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AGRIBUSINESS AND TRADE PROMOTION (USAID ATP)

In fulfillment of the following deliverable under task A 3.1.3:

Annual List of Target Investments in Market Logistics Infrastructure with a “Mini Strategy for Facilitating Public/Private Investment for each Target Investment Maize (FY 2012)

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Submitted to: Danielle Kneuppel, COR
Agribusiness and Trade Promotion Project
USAID/WA
Accra, Ghana



Abt Associates Inc. ■ 4550 Montgomery Lane, Suite 800 North ■
Bethesda, Maryland 20814 ■ Tel: 301.347.5000 ■ Fax: 301.913.652.9061
■ www.abtassociates.com

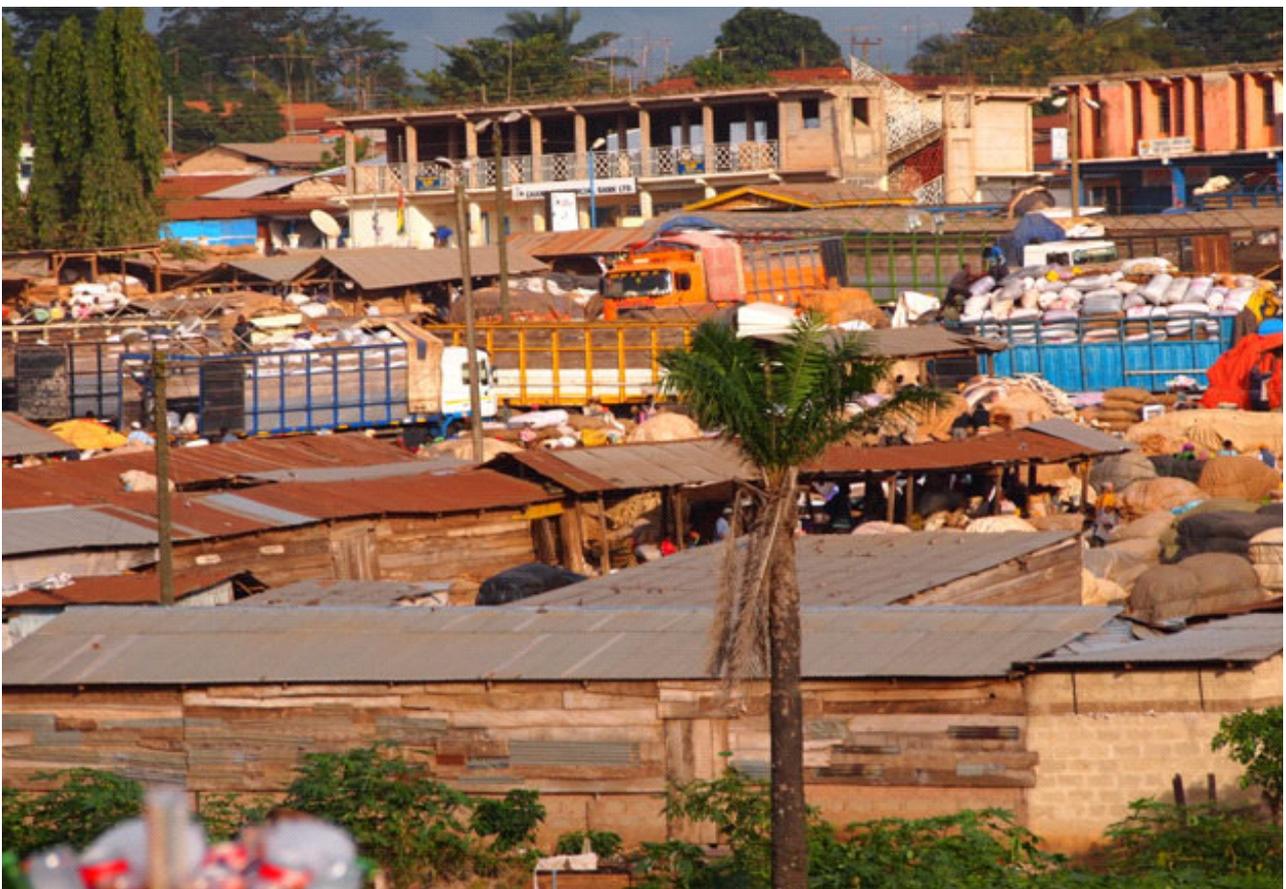
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LIST OF TARGET INVESTMENTS IN MARKET LOGISTICS INFRASTRUCTURE— MAIZE FY 2012

USAID AGRIBUSINESS AND TRADE PROMOTION (ATP) PROJECT



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**USAID AGRIBUSINESS AND TRADE PROMOTION
(ATP) PROJECT**

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government

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EXECUTIVE SUMMARY

This study, undertaken in November 2012, aims to update the findings of the original FY 2010 “List of Target Investments in Market Logistics Infrastructure—Maize” study and the FY 2011 update. However, the Transport and Logistics Advisor surveyed the market infrastructure along the corridor and found that the situation has not changed since the FY11 update. The key infrastructure issues are summarized here. There is, however, good news: the German Agency for International Cooperation (GIZ) has taken over the work that the Agribusiness and Trade Promotion (ATP) Project had been doing on the Techiman maize market, and is working on strategies to improve the logistics infrastructure in the market.

I. SUMMARY OF FINDINGS

The Transport and Logistics Advisor traveled along the maize value chain corridor, from Techiman to Niamey, in September 2012. He found that there have been no substantial changes in infrastructure in any of the maize markets covered by the project's FY 2011 update. Below is a table summarizing the findings.

County	Market	Overview	Market infrastructure
Ghana	Techiman	The hangars, poorly built in 2000, collapsed shortly after their construction. This means that there is a lack of sheds/hangars , which causes spoilage (exposure to sun and rain). The hangars that do exist are created with wooden stakes and thatched roofs and do not protect the maize. This lack of hangars/sheds was noted by the original FY 2010 study as being the highest priority for the traders. In addition, there is no designated parking or loading/unloading zone . The market is also characterized by the use of various (non-standard) types of bags. Finally, there are no scales in the market.	<ol style="list-style-type: none"> 1. Lack of sheds 2. No parking 3. Use of various (non-standard) types of bags 4. No scales 5. Unpaved market floor
Burkina Faso	Ouagadougou Zone I	The Zone I market is the smaller of two wholesale maize markets located in the center of Ouagadougou. It lacked sheds/hangars . In addition, the market floor is unpaved .	<ol style="list-style-type: none"> 1. Lack of sheds 2. Unpaved market floor
	Pouytenga	It is similar to the Ouagadougou Zone I market; there are no sheds/hangars . The traders in this market also need scales . There was also a lack of pallets in this market, which caused problems, particularly in the wet season when the unpaved market floor turns into wet mud. Finally, the market did not have a designated car park .	<ol style="list-style-type: none"> 1. Lack of sheds 2. Unpaved market floor 3. Lack of scales 4. No parking
Niger	Niamey Katakou	There is no designated area for the maize and other cereals in the market. Scales were noted as being the next priority for the market as there were very few and, as in Burkina Faso, the standard is 100 kg bags. Finally, pallets are needed to keep the maize off of the unpaved market floor .	<ol style="list-style-type: none"> 1. No designed area for cereals 2. No scales 3. Unpaved market floor 4. Lack of pallets

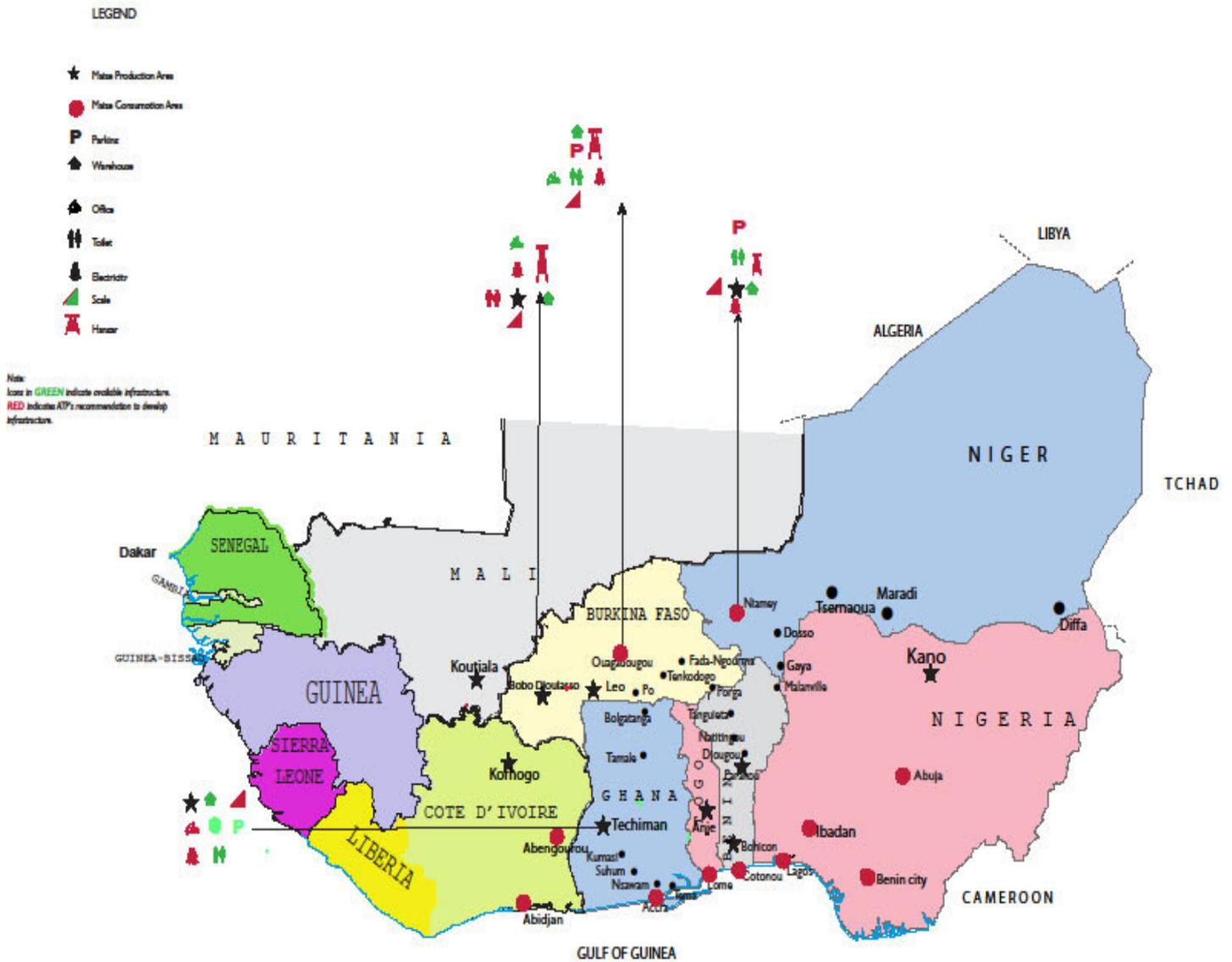
The three pictures below illustrate the Techiman market (first two photos) and Niamey Zone I market (the last photo).





The map below shows available and recommended market infrastructure.

WEST AFRICA MAIZE CORRIDORS AND TECHIMAN-KANTCHARI MARKETS INFRASTRUCTURE



2. RECOMMENDATIONS

2.1 ANNUAL LIST OF TARGET INVESTMENTS IN MARKET LOGISTICS INFRASTRUCTURE

As there are no changes since FY 2011, the recommendations remain the same. As mentioned above, GIZ is supporting a large-scale infrastructure improvement project in the Techiman market.

- Support facilitation of investment or credit for the purchase and use of scales in Zone I, Burkina Faso and Katako, Niger markets.
- Support facilitation of investment or credit for the construction of sheds/hangars at the Ouagadougou market.
- Support facilitation of investment or credit for the redesign of the Techiman market, including the construction of sheds and of a designated cross-docking station.

2.2 “MINI STRATEGY” FOR FACILITATING PUBLIC-PRIVATE INVESTMENT FOR EACH TARGET INVESTMENT

1. Support facilitation of investment or credit for the purchase and use of scales in Zone I, Burkina Faso, and Katako, Niger, markets

The original transport and logistics study noted that in most of the markets observed, traders and wholesalers do not use scales to verify the actual weight of the product. Additionally, the consultant claimed that although this is indicative of the informality and lack of professionalism in the system, the lack of scales may not result in a significant cost burden to the value chain. While this update concurred with the conclusion that there were very few scales seen or utilized in the markets, it disagrees with the statement that it does not result in a significant cost burden to the value chain. On the contrary, in Burkina Faso and in Niger, scales are an absolutely imperative infrastructure, as maize is sold by the kilo and not by the bag (as is practiced in Ghana), and maize cannot be sold unless it is weighed in front of the buyer. Therefore, this lack of scales presents a huge problem to the traders in Burkina Faso and Niger and it is an important investment for the entire maize value chain. ATP can work with the various maize associations that manage and operate the different maize markets along the corridor to facilitate the purchase and use of these scales.

2. Support facilitation of investment or credit for the construction of sheds/hangars at the Ouagadougou market

The original transport study did not note that the lack of sheds/hangars presented a large problem to the maize value chain actors. This is most likely because the original study was conducted during the dry season, when there was very little rain and therefore negligible spoilage due to wet product. However, this update was conducted during the rainy season, and the effects of the rain on the

maize (due to lack of proper infrastructure to keep it dry) were very obvious. The ATP project can work with the various maize associations that manage and operate the different maize markets along the corridor to facilitate the financing and construction of hangars/sheds in the Techiman and Ouagadougou markets¹.

3. Support facilitation of investment or credit for the redesign of the Techiman market, including the construction of sheds and of a designated cross-docking station

As was the case for the Ouagadougou market, sheds under which maize can be stored safely from the elements is a crucial infrastructure missing at the Techiman market. Additionally, another critical and lacking market infrastructure at the Techiman maize market is dedicated loading and unloading zones. In this market, it is not uncommon for trucks to be delayed 4-6 hours because they are parked in the middle of the market, parked along a busy street, or unable to effectively maneuver to load and unload goods. In this market, the trucks are allowed to enter from multiple directions, causing significant delays, confusion, and often resulting in accidents when trucks end up in the ditch trying to pass another parked truck. In the Techiman market, trucks should be allowed to enter from only one of the gates, making the current two-way lane a one-way lane with one side for parking and the other for free movement of trucks. This would be an interim solution to dedicated loading and unloading zones. ATP can play a role in reducing unnecessary delays in the primary intra-regional commerce markets of Techiman by working with the local authorities to suggest new traffic flow guidelines. Specifically, ATP can:

- Facilitate discussions between the maize traders' association in Techiman and the Techiman Municipal Assembly for the allocation of additional land to extend the size of the market
- Advocate financial support from the Municipality Assembly and the government for the construction of a mini-bridge on the river located at the back of the current market
- Provide technical assistance for redesign of the market, including logistics
- Assist the municipality and the maize traders' association in developing a business plan for the mobilization of private capital for the construction of the new market

¹ Sheds/hangars were not noted as being a priority infrastructure for the Niamey market and although hangars are needed in the Pouytenga market, the local government has banned the construction of any permanent infrastructure as the land has been earmarked for other purposes.