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

*In fulfillment of the following deliverable under task B 3.1.2:*

### **Institutionalized process for gathering and incorporating industry feedback in policy change at ECOWAS (FY 2012)**

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*In collaboration with:*  
ACDI/VOCA  
CARANA Corporation



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**INSTITUTIONALIZED PROCESS FOR  
GATHERING AND INCORPORATING  
INDUSTRY FEEDBACK IN POLICY CHANGE  
AT ECOWAS  
USAID AGRIBUSINESS AND TRADE PROMOTION  
(ATP) PROJECT**

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# **INSTITUTIONALIZED PROCESS FOR GATHERING AND INCORPORATING INDUSTRY FEEDBACK IN POLICY CHANGE AT ECOWAS**

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

**DISCLAIMER**

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# ACRONYMS

<b>ATP</b>	Agribusiness and Trade Promotion Project
<b>CIC-B</b>	<i>Comité interprofessionnel des céréales du Burkina Faso</i>
<b>COFENABVI</b>	<i>Confédération des fédérations nationales de la filière bétail/viande de l'Afrique de l'Ouest</i>
<b>E-ATP</b>	Expanded Agribusiness and Trade Promotion
<b>ECOSOC</b>	ECOWAS Economic and Social Council
<b>ECOWAP</b>	ECOWAS Agricultural Policy
<b>ECOWAS</b>	Economic Community of West African States
<b>ETLS</b>	ECOWAS Trade Liberalization Scheme
<b>MOU</b>	Memorandum of understanding
<b>ORO</b>	<i>Observatoire régional de la filière oignon en Afrique de l'Ouest et du Centre</i>
<b>USAID</b>	United States Agency for International Development



# I. INTRODUCTION

Although both government and private sector agents have recognized that the implementation of the Economic Community of West African States (ECOWAS) Trade Liberalization Scheme (ETLS) has been problematic, there is still no functional ECOWAS mechanism to involve industry actors in assessing policy performance and initiating necessary regional policy change. Moreover, the existing arrangement for facilitating policy implementation is inadequate. In particular, the statutory provisions for monitoring and coordinating regional policies are focused on national authorities with hardly any direct involvement of the business community, a principal beneficiary of the regional trade liberalization program. It is therefore difficult to obtain relevant information, such as the state of implementation and compliance with regional trading rules and the existence of other impediments to the implementation of the West African free trade regime. Likewise, there are no clear and publicized procedures or lines of communication for dealing with cases of non-compliance.

This situation has prevailed in part because the existing reporting mechanism is not well-structured and has not been implemented rigorously. The mandate of the National Approval Committee, as the only ETLS body at the operational level, is limited to admitting manufacturing companies and industrial products into the scheme. Trade in agricultural goods is not under the purview of this or any other regional body. The committee does not even have explicit responsibility for monitoring the subsequent performance of the approved enterprises and their products; nor is it concerned with assessing government agents' compliance with the trading rules that accord all originating products free access to the regional market.

The functioning of the ECOWAS trade policy needs to be enhanced by re-structuring and strengthening the regional institutional arrangements for coordinating the application of the ETLS provisions, particularly the link between the ECOWAS Commission and the business community whose members are the prime beneficiaries of the regional preferential trade regime. In order to achieve the ETLS objective of removing all obstacles to intra-regional trade, a regular two-way flow of information must be instituted between ECOWAS and all those involved in implementing the regional policies on free movement of goods, persons, and services.

This requires the institutionalization of a process of gathering feedback from private-sector actors for incorporation in the ECOWAS mechanism for evaluating regional policy performance and effecting necessary policy change. As a contribution to improving the ECOWAS trade policy environment, the Agribusiness and Trade Promotion (ATP)/Expanded Agribusiness and Trade Promotion (E-ATP) Project includes in its technical assistance package to the ECOWAS Commission specific activities aimed at streamlining the existing statutory arrangements for ETLS implementation. The policy coordination process being revitalized seeks to facilitate regular reporting on the performance of the ECOWAS free trade regime and to develop an ongoing policy dialogue that involves (i) the relevant technical departments of the ECOWAS Commission, (ii) government ministries and agencies, and (iii)

private sector organizations. To maximize effectiveness of this process, priority is being directed to engaging the business community through the institutionalization of its direct participation in policy dialogue with both ECOWAS and national institutions.

## 2. BUSINESS COMMUNITY INVOLVEMENT: REGIONAL LEVEL

Measures have been taken by ECOWAS to formalize and enhance the involvement and contribution of the business community in the regional policy debate. One initiative relates to acquiring formal recognition of professional business associations as interested parties and important participants in the regional policy dialogue. The ATP/E-ATP Project, after exploring the conditions for such recognition, has encouraged the associations of the project's six value chains to seek ECOWAS Observer Status. This would allow the accredited associations to attend ECOWAS statutory meetings, particularly the sessions of the ECOWAS Council of Ministers and the technical specialized committees. The statutory committees are the principal technical institutions for monitoring and coordinating policy implementation. They are made up of senior sector officials of member countries who are responsible for reviewing reports on policy performance and proposals on policy reforms that are submitted by the ECOWAS Commission or a program committee (such as the ETLs national approvals committee).

Applications for Observer Status were submitted by the livestock and meat organization (*Confédération des fédérations nationales du bétail/viande-Afrique de l'ouest*, COFENABVI), the cereals association (*Comité interprofessionnel des céréales du Burkina Faso*, CIC-B) and the regional onion observatory (*Observatoire régional de la filière oignon en Afrique de l'Ouest et du Centre*, ORO) during the advocacy mission in March 2011. These applications are being processed at the ECOWAS Commission.

The ATP/E-ATP project has observed, however, that most of these statutory committees have not convened regularly primarily because they have not been set specific objectives with annual action plans which must be executed and reported upon. The project has therefore been promoting the idea of reviving both the technical cooperation program and statutory committees to make them play their coordination and monitoring role at national and regional levels, with particular emphasis on practical operational problems being encountered by the private sector under the various regional policies. This strategy is based on the notion that business sector participation in ECOWAS statutory meetings would be more effective if technical progress reports submitted for consideration gave adequate coverage to the performance and preoccupations of the business community (essentially traders and transporters) under the ETLs program. The project has helped to get discussions at the ECOWAS Commission to focus on enhancement of the mandate and operational capacity of national-level committees such as the national approvals committee or the national transport and transit trade facilitation committee. Two separate regional meetings being convened by ECOWAS in June 2011 will review the performance of these two committees and consider proposals for strengthening their institutional and operational capacities. (See section on National Level below).

ECOWAS is manifesting its commitment to the Vision 2020 slogan of “ECOWAS of the People” by promoting direct and active interaction of the ECOWAS Commission with the business community in various sectors. In line with this new regional policy of inclusion, the ATP/E-ATP project is encouraging the regional professional organizations of the six project value chains to secure formal ECOWAS commitment to technical and financial collaboration with them through the signing of a memorandum of understanding (MOU) which guarantees ECOWAS assistance and a voice of the private sector operators in regional policy dialogue. The ECOWAS Department of Agriculture is favorably disposed to sponsoring the demand of professional associations for closer working relations with the ECOWAS institutions. This process of formalizing the partnership has begun with COFENABVI. As the other value chain associations establish effective contact and their regional activities are recognized by ECOWAS the working relationships would also be formalized.

In recent years, ECOWAS has stepped up its efforts at fostering cross-border investment and other business interactions. One avenue has been the ECOWAS Business Forum which is held on a regular basis. This regional business event, formally launched in 2007 and held again in 2009 and 2010, provides a platform for promoting regional trade and investment as well as undertaking a critical review of relevant regional economic and financial policies. The three previous sessions were held with specific themes—agro-industry, energy, and infrastructure. The ATP/E-ATP Project has initiated discussions with the ECOWAS private sector directorate on this issue and specifically to explore the possibility of securing the participation of representatives of the project’s six value chains in this or similar regional events on a regular basis.

The ECOWAS Economic and Social Council (ECOSOC) is one of the regional institutions established under the 1993 revised ECOWAS treaty. This statutory ECOWAS institution has an advisory role that has never been activated. Steps are now being taken to make the ECOSOC operational, to create an appropriate forum at the regional level for private sector and other civil society organizations to contribute to the ECOWAS decision-making process, and to provide better focus on the value of non-state actors in the regional integration and development process. In order to encourage cross-border partnerships and business orientation, a special place is being reserved in ECOSOC membership for regionally oriented professional associations. The interprofessional business associations that the USAID regional projects are helping to create and strengthen are examples of the regional partners that ECOSOC would be mobilizing for the West African integration process. The project is monitoring the process of making ECOSOC fully operational in order to prepare the professional value chain associations be involved in the functioning of this regional body.

### **3. BUSINESS COMMUNITY INVOLVEMENT: NATIONAL LEVEL**

The ECOWAS integration process is carried out at the national level with the designated ministry for ECOWAS affairs serving as overall coordinator, and the sector ministries in charge of technical activities pertaining to the various regional integration programs. Recently, ECOWAS has introduced the policy of developing a network of sector focal points—for each regional program, each ECOWAS country is required to designate a focal point in the ministry with statutory responsibility for that sectoral program. Such a network would facilitate the interactions which would help business associations provide relevant and timely industry feedback. The executive members and designated contact persons of professional associations would have freer access with the heads and focal points of key ministries like agriculture and animal husbandry (phytosanitary and veterinary services), trade (external trade), export promotion agency, finance (customs service), and transport (road/land transport). The net effect would be greater opportunities for policy dialogue between the parties.

ECOWAS policy decisions generally provide for the establishment of regional and/or national program committees to coordinate the implementation of regional integration policies and programs; the membership of these committees is generally limited to government functionaries. For effective coordination and monitoring of implementation of regional policies, these national committees should receive input from the professional associations of their respective sectors on performance and issues of the implementation process. In particular, they need to be informed on a regular basis of technical and other operational difficulties encountered.

Therefore, the ATP/E-ATP Project has proposed that the mandate and membership of the committees be reviewed to have representatives of professional associations as active members, such as is the case with the national transport and transit facilitation committees. The national approvals committees of the ETLS and the national coordination committee for the monetary integration program should be receiving reports from business operators on tariff and non-tariff barriers including regional payments problems encountered during their intra-regional trade transactions. The technical departments of ECOWAS Commission are to promote membership of the business associations in the appropriate national committees, and encourage members of these associations to document on a regular basis the challenges posed by regional policies and programs. Consideration of such performance reports submitted by professional associations should factor into the deliberations of the national committees—this way, the functioning of the ETLS regime would be under constant review at both national and regional levels.

Joint commissions and other bilateral cooperation arrangements exist between ECOWAS member countries, usually for the purpose of facilitating regional policy implementation and

enhancing mutual benefit derived by neighboring countries under ECOWAS programs. In the spirit of ECOWAS free trade, the E-ATP project recently assisted the poultry associations of Burkina Faso and Côte d'Ivoire to petition their respective governments to end trade restrictions that had been imposed during an outbreak of avian influenza and were no longer needed. A similar move is being made to end restrictions on trade in poultry products between Ghana and Burkina Faso. This dynamic role of professional associations in policy advocacy at the national level is being fostered by the project so that it would become part of the cross-border policy dialogue among ECOWAS states and at the regional level.

## **4. BUSINESS COMMUNITY INVOLVEMENT: ECOWAS TECHNICAL DEPARTMENTS**

The West African business community is organized along different professional lines for better interaction within itself and with the public authorities in order to improve private sector performance, to enhance its advocacy capacity, and to participate more fully in the integration and development of the region. The ECOWAS Commission is facilitating this process through the interventions of its different technical departments, with the Private Sector Department in a lead role. The department has been particularly active in reviving and strengthening regional business bodies such as the Federation of West African Chambers of Commerce and the Federation of West African Manufacturers Associations. Another regional effort is the previously mentioned ECOWAS Business Forum. The Agriculture Department has supported the creation of a regional network of inter-professional associations which will be an active partner in the implementation of the ECOWAS Agricultural Policy (ECOWAP). The project is actively participating in this initiative, making technical contributions to the process on the basis of the experience gained through its partnership with the value chain associations.

In this particular regard, the ATP/E-ATP project has put a premium on building the institutional capacity of its six value chains and developing their professional linkages into regional associations. Related to this, the value chain actors have been assisted to become more aware of their rights and obligations under the ECOWAS trading rules. For example, members of the professional associations collaborated in 2009/2010 with USAID to make a careful study of the policy barriers and other impediments to intra-regional trade, and their members have become active participants in a network of data-gathering on trade malpractice. This has enabled them to undertake both national and regional advocacy campaigns, providing the public authorities with vital industry feed-back and demanding strict compliance by government agents with the regional trade rules. The associations have become vocal champions of the free trade campaign. The advocacy letters deposited with the management of the ECOWAS Commission in March 2011 demanded the elimination of such tariff and non-tariff barriers as duties and disguised export and import taxes, prior authorization of livestock export, seasonal cereal trade restrictions, lack of mutual recognition of sanitary and phytosanitary certificates, and other documents no longer

required under the ETLs regime. The professional associations are also requesting membership of the ETLs regional and national committees to enable them provide regular industry feedback that would enhance the ECOWAS policy reform process.