



Trade Policy and Trade Promotion Fund

Transparent trade processes in the ECOWAS region

Project name	Transparent trade processes in the ECOWAS region
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Countries	Nigeria, Mali, Benin
Duration	2 years (2015 to 2017)

The challenge

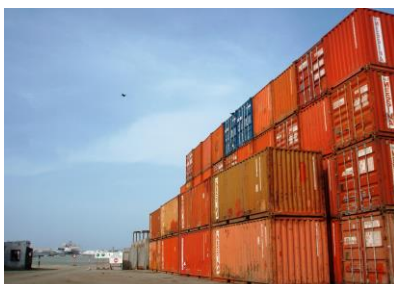
The long-term objective of the Economic Community of West African States (ECOWAS) is to ensure sustainable economic development. However, according to international surveys ECOWAS lacks an efficient trade and business environment. The majority of ECOWAS countries are in the bottom quarter of the World Bank's 2015 Doing Business ranking. They only provide 0.7 per cent of the total export value of all World Trade Organization (WTO) member states. Cross-border trade is declining due to expensive and time-consuming procedures for businesses. Moreover, complex export, import and transit processes increase transaction costs and the private sector has insufficient access to information. Public-private dialogues leave little room for discussion on how to improve trade processes. The fundamental problem is that overall trade processes are not very transparent in ECOWAS. Potential consequences of this are that consumer prices increase and export goods become less competitive. As a result, government revenues are also likely to fall.

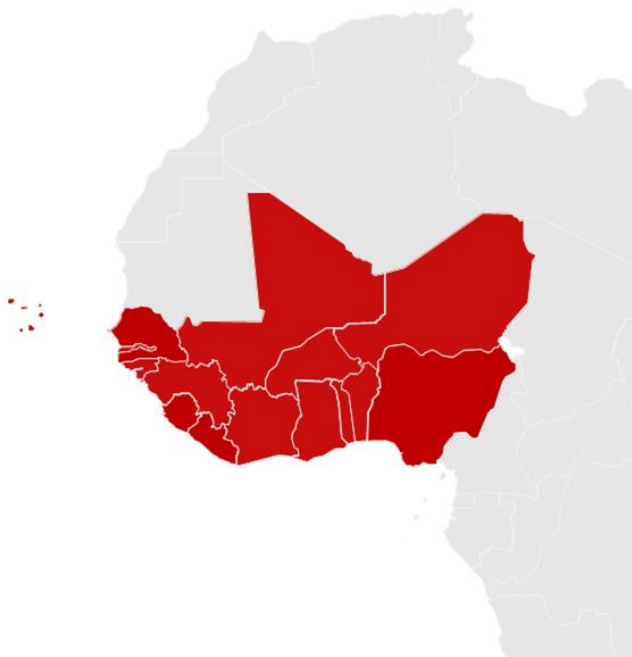
Our approaches

To address the current situation, the objective of the Fund project is to develop transparent trade processes in Nigeria, Mali and Benin. The project is being implemented in close cooperation with the United Nations Conference on Trade and Development (UNCTAD).

UNCTAD has designed an e-governance portal that describes the different steps businesses need to take to receive governmental approval and services. However, the existing system does not include the steps and documents required for trade-related procedures. Using UNCTAD's existing e-governance portal as a starting point, online trade portals are being developed in three ECOWAS countries with the aim of transparently describing trade processes and providing the relevant information to the private sector. The steps required to carry out commercial transactions are accurately defined and analysed in cooperation with local partners. Local staff are being trained to convey trade-related information according to UNCTAD's defined standards. In addition, the online portal offers an opportunity for businesses to report any difficulties they have encountered and to suggest any ideas for improvement. Based on the results of the online portal and the mechanism for businesses to provide feedback, recommendations for simplifying procedures will be developed in cooperation with the National Trade Facilitation Committees in each of the countries. Implementation of the portal in three ECOWAS countries enables regional benchmarking and mutual learning on how to further simplify processes. There is a strong emphasis in the project on defining responsibilities so that the portal can be operated sustainably.

The new online trade portal is being publicised in a gender-sensitive way, thereby ensuring that female entrepreneurs can also participate in the project.





Results and impacts

The Fund's project is helping the participating countries to ratify the WTO Trade Facilitation Agreement. Article 1.2 of the Agreement stipulates that all member states must provide trade-related information online. With the introduction of an e-governance trade portal, Nigeria, Mali and Benin now comply with this stipulation. The trade portal offers businesses rapid access to information and saves them time and effort. Particular attention is being given to the ideas suggested on the portal by the private sector for simplifying export, import and transit procedures. Moreover, frequent consultation with state actors is encouraging the private sector to actively participate in commercial decision-making.

Simplified access to information and lean processes are expected to result in reduced transaction and transport costs. Lower trade costs and an improved business environment overall will lead to greater export competitiveness.

A sustainable operating mechanism will ensure that the trade portal is regularly updated in the three participating countries even once the Fund-financed project has been completed.

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