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Action Document for West Africa Competitiveness Programme

INFORMATION FOR POTENTIAL GRANT APPLICANTS WORK PROGRAMME FOR GRANTS
This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012), applicable to the EDF in accordance with Article 37 of the Regulation (EU) 2015/323 in the following sections concerning grants awarded directly without a call for proposals: 5.4.1.1, 5.4.1.2, 5.4.1.3 and 5.4.1.4.

1. Title/basic act/ CRIS number	West Africa Competitiveness Programme CRIS numbers: - Regional (ECOWAS): ROC/FED/040-812 - Benin: BJ/FED/041-089 - Burkina Faso: BF/FED/040-866 - The Gambia: GM/FED/040-888 - Guinea Bissau: GW/FED/040-660 - Guinee Conakry: GN/FED/040-806 - Liberia: LR/FED/40-922 - Mali: ML/FED/040-916 - Mauritania: MR/FED/040-887 Financed under the 11th European Development Fund
2. Zone benefiting from the action/location	West Africa The action shall be carried out in the following ECOWAS (Economic Community of West African States) members states: Benin, Burkina Faso, Gambia, Guinea Bissau, Guinee Conakry, Liberia, Mali and Mauritania
3. Programming document	Regional Indicative Programme (RIP) for West Africa 2014 – 2020

<table>
<tr><td>4. Sector of concentration/ thematic area</td><td colspan="4">Regional Economic Integration</td><td>DEV. Aid: YES[1]</td></tr>
<tr><td>5. Amounts concerned</td><td colspan="5">Total estimated cost: EUR 49 425 000
Total amount of EDF contribution EUR 48 000 000
This action is co-financed in joint co-financing by United Nations Industrial Development Organization (UNIDO) for an amount of EUR 170 000.
This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1 255 000.</td></tr>
<tr><td>6. Aid modality(ies) and implementation modality(ies)</td><td colspan="5">Direct management - grants: direct award in the Gambia, Guinea Bissau, Liberia and Mauritania
Direct management – services in Liberia
Direct management – services and supplies - ECOWAS
Indirect management with GIZ and ENABEL in Benin
Indirect management with UNIDO in The Gambia, Guinee Bissau and Guinee Conakry
Indirect management with the World Bank in Mali
Indirect management with partner countries in Burkina Faso and Mali</td></tr>
<tr><td>7 a) DAC code(s)</td><td colspan="5">32130 SME Development
25010 Business Support Services and Institutions</td></tr>
<tr><td>b) Main Delivery Channel</td><td colspan="5">50000 OTHER</td></tr>
<tr><td rowspan="9">8. Markers (from CRIS DAC form)</td><td>General policy objective</td><td>Not targeted</td><td>Significant objective</td><td colspan="2">Main objective</td></tr>
<tr><td>Participation development/good governance</td><td>☐</td><td>☒</td><td colspan="2">☐</td></tr>
<tr><td>Aid to environment</td><td>☒</td><td>☐</td><td colspan="2">☐</td></tr>
<tr><td>Gender equality (including Women In Development)</td><td>☐</td><td>☒</td><td colspan="2">☐</td></tr>
<tr><td>Trade Development</td><td>☐</td><td>☐</td><td colspan="2">☒</td></tr>
<tr><td>Reproductive, Maternal, New born and child health</td><td>☒</td><td>☐</td><td colspan="2">☐</td></tr>
<tr><td>RIO Convention markers</td><td>Not targeted</td><td>Significant objective</td><td colspan="2">Main objective</td></tr>
<tr><td>Biological diversity</td><td>☒</td><td>☐</td><td colspan="2">☐</td></tr>
</table>

[1] Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐
9. Global Public Goods and Challenges (GPGC) thematic flagships	Private sector development; Employment and decent work			
10. Sustainable Development Goals (SDGs)	Main SDG: SDG 9 Secondary SDG: SDGs 8 and 12			

SUMMARY

As emphasised in the European Commission Communication "A stronger role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries[2]", the competitiveness of the local private sector and a favourable business climate are essential to promote sustainable and inclusive growth, create decent jobs and fight against poverty. The West African region should in particular focus on (a) developing stronger integration of local value chains at regional and global levels, (b) creating a more conducive business climate, particularly the institutional, legal and policy frameworks, and (c) increasing intra-regional trade and export of diversified manufactured products, including intermediate goods. Various sectors and value chains are considered a strategic priority for the West African region to increase growth and intra-regional trade in goods and services. The countries covered by the second phase of the programme put an emphasis on the following value chains, in line with priorities identified at regional and national levels: (i) fruits, vegetables and cereals (pineapple, mangoes & other fruits, onion, cassava, soya, arabic gum, shea butter) (ii) cotton derivatives (cotton oil), (iii) leather hides & skins; (iv) honey & derivatives (v) fisheries and poultry (vi) solar energy, (vii) animal feeds and (viii) information technology. The programme aims to support these value chains at national and regional level to promote structural transformation and better access to regional and international markets, while taking into account social and environmental concerns. Based on these priorities, the action aims to "strengthen the competitiveness of West African countries and enhance their integration into the regional and international trading system". To reach this overarching objective, the programme will work towards the following specific objectives: "improve the performance, growth and contribution to industry, regional trade and exports of selected value chains" and "improve the business climate at national and regional levels".

The outputs associated with each specific objective are:
- Output 1.1 Country level: Competitiveness at firms' level is improved, especially through the clusters' approach.
- Output 1.2. Country level: Intermediate organisations of the selected value chains are strengthened and service delivery to micro, small and medium enterprises (MSMEs) is improved and expanded (quality, norms/standards, new green solutions, market access, etc.)

[2] COM(2014) 263 final of 13.5.2014

- Output 1.3. Regional level: Better regional linkages among selected value chain actors are promoted and key regional intermediary organisations are supported.
- Output 1.4. Regional level: The quality of regional infrastructure is strengthened, with a view to promote environmental issues.
- Output 2.1. Country level: Regional policies in favour of industrial competitiveness are implemented in the country and help enable a business-friendly environment.
- Output 2.2. Regional level: Regional policy and framework to improve industrial competitiveness are harmonised, formulated and monitored.
- Output 2.3. Regional level: The capacity of the ECOWAS (Economic Community of West African States) Commission, the UEMOA (West African Economic and Monetary Union) Commission and their Member States to successfully manage, coordinate and monitor the programme is strengthened"
- Output 2.4. Regional level: The regional competitiveness observatory is set up and operational as a tool for information, documentation, observation, monitoring, and analysis of changes in the competitive position of West Africa, and proposals for necessary adjustments have been made.

This action, for a total EU contribution of EUR 48 000 000, represents the second phase of the West Africa Competitiveness Programme. The first phase was implemented with a subsidiarity approach through nine different components covering ECOWAS, Cape Verde, Cote d'Ivoire, Ghana, Niger, Nigeria, Senegal, Sierra Leone and Togo. Like the first phase, the second phase of the programme includes ECOWAS and the remaining West African countries: Benin, Burkina Faso, The Gambia, Guinee Bissau, Guinee Conakry, Liberia, Mali and Mauritania.

The programme is considered instrumental in creating the foundations and promoting the access of West African countries to the External Investment Plan (EIP). The EIP aims at increasing decent jobs and sustainable growth in African partner countries, including through the development of value chains.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The region's economic performance is primarily driven by resource intensive activities, namely the oil and gas and minerals industries, with limited progress recorded in other sectors, especially in manufacturing. West Africa's globally poor economic performance is largely attributable to a lack of competitiveness that has prevented the region from progressing towards a dynamic competitive market, capable of generating new, higher value added products, services and creating new jobs. International competitiveness surveys[3] rank West African countries at the bottom of the lists, with only a few countries able to improve their positioning over time, while studies and data from enterprise surveys show a significant and persistent gap in productivity, with micro, small and medium enterprises MSME's being particularly disadvantaged. Inefficient allocation of human and financial resources due to markets distortions and failures also based

[3] See World Business forum competitiveness Index, and the World Bank Doing Business Index

upon gender and ethnical discrimination, result in horizontal and vertical gender/ethnic segregation of capital and labour markets.

Intra-regional trade and especially intra-industry trade remain weak and are based on a range of products with low added value (in particular agro-industrial products). The competitiveness of West Africa's private sector and trade remains crucial for a stronger integration of the countries into the regional and world market. Indeed, the improvement of competitiveness has been at the core of all regional policies[4], including in the Economic Partnership Agreements (EPAs), which can offer an opportunity for the West African countries to enhance their integration into the global economy. The main challenges identified include the lack of integrated local value-chains; lack of integration of local value chains into regional and global value chains; absence of a conducive business environment; lack of an enabling environment to unleash all human talents and to create equal opportunities; weak industrial diversification focused on export products with high value addition in local processing and manufacturing, lack of access to finance and related services, lack of affordable technology, lack of training on export measures and standards. While ECOWAS and governments in the region play a crucial role in providing the framework for investments, the private sector is the engine of growth and the large majority of enterprises are still operating in low value added activities with limited export opportunities. Development in the region is also hampered by the low diversification and productivity of economies combined with relatively high production costs and the overall poor state of infrastructure. Yet, there is large unexploited aspect of economic growth linked to regional integration in West Africa with substantial potential impact on poverty and inequality reduction which could be tapped by identifying and promoting the competitiveness of selected value chains with high job generation potential. Mainstreaming gender equality in private sector development in the region including a focus on women in business is essential to the realisation of national, regional and global economic development goals and targets.

1.1.1 Public Policy Assessment and EU Policy Framework

West Africa has strategic frameworks and programmes in place to strengthen both economic integration and the insertion of the region into the world economy. These include the Community Development Programme (CDP) set up to implement ECOWAS's 2020 vision, the UEMOA 2011-2020 Strategic Plan and the various national strategic development documents. The current West Africa context in relation to its vision of industrialisation, in line with the African Union Agenda 2063, is characterised, among other things, by: (i) the revision of ECOWAS industrialisation strategy - West Africa Common Industrial Policy (WACIP) and the decision made to prioritise certain sectors; and (ii) the various trade liberalisation initiatives including the ECOWAS Common External Tariff (CET), the World Trade Organisation (WTO) Trade Facilitation Agreement and the Economic Partnership Agreement (EPA). Challenges to the full implementation of these policies include the full operationalisation of ECOWAS' trade liberalisation scheme, an essential step towards the completion of a common market by 2020, and the harmonisation of macroeconomic policies through multilateral surveillance and harmonising indirect taxation. Through WACIP, the region plans to achieve the following specific goals by

4 In particular, the Community Development Programme (CDP), the UEMOA 2011-2020 Strategic Plan, the ECOWAS industrialisation strategy (WACIP), and the West Africa- EU Economic Partnership Agreement (EPA)

2030 which are to increase: (i) the local raw material processing rate from the current average of 15-20 % to 30 %; (ii) the manufacturing industry's contribution to the regional Gross Domestic Product (GDP) from the present average of 6-7 % to an average over 20 %; (iii) intra-Community trade in West Africa from less than 12 % to 40 % by 2030, with a 50 % share of the region's trade in manufactured goods, particularly in the area of energy and (iv) the volume of exports of goods manufactured in West Africa to the global market, from the current 0.1 % to 1 %. For its implementation, the revised WACIP strategy has identified cross-cutting actions and priority sectors. Such actions include: strengthening and harmonizing national and regional cooperation policies; promoting market access opportunities; and supporting industrial competitiveness and mobilizing resources. As part of the new regional industrial strategy, ECOWAS has decided to prioritise the agro-food and agribusiness sectors, the pharmaceutical industry, automotive and mechanical engineering and construction. The WA region's industrial development priorities are consistent with EU development policies. In particular, the new European Consensus on Development is promoting (among others) "an economic transformation that creates decent jobs, increases productive capacity, generates sufficient revenues for public services and social protection, and fosters sustainable value chains and diversification, including sustainable industrialisation. This includes promoting sustainable consumption and production patterns in a circular economy including the promotion of non-toxic material cycles, resource efficiency, and the transformation to low-emission and climate-resilient pathways". Relevant EU policies are also the Agenda for Change[5] – the blueprint for a higher-impact, more results-oriented EU development policy; the Commission Communication of 2008 on "*Regional integration for development in ACP countries*[6]" and the Joint communication of a renewed impetus of the Africa-EU partnership[7]. The Commission communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries" (COM(2014)263 final) emphasises the importance of *creating a business environment conducive to private sector initiative, finance advisory services and state-of-the-art diagnostic tools for policy formulation to help governments and business intermediary organisations improve domestic business regulations and their enforcement to increase legal certainty, improve the business climate and reduce the cost of doing business*. The Gender Equality and Women's Empowerment: transforming the Lives of Girls and Women through EU External Relations 2016-2025 and Council conclusions 26-10-2015[8] are relevant to ensure inclusiveness and efficient resource allocation by combating gender and ethnic discrimination in the labour and financial markets. The project will contribute to create an enabling environment for equal opportunities and for unleashing all talents without discrimination, particularly by implementing the Objective 14 on "*Access to decent work for women of all ages*", and objective 15 "*Equal access by women to financial services, productive resources including land, trade and entrepreneurship*", of the Gender Equality and Women's Empowerment: transforming the Lives of Girls and Women through EU External Relations 2016-2020.

5 COM(2011)637 final

6 COM(2008)604 final

7 JOIN(2017)17 final

8 SWD(2015)182 final

The role of digital technologies and services in EU development policy was first recognised in a Commission Communication in 2001, which mentioned their relevance as enablers of socio-economic progress. In 2011, the Agenda for Change stated that EU development policy should also support the use of digital technologies to promote a "green economy" that can generate growth, create jobs and help reduce poverty. The Commission staff working document "Digital4Development: mainstreaming digital technologies and services into EU development policy" of May 2017 further identified ITC as an enabler of growth, entrepreneurial development and job creation. The document stressed the role of innovation in the pursuit of local solutions to local problems.

The region has also been at the forefront of the financing of blending initiatives through the African Investment Facility and expects to be involved in the External Investment Plan, including a more structured dialogue with the private sector through the Sustainable Business for Africa (SB4A) platform. Finally, the value chains and priorities of the programme are included as part of the Jobs and Growth Compacts which have been developed by each country.

1.1.2 Stakeholder analysis

The main stakeholders for the implementation of this action are the ECOWAS and UEMOA Commissions, the governments of the eight countries of the second phase and the private sectors of the region. More specifically, the **main targets** are West African member states, governments and national agencies; professional associations as well as quality infrastructure institutions and business and trade support organisations, research centres and training institutions; MSME clusters involved in the selected value chains and/or sectors of intervention. Specific stakeholders' analysis has been done at country level during the formulation of the programme and will be used to design contractual agreements.

1.1.3 Priority areas for support/problem analysis

The development of a well organised and competitive value chain is a crucial driver of the regional industrialisation strategy in view of its potential for expanding production possibilities and enhancing cross-border utilisation of the natural and human resources. This approach has to ensure the linkages between national, regional and global levels. Thus, **moving upwards and strengthening regional value chains (RVCs) and taking positions in critical segments of global value chains (GVCs) constitute one of the major drivers of industrialisation in ECOWAS**. In depth analysis and stakeholder consultations took place at ECOWAS and country levels (8 second phase countries) and led to the selection of priority value chains and type of interventions with the **potential to deepen regional and global participation**. These value chains provide opportunities for (i) **economic growth** via their potential to increase regional **trade and/or export, jobs creation, inward investments**, generation of value added, market-based improvements in production yields, reliable responses to market requirements, access to loans and other forms of finance (ii) **social impact** through working conditions, inclusiveness, female participation and youth engagement, (iii) **environmental challenges** related to sustainable production modes and climate change mitigation.

While strongly working on the regional dimension, specific areas of support have been identified at country level:

The **ECOWAS/UEMOA**: The first phase of the programme has covered the interventions related to promoting regional linkages between private sector operators and organisations of the selected value chains, optimising the quality infrastructure for those value chains as well as improving the regional business environment. The second phase of the programme will focus on the establishment of an Observatory for the Competitiveness. In Part III of the West Africa – EU Economic Partnership Agreement (EPA[9]), "Cooperation for implementation of development and achievement of the objectives of the Agreement", the parties agreed in Article 61 to establish a Competitiveness Observatory that would be part of the monitoring and evaluation system for the implementation of the Agreement. The EPA is currently not in effect but the ECOWAS commission and the EU have strongly expressed the need for the establishment of such an observatory beyond the EPA requirement. The regional Competitiveness Observatory will provide credible and reliable information on a wide set of indicators in West Africa Member States in order to better inform the decision making process for the public and private sector. Difficulties in collecting reliable data on West Africa being a challenge, the expected benefits of this project are significant. Moreover, it is necessary to create an institutionalised system which continuously assesses the competitiveness of the West African economy and provides a vital knowledge and data reference for the West African governments, ECOWAS and UEMOA Commissions, and business institutions to help plan and realise the vision of a competitive and prosperous regional economy. A study financed under the 10th EDF RIP in 2016 identified and defined suitable indicators that would allow both parties to fulfil their obligations in terms of the monitoring and evaluation of the EPA and, more broadly, the competitiveness of the West African economies. These indicators will be used as reference and further completed.

This action aims at supporting the setting up and the operationalisation of the competitiveness observatory. The proposed actions intend to strengthen the institutional capacity of ECOWAS and UEMOA Commissions, of the member states' governments and private sector stakeholders in the generation and use of competitiveness intelligence for evidence-based strategy setting and review. In particular, the action aims at creating rigorous analytical capacity that will be crucial for the elaboration of analytical reports, policy papers, monitoring and evaluation (M&E) systems and market studies for trade, investment and industry. The expected impact should be reflected in more coordinated and effective trade, investment and industrial policy measures and strategies, which should contribute to the competitiveness, sustained growth, increased investments and ultimately to an enhanced contribution of the manufacturing sector to overall GDP within West Africa.

Benin has an economy that relies heavily on informal re-export and transit trade with Nigeria, which makes up roughly 20 % of GDP, and on agricultural production. The tertiary sector as a whole accounts for 50 % of GDP, while agriculture accounts for approximately 25 % of GDP

[9] The originality and challenge of the EPA are to be found in its nature as a process and a development model to be implemented in partnership between the EU and West Africa, leading – in the terms used by the Cotonou Agreement – to a progressive and harmonious integration of ACP countries into the world economy. In other words, it calls for an adaptation of EU-ACP trade relations to WTO rules, as well as to international competition. To achieve this, the EPA aims to deploy an integrated approach to trade and development, which, in addition to tariff issues, will look at all subjects related to trade and development so as to facilitate and shape the integration of economies in a context of international competition. This requires a gradual but necessary restructuring of economies which are currently operating within a global dynamic characterised by preference erosion.

and between 45 % and 55 % of the country's employment. According to World Bank, industrial production growth will accelerate to 7.2 % in 2017, from 4.2 % in 2016, as the sector will benefit from cotton ginning activities, as well as the dynamism in the construction sub-sector linked to the implementation of the government investment plan.

In the context of Benin, there are several projects benefiting the main agricultural products (i.e. cotton, rice, pineapple, cashew, shea, maize), poultry and fishing, etc. The **soya** value chain and the **IT sector** have so far not received significant developmental assistance from the EU, nor from other donors. These have been selected for support under the present action for several reasons. The intervention strategy will be one that goes from the identification of market opportunities before structuring what could be offered taking into account the needs of buyers and consumers. This approach should help in better positioning the selected products and services within the targeted national and regional markets.

In **Burkina Faso**, a low-income, landlocked country, with an economy concentrated in a handful of export-oriented sectors, principally in agriculture and mining, making it particularly vulnerable to external shocks, about 90 % of the population is engaged in subsistence farming. Cotton is the main cash crop, but Gold is the first export product. The National Economic and Social Development Plan (PNDES 2016 - 2020) represents, at a global and sectorial level, the national priorities. With a focus on private sector development, it is part of a dynamic structural transformation of the economy. Most of the value chain related development assistance to the country focus on increasing food security, and aim to increase production of high-potential agricultural zones, enhance access to markets, and increase investment in land and rural productivity.

From the analysis undertaken and consultations with stakeholders it emerged that the following clusters: (i) **oil processing** and **cotton by-products** (ii) **honey** and its by-products, and (iii) **solar energy** present relevant opportunities to foster industrial value addition and for the integration of Burkina Faso in the regional and global value-chains. These clusters have the potential for improving the competitiveness of MSMEs and the creation of jobs and the growth of sales and exportations of services (including for modes 1 and 4). The selection of these three value-chains were validated and endorsed by stakeholders in view of their potential in terms of enterprise level competitiveness in line with the new national strategies and policies.

The strategy of the project for Burkina Faso is to intervene in a coherent approach at the micro, meso, and macro levels on the main institutional constraints to the improvement of the competitiveness of the MSMEs in the targeted areas of intervention in order to improve their integration at the regional and international levels. The action will support interventions at critical levels of the value chains targeted to improve their competitiveness in the regional markets. Beside the enterprises and their intermediary organisations the project will lend support to the improvement of the legislative and regulatory frameworks that are relevant for the improvement of competitiveness.

The action will build on on-going relevant projects and institutions involved in providing access to financial resources to facilitate the acquisition of the equipment and facilities needed including storages. Regarding the cotton oil value chain, the programme will provide support for a structural change and a technological leap allowing the value chain to be competitive within the regional and international markets. Concerning the apiculture sector, the programme will help change the scale of operations, passing from the current quasi artisanal processing and trading system, to a real semi industrial activity creating long lasting jobs, as well as encouraging the development of real companies and cooperatives which are competitive and profitable within the honey and derivative value chains. With regards to the solar energy, the strategy consists on relying on the national competitive advantages and achievements in the sector to activate a virtuous dynamic around a solar energy cluster that could grow in the regional context.

As regards the funding of critical equipment and investment directly linked to the value chains in question (e.g. storage facilities, manufacturing plant, etc.), the support to access to funding for individual and collaborative projects is a crucial dimension of the programme. Financial and credit institutions, guarantee funds, private equity funds, development financial institutions and commercial banks, etc. will be strong partners for this activity.

In **the Gambia**, the agriculture sector remains one of the main drivers of the economy (30 %) but food and nutrition insecurity is high (24.5 % of the population in 2016, 29.7 % expected in 2017) and the country remains heavily reliant on food imports. The Gambia's real GDP growth is projected to accelerate over the medium-term, driven primarily by agriculture and the services sector. The projected increase in the agricultural sector would be spurred by investments in irrigation schemes and the development of value chains projects, which include horticulture as part of the new development strategy and plan. A National Horticulture Sector Master Plan (NHSMP) 2015-2035 has been formulated in response to the growing demand and market opportunities available in the national, regional and international markets. This sub-sector, which includes **onion**, has been identified as one of the priorities in the Agriculture and Natural Resource Policy, the National Export Strategy, the Gambia National Agricultural Investment Plan (GNAIP), the Ministry of Agriculture Strategic Plan.

The key challenges facing the economy include: the lack of integrated local value-chains; lack of integration of local value chains into regional and global value chains; the absence of a conducive business environment; low productivity and diversification of the production, the low wages - low productivity vicious circle, a high level of unemployment leading to irregular migration and an inadequate quality infrastructure (in particular in the energy sector) and quality culture. Despite the aforementioned challenges, there is large unexploited potential for economic growth linked to regional integration with substantial potential impact on poverty and inequality reduction, which could be taped by identifying and promoting the competitiveness of selected value chains with high job generation potential.

The action proposes interventions for development and enhanced competitiveness **of the onion value chain** in view of the potential for job creation, in particular for women. In addition, onion is seen as a value chain that has significant potential for reduction in post-harvest losses, growth in productivity and production, transformation/value addition and income generation. The choice of onion also provides **opportunities for regional value chain linkages in particular with Senegal**. The action will engage selected smallholders and MSMEs involved in the targeted value chain with a view to strengthening their management and capacity to reach higher levels of processing through the promotion and acquisition of new technology and innovation; market linkages at local, national and eventually at regional levels as the producers and processors are progressively able to meet the requirements of buyers and markets. Relevant business support institutions will be strengthened and resourced to support the onion value chain with benefits expected to be accrued to other horticulture products wherever possible.

In **Guinea Bissau**, the reliance on cashew nuts for economic livelihood exposes two-third of the population to terms of trade shocks. Further diversification, either through moving up the value chain, addressing agricultural technology and market support systems, or capitalizing on other green shoots in the agriculture sector are seen as key to bolstering the resilience of the economy to shocks. Guinea Bissau component of this competitiveness is fully in line with this national orientation.

The overall strategy proposed for the project is to concentrate available resources on a single value chain considered by the Government as a priority. The consultation process led to interventions for development and enhanced competitiveness of **mango value chains**. However, activities for beneficiaries will also include other fruits and short-cycle crops. It is also proposed to approach in a holistic way the problems existing throughout the different links of the chain, respecting the principle that no chain is stronger than its weakest link.

Given the current lack of industrial transformation of mango and other fruits in the country, the proposed intervention logic is based on the principle of focusing **project activities on pragmatic actions to strengthen chain farmers' capacities and providing field assistance to them, to rapidly increase the production and the quality of fruits and to relaunch the export of fresh and processed fruits in the short term**.

Regarding the industrial transformation of mango, the project will act mainly through: (1) studying and proposing to the Government and stakeholders alternative solutions to solve the identified problems in a sustainable way; (2) supporting stakeholders in finding suitable partners and funding for investments; and (3) exploiting opportunities for complementarity and synergy with other interventions of the EU, the Government, the ECOWAS and other donors.

In summary, the proposed approach aims to quickly respond to the main problems identified in the current context of the country and, at the same time, to lay solid foundations for the change of this context in the long term.

Guinee Conakry is slowly emerging from the twin shocks that adversely affected its economy in 2014 and 2015, Ebola and low commodity prices. GDP grew at 5.2 % in 2016, driven by increased production of bauxite and gold as well as a resilient agriculture sector. Services and manufacturing continue to stagnate in the aftermath of Ebola. GDP growth is projected at 4.4 % for 2017. The Government of Guinea has a new unique development plan for the period 2016-2020 which call for economic diversification, through moving up the value chain. The overall strategy proposed for the project is to concentrate available resources on a single value chain considered by the Government as a priority. The consultation process led to the identification and formulation of interventions aimed at the development and enhanced competitiveness of **Pineapple value chain**. However, activities for beneficiaries will also include other fruits and short-cycle crops. It is also proposed to approach in a holistic way the problems existing throughout the different links of the chain.

Two of the proposed activities are considered strategic due to their role in structuring and "anchoring" the value chain and must deserve a special attention: (i) The creation of the "Pineapple Competences' Centre", which will foster the involvement of the main project stakeholders and the actors in complementary fields (vocational education and training, research and innovation, standardisation, product quality and assistance to MSMEs, etc.) in a joint initiative covering all the relevant matters to improve pineapple production in Guinea, (ii) The strategic investments' plan upstream and downstream of production, which must guide the development of the whole chain and increase its competitiveness through long-term structuring solutions.

In **Liberia**, the economy has stagnated over the past three years, representing an average annual growth rate of 0 % over the period 2014–2016 as the country is struggling to recover from the twin shocks of the Ebola Virus Disease and a sharp decline in commodity prices.

Cassava[10] and Fisheries[11]value chains have been selected. They are included in the priority sectors of the Liberia Agricultural Transformation Agenda (LATA) to support diversification and transformation and they are also part of the National Export Strategy. Improving these value chains could have a strong impact on job creation and increase the revenues of the actors including women who play a key role in these sectors. Also, national and sub-regional markets exist for these products and their development will improve food security, which remains an issue in Liberia and in West Africa in general. Productivity improvements, quality and processing in these sectors and the transition from subsistence farming/ fisheries to production for the market are key policy targets. This Programme will reinforce the EU forthcoming EULAP project. Both projects will complement each other and linkages will be developed.

In **Mali**, ranked 176th out of 188 countries on the 2015 United Nations Human Development Index, the structure of GDP has remained relatively stable since 1990, with the primary (agriculture, gold) and tertiary sectors (trade, transport, and public administration) each contributing 35-40 % to GDP, with the secondary sector making up the balance. Mali's industrial sector is limited (4 % of GDP) and consists largely of privately owned small enterprises and a few large enterprises (cotton milling, electricity, and mining). Most value chain related development assistance to the country focuses on increasing food security, and aims to increase production of high-potential agricultural zones, enhance access to markets, and increase investment in land and rural productivity.

Given the priorities set by the industrial strategy, and taking into account the lessons learnt from different ongoing operations, and in line with current World Bank "*Projet d'Appui à la Compétitivité Agro-Industrielle (PACAM)*" the focus of the programme will be on four value chains, namely: mangoes and other fruits, horticulture, animal feeds, and shea butter. These represent pertinent opportunities to accelerate the creation of value addition. These value chains receive from technical partners (among which the EU) support oriented towards food and nutrition safety and rural development which contribute to strengthening the sectors, and facilitating the steady growth in production of the raw materials needed for industrial processing.

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10 Cassava is the second most important food crop after rice in Liberia . It is grown throughout the country by over 60 % of the farming households and besides the tubers, the leaves are harvested as a vegetable. The number of farmers involved in cassava production is estimated at 352,708. Though no current trade in cassava-based ethanol, starch or industrial chips/pellets were encountered, the use of cassava for industrial purpose for domestic, regional and overseas market present good diversified market opportunities for Liberia.

11 Only 9,500 tons of marine fish is currently produced per year. Yet Liberia consumes 23,800 tons, leaving a large potential to increase its production. The potential annual marine catch is between 23,500 and 57,000 tons. The potential inland freshwater fishery catch is estimated to be roughly 40,000 tons . The Government is investing in fish landing, storage and processing infrastructure and is streamlining investment regulations in the sector. Fish processing is energy-intensive. But with the impending completion of large energy infrastructure projects, it is hoped that it will soon become cheaper to process fish in Liberia than in Nigeria, Senegal or Cote D'Ivoire. In addition, with the completion of major road projects, such as the road from Monrovia to Nimba on the Guinean border, there is the potential to supply fish to the water-scarce areas of West Africa, such as eastern Guinea

The economic and financial analysis of the final report on the project on Competitiveness and agricultural diversification (*projet de compétitivité et de diversification agricole* (PCDA) revealed that **mango production and food staple**, are respectively the second and third most lucrative sectors in Mali and funded by the project. In addition, **shea butter** has strong potential for agro-industrial processing for which the World Bank Group is currently conducting a study of the industry. Based on lessons learned from the PCDA and World Bank projects, these four sectors are considered as major sources of potential for the agro sector in the coming decades, through (a) productivity improvement, (b) reduction of post-harvest losses, (c) increased processing of agricultural products, and (d) better access to higher value-added markets for fresh and processed products.

<u>In **Mauritania**,</u> the economy is dominated by extractive industries (mainly iron mining, but also gold, copper and a bit of petroleum; and a potential for gypsum, phosphate and particularly gas, recently discovered), fisheries and livestock farming. The iron mining and fisheries sectors are considered the backbone of Mauritanian economy since they represent around 75 % of the domestic income, though they only contribute to 3 % of the national employment. Mauritania has the most endowed waters in fish resources in the world but there is very little local processing. It has been decided to select three priority key sectors due to their potential for the development in the national market and exports, for their potential in terms of job creation, as well as for their role in gender equality and social inclusion: **poultry industry, hides and leather and gum arabic**. The strategy of the project is to act in a consistent way at several levels:

- The sustainable management, environmental, gender and social inclusion issues which are at the heart of this project;
- At the level of inter-professional organisations and local structures, dialogue will be facilitated among the different stakeholders in order to raise awareness about the overall value chain, to make their interactions more efficient and pertinent, and to limit the hindrances to the development of the value chains;
- The inputs can be diversified and improved in order to allow a manufacturing upgrade in terms of quality and/or quality/price (in the case of aviculture/hides) and avoid additional imports or deterioration of the trade balance;
- The manufacturing/processing procedures will be improved, fostering sustainable management and taking into account environmental and sanitary issues;
- The whole of the capacity-building training will be via "train the trainers" with clear and targeted objectives in order to increase the number of beneficiaries and to boost the impact of the project and its durability;
- Skills in accountancy and business plans will be developed with the aim to facilitate investments;
- Creation and development of viable enterprises will be supported in the different value chains, in close consultation with la « caisse des dépôts et de développement », banks and micro finance institutions ;
- For each value chain, the aim is to develop holding funds, mutual guarantee companies or village-based savings and credit association to which the beneficiaries of the project could contribute, in order to be able to continue funding the equipment, expertise, once the project is over, as well as to allow the sustainability of the running activities;

- Income (including for women) and national, sub-regional and international sales would grow thanks to the enhancement of the competitiveness of the selected value chains.

Based on the identified problems and needs, the Programme will not only tackle business environment issues, but will also address the main weaknesses in selected value chains at the regional and national levels. The Programme **will facilitate the movement of West Africa participation up the value chains where the highest value is derived**. This will be accomplished by working with and supporting industry players and investors to diversify into higher value-addition activities within local processing and manufacturing. This needs to be supported by the application of well-harmonised industrial policies that contribute to inclusive growth at both regional and national levels. The project is also aligned with the approach promoted by the EIP and the priority windows for investments that have been selected. The project will support, whenever possible, a structured dialogue along the selected value chains and facilitate dialogue among Delegations in West Africa on the implementation of the EIP.

2 RISKS AND ASSUMPTIONS

Risks	**Risk level (H/M/L)**[12]	**Mitigating measures**
Political instability in the region.	M	The RIP provides in its priority area 1: mechanism to tackle peace, security and regional stability issues. Also, the flexibility and adaptability is built into the project, so as to take into account political and social fluctuations.
Disruptive international economic environment or political crises.	M	European support for strengthening regional integration are mitigating factors of these risks
The principles of "subsidiarity" may not be well understood by stakeholders.	M	Benefits of these principles to regional integration will be quantified, monitored and communicated to stakeholders regularly
Ownership, capacity and commitment to objectives and outputs by project owners and stakeholders is variable.	M	All stakeholders have participated in the design of the programme. Sensitisation on ownership, commitment and leadership as well as capacity building in view of expected outputs are imbedded in the programme.
Weak coordination with similar activities at national and regional levels and thereby a potential for overlap and duplication of efforts.	M	The programme has been built in mechanisms to ensure that overlap and duplication is minimised, and that effective communication with all

[12] H = High, M = Medium, L = Low

		stakeholders is maintained. A yearly Steering committee will gather all involved stakeholders.
Weak coordination/cooperation between ECOWAS and UEMOA.	L	The programme will be on the agenda of the regular Steering and Technical Committees (STCs). ECOWAS and UEMOA are active members of the STCs.
Weak absorption capacity both at regional and national levels.	M	Capacity building, communication and awareness raising activities are foreseen in the project.
Persistence of inefficient allocation of human and financial resources due to unequal access to markets based on gender and ethnic grounds.	H	The Programme will foster the inclusion of the gender and ethnic perspective in the design, implementation and monitoring of the interventions. This will be accompanied by the dialogue that Delegations will have with partner countries around the GAP II and some key policies such as the WEE-principles.
Risk of competition among countries regarding the value chains. Many countries have /promote the same value chains.	L	Linkages and mutualisation of effort are encouraged.
Assumptions		
Political stability remains at a sufficient level not to adversely affect the implementation of the programme. The countries remain committed to economic policy, industrialisation and trade policy reform, to improve economic governance, economic management, and to improve competitiveness. Adequate staff with the right skills and competences is assigned to management and implementation of the programme. The willingness of all stakeholders to participate in the programme is maintained high all along the life of the programme.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The 9th and 10th EDF Trade and Private Sector Development related to projects undertaken in the various countries of the region, and the ongoing 10th EDF "West African Private Sector Competitiveness Programme" and "West Africa Regional Economic Integration and Trade Programme", as well as other donors' projects in support of value chains and/or private sector, provide relevant lessons learned for future actions.

These include:

1. The need for strong links between regional and national levels and the importance of coordination units at both regional and national levels.

2. The need for a strategic, comprehensive approach which should respond to the challenges in a coherent way. Critical elements are support to policy, regulatory and institutional environment to promote the value chain's growth activities, targeted capacity development, creating a conducive environment for the provision of support services for small and marginalised producers (including women) as well as facilitating access to finance and technology and promoting regional linkages between small and larger firms. Imports and exports consortium, as well as clustering, are to be encouraged and specific upgrading activities should be tailored to small enterprises' needs.

3. The needs of capacity development to be demand driven and with high degree of ownership. The main stakeholders who are in charge of the implementation of the macro-economic and trade reform policies, including Government ministries, departments and agencies, intermediary organisations and business sector associations, have to be in the driver's seat for the capacity development. A balanced approach of technical advisory support, institutional and regulatory reform and material support is essential to realise a sustainable impact.

4. The need to ensure that support given to women and youth associations has depth for sustainable impact. There is need to ensure that support given to women association is comparable to other special interest associations and to ensure the activities have depth.

Also, one of the main lessons learnt from previous interventions was the lack of coordination of similar interventions implemented at national level and with ECOWAS. The structure of this programme tackles this issue by linking specific activities at national levels into a coordinated regional framework, which ensures exchange of best practices from multiple sectors. The governance of the programme is also designed in a way to bring together all actors and ensure regular dialogue and coordination.

3.2 Complementarity, synergy and donor coordination

Complementarity with the other programmes of the regional 10th and 11th EDF will be ensured. The EU is currently providing, under the 10th EDF RIPs (ongoing "West African Private Sector Competitiveness Programme" and "West Africa Regional Economic Integration and Trade Programme"), support to competitiveness and trade related issues. Furthermore the 11th EDF RIP supports the wider development of the Region and thus indirectly the selected value chains, notably in the area of (i) regional economic integration; (ii) transport (iii) energy (iv) trade facilitation, (v) protection of the environment; (vi) food/agriculture, and (vii) which should contribute, through a virtuous circle to creating a more conducive trade and investment climate and improve private sector competitiveness.

At national level, various trade and private sector development related programmes under the 10th EDF have either just been completed or will be soon finalised. The development partners' (e.g. World Bank, African Development Bank (AfDB), agence française de développement (AFD), UK Department for International Development (DFID), DANIDA, United States Agency for International Development (USAID), Food and Agriculture Organisation (FAO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United Nations Industrial Development Organisation (UNIDO), International Trade Centre (ITC)), EU Members states (e.g. France, UK, Germany) and Switzerland and non-governmental organisations (NGOs), have projects ongoing in the region, mainly to support agricultural value chains. In most countries these interventions which improve production, transformation and commercialisation focus mainly on food security and rural farmers' income and very little on industrialisation. In addition global alliances on cashew, rice and shea are based in the region. With interventions at micro, meso and macro levels, and also targeting sectors other than agro-industry, complementarity will be sought with these different partners. Complementarity of key importance will furthermore be sought by taking into account on-going EU initiatives at a more global level. Particularly the Intra-ACP programmes to "Support to business friendly and inclusive national and regional policies and strengthen productive capacities and value chains", and to "Promoting scalable and sustainable solutions to enhance Financial Inclusion in ACP Countries". Also with the EU External Investment Plan aiming at supporting investments in Africa and the EU Neighbourhood countries as a means to contribute to the achievement of sustainable development goals, while tackling the root causes of irregular migration and forced displacement.

At both regional and in most of the country levels, donor coordination on Trade and Private Sector Development involves EU Delegations and synergies are constantly sought, especially with other stakeholders in the field. At ECOWAS level, the EU Delegation is the co-chair of the Economic and Trade Working Group.

3.3 Cross-cutting issues

Gender issues will be mainstreamed in line with the Commission Staff Working Document Gender Equality and Women's Empowerment: transforming the Lives of Girls and Women through EU External Relations 2016-2020 and particular contributions will be provided to the objectives 14 (decent work) and 15 (access to financial and productive resources). Activities shall be undertaken to encourage equal participation and engagement of women and men. Effort shall be made to ensure that firms level support and capacity building activities ensure women participation, by applying the WEE principles.

Principles of good governance, including corporate governance and social and environmental corporate responsibility shall also be central in the process of capacitating stakeholders. There shall also be transparency in financial decisions, provision of technical support and agreement based on Results Based Management Principles.

Sustainability is built into the choice of value chains, the stakeholders supported and the sequence of rolling out activities. The call for proposals scheme, wherever it has been foreseen will be a good signal for ownership.

Social: Strengthening Business Support Organisation will emphasise social and environmentally responsible consumers/buyers/supply chains, promote employment creation and facilitate the transfer of labour to other promising sectors. Furthermore, trade promotion will contribute to ensuring that the trade agenda is positively impacting on employment.

Environmental protection: greening of economies and industries may help in facing several of the challenges faced by West Africa countries in terms of equity (including gender aspects) and environmental sustainability. There is a clear need to promote green jobs in the agricultural and agro-food sectors, where the effort to advance decent work and pro-poor sustainable development is critical. Opportunities include the promotion of smart agriculture techniques, the use of sustainable and renewable energies in the manufacturing and conservation phases, the reduction of wastes or their reuse, together with improvement of working conditions, especially for women. Particularly, activities targeting increased productivity and competitiveness and capacity building for MSMEs will consider how resource efficiency, green jobs, and eco entrepreneurship can be secured as well as how to improve sustainable productivity processes and reduce waste and environmental impact. Furthermore, enterprises are expected to benefit from technology transfer on green and resource-efficient technology and renewable energy solutions.

Youth and people with disabilities: The initiative in the framework of this programme will also seek to target assistance to increase the proportion of youth-led enterprises and people with disabilities in private sector activities, including in economic groupings.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/outputs

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG targets 8 ("Promote inclusive and sustainable economic growth, employment and decent work for all")[13], SDG 9 ("Build resilient infrastructure, promote sustainable industrialisation and foster innovation")[14]. Moreover, the programme contributes to SDG 12 "Ensure sustainable consumption and production patterns" by supporting companies and Centres of Excellent to moving towards more sustainable patterns of production and consumption and to SDG 5 "Achieve gender equality and empower all women and girls".

The **overall objective** of the programme is to "Strengthen the competitiveness of West Africa and enhance the countries' integration into the regional and international trading system".

The **specific objectives** are:

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13 And in particular 8.2 "Achieve higher level of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour intensive sectors" and 8.3 "promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalisation and growth of micro, small and medium-sized enterprises including through access to financial services".

14 And in particular towards: 9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries; 9.3 increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets; and 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

1) To improve the performance, growth and contribution to industry, regional trade and exports of selected value chains and
2) To improve the climate for business at national and regional levels.

The Outputs associated with each Specific Objective are:

Output 1.1 Country level: Competitiveness at firms' level is improved, especially through the clusters' approach.

Each country will focus on the selected sectors with the aim to upgrade the value chains, improve the quality of the products and their export and integration in the regional and global value chains.

This output will be tailor-made to the specific sectors and needs of each country. The following is a combination and summary of outputs proposed.

In each of the countries, MSMEs and clusters have increased their capacities and are upgraded in the production and marketing process and supported to ensure sustainability. Also, according to the countries, focus will be put on defining appropriate strategies to promote marketing and/or export, improving general coordination with national strategies and reinforcement of national institutions, improving quality and standards, reinforce cooperatives, enhancing product design/development, marketing and sale, organising export consortium in the selected value chain, improving market access conditions to facilitate the creation of jobs, and in the perspective of green and inclusive growth.

Output 1.2. Country level: Intermediate organisations of the selected value chains are strengthened and service delivery to micro, small and medium enterprises (MSMEs) is improved and expanded (quality, norms/standards, new green solutions, market access, etc.)

The output will be tailor-made to cover the specific needs and clusters at country level. Depending on the country the focus will be put on:

- strengthening capacities of public administrations and intermediary organisations supporting MSMEs of the selected clusters, both per cluster and in general, so that they can ensure the necessary accompaniment, particularly in what refers to quality and access to national, regional and international markets;

- empowering competitiveness support organisations to better serve the needs of selected sectors and value chains; or

- strengthening the conditions for access to equipment, technologies and/or resources by SME/MSMEs, cooperatives and other stakeholders; or

- enhancing capacities of trade and investment support institutions to support smallholder farmers and exporting MSMEs.

Under this output, the programme will aim at improving the capacities of national quality systems, in particular the certification; the support and alignment of services provided by the intermediary organisations (including business support organisations and professional associations) to their members; the level of implementation of national export strategies; and/or the operational and coordination capacities of Ministries of Trade and Industries.

Also, the programme will support establishing networks, distribution/logistics, branding and market access, reinforcing operational capacities of institutions involved in export trade and policy dialogue between Governments and intermediary organisations.

Output 1.3. Regional level: Better regional linkages among selected value chain actors are promoted and key regional intermediary organisations are supported.

Output 1.4. Regional level: The quality of regional infrastructure is strengthened, with a view to promote environmental issues.

Output 2.1. Country level: Regional policies in favour of industrial competitiveness are implemented in the country and help enable a business-friendly environment.

This output will focus on improving business environment, the institutional and legal frameworks and policies in the selected countries, in line with regional policies, programmes and directives.

The specific focus will vary from country to country but the following interventions will be promoted: access to finance, public-private partnerships, consistency of government actions with regional directives, mainstreaming of rules and regulations, support to selected institutions, acquisition of equipment and services when needed, support to targeted companies and facilitate the creation of consortia.

Output 2.2. Regional level: Regional policy and framework to improve industrial competitiveness are harmonised, formulated and monitored.

Output 2.3. Regional level: The capacity of the ECOWAS (Economic Community of West African States) Commission, the UEMOA (West African Economic and Monetary Union) Commission and their Member States to successfully manage, coordinate and monitor the programme is strengthened

Output 2.4. Regional level: The regional competitiveness observatory is set up and operational as a tool for information, documentation, observation, monitoring, and analysis of changes in the competitive position of West Africa, and proposals for necessary adjustments have been made.

This output aims at supporting the setting-up and the operationalisation of the competitiveness observatory. It will allow measurement of the key variable multidimensional aspects of the West African Competitiveness and provide analytical reports and monitor the implementation of the EPA once it will become operational.

4.2 Main activities

The type of activities selected involves a combination of long and short term technical assistance, training, coaching, equipment, studies etc. For each country, specific activities have been identified which will be incorporated in the contractual agreements. The following list provides a consolidated overview of activities per output.

Output 1.1. Country level: Competitiveness at firms' level is improved, especially through the clusters' approach.

The consolidated list of activities is as follows:

- provision of support for upgrade and marketing of selected sectors and clusters in accordance to a business to consumer approach and setting up mechanisms for permanent

linkages between MSMEs and markets: this may include diagnosis, processes analysis, coaching, research/advice, training, technical assistance, new management tools, services and equipment, support to systems, logistics, packaging, labelling, human resources;
- delivery of training programmes (on quality, innovation, marketing, maintenance of equipment and laboratories);
- development and implementation of marketing and export strategies;
- support technical and managerial arrangements of targeted clusters and institutions in line with national programmes and policies;
- development of consortia (for example production, marketing and export consortia) and support mutualisation between beneficiaries, in some countries support to establishment of cooperative societies and their operationalisation as well as umbrella organisations;
- establishment of trading posts when needed and support to their functioning;
- promote innovative business ideas with the aim to develop viable business models for the targeted clusters;
- support the dissemination of new practices (including new models of contract farming for instance), inputs, technologies also through information, communication and technology (ICT);
- linking financial institutions to clusters and support efficient use of government credits and guarantee schemes;
- support the selected sectors to comply with regional and international standards;
- developing mapping exercises in the selected sectors and market information systems and surveys;
- strengthening linkages between companies and training institutions; organisation or fairs;
- support the development of business incubators.

Output 1.2. Country level: Intermediate organisations of the selected value chains are strengthened and service delivery to micro, small and medium enterprises (MSMEs) is improved and expanded (quality, norms/standards, new green solutions, market access, etc.)

The consolidated list of activities is as follows:

- development and implementation of plans to improve the national quality system and infrastructure (including standardisation, accreditation, certification) required by the targeted clusters;
- development and implementation of plans to improve national mechanisms for foreign trade;
- support the development of intermediary organisations, cluster organisations and inter-branch hubs (also to allow mutualised use of processing and packaging material);
- improve and expand service delivery of the business support organisations also through call for proposals and grant matching schemes;
- design of information systems including trade advisors' networks, technological intelligence and market analysis systems, trade information portals, online platforms;
- deploying the use of ICT tools;
- organisation of events, exhibitions, fairs and supporting participation of companies in regional and international networks and fora for structured dialogue with the private sector;
- support development and implementation of policies and strategies as well as coordination and oversight capacities of programme partners; and/or

- procurement and installation of laboratory equipment and metrology.

Activities under the:

Output 1.3. Regional level: Better regional linkages among selected value chain actors are promoted and key regional intermediary organisations are supported.

Output 1.4. Regional level: The quality of regional infrastructure is strengthened, with a view to promote environmental issues, are included under the programme first phase: Regional (ECOWAS): ROC/FED/039-059.

Output 2.1. Country level: Regional policies in favour of industrial competitiveness are implemented in the country and help enable a business-friendly environment.

The consolidated list of activities is:

- improve linking mechanisms between companies and buyers and support the preparation of business plans and grant requests;
- support access to finance, PPP dialogue, consistence of policies with regional programmes, advocacy campaigns;
- mapping and formulation of national competitiveness strategies and reforms, investment codes, competition laws and regulations;
- support to improvement of legal, fiscal, supervisory frameworks, awareness raising on financing mechanisms and promotion of investment funds/private equity funds;
- when applicable support implementation of priority reforms and accompanying measures on EPA compliance as well as national monitoring, platforms and follow up tools;
- support the implementation of regional policies at national level;
- support export promotion authorities and investment promotion centres as well as the main ministries involved;
- engage with financing institutions to advocate for appropriate financial services to MSMEs and clusters.

Activities under the:

> ***Output 2.2.*** Regional level: Regional policy and framework to improve industrial competitiveness are harmonised, formulated and monitored.
>
> ***Output 2.3.*** Regional level: The capacity of the ECOWAS (Economic Community of West African States) Commission, the UEMOA (West African Economic and Monetary Union) Commission and their Member States to successfully manage, coordinate and monitor the programme is strengthened are included under the programme first phase: Regional (ECOWAS): ROC/FED/039-059.

Output 2.4. Regional level: The regional competitiveness observatory is set up and operational as a tool for information, documentation, observation, monitoring, and analysis of changes in the competitive position of West Africa, and proposals for necessary adjustments have been made.

- Setting up a sound foundation for the development of a regional competitiveness observatory framework for West Africa, including industrial intelligence and trade surveillance;
- Setting up the workflow and knowledge management tools (Architecture designing, developing, and deploying, and maintenance - adapting the observatory to individual member states particulars / hands on training, etc.);
- Acquiring and setting up the Observatory equipment & software;
- Support to data and information collection mechanism (elaboration of templates, training on data, conduct tailor-made user-trainings for the competitiveness observatory, including trade surveillance and industrial intelligence etc.);
- Supporting the regional analytical capacity building and reporting on competitiveness, industrial intelligence, trade surveillance, and trade agreement. including the deployment of trade agreement compliance and policy attachés;
- Supporting the joint WA-EU reporting on competitiveness and targeted dissemination of selected and processed information.

4.3 Intervention logic

West Africa's industrial strategy identifies strategic interventions that must be implemented in order to facilitate industrialisation in the region. The proposed actions intend to cover interventions pertaining to the development of sustainable value chains, MSMEs and facilitating a platform for dialogue on industrialisation between governments and private sector, including enhancing the capacity of Member States to develop and implement industrial development policies along value chains. The programme is structured to directly support these value chains at national and regional levels, and promote regional linkages between private sector operators and organisations as well as improve the regional business environment. The action will ensure that proper attention is paid to environmental and occupational health and safety standards, through the promotion of smart agriculture techniques, the use of sustainable and renewable energies in the manufacturing and conservation phases, the reduction of wastes or their reuse, together with improvement of working conditions, especially for women in particular through the capacity building activities.

The programme is built in a multifaceted manner. The intervention logic is based around an approach incorporating both a transversal regional level (e.g. establishment of a regional observatory of competitiveness, reinforcing quality infrastructure system, harmonised regional policy and framework to improve industrial and trade competitiveness, and enhanced capacity of trade and investment agreements and industrial policy management, formulation, implementation and monitoring at national and regional levels) and more targeted national interventions (direct support to MSMEs in areas such as quality, market access, packaging and mainstreaming of regional policies in favour of industrial and trade competiveness). This approach is reflected in the way outputs are defined incorporating both a regional and national perspective. The national and regional level outputs simultaneously contribute to the specific objectives. At regional level the interventions are aimed at exploiting synergies between the country level interventions and exploiting linkages among selected value chains. Section 4.2 - main activities presents how the proposed activities are grouped to target different type of stakeholders ranging from private sector, business support organisations and public sector entities to improve West Africa competitiveness. The establishment of an observatory for the competitiveness will bring the required level of information and analytical work to monitor and measure the competitiveness of the region.

These interventions will thus positively contribute the regional industrial strategy specific goals of increasing by 2030 (i) the rate of local raw material processing from current average of 15-20 % to 30 %; (ii) the contribution of manufacturing industries to GDP from the present average of 6-7 % to over 20 %; (iii) the intra-community trade in West Africa from less than 12 % to 40 %, with a 50 % share of the region's trade in manufactured products; (iv) the volume of manufactured exports in West Africa to the world market from 0.1 % to 1 %.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude 8 financing agreements with the ECOWAS Commission and with Benin, Burkina Faso, the Gambia, Guinee Conakry, Mali, Mauritania and Liberia as referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement. For Guinea-Bissau it is not foreseen to conclude a financing agreement with the partner country, as referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreements.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N/A.

5.4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with restrictive measures affecting the respective countries of operation.

5.4.1 Grants: Direct award (direct management)

<u>5.4.1.1 Guinea Bissau</u>

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

This implementation entails the realisation of a set of activities specific to Guinea Bissau under Output 1.1. as described in section 4.2 The activities will aim at supporting farmers to improve productivity of mango trees, the quality of the production and the export as well as improving the overall value chain of the mango, the diversification of the products, reduction of overall cost and transactions.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an NGO consortium composed of Mani Tese (leader). This choice was made on the basis of the group's specific expertise in the agricultural sector and their local experience, as referred to in Article 190(1) (f) RAP.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the country is in a crisis situation referred to in Article 190(2) RAP. Besides the action has specific characteristics that require a particular type of beneficiary because of the necessary technical skills.

(c) Eligibility conditions

The leader of the consortium will be an international NGO, with a long-standing experience in Guinea-Bissau, a proven experience of the agriculture value chains and businesses and a solid track record in the management of EU funding, at levels comparable to the ones in this action.

The professional association will be representative of the agriculture producers involved in the production and the export of mangoes in Guinea-Bissau.

The private partner of the implementing consortium should be a company with extended local experience in the mango value chain and with a strong technical and logistical capacity. It is not allowed for any member of the consortium to generate profit from the grant.

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80 % of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, applicable in accordance with Article 37 Regulation (EU) 2015/323, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

The grant agreement shall be signed during the first trimester after the adoption of the financing agreement by the European Commission.

5.4.1.2 Liberia

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of the action is to improve the performance and growth of the targeted value chains (cassava and fisheries) through support for business associations, agro-businesses through local service centers and a business incubator. The action will specifically address lack of sub-standard agricultural & fisheries input materials, problems related to access to finance, the lack of sustainable market linkages, and low entrepreneurial skills. The expected results are a better functioning market mechanism through the organisation of the different actors, improved inputs supply and appropriate public policies. Secondly, production, processing and commercialisation are improved, by focussing in a sustainable and gender sensitive way, on quality assurance and product diversification, creating higher incomes and jobs in Liberia.

This implementation entails the realisation of a set of activities specific to value chain development for the cassava and fisheries sector.

(b) Justification of a direct grant

Recent experience under PROACT has demonstrated that there is only a very limited number of NGOs with the technical and financial capacity to implement EU grants in Liberia.

The EU is already supporting cassava, fisheries and aquaculture through NGO grants awarded under the 11th EDF EU-Liberia Agriculture Programme. It is proposed that the additional funding under this action complements the ongoing interventions with a perspective of increasing regional trade and integration. As a matter of efficiency and effectiveness it is therefore advisable to award the grant directly to one of the NGO partners that are already implementing EU-funded actions in the specific sub-sectors.

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to the NGO's currently implementing EU funded actions on the basis of their logistical network and presence in the South-eastern part of the country and their specific expertise in the agricultural sector and their local experience, as referred to in Article 190 1 (f) RAP.

(c) Eligibility conditions

• The grant will be awarded directly to one of the partners that are already implementing actions funded under the 11th EDF in Liberia in the specific sub-sectors, provided that the EU assesses positively the progress in the implementation of the existing programmes.

• Established in Liberia with more than 5 years of experience in agricultural value chains in Liberia.

• Have the logistic capacity to work in the rural areas of Liberia and particularly in the southeastern region.

• Track record of working with local business support organisations in Liberia.

• With an annual budget over EUR 1 000 000;

• Experience or familiarity with EU grants, rules and procedures;

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.
The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for these grants is 80 %, given the high costs of operations in the remote areas, and the limited financial capacity of most organisations working in Liberia.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 37 of Regulation (EU) 2015/323, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Second trimester of 2019.

5.4.1.3 Mauritania

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of the action is to improve the performance and growth of the targeted value chains (poultry, hides & skins and Arabic gum) through support for business associations and main actors along the value chains. The action will specifically address the lack of sub-standard input materials, problems related to access to finance, the lack of sustainable market linkages, and low entrepreneurial skills. The expected results are a better functioning market mechanism through the organisation of the different actors, improved inputs supply and appropriate public policies. Secondly, production, processing and commercialisation are improved, by focussing in a sustainable and gender sensitive way, on quality assurance and product diversification, creating higher incomes and jobs in Mauritania.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals the consortium of NGOs with COOPI leader because the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power or nature of the action (Article 190(1) (f) RAP), Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the country is in a crisis situation referred to in Article 190(2) RAP. An assessment of the security situation and the operational conditions in Mauritania was produced by the Delegation in July 2017. On this basis, the European Commission has granted the use of flexible procedures applicable to cases of crisis situation, as defined in Article 190(2) RAP.

(c) Eligibility conditions

The potential beneficiaries of funding should be international organisations or NGO's with an established operational presence in West Africa. They should have proven experience in successfully managing EU grants of similar size.

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80 %. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 37 of Regulation (EU) 2015/323, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Third trimester of 2018.

<u>5.4.1.4 The Gambia</u>

a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of the grant is to ensure that farmer-based associations and relevant service providers are strengthened, and technical, business and entrepreneurial services are reinforced and available to smallholders and group of producers, with a special focus on women producers. This implementation entails activities of SME capacity building on production – e.g. working with farmer associations to improve production.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the country is in a crisis situation referred to in Article 190(2) RAP. An assessment of the security situation and the operational conditions in the Gambia was produced by the Delegation in May 2017. Since the Presidential elections of 1 December 2016, the Gambia is indeed in a period of political fragility and economic instability. On this basis, the European Commission has granted the use of flexible procedures applicable to cases of crisis situation, as defined in Article 190(2) RAP. This contract will directly permit to mitigate the risks of social unrest by improving job opportunities and income generation in communities.

(c) Eligibility conditions

The potential beneficiaries of funding should be international organisations or NGO's with an established operational presence in West Africa. They should have proven experience in successfully managing EU grants of similar size.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80 % of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 37 of Regulation (EU) 2015/323 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %.

The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

Third trimester of 2019

5.4.2 Procurement (direct management)

5.4.2.1 ECOWAS

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Needs assessment	Service	1	Q2 2019
IT supply	Supplies	1	Q4 2019
Data gathering and running of the Observatory	Service	1	Q4 2019

5.4.3 Indirect management with a Member State agency

5.4.3.1 Indirect management with GIZ

A part of this action may be implemented in indirect management with (Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ) in Benin, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails realisation of Output 1.1 related to Soya. This implementation is justified because GIZ has capabilities and comparative advantage in the areas of support required.

GIZ has the relevant human, technical and administrative capacity to help countries to develop competitive manufacturing capabilities, improve conformity with market requirements and connect to international markets. GIZ has a large experience in (i) promoting competiveness of agroindustry value chains including soya targeted by this programme; (ii) providing training and in managing job creation schemes and in providing technical support to the Ministry of Industry and Trade and to the private sector.

The entrusted entity would carry out the following budget-implementation tasks: procurement of supplies and services; contracting of partners for the implementation of the activities; grant award procedures, awarding, signing and executing the resulting procurement contracts and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly spent.

5.4.3.2 Indirect management with ENABEL

A part of this action may be implemented in indirect management with the Agence Belge de Développement (ENABEL) in Benin, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails realisation of activities in Output 1.1 related to IT. This implementation is justified because ENABEL has capabilities and comparative advantage in the areas of support required.

ENABEL has expertise in IT sector development. The intervention particularly reinforces ENABEL current support activities in the country. ENABEL also has a strong comparative advantage based on their mandate, expertise, and approach to interventions with maximum local ownership, and proven experience and track record in the area of IT development.

The entrusted entity would carry out the following budget-implementation tasks: procurement of goods and services; contracting of partners for the implementation of the activities; grant award procedures, awarding, signing and executing the resulting procurement contracts and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly spent.

5.4.4 Indirect management with UNIDO

A part of this action may be implemented in indirect management with the United Nations Industrial Development Organisation (UNIDO) in the Gambia, Guinee Bissau, and Guinee Conakry in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323.

5.4.4.1 The Gambia

This implementation entails the realisation of all activities specific to The Gambia under Outputs 1.1, and 1.2. UNIDO. This implementation is justified because UNIDO has capabilities and comparative advantage in the areas of the support required, particularly for developing export capacities and connection to international markets. UNIDO has indeed extensive experience in the implementation EU funded projects for strengthening SME compliance with national/sub-regional/global requirements/standards/regulations to participate in national/sub-regional/global value chains. UNIDO has also proven capacity and comparative advantage for supporting relevant national quality infrastructure (NQI) institutions that are responsible for conformity assessment (e.g. testing, inspection, certification, and calibration).

The entrusted entity would carry out the following budget-implementation tasks: procurement of supply and services; contracting of partners for the implementation and the execution of the activities in The Gambia.

5.4.4.2 Guinea Bissau

This implementation entails the realisation all activities specific to Guinea Bissau under Output 1.1, 1.2 and 2.1. This implementation is justified because UNIDO has a longstanding track record in the country and a direct experience with the development of the priority value chains that have been targeted. UNIDO also has a strong comparative advantage based on their mandate, expertise, and approach to interventions with maximum local ownership, and proven experience and track record in the area of industrial development for poverty reduction, inclusive globalisation and environmental sustainability.

The entrusted entity would carry out the following budget-implementation tasks: procurement of supply and services, contracting of partners for the implementation and the execution of the activities in Guinee Bissau.

5.4.4.3 Guinee Conakry

This implementation entails the realisation of all activities towards all output areas. This implementation is justified because due to the match of UNIDO's capabilities as referred in 5.4.1, with the country specific needs for the promotion of the selected value chains. UNIDO has capabilities and comparative advantage in the areas of support required. The intervention particularly reinforces UNIDO current support activities in the country. UNIDO also has a strong comparative advantage based on their mandate, expertise, and approach to interventions with maximum local ownership, and proven experience and track record in the area of industrial development for poverty reduction, inclusive globalisation and environmental sustainability. Under the Delegation Agreement, UNIDO plans to subdelegate to the International Trade Center (ITC) the implementation of activities aimed at strengthening the access to the pineapple market.

The entrusted entity (UNIDO) would carry out the following budget-implementation tasks: procurement of goods and services, contracting of partners for the implementation and the execution of the activities in Guinee Conakry.

5.4.5 Indirect management with the World Bank

<u>5.4.5.1 Mali</u>

A part of this action may be implemented in indirect management with the World Bank in Mali, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails the realisation of all activities related to all output areas. This implementation is justified because World Bank is a leading agency with a large experience in promoting competitiveness of the targeted value chains; in providing training and in managing job creation schemes and in providing technical support to the country's public and private sectors. In addition, World Bank is currently providing support to the targeted value chains through the "Projet d'Appui à la Compétitivité Agro-Industrielle (PACAM)" and the programme enables to strengthen the upstream part (transformation and commercialisation) of the value chains.

The entrusted entity (World Bank) would carry out the following budget-implementation tasks: procurement of supply and services, contracting of partners for the implementation of the activities in Mali.

5.4.6 Indirect management with the regional organisation and partner countries

<u>5.4.6.1 Burkina Faso</u>

A part of this action with the specific objective of *"improving the performance and growth of selected priority sectors and value chains and related services by stimulating their contribution to industry, regional trade and exports*" may be implemented in indirect management with Burkina Faso in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Regulation (EU) No 323/2015 according to the following modalities:

The partner countries will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures.

Payments are executed by the Commission.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of the Regulation (EU) 323/2015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner countries shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the partner countries and the regional organisation.

<u>5.4.6.2 Mali</u>

A part of this action with the specific objective of *"improving the performance and growth of selected priority sectors and value chains and related services by stimulating their contribution to industry, regional trade and exports*'' <u>(towards outputs 1.1, 1.2, 1.3 and 2.1: - </u>Training support to companies; - Facilitation and promotion of exchanges; - Studies and analyses of markets; - Purchase of IT material and equipment; - Visibility) may be implemented in indirect management with Mali in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No

966/2012 in accordance with Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The partner countries will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner countries for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 300 000 for grants.

The financial contribution covers the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of the Regulation (EU) 323/2015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner countries shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the partner countries.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	**Indicative third party contribution, in currency identified**
ECOWAS/UEMOA Commissions *	**8 000 000**	
5.4.2.1 Direct Management		
- Service contracts	**6 800 000**	
- Supply Contract (IT)	**850 000**	
5.9 – Evaluation, 5.10 – Audit	**100 000**	

5.11 – Communication and visibility	**50 000**	
Contingencies	**200 000**	
Benin	**5 000 000**	
5.4.3 Indirect management with a Member State Agency		
5.4.3.1 GIZ	**1 800 000**	
5.4.3.2 ENABEL	**2 800 000**	
5.9 – Evaluation, 5.10 – Audit	**300 000**	
5.11 – Communication and visibility	**Included in indirect management components**	
Contingencies	**100 0000**	
Burkina Faso	**7 500 000**	**755 000**
5.4.6.1 Indirect management with the partner country	**7 500 000**	
- Grant with CCI-BF	**6 000 000**	**755 000**
- Service Contract	**1 200 000**	
5.9 – Evaluation, 5.10 – Audit	**100 000**	
5.11 – Communication and visibility	**50 000**	
Contingencies	**150 000**	
The Gambia	**4 000 000**	
5.4.1.4 Grant - direct award to United Purpose	**1 250 000**	
- 5.4.4.1 Indirect management with an international organisation UNIDO	**2 350 000**	
5.9 – Evaluation, 5.10 – Audit	**100 000**	
5.11 – Communication and visibility	**50 000**	
Contingencies	**250 000**	
Guinea Bissau	**4 000 000**	**80000**
5.4.1.1 Grants: direct award (direct management)	**2 250 000**	
5.4.4.2 Indirect management with an international organisation - UNIDO	**1 750 000**	**80000**
5.9 – Evaluation, 5.10 – Audit	**The financing of the audit and evaluation shall be covered by another measure constituting a**	

	financing decision	
5.11 – Communication and visibility	**Included in the PAGODA with UNIDO and Grant Agreement with NGO**	
Contingencies	**Included in the PAGODA with UNIDO and Grant Agreement with NGO**	
Guinee Conakry	**5,000,000**	**90 000**
5.4..4.3 Indirect management with an international organisation UNIDO	**4 900 000**	**90 000**
5.9 – Evaluation, 5.10 – Audit	**100 000**	
5.11 – Communication and visibility	**Included in the PAGODA with UNIDO**	
Contingencies	**Included in the PAGODA with UNIDO**	
Liberia	**5 000 000**	**500 000**
5.4.1.2. Direct grant (direct management) and call for proposals (direct management)	**4 500 000**	**500 000**
- 5.11 Communication and visibility	**200,000**	
5.9 – Evaluation, 5.10 – Audit	**200 000**	
Contingencies	**100 000**	
Mali	**5 500 000**	
- 5.4.5.1 Indirect management with an international organisation World bank	**4 200 000**	
5.4.6.2 Indirect management with the regional organisation and partner country	**1 000 000**	
5.9 – Evaluation, 5.10 – Audit	**100 000**	
5.11 – Communication and visibility	**Included in the PAGODA with World bank and in the Programme Estimates**	

Contingencies	**200 000**	
Mauritania	**4 000 000**	
5.4.1.3. Direct grant (direct management)	**3 900 000**	
5.9 – Evaluation, 5.10 – Audit	**80 000**	
5.11 – Communication and visibility	**Included in the direct grant agreement**	
Contingencies	**20 000**	
Totals	**48 000 000**	**1 425 000**

**) considering the exchange rate of the Inforeuro for April 2017 1 EUR = 1.0737 USD*

5.7 Organisational set-up and responsibilities

In order to increase inclusive ownership by countries and improve the performance and growth of national and regional priority value chains and related services clean, the principle of subsidiarity applies as far as it can in this programme, with emphasis on inclusion. The national authorising officers of Benin, Burkina Faso, Gambia, Guinee Conakry, and Mali as well as Mauritania will be in charge of the implementation of the actions in their respective countries. In Guinea Bissau, the programme will be implemented under the responsibility of the EU Delegation, in concertation with the national authorities. In Liberia, the implementation will be managed by the delegation as they are already in charge of an associated activity.

The envelope assigned to the regional authorising officers (ECOWAS) will cover activities with regional dimension in the areas of linkages, follow-up and evaluation of trade agreements and competitiveness, quality and policy, as well as coordination and monitoring.

ECOWAS commission and each country are individually responsible for the implementation of their actions as well as monitoring of results and the production of such reports as described in section 5.8. Regional and National authorising officers are responsible for the overall monitoring of the activities and their results.

Through their central position in the regional framework, ECOWAS and UEMOA Commissions will ensure inter-country cooperation, and the full buy-in of national Governments and private sectors. Wider programme coordination will be safeguarded through a Programme Overall Steering Committee chaired by ECOWAS Commission and indicatively comprising of ECOWAS and UEMOA Commissions, the EU Delegation, representatives of the National Authorising Officers (NAOs), the implementing agencies at regional and national level, Member States and other national and international stakeholders. It will also include, as observers, other donors active in the sector (competitiveness and the development of regional value chains). ECOWAS commission will set the member list of the Steering committee. It will meet at least once a year to discuss programme achievements, coherence and set strategic orientations. It is envisaged that overall programme performance and impact will also be monitored through the Regional Competitiveness Observatory.

On policy and quality issues of value chains, the review, formulation and monitoring of the regional policy and framework to improve competitiveness will be facilitated by UNIDO within the framework of this programme. Similarly, on linkage trade and value chain promotion issues, a Value Chain Review Mechanism will be facilitated by ITC within the framework of this programme. In addition, a Competitiveness Observatory Review Mechanism will be facilitated by a Technical Assistance Team.

These approaches will meet at the appropriate senior management level to discuss the regional policy and framework to improve competitiveness, new development in the value chains and the contribution the programme on on-going reforms, on regional and global value chains development and on regional trade of added valued products and services. The terms of references will be gender sensitive, and defined and agreed at the during the inception phase.

Systematic and action orientated private sector engagement shall be embedded from the beginning as one of the key ingredients for success; in this context EU Delegations in partner countries are expected also to assume an active role, especially regarding synergies with Regional and National Indicative Programmes and coordination with public and private sector stakeholders.

In addition to the global governance, regional and national gender balanced steering and technical committees will be established. Each country will designate a national programme coordinator who will serve as a focal point and will assist in the implementation of regional activities at national level. At national level the organisational set-up will be defined according to the specificities of each country and implementing modality and will be described in detail in Annexes to the TAPs of each individual financing agreement.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial gender-sensitive monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, its gender responsiveness, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, which are sex-disaggregated where possible, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation, and specify budget allocations specifically focused on promoting gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance and nature of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants, including one or more gender experts, contracted by the Commission or via an implementing partner.

The mid-term evaluation will be gender-sensitive and carried out for problem solving, and learning purposes, in particular with respect to the implementation modalities and to the new governance structure established for this programme.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, 14 contracts for audit services shall be concluded in the course of 2021.

For Guinea Bissau
The financing of the audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures, which shall be based on a specific Gender-sensitive Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities.

Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Liberia

Promotion and communications with regard to EU activities in private sector and agricultural development	Service	1	Q2 2019

ECOWAS

Communication and visibility	Service	1	Q2 2020

Gambia

Communication and visibility	Service	1	Q2 2019

Burkina Faso

Communication and visibility	Service	?	?

APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Competitiveness of West Africa is strengthened and the countries' integration into the regional and international trading system is enhanced	1. Share of volume of exports of goods manufactured in West Africa to the global market	1. 0.1 % in 2015	1. 1 % in 2030	1. WTO, ITC	
		2. Global Competitiveness Index (**EU RF 29 L1) *	2. BN: 3.6/7 in 2017-2018 BF: 3.9/7 in 2017-2018 GA: 3.6/7 in 2017-2018 GW: N/A GN: 3.5/7 in 2017-2018 LR: 3.7/7 in 2017-2018 ML: 3.1/7 in 2017-2018 MA: N/A	2. BN: 4.7/7 in 2021-2022 BF: 4.9/7 in 2021-2022 GA: 4.6/7 in 2021-2022 GW: 4.1/7 in 2021-2022 GN: 4.5/7 in 2021-2022 LR: 4.7/7 in 2021-2022 ML: 4.1/7 in 2021-2022 MA: 4.1/7 in 2021-2022	2. Global Competiveness Report / World Economic Indicators	
Specific objective(s): Outcome(s)	SO1 The performance, inclusive growth and contribution to industry, regional trade and exports of selected value chains is improved	1.1 Regional Integration Index "Dimension 3: Productive Integration" - Merchandise Trade Complementarity Index	1.1 BN : 0.74 in 2018 BF: 0.18 in 2018 GA : 0.34 in 2018 GW : 0.17 in 2018 GN: 0.10 in 2018 LR: 0.38 in 2018 ML: 0.24 in 2018 MA: 0.10 in 2018	1.1 BN : 0.84 in 2022 BF: 0.28 in 2022 GA : 0.44 in 2022 GW : 0.27 in 2022 GN: 0.20 in 2022 LR: 0.48 in 2022 ML: 0.34 in 2022 MA: 0.20 in 2022	1.1 AfDB/EA Regional Integration Index	■ Political and economic stability conducive to economic growth ■ Countries continuous commitment to reforms and structural transformation
		1.2 Value chain breadth	1.2 BN: 3.1/7 in 2017-2018 BF: N/A GA: 3.8/7 in 2017-2018 GW: 3.1/7 in 2017-2018 GN: N/A LR: N/A	1.2 BN: 3.6/7 in 2021-2022 BF: 3.5/7 in 2021-2022 GA: 4.3/7 in 2021-2022 GW: 3.6/7 in 2021-2022 GN: 3.5/7 in 2021-2022 LR: 3.5/7 in 2021-2022	1.2 Global Competiveness Report / World Economic Indicators	

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
			ML: 3.2/7 in 2017-2018 MA: 2.1/7 in 2017-2018	ML: 3.7/7 in 2021-2022 MA: 2.6/7 in 2021-2022		
		1.3 Share of West Africa intra- trade value	1.3 12 % in 2015	1.3 40 % in 2030	1.3 ECOWAS Stats	
		1.4 Number of decent jobs created in the selected value chains, disaggregated by sex (linked to objective 14 of GAP-II)	Baselines to be determined at inception Baselines per value chain and country and disaggregated by sex	• 25 % increase by 2021 • Reduced gender gaps – each value chain with 50 % by 2021 • Reduced pay gap between women and men	1.4 Progress report	
		1.5. Reported turnover of enterprises of selected value chains.	Baselines to be determined at inception Baseline for % of female entrepreneurs	25 % increase by 2021 50 % of female entrepreneurs- add in the value chain increased turnover at inception	1.5 Progress report	
	SO2 The climate for business at national and regional levels is improved	2.1 Number of countries whose capacity to trade across borders has improved 2.2 “Burden of Government Regulation	Baselines to be determined at inception Baselines for women’s representation in export sectors (at all levels) Baselines for women’s income share in the lowest and highest segment of the income distribution of export sectors.	50 % increase by 2021 Income share held by women in the lowest 40 % of income distribution (EURF Level 1); and in the highest 20 % of income distribution	2.1 WB Logistics Performance Index Progress report 2.2 Global Competitiveness Report Progress report	■ Sustained commitment to establish and strengthened cluster initiatives and value chain development ■ Increase in investment (domestic and foreign) and access to finances leads business to enhance
	Output 1.1. Country level: Competitiveness at firms’ level is improved	1.1.1 Number of enterprise supported 1.1.2 Number of enterprise with quality certification 1.1.3 Number of enterprises	This is country specific. See Country log frames	This is country specific. See Country log frames	This is country specific. Progress report	

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		committed to WEE-principles				
	Output 1.2. Country level: Intermediate organisations of the selected value chains are strengthened	1.2.1 Number of partnerships among BSOs for service delivery to SMEs 1.2.2 Number of people (men and women) trained in export value chains (** EU RF L2, #28) 1.2.3 Number of enterprises integrating into their value chains 1.2.4 Number of enterprises adopting eco-innovations processes, renewable energy solutions and/or greener and resource efficient technology) 1.2.5 Number of enterprises with an developed an energy efficiency strategy 1.2.6 Number of enterprises adopting the WEE principles 1.2.7 Number of Public partnerships/ agreements established with the private sector 1.2.8 Level of BSOs and enterprise performance	This is country specific. See Country log frames	This is country specific. See Country log frames	This is country specific. Progress report	
	Output 2.4. Regional level: The regional competitiveness observatory is set up and operational	2.4.1 Number of key analytical industry studies and policy briefs produced in support of concrete policy recommendations for performance improvement.	2.4.1 0 in 2017	2.4.1 100 by 2022	2.4.1 Progress report	■ Regular data collection and updating of the Observatory ■ Sufficient collaboration and communication between

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		2.4.2 Numbers of competitiveness reforms undertaken in the countries based on the observatory intelligence	2.4.2 0 in 2017	2.3.2 160 by 2022	2.4.2 Progress report	ECOWAS Commission, the member states' governments and the private sector representatives, ■ Continuous EU and ECOWAS commitment to trade (EPA) process