



USAID
FROM THE AMERICAN PEOPLE

COMPENDIUM OF AFRICAN TRADE-RELATED SUCCESS STORIES AND CASE STUDIES







ABOUT THIS PUBLICATION

This compendium includes success stories and case studies produced by the implementers of USAID's African Global Competitiveness Initiative and complements the compendia published by AGCI in 2008, 2009, 2010, and 2011. It highlights specific examples of successes that USAID programs have achieved in Africa, from reducing red tape and costs associated with trade, to forging partnerships with farmer organizations, facilitating access to finance in the private sector, and attaining new visibility for African products in the global marketplace. Many of these success stories have been generated by USAID's trade hubs—located in Accra, Dakar, Nairobi, and Gaborone and managed by USAID's regional missions in Africa.

Front cover photo

Relationship Information Tracking System (RITS) success, Sustainable Harvest recently launched RITS Ed—an iPad app that delivers training videos to educate farmers on coffee agronomy, food security, and managing the coffee business.

Photo: USAID COMPETE courtesy of Sustainable Harvest

Inside cover photo

Protecting shea trees has become vital to the economy of west Africa because of increased demand for shea in world markets. A shea tree is grafted by attaching a stem from a proven producer of superior fruit to a sapling with strong roots.

Photo: USAID West Africa Trade Hub

Photo above

page i: AfricaNow! is an innovative collaboration of modern home décor and accessories celebrating the fusion of African art and life. Inspired by authentic African cultures with a contemporary influence, products include contemporary and traditional jewelry, accessories, home textiles and furnishings, whimsical holiday ornaments, baskets, wood, ceramics, and more.

Photo: USAID West Africa Trade Hub

Back cover photo

USAID has partnered with the Northern Corridor Secretariat to reduce barriers to trade on this transit corridor, and in particular at the Malaba border, where USAID COMPETE has established Joint Border Committees.

Photo: USAID East Africa Trade Hub

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DONOR PARTNERSHIP FOR KENYA SMALLHOLDER FARMERS

A 30-PERCENT INCREASE IN GRAIN BUSINESS EARNINGS



A local Masaai from the village of Romosha greets the Trans Mara District Commissioner, welcoming him to the Mode Satellite Store. Photo: USAID COMPETE

“We are very grateful for the assistance from USAID in helping to equip and train the farmers in Trans Mara so they are better able to trade in the main commercial markets.”—Mbog Mathioya, District Commissioner of the Trans Mara region.

Low volumes, poor physical access to markets, and lack of proper storage facilities keep many smallholder farmers in a persistent cycle of subsistence farming. To address this problem, farmers from the Kenyan villages of Keiyan, Romosha, and Angatta Barrikoi have overcome bottlenecks and gained access to regional markets by banding together to form smallholder farmer associations with support from a partnership between USAID, the Cereal Growers Association, the Alliance for a Green Revolution in Africa, and the World Food Programme’s Purchase for Progress.

In July 2009, the Cereal Growers Association, with Alliance support, identified and began training smallholder farmer associations on topics such as group dynamics, post-harvest handling, savings, and credit. USAID is supporting the Alliance’s efforts with a \$248,000 grant for equipment and technical assistance. Purchase for Progress agreed to purchase grain from the smallholder farmer associations and contribute assistance that included improvement of the dirt roads leading to small bulking stations. The combined assistance received from USAID, the Alliance, and Purchase for Progress has allowed the smallholder farmer associations to save money and time by processing their food locally.

What are the results so far? In less than a year, three satellite stores were established and nine smallholder association groups were awarded the tenders to supply 1,019 MT of maize to the World Food Programme.

USAID and the World Food Programme’s Purchase for Progress will not be the final solution for Trans Mara smallholder farmer associations, but it is currently the best incentive for farmers to build their capacity, refine best practices, and learn how to access agricultural markets at competitive prices.

All bulking can now be done in their village, where maize is sorted, checked for moisture content, and properly bagged. For the 485 households that comprise the 17 smallholder farmer groups, the result is a 30-percent increase in their grain business earnings.

SOURCE: USAID East Africa Regional Mission <http://eastafrica.usaid.gov/documents/document/1418>

ENHANCED AGOA RESOURCE CENTERS HELP BUSINESS INCREASE TRADE

*USAID HELPS COMPANIES
TAKE ADVANTAGE OF AGOA,
CREATING JOBS, AND LIFTING
INCOMES.*

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

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

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



Ten years ago, the United States launched the African Growth and Opportunity Act. One of its chief architects, Rosa Whitaker, CEO of the Whitaker Group, also served as the first U.S. Trade Representative for Africa after the U.S. Congress enacted AGOA.
Photo: Whitaker Group

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

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

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

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

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

SOURCE: USAID West Africa Trade Hub
<http://www.watradehub.com/sites/default/files/resourcefiles/feb11/success-earc-11.pdf>

DEVELOPING TRADE LINKAGE NETWORKS

ACTIF MEMBERS ARE RAISING AWARENESS AND PROMOTING SOCIAL RESPONSIBILITY INITIATIVES IN EAST AFRICA

Jas Bedi, a Kenyan textile and apparel entrepreneur, is a strong proponent of the African Growth and Opportunity Act and the preferential trade opportunities that it provides.

USAID's East Africa Trade Hub has been instrumental in developing trade linkage networks such as the African Cotton & Textile Industries Federation (ACTIF) that help Bedi make worldwide connections in the textile and apparel industry. One of his proudest achievements is helping international firms give back to the local community.

“As a designer, Kenya is really inspirational,” says Lauren Bush of WFP School Feeding Operations, who has visited the country twice. “We’re trying to highlight the traditional Kenyan culture.”

Global retail giant Tesco has partnered with Bedi to make school uniforms that are eco-friendly through its Ethical Clothing initiative. This year, Tesco has taken that partnership one step further and has launched its ‘Buy One, Give One Free’ promotion. For each pair of trousers sold in the U.K., Tesco will give a Kenyan child a school uniform skirt, shirt, or pair of trousers.

Bedi continues to break new ground in his quest for new product innovations that will fit the U.S. market under AGOA. His wife, Viva, has taken up the challenge and has initiated a product line under the ‘FEED Project.’

The FEED Project started in 2006 when acclaimed model and activist Lauren Bush designed a bag to benefit the United Nations World Food Programme's (WFP) School Feeding operations. Inspired by the aesthetic of the bulk bags of food distributed by WFP, she created the FEED 1 bag (and then later, the FEED 2 bag), a reversible burlap and cotton bag stamped with ‘FEED the children of the world’ and the number ‘2’ to signify that each bag purchased feeds two children who are in school for one year.

Viva established a workshop in Nakuru, Kenya to produce these bags, which are handcrafted by a coop of women and deaf Kenyan artisans. Each bag is hand-beaded using traditional techniques and is made with natural burlap and the



WFP honorary spokesperson, Lauren Bush, has designed a new bag as part of her FEED Project to support WFP's school feeding program. The bag is crafted by Kenyan artisans in Nakuru.
Photo: FEEDprojects.org

iconic Kenyan Masaai tribal fabric. The bags are made as eco-friendly and fairly as possible, and the workshop is audited and certified as a fair labor facility.

The FEED initiative has raised nearly \$3 million for WFP. FEED 2 Kenya bags are sold exclusively through Bergdorf Goodman.

SOURCE: USAID East Africa Regional Mission
http://eastafrica.usaid.gov/en/USAID/Article/1234/All_About_Africa_Growth_and_Opportunity_Act_AGOA and
http://www.competeafrica.org/news/success_stories/actif-members/index.php/

FIRST PUBLIC WAREHOUSE RECEIPT SYSTEM LAUNCHED IN MALAWI

ACE SYSTEM PROVIDES BUYERS WITH GRAIN AND DEPOSITORS WITH CASH



Mr. Chikhasu, owner of Bucow Investment, receives the first warehouse receipt.

Photo: East Africa Regional Mission

“The warehouse receipt system makes it possible for me to buy larger volumes and keep the maize till the prices are good. I believe the price of maize will allow me to earn a good premium next year after paying storage and interest costs.”—Lawrence Chikhasu.

The Agricultural Commodity Exchange for Africa (ACE) and the Grain Traders and Processors Association (GTPA) have implemented Malawi’s first public warehouse receipt system to help depositors access finance, as well as facilitating trade through the use of these receipts.

Using this system, an owner of agricultural commodities can deposit grain securely, until it is profitable to sell, and opt to receive a warehouse receipt that can be used to obtain immediate finance from a bank. This potential to time grain sales to obtain better prices, access cash, and secure storage provides incentives for grain warehousing and allows grain buyers and traders to access more grain of a known quality and quantity.

A consortium of donors—including the Common Fund for Commodities, the European Union, the Alliance for Green Revolution in Africa, and USAID—is funding different elements of the system. This requires software development, rural warehouse refurbishment, training, and linkages with farmers to become a fully operational warehouse receipt system, benefitting smallholder farmers and other depositors alike.

The first warehouse receipt was issued at GSL Silos in Kanengo, Lilongwe. Lawrence Chikhasu, owner of Bucow Investment, a small commodity trading company, was the first to take advantage of the new system: “I am a

businessman and need financing to keep buying maize from farmers. The storage cost is higher than what I am used to, but my maize is secure and the quality and quantity is guaranteed—I don’t have to think about post-harvest losses anymore.” Mr. Chikhasu deposited 14.5 metric tons of maize and received 60 percent of the current market value, comparable to \$1,715 at 20-percent interest per year.

The new public warehouse receipts system is also good for Malawi’s markets. Three banks—Opportunity International Bank of Malawi, Standard Bank, and the National Bank of Malawi—consider the warehouse receipt to be a secure, tradable document. Banks enjoy reduced risk in financing these receipts, and grain buyers know they will get what they pay for when they buy a receipt, which is a form of performance guarantee.

Generally, delivery on a contract is made when transfer of ownership is done on the receipt; the maize does not necessarily have to move for delivery to take place. This public warehouse receipt system makes trade both easier and more secure, and is expected to attract more buyers and foster a more liquid and vibrant agricultural market in Malawi.

SOURCE: Snapshot reported by USAID East Africa Regional Mission (October 2011)

CRACKING THE ACCESS-TO-FINANCE NUT

THE USAID TRADE HUB'S INNOVATIVE APPROACH TO FINANCE IS PRESERVING JOBS IN THE CASHEW SECTOR.

Intangible as it is, business confidence is built on concrete factors that are often spread out—technical expertise that can ensure a quantity of quality product is delivered on time, market intelligence that can connect a company to an interested buyer, and business experience that can identify financial backers to make it all happen. If one element is missing, an enterprise's viability is thrown into doubt.

The USAID Trade Hub's finance team implemented a cashew financing scheme in 2011 that brings all of these elements together. Successful financing is the result.

“Getting financial institutions to share their collateral is an excellent approach to facilitating access to finance that we can replicate in other sectors across west Africa.”—Alfred Braimah, ECOWAS.



The opening of new cashew processing factories is transforming the lives of thousands of workers, most of whom are young women.

Photo: OLAM Factory-Mtwara, Tanzania, Ryan Yingling/ USAID West Africa Trade Hub

The scheme was launched last year with stakeholders in Nigeria who met in February 2012 to expand it thanks to its positive impacts. By doing so, they are also preserving hundreds of jobs that otherwise would have been lost.

“Six months ago we had one plant,” said Tunde Odunuga of Abod Success, a cashew processor in Lagos. “Now we have three and we employ 300 compared to the 150 employees we had before we received the financing.”

The scheme brings together cashew processors, banks, the African Cashew Alliance (ACA), and a USAID Trade Hub-supported financial services company, AIMS Limited. Each plays a vital role in overcoming the number one issue that businesses report in West Africa: The difficulties they face in obtaining access to finance.

The numbers tell the story: the scheme facilitated almost \$1 million in financing for two

processors. The expansion brings in Ecobank, who joined NEXIM Bank, Nigeria's Bank of Industry, and the ECOWAS Bank for Investment and Development on the financial side. The ACA provides technical assistance and the USAID Trade Hub provides market linkages support. AIMS provides overall coordination for the finance scheme.

Buoyed by their success, stakeholders are setting their sights on applying the approach in other export sectors.

“Getting financial institutions to share their collateral is an excellent approach to facilitating access to finance that we can replicate in other sectors across west Africa,” noted Alfred Braimah, private sector director at ECOWAS.

SOURCE: USAID West Africa Trade Hub <http://watradehub.com/sites/default/files/resourcefiles/may12/access-finance-success-story-april-2012.pdf>

TECHNOLOGY LOWERS EXPORTERS' COSTS, INCREASES COMPETITIVENESS

*EXPORTERS FIND BUYERS,
INCREASE PRODUCTIVITY, AND
LOWER COSTS WITH BETTER
ACCESS TO ICT THANKS TO
THE USAID-INTEL ALLIANCE.*



Photo: USAID/West Africa Trade Hub

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

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

Opoku’s new Web site was created in about two hours during a workshop organized and



Edwina Assan of Edtex, a textiles firm in Ghana, said eBizBox II had transformed her production process, increasing efficiency and lowering costs. Photo: Joe Lamport, USAID/West Africa Trade Hub

conducted by the trade hub as part of its eBizBox II package of ICT solutions for exporters. The package includes hardware, software, and connectivity, complemented by comprehensive free training by the trade hub under the USAID-Intel Alliance.

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

The Internet has revolutionized international business but too often companies in Africa do not take advantage of the opportunities. “Exporters have specific needs, which we carefully assessed to develop the eBizBox II package,” explained Ben Coleman, ICT advisor at the trade hub.

Technology transforms business—and the trade hub is helping exporters see how. “Exporters

are getting real results with the package.” Among them is Edwina Assan, who operates Edtex Textiles in Ghana. Assan attended an eBizBox II workshop that introduced accounting software, while other workshops in the package focus on how to use ICT to improve communications and manage digital images.

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

SOURCE: USAID West Africa trade hub
<http://www.watradehub.com/sites/default/files/resourcefiles/feb11/success-ebizbox-11.pdf>

CONNECTING RURAL COFFEE FARMERS TO THE WORLD WITH RITS IPHONE



Ernest Munuo tracks his coffee through user-friendly technology—the RITS iPhone application.
Photo: USAID/COMPETE

Ernest Munuo of Messengarony, Tanzania searches for a signal. He is holding a lightweight iBook complete with Safari USB port modem. He is surrounded by several smallholder coffee farmers who are taking pictures with their iPhones and recording video. We are at a coffee washing station at the base of Mt. Meru in rural Tanzania, surrounded by dense foliage and clucking chickens. It is in this rural setting that Sustainable Harvest is piloting its Relationship Information Tracking System, RITS for short—a technology initiative to change the way Tanzanian coffee farmers do business.

SOURCE: USAID East Africa Regional Mission http://eastafrica.usaid.gov/en/USAID/Article/1234/All_About_Africa_Growth_and_Opportunity_Act_AGOA and http://www.competeafrica.org/news/success_stories/rits-coffee/index.php/

RITS is a Web-based database that provides transparency and logistical clarity to all the members of the coffee supply chain. It works by providing usable technology and training to farmer groups who then collect data to both enhance their coffee quality and appeal to international buyers' need for transparency.

Sustainable Harvest received a grant from the USAID Competitiveness and Trade Expansion Program (COMPETE) in January 2010 to begin piloting RITS and the accompanying iPhone application. Sustainable Harvest chose Kilicafe, a coffee cooperative with 1,225 smallholder farmers working in four separate coffee washing stations, all in the Mt. Meru area. In the past year, these farmers have tracked 150,000 kilos of coffee cherries.

How it works: Through Sustainable Harvest, Kilicafe provides iPhones to its washing station managers. These managers use the RITS iPhone application to track the smallholder coffee farmers who contribute to each coffee lot. They include information such as when and where the lot was washed, dried, and stored. The Kilicafe quality control team then tests each coffee lot and adds the average cupping score. All this information is uploaded into the larger RITS system—a Web-based database to which every Kilicafe farmer has access.

Farmers can view their own batches or the batches of their peers. This transparency allows farmers to replicate, or improve upon, the steps that produced the highest cupping scores. The result is better-tasting coffee and complete transparency—a winning combination for establishing long-term buying relationships with coffee buyers.

“Buyers are willing to pay more when everything is transparent. People want to know the story.”—Boss Farijallah, Africa Program Agronomist, Sustainable Harvest.

Kilicafe is supporting Green Mountain Coffee's mission to develop direct relationships with coffee farmers and coffee-producing communities.

In just one year, RITS has helped 1,225 Kilicafe members raise their standard of living through organization and transparency. Tanzanian coffee cooperatives now have the technological means to collect the data they need to 'connect' and compete in a global specialty coffee market. Over the 12 months, the Kilicafe washing stations of Messengarony and Amkeni sold two containers with 80,000 pounds of coffee to Green Mountain Coffee, fetching the premium price of \$2.25 per pound. The two containers represent more than \$180,000 in revenue for Kilicafe.

SUPPORTING SOCIALY CONSCIOUS GROWTH

STRENGTHENING SOCIAL ENTERPRISES IN EAST AFRICA

Demand is growing for goods that help contribute to positive social outcomes. However, developing quality product lines that appeal to consumers with sophisticated tastes is challenging, particularly for socially minded entrepreneurs bridging the gap between small producers and Western markets.

To support these social enterprises—and the people they employ—the USAID Competitiveness and Trade Expansion program (COMPETE) provides marketing assistance to fashion and home décor businesses throughout east Africa.

Recently, USAID/COMPETE partnered with United States-based Indego Africa, whose Rwandan operations employ women artisan cooperatives to produce unique products for sale in the United States. Indego Africa reinvests 100 percent of its profits for cooperative training and educational programs.

To expand Indego Africa's business operations, USAID/COMPETE recommended it strengthen its production capacity and develop relationships with international buyers of socially conscious products. USAID



An artisan at the Ingenzi Knit Union in Rwanda works on a scarf to be sold at Anthropologie.

Photo: Indego Africa

consultants visited the 127-member Ingenzi Knit Union to assess the cooperative's product quality, which is vital for winning repeat orders. Ingenzi provides knit scarves that Indego Africa sells through the United States high-end chain, Anthropologie.

In 2011, USAID sponsored Indego Africa's participation in the San Francisco International Gift Fair attended by U.S. retailers and wholesalers, as part of USAID/COMPETE's 'Origin Africa' campaign to promote products made in Africa. "The San Francisco Gift Show allowed us to get great exposure on the West Coast," said Deirdre McGuigan of Indego.

Indego Africa scored record sales—25 percent over previous shows—and made connections with new buyers.

***"The San Francisco Gift Show allowed us to get great exposure on the West Coast"—
Deirdre McGuigan, Indego Africa's associate general counsel and retail manager.***

Indego Africa's success in Rwanda will translate into steady employment for the women artisans who make its products, and as the Indego retail manager notes "that is the most important part."

SOURCE: USAID East Africa Regional Mission
http://eastafrika.usaid.gov/en/USAID/Article/1398/Supporting_Socially_Conscious_Growth

TRADE HUB REDUCES TRADE COSTS IN SOUTHERN AFRICA

*PUBLIC-PRIVATE
PARTNERSHIPS BUILD
CONSENSUS FOR
MODERNIZATION AND
REFORM*



Warehouse stacked with sacks for exporting.
Photo: USAID/Southern Africa Trade Hub

CHALLENGE

High transport costs limit export growth, restrict product diversification, and reduce welfare through increasing the price to consumers. This is a serious problem in Southern Africa where transport-related costs are double the global average of 6–8 percent. The landlocked countries in Southern Africa experience some of the highest transport costs in the world.

INITIATIVE

Since its inception in 2002, USAID's Southern Africa Trade Hub (SATH) has worked extensively to reduce these costs, partnering with customs agencies

*SOURCE: USAID Southern Africa Trade Hub
<http://satradehub.org/trade-facilitation/trade-hub-reduces-trade-costs>*

in the Southern African Development Community (SADC) member states and a broad range of other stakeholders and regional associations, such as the Federation of East and Southern African Road Transport Associations.

One of SATH's most significant contributions has been the introduction of a single customs declaration form—the SAD 500, which replaced up to 15 different forms previously used—along the Trans-Kalahari Corridor, and its eventual adoption across SADC.

SATH's efforts to reduce trade costs have been premised on public-private partnership aimed at building consensus for modernization and reform. For example, the trade hub supported the establishment and institutional strengthening of Transport Corridor Management Institutions. These institutions bring together public and private stakeholders along the corridors in regular dialogue, monitor corridor performance, and provide consistency. It supported the development of institutional frameworks, capacity building of personnel, and measures to ensure the sustainability of these institutions, such as public-private financing mechanisms.

A recent World Bank study showed that only 25 percent of transportation delays are due to infrastructure, while 75 percent are due to lack of facilitation, such as the streamlining of border post procedures. SATH partnered with

the World Customs Organization to carry out time release studies with regional customs authorities to measure the average time taken between the arrival of goods in a country and their release by customs. These studies identified constraints to trade, highlighting areas of intervention to simplify procedures and shorten clearance times.

RESULTS

SATH successfully piloted an electronic data interchange system called the Revenue Authority Digital Data Exchange system (RADDEx) between the customs authorities of Malawi and Tanzania.

Following on the success of the electronic customs interchange, SATH is now working with customs administrations and other stakeholders to implement effective risk management programs. This will allow certain businesses to be classified as 'authorized economic operators' and be fast-tracked through customs and border posts, enabling faster trade.

RADDEx enables, for the first time, the electronic transmission of customs documentation from one border to another, significantly reducing delays and improving the accuracy of goods verification and delivery.

CENTER RESOLVES TRADERS' WOES

THE BORDER INFORMATION CENTER IMPROVES TRADERS' ACCESS TO INFORMATION – REDUCING DELAYS AND FRUSTRATION IN CROSS-BORDER TRADE.



Moving goods across west African borders is not easy. The Border Information Center is tackling the problems where they happen—and getting results for traders.

Photo: Ryan Yingling/USAID West Africa

On a recent afternoon at the Ghana–Togo border, a truck filled with sandals (made in Abidjan, Cote d'Ivoire and hypothetically duty free) destined for Nigeria was stuck—not in the mud or a deep ditch, but in the complex procedures involved with moving goods across borders in west Africa.

Thanks to the work of the Border Information Center, launched in August 2011 with the support of the USAID West Africa Trade Hub, the truck was soon rolling along toward Lagos: A form was corrected and then properly stamped.

The center, opened last year, is a collaboration of the Ghana Shippers' Authority, the Abidjan–Lagos Corridor Organization, and the USAID Trade Hub. A retired Ghanaian customs official—Evans Klutse—brings more than two decades of experience to the benefit of traders confronting the sometimes onerous and opaque processes and procedures involved in cross-border trade.

“This is the busiest corridor in west Africa, connecting the region's most important cities, everything and anything happens here and I think I've seen it all,” Klutse said. “It's satisfying to use that experience to reduce the delays and frustrations for everyone involved in trade at the border.”

The stakes are high. According to ALCO's 2011 report, the Ghana–Togo border imposes the longest delays on average on traders—surprisingly more than the Benin–Nigeria border.

Beyond immediate assistance, Klutse and his counterparts from ALCO and the Shippers' Authority are connecting with stakeholders at the border—at customs, immigration, and the destination inspection company—to identify problem areas and devise solutions to speed trade up. They have also conducted stakeholder training workshops to educate traders and officials. A hotline allows traders to call the center, too.

The center has directly assisted 61 people including companies like Unilever since it opened, resolving a wide variety of issues—and reducing costs and delays.

“Our only wish is that a center like this was also operating at the Benin–Nigeria border,” said a trader after a successful intervention saw her load of food products move along.

She will not need to wait long: the next center should be at the Benin–Nigeria border later this year.

By offering direct assistance, training stakeholders, and facilitating problem-solving efforts, the Border Information Center is transforming trade.

*SOURCE: USAID West Africa Trade Hub
<http://watradehub.com/sites/default/files/resourcefiles/may12/bic.pdf>*

SOUTHERN AFRICAN FIRMS SHINE AT FANCY FOODS SHOW

PARTICIPANTS SPONSORED BY ALL THREE TRADE HUBS



African products were on display at the Taste of Africa pavilion at the 2011 Summer Fancy Food show.

Photo: Daniel Wolf, USAID/Southern Africa Trade Hub

In July 2011, 17 Southern African companies exhibited at the Summer Fancy Food show in Washington DC. USAID's Southern Africa Trade Hub (SATH), West Africa Trade Hub, COMPETE, and South Africa's Department of Trade and Industry (DTI) sponsored a Taste of Africa pavilion that featured more than 30 African companies.

The Taste of Africa pavilion offered gourmet innovations and savory food sensations from across the continent. It showcased world-class companies such as Rozendal Vinegar—winner of the 2011 Gold Sofi Award for best vinegar—and Willow Creek Products innovator of the snap-and-squeeze sachets, a single serving sachet filled with 8ml of olive oil and balsamic vinegar.

The products were on display in the 2011 cookbook and Taste of Africa directory, which also included recipes, product and company descriptions, booth number, and contact information. Along with organizing the pavilion, SATH and DTI arranged a grocery retail tour that included an appointment with Roy Rodman of Rodman's, a family-owned chain of three grocery stores in the Washington, DC area. In his hunt for new products, Rodman discussed trade terms, pricing, finding good value in products, and products that match his customers' needs.

Several companies reported orders and positive developments as a result of their USAID-supported participation at the food show:

- *Walters Nougat*, a South Africa-based nougat company, confirmed seven new accounts to which the company shipped products as a direct result of the trade show, one of which is a three-store chain in DC. Walters Nougat also initiated talks with the New York Whole Foods buyer.
- *Chaloner*, a producer of olive-based gourmet foods, has sent its first consignment to the United States East Coast. Chaloner's main products are olive preserves, tapenades, jams, and marmalades, as well as an exciting range of chili relishes.
- *Grupo Pereira*, a Namibian frozen fish company, entered

into an agreement with the Foundation for Development of Africa to have the foundation act as its importer for the U.S. market.

- *Willow Creek*, a South African olive oil company, identified opportunities into the U.S. airline market with its patented snap-and-squeeze packaging for salad dressing.
- *Madécasse Chocolate*, a U.S. firm with production facilities in Madagascar, secured a new customer at the food show that has led to \$30,000 in sales. Madécasse manufactures high-end chocolate that is one of the only chocolates made bean-to-bar in all of Africa.
- *Afriplex*, a South African firm in baobab products and product development, established joint venture partnerships involving two large multinationals, and seven concrete business leads that are being handled by its U.S. agent.
- *Rozendal Vinegar* now has an exclusive importer for its vinegars for the U.S. market, and business is moving along nicely.

***“This is a great show for us and the exposure has been amazing”—
Rozendal Vinegar company.***

SOURCE: USAID Southern Africa Trade Hub <http://satradehub.org/home/sath-content/newsroom/hub-happenings-articles/fancy-foods-show-participants-report-additional-orders>

BUYERS SOURCE WITH CONFIDENCE

AFRICANOW! IS SHOWING BUYERS THAT PRODUCTS ARE AVAILABLE RELIABLY AND PROFESSIONALLY FROM ACROSS WEST AFRICA.

Everyone knows seeing is believing. Buyer trips organized by the USAID West Africa Trade Hub as part of its AfricaNow! brand are taking professional buyers into the workshops and offices of west African handcrafts companies—showing buyers they can source with confidence across the region.

“Many buyers assume that they can’t get products out of west Africa,” explained USAID trade hub home décor and fashion accessories advisor Elaine Bellezza. “They assume that vendors are not reliable, there’s no quality control—the whole nine yards. We’ve worked very hard to show it is possible, products are available, they can be contemporary and that vendors are professional.”

Among the buyers is Leslie Mittelburg of Swahili Imports. In Ouagadougou, Burkina Faso, Mittelburg found furniture made of recycled oil drums, among other amazing products. She also conducted a workshop with artisans. In Ghana, she met companies in Accra and Bolgatanga, again discovering exciting new products and the professional companies behind



Leslie Mittelburg of Swahili imports examines ceramics from a company in Ghana during a buyer’s tour of west Africa organized by the USAID trade hub. Photo: Elaine Bellezza, USAID/West Africa Trade Hub

them. “Thanks to the support of the USAID trade hub, this is the most successful and fruitful buyer trip I have ever had in the 17 years I have been in business,” Mittelburg said at the end of her stay.

Harper Poe of Proud Mary is another buyer who came, saw, and developed a whole collection of new products. “I came to Mali after visiting the AfricaNow! booth at the International Contemporary Furniture Fair in New York in May 2011,” Poe explained. “The most valuable part is interacting with the artisans, sitting down with them, being a part of the process, and learning from them.

“I could not have done this without the AfricaNow! program,” she continued. “They set up the trip and introduced me to more groups than I thought existed.”

The products Poe developed with Malian companies during her trip were the cornerstone of her display at the New York International Gift Fair in January 2012.

AfricaNow! buyer trips are connecting buyers with companies. The results are showing up on the shelves of retail stores in the United States, Europe, and elsewhere around the world.

“Thanks to the support of the USAID trade hub, this is the most successful and fruitful buyer trip I have ever had.”—Leslie Mittelburg CEO, Swahili Imports.

Source: USAID West Africa Trade Hub
<http://watradehub.com/sites/default/files/resourcefiles/may12/africanow-buyer-trips-final-april-2012.pdf>

COTTON—A PROMISING ALTERNATIVE FOR COMMERCIAL SMALL-SCALE CROP GROWERS IN MALAWI



USAID's support of the Farmer's Union to introduce GM cotton has paid off in Malawi.
Photo: USAID/Southern Africa Trade Hub

CHALLENGE

Foreign exchange shortages and volatile world markets are forcing Malawi to diversify away from tobacco (which currently accounts for two thirds of total annual foreign revenue); with cotton as one of the most promising alternatives for small-scale crop growers. Close to 150,000 rural households, mostly in the south of Malawi, already depend on cotton as a cash crop grown in rotation with staple food crops.

SOURCE: USAID Southern Africa Trade Hub <http://satradehub.org/home/sath-content/newsroom/hub-happenings-articles/success-story-sath-succeeds-in-advancing-bt-cotton-application-in-malawi>

INITIATIVE

The Southern Africa Trade Hub's support of the Farmer's Union on **Malawi's** efforts to introduce genetically modified (GM) cotton into Malawi is paying off, as the government has agreed to allow commencement of trials of BT cotton. This is a first but major step that should lead to Malawi accepting GM cotton as a commercial crop throughout the country.

The impact of the commercial release of the GM technology could be an increase of approximately \$5 million for these households. These positions were presented at a July 2011 conference on biotechnology that brought stakeholders from the Malawi Government and the private sector together to agree on practical steps for the commencement of trials and allow the commercial application of GM technology, particularly BT cotton.

The trade hub identified and sponsored the participation of cotton farmers from **Burkina Faso** and **South Africa** who shared their experiences in growing GM crops, which participants agreed was vital in shaping conference discussions and the formulation of the communiqué.

In **Zambia**, the trade hub has commissioned a technical report on the introduction of GM cotton and the role that the trade hub can play to facilitate adoption of the technology.

In **Mozambique**, the Institute for Cotton, which already has a government mandate to conduct GM cotton seed trials, has requested trade hub assistance to facilitate a dialogue between them and the GM gene rights holder, Monsanto.

RESULTS

The widespread use of more drought- and pest-resistant GM cotton seed varieties will lead to more jobs, particularly for women, and more revenue from this popular cash crop. This is expected to have a knock-on effect in other countries in the region such as Zambia and Tanzania.

The trade hub continues to work with Malawian stakeholders to overcome remaining hurdles to commence trials. Government authorization for trials was finalized too late for the current growing season and there are physical infrastructure constraints at the approved testing facility. It is now expected that trials will commence in the 2012/2013 growing season.

The impact of the commercial release of the GM technology could be an increase of approximately \$5 million for these households.

NEW GUIDE PROMOTES PROFESSIONAL TRUCK DRIVING

STAKEHOLDERS ARE WORKING TOGETHER UNDER BORDERLESS TO REMOVE TRADE BARRIERS IN WEST AFRICA



Ghana's Minister of Roads and Highways Joe Gidisu (right) launched the *Truck Driver's Guide to Ghana* in August and passed out copies to drivers. Photo: Ryan Yingling USAID/West Africa Trade Hub

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

Driving in west Africa is complicated for truck drivers as there are numerous rules and regulations that differ from country to country and an array of enforcement mechanisms at checkpoints along the roads and highways. New limits on axle weights, implemented to reduce wear and tear on the roads, are of immediate concern regionwide.

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

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

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

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

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

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

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

SOURCE: USAID West Africa Trade Hub <http://www.watradehub.com/sites/default/files/resourcefiles/feb11/success-truck-driver-guide-11.pdf>

COMMERCIAL LOAN HELPS SENEGALESE AGRO- BUSINESS INCREASE EXPORTS BY 108 PERCENT

*CREDIT IS THE KEY TO
DEVELOPING AGRO-BUSINESS
GAIN*



With commercial bank loans, 41 SMEs expanded their agro-businesses in 2009. Photo: USAID/Senegal

A USAID loan guarantee helped van Oers, a fruit and vegetable producer and exporter in Senegal, increase its exports by 108 percent and its workforce by 800 percent.

SOURCE: USAID Senegal Mission.
<http://senegal.usaid.gov/en/node/550>

Van Oers, a green bean processing company in Senegal, saw an unmet demand for fresh produce in Europe during the winter, when northern farmers are affected by cold weather. The company began filling this demand through increased green bean production but could not reach its full potential until USAID guaranteed local agriculture loans.

After forming a partnership with a European purchaser, van Oers wanted to increase its exports but, despite the company's success, commercial banks in Senegal would not provide it with loans because of the perceived risk of agribusiness.

Faly Badji, general manager of van Oers, had long insisted that agribusiness is a manageable risk for commercial banks in Senegal and should therefore qualify for loans. In 2009, a USAID loan guarantee shifted the possibilities for van Oers and 41 other small- and medium-sized enterprises that were granted commercial loans to fulfill their business goals.

With access to credit, van Oers purchased vehicles to transport produce to its processing plant and then to shipping containers for export. With the new fleet, the company increased its production from 1,200 tons of green beans in 2007 to 2,500 tons in 2010. The company, which employed less than 250 workers in 2007, had 2,000 employees on its payroll two years after the loan.

Through employment opportunities, van Oers helped improve lives locally while helping the Senegalese economy on a larger scale.

With the new fleet, the company increased its production from 1,200 tons of green beans in 2007 to 2,500 tons in 2010. "Agriculture is the lever for development," Faly Badji said, "and credit is the key to agriculture. What is most important is access to financing."

Loan guarantees are sustainable because they allow commercial banks to become comfortable with new sectors. After fully utilizing the guarantee agreement with USAID, the head of assets at Ecobank told USAID: "The guarantee permitted us to go into a new sector considered high risk by commercial banks. Thanks to USAID, we will be able to work with some of these new clients now even without the guarantee."

The financial sustainability of van Oers and thousands of other businesses throughout the developing world is made possible in part due to the USAID partnerships that exist at the intersection of development and commercial viability.

TWO KENYAN SISTER COMPANIES TAKE U.S. SPECIALTY FOOD MARKET BY STORM

STRONG CONSUMER DEMAND FOR ETHNIC FOODS OPENS DOOR TO AFRICAN PRODUCTS



Popular Shamba Farms exports include Choma BBC sauce and green beans
Photo: USAID/East Africa Trade Hub

“USAID/COMPETE’s support helped us successfully navigate our way into the U.S. market.”—Victoria Muthusi, Frigoken, Ltd.

SOURCE: USAID East Africa Regional Mission http://eastafrica.usaid.gov/en/USAID/Article/2826/Two_Kenyan_Companies_Take_US_Specialty_Food_Market_by_Storm; and http://www.competeafrica.org/Files/AGOA_In_ACTION_FINAL.pdf

Since 2009, USAID/COMPETE has helped over 150 companies in eight African countries market their goods and expand sales, resulting in more than \$1 million in specialty food orders.

‘Shamba’ is the Swahili word for ‘farm’ and ‘Choma’ means ‘grilled.’ American consumers are becoming familiar with these terms thanks to USAID East Africa’s Competitiveness and Trade Expansion Program (USAID/COMPETE).

Following intensive assistance from USAID through specialty food consultants Talier Trading Group, two Kenyan companies—Premier Foods and Frigoken—have taken the U.S. specialty food market by storm, taking advantage of preferential trade opportunities available under the African Growth and Opportunity Act (AGOA). To help increase trade, innovation, and job creation in Africa, AGOA allows African companies to export goods to the United States without paying import tax.

Within three months of USAID’s assistance with packaging, product development, pricing, brand development, and value-chain assessment, the two new brands, Shamba Farms Vegetables and Choma ‘Wild Grillin’ BBQ Sauce signed with an importer, negotiated contracts with two of the largest food distributors in the

United States, and began shipping their products to a rapidly expanding customer base. All of this happened before the companies arrived in New York in 2010 to participate in the USAID-sponsored Fancy Food Show—the largest specialty food event of its kind in the United States.

“I like these products for a few reasons,” says Talier managing director Jim Thaller. “First, they use commodities that have limited export potential on their own (green beans, carrots, tomatoes, onions). Second, they help brand a story from Kenya; letting people know what ‘choma’ is and sharing a brief glimpse into Kenyan culture. Finally, they are two great companies and were an absolute pleasure to work with.”

The Shamba Farms brand has three products: all-natural, bundled green beans, carrots, and yellow beans. The Choma ‘wild grilling’ brand has four products: traditional, pili-pili, hot sweet, and garlic barbeque sauces.

More than 700,000 bottles of the Choma sauces have been distributed, generating \$350,000 in retail sales. The products can be found in supermarket chains such as Kroger, Foodtown, Hannaford, and White Rose. The two companies will continue working the U.S. market with hopes of approaching other international markets.

AFRICAN WOMEN EXPORTERS UNITE TO INCREASE IMPACT

WOMEN ENTREPRENEURS ARE CONNECTING FOR PARTNERSHIP AND GROWTH THROUGH THE AWEP PROGRAM.



U.S. Ambassador Donald Teitelbaum, left, and Ghana's Minister of Trade and Industry, right, launched Ghana's chapter of the African Women's Entrepreneurship Program. Photo: USAID/West Africa Trade Hub

“We want to share our experiences with other up and coming business women.”—Josephine Forson, Tekura, Ghana

At the AGOA Forum in 2011, U.S. Secretary of State Hillary Clinton launched the African Women's Entrepreneurship Program. With support from the USAID West Africa Trade Hub, women have formed four chapters in the region, connecting women entrepreneurs for business success.

Chapters were launched in Ghana, Liberia, and Sierra Leone. Each is serving as a source of support, networking, and assistance to hundreds of women entrepreneurs in each country.

“Economic development is a national issue,” said U.S. Ambassador Donald Teitelbaum at the launch of Ghana's chapter. “In today's world of global competition, no country can afford to marginalize half of its population.”

AWEP is important because it directly tackles one major issue identified as critical by researchers: the lack of role models for young women entrepreneurs. “Familiarity with someone involved in entrepreneurship is positively correlated with becoming an entrepreneur,” the World Bank reports.

“We want to share our experiences with other up and coming business women,” said Josephine Forson of Ghana, who manages Tekura, a home décor and fashion accessories company, and is a member of the AWEP-Ghana executive committee. “We also want to incubate women-

owned businesses in the various sectors.”

Creating more opportunities for women is simply good business. “Women are very creative at solving problems,” said USAID trade hub director Vanessa Adams. “Their approach to conflict tends to be a partnership approach. The approach to leadership is not one of command and control—but of mentoring. “Women approach positions of power through influence rather than trying to impose ideas. These skills are necessary and desirable for businesses around the world.”

“Economic development is a national issue. In today's world of global competition, no country can afford to marginalize half of its population.”— U.S. Ambassador Donald Teitelbaum

SOURCE: USAID West Africa Trade Hub
<http://watradehub.com/sites/default/files/resourcefiles/may12/awep-success-story.pdf>

ORIGIN AFRICA CHANGES PERCEPTIONS ABOUT DOING BUSINESS IN AFRICA

The outlook remains bright for Africa's cotton, textile, and apparel sector fueled by the global demand for cotton, diversification of apparel sourcing to Africa, and the growing African middle class who want African-made apparel. This was the conclusion of the Origin Africa Fiber to Fashion 2011 Symposium and Designer Showcase sponsored by USAID's East Africa Competitiveness and Trade Expansion program (COMPETE) and other partners (Mauritius Export Association, Enterprise Mauritius, and the African Cotton & Textile Industries Federation) in Mauritius.

“I look forward to working with all of you in the future. We are definitely going to place business in Mauritius and Africa.”—U.S. buyer Nick Moreno of the PPR/Redcats Group, the third largest e-retailer in the world.

The Origin Africa Designer Showcase and Pan-Africa Graphic Design Show complemented the symposium and demonstrated the practical application of design and

technology in apparel. Africa's new and upcoming designers presented their collections to a panel of international judges and connected with African producers and U.S. buyers sourcing from Africa.

Many U.S. firms have made a conscious decision to look at Africa as a new sourcing origin and now see Africa as the potential 'new frontier.' The conference culminated in a buyers/sellers platform led by Origin Africa's Friends of Africa Apparel Advisory Board—a group of 33 business leaders in the U.S. apparel sector committed to increasing trade with Africa.

Marsha Powell, the Turkey and Africa program director for Cotton Incorporated, U.S.A. and other experts provided education and presentations to two hundred business people and design students. Symposium attendees were also presented with new financial tools and innovations to support export trade and increase investment in Africa. USAID/COMPETE's 'Purchase Order Finance' initiative for example will allow producers to use purchase orders and other contractual agreements with international buyers as collateral to obtain loans.

COFACE, a Paris-based risk management company, also announced plans to provide export credit risk insurance to the African market providing financial protection to exporters—including those selling garments to the United States under the



At Origin Africa Fiber to Fashion 2011, Towani Clarke of Kutowa Designs in Zambia presents her collection. Photo: USAID/COMPETE

African Growth and Opportunity Act—in the event that a buyer defaults on payments.

Origin Africa is an initiative of producers, designers, small businesses, exporters, buyers, and retailers dedicated to improving African trade in the areas of textiles/apparel, cut flowers, specialty foods, home décor, and fashion accessories. To date Origin Africa has generated \$50 million in new business exports to the United States under the African Growth and Opportunity Act and that figure continues to grow.

SOURCE: USAID East Africa Regional Mission http://eastafrica.usaid.gov/en/USAID/Article/1397/Technology_Innovation_and_Design_Talent_Attract_International_Buyers_to-Origin_Africa_Fiber_to_Fashi

CASHEW NUT PROCESSING CAPACITY RISES ACROSS WEST AFRICA

NEW FACILITIES SPELL MORE JOBS

With more than a million tons of raw cashew nuts, Africa is the world's leading producer—supplying almost half of the world's cashews. West Africa accounts for roughly 85 percent of the harvest—about 845,000 tons.

More exciting to many is what is happening in processing across west Africa. In 2011, three new mechanized processing factories opened in the region, including the largest in the world in Bouake, **Cote d'Ivoire**, capable of processing 30,000 tons annually and employing 2,400 people. **Ghana** and **Nigeria** are the sites of the others.

“These facilities spell one word for west Africa—JOBS. More jobs for west Africa means less poverty. So this is very exciting news.”—Christian Dahm, managing director of the African Cashew Alliance.



Increased cashew processing means thousands of jobs across west Africa.
Photos: USAID/West Africa Trade Hub and African Cashew Alliance (ACA)

In 2011, Ghana produced roughly 20,000 tons, with the entire harvest reaching 750,000 tons across the continent.

The World Cashew Conference & Expo organized by the African Cashew Alliance (ACA) in September 2011, in Banjul, The Gambia, was attended by 300 participants from the United States, Europe, India, Brazil, Vietnam, and Africa. Niel Hyde of Iracema, a Brazilian buyer of raw cashew nuts, said he will buy 50,000 tons in 2012. Iracema bought 40,000 tons of raw cashew nuts last year from Cote d'Ivoire, Ghana, and Guinea Bissau, and will now extend its purchasing to Benin and The Gambia.

Ram Mohan of ComAfrique in The Gambia said an unusual cold spell in the cashew-producing region in the last winter (affecting Senegal, The Gambia, and Guinea Bissau) has raised concerns, but few doubts, that the harvest will be bountiful. “We’re not sure what impact that will have; it was

certainly unusual,” Mohan said. Temperatures dropped as low as 14 degrees centigrade, he said, but trees flowered well and the rains were great.

“**Gambia’s** production will increase for sure—there are more plantations producing,” Mohan said. He estimated the harvest to reach as many as 15,000 tons. **Senegal** will likely produce 25,000 tons and **Guinea Bissau** could reach 210,000 tons, he added.

Meanwhile, the Nigeria Cashew Cluster Finance Scheme, a collaborative innovation led by the ACA and the trade hub, continues to expand, with more types of credit expected to be made available to cashew processors. Financial experts from across the region have also expressed interest in replicating the approach.

Cashews remain the world's most popular snack nut, and demand is increasing across the globe.

OVERCOMING THE OBSTACLES TO FINANCE

AN INNOVATIVE MULTI-FACETED APPROACH IS HELPING EXPORTERS OVERCOME THEIR BIGGEST OBSTACLE.

Helping companies address specific technical issues while connecting them to financial services and accompanying them in making applications to institutions has markedly improved access to finance.



USAID is facilitating links with producers and financial institutions and working with exporters to help them with the loan application process.

Photo: USAID/West Africa Trade Hub

CHALLENGE

As in many developing countries, export-ready companies in west Africa are often constrained by a lack of access to credit. Commercial banks—which tend to prioritize risk mitigation over project potential when evaluating financing opportunities—are disinclined to invest in non-traditional or unfamiliar industries, and companies frequently lack the capacity to present bankable projects.

Although the USAID West Africa Trade Hub successfully facilitated links with international buyers interested in sourcing from west Africa, many companies are unable to meet the demand because they lack the capital to purchase essential machinery or raw materials. To close this gap, the trade hub needed to find a new way of connecting producers with financial institutions.

INITIATIVE

The trade hub introduced an innovative performance-based approach to facilitate financing. Three subcontractors are paid in accordance with their success at facilitating financing for companies in trade hub sectors. The approach integrates technical assistance, financial services, and relationship management with financial institutions to achieve results.

OUTCOME

Under this new platform, 11 companies have received a total of about \$7 million in loans. The initiative has created more than just one-time deals: All of the beneficiaries of one subcontractor's services, for example, have received repeat short-term lending from the institutions that they were initially linked with through the program.

The unique approach—and the widespread communication of both the process and its successes—has had a broader impact as well, with other lenders now independently reaching out to the export-ready companies and offering to work with them. In addition, the financial institutions working with the subcontractors have started making deals with other businesses in the same industries now that they are more comfortable evaluating opportunities in these sectors.

SOURCE: Case Study reported by USAID's West Africa Regional Mission, November 2011

CREATING A CORRUPTION-FREE TRANSIT AND LOGISTICS SUPPLY CHAIN

FREIGHT FORWARDERS BODY LAUNCHES CODE OF CONDUCT TO BOOST EAST AFRICAN COMMUNITY ECONOMIES

The Regional Federation of East African Freight Forwarders Associations (FEAFFA)—the apex private sector body representing the freight forwarding industry in east Africa—is working in collaboration with the five national revenue authorities in the East African Community and with support from the USAID regional mission to create a corruption-free transit and logistics supply chain throughout east Africa.

By launching its Code of Conduct in Nairobi, Kenya, the federation took a huge step in 2011 toward promoting ethical and efficient practices among clearing and forwarding professionals in the industry.

SOURCE: USAID East Africa Regional Mission
http://eastafrica.usaid.gov/en/USAID/Article/2848/Freight_Forwarders_Body_Launches_Code_of_Conduct_to_Boost_East_African_Community_Economies



The Hon. Prof. Hellen Jepkemoi Sambili, Minister to the East African Community (Kenya), notes that the FEAFFA Code of Conduct is one more step on the path to regional integration in east Africa.
Photo: USAID/COMPETE

The federation was established in 2005 and USAID has worked closely with it over the years through its regional anti-corruption programs focused on training, policy reforms, and capacity building of government and private sector representatives in the transit sector. USAID has recently provided FEAFFA with a grant to help it become a strong regional business association.

Officials joined in signing the Code of Conduct and declared their commitment to support an ethical, efficient, and professional freight forwarding industry. A simplified edition of the FEAFFA Code of Conduct in English, Kiswahili, and French will be launched at border points across the region in the coming months.

“This Code of Conduct is another important step in raising the bar to professionalize and encourage the freight forwarding industry. It encourages freight forwarders to engage in practices that do not undermine but strengthen the logistics service industry in which they are working—improving transit efficiency, lowering costs, and improving economic growth.”—USAID East Africa mission director Larry Meserve.

TOGO ELIMINATES CHECKPOINTS

A SUSTAINED AWARENESS RAISING CAMPAIGN, THE REGULAR USAID-UEMOA QUARTERLY REPORTS AND NUMEROUS WORKSHOPS LED TO A BREAKTHROUGH IN TOGO.



Scenes like this are less common in Togo after the Minister of Security and Civil Defense eliminated checkpoints.
Photo: Olivier Asselin/USAID West Africa Trade Hub

Previous pledges to eliminate checkpoints have, regrettably, not lasted long. But in Togo, the checkpoints are gone—and have not come back.

Checkpoints are the bane of transport across west Africa, causing delays in the movement of goods and fostering bribery and harassment of drivers.

The decisive action of Togo's Minister of Security and Civil Defense Dokisime Gnana Latta to eliminate police and gendarme checkpoints along the country's

primary highway is a breakthrough for stakeholders who routinely list checkpoints as the biggest problem they face.

"Of course it's much better," said Francois Agbagli, who operates a trucking company in Togo. "Before, it took three or four days to get to the Burkina-Togo border, but now it takes just one. Outside every city, trucks used to be stopped and inspected. Those checkpoints are gone." More importantly, perhaps, is that they have not returned.

"Other countries have made similar pledges in the past, but the checkpoints have always returned," said Lilian Osei, manager of a trucking company in Ghana and a member of the Borderless Alliance's executive committee. "The news from Togo is different this time."

Indeed it is: the USAID-UEMOA (West Africa Monetary Union) road governance monitoring initiative shows that—unlike pledges from officials in other countries in the past—Togo's is sticking. The checkpoints have not returned.

"The Minister was concerned because he was receiving reports that accidents had increased on the highways, but that this would be dealt with through a combination of education and mobile checks," said USAID trade hub transport director Niels Rasmussen. "The Minister was adamant that fixed checkpoints will not return."

The Minister told the USAID trade hub that his decision came after a meeting with UEMOA, in which he was reminded of the regional rule of no more than three checks for transit cargo in the port, at the border crossing, and at final clearance. In other words, no checkpoints along corridors at all for transit cargo.

In addition to the joint USAID-UEMOA quarterly reports on the numbers of checkpoints, bribes, and delays, USAID trade hub-supported media campaigns, a caravan, and numerous workshops put the issue on the public policy agenda.

The USAID-UEMOA (West Africa Monetary Union) road governance monitoring initiative shows that—unlike pledges from officials in other countries in the past—Togo's is sticking. The checkpoints have not returned.

SOURCE: USAID West Africa Trade Hub
http://watradehub.com/sites/default/files/resource_files/may12/togo-eliminates-checkpoints-april-2012.pdf

ONE SHEA SEEDLING LAUNCHES A PLANTATION

PROTECTING SHEA TREES HAS BECOME VITAL TO THE ECONOMY OF WEST AFRICA BECAUSE OF INCREASED DEMAND FOR SHEA IN WORLD MARKETS.



Grafting demonstration.
Photo: USAID/West Africa Trade Hub

“Shea has been traditionally managed for centuries across the Sahel, but desertification, bushfires, and global climate change are distinct threats.”— Trade hub shea advisor Dr. Peter Lovett.

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

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

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

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

shea trees has become vital to the economy of West Africa.

“Government has arrested people who cut shea trees to make charcoal,” reported Thomas Ogunsanmi of GTZ/Nigeria. The plantation is one step toward ensuring the sustainability of this resource. “We see this as the first part of our effort,” said Andreas Hansen. “The need for shea trees will continue into the future.”

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

Prices for shea have increased by a staggering 50 percent since 2006 as the shea-producing industry has forged connections and built on its strength.

SOURCE: USAID West Africa Trade Hub
<http://www.watradehub.com/sites/default/files/resourcefiles/feb11/success-shea-plantation-11.pdf>

Back cover photo: USAID has partnered with the Northern Corridor Secretariat to reduce barriers to trade on this transit corridor, and in particular at the Malaba border, where USAID COMPETE has established Joint Border Committees.
Photo: USAID East Africa Trade Hub



U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20053

Tel: (202) 712-0000

Fax: (202) 216-3524

<http://www.usaid.gov/>