

# HIGHLIGHTS 2010

## PROGRAMME FOR BUILDING AFRICAN CAPACITY FOR TRADE (PACT II)





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This publication highlights key 2010 milestones achieved by the “Programme for building African Capacity for Trade” (PACT II) related to the outcome areas and outputs set out in the programme’s logical framework.

It aims at communicating the progress made, changes arising in the target regions and some of the lessons learned during the first year of full-fledged implementation. This document also captures some unexpected achievements which contribute to building sustainable trade development capacity in Africa.

Contributions to this publication, which will be renewed annually, come from our partners in the three target regions – 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).

### OUTCOME 1

#### **Fostering pan-African partnerships and networking for regional trade development and export promotion in Africa**

- OUTPUT 1.1 - Inter-regional exchange on trade development and promotion (TDP) activated
- OUTPUT 1.2 - African Business Forum sponsored and promoted as a Pan-African platform for public-private dialogue and business partnerships

### OUTCOME 2

#### **Enabling Regional Economic Communities (RECs) to take the lead as trusted and visible brokers for sustainable and inclusive regional trade development and promotion**

- OUTPUT 2.1 - Appropriate REC trade development promotion (TDP) structure with key technical and operational capacities agreed upon, and its management in place
- OUTPUT 2.2 - RECs staff and resource persons applying market analysis tools and methods for the prioritization of sectors and destination markets, with due consideration to poverty reduction, gender mainstreaming and environment impact
- OUTPUT 2.3 - RECs lead a participatory process for the formulation of strategy framework for sustainable and inclusive regional trade development in one priority sector/product group

### OUTCOME 3

#### **Strengthening regional trade support networks, including business women’s networks**

- OUTPUT 3.1 - Regional networks of Trade Support Institutions (TSI), including businesswomen’s networks, formalized and operationalized
- OUTPUT 3.2 - Regional private sector apex bodies strengthened as the primary and active interface for public private dialogue
- OUTPUT 3.3 - Regional trade law institutions - operating under OHADA (“Organisation pour l’Harmonisation en Afrique du Droit des Affaires”) network - assisting enterprises understand the advantages and implications of regional trade rules and regulations
- OUTPUT 3.4 - Regional trade information networks established and operational

### OUTCOME 4

#### **Enhancing cross-border business linkages and enterprise-level export success in priority sectors and markets, with a special focus on women exporters**

- OUTPUT 4.1 - Sector-specific product and market development services preparing SMEs for regional and international markets, in adherence with regional sector strategy framework
- OUTPUT 4.2 - Gender-responsive business development services and market linkages for women exporters provided through *ACCESS!* network

# RESULT-BASED MANAGEMENT FOR STRATEGIC PLANNING

See output 2.1



## COMESA APPLIES RBM PRINCIPLES IN ITS MEDIUM-TERM STRATEGIC PLAN

COMESA and ITC held a Result-based management (RBM) Training Workshop in Lusaka, Zambia, in November 2009 within the framework of the Programme for building African Capacity for Trade (PACT II). Participants included staff from the COMESA Secretariat, sectoral associations and institutions involved in the implementation of PACT II such as the Leather and Leather Products Institute (LLPI), the COMESA Business Council (CBC), and the Eastern and Southern Africa Leather Industries Association (ESALIA).

One of the key PACT II outcomes is to strengthen the COMESA Secretariat and regional Trade Support Institutions (TSIs) to take the lead in trade development and promotion in order to achieve the COMESA Vision to “be 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”. Within this context, the purpose of the training was to expose participants to RBM by developing a result framework for COMESA programmes, and understanding and applying the Logical Framework Approach.

A total of 25 representatives of the COMESA region, including staff from the Secretariat as well as representatives from national and regional TSIs, gained practical knowledge and skills in RBM to manage and implement development programmes.

The knowledge and skills acquired have been applied by the region and its Member States for designing the COMESA Medium Term Strategic Plan (MTSP) 2011-2015.

COMESA’s key challenges were to adhere to the road map for the finalization of the new MTSP according to RBM principles and to enhance the integration of its Policy Organs’ decisions into national development plans, budgets and reporting processes.

COMESA has therefore, for the first time in its history, developed its MTSP together with the beneficiaries of its programmes, that is to say the Member States, during National Consultative Workshops held in various countries between May and June 2010, with the technical support of the PACT II programme and financial support of the World Bank.

These national consultations have contributed to improve communication flows between the COMESA Secretariat and Member States, while strengthening the Secretariat’s visibility and lead role within the region.

Not only the Medium Term Strategic Plan is fully based on RBM, but it also captures Member States’ strategic plans. Further, the results of the workshops serve as useful inputs in the annual planning and programming to ensure that COMESA’s Council Decisions and programmes are aligned with priorities of the Member States. This contributes to the effective and efficient implementation of COMESA programmes at both regional and national levels.

In 2010, a total of 48 African experts from TSIs and staff of Regional Economic Communities were trained in RBM to manage and implement their trade-related development programmes.

*Sources: COMESA e-Newsletter of 15 January 2010; 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 IN COMESA, ECCAS AND ECOWAS APPLY MARKET ANALYSIS TOOLS AND METHODOLOGIES FOR ASSESSING AND PROMOTING REGIONAL EXPORTS

ITC ran a mentoring programme on Export Potential Assessment in partnership with COMESA, ECCAS and ECOWAS in 2010, as part of the Programme for building African Capacity for Trade (PACT II). A total of 43 African experts from the three regions received training and coaching on trade analysis tools and methodologies.

The mentoring programme aimed at enabling staff of the Regional Economic Communities (RECs) and national Trade Support Institutions (TSIs) to use market analysis tools and methods to prioritize products and markets for national and regional export promotion with due consideration to poverty reduction, women and environment impact. Capacity building activities specifically covered the analysis of trade statistics and other performance indicators as well as research on export competitiveness through consultations with experts and companies.

As a result, not only did the participants improve their market analysis skills and learned how to apply tools and methodologies for assessing export potential, but they had also identified priority sectors for regional trade promotion on the basis of various indicators such as export performance, enterprises' assessment, conditions of access to international markets, production capacity, trends in world markets and impact on job creation, women employment, poverty reduction and rural development.

The outcomes of the mentoring programme were instrumental for the prioritization of sectors and destination markets by the regions. ECCAS for the first time recommended cocoa and wood as pilot products for regional trade promotion in Central Africa. ECOWAS selected three sectors - mango, cashew nuts and palm oil - as priority products for its Non-oil Export Competitiveness Initiative ("EXPECT"), through a participatory process owned and led by the region.

Participants have already been applying the skills and knowledge acquired in their daily work to support enterprises in their countries, as reported in the e-based evaluation survey conducted by ITC.

The Ghana Export Promotion Council used the tools to analyse the viability of organizing exhibitions in certain countries such as Equatorial Guinea, Liberia and Sierra Leone: "The tools were used to 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".

Those who were trained also passed on the skills to other trade experts in order to improve market research, access and product diversification: "I conducted a workshop on Market Analysis through the use of the TradeMap tool. 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."

Source: E-based evaluation survey completed by trade experts from COMESA, ECCAS and ECOWAS.

# BUILDING MARKET ANALYSIS EXPERTISE FOR REGIONAL TRADE

See output 2.2



*"Training could not have been more appropriate [...] it allowed me to provide, more effectively, information tailored to the needs of exporters [...] to make strategic marketing decisions" explained one of the trade experts, "if we are talking about capacity building, this is a true capacity building exercise."*

- Training participant

# REGIONAL LEATHER VALUE CHAIN UPGRADING IN EASTERN AND SOUTHERN AFRICA

See output 2.3



*“The value chain mapping approach enabled the industry players to rethink the way they are doing business”*

- Company representative from Zimbabwe

## PUBLIC AND PRIVATE SECTORS FORMULATE A REGIONAL EXPORT STRATEGY TO DEVELOP THE LEATHER VALUE CHAIN IN COMESA

One of the main targets of the Regional Economic Communities (RECs) through the Programme for building African Capacity for Trade (PACT II) is to strengthen their capacities in leading the formulation of regional sector strategies through participatory processes, involving the private sector.

Within this framework, COMESA held National Value Chain Mapping Roundtables in Malawi, Uganda and Zimbabwe for reviewing its regional strategy for the leather sector, a priority one for economic growth and development in the region.

In Zimbabwe, a National Export Strategy and Value Chain Workshop was organized in July 2010 by a core team composed of the Leather and Leather Products Institute (LLPI) and the Ministry of Trade, assisted by the Eastern and Southern Africa Leather Industries Association (ESALIA), with ITC technical support. The event gathered over 50 participants including service providers and private sector representatives of the leather value chain.

As a result, a sector implementation matrix was developed by business and public stakeholders, under COMESA leadership. Zimbabwe will integrate the leather export strategy in its national industrial policy and strategy.

Beyond these expected results, the roundtables also enhanced the exchange of know-how and cooperation along the leather value chain in COMESA countries, as explained by a participant: “The success of the workshop was not only in the bringing together of industry participants for the first time in a long time under one roof, but also in the bringing of a dynamic and interactive dialogue among the industry players... I was able to discuss common challenges with members of industry at varying levels in the value chain, frankly and openly”.

The participatory process also generated regional and national ownership, therefore contributing to initiate follow-up actions and changes in the way enterprises operate in the sector, beyond programme activities.

A company representative described the ITC value chain mapping approach as one which “enabled the industry players to rethink the way they are doing business”. “Certainly the process was thought provoking”, he added, “and we should see better coordination within the industry in the near future”.

Another key achievement has been the active support and involvement of the private sector, not only as a beneficiary but also as a key partner for leading the process for export development.

One of the private sector representatives committed to “work with like-minded people both here in Zimbabwe and abroad, to see the hide and leather industry in Zimbabwe released from its current state of inertia to one which will promote the natural resources of this country, create jobs for people, provide positive and equitable returns to the players in the industry and to promote Zimbabwe’s leather industry”.

*Source: Feedback from participants in the PACT II National Export Strategy and Value Chain Workshop, Harare, Zimbabwe, July 2010.*

## PACT II SUPPORTS THE NEW ECOWAS REGIONAL TRADE COMPETITIVENESS STRATEGY

ECOWAS has taken a significant step towards the establishment of 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 activity programming and resource mobilization.

Developed jointly by the Private Sector Directorate of the ECOWAS Commission and ITC, “EXPECT” is based on three pillars coordinated by the regional unit of the Programme for building African Capacity for Trade (PACT II):

- The Regional Trade Expert Network (ECOWAS/TEN) launched mid-July 2010 in Abidjan, Côte d’Ivoire, which is the technical and operational tool for the implementation of the various components of the initiative,
- The Export Actors Platform (EAP), which is the instrument for public-private dialogue, responsible for identifying and advocating the issues affecting trade and exports towards ECOWAS decision-makers,
- The Regional Centre for Export Competitiveness, a regional reference centre in charge of establishing partnerships and ensuring the sustainability of the programmes and activities implemented by the TEN and the EAP.

“EXPECT” interventions revolves around sectoral value chains with high potential for the region, which were identified with ITC’s support, namely: mango, cashew nuts and palm oil. ITC activities through PACT II focus on the mango value chain. Strengthening export competitiveness of enterprises operating in the agricultural sector is essential as it applies to the main sector of employment, business and trade in ECOWAS, with strong involvement of women. It also contributes to food security, which is a major concern for the region as a whole.

The TEN created under PACT II aims at providing trade-related support to ECOWAS institutions and enterprises. The Nigeria Export Promotion Council (NEPC) has already benefited from the expertise of two members of the network, in cooperation with ITC, for the implementation of its export promotion training programme: "This contribution to the success of the programme was fundamental and duly enriching as it laid the needed foundation upon which the rest of the programme is built upon".

The pilot phase of the “EXPECT” initiative runs for 3 years, from July 2010 to June 2013. The forthcoming steps include the definition of a strategy for strengthening the mango value chain with stakeholders from the sector and the organization of a first regional Export Actors forum, whose theme will emanate from the recommendations of the ECOWAS Aid for Trade review.

The “EXPECT” initiative, for which ITC is a major partner through PACT II, fits within the ECOWAS strategic vision to strengthen regional integration and the emergence of competitive enterprises, able to generate sustainable value added and improvement in the livelihood of populations in West Africa.

*Sources: ECOWAS reports and documents.*

# FOSTERING EXPORT COMPETITIVENESS IN WEST AFRICA

See output 3.1



# BOOSTING PUBLIC-PRIVATE DIALOGUE

See output 3.2

## STRENGTHENING THE COMESA BUSINESS COUNCIL AS THE VOICE OF THE PRIVATE SECTOR IN EASTERN AND SOUTHERN AFRICA

Greater private sector participation in trade policy and negotiations is vital for enhancing Africa's trade development and promotion capacity.

In Eastern and Southern Africa, the COMESA Business Council (CBC) is to serve as a key platform for advocacy in the development, progress and strengthening of the private sector in member countries, as mandated by the COMESA Treaty.

Following the increased demand for a body to coordinate regional private sector activities, the 27th COMESA Council of Ministers meeting held in Zimbabwe in December 2009, took a decision to reinforce CBC as the regional apex body. Part of this process involves strengthening the Council as an institution, setting-up an independent and fully functional Secretariat with support capacities for business advocacy and more largely for private sector development, with a particular emphasis on women in business.

Technical expertise and resources have been provided by ITC and COMESA within the framework of the Programme for building African Capacity for Trade (PACT II) to strengthen the CBC as the primary interface for regional public-private dialogue.

In 2010, a CBC Coordinator was recruited, a new Mid Term Strategic Plan including a membership scheme designed, and the identity of the institution reinforced with new communication materials. A new Board of Directors, composed of seven COMESA Member States, was elected to serve as a regional executive committee that represents CBC within the region and as a governance body that oversees its performance.

The 6<sup>th</sup> COMESA Business Forum and other private sector meetings on key issues for the business community in the region were organized under CBC leadership.

An important policy issue for the private sector in COMESA is the harmonization of Rules of Origin (RoO) within the framework of the Tripartite Free Trade Area (FTA) established with the East African Community (EAC) and the Southern African Development Community (SADC). RoO were the subject of a two-day meeting organized in July 2010 in Kampala, Uganda, with the support of PACT II. 45 representatives from COMESA Member States jointly drafted a position paper that will be integrated into private sector's recommendations for facilitating trade among the three regions. The business community increased its understanding and ownership of the Tripartite process and a well-informed dialogue was stimulated among private sector actors and trade policy experts through sharing of experiences and lessons learnt on RoO.

The CBC also facilitated south-south cooperation between COMESA and other growing developing countries in Asia and the Arab States, with a view to promote trade and private sector development in Eastern and Southern Africa.

The CBC attended the 2010 Shanghai World Expo and signed a Memorandum of Understanding with the China Council for the Promotion of International Trade (CCPIT). The CBC met 20 businessmen from the China business community interested in trading and investing in agriculture and infrastructure development in the COMESA region. This provided a platform for dialogue and increased partnerships between Chinese and COMESA enterprises.

*Sources: COMESA Newsletters, CBC reports and documents.*



## NETWORK OF LEATHER ARTISANS CREATED ACROSS KENYA AND UGANDA TO INCREASE SOURCING OF FASHION PRODUCTS FROM MARGINALISED COMMUNITIES AND MICRO PRODUCERS

Within the framework of the Programme for building African Capacity for Trade (PACT II), ITC supports the production of locally-made leather goods by marginalized communities, women and groups of micro producers. This aims at increasing the sourcing, by European distributors and designers, of fashion and lifestyle products from Eastern and Southern Africa. The leather sector is one of the COMESA priority sectors for regional trade development and promotion. Increased exports of Ethical Fashion leather-made products offer long-term business opportunities for those selling products with a clear story of social responsibility and development behind them.

Thanks to PACT II, there is a network of artisans in leather across Kenya and Uganda. Many started as self-help groups and are on the way to becoming small limited companies, thus providing long-term jobs, self-esteem and a positive effect on local communities. Artisans who are part of this network include for instance the “Bidii Shoe Makers” in Kenya and the “Big Leather Goods” group in Uganda.

In Kenya, the Babadogo slum lacks basic urban services and those living there face tough challenges. In 2006, a self-help group was established and ten founding members received artisanal training. Today, more than 40 people, including HIV positive women and single parents earn a living via leather goods, beadwork and crochet. The ambition of Bidii is to increase production and thus increase employment in this Nairobi slum, including with PACT II support.

A PACT II success story, the “Big Leather Goods” Kampala group has become one of Uganda's leading names in leather goods. Aribaraho learned his trade from ITC leather experts and is, in turn, not only training six apprentices, but also takes part in workshops to equip many more Ugandans to become artisans.

In order to efficiently support and advise these groups of micro-producers, research work on traditional tanning has been conducted in the Kenyan region of Laikipia within the context of PACT II. There are basically three processes for traditional tanning used by micro-producers in the three ethnic groups of Turkana, Samburu and Borana. One of the three processes has been tested while the two others are currently under review. The research work and testing showed that traditional tanning is mainly handled by women and that some of the materials produced are completely environmental friendly, which represents a major step forward.

*Source: ITC Ethical Fashion website.*

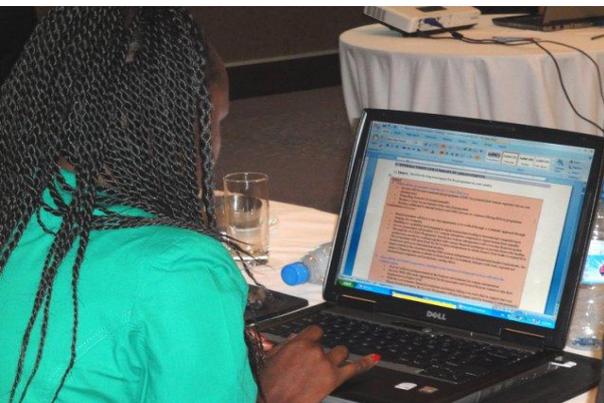
# SUPPORTING TRADITIONAL TANNING AND MARGINALIZED COMMUNITIES IN KENYA AND UGANDA

See output 4.1



# TARGETING THE NEEDS OF AFRICAN BUSINESS WOMEN

See output 4.2



## WOMEN ACCESS! EXPORT SUCCESS

Women exporters in Africa face a host of challenges such as limited access to finance, export business training and market information. Cultural traditions and family obligations can also hold women back from living up to their potential.

The Programme for building African Capacity for Trade (PACT II) provides gender-responsive business development services to women exporters through its *ACCESS! for African Businesswomen in International Trade* initiative.

*ACCESS!* equips actual and potential exporters with the skills, networks and confidence to take on new markets. It consists of a modular training course, a business counseling programme, a market access component and a trade information web portal.

In 2010, *ACCESS!* considerably enhanced its portfolio of offerings, with the adaptation of 23 course materials and the development of 10 new sectoral and topical modules. Course books and power point presentations are incredibly rich, providing plenty of in-depth information on export processes.

To suit an export-ready audience, training workshops and modules have been tailored such as exporting coffee, horticultural products, hides, skins and leather. Training workshops are centered more on empowering women rather than simply transferring information.

The modularity of the training materials and implementation modalities allow for a smooth roll-out, more flexibility and customization to each country's characteristics and women entrepreneurs' needs.

*ACCESS!* is operated in a total of 19 Sub-Saharan African countries<sup>1</sup> in the COMESA, ECCAS and ECOWAS sub-regions, through national *ACCESS!* Focal Point Institutions (AFPs) as the main institutional partners for programme implementation.

The Training of Trainers events held in 2010 in the three regions triggered the dialogue between AFPs, gender associations and representatives of regional businesswomen organizations such as the Federation of Women in Business in COMESA (FEMCOM), the African Network for Support to Women Entrepreneurs (RASEF) and the ECOWAS Centre for Gender Development.

A total of 67 African experts were trained to deliver the training package to women exporters with the support of four regional trainers. National *ACCESS!* teams were created with a great sense of ownership by linking trade experts who are familiar with gender-related issues and trade support institutions with a mandate to support businesses and women entrepreneurs.

The training of trainers and content of training materials have aroused great enthusiasm in the target countries. Because of their modularity, the topics covered and the relevant technical information provided in the training package, the national teams expect a very good ownership of the programme by women exporters, the ultimate beneficiaries.

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<sup>1</sup> Benin, Burkina Faso, Cameroon, Chad, Congo, Congo D.R., Ethiopia, Ghana, Kenya, Liberia, Mali, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia

Some of the trainers at the ECCAS workshop in Libreville, Gabon, expressed the challenges faced by women exporters in their countries and explained the value and relevance of *ACCESS!* training courses:

"Here in Chad, most women are still quite traditional and mainly operate in the informal sector. *ACCESS!* facilitates advocacy work for a change of mentality and trade development in the formal sector. "

"Most women entrepreneurs are exporting in the informal sector, that is to say they do not follow national and international procedures related to exports. They often use their own knowledge or their family members to sell their products outside the country. *ACCESS!* offers an opportunity to change this fact! ... It will emphasize the importance of global value chain at every level of product marketing, and training on the price structure. "

"The majority of Chadian women entrepreneurs are not educated [in commerce]. During *ACCESS!* training, we will teach them to calculate the purchase cost, taking into account the price and other costs that are often ignored. Then, during processing, we will teach them to take into account processing costs that are, among others, labor, time spent working and many other things. "

In 2011 and 2012, *ACCESS!* will aim at improving export readiness of women-led enterprises through tailor-made training delivered by national experts, business counselling to develop export strategies and participation in trade fairs and trade missions.

*Sources: Evaluation forms completed by representatives from the COMESA, ECCAS and ECOWAS regions during Training of Trainers events; ACCESS! reports and documents.*

*"Most women entrepreneurs are exporting in the informal sector... They often use their own knowledge or their family members to sell their products outside the country. ACCESS! offers an opportunity to change this fact!"*

- Trade expert from Chad

FOR FURTHER INFORMATION,  
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