

PROGRAMME ACHIEVEMENTS 2008-2013

PROGRAMME FOR BUILDING AFRICAN CAPACITY FOR TRADE (PACT II)



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REGIONAL TRADE FOR GLOBAL GAINS

PACT II, since its official launch in 2008, has been recognized as ITC's flagship programme on regional integration, trade development and export promotion in Africa. The programme is part of the overall response to the African regional integration challenges and is aligned to the NEPAD's broad vision of economic growth led by the private sector and rooted in greater regional and inter-regional trade.

With the goal to facilitate regional integration, PACT II strategy was to identify sectors with high potential for increasing intra-regional trade, determined gap and address them through focused institutional development for providing region wide services. The programme also entailed support for strengthening the Regional Economic Communities (RECs) level of public-private dialogue on trade policy.

PACT II main achievements include targeted capacity-building services for regional and national partner institutions with a view to enhancing the export competitiveness, strengthen market linkages and facilitate export revenues of African SMEs in high-potential sectors.

Funded by the Canadian International Development Agency (CIDA), PACT II has been jointly implemented with three RECs in Africa – the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS) and the Economic Community of West African States (ECOWAS) – in support of the regional trade integration agendas.

PACT II ACHIEVEMENTS

The programme accomplished its goal to support regional integration in Africa by achieving concrete results in four main areas:

1. Sector development to enhance exports
2. Institutional strengthening for trade promotion
3. Enhanced business advocacy for regional integration
4. Gender-responsive business development services – ACCESS! Programme

42 Sub-Saharan countries - of which 30 LDCs and LLDCs - benefited directly or indirectly from PACT II interventions

3 High potential sectors (mango, leather, and coffee) targeted in the ECOWAS, COMESA and ECCAS regions respectively

3 African RECs reinforced their trade development structures and leadership

9 Regional TSIs strengthened and engaged in regional trade support and policy dialogue

186 African trade experts - 52 women - gained sustainable skills through training of trainers, coaching, e-learning

3,157 SMEs and micro-producers - 2,668 women - improved their export capacity and access to new markets

112 technical documents produced jointly with partner RECs and TSIs

119 events, capacity building workshops and business missions in 29 countries

4 online platforms (ACCESS!, ECCAS RERINFOCOM Web portals; COMESA and ECOWAS Market Analysis e-learning tools)

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PARTNERS

PACT II builds on strategic partnerships with three Regional Economic Communities (RECs):



The Common Market for Eastern and Southern Africa (COMESA)



The Economic Community of West African States (ECOWAS)



The Economic Community of Central African States (ECCAS)

SPONSORSHIP

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SECTOR DEVELOPMENT TO ENHANCE EXPORTS



PACT II has been focusing on sectors offering high growth potential for Africa, especially the agricultural sector which is the main employment area in Africa as well as in which women are traditionally active. Three priority sectors were identified in line with regional trade strategies (ECOWAS–mango, COMESA-leather, ECCAS-coffee). Through regional sectorial approaches and targeted services to SMEs, the sectors value chains were upgraded and new markets were reached.

The strategies contributed to shifting the industry's focus to the production of higher-value added products. Sector-specific product and market development services prepared SMEs for accessing regional and international markets in adherence with regional sector strategy framework.



West African mangoes exported to the European market

MANGO SECTOR IN ECOWAS

Regional strategy for mango value chain has been implemented at country level with value chain promotion activities in line with national strategies. SMEs improved their knowledge for complying with international standards and improving their production methods which led to cross-border industrial and operational partnerships, new business contacts within their industries, with research agencies and with local trade support institutions offering enhanced business support services.

- Regional export strategy for the mango value chain developed and disseminated under ECOWAS leadership;
- Detailed analysis and case studies on women's role throughout the mango value chain has been incorporated into the regional strategy and endorsed by all 15 ECOWAS Member states;
- New collaboration between ECOWAS and the Brazilian Agricultural Research Corporation (EMBRAPA) benefited businesses in the industry;
- 14 trade promotion advisers strengthened their skills and knowledge in conducting trade flow analysis, undertaking supply and demand surveys and organizing buyers/sellers meetings;
- Studies on the mango sector in Ghana, Côte d'Ivoire, Mali and Nigeria on environment legislation and requirements to export were produced and disseminated to sector stakeholders in the ECOWAS region.

"We exported 8 containers representing more than 172 tons of mangoes. This translates into a 50% rise in the company's export volume," explained an entrepreneur from Côte d'Ivoire.

Source: Feedback from partners and beneficiaries.



Leather manufacturing companies during national dissemination workshops and business tours, 2011

LEATHER SECTOR IN COMESA

PACT II not only championed the design of a common regional vision to develop the leather sector and upgrade its value chain, but it also provided targeted services to SMEs to help them reach new markets. Through the launch of the Leather Trade Information Network owned and administrated by the Leather and Leather Products Institute (LLPI), the programme contributed to significantly enhance and promote the leather sector in the region.

- LLPI has been strengthened and its utility increased at the national level through its country Liaison Focal Points. Follow-up coaching & training to relevant leather sector information experts from the public and the private sector were provided. Targeted advisory services contributed to the launch of a trade information portal for identifying new markets;
- The regional leather strategy, in addition to national intervention (Zimbabwe), unlocked the sector's potential by reaching a common sectorial development vision through a participatory approach led by COMESA, involving the 15 Member States;
- The strategy enabled SMEs to be prepared for regional and international markets through a market-led approach. By participating in dissemination workshops, trade fairs, business tours and buyer-seller meetings, entrepreneurs shared experiences, learned from purchasers & competitors how to upgrade their manufacturing skills & capacity leading to market growth;
- As a result, SMEs generated USD 5 million of new export orders with another USD 4.3 million still under negotiation.

"The leather sector has enormous potential to increase its contribution to the economy and become a social and development driver," said a country representative.

According to a private sector representative: "Through the participatory process, there is some sense of belonging as the value chain players feel they are really part of the process".

Sources: Feedback from partners and beneficiaries; Sector strategy documents.



PACT II raised awareness on the importance of the coffee sector development

COFFEE SECTOR IN ECCAS

PACT II has supported the ECCAS Secretariat in promoting the regional coffee sector by increasing knowledge on high potential and value added coffee sectorial approach. As the primary product grown across the region and significantly involving women, PACT II raised awareness on the importance of the sector development for which regional cooperation is necessary to leverage benefit from an harmonized sectorial coffee strategy.

- The creation of a regional consultative framework encouraged exchange of experiences within the region and foster regional collaboration;
- Coffee sector development activities focused on improving agro-processing in which women are traditionally engaged (production, harvesting, transport and marketing);
- SMEs increased their knowledge of market standards, good practices and identified new business opportunities and partnerships. To facilitate that, the ECCAS coffee guide was developed and widely disseminated;
- SMEs from the coffee sector in Burundi, Cameroon and Gabon jointly promoted their products during the ECCAS Private Sector Trade Fair in Yaoundé, Cameroon.

“If we are talking about capacity building, this is a true capacity-building exercise,” a trainee said.

The mentoring programme was instrumental in helping the regions to prioritise industries and destination markets. For the first time, ECCAS formally identified three pilot product groups for regional trade promotion in Central Africa, the selected one being coffee.

Sources: E-based evaluation survey completed by trade experts from COMESA, ECCAS and ECOWAS; Feedback from partners and beneficiaries.

INSTITUTIONAL STRENGTHENING FOR TRADE PROMOTION



COMESA capacity building workshop, 2010

The regional sectors' strategies identified challenges in the areas of market information & diversification, standards compliance and legal understanding. PACT II tackled those gaps by building capacities, maximizing benefits of the sectorial interventions and furthered their sustainability. Strengthening the established institutions and related networks by training experts has been instrumental to ensure appropriate business support services for enhanced sector and SMEs development.

"We are now using the market analysis tools to inform Zambia's bilateral negotiations as well as negotiations with SADC and COMESA as part of the Tripartite process",

explained the Zambia Development Agency.

MARKET INFORMATION AND MARKET ANALYSIS TOOLS AND METHODS

PACT II built and reinforced pools of skilled and certified African experts providing advisory services to SMEs through training, coaching and e-learning in trade information and law, market analysis, export strategy, business generation, advocacy and development services for women entrepreneurs.

- RERINFOCOM, the first ever Regional Trade Information Network of ECCAS member states has been created. Its Internet Web portal offers key data for business development issues such as trade statistics, trade rules, enterprise and market profiles from the region;
- Enhanced capacity in market analysis and in conducting export potential assessment for 92 individuals of 76 institutions in 37 countries in the three regions;
- 14 national trade performance reports prepared in selected COMESA countries by trained experts;
- A series of export reports produced on high potential sectors for the ECOWAS region (cashew nuts, mango, rice, palm oil and sesame seed).



ACCESS! training of trainers workshops for ECOWAS, Dakar, Senegal, June 2010 and ECCAS, Libreville, Gabon, July 2010



STANDARDS COMPLIANCE

PACT II contributed to raising awareness and increasing understanding of international standards requirements with a practical focus through its regional sectorial coverage.

- 8 SMEs in the ECCAS coffee sector and ECOWAS mango sector improved their knowledge of international standards and export markets during selected business tours and trade fairs;
- 17 women entrepreneurs were trained on regional and international market standards and requirements for the leather sector;
- 50 women from rural communities in Kenya benefited from targeted support to improve their production technics, adapt them to market standards, use environmentally-friendly production methods and sell their products to the ethical fashion market;
- Under the ECOWAS sectorial mango strategy, SMEs improved their knowledge of international standards and production methods through a series of technical trainings.

TRADE LAW SERVICES

Following PACT II intervention, SMEs and regional trade law institutions grasped the advantages and implications of regional trade rules and regulations particularly in relation to the harmonization of private law.

- ECCAS and ITC established strategic partnerships under the umbrella of the “Organisation pour l’Harmonisation en Afrique du Droit des Affaires” (OHADA) Secretariat with the Chad Chamber of Commerce and Industry (CCIAMA) and the Chamber of Commerce of Pointe Noire (CCIAM) in Congo to create awareness of trade rules;
- Practical manuals have been produced with the technical support of the African Centre for Trade Law and Development (CADEV) including country-specific OHADA guidelines covering topics such as business taxation, enterprise creation, mortgages and settlements of disputes;
- More than 300 SMEs, traders, lawyers and jurists attended tailor-made training workshops.

A business manager from Sarh noted that “usually in Chad, trade is not carried out within the standard law. Such training workshops help traders understand their rights and fulfil their duties.” Once SMEs understand their business environment, they become more confident about investing and expanding their activities.

Sources: ITC reports on the workshops conducted in Chad and Congo; Evaluation questionnaires completed by enterprises at the end of the workshops.

BUSINESS ADVOCACY FOR REGIONAL INTEGRATION



COMESA Business Forum, Lilongwe, Malawi, October 2011

As all regions in Africa have adopted regional integration as an economic development strategy, the continent needed to build private sector support to join efforts for trade policy reforms & harmonization, trade liberalization and enhanced regional integration. This intervention entailed to inform the private sector of the business logic and benefits of integration, enable them to deal with complex trade policy and regulatory measures needed to develop competitive value chain and to facilitate the role of business associations in formulating and advocating private sector views at the regional and pan-African levels.

The establishment of self-sustaining Trade Support Networks and strengthening regional private sector APEX bodies entailing an active interface for public-private dialogue and partnerships in support of regional integration.

COMESA

COMESA Business Council (CBC) is a major result of public-private dialogue strengthening under PACT II. It ensured the operationalization of CBC as the private sector voice in the region as a key platform for business advocacy and a recognized regional service provider associated to the COMESA-EAC-SADC Tripartite process.

Organisational strengthening of CBC entailed inter alia:

- 19 national and pan-African business associations and SMEs became CBC members;
- CBC national Focal Points equipped with knowledge and skills in undertaking a comprehensive mapping of TSIs and generating business partnerships based on ITC tools and methodology;
- CBC spearheaded the formation of a private sector working group within the COMESA-EAC-SADC Tripartite process.



Regional Apex bodies representatives (ORAC) and Trade Director ECCAS Secretariat Carlos Bonfim (right-hand picture), Douala, Cameroon, September 2011

Technical support to CBC entailed in the following:

- 3 CBC consultative committees formed on agriculture, industry and services to develop private sector's positions for COMESA's policy organs;
- Regional private sector position papers were developed on high priority issues (such as financial services liberalisation, rules of origin and visa requirements) and these positions were advocated by the CBC to the RECs;
- CBC formed a working group on Non Tariffs Barriers (NTB) composed of national private sector APEX bodies with a view to eliminate visa requirements in the region;
- CBC partnered with AITEC Africa and formed sectorial associations to support the liberalization of the financial service sector.

"Through the CBC, we work with the private sector within the region and internationally to identify and pluck the low-hanging fruits with respect to trade and joint ventures, and it has been extremely successful," said COMESA Secretary General Sindiso Ngwenya.

Sources: COMESA e-Newsletters; CBC reports and documents, CBC website (www.comesabusinesscouncil.org).

ECOWAS

Under the Export Promotion and Enterprise Competitiveness for Trade initiative (EXPECT), the ECOWAS Trade Experts Network (ECOWAS-TEN) has become a credible and recognised network in West Africa to provide trade-related support to institutions and enterprises in the region. Through the Export Actors Platform (EAP), the group provided a forum for business advocacy, allowing stakeholders to take ownership of strategic issues with a view to address them. Its 15 offices facilitate the flow of information as well as the inclusion of different entities representing diverse aspects of trade.

At this stage of development, the ECOWAS-TEN did not have sufficient institutional strength to engage in sustainable business advocacy on trade policy on horizontal basis. Therefore, the strategy was to develop a common position on specific trade policies aspects pertaining to selected sectors.

- Through the Network, SMEs improved their knowledge of international standards, production methods and acquired a better understanding of trade related issues, policies and rules of origin and contributed to the establishment of new business contacts within SMEs' industry with research agencies, local trade support institutions and the private sector.
- ECOWAS-TEN and private sector stakeholders endorsed the action plan on trade facilitation and reduction of barriers within the region. This action plan identified specific policy recommendations regarding the use of Focal Points to deal with cross-border trade issues and the transparency of trade & customs policies.



CBC Coordinator at the AGOA Forum, June 2011 (top left-hand picture), Representatives from Congo and Gabon (left-hand picture) and Trade Director ECCAS Secretariat Carlos Bonfim (right-hand picture) at PACT II Roll-out event in Libreville, Gabon, July 2009

The Minister of Commerce and Private Sector Promotion of Togo described ECOWAS-TEN as "a powerful tool for economic integration in our region".

Sources: ECOWAS reports and documents; ITC Annual Report 2011; National press articles in Togo.

ECCAS

The private sector's engagement was non-existent in the region's trade development scheme. Actions were taken to initiate the process of private sector's engagement for policy debate in the creation of three regional private sector APEX bodies recognized as such by policy makers with increased capacities to conduct business advocacy and contributing to public-private dialogue.

- Creation of new Private Sector Forum in Central Africa composed of 21 representatives of national Chambers of Commerce, Employers' and Women Entrepreneurs Associations constituting the ECCAS regional APEX bodies (ORAC). Representatives acquired skills to conduct business advocacy services to represent and defend the interests of the private sector in trade policy;
- Formulation of the first regional common private sector's declaration "Call of Douala" gathering the

views of the private sector for policy decisions by Member States and enhanced impact on business development;

- The programme has put in place an innovative Trade Development Promotion (TDP) structure in addition to capacity building interventions for ECCAS's Gender and Private Sector Units;
- The first statistical 2011 yearbook and a special Report on intra-regional export potential were published and widely disseminated.

GENDER-RESPONSIVE BUSINESS DEVELOPMENT SERVICES - ACCESS!



ACCESS! training of trainers workshops for ECOWAS, Dakar, Senegal, June 2010 and ECCAS, Libreville, Gabon, July 2010

ACCCESS! for African Businesswomen in International Trade has been improving business support services for women entrepreneurs to increase their capacity to export with success on international and regional markets. ACCESS! supported women to become successful exporters by providing dedicated export management training, business counselling and mentoring, product development services and access to foreign markets in 19 Sub-Saharan beneficiary countries.

- More than 2,600 ACCESS! trained women enhanced their export competitiveness, found new business opportunities and partnerships;
- ACCESS! helped women to realize their economic potential and thereby contributed to poverty reduction and improved standards of living;
- As a result, 20 national trade African institutions are offering training, mentoring and counselling autonomously. Institutional ownership at the country level proved to be successful in encouraging institutions to advocate and find complementary sources of funding for replication;

- More than 70 certified export trainers/experts providing their expertise & advisory services jointly following a “Train the Trainers” approach with embedded skills and competencies within the regions for enhanced sustainability.

According to Joséphine, ACCESS! provides an outstanding training opportunity. I “especially benefited from the training in packaging, quality controls and INCOTERMS® 2012. Thanks to the programme, I am now better informed about my rights, including around dealing with cross-boarders officials”. Joséphine adds, “more than anything else, the ACCESS! programme has highlighted the value of our company and gives it much greater visibility, that would not have been possible otherwise!”

Sources: Women ACCESS! – Export Success, ITC publication



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