourcing trip to Ghana in July.
 - 1888 Mills, initially for sourcing, to be followed by potential textile-mill investment and cotton sourcing.
 - Buetec Broderie, regarding sourcing and choice of knitting, dyeing, bleaching equipment and sewing plant and assistance when WATH 2 is implemented (spinning plant).
 - Continued assistance to Earl Park/RRAD for a potential integrated textile-mill investment opportunity.

2.3.1.2 Home Décor, Fashion Accessories, and Furniture

Overview

West Africa enjoys a rich diversity in traditional crafts: masks and wood carvings, bronze casting, handweaving, batik, tie-and-die, bogolan (mud cloth), embroidery, basket and rattan weaving, ironwork, leatherwork, bead-making, etc. The sector is undergoing an evolution from crafts trading (i.e., export production based on subcontracting to rural producer groups) to crafts production with increasing numbers of producers investing in their workforce and production infrastructure (factory-based production). Machine-aided production has become inevitable to increase efficiency and productivity across the region.

After a drop in international buyer orders starting approximately 5 years ago, West Africa is now experiencing an upsurge in interest in ethnic and contemporary African products, especially from larger U.S. buyers. The past two years have seen the return of Pier 1 Imports and Cost Plus World Market (CPWM), orders from first-timers Target and Hallmark, and interest from Pottery Barn. Events like the LIVE 8 concert and the G8 Summit have helped to focus interest on aiding Africa. Socially conscious consumers are understandably seeing the potential for reducing poverty in Africa through demand for attractive “Made in Africa” products that add jobs to local economies and add value to local resources. The handmade product sector—a low-tech sector in terms of equipment, industrialized processes, and specialized knowledge—can have great economic impact by providing many new jobs quickly.

In terms of market trends for African products, interest is shifting from purely decorative “collectibles” to more functional and design-led products. Although masks and sculptures still dominate orders to major U.S. buyers (CPWM, Pier 1 Imports, MarMaxx), there is growing interest in the areas of home décor and fashion accessories. Projects conducted by [key partners and stakeholders](#), like the [Trade Facilitation Office of Canada - Design Africa](#), are also creating awareness for more contemporary high-end African products.

Three international trends will have an impact on the sector over the next few years:

- **Eco-friendly design** – Demand for more environmentally friendly products using sustainable raw materials, certified wood products, and safe production processes and inputs to meet the growing awareness of consumers in both the U.S. and the EU.
- **Social accountability** – Demand for socially responsible producers offering fair wages, safe production environments, and transparent financial systems.
- **Authenticity** – Demand for authentic products that reflect the people behind the products, their cultural identity, and products with stories to tell. Consumers in western markets are increasingly aware of the negative impact that globalization is having on this sector, for example, products marketed as “ethnic African” that are made in China using cheaper materials and labor. This demand is reflected in the return to West Africa of buyers like Pier 1 Imports, who have consistently been losing their market share since moving all their production to Southeast Asia.

These trends present African producers with challenges (environmental and social) and opportunities (authenticity) that could work to their advantage in the global market. There are several other trends in the sector that pose challenges to African producers (see [Handcrafts Outlook Powerpoint](#)):

- **Quality and price** – Demand for quality is rising even though international buyers are looking for cheaper products. Price competition from Asian companies with high-volume capacity in short periods of time is fierce. African producers still need assistance in the area of costing and pricing for export, which needs to come from improving efficiency in production.
- **Asian copies of products** – Copying African products by Asian competitors is increasing, perhaps because Africa is currently trendy; it is one of the last continents to be exploited by the design and fashion world, but it is still relatively difficult to import products from Africa.
- **Local copies of products** – Because of the growing competition on many local and regional markets, there is also an increasing problem of African producers copying each other. This

situation reduces innovation and results in local price competition, which is often counterproductive.

African producers have to deal with local challenges, such as:

- **Lack of government support:** No tax breaks and few government programs recognize the crafts sector as contributing to the economy (adding value to local raw materials, job creation, foreign exchange earnings, and preservation of traditional cultures).
- **Poor infrastructure:** Unreliable electricity supply, inefficient and corrupt government services (e.g., customs), and poor transport infrastructure reduce efficiency and add cost to products.
- **Poor access to finance:** Extremely difficult for SMEs to get investment capital to build more efficient production facilities and cost-effective working capital to pre-finance production of export orders.
- **Poorly trained work force:** Lack of training for crafts workers, production managers, etc.

The buyers' market is split into two groups: larger U.S. retailers that order higher volumes at lower prices, generally in the "collectibles" category, and smaller buyers (boutique shops, wholesalers, catalogues) that order higher value items that are more functional and design-led.

Activities accomplished

- WATH/A assistance from 2005–2007 generated \$3,453,041 in new export sales and 443 new handcraft buyer contacts in WATH/A's database. [Trade show participation](#) resulted in 99 companies exhibiting products in 11 shows.
- EBD designed and published [marketing materials](#) for four companies and publicity materials at eight tradeshows.
- Technical assistance to the handcrafts sector resulted in 64 export-ready companies and 306 new jobs. An additional 217 companies have requested further assistance and are part of our database. All of these companies request technical assistance by first completing [handcrafts export readiness questionnaires](#).
- The [Handcrafts Export Guide](#), with a step-by-step guide to exporting handmade products, was published and distributed at trainings, AGOA Days, trips, via the WATH/A website, by email, and in the WATH/A office.
- [Production management support to Tekura and Fritete](#), two Ghanaian firms, has resulted in a joint venture between the two companies, leading to increased production and export capacity and completed orders to Target and the Marmaxx Group totaling \$220,000 to date.
- Support to [SLAQ](#), the largest crafts tradeshow in West Africa, in the form of marketing and organizational assistance and a WATH/A-organized [buyer trip in 2006](#), resulted in representatives of over 75 companies trained, and seven international buyers expanding product sourcing to new countries in West Africa.
- Other [training events](#) have resulted in 305 handcraft companies trained in basic business skills.
- Support to Eberis, a Senegalese producer, to attend a U.S. tradeshow has resulted in a joint venture with a U.S. business partner to open a series of U.S. showrooms featuring Eberis with other Senegalese producers in an exclusive new product line called [Eben Designs](#).
- Direct support to Cost Plus World Market (CPWM) has led to the retailer's return to Ghana and Burkina Faso with a new export agent, and expansion to two new countries, Senegal and Mali. WATH/A support to the agents (financial and communication management) and producers (production management) has helped them export \$302,250 of product to date, and arrange nearly \$500,000 in potential exports for 2008.

- Support to the Marmaxx Group/Associated Merchandizing Corporation (AMC) following discontent with their current export agent has resulted in identification of a new export agent, with \$39,000 in exports from an initial order.
- Direct support to [Hallmark Inc.](#)'s "Project (RED)" initiative resulted in the identification of two Malian producers who are shipping an order totaling \$525,000 (over 120,000 mudcloth bags) and have expected orders totaling an additional \$80,000 this year. WATH/A provided support to producers with production and financial management; more than 75% of the order has been shipped duty-free, after WATH/A intervention to streamline Malian government export systems to benefit fully from AGOA benefits. WATH/A is also providing technical support to assist Hallmark with a public relations campaign highlighting social responsibility and economic impact of the (RED) campaign. Finally, WATH/A is working with Hallmark to identify new products and producers in Burkina Faso, Ghana, and other African countries.
- Support to Ten Thousand Villages during two [buyer trips](#) has resulted in their expansion to a new country (Ghana) and a new product category (personal care products), with potential orders totaling \$100,000. The TTV order has sparked gift buyers' interest in personal care (mostly shea) products, as several other niche buyers are placing orders.
- Pier 1 Imports returned to Ghana after an absence of four years; support to their agent has resulted in 400+ products selected for orders over the next year—with an expected value of over \$300,000.

Recommendations

These areas require additional technical assistance to increase exports and investment in the West African fashion accessories, home décor, and furniture sectors:

1. **Design.** The market continues to demand design innovation. In the past, too much emphasis was placed on "design import"—bringing in foreign designers to help develop products for the export market. In the future, companies will have to invest more in building design capacity by training local designers. Rather than trying to turn producers and crafts persons into designers (and vice versa), training workshops should target designers and promote cooperation between designers and manufacturers—including developing systems to guide the relationship between designers and manufacturers, stressing the importance of paying for design services, developing design contracts/codes of practice, and factoring design and product development into cost.
2. **Export logistics.** Building the capacity of local export agents who can provide professional and efficient export logistics will increase the comfort level of international buyers in their dealings with African producers.
3. **Focused training workshops.** Workshops have been well-received, but they tend to tackle too many topics in too short a time. Focusing workshops on select themes will give participants more opportunities to work on practical exercises and get a deeper grasp of the subject.
4. **Production organization and management.** It is important to aid companies in the development of more efficient production systems and introduce appropriate technologies for each subsector: for example, solar kilns for wood drying. Critical here is developing training modules to address crafts workers, as most programs have focused on training and building the capacity of managers. Producers face the most significant challenges in efficiency and quality because crafts workers do not understand the export business and the crucial role they play.
5. **Administration and management.** Managers and owners of exporting companies need more in-depth and hands-on trainings in essential business management skills (financial accounting, administration, communication, etc.).
6. **Finance.** Managing finances and access to loans remains a key challenge. Future programs will have to negotiate increasingly with financial institutions to achieve better lending practices.

7. **Social accountability.** Companies need assistance in meeting this growing demand. Training should provide necessary tools and processes for implementing current laws and best practices, as well as marketing companies as being socially responsible/fair trade.
8. **Government support.** WATH 2 should continue liaising with local institutions and the government to get more local support for the sector, including tax breaks, VAT refunds, duty-free import of equipment and tools as well as production inputs (paints, fittings, etc.), and streamlined export processes. Lack of quality production facilities is a large source of inefficiencies. In South Africa, the government commissioned a study on the role of the creative industries in the economy, resulting in the sector being recognized as an important contributor to economic growth. The South African government is now giving the sector additional support, for example, by sponsoring tradeshow participation and establishing local crafts design centers to support the industry (Design Africa is partly funded by the South African government).
9. **Marketing strategy and tools.** Although most revenue is attained by low-price/large-volume orders, niche markets can be tapped for smaller orders of higher priced, better quality, more design-led items. International tradeshow participation has been a key marketing vehicle. More stringent selection criteria are necessary for companies that want to participate, to ensure they are ready for the market. The image of West African exports can be tainted by companies that are not able to perform. Booth design and display need improvement, including more professionally designed booths for each participant or pavilion. There should be a balance between consolidating participation under a regional WATH banner, to reassure clients of third-party support if needed, and allowing exhibitors to present themselves as individual companies with their own firm identity. Booth designs tailored to specific company product lines will enable companies to convey a more professional image and instill confidence in potential buyers.
10. **Other marketing options to explore:**
 - **The Internet.** There is potential for using well-designed company websites as marketing tools to increase visibility and professionalism, provide easy access to product catalogs, and in a few cases as direct sales tools.
 - **Coordinated buyer visits.** WATH/A has had great success with [buyer trips](#), which require less WATH/A financial support than tradeshows and bring serious buyers closer to producers. Buyers gain a better understanding of the products available, the technologies and production processes used and their limitations, and are charmed by the producers and their countries. The end result is that more producers receive more orders for a greater variety of product categories.
 - **Regional furniture, home décor, and fashion accessories show.** Ideal for attracting international buyers, resources could be invested in a new regional show for qualified exporters and design-led products, where selected buyers are invited (even sponsored to participate). Although [SLAO](#) is an established regional trade fair, it is mired in bureaucracy and inefficiency, and its main mission appears to be cultural rather than export promotion. *SLAO* can continue to create opportunities for a second regional order-writing tradeshow in alternate years that would have special programs targeted to industry professionals and serious buyers.

Follow-up

- EBD should follow pending orders: Pier 1 Imports, CPWM, Ten Thousand Villages, and Hallmark's reorders and new product search.
- Ten Thousand Villages has requested training/technical assistance for their agents in Burkina Faso and Niger. WATH 2 needs to decide what level of assistance it can offer and, alternately, if a partner organization like Peace Corps or MBAs Without Borders can provide it.

- Following the success of WATH/A's initial multiple-buyer trip in October 2006, there have been requests for a second buyer trip. Interested buyers so far are Purple Rhino Imports, The Hunger Site, the San Diego Zoo Store, and Steve Parkes.
- Ten booths have been reserved for the January *Sources / California Gift Show*. WATH 2 needs to finalize plans and payment for this show. Then exhibitors need to be selected, and a pre-show training program needs to be organized by early November.
- WATH/A has been lobbying for the past year for booth space at international buying events, including *NYIGF* and the *Folk Art Market*. Continued pressure on George Little Management (GLM) will be needed to secure space at *NYIGF*. The *Folk Art Market* application deadline is in October, and applications need to be completed to be sure WATH 2 can send exhibitors next year.
- *High Point Furniture Market* exhibitors have had limited success after three shows. This show needs to be evaluated in light of competing furniture shows like *Las Vegas Market* (if furniture exporters are ready for these shows).
- WATH/A has so far largely left the European home décor market unexplored. Potential international buying events, which have been successful for individual companies attending, include *Ambiente*, *Maison et Objet*, and *Foire de Paris*.
- *SLAO 2008* is only one year away. WATH 2 needs decide on the level of support it will offer and make preparations for associated buyer trips. Although the show is interesting as a hub for West African crafts and artisans, and buyer trips are highly encouraged, direct support to the show has so far been unproductive and is not recommended until the show's management is improved or privatized.

2.3.1.3 Shea Nuts, Butter, and Products

Overview

Demand for shea nuts, butter, and stearin has principally followed the international demand for cocoa butter for use in specialty fats such as cocoa butter improvers, etc. The market for the African supply base has traditionally been dominated by a small cartel of international buyers and key traders. Up until the end of the 2004–2005 season, virtually all West African shea exports (the equivalent of 150,000 MTs of shea kernels) were controlled by the Scandinavian partnership Aarhus-Karlshamns (AAK), Netherlands-based Loders-Croklaan (now part of the Malaysian IOI group) and the Indian company Feed, Fats and Fertilizers (3Fs). Apart from Loders, most kernels were exported from Africa, and extraction, refining, and fractionation were done abroad. Since 2004, however, other major and minor buyers in both the edible oils and fats industry and the personal care industry have expressed interest in developing sourcing operations that link to logistical operations further upstream in the supply chain, even including the development of bulking, refining, and extraction plants in the subregion.⁸

Other growing international interest and activity in the shea sector come from major “edible” buyers and some of the larger suppliers to the U.S. personal care industry. On the edible side of the industry, this shift is mainly due to a growing demand for confectionary products in the international marketplace as growing economies such as Russia, China, Korea, India, and Japan are all predicted to increase their purchases of cocoa and related specialty fats. Discussions are ongoing in North America on the use of

⁸ For example, Ghana Specialty Fats (GSFs) is a \$20-million joint venture by Archer Daniels Midland and Wilmar Holdings that aims to process up to 25,000 tons of shea nuts a year. The Pure Company and Ghana Nuts have both set up multimillion dollar extraction plants in the Brong Ahafo region of Ghana. In Burkina Faso, Côte d'Ivoire, Mali, and Nigeria, there is growing interest and activity around developing or renovating shea-nut extraction plants to add value at the source, utilize more competitive labor, and reduce shipping costs of the bulky shea kernels (1 ton of shea butter requires about 3 tons of kernels, and 1 ton of shea stearin requires about 2.5 tons of butter or 7 tons of kernels).

non-cocoa fats in chocolates, whereas trans-fats (cheap oils chemically modified to increase melting points) have lost consumer favor in the last year following data linking them with heart disease and obesity. Often cited as a competitor to cocoa, shea and other naturally occurring vegetable stearins are now seen as helpful in this growing marketplace. In mature markets, such as in Europe, major manufacturers of chocolates called for legislation limiting the inclusion of non-cocoa fats, and a directive was enforced at 5% in 2002. The EC directive has not had a noticeable impact on the rapidly growing exports of both exotic cocoa or indigenous shea from West Africa. Vegetable stearin, once formed into specialty fats—often with mid-palm oil fractions—is beneficial to chocolate consumers: as cocoa-butter improvers (higher melting points or superior melting curves); as cocoa-butter equivalents to smooth out the economics of mature markets as the uncertainties of climate, disease, or civil unrest spike cocoa prices; and for the production of cheaper, higher melting point chocolates for supporting new markets for chocolate where incomes may be lower and refrigeration is scarce.

In the personal care industry, the beneficial properties of shea butter and consumer perception of the same are growing exponentially.⁹ Although predicted to be only 5–10% of the total exports from Africa, the total growth in shea-nut exports, from 50,000 MTs in the mid-1990s to over 200,000 MTs today, means that the international cosmetics industry is now using 4,000–7,000 MTs of shea butter annually. In the U.S., conservative estimates indicate the use of about 2,000 MTs of shea butter each year in the personal care industry alone. It is used in its pure or virgin form, traditionally handcrafted or mechanically extracted; in a refined state (filtered, whipped, de-gummed, bleached, neutralized, etc.) through chemical methods, physical stages or even potentially organically certifiable techniques (e.g., using aqueous cleaning methods to neutralize the butter or citric acid in place of phosphoric acid during de-gumming steps); and as chemically modified derivatives (e.g., hydrogenated, esterified, bound up to other chemicals or even in nano-sized slow-release-particles.)¹⁰ Shea butter is now used in such a wide range of consumer goods, many of which do not even mention the fact, as it has become so mainstream in the marketplace as an additive to products such as body butter, hard castile soap, liquid soap, shampoo, lip balm, massage cream, sunscreen, shaving cream, and moisturizing baby wipes.

The emphasis is now on more efficient production of high quality, traceable, and bulk-packaged butter to improve competitiveness at the international level. Locally affordable appropriate technology is needed to improve efficiency and quality at the post-harvest stages of production. Some buyers are still quite opposed to the concept of buying butter processed at the village level. However, experience shows that trained women can easily maintain quality well above that of mechanically extracted (unsorted) shea nuts. Quality largely takes the form of free fatty acid levels that are of primary economic concern to buyers.

Given that the demand for shea nuts, shea butter, and stearin is predicted to rise in both the edible and cosmetic industries, more assistance will be required to enable producers to increase their benefits at source by maximizing production efficiency and volumes of high-quality shea. At a recent meeting of the Society of Cosmetic Chemists Suppliers, a number of buyers remarked that the most important factors in sourcing shea butter are quality, quantity, and price. Many attendees at this show were concerned about the potential for contamination and African suppliers' levels of professionalism. Samples have been sent wrapped in maize leaves, posted by normal mail, and there are many examples of orders never being delivered even when fully prefinanced. Proof of quality, traceability, and organic status are also important to assist with marketing.

⁹ Annual growth in the conventional personal care industry has been estimated to be slowing down to below 1% per year, whereas the smaller natural cosmetics segment of the industry has been growing by about 10% per year. This is clearly illustrated by L'Oreal's move to purchase companies that have a "natural cosmetic" consumer perception, e.g., The Body Shop. Trends are towards the natural and clean-living experience with simple, clean and bright styles and natural colors in back-to-nature flowery, ethnic, or earthy designs.

¹⁰ Shea butter is moving up the ingredients list as personal-care formulations include ever higher percentages. According to industry sources, this trend has been made possible by recent opportunities in sourcing higher volumes of better priced and higher-quality shea butter throughout West Africa. This development has led to so-called major buyers of handcrafted butter having to alter their purchasing strategies as the 'fair-trade prices' they offered skewed supply in local markets and made the butter sourced this way too expensive in the international marketplace.

As awareness of shea grows, there are more opportunities to add value at source with investment, not only for extraction, but also for developing finished products. A new soap making factory is operational in Cotonou, Benin, and business plans are underway for those who want to make other personal care finished products in Ghana, Nigeria, Burkina Faso and Mali. American buyers, such as Ten Thousand Villages, have visited exporters and their rural suppliers.

Certain countries and companies are now primed and ready to develop larger bulk shea-butter production facilities with continued technical assistance on production and financial guidance. The development of improved facilities for production of finished products makes business sense, although a lot of time and money will be needed to develop the required skills, equipment, formulations, and packaging needed for selling in the international marketplace, while dealing with local constraints such as high-cost and unreliable utilities, taxes on imported inputs, and so forth. See the Hub's evaluation of [West Africa shea export-readiness and capacity](#), by country.

Activities accomplished

WATH/A's intervention in the shea sector has facilitated \$2,179,000 in export sales, \$473,083 in intraregional trade, \$982,400 in investment, and 83 new jobs.

WATH/A's goal has been to increase and diversify international exports from Africa. To do this with shea, EBD designed trainings to increase buyers' knowledge of and links with upstream suppliers in addition to participating and sponsoring a number of firms to exhibit at [international buying events](#), leading to numerous sales and investment opportunities for West African producers. Results have come to fruition in a number of ways, as traders' agents make more efforts to deal directly with rural women pickers, assisting them with jute sacks and finance advances and establishing programs to assist rural producers.

Country processing, refining, and extraction

As a result of WATH/A's [Shea Value Chain Study](#), repeated presence at international trade shows, and continuous communications and training, a number of major international companies are deciding to invest in extraction, refining, and even fractionation equipment in the countries of origin.¹¹

Volumes exported

There is a clear increase in the shea trade, not only in demand but also in purchases of nuts (from 150,000 MTs per year in 2002 to well over 200,000 MTs in 2006) and butter both mechanically extracted and handcrafted. Although WATH/A initially focused less, and had less influence, on the edible industry demand (influenced by the cocoa industry), the project knows from major personal-care industry buyers that more reliable sources of higher volume and better-quality butter at competitive prices have raised confidence in the market, allowed direct sourcing from Africa, and increased volumes available for inclusion in product formulations. Information and awareness have also increased through trainings and dissemination of reports at all levels so many more stakeholders (from producers to traders to major cosmetic chemist suppliers) are technically proficient, which is especially useful in contract discussions.

Quality

Experience across the region has shown that even rural farmers with very limited equipment can produce high-quality shea nuts and butter. Cooperatives supported by Mrs. Oumou Diallo or Marcelline Ouedraogo in Burkina Faso have provided bulk supplies of high-quality shea butter (much of which is even organically certified). Large international companies *Societe Industrielle du Raffinage d'Huile* (SIRH) and Alnor Oils are making contacts, partnerships, and investments with local companies and cooperatives. Professional trainings for producers are possible through additional support by organizations such as Netherlands Development Cooperation (SNV), TechnoServe, and *Centre d'Etude et de Cooperation Internationale* CECI, and by research findings from the International Centre for Research in Agro-Forestry (ICRAF) or Centre for International Forestry Research (CIFOR). U.S. Peace Corps and other volunteer

¹¹ Examples: Ghana Specialty Fats (GSF's) \$25-million investment in the plant at Tema and Loders' decisions to build partnerships with companies undertaking in-country extraction in various West African states.

groups are extending training programs throughout the region to provide for longer-term support at the village level.

Samples sent regularly over many months to potential international buyers from The Savannah Fruit Company (SFC) in Ghana are proving that basic training significantly increases shea-butter quality, often with two or three-fold improvements to free fatty acid levels. The message about quality and market demand is also reaching producers and traders in other major producing countries. Mrs. Lah in Mali now has regular pre-financed contracts with a major buyer, after proving that by offering incentives and trainings, she can increase both the quantity and quality of shea nuts locally sourced from producers. Shinka in northwestern Nigeria is also supplying bulk shipments of higher-quality shea butter from local producers.

Pricing trends

In 2004–2005 average annual kernel price for premium Ghanaian shea kernels was about \$200/MT, but it is now estimated to be well above \$300/MT. The 2007–2008 crop is already trading at \$500/MT in up-country markets, and it clear that world demand has increased along with the demand and high prices for cocoa. Conversely, prices paid for bulk shea butter in the U.S. market are lower than in 2004. This clearly indicates more transparency in the supply; far larger volumes traded, better market awareness by U.S. buyers, and increased opportunity to source directly from African exporters.

Shea Value Chain Market study

To educate producers, investors and consumers about shea butter’s potential and constraints, the Trade Hub published the four-part [Shea Value Chain Study](#) in early 2005. The report, which traces shea through production, transformation, refining and marketing, has been the most popular study downloaded from the Hub website and has been requested numerous times by researchers and businesses. At least one European investor told the Hub that the study was instrumental in convincing it to build a large shea-refining plant in West Africa.

Recommendations

- Given the widespread interest and involvement in the sector throughout the region over the last few years, the other key area for assistance, besides production, is consumer awareness and marketing. As noted, there is growing knowledge about shea among international buyers and consumers, but it is still very limited. West African producers will benefit directly as shea becomes a more internationally acceptable “prime-time” ingredient. A combination of market-based or consumer advertising and informative, buyer-targeted tradeshow exhibits will promote this status.
- Improving marketability of shea nuts, butter, and products from African-based exporters depends on further increasing confidence levels in the international marketplace through careful and continuous exporter trainings designed to help exporters develop a wider set of business skills. WATH 2 should develop a detailed curriculum for exporters and use it in all shea-related trainings (although many of these themes will be cross-cutting with other exporters). The curriculum should include:
 - International market demand in the edible and cosmetic sectors (shea production variability, supply channels, production costs, and international standards.)
 - Upstream shea processes: production variability, supply chains, and costs
 - Methods to optimize post-harvest processing
 - Equipment for extraction: mechanical versus handcrafted
 - Laboratory analysis
 - Value-chain concepts and models for working with producers
 - Bulk packaging options and optimizing transport costs
 - Developing finished products: formulation, packaging, equipment, etc.
 - Customs, international shipping, etc.

- Financing, business planning, and pricing the product
- Exhibiting at tradeshow and professionalism in international markets
- Recommendations from various research efforts, including those of TechnoServe with USAID funding and the ICRAF-managed CFC-funded ProKarité project, have led to a set of standards being recommended for further harmonization by the African Organization for Standardization (ARSO). There is, however, much confusion in the marketplace with major buyers requesting different analyses and with various grading systems and nomenclature for different types of shea butter. The major buyer/seller in the industry (AAK) has usually defined the industry specifications that everyone then follows, as these become the accepted market norms. WATH 2 will need to continue to monitor this process.
- Develop open and informed discussion on the inclusion of non-cocoa fats (especially shea stearin) in chocolates, as well as the nomenclature of standards/grades/products/types of shea butter used in the personal care industry.
- Continue to attend tradeshow. The *In-Cosmetics* show in Holland in April 2008 has been recommended by certain companies as a potential venue for promoting African shea. *In-Cosmetics* and the *Society of Cosmetic Chemists Suppliers Day* in May in New Jersey could be key events in a two-stage plan to promote shea in the personal care industry while advertising it generically in the public domain.
- Survey key aspects of the industry—cosmetic chemist courses, trade magazines, packaging events, edible oils/fats events (especially for large-scale bulk exporters)—and share with exporters.
- Provide continued technical assistance such as in-depth financial and business support for business planning and professionalism (perhaps through MBAs Without Borders volunteers).
- Bring in expert consultants or commercial representatives to deal with specific business issues: design of factories (or equipment) for bulking/refining/packaging shea butter; formulation of cream, lotions, soaps, etc. An expert approach is needed to meet the international cosmetic market demands.
- Provide branding, labeling, and advertising support for processor-exporters of finished products. Co-funding from clients should be required to emphasize the cost and importance of these factors.
- Linkages to other shea-related projects in the shea zone should be maintained or developed to continue collaboration and growth in the industry (including links to countries outside of West Africa such as Uganda and Sudan).

2.3.1.4 Cashews

Overview

Cashews are grown in 11 West African countries. Cumulatively, West Africa produces 476,000 MT of raw nuts per annum (2006–2007), about 39% of world production and worth about \$244 million FOB annually. In countries like Benin and Guinea Bissau, cashews make up a significant part of the economy. Across West Africa, cashews provide income for an estimated 786,000 farmers. The vast majority, 90–95%, of West Africa's cashews are sold raw to clients in India and, to a lesser degree, Vietnam who process the product and sell the kernels in bulk to consumer markets in the U.S. (50%) and Europe (21%), where they are roasted, salted, packaged, and distributed. Processing is labor intensive and almost doubles the gross value of the crop, a good reason for Africa to invest in this industry. Also, Indian and Vietnamese buyers' demand for raw cashews from Africa is unstable, as both countries are increasing their local production of cashews.

Although still a small industry, cashew processing is increasing in West Africa. WATH/A differentiates three types of cashew processors:

- **Industrial** cashew processors have sufficient volume to export cashew kernels in bulk on a regular basis to international markets. These companies normally have a minimum capacity of 700 MT of raw nuts annually, but they vary largely in size, experience, and access to information and capital.
- **Semi-industrial cashew processors** have similar equipment and processing methods to industrial processors, but have a typical capacity of 20–200 MT of raw nuts annually and sell on the local/regional West African market.¹² Some sell white kernels for finishing, packaging, and distribution to specialized companies; others roast, season, and package for retail sales and distribute the cashews to retailers themselves; and some companies do both.
- **Cottage industry processors** are informal groups, usually made up of women, who process cashews in a traditional way without substantial equipment and sell them on the local market.

WATH/A identified and worked with industrial cashew processors and semi-industrial processors, who are estimated to have a combined processing capacity of approximately 42,000 MT of raw nuts annually. Actual processing is about 40–60% of that capacity. WATH/A occasionally worked with cottage industry processors, for example in the case of an intermediary agent combining the supply of several women's groups for regional sales. WATH/A assessed the [main players and export capacity in cashew-producing countries](#) in 10 countries in the region and assembled a database of key contacts by country. The Hub provided technical assistance to individual cashew processors (linkages to buyers, equipment, financing, technical assistance).

Currently, interest in African cashew kernels exceeds supply. Most industrial cashew processors in West Africa know the international market and already have long-term relations with buyers, such as Olam. Olam has marketing offices in Europe and the U.S.; many brokers and agents see them as a competitor in the market as it targets the same clients (roasters/salters). Opportunities exist to link key international buyers, including international brokers, agents, and importers interested in sourcing bulk kernels from Africa, to relatively new processors or to link established processors to new markets for sales of organic cashews. Buyers are based in Europe (mostly whole nuts), the U.S. (whole nuts and broken grades), and the Middle East.

Objectives

The cashew component focuses on:

- Increasing processing capacity in West Africa
- Promoting African cashews internationally and regionally
- Facilitating collaboration between cashew stakeholders across Africa
- Training and disseminating information
- Developing a supportive business environment for the cashew sector
- Managing the African Cashew Alliance (ACA)

The African Cashew Alliance: Creation and operations

The African Cashew Alliance (ACA) was initiated as an industry body in 2005 by Greg Vaut of USAID WA/Global Development Alliance, together with 20 private and public African and international cashew stakeholders including Ahold, Kraft, and Olam with the vision of promoting and developing the African cashew sector, creating synergies and sharing best practices. The pan-African character of the ACA allows West Africa to benefit from the experience of the East African leaders in the cashew industry: Kenya, Mozambique, Tanzania. The objectives of the ACA are to increase farmer income and processing

¹² We've identified only one cashew processor in West Africa that intends to process 200–700 MT of raw nuts/year. In general, a 200–700 MT facility is rare, as this capacity is relatively large for serving a domestic market and too small to enable regular exports.

capacity, improve the overall economic/regulatory environment for the cashew sector, and promote Africa internationally as a competitive cashew source.

The ACA officially began when an executive committee was elected and WATH/A took on the management of the Secretariat in March 2006 in Guinea Bissau. Operations started in June. In addition to managing the ACA Secretariat, WATH/A has worked with both private and public organizations on improving the investment climate for cashew processing and increasing trade opportunities.

Registered as a non-profit association (company limited under guarantee) in Ghana, the ACA's executive committee provides broad directions for strategy and the board of directors votes on significant spending decisions. ACA Secretariat is the executive body for the ACA, advising on programs and responsible for implementation and management. The Secretariat has the following roles:

- Manage [membership programs](#), legal and financial aspects, communications with stakeholders, the website, newsletters, etc. The ACA website is located at www.africancashewalliance.org.
- Support the [organizational structure](#), including the executive committee, board of directors, honorary ambassador, national committees, steering committee, founding members, and members.
- Promote cashews at [international buying events](#) and regional events, including national cashew meetings and industry-specific trainings.
- Facilitate collaboration and synergies on cashew projects through cultivating relationships with key and potential partners, including linking public and private organizations working in cashew.
- Publish [promotional materials](#) and disseminate information on African cashews and processors, including brochures, posters, and studies.
- Organize and co-organize national cashew meetings and industry specific trainings.
- Provide individual assistance to cashew processors.
- Assist in interactions between the private sector and governments on cashew business.
- Advocate for an improved business environment for the cashew sector and initiate cashew projects through dialogue with governments on cashew-sector strategies.

See the [ACA Annual Report 2006–2007](#) for more information.

Activities accomplished

WATH/ACA assistance has had the following direct impacts in FY2007:

- Regional trade: \$199,434
- Pending exports to the U.S. and Europe: \$133,000
- Pending investments: \$26,000
- Jobs created: 88

Table 14. Cashews: Major Activities and Accomplishments

Activity	Description/outcome	Participants
Country Cashew Meetings: Benin (Sep 06) Guinea Bissau (Feb 07) Senegal (Feb 07) Ghana (Apr 07) Nigeria (Jul 07)	Stimulated exchange of information, initiated national/regional collaboration, developed national strategies for cashew sector and created ACA national cashew committees .	Benin: 99 Guinea Bissau: 43 Senegal: 90 Ghana: 200 Nigeria: 200 Financial contribution of 10 organizations in 5 countries
Annual ACA meeting Mozambique March 22-24, 2007	Provided overview of global cashew sector, current themes. Country presentations and exchange. International buyers linked with	110 from 14 countries Financial contribution of 6 organizations

WATH/ACCRA FINAL REPORT

Activity	Description/outcome	Participants
	processors. Initiated cashew projects, exchanged information.	
Executive Committee & Board of Directors meetings: Benin (Sep 06) Mozambique (Mar 07) Ghana (Sep 07)	Benin: developed organizational structure, outlined activities for 2006/2007. Mozambique: developed membership structure, brainstormed further activities. Ghana: evaluated 2006–2007 activities and outlined ACA plans.	AICAJU, Sustainable Tree Crop Program (STCP), SITA, Global Trading, Olam, GTZ, USAID, TechnoServe
EcoLogic Finance Meeting (Jan 07)	Linked EcoLogic Finance to SMEs in West Africa. Seven cashew processors held discussions and eight companies & built serious relations with EcoLogic.	37
AGOA Forum (Jul 07)	Exchanged national strategies between cashew processors from several countries. Networked, visited equipment company.	Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mozambique, Nigeria
Benin Delegation to Tanzania and Mozambique (Jan 07)	Given the government of Benin's active approach in cashew sector, the delegation studied the policy framework in Mozambique and Tanzania and learned how to stimulate the sector.	6
Specialty Foods Export Guide	Overviewed necessary steps to export processed cashews for retail markets.	2 cashew processors participated in Specialty Foods training (Apr 2007) in Ghana
Study on Cashew Consumption and Marketing in West Africa almost finalized	Overviewed current trends in consumption and potential to increase sales of cashew products in local & regional markets.	Contribution (financial, in-kind) from 11 organizations in 10 countries for field research
Promotional materials	Cashew brochure, ACA membership brochure, cashew processing poster/map, cashew processors' directory.	
ACA quarterly newsletters	Five quarterly newsletters sent in 3 languages to 700 stakeholders.	
ACA Website www.africancashewalliance.org	Overviewes ACA activities and upcoming events, ongoing uploads of cashew news in the press, membership registration and database, resources, reports and documents, presentations, recipes, and country overviews.	Jan–Sep 07: 155,141 hits; 2,297 unique visitors, and 2.67 GB downloaded. Most used by visitors from: U.S., India, Côte d'Ivoire, Malta, Mozambique, Benin, South Africa. Average use of the site tripled from Jan to Sep 07: from 130 to 400 unique visitors per month, and from 8,784 hits to 25,000 hits per month.
Membership program	Membership registration set up on website; procedure with invoice, membership certificate and Internet access to membership database finalized and operational. Members are administered in <i>SalesForce</i> and an Excel membership file.	20 serious registrations since completion of the procedure in July 2007, 2 completed applications (active marketing of membership will start in October 2007)
Cashew stakeholder database	In <i>SalesForce</i>	925 contacts as of Sep 07
ACA MOU signed	Outlining initial motivation and partners for developing an African cashew alliance.	20 organizations (5 public, 15 private)
ACA formally registered in Ghana, June 7, 2007	ACA is incorporated in Ghana as a company limited under guarantee.	
Initiated six national ACA committees		Benin, Burkina Faso, Guinea-Bissau, Mozambique, Nigeria, and Senegal
Participation in Peanut and Tree Nut Processors Association (PTNPA) Jan 07, International Tree Nut Convention May 07, and Fancy Foods tradeshows Jul 06 & 07	Promoted African cashews and built network of supportive international brokers and buyers.	
Collaboration with partners (projects, visits, and exchanges)	Facilitated raw-nut quality improvement projects with Olam, GTZ, STCP in Nigeria and Côte d'Ivoire; University of Makardi, FOSAA. Facilitated GTZ PPP projects with Olam and Global Trading.	

Activity	Description/outcome	Participants
	Contracted with SNV Guinea-Bissau on assistance to operations of national ACA committee.	
Business linkages	Business to business: 47 Public–public/private: 79	
Assistance in negotiations	Helped resolve a tax dispute on raw cashew trade in Guinea-Bissau between Olam and government.	
Consultancy visits (August 2006, November 2006, June 2007)	Three trips to Côte d'Ivoire to facilitate development of a framework that stimulates cashew processing.	

Challenges for industrial cashew processing

The key challenge to a competitive cashew processing industry in West Africa is building sufficient volume and consistency in the supply of processed cashew. Other constraints include:

- Limited access to low-cost working capital; high interest rates for raw-nut purchases. A small industrial facility (1,000 MT/year) needs \$250,000 of working capital annually.
- Limited access to information and training on optimizing operations of cashew factories.
- Low productivity and relatively untrained staff.
- Unreliable and/or expensive infrastructure (power supply, roads, ports, shipping).
- Lower prices for many producers of African cashews because of smaller volumes, mixed grade containers, and lack of knowledge of the country of origin (traceability).
- No local market for byproducts of cashew processing (husks and skins).
- Raw-cashew prices fixed by governments and unstable governments/policies in some countries.
- Lack of investment incentives from government for this new industry.
- Limited management experience and capacity in human resources (a 1,000 MT/year facility implies management of > 300 staff) and financial planning and administration.

Recommendations

During their meeting September 11, 2007, the executive committee & board of directors recommended activities in the cashew sector in the following areas.

- ACA operations:
 - Hold an annual meeting in spring 2008 with executive-committee elections. (Tanzania is the proposed location.)
 - Support activities of national cashew committees, the steering committee, and the ACA ambassador.
 - Promote membership, maintain effective administration, and expand the cashew-stakeholder database.
 - Maintain a transparent financial accounting system.
 - Register the ACA in the U.S. to apply for 501(c)(3)¹³ tax exemptions for funds from American donors.
 - Diversify ACA funding by submitting proposals to potential stakeholders.
 - Expand ACA presence in and coordinate activities with East Africa (including Mozambique).
- Technical assistance and training:

¹³ 501(c)(3) exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

- Hold training workshops for processors
 - i. Industrial processors: technical training on productivity, financial planning and access to capital, marketing information and conditions, standards of quality, hygiene and safety issues, certification.
 - ii. Local retail processors: packaging, marketing, productivity, equipment, financing.
- Provide technical assistance to processors based on demand and potential for growth.
- Gather models for a business-plan template and profitability/cash-flow model, as well as a manual; and develop and disseminate this as a tool on for setting up a profitable processing factory (contacts in technical assistance, equipment, markets, best operating and management practices).
- Marketing and communications to promote African cashews internationally:
 - Participate in Anuga, Peanut and Tree Nut Processors Association (PTNPA), INC, and the Fancy Foods Show.
 - Publish quarterly ACA newsletters (next one in November 2007).
 - Further develop ACA website, including translation, updates, and maintenance.
 - Update promotional materials including the [Cashew Processors' Directory](#).
- Country programs and activities:
 - Identify private/public partners and programs to develop country activities on production policy (improvement or raw-nut quality), processing policy (investment incentives, etc.), and increasing export marketing of raw nuts and kernels.

2.3.1.5 Wood Products

Overview

Value-added wood products represent a key industry in West Africa. Resources are concentrated in certain countries, as the [map of West & Central African timber resources](#). Potential export markets exist in the U.S., Europe, Pacific Rim countries, and China. Wood buyer visits to the Pacific Northwest and California resulted in U.S. \$7 million of prospective wood-flooring orders and potential orders of nearly \$20 million in wood mats used for environmental purposes in the harvesting of timbers. European wood buyers and African suppliers also attended RACE WOOD 2006 in Accra, Ghana, resulting in multi-hundred thousand dollar orders for regional companies. Export wood and furniture market consultant Jeff Holmes determined that West African companies are in an excellent position to compete in world markets, since wood resources are plentiful in the region and local labor costs are lower than in competing countries (e.g., China, where labor costs are rising rapidly).

Based on the principle that the manufacture of wood home furniture shifts to lower labor-rate areas, West Africa can obtain a significant percentage of export markets with its timber resources. This market is huge. For example, the U.S.— the single largest importer of manufactured furniture in the world, followed by Japan —imports \$2.5 billion in wood furniture from China each year.

A USAID-mandated [Wood Products Initial Environmental Examination](#) (IEE), reviewing foreseeable environmental effects on the West and Central African countries targeted by WATH/A, was conducted before EBD fully developed business linkage activities for this component. The IEE fulfilled Amended Sections 118 and 119 (1987) of the Foreign Assistance Act (1961) and has appropriate mitigating and monitoring plans to prevent actions that may impact the environment negatively.

In June 2006, EBD's wood-sector component expanded, as a result of interest by U.S. buyers, from the initial focus of developing wooden handcrafts and small decorative furniture, to including more products and additional activities. Expanded activities include promotion of lesser-known timber species, value-added secondary processed wood products (including furniture and furniture components), construction joinery parts (flooring, doors), and profiled wood (including moldings). Primary producers for the wood products sector are Benin, Cameroon, Côte d'Ivoire, Gabon, Ghana and Liberia.

WATH wants to ensure positive environmental impact by introducing and encouraging internationally accepted, stringent environmental controls and management practices on a local level, collaborating with forest management companies when possible.

Companies selected for the wood component received industry-specific training, technical assistance, and support at tradeshows, resulting in new business linkages and expanded opportunities for exports to international markets. The basis for admitting companies to the WATH/A program were the [Wood Sector Questionnaire](#) and the environmental status assessment, which determines the forest source of wood that the company uses and the main species of wood it processes. This document is called the [Monitoring of Environmental Status of Supply of Timber and Timber Products](#), as well as the [Wood Processing Company Environmental Policy Guidelines](#). After these first two stages, WATH/A evaluated the company based on the Wood Sector Program [Company Environmental Screening and Action Sheet](#). The screening criteria resulted in two categories of companies to receive technical assistance: Category A companies are export ready and source timber from credibly certified forests, forests in the process of being certified, or forest plantations. Category B companies are export ready and compliant with forest laws and policies, which are not pursuing certification but are in the process of working towards sustainable forestry. Technical assistance was focused on international standards, value-added and efficient processing, product diversification, marketing and environmental awareness, and training and implementation.

Primary [West and Central African supply companies](#) to which WATH/A has provided technical assistance, sponsorship, and training are Cush Cameroon and Bofor Cameroon; and Bibiani Logs and Lumber Company Limited, Samartex Timber and Plywood, Scanstyle Limited, and Yenok (Ghana).

Timber, raw and dried lumber, veneers, and some plywood are the primary wood-export products from Cameroon, Côte d'Ivoire, Gabon, and Ghana, but Côte d'Ivoire and Ghana have dwindling wood supplies from natural forests. For sawn-timber products, the most successful companies are foreign-owned and managed. Locally-owned companies struggle with production and quality issues because they lack appropriate equipment and financing.

Benin, Cameroon, Gabon, and Ghana have one or more furniture manufacturers marketing to European buyers in addition to several small, artisan producers for local markets. An outdoor garden furniture company from Ghana (Scanstyle Limited) has competed successfully in the European market. However, none of the companies in Cameroon and Gabon can compete with world exporters from China or Southeast Asia.

West African companies can increase sales to U.S. and European buyers who wish to tap new wood sources in order to diversify supply from China. EBD can provide alternative suppliers of veneers and component wood parts to western manufactures. African suppliers are willing to partner and collaborate, even with competitors, to increase their own knowledge, industry expertise, and ability to compete.

Primary activities

Wood sector-activities focused on generating increased exports, new jobs and greater investments. These objectives were met through the following activities:

- Determining the sector's potential, viable export products, and international markets.
- Ascertaining environmental concerns and restrictions on certain types of export products.
- Conducting an IEE to provide environmental-compliance guidelines for companies.
- Researching market and ability of local suppliers/producers to meet international demands.
- Developing relationships with buyers and suppliers to initiate trade discussions and transactions.
- Linking existing and potential financial sources, and providing training to improve production of wood-export products and expand businesses.

Accomplishments

Market Assessment & Competitive Analysis in China, September 2006 – WATH/A learned about the wood-furniture business in China at the *Furniture Manufacturing and Supply Exposition* in Shanghai, China in September 2006. WATH/A made contacts with 20 key wood suppliers and three buying organizations committed to establishing relations with West African companies (trip report [no. 153](#)).

U.S. Buyer Visits, November 2006 – WATH/A assisted environmentally compliant West African wood suppliers with visits to U.S. buyers who made business linkages and orders. WATH/A surveyed these buyers' interest in West African woods and their price and quality requirements (trip report [no. 174](#)).

RACE WOOD 2006, Ghana, December 2006 – WATH/A participated in RACE WOOD 2006, a forum for EU buyers to broaden their supply networks and products. Buyers realize that world hardwood demands are outstripping sustainable supply, given increasing legal restrictions on sourcing. RACE WOOD gave African suppliers a platform to identify European partners capable of developing downstream production to stimulate industrialization and job creation. The forum provided information on financing schemes and technical assistance from European sources to upgrade certification and equipment for value-added production.

Trainings

- Cameroon, October 2006: AGOA.net meetings (trip report [no. 165](#)).
- Gabon, February 2007: Value-added wood products and export opportunities under AGOA (trip report [no. 207](#)).
- Cameroon, February 2007: AGOA Forum meetings (trip report [no. 205](#), trip report [no. 210](#)).

Sustainable Forest Alliance, Ghana, May 2007. EBD staff collaborated with the U.S. Forestry Service under the Sustainable Forest Product Global Alliance (SFPGA) initiative and Ghana's Forestry Commission in a national workshop on forest-management planning. SFPGA provides support to World Wildlife Fund–Global Forest and Trade Network/Ghana to strengthen forest management in Ghana through adoption of a forest-certification scheme. WATH/A focused on forest-certification training and implementation and promotion of lesser-known species, in collaboration with the USFS and program offices of the WWF–West and Central Africa Regions.

Assistance to Liberia under AGOA. Liberia was admitted to AGOA in late 2006. In June 2007, Liberia organized a trade development forum at which WATH/A made presentations to 100 participants (trip report [no. 247](#)). At the invitation of the Minister of Commerce and Industry (MCI), WATH/A followed up with an export assessment mission to Liberia in August 2007. Consultant Gustav Ado identified key people and organizations with skills, resources, and infrastructure that would benefit from WATH/A assistance in production and marketing or technical training exchanges. WATH/A helped design the rubber-wood incubator project, which will cost U.S. \$160,000 in equipment, training, and operating expenses. MCI, International Trade Centre (ITC) and UNIDO have committed funding, and the Liberian Ministry of Commerce is looking for funds to cover remaining costs (trip report [no. 261](#)).

Recommendations

Provide marketing and sales training to existing entrepreneurs and sector enterprises. WATH/A Technical Advisor Jeffrey Holmes reported that every West African wood-sector company he met or visited needs training in how to deal with American buyers and conduct business in the U.S.: they need to know how to export and what to export. Factories need to improve efficiency, reduce waste, and improve time management and production flow. Training will require international expertise to bring these factories to internationally competitive levels.

Continue the “narrow and deep” approach of focusing specific, targeted sales-and-marketing assistance on companies that are export-ready with adequate production volume and product quality. Engage consultants to address supplier productivity/efficiency issues. Develop and aid sales and marketing activities from local and foreign sources, increasing private-sector interest in multiple marketing, sales, and investment opportunities.

Market value-added products from sawn wood, veneers, wood flooring, decking, furniture, and wood accessories for homes, gardens, lawns, and utility buildings. Priorities should be:

- Decking, moldings, and machined lumber components.
- Veneers and plywood from timber-rich countries, such as Cameroon, Gabon, and Liberia.
- Outdoor and handcrafted furniture.

Concentrate on the U.S. market, based on favorable AGOA conditions and the large receptive market. Europe is a prospective market for African suppliers, but many European companies already have operations in Africa. China and SE Asia are primarily interested in purchasing logs or timbers without value-added, at below market prices, so that market is not promising.

Assist suppliers with accessing funding for increasing production and capacity, in collaboration with the Access to Finance project. Inefficiency and the inability to obtain financing hinder suppliers from filling orders worth hundreds of thousands, even millions, of dollars from the U.S.

Use local and international NGOs with expertise in certification and sustainability, as well as volunteer organizations to provide mentors and trainers to build alliances. Integrate the work of these specialized NGOs, such as Rainforest Alliance and WWF, with that of WATH 2.

2.3.1.6 Finance

Overview

The regional financial market comprises commercial banks, mortgage finance institutions, non-bank financial institutions, stock markets, and niche financial-services institutions. Additionally, there are financial NGOs, bilateral and multilateral financial institutions and development banks, as well as facilities offered through government agencies generally supported by multinational or bilateral donors. There are two distinct divisions in the banking sector in West Africa and one overall system in Central Africa:

- **Francophone West Africa** is dominated by the *Banque Centrale des Etats de l'Afrique de l'Ouest* (BCEAO, a common central bank), which includes all West African Francophone countries except Guinea but includes Guinea-Bissau (Lusophone). They are all members of the Union Economique Monétaire Ouest Africaine and use a common currency: the *franc Communauté financière africaine* (CFA franc).
- **Other West Africa**, predominately Anglophone countries, each with its own individual currency and central bank.
- **Central Africa** has the *Banque Centrale des Etats de l'Afrique de Centrale* (BEAC) a central bank shared by the six members of the Central African Economic and Monetary Union (CAEMC): Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon. They use a common currency: the CFA franc (*franc Cooperation Financiere en Afrique Centrale*).

The six central African countries have one regional economic union, but West Africa has two: UEMOA, with 8 members using the CFA franc, and the Economic Community of West African States (ECOWAS), which includes the UEMOA countries plus 7 mainly Anglophone countries (15 countries in total).

Policy influence on financial activities also comes from the African Union (AU), of which all African states are members and from which policy decisions are transmitted to regional institutions and individual countries. NEPAD is also beginning to have an impact on financial and economic policies as they relate to integration.

The West African banking sector has improved somewhat in the past three years primarily because of the increased competition through the rationalization and regional expansion of the Nigerian banking system. Nonetheless, the regional banking system is still plagued with a number of shortcomings, including

operational inefficiency; poor communication systems; inadequate bank capitalization; inappropriate regulatory impositions by central authorities; complicated procedures for the purchase of foreign exchange; inappropriate credit policies and procedures, insufficient branch networks and access points (ATMs); inappropriate pricing; and inadequate terms for equipment, modernization, and expansion financing, etc.¹⁴ These limitations have led to the emergence of niche institutions that attempt to satisfy the needs created by the inadequacy of the commercial banking systems. These niche institutions may or may not be under central bank or Ministry of Finance authority. This situation leads to different regulatory environments and lack of overall control in the sector.

The limited range of products offered includes:

Interest-generating products

- Short-term loans: Collateralized 100% by existing assets and used to purchase goods for resale within periods of less than 180 days.
- Commodity loans: Supported by government guarantees for state-owned corporations involved in traditional exports, mining, or similar activities. These loans are syndicated with external “parent banks”. Considered sovereign risk at fairly high interest rates, they guarantee access to foreign exchange, and are generally linked to government reserves as deposits. The duration is often a product cycle.
- Mortgage loans: Collateralized by cash down-payments plus buildings (comparatively rare); terms are relatively short, 15 years or less.
- Purchase of T-bills: Used to support interest earnings.
- Advances: Support letters of credit (L/C) collateralized by assets in excess of 100% of the L/C value.
- Overdraft facilities: Collateralized by assets to at least 100% of value at interest rates that varies from 15% to 100% per annum for working-capital requirements of periods less than 1 month.

Fee-generating products

- Letters of credit: Collateralized at over 100% in cash for the purchase of raw materials needed in production of export items. Issuance fees are excessive at 1% plus exact on face value. Confirmation charges of approximately 2% are imposed by foreign correspondent banks because of outside perceptions of Africa’s risk. Confirmation requires that local bank deposits up to 100% at foreign correspondent bank.
- Guarantees/bonds: Usually against commodities in warehouse or 100% collateral in form of buildings or other acceptable assets. Charges are excessive due to inappropriate bank regulations (i.e., a guarantee is usually treated as a contingent liability; however, in Ghana it carries the same reserve requirement as a loan).
- Discounted bills/contracts and similar products: Rarely issued, except against other acceptable collateral such as assets (buildings, etc.).

Objectives

- Through workshops and one-on-one interventions, sensitize export-ready companies about the preparation needed to manage pre-export and investment financial needs as an integral part of their administrative, planning, and pricing activities.

¹⁴ Additional shortcomings include the lack of: clearing facilities, private credit checking bureaus, enforceable bank regulatory systems (primarily English speaking), regional training facilities, knowledge of trade finance vs. asset-based finance, appropriate products, effective delivery systems, an effective regional bankers’ association, interbank treasury facilities, secondary financial markets, capacity to syndicate loans, liquidity (e.g., Guinea-Bissau), and term deposits.

- Sensitize [key finance partners](#) about the need for better and more responsive banking relationships with non-traditional exporters and products that reflect the needs of the export client base. The banks must also adjust pricing to reflect actual risk levels.
- Introduce foreign buyers to local commercial banks in an effort to enhance their understanding of African market limitations and enhance local banks' knowledge of foreign buyers' needs and anxieties.

Activities accomplished

Finance played an integral role in all EBD product sectors and also featured as part of AGOA Support Services. Activities included publishing a [Finance Export Guide](#), facilitating [workshops and seminars](#), giving [presentations](#) tailored to each product sector and creating [templates and checklists](#) to provide specific instruction in issues like breakeven analysis and considerations for commercial contracts. Finance staff also evaluated and counseled companies and situations as need arose. Highlights from this work are listed below.

Table 15. Finance: Major Activities and Accomplishments

Sector, Country, Company	Need	Result
Apparel Cameroon Brodwell–Ken Atlantic	Purchase equipment for expansion to meet international market demands.	Purchased U.S. equipment quadrupling production capacity, and the successfully opened new factory.
Apparel Ghana Sleek and Oakbrook/ Superior Uniform Group (SUG)	Resolve issues surrounding management of export order by SUG and PSI-associated factories (Oakbrook, and Sleek), causing delayed shipments of primary raw materials and therefore late shipments to buyer.	A "second chance": SUG decided to treat the first round of purchase orders as a learning experience. SUG selected a private-sector partner, Sleek, for the next order. WATH/A continues to assist Sleek, which will be increasing production capacity, raising financing for raw materials, and managing cash-flow needs to allow for continuity of operations. Introduction to United Bank for Africa Plc (UBA) provided the possibility of more favorable financial terms and pricing.
Shea Soap Benin Natura	Create partnership between Benin producer and American buyer after initial meetings at 2005 <i>Natural Products Expo West</i> . Set up imported equipment purchased by American partner Out of Africa and commence production of specialty shea-based soaps for American market.	Resolved port delays and got equipment installed in factory. Explained context to U.S. partner, improving communications and allowing the project to move forward. Benin partner recognized the need to communicate accurately and immediately any potential difficulties to his partner.
Cashew Guinea-Bissau Dispute between Olam and the Guinea-Bissau government	Resolve a dispute between Olam and the government relating to export taxes imposed on Olam. Olam faced severe sanctions and elimination from the market.	Government and Olam resolved their differences. Change in government resulted in a withdrawal of the tax claim and efforts to negotiate the value of the seized goods. Additional incentives were given to Olam to return to Guinea-Bissau and invest in cashew processing plants. If all goes well and WATH 2 provides continued assistance, Olam could invest up to \$6 million in processing facilities and recommence trading activities related to raw cashew exports valued at \$12 million annually.
Cashew Côte d'Ivoire Value Chain for Cashew Processing	Make Côte d'Ivoire's cashew-processing sector more efficient and profitable.	Increased awareness by the various parties to work together and present a common document to the government for consideration. A national conference has been proposed to resolve issues confronting the sector. There is general recognition that cashew is a viable economic sector and provides a platform for the re-integration of Northern civil-war rebels into society.
Finance Regional/Ghana Access to Finance	Develop a program that assists banks in dealing with non-traditional exports. Involve	Creation of "Access to Finance" projectgram. In conjunction with the USAID contractor VEGA consortium's International Executive Service Corps

Sector, Country, Company	Need	Result
Program	banks and export-ready companies in a pilot training program that will resolve the lack of appropriate, properly priced financial products for export-related activities.	(IESC), WATH/A designed the project and identified stakeholders. The launch of the project and first of four training modules took place in late August 2007.
Handcrafts Ghana, Burkina Faso, Mali, Senegal Cost Plus World Market (CPWM)	Review the international export requirements for the handcraft industry and CPWM to meet buyer requirements and increase producers' awareness of export markets in general.	Organized, prepared, and presented 3 seminars on technical export issues to over 40 handcraft producers in Ghana. Initial order executed in 2006-7 from Ghana and Burkina. Awaiting confirmation of 2007-8 order of similar magnitude, plus additional orders in Senegal and Mali.

Note: For more details about these events, refer to [Major results and successes – Finance](#).

Major finance issues relating to nontraditional exports

Finance issues facing nontraditional exporters in WATH/A sectors (shea, apparel and textiles, cashews, home décor and fashion accessories, wood products) are similar. They are:

- Lack of adequate financial planning/administrative systems
- Failure to communicate accurately in a timely manner
- Inability to develop financial statements
- Poor negotiating ability with buyers, suppliers, and financial institutions
- Inability to enter into written contractual agreements
- Limited IT capability and access to Internet/email
- Inadequate infrastructure—road access, electricity, and water
- Excessive taxes and lack of tax or other fiscal incentives
- Limited asset base necessary to attract competitive financial products

International trade finance constraints

The international banking sector is generally hesitant to enter into transactions involving African producers/exporters, often based on unsatisfactory experiences. The general weakness of the African banking sector is a major impediment. Moreover, U.S. banks are weak in trade finance with Africa and lack familiarity with constraints that must be taken into consideration.

Likewise, buyer corporations are unfamiliar with trade finance and hesitate to open letters of credit because of the perceived high cost versus benefit. Pricing for L/C confirmations is high due to perceived risk; this cost is passed on to the beneficiary.

Other constraints faced by African exporters include restricted access to foreign exchange, except through onerous documentation requirements, and processing delays by banks under African government treasury departments and finance ministries.

Recommendations

- Create standard training modules for non-traditional exporters in:
 - finance & administration
 - negotiation and contracting
 - costing and pricing.
- Continue efforts to identify constraints faced by commercial banks in business development with non-traditional exporters (relationships with targeted sectors and clients).

- Continue training for bankers in product delivery and pricing and in recognizing the needs of non-traditional exporters.

2.3.2 AGOA Support Services

Overview and scope

In 2000, the U.S. government enacted the African Growth and Opportunity Act (AGOA), which provides a framework for trade and investment between the United States and sub-Saharan African countries. AGOA provides duty-free and quota-free preferences to exports from AGOA-eligible African countries to the U.S., enhancing job creation and expanding business opportunities between African and U.S. entrepreneurs.

The U.S. government supports AGOA through the African Global Competitiveness Initiative (AGCI), which provides technical assistance through its Global Competitiveness Hubs in sub-Saharan Africa. WATH was launched at the beginning of 2003 to be a resource for African and U.S. government agencies and the private sector to access information and technical assistance to boost trade.

The AGOA Support Services component was added to the WATH workplan in mid-June 2003, to address ongoing demand by West African countries for AGOA-related information, export opportunities, and training. AGOA Support Services operates in AGOA-eligible countries, which have increased in number over time. The AGOA Support Services subcomponent corresponds to the AGCI Private Enterprise Development pillar.

AGOA Support Services currently oversees a network of 18 [AGOA Resource Centers](#) (ARCs), including nine initially established by IBM Business Consulting with funding from USAID/WARP in late 2002 and early 2003¹⁵ (in Benin, Cape Verde, Ghana, Guinea, Mali, Niger, Senegal, Sierra Leone, and The Gambia) to act as focal points to sensitize the private sector on AGOA and opportunities for exports to the United States.

Objectives

- Consolidate the network of ARCs in order to generate economies of scale and sensitize companies to the benefits of, and requirements for, exporting under AGOA.
- Identify export-ready companies in support of WATH/A's EBD activities.

Activities accomplished

- Designed and semiannually updated an informational CD-ROM on AGOA, product eligibility, sector-specific requirements for exporting, and export guides—the [AGOA Export Toolkit](#).
- Purchased a 1-year [TradeMap/ProductMap](#) subscription of market research tools maintained by the International Trade Center (ITC) in Geneva for Cape Verde, Chad, Guinea, Niger, Nigeria, Sierra Leone, and The Gambia in November 2004.
- Ensured participation of 15 ARC representatives (Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Gabon, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Sao Tome, Sierra Leone, and The Gambia) at the August [2006 USTR AGOA workshop](#), two ARC representatives at the [2007 USTR AGOA workshop](#), and nine ARC representatives (Benin, Burkina Faso, Cameroon, Gabon, Gambia, Guinea, Mali, Niger, and Nigeria) at the AGOA Forum held in Accra in July 2007 (information available at http://www.agoa.gov/agoa_forum/agoa_forum6.html). See activities accomplished in the table below.

Table 16. AGOA Support Activities Accomplished by Country

Countries	AGOA Support Services Workshops and Training
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¹⁵ USAID WARP Task Order PCE-I-00-98-00017-00 831 **AGOA and Globalization Workshops for West Africa.**

Countries	AGOA Support Services Workshops and Training
Benin	<ul style="list-style-type: none"> October 12, 2004. AGOA training of GoB officials and the Chamber of Commerce and Industry (trip report no. 39). July 13–16, 2004. AGOA, TradeMap/ProductMap training with ARC (trip report no. 28). December 9–10, 2004. Training of Francophone ARCs on ProductMap (trip report no. 50). July 20, 2006. AGOA Day workshop in Cotonou (trip report no. 39). January 25–26, 2007. USA–Benin Business Forum & AGOA Day (trip report no. 195).
Burkina Faso	<ul style="list-style-type: none"> January 31–February 6, 2005. AGOA training of GoBF and ARC (trip report no. 52). March 9, 2005. Opening of the ARC in Burkina Faso at the Chamber of Commerce (trip report no. 55). September 22, 2005. AGOA Day workshop in Bobo Dioulasso (trip report no. 69). February 14–21, 2006. Private-sector retreat with Manchester Trade and the GoBF ministry of commerce (trip report no. 102). June 22, 2007. AGOA Export Strategy workshop in Ouagadougou (trip report no. 244).
Cameroon	<ul style="list-style-type: none"> March 3, 2004. Opening of new ARC at the Chamber of Commerce in Douala (trip report no. 14). June 6, 2007. AGOA Export Strategy workshop with the Chamber of Commerce (trip report no. 240).
Chad	<ul style="list-style-type: none"> April 29, 2004. Opening of new ARC at the Chamber of Commerce in N'Djamena (trip report no. 18). August 24, 2005. AGOA Day at the Chamber of Commerce (trip report no. 63). September 13, 2006. AGOA Day/sectoral workshop at the Chamber of Commerce (trip report no. 155). June 12–16, 2007. Shea training in Sarh, Chad (trip report no. 243).
Gabon	<ul style="list-style-type: none"> February 21, 2007. Opening of new ARC at the Chamber of Commerce in Libreville (trip report no. 207). May 30, 2007. AGOA export strategy session at the Chamber of Commerce (trip report no. 235).
Gambia	<ul style="list-style-type: none"> April 19–21, 2006. AGOA and apparel training with the GoG (trip report no. 118).
Ghana	<ul style="list-style-type: none"> October 2, 2003. Opening of the ARC at the Ghana-American Chamber of Commerce (trip report no. 4). May 11–13, 2004. 2004 ARC training in Ghana. August 9–10, 2006. 2006 ARC training in Ghana. October 31, 2006. AGOA and Customs Documentation in Accra.
Mali	<ul style="list-style-type: none"> October 24, 2004. Training of ARC Administrator (trip report no. 42).
Mauritania	<ul style="list-style-type: none"> March 24, 2004. ARC opening at Chamber of Commerce in Nouakchott (trip report no. 16).
Niger	<ul style="list-style-type: none"> September 29, 2005. AGOA Day at the Chamber of Commerce in Niamey (trip report no. 72). August 30, 2006. AGOA Day/sector workshop with the Chamber of Commerce in Niamey (trip report no. 150).
Nigeria	<ul style="list-style-type: none"> October 8, 2003. Exploratory trips to Nigeria to identify host institutions for the ARC (MAN, NACC). See trip report no. 4. ARC opening at the Nigerian American Chamber of Commerce (NACC) in Lagos (trip report no. 7). December 8–15, 2004. ARC training in Lagos (trip report no. 50). August 15–20, 2005. AGOA Days in Kano, Lagos, and Aba with NACC and NEPC (trip report no. 62). September 27, 2006. AGOA Day/sectoral workshop with NACC in Ibadan (trip report no. 160).
Sao Tome e Principe	<ul style="list-style-type: none"> December 2004. Exploratory trip to Sao Tome. Identification of host institution for ARC in Sao Tome e Principe. AGOA workshop (trip report no. 47). March 24, 2006. ARC opening at the Chamber of Commerce in Sao Tome (trip report no. 108).
Senegal	<ul style="list-style-type: none"> December 6, 2006. AGOA Day in Senegal in collaboration with WATH/Dakar (trip report no. 184).
Sierra Leone	<ul style="list-style-type: none"> December 8, 2005. AGOA Day with the Chamber of Commerce in Freetown (trip report no. 87).

Milestone highlights

- Held 20 workshops on AGOA export strategy (focusing on a specific sector: handcrafts, apparel, or specialty foods) that resulted in 2,327 companies, organizations, and individuals trained.
- Distributed over 4,600 copies of the [AGOA Export Toolkit](#) to over 600 private and public sector stakeholders.

Table 17. AGOA Support Services - AGCI Indicators

Indicator	Current Quarter (July 2007 - Sept 2007)			FY 2007 (Oct 2006 - Sept 2007)			
	Target	Achieved	% Achieved	Target	Achieved	% Achieved	
Number of people trained	Total	150	20	13%	400	734	184%
	Female	75	7	9%	100	212	212%
Person-months technical assistance provided	1	0.29	29%	1	5.29	529%	
Person-months of training provided	3	0.31	10%	18	27.69	154%	
Number of ARCs established	1	1	100%	1	2	200%	

ARC CD-ROMs distributed	500	244	49%	1,000	1,953	195%
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Note: Life-of-project performance indicators are located in Table 1 under the AGOA section.

Operational modalities

The AGOA Support Services component oversees sensitization on AGOA, and relies on a range of institutions in AGOA-eligible countries to accomplish this objective. Protocol dictates that the host government request the setting up of an ARC to the U.S. Embassy which, in turn, transmits the request through USAID/WA to WATH/A. WATH/A collaborates with U.S. Embassies and bilateral USAID missions to identify suitable host institutions to house the ARCs, after which WATH/A signs an [MOU with host institutions](#). This collaboration has resulted in the opening of eight additional ARCs since the creation of the nine initial ARCs by IBM Business Consulting.

The host institutions are primarily Chambers of Commerce (in 10 cases: Benin, Burkina Faso, Cameroon, Chad, Gabon, Guinea Bissau, Niger, Sao Tome e Principe, Sierra Leone, The Gambia); trade promotion agencies (3 cases: Cape Verde, Guinea, Mali); private organizations (2 cases: Ghana, Nigeria); and government (Niger). In Senegal, a new ARC is scheduled to open at the end of September 2007; it will be housed in an export-promotion agency (*Agence Sénégalaise de Promotion de l'Exportation – ASEPEX*). WATH/A has drawn up [guidelines for establishing an ARC](#), and provides computer equipment, installs a database (the *AGOA Export Toolkit*), conducts training for the ARC Administrator, and facilitates a one-day or half-day workshop after an opening ceremony. The workshop provides a brief orientation to using the center as a resource for sector-specific AGOA-related information to help access the U.S. market. The workshop is designed for private-sector representatives but is open to public-sector and NGO representatives who have a direct role in facilitating trade.

WATH/A requests that ARCs provide feedback quarterly using [quarterly report templates](#) including information on the number and types of visitors, information requested, export opportunities, and referrals to export-ready companies.

Every year, WATH/A provides financial and technical support for a series of export-promotion workshops for a limited number of ARCs. Through a competitive process, the workshops are open to all ARCs, which receive [requests for proposals](#) for a one-day workshop or in-country training. ARCs then submit proposals for a limited number of workshops. The AGOA Support Services coordinator conducts the workshop, along with a member of WATH/A's EBD team (chosen according to the sector targeted by the event).

WATH/A also works with national AGOA Committees set up in several countries. These committees bring together members of the public and private sectors to develop a strategy and set of activities to expand export opportunities to the U.S. market under AGOA.

Among the **difficulties and challenges** that AGOA Support Services experienced, WATH/A does not have authority over the choice of the ARC administrators. Consequently, some of the administrators lack the knowledge and capacity to adequately assist the private sector in their countries. Some administrators are very dynamic and proactive, others are not. Moreover, some administrators do not submit quarterly reports as stipulated in the MOU. To address some of these issues, the AGOA Support Services coordinator has provided training in some basic areas, such as assessing the export-readiness of a company and designing new reporting templates, and has drafted basic workplans for each of the ARC administrators.

The national AGOA Committees have not fulfilled their mission to help countries take full advantage of AGOA. In most cases, the members rarely meet and do not have a clear scope of work.

Recommendations

WATH 2 can build on lessons learned by the AGOA Support Services component to develop a more credible and efficient network of ARC administrators by giving them more training support, and getting them involved in in-country activities to provide a sense of ownership and service to the business

community. WATH 2 should develop a dynamic network where information can flow in real time, and experiences can be shared to improve the overall skills of the ARC administrators. This network can be achieved through an online platform called the virtual AGOA Resource Center Network ([ARCNet](#)). ARCNet would serve as a platform of exchange wherein the AGOA resource centre (ARC) Coordinator at WATH 2 and ARC administrators could input information such as regional trade opportunities, tips on exporting, and export documentation. ARCNet could also host the *AGOA Export Toolkit*, which would continue to be updated at least twice a year. This tool can help foster a more business-advisor type of role to effectively support the work of EBD, instead of being a reference point for just disseminating information. Although WATH 2 should focus its resources on the most efficient ARCs, this tool should help incite lagging ARCs to be more effective, which could lead to increased follow-up resources being furnished by WATH 2.

WATH 2 should envisage paying a fee to proactive ARC administrators who refer export-ready companies that have effectively gone through training, participated in WATH-sponsored events, and successfully exported. WATH 2 should also diagnose the AGOA performance in the region and propose country-specific strategies in collaboration with the ARC administrators, the directors of the ARC host institutions, the national AGOA Committees, and designated public officials (mainly from ministries of commerce). WATH 2 will need to coordinate with heads of host institutions on a yearly workplan to develop consensus on milestones for the ARC administrators.

WATH 2 should also coordinate with regional export-oriented private business associations and target their members. This would boost the number of export-ready companies and potentially the volume of export sales through WATH 2.

Follow-up

- Set up the virtual AGOA Resource Center Network, ARCNet, in conjunction with a web-designer.
- Coordinate with the Niger ARC on WATH 2's participation at the *Salon International de l'Artisanat pour la Femme* (SAFEM) (<http://www.safem.info/>) scheduled in Niger, December 10–19, 2007.

2.4 Cross-Cutting Components

2.4.1 Communications & Outreach / Monitoring & Evaluation

Overview and scope

This cross-cutting component creates a complete information infrastructure for the Hub to communicate its work to a multinational, private- and public-sector audience with varying levels of technical access.

Communications & Outreach (C&O) and Monitoring & Evaluation (M&E) were initially performed by the same person. Since September 2005, each function is now coordinated by a full-time staff member. The department also includes two part-time editors and one full-time assistant. Three translators are used as needed, and graphic design and photography are contracted as short-term technical assistance (STTA).

Objectives

- Through a variety of media, increase awareness and understanding of Hub work by USG, other governments, partner organizations, journalists, businesses, buyers, and beneficiaries.
- Increase and expand WATH 2's sector-specific education of beneficiaries, creating training and informational materials and assisting with training as necessary.
- Ensure a professional, USAID-branded appearance for all Hub publications.
- Ensure regular information flow with USAID by responding completely and promptly to inquiries and notifying USAID of Hub activities and accomplishments.
- Ensure that all project activities correspond to objectives in work plan.
- Monitor the performance of project components through data collection on chosen indicators.

Activities accomplished

- **Website transformation:** Redesigned, reorganized, and greatly expanded project website (www.watradehub.com), to serve as a resource for a variety of clients. Interactive features included the find-an-exporter tool, an export-readiness questionnaire and the ability to register online for the Hub's contact database. All Hub guides and technical reports are downloadable, as is *Opening Doors to New Markets*, the Hub's export-promotion film. [Website design](#) includes new banners and layouts of Accra home page and the "umbrella" page, featuring a slide show and routing visitors to Accra or Dakar Hubs.
- **Storytelling, newsletter upgrade, and magazine publication:** Launched monthly e-newsletter, distributed via Hub online contact database, *SalesForce*, and available on the website, to replace print version previously emailed to subscribers. Issues of the *WATH Factor* each featured four in-depth stories about Hub accomplishments, client successes, and economic trends in West Africa, as well as a detailed list of events attended and organized by Hub staff, and a calendar of upcoming events of interest. To supplement this information and draw in new clients, the print "magazine" *Tradewinds* was created to feature longer illustrated articles about WATH/A activities.
- **Publicity materials:** Created full complement of informational publications, including seven [brochures and flyers](#) on Hub components and initiatives (e.g. AGOA support services, Improved Road Transport Governance) and EBD sectors (cashews, shea butter), as well as 13 [success stories and case studies](#) detailing EBD and Policy & Governance highlights (11 of which are still in circulation). All materials were translated into French and/or Portuguese as needed, and hard

copies were packaged in custom-designed [folders](#). In total, distributed tens of thousands of copies in West Africa, Europe, and the U.S.

- **Photography:** Managed library of photos (see [photo selection](#)) for use in newsletters, website and promotional materials. Hired professional photographers to document special events and selected Hub-sponsored businesses.
- **Promotional film:** Produced a half-hour export-promotion film, *Opening Doors to New Markets*, showcasing nearly 20 producers of apparel, handcrafts, shea butter, and processed cashews in Burkina Faso, Côte d'Ivoire, Ghana, Guinea-Bissau, Senegal, and the U.S. Distributed in the U.S. and West Africa and available on the Hub website.
- **Media relations:** Cultivated contacts with Ghanaian, other West African, and international press, inviting journalists to events and providing written materials to ensure accurate coverage. Routed inquiries to relevant Hub staff, coordinated and monitored interviews.
- **Specific component support:**
 - EBD: Produced and regularly updated [Exporters' Directory](#), organized by sector and country, for distribution to overseas and regional buyers. Designed numerous [marketing materials](#) to publicize West African presence at overseas tradeshows (including mass emails, targeted brochures, catalogs, inserts to tradeshow magazines, banners, and posters) and rebrand select exporters, providing individual assessments of existing materials and creating new ones for a more polished appearance to attract buyers.
 - AGOA: Designed [AGOA Toolkit graphics](#), including new navigation page, disc cover, and jewel-case insert for CD-ROM. Delivered [marketing presentations](#) at AGOA workshops in Chad and Burkina Faso.
 - IRTG: Produced [IRTG graphics](#), including stickers and banners and a map detailing the results of the first data report. Also designed four truckers' booklets detailing required documents when traveling in Burkina Faso, Ghana, Mali and Togo. Distributed first statistical report via *SalesForce*.
 - ACA: Created [African Cashew Alliance graphics](#), including a logo, cashew exporters' directory, poster, brochures, and one-sheets.
- **Regional AGOA Workshops:** Coordinated programs, workbooks, e-mail invitations, and logistics for AGOA regional conferences in Accra and Cameroon. Coordinated and decorated an informational booth—complete with banners, sample products for export, and publicity materials—for all three African Trade Hubs at the 2007 AGOA Forum in Accra. Wrote press releases to highlight specific activities, programs, and accomplishments.
- **WATH/Dakar support:** Designed and populated website for sister project www.watradehub.com/dakar, produced a flyer, and helped coordinate publicity for official opening in November 2005. Published at least one story per month from WATH/Dakar in the *WATH Factor* and covered smaller events on the “What’s Happening” page.
- **Editors' subcomponent**
 - Developed a consistent house style for project documents and created electronic [templates](#) for letterheads, trip reports, technical reports and quarterly reports that adhere to house style and comply with USAID-branding guidelines.
 - Created a [protocol](#) for managing the submission and editing of trip reports with the goal of disseminating them in a timely manner.
 - Edited, formatted, and branded all external Hub publications, including [trip reports](#), [technical reports](#), [quarterly reports](#), [export guides](#), [success stories and case studies](#), [brochures](#)

[and flyers](#), and the website, including the e-WATH Factor. (See www.watradehub.com/accra)

- Assisted in writing newsletter and success stories, updating the website, and disseminating publicity materials as needed.
- Supported Monitoring & Evaluation specialist in compiling data and text for quarterly reports and assuring submission of trip reports to USAID.
- **M & E subcomponent**
 - Submitted 17 [quarterly reports](#) to USAID/WA since 2003. Monitored incoming and outgoing data for AGCI indicators. Worked individually with component heads to assure accurate data.
 - Tracked, edited, and disseminated trip reports to USAID/WA and other stakeholders. Since the inception of the project in 2003, WATH/A has disseminated 267 [trip reports](#).
 - Tracked all USAID-sponsored training and entered required information on trainings that lasted more than 15 hours onto USAID's Web-based *TraiNet* site.
 - In close collaboration with the EBD team, developed profiles of successful WATH/A-sponsored companies.
 - Created Excel worksheet of [IRTG published articles](#) for monitoring the indicator “Number of articles and press releases published on corruption” under IRTG’s “diffusion and civil society” subcomponent, and collaborated to create and organize folders on the WATH/A shared drive to store information on media publications and broadcasts.
- **Highlights**
 - Average monthly website hits increased from 15,000 to more than 100,000 from 2003 to 2007. The number of unique visitors also rose steadily, from an average of 520 per month in 2003 to 2,400+ per month during 2007.
 - Readership of *WATH Factor* monthly newsletter expanded from 1,600 in 2005 to more than 5,000 in 2007.
 - The Trade Hub earned favorable coverage of events and economic trends by West African and international media—radio, television, and print. *WATH Factor* articles were frequently reprinted in other publications.

Operational modalities

- **Coordinator responsibilities:** Create or approve written and graphic content for *WATH Factor*, website and publications, as well as other components’ materials as needed. Manage STTA and ODC labor, assigning and prioritizing requests for editing, graphics design, translation, or photography.
- **Editor responsibilities:** Edit and format all external Hub publications, write content as needed, assist with website updates and other tasks.
- **M&E responsibilities:** Coordinate and compile quarterly reports and final report with component heads. Track writing and editing of [trip reports](#) with Hub staff and supervisors. Disseminate quarterly, trip, and other reports. Collect and compile information on project indicators, outputs from component heads, and progress toward planned activities; and arrange for presentation to WATH/A staff, partners, and USAID.
- **Assistant responsibilities:** Ensure sufficient store of hard copies of Hub materials. Coordinate *SalesForce* tasks, including screening of leads, data cleanup, and design and distribution of mass emails. Route information inquiries and export-readiness questionnaires.

- **Interns:** Largely coordinated through Communications and Outreach (C&O) for entire project. Interns for Hub have come from Ashesi University, Ghana National Service, the University of Arizona, and one was independent. Interns assisted greatly with clerical jobs (brochure printing and folding) as well as logistics for large events (AGOA Regional Workshops) and ongoing tasks, such as *SalesForce* data cleanup.
- ***SalesForce*:** An online contact management database used by C&O to distribute the *WATH Factor* and mass emails to more than 8,000 contacts. Templates designed with information from component in question and mailed to desired list, assembled by C&O. See separate [SalesForce report](#).

Recommendations

- **Fill gaps on existing team:** Find new designer, to replace Dorothy Jackson, and professional photographer to record key Hub events. (Coordinator by November 2007)
- **New project staff:** Meet with all incoming team members to explain role and tools of C&O. Integrate their information into Hub website profiles and introduce via *WATH Factor* or mass emails as necessary. (Coordinator and assistant by November 2007)
- **Translation:** If all future translations are to be handled through C&O, determine from other components the relative cost to integrate into budget. (Coordinator by November 2007)
- **M&E:**
 - The average turnaround time for submission of [trip reports](#) (21 days) to USAID/WA, should be extended, preferably to 31 days, in consultation with USAID/WA. Since the beginning of the trip-report tracking process in FY 07 Q1, average turnaround time for each quarter to date has been 31 days. Trips that involve multiple technical consultants across components (e.g. LTTA and STTA), take longer to be submitted for editing due to difficulty coordinating among the travelers when one or two of the consultants have multiple trips running consecutively. Timely reporting of travel activities to USAID/WA should be balanced with the sometimes heavy travel schedule of STTAs and LTTAs.
 - Consistency in indicators. It is recommended that the indicators not be changed significantly during WATH 2. Indicators for WATH/A were altered to the degree that it is not possible to track them over time. It would have been very helpful to have baseline data from 2003 for WATH I performance indicators. (The same can be said for WATH 2.)
 - Post-tradeshaw evaluations. The relationship between WATH/A and individual exporters should be more closely monitored at major progression points (Service provided by ARC, trainings, technical assistance, attendance at tradeshaws, business linkages with buyers, and processing of orders). Post-event evaluations are an effective way of tracking the effectiveness of WATH 2 assistance to exporters. For tradeshaws, a system whereby WATH 2-sponsored exhibitors are provided with evaluations forms to complete and return to M&E specialist for analysis is recommended. Some post-tradeshaw evaluations have been received, but it is not general practice, and the evaluations do not solicit information systematically.
 - Site visits and accompanying qualitative and quantitative reports from WATH-sponsored exporters to monitor the production process and shipment of orders.

2.4.2 Hub Management & Administration

Overview and scope

The Hub management and administration component of WATH/A has had the primary responsibility of providing support services to the functioning of the technical components.

From the beginning of the project, a three-way planning and strategic link between USAID/WA, the CARANA project manager, and the WATH/A chief of party has assured WATH/A's overall direction. Staff in the CARANA and Abt offices in the U.S. have also provided administrative support.

The operations and logistics manager who reported to the chief of party has continued to have day-to-day oversight of the administrative staff. The operations and logistics manager, as well as staff for whom he was responsible, were the main executors of tasks within the component. At the same time, the project sometimes had to depend on organizations and individuals external to the project (see [contact list](#)), which affected to a degree the effective delivery of some services expected from the component.

Objectives

The objectives of the component may be summed up into three broad areas:

- Optimization of the use of project resources to allow technical staff to carry out their tasks effectively and efficiently.
- Providing the logistics necessary for the technical staff to carry out their tasks.
- Safeguarding the material and financial resources of the project.

Activities accomplished

Accomplishments during the period by the management component include the following:

- Effected office move from Horizon Suites to Jubilee House.
- Established corporate accounts with three utility companies for the provision of electricity, and fixed and cellular telephone services.
- Created an up-to-date list of all [inventory](#) used in the project.
- Oversaw installation of a wired (cable) local area network (LAN) for the office with 40 connection points.
- Managed an Internet service 128 kbps dedicated system provided by Broadband Home Ghana Limited.
- Oversaw a fixed-line telephone system from the Ghana Telecom Company with a private automatic branch exchange (PABX) with 6 lines, including one for Fax. The PABX has a total capacity of 40 extensions.
- Built good corporate relations with two travel and tour companies (Nita Tours and Satguru Travel and Tours).
- Reached an agreement with the landlord for extension of the current [lease agreement](#) to cover November and December 2007, responding to a request from USAID/WA.

Operational modalities

Over the period, WATH/A management optimized the use of its staff and project resources to enable technical staff to carry out their tasks effectively and efficiently. This service covered one technical staff member based in Lomé, Togo. Management coordinated project travel and ensured the smooth implementation of training and promotional events in Ghana and other countries.

- Management responded to requests from technical staff for staff recruitment, acquisition of equipment, and the provision of other logistics in support of technical activities.
- Key partners and collaborators with whom management dealt, and who are on the [contact list](#), include the following:
 - Ga Presbytery, Jubilee House, provided office space, support generator service, and backup water supply during periods of insufficient municipal supply

- Electricity Company of Ghana (ECG), provided electricity from the national grid
- Ghana Water Company (piped water)
- Broadband Home Gh. Ltd. (Internet service)
- Ghana Telecom Company (telephone and fax service)
- Standard Chartered Bank (banking)
- Scancom Gh. Ltd. (cellular phone services)
- Nita Tours Travel and Tour Company (travel agency, air travel)
- Sputnik Travel & Tour Ghana Limited (travel agency, leasing 4 X 4 vehicles and minibuses)
- Satguru Travel and Tour Company (travel agency, air travel)
- Difficulties encountered
 - Disruptions in utility services including telephone, water, and electricity.
 - Intermittent downtime on the Internet service and consequent changes of ISP.
 - High cost of the ISP service.
 - Crash of the server's hard drive.
 - Two vehicles (one 4-wheel-drive, one saloon), each with a project driver, were not always enough to meet project needs. Management rented additional vehicles from Let Drive.

Follow-up and recommendations

- A number of decisions will have to be made on the provision of utility services. The landlord currently provides a backup water service via a tanker, which on several occasions in 2006–2007 did not work well and therefore left the office without water for at least 24 hours. Management should hold discussions with the Presbytery on getting an adequate water supply.
- In addition, discussions should be held on the operation of the standby generator, which has malfunctioned on three occasions within the June–August 2007 period.
- WATH 2 could also invest in an industrial or heavy-duty uninterrupted power supply (UPS) that could keep all systems running between outages and the start of the generator.
- Management will have to negotiate with Ga Presbytery the cost of the lease for the period starting January 2008, if WATH 2 will continue to be based in Jubilee House.
- Management should research and renegotiate ISP rates and speed and identify and contract a backup service provider.
- It might be necessary for management to acquire an additional vehicle to augment the two that the project currently has.

Note: The links in this document can also be accessed through the [library](#).