Connecting Markets, Improving Lives

ITC at Work
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Foreword

Arancha González, Executive Director, ITC

The litmus test for any organization is the impact it has on the ground. At the International Trade Centre, measuring the results of our work is a permanent preoccupation. It is an essential part of ensuring that we continuously improve at delivering as much as we can, and providing the best possible value for money, to our partners and clients.

As important as quantitative assessments of our interventions are, qualitative accounts serve a valuable function. They illustrate how our projects empower firms to connect to markets, help public agencies get better at supporting would-be exporters, and contribute to smarter trade-related policymaking both at home and at the multilateral level, such as at the World Trade Organization. Most importantly, they show us how our work leads to lasting improvements in people’s lives, in the shape of better jobs, a safer environment, more sustainable businesses, and enhanced opportunities for women and youth in particular.

Through these 14 case stories from across the spectrum of ITC’s work, this small publication seeks to make tangible the connections between global development goals or international trade policy discussions and the day-to-day realities of individual people and companies in developing countries.

As a 100% Aid for Trade organization, ITC functions as a bridge between the trade opportunities created at the WTO or in regional and bilateral agreements, the collective developmental aspirations embodied in the United Nations, and small and medium-sized enterprises in
developing countries, especially in sub-Saharan Africa, least developed countries, landlocked developing countries, small island developing states, small economies, and fragile states.

In these stories, you will read about businesses, as well as the people behind them, and the challenges they faced. You will hear about a Moroccan exporter who used ITC market intelligence tools to discover new potential customers, and an Ivorian cocoa trader whose export clearance times plunged after he used a new mechanism that the government set up after an ITC survey of non-tariff measures. You will meet Marey Yogiyo, a coffee farmer from Papua New Guinea, who with ITC’s help became her country’s first woman with a coffee export licence, and is now selling coffee to a major multinational at a healthy premium to the domestic price. You will probably be surprised to learn about how getting halal certification helped an Egyptian dairy company break into new markets, from Azerbaijan to Indonesia.

These stories represent just a small part of ITC’s portfolio. But they are representative of how ITC delivers trade impact for good. They provide insight into the dedication of ITC staff to ensure that our interventions are transformational, and lead to sustainable results. In addition, they bear testament to how much of our assistance is delivered together with partners in developing and least developed countries, whether governments, international organizations, trade support institutions, businesses or civil society groups. For ITC, partnerships are not just an essential force multiplier for what remains a compact agency, but a guarantee that expertise and capacity will be durably enhanced in the countries we work with.

ITC was founded in recognition of the fact that market opening does not automatically enable companies or communities in developing countries to take advantage of new trade opportunities. Fifty years later, trade integration remains a vital driver of growth and sustainable development. Using regional and global markets to propel growth has enabled the greatest
poverty reduction in history. Our collective challenge is to ensure that no country or community remains on the margins of the international marketplace.

To ensure that we keep connecting people to markets as efficiently as possible, we have, over the past few years, built a more robust results-based management framework. Our commitment is to continue to modernize and find innovative ways to capture and measure results. These stories are the beginning of what we anticipate will be greater communication of what we are achieving on the ground with your support and based on your demand. Consider this publication to be a window on what we can achieve together.

Arancha González
More jobs
Increased exports
Improved sustainability
Women’s economic empowerment

WHAT WE DO

FOCUS AREAS

More jobs
Increased exports
Improved sustainability
Women’s economic empowerment

IMPLEMENTATION OF SOLUTIONS

ADVISORY SERVICES

KNOWLEDGE SHARING

TRADE IMPACT FOR GOOD

Trade and market intelligence
Supporting regional economic integration and South-South trade and investment support institutions
Connecting to value chains: SME competitiveness, diversification and links to export markets
Strengthening trade and investment support institutions
Promoting and mainstreaming inclusive and green trade
Building a conducive business environment

TRADE-RELATED NEEDS

TSIs, Policymakers
SMEs
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Strengthening trade and investment support institutions

Nigeria: Improved quality translates into exports for Nigerian shea butter

TPO benchmarking: Helping trade and investment support institutions AIM higher

Promoting and mainstreaming inclusive and green trade

Ethical Fashion: Perfect fit – tailor from Nairobi slum finds stable work, better pay

Peru: US safety certificate could quintuple Peru’s exports of indigenous food product

Papua New Guinea: Success in a cup – first woman coffee exporter in PNG secures premium price from major international buyer

Kenya: Hot tea – Kenya’s tea sector adapts to climate change

Building a conducive policy and business environment through public-private partnerships

Côte d’Ivoire: Solving commercial disputes quickly and cheaply through mediation

Mauritius: Speedy implementation of Trade Facilitation Agreement key to competitiveness
Trade and market intelligence for SME competitiveness

Market intelligence

ITC market analysis tools help generate over US$125 million in goods and services exports

Côte d’Ivoire

Côte d’Ivoire sets up Trade Obstacles Alert service to tackle non-tariff measures
ITC’s suite of market intelligence tools contributed to US$126 million in exports in 2014, according to feedback from users. The tools, which are accessible online for free, are particularly instrumental to users in least developed countries, where local sources of trade intelligence are often unavailable.

‘The tools have opened my eyes to new markets I had never considered before,’ wrote an exporter from Morocco in a recent anonymous survey of users. The exporter uses the platform to obtain information on prices and competitors before making a decision to target specific markets.

The tools provide users with accessible data to help them identify market opportunities. Exporters can use them to gauge the size of potential markets and how fast demand has grown for particular goods and services; which countries supply those markets; which have gained or lost market share; and what tariff and non-tariff barriers they themselves would face compared with competitors based elsewhere. Exporters can also use the tools to identify potential importers and distributors for their products.

‘ITC’s market analysis tools are of great importance to us, as we are a country where there are major issues with the reliability of the statistics available,’ wrote an exporter from the Democratic Republic of the Congo in the recent survey. The user added that with adequate support and training, even more exporters in the country would use the tools.
Impact at a glance:

exports | new products | new markets | informed policymaking | jobs

Funded by:
European Union, Canada, Denmark, Finland, Germany, India, Ireland, Norway, Sweden, Switzerland
Market analysis improves TSI service delivery

Trade support institutions (TSIs) such as chambers of commerce and industry associations use the market analysis tools to create customized market intelligence for their members and clients. In a survey carried out at the end of 2014, 94% of TSI respondents reported that the tools had positive or very positive impact on the services they deliver. Of the TSIs who answered the survey, about a third came from Latin America and the Caribbean, just under a fifth each from Africa and the Asia-Pacific region, 10% from Eastern Europe and Central Asia and 9% from the Arab states.

Surendra Nath Gongal, Deputy Director of Nepal’s Trade and Export Promotion Centre (TEPC), has delivered over 10 training courses in the last five years to groups of representatives of small and medium-sized enterprises (SMEs), chambers of commerce and business associations, both in Nepal and in the wider region.

‘The feedback is always very positive,’ Gongal said. ‘ITC’s tools help trade institutions provide timely and targeted trade-related advice to their private sector clients.’

For ITC, trainers at trade support institutions such as TEPC are invaluable, as they multiply the number of people who have access to the online tools.

Tools help companies realize additional exports
(for companies declaring exports in the last 12 months)

- Strongly agree (+2 points*)
- Somewhat agree (-4 points*)
- Somewhat disagree
- Strongly disagree (+1 point*)
- Don’t know/Not applicable (+1 point*)

* 2013 to 2014 evolution
‘Access to trade and market intelligence is critical to international business success,’ said Helen Lassen, who leads ITC’s capacity-building programmes in market analysis. ‘We need to find a way to bring this intelligence to exporters.’

Miguel Carrillo, Chief Executive Officer of the Colombian consulting firm Hamkke, first came across ITC’s market analysis tools during his university studies in the Republic of Korea, and he has used the online platform ever since. He advises companies, mostly SMEs, on business strategies and on ways they can benefit from trade agreements.

‘The market analysis tools help us to analyse potential markets for our clients and the production chains into which they could be inserted,’ Carrillo said.

**ITC tools assist policymaking**

Policymakers and government officials use the market analysis tools to monitor national trade performance and collect inputs for the preparation of policy decisions and trade negotiating positions. In the 2014 survey, 92% of policymakers surveyed reported that ITC’s tools helped them to make better-informed trade policy decisions. The policymakers were from across the world, with 28% from Latin America and the Caribbean, 20% each from Africa and the Asia-Pacific, 12% from Eastern Europe and Central Asia, and 11% from the Arab states.

‘The Agency has utilized data from ITC and the market analysis tools to provide input into Zambia’s trade negotiations in SADC, COMESA, the COMESA-EAC-SADC tripartite and WTO negotiations,’ said Jonathan Simwawa, Acting Director of Export Development at the Zambia Development Agency, referring to talks involving the Southern African Development Community, the Common Market for Eastern and Southern Africa, and the East African Community.

The Zambian government also uses the ITC market analysis tools to make a decision on whether requests for protection from domestic industries are justified, Simwawa said.
Côte d’Ivoire

Côte d’Ivoire sets up Trade Obstacles Alert service to tackle non-tariff measures

Assahouré N’Goran used to wait six months to get the weight certificate required to export cocoa beans to Belgium. Since June, his waiting time has dropped to just two weeks.

‘Having the certificates issued quickly makes a huge difference for us,’ said N’Goran, Shipping Manager of Outspan Ivoire, a local subsidiary of agribusiness giant Olam International. ‘It increases our competitiveness and will lead to higher exports. What is good for our company is good for employment and the growth of Côte d’Ivoire.’

Most such non-tariff measures (NTMs) are very simple to solve once they are identified, said Kouakou Germain Yao, Director of Studies and Economic Information at Côte d’Ivoire’s Chamber of Commerce and Industry. ‘All it takes is to bring in the private sector, so that the problems can be identified,’ he said.

N’Goran reported the issue through the country’s Trade Obstacles Alert service, an online tool put in place by ITC in 2014 following the completion of the country’s first-ever non-tariff measures survey. In the survey, nearly three-quarters of the 600 companies said they faced non-tariff barriers to trade, significantly higher than the 55% average in the over 25 countries surveyed by ITC (see box, p. 23).

The companies saw NTMs as barriers particularly in regional markets. One of the biggest challenges identified was the delivery of certificates of origin for export to neighbouring countries. Most procedures are lengthy and susceptible to malpractice, the survey found. Lack
Impact at a glance:
lower trading costs | exports

Funded by:
European Union, United Kingdom
of knowledge about the procedures and the agencies in charge of them pose additional challenges for exporting companies, who also complained about a lack of transparency in regulations.

In response to these findings, the government requested ITC to set up the alert service, so officials can learn firsthand about the hurdles faced by the business community and address the concerns.

‘This tool is instrumental in helping policymakers to develop programmes and reforms suitable to increase the competitiveness of Ivoirian exporters,’ said Gomun Kouya, Director of Export Promotion and Assistance at the Ministry of Trade.

Twenty-four obstacles have been reported since the launch of the service in the summer of 2014, ranging from lack of storage facilities and border points to incorrect customs valuations on exported products. Five have been resolved, including the one reported by N’Goran. Previously only the president of the Chamber of Commerce was authorized to sign weight certificates, which are required for all exports of cocoa beans, the country’s largest export item. Depending on his availability, the certificates can often take a long time to arrive. Following the identification of the problem through the new platform, another official was also given the authority to issue the certificates.

The remaining 19 obstacles identified are being addressed by various government agencies and trade support institutions, Yao said. Following the launch of the tool, the government passed a decree mandating its agencies to use the platform and address the reported problems.

‘This mechanism will allow us to facilitate our trade by signaling the difficulties we encounter and from which we suffer,’ said Daihi Fatoumata, sales manager of the Société de Culture Bananière (SCB), a large exporter of bananas and pineapples.

The Trade Obstacles Alert system was put in place in Côte d’Ivoire as part of ITC’s Trade Support and Regional Integration Programme (PACIR), financed by the European Union.
Non-tariff measures (NTMs) are of particular concern to exporters as they can prevent market access even when tariffs are low or non-existent. Exporting companies seeking access to foreign markets and companies importing products need to comply with a wide range of requirements, including technical regulations, product standards and customs procedures.

The business sector, particularly in developing countries, often lacks the information, capabilities and facilities needed to address these measures. Meeting the complex requirements and demonstrating compliance with NTMs can also come at a considerable cost, particularly for small businesses.

Similarly, national policymakers often lack a clear understanding of what their business sector perceives as predominant obstacles to trade, which can make it difficult to develop appropriate trade-related policies.

ITC’s transparency-oriented programme on NTMs aims to help countries better understand the obstacles to trade faced by the business community, and develop solutions to address them. Since 2009, ITC has set up and led national surveys on NTMs in over 25 developing countries. Over 13,000 companies have been interviewed. The results suggest that the effects of NTMs weigh especially heavily on exporters and importers in least developed countries: 69% reported facing NTM-related challenges, compared to an overall average of 53% (see figure left for country results).
Supporting regional economic integration and South-South trade

Egypt
Say cheese: halal certification helps Egyptian dairy group quadruple sales to Malaysia, find new markets

Mekong region
Connecting Central and Western Africa to Mekong countries to bolster trade
Say cheese: halal certification helps Egyptian dairy group quadruple sales to Malaysia, find new markets

Mohamed Abd El-Wahab had never given a passing thought to halal certification.

‘I have worked in the food industry all my life. In Egypt nobody is interested in halal certificates,’ said Abd El-Wahab, Export Manager of the Greenland Group for Food Industries. ‘Egyptian food is by definition halal.’

That was two years ago. Since Abd El-Wahab’s participation in ITC’s Enhancing Arab Capacity for Trade (EnACT) programme, Greenland has quadrupled its sales to Malaysia, a country that operates one of the strictest halal labelling schemes in the world. It has also found several new markets, including Azerbaijan, Indonesia and Singapore. Sales of halal-labelled products now make up a quarter of the exports of Greenland, which is Egypt’s largest dairy company. ‘This growth is all thanks to certification,’ Abd El-Wahab said.

‘Once producers are certified, halal labelling turns from a technical obstacle to a trade enhancer,’ said Sadiq Syed, ITC’s focal point on the halal sector.

ITC and its Egyptian counterparts identified Malaysia as a beachhead in the Asian market for Egypt’s processed food exports because of its transparent and rigorous halal labelling and certification regime, which is recognized in many other countries, Syed said.

Egypt had traditionally exported halal products to North American and European markets, which – while growing – are much smaller than markets in South Asia, Southeast Asia and the Middle East. It is estimated that there are over 1.7 billion customers for halal products worldwide, an increasing number of them middle class with growing purchasing power.
Impact at a glance:
exports | better quality and branding | agricultural productivity

Funded by:
Canada
Yet Egyptian exporters have secured only a small share of the Asian halal market so far, due in part to a lack of halal certification, branding and packaging.

The Egyptian food processing sector strengthened its presence in the Malaysian market following the ITC project, increasing exports by 30% since 2011, according to figures from the country’s Food Export Council.

‘This is just the start,’ said Manal Karim, the Food Export Council’s Executive Director. ‘We expect that an increasing number of food processors will succeed in the market in Malaysia and the wider region following halal certification.’

**Halal certification to the fore**

As part of the project, a new halal unit was established at the Egyptian Organization for Standardization and Quality Control, supporting the development of an increased halal-certified export base. The number of halal-certified companies more than doubled from 21 to 52.

In October 2012, ITC brought together over 120 food-processing companies at the Cairo Halal Forum and invited specialists from Malaysia and Turkey to share best practices in audit and certification processes.
Halal dietary guidelines are not limited to meat products. They include other processed foods such as confections, snacks, beverages and chocolates, which could contain non-halal ingredients like pork-based gelatin. The use of alcohol during the production process also renders products non-halal. ‘Certifying and branding their products as halal is an important marketing tool and enables Egyptian companies to capture new markets,’ said ITC’s Syed.

Seven of the enterprises participated in a study tour to Malaysia, where they visited food processing companies and met with potential clients. Several companies, like Greenland, were able to address issues with labelling, production, storage and distribution that were limiting their sales to Malaysia, and they have subsequently seen their exports grow.

As part of the EnACT programme, ITC also assisted Egypt in identifying burdensome non-tariff measures faced by the country’s exporters and importers, developing an electronic commerce strategy and enhancing the competency of a network of trade support institutions in logistics and export quality management.

Building on the success of the Egyptian project, ITC’s new Export Development for Employment Creation, also financed by Canada, is exploring sales opportunities for halal exporters from Morocco. ITC facilitated the conclusion of a cooperation agreement between the Moroccan Exporters Association and the SME Association Malaysia to promote trade between the two countries.

‘Malaysia could be a platform for Moroccan products in ASEAN,’ said Mohammed Essaber, who heads the Export Support Division at Morocco’s Ministry of Foreign Trade. As part of the project, earlier this year Moroccan food exporters participated for the first time in the Malaysia International Halal Showcase (MIHAS), one of the largest international halal food fairs.
Mekong region

Connecting Central and Western Africa to Mekong countries to bolster trade

A South-South trade promotion project by ITC and the Organisation internationale de la Francophonie (OIF) contributed to a sharp rise in trade between 14 African nations and three Mekong countries, recent trade data show.

Data provided by Viet Nam’s Ministry of Industry and Trade indicate that trade between the eight countries of the West African Economic and Monetary Union (UEMOA) and Viet Nam rose fivefold to US$935.2 million in 2013, compared with US$180 million in 2007.

Trade between the six countries of the Economic and Monetary Community of Central Africa (CEMAC) and Viet Nam increased more than fourfold to US$309.5 million in 2012, compared with US$65 million in 2007.

Contracts that ITC has facilitated over the last six years have amounted to at least US$160 million in the cashew nut, rice and cotton sectors. ITC has also facilitated the transfer of cashew processing machinery from Viet Nam to Côte d’Ivoire.

Headline numbers may be just the start of a thriving South-South partnership. ITC’s trade flow analysis indicates the potential business partnership between the regions may be closer to US$5 billion.

‘Businesses of Viet Nam and of the CEMAC and UEMOA countries participated actively in numerous activities organized by ITC and OIF,’ said Le Duong Quang, Viet Nam’s Vice-Minister of Industry and Trade. ‘The cooperation between Viet Nam and CEMAC and UEMOA is developing not just in trade, but also in investment.’
Impact at a glance:

exports | increased revenues | income/productivity growth

Funded by:
Organisation internationale de la Francophonie
‘The cooperation between Viet Nam and CEMAC and UEMOA is developing not just in trade, but also in investment.’

Le Duong Quang, Vice-Minister of Industry and Trade, Viet Nam

‘Achievements in 2013 include the conclusion of technology transfer agreements in the cashew nut sector from Viet Nam to Burkina Faso, and the establishment of direct cooperation between banks in the two regions, which will significantly reduce transaction times and costs,’ said Ben Mohamed Imamo, Senior Programme Officer at ITC.

OIF approached ITC in 2007 to set up a project to expand intra- and inter-regional trade between CEMAC, UEMOA and the three francophone countries of the Mekong region – Cambodia, the Lao People’s Democratic Republic and Viet Nam. The project began in 2008 and concluded with an agribusiness forum in Ho Chi Minh City, Viet Nam, in January 2014 and an interbank partnership meeting in June 2014.

Based on surveys by ITC, stakeholders prioritized agribusiness, textiles and clothing, and wood as sectors with the highest potential. Cotton is an export product for eight of the 14 African countries that comprise the two regional economic communities, while Viet Nam is one of South-East Asia’s major exporters of wood furniture.

Results of the project were almost immediate:

- In 2008, the trade mission to Guinea-Bissau of Vietnamese importers of cashew nuts resulted in a letter of intent for Viet Nam to import 35,000 tons of raw cashew nuts over three to four years.
- In 2008, a rice buyer-seller meeting in Ho Chi Minh City resulted in US$29 million of Vietnamese rice being imported by companies in CEMAC and UEMOA.
- In 2009, US$110 million in business deals and medium-term contracts were generated for exporting cotton from Benin, Burkina Faso, Senegal and Togo to Viet Nam.
In 2012, US$4.95 million in trade in cashew nuts was generated between Guinea-Bissau and Viet Nam.

In 2012, US$5.5 million in business deals and US$16.1 million in short- and medium-term export orders were generated for Cameroon, the Republic of the Congo and Gabon. In Benin, 80% of the cashew-processing machinery now comes from Viet Nam.

In 2014, an agribusiness forum organized in Ho Chi Minh City resulted in business deals worth US$9 million to export raw cashew nuts from Benin to Viet Nam. Furthermore, two companies in the two countries have signed a joint-venture agreement to facilitate the transfer of cashew-processing technology from Viet Nam to Benin with an investment of €12.9 million.

2007 → 2013 increase in trade with Viet Nam
Business links, investment and banking

‘Five years ago, Viet Nam was not a known country for Africans. Since 2008, OIF and ITC have facilitated business links between Viet Nam and Africa. This will pick up and this will be for the long term,’ said Guillaume Razack Ishola Kinninnon, General Manager of SWCM, a food processing and manufacturing company in Benin.

‘[We hope] that our Viet Nam-ITC cooperation develops even more in the future’

Tran Quang Huy, Director, Africa, West Asia and South Asia Market Department, Ministry of Industry and Trade, Viet Nam

Kinninnon said that one problem often encountered by exporters from both regions is that letters of credit have to be confirmed by a European bank, which causes delays and additional costs. As part of ITC’s methodology to promote South-South trade, it facilitated direct interbank cooperation between the Vietnam Joint Stock Commercial Bank for Industry and Trade and banks in the Republic of the Congo, Guinea-Bissau and Togo in 2013.

‘[We hope] that our Viet Nam-ITC cooperation develops even more in the future,’ said Tran Quang Huy, Director of the African, West and South Asian Market Department of the Ministry of Industry and Trade, Viet Nam.
Connecting to value chains: SME competitiveness, diversification and links to export markets

**Kyrgyzstan**

Boosting quality and exports in Kyrgyzstan

**Cambodia**

Soft to the touch: Cambodian silk producers find new buyers, increase profits
Kyrgyzstan
Boosting quality and exports in Kyrgyzstan

ITC’s capacity-building programmes in Kyrgyzstan over the past decade have assisted small and medium-sized enterprises to increase exports, particularly of textiles and clothing.

‘The task of bringing the food processing and clothing sectors up to international standards, and thus becoming an impulse for positive economic development of the Kyrgyz Republic, is tremendous. It has been a practical and successful programme in sectors with substantial problems.’

Danil Ibraev, Deputy Economy Minister, Kyrgyzstan

‘The task of bringing the food processing and clothing sectors up to international standards, and thus becoming an impulse for positive economic development of the Kyrgyz Republic, is tremendous,’ said Deputy Economy Minister Danil Ibraev of the ITC support. ‘It has been a practical and successful programme in sectors with substantial problems.’

Nazik, a clothing enterprise in Bishkek, increased revenues by 30% and personnel by 20% in 2013, after the introduction of an ITC-supported quality-management programme. The programme awards seamstresses bonuses if they meet certain quality benchmarks. As a result, many of Nazik’s 100 personnel have seen their pay increase by 15%, according to owner Zamira Myrzakanova. Training courses have helped increase output and reduce the number of defects.
Impact at a glance:
exports | increased revenues | jobs | product quality
Funded by: Switzerland
‘We only started tracking defects thanks to the ITC programme,’ Myrzakanova said. ‘What you cannot measure, you cannot improve.’

Across town at Lilastyle, which manufactures girls’ prom dresses for the Russian market, finding new buyers and improving quality have been the key benefits of ITC’s support. Through ITC, Lilastyle owner Tatiana Pavelnko and her colleagues have learned how to benefit from industry fairs and market products to potential buyers.

Pavelnko, who dusted off her grandmother’s sewing machine in the late 1990s to make her first blouse, now employs 50 people. She had vague ideas about quality management, but the ITC project gave her the tools to implement them. ‘We knew what to do, but we did not know how,’ she said.

‘What you cannot measure, you cannot improve.’

Zamira Myrzankova, owner, Nazik

Pavelnko has big plans for the next few years. She is planning to move the company from its current location at her former family home to an industrial site with three times the floor space. However, in today’s volatile economic environment, she is treading carefully. If all goes well and sales continue to increase, she will be able to complete construction of the 750-square metre plant in the near future.

High potential for textiles and clothing

The textiles and clothing sector in Kyrgyzstan represents 7% of the country’s total industrial output and employs around 150,000 people, 70% of whom are women. The government identified the sector as an industry for trade promotion because of its high export potential, which could help offset the country’s growing trade deficit.
In 2008, ITC designed a trade promotion project with a budget of US$1.8 million over three years, financed by Switzerland. Exports at supported enterprises grew by an average of 48%. Based on this success, a new phase of the project was launched in 2013, with a budget of US $2.5 million, to be implemented through 2016. Managers and staff from over 130 companies have benefitted from assistance so far, almost three-quarters of them women. Close to 50 companies have received assistance in sourcing, product development, productivity, design and marketing over the last two years. New skills acquired in the classification, selection and testing of fabrics, as well as on negotiating with Asian suppliers (mostly from China and Viet Nam), have led to savings of over US$250,000, said Indira Kadyrkanova, ITC’s Project Manager based in Kyrgyzstan.

Weathering the economic storm in Russia

The supported companies weathered a downturn in Russian demand better than their competitors, figures show. Slower economic growth, tighter government spending and changes in Russian consumer spending patterns in anticipation of an economic slowdown have caused Kyrgyzstan’s overall clothing exports to decline by a third. Companies ITC works with, in contrast, have registered a sales decrease of only 15%.
Damira Aitykeeva, who heads the Garments Design Department at the Kyrgyz State University of Construction, Transportation and Architecture, took part in the ITC project as a national consultant on productivity and production. She incorporated many of the ideas she learned from ITC into the university curriculum. ‘This industry lacks competent middle managers’, she said. ‘Modernizing the curriculum and making students focus more on their future clients will address this issue going forward.’

‘This industry lacks competent middle managers. Modernizing the curriculum and making students focus more on their future clients will address this issue going forward.’

Damira Aitykeeva, Garments Design Department, Kyrgyz State University of Construction, Transportation and Architecture

Previously, none of the 30 companies Aitykeeva worked with had implemented organized quality control. For example, they did not measure their defects, she said. Productivity was low as a result, and product quality was suitable only for the low end of the export market. ‘Many of these companies were founded by people who are not from the industry, but traders, or even teachers and lawyers,’ she said. As part of her work at the university, Aitykeeva follows up with the ITC-supported companies and has 15 additional clients.

For 2015, the ITC team will focus on training activities and seminars on promotion and sales, including e-commerce, online promotion and social networks, Kadyrkanova said. ‘This will allow our beneficiaries to identify buyers further afield,’ she explained.
Cambodia

Soft to the touch: Cambodian silk producers find new buyers, increase profits

Cambodian silk producers who benefitted from an ITC project to boost technical and marketing skills have seen their profits rise by 20 to 30%.

Beyond the increased profits, improved market perceptions of the quality of Cambodian silk have led to new sales opportunities for the producers, according to an independent evaluation of the project conducted for the Enhanced Integrated Framework, a multi-donor programme which helps the world’s poorest countries integrate into the world trading system.

‘We particularly benefitted from attendance at trade fairs, where I met important buyers and fashion designers who were very impressed by our products,’ said Seng Takakneary, owner of SentoSaSilk, who identified US$66,000 worth of new deals – the equivalent of three months’ business – during the two-day Artisans Resources trade fair in New York last August. ‘We also increased the sales at our shop in Phnom Penh by 10 to 20%, and identified eight new weavers groups in villages to work with, thanks to the project.’

The goal of the project is to alleviate poverty among rural weaving communities by improving technical skills, which in turn enable weavers and exporters to develop new products and designs that meet buyer requirements. It also aims to help them establish new marketing channels.

The direct beneficiaries, 14 women-owned businesses working with weavers in rural areas, have developed export plans, improved their marketing materials, upgraded showrooms and shops, developed new relationships with international buyers and prepared new product collections as part of the project, said Sylvie Bétemps Cochin, ITC’s project manager. Following training and
Impact at a glance:

increased revenues | new markets | jobs

Funded by:
Enhanced Integrated Framework
product upgrading, they attended various trade fairs, signing new contracts and making new contacts for follow-up, she said. ‘The new contracts the group secured represent an important boost to their business,’ she added. ‘And the new relationships built are even more key.’

Sales at VillageWorks, a women-owned handicraft company that is a member of the World Fair Trade Organization, have increased by 40%, and the number of buyers is up by 85%, in the eighteen-month period since their participation in the project, said Anak Norm, General Manager. ‘Learning how to develop an export plan is making our business more professional,’ she said. ‘Through monitoring our export plans, we were able to compare our progress and assess if we are meeting our target.’

VillageWorks has created 20 new jobs thanks to orders from new European buyers. ‘We have set-up a new sewing workshop, where we provide employment to young handicapped people, mostly victims of polio,’ Norm explained. ‘We could employ them thanks to the orders we got through the ITC project.’

At Kravan House, Director Thanan Hok hired ten new seamstresses with disabilities. ‘The orders we got by participating in the Ambiente trade fair in Germany encouraged us to make the investment, which is a big step for us,’ she said.

The Government of Cambodia identified the silk industry as a strategic sector for poverty reduction. Silk weaving can directly contribute to job creation, particularly in rural communities. Farmers and producers living in rural areas make up 85% of the Cambodian population. In the silk-weaving industry, women make up the vast majority of the 20,000-strong workforce.

‘The orders we got by participating in the Ambiente trade fair in Germany encouraged us to make the investment, which is a big step for us’

Thanan Hok, Director, Kravan House
New designs for new markets

In order to be competitive in international markets, the companies needed to adapt their designs to the tastes of their buyers, ITC’s Bétemps Cochin said. The project supported them in the development of new product lines: silk scarves, fashion accessories, lifestyle and home decoration products, in line with target market requirements and fashion trends.

Lotus silk, based in Phnom Penh, received support on preparing marketing materials, interacting with customers and establishing their brand, said owner Vannary San. Even more importantly, she received coaching on running a business, ‘We were given more focused one-on-one mentorship about our export plans,’ she said. ‘We were asked to review and recall our historical performance, and from there, derived our projections.’

Afecip Fair Fashion (AFF), a social enterprise that provides employment to women rescued from trafficking, has a marketing strategy for the first time. ‘We always relied on buyers coming to us. When things get tougher, the buyers on whom we rely may disappear and then we have no buyer to turn to,’ said Director Rotha Tep. The company developed five new collections, met seven new contacts and is looking to close a US$4,000 deal following its participation at the Maison des Objets trade fair in Paris, its first-ever international exhibition.

The real results of the project lie in the trickle-down effects of the increased profits, Bétemps Cochin explained. ‘The additional income is typically invested in the development of small social businesses, training and education, with strong positive effects on both social and economic development.’

‘The additional income is typically invested in the development of small social businesses, training and education, with strong positive effects on both social and economic development.’

Sylvie Bétemps Cochin, Project Manager, ITC
Strengthening trade and investment support institutions

Nigeria

Improved quality translates into exports for Nigerian shea butter

TPO benchmarking

Helping trade and investment support institutions AIM higher
Nigeria

Improved quality translates into exports for Nigerian shea butter

A shea butter cooperative in the town of Saki in Nigeria’s Oyo state has sold some 200 metric tons of its product to major cosmetics companies in Nigeria and the United States, and secured orders for a further 500 metric tons, following the implementation of a quality improvement programme by the Nigerian Export Promotion Council (NEPC) under ITC supervision.

The sales by the Ifedawapo Sheabutter Cooperative were enabled by its working relationship with Shea Origin Nigeria Limited, a company whose investment in the cooperative was facilitated by the project.

Considerable progress has been made towards enabling rural communities to increase their economic contributions and improve their standard of living, said Mobola Sagoe, CEO of Shea Origin Nigeria Limited. ‘Through the various skills, knowledge transfer and capacity-building initiatives in Saki, a small town in the southwestern part of Nigeria is set to appear on the global shea map,’ she said.

Extracted from the nuts of the African shea tree, shea butter has been used for cosmetic purposes for thousands of years, and is today widely used in the global cosmetics industry to make skin moisturizers and hair-care products. It is also used in confectionery, mainly as a substitute for cocoa butter in chocolates.

To meet the demands of international buyers, however, shea butter needs to meet demanding purity and consumer safety standards.
Impact at a glance:

**increased revenues | product quality | exports**

Funded by:
Standards and Trade Development Facility
Project combined equipment, training, investment

Under the project, the lead funder, the Standards and Trade Development Facility, provided funds to purchase modern equipment for extracting butter from shea nuts, together with support for analysis and capacity building on improving product quality and safety. The community in Saki provided land, the local government provided some infrastructure, and the Nigerian Export Promotion Council (NEPC), the implementing agency for the project, provided the building to shelter the processing equipment.

The NEPC realized that the local cooperative that owned the facility lacked the capital, technical experience and know-how to manage it sustainably. To fill this gap, it brought in domestic investors from the shea butter sector with proven track records of working with rural producers. Producers were educated in safety management processes for minimizing fungus and aflatoxin levels, and educated about the importance of complying with sanitary and phytosanitary measures (SPS).

Thanks to the programme, the 120 small-scale shea nut buyers and processors belonging to the Ifedawapo Sheabutter Cooperative have had their shea butter samples certified by Nigeria’s regulatory body, the National Agency for Food and Drug Administration and Control (NAFDAC), as well as by internationally accredited laboratories in Ghana operated by SGS, the Swiss-based certification services company.

‘The project has been of significant value to us. Until now, Nigeria has been unable to convert its comparative advantage as the world’s largest shea producer into a competitive edge in global marketing, largely due to quality constraints. However, thanks to the successful implementation of the project resulting in improved adherence and compliance to SPS measures, we are poised to become the global leader in shea exports.’

Olusegun Awolowo, Executive Director and CEO, NEPC
Another 130 shea nut processors, mostly women, are looking to join the Ifedawapo Sheabutter Cooperative so as to meet the sanitary and phytosanitary (SPS) measures required for exporting to the United States, said Afolabi Bello, Principal Trade Promotion Officer at the NEPC and Secretary for the project. Three other shea butter production facilities set up on similar lines elsewhere in the country are expected to become operational in 2015; similar cooperation is underway in the sesame sector.

‘The project has been of significant value to us’, said Olusegun Awolowo, executive director and CEO of the NEPC. ‘Until now, Nigeria has been unable to convert its comparative advantage as the world’s largest shea producer into a competitive edge in global marketing, largely due to quality constraints. However, thanks to the successful implementation of the project resulting in improved adherence and compliance to SPS measures, we are poised to become the global leader in shea exports.’

Production and prices rising

According to Bello, since processing started at the new facility in Saki in July 2014, production volumes have gone up by over 40%, and are commanding prices 20 to 25% higher than before.

In addition to the laboratory tests, Funmilayo Alabi, CEO of Atlanta-based Shea Radiance LLC, which produces and markets shea-based cosmetics, confirmed that the shea butter produced by the cooperative in Saki met the required standards. ‘The sample you sent me also meets the color and texture requirements that we find desirable in cosmetics,’ she wrote to an investor in the facility.
Ahead of the project, Nigerian officials, working together with STDF, had identified shea butter, along with sesame seeds, as products that would be able to penetrate new international markets and increase foreign exchange earnings if able to meet European and US health and safety standards. The prospect of increased shea butter exports had the additional potential benefit of empowering the rural women who have historically played a disproportionate role in gathering and processing shea nuts.

ITC backed up the NEPC with expertise in safety and quality improvement as well as project management as part of its mission to build the capacity of trade support institutions working with small and medium-size enterprises (SMEs) in developing countries.

‘The NEPC did a marvelous job in pulling all the public and private stakeholders together and delivering results,’ said Ludovica Ghizzoni, who oversaw the project at ITC.

The Standards and Trade Development Facility is a global partnership that supports developing countries in building their capacity to implement SPS standards, guidelines and recommendations as a means to improve their human, animal, and plant health status and ability to gain or maintain access to markets.

The project mobilized support from other sources, including the law firm Sidley Austin, which helped develop, on a pro bono basis, a Memorandum of Understanding between prospective investors and the cooperatives (together with the NEPC) for fair and sustainable management processes.

According to an independent evaluation by the Tony Elumelu Foundation, a non-profit organization dedicated to promoting private sector growth in Africa, the project was ‘effective in developing the skills and reducing the knowledge gap among farmers, extension officers and standards enforcers, particularly as related to aflatoxin critical control points.’
TPO benchmarking

Helping trade and investment support institutions AIM higher

Based on the dictum that what is not measured cannot easily be improved, ITC has for years been working with trade support institutions (TSIs) around the world to help them identify their strengths and weaknesses – and see how they match up against their peers.

This comprehensive benchmarking exercise assigns TSIs a score between zero and 100, based on some 225 performance indicators covering everything from their governance to the services they offer. It has helped agencies, especially trade promotion organizations (TPOs), to understand where they need to improve in order to meet global best practices.

Pamela Coke-Hamilton, executive director of the Caribbean Export Development Agency, has worked with five trade promotion organizations in the Caribbean region on the benchmarking exercise. ‘Not only has it assisted in the identification of areas of strength but also in pinpointing specific areas for improvement based on international best practices,’ she said.

‘Not only has it assisted in the identification of areas of strength but also in pinpointing specific areas for improvement based on international best practices’

Pamela Coke-Hamilton, Executive Director, Caribbean Export Development Agency
Impact at a glance:

more effective TSIs | SME competitiveness

Funded by:
Canada, Denmark, Finland, Germany, India, Ireland, Norway, Sweden, Switzerland
Assess, Improve, Measure

In 2014, ITC took the benchmarking work to the next level. Under the ‘AIM for Results’ project, interested TSIs are building close, long-term relationships with ITC, aimed at embedding sustained, measurable improvements in their effectiveness at helping small and medium-sized enterprises (SMEs) in developing and transition economies to increase the value of their exports.

The two- to three-year process starts with an ‘Assessment’ phase that includes ITC’s benchmarking analysis of performance. Using that analysis, ITC works with the TSI to develop a customized plan, called a Performance Improvement Roadmap, to address the weaknesses identified. The plans target managerial and operational issues, as well as the formulation and delivery of each TSI’s portfolio of services. The plans are tailored to respond to the wide differences in the maturity of trade support institutions across the globe. This ‘Improvement’ phase uses information and technical advisory solutions to deliver sustained improvements.
Finally, a ‘Measurement’ phase quantifies the success the changes have had in enhancing the organization’s capabilities. A key priority for this stage is ensuring that the organization shifts towards effectively measuring what is important not only to analyze results, but to help them continuously upgrade their services.

In short, AIM for Results helps TSIs understand their own managerial and operational performance, so they can achieve measurable improvements in their service delivery to clients, especially the SMEs that are aspiring to or beginning to connect to international value chains.

12 TSIs already implementing AIM for Results

By the end of 2014, twelve TSIs were implementing AIM for Results, in countries including Bangladesh, Benin, Burkina Faso, Cambodia, Mauritius (where two separate TSIs are participating), Morocco, Nicaragua, Saudi Arabia, Sri Lanka, Zambia and Zimbabwe. In addition, five Caribbean countries - Barbados, Belize, Dominican Republic, Jamaica and Trinidad and Tobago - had been benchmarked, in preparation for a Caribbean-focused AIM initiative. While they are all at different stages of implementation, a consistent priority has been to create greater awareness about the importance of using results and impact measurement to understand, improve and manage their respective performance.

Enterprise Mauritius, which had already made changes based on its 2012 benchmarking, was keen to take even bigger strides in improving its performance. In 2014, ITC worked with it to prepare a phased improvement roadmap. By year’s end, Enterprise Mauritius had completed a strategy development workshop and was honing its strategy. (Under the AIM process, TSIs write their own strategy documents, to ensure that they develop capacity for sustainable change; ITC helps facilitate strategy development.) Zambia’s trade promotion organization, which was benchmarked in 2014, is also working to prepare its new strategic plan.
The Caribbean Export Development Agency has been working with ITC to conduct benchmarking exercises with TPOs in the Caribbean Forum region. In 2014, Jamaica and Belize were benchmarked, bringing the number of Caribbean agencies that have been assessed to five. ‘The process of benchmarking and assessing five of CARIFORUM’s trade promotion organizations has been an important project for the Caribbean Export Development Agency,’ said the Caribbean trade and investment promotion agency’s Coke-Hamilton. ‘TPOs are an important partner for Caribbean Export and we are as committed as they are to bridging these gaps with new strategies which have been tried and tested at the international level. Collaborating with ITC in this valuable exercise has laid the foundation to extend our partnership with TPOs, building their capacity to better serve the region’s private sector as we work together to maximize the region’s export performance.’

Nearby Nicaragua and Costa Rica were also benchmarked, with Costa Rica’s agency, PROCOMER, receiving some of the highest scores across all areas of operation. While PROCOMER’s scores make it a model for others around the globe, it is working to implement several of ITC’s recommendations to become even more effective. ‘We work very hard every day to improve our performance and the quality of services we provide our clients,’ said Jorge Sequeira, who was CEO of PROCOMER during part of the reform process. ‘Exporting in a competitive, globalized economy is a challenging task, so they demand our best. ITC’s benchmark report is a powerful tool to help us determine we have advanced in the right direction towards becoming a high-performance organization.’

When trade promotion organizations are more effective, it translates to greater exports, which tend to mean more and better quality jobs. At a time when governments everywhere are feeling fiscal pressure and looking to exports as a driver of growth, TSIs need to be able to do more with less, even as their SME clients’ needs grow more complex, amidst the emergence of new markets and private standards.

Over a five-year period, AIM for Results will assist some 50 TSIs to better serve the needs of their clients.
Promoting and mainstreaming inclusive and green trade

**Ethical Fashion**

Perfect fit: tailor from Nairobi slum finds stable work, better pay

**Peru**

US safety certificate could quintuple Peru’s exports of indigenous food product

**Papua New Guinea**

Success in a cup: first woman coffee exporter in PNG secures premium price from major international buyer

**Kenya**

Hot tea: Kenya’s tea sector adapts to climate change
Ethical Fashion

Perfect fit: tailor from Nairobi slum finds stable work, better pay

After years of low-paid, unpredictable work in Nairobi garment workshops, a job through ITC’s Ethical Fashion Initiative has helped Jane Nthege upgrade her tailoring skills, move to a better home, and send all five of her children to school.

She now makes US$150 a month, less than her more skilled colleagues earn but more than double her previous wage, working regular hours with paid holidays. She is one of Ethical Fashion Africa Limited’s 1,200 workers in Kenya, spread across 13 groups in Nairobi slums as well as rural areas. ‘It is not only the better pay’, she said. ‘This job has given me back my self-confidence and dignity.’

‘It is not only the better pay’, she said. ‘This job has given me back my self-confidence and dignity.’

Jane Nthege, tailor, Ethical Fashion Africa

After moving to Nairobi in 2009 from her hometown of Kangundo, some 70 kilometers east of the capital, Nthege, a 41-year-old single mother, struggled to find steady work. She took on various jobs at informal tailoring workshops in the slum where she was living. The work was irregular: since one workshop lacked a permit, it would close every time city inspectors were rumoured to be in the neighbourhood. Another provided more regular work, but under difficult conditions. ‘We were stuffed for more than eight hours a day in a small working room with little circulation of fresh air,’ she said. ‘My pay was a measly 250 Kenyan shillings (US$2.9) [a day] which could not meet even half of my basic needs. In order to save for my children I used to walk two hours to and from work and skipped meals during the day.’
Impact at a glance:

income/productivity growth | women’s empowerment
working conditions | housing | children’s education

Funded by:
Canada, Denmark, Finland, Germany, India, Ireland, Norway, Sweden, Switzerland
‘My soul was unsettled as I needed to educate all my children and to provide regular meals and decent housing for my family’

Jane Nthege

Her next job, at an apparel company, came with a daily income of KSH 388 (US$4.6), but few benefits. She could only afford to send two of her children to school. ‘My soul was unsettled as I needed to educate all my children and to provide regular meals and decent housing for my family,’ she recalled.

In August 2011, she landed a job with Ethical Fashion Africa, where she swiftly moved up the ladder. ‘I started as a light-duty tailor then through training I received I was allowed to do complicated machine operations using heavy-duty machines,’ she said. ‘This also meant better pay.’ With her KSH 650 (US$7.6) wage, she was able to send all of her children to school, and move to a better house.

Nthege now heads a team of ten, and has trained many other tailors through the internal capacity building programme at the workshop. In April 2014, she lost all of her material possessions when a fire in her neighbourhood burnt down her home. Undaunted, she is ‘resolved to rise from the ashes, as it were,’ thanks to her steady job and decent income.
New season, new impact

Like much of the clothing and accessories produced through the Ethical Fashion Initiative, which since 2008 has connected artisans from poor and marginalized communities to the top end of the global fashion industry, Jane Nthege’s handiwork will likely travel far from Nairobi.

The Autumn/Winter 2014/2015 season brought a new order of bags and pouches from British fashion designer Stella McCartney. According to an impact assessment carried out during the order, Nteghe and other workers in community groups across Kenya – three-quarters of whom are women – reported increased earnings that enabled them to save and contribute to their dependents’ education.

Skilled personnel involved in supervising, quality control and stitching – accounting for just under half of the workers on the order – saw their salaries rise by 275%. Wage gains for the semi-skilled and manual workers involved with cutting, folding, and packing were proportionately larger, at more than 500%. Fully 61% of the women working on the order reported being able to save part of their income; many said that their incomes brought them independence, dignity, and respect. All workers received training of some kind to meet the order’s high quality standards, and reported greater skills and confidence as a result.
One of ITC’s flagship programmes, the Ethical Fashion Initiative (EFI) is emphatically about work, not charity. It facilitates dignified work at a fair wage by connecting artisans from disadvantaged backgrounds to the international fashion business. In everything it does, the EFI develops local creativity, fosters predominantly female employment and empowerment, and promotes gender equality, with the objectives of reducing extreme poverty and increasing the export capacities of the regions in which it operates.

The EFI’s model has proved replicable well beyond Kenya. In Burkina Faso, hundreds of women weave and dye cotton fabric for international brands including Vivienne Westwood (UK) and United Arrows (Japan), benefiting from opportunities provided by the EFI such as training in the use of wider looms better suited to industry requirements. In Mali, though work has slowed amidst the country’s recent political unrest, the EFI works with artisan groups in Bamako and Djenné who supply brands such as Stella Jean and Vivienne Westwood with naturally dyed fabrics. In Haiti, a growing chapter of EFI, eight micro-enterprises are making jewelry from cow horns, recycled telephone wires, and brass, for brands including Brazil’s Osklen and Stella Jean, who showcased their work during the Milan fashion week.

A glimpse of the initiative’s future comes from Ghana, where EFI-backed designers have participated in international fashion weeks, and a manufacturing plant has been set up to produce their creations.
Peru

US safety certificate could quintuple Peru’s exports of indigenous food product

Industry players in Peru expect sales to the United States of sacha inchi, a nutrient-rich traditional plant, to jump to US$2.5 million in 2015, following the lifting of a major barrier to trade in their largest export market.

In September, the US Food and Drug Administration approved a submission prepared on behalf of Peruvian exporters with ITC support, and classified sacha inchi oil as ‘generally regarded as safe’ (GRAS), a key threshold for exporting large quantities of food products into the US market. Exports to the US currently hover around US$500,000 annually.

‘At least five American importers were waiting for the GRAS approval to close contracts with us,’ said Juan Manuel Benavides, Director of Amazon Health, an exporter of natural ingredients.

‘The US market for ingredients is huge, but the use of ingredients requires GRAS status,’ said Miguel Navarro, Operations Manager at Agroindustrias Osho, another exporter in the region.

2000 Peruvian sacha inchi farmers can now access US markets
Impact at a glance:

exports | income/productivity growth | jobs

Funded by:
Denmark, Germany and Norway
Sacha inchi, sometimes called Inca peanut, is a plant rich in protein and fatty acids, cultivated and harvested in Peru’s Amazon region, including in the San Martin area, where it provides cash income to over 1,200 families of producers.

‘The US market for ingredients is huge, but the use of ingredients requires GRAS status’

Miguel Navarro, Operations Manager, Agroindustrias Osho

Almost a quarter of Peru’s population lives in poverty, and around 90% of these live in areas with high biodiversity. Improving the market position and increasing the sales of biodiversity-based products represents a unique opportunity to improve the living conditions of farmers and harvesters of these products.

‘Biodiversity trade provides a sustainable means to reduce poverty,’ said Alex Kasterine, Head of the Trade and Environment Programme at ITC. Biotrading has the potential to generate 250,000 new jobs in rural communities over the next decade, he said.
‘Biodiversity trade provides a sustainable means to reduce poverty’

**Alex Kasterine**, Head of the Trade and Environment Programme, ITC

In Peru, ITC has provided support to nine exporters of sustainably sourced natural ingredients, including sacha inchi and golden berry, a fruit indigenous to South America. The companies received information about international market conditions and opportunities. ‘Comparative and competitive advantages have been established and the market has been quantified. This information is highly valuable,’ said Pedro Martinto Housman, CEO of Villandina.

**Higher incomes for exporters and farmers**

ITC assisted the companies and their farmer suppliers in obtaining fair trade certificates. ‘This opens a new market for us: the fair trade market, which we didn’t have access to,’ Martinto said. ‘We can provide higher incomes for the growers,’ which in turn improves sustainability of supply, he said. The nine companies working with ITC buy from over 10,000 suppliers in the country’s Andes and Amazon regions.
'The money from the golden berry that we sell is used to educate children, to pay for health and clothing, as well as to feed ourselves,' said Humberto Durand Chuquimango, one of the 187 golden berry farmers who received training on fair trade and sustainable growing practices.

SMEs also received support to participate in international trade fairs, where they could display their products, demonstrate their nutritional benefits and establish contacts with potential buyers. This was particularly important for sacha inchi, which is little-known outside Peru, ‘so there is much work to be done and going out to these fairs is a very big opportunity,’ said Carolina Sanchez, sales manager at Shanantina.

**Next stop for sacha inchi oil: granola bars and mayonnaise**

While negotiating with potential customers at these fairs, the exporters realized that convincing buyers about the nutritional qualities of their products was not enough to close deals: without GRAS status, food companies would be unwilling to use their product as an ingredient. In response, ITC, in partnership with government agencies Promperu and Perubiodiverso, agreed to facilitate the preparation of the GRAS submission, which involved both scientific and legal work. Following a seven-month approval process, the certificate was granted in September 2014. Sacha inchi oil may now be used in granola bars, breakfast cereals, chocolates, and fats and oils such as gravies and mayonnaise, among other products.

‘This opens the door for widespread use as a mainstream food industry ingredient that can capture the interest of companies like Nestle, Unilever, Procter & Gamble and PepsiCo,’ said Guadalupe Amésquita, Sustainable Trade Officer at Promperu.

GRAS status for one sacha inchi derivative was only the first step, said Diana Flores, an industry expert and ITC’s scientific consultant in Peru. ‘It is essential to have GRAS for sacha inchi protein flour and toasted seeds,’ she said. ‘There is potential demand for these products in the American market, but companies are discouraged from importing them without GRAS status.’
Coffee farmer Marey Yogiyo has been selling coffee to buyers in her native Papua New Guinea for 16 years. Earlier this year, she became the first ever woman in the coffee sector to receive an export licence – and promptly saw the price she received rise 63% above the local rate.

Olam International, one of the world’s leading agribusiness companies, bought 60 bags of coffee from her company for US$18,000.

‘It’s real. I am now an exporter,’ said the 56-year-old mother of five, who lives in the Eastern Highlands Province, the centre of the country’s coffee production industry.

Yogiyo’s export success appears set to continue: Olam is considering an even bigger purchase in 2015.

Before she could sell abroad, however, Yogiyo needed a permit, not to mention clients. In 2014, she got both. In July, her company, Yogiyo Coffee Ltd, became the first women-owned coffee company in the country to receive a government licence to export. The first bags of Bauka Blue coffee were shipped to the United States shortly after. ‘After ten years of consistently working on perfecting the quality and looking for markets, the first order from Olam re-energized Bauka Women Coffee to see it through the next ten years’, she said.
Impact at a glance:
exports | women’s empowerment | income/productivity growth

Funded by:
Australia, Canada, Denmark, Finland, Germany, India, Ireland, Norway, Sweden, Switzerland, United Kingdom
With ITC to international markets

Yogiyo made the initial contact with her new buyers at a buyer mentor group organized by ITC and the International Women Coffee Alliance (IWCA) on the margins of the Specialty Coffee Association of America’s annual conference in Seattle in April 2014. The training provided participants with knowledge and skills to meet the demands of international buyers, enabling them to position their coffee to be more competitive in international markets and fetch higher prices. Following her return, ITC liaised with the Papua New Guinea Investment Promotion Agency to facilitate the issuance of her export licence.

Olam International is one of the world’s largest food buyers, with annual sales of US$15 billion and operations in 65 countries. On its website for industrial buyers, Olam emphasizes Yogio’s story and vision for creating a distinctive product. ‘She founded the group to encourage women to make coffee a way of life so that they can support themselves and their families,’ the site says.

Empowered women powering trade

Marey Yogio’s sales to Olam represent a significant achievement for women coffee producers in Papua New Guinea, said Vanessa Erogbo, who manages ITC’s Women and Trade Programme. This sales also benefit other women members of the Bauka Women Coffee farmers group. ‘Direct exports provide greater influence over markets and increase the income of rural coffee growers significantly,’ Erogbo said.

Yogiyo, who herself has a mid-size farm with 20 acres of coffee, will also buy coffee from nine other farmers as of the coffee year 2015. She hopes to build an export business supporting many of the 645 coffee growing households in the area. ‘This is a great avenue to support women in coffee groups, maximizing their net return on their coffee,’ she said.
Papua New Guinea’s coffee, while making up only 1% of global production, is known in specialty coffee circles for a unique aura and for the brightness and complexity of its flavours. The Aiyura Valley, where Bauka Women Coffee is situated, first saw coffee grown in the 1940s; its plantations and smallholder gardens are known for the varied berry and citrus flavours of the coffee they produce.

Bauka Women Coffee has linked up with another women’s cooperative to reopen a long-shuttered coffee processing mill in 2015.

Yogiyo predicts more certificates and increased exports to come. ‘2015 will be an exciting year for Bauka Women Coffee and we are looking forward to that.’

‘2015 will be an exciting year for Bauka Women Coffee and we are looking forward to that.’

Marey Yogiyo
ITC and the International Women’s Coffee Alliance (IWCA) partner worldwide to increase the economic empowerment of women by developing specialty brands and selling them to international buyers.

- **Burundi**: The Burundi chapter of the IWCA, established with the support of ITC, has developed productivity training and established a profit sharing scheme amongst its members for sales made to specialty coffee buyers. The group consistently wins awards for high quality coffee in the annual Burundi Cup of Excellence competition.

- **Tanzania**: The Tanzanian chapter of the IWCA was established in April 2013 and is already representing thousands of women producers, processors and exporters across the country. ITC is assisting the group in strategy development and the identification of market linkages.

- **Ethiopia**: ITC is supporting women-owned green coffee exporters in establishing a chapter of the IWCA in Ethiopia.

- **Democratic Republic of the Congo**: The DRC chapter of the IWCA was officially launched in February 2014 at the African Fine Coffees Association conference in Burundi, and is registered in Kinshasa as a non-governmental organization.

- **Rwanda**: ITC is assisting the Rwanda chapter of the IWCA to strengthen its activities, in order to provide members training and to connect them with specialty coffee buyers.
Kenya

Hot tea: Kenya’s tea sector adapts to climate change

Many of the two million tea farmers across Kenya are struggling to cope with the higher temperatures and more erratic rainfall brought about by climate change. ‘When I started tea farming, harvests were bountiful, but over the years the quantity has dwindled,’ said Joyce Njeri Muchina, a tea farmer in Makomboki, 90 kilometers north of Nairobi. In hot weather ‘when the mist falls on the tea it burns the leaves,’ she said.

An ITC project is helping farmers to adapt to the impacts of climate change, and to reduce greenhouse gas emissions along the value chain. The work is funded by the Governments of Denmark and Norway, and implemented jointly with the Ethical Tea Partnership (ETP) and the Kenya Tea Development Agency (KTDA).

As a result of her involvement in the project, which started in 2012, Muchina has increased her annual income from tea by over 20%, while also reducing fuel costs. ‘I could keep my children in school, I buy clothes more regularly than before and I have bought a dairy cow,’ she said.

Kenya is the world’s largest exporter of black tea, but lower yields due to rising temperatures are threatening the industry, and with it, the livelihoods of the three million people whose jobs rely on the sector.

‘If we continue doing business as usual we might not have tea in the next 20 or 30 years,’ said Jane Ntambura, Project Coordinator at ETP. ‘The tea sector has really been affected by climate change and this means that productivity has been reduced.’

While Muchina’s income has increased over the past two years, it is still below what it had been before she began feeling the impacts of climate change.
Impact at a glance:

income/productivity growth | energy and fuel efficiency
water resource management

Funded by:
Denmark, Norway
New techniques help farmers cope

Muchina was one of 5,600 farmers who benefitted from ITC training programmes. Many of the participants were community leaders who subsequently worked with other farmers in their villages, transmitting the knowledge and techniques acquired through ITC training.

‘I have been taught about climate change. We have also learnt what we can do to ensure we are food secure and how to practice sustainable tea farming,’ she said.

‘I have been taught about climate change. We have also learnt what we can do to ensure we are food secure and how to practice sustainable tea farming.’

Joyce Njeri Muchina, tea farmer
Techniques acquired include the identification of new pests migrating to the area as a result of the warmer weather, and mulching – the covering of topsoil with dead plant material to retain the soil’s moisture content and fight heat-resistant weeds. Participants also learned composting methods as well as techniques to improve the quality and water retention capacity of the soil through de-compacting hardpans, the dense layers of soil that can impede root growth.

Importantly, participants learned techniques in drip irrigation, which requires 30% to 70% less water than traditional methods, said Joseph Gitau, a trainer with KTDA: ‘There are many farming methods, and the methods we were using needed plenty of water. Since the rivers are drying up due to deforestation, we thought it wise to educate farmers on farming methods that use less water.’

‘There are many farming methods, and the methods we were using needed plenty of water. Since the rivers are drying up due to deforestation, we thought it wise to educate farmers on farming methods that use less water.’

Joseph Gitau, trainer, Kenya Tea Development Agency

Mary Njenga, a bio-energy and environmental scientist who comes from a tea-growing family in the region, spoke approvingly of the ITC-backed training work, praising it for effectively relating climate change to the work of the tea factory and the economic and environmental gains to be had from saving energy. ’[ITC] are doing a good job in working with tea factories to enhance their energy use efficiency, which will not only contribute to mitigating and adapting to climate change, but will also improve farmers’ benefits,’ she said.
Reducing greenhouse gas emissions

The ITC project has also fostered capacity building in implementing climate change mitigation strategies, reducing the carbon footprint associated with tea production.

Buyers in Western markets are increasingly demanding sustainably sourced tea. As a result, what was formerly seen as a purely environmental issue is also becoming a market requirement: in order to maintain and expand their export markets, Kenyan tea factories need to demonstrate and eventually get certified for environmental sustainability, including a reduced carbon footprint.

Thanks to the project, factories and the farmers who supply them are now taking action based on energy audits prepared under the project. The Makomboki Tea Factory, for instance, has received certification from both the Rainforest Alliance and Flo-Cert following the implementation of the audit’s recommendations. ‘On climate change mitigation, we have established what we are calling firewood sheds, so that we can dry our firewood before it goes to the boiler,’ said factory services coordinator Humphrey Maina Chiuri. Much of the firewood Makomboki and other tea factories buy is moist, leading to significant energy waste during the combustion process. They have also installed more energy efficient stoves and solar lamps. ‘Our factory is now certified… and we are able to access the international markets,’ he said, adding that the programme extends to the thousands of farmers that supply the factory.

ITC, which works with farmers, tea companies and the certification bodies, facilitated the partnership. ‘By working with this diverse group of actors we can ensure that we are providing a technically relevant response, but also one which is sustainable in its impact,’ said Rob Skidmore, Chief of Sector Competitiveness at ITC.

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Rob Skidmore, Chief of Sector Competitiveness, ITC
Building a conducive policy and business environment through public-private partnerships

Côte d’Ivoire
Solving commercial disputes quickly and cheaply through mediation

Mauritius
Speedy implementation of Trade Facilitation Agreement key to competitiveness
Côte d’Ivoire

Solving commercial disputes quickly and cheaply through mediation

The enforcement of contracts is central to the functioning of a market economy. Yet commercial disputes are an inevitable part of running a business. Seeking formal adjudication through the legal system is often time-consuming and expensive, especially in developing countries like Côte d’Ivoire. The burden of these costs and delays is particularly heavy for small and medium-sized enterprises (SMEs).

Private commercial arbitration is an alternative that can provide binding decisions generally within a year, but it remains adversarial and expensive. Meanwhile, many commercial disputes can be resolved swiftly, affordably and in a conciliatory manner through mediation. Making reliable mediation services available can thus represent a significant improvement in the business environment, particularly for SMEs.

Since 2012, ITC has worked with Côte d’Ivoire’s Court of Arbitration (CACI, for Cour d’Arbitrage de Côte d’Ivoire) to build and support institutional capacity, as well as to raise awareness of mediation among Ivoirian businesses. This work was part of the European Union-funded Trade and Regional Integration Support Program (PACIR) for Côte d’Ivoire, which seeks to boost trade and regional integration among countries in West Africa.

ITC’s support for the CACI took the shape of a multi-stage plan, involving training activities and new training materials on commercial arbitration, together with temporary work experience abroad for CACI officials. These were accompanied by targeted multimedia outreach to educate the private sector, trade support institutions, and lawyers about alternative methods of dispute settlement. The result has been a stronger CACI, one better equipped to provide the quality services the Ivoirian private sector is increasingly demanding.
Impact at a glance:

lower business costs

Funded by:
European Union
Growing use of mediation

From its usual five or six cases per year, the CACI dealt with nine cases in 2012, 14 in 2013, and 13 in the first half of 2014 alone – three of which were commercial mediation cases, rather than traditional arbitration. In September 2014, the CACI announced that a US$2.6 million dispute had been resolved in half a day through mediation – facilitated by one of the 22 certified mediators trained by ITC.

‘Commercial mediation is a great comfort for those of us who do business,’ said Yévide Kouassi, head of the Compagnie Ivoirienne des Routes et du Bâtiment (Cirobat), a road maintenance company. ‘In the event of a dispute, I am ready to go to the CACI. With its principles of speed, impartiality, and confidentiality, it is truly a tool that corresponds to our needs,’ she added.

In March 2014, the CACI organized a national mediation day, and, in a testament to its growing influence, successfully campaigned for a new law on mediation, in force since June of the same year. The law defines mediation as ‘an alternative form of dispute resolution’ in which parties seek to reach an amicable accord with the help of a mediator of their choosing or one designated by the judge responsible for the case. It establishes a three-month maximum for mediation attempts.

Increased awareness among businesses about commercial mediation has already started to be reflected in their practices, according to Adeh Kouassi, a lawyer and mediator. ‘We are already sought after by both the CACI and directly by businesses to write mediation clauses into contracts. There is enormous enthusiasm; it’s remarkable.’

Beyond enhanced mediation capacity, CACI’s team has a deepened understanding of dispute settlement procedures, and has an electronic case management system that is in line with international best practices.
'ITC’s support has been essential for our institution. It has played a very fundamental role in improving the business environment in Côte d’Ivoire.'

Francois Abondio, CACI Secretary-General

‘ITC’s support has been essential for our institution,’ said Francois Abondio, CACI Secretary-General. ‘It has played a very fundamental role in improving the business environment in Côte d’Ivoire.’

Côte d’Ivoire was among the top reformers identified in the World Bank’s Doing Business Index for 2015, with ‘trading across borders’ highlighted as a particular area of improvement.
Mauritius

Speedy implementation of Trade Facilitation Agreement key to competitiveness

Mauritius was among the first developing countries to submit its list of binding trade facilitation commitments to the World Trade Organization in July 2014, following assistance from ITC and the United Nations Conference on Trade and Development.

‘Trade facilitation is of key importance for countries seeking to take full advantage of market access, trade liberalization, and the economic development opportunities offered by international trade agreements,’ said Ambassador Israhyananda Dhalladoo, Permanent Representative of Mauritius to the WTO. ‘Despite trade openings, our exporters are still facing difficulties in areas such as customs procedures, logistics frameworks, and meeting technical and quality standards in target markets.’

The WTO Trade Facilitation Agreement, concluded in December 2013, is an important tool in helping developing countries and least developed countries (LDCs) reduce costs linked to international trade. This is particularly crucial for small and medium-sized enterprises (SMEs), which often lack the capacity, personnel and resources to navigate complex and expensive border procedures.
Impact at a glance:

informed policymaking

Funded by:
Canada, Denmark, Finland, Germany, India, Ireland, Norway, Sweden, Switzerland
Upon entry into force, the Agreement will create binding obligations for WTO members to improve customs procedures, transparency and efficiency. For instance, governments will be required to publish information about import- and export-related rules and border procedures, trade-related fees, import duties and appeal procedures available to traders. They will have to simplify documentation requirements, and limit customs processing fees and charges so that they stay roughly in line with the costs they entail to governments. As a general rule, customs agencies will have to issue so-called ‘advance rulings’ setting out traded goods’ tariff treatment before they actually arrive at the border.

While simplifying border procedures and cutting red tape promises to substantially reduce trading costs around the globe, especially among developing countries, the capacity of developing country governments to implement these reforms varies considerably. During the negotiations that led to the Agreement, they insisted that they would need time and assistance to implement their prospective obligations.

As a first step towards implementation, therefore, the Agreement requires developing countries and LDCs to categorize their obligations under the treaty into so-called Category A commitments, which they will implement immediately, Category B commitments, which they are only in a position to implement later, and Category C commitments, for which they require assistance and support.

Mauritius was one of 19 countries that ITC assisted with categorizing obligations under the Trade Facilitation Agreement. The joint ITC-UNCTAD project kicked off with a national workshop in April 2014 with public and private stakeholders to introduce the Agreement and brainstorm about its importance and relevance to the private sector. ‘This created national momentum around the implementation process and emphasized the need to have a collaborative forum for regular consultation amongst the stakeholders including the private sector’, Dhalladoo explained.

Having sought the input of stakeholders from across the country, the government prepared the implementation plan. This was vetted in a second meeting, involving the business community,
before the plan was actually submitted to the WTO, Dhalladoo said. ‘Most of the Category A measures identified by UNCTAD/ITC were taken into account when Mauritius notified its Category A commitments to the WTO,’ he said.

Public-private dialogue

Public-private dialogue is the cornerstone of ITC’s approach to trade policy formulation. For trade policy to successfully bring the desired benefits to exporters, it is necessary for public and private sector representatives to work in coordination. ITC supports developing countries in creating platforms for such dialogue, and in facilitating the engagement of the private sector in various policy areas, including trade facilitation, said Mohammed Saeed, who heads the trade facilitation practice area at ITC. ‘Improving the business environment is the first step in increasing the competitiveness of SMEs,’ he noted.

In Mauritius, ITC and UNCTAD also assisted in the establishment of the Mauritius National Trade Facilitation Committee, which will remain instrumental in overseeing the implementation of the commitments, Dhalladoo explained.

It is important that ITC assist as many countries as possible, as this would contribute to the speedy implementation of the Agreement worldwide, Dhalladoo said. ‘We look forward to the full implementation of the Agreement not only in Mauritius, but also by our trading partners. For an open economy such as ours, seamless borders are key to the international competitiveness of our enterprises.’ Reduced paperwork, advance processing of documents and the quick release of perishable goods are some of the measures that will help the island’s exporters, he added.

Mauritius has requested further assistance in implementing Category B and Category C measures, and looks forward to working with ITC in this area, Dhalladoo said.
Funders at a glance

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