



African, Caribbean and Pacific Group of States

“Promotion of Quality Standards and Certification for Handicrafts from Ghana and Sierra Leone”

“ACP-EU TBT PROGRAMME” (REG/FED/022-667)

Project code: 067-15

INTERIM REPORT

September 14, 2016





Table of Contents

1. INTRODUCTION	3
2. ACTIVITIES TO DATE	3
3. UPCOMING ACTIVITIES	5
4. SUMMARY	5

Annexes – Under separate cover:

Annex 1: Training Program

Annex 2: Market Needs Analysis and Mapping Study

1. INTRODUCTION

Ghana and Sierra Leone are on opposite extremes of handicrafts value-chain development. This discrepancy actually adds value to our study as it emphasizes the large arc that the handicraft pendulum swings. It is precisely within this arc that we find opportunity. The budding entrepreneurs on one hand bring fresh ideas, creative business energy and a willingness to experiment albeit with some naiveté, while the experienced producers and exporters bring myriad types of knowledge and advanced skills, not without a sometimes wizened perspective.

This pendulum is the paradigm for value-chain growth. Through it we can see that ATAG and the experienced Ghanaian exporters can serve as mentors and collaborators with emerging entrepreneurs, who will be fresh inspiration to the elders of the sector. The real result of this study should be to present a viable vision for sector development, one that not only navigates the technical and market barriers to trade, but also opens the causeway to seize market opportunities.

When we began this study we pointed out a two-pronged approach of looking at both the technical and the market barriers to trade. Now we see that barriers are only half the equation, opportunities are the other half. It will be our goal moving forward that the “opportunity paradigm” will inform our work on barriers.

2. ACTIVITIES TO DATE

The initial four weeks in Ghana and Sierra Leone were invaluable. During this period we have established a vibrant working relationship with ATAG. Though in Sierra Leone our proposed partner, the Sierra Leone Chamber of Commerce, did not take an active interest in this work, we did make contact with the Sierra Leone Investment and Export Promotion Agency (SLIEPA), who took a very keen interest in this project, contacting ATAG as well as the Ghanaian Export Promotion Association (GEPA). We recommend that moving forward SLIEPA would be an excellent partner organization in Sierra Leone.

To date, we have submitted two technical reports, the Market Needs Analysis that included the Mapping Study, and the Technical Specifications Report with Technical Guidelines. Two sectors have been chosen that have market potential for countries, basketry and wooden home décor.

While conducting Activity 1.2 of the Project’s ToR, we noticed that the required Market Analyses and Mapping Study are complementary and hence can better serve their respective objectives if merged together. Therefore the Mapping Study was included in the Market Analyses Report and we believe it added value to the final document by providing a global and complete picture of the status quo that engendered comprehensive analyses and conclusions.

In the process of researching and writing these reports we discovered that standards and regulations for the handicraft sector are not clearly defined as for commodity or industrial sectors. This was also confirmed in our meetings with technical specialists in Ghana and Sierra Leone. Though there are relatively few standards or certifications for the handicraft sector, in the Technical Specifications report we did identify those that do exist and have indicated how companies can manage them.

Our approach to also identify market-driven barriers to trade has revealed two main obstacles that are important for companies who wish to access and sustain international market interest. The first is the

product design and the second is the Quality Control and management.

Product design is more than just creating a great product; the designs must take into account production efficiency, costing and pricing, shipping ease and legal and regulatory issues. Often designers make wonderful products but the production process is too encumbered, they can't be shipped efficiently, or the raw materials are too costly or rare, rendering the "great design" unmarketable. The very best designers know how to create product collections that can move this sector from cultural to commercial by being marketable, while retaining the beauty and authenticity imbued in the handmade process.

Protecting designs is often viewed as important for African producers, both by producers and external observers. The Mapping Study (see Annex 2) outlines the various protection methods appropriate to the handicrafts sector as well as the laws and regulations governing the registration procedures for each type of protection. It is important to highlight here that the chosen categories (i.e. basketry and wooden home decor) include hundreds of different products. Each can be protected differently and hence it is not possible to suggest the appropriate protection for each type of these products. Therefore, the existing types of protection are listed and explained in the Mapping Study. Moreover, various handicrafts in Ghana and Sierra Leone might not be eligible for protection for the following reasons:

- Many of these products have been copied or, to a large extent, inspired from products of other producers in Ghana or in other African countries. Artisans may criticize others for copying their products while they do the same practice. This issue will be raised during the October training. It is our role to raise awareness among artisans about behaviour that could have negative repercussions.
- The designs of many products include elements that belong to the cultural heritage of African countries including Ghana. This problem has been referred to in the Mapping Study, particularly concerning the Ghanaian Kente weaving. This will also be addressed during the October training.
- While GIs might be an efficient way of protection for handicrafts products, it is not possible at this stage to identify items that are eligible for GIs protection. The rules for a product to qualify for GIs protection are not limited to only the product itself. The rules take into consideration other factors (human, climate, terroir, etc...) that influence such protection. Therefore, contrary to trademarks protection, which is automatic after registration, a study should be undertaken and a "cahier de charges" should be prepared for each product that constitutes a potential for GI and submitted to an official national committee to approve or decline registration and hence protection. It is to be highlighted that the Swiss are (or will be) conducting a GIs study for specific products under the Swiss-Ghana Intellectual Property Project (SGIP)¹.

Culturally sensitive Africans and handicraft producers rightly have an emotional attachment to their heritage and often feel that other countries and commercial interests have exploited it. Their outrage may be justified. But before undertaking costly protective legal actions, we highly recommend that a professional cost/benefit analysis will be undertaken, and this analysis should also examine why the cultural products are not selling in the first place. Most often it is because producers have not had the resources to hire designers that can transform their traditional products into marketable designs, and

¹ <https://www.ige.ch/en/legal-info/international-cooperation/country-specific-projects/ghana.html>

because they don't know how to get production costs to a level the international market can support.

Professional buyers purchase collections of products (3-15 pieces in a collection), often changing design elements, colours or sizes each year as they gain greater market feedback. Protecting each product design and variations would be very costly, as well as the expense of pursuing violators. A cost/benefit analysis must examine these costs and how, once incorporated into the product price, they will impact sales, and if they will render a benefit greater than the cost.

Quality Control (QC) and management is another key barrier to trade. Once producers have collections with strong market appeal, instigating a quality management system is essential. Very few producers are aware of quality management standards or professional QC systems and would greatly benefit from QC training and mentoring. Quality management is not only a standard towards which companies should strive to achieve, it is also highly important to buyers and can greatly increase buyers' confidence. The most common complaint among professional buyers sourcing in Africa is: "the samples were great, but the products received were not nearly as good."

Another important observation gleaned from our research and fieldwork is the practical aspects of moving from "cultural to commercial". As noted in the Technical Specifications report, Ghana has been the leader in West Africa in transforming this value-chain from a cottage industry to light industrial manufacturing. Though this transformation has been in process for decades, it is now necessary for Ghana, under the leadership of ATAG, to realign the existing industrial capacity with market demands for on-trend designs and sound quality management systems. Moving forward it would be most advantageous for West Africa if ATAG would be able to disseminate this knowledge throughout the region with training and mentoring activities.

Finally, we have noted throughout our reports that regional collaboration is important to the overall growth of the value-chain. Collaboration will be important for gaining Fair Trade certification, as well as enjoying collective intellectual property protection through a collective mark, a certification mark or geographical indications.

Regional collaboration can be solidified with association building and a regional branding identity. We proposed in the Technical Specifications report that a West African Design Brand could be developed where membership is through design certification, the criteria of which would be defined by professional designers, and companies would be trained and mentored to meet the design benchmarks and carry the brand.

3. UPCOMING ACTIVITIES

- 1. A three-day technical training for export ready companies from Ghana and Sierra Leone, October 18-20, 2016.** We have veered from the ToR by proposing to invite three companies from Sierra Leone that would greatly benefit from this technical workshop, and therefore fewer Sierra Leoneans will be invited to the final meeting in December to keep the final number of participants from Sierra Leone (for both events) up to 10 in total. The PBLH and ATAG teams will jointly lead this training. Guest experts have been invited to participate as co-trainers for the three days.

The first day will focus on wooden home décor, with particular emphasis on the environmental regulations impacting wood exports. The second day will focus on the basketry sector, with a

particular emphasis on export and market-driven challenges. The third day will focus on the legal and regulatory framework, with a particular emphasis on national technical regulations, standards and conformity assessment as well as export licenses and Intellectual Property Laws governing the handicraft sector. See program in Annex 1.

2. **Build an on-line Network Platform for the West African Handicraft Value-Chain.** IT expert Robert Wamala will join the ATAG team, and team leader Elaine Bellezza in Ghana to create and launch a communication platform that will be a portal where technical information can be sourced by artisans, companies and handicraft professionals from across the region. This platform will be a part of the ATAG website, www.atagh.com.
3. **Develop a Market Access Strategy and Action Plan** that will culminate in a video, booklet and/or flyer. This strategy will include technical specifications, intellectual property issues and protection, as well as market-driven barriers such as design and QC. The action plan will outline clear steps to enable the strategy to become a viable reality.
4. **A two-day final conference in Ghana** to present results of the study and to heighten awareness among the West African and international organizations in Ghana of the importance and potential of this often neglected value-chain.

A challenge has arisen regarding the Final Conference. Formerly the elections in Ghana were scheduled for the latter half of November, but now they are scheduled for the week before the date of our Final Conference. Bridget has indicated that now this is not the most advantageous time as there are often disruptions after an election.

She has requested that we try to schedule the Final Conference the second week in January.

5. **A Final report** will be submitted within the first two weeks in January, if the Final Conference is held in December.

4. SUMMARY

The work of this project has been carried out on a timely basis and we do not expect any major deviations from the timeframe originally agreed upon in the inception report, except a possible move of the date of the Final Conference, as noted above.

We believe this study and its activities will be an important contribution to the knowledge base of the West African handicraft value chain. The Market Access Strategy and Action Plan and the Final Report will be the venue where the PBLH experts will present in-depth recommendations whereby this initial activity in the future can gain actual traction in increasing revenues, generating employment and opening the avenues to greater export opportunities to European and other international markets.