

ITC's contribution to the implementation of the Vienna Programme of Action for LLDCs across Africa and Asia

(2020-2021)

The International Trade Centre (ITC) is supporting the implementation of the Vienna Programme of Action through a number of interventions aiming at **(i) increasing MSME competitiveness, (ii) developing national / regional value chains, (iii) addressing non tariff barriers to facilitate trade transactions, and (iv) empowering small holder farmers operating in the informal sector to access more lucrative market opportunities.**

In this context, ITC has supported landlocked developing countries (LLDCs) in Africa and Asia reviewing its traditional approach to address the pandemic situation and deliver customized solutions with business support organizations and national / regional consultants (through hybrid workshops, field farming schools, learning by doing) that address the needs of landlocked countries severely affected by the COVID-19 crisis due to the closing of some borders which has affected their local / national economies.

In 2020, ITC supported the Government of Afghanistan to increase the transparency of cross-border requirements by establishing a trade facilitation portal (compliant with article 1.2 of the WTO Trade Facilitation Agreement (TFA)). This portal will help businesses comply with import / export and transit formalities and provide the foundation for simplifying cross-border requirements.

1. Increasing MSME competitiveness:

In Burkina Faso:

Increasing the competitiveness of MSMEs can spur resilience in the face of the pandemic and will help these firms thrive in tomorrow's global marketplace. To do so, it is critical to understand the strengths and weaknesses of these companies, as well as of the business environment in which they operate. To set this process in motion ITC partnered with the Chamber of Commerce and Industry of Burkina Faso (CCI-BF) and the Ministry of Industry, Trade and Handicrafts to perform a diagnostic on the competitiveness of SMEs in the country.

Under this collaboration, 492 businesses across Burkina Faso participated in the ITC SME Competitiveness Survey between December 2019 and April 2020. In addition, CCI-BF interviewed 1,201 enterprises in March and April 2020 about their experience with COVID-19. A joint report examines data from these two surveys, identifying the strengths and weaknesses of firms and the business ecosystem, and how they relate to competitiveness and resilience. This will help in the design of policies and programmes to create a more competitive and resilient MSME sector that can propel the country's economy.

The report will be launched before the end of 2021 by ITC jointly with the Ministry of Trade and the Chamber of Commerce and Industry of Burkina Faso.

2. Promoting transparency in the business environment and addressing non-tariff barriers to facilitate trade transactions:

2.1. Transparency and trade facilitation related interventions:

In Burkina Faso, Mali and Niger:

In 2020, ITC supported Mali, Niger and Burkina Faso to improve their trading environment and support MSMEs to connect to regional and international markets. Harnessing the opportunities created by the WTO Trade Facilitation Agreement, ITC – in close coordination with local government and in consultation with the business community – implemented a series of cross-border reforms in these 3 LLDCs.

In Niger, ITC supported the customs administration in introducing and operationalizing an advance ruling mechanism to increase the transparency and predictability of duties and taxes to be paid by traders. It also supported the establishment of a trade information desk at the Dan Issa border (Niger-Nigeria) that will provide advisory services to small-scale cross-border traders on customs formalities.

In Mali and Burkina Faso, ITC supported the Governments in establishing online trade facilitation portals (compliant with article 1.2 of the WTO TFA) that provide step-by-step guides to import, export and transit formalities. These portals contribute to MSMEs' understanding and compliance with cross-border requirements and, ultimately, to their international competitiveness. Finally, in Burkina Faso, ITC supported border regulatory agencies to introduce procedural simplification of their export formalities, translating into a 10% reduction in clearance time.

2.2. Addressing non-tariff barriers:

In Niger:

Understanding which requirements exporters and importers experience as particular problems in their daily operations is essential to assess the underlying reasons and identify ways to address the trade obstacles these measures imply without harming legitimate objectives they may serve. There is considerable scope for reducing trade cost caused by regulations and private standards, especially by tackling procedural inefficiencies and lack of transparency. This is especially important in the LLDCs where 12% more traders than in other countries face obstacles to export, particularly linked to technical requirements. In the debate on the trade impact of regulations and private standards, MSMEs, including women-

owned businesses, need to be given a stronger voice so that policy makers can take evidence-based decisions and prioritize action where they have the greatest impact.

To achieve this, ITC documents evidence on MSME experiences with regulatory and procedural trade obstacles, consult with stakeholders to implement concrete actions of change and provide tools to improve data-driven business.

For example, in Niger, 580 businesses have reported their experience with obstacles faced during their operations, and around 70 concrete actions have been taken by relevant policy makers to tackle those invisible barriers to trade. This strong country ownership laid the foundation for the rapid transformation of a number of concrete actions into funded projects. For example, the National Agency for Metrology, Standardization and Certification (ANMC) will for the first time take a more active role in accompanying individual companies in their certification process, through active coaching instead of only passively providing information. In addition, a network of experts on NTMs and market access has been formed to improve evidence-based decisions of SMEs and to sensitize on non-tariff measures and their importance in international trade, relevant information sources and tools to deal with such measures. In Niger as in the other ECOWAS countries, ITC developed a web-based platform that allows trade operators to report obstacles they face when exporting or importing, and of an institutional network contributing to addressing these obstacles.

3. Supporting the development of national / regional value chains:

In Tajikistan and Kyrgyzstan:

In Tajikistan and Kyrgyzstan, ITC works to improve the international competitiveness of the textile and clothing sector under the Global Textiles and Clothing Programme - GTEX (2018 - 2021) funded by the Swiss Government.

The projects support exporting and export-ready SMEs to increase their competitiveness, diversify markets and increase exports. Thanks to direct support from the project, beneficiary companies signed new contracts and reported improvements in productivity, marketing and sales.

The projects also assist local sector specific trade and investment support institutions (TISIs) in strengthening their capacities through training and engagement. Their service offerings in the fields of marketing, organization of trade fairs, and quality management have improved considerably.

The project in Tajikistan supported development of the Textile and Clothing Industry Development Strategy (2016–2025) as well as the Strategic Plan of Action (IPoA) with a detailed matrix containing a comprehensive set of activities to operationalize the strategy.

The capacities of local project partner TISIs have been strengthened and increased, leading to the independent delivery of some services to the beneficiary companies. With the projects'

support, Garment Training Centers (GTC) in both countries have started offering fee-based courses on design and sewing for university students and other interested people.

In addition, in Tajikistan, the project contributed to creating a conducive trade environment for the textile and clothing sector through establishment and operationalization of the National Trade Facilitation Committee, referred to as the Tajikistan Coordination Committee on Trade Facilitation (CCTF), establishment and operationalization of the CCTF Permanent Technical Secretariat (PTS) as well as the Tajikistan Trade Facilitation Portal (TTP).

In Central Asia, Ready4Trade project:

In Central Asia, ITC is implementing a four-year EU-funded project “Ready4Trade Central Asia”. The project is supporting the development of intra-regional and international trade in five Central Asian countries by enhancing the transparency of cross-border requirements, removing regulatory and procedural barriers, strengthening business capability to comply with trade formalities and standards, as well as by improving cross-border e-commerce. ITC implements the project in close collaboration with national partners.

The project was launched in January 2020 with a six-month inception phase aimed to validate or adjust the implementation phase to ensure the project’s relevance. Despite the fact that the project has been in the implementation phase for less than a year and the challenges associated with the COVID-19 pandemic, the project has already succeeded in achieving some tangible results. In particular, the project established standard trade facilitation platforms in four beneficiary countries and started populating them. In Tajikistan, the project helped the Government to introduce an Authorized Economic Operator scheme, which is an important trade facilitation mechanism. The project also assisted the Tajik Government in preparing a commentary to the Customs Code that has already been endorsed by the Customs administration.

In Nepal:

In 2020, ITC launched a project to support the development of coffee and pashmina sectors in Nepal as well as general trade policy and facilitation support to the Nepalese Government. The project provides technical assistance for producers of the selected value chains as well as to enhance capacities of relevant public institutions. Through these activities, the project will support the country’s sustainable and inclusive economic growth and poverty reduction, and more specifically increase trade and strengthen connections with regional and global value-chains.

4. Empowering micro entrepreneurs and small holder farmers operating in the informal sector to access more lucrative market opportunities:

In the Central African Republic (CAR):

In the Central African Republic, the “Programme d’appui à la promotion de l’entrepreneuriat en milieu urbain et rural” (PAPEUR) was developed with support from the EU Békou Trust Fund for the Central African Republic.

Officially launched on 29 November 2020, the programme aims to contribute to socio-economic revitalization of the country by boosting the productive capacity of rural agriculture cooperative communities. The programme is still in the inception phase as the implementation was momentarily suspended thorough December 2020 and January 2021 due to political instabilities related to the general elections.

In Mali:

In 2021, ITC’s Ethical Fashion Initiative (EFI) in Mali is focusing on connecting vulnerable migrants and displaced persons engaging in the cotton/textile face masks supply chain to national and regional markets.

The worldwide spread and multiple waves of COVID-19 meant that MSMEs, business support organizations, governments, donors, regulators and finance service providers had to adapt rapidly to protect lives, livelihoods and the economy, supporting citizens and workers, especially those working in the informal sector and fragile, violent and conflict contexts.

In LLDCs like Mali, the uncertainty and negative economic impact of lockdowns prompted workers and their families and communities in the cotton and textile value chain to redirect their production capacity toward healthcare and sanitary materials and products.

Against this backdrop, EFI in Mali continues supporting the production of organic cotton face masks. Vulnerable migrants and internally displaced artisans contributed to weaving the fabrics for 100,000 face masks.

Out of these, 50,000 masks were distributed to artisans and their communities. The rest were then donated to the Ministry of Culture, Crafts and Tourism, the Ministry of Women and Social Affairs, the European Union and private sector partners which then distributed them amongst the vulnerable population. This was achieved in synergy with the Delegation of European Union in Mali and the Federation Nationale des Artisans du Mali (FNAM) and the Chambre des Metiers de la Region de Ségou (CMRS).

As a result of ITC’s support in Mali, 150 artisans have been connected to the cotton face mask value chain, creating the first brand of face masks conforming with the WHO standards. The brand is in great demand amongst public and private companies. Their products allowed the companies to create customized products in organic cotton, which are more wearable and acceptable for people reluctant to wear masks. Out of the 150 artisans, 80 are vulnerable migrants and internally displaced persons, involved in ginning, spinning and

weaving to help produce fabrics for the masks. In addition, 60 young tailors and 10 screen printers, who are economic migrants, have been connected to markets by the project. 50% of those engaged in the entire value chain were women.

The above-mentioned brand, supported by a sustainable production line, is creating jobs and increasing the monthly revenue amongst artisans. The micro entrepreneur artisans working along this value chain earned a higher revenue than the national minimum wage of 60 USD per month. 30 weavers earned 100 USD per month, 60 young tailors earned 150 USD per month and 10 screen printers earned 150 USD per month.

In Burkina Faso:

Under ITC Ethical Fashion Initiative (EFI) funded by the European Union Emergency Trust Fund (EUTF), Burkina Faso benefited from technical assistance aiming at connecting designers, artisans and their communities with the international cotton/ textile industry. The overall objective is to fight poverty, domicile populations and reduce irregular migration especially to Europe.

To achieve this objective, EFI has created a social enterprise called the Commerce and Crafts for Social Welfare (CABES) which is an economic interest group made up of artisans working along the cotton value chain from ginning to the transformation of fabrics into finished products. Through CABES, EFI provides technical, material and marketing support to nearly 2,000 artisans, mostly women. This support allows them to meet the standards of high fashion and to be suppliers of major brands such as Loewe from the LVMH group, United Arrows in Japan and the global textile distributor Ratti.

Concerned about the environment protection and reduction of the carbon footprint, EFI plans to open a dyeing plant which will essentially use organic cotton produced in Burkina Faso and the Global Organic Textile Standard-certified reactive dyes. This factory, which is a first in the sub-region, will also be an eco-responsible dyed yarn supplier to artisans in Burkina Faso and its surrounding countries.

In addition to the EFI project, ITC is also implementing a project “Strengthening Productive Capabilities and Value Chain Alliances” funded by the ACP-EU Programme. It is a regional programme implemented in Burkina Faso and Benin. Its objective is to create and strengthen jobs in the cotton value chain. Through this intervention, ITC intends to improve the competitiveness of rural communities operating in the value chain of artisanal cotton processing by improving their production capacities through training and capacity building. 650 beneficiaries based in northern, eastern and western Burkina Faso are identified and supported through the formalization of villages cooperatives (21 groups), training in management of cooperatives, training in ginning and spinning with Indian spinning wheels (400 women), training on small looms (200 women), and training on large looms (50 women). A network of village cooperatives is also created in order to allow artisans to work together and strengthen their capacities as suppliers for local and international markets through CABES.

Thanks to the partnership with National Union of Burkina Faso's Cotton Producers (UNPCB), 30 cotton farmers will receive material, technical and commercial support which will allow them to be producers and suppliers of organic cotton.

In Benin:

EFI's intervention in Benin under the project "Strengthening Productive Capabilities and Value Chain Alliances" (financed by the ACP-EU Programme) aims to create and strengthen jobs in the cotton value chain. Through this intervention, EFI intends to improve the competitiveness of rural communities operating in the value chain of artisanal cotton processing by improving their production capacities through training and capacity building. For 150 beneficiaries based in four localities (Tanguieta, Natitingou, Parakou and Djougou) in northern Benin, EFI will provide training in cotton ginning and spinning on Indian spinning wheels to 100 women and training on weaving on small looms to 50 other women. A network of village cooperative will be created, and their leaders will be trained in management.

These village cooperatives will be also provided with the initial equipment, supplies and raw materials necessary to start their activities so that they can effectively produce and sell goods in local and international markets. Artisans will also receive the support required to develop new products. EFI has signed the official agreement with the town halls of Djougou, Parakou, and discussions are in progress with the town halls of Tanguieta and Natitingou.

In the W-Arly-Pendjari complex (Niger, Benin and Burkina Faso)

Niger is one of the three countries in which a large regional project called "Nature Conservation and Biodiversity Preservation in West Africa" will be implemented. In this project, ITC is focusing on the creation of alternative income-generating activities for the communities living around the W-Arly-Pendjari transboundary complex located in western Niger, northern Benin, and eastern Burkina Faso. A total of 1,132 beneficiaries across the three countries will be involved.

Thanks to the creation of village cooperatives and technical support to family farmers, the project intends to strengthen human capital in the vulnerable area, by relying on the connections established over the past few years by EFI in the region and inspired by the experience of similar programs in Burkina Faso and more recently in Benin. The basis of the action is to develop a cotton value chain in the regions concerned and ensure market opportunities for these quality products.

The project mainly targets rural women and vulnerable artisans living around the complex. In Niger, five localities (Kollo, Say, Bir Ni-N'Gaoure, Dosso, Dioundou) located in the Tillabéri and Dosso regions are concerned. To achieve its objective which is to help reduce the pressure exerted by the populations on the outskirts of the W-Arly-Penjari environmental complex, some alternative income-generating activities in the artisanal textile sector will be implemented with a focus on the cotton value chain. It is planned to support cotton producers for their conversion to organic cotton production, give trainings in spinning, dyeing and

weaving on small and large looms. A large commercial network linking Niger, Benin, Burkina Faso, Cote d'Ivoire and Ghana is planned in order to allow wide sub-regional and global coverage of textile products resulting from this ambitious project.