PROGRAMME FOR BUILDING AFRICAN CAPACITY FOR TRADE (PACT II)
REGIONAL TRADE FOR GLOBAL GAINS
This brochure compiles key PACT II stories that highlight results and progress made, changes arising in
the target regions and some of the lessons learned during programme implementation, between 2009 and
mid-2012, which contribute to building sustainable trade development capacity in Africa. Stories are based
on feedback and contributions from partners and beneficiaries.

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PACT II AT A GLANCE

BY THE NUMBERS

3 African RECs reinforced their trade development structures and leadership

9 regional TSIs, private sector bodies and networks - of which 2 businesswomen’s networks - strengthened and engaged in regional trade support and policy dialogue

203 African trade experts - of which 52 women - acquired trade development skills through training of trainers, coaching and e-learning

3,162 SMEs and micro-producers - of which 2,651 women - improved their export capacity and access to new markets

110 technical documents produced jointly with partner RECs and TSIs

4 online trade information portals and e-learning platforms set-up

114 events, capacity building workshops and business missions held in 29 countries

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

GOAL

Support regional integration in Africa through trade development and promotion

STRATEGIC OBJECTIVES

- Pan-African partnerships and networking for regional trade development and promotion and exports for good in Africa
- REC Secretariats take the lead for sustainable and inclusive regional trade development and promotion as trusted and visible brokers
- Regional trade support networks, including businesswomen’s networks, engaged in regional trade policy dialogue and trade support
- Cross-border business linkages and enterprise-level export success for good in priority sectors and markets

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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  (31 OCTOBER – 1 NOVEMBER 2011) AND MID-TERM EVALUATION REPORT (DECEMBER 2011)
REGIONAL TRADE FOR GLOBAL GAINS
Regional integration is critical for Africa’s economic development and growth, and hence poverty reduction. It provides access to bigger markets, stimulates competition and specialisation, and strengthens production systems. It also enables countries to exploit the economies of scale necessary to build competitive industries, increase productivity and innovation, and attract a greater share of international markets and investment.

While Africa’s Regional Economic Communities (RECs) have made substantial progress in integrating their markets by establishing free trade areas and harmonising external tariffs, this has not yet translated into significant increases in regional or international commerce flows, competitiveness or employment.

With intra-regional trade between 10% and 12% of total exports, Africa’s domestic performance remains limited compared with other parts of the world, which offers many opportunities for improvement. The continent’s share of world trade is 2% to 3%, meaning the dramatic contraction in global commerce due to the economic crises in the developed economies makes regional cooperation and integration on trade even more crucial.

In the spirit of NEPAD’s broad vision, pro-poor economic growth must be led by the private sector and rooted in greater regional and interregional trade. Leaders at the 18th African Union Summit agreed that boosting intra-African commerce is vital and endorsed creating a continental free-trade area (CFTA) by 2017.

**PARTNERING WITH RECS FOSTERS DEEPER TRADE INTEGRATION**

Three of Africa’s Regional Economic Communities – 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) – forged strategic partnerships with the International Trade Centre (ITC) under the Programme for building African Capacity for Trade (PACT II) to support Africa’s regional integration agenda and efforts.

Funded by the Canadian International Development Agency (CIDA), PACT II seeks to strengthen the support capacity of African regional and national institutions to enhance export competitiveness, market linkages and export revenues of African small and medium-size enterprises.

"ITC partners with the Regional Economic Communities to foster stronger and deeper trade integration, which is ultimately aimed at raising living standards and meeting the Millennium Development Goals," said ITC Executive Director Patricia R. Francis.

**FOCUSING ON HIGH-POTENTIAL SECTORS FOR JOB CREATION, EXPORT GROWTH, WOMEN AND SOUTH-SOUTH COOPERATION**

PACT II focuses on sectors offering high growth potential for Africa, especially the agricultural sector, where strengthening export competitiveness is essential to buttress Africa’s main industry of employment, business and trade and where many women are active.

The programme provides targeted gender-responsive business development services to female exporters through its ACCESS! for African Businesswomen in International Trade initiative, which enhances the competitiveness of women-owned enterprises in Africa and promotes opportunities for them in international markets.
Least developed countries (LDCs) and land-locked LDCs benefit from PACT II’s regional and national interventions. Regional integration serves as an incubator of export expansion and diversification to allow low-income countries to progressively join the multilateral trading system, eventually helping to reduce disparities among countries.

As new opportunities arise in sub-regional and emerging markets, PACT II focuses on exploiting such prospects in the form of South-South cooperation for the benefit of SMEs.

CHAMPIONING REGIONAL TRADE DEVELOPMENT

Along with trade policy and trade negotiation efforts, Africa’s regional integration agenda requires private and public service providers to guide and support businesses. PACT II reinforces the trade development and promotion structures of African Regional Economic Communities (RECs) to analyse markets, formulate strategies, based on Result-Based Programme Management principles. It is based on a coached learning-by-doing process and linked to a roadmap setting priorities for trade development and promotion within regions.

“Building the capacity of RECs to respond to private sector needs in trade development is the primary aim of PACT II. This is the focus of the programme,” said ITC Executive Director Patricia R. Francis.

ESTABLISHING SELF-SUSTAINING TRADE SUPPORT NETWORKS, EXPANDING POOLS OF AFRICAN EXPERTS

To help Trade Support Institutions (TSIs) provide effective, relevant services to exporters, PACT II reinforces coordination among TSIs, such as business and sectoral associations, national trade promotion bodies and chambers of commerce, so they serve as an effective link between RECs and the private sector to improve exports. This is done by strengthening their service delivery, including business advocacy to champion enterprises’ interests, and trade-information systems to improve knowledge about markets and business linkages.

This also includes building and reinforcing pools of skilled and certified African experts who are then capable of providing advisory services, through training, coaching and e-learning in trade information and law, market analysis, export strategy, business generation, advocacy and development services for women entrepreneurs.

UPGRADING REGIONAL VALUE CHAINS AND LINKING SMES TO MARKETS

To shore up African firms’ ability to compete globally and regionally, it is necessary to develop export competencies at enterprise level, encourage cross-border value chains, reduce internal barriers and facilitate export linkages. PACT II supports the private sector to voice its interests in policy dialogue, foster a better understanding of export markets, strengthen regional supply chains, underpin efforts to improve the quality of goods and promote strategic business
linkages within regional and overseas markets. Increased SME competitiveness means more jobs and incomes, which diversifies exports and contributes to economic growth.

HELPING WOMEN BECOME SUCCESSFUL EXPORTERS

The majority of African businesswomen are not equipped to contribute fully to economic growth even though they account for more than half the world labour force. They face obstacles such as limited access to finance, export business training and market information; cultural traditions and family obligations can also hold them back.

ACCESS! for African Businesswomen in International Trade aims to improve business support services for women to increase their capacity to export and success on international and regional markets with the ultimate goal of promoting their economic empowerment. ACCESS! provides dedicated export management training, business counselling and mentoring, product development and access to foreign markets for businesswomen in 19 Sub-Saharan African countries.

ACCESS! comprises a network of 63 certified African trainers and 19 TSIs in COMESA, ECCAS, ECOWAS, EAC and SADC countries which can deliver all trade-support activities sponsored by and beyond the programme. It involves gender-sensitive organisations, thus contributing to Millennium Development Goal (MDG) 3, promoting gender equality and the empowerment of women.

Well over 2,500 businesswomen received exporter training and many enjoyed post-training support mentorship and targeted business counselling. A large number of these women said the ACCESS! programme has enhanced their awareness and ability to compete internationally.

On the regional level, ITC has developed cooperation with the Federation of Women in Business in COMESA (FEMCOM), the African Network for Support to Women Entrepreneurs (RASEF) in Central Africa, the ECOWAS Gender Development Centre (EGDC) as well as the ECOWAS Federation of Business Women and Entrepreneurs (FEBWE).

MANAGING FOR SUSTAINABLE RESULTS

PACT II is based on principles considered crucial for impact and sustainability: results-based management, capacity development through training of trainers and coaching, African ownership, linkages with pan-African, regional and national initiatives, and considerations to gender and environment.

Programme coordination is facilitated by regional offices in the Secretariats of COMESA, ECCAS and the ECOWAS Commission. It is supported by a Steering Committee composed of the three RECs, the African Union, the United Nations Economic Commission for Africa/African Trade Policy Centre, selected African Business Networks, CIDA as the main donor and ITC.
COMESA APPLIES RBM PRINCIPLES IN ITS MEDIUM-TERM STRATEGIC PLAN

One of the most significant PACT II accomplishments is strengthening the COMESA Secretariat and Trade Support Institutions (TSIs) to take the lead in trade development and promotion to satisfy COMESA’s vision of being “a fully integrated, internationally competitive regional economic community with high standards of living for all its people ready to merge into an African Economic Community”.

Using a result-based management (RBM) approach improves administrative effectiveness and accountability by setting realistic objectives, monitoring progress towards the achievement of expected results, integrating lessons learnt into management decisions and reporting on performance.

COMESA and ITC conducted RBM capacity building within the framework of PACT II as a means of consolidating regional trade development structures and performance-management systems. Beneficiaries including 25 staff from the COMESA Secretariat, TSIs in Member States, sectoral associations and institutions such as the Leather and Leather Products Institute (LLPI) and the COMESA Business Council (CBC) gained practical knowledge and skills in RBM which they applied to designing the COMESA Medium Term Strategic Plan (MTSP) 2011-2015.

The training exposed participants to tailor-made RBM by creating a framework for COMESA programmes, thereby supporting the design, management and implementation of trade development and promotion projects by key institutions in the region. The instruction was “very useful to properly manage projects by using resources effectively and efficiently so projects can bring the intended impact”, one trainee said.

COMESA’s main challenges were to adhere to the road map for the completion of the new MTSP according to RBM principles and to better integrate its Policy
Organs’ decisions into national development plans, budgets and reporting processes.

For the first time ever, COMESA developed its MTSP with the beneficiaries of its programmes – the Member States – during National Consultative Workshops held in different countries, with the technical support of the PACT II programme and financial support of the World Bank. These national consultations helped improve communication between the COMESA Secretariat and Member States, while bolstering the Secretariat’s visibility and lead role within the region. “For COMESA, this allows effective collaboration during strategic planning meetings,” said a staff from one of the region’s institutions.

While the MTSP is fully based on RBM, it also incorporates Member States’ plans. The workshop results underpin annual planning and programming to ensure that COMESA’s Council decisions and activities are aligned with the priorities of Member States, and this contributes to the effective implementation of COMESA programmes at both the regional and national levels.

Similar capacity-building projects were carried out in ECCAS and ECOWAS. A total of 48 African experts from TSIs and staff of Regional Economic Communities were trained in RBM under PACT II to manage and carry out their trade-related development programmes. ECCAS produced its annual budgets and work plans based on RBM principles, and these were approved by the ECCAS Heads of States and Governments.

Sources: COMESA e-Newsletters; COMESA report on National Consultative Workshops on the COMESA Medium Term Strategic Plan 2011-2015; Assessment of the PACT II RBM training workshop completed by participants from the COMESA region.
TRADE EXPERTS USE MARKET ANALYSIS TOOLS TO PROMOTE EXPORTS

“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.

As part of PACT II, ITC ran a mentoring programme on export potential assessment in partnership with COMESA, ECCAS and ECOWAS during which 43 African experts from the three regions were trained and coached to use trade analysis tools and methodologies. The training “could not have been more appropriate”, said one of the experts, adding that the programme “allowed me to provide, more effectively, information tailored to the needs of exporters to make strategic marketing decisions.”

Staff of the Regional Economic Communities (RECs) and national Trade Support Institutions (TSIs) learned to use market analysis tools and methods to prioritise products and markets for national and regional export promotion, with consideration to poverty reduction, women and the environment. Capacity-building activities involved studying trade statistics and other performance indicators as well as research on export competitiveness through consultations with companies.

As a result, participants improved their market analysis skills and learned how to use tools and methodologies for assessing export potential. They also identified priority sectors for regional trade promotion on the basis of indicators such as export performance, enterprises’ assessment, conditions of access to international markets, production capacity, trends in world markets and impact on job creation, employment of women, poverty reduction and rural development.

“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 prioritise industries and destination markets. ECCAS for the first time formally identified three pilot product groups for regional trade promotion in Central Africa: coffee, cocoa and wood. ECOWAS singled out six sectors – mango, cashew nuts, palm oil, shea nut, sesame and rice – as priority commodities for its Non-oil Export Competitiveness Initiative (“EXPECT”), through a participatory process owned and led by the region.

Participants are already applying what they learned in their daily work as they take decisions on trade negotiations and to support domestic enterprises.

The Zambia Development Agency said that “as a result of the training, 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”.

The Ghana Export Promotion Council used the tools to evaluate the viability of organising exhibitions in nations such as Equatorial Guinea, Liberia and Sierra Leone and “ascertain the products widely imported by these countries, their bilateral trade with Ghana, tariffs, balance of trade, market growth, etc. [These tools] have given the Council a lot more information to undertake these market missions”.

Participants shared their new skills with fellow trade experts to improve market research, access and product diversification and trained others, thereby multiplying the impact of the training.

“I conducted a workshop on market analysis through the use of the ITC’s TradeMap tool,” said a mentoring programme participant. “It was attended by approximately 40 Mauritian exporters and the feedback is indeed very positive. TradeMap will allow them to carry out their own market-intelligence and market-analysis exercise.”

Three staff of the Zambia Development Agency trained 15 other export promotion advisers on market analysis and said: “PACT II has had a multiplier effect for us.”

In West Africa, a network of seven experts who were trained as trainers under PACT II signed a memorandum to sustainably share methodologies and tools to assess export potential within the ECOWAS region.

In Central Africa, 10 experts from ECCAS Member States and staff of the Secretariat were trained and coached to collect and analyse export and import data and produce reports on regional trade. The first ECCAS Trade Statistics Yearbook was published in 2009 and disseminated to policymakers, the private sector and academics.

ITC developed dedicated online e-learning platforms for RECs and TSIs in Member Countries to reinforce their knowledge and train others in their regions in a sustainable manner after the programme ends.

Source: E-based evaluation survey completed by trade experts from COMESA, ECCAS and ECOWAS; Feedback from partners and beneficiaries.
ECCAS PUBLISHES ITS FIRST TRADE STATISTIC YEARBOOKS

Trade Statistics Yearbooks help “promote Central Africa and increase its integration in global markets, while expanding intra-regional trade”, and they “help raising the visibility of the Secretariat vis-à-vis its Member States,” said ECCAS Secretary General Louis Sylvain-Goma.

Statistics in general and on international trade in particular are essential for guiding economic decisions. Developing nations, especially those of Central Africa, whose economies are based primarily on exports of raw materials, need clear and accurate information about their performance with business partners. This data enables policymakers to better identify promising sectors and countries to be considered when creating, monitoring and evaluating regional trade development and promotion programmes. The production and evaluation of external commerce statistics are vital to buttress regional integration efforts.

In past years, not all ECCAS nations provided export and import data, meaning analyses of intra-ECCAS trade were scarce, based primarily on statistics provided by trade partners. That has changed thanks in part to ITC training and mentoring on statistical and market analysis provided through PACT II. The ECCAS Secretariat now leads a regional collection of trade data in its 10 Member States in partnership with each country’s customs administration. These data have helped improve the situation in six nations in the region and include multi-year statistics of Angola, Cameroon, Chad and Gabon, which are amongst the largest economies in ECCAS.

The economist and statistician recruited in 2009 by the ECCAS Secretariat and coached by ITC have scrutinised export and import information by product group. They set up a database on intra-regional commerce flows, which provides strategic information on trade trends, performance, opportunities and complementarities among Central African nations.

Based on these statistics and with PACT II backing, the ECCAS Secretariat produced and published its first-ever Trade Statistics Yearbooks of Central African States. The 300-page reports, which include both data and analyses of each member country’s trade profile, were presented and distributed at the ECCAS Council of Ministers and Heads of States Summits in 2011 and 2012.

These publications, which will be updated annually, are a part of the ECCAS Secretariat’s efforts to sustainably promote and develop regional trade and integration. ECCAS considers it to be a major achievement and critical tool for policymakers, the private sector, academics and other economic operators in the region and beyond.

According to Louis Sylvain-Goma, Secretary General of ECCAS, the Trade Statistics Yearbooks help “promote Central Africa and increase its integration in global markets, while expanding intra-regional trade”, and they “help raising the visibility of the Secretariat vis-à-vis its Member States”.

ECCAS plans to set up an observatory to organise and improve trade statistics collection and monitoring within the region. PACT II endorses this initiative through capacity building in market analysis, improved data collection and processing.

ECOWAS LAUNCHES ITS EXPECT INITIATIVE AND EXPERT NETWORK

ECOWAS-TEN is “a powerful tool for economic integration in our region,” declared the Minister of Commerce and Private Sector Promotion of Togo.

ECOWAS took a significant step towards establishing a sustainable regional capacity for trade development and promotion in West Africa with the launch of its “Export Promotion and Enterprise Competitiveness for Trade” (EXPECT) initiative, which provides a framework for programming activities and mobilising resources.

Developed jointly by the ECOWAS Commission’s Private Sector Directorate and ITC under PACT II, EXPECT is based on three pillars:

- The Regional Trade Expert Network (ECOWAS-TEN) unveiled in July 2010 in Abidjan, Côte d’Ivoire, which is the technical and operational tool for carrying out the initiative;
- The Export Actors Platform (EAP), the instrument for public-private dialogue which is responsible for identifying and advocating issues affecting trade and exports for ECOWAS decision-makers, and which held its first Forum in Cotonou, Benin, in December 2011;
- The EXPECT Facilitation Unit in the ECOWAS Commission, which is responsible for establishing partnerships and ensuring the sustainability of programmes and activities implemented by ECOWAS-TEN and the EAP.

EXPECT interventions involve sectoral value chains with high potential for the region which were identified with PACT II support, namely: mango, cashew nuts, palm oil, shea nut, sesame and rice. ITC’s PACT II activities focus on mangos. EXPECT, in which ITC is a major partner through PACT II, involves collaboration with other lead partners.
(USAID West Africa Trade Hub) and fits within the ECOWAS strategic vision of strengthening regional integration and promoting competitive businesses which can generate sustainable value-added and improve the livelihood of West Africans. ECOWAS funding for EXPECT has been secured up to 2015.

PACT II has also worked with ECOWAS to create a platform of capacities required to fortify regional trade. ECOWAS-TEN, a network of public and private sector trade experts representing all 15 member countries, is designed to promote and develop exports in West Africa under EXPECT as a means of encouraging economic and social development.

“States or institutions aren’t the ones facing trade problems, it is the players themselves,” said Serge Bombo, Deputy Managing Director of the Association for the Promotion of Exports of Côte d’Ivoire and President of ECOWAS-TEN. “We are directly addressing the issues involved in exports … ECOWAS-TEN shifts the level of issue resolution from the macro level to the micro level,” Bombo said. “It addresses the needs of firms and the problems that exist within value chains.”

Thanks to PACT II capacity building and coaching, ECOWAS-TEN has helped the ECOWAS Commission fulfil its trade development and promotion initiatives. The ECOWAS-TEN Secretariat, which has a full-fledged financial and administrative system, was trained in the relevant procedures to efficiently manage and execute trade-related projects and activities as per RBM procedures and using customised software and manuals.

“At the sub-regional level, the support we receive from ITC is very important,” Mr. Bombo said. “ITC has given us a structure and orientation by providing methods, methodologies and tools.”

The expertise of two members of the network, in cooperation with ITC, helped the Nigeria Export Promotion Council implement its export promotion training programme: “This contribution to the success of the programme was fundamental and enriching as it laid the needed foundation upon which the rest of the programme is built.”

The group aims to systematically analyse and strengthen the main regional EXPECT value chains to step up competitiveness and create jobs. “We’ll start with mango, looking at the whole process, from planting to export,” Mr. Bombo said. “We’ll identify the gaps and discover what needs to be reinforced to add value to the product.”

ECOWAS-TEN has become a credible network in West Africa to provide trade-related support to ECOWAS institutions and enterprises. Through the EAP, the group also provides a forum for business advocacy, allowing stakeholders to take ownership of the issues and resolve them. Its 15 offices facilitate the flow of information, a path for resolution for each country and the inclusion of different entities representing diverse aspects of trade.

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.
INCREASING ACCESS TO TRADE INFORMATION FOR ENTERPRISES AND INVESTORS

“RERINFOCOM”, FIRST ECCAS REGIONAL TRADE INFORMATION NETWORK

“Thanks to the product profile that the Chamber of commerce produced on Penja pepper, a group of young entrepreneurs in Cameroon contacted a Dutch importer of pepper. A business transaction is being negotiated,” explained the trade information expert from the Chamber of Commerce in Cameroon.

The Secretary General of ECCAS signed a Memorandum of Understanding to formalise the creation of the first Regional Trade Information Network of ECCAS Member States, along with the Chambers of Commerce of Cameroon, Gabon, Congo and the Federation of Enterprises from the Democratic Republic of Congo. The Memorandum of Understanding ensures active inter-institutional collaboration for the production and distribution of trade information and the possibility, in the medium-term, to welcome new members to help sustain the network.

This inter-institutional network, called RERINFOCOM by stakeholders, functions under ECCAS’s lead with PACT II support. RERINFOCOM gives enterprises and investors easy access to trade information and helps rationalise and improve the efficiency of the ECCAS Secretariat in promoting regional commerce, in partnership with national trade support institutions.

“Managing information is a key element,” according to Roger Tchoungui, Deputy Secretary General of ECCAS. “The business information network is crucial not only to inform the private sector about economic and trade development in the region, but also to regularly update knowledge on the matter.”

This transparent information-access approach is an ITC priority, according to Jean-Marie Paugam, Deputy Executive Director of ITC: “The first source of injustice and imbalances of power in transactions within the international trading system comes from information asymmetries between countries and within countries. Therefore, ITC’s first and most important mission,
This joint effort between ECCAS and ITC became a reality with the creation of RERINFOCOM, the first-ever regional Internet portal for Central Africa, where enterprises can access key data for business development such as trade statistics, trade rules, enterprise and market profiles. The Internet portal is regularly updated, under the ECCAS Secretariat’s coordination, through an automatic system and by national partners, which benefit from training and mentoring activities to build their capacity in trade information management.

“Thanks to RERINFOCOM, we discovered new trade information sources” said the representative of the Enterprise Federation of Congo. “The market profile study inspired us to provide advice and support to women entrepreneurs who received training under PACT II/ACCESS! regarding the prerequisites for export, including requirements on packaging, standards, market trends, business contacts. In this regard, we will conduct a market study on cassava to identify business opportunities to export it in the region.”

Thanks to the product profile that the Chamber of commerce produced on Penja pepper, a group of young entrepreneurs in Cameroon contacted a Dutch importer of pepper. A business transaction is being negotiated” he said.

The trade information expert from the Chamber of Commerce in Cameroon explained how PACT II has brought about change and improved support services to SMEs: “Our work requires providing daily answers to questions raised by businesses who want to engage in exports. The collection, processing and dissemination of trade information are part of our daily work. However, the methodology used and the means of dissemination were not the best and were not necessarily up to standards. The joint initiative between ECCAS and ITC allowed us to better disseminate information via the Internet. We now have the tools and methods to analyse trade flows … we are able to produce trade information bulletins … the website will help us disseminate information … and use it as a real marketplace for businessmen and women.”

This has a direct impact on trade and exports: “Thanks to the product profile that the Chamber of commerce produced on Penja pepper, a group of young entrepreneurs in Cameroon contacted a Dutch importer of pepper. A business transaction is being negotiated” he said.

Sources: Press articles and reports from Central Africa; Reports and website of the ECCAS Secretariat; Feedback from partners and beneficiaries; Documents related to the ITC 45th Joint Advisory Group meeting; “Rerinfocom” Internet portal: http://www.netvibes.com/reinfocom-ceeac-eccas#RERINFOCOM.
THE COMESA BUSINESS COUNCIL, RENOWNED PRIVATE SECTOR APEX BODY

Greater private sector participation in trade policy and negotiations is vital to integrate African economies into the global economy and enhance the continent’s trade development and promotion capacity. PACT II supports the voice of business in policy by strengthening private sector apex entities.

In Eastern and Southern Africa, the COMESA Business Council (CBC) serves as an important platform for advocacy in the development and backing of the private sector in Member Countries, as mandated by the COMESA Treaty.

Amid growing demand for a body to coordinate regional private sector activities, the 27th COMESA Council of Ministers decided in December 2009 to reinforce CBC’s role as the regional apex body. This involves upgrading the Council as an institution by forming an independent, fully functional secretariat with support capacities for business advocacy and, more broadly, for private sector development.

ITC and COMESA provided technical expertise and resources within the PACT II framework to underpin the CBC as the principal body for regional public-private dialogue.

“It 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.

A dedicated coordinator for the member-based CBC was recruited, a mid-term strategic plan including a membership scheme designed, governance and operational principles outlined and the institution’s identity reinforced with a new communication strategy and relevant materials.

The CBC added 19 private sector bodies to its membership and a new Board of Directors comprising seven COMESA Member States – Burundi, Egypt, Mauritius, Uganda, Zambia and Zimbabwe with Malawi as chair – as well as a General Assembly were elected to serve as an executive committee which represents the CBC within the region and as a governance body that oversees its performance.
Initially nurtured under PACT II, the CBC has evolved into a fully integrated secretariat responsible for carrying out effective trade promotion and business development. The Council’s portfolio of services was modified to serve the needs of the private sector in areas such as business advocacy, market analysis and business generation. The CBC facilitated South-South cooperation between COMESA and emerging countries in Asia and the Arab States in a bid to stimulate trade and private sector development in Eastern and Southern Africa.

Business advocacy is at the heart of the CBC mandate. Greater ownership within the business community and recognition of the CBC’s contribution to regional policy agendas have prompted the private sector to participate more actively in influencing policies that affect the costs of doing business in the region. The CBC has prepared and successfully campaigned for position papers on Rules of Origin and Movement of Business Persons and Elimination of Visa Requirements in the region. This has triggered a lively dialogue within the private sector and among trade policy experts through the sharing of experiences and lessons learnt on critical issues for developing business and exports.

CBC competence in promoting regional trade integration in Africa has become progressively more visible. Within the COMESA-EAC-SADC Tripartite process, the CBC spearheaded the formation of a Private Sector Working Group and held the first Tripartite Business Forum. The Council has become the regionally recognised voice of the private sector in the COMESA area. In a region where the vibrancy of the economy is largely built on trade, the CBC has raised its flag as the umbrella institution that effectively represents the business community’s needs at the top levels of decision-making.

“As the voice of the private sector in COMESA, we seek to provide innovative solutions that will curtail the challenges that are a cost to business which hamper economic growth in the region,” explained CBC Chairman Mathews Chikankheni. “The private sector has a shared vision to increase our involvement in influencing policy at the highest level of decision-making. Working as a COMESA private sector-led institution, we have endeavoured to implement carefully tailored strategies that upscale private sector and SMEs to the level of regional and international competitiveness.”

The CBC Secretariat has worked to become more self-sustainable with resources beyond the PACT II programme by collaborating with development partners and the private sector. The CBC operational and project budget now also includes support from USAID and member enterprises.

“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).

PUBLIC-PRIVATE DIALOGUE BOOSTED BY THE COMESA BUSINESS FORUM

PACT II advocates formal dialogue between policy makers and businesses to ensure that the private sector’s interests are considered during decision-making and negotiations to enhance regional trade.

The COMESA Business Forum, organised once a year by the CBC, is one of COMESA’s flagship events and a highly recognized regional forum which targets the private sector and fosters public-private dialogue, thus enhancing COMESA’s visibility in Member Countries and the business community.

The 2011 Forum brought together regional and international businesses from Sub-Saharan Africa, the United States and Europe. More than 400 enterprises gathered in Lilongwe, Malawi, to discuss relevant issues affecting trade and business, with the aim of supplying solutions which would form part of the CBC roadmap and the COMESA Secretariat agenda in reducing the costs of business and increasing competitiveness in trade and investment. Thirty business linkages were identified during the Forum.
“The first big question that many businesses around the world ask is, is it safe to do business in Africa, is it a conducive environment? It is in arenas such as the COMESA Business Forum that you can meet regional and international traders and investors and have these questions answered,” said the President of World Trade Centre Africa.

The Forum also offers opportunities for SMEs to connect with large multinationals seeking local suppliers, such as Nestle Group, which explored stepping up its presence in Africa amid what the Swiss company recognises as the growing potential of processing agro-food products such as tea, milk, maize, wheat, sorghum, cassava and fruits.

The CBC Chairman highlighted the Council’s role in bringing together a more united private sector to address the costs of doing business and identify tools to build the business community’s capacity to compete effectively in regional and global trade.

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

**FIRST ECOWAS FLAGSHIP EXPORT ACTORS FORUM**

“This Forum is the detonator of a genuine collaboration between the private sector and policymakers in the region, which will contribute to the emergence of a strong private sector,” said EAP President Jean-Louis Billon.

The formalisation of a public-private dialogue in West Africa is now a step closer thanks to the first ECOWAS Export Actors Forum (EAF), which took place in December 2011 with PACT II support.

The topic of the Forum – “Impact of ECOWAS trade liberalisation scheme on the development of regional agribusiness value chains” – stemmed from recommendations in the ECOWAS Aid for Trade review. The Forum focused on the competitiveness of small and medium enterprises (SMEs) in agriculture value chains, a major concern to ensure food security and fight poverty in West Africa.

A total of 120 policymakers, experts and private sector actors, especially from the mango and palm oil industries, attended the Forum in Cotonou, Benin. They represented 14 ECOWAS member countries, professional organisations from the region (ROPA RECAO, FOPAO, FEFA, FEWACCI), ITC and other development partners (AFREXIM BANK, UNDP, TRADE HUB, ECOBANK).
The Forum forms an integral part of the ECOWAS Commission’s “Export Promotion and Enterprise Competitiveness for Trade” (EXPECT) initiative, which was developed jointly with ITC under PACT II. EXPECT is carried out with the support of the ECOWAS Trade Expert Network (ECOWAS-TEN) launched in 2010, and an Export Actors Platform (EAP) whose first Forum took place in Cotonou.

The Republic of Benin’s Minister of Industry, Trade, Small and Medium Size Enterprises noted that PACT II “allowed experts to identify and select sectors and product groups with potential for economic development in all ECOWAS countries ... mango, cashew and palm oil. Thus, the initiative to convene this forum of export actors ... is motivated by the need to assess the impact of the ECOWAS Trade Liberalisation Scheme, ... to establish a regional framework for the promotion of exports and enterprise competitiveness ... and to have a regional consultation of Export Promotion Agencies.”

Participants adopted several recommendations which provide a clear orientation to stimulate SME capacity development and competitiveness in sector value chains on regional and international markets in the coming years. Their decisions were supported by sector export potential studies and trade information bulletins prepared by regional experts with PACT II training and coaching. Studies on the ECOWAS trade liberalisation scheme (ETLS) in the mango and palm oil value chains were presented at the Forum in two private sector position papers.

“This Forum is the detonator of a genuine collaboration between the private sector and policymakers in the region, which will contribute to the emergence of a strong private sector,” said EAP President Jean-Louis Billon.


WORKING TOWARDS A REAL PRIVATE SECTOR FORUM IN CENTRAL AFRICA

While ECCAS has tried to improve transport and energy infrastructures in Central Africa, enterprises say barriers to commerce such as custom taxes remain. The sub-region’s private sector has little ability to drive change or to be heard by decision makers. The lack of communication between the business community and regional bodies in particular is due to the absence of a structured public-private dialogue mechanism and to the fact that some policy decisions are not applied in the field.

According to the Director of Promotion of the Chamber of Commerce of Cameroon, the sub-region suffers from “a lack of consultation to overcome infrastructural difficulties”. Roger Tchoungui, Deputy Secretary General of ECCAS noted that, as a result, “there is a necessity to join together to voice and coordinate efforts for an active participation in the business development and public-private dialogue”.

“A historical turning-point for emerging trade in Central Africa” according to the regional press; “the Secretariat General of ECCAS considers that a big leap has been taken,” said the Trade Director at the ECCAS Secretariat Carlos Bonfim.

ORAC representatives and Trade Director ECCAS Secretariat Carlos Bonfim (right-hand picture), Douala, Cameroon, September 2011
To address these concerns, the 10 ECCAS Member Countries, with the support of PACT II, created three regional apex bodies called ORAC: the regional employers’ organisation (OPAC), the regional chambers of commerce organisation (OCCAC) and the regional network for women entrepreneurs (RASEF-AC). The status, strategic plans and executive offices of these three organisations were created and approved at a September 2011 regional meeting led by the ECCAS Secretary, with all Member States and 19 national private sector organisations.

“The aim is not to create a new structure,” OPAC’s General Secretary said. “The OPAC aims at working with the Secretariat General of ECCAS in order to have public-private dialogue become progressively and quickly a reality in our region.”

The initiative will allow the three organisations to join forces, represent the private sector’s interests and interact with decision makers. The creation of ORAC “is a satisfaction that will support women entrepreneurship in the sub-region”, said the RASEF representative. The President of Gabon’s Chamber of Commerce added that the “advantages are great” as ORAC creates “a critical size in Central Africa to exchange between countries of the sub-region, but principally to manage international competition”.

During the September meeting, ORAC jointly signed a position paper from the regional private sector named the Douala Call which asks ECCAS Member States to effectively implement policy decisions made to support regional trade.

The meeting and follow-up capacity building activities bolstered ORAC and broadened their members’ knowledge of regional trade policies and their impact on business development, a move the regional press called “a historical turning-point for emerging trade in Central Africa,” while “the Secretariat General of ECCAS considers that a big leap has been taken”, according to Carlos Bonfim, Trade Director in the ECCAS Secretariat.

Source: Articles and reports from regional and national press in Central Africa; Reports of the Secretariat General of ECCAS.
A REGIONAL SECTOR APPROACH TO UPGRADING VALUE CHAINS AND BUSINESS GROWTH

TAILOR-MADE SUPPORT FOR SMEs IN WEST AFRICA’S MANGO VALUE CHAIN

The ECOWAS “EXPECT” initiative, originated and executed with the support of PACT II, revolves around value chains of high potential for the region. ITC’s support for this initiative via PACT II targets the region’s mango value chain.

Bettering the export competitiveness of enterprises in the agriculture sector is critical because the industry is the main driver of jobs, business and trade in ECOWAS, with significant involvement of women. Agriculture also contributes to food security, which is a major concern for the entire region.

Within ECOWAS, however, roughly 40% to 50% of mango production is lost, and in some nations, processing companies import up to 60% of the pulp they use from other regions.

The Strategic Orientation Paper for the mango value chain in Western Africa, developed with the support of PACT II, was endorsed by all 15 ECOWAS Member countries during an August 2011 regional workshop in Lomé, Togo, under the leadership of the ECOWAS Commission and its Regional Trade Expert Network (ECOWAS-TEN).

In total, 31 representatives from regional public and private sectors approved the proposals made in the strategy paper, which recommends three broad approaches to build production capacities and exports in the sector, giving special consideration to the role of and impact on women: expand regional consumption, increase product processing and conservation, and better adapt to meet import market standards.

“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.
According to the Minister of Commerce and Private Sector Promotion of Togo, who opened the workshop: “In a context of globalised economy, it is important to upgrade to join the sub-regional and world concert through sectors of high value-addition. I hope this document will reply to the several requests received from businesses and investors in order to optimise their investments in the mango value chain.”

Not only did PACT II champion the design of a common regional vision to develop and upgrade the sector, but it also provided targeted services to SMEs to help them learn from and reach new markets, with a focus on emerging ones in the form of South-South cooperation.

West African mango producers went to Petrolina in Brazil in November 2011 for a study tour organised by ECOWAS-TEN and ITC under PACT II. Brazil was identified as an ideal destination because its mango value chain is highly developed and ECOWAS had recently signed a cooperation agreement with the country for South-South cooperation including for the development of agricultural value chains.

Collaboration between ECOWAS and the Brazilian Agricultural Research Corporation (EMBRAPA) was initiated to benefit businesses in the mango industry. Thanks to this mission and follow-up matchmaking at Fruit Logistika, the world’s leading trade fair for the fresh fruit and vegetable business, entrepreneurs made new professional contacts with research agencies, local trade support institutions and the private sector, and learned from the Brazilian mango cluster experience.

“I am going to relook at my activities and correct what I am lacking using all what I have learned during the study tour,” declared one Ghanaian producer. “I am going to enhance my production especially the application of fertilizers and other nutrients.”

A Brazilian importer made his first follow-up business trip to Senegal, where he visited mango plantations and met with producers to identify new suppliers for European customers. “This visit offers interesting trade opportunities for exporters who, in addition to prospects for new business, benefited from information and advice on import markets and their requirements, including the European market,” explained the ECOWAS-TEN Focal Point at the Ministry of Trade in Senegal.

A company from Côte d’Ivoire successfully exported premium West African mangoes to the European market for the first time and established a sustainable business partnership with an international buyer. “Thanks to my contact with an international buyer established with ITC support, we exported eight containers representing more than 172 tons of mangoes shipped by air and boat,” said the company’s General Manager. This translates into a 50% rise in the company’s export volume. “From 173 tons, we will increase to 739 tons in 2013,” which is a fourfold upsurge over the previous year.

A women entrepreneur from Mali who took part in the mission to Brazil subsequently began her own mango operation, with a first field of 8 hectares. She will use irrigation methods in her new fields similar to the ones she encountered in Brazil during the EMBRAPA technical presentations and field visits, and the next step is the completion of a financial analysis to determine the costs of employing these new irrigation techniques.

In addition, the Netherlands and Belgium have offered to finance her company’s construction of a mango pulp-concentrate factory in Bamako. Some of the business contacts she made during the Brazil visit are viewed as potential clients for her new plant, which will create about 100 jobs for both men and women. The factory should be operational in 2013.

Sources: National press articles in Togo; Reports of the ECOWAS-TEN and of the ECOWAS Export Actors Forum; Feedback from partners and beneficiaries.
REGIONAL LEATHER VALUE CHAIN FACILITATION: 
THE CASE STORY IN ZIMBABWE

A main target of the Regional Economic Communities (RECs) through PACT II is to enhance their capacity to take the lead in preparing sector strategies through participatory processes involving the private sector.

The leather sector is one of COMESA’s priority industries for economic growth and development. A regional strategy document was completed using a stakeholder-driven participatory approach led by COMESA and involving the 15 Member States. A core team, appointed by the COMESA Secretariat and representing stakeholders and associations from the leather industry, was created as a mechanism for regional ownership and implementation of the strategy. COMESA and its core team held National Value Chain Mapping Roundtables in Malawi, Uganda and Zimbabwe.

Among the lessons learned at these Roundtables was the importance of incorporating the regional strategy into national policy so it brings greater benefits to SMEs.

Zimbabwe’s government asked COMESA and ITC to help craft a leather strategy which would unlock value in the sector. The country was selected as a pilot to cascade the regional strategy to the national level and ensure it is carried out in a way that successfully contributes to sector development and benefits all value-chain players.

The Zimbabwean leather industry includes micro, small, medium enterprises and large companies which generated an estimated US$ 82.2 million in total sales in 2011. Despite the solid past performance and its potential, the sector is constrained by the lack of collaboration among value-chain players, a shortage of quality hides and insufficient working capital at affordable rates. About 84% of hides and skins are exported in raw state, penalising local tanneries which have been forced to scale down production and in some cases close. Out of 16 tanneries, only 6 were reported to be operating in April 2012. Additionally, local producers of finished goods face stiff competition from cheaper imports in the domestic market. While the sector produced 17 million pairs of shoes and was shipping to developed countries at its peak in 1999, it is no longer competitive in the global market.

“The Core Team helped to get more ownership by the private sector, who is now leading the leather strategy implementation,” said a tanner from Zimbabwe.
“The leather sector has enormous potential to increase its contribution to the economy and become a social and development driver,” said a country representative.

A consultative process involving all value-chain players began in August 2011 and meetings were held in the major cities of Harare and Bulawayo, as well as in cattle and leather-producing areas in Mashonaland and Matabeleland provinces. The process facilitated real ownership by leather sector stakeholders and the necessary buy-in for successful implementation, monitoring and evaluation of the strategy.

A Coordinating Committee comprising representatives from all value chain stages (farmers, hide traders, tanners, good manufacturers, sector associations, financial institutions and representatives of the Ministry of Industry and Commerce, together with the Ministry of Agriculture and the Ministry of Finance) is both a catalyst and driver of the development and execution of the strategy.

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.”

The strategy is designed to modernise Zimbabwe’s leather value chain so the sector contributes more to economic growth, employment generation and poverty reduction. It is the result of stakeholders’ and buyers’ evaluation of market potential, profitability of business, supply-side constraints and sector dynamics. It sets commercial targets for 2012-2017 and provides a clear roadmap based on agreements at each stage of the value chain.

"Value chain players now have the same objective of promoting value addition and a better appreciation of the potential in the sector," according to a Government representative.

The strategy shifts the industry’s focus to enhancing the production of value-added products, such as footwear and leather goods, for the domestic and export markets. This approach calls for the creation of a stakeholder-led sector association in the form of a public-private platform to set business priorities and seek support from Government and development partners, and the establishment of a Leather Development and Investment Fund to invest in the sector.

The country has already achieved some of the strategy’s goals. Leather is recognized as a priority in Zimbabwe’s Industrial Development Policy 2012-2016, a Hide and Skins Collector Association has been created to improve the collection and quality of hides, tanners and hide collectors have agreed on wet blue exports, and local banks and firms endorsed the Leather Development Fund.

“The strategy document and the working Coordinating Committee are already a show of success,” said a hide collector. “The Core Team helped to get more ownership by the private sector, who is now leading the leather strategy implementation,” a tanner noted.

In the longer term, putting the strategy into practice is forecast to create jobs through support to Micro, Small and Medium Enterprises (MSMEs) operating as manufacturing clusters, expand sales revenue from US$82.6 million in 2011 to US$116 million in 2017, and diversify exports to regional and global markets.

Source: Feedback from partners and beneficiaries; Sector strategy documents.
Small and medium-size enterprises (SMEs) in Africa often lack information on market standards and requirements. This is also the case of those operating along the leather value chain, one of the COMESA priority sectors for regional trade development.

PACT II is designed to prepare SMEs for regional and international markets through a market-led approach. By participating in dissemination workshops, trade fairs, business tours and buyer-seller meetings, entrepreneurs share experiences, learn from purchasers and competitors how to upgrade their manufacturing skills and capacity and boost their exports.

The All African Leather Fair held in Addis Ababa in March 2011 was a unique opportunity for SMEs to meet importers. The COMESA Secretariat, its regional Leather Core Team and ITC arranged the participation and product exhibition of 10 SMEs from Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe.

Entrepreneurs collected strategic information to improve their competitiveness and remarked: “The fair has broadened our scope and knowledge of the sector, understanding our weaknesses, strengths and prospects.” “I learned new skills and techniques that will improve my products.” “I have a better idea where to source cheaper chemicals, shoe components and spares to reduce production costs.”

With US$ 31,000 invested by the PACT II programme in this activity, entrepreneurs estimated the amount of business generated at US$ 2 million.

It also revealed areas of need such as quality control and packaging in which African exporters are deficient in meeting the requirements of importing markets. These have been evaluated to provide tailor-made support to SMEs beyond PACT II.

In preparation of overseas business tours, demand and supply surveys of SMEs in the leather sector were conducted and dissemination workshops were held in Ethiopia, Kenya, Sudan, Uganda, Zambia and Zimbabwe. During the workshops, emphasis was laid on the opportunities of investing in the leather value chain in COMESA.

Business tours which brought 16 COMESA tanners to India and to Italy assured buyers that “Africa has a big possibility of growth” and there are “good chances for growth of African business relations with our country”.

Particular attention was paid to environment by initiating direct contacts between effluent treatment providers and potential COMESA users of such technology.

“*If the value addition and market-led approach fostered by PACT II is applied, tangible development will be realised in the region and Africa at large,*” said COMESA Secretary General Sindiso Ngwenya.
Technical presentations and visits of central effluent treatment plants in India and Italy helped sensitise African tanners to environmentally friendly tanning processes, according to a Ugandan participant, who said: “We saw different techniques for producing leather and the importance of effluent treatment plants.”

As a result of 573 one-on-one business meetings, enterprises generated US$ 9 million of new export orders, including for value added crust leather, purchase of chemicals, machinery and technology transfer, with another US$ 5 million still under negotiation. Dealing directly with importers will enable African tanners to eliminate middlemen such as agents and traders, which represents an estimated increase from 3% to 15% of their profit margins. Technology transfers to improve the quality of wet blue and finished leather, joint ventures and foreign direct investment are also being discussed.

“I concluded an agreement to the extent of US$ 180,000 of sheep-finished leather, which will open a door to our future export of finished leather,” reported an entrepreneur from Ethiopia.

These accomplishments stem from cooperation between the COMESA Secretariat and Leather Core Team lead by the Leather and Leather Products Institute (LLPI), ITC, the All India Skin and Hide Tanners and Merchants Association (AISHTMA) and the Italian Union for Tanning Industry (UNIC).

Sustainable cooperation and business linkages have been created with continued trade happening beyond programme activities, as explained by an entrepreneur from Uganda: “We sold crust valued at US$ 50,000 as a sample order … we are trying to sell one container of goat skins which may materialise next year… we have bought some effluent treatment equipment after the visit and will buy some more later next year”.

COMESA Secretary-General Sindiso Ngwenya predicts that “if the value addition and market-led approach fostered by PACT II is applied, tangible development will be realised in the region and Africa at large”.

Source: COMESA report on the business tours; Evaluations completed by entrepreneurs; Feedback from partners and beneficiaries; Kenya Leather Development Council NEWS.
NEW TRADE OPPORTUNITIES FOR WOMEN AND MICRO PRODUCERS IN KENYA

Within the framework of PACT II and the Poor Communities and Trade Programmes, ITC supports the fabrication of locally-made leather goods by marginalized communities, women and groups of micro producers. This is designed to broaden the sourcing, by European distributors and designers, of fashion and lifestyle products from Eastern and Southern Africa.

The leather industry is one of COMESA’s priority sectors for regional trade development and promotion. Stepping up exports of ethical fashion leather-made goods scales up the value chain so more finished goods are produced and offers more opportunities.

In Kenya, a collection of leather shoes which can be manufactured locally using typical domestic materials, with components such as soles and insoles, was created and marketed to encourage micro-producers to sell the footwear. Despite strong competition from imported second-hand shoes, further investments in capacity building to buoy productivity and cut production costs mean African-made shoes may become a reality.

With an eye to supporting these groups of micro-producers, traditional tanning was studied to stimulate the production of organic tanned leather by rural communities using only natural and locally available tanning agents. The research showed that women handle most traditional tanning and that some of the materials produced are entirely environmentally friendly, which represents a major step forward.

Testing of samples led to the assessment and adjustment of product quality so that, once finalised, the new organic and community-tanned leather will be used in ethical fashion collections. Two top fashion houses have already expressed interest.

ORGANIC LEATHER TANNING BY WOMEN

Rumuruti, a town of 4,500 people in the Rift Valley some 240 km northeast of Nairobi, is a remote place with few economic prospects. The constant harsh weather is a challenge for the predominantly pastoralist communities living in the region, where women make up the biggest percentage of the unemployed.

Women in Rumuruti are constrained economically because, for cultural reasons, they cannot own livestock, which is the region’s main economic activity. Still, they are making headway in this harsh economic environment. They began to turn leather organically based on locally used methods, but were unable to produce goods that satisfied wider market standards.
Under the Ethical Fashion Initiative, representatives from ITC’s Poor Communities and Trade Programme visited Rumuruti and, using the same logic (natural tanners) but different inputs (new tanners from local plants), helped improve those systems. Tea leaves, widely available in Kenya, and shrubs from the region were introduced as tanning agents, helping to reduce deforestation as trees were previously cut for that purpose.

The pilot initiative was expanded with PACT II support and about 50 women from the Samburu, Borana, Somali and Turkana ethnic communities are now involved.

The Samburu, Borana and Somali communities profited substantially from the initiative because they had been using a very rudimentary method to process leather which prevented them from receiving the benefits of value-addition. The 30 Turkana women are the most advanced, having embraced the new technology while retaining a labour-intensive method of work to maintain employment.

Leather tanning is a highly complicated process that requires monitoring of temperature, PH levels and mechanisation, for which the group lacks capacity. With ITC support through the Ethical Fashion Initiative and PACT II, a central location now serves as the hub from which the work process will be managed and monitored, and as an incubation centre for women to supply their products to Ethical Fashion Africa. This means employment for marginalized communities of women who will be able to increase their incomes and be empowered by participating directly in the economic activity of their region.

Source: ITC Poor Communities and Trade Programme/Ethical Fashion initiative.
TRADE LAW AS A KEY INSTRUMENT OF REGIONAL INTEGRATION AND EXPORT PROMOTION

SMALL BUSINESSES IN ECCAS LEARN ABOUT TRADE LAW TO BOLSTER EXPORTS

“The training helped me know how I can defend my rights against lessors and get loans to boost my business,” explained a small woman entrepreneur in Moundou, Chad.

OHADA law ("Organisation pour l’harmonisation en Afrique du droit des affaires") helps harmonise business rules and regulations and provides strategic information to set up and expand businesses in national and regional markets. It facilitates the integration of enterprises in the formal economy and protects the rights of micro businesses. The one-person company status allows, for instance, businesswomen to separate their social and personal property.

The private sector and trade development are hampered because the rules of OHADA, whose members include 16 Central and West African nations, are not applied consistently. This is due in large part to inadequate knowledge of the rules among small and medium-size enterprises (SMEs), lawyers and judges, who enforce the law, because the OHADA Secretariat’s advocacy work has been directed at Ministries and legal experts rather than the private sector. These findings sparked a decision to devise a practical approach so SMEs in Chad and Congo can understand the advantages and implications of regional trade rules and regulation within the context of PACT II.

ECCAS and ITC established partnerships with the OHADA Secretariat, 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 were produced with the technical support of the African Centre for Law and Development (CADEV) and the Chambers of Commerce, including country-specific OHADA guidelines written in the form of questions/answers and covering topics such as business taxation, enterprise creation, mortgages and settlements of disputes; and

Training workshops on OHADA law in N’Djamena, Sarh and Moundou, Chad, December 2010

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booklets of direct relevance to small businesses (Going informal to formal, Commercial Lease, Debt collection techniques) were published.

More than 300 SMEs, traders, lawyers and jurists, of which 18% were women, attended tailor-made training workshops in N'Djamena, Brazzaville and Pointe Noire as well as outside the main cities, in Sarh, Moundou and Owando. The events, organised by the Chambers of Commerce with the support of African experts, the OHADA Secretariat, ECCAS and ITC, involved plenary sessions and practical exercises. Participants gained skills and knowledge in regional trade law rules and regulations that will help them expand and empower their businesses.

“It is the first time we saw more participants at the end of the training than at the beginning,” the ITC trade law expert remarked. “Participants in Chad used their mobile phones to advise other entrepreneurs to attend the sessions.”

A business manager in Sarh noted that “usually in Chad, trade is not carried out within the standard law. Such training workshops help traders understand their rights and fulfill their duties.” Once SMEs understand their business environment, they become more confident about investing and expanding their activities. “This workshop gives me the courage to develop my business,” said a small entrepreneur in Moundou, while a woman entrepreneur explained: “The training helped me know how I can defend my rights against lessors and get loans to boost my business.”

The Chambers of Commerce enhanced their service offerings to enterprises and established working relationships with the OHADA Secretariat, which participated for the first time in training targeting SMEs, the main beneficiaries of OHADA law. Now, the Secretariat better understands the specific interests of the private sector so they can be taken into account when OHADA texts are revised.

Based on lessons learnt from interventions in Chad and Congo, activities in Gabon and Central African Republic included training of national experts to ensure sustainability and a “multiplier effect”. Nine experts, in partnership with trade support institutions in these two countries, are now able to share information about the advantages and implications of regional trade rules and regulations which will benefit the private sector beyond PACT II.

Sources: ITC reports on the workshops conducted in Chad and Congo; Evaluation questionnaires completed by enterprises at the end of the workshops.
FROM EXPORT TRAINING TO MARKETS: THE STORY OF PAULLY APPIAH IN GHANA

FROM TWENTY PIECES TO THREE TONNES

Paully Appiah Kubi’s business idea began after she witnessed quality produce being wasted due to a lack of storage and processing facilities in rural Ghana. She realized that with simple drying technologies, she could save large quantities of quality produce from waste, while boosting exports and offering farmers a buffer against the seasonality of their business.

Ebenut Ghana Limited began in 1996 as a small, local workshop with only one dryer processing 20 pieces of fruit or vegetables at a time. Although the company had only a handful of competitors, Paully sought from the beginning to differentiate her business in the market. Her research indicated that consumers were beginning to pay more attention to the nutritional value in their food. As a food scientist, Paully knew how to maintain the high nutritional value in fruits and vegetables during the drying process. She made a commitment that Ebenut would use a process which does not use sulphites or other preservatives. Using carefully

Ms. Paully Appiah Kubi
selected suppliers, Ebenut created a line of products that qualified for Fair Trade (FLO CERT) and organic certification from the Institute for Market Ecology (IMO). These two certifications allow the company to maximize the value added to the products.

Ebenut grew during a boom period for Ghana’s exports. Between 2003 and 2007, Ghana’s exports of fresh fruit such as pineapples grew by 45%, with Ghana becoming the third largest exporter to the EU. Ebenut grew to 47 employees and purchased from 21 farmers. Currently, Ebenut processes, packages and sells three tonnes of dried produce per month.

“The programme covers so many topics about export business which are important to get right. It was empowering to access this information. Knowledge can remove fear as a barrier to tackling new markets,” said Paully Appiah.

Ebenut Ghana Limited

ACCESS! TRAINING BROUGHT A NEW SENSE OF CONFIDENCE

Paully says the ACCESS! Export training programme managed by the Ghana Export Promotion Authority was an eye-opener for her. “The programme covers so many topics about export business which are important to get right. I particularly appreciated the training modules on INCOTERMS® 2010 and negotiations. From ACCESS!, I developed a better understanding of the responsibilities of clients and suppliers which helped me with my own negotiation processes. With this new sense of confidence, I was able to talk to customers in a way that was win-win. It was empowering to access this information. Knowledge can remove fear as a barrier to tackling new markets”. Ebenut now exports to West Africa, Europe and the United States.

Paully was recognized for her business acumen in 2008 when she was nominated by the United Nations Conference on Trade and Development (UNCTAD) for the annual Woman in Business Award, which considers innovation, entrepreneurial talent and company performance. In addition, she is a respected member of the Association of Ghana Industry and of the Empretec Business Forum. Still, she confesses, “The highest
point in my business was the sense of satisfaction in taking a simple idea from scratch, bringing it to life and being well received by clients."

CHALLENGES APLENTY – FROM CAPITAL TO MORAL SUPPORT

Despite excellent market prospects, a very fine line of products and international recognition for her company performance, it remains near impossible for Ebenut to access working capital from a formal financial institution. Women in Ghana have very little access to collateral which the majority of institutional loans require. “For three years the banks have been reluctant to lend to me. They offer to lend based on orders, of which I have plenty. But I cannot risk taking on large order increases if the banks are not going to follow through.” Like so many women in the region, she has to plough her profits directly back into carefully stewarded expansion. For this reason, Ebenut turns away an estimated seven tonnes in orders per month, missing the opportunity to purchase from local farmers, hire more employees and boost Ghana’s exports.

Paully notes that the tight cash flow affected her company’s level of preparedness for the economic downturn, saying, “That would have been the time to step up marketing efforts and get into trade fairs and more market development.” Like other successful small exporters, Paully responded to the changes by strengthening Ebenut’s local market presence. “Once you go through so many obstacles, you get used to it and you just find solutions, you are not going to run away in the face of an obstacle.” The obstacles for small business in Africa are plenty.

The lowest point in the business for Paully was very early on when she had to deliver on a large order to Europe and the night shift did not turn up. “Products have to dry overnight and I had to explain to my husband that I was not coming home.” Paully says it is not easy as a wife and mother to balance business with family life. “You have to take extra time to plan for things especially when the children are young.” Paully and her husband found the right balance and successfully raised three sons, two of whom are medical doctors and while the other is an accountant.

OPPORTUNITY KNOCKS - NEW COUNTRIES, NEW PRODUCTS, NEW STRATEGY

Exports by women entrepreneurs like Paully in this sector are critical for Ghana’s economy. The good news is that the demand for exotic dried fruit and vegetables is expected to rise steadily for many years to come. To position Ebenut for this opportunity, Paully participated in the ACCESS! Business Counselling Programme and hopes it will work with her to build the best strategy for the launch of a new line of products into North America. Ebenut has recently expanded its traditional line of dried fruits, nuts and vegetables, to introduce instant versions of traditional Ghanaian Jollof rice and Gari Foto. With fine-tuned packaging and labelling and insights into US food distribution chains, Paully plans to introduce the new products into US supermarkets in 2012. “I have no doubt the ACCESS! Business Counselling Programme will be a significant factor in this next step!”

BUILDING ON PACT II MODEL AND ACHIEVEMENTS TO BOOST INTRA-AFRICAN TRADE

RECOMMENDATIONS FROM THE PACT STEERING COMMITTEE (31 OCTOBER – 1 NOVEMBER 2011) AND MID-TERM EVALUATION REPORT (DECEMBER 2011)

PACT II, the backbone of ITC’s contribution to the Aid for Trade agenda in Africa, has demonstrated the potential of a regional programme approach to provide practical solutions to trade integration, and has started yielding concrete results at enterprise level, including for women entrepreneurs.

The PACT Programme Steering Committee agreed during its 4th meeting (31 October-1 November 2011) that important lessons had been learned and welcomed the programme’s accomplishments as outlined in the Mid-term Evaluation:

• “PACT II recognizes a true development need of Africa: the need to improve trade on the continent … The RECs are now in a position to become key and recognised players in trade integration issues and business development in Africa”

PACT II has demonstrated its relevance to Africa’s developmental need to improve trade and to RECs, which have used the programme to build their RBM culture, strengthen their trade-support capacity and extend their networks with TSIs and the private sector. RECs are now positioned to become recognised players in trade integration issues and business development in Africa. They have integrated PACT II in their strategic planning and operational frameworks to leverage other trade-related initiatives and funding.

• “Among the significant achievements of PACT II has been the development of high profile and credible apex organization for regional business representation”

The programme has created and strengthened African trade support networks and private sector organisations and has equipped them with trade development and promotion tools and skills to serve the needs of enterprises.

• “ITC has proved to be a high quality purveyor of technical assistance providing excellent training and technical guidance on a wide range of trade related issues”

PACT II has transferred capacity to pools of African experts in key areas such as trade information and law, market analysis, sector strategy, business generation, advocacy and development services for women entrepreneurs.

Partners, pan-African stakeholders and the donor (CIDA) affirmed that PACT II’s trade development and promotion goals must be pursued after the programme ends in 2013. The Programme Steering Committee requested ITC to consult with relevant stakeholders about a successor programme to PACT II.

PACT II is in its final phase and will end in 2013. ITC welcomes partner and donor interest to build on the programme’s model, its achievements and momentum created to further support the African regional integration agenda and boost intra-African trade.
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