




# AID-FOR-TRADE: CASE STORY

ECOWAS



Exports Promotion & Enterprise Competitiveness  
for Trade (ExPECT) Initiative



## COMISSÃO DA CEDEAO

**ECOWAS  
COMMISSION**



**COMMISSION DE LA  
CEDEAO**

<b>Title:</b>	Exports Promotion & Enterprise Competitiveness for Trade (ExPECT) Initiative
<b>REGION:</b>	West Africa
<b>COUNTRY:</b>	Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia Mali, Niger, Nigeria, Senegal, Togo
<b>TYPE:</b>	Programme
<b>AUTHOR:</b>	ECOWAS Commission, Abuja - NIGERIA
<b>Contact details:</b>	<a href="mailto:aidfortrade@ecowas.int">aidfortrade@ecowas.int</a>

### **EXECUTIVE SUMMARY**

The EXPECT (*Exports Promotion & Enterprise Competitiveness for Trade*) initiative was launched in 2010 to provide a framework and coordinated implementation support mechanism to consolidate and sustain the impact of PACT II on ECOWAS strategic orientation competences, and operational capacity for the implementation of Trade promotion and development programmes. Ultimately, the initiative aims to develop and promote high export potential value chains. Its objective is to engage donors, finance institution, private sector actors and public institutions to: (i) reinforce the competitiveness of value chains of lead products with high export potential for the region identified through PACT II (these include mango, cashew, and palm oil), and (ii) empower SMEs operating in those value chains with the appropriate capacities and skills to perform on regional and global markets.

EXPECT does this by elaborating regional value chain strategies for exports, developing appropriate enterprise skills and knowledge, and establishing sustainable competence-based networks and public-private partnership platforms for the empowerment of value chain actors. In 2010, EXPECT developed its framework, created a roadmap and developed implementation tools that are likely to contribute to the achievement of programme objectives of reinforcing the competitiveness of value chains of lead products with high export potential for the region, and empower SMEs operating in those value chains. EXPECT will be scaled up in 2011 to deliver increasingly tangible results. These include the implementation by ECOWAS of clusters to engineer SME competitiveness in EXPECT-selected value chains,

Some key lessons of the process include the realization that it is important to reflect in the governance structure REC ownership together with country level commitment to implementation. Further, it is important to take time to assess soft infrastructure needs, mainly consisting in skills, technology, information and knowledge development, constituting the gap between enterprise level national constraints and policy/strategy regional concerns. This provides a clear and shared understanding of potential benefits & responsibilities. EXPECT will be scaled up in 2011 to deliver increasingly tangible results and impacts.

## **1. Issues Addressed**

Regional integration can have a key role in the generation and equitable sharing of sustainable added value by federating resources, reducing costs and optimizing solutions. In the case of EXPECT, the Canadian International Development Agency (CIDA) provided funding to support the initiative through ITC Programme for Building African Capacity for Trade (PACT II) is directly contributing at achieving MDG 1 by increasing resources to local communities involved in export value chains and MDG 8 by improving regional partnerships among trade actors and experts for strategy orientation and technical support. Facilitating Private Sector contribution to trade development under the Aid for Trade agenda, falls into the mandate of ECOWAS Private sector directorate of empowering business and trade actors within a common market to:

- develop competitiveness of the private sector (especially SMEs), to help these perform efficiently on regional and global markets;
- promote exports with high impact on producer's communities livelihoods; and
- build the soft infrastructure and resource platforms for trade facilitation (finance, competences, partnerships, information and analysis, services, etc.) needed to take full advantage of Aid for Trade opportunities.

A key aspect of this has been PACT II, a partnership between the ECOWAS Commission and ITC (International Trade Centre). PACT II contributes to this by strengthening and networking trade support institutions and developing appropriate trade support services for SME competitiveness, and building sustainable and effective public-private partnership platforms for the ECOWAS Commission to play a lead role in engaging stakeholders on trade development and promotion policies and strategies. The EXPECT Initiative has been conceived to ensure the region's ownership and the sustainability of impact of PACT II.

Within this context, the EXPECT (*Exports Promotion & Enterprise Competitiveness for Trade*) Initiative was launched in 2010 to provide a framework and coordinated implementation support mechanism to consolidate and sustain the impact of PACTII on ECOWAS's strategy and vision. **Specifically, the initiative aims to develop and promote high export potential value chains.**

## **2. Objectives Pursued**

The Initiative aims at creating and strengthening the technical, managerial and institutional structure and capacities needed to **carry forward the region's Trade Development & Promotion agenda in support of ECOWAS growth and regional integration objectives.** Its objective is to engage donors, finance institution, private sector actors and public institutions to:

- reinforce the competitiveness of value chains of lead products with high export potential for the region identified through PACT II: Mango, Cashew, Palm oil
- empower SMEs operating in those value chains with the appropriate capacities and skills to perform on regional and global markets.

## **3. Design and Implementation**

Conceived on a market/demand oriented approach and participatory assessment of challenges and opportunities, EXPECT is implemented on a result based rationale focusing

the allocation of resources and partnerships mobilized through PACT II, to the achievement of tangible deliverables for ECOWAS trade actors and institutions.

EXPECT focuses its intervention into building essential pillars into three main areas:

- **Building a platform for coordination and discussion among public and private Export Actors of West Africa (EAP)**, in a view of advising the ECOWAS Commission for the implementation of strategies favourable to their competitiveness on regional and global markets;
- Equipping the region with an **organized and competent offer of trade support expertise to support and monitor SMEs and local institutions' competitive trade development**, through the creation and strengthening of a Trade and Enterprise Experts Network (ECOWAS/TEN); and
- **Promoting non-oil value chains of the region identified as showing a high potential for regional integration and socio-economic development**, through consolidated regional export strategies and direct support to the development of export oriented productive capacities of SMEs operating in those value chains. Three priority value chains identified in preliminary phases of conception of EXPECT Initiative are Mango, Cashew and Palm oil.

This implies elaborating regional value chains strategies for exports, developing appropriate enterprise skills and knowledge, and establishing sustainable competence-based networks and public-private partnership platforms for the empowerment of value chain actors.

#### **4. Challenges**

Some of the main challenges encountered from the inception of the process and during the first year of EXPECT include the following:

- Ensuring effective coordination and synergies between programmes and activities sponsored by different donors;
- Mobilization and buy in from actors from private sector;
- Developing trust and common understanding of public and private sectors on potential benefits of export value chain development;
- Ensuring the existence of appropriate tools, mechanisms & competences to translate policy & strategy concerns into bankable/ profitable business opportunities;
- Ensuring the availability of reliable trade-related regionally consolidated data, specialized services & expertise.

#### **5. Factors for Success/Failure**

The key factors influencing the success of the programme include the following:

- Ensuring the mobilization of committed private sector actors (champions) from the inception of the process (during the value chain analysis stage);
- Ensuring country level follow up of regional strategies;
- Concretizing on low hanging fruits to build success cases that show how the long term process works for short-term needs of private sector;
- Developing flexible partnership platforms adaptable to challenges and opportunities arising in the process, and capitalizing on ongoing programmes and activities;
- Clear leadership by the ECOWAS Commission for process facilitation and road-mapping, but implementation, monitoring & evaluation responsibility of actors.

## **6. Results Achieved**

The main output in 2010 was the formulation by the ECOWAS Commission and increasing buy in by local actors of a region based strategy for export value chain development, as a result of awareness created by an Aid for Trade programme PACT II. EXPECT developed its own framework, created a roadmap and developed implementation tools that are likely to contribute to the achievement of programme objectives of reinforcing the competitiveness of value chains of lead products with high export potential for the region, and empower SMEs operating in those value chains. A process involving actors from the region and empowering local competences was started, with the ECOWAS Commission in the role of catalyst and enabler. The process is maintained with financial support and monitored to ensure that results are effectively achieved within the timeframe indicated.

The key outputs include the following:

- ECOWAS Region's experts selected 3 high export potential value chains (Mango, Cashew, palm oil), and 2 (shea nut, sesame) using ITC Market analysis tools;
- ECOWAS-TEN was created, registered, structured, networked through 14 country focal points and officially mandated by ECOWAS Commission and ITC for implementation monitoring and technical support to EXPECT;
- ECOWAS Commission and ITC/PACT II made financial commitments of around \$ 3 Millions for ExPECT implementation support for 2011-2013;
- EXPECT concept note by ITC & ECOWAS Commission translated in a logframe and 2011 result based workplan prepared by ECOWAS-TEN, identifying main results for ExPECT delivery and monitoring,
- ECOWAS-TEN conducted a participative Mango value chain analysis involving private value chain actors and public support institutions from the region to orient a regional mango value chain strategy

EXPECT will be scaled up in 2011 to deliver increasingly tangible results. These include the following:

- ECOWAS-TEN implementing clusters to engineer SME competitiveness in ExPECT selected value chains,
- Mango regional V.C. strategy to be validated at country level and translated into projects directly involving selected V.C. actors, and process to be replicated for a second priority value chain,
- Public/Private Export Actors Platform empowered to oversee preparation of Export Actors Forum with support of ECOWAS-TEN,
- 1st ECOWAS Export Actors Forum to hold, discuss priority thematic for export value chains development & competitiveness and orient EXPECT priorities,
- ECOWAS-TEN improving its coordination capacity, analysis tools & expertise, support infrastructure to implement an ExPECT resource center to service private sector actors and institutional client.

## **7. Lessons Learned**

Key lessons learned include the following:

- It is important to the success of a regional programme involving the private sector to build REC leadership with country level commitment to implementation. This should be carefully reflected in process governance structure;
- It is important to take time to assess soft infrastructure needs constituting the gap between enterprise level national constraints and policy/strategy regional concerns. This provides a clear and shared understanding of potential benefits & responsibilities.
- It is critical for Aid for Trade programmes supported by donors to ensure from the inception, a proper shift of ownership of results and responsibilities to regional institutions and actors, highlighting their role and contribution to what is perceived as successes in the making.

## **8. Conclusion**

There are several ways in which the experiences from the first year of EXPECT are applicable to other programmes focused on building productive capacities for trade. These include:

- Making sure that sustainable markets, revenue and benefits are well identified and accessible to translate capacity building into tangible outputs for stakeholders. Perception of potential success and life change experience are the best possible arguments to mobilize actors in the productive sector.
- Designating a clear leader institution that sets directions but empowering other partners with appropriate advisory and discussion skills, as well as channels to participate fully in daily implementation. Participatory approaches have to facilitate decision making without diluting responsibilities of respective partners both at strategic and operational levels.
- Establishing opened and flexible-planning frameworks adapting to changing environments faced by beneficiaries and stakeholders. The capacity to evolve with the stakeholders needs while preserving the principles of result based methodological approach is a guarantee of relevance of programmes to actual challenges faced by beneficiaries and stakeholders.