WORLD TRADE

ORGANIZATION

WT/COMTD/IF/14/Add.1

4 March 1998

(98-0845)

Committee on Trade and Development Integrated Framework for Trade-Related Technical Assistance Original: French

TRADE-RELATED TECHNICAL ASSISTANCE NEEDS ASSESSMENT SUBMITTED BY BENIN

INTEGRATED RESPONSES BY THE WORLD BANK, ITC, UNCTAD, IMF, WTO AND UNDP

BENIN

Addendum

BENIN

PROJECT DOCUMENT FOR THE FOLLOW-UP TO AND IMPLEMENTATION OF THE WTO AGREEMENTS PROJECT - Version: 22.01.98

WTO World Trade Organization

UNCTAD United Nations Conference on Trade and Development

ITC International Trade Centre

Title Follow-up to the WTO Agreements and improvement of the

international outlets for Benin's exporting enterprises.

Duration Two and a half years

Location of the project Cotonou, Benin

Sector Trade and development

Subsector Export Promotion

Executing Agencies World Trade Organization

United Nations Conference on Trade and Development

International Trade Centre

National Cooperating

Agencies

- Ministry of Trade, Crafts and Tourism (MCAT)

- Benin Foreign Trade Centre (CBCE)

- Benin Chamber of Commerce and Industry (CCIB)

- National Export Council (CNEX)

- Business Opportunities Observation Post

- Cotonou University

Estimated starting date March 1998

Brief description The purpose of this project is to establish a national capacity to

improve knowledge of the multilateral trade system by the administration, institutions and enterprises of Benin and facilitate the identification of export opportunities resulting from the implementation of the Uruguay Round Agreements by the countries

Members of WTO.

Total estimated budget: US\$1,371,750

| | 1998 | 1999 | 2000 | Total |
|--------|---------|---------|---------|-----------|
| WTO | 53,000 | 33,000 | 0 | 86,000 |
| ITC | 341,250 | 431,500 | 123,000 | 895,750 |
| UNCTAD | 141,400 | 141,200 | 107,400 | 390,000 |
| Total | 535,650 | 605,700 | 230,400 | 1,371,750 |

| Approved by: | | |
|---------------------|-------------|-------|
| Government of Benin | (Signature) | Date: |
| Donor Country | (Signature) | Date: |
| | | |
| Donor Country | (Signature) | Date: |
| WTO | (Signature) | Date: |
| UNCTAD | (Signature) | Date: |
| ITC | (Signature) | Date: |

CONTENTS

| | | <u>Page</u> |
|-------|--|-------------|
| I. | CONTEXT | 6 |
| II. | DESCRIPTION OF THE SUBSECTOR | 6 |
| | A. Economic backgroundB. Benin's membership of WTO and application of the | 6 |
| | Uruguay Round Agreements | 13 |
| | C. The institutional framework | 13 |
| | D. Benin's trade regime | 15 |
| III. | PROJECT JUSTIFICATION | 15 |
| | A. Development problem to be tackled | 15 |
| | B. Beneficiaries | 15 |
| | C. Project strategy | 16 |
| | D. Special considerations | 16 |
| | E. Coordination measures | 16 |
| | F. National support and execution capacities | 16 |
| | G. Ongoing technical assistance | 17 |
| | H. Technical assistance needs | 17 |
| IV. | OBJECTIVES AND OUTPUTS OF THE PROJECT | 22 |
| | A. Development objective | 22 |
| | B. Project direct objectives | 22 |
| | C. Project outputs and activities related to the first objective | 23 |
| | D. Project outputs and activities related to the second objective | 33 |
| | E. Project outputs and activities related to the third objective | 34 |
| V. | INPUTS TO AND MANAGEMENT OF THE PROJECT | 46 |
| | A. Project strategy | 46 |
| | B. Project management and coordination | 48 |
| | C. Inputs by the project partners | 51 |
| VI. | PERFORMANCE CRITERIA AND RISKS | 62 |
| | A. Success criteria | 62 |
| | B. Risks | 66 |
| VII. | EVALUATION AND REPORTING | 66 |
| VIII. | SUSPENSION OR ENDING OF ASSISTANCE | 66 |
| IX. | BUDGETS | 67 |
| | A. WTO operating budget | 67 |
| | B. UNCTAD operating budget | 68 |
| | C. ITC operating budget | 69 |
| X. | SCHEDULE OF ACTIVITIES | 70 |

ABBREVIATIONS

ADB African Development Bank

APFB Association for the Promotion of Fruit and Vegetables

ASNIB National Association of Benin Manufacturers

BCEAO Central Bank of West African States

CAT-CNS Technical Support Unit of the National Monitoring Committee of the Private Sector

Revival Programme

CBCE Benin Foreign Trade Centre

CCIB Benin Chamber of Commerce and Industry

CFA African Financial Community
CNCB Benin National Shippers Council

CNEX National Export Council

CPA Centre for the Promotion of Crafts

DAGRI Agricultural Directorate

DAPS Analysis, Forecasting and Synthesis Directorate

DAR Application of Regulations Directorate
DAS Sectoral Coordination Department

DCE Foreign Trade Directorate

DDI Industrial Development Directorate

DG/DDI General Directorate of Customs and Excise

DMM Merchant Marine Directorate
DNA National Crafts Trade Directorate
DOI International Organizations Directorate
DPI Investment Promotion Directorate

DPQC Quality and Control Promotion Directorate
DTH Tourism, Hotels and Restaurants Directorate
ECOWAS Economic Community of West African States
GREXPOB Benin Association of Oleaginous Product Exporters

IDB Islamic Development Bank

MAEC Ministry of Foreign Affairs and Cooperation MCAT Ministry of Trade, Crafts and Tourism MDR Ministry of Rural Development

MF Ministry of Finance

MIPME Ministry of Industry and Small and Medium Enterprises

MPREPE Ministry of Planning, Economic Restructuring and Job Promotion

MTPT Ministry of Public Works and Transport

PAC Autonomous Port of Cotonou

SONAPRA National Agricultural Production Society

WADB West African Development Bank

WAEMU West African Economic and Monetary Union

WAEN West African Enterprise Network

WTO World Trade Organization

I. CONTEXT

This project document is the result of a joint WTO/UNCTAD/ITC mission to identify Benin's technical assistance needs which visited Cotonou from 23 to 27 September 1996 within the framework of the ITC/UNCTAD/WTO Integrated Technical Assistance Programme to help selected African Countries to implement the Uruguay Round Agreements. This mission was a response to the need of the least developed and other countries in Africa for assistance to develop and diversify their trade and improve their integration into the multilateral trading system.

This programme, which covers eight countries including Benin, followed a request by the African Ministers of Trade, meeting at Tunis in October 1994, who expressed the hope that the international community would assist their countries to adapt their foreign trade to the new context of liberalization and globalization stemming from the implementation of the Uruguay Round Agreements.

The objectives of the mission were:

- To identify technical assistance needs;
- to assess institutional capacities for the development of human resources; and
- to consider ways and means of strengthening the potential export capacity.

II. DESCRIPTION OF THE SUBSECTOR

A. Economic Background

1. Main characteristics of the economy

Extending over 112,622 km2 to the east of Nigeria, Benin has almost 6 million inhabitants. The economy is essentially dependent on agriculture (cotton and food crops), which supplies more than one third of the gross domestic product (GDP), three quarters of all jobs and the bulk of export earnings. With a per capita income of less than US\$400 in 1996, Benin belongs to the group of least-developed countries. Health and education conditions constitute a serious handicap to the country's economic development. The child mortality rate is high; average life expectancy at birth is 51 years and 74 per cent of the women are illiterate. Education and health are in the top rank of the Government's development priorities but together represent only about 3 per cent of GDP.

After agriculture, trade is the second pillar of the economy, contributing more than 20 per cent to GDP. It is largely transit trade with the landlocked countries to the north of Benin (Niger and Burkina Faso), which use the Port of Cotonou on the Atlantic Ocean; and east and west trade with Togo and Nigeria. In view of the size of the latter country, the length of the common frontier and the density of trade between the two countries, Benin's economy is more dependent on economic developments in Nigeria than it is sensitive to variations in the world prices of cotton. Other factors have probably conditioned to a greater extent the long-term evolution of economic growth, such as the State's investment policy and intervention in the production and marketing of agricultural produce.

The manufacturing sector produces essentially staple commodities (soap, edible oils, beverages and cement), and cotton textiles and other cotton products. Service activities are very prominent in the economy (45 per cent of GDP), reflecting the importance of trade. Although significant mining and energy potential has been identified, it is still very little exploited.

The informal sector supplies about half the jobs available. It is concentrated in agriculture and in trade, including imports and exports. Its expansion may be due to the rigidity of the planned economic system in force during the 1970s and 1980s. At the time of the budget readjustment plans introduced at the end of the 1980s, the sector served as a safety valve for the dismissed civil servants, but at considerably lower levels of remuneration. The common frontier with Nigeria, and the many smuggling possibilities arising from the import restrictions in that country, have also stimulated the activities of the informal sector. The Government of Benin, recognizing that the sector makes a significant contribution to national economic development, keeps up a conciliatory attitude to such enterprises although they do not contribute anything to the national taxation system.

2. Stabilization and adjustment

Although reforms were undertaken from 1986 onwards, including a freeze on recruitment to the administration, a salary abatement of 10 per cent for the civil service and some privatization operations, the process gathered speed only after the coming of democracy in February 1990 and the return to political and civil stability. A major public finances reconstruction programme was put into place in close cooperation with the International Monetary Fund (IMF) and the World Bank. In order to reduce the government sector deficit, reforms were introduced to increase revenue and support measures were adopted to facilitate the passage to the private sector of the 37,000 employees laid off by the civil service and State enterprises. A healthy banking system was re-established, comprising several new private banks.

The macroeconomic recovery between 1990 and 1993 was significant and contrasted with the tendency to decline in the region which prevailed before the devaluation of January 1994. The State budget has regained and retained a positive primary balance, although debt-servicing payments continue to cause a budgetary gap. Deposits in the newly established banks have increased considerably as a result of the repatriation of capital. The quantity of money increased by almost one third during this period, reflecting the recovery of economic activity, while bank loans to the government sector which had, in the past, been a major cause of the collapse of the banking sector, remained stable. However, the balance of payments regained an equilibrium largely through donations from abroad, which exceeded 10 per cent of GDP on average. Between 1990 and 1995, Benin's gross international reserves, expressed in months of goods imports, tripled. The adjustment was accompanied by a modest but sustained economic growth.

During this period, the Government also carried out a reform of the taxation system, including *inter alia*, the introduction of VAT and a simplified system of taxation for small enterprises. In the context of trade reforms, it abolished import licences and most of the quantitative import restrictions. The number of products subjected to price controls was reduced to less than five in 1996. Export taxes and licences have been eliminated for most products. In addition, the requirements to engage in trading activities have been simplified.

The CFA franc was devalued by 50 per cent on 12 January 1994. This devaluation followed an appreciation in real terms of the CFA franc in most of the countries in the franc area. In the case of Benin, this appreciation largely reflected the considerable depreciation in real terms of the Nigerian naira.

The effect of this devaluation on the local enterprises varied in accordance with several factors. It gave a breathing space to certain enterprises inasmuch as, by increasing the prices in CFA

francs of imported goods, it made it possible to increase the prices of their locally manufactured substitutes.¹ Nevertheless, it also increased the costs of imported inputs and the weight of indebtedness in foreign currencies.² Enterprises producing for export benefited from the increase of prices in the national currency.³ In addition, the devaluation was followed by a contraction in overall demand, which had a negative effect on certain enterprises.

The Government's prime objective is the revival of private investment. At the moment, a modest recovery of investment is taking place to an extent of 17 per cent of GDP in 1995. This growth however appears to be essentially due to public investment. Foreign direct investment (FDI) has not exceeded US\$10 million since 1990. The low level of capital investment can be attributed to the low level of education and training, the quality and cost of commercial services (e.g. telecommunications and air transport), and the absence of any effective legal and judicial protection for investors. The lack of dynamism of private investment may also, perhaps, be due to the uncertainty which characterizes future trading and fiscal conditions in the context of the various regional trade agreements, particularly WAEMU and ECOWAS. Any large-scale investments designed for an enlarged regional market would, to be profitable, require the actual abolition of the tariff and non-tariff barriers to regional trade, which does not yet seem to be the case.

3. Trade features

The composition of foreign trade is difficult to analyse, because of the complication of reexport trade, both informal and formal, which represents between one fifth and one quarter of imports and for which few detailed statistics are available. Moreover, the foreign trade of some state enterprises, such as those concerned with oil (SONACOP), electricity (SBEE) and cotton (SONAPRA), is not included in the accounts of the National Statistical and Economic Analysis Institute.

Foreign trade comprises the export of local products, cotton being the most important, and the re-export trade in imported products, illustrating the central role of trading activities for Benin (Graph I.4). This trade reflects the geographical position of the country but also its political stability and the relative efficiency of the Port of Cotonou and the land transport system as compared with certain neighbouring countries.

The export statistics, calculated from the balance-of-payments figures, also include estimates of the significant informal trade which is not registered by the customs and which can be either of domestic origin (e.g. direct exports of raw cotton or foodstuffs by the peasant farmers) or of foreign origin. In the latter case, products are usually first imported into Benin, since the neighbouring countries, have import restrictions or higher customs duties, and then "informally" re-exported to those countries. This trade mainly concerns rice and flour, cotton fabrics and other textiles, clothing, used tyres and alcoholic drinks intended for Nigeria. These products are either cleared through the customs for domestic consumption and then re-exported by land or river avoiding the customs posts or else are declared as being in transit for another country and then diverted.

¹The palm-oil producers were able to increase their selling price over and above their local production costs, such as wages and the purchase of clusters from the growers (Société française de conseil en développement (1994)).

²The Benin Water and Electricity Board (SBEE) imports most of the electricity that it then sells at ceiling prices established by the State; its debts are in foreign currencies. SOBERRA, which produces beer and soft drinks, also imports the bulk of its inputs and has major debts in foreign currencies.

³The exporters of cotton and pineapple, who sell their production at world prices, have recorded some major increases in profits as a result of the change in the exchange rate.

Total exports (on the basis of the balance-of-payments figures) reached CFAF 227 billion in 1996, or more than US\$440 million, after a remarkable growth since 1994, connected with the increase in the prices of cotton and in the quantities produced. Total imports (CIF) reached CFAF 287 billion, or more than US\$557 million, in 1996. At constant prices, they fell by 25 per cent following the devaluation, but the rebound in 1995 was equally important. Some intermediary goods and equipment goods, imported for the Sixth Summit meeting of the French-speaking countries in December 1995, are included in these figures.

(a) Structure of trade by product

Cotton (fibres and seeds) is the main export crop, producing incomings estimated at CFAF 120 billion (US\$230 million) in 1996. Reflecting the performance of cotton, exports of domestic products more than doubled between 1992 and 1996. Exports of cashew nuts (12,000 tonnes in 1994/95), tobacco and other agricultural products also expanded considerably in this period, but did not exceed US\$10 million. Oil exports are declining, as a result of the exhaustion of the only field exploited.

Exports, 1992 and 1996
(Millions of US\$ and Percentages)

| Products | 1992 | | 1996 | | |
|--|------------|---------|------------|---------|--|
| | Million \$ | % Total | Million \$ | % Total | |
| Total exports (f.o.b.): | 371.4 | 100 | 443.7 | 100 | |
| Exports of domestic products | 132.2 | 35.6 | 284 | 64 | |
| Re-exports | 239.2 | 61.4 | 159.7 | 36 | |
| Exports of domestic products: | | | | | |
| Ginned cotton | 97.5 | 26.3 | 230.1 | 51.9 | |
| Cotton seeds | 6.4 | 1.7 | 10.2 | 2.3 | |
| Petroleum | 16.3 | 4.4 | 10.2 | 2.3 | |
| Cashew nuts | 1.4 | 0.3 | 7.5 | 1.7 | |
| Tobacco and cigarettes | 0.3 | 0.1 | 4.1 | 0.9 | |
| Rice | 5.9 | 1.6 | 3.1 | 0.7 | |
| Sawn or sliced wood | 0.3 | 0.1 | 1.3 | 0.3 | |
| Fish | 0.2 | 0.1 | 1.1 | 0.3 | |
| Cement | 1.9 | 0.5 | 1.1 | 0.3 | |
| Oilcake and oilseeds | 0.2 | 0.1 | 0.9 | 0.2 | |
| Banknotes | 0.0 | 0 | 0.6 | 0.1 | |
| Mats and basketwork | 0.3 | 0.1 | 0.5 | 0.1 | |
| Motor vehicles, tractors | 1.6 | 0.4 | 0.4 | 0.1 | |
| Wood in the rough | 0.0 | 0 | 0.4 | 0.1 | |
| Sheet iron and other articles of iron | 0.3 | 0.1 | 0.3 | 0.1 | |
| Machinery, equipment and mechanical appliances | 0.6 | 0.2 | 0.3 | 0.1 | |
| Oxygen | 0.0 | 0 | 0.1 | 0 | |
| Other cereals, wheat, maize | 1.1 | 0.3 | 0 | 0 | |
| Pro memoria: exchange rates | 264.7 | | 511.6 | | |

Source: Official Beninese statistics.

According to the data available, the main imports consist of oil products which correspond to 12 per cent of total imports. Other imports include rice, other foodstuffs and textiles. They are informally re-exported in part to Nigeria; liberalization by Nigeria of rice imports in 1996 apparently reduced this trade by two thirds.

Imports by Main Groups of Products, 1992 and 1996

(Millions of US\$ and Percentages)

| HS code | | 1992 | | 1996 | |
|--------------|---|---------------------|---------------|------------------|---------------|
| | Product group | Value million \$ | % of total | Value million \$ | % of total |
| | Total imports (c.i.f.) | 648.6 | 100 | 681.8 | 100 |
| | <u>Total imports (f.o.b.</u>): | 560.4 | 86.4 | 561.8 | 82.4 |
| | Imports for domestic consumption | 383.3 | 59.1 | 439.3 | 64.4 |
| | Imports for re-export | 177.1 | 27.3 | 122.5 | 18 |
| | Total imports (c.i.f.): | | | | |
| 50-67 | Cotton, textiles and clothing | 98.7 | 15.2 | 83.9 | 12.3 |
| 27 | Petroleum products | 66.6 | 10.3 | 79.8 | 11.7 |
| 28-29, 31-32 | Chemicals | 38.1 | 5.9 | 45.1 | 6.6 |
| 10 | Cereals | 151.6 | 23.4 | 42.3 | 6.2 |
| 84 | Machinery and mechanical appliances | 27.4 | 4.2 | 33.6 | 4.9 |
| 74-83 | Metals and metal articles | 31 | 4.8 | 33.2 | 4.9 |
| 87 | Transport vehicles | 42.9 | 6.6 | 30.3 | 4.4 |
| 85 | Electrical equipment | 20.5 | 3.2 | 23.7 | 3.5 |
| 48-49 | Paper and printed material | 11.8 | 1.8 | 17.2 | 2.5 |
| 26 | Minerals and mineral products | 15.6 | 2.4 | 14.6 | 2.1 |
| 30 | Pharmaceutical products | 8.4 | 1.3 | 14.1 | 2.1 |
| 19 | Food preparations | 8.3 | 1.3 | 11.4 | 1.7 |
| 4 | Dairy produce | 5.2 | 0.8 | 11.4 | 1.7 |
| 17 | Sugars and sugar confectionary | 11.9 | 1.8 | 10.5 | 1.5 |
| 22, 24 | Beverages and tobacco | 19.3 | 3 | 9.3 | 1.4 |
| 11 | Products of the milling industry | 16.9 | 2.6 | 9.1 | 1.3 |
| 68-70 | Ceramic products, and articles of stone and glassware | 4.3 | 0.7 | 6.1 | 0.9 |
| 2 | Meats and edible meat offal | 11.7 | 1.8 | 4.4 | 0.6 |
| 33 | Cosmetic preparations | 10.3 | 1.6 | 3.6 | 0.5 |
| 3 | Fish and crustaceans | 8.7 | 1.3 | 3.4 | 0.5 |
| | Others (informal imports) | 39.5 | 6.1 | 194.9 | 28.6 |
| Pro memoria: | Exchange rates CFAF/US\$, \$1 = | 264.7 | | 511.6 | |

Source: Beninese official statistics.

(b) Structure of trade by region

Cotton is exported to several countries, the main ones being Brazil, Morocco and Portugal. Cashew nut exports go mainly to the European Union, the United States and India. The remaining trade is mainly with neighbouring countries, particularly Nigeria and the land-locked countries of the Sahel.

In the case of imports, Benin's main partner is the European Union and particularly France, which supplies more than 18 per cent of its imports. The other main partners are Thailand (rice), the European Union and China. The statistics on imports from Nigeria do not pick up the greater part of the (informal) trade with that country.

(c) <u>Trade in services, net flows of resources and long-term debt</u>

Foreign debt amounted to 709 billion CFA francs (\$1.4 billion) in 1996, or 63 per cent of GDP. The country has negotiated an alleviation of its foreign debt every year since 1989. In November 1996, it obtained the cancellation of 67 per cent of its bilateral debt (of 127 billion CFA francs) from the Paris Club. However, the bulk of the debt (or 454 billion CFA francs in 1996) is owed to multilateral institutions and thus cannot be rescheduled.

In 1996, the deficit in the trade balance was about 7.75 per cent of GDP. It is estimated at 4 per cent in 1997. The balance of services also shows a deficit which increased in 1994 as a result of the increase in the interest on the foreign debt. Since 1995, the expenditure on insurance and freight linked with the expansion of imports has also helped to increase the deficit. Private transfers increased significantly after the devaluation, reflecting the attractiveness of real-estate investment in Benin for Beninese living abroad. However, the current balance is in deficit and is essentially financed from foreign budgetary assistance. In 1996, official donations amounted to almost 8 per cent of GDP. The net flows of resources to Benin are considerably lower, because of the debt-servicing payments which absorb every year something like one fifth of the receipts from the export of goods and services.

(d) Export growth prospects

The Government's objectives for the period 1997-1999 are to achieve a growth rate of 6 per cent in real terms and to keep the current account deficit (without donations) to 5.5 per cent of GDP in 1999, while strengthening the country's social infrastructure. According to the authorities, this would imply an increase in the value of exports of domestic products of about 10 per cent during the period. The Government is aware of the fact that such an outcome will depend, to a very considerable extent, on satisfactory results in the cotton sector and a favourable development of world prices.

4. Exchange regulations

Within the franc area, Benin forms part of the West African Economic and Monetary Union (WAEMU, formerly WAMU/WAEC), the issuing institute of which is the Central Bank of West African States (BCEAO). The currency used in the Union is the CFA (African Financial Community) franc. Its rate of exchange is 100 CFA francs to one French franc. The BCEAO has an "operational account" with the French Treasury, into which are paid its foreign currency assets and which it uses for transfers outside the franc area. The peculiarity of this account is that it can be overdrawn without any limits fixed in advanced, thanks to the commitment by the French Government to guarantee the convertibility of the CFA franc over and beyond the foreign assets available.

(a) Payments connected with the trade in goods

All import operations must be domiciled at an approved bank if their value exceeds half a million CFA francs. In the case of the opening of a documentary credit, the foreign currency required cannot be obtained more than eight days before the despatch or can be obtained only on the date that payment is required if the goods have already been imported. Payment for exports to foreign countries, including countries having flow of funds accounts, is due within 180 days following the arrival of the goods at their destination. Exports having a value greater than half a million CFA francs must be domiciled at an approved bank. All export receipts must be converted into CFA francs within one month.

(b) Capital transfers

Capital transfers within the franc area are unrestricted, whereas transfers outside the area require the approval of the Minister of Finance. All investments abroad by residents require a prior authorization, including investments made by the foreign branches or subsidiaries of companies established in Benin. Foreign loans and the issue, advertising and offer for sale of foreign transferable securities in Benin are subject to the authorization of the Ministry of Finance.

Foreign direct investment (FDI) in Benin must be declared in advance to the Ministry of Finance which can postpone it for a period of up to two months.⁴ The liquidation of all kinds of investment must also form the subject of a prior declaration.

B. Benin's Membership of WTO and Application of the Uruguay Round Agreements

Benin is a founder member of WTO. As one of the least developed countries, it is eligible for the special and differential measures in favour of developing countries and least developed countries provided for in the Uruguay Round Agreements.

As regards the notifications, Benin has still some difficulty in meeting this obligation, largely due to a lack of the relevant information supplied to the other administrative departments by the Ministry of Trade, Crafts and Tourism or a lack of coordination among the various institutions responsible for supplying the data needed for that purpose. This situation arises from two defects noted by the technical assistance needs identification mission, namely, the low level of information on the Uruguay Round Agreements (despite a national seminar following the signature of the Agreements), and the lack of a structure to link the various administrative departments. To remedy these defects, the WTO representatives in the joint programming mission organized a working session with the administrative departments concerned in order to explain the notification process and the implementation of the Agreements. Very little has been done in Benin to implement the Agreements but the Government has requested deferred application of the Agreement on value for customs purposes.

C. The Institutional Framework

1. Focal point for the implementation of and follow-up to the Uruguay Round Agreements

The Foreign Trade Directorate (DCE) of the Ministry of Trade, Crafts and Tourism (MCAT) has been designated as focal point for the implementation of and follow-up to the Uruguay Round Agreements and as the "national antenna" for the programme activities. It is proposed to establish a national commission responsible for the implementation of and follow-up to the Agreements as an

⁴Investment is regarded as direct if it implies taking control of the enterprise.

inter-institutional structure bringing together all the parties concerned with the implementation of the Agreements.

2. Foreign trade management and promotion organizations

The Ministry of Trade, Crafts and Tourism is responsible for the formulation, application and administration of trade policy. The Ministry of Finance (General Directorate of Tariffs and Indirect Taxes) and the Ministry of Planning, Economic Restructuring and Job Promotion (Investment Promotion Directorate) take part in the formulation and application of trade policy and investment policy.

The Ministry of Trade, Crafts and Tourism has also under its supervision institutions that are active in the administration of trade policy, namely, the Benin Chamber of Commerce and Industry (CCIB) the Benin Foreign Trade Centre (CBCE) and the Centre for the Promotion of Crafts (CPA).

(a) The Benin Chamber of Commerce and Industry (CCIB)

The CCIB is a public establishment having its own legal personality and financial independence whose purpose is to represent and promote the interests of the economic agents in industry, trade and other services. It advises the Government concerning ways of improving commercial and industrial legislation, including customs tariffs and price regulations. All enterprises established in Benin must be registered with the CCIB.

(b) The Benin Foreign Trade Centre (CBCE)

The object of the Benin Foreign Trade Centre is to encourage exports and, at the moment, it is trying to develop new agricultural exports in addition to cotton and pineapples. The means at its disposal are modest and it largely restricts itself to informing the economic agents about products and export markets. The CBCE coordinates its promotion activities with those of the Ministry of Rural Development. It also tries to help exporters to benefit from the various trade liberalization schemes that are available (e.g. ECOWAS, WAEMU, the Lomé Convention and GSP).

(c) The Economic and Social Council

The Economic and Social Council is another body for concertation between the private sector and the Government. In accordance with the Constitution, it gives its opinion concerning the draft laws, orders or decrees submitted to it but it can also, on its own initiative, draw the attention of the National Assembly and Government to economic and social reforms which it considers to be necessary or in the general interest.

(d) The National Export Council

The National Export Council (CNEX), established in 1990 by private companies under the auspices of the Ministry of Trade, Crafts and Tourism, has the purposes of:

- (i) Promoting the export of agricultural, industrial, artisanal and cultural products;
- (ii) establishing a data bank in the areas of foreign market research, information on world prices and their developments and the administrative, banking and commercial formalities required for exporting; and
- (iii) organizing and maintaining close and permanent links with everybody involved in exports. Generally speaking, the objectives of the association cover all areas

connected with exports and the securities and financial operations directly connected with them. The CNEX is very active in the West African Enterprise Network (WAEN).

(e) The Business Opportunities Observation Post

In order to improve the exploitation of investment and export opportunities, the Government has decided to establish an Opportunities Observation Post which will take the form of a data bank to be placed at the disposal of national and foreign investors for the purpose of developing business and capital contributions to the country.

The establishment of the Observation Post is scheduled for the end of 1997. Its operation will be assisted by this Project.

However, all these institutions are short of the human and financial resources needed to carry on their work. Assistance is thus needed, particularly in the form of an analysis of the institutional apparatus and of the export promotion structures and the rationalization and preparation of an action plan for the export promotion organizations.

D. <u>Benin's Trade Regime</u>

During the last ten years, Benin's trade regime has been gradually liberalized: abolition of quantitative import restrictions in 1988, import licences in 1991 and official market prices for imports. As a result of two tariff reforms (1991 and 1994), the duties levied on imports have been reduced to two and, at the same time, the number of rates has been reduced from 16 to 5.

Because of its international transit role, Benin's tariffs are among the lowest in Africa south of the Sahara: the duties, which are mainly *ad valorem*, amount on average to 13 per cent, but the effective collection rate is further reduced by the numerous exemptions applied. Finally, VAT at 18 per cent is levied on imports at the frontier in the same way as on domestic production.

III. PROJECT JUSTIFICATION

A. <u>Development Problem to be Tackled</u>

The Final Act embodying the results of the Uruguay Round of Multilateral Trade Negotiations entered into force on 1 January 1995. It will produce an extensible remodelling of the rules governing international trade. This new departure will require an adaptation of international trading strategy on the part of governments and enterprises in the years to come. The challenge to Benin, as a Member of the World Trade Organization, is to adapt its production tools and create the most favourable conditions for its trade with a view to profiting from these Agreements with the ultimate aim of increasing its share of world trade and thus ensuring a sustained level of growth.

B. Beneficiaries

The direct beneficiaries of the Project activities in terms of information, training and analysis concerning the new framework for international trade are:

- The Foreign Trade Directorate (DCE);
- the other competent services of the Ministry of Trade, Crafts and Tourism;
- the other Ministries involved in implementing the Agreements;

- the private sector support institutions: CNEX, CBCE, the Chamber of Commerce, and the Business Opportunities Observation Post;
- the professional associations;
- the economic agents concerned with the Project; and
- the training institutions (University, National Economic Institute, specialized professional centres and other interested operators).

In the long term, the capacity of these institutions and their staff to cope more effectively with the Agreements will benefit the Beninese economy as a whole.

C. <u>Project Strategy</u>

The project strategy is based on constant interaction among the various national elements involved in international trade, including the agents in the informal sector.

D. Special Considerations

The Project framework was formulated in accordance with the recommendations of the Conference of African Ministers of Trade on the implications of the Uruguay Round Agreements for the continent, held at Tunis on 27 October 1994. At the end of that Conference, the African Ministers of Trade, being anxious to confront the various questions linked with implementation of the Uruguay Round Agreements, identified their technical assistance needs and requested the support of the international community, particularly WTO, UNCTAD and ITC. The present Project is to be seen in that perspective.

E. Coordination Measures

The Project will include in its implementation plan activities to be financed by other projects.

At the national level, the structures and mechanisms responsible for coordinating the Project and the participation of the various implementing agents are essentially:

- The Foreign Trade Directorate (DCE), whose coordination function arises from its responsibilities and its operation as a horizontal structure. This Directorate will establish the link between the structures of the Ministry of Trade, Crafts and Tourism and the organizations under its auspices, on the one hand, and the other ministries, professional organizations and technical bodies concerned with economic and trade matters, on the other; and
- the National Commission responsible for the follow-up to and implementation of the Uruguay Round Agreements, consisting of representatives of the various organizations and departments that are beneficiaries of the activities included in the Project.

F. <u>National Support and Execution Capacities</u>

The Foreign Trade Directorate (DCE) of the Ministry of Trade, Crafts and Tourism has limited experience when it comes to executing technical assistance projects. Consequently, special attention was paid when preparing the Project to defining the activities that could be executed by that

Directorate and those that would require external intervention. To this end, the operational capacities of the DCE will be strengthened.

Other organizations such as CBCE, CNEX and the Chamber of Commerce, as well as other business institutions, will be associated with the implementation of the project.

G. Ongoing Technical Assistance

There is not, at the moment, any technical assistance project in the trade sector.

H. Technical Assistance Needs

The joint needs identification mission, organized by ITC, UNCTAD and WTO, submitted a double questionnaire relating, in the first place, to problems connected with Benin's participation in the international trading system and, secondly, to the selection of potential trainers on the multilateral trading system.

On the basis of conversations with various national luminaries of both the private and the public sectors and the replies to the questionnaires, the following needs have been identified.

1. <u>Technical assistance needs of the government services and public institutions</u>

Benin needs technical assistance and help to develop its human resources. The national bodies involved in implementing the agreements resulting from the Uruguay Round negotiations will need help in preparing trade policy and managing the trading sector with a view to effective participation in the work of the World Trade Organization.

In the light of the preceding, the assistance expected of the World Trade Organization (WTO), the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD) should render possible:

- A better understanding of the provisions of the Agreement establishing the World Trade Organization and the annexed agreements;
- increased popular awareness of these Agreements;
- the acquisition of trade negotiation techniques; international trade is changing rapidly and an overhaul of know-how in respect of trade negotiations has become necessary;
- the training of Beninese craftsmen to produce artefacts more in keeping with the standards required by the export markets;
- the establishment of a crafts promotion fund;
- more effective monitoring of the behaviour of export products on foreign markets;
- the supply to foreign investors of full information concerning business opportunities;
- financial support for the promotion of trade and tourism;
- greater competitiveness of the Beninese economy through the diversification of domestic production;

- the introduction (with WTO assistance) of a foreign trade development strategy for Benin; and
- the installation of software to process the Beninese foreign trade statistics.

2. <u>Technical assistance needs of the private sector and the enterprises</u>

The private sector is very little developed in Benin. Most Benin national enterprises have been privatized or are being privatized in the framework of the structural adjustment programme.

In the context of the increased liberalization accelerated by the Uruguay Round Agreements, the financial constraints with which Beninese enterprises are faced are not such as to enable them to compete with foreign enterprises.

The Beninese private sector suffers from the same handicaps as that of other countries of the subregion, despite Benin's role as an international trade hub. The following factors impede efforts by the private sector to develop production and trade:

- The cost of energy, but especially of air freight, which is holding up the development of tourism and ongoing efforts to develop non-traditional fruit and vegetable exports;
- the difficulties associated with a sometimes obscure legal environment, aggravated by a lack of persons trained in business law, and especially the law of contracts in international trade;
- the poor dissemination of information on trade opportunities abroad and the lack of means of processing that information;
- a lack of human skills in the areas of management and international marketing;
- the lack of an export credit guarantee and insurance system; and, finally
- the slowness of financial settlements in international transactions.

These handicaps are making foreign operations more expensive and delaying the integration of the Benin economy into international trade.

Consequently, the Beninese private sector and enterprises need technical support to strengthen their management capacities by developing human resources in order to create pools of entrepreneurs and to develop training programmes for managers in the industrial sector. The assistance requested by Benin should focus on strengthening the competitiveness of its enterprises.

(a) Circulation of information

As far as information is concerned, there are three gaps that the Project will have to fill (1) the considerable need for information on the international trading system in general and the WTO Agreements in particular, (2) the disparity between the administration and the economic agents as regards awareness of the international agreements and their implementation, and (3) the lack of a strategy to implement the agreements.

In addition to general information on the various WTO Agreements, there are some institutions that have expressed the desire to obtain some specific information:

- Ministry of Finance: information on the WTO Agreements that are relevant to the responsibilities of the Ministry of Finance, particularly the TRIMs Agreement, the balance-of-payment provisions, etc;
- General Directorate of Customs: information on the Agreements directly relevant to customs activities (rules of origin, TRIPS, particularly the aspect of controlling fraudulent imitations at the frontier, preshipment inspection, value for customs purposes, technical barriers to trade and the Agreement on Textiles, particularly with regard to the anti-circumvention provisions);
- Ministry of Agriculture: the Agreement on Agriculture, Sanitary and Phytosanitary Measures; and
- Crafts Directorate: information on the Agreement on Technical Barriers to Trade, TRIPS, particularly with regard to the protection of designs and names of origin, the Agreement on Rules of Origin and information on quality and packaging standards.

At the Round Table Meeting held after the Seminar to explain to the Beninese private sector the results of the Uruguay Round of Multilateral Trade Negotiations, organized in September 1996 by the ITC with the participation of WTO and UNCTAD, the wish was expressed by the participants that the programme of public information, through the press, radio and local television, should take place as far as possible in the national languages so as to reach most of the operators in the informal sector, particularly the women active in trade.

(b) Strengthening institutional capacity

The fact that the economy of Benin is in the stage of transition towards a market economy after a long period of State control justifies an increased and rapid strengthening of its institutional capacities. Many other international organizations such as the World Bank and UNDP are already contributing to this work, particularly in the context of the project to develop the private sector. This programme is focused on five essential components:

- (i) Improving the legal, judicial and fiscal context;
- (ii) strengthening institutional capacities and human resources;
- (iii) supporting SME-SMI and micro-enterprises;
- (iv) improving industrial infrastructures (customs-free area and industrial parks) and the infrastructures attached thereto; and
- (v) introducing a strategy for the promotion of investments and exports.

In the specific area of international trade and implementation of the WTO Agreements, the strengthening of institutional capacities is urgent in the following areas:

- Customs: revision of the customs code and inclusion therein of special provisions on the import of intellectual property works and supports; introduction of the Harmonized System national tariff and the renegotiation of concessions under Article XXVIII of the 1994 GATT;

- economic information: establishment of a national information point with a view to regularly informing the economic agents concerning the implementation of the WTO Agreements (administrative departments and private firms), industrial information and the setting up of a Business Opportunities Observation Post;
- standards and quality: establishment within the DPQC of a laboratory and an information service concerning standards and the quality of imported and exported products. The information service should consist of a network accessible to both institutions and economic agents; and
- Support services: development and improvement of the foreign trade support services. An urgent example is that of improving the services in the Port of Cotonou.

(c) <u>Training and the development of human resources</u>

Neither the Beninese administration nor the economic agents are really well aware of the constraints and conditions of international trade, at a time when, within the framework of current liberalization policy, they are obliged to look towards the international markets. In particular, it has been noted that they are not well informed about (i) the rules for the negotiation of trade contracts, (ii) international trade financing practices and (iii) the scope of international trade agreements. It is thus urgent to train the administrative officials in the new rules of international trade so that they can usefully advise the economic agents and, in particular, those of the informal sector.

In addition, the liberal opening of Benin gives more responsibility to the economic agents. It is a matter of urgency to pass from informal trade activities to a competition-based commercial practice in the new international trade environment. Benin has an entrepreneurial class which must be made more professional and capable of standing up to international competition.

Among the numerous training courses requested by the various people encountered by the mission, we shall select the following:

- Training of trainers to meet the demand of the administrative departments and other business structures;
- training the officials of the trade promotion institutions: training in trade negotiations, international arbitration, intellectual property, rules of competition and the international trade in commodities; and
- training the agents active in the Autonomous Port of Cotonou (consignees, customs brokers, shippers, etc.).

Despite the main constraints weighing down the existing training apparatus in Benin (dispersion of the apparatus, inadequacy of the programmes and the high cost of equipment), Benin does have public institutions which can guarantee an adequate training. In this connection, the National Economics Institute (INE) is the main centre for training in international trade techniques. Attached to the National University of Benin, INE is a public university-level training establishment with autonomous management. It is well equipped, having two lecture theatres, with 150 and 300 seats, respectively, 12 classrooms, four computer rooms, a library and full teaching support equipment.

(d) <u>Strengthening export capacities</u>

There is little promotion of exports and investment in Benin. The absence of information concerning markets abroad, the weakness of productive capacities and the ponderous nature of export procedures hinder the access of Benin companies to such markets. On the other hand, the lack of practical information concerning opportunities, and on the procedures and advantages for foreign investors, limits the effectiveness of the motivation offered them.

The promotion of exports and investments is the responsibility of the Benin Foreign Trade Centre (CBCE), the National Export Council (CNEX), whose role is to help exporters to find outlets and obtain trade information, and the Benin Chamber of Commerce and Industry (CCIB). The three institutions lack the human and financial resources they need to do their work properly.

The Project will help to strengthen the capacity of CBCE, CNEX and CCIB, through, *inter alia*, the establishment of a reference centre on the multilateral trading system, a trade information system and an opportunities observation post, as well as the setting up of a Trade Point.

The Trade Point will actually be set up in the context of a technical assistance arrangement financed by the European Union which will be strengthened by this Project. In addition, many information and training activities directed towards the three institutions in particular cannot but help to improve the services they deliver to the business community in Benin.

3. Workshop on Benin's technical assistance needs

Moreover, in confirmation of the analysis made above, a workshop comprising representatives of the administration and the private sector was held at the beginning of September 1997 in order to prepare for the participation of Benin in the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held at Geneva on 27 and 28 October 1997. The workshop in question, which was chaired by an expert from the World Bank, established in order of priority the country's need for technical assistance in connection with the implementation of the WTO Agreements as follows:

- Assistance with the setting up of a Trade Point: training, equipment and Internet access;
- support for the commercial promotion of Benin products (fairs, etc);
- assistance with the establishment of an information service and training for quality control and standards;
- study of the possibilities of developing Benin's underexploited agricultural sectors;
- training in international trade negotiations;
- training of trainers in international management;
- training of trade promotion institution managers;
- formulation of an investment and export promotion strategy;
- training in international commodity trade;
- training of trainers in customs valuation and rules of origin;

- support for improvement of the legal, judicial and fiscal framework and alignment with WTO rules;
- financial support for the promotion of international trade and tourism;
- study of the competitiveness of Benin products on foreign markets;
- support for notification obligations: training and computerization, assistance with the management of the WTO dossier, etc;
- technical support for the improvement of standards and the promotion of craft and tourist products;
- assistance in the field of packaging;
- holding of training seminars on the content and implications of the WTO Agreements;
- study to assess the impact of the WTO Agreements on the Benin economy;
- training of specialists in the drafting of legal texts in the field of international trade;
- training of tourism and craft enterprise marketing managers;
- training in new information technologies, especially the Internet;
- study of the informal sector and its rule in foreign trade, especially subregional trade; and
- assistance with the facilitation of customs procedures.

While addressing the specific situation of Benin, this Project forms part of an overall programme to deal with the generic technical assistance needs linked to the implementation of the WTO Agreements which will help to improve the integration of Benin into world trade. In that context, some of the needs listed below will have to form the subject of additional technical assistance projects requiring additional resources and activities in greater depth, within the framework of the country development programmes.

IV. OBJECTIVES AND OUTPUTS OF THE PROJECT

A. Development Objective

To facilitate Benin's integration into the multinational trading system based on the Uruguay Round Agreements.

B. Project Direct Objectives

- 1. Developing a national capacity for understanding the multilateral trading system based on the changes that have occurred as a result of the Uruguay Round Agreements;
- 2. Helping to bring national legislation into conformity with the rules of the multilateral trading system and to devise strategies to derive the maximum advantage from the opportunities arising from the implementation of the Uruguay Round Agreements; and

3. Helping to improve knowledge of Benin's export markets and strengthening the competitive position of its exporting enterprises.

C. Project Outputs and Activities Related to the First Objective

Developing a national capacity for understanding the multilateral trading system based on the changes that have occurred as a result of the Uruguay Round Agreements.

The objective is to sensitize further and develop a greater knowledge and better understanding of the WTO Agreements, including questions of trade policy, with a view to a more effective and more advantageous participation in the multilateral trading system. This objective can be achieved through national awareness seminars, i.e., by training in the country and by training trainers.

In addition, the Project will support the operations of the inter-institutional committee which the Ministry of Trade, Crafts and Tourism intends to establish as well as those of the customs administration for matters within its competence.

1. Output 1.1: Institutional assistance

To assist the inter-institutional committee to become operational, the Project will *inter alia* help the implementation of the following activities:

- Drafting and adopting terms of reference and rules of procedure for the interinstitutional committee which will bring together both the government departments engaged in implementing the Agreements and the private sector organizations concerned;
- developing and adopting appropriate strategies to take advantage of the transitional periods allowed by the Agreements;
- preparing annual working plans for the inter-institutional committee;
- drafting terms of reference for the working parties deriving from the committee for the carrying out of specific tasks; and
- participating in subregional consultation meetings of the inter-institutional committees responsible for implementing the Uruguay Round Agreements in the WAEMU countries.

More particularly, the WTO will help by:

- Supplying core documentation on the WTO Agreements to serve as a reference framework for the inter-institutional committee in carrying out its future work;
- supplying the relevant documents of the various WTO committees and working groups having a direct relationship to the work of the inter-institutional committee; and
- including the inter-institutional committee in the WTO mailing list of periodical publication.

Within the context of this support, the WTO would also be able to give technical advice on any question of concern to the committee envisaged for this Project on legal and institutional questions within the competence of the WTO and on its activities in course. In addition, the Project will supply assistance with regard to new information technologies. The WTO will supply to the

official focal point the documentation relating to the Final Act, annexes, analytical and reference documents, CD ROMS, Internet connection, etc.

For its part, UNCTAD will contribute by:

- Supplying documentation to the secretariat of the inter-institutional committee: recent reports prepared by the UNCTAD secretariat and the databases developed by the secretariat (Trains, Mast, etc);
- participating in the subregional concertation meetings of the inter-institutional committees responsible for implementing the Uruguay Round Agreements in the WAEMU and ECOWAS countries;
- facilitating the exchange of information between the various inter-institutional committees; and
- setting up a national trade and transport facilitation committee, within the framework of the Trade Point already envisaged (project financed by the European Union, for the setting up of Trade Points in the ECOWAS countries.

2. Output 1.2: Assistance to the customs administration

The customs administration receives technical support from the World Customs Organization (WCO), in the form of training in value calculation techniques.

In addition, the WTO will give assistance;

- By providing information to the customs administration on the implementation of the Agreement, particularly in respect of the notifications and all the issues discussed in the context of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) 1994;
- in respect of all matters connected with customs tariffs, particularly those relating to the schedules of concessions, the renegotiations under Article XXVIII, the exemptions and issues linked to the Memorandum on Article 2 1B of the GATT 1994; and
- concerning any legal matter question relating to regional integration or the free-trade

UNCTAD will supply maintenance assistance in the implementation of the ASYCUDA system version three, recently installed by the ECOWAS Community Data-Processing Centre (CIC). UNCTAD assistance will focus on the establishment of high-level operating teams, consisting of customs officials and data-processing experts required to deal with the software, and also by organizing a study trip by three Benin customs officers to the Customs Technical Centre at Lomé, Togo.

3. Output 1.3: Strengthening national training capacity in multilateral trading system issues

Strengthening the national capacity to understand the multinational trading system and its implications for the country will be achieved by training trainers/discussants/experts on the subject and establishing a network of contacts and exchanges among these resource persons. The network should enable the resource persons in question to keep one another informed of the development of know-how and help one another in the organization of training activities and the dissemination of

information and advice. They will constitute the main support for the various activities to be carried out within the framework of this Project such as the setting up of Reference Centres or the making of training and advisory activities available to enterprises and government departments. The national network of trainers/discussants/experts, which will have to be enlarged by the local training of generalist and specialist trainers/discussants, will itself form part of a more extensive network consisting of resource persons with similar expertise in the other countries covered by the Programme.

The enlarged network thus constituted will be supported by and integrated into the network of trainers in international trade and the multilateral trading system which the ITC is to set up in the context of its global programme to follow up the WTO Agreements. The trainers/discussants will, moreover, have the benefit of exchanges of training equipment in the Case Studies Exchange established by ITC.

The training activities and the establishment of national, regional and global networks will be developed according to the following scheme:

(a) <u>Training of trainers: the Geneva course</u>

A training course lasting three weeks will be organized by ITC, UNCTAD and the WTO for the purpose of giving a limited number of trainers/discussants a knowledge and training capacity in the area of the Uruguay Round Agreements and the multilateral trading system.

Six trainers/discussants (two of whom will be accommodated by ITC, two by UNCTAD and two by the WTO) will be selected from among the candidates submitted by the authorities in the context of the exercise to identify potential trainers which took place during the programming mission. In the case of trainers/discussants belonging to the private sector, precise conditions and terms will be developed to govern their availability and the transfer of know-how to the other interested parties.

The participation of the trainers/discussants in the course will be financed by the Project. The organization of the course will draw upon the experience gained from holding a similar course for English-speaking countries covered by the Programme (24 November-12 December 1997 at Geneva). The course will contain the following main elements:

Part I: The WTO

The WTO part of the training course will be devoted to an in-depth examination of the Agreements, instruments, legislative and implementation aspects, WTO operational methods, and an introduction to WTO information technologies - technical cooperation in an electronic form based on the use of a CD-ROM.

The WTO will accommodate two Beninese participants for three weeks at Geneva. WTO financing will cover the cost of transport and subsistence of these two persons selected by ITC, UNCTAD and the WTO.

Part II: UNCTAD

UNCTAD training will relate to the policy dimension of the development of the Agreements: particularly national and regional strategies with regard to the new issues relating to trading framework that are on the agenda, such as competition rules and investment policy; the trade diplomacy course of the Trainfortrade Programme; familiarization with the use of CD-ROM and introduction to the Trade Points.

Part III: ITC

As far as ITC is concerned, the training will relate to an assessment at the country's own specific level of, the potential produced and the development of markets and the requirements associated therewith; trade information, its application and use; support services to foreign trade such as quality control, packaging, export insurance and financing and the management of international purchases and supplies.

An evaluation and follow-up session on these activities will be carried out after this programme by the WTO, UNCTAD and ITC. Immediately after their training in Geneva, the trainers/discussants will devise a joint plan of action comprising *inter alia* a survey of the training needs for generalist and specialist trainers, as well as a programme for disseminating technical information on the multilateral trading system in their countries.

Activities

- Selection of candidates for training from among those identified during the programming mission (trainers/discussants);
- statement of the conditions for the participation of trainers/discussants from the private sector and assent to these conditions by the candidates;
- participation of the trainers/discussants in the training course; and
- preparation of a plan of action by the trainers/discussants.

(b) Survey of the training needs linked to the implementation of the Uruguay Round Agreements

The training needs linked to the implementation of the Uruguay Round Agreements will be determined by means of an ad-hoc methodology based on those used in the ITC and UNCTAD to identify training needs linked to international trade.

Additional potential trainers/discussants will be identified in the course of this survey together with the teaching equipment needs of the national training institutions involved.

Activities

- Adoption of a methodology to identify specific training needs;
- survey of general and specialized training needs; and
- identification of potential trainers/discussants.

(c) <u>Training of trainers at the national level</u>

The potential trainers identified will be given a training course taught by the six trainers who had participated in the Geneva course, with a participation of resource persons from the WTO, UNCTAD and ITC. The six trainers in question will previously have followed a day's course of further methodological training given by resource persons from the WTO, UNCTAD and ITC, on the preparation of case studies and on group presentation and communication techniques. National consultants will also be involved in this activity. The training course for generalist trainers will be organized at the end of the first year of the Project so as to help consolidate the national capacity for managing and following up the WTO Agreements.

Furthermore, specialist trainers/discussants/experts will be trained and integrated into the national network, as mentioned above. These resource persons will be selected from the technical and training institutions that are competent in subjects of particular interest to the country, such as:

- Technical barriers to trade, sanitary and phytosanitary measures, quality control and certification, export packaging;
- intellectual property and trademarks;
- value for customs purposes, rules of origin, preshipment inspection, import licences and export regimes;
- regional integration;
- agriculture and textiles;
- services;
- export products diversification and development;
- competition rules, anti-dumping, safeguard measures, subsidies, state trading, public markets, etc.

Trainers/discussants/experts in these areas will take part in training cycles organized by ITC, UNCTAD and the WTO in the form of subregional seminars which will enable economies of scale to be achieved and promote exchanges among the participant countries.

Activities

- Designing the course programmes;
- day of further training in methodology;
- training course for generalist trainers; and
- subregional seminars for specialist trainers.

(d) <u>Training institutions</u>

The Project will make it possible to strengthen the capacity of the training institutions specializing in international trade and international business law to teach the multilateral trading system. The strengthening will include supplying course supports to the institutions selected during the survey of training needs mentioned above.

Activities

- Supply of three types of course support: written works, transparencies and dataprocessing tools (if applicable), after consultation with the organizations selected; and
- as far as UNCTAD is concerned, the course support will be adapted.

(e) <u>Discussion Forum</u>

The trainers trained by ITC, UNCTAD and the WTO and those trained at the national level will be affiliated to a "discussion group" established on the Internet at Geneva. The Discussion Forum will ensure that the training programme is followed-up and will make it possible to answer the questions asked and to exchange experience, case-studies and the training material needed to organize national training and information programmes on the multilateral trading system. A Web-site will be created, accessible through the ITC, UNCTAD and WTO page. This site will present the activities of the Integrated Programme in each of the countries covered and will enable the six national trainers of each country participating in the programme to make immediate contact with the other experts, the regional advisers posted in West Africa and East Africa by the programme executing agencies and the latters' headquarters in Geneva. The Web-site, access to which will be reserved for authorized users (protection by password), will also enable the WTO, UNCTAD and ITC to distribute all the information needed to implement the programme (activity plan, description of consultants' posts etc.) together with training and information material. It will also facilitate almost instantaneous interaction between the Geneva organizations and their partners in the countries participating in the programme. UNDP, the World Bank and IMF, in the framework of their joint effort to assist the least-developed countries, will have the possibility of acceding and contributing to the Discussion Forum, as will the donors financing the programme. The computers installed by the WTO in October-December 1997, in the framework of the Official reference Centres in each of the countries covered by the programme, will be used as relays for participation in the Discussion Forum. Other computers will be able to join in from the Reference Centres for the business and academic communities (see 1.4. below).

Activities

- Creation of a Web-site accessible through the home-page of ITC, UNCTAD and the WTO;
- establishment of an electronic exchange network on the Internet (automatic e-mail list);
- creation and operation of a format for transmitting electronic messages to the Discussion Forum site;
- organization of on-line accessibility to the messages exchanged (first stage);
- organization of the on-line discussion (second stage); and
- site management: channelling of questions and answers, cleaning, synthesis, etc.

(f) Exchange of experience at the subregional level

On two occasions during the Project, subregional workshops will be organized to enable the generalist and specialist national trainers to meet one another and discuss their experiences so as to make use of the positive aspects and draw lessons therefrom.

In the western African subregion, a workshop will be organized in the first half of 1999 and another a few months before the end of the Project (first half of 2000). They will gather together the trainers and the discussants from Benin, Burkina Faso, Côte d'Ivoire and Ghana, together with the Regional Adviser and resource persons from ITC, UNCTAD and the WTO.

Prior to these two activities and thanks to the Discussion Forum established as described above, case-studies will be exchanged as well as training material (transparencies, presentation notes, etc.). They will be made available to the participants in the workshops.

Activities

- Exchange of case-studies;
- preparation of subregional workshops;
- holding of subregional workshops on the exchange of experience between trainers and discussants on the multilateral trading system; and
- exchange of information and experience on notifications.

(g) <u>Participation in the ITC Case-Study Exchange for the development and interchange of training material</u>

ITC is establishing a centre for the development and interchange of training materials, which will bring together case-studies on the development of trade in the context of the multilateral trading system. The national trainers' networks will be invited to submit case-studies periodically (at least one per year) to this centre and will be helped to improve them. Once they reach a satisfactory level of quality, the cases will be circulated in a global network (the Case-Study Exchange) so that they can be used by the trainers in other countries. The Project will assist the Beninese trainers to participate in this interchange through the Discussion Forum.

Activities

- Methodological advice;
- collection of cases;
- distribution through the global network; and
- supply of case-studies produced by the network.

4. Output 1.4: Establishment of Reference Centres on the multilateral trading system

A "Reference Centre" on the Uruguay Round Agreements and on the multilateral trading system is an information and guidance point on the rules governing the international trade order and the business relationships between nations and between exporting and importing enterprises. The Reference Centre typically consists of a collection of documents which is regularly updated and which operates with the appropriate information and communication means. The collection is placed in an existing documentation facility or economic and commercial site which is regularly visited by the users targeted. One or more resource persons, associated with the operation of the documentation collection of the Reference Centre, will be responsible for explaining the provisions of the Agreements and guiding the users. These resource persons are to be selected from among the trainers who attended the Geneva training course. To take account of the different requirements of the various categories of users, two Reference Centres might be established.

(a) Official Reference Centre

This centre is for the use of the officials of the administrative departments responsible for preparing draft legal and regulatory texts as well as official notes and statements of position on questions that are being negotiated, for example. The official Reference Centre is usually located near the focal point for the management of and follow-up to the Uruguay Round Agreements. It will contain the texts of the Agreements and their Annexes together with various publications and analyses which are useful for the intended purpose: jurisprudence, the positions of the Member States on questions that have been negotiated or are being negotiated, etc. It will be accessible to the members of the inter-institutional committee and to members of the civil service and Parliament. The members of the Trade Cooperation Service of the Foreign Trade Directorate would be the resource persons responsible for guiding the users and particularly the trainer(s)/instructor(s) that has/have attended the Geneva training course mentioned above. The documentation service of the Foreign Trade Directorate would house the Centre and would devise a procedure for looking after and managing the documentation.

The WTO has already installed the necessary equipment in October 1997 (a Pentium computer, printer, CD-ROM and modem) and a core collection of documents comprising the texts of the Agreements on written support and on CD-ROM together with reference works. An e-mail address has been established and a short training course was given to the service operators.

Once the Project has been launched, UNCTAD and ITC will complete the installation of the Official Reference Centre at the same time as they will proceed to set up another Reference Centre for the business community.

Activities

- Supply of documentation: final act, annexes, analytical and reference documents, CD-ROM, etc. (UNCTAD, ITC). (Already carried out by the WTO October 1997);
- supply of electronic equipment (computers, CD-ROM readers). (Already carried out by the WTO in October 1997);
- connection to Internet. (Already carried out by the WTO in October 1997);
- connection to Discussion Forum on the multilateral trading system;
- connection to ITC databases: Juris, Qualidata, etc;
- extra documentation to be supplied by ITC and UNCTAD; and
- training of the managers in ITC or in a place identified in the subregion.

(b) Reference Centre for the business community

A second Reference Centre will be established for the use of enterprises and their guidance and promotion institutions. It will contain the same core information as the first Centre: the Final Act and its Annexes with their updatings, details of notifications and analyses relevant to the enterprises, other than those that are purely legal. This second Centre will be located in the CBCE. It will be accessible to users in accordance with a consultation arrangement to be specially developed. The business Reference Centre will also be open to teachers and students. The collection of documents and the means of consulting them, particularly electronic means, will be made available within the context of the Project as soon as the efficiency criteria, to be indicated later, have been satisfied.

In addition, this Centre could, if necessary, be incorporated into the future Trade Point to be set up within the context of the project for the establishment of Trade Points in the ECOWAS countries.

Activities

- Supply of documentation: Final Act, Annexes, analytical and reference documents, CD ROM, etc. (UNCTAD, ITC);
- supply of electronic equipment (computers, CD-ROM readers);
- connection to Internet;
- connection to GTP Net;
- connection to ITC databases: Juris, Qualidata, Packadata, etc; and
- connection to the Discussion Forum on the multilateral trading system.

(c) Training seminar for the managers of the Reference Centres

A seminar will be organised for the officials of the reference services hosting the two Reference Centres. This will be a four-day training seminar, directed by a specialist ITC consultant, either in the country itself or else in the subregion for the managers of all the reference services in Benin, Burkina Faso, Côte d'Ivoire and Ghana.

Activities

- Selection of candidates for training; and
- holding the seminar.

5. Output 1.5: Knowledge and understanding of the multilateral trading system

(a) <u>Informing the media and the general public</u>

The WTO will make available to the Benin authorities useful material for the information of the general public about the WTO Agreements. The WTO will supply the press releases and files established by its Information and Media Relations Division together with videos about the WTO.

Moreover, the WTO might, as far as possible, accommodate a representative of the Benin media to cover the WTO Ministerial Conferences.

(b) General seminars

National seminars of a general or specific nature will make it possible to improve knowledge of the Uruguay Round Agreements by the institutions of the government and private sectors and by the enterprises. To this end the following activities will be organized:

(i) A national high-level seminar on the WTO and the Uruguay Round Agreements

This seminar, which will last two days will be held for:

- Senior civil servants professionally concerned with the multilateral trading system;
- institutions supporting the private sector;
- members of the Economic and Social Council (CES);
- members of the National Assembly committees concerned with economic and trade questions and international relations;
- leaders of the private sector;
- academics;
- diplomats; and
- other personalities in civil society and public figures that are concerned, including some representatives of the media.

(ii) Seminar for staff members of the public and private sectors

This three-day seminar will be organized for the technical staff of all the administrative departments and institutions in the private sector that are interested in the WTO Agreements.

It will be addressed also to the enterprises engaged in foreign trade. The seminar will deal *inter alia* with the impact of the Uruguay Round Agreements on Benin enterprises. It will be organized after completion of the study provided for in Output 2.2.

(c) Specialized technical workshops

A series of specialized workshops (4 to 5), each lasting two or three days, will be organized for the persons interested in the respective subjects. Some of them will be directed by the national trainers who have benefited from the training given in the context of the Project with the support of the WTO, UNCTAD and ITC specialists. Within this context, the WTO will provide support by sending five of its experts for the specialized training workshops on customs questions, technical barriers to trade, rules concerning competition, agricultural products and textiles. The specialized technical workshops will deal with questions specific to Benin, with the help of material from the impact study, mentioned under D.2 below, as well as the data collected within the context of the matrix of products and markets which will be prepared under activity E.1(a) of the objective of diversifying products and markets.

The subjects of the specialized workshops will be selected from among the following:

- Technical barriers to trade, sanitary and phytosanitary measures, quality control and certification and export packaging and marking/labelling;
- intellectual property and trade marks;
- value for customs purposes, rules of origin, preshipment inspection, import licences and export regimes;
- regional integration;

- agriculture and textiles;
- services;
- diversification of exports and development of export products (in the light of the products markets matrix);
- rules on competition, anti-dumping, safeguard measures, subsidies, state trading, public markets, etc; and
- international trade and transport.

D. Project Outputs and Activities Related to the Second Objective

Helping to bring national legislation into conformity with the rules of the multilateral trading system and to devise strategies to derive the maximum advantage from the opportunities arising from the implementation of the Uruguay Round Agreements.

1. Output 2.1: Adjustment of the foreign trade laws and regulations

Benin's membership of the WTO makes it necessary to bring the domestic texts and laws governing many sectors relating to foreign trade into conformity with the provisions of Uruguay Round Agreements. To that end, the Project will have to assist Benin in adjusting its laws, regulations and procedures.

The WTO assistance will relate to:

- Assistance in the drawing up of the notifications which the country must make because of its membership of WTO. This assistance could take various forms, particularly the provision of a special handbook prepared with a view to the drawing up of the notifications required under the various agreements;
- the dispatch of an information mission to the various ministries involved, to provide explanations and technical information concerning the required notifications;
- provision of technical advice on the implementation of the Agreements, particularly on the basis of examples from countries with similar profiles;
- evaluation missions concerning any problem relating to the review or introduction of national legislation aiming at consistency with the WTO rules; and
- field missions designed to enable the authorities to introduce national legislation by, *inter alia*, proposing model laws that could be adapted to the specific situation of Benin.

2. <u>Output 2.2: Assessment of the impact of the new multilateral trading system on Benin's economy and foreign trade</u>

A prospective survey will be undertaken on the probable impact of the implementation of the Uruguay Round Agreements on the Benin economy. The survey on the impact of the Uruguay Round Agreements will make it possible to give a more practical and country-specific orientation to the training and information seminars mentioned above. It will be the starting point for the formulation of

a national strategy for the development of foreign trade, together with the elements of the products - markets matrix which will be established under E.1(a).

The impact survey will illustrate in practical terms the consequences expected from the erosion of tariff preferences and the improvement in the conditions of access to traditional and potential markets of interest to Benin's products. The same survey will review, in those markets, the import conditions for exportable Benin products, including technical barriers to trade, quality considerations and competition. It will make it possible to prepare projections for the various subsectors and lay the foundations for sectoral strategies. It will also indicate the general outlines of activities to improve export competitiveness, in terms of quality and price. It will be carried out with the assistance of a team of national experts supported by experts from UNCTAD and ITC.

The results of the survey will be submitted to and discussed at the national symposium on export promotion envisaged under 3.2(d).

3. Output 2.3: Assistance in improving foreign trade development strategies

UNCTAD will supply advisory services for:

- A review of present Benin trade policy and identification of the relevant constraints and requirements;
- an analysis of the implications of the Uruguay Round for the country's trade opportunities; and
- a definition of strategies for the country's trade expansion: these strategies will be designed to consolidate the country's economic opening and to put macroeconomic policies into concrete form (prices, appropriate exchange rate etc). They will help to improve the business and investment environment by *inter alia* a technology and innovations policy and an appropriate regulatory framework at the economic level.

These activities should take advantage of the survey of business laws and regulations which is to be prepared with a view to assessing the conformity of these laws and regulations with the international agreements. The new provisions and proposals, which must also take account of the subregional treaties (WAEMU, ECOWAS, etc.) must culminate in the formulation of:

Trade policy and strategies aimed at making the country's business environment more auspicious; and

Trade facilitation measures, with particular attention to a VAT reimbursement and customs duties and taxes drawback scheme for exported products.

E. <u>Project Outputs and Activities Related to the Third Objective</u>

Helping to improve knowledge of Benin's export markets and strengthening the competitive position of its exporting enterprises.

1. <u>Output 3.1: Identification of trade and export development potentials in the context of the</u> globalization of world markets

(a) Matrix of products and markets of interest to Benin

In parallel with the study on the impact of the multilateral trading system on Benin's foreign trade and economy (see D.2 above), a products-markets matrix will be worked out in order to determine the potential for diversifying Benin's export products and markets, in the context of the liberalization and globalization of markets. The methodology recently developed in ITC to identify the dynamic forces and comparative advantages of the developing countries will be followed, using national statistics and current and projected production data as well as the "mirror statistics" of the Comtrade database.

Activities

- Selection of the technical team to work out the products-markets matrix from the staffs of CBCE, CNEX and the selected professional associations;
- adoption of the terms of reference for the study;
- methodological advice by an international ITC consultant; and
- construction of the products-markets matrix.

(b) Study of Benin's exportable products potential

On the basis of the products-markets matrix, a study of export potential will be carried out by CBCE, in cooperation with CNEX, CCIB, the ministerial departments and the representatives of the professional associations or enterprises concerned. The participation of these last will be on the basis of a contribution to the costs. The study will make it possible to assess the real prospects of the production sectors in terms of competitiveness, product by product, and identify the bottlenecks and the technical and other obstacles that will have to be dealt with.

Activities

- Selection of the team of researchers to carry out the study on potential from the staffs of CBCE, CNEX and the enterprises concerned;
- adoption of the terms of reference for the study;
- methodological advice by an ITC consultant; and
- carrying out of the study on the potential of Benin's exportable products.

(c) Studies of foreign markets of interest to Benin

The same matrix will be used to select a series of market surveys on the basis of documents or by field visits. These surveys, which will take the form of market monographs, will review, in the target markets, the conditions for the import of Benin's exportable products, together with the technical barriers to trade, quality and competition considerations and so forth. They will take particular account of the improved conditions of market access introduced by the application of the Uruguay Round Agreements. They will be carried out with the support of the ITC services.

Activities

- Methodological advice by specialized ITC consultants;
- carrying out of at least four market surveys in the subsectors of:
 - Textiles:
 - oilseeds, vegetable oils and derivatives;
 - handicraft products;
 - fresh fruit and vegetables and horticultural products; and
 - agricultural and food preserves and products.

(d) Study of the services export potential

A second services-markets matrix would have to be worked out to determine, on the basis of national and international data, the services imported and exported by Benin. On the basis of this matrix, a study of the export potential will be carried out by a team consisting of technicians from CBCE, CNEX and the competent ministerial departments. This team will have to estimate the country's development potential in the following service subsectors:

- Transport and transit;
- enterprise consultation and management;
- rural project development;
- data-processing subcontracting (in French and in English);
- cultural and discovery tourism; and
- international and subregional conferences and meetings.

Any enterprises that are interested in these sectors could participate in the study, on the basis of a contribution to the cost entailed. The study will make it possible to assess the real prospects of the services subsectors in terms of competitiveness and identify the bottlenecks and the technical and other obstacles to be overcome in order to promote the development of these activities.

Activities

- Selection of the team of researchers to carry out the study on potential;
- adoption of the terms of reference for the study;
- methodological advice by specialized ITC consultants; and
- carrying out the study on the potential of Benin's exportable services.

Within the framework of the Coordinated African Programme of Assistance in Services (CAPAS), UNCTAD will help to develop national analytical and decision-making capacities in the areas of services policy. This Programme has also the objective of ensuring a better understanding of the relationship between internal reforms and the liberalization process undertaken in the context of the agreements on trade in services. CAPAS will make an assessment to identify potential prospects

for the development of and trade in services. Policies to develop and promote the export of services will be assessed in the context of the Programme. In addition, assistance will be given to prepare for the year 2000 negotiations in the framework of the General Agreement on Trade in Services. This assessment will be funded by the contribution included in the CAPAS Programme as well as by the financial inputs under this Project.

UNCTAD will also help:

- In the negotiations on services in the WTO framework, namely, the sectoral negotiations that are in progress and the future major worldwide round negotiations provided for in Article XIX, paragraph 1, of the General Agreement on Trade in Services;
- to satisfy the requirements of Article III of the General Agreement on Trade in Services concerning the establishment of enquiry points; and
- to prepare sectoral plans of action and development for services.

2. Output 3.2: Designing export development strategies

Three strategic approaches will be examined:

- A national export strategy, including diagnosis and reform of the institutional apparatus;
- a subregional trade promotion strategy; and
- sectoral strategies for priority sectors.

(a) A national strategy to develop Benin's exports

With the help of the data thus collected on the potential supply and the foreseeable demand of the foreign markets, a proposed national strategy to develop foreign trade will be prepared. This strategy will review the institutional apparatus for promoting exports as well as the sectors presenting comparative advantages for the country, as identified under E.1, and will indicate an approach to be adopted which will take account of the improved conditions of access to traditional and new markets that can be targeted by Benin products as well as the expected development of exportable production. The proposed national strategy will comprise projections for the various subsectors, including services, which will provide a basis for the formulation of sectoral strategies. It will also provide guidelines for action to improve export competitiveness, in terms of quality and price. To that end, extensive consultations will be held with the technical departments and professional associations concerned.

Activities

- Selection of the team of national and international experts to design the strategy;
- adoption of the terms of reference for the research to prepare the strategy;
- methodological advice by an ITC consultant; and
- preparation of the national export development strategy.

(b) <u>Sectoral strategies for the development of priority export sectors</u>

The sectoral strategies will be developed in cooperation with the professional associations which will be assisted, if necessary, to develop their own analytical capacity and capacity to design promotional strategies for their respective groups of products. The sectoral strategies will relate to five groups of products (four groups of goods and one group of services). Project cards for the development of subsectors of interest will be proposed for the export of both goods and services.

Activities

- Selection of teams of national and international experts to design the sectoral strategies;
- adoption of terms of reference for the research to prepare the sectoral strategies;
- methodological advice by ITC consultants and on-the-job training of the counterpart staff; and
- preparation of sectoral strategies for:

Exporting goods, four of the following groups:

- Textiles;
- oilseeds, vegetable oils and derivatives;
- handicraft products;
- fresh fruit and vegetables and horticultural products; and
- agricultural and food preserves and products.

Exporting services, one of the following groups:

- Rural project development, construction and related works;
- cultural and discovery tourism, conferences and meetings;
- transport and transit; and
- preparation of sectoral project cards for the same subsectors.

(c) Strategy for the development of Benin's subregional trade

In relation to the global and sectoral objectives for the development of Benin's exports, an approach and specific objectives will be proposed for the development of Benin's subregional trade, with due regard for the country's comparative advantages within the subregion and the dynamism that characterizes the national economy as compared with the neighbouring WAEMU and ECOWAS countries. The service-export category will also be given particular consideration here.

Activities

- Selection of the teams of national and international experts to design the subregional trade development strategy;
- adoption of the terms of reference for the research to prepare the strategy;
- methodological advice by an ITC consultant; and
- preparation of the subregional trade development strategy.

(d) National symposium on the development of Benin's exports

The proposed strategies will be considered at a national export symposium to which will be submitted also the results of the study of the impact of the multilateral trading system on Benin's economy and foreign trade.

Activities

- Logistics of the symposium and technical and administrative preparations; and
- technical contributions to the symposium by ITC consultants.

3. Output 3.3: Installation of coordinated economic and trade information services

Of the basic tools for effective competition to be made available to the Benin enterprises engaged in foreign trade, economic and trade information is of particular importance. In that context and over and above the strengthening of the existing mechanisms for producing and distributing economic and trade information, the Project will help the Business Opportunities Observation Post, which the Government has decided to establish, to become operational:

(a) <u>Feasibility study on coordinated economic and trade information services and on the setting</u> up of the Opportunities Observation Post

The Opportunities Observation Post will be an economic data bank at the service of any investor or promoter who wishes to develop business in Benin's trade, handicraft, tourism, agricultural, industry or mining sectors.

To that end, the Opportunities Observation Post will be responsible for:

- Collecting and distributing information on economic projects that are seeking finance and on domestic and foreign trading opportunities;
- facilitating access by the economic agents to information of value for reaching economic decisions;
- helping any economic agent to identify business opportunities in keeping with his financing possibilities and to convert them into an investment project;
- organizing and encouraging business contacts between the various economic promoters; and
- informing Beninese business circles of all measures likely to affect the development of trading activities and market trends.

An evaluation of trade information needs will be made and coordinated information services proposed, indexing various producers and distributors of economic, statistical and commercial information on a national and subregional scale. The aim will be to achieve economies of scale on the investments, particularly with regard to the production of information and data handling. The services in question will be based on commercial data handling implying that, in due course, private firms will take them over. Obviously it will not be possible for the services to become fully profitable in the short run. It might be possible, however, to combine the management of the economic and trade information system with advertising activities, supplying access to the Internet and other

communication services to SMEs for which a fee would be charged. In this way, a certain amount of profitability could be achieved.

The study should determine the conditions in which the operation could be optimized and the way in which the resources of information producers, distributors and consumers could contribute to the effective functioning of the services. In addition to the feasibility of a national network to collect and disseminate various types of information needed by the foreign trade enterprises and by those involved in the development of Beninese trade, the study would cover the ways and means of launching the Business Opportunities Observation Post, the essential task of which will be to centralize information of domestic origin on opportunities of exporting products and services as well as on investment possibilities in the country. It will indicate the various project ideas available and the procedures required and also the comparative advantages and incentives offered to foreign and domestic investors.

Activities

- Adoption of terms of reference for the feasibility study on the information system and establishment of the Observation Post;
- constitution of the study team (CBCE, Chamber of Commerce, Opportunities Observation Post);
- methodological advice by an ITC consultant;
- elaboration of enquiries by the team; and
- finalization of the feasibility study with the support of the ITC consultant.

(b) Workshop on economic and trade information in Benin

Once the feasibility study has been completed, a workshop will be organized on "export-oriented economic, trade and investment information in Benin" for the producers, distributors and consumers of information. The participants in the workshop will include government departments and enterprises, as producers and consumers of information, as well as CBCE, the Chamber of Commerce, CNEX, the professional associations, the Business Opportunities Observation Post and other private information intermediaries, including the suppliers of access to the Internet.

Activities:

- Technical preparation;
- guidance of the workshop by the study team with support from the ITC consultant; and
- adoption of operational rules for the trade information system and practical operating conditions for the Business Opportunities Observation Post.

(c) Installation of coordinated economic and trade information services

The Project will facilitate the upgrading of the various components of the system by supplying data, organizing exchanges of data during an experimental period and connecting the components up to the international databases. Its assistance activities will focus in particular on the:

- CBCE component;
- Chamber of Commerce component;
- CNEX component;
- Ministry of Trade, Crafts and Tourism component; and
- Business Opportunities Observation Post component.

The Project will supply the Business Opportunities Observation Post with adequate computer equipment to process the databases to be established. It will supply the necessary advisory services to organize the work of the Observation Post and train the members of its staff, who will be appointed by the Government and the private sector.

Activities

- Technical advice to the components of the system;
- supply of data;
- supply of computer equipment to the Business Opportunities Observation Post; and
- facilitation of connection to the international databases (Internet).
- 4. <u>Output 3.4: Adaptation and production of the Guide to "Trade Secrets The Export Answer Book"</u>

ITC has developed the basic concept of a generic guide to exporting which can be adapted to the national context: a tool which is made available to exporting enterprises or enterprises that wish to become exporters. It supplies essential information by answering 100 questions that are regularly and frequently asked by SME executives in respect of export management. The answers are supplemented by appropriate references to additional information resources.

Technical assistance by ITC will make it possible to adapt the generic version and turn it into a country-specific Guide for Benin. This will be done in partnership with a national counterpart organization which will co-sponsor the publication of the adapted version.

Activities:

- <u>Advice on the preparation of the Guide to "Trade Secrets The Export Answer Book"</u>
 Mission by a specialized consultant to guide the team selected by the national counterpart organization responsible for the process of adapting the Guide.
- Realization of the Guide to "Trade Secrets The Export Answer Book"

 The national adaptation will be carried out, with the technical support of ITC, by a subcontractor. The counterpart organization will be responsible for the realization procedures in accordance with the terms of the arrangement contracted with ITC and will benefit from the proceeds of sales of the publication. The subcontractor will prepare the draft text for publication on the basis of the realization procedures.

- <u>Organization of the distribution of the Guide to "Trade Secrets - The Export Answer Book"</u>

The Guide will be distributed and sold in accordance with the contractual arrangement between the national counterpart organization and ITC. The proceeds of the sales will be retained by the counterpart organization to recover its preparation and printing costs and to finance any future updated version.

5. Output 3.5: Improving access to export financing

The Project will help to facilitate the access of enterprises (Benin/Burkina Faso/Côte d'Ivoire) to prefinancing of their export activities by, on the one hand, making available to them a handbook on the approach to banks and its adaptation, in cooperation with the national monetary and credit authorities as well as WAEMU, ECOWAS and WADB and, on the other, by carrying out a study on export financing.

(a) Adaptation and realization of the handbook "How do I Approach the Banks?"

ITC has prepared for the export enterprises in developing countries a prototype handbook on approaching banks in the context of their export financing needs. This handbook reviews the financing instruments normally available to an exporting enterprise and the conditions that should prevail in approaching commercial banks with a view to opening an export credit file. In the context of this Project, the handbook in question will be made available to Beninese enterprises in a version adapted to the context of the CFA area in general and Benin in particular.

The handbook has to be translated from English and adapted to the national context. To that end, and in order to achieve economies of scale, translation of the prototype handbook and its adaptation to local conditions could be carried out jointly by the organizations concerned in Benin, Burkina Faso and Côte d'Ivoire, in a regional version for the CFA area, which takes account of similarities of situation in that monetary area, where the credit regulations are identical.

A team of consultants from the country concerned will be selected under the responsibility of supervisory organizations to be appointed by joint agreement between ITC and the authorities of the countries covered by the ITC/UNCTAD/WTO Integrated Programme of Technical Assistance to follow up the Uruguay Round Agreements. The team of consultants, which will work in close relationship with ECOWAS and WAEMU, as well as with the commercial banks in the countries in question, will have the task of translating the handbook and introducing into it specific elements which would make it usable by the enterprises of Benin, Burkina Faso and Côte d'Ivoire. It will also be useful for the other countries of the CFA area and will constitute a joint work that could be incorporated into the collaboration among these members of WAEMU. The sponsorship and support of that organization will be sought, particularly with a view to linking up with the study mentioned below.

The Project will bear the costs of the translation, adaptation and circulation. The handbook will be sold to enterprises by the organizations grouping the export enterprises in the countries concerned. The produce of the sales will serve to consolidate their respective resources, in accordance with a formula to be agreed between ITC and the authorities concerned.

Activities:

- Establishment of cooperative relations with WAEMU, ECOWAS and WADB;
- selection of the subcontractor to translate the generic prototype of the handbook on approaches to banks (from English into French);

- translation of the generic handbook;
- selection of a team of consultants (Côte d'Ivoire, Benin and Burkina Faso) to decide on the specific elements concerning their respective countries which should be incorporated into the handbook (possibility of enlarging the work of the CFA area);
- subcontracting agreement for the publication of the handbook "How do I Approach the Banks?", in a national or regional version; and
- distribution of the handbook.

(b) Study on export financing

This study will review the schemes and facilities available to export enterprises for access to credit in the countries of the WAEMU area in general and in the countries covered by the Integrated Programme (Benin, Burkina Faso and Côte d'Ivoire) in particular.

The financing needs of the exporting enterprises will be assessed. The conditions on which such enterprises have or have not access to export credit will be studied. In the light of the comparisons between needs and the facilities available, a synthesis will be prepared and recommendations made for the introduction, at the regional level or in each of the countries of the area, of suitable mechanisms to facilitate the access of exporting enterprises to preshipment and postshipment export credit, so as to consolidate their competitiveness on the international markets. The study and the recommendations arising therefrom will take into account all the work being done in the subregion on the subject and related themes by the World Bank, the IMF and other bilateral and multilateral organizations.

The study will be carried out by national consultants helped by an international ITC consultant.

Activities:

- Selection of the national consultant or team of consultants for the WAEMU area (Benin, Burkina Faso and Côte d'Ivoire); and
- preparation of the study on export financing.

(c) Subregional workshop on export financing

The conclusions and recommendations of the above study will be proposed and discussed in the context of a subregional workshop, to be organized under the auspices of WAEMU, attended by representatives of the public and private sectors concerned by the matter. The Project will accommodate the participation of three persons in this workshop and will contribute to its organizational costs.

Activities:

- Selection of participants in cooperation with the national authorities, WAEMU, ECOWAS and the WADB;
- preparations for the workshop;
- holding the workshop; and

- publishing a report with the workshop's recommendations based on or taking account of the recommendations of the study.

6. Output 3.6: Strengthening the national capacity to develop products and markets

As a result of previous assistance by ITC, a certain amount of capacity exists in CBCE and the Chamber of Commerce as regards the development of products and markets. The Project will help to re-establish cooperative relations between these institutions and the enterprises as regards market research and the development/adaptation of exportable products. This will be done through specialized consultations and on-the-job training for specialists in the subject.

Within the context of facilitating meetings between exporters and importers, CBCE will be helped to organized two trade missions. Exporters of non-traditional products will participate in these two missions on the basis of a cost-sharing formula to be developed.

(a) On-the-job training in the development of products and markets

Activities:

- Missions of consultants specializing in the following products and sectors, according to the request of the exporting enterprises selected:
 - Textiles
 - oilseeds, vegetable oils and derivatives;
 - handicraft products;
 - fresh fruit and vegetables and horticultural products; and
 - agricultural and food preserves and products.

(b) Trade mission to selected countries of WAEMU and ECOWAS

The aim of the first mission will be to introduce Benin products, particularly manufactured products, to the markets of the subregion. These products will be selected on the basis of data included in the product-market matrix elaborated under E.1(a). The mission will be supported by the organization of a travelling sample exhibition.

Activities

- Preparations for the trade mission to the subregion; and
- realization of the trade mission.

(c) <u>Trade mission to new markets</u>

Another mission will be undertaken to new markets in North Africa and the Middle East with non-traditional products, to be selected in the light of the market studies that will be carried out under activity 3.1(c). This trade mission will be synchronized, to the greatest possible extent, with the holding of specialized commercial displays.

Activities

- Preparations for the trade mission to the target regions; and

realization of the trade mission.

7. Output 3.7: Helping to train officials and devising a quality control work programme

In order to promote the installation of quality management systems within enterprises and support institutions, the Project will help to set up the National Standardization Organization by training officials and devising a medium-term work programme.

(a) Study tour for persons responsible for quality management training in the enterprises

This activity aims at showing the officials of the national institution responsible for quality standards something of the experience of other developing countries in promoting the quality of exportable products. Two officials from the department in charge of quality and metrology and two officials responsible for training enterprises in quality management will participate in the study tour.

Activities

- Material organization of the study tour by the ITC Quality Section; and
- realization of and follow-up to the study tour.

(b) Establishment of the enquiry point on technical barriers to trade, sanitary and phytosanitary measures and export packaging

The Directorate responsible for quality and metrology of the Ministry of Trade, Crafts and Tourism will be given assistance to establish a capacity to manage the enquiry point provided for by the Agreement on Technical Barriers to Trade and the Agreement on the Application of Sanitary and Phytosanitary Measures. An equivalent capacity should make it possible for Benin to monitor pertinent activities in other countries for the benefit of Beninese exporters.

Activities

- Advisory mission to the enquiry point on technical barriers to trade and on sanitary and phytosanitary measures.
- (c) <u>Constitution of a database on the standards and quality requirements of Benin's exportable products</u>

This activity will be carried out in connection with the installation of coordinated economic and commercial information services, covered by E.3 above.

Activities

- Subscription to ISO technical publications;
- subscription to AROS technical publications;
- subscription to ITC technical publications; and
- collection of documents on quality matters in the multilateral trading system agreements.

(d) National seminar on the quality management of exportable products

A national seminar on the quality management and control of exportable products at the enterprise level will be held in Cotonou. It will include quality assessment exercises and case studies on the profitability of quality controls in selected sectors (foodstuffs, textiles, etc.). It will target the production techniques and marketing frameworks of Beninese products. This activity will take account of the operations in progress with the assistance of foreign cooperation.

Activities

- Logistics of the national seminar; and
- resource persons to guide the technical seminar, with the support of ITC specialists and national trainers.

V. INPUTS TO AND MANAGEMENT OF THE PROJECT

A. Project Strategy

The Project approach to building a national capacity to take advantage of the multilateral trading system is based on the following three main priorities:

- Developing the national capacity for understanding the rules of the multilateral trading system and managing Benin's membership of the WTO;
- strengthening the main trade support institutions and enterprise guidance institutions with a view to formulating and implementing sectoral and national strategies based on the country's comparative advantages; and
- supporting selected enterprise guidance institutions and the installing tools related to the multilateral trading system with a view to giving them the appropriate capacity to assist the exporting enterprises.

The Project will implement the above priorities by:

- Setting up or supporting a national inter-institutional committee which will take responsibility for, organize and coordinate questions relating to the country's implementation of and follow-up to the WTO Agreements;
- establishing or strengthening a national network of trainers, experts and promoters which will ensure the follow-up to issues concerning the multilateral trading system. Some 15 to 20 generalists and five to ten specialized trainers/promoters will be trained to explain and interpret the rules of the multilateral trading system. They will be responsible for improving the distribution of information and giving advice to the users of the multilateral trading system. To strengthen their command of matters relating to the multilateral trading system, the national resource persons thus constituted as a network will be linked to other similar national networks in the subregion and in the world through an electronic Discussion Forum and a global network for exchanging training material: the Case-Studies Exchange;
- setting up Reference Centres which will supply pertinent information on the rules of international trade and on new opportunities of improved access to export markets

together with direct institutional support to the organization of the private sector and to the enterprises. The Reference Centres will be strengthened by the resource persons of the national network which, in its turn, will support the inter-institutional committee; and

- assisting in the formulation of trade policies, the bringing of national legislation into conformity with the country's commitments as a Member of WTO and the design of export strategies, including export financing schemes.

At the level of the business community, the Project will assist exporting enterprises in the public and private sectors and their guiding institutions to have access to basic competitiveness tools such as:

- The capacity to formulate and execute export development strategies based on appropriate identification in the medium and long terms of comparative advantages, new potentials and competitive strengths and weaknesses on the international markets;
- an effective economic and trade information system including the Reference Centres on multilateral trade and other specialized components which supply information that is relevant, practical and useful for the effective management of exports; and
- improved quality management which will be achieved through the training of resource persons responsible for quality controls and standardization as well as those in charge of the operation of the official enquiry points on technical obstacles to trade, sanitary and phytosanitary measures and on packaging and labelling for export.

In addition to facilitating access to and command of the competitiveness tools, the Project will assist in the realization of international marketing activities for the benefit of exporting enterprises such as:

- Identification of groups of products presenting a long-term export potential, as well as a better knowledge of marketing possibilities and conditions of access to the markets;
- definition of sectoral export strategies and specific export marketing programmes for enterprises; and
- the establishment and maintenance of effective trading contacts at the regional and international levels.

All the Project activities will be coordinated with the technical assistance projects in progress in the country, the expectations of the private sector and of the government authorities being at the heart of the Project's concerns. The Project will benefit from other initiatives in course of implementation and will supplement them with a view to strengthening their impact.

B. <u>Project Management and Coordination</u>

1. Management of the Project activities by ITC, UNCTAD and the WTO

(a) Project management in the field

For the eight countries covered by the Integrated Programme, the WTO, UNCTAD and ITC will appoint two regional coordinators, senior technical advisers, to manage the projects in two groups of countries. The two resident experts will be stationed respectively in:

- West Africa (for Benin, Burkina Faso, Côte d'Ivoire and Ghana); and
- East Africa (for Kenya, Tanzania and Uganda); and
- the project activities for Tunisia will be managed directly from Geneva by the services of the three agencies.

The regional coordinator in each subregion will monitor and coordinate the inputs of the Geneva-based agencies in close coordination with the local UNDP field offices.

Each regional coordinator will act as a senior technical adviser and will make a significant technical contribution to the activities of the Project, especially those related to trade policy. The coordinator will also give advice concerning the formulation of strategies and the carrying out of research; he will participate in training activities and certain seminars and workshops as presiding officer. In addition, the regional coordinator will supply technical support to the consultants according to his qualifications and experience of the field and will be a member of the Steering Committee described in 2(a) below. In addition, subcontracts agreed upon with national "facilitators" will be supervised by him. Resources will be included in the Project budget (under ITC component BL 11.01) to support part of the cost of the regional coordinator and other coordination expenses, which will be shared with other projects in the region that are under the regional coordinator's authority and responsibility.

(b) <u>Project coordination in Geneva</u>

Senior and assistant professional officers will be appointed in ITC and UNCTAD to manage and execute the Integrated Programme. The three Geneva-based agencies will hold regular coordination meetings to ensure cohesion, complementarity and synergy with their respective technical cooperation programmes.

2. Local management and national execution of activities

(a) <u>National Steering Committee</u>

In Benin, the Project activities will be coordinated by a National Steering Committee, which will be formed as soon as the Project is adopted and signed. The Committee will be placed under the authority of a senior official of the Ministry of Trade, Crafts and Tourism (MCAT) who will be appointed together with an alternate. The senior official of the Ministry will coordinate all the WTO related activities. The Steering Committee will be composed of:

- On behalf of the Government:
 - Ministry of Trade, Crafts and Tourism; and
 - Benin Foreign Trade Centre (CBCE).

- On behalf of the private sector:
 - Benin Chamber of Commerce and Industry (CCIB); and
 - National Export Council (CNEX).
- On behalf of the executing organizations (WTO, UNCTAD and ITC):
 - The regional coordinator/senior technical adviser in charge of the implementation of the Project;
- On behalf of the donors and development partners:
 - The donor countries represented in Benin;
 - UNDP:
 - the World Bank; and
 - other interested parties, who will be able to participate in the National Steering Committee as deemed useful to ensure full integration of the Project activities with those of other technical assistance projects in progress in the country.

(b) <u>Local subcontractor to support the Project activities</u>

A subcontractor (private company or parastate institution) will be engaged to handle administrative and logistic matters relating to the Project activities. It will act as an interface between, on the one hand, the local counterparts (government departments, private sector institutions and enterprises) and, on the other hand, the executing agencies (ITC, UNCTAD and the WTO) and their regional coordinator. Detailed terms of reference will be elaborated to determine the tasks of the local subcontractor.

(c) Focal points for the implementation of the technical execution

For the day-to-day implementation of activities, the following organizations will bear the responsibility for coordinating the inputs and resources to be made available by the counterparts:

- For objectives 1 and 2 (national capacity and adjustment of trade regulations, laws and procedures): the focal point at the Ministry of Trade, Crafts and Tourism will coordinate the activities;
- for objective 3 (enhancing Benin's export readiness): CBCE, the Chamber of Commerce and CNEX will coordinate the preparation and implementation of activities, in conjunction with other relevant professional organizations. A liaison unit, formed by CBCE, the Chamber of Commerce and CNEX, will be set up to implement and coordinate the activities under this objective. More specifically, for the management of trade information, a non-profit association will be formed, as indicated in the text of the Project document, to monitor the system and set up the adequate management protocols and methodologies.

The local subcontractor will liaise between these organizations and the regional coordinator.

3. Activities directed to exporting enterprises

Trainers from the private sector will be enrolled in the training activities on a cost-sharing basis. Enterprise participation in trade missions and market surveys will also be handled on a similar basis. At a later stage, trade information will be handled on a commercial basis.

4. <u>Coordination of project activities with other ongoing technical assistance projects</u>

Project implementation will be coordinated with the activities of ongoing technical assistance projects being carried out by ITC, UNCTAD and the WTO, as well as by other donors and international organizations. Details are described in the document. Adaptations and adjustments will be made as the need arises.

The National Steering Committee responsible for coordination and follow-up in the field will take initiatives and recommend to government authorities appropriate measures to integrate the activities of this Project with those of other ongoing projects being implemented by bilateral and international organizations so as to improve synergies with a view to optimizing the impact on the country.

5. Implementation of the Project and sequencing of activities

The Project document describes the activities that will be undertaken to achieve the objectives fixed. Several activities are closely linked and their effectiveness will depend on the appropriate organization of their executing sequence. Indications are supplied in the Project document on the relationships between these activities. The order of execution of the activities will be refined later in the implementation plan which will be elaborated at the moment of commencing the activities.

The activities that must follow a particular sequence are the following:

Output 1.1 (strengthening the inter-institutional committee) is the foundation for numerous activities but will also be enhanced when other activities have been carried out, such as those provided for in output 1.2 (assistance to the customs administration), output 1.3 (national training capacity), output 1.4 (Reference Centres) and output 1.5 (dissemination of information). The Reference Centres (output 1.4) will have a prime role to play in sensitizing key staff members and, to some extent, the general public on important subjects as well as supporting the strengthening of negotiating capacity. The Reference Centres will be strengthened, at the same time as the national network of trainers and experts (output 1.3), which will contribute to the success of the Project activities in general.

The adjustment of laws and regulations (output 2.1) will be successfully completed once output 2.3 (knowledge of the subjects of trade policy) has been completed. The survey of the impact of the WTO Agreement on the national economy (output 2.2) will constitute the basic material for the national symposium (output 3.2(d)) and the information for the designing of sectoral and national export development strategies (output 3.2). A precondition for the last output is the successful completion of output 3.1 (identification of export potentials). The establishment of a coordinated trade information system (output 3.3) will be a precondition for the effective operation of the Trade Point provided for elsewhere. The trade information system and the Trade Point will, together, help to improve the access of the exporting enterprises to business opportunities on foreign markets.

The consolidated implementation plan will include detailed information on the execution schedule and the human and financial resources that will be mobilized to undertake the Project activities. In the field, adaptation of the content of activities and of the schedule might prove necessary to strengthen their impact. In such a case, appropriate amendments will be made to the implementation plan in close cooperation with the Government and the three executing agencies.

C. Inputs by the Project Partners

1. Contribution by the executing agencies and the donor community

The financial resources needed for the implementation of this Project will be made available by donors in the context of a Joint Trust Fund, established at Geneva within the executing agencies. This Joint Trust Fund will receive contributions, whether earmarked to finance activities in a given country, according to the donors' respective priorities, or directed towards all the activities of the Integrated Programme, including the future preparation of projects for other African countries.

The Joint Trust Fund will be managed by a Steering Committee set up by all the partners concerned.

2. <u>Contributions by the Government</u>

In addition to the human resources required for assignment to Project activities, the Government will also allocate, on an annual basis, the financial resources needed to cover the recurrent charges resulting from the implementation of the various activities. Details of the nature of these recurrent charges are supplied in the following matrix. The cost of these charges will be incumbent on the authorities of each country according to its budget practices and the availability of resources.

Nevertheless, the Government will have to allocate a sufficient level of resources to ensure the normal execution of the activities, such as the logistics, transport and per diem costs of trainers and the participation of officials in missions inside and outside the country, which are not financed by the Project.

3. <u>Contributions of the private sector</u>

In several cases, the enterprises participating in Project activities will have to contribute to the financing of those activities. The cost-sharing will be established on the basis of two principles:

- When the enterprises derive a direct advantage from Project activities, they will be requested to contribute to the costs so as to be able to extend the benefit of these activities to a maximum number of enterprises; and
- the enterprises will pay part of the Project costs so as to ensure their "ownership" of the Project and put them in a position to expect a high quality of service from the executing agencies and the national officials involved.

The inputs of the partners in the Project are summarized in the following matrix.

RESOURCE ALLOCATION FOR PROJECT IMPLEMENTATION

| | Project elements | WTC | O/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|----------------------------------|---|-------------------|---|---------------------------------------|--|
| Deve under system occur | loping a national capacity for restanding the multilateral trading m based on the changes that have red as a result of the Uruguay d Agreements | | | | |
| 1.1 | Institutional assistance | WTO | Supply of documentation and advisory services to the official focal point | Recurrent charges | |
| | | UNCTAD | Establishment of a national trade and transport facilitation committee (1 m/m) | | |
| | | UNCTAD/ITC | Supply of documentation: Regional adviser; Official missions | | |
| 1.2 | Assistance to the customs administration | UNCTAD | Customs expert (1 m/m) Technical expert (1 m/m) Legal adviser (1 m/m) Study trip to Lomé (3) | Recurrent charges | |
| 1.3 | Strengthening national training capacity in multilateral trading system issues | Recurrent charges | | | |
| (a) | Training of trainers: the Geneva course | WTO | Accommodation of two Beninese participants, including their transport costs and per diem for three weeks | Recurrent charges - Counterpart staff | |
| | | UNCTAD/ITC | Accommodation of four Beninese participants, including their transport costs and per diem for three weeks | | |

| | Project elements | WTO/ | UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|---|----------------|---|---|--|
| (b) | Survey of the training needs linked to the implementation of the Uruguay Round Agreements | ITC UNCTAD | Regional adviser International consultant (0.75 m/m) Agency mission | Recurrent charges - Logistics - Counterpart staff | Recurrent charges |
| (c) | Training of trainers at the national level | ITC | Regional adviser International consultant (1 m/m) National consultants (3 m/m) Group training | Recurrent charges - Logistics - Counterpart staff | Recurrent charges |
| | | UNCTAD | Agency mission | | |
| (d) | Training institutions | WTO/UNCTAD/ITC | Supply of teaching material and documentation | Recurrent charges | |
| (e) | Discussion Forum | ITC | Documentation Subcontracts | Recurrent charges | Recurrent charges |
| (f) | Exchange of experience at the subregional level | ITC | Group training International consultants (2 x 0.25 m/m) Regional advice | Recurrent charges - Logistics - Counterpart staff | |
| | | UNCTAD | Agency mission | | |
| (g) | Participation in the Case Study Exchange | ITC | Documentation | Recurrent charges | |
| 1.4 | Establishment of Reference Centres on the multilateral trading system | | | | |
| (a) | Official Reference Centre | WTO | Data-processing equipment, documentation, Internet connection | Recurrent charges - Logistics | Recurrent charges |
| | | UNCTAD/ITC | Teaching material and documentation Regional adviser | - Counterpart staff | |

| | Project elements | WT | O/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|--|------------|---|--|---|
| (b) | Reference Centre for the business community | UNCTAD/ITC | Regional adviser Various documentation and references Data-processing equipment Regional adviser | | Recurrent charges - Logistics - Counterpart staff |
| (c) | Training seminar for the managers of the Reference Centres | ITC | International consultant (3 m/m) National consultant (0.25 m/m) | Recurrent charges - Logistics - Counterpart staff | Recurrent charges - Logistics - Counterpart staff |
| 1.5 | Knowledge and understanding of the multilateral trading system | | | | |
| (a) | Informing the media and the general public | WTO | Supply of documentation | Recurrent charges | Recurrent charges |
| (b) | General seminars for decision- | WTO | Three persons for two seminars | Recurrent charges | Recurrent charges |
| | makers and officials | UNCTAD | Resource persons: two weeks' mission, two seminars | LogisticsCounterpart staff | LogisticsCounterpart staff |
| | | ITC | Regional adviser | | |
| | | | National consultant/promoter (0.25 m/m) | | |
| (c) | Specialized technical workshops | WTO | Five experts for workshops on customs questions, technical barriers to trade, competition rules, agricultural products and textiles | Recurrent charges - Logistics of workshops - Counterpart staff | Recurrent charges - Logistics - Counterpart staff |
| | | UNCTAD | Three resource persons for three of the eight seminars | | |

| Project elements | | WTO/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|--|-------------------------------|--|--|--|
| | ITC | Alternatively, consultants/promoters for three of the eight subjects of the proposed seminars (0.75 m/m) Group training Regional adviser National consultant (1.5 m/m) Documentation | | |
| 2nd objective | | | | |
| Helping to bring national legisl conformity with the rules of the multilateral trading system and strategies to derive the maximu advantage from the opportunition from the implementation of the Round Agreements | to devise am es arising | | | |
| 2.1 Adjustment of foreign to and regulations | rade laws WTO | Evaluation mission relating to the review or introduction of national legislation and other action concerned with the introduction of legislation Supply of documentation concerning the notifications Supply of model laws | Recurrent charges - Missions logistics - Counterpart staff | |
| | UNCTAD | Advisory services: - Survey of the present trade policy framework (1 m/m); - defining strategies to expand the country's external trade 1 m/m Total: 2 m/m | | |
| 2.2 Assessment of the impa new multilateral trading on Benin's economy and trade | g system | Resource persons (1 m/m) ITC national consultant (1 m/m) | Recurrent charges - Missions logistics - Counterpart staff | Recurrent charges - Missions logistics - Counterpart staff |

| | Project elements | | WTO/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|--------|--|--------|---|--|--|
| | | ITC | International consultant (0.75 m/m) National consultant (1 m/m) Supply of statistical analyses Official mission | | |
| 2.3 | Assistance in improving foreign | UNCTAD | International consultant | | |
| | trade development strategies | ITC | International consultant (0.25 m/m) National consultant (0.25 m/m) | | |
| Helpin | ng to improve knowledge of Benin's markets and strengthening the etitive position of its exporting rises | | | | |
| 3.1 | Identification of trade and export development potentials in the context of the globalization of world markets | | | | |
| (a) | Matrix of products and markets of interest to Benin | ITC | Regional adviser Supply of statistical analyses | Recurrent charges • Data | Recurrent charges • Data |
| (b) | Study of Benin's exportable products potential | ITC | Regional adviser National consultant (2 m/m) | Recurrent charges | Recurrent charges |
| (c) | Studies of foreign markets for four groups of goods | ITC | Regional adviser International consultants (2 m/m) Analysis and production of market monographs National consultants (4 m/m) Analyses and documentation | Recurrent charges • Missions logistics • Counterpart staff | Recurrent charges Logistics Counterpart staff Cost-sharing |

| | Project elements | | WTO/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|--|---------------|---|--|--|
| (d) | Study of Benin's services export potential | UNCTAD ITC | Consultant (2 m/m) Regional adviser International consultant (0.5 m/m) National consultant 1 m/m) | Recurrent charges | Recurrent charges |
| 3.2 | Designing export development strategies | | | | |
| (a) | Development strategies for Benin's exports | UNCTAD | Advisory services (1 m/m) National consultant (1 m/m) Regional adviser International consultant (0.5 m/m) National consultant (0.5 m/m) | Recurrent charges | Recurrent charges |
| (b) | Five sectoral strategies for the development of priority export sectors (goods and services) | ITC | Regional adviser International consultant (1.25 m/m) National consultants (1.25 m/m) | Recurrent charges Missions logistics Counterpart staff | Recurrent charges |
| (c) | Strategy for the development of Benin's subregional trade | UNCTAD ITC | Advisory services (0.5 m/m) Regional adviser International consultant (0.75 m/m) National consultant (1 m/m) | Recurrent charges | Recurrent charges |
| (d) | National symposium on the development of Benin's exports | UNCTAD ITC | Resource person: travel and per diem Regional adviser International consultant (0.25 m/m) National consultants (1.25 m/m) | Recurrent charges • Logistics of the symposium • Participation in the premises | Recurrent charges |
| 3.3 | Installation of coordinated economic and trade information services | | | | |
| (a) | Feasibility study on coordinated economic and trade information services | ITC | Regional adviser International consultant (0.5 m/m) National consultant (1 m/m) | Recurrent charges • Logistics of the study • Counterpart staff | Recurrent charges Logistics of the study Counterpart staff |

| | Project elements | WTO | UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|--|--|--|---|---|
| (b) | National workshop on economic and trade information | UNCTAD ITC | Resource person: travel and per diem Regional adviser International consultant (0.25 m/m) National consultant (0.25 m/m) | Recurrent chargesLogistics of the workshopLocal participation | Recurrent charges • Logistics of the workshop • Local participation |
| (c) | Installation of coordinated economic and trade information services and the Business Opportunities Observation Post | UNCTAD | Advisory services (0.5 m/m) Supply of documentation and database National consultant (3 m/m) Supply of documentation and databases | Recurrent charges | Recurrent charges |
| 3.4 | Adaptation and production of the Guide to "Trade Secrets" | | | | |
| (a) | Advice on the preparation of the Guide | ITC | Senior adviser International consultant (0.5 m/m) National consultant (0.5 m/m) | Recurrent charges • Logistics • Participation in the preparations for printing and publishing | Recurrent charges • Logistics • Participation in the preparations for printing and publishing |
| (b) | Realization of the Guide | Subcontracting International consultant (0.5 m/m) Subcontracting | | Recurrent charges • Logistics • Participation in the preparations for printing and publishing | Recurrent charges • Logistics • Participation in the preparations for printing and publishing |

| | Project elements | WTO/U | JNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|---|--|---|--|---|
| (c) | Organization of the distribution of the Guide | Documentation | | Recurrent charges Logistics Participation in the preparations for printing and publishing | Recurrent charges • Logistics • Participation in the preparations for printing and publishing • Proceeds of the sales of the Guide |
| 3.5 | Improved access to export financing | | | | |
| (a) | Adaptation and realization of the handbook "How do I approach the banks?" | International ITC consultant (0.3 m/m) National consultants (1 m/m) Official missions Subcontracting (translation) and realization | | Recurrent charges • Counterpart staff | Recurrent charges • Counterpart staff |
| (b) | Study on export financing | International ITC consultant (0.3 m/m) National consultants (1 m/m) | | Recurrent charges Logistics of the study Counterpart staff | Recurrent charges • Logistics of the study • Counterpart staff |
| (c) | Subregional workshop on export financing | International ITC consultant (0.3 m/m) National consultants (1 m/m) Official mission Regional adviser | | Recurrent charges Logistics of the workshop Counterpart staff | Recurrent charges • Logistics of the workshop • Counterpart staff |
| 3.6 | Strengthening the national capacity to develop products and markets | | | | |
| (a) | On-the-job training in the development of products and markets (seminars) | | Regional adviser International consultant/promoter (0.25 m/m) | Recurrent charges Logistics of the seminars Counterpart staff | Recurrent charges • Logistics of the seminars • Counterpart staff |

| | Project elements | | WTO/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-----|---|-----|---|---|--|
| (b) | Trade mission to selected WAEMU and ECOWAS countries | ITC | Regional adviser National consultant (1 m/m) Group training: transport and DSA for 2 representatives of institutions and 8 representatives of enterprises (two thirds of the costs) | Recurrent charges • Logistics • Counterpart staff | Recurrent charges • Participation: one third of the costs • Logistics • Counterpart staff |
| (c) | Trade mission to new markets | ITC | Regional adviser National consultant (1 m/m) Group training: transport and DSA for 2 representatives of institutions and 8 representatives of enterprises (two-thirds of the costs) | Recurrent charges • Logistics • Counterpart staff | Recurrent charges • Participation: one third of the costs • Logistics • Counterpart staff |
| 3.7 | Helping to train officials and devising a quality-control work programme | | | | |
| (a) | Study tour for persons responsible for quality management training in the enterprises | ITC | International consultant (0.3 m/m) Group training: DSA and transport costs for 4 persons during 10 days | Recurrent charges • Logistics • Counterpart staff | Recurrent charges • Participation: one third of the costs • Logistics • Counterpart staff |
| (b) | Establishment of the enquiry point on technical barriers to trade | ITC | International consultant (0.5 m/m) Documentation Equipment | Recurrent charges | Recurrent charges • Participation: one third of the costs • Logistics • Counterpart staff |
| (c) | Constitution of a database on the standards of Benin's exportable products | ITC | Supply of database (subcontract) | Recurrent charges • Data | Recurrent charges • Data |
| (d) | National seminar on the quality management of exportable products | ITC | International consultant/promoter (0.25 m/m) | Recurrent charges • Logistics • Counterpart staff | Recurrent charges • Participation: one third of the costs |

COORDINATION OF THE PROJECT/ADMINISTRATIVE SUPPORT

| Project elements | WTO/UNCTAD/ITC inputs | Government inputs | Inputs by institutions and enterprises |
|-------------------------------|--|--|--|
| Coordination (senior adviser) | ITC Regional adviser Administrative support Evaluation | Recurrent charges Logistic support Counterpart staff | Recurrent charges Logistic support Counterpart staff |

VI. PERFORMANCE CRITERIA AND RISKS

A. Success Criteria

1. <u>Objective 1: Developing a national capacity for understanding the multilateral trading system</u> based on the changes that have occurred as a result of the Uruguay Round Agreements

(a) Output 1.1: Institutional assistance

The adoption of annual working plans and their execution will indicate the degree of success of the assistance given to the inter-ministerial technical committee. The regular supply of information and publications to the public and private sector institutions by the focal point of the Ministry of Trade, Crafts and Tourism would also be an indicator of success. These institutions will have to supply information to the exporting enterprises and hold regular exchanges of views with them so as to reflect their interest in the official position of Benin in the context of the WTO trade negotiations. The country's compliance with its commitments in terms of WTO notifications would also be an indication of an approved understanding of the obligations arising from the implementation of the WTO Agreements.

(b) Output 1.2: Assistance to the customs administration

Adequate application of the WTO customs value method instead of the Brussels valuation system by the end of the transitional period would be an indication of the success of the assistance given within the context of this output. The relevance of the technical advice supplied by the WTO and UNCTAD to Benin can also be measured in terms of an increased involvement by the national customs administration in the working groups of the WTO Committee and its subcommittee in the World Customs Organization.

(c) Output 1.3: Strengthening national training capacity in multilateral trading system issues

The success of the Project activities in establishing an effective national capacity to implement and follow up the various commitments in the framework of WTO can be measured by:

- The existence and availability of a body of generalist and specialist trainers/promoters in the field of the multilateral trade system who have benefited from the training activities, either directly from those of the WTO, UNCTAD and ITC, or locally. By the end of the Project, 15 to 20 generalist trainers/promoters and five to ten specialist trainers/promoters will have been selected and trained, with the help of this output, among the public and private institutions and organizations concerned with the implementation of the WTO Agreements;
- the degree of involvement of local resources and capacities by the Beninese institutions in the processing and management of the country's participation in the implementation of the WTO Agreements; and
- the inclusion of subjects relating to the multilateral trading system in the training programmes of higher training institutions such as the University of Benin.

The level of effectiveness reached by the national trainers and specialists network in assessing needs, assigning duties and coordinating programmes can be checked by means of interviews. Increased participation of the Beninese trainers/promoters in the Discussion Forum created in the framework of this programme will be reflected in the submission of at least one case study per year.

The annual Project performance report will give an account of these activities and of their impact.

(d) Output 1.4: Establishment of Reference Centres on the multilateral trading system

The operational effectiveness of the two Reference Centres on the multilateral trading system can be checked in terms of whether all the written and electronic documentation and the equipment required to make use of it are actually available in the chosen sites (MCAT and CBCE).

The degree of efficiency of the resource persons in helping to use the Reference Centres can be measured by the number of requests handled and the degree of user satisfaction, particularly with regard to prompt replies to requests. The annual reports of the host institutions and the Project performance reports will contain indications concerning the operation of the Reference Centres.

(e) Output 1.5: Knowledge and understanding of the multilateral trading system

In addition to the general seminars which the Beninese institutions involved in the Project will take the initiative in organizing, the Project will organize a series of specialized seminars for the various users of the multilateral trading system. The level and number of participants in these seminars will indicate the importance attached to them by the institutions and enterprises. This will be reflected in the annual reports and press reports and can be checked by interviewing the participants.

2. Objective 2: Helping to bring national legislation into conformity with the rules of the multilateral trading system and to devise strategies to derive the maximum advantage from the opportunities arising from the implementation of the Uruguay Round Agreements

(a) Output 2.1: Adjustment of the foreign trade laws and regulations

The conformity of national trade legislation with the provisions of the WTO Agreements, which are calculated to improve the business environment, would be a criterion for measuring Project performance. What is more, these results should make it possible to facilitate foreign direct investment, particularly in export-oriented enterprises. Interviews with members of the business community should reveal whether the business environment has improved.

(b) Output 2.2: Assessment of the impact of the new multilateral trading system on Benin's economy and foreign trade

The relevance of this study will be confirmed by the issue of a document presenting a circumstantial analysis with conclusions and recommendations that will be useful for the work to be undertaken later on the basis of the identification of the trade opportunities and comparative advantages of the export sectors. Subsequent activities will include the national symposium and work of various kinds on export development strategies.

(c) Output 2.3: Assistance in improving foreign trade development strategies

The attainment of this result will be reflected in the issue of a report containing a diagnosis of the situation and precise recommendations concerning the macroeconomic framework applicable to foreign trade in Benin. The resultant improvement in the country's business environment would be an indirect positive result of the activities arising from this output.

Consequently, an appropriate link between trade policy and export development strategies would be one of the criteria for assessing the impact of the activities carried out in the context of the second objective.

3. <u>Objective 3: Helping to improve knowledge of Benin's export markets and strengthening the</u> competitive position of its enterprises

The impact sought by the activities implemented in the context of this objective is to make available to Benin's exporting enterprises export promotion and diversification actions arising from the country's potentials and the opportunities offered by the international markets for goods and services, following the entry into force of the WTO Agreements. To that end, the placing at their disposal of information services, technical support and other facilities would contribute to their mastery of export development activities.

(a) <u>Output 3.1: Identification of trade and export development potentials in the context of the globalization of world markets</u>

This result will be achieved when:

- A report has been submitted to the authorities and enterprises containing the matrix of products and markets offering export potentials for Benin which is needed for the subsequent surveys of potentials;
- a study of these potentials has been carried out by sector of activity on the basis of the preceding matrix;
- four sectoral surveys have been made (textiles, food products and preserves, vegetable oils, handicrafts) describing the characteristic features of the target markets for these sectors;
- a similar survey has been carried out of the potential of the service sector; and
- the reports submitted have been found clear and useful in preparing the enterprises' sectoral strategies and export development plans ("Business Plans").

Moreover, as regards the services sector, a better understanding of the General Agreement on Trade and Services (GATS) by the parties concerned will be an additional criterion for assessing the success of the Project activities.

(b) Output 3.2: Export development strategies

Data on the potential Beninese supply of products and services offering comparative advantages for export and on the demand of the target markets will be used to prepare appropriate strategies at the national and sectoral levels.

The submission of these strategic reports to the authorities and enterprises and their examination in the course of the symposium to be organized will be indicators of the success of these activities. Endorsement of the strategies in question by the participants in the symposium will be a further indicator of this.

(c) Output 3.3: Installation of coordinated economic and trade information services

The aim of the activities provided for under this item is to make available to Beninese enterprises a system of trade information meeting their export management requirements. The expectations of the enterprises in this respect will be set forth in the context of a feasibility study of such a system.

The existence and effectiveness of the system will take the material form of effective cooperative relationships between the various distributers/suppliers of trade information and by adequate matching of the needs of the enterprises and the nature of the information supplied. These factors will be established through a brief field survey during the evaluation of the Project and in the periodic Project performance reports.

What is more, the use of the trade, technical and regulatory information available through the Reference Centres, the enquiry points on technical obstacles to trade and sanitary and phytosanitary measures and other information facilities will constitute a means of assessing the performance of the Project. The use of these facilities by public institutions, professional associations and enterprises will be a criterion of success. The extent to which the recommendations made in the framework of the Project activities are applied will also be an indicator of success.

This objective contains some specific outputs with quality aspects which will be opened up by means of the supply of information to the institutions and enterprises. Utilization of this technical information by the agents in their international trade operations will be another proof of the success of the Project in this area.

(d) <u>Output 3.4: Adaptation and production of the Guide to "Trade Secrets - The Export Answer Book"</u>

The success of this output among the enterprises can be checked by simply asking the Guide's users whether it answers the questions frequently asked by them in the area of exports in general and the Beninese context in particular.

What is more, the number of copies of the Guide sold in the country will be an additional performance criterion for the success of this output.

(e) Output 3.5: Improving access to export financing

The success of the handbook: "How do I approach the banks?" will also be indicated by the number of copies sold in the country. Its usefulness to exporting enterprises and financial institutions will be assessed and evaluated both in the annual assessment reports and through interviews.

The adoption of the study on export financing schemes containing precise and pertinent recommendations regarding the steps to be taken at the national and/or regional level will prove the success of this output.

(f) Output 3.6: Strengthening the national capacity to develop products and markets

Improved national capacity in this area will reveal itself through a greater mastery by the staff of CBCE, CCIB, CNEX and the professional associations of the techniques for preparing export development strategies. The success of this output will be checked by interviewing the officials concerned during the evaluation in connection with the periodic Project performance reports.

(g) Output 3.7: Helping to train officials and devising a work programme in the area of quality control

The success of this output will be measured by:

The existence of a work programme for the quality promotion and control structure and the allocation of adequate resources by the public authorities or development

partners on the basis of this work programme. The Project performance reports and evaluation will assess the achievements in this area;

- a better command by national officials of matters relating to quality. The national seminar on the quality management of exportable products will contribute to this training;
- an increased awareness by the economic agents (producers and exporters) of the importance of preventive measures and quality-control measures to improve the value of the products exported. These last two factors will be assessed during the Project evaluation through interviews with the people concerned; and
- the existence and use of the database on quality standards and requirements made available to the economic agents. The Project performance reports and the final evaluation will assess the extent of the achievement, impact and effectiveness of this output.

B. Risks

The impact and performance of this Project arising from the implementation of the activities involved would be markedly reduced by any insufficient commitment of the Beninese partners to providing the human and financial counterpart resources needed to secure the continued functioning of some of the Project's outputs: Reference Centres, information services, etc. The improvement of the national business environment could be seriously hampered by the unavailability in the medium term of human resources, particularly trainers, to ensure national training operations on matters relating to the multilateral system and domestic legislation adjustment.

Inadequate business community sensitization to and awareness of the challenges and opportunities resulting from the implementation of the multilateral trading system could reduce, if not seriously damage, the application of sectoral strategies for promoting and diversifying exports.

VII. EVALUATION AND REPORTING

The Project will be assessed at mid-term and at the end by the three executing agencies in cooperation with the Government of Benin and the local counterpart institutions. Lessons will be drawn for the implementation of similar programmes in other countries or for any continuation of technical assistance. The mid-term evaluation will serve to correct, if necessary, the Project approach and to introduce any changes into the Project elements.

VIII. SUSPENSION OR ENDING OF ASSISTANCE

The cooperating international agencies may, by means of a written notification, suspend or end their assistance within the context of the Project if they establish that the smooth running of the Project or the achievement of its objectives would be jeopardized by new circumstances or serious developments.

In the same notification or in a later one, the international agencies concerned may indicate the conditions on which they are prepared to resume their assistance to the Project. In such a case, the assistance will remain suspended until the conditions in question have been accepted and implemented by the Government.

IX. BUDGETS

A. WTO Operating Budget

(In US\$)

| | 1998 | 1999 | Total |
|--|--------|--------|--------|
| Mission to follow up the training of trainers programme | 5,000 | 5,000 | 10,000 |
| Training of trainers | 20,000 | | 20,000 |
| Organizing specialized seminars/implementing legislation | 22,000 | 22,000 | 44,000 |
| Documentation for specialized workshops | 500 | 500 | 1,000 |
| Teaching documentation | 2,000 | 2,000 | 4,000 |
| Documentation for focal point and reference | | | p.m. |
| Documentation for general information | | | p.m. |
| Miscellaneous | 3,500 | 3,500 | 7,000 |
| TOTAL | 53,000 | 33,000 | 86,000 |

B. <u>UNCTAD Operating Budget</u>

| B/L | Item | 19 | 998 | 19 | 99 | 200 | 00 | Total | | |
|-------|-------------------------------------|------|---------|------|---------|------|---------|-------|---------|--|
| | | m/m | US\$ | m/m | US\$ | m/m | US\$ | m/m | US\$ | |
| 11.01 | Regional Adviser, STA | | | | | | | | | |
| 13.01 | Administrative support | | | | | | | | | |
| 15.01 | Project travel | | | | | | | | | |
| 16.01 | Official travel | | 18,000 | | 6,000 | | 6,000 | | 30,000 | |
| 16.02 | Evaluation | | 10,000 | | | | 10,000 | | 20,000 | |
| 17.01 | National consultants | 2.00 | 7,000 | 4.00 | 16,000 | 4.00 | 18,000 | 10.00 | 41,000 | |
| 18.01 | International consultants | 4.00 | 56,000 | 4.00 | 56,000 | 3.00 | 42,000 | 11.00 | 154,000 | |
| 21.01 | Subcontracting | | | | | | | | 0 | |
| 32.01 | Group training | | 22,300 | | 22,500 | | 10,500 | | 55,300 | |
| 33.01 | National symposium | | 3,500 | | | | | | 3,500 | |
| 41.01 | Expendable, including documentation | | 3,600 | | 1,300 | | 1,200 | | 6,100 | |
| 42.01 | Non-expendable equipment | | | | 15,000 | | | | 15,000 | |
| 51.01 | Maintenance | | | | 3,500 | | 3,500 | | 7,000 | |
| 52.01 | Reporting | | 1,000 | | 1,000 | | 1,000 | | 3,000 | |
| 53.01 | Miscellaneous and reserves | | 3,733 | | 3,656 | | 2,844 | | 10,233 | |
| | Subtotal | | 125,133 | | 124,956 | | 95,044 | | 345,133 | |
| 56.13 | Operating costs | | 16,267 | | 16,244 | | 12,356 | | 44,867 | |
| | Total | 6.00 | 141,400 | 8.00 | 141,200 | 7.00 | 107,400 | 21.00 | 390.000 | |

C. <u>ITC Operating Budget</u>

| B/L | Item | 1998 | | 1999 | | 2000 | | - | Γotal |
|-------|-------------------------------------|-------|---------|-------|---------|-------|---------|-------|---------|
| | | m/m | US\$ | m/m | US\$ | m/m | US\$ | m/m | US\$ |
| 11.01 | Regional adviser, STA | 2.50 | 30,000 | 3.00 | 37,800 | 2.25 | 29,768 | 7.75 | 97,568 |
| 13.01 | Administrative support | 5.00 | 5,000 | 6.00 | 6,300 | 4.50 | 4,961 | 15.50 | 16,261 |
| 15.01 | Travel of project staff | | 23,870 | | 20,110 | | 11,810 | | 55,790 |
| 15.02 | Travel of project consultants | | 53,430 | | 77,377 | | 6,560 | | 137,367 |
| 16.01 | Official travel | | 7,000 | | 7,000 | | 2,000 | | 16,000 |
| 16.02 | Evaluation | | 6,700 | | | | 6,800 | | 13,500 |
| 17.01 | National consultants | 13.00 | 24,700 | 15.75 | 31,430 | 2.50 | 5,240 | 31.25 | 61,370 |
| 18.01 | International consultants | 5.55 | 54,945 | 6.60 | 69,300 | 1.30 | 14,820 | 13.45 | 139,065 |
| 21.01 | Subcontracting | | 23,000 | | 23,000 | | 6,000 | | 52,000 |
| 32.01 | Group training | | 22,500 | | 81,090 | | 8,400 | | 111,990 |
| 33.01 | National symposium | | | | 2,500 | | | | 2,500 |
| 41.01 | Expendable, including documentation | | 11,700 | | 4,700 | | 2,700 | | 19,100 |
| 42.01 | Non-expendable equipment | | 21,500 | | 0 | | 0 | | 21,500 |
| 51.01 | Maintenance | | 2,760 | | 2,750 | | 2,750 | | 8,260 |
| 52.01 | Reporting | | 1,900 | | 2,100 | | 2,300 | | 6,300 |
| 53.01 | Miscellaneous and reserves | | 12,987 | | 16,401 | | 4,741 | | 34,129 |
| | Subtotal | | 301,991 | | 381,858 | | 108,850 | | 792,699 |
| 56.13 | Operating costs | | 39,259 | | 49,642 | | 14,150 | | 103,051 |
| | Total | 26.05 | 341,250 | 31.35 | 431,500 | 10.55 | 123,000 | 67.95 | 895,750 |

X. SCHEDULE OF ACTIVITIES (by quarter)

(The sequence of carrying out the activities will be reviewed once the execution of the Project begins)

| Project elements | | | 1998 | | | 19 | 99 | 2000 | | | | |
|--|--------------------|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| | | | II | III | IV | I | II | III | IV | I | II | III |
| First ob | <u>jective</u> | | | | | | | | | | | |
| Developing a national capacity for understanding the multilateral trading system based on the changes that have occurred as a result of the Uruguay Round Agreements | | | | | | | | | | | | |
| 1.1 | Instituti | ional assistance | | | | | | | | | | |
| 1.2 | Assista | nce to the customs administration | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| 1.3 | Strengt | hening national training capacity in multilateral trading issues | XXXXX | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| | (a) (b) | Training of trainers: the Geneva course Survey of training needs | xxxxx | | | | | | | | | |
| | (c) (d) | Training of trainers at the national level Training institutions | XXXXX | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | | |
| | (e) | Discussion Forum | xxxxx | xxxxx | | | | | | | | |
| | (f) | Exchange of experience at the subregional level | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| | (g) | Participation in the Case Study Exchange | XXXXX | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | XXXXX | xxxxx | xxxxx | xxxxx xxxxx |
| 1.4 | Establis system | shment of Reference Centres on the multilateral trading | Done in '97 | | | | | | | | | |
| | (a) | Official Reference Centre | xxxxx | | | | | | | | | |
| | (b) | Reference Centre for the business community | xxxxx | | | | | | | | | |
| | (c) | Training seminars for the managers of the Reference Centres | | | | | | | | | | |
| 1.5 | Knowle | edge and understanding of the multilateral trading system | xxxxx | | | | | | | | | |
| | (a) | Informing the media and the general public | xxxxx | | | | | | | | | |
| | (b) | General seminars | | xxxxx | xxxxx | | xxxxx | | xxxxx | | xxxxx | |
| | (c) | Specialized technical workshops | | | | | | | | | | |

[&]quot;xxxxx": activity projected for the quarter indicated.

| Project elements | 1998 | | | | 19 | 99 | 2000 | | | |
|--|------|-------|-------|-------|-------|-------|-------|-------|---|-----|
| | II | III | IV | I | II | III | IV | I | П | III |
| Second objective | | | | | | | | | | |
| Helping to bring national legislation into conformity with the rules of the multilateral trading system and to devise strategies to derive the maximum advantage from the opportunities arising from the implementation of the Uruguay Round Agreements. Helping to strengthen Benin's export capacity | | xxxxx | | |
| 2.1 Adjustment of foreign trade laws and regulations | | xxxxx | xxxxx | xxxxx | | | | | | |
| 2.2 Assessment of the impact of the new multilateral trading system on Benin's economy and foreign trade | | | | | | | | | | |
| 2.3 Assistance in improving foreign trade development strategies | | xxxxx | xxxxx | xxxxx | | | | | | |
| 2.4 Main international legal instruments concerning the multilateral trading system as reflected in national foreign trade regulations (a) Diagnosis of current status of membership (b) Plan of action (c) Subregional workshop | | | xxxxx | xxxxx | xxxxx | | | | | |

|) DATD/IF/14/Add | WT/COM |
|------------------|------------------|
| 7/14/A | ITD/ |
| | $\frac{7}{14/A}$ |

| Project elements | | 1998 | | | | 19 | 99 | 2000 | | | |
|------------------|---|----------------|-------------------------|-------|-------------------------|-------|-------|-------|---|---|-----|
| | | II | III | IV | I | II | III | IV | I | П | III |
| Third objective | | | | | | | | | | | |
| compe 3.1 | ng to improve knowledge of Benin's export markets and strengthening the etitive position of its exporting enterprises Identification of trade and export development potentials in the context of the globalization of world markets (a) Matrix of products and markets of interest to Benin (b) Study of Benin's exportable products potential (c) Studies of foreign markets of interest to Benin (d) Study of Benin's services export potential | xxxxx xxxxx | XXXXX XXXXX XXXXX | xxxxx | | | | | | | |
| 3.2 | Designing export development strategies (a) A strategy to develop Benin's exports (b) Sectoral strategies for the development of priority export sectors (goods and services) (c) Strategy for the development of Benin's subregional trade (d) National symposium on the development of exports | | xxxxx | xxxxx | xxxxx xxxxx xxxxx | | | | | | |
| 3.3 | Installation of coordinated economic and trade information services (a) Feasibility study on coordinated economic and trade information services (b) National workshop on economic and trade information (c) Installation of coordinated economic and trade information services | xxxxx | xxxxx xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | | | |

| Project elements | | 1998 | | | | 19 | 99 | 2000 | | | |
|------------------|--|-------|-------------------------|----------------|-------|-------|-------|-------|-------|-------|-------|
| | | II | III | IV | I | II | III | IV | I | II | III |
| 3.4 | Decision and publication of the Guide to "Trade Secrets - The Export Answer Book" (a) Methodological advice (b) Realization of the Guide (c) Distribution of the Guide | | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| 3.5 | Improving access to export financing (a) Adaptation and realization of the handbook "How Do I Approach the Banks?" (b) Study on export financing (c) Subregional workshop on export financing | | xxxxx | xxxxx | xxxxx | xxxxx | | | | | |
| 3.6 | Strengthening the national capacity to develop products and markets (a) On-the-job training in the development of products and markets (b) Trade mission to selected WAEMU and ECOWAS countries (c) Trade mission to new markets | xxxxx | xxxx xxxx | xxxxx | | xxxx | | | | | |
| 3.7 | Helping to train officials and devising a quality-control work programme for exportable products (a) Study tour for persons responsible for quality management training (b) Establishment of enquiry point on technical barriers to trade (c) Constitution of a database on the standards of Benin's exportable products (d) National seminar on the quality management of exportable products | | XXXXX XXXXX XXXXX | XXXXX XXXXX | xxxxx |

[&]quot;xxxxx": activity projected for the quarter indicated