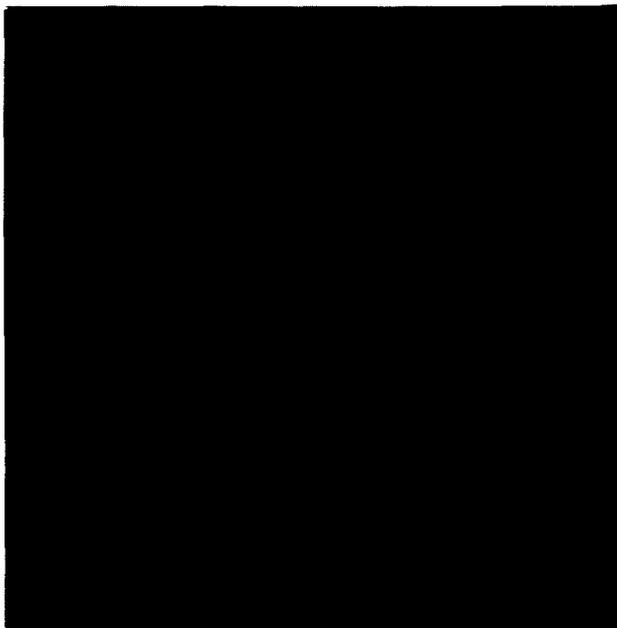


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AGRICULTURAL POLICY ANALYSIS PROJECT, PHASE III

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**IMPACT ASSESSMENT OF
THE LIVESTOCK ACTION
PLAN**

March 1999

**APAP III
Research Report
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ACRONYMS

AMIS	Agricultural Marketing Improvement Strategies (USAID project)
APAP	Agricultural Policy Analysis Project (USAID)
APEX	Agricultural Productivity and Export Project (USAID)
BF	Burkina Faso
CILSS	Comite Permanent Inter-Etats de Lutte contre la Secheresse dans le Sahel
CBC	Conseil Burkinabe de Chargeurs
CEAO	Communaute Econornique de l'Afrique de l'Ouest
CEBV	Communaute Econornique du betail et de la Viande (daughter organisation of Conseil de l'Entente based in Ouagadougou, member states are Benin Burkina Faso, Côte d'Ivoire Niger and Togo)
CEBVIRHA	Communaute Econornique du betail de la Viande et des Ressources aieutiques (Central Africa)
CFA	Communaute Financiere Africaine
CIF	cost, insurance and freight
CILSS	Comite Permanent pour la Lutte contre la Secheresse dans le Sahel
CMA/AOC	Conference des Ministres de l'Agriculture de l'Afrique de l'Ouest et du Centre
CNC	Cadre national de concertation
COBERA	Compagnie Burkinabe d'Exploitation des Ressources Animales
CRED	Center for Research in Economic Development (University of Michigan)
CRC	Cadre regional de concertation (Mali)
DIAPER	Projet Diagnostic Permanent (CILSS)
EC	European Community
ECOWAS	Economic Community of West African States
FERAP	Fluidification des Echanges et de Rapprochement des Politiques agro alimentaires (CILSS project)
FEDESBEVI	Federation de Developpement du Secteur Betail-Viande
FODEL	Fonds de Developpement de l'Elevage (Burkinabe export tax)
FCFA	CFA francs
FGIBV	Federation des Groupernents des Interprofessionnels du battle et de la Viands (Mali)
FWA	Forum West Africa
MRA	Ministere des Ressources Animales
NGO	non-governmental organisation
INSAH	Institut du Sahel (CILSS)
IER	Institut d'Economie Rurale (Mali)
IPC	Implementing Policy Change (USAID project)
LAP	Livestock Action Plan (USAID and the World Bank)
LARES	Laboratoire d'Analyse Regionale et d'Expertise Sociale

LPIU	Livestock Planning and Information Unit (Ghana)
MIS	market information system
MRA	Ministere des Ressources Animales (Burkina Faso)
MST	Management Systems International
NGO	non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
OMBEVI	Office Malien du 136tail et de la Viande
ONAC	Office National du Commerce (Burkina Faso)
ONATRAF	Organisation National des Transporteurs de Faso
PMR (Canadian)	Projet Micro-Realisations (Burkina Faso)
PROMEPEL	Promotion des Echanges des Produits de l'Elevage (CILSS)
RCI	Republique de Côte d Ivoire
SCFB	Societe de Chemins de Fer de Burkina
SICF	Societe Ivoirienne de Chemins de Fer
T	tonne
TMG	The Mitchell Group
TIE	Trafic Inter-Etats (for trade between neighbouring states)
TRIE	Transports Routiers Inter-Etat (for trade in transit through a third country)
UEMOA	Union Econornique et Monbtaire Ouest Africaine
UNACEB	Union Nationale des Associations de Commerçants et Exportateurs de Betail du Burkina Faso
USAID	U S Agency for International Development
VAT	value-added tax
WAEN	West Africa Enterprise Network ("The Enterprise Network ")

EXECUTIVE SUMMARY

Introduction

The promulgation of the USAID/World Bank Livestock Action Plan (LAP) in October 1991 marked the start of a process aimed at improving the efficiency of livestock marketing in West Africa's "central corridor", consisting of the Sahelian countries of Burkina Faso and Mali and coastal Côte d'Ivoire. Governments and the livestock-sector in each country formed *Cadres Nationaux de Concertation* (CNCs) in which they met to work towards implementing the reforms that would meet these goals.

The goals fell into four major categories: the efficiency of road and rail transport, a regional livestock market information system, the reduction of trading costs under government control (administrative procedures, taxes and other payments), and extortion by agents of the uniformed services.

Over the years since 1992, there have been some successes. The efficiency of rail transport has significantly improved, though the improvement cannot be attributed to CNC work. The formal export procedure has become cheaper and easier in Mali, less so in Burkina Faso. Information on policy changes was well disseminated in Mali so that traders and government officials alike knew the new rules. In Côte d'Ivoire, fees levied by a transporters' union were eliminated.

However, some barriers to trade persist. Regional legislation continues to enshrine two confused sets of legislation on international road transport that makes it more expensive and provides pretexts for extortion. A regional livestock market information system was started in 1994 but then stopped in 1996. *Societe de convoyage*, companies that exploit a market for bribes remain as vibrant as ever. Extortion by agents of the uniformed forces continues.

A Lack of Business Confidence Between Sahel and Coast

In a difficult trading environment, Sahelians have been able to couple their knowledge of livestock as a commodity with informal mechanisms to muster capital and information, and so succeed in trading animals over distances of up to 1,500 kilometres to the coast. These traders adapt to changing modes of transport but, in most cases, their means of doing business remains traditional. For instance, they do not weigh animal but instead estimate values visually. Many of them are illiterate.

Over the years many of these Sahelians have benefitted from Côte d'Ivoire's open economy in which they have been allowed to do business with a minimum of formality. Many have installed themselves in Côte d'Ivoire as livestock traders and brokers, and as butchers. In these professions, Sahelians have formed an oligopoly. Malians and Burkinabe form by far the **majority of these** Indigenous coastal Ivoirians resent their hold over the livestock market chain into which they find

it extremely difficult to penetrate. Unlike the Sahelians, these Ivoirians have not been born into the profession and they operate in the formal sector without the benefit of a network of contacts back up along the market chain to the Sahel. They find it difficult to compete successfully with the Sahelians and win little business, either in Côte d'Ivoire or in the Sahelian countries when they try to buy animals there.

The two sides are on different wavelengths. The Ivoirians deride the Sahelians' illiteracy, their lack of formal business skills, and the fact that they pay no business tax. They claim that the Sahelians operate in an opaque market through a refusal to weigh their animals. In response, the Sahelians regard the modern-sector Ivoirians as ignorant of livestock and underfinanced. They claim that the Ivoirian legal system discriminates against them in case of disputes, and they resent the poor facilities at the Port Bouet market and abattoir in Abidjan.

The CNCs

The Ivoirian CNC includes representation from the modern-sector Ivoirians, to the exclusion of the traditional-sector Sahelians. The CNC therefore tends to assume the frustration of its members and eschews **contact with the traditionals**. This leads to an absurd situation where those who represent Côte d'Ivoire on the CNC have very little say in the livestock sector and those who do most of the business have no say. This unresolved dichotomy leads to a dysfunctional CNC that spends time on schemes to unseat Sahelians from their control of the market.

Fairly soon after the CNC's creation, the Ivoirians perceived little benefit from LAP as such. However, they endorsed the idea of regional trade and wanted to promote their potential exporters of agricultural and horticultural produce. The CNC now contains two *colleges*: one for livestock and one for these other commodities. The non-livestock *colleges* is coherent and dynamic, but its members are frustrated by a lack of help from CILSS and UEMOA to promote their exports. During 1996 - 1998, the CNC office bearers functioned in a counter-productive fashion, but elections for new office-bearers to have been held in the second quarter of 1998, may have solved that problem.

The Burkinabe and Malian CNCs deal only with livestock. The Burkinabe CNC was active from 1992 till 1996, and achieved some LAP goals during that period when it developed broad grassroots support. Two key government ministries disagreed on how to respond to an embezzlement scandal in 1996 and the CNC's activities remained muted from then till 1998 when the CNC was to have held elections, also in the second quarter of 1998. However, since 1996 the different professional groupings within the livestock sector have held, or were about to hold, their elections for their own associations, so that future the CNC's private-sector representation will have well-defined constituencies including the fast-developing fattening sub-sector.

The government has dominated the Malian CNC since its inception. With the help of the USAID-financed APEX project, it has achieved more LAP goals than the others.

However, the government's role in achieving this success may have disaffected traders from feeling that they are stakeholders. To counter this, the government is setting up private-sector *Groupements Interprofessionels* to allow the private sector to develop policy. In addition, they are promoting the creation of regional versions of the CNC, in keeping with the national policy of decentralisation.

Since 1994 CNCs (or proto-CNCs) have sprung up in many West African countries—mostly dealing with a variety of commodities other than livestock. Niger also has a CNC that differs from its Sahelian counterparts' in that it deals with onions and cowpeas, as well as livestock. Given that CNCs are principally a central-corridor, and not a Nigerian, phenomenon, the Nigerian CNC membership has a bias towards the western departments of Tillabéri and Dosso. Ghana and Togo have multi-commodity proto-CNCs that await national meetings to give them official status. Nonetheless, Ghana has recently encouraged livestock imports from the Sahel by removing a quarantine restriction and an import tax on livestock. In contrast, Togo's interpretation of a UEMOA trade accord to mean that it can apply VAT of 14 percent on livestock imports restricts its trade with the Sahel.

Transport

Road transport from the Sahel to Côte d'Ivoire remains constrained by the misapplication of outdated international legislation governing bi-lateral shipments (TIE) and shipments between two countries through a third (TRIE). The major negative results include long unnecessary delays at borders as insurance paperwork is redone and requirements for cargo verification that serve as pretexts for customs extortion. In addition, lorries heading south from Burkina Faso and Mali are limited to certain arteries on which they have difficulty finding a backhaul load and, given that there is no regional information system to put road transporters and livestock exporters in touch, many lorries return empty to the coast. Restrictions on road transport lead to low profitability and an old poorly-maintained lorry fleet. Truckers have staged a number of strikes over the last few years in protest at the delays due to extortion not only by the Customs Services but also by other uniformed services. The strikes sometimes temporarily reduce the number of road checkpoints, but do not fundamentally solve the problem. Transport prices vary greatly seasonally as a function of the harvests of various cash crops. Despite the undoubted potential for rationalisation of this system, and room for a reduction in road transport costs, livestock exporters did not perceive road transport *per se* as a major problem. On the other hand, like the truckers, they resent the extortion and delays associated with the numerous checkpoints along the road.

In contrast to the continuing inefficiency of the road-transport sector, since 1996 the railway between Ouagadougou and Abidjan has experienced a beneficial upgrading under the management of a private company, SITARAIL. SITARAIL has a programme of upgrading both its rolling stock and the track, and has improved the frequency and reliability of its services. Its livestock-carrying capacity has increased and the company reimburses livestock exporters for animal deaths if a train takes more than 72 hours to reach its destination.

Both road and rail transport costs form a lower proportion of marketing costs than they did in the early 1990s

Taxes and Bribes

Due to LAP, taxes and administrative procedures associated with the central-corridor livestock trade are lighter now than they were in the early 1990s. The only major tax is Burkina Faso's "FODEL" export tax, the proceeds of which should be split 60/40 between central government and a fund to develop the livestock sector. However, the government has still to begin allocating this latter portion.

Extortion by members of the uniformed forces in all three countries, mentioned above, has not abated over the course of the 1990s. The bribes paid add explicitly to the marketing cost, the delays at checkpoints can add even more through increased animal mortality and, to a lesser extent, a increased cost of capital. In an attempt to minimise these costs, traders continue to make use of *societe de convoyage* companies that consort with the uniformed forces to agree on lowered bribes and faster passage for the entire route. The *societe de convoyage* has become a part of life in Burkina Faso and Côte d'Ivoire, in Mali some combination of government pressure and the threat of *societes de convoyage* seems to keep extortion to a level where these companies are not necessary. In Côte d'Ivoire, the CNC's livestock *colleges* seems to be setting up its own *societe de convoyage*.

Livestock-Sector Development

Particularly in Burkina Faso, the development of fattening and the export of meat by air (albeit in small quantities) are setting the scene for a vertical integration of the industry. Already one Ouagadougou-based company, COBERA, exports live animals to Côte d'Ivoire, Ghana and Togo by lorry, train and on the hoof, exports meat weekly to Gabon, provides *societe de convoyage* services including insurance, acts as an intermediary between banks and fattening schemes, and intends to be offering artificial insemination services by the end of 1998. The perennially forecast construction of a new Abidjan abattoir and the privatisation of the Ouagadougou abattoir offer further options of vertical integration. The Malian government has given the operation of three major livestock markets to local associations of livestock professionals at least one of which is considering converting itself into a company.

In this context, some parts of the traditional livestock sector see the need to modernise. They want access to formal-sector credit and a speedy, reliable, cheap means of repatriation of the proceeds of the sale of livestock. Obtaining credit will require them to keep written accounts of their business, open bank accounts, and cultivate relations with their bankers. It will also require them to conclude written contracts on the basis of which banks may advance credit. Bank guarantees would accelerate the process. In Burkina Faso, economic operators look to FODEL to finance bank guarantees. In turn, banks offering credit are likely to require insurance for livestock in transit which few exporters use at present.

Many livestock traders acknowledge the need to move into the modern sector. They see the need to sell at least some animals by weight in order to meet the criteria of some modern-sector buyers in other countries, and they **acknowledge that they will need** livestock scales in their marketplaces, something unthinkable until recently. In addition, associations of livestock professionals would like training in business management and in policy analysis so that they can best advise their members. This has already happened in the Malian markets mentioned above.

Market Information System

The central corridor does not have regional information system that allows the regular, timely, international exchange of data on commodity prices and other factors. Under LAP, a pilot system of this sort appeared in 1994 but it lapsed in 1996. Representatives of the private and public services in all three countries were unanimous that such a system should be put in place.

Within each central-corridor country, some livestock- sector price and quantity data are collected and, in the Sahelian countries, they are diffused fairly quickly in national languages. However, the collection mechanisms follow no regional protocol, so a regional market information system (MIS) would require preliminary standardisation work.

The 1994 MIS involved the weekly exchange of a single sheet of price data by fax. Since then, liberalised markets demand a greater range of data more frequently, computers have become familiar items in modern-sector offices, and the internet joins these countries together. This constellation would permit the building of a much more useful MIS than would have been possible in the mid 1990s. Expandable in a modular fashion to meet demand, such a system could include information on a range of factors beyond livestock prices: transport costs, lorry availability, prices of a range of commodities (including agro-industrial by-products for animal feed), etc. With several internet nodes in each country, the system could provide basic data free and charge for more detailed, commercially valuable information. Local or regional governments, or associations of livestock professionals, could then diffuse the information they felt useful. There would be no need to include a wider range of data than thought necessary at any point in time, and computer nodes could be added as seen necessary and affordable.

LAP Project Support IPC & FERAP

The pre-1996 IPC implementation of LAP succeeded better in implementing its goals than the later FERAP execution. IPC's work to provide quarterly institutional support and policy advice to the new CNCs, contributed significantly to their initial successes in removing export taxes and administrative delays. It brought representatives together frequently, worked with them on policy analysis, and tried to galvanize an informed debate between the public and private sectors in each central-corridor country. It also provided support services, notably the pilot regional market-information system. In contrast, FERAP procrastinated before taking reinforcing steps to free the Burkinabe and Ivoirian CNCs from the torpor into which each, for its own reasons, fell and that

frustrated their contributions to LAP goals. Equally, it allowed the pilot MIS set up under IPC to fold and failed to set up a replacement.

Future Directions

In considering any follow-on project work to promote trade in the central corridor, the first decision to be made is one of scope. Since IPC, which supported activities in the livestock sector in three countries, many countries have created multi-commodity CNCs. In fact only Burkina Faso and Mali still concentrate uniquely on livestock. Many of the LAP issues pertain to trade in these other commodities too. An MIS that dealt with a range of commodities would enjoy economies of scale. The scope for increasing trade by making it more efficient lies more in non-livestock commodities than in livestock, because of livestock's inherent supply constraints in the face of rising demand. In coastal countries, like Côte d'Ivoire, it may be the only politically-acceptable solution. However, coping with more countries and more commodities would inevitably require a larger donor commitment in order to do a good job.

Within the livestock arena, a project should firstly reinforce CNCs to achieve their own goals. The problems that limited the 1996 - 1998 activity of the Burkinabe and Ivoirian CNCs may well have been solved by recent elections. If so, a fertile period of opportunity for project work may be starting. Areas for reinforcement lie in strategic planning, developing business plans, building relations with financial services, and developing draft contracts. In Côte d'Ivoire it would be important to undertake several major structural changes to integrate the more traditional livestock professionals into the CNC.

Secondly, a regional livestock MIS should be put in place. Thirdly, the project should support regional organisation's revision of the regional road transport conventions, and to suppress the application of VAT to unprocessed agro-pastoral produce within UEMOA member countries. Finally, it should work to ensure that civil society is informed on trade issues, particularly on extortion.

1 ECONOMIC AND INSTITUTIONAL INTRODUCTION

1.1 The Livestock Action Plan as a Prototype for Improving Regional Trade

From at least as far back as the mid 1980s, donors and Sahelian governments alike rejected self-sufficiency as the best way to avoid future famine, and began searching for trade-based solutions for economic development in general and food security in particular. Through a series of regional meetings generally acknowledged to have started in 1986 at Mindleo, Cape Verde, they built a consensus that reoriented development efforts towards regional trade. See annexe 2 for a chronology.

In 1992, USAID and the World Bank produced their joint Livestock Action Plan (LAP) for the central-corridor countries of West Africa. In this document they enumerated the major constraints to the sub-regional livestock trade that links the livestock-rearing countries of Burkina Faso and Mali with their major export market, Côte d'Ivoire. They identified potential solutions that could alleviate each constraint and thus contribute to the increased efficiency of the livestock trade. The LAP recommendations aimed at a small scale realisation—for a limited group of homogeneous commodities in just three countries—of what many hoped for on a regional scale.

Regional markets provide incentives for producers to increase output, reduce costs through learning and increased economies of scale and thus become better able to face extra-regional competition. Eliminating tariffs and formal and informal barriers to trade reduces transaction costs for producers and traders. The resulting free trade and redistribution of production will enhance welfare. (USAID & World Bank 1991)

1.2 The Central Corridor: An Introduction

Burkina Faso, Côte d'Ivoire and Mali are all ex-French colonies and share a common currency, the CFA franc. Each has borders with the other two, and a tarred road network links most major towns in all three countries. In addition, a railway links the Ivoirian capital, Abidjan, with the Burkinabe capital, Ouagadougou. In contrast, these three countries' historical and infrastructural linkages with neighbours to east and west are relatively weak, justifying the conception of the north-south "central corridor" within West Africa. Other central-corridor countries of lesser importance to this report are Ghana and Togo. See Figure 1.

1.3 History of the Central-Corridor Livestock Trade

The livestock trade in West Africa has taken place for centuries. The humid zones in coastal West Africa harbour disease that limits animal production and leads to a shortage in animal protein for human consumption. Inefficient animal production in these zones provokes the trade of cattle and small ruminants from the grasslands of Burkina Faso and Mali to southern Côte d'Ivoire. Abidjan - Côte d'Ivoire's capital and major metropolis attracts the largest part of this commercial flow.

Figure 1
West Africa's central corridor



The traders who ply this trade route are the heirs of the Sahelian entrepreneurs who once sought risky dry-season profits by trekking surplus non-reproductive animals southwards towards the forest zone. To reduce risk, early informal trading networks grew on the basis of traditional fiduciary reciprocity among traders of common origins. Trust built on Sahelian solidarity continues to underpin today's traditional trading institutions on which they rely for flows of finance and market information. Today's traders are traditional in outlook, often illiterate, but efficient operators within their circumscribed purview.

Along the way, the traders paid - and still pay - a variety of fees for services rendered, and taxes to local and - later - national authorities for the right to pass unhindered with their animals. Their profit level has always depended on routing their herds to minimise these costs.

For most of the century traders operating near the railway linking Ouagadougou to Abidjan have had the option of shipping their animals by train, rather than trekking them south. However, over the last two decades, improved road networks and the banning of trekking trade herds in Côte d'Ivoire have allowed shipment by lorry to become most prevalent. The lorry and train have led to order-of-magnitude increases in transport speeds thus reducing the turnover period for traders' working capital, but the processes of assembling herds upstream and selling them in the downstream market remain relatively slow. Use of the lorry and train also leads to a concentration of trade flows along roads and railways, leaving traders more vulnerable to the administration of fees, taxation and demands for bribes.

1.4 Livestock Economics: Supply and Demand

Until the mid 1970s, West Africa was effectively insulated from the world market for red meat. Coastal countries with chronic deficits in red-meat production, such as Côte d'Ivoire¹, imported ruminants from the livestock-surplus sub-humid, semi-arid and arid regions. This demand for red meat has risen as urban populations have grown and become more prosperous. It has risen more quickly during times of economic booms in the coastal countries and less slowly when these economies have faltered, but the trend follows a clear upward path.

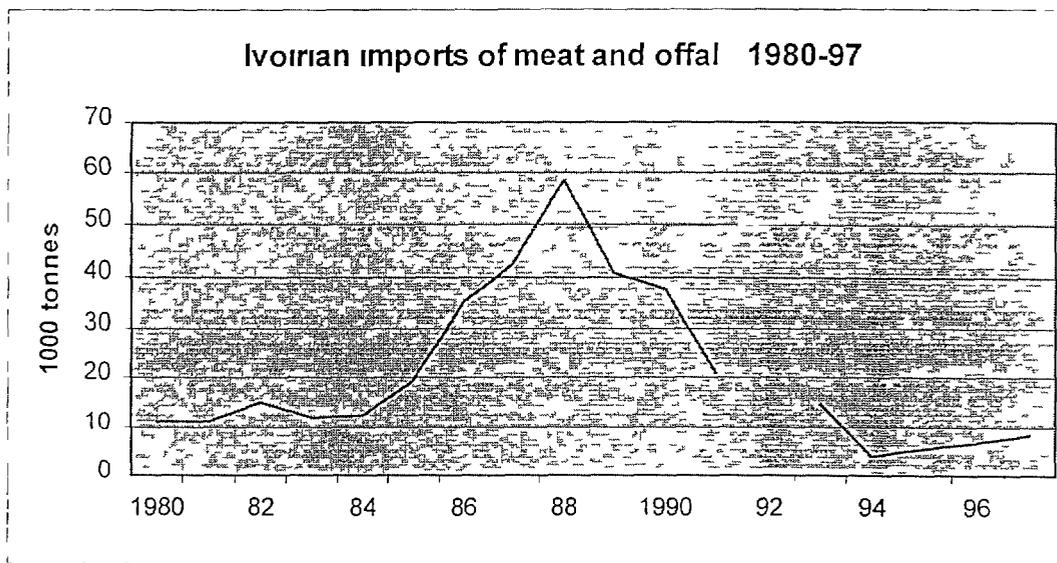
On the supply side, government vaccination campaigns had largely brought epidemics of animal disease under control by mid-century, freeing animal production from this centuries-old constraint. Since then, fluctuations in animal production due to inter-annual rainfall patterns (along with the pronounced seasonality of rainfall within years) has dominated supply through its effect on the rain-fed production of grazing. The new rainfall constraint on animal population led to a typical pattern of gradual growth over a number of years followed by a severe reduction in numbers when drought hit. Between 1950 and 1985, the Sahel underwent two such cycles of boom and bust, but while animal numbers varied considerably over this period, animal productivity scarcely changed.

After the 1968-74 Sahelian drought, herdowners reduced sales to rebuild herds, and Sahelian governments supported this trend by banning exports of livestock or limiting them by quotas. This

¹ Between 1993 and 1995 Côte d'Ivoire produced enough livestock to cover only about 53 percent of its red meat consumption (Côte d'Ivoire, Office of the Prime Minister, Centre de Promotion des Investissements en Côte d'Ivoire 1996:5)

reduced Sahelian supply of live animals to the coast co-incident with low prices of frozen meat on the world market. As a result imports of meat began to flow into ports in coastal countries, first mainly from Latin America and latterly mainly from the European Union (EU). Since this time, imports of meat from the world market have waxed and waned but they have never disappeared.

Particularly in the late 1980s and early 1990s, when Sahelian herds were still recovering from the 1983-85 drought and coastal countries were increasingly importing dumped EU meat, many felt that the importance of the Sahelian contribution to the consumption of red meat in West Africa was in terminal decline. Graph I shows the huge growth of imports of red meat into Côte d'Ivoire, mostly from the EC, until 1998. The Ivorian government then imposed countervailing duties to limit these imports and thus protect both domestic and Sahelian livestock producers. Despite the continuing effect of the overvalued exchange rate, the countervailing duties had the consequence of reducing these imports, as graph I shows. Then, in January 1994, the CFA franc was devalued by 50 percent. This change made imports even less competitive and their volume dropped immediately to a very low value by historical standards, from which it has grown only slowly.

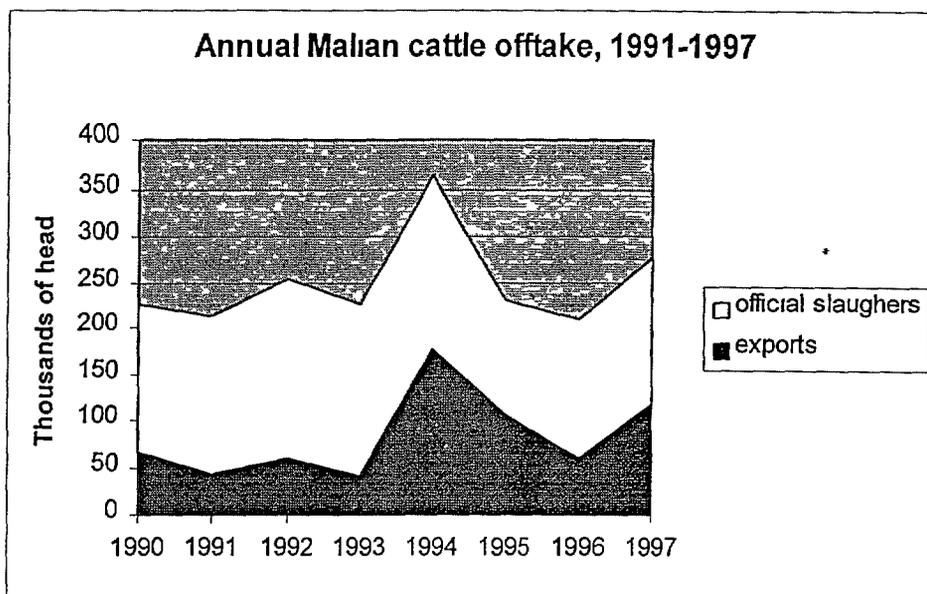


Sources: Holtzman and Kulibaba (1992: 147) for 1980-91 data, Côte d'Ivoire Ministère du Commerce for 1993-97 data. Note: 1997 figure is annualised from 10 months data.

Following the devaluation, demand for CFA-zone livestock immediately rose, and imports from Mali and Burkina Faso (and Niger) to Côte d'Ivoire increased markedly.² Correspondingly domestic slaughter fell in the Sahel. Graph 2 shows the effect of the devaluation in the case of Malian cattle.

² Thus the reduced Ivorian purchasing power (income effect) due to the devaluation that it underwent as well as was more than offset by the increased attractiveness of the price of Sahelian livestock (price effect).

Mean annual exports (mostly to Côte d'Ivoire) jumped from 52,000 head in the 1990-1993 period to 115,000 head in 1994-1997, a rise of 121 percent. Comparing the same groups of years, mean official annual domestic slaughters fell from 177,000 to 154,000 head, a drop of 13 percent. Mean total annual offtake remained much the same³



Sources: Direction Nationale de l'Elevage-OMBEVI & INSAH

Two other factors have also strengthened local production in the face of world-market meat imports. Firstly, the scare associated with "mad cow disease" (bovine spongiform encephalopathy) among some European herds has tempered demand for imports of meat from that source. Secondly, since at least as early as 1985, herdowners had begun to intensify their livestock production (though Sahelian livestock production remains essentially extensive). Feedlots on a variety of scales channelled agricultural and, increasingly, agro-industrial by-products to animals reared to better meet demand. Observers note that this trend is more pronounced in Burkina Faso than in Mali. As a result, the average Burkinabe animal exported to Abidjan weighs more than its Malian counterpart and therefore sells more quickly and at a higher price. Despite the growing importance of livestock fattening, the Malian Chamber of Agriculture asserts that there is no sub-regional market in feedstuffs such as cotton-seed cake to underpin in this activity.

However, the trade in livestock from the Sahel to the coast suffers from constraints that threaten to limit the realisation of the full benefits of this competitive situation by Sahelian producers and

³ Mean total annual offtake rose from 229,000 to 269,000 head, a rise of 17 percent. However, much of this rise derived from the unsustainable immediate post-devaluation increase in the offtake rate in 1994. Without that year's contribution, mean annual total offtake rose only to 238,000 head, or by what may be a statistically insignificant 4 percent.

Ivoirian consumers In the early 1990s, USAID & World Bank (1991) identified these as poor means of rail and road transport, insufficient market information, unnecessary government regulation that absorbed the time and energy of exporters, excessive taxation, and extortion by members of the uniformed services in all countries In broad terms, these are the concerns of the Livestock Action Plan This report examines to what extent these constraints still exist

1.5 Routes from the Sahel to Côte d'Ivoire

Burkinabe and Malian herders mostly sell their animals in local markets, whence traders funnel them directly by lorry or train to the major export markets within these countries However, some animals from central and eastern Mali traverse Burkina Faso en route to Côte d'Ivoire This takes place in three ways Firstly, Burkinabe traders buy in Mali and then export via Burkina Faso to Côte d'Ivoire Secondly, Malian herders take some into Burkina Faso and sell them there, preferring to leave problems of delays and extortion in Côte d'Ivoire to traders who know the ropes The difficulties at checkpoints in Côte d'Ivoire have become more severe, so that Malian herders' co-operatives that would have done their own exporting in the early days of liberalisation in the first half of the 1990s now cede it to traders Thirdly, Burkinabe and Malian thieves smuggle Malian animals into Burkina Faso for a variety of destinations

Ivoirian traders may travel north to buy animals in Mali, particularly at Sikasso, and export them to Côte d'Ivoire, sometimes via Burkina Faso Alternatively they will commission Malian traders to buy there on their behalf In the years after the devaluation of the CFA franc (FCFA) in 1994 Ivoirians visited Ségou market to buy animals between October and May, but in 1997-98 came only to buy sheep during the pre-Tabaski festival period ⁴

1.6 Regional Institutions

A variety of sub-regional institutions with overlapping memberships and responsibilities participate to some degree in promoting regional economic integration This section provides an overview of those relevant to LAP The two most important for LAP in its early days were CILSS and CEBV Subsequently CEBV's importance has waned and that of UEMOA and ECOWAS has waxed A recent forum, FWA, unites CILSS, UEOMA, ECOWAS and WAEN a private-sector organisation

The *Comite Inter-etat pour la Lutte contre la Secheresse dans le Sahel (CILSS)* was formed in 1973 in reaction to the 1968-73 Sahelian drought to improve food security in a group of mostly Francophone, and semi-arid member states located on the southern edge of the Sahara Côte d'Ivoire a key central-corridor country does not belong to CILSS, neither does Ghana or Togo, other central-corridor countries CILSS has a counterpart donor organisation, the *Club du Sahel* based within the OECD

The *Conseil de l'Entente* is a grouping of five Francophone countries - Benin Burkina Faso Côte d'Ivoire, Niger and Togo - established in 1959 The *Communauté Economique du Betail et de la*

⁴ Guineans and Senegalese also visit Malian markets every year to buy Tabaski rams

Viande (CEBV) is a specialised agency of the *Conseil de l'Entente*, responsible for development of the livestock and meat industries in its member states. CEBV's name suggests close co-ordination between livestock- sector policies of these countries but this is not in fact the case. Indeed, for several years, CEBV has lacked funding for activities other than those financed by specific projects with which it is associated. Mali, one of the core countries of the central corridor does not belong to CEBV, neither does Ghana.

Other regional organisations that define the context within which LAP takes place include The Economic Community of West African States (ECOWAS), the *Union Economique et Monetaire Ouest Africaine* (UEOMA), the West African Enterprise⁵ Network (WAEN), and Forum West Africa (FWA). ECOWAS was founded in 1968 and has its headquarters in Lagos to create an economic and monetary union within West Africa. Its diverse Anglophone and Francophone membership includes all central corridor countries. UEMOA, founded in 1994 with its headquarters in Ouagadougou, took over the functions of the former *Union Monetaire Ouest Africaine* (UMOA) and the former *Communaute Economique de l'Afrique de l'Ouest* (CEAO), with the goal of creation of a common market among member states, which already share a common currency. Its members, all Francophone, include all the central-corridor countries except Ghana. Created in 1993 and with a secretariat in Accra, WAEN is a private-sector grouping of businessfolk lobbying for regional integration and policies to promote business. It enjoys donor support, including support from IPC. FWA, a forum created in 1997, brings together CILSS, ECOWAS, UEMOA and WAEN to deal with areas of regional economic integration, currently including verification of constraints to trade via an *observatoire* that measures these on certain international road routes. However, closer harmonisation of the activities of CILSS and UEMOA awaits an agreement of collaboration between the two organisations, similar to the one signed between CILSS and ECOWAS in 1995.

1.7 An Institutional Chronology

This section provides a brief institutional background to LAP events. Appendix 2 takes the form of a complementary tabular chronology.

The origins of LAP go back through a series of meetings held by CILSS and the Club du Sahel in Mindelo (1986), Lomé (1989) and Bamako (1991). These meetings prepared the way for the promotion of private-sector, Sahel-coastal trade in agricultural commodities as a means to further both food security and regional economic integration.

In 1991 when LAP appeared, the West African economic landscape was still dominated by the legislation, institutions and infrastructure of the parastatal era, though these dinosaurs themselves were mostly extinct. Consensus for the promotion of the private sector existed in principle, but a guiding vision for the necessary enabling policy reform was needed. LAP provided a coherent blueprint for that.

⁵ ECOWAS has Francophone members who know it as the *Communaute Economique des Etats de l'Afrique de l'Ouest* (CEDEAO), UEMOA has no Anglophone members but has the Anglophone name of West African Economic and Monetary Union (WAEMU), WAEN has the French title of *Reseau d'Entreprise Ouest Africaine* (REOA).

reform in the area of livestock trade and, by extension but to a lesser extent, trade in other agricultural commodities

The Nouakchott Conference followed in March 1992, jointly sponsored by CILSS and CEBV. It permitted the development of the official central-corridor strategy for the livestock and meat sector. LAP influenced the conference's resolutions which echoed many, but not all, of the LAP goals. The conference recommended that each country set up its own *Cadre National de Concertation* (CNC). Each CNC would be a consultative group working collaboratively towards a series of goals aimed at the more efficient performance of individual national livestock and meat markets in the sub-region and their better integration into a regional market. It would bring together representatives of government, technical and training agencies, the private sector, NGOs, donors and any other relevant organisation to ensure

- a better organisation of professionals in a sector still dominated by traditional structures and methods of management,
- the simplification of business procedures in the trade of livestock products in both importing and exporting countries to,
- a substantial reduction of taxation for trade between states,
- the establishment of efficient national and regional market information systems,
- the search for appropriate solutions to reduce the high cost of transport of livestock and meat, and
- collaborative research with banks to find practical solutions for financing livestock commerce

The Nouakchott seminar also recommended that CILSS and CEBV create a *Cadre regional de concertation* to monitor national activities and co-ordinate regional coordination⁶ (CILSS, FERAP 1996c). Donors supported these national and regional initiatives to the extent that they concurred with LAP. Initially the support only applied to the central corridor.

National co-ordinating committees to set up the CNCs met in Bamako in December 1992 and in 1993 the Burkinabe, Ivorian and Malian proto-CNCs⁷ began to urge their governments to implement LAP recommendations. CNCs received IPC support to help them to plan and implement their activities. In Burkina Faso and Côte d'Ivoire, they persuaded the government to eliminate taxes on the livestock trade and to reduce the number of road blocks that delayed livestock exporters. In Mali they convinced the government to consolidate a series of administrative procedures into one known as the *guichet unique*. Their 1994 successes included the revoking of the requirement for livestock exporters to pay the annual business tax (the *patente*) in Mali and a statistical tax in Burkina Faso.

⁶ *The Central African counterpart to CEBV* the Communauté Economique du 136tat, de la Viande et des Ressources Halieutiques (CEBVIRHA) in liaison with the Conseil de Ministres de l'Agriculture de l'Afrique Occidentale et Centrale (CMA/AOC) also play apart in the organisation and oversight of the CNCs but this seems to have been slight

⁷ For various reasons the CNCs themselves did not formally come into being until various later dates, but the organising committees operated quite successfully as proto-CNCs in the meantime

At the regional level, the same donor support provided the means for two publications that began to fill the livestock-marking information void in the central corridor. Firstly, in February 1994, the first issue of a monthly price bulletin appeared, followed by a weekly version in April. These simple but well-received publications gave prices for a small number of standard livestock categories in Abidjan's Port Bouet market, as well as in a modest number of the most important export markets in Burkina Faso and Mali. The collection of the data and the distribution of the bulletins in all three countries represented the first regular international exchange of market data in the corridor. A regional work-shop in 1995 - extended now to include representatives from Ghana, Togo and Niger - agreed to build a wider market information system, with private-sector participation and co-ordination from CILSS and CEBV. Secondly, April 1995 saw the publication of a well-edited six-monthly journal of articles on the issues confronting the livestock sector. In addition, in 1994 central-corridor livestock traders began meeting under donor sponsorship. They did so not only to discuss sectoral development in the same way that CNC members and the government ministers responsible for livestock also did but also to make commercial contacts that might increase trade, particularly formal-sector trade.

1994 also saw **the emergence** of UMOA as the successor to both UMOA and CEAO, henceforth responsible for sub-regional co-ordination of initiatives towards a common market to which Burkina Faso, Côte d'Ivoire and Mali would all belong.

USAID had limited its LAP funding through IPC to cover a pilot phase for livestock in three central-corridor countries. However, in the context of the move towards market liberalisation in the early 1990s, it proved increasingly difficult politically to exclude agricultural and horticultural produce from the institution-building exercise (and from the resources made available as part of it). Moreover, by 1994, Ministers of Agriculture in the various countries had mandated that initiatives to improve regional trade be expanded to include Ghana, Togo and Niger. By 1996, when FERAP activities began in earnest, it embraced an expansion to include these countries and others⁸ and to allow each country to decide what range of trade its own CNC should cover. In addition, FERAP aimed not only to reduce barriers to trade in agricultural commodities but also to harmonise agricultural policies among member states. Supporting livestock-sector CNCs thus fell squarely within its purview, but from the start it was clear that the project would have many other things to do.

Meanwhile, all was not well in the original central-corridor countries. By this time, CNCs in Burkina Faso and Côte d'Ivoire functioned at a low level due to unresolved problems of leadership (each brought about by different causes)⁹. These enduring malaises drifted into the first quarter of 1998.

⁸ For various reasons, the CNCs themselves did not formally come into being until various later dates but the organising committees operated quite successfully as proto-CNCs in the meantime.

⁹ FERAP itself (CILSS, FERAP 1996c) noted problems

- Some CNCs were not composed of a sufficiently dynamic membership
- The composition of the Executive Committee of some CNCs was not representative of the larger membership
- Most CNCs do not have the means to perform the activities they planned and have therefore relied on donor funding to finance their operations

Some of the funds given by donors have not been well-managed leading to difficulties in obtaining more

when, quite independently, remedies were found in each country. Both CNCs intended to hold elections for new office bearers during the second quarter. However, during this period, the Malian CNC continued work not only with IPC and FERAP but also with the APEX project to reduce barriers to trade publicise these widely.

At the same time as the individual CNCs drifted, the publications that had played a role in uniting them stopped. FERAP planned to set up an improved information system to replace the bulletins that it chose not to continue but this has never happened. Though members of different CNCs met at regional meetings, until early 1998 FERAP did not allocate the resources to find solutions to their internal organisational problems in the way that IPC had done.

At a different level, FERAP has worked with other regional organisation towards resolving some of the problems of importance to livestock traders: simplifying monetary transfers and facilitating border crossings. It has been able to do this through CILSS's membership in Forum West Africa (FWA) which brings together the two regional economic communities, ECOWAS and UEMOA, along with WAEN (the West African Enterprise Network, the regional organisation of large-scale, modern, private-sector operators formed in 1993).¹⁰ Although still only at the trial stage, this grouping of important regional organisation may have the ability to persuade national governments to change their policies in a way that the CNCs do not. In this way FERAP may be able to exercise some pressure on behalf of the CNCs despite its lack of direct support for them.

1.8 Donors

From USAID's perspective, LAP has had two phases. The first, the Implementing Policy Change Project (IPC) lasted from 1992 to 1996, and the second, the CILSS-implemented *Fluidification des Echanges et de Rapprochement des Politiques agro-alimentaires* Project (FERAP) project started in late 1995 and finishes at the end of 1998. In Mali, the USAID-financed Agricultural Productivity and Export Project (APEX) undertook complementary activities from 1992 until 1997. Other donors contributed to LAP goals, more or less directly. For instance, the Canadian-funded *Projet MicroRealisations* has supported the Burkinabe CNC in a variety of ways over the course of its life so far, and the upgrading of the Sikasso marketplace in Mali took place with French support. Donor co-ordination, co-ordinated through the OECD's Club du Sahel, seems to have been good: no informants suggested that any donor actions in the LAP sphere had conflicted.

¹⁰ FERAP and WAEN had had little contact until the advent of FWA in October 1997 because the agricultural trading sector of interest to FERAP and the big-business sector represented by WAEN had quite different agendas.

2 THE LIVESTOCK ACTION PLAN

In the face of disappointing prior efforts to promote West African regional economic integration, the Livestock Action Plan (USAID & World Bank 1991) makes recommendations for policy changes that will increase the efficiency of livestock marketing in the Mali/Burkina/Côte d'Ivoire corridor and thus increase returns to Sahelian livestock producers

2.1 LAP Goals

Table 1 reproduces the LAP table that summarises its recommendations for improving livestock marketing efficiency, which fall into three broad categories

- A reducing impediments to efficient transport and flows of market information,
- B eliminating regulatory and administrative barriers, and
- C resolving problems of public administration

2.2 Nouakchott Goals

The LAP recommendations appeared in October 1991 and were widely circulated. In March 1992, CILSS held a meeting in Nouakchott, Mauritania, to hold discussions on the same topic. The Nouakchott Conference produced its own action plan, based on consensus, not vested in a single regional organisation, and not dependent on major infusions of donor capital or government investment.

The Nouakchott recommendations contained a proposal to set up *Cadres Nationaux A*

Concertation (CNCs or National Co-ordinating Group) in which representatives from government and the private sector would work together to implement policy changes to improve the efficiency of the livestock trade. Within a few months, these CNCs had been formed in the three central-corridor countries. It was with these CNCs that USAID's LAP initiative worked, firstly directly through the Implementing Policy Change Project (IPC) from 1992 to 1996 and then through the Fluidification des Echanges et de Rapprochement des Politiques agro-alimentaires Project (FERAP, a CILSS project).

2.3 Contrasts and Similarities Between Lap and Nouakchott

When discussing improvements in efficiency in the central-corridor livestock trade, those working for USAID and the World Bank may tend to refer to LAP, while West Africans refer to Nouakchott. The Nouakchott Conference framed its recommendations in March 1992, less than six months after LAP's publication, and their recommendations bear a resemblance to each other. However, they are far from identical, as table 2 shows.

Table 1 Livestock Action Plan Goals

Action Area	Objectives	Strategies	Specific Measures	Responsibility	Time Horizon
A Reducing information & infrastructural impediments to efficient trade	Greater efficiency of road and rail transport	Rationalisation and co ordination of investment maintenance and management of regional transport infrastructure	Strengthen the Bureau du Traffic International Improve quality of rail cars	Joint Burkina and Cote d'Ivoire	1-3 years
	Improved information on markets and marketing costs	Exploration of privatised ownership and management of livestock transport	Identify private operators and negotiate agreements Establish privately managed loading facilities	Joint Burkina Cote d'Ivoire with private sector	1-3 years
		Deregulation of international trucking	Reform current cargo allocation quotas	Trilateral possible CEAO role	1-2 years
		Alignment of national policies for the liberalisation of transport tariffs	Delink cargo allocation and tariff negotiation schedules Co-ordinate national tariff schedules	Trilateral possible CEAO role	1-2 years
		Rationalisation and co ordination of national market information systems	Co ordinate collection procedures Develop standard information packages	Trilateral with possible CILSS/CEAO/CEBV support	<1 year
		Timely regional dissemination of information on markets and marketing costs	Establish weekly reporting Widen selection of media		<1 year
B Eliminating regulatory & administrative barriers to efficient trade	Facilitation of livestock trade and reduction of costs	Simplification of export procedures and reduction of incumbent costs	Eliminate ONAC and CBC taxes in Burkina Standardise patente fees in Burkina Establish guichet unique in provinces & at border crossing Suppress Mali Chamber of Commerce requirements	Mali and Burkina (Adjustment Programme)	1-2 years
		Suppression of requirements for intermediation	Suppress requirement for customs brokerage	Mali and Burkina (Adjustment Programme)	<1 year
		Suppression of all quasi official taxes fees for service and non official levies	Disseminate information on policy change Suppress Ivorian transport commercant unions levies Medium term phase out of societes de convoyage Phase out secondary market for rail cars	Mali and Burkina (Adjustment Programme)	1-2 years
C Resolving problems of public administration	Eliminating of rent seeking by public officials and their agents	Institutionalisation of national strategies for oversight & enforcement	Create ombudsman office and their oversight bodies	Trilateral plus subregional seminars	1-2 years
		Restructuring of control services	Revise selection criteria Change incentive structure Change penalty structure	Trilateral (Adjustment Programme)	1-2 years
		Mobilisation of public support and participation	Sustained public dialogue on reform	Trilateral on ongoing basis	ongoing

Source USAID & World Bank (1991 iii iv)

Table 2
Comparison of the Livestock Action Plan and the Nouakchott Recommendations

Livestock Action Plan	Nouakchott Recommendations
	1 Organisation of Professionals
	improving livestock production
	-organisation of marketing <ul style="list-style-type: none"> ▶ identification of members, routes markets ▶ providing associations of professionals with information to allow them to manage import markets ▶ promotion of pools of exporters and importers
Simplification of export procedures and reduction of incumbent costs	2 Simplification of procedures to reduce the cost of marketing
standardise patente fees in Burkina Faso	-inventory and harmonisation of national laws
eliminate ONAC and CBC taxes in Burkina Faso	-adoption of a single export tax in each country
- establish a guichet unique in provinces and at border crossings suppress Malian Chamber of Commerce requirements suppress requirement for customs brokerage in Mali suppress Ivorian transport and commercant unions levies - medium term phase out of societes du convoyage - phase out secondary market for rail car allocation	- creation of a guichet unique
Dissemination of information on policy change	
	- codification of transhumance and introduction of the livestock passport
	reduction of the number of road checkpoints
Improved information on markets and marketing	3 Collection, analysis and diffusion of livestock-marketing information
coordinated collection procedures	collect and diffusion in real time of data on approved markets
- weekly reporting	- study of weekly regional info system
- development of a standard information package	- harmonisation of data used in different countries
	- establishment of national units for exchange data
widened selection of media	

Table 2
Comparison of the Livestock Action Plan and the Nouakchott Recommendations
(continued)

Livestock Action Plan	Nouakchott Recommendations
	4 Transport and infrastructure
	improvement in conditions of animal transport by improving export trekking routes
Deregulation of international trucking Reform current cargo allocation quotas	increased investment in roads and lorries <ul style="list-style-type: none"> ▶ progressive road improvement ▶ research on techniques of adapting lorries ▶ acquisition of easily converted lorries review of laws to take into account the specific nature of livestock as a cargo
Alignment of national policies for the liberalisation of transport tariffs Delink cargo allocation and tariff negotiation Co ordinate national tariff schedules	improved the efficiency of road transport organisation <ul style="list-style-type: none"> ▶ inventory of groups of transporters ▶ incentives for transporters to form pools
Rationalisation and co ordination of investment maintenance and management of regional railway infrastructure strengthen Bureau du Traffic International improve quality of rail cars	adaptation of railway to needs of livestock <ul style="list-style-type: none"> ▶ better management of railway ▶ reduction of the number and lengthen of delays
Explore privatised ownership and management of livestock transport Identify private operators and negotiate agreements Establish privately managed loading facilities	
	search for new ways to transport livestock products by sea or air
	5 Increase the financial capacity of professionals increased contacts between operators and banks setting up of a more reliable and faster international system for the transfer of funds Promotion of national and regional guarantee funds to facilitate trade in livestock products
Elimination of rent seeking by public officials creation of ombudsman office and other oversight bodies revised selection criteria revised incentive structure revised penalty structure sustained public dialogue on reform	

Table 2 compares the two lists of objectives, following the order of the Nouakchott document, showing where the two sets of goals parallel each other, where Nouakchott leaves LAP to one side, and where it tills new ground

Points of Agreement

The two sets of recommendations agree most closely on the need for

- an improved market information system (MIS),
- better railway management, and
- simplification of livestock export procedures, particularly a *guchet unique*

They also agree that road transport should be improved but emphasise quite different means for achieving this. Whereas LAP emphasises deregulation of trucking and liberalisation of transport tariffs, the Nouakchott document recommends better organisation of road transporters and more investment in roads and improved lorries.

Nouakchott Innovations

The Nouakchott document introduces non-LAP ideas in the forms of

- tangentially-related production-related themes
 - improved livestock production
 - codification of transhumance and use of the “livestock passport”
- plans for putting order into the private sector
 - enabling associations of professionals to manage import markets
 - organising professionals in the livestock and transport sectors
- financial-sector initiatives
 - improved access to formal-sector finance for livestock-sector professionals
 - setting up of national and regional guarantee funds
 - introduction of a more reliable and faster international system for the transfer of funds
- projects that need significant capital investment
 - road improvement
 - acquisition of railway wagons adapted to carry livestock

LAP Ignored

The Nouakchott document leaves to one side potentially politically-sensitive recommendations made in LAP. These take the form of very clear, country-specific proposals that may have ramifications not clear to the outsider or that may prove more difficult to implement than superficially apparent, e.g.

- the phasing out of the *societe de convoyage*
- revised selection criteria for the civil service and/or uniformed services

In evaluating the extent to which LAP's goals have been met, we should remember which of them the representatives of the governments involved endorsed at Nouakchott and which they left by the wayside.

2.4 Critique of LAP

Many of the LAP recommendations, particularly those dealing with transport and infrastructure and rent-seeking by public officials, deal with trade restrictions in general, rather than problems faced by the livestock trade alone. Others that targetted the livestock sector had implications for liberalisation of trade in other commodities. These include simplification of trade procedures, reduction of taxes and bribes, and an improved information system.

Some of the LAP recommendations were important, others less so. And, in retrospect, some seem unrealistic without significant changes in the political structure of the countries involved.

More important were

- establishment of the *guichet unique* (one-stop window) for exports
- reduction of taxes and bribes,
- deregulation of international trucking,
- rationalisation and co-ordination of investment, maintenance and management of regional railway infrastructure,
- explore privatised ownership and management of livestock transport,
- alignment of national policies for the liberalisation of transport tariffs, and
- improved market information systems

The first five of these would have reduced marketing costs due to services rendered, to levies of all sorts, and to wasted time. Alignment of national policies for the liberalisation of transport tariffs would have made international trade more predictable, and improved market information systems would have reduced some of the uncertainty of where trading profitability lay. However, the extent of the demand for regional, rather than national, livestock market information is debatable.

Less important were

- phasing out the secondary market for rail-car allocation, and
- standardisation of *patente* fees in Burkina Faso

The fees payable in the secondary market reflect the relative scarcity of transport, albeit with the rent captured by minor railway officials rather than by the railway company. The spatial variation of the *patente* may have been unfair and may have distorted the Burkinabe market somewhat but seems unlikely to have generated inefficiencies.

Unrealistic were

- phasing out *Societes de Convoyage*, and
- elimination of rent-seeking by public officials

The pressure on public officials to reduce their demands for bribes in the face of pressure from well-organised trader might have been expected to reduce, but not eliminate, rentseeking. As long as rent-seeking continues, and as long as high-ranking officials are prepared to use sell their influence within the public sector, profitable opportunities for the market in bribes continue to exist.

This section summarises the recommendations, the logic underpinning them and to extent to which they have been implemented.

A Reducing the informational and infrastructural impediments to efficient trade

This set of recommendations covers road and rail transport and market information.

I Greater efficiency of road and rail transport

In the early 1990s, transport accounted for just over half of livestock trading costs (excluding the cost of the livestock itself). Therefore reductions in this cost stood to have a proportionally large effect on total trading costs.

1 Strengthen the *Bureau International du Trafic*

Proposal Poor co-ordination between SICF and SCFB¹¹ had led to problems of availability and scheduling of trains. LAP included a recommendation for the creation of a management agency (*Bureau International du Trafic*, BIT) to better coordinate their operations and improve their joint performance within their limited means. BIT would address issues of financial

¹¹ *Societe Ivoirienne de Chemins de Fer* and *Societe de Chemins de Fer de Burkina* the national railway companies of Côte d'Ivoire and Burkina Faso respectively. These two countries owned a single railway company from Abidjan to Ouagadougou the *Regie Abidjan-Niger* (RAN) until 1989 when RAN's scission created SICF and SCFB.

management, overstaffing, scheduling and turnaround times, maintenance of locomotives, wagons and the track

Outcome Improvements have exceeded expectations Reinforcement of BIT took place but did not greatly improve the situation However, the subsequent creation of SITARAIL, a privately-run company, to manage the railway business in the two countries has led to a renaissance of the train line as a whole and of its importance as a means of transporting livestock from Burkina Faso to Côte d'Ivoire

2 Improve the quality of rail cars

Proposal 1 In the early 1990s, SICF and SUB owned old rolling stock with a high breakdown rate LAP suggested exploring the viability of customising rehabilitated wagons for livestock transport, including the experimental use of two-tiered wagons for the transport of small ruminants

Outcome Improvements have exceeded expectations At the time of its creation, SITARAIL took ownership of all non-functioning wagons that it judged worthy of repair and has since invested in repairing some of these every year Thus its livestock-carrying capacity has risen and will continue to rise until its rehabilitation programme for wagons is complete After the completion of the programme, SITARAIL will not itself buy more wagons but instead prefers to setup another company that will specialise in buying wagons for leasing to SITARAIL In this way the number of wagons suitable for use by livestock should continue to increase These wagons could include refrigerated wagons for meat or specialised livestock wagons should market research show sustained demand for them

Proposal 2 SICF and SCFB also had insufficient engines to pull its rolling stock, and this was noted as an even more severe constraint than the lack of availability of wagons suitable for livestock However, in 1991 it was probably unrealistic to suggest that new locomotives be bought

Outcome SITARAIL has bought four locomotives from South Africa and has thoroughly overhauled the pre-existing locomotives This augmented traction capacity has brought an end to breakdowns The limiting factor in train reliability is now the track the poor quality of which still leads to derailments To deal with this problem, SITARAIL has a multi-year programme of upgrading the track

3 Identify private operators and negotiate agreements

A relatively small number of serviceable wagons were available to carry livestock, thus limiting rail transport of cattle and small ruminants

Proposal SICF and SCFB could encourage private ownership and management of livestock rolling stock, through outright purchase or management contracts, with guarantees to investors of (a) option on their own loading areas at Bobo Dioulasso and Ouangouloudougou, (b) inclusion of wagons in trains, and © demand for the wagons by livestock traders. It was recognised that such an initiative would not be an attractive option until other measures had been put in place to increase overall rail efficiency.

Outcome 1 SITARAIL represents private management of railway assets on a scale that exceeds the expectations of LAP proposals.

Outcome 2 SITARAIL has itself built a new loading area for livestock at Ouagadougou but not at Bobo-Dioulasso or Ouangouloudougou. However, it has not entered into agreements that would allow other companies to construct loading areas at other points along the line.

Outcome 3 SITARAIL will haul wagons owned by others, though no such wagons currently exist for livestock use.

4 Establish privately-managed loading facilities

The co-ordination of loading livestock into wagons left much to be desired. Some holding pens were far from loading areas and some were too small for the animal throughput.

Proposal Loading facilities could be run as private businesses to improve access and reduce delays. The private facilities would not have to be owned or run by companies owning or managing livestock rolling stock. LAP specified the upstream loading points at Bobo-Dioulasso (Burkina Faso) and Ouangouloudougou (Côte d'Ivoire) as those most in need of improvement.

Outcome Although SITARAIL has itself constructed new loading facilities at Ouagadougou (as noted in 3 above), the loading points identified in LAP as being most in need of improvement have not yet benefitted from private-sector investment. A Burkinabe businessman who wanted to build loading infrastructure at Bobo-Dioulasso did not receive permission from SITARAIL to do so.

5 Reform current cargo-al location quotas

As a land-locked country, Mali must receive the majority of its imports by road through adjacent coastal countries. The nationality of the carriers of these imports is negotiated bilaterally. In the early 1990s, the agreement governing Mali's imports via Côte d'Ivoire gave Ivorian road hauliers two-thirds of this business. It did not seem that there was any good reason for the

governments to expend their energies on this issue. More importantly, this quota distorted healthy competition that would probably have lowered trucking rates, at least at certain times of the year.

Proposal Remove the requirement that goods transiting Côte d'Ivoire for Mali should be allocated to lorries in accordance to the place of registration of the lorry.

Outcome These quotas persist officially and remain a problem for Malian lorries at Abidjan port where the TIE "one-third two-thirds" rule continues to apply. However, in practice, the rule is difficult to police away from the port and many Malian hauliers are thus unaffected. (An informal estimate puts at 40 percent the proportion of shipments leaving Abidjan from non-port origins.) This has become an issue for FERAP for which it must lobby at UEMOA and ECOWAS, organisations that can require all their member states to drop such restrictive rules.

(Note: In the opposite direction, since May 1997, for a payment of 15 000 FCFA and a union tax, any lorry can pick up any cargo for export from Burkina Faso.)

- 6 Delink cargo allocation and tariff negotiation schedules linked to the tariffs set for carrying particular cargoes. In practice, this favoured fleet transporters based in Abidjan over small independent truckers and those based inland.

Proposal LAP advocated the phasing in of such tariff liberalisation as a preliminary step towards complete liberalisation of the road-transport sector.

Outcome This cargo allocation mechanism also persists. UEMOA and ECOWAS have responsibility for the oversight of the TRIE convention (governing the allocation of cargoes in transit between the countries of origin and destination) and the TIE convention (governing the allocation of cargoes shipped from one country to a neighbouring country).

The issues of transport quotas and linkages between cargo allocation and tariff negotiations concern transport-sector efficiency in general and, as such have been taken up by the West African Enterprise Network within Forum West Africa, which also includes UEMOA and ECOWAS, as well as FERAP. As a result of discussions within Forum West Africa, UEMOA and ECOWAS may scrap these restrictive practices but then individual states will then need to apply the new rules. This may be difficult unless all member states are seen to be doing this at the same time. These issues require continued scrutiny.

7 Co-ordinate national tariff schedules

Governments set trucking tariffs in Burkina Faso and Côte d'Ivoire. However, these had not been adjusted to keep up with costs. Unable to increase their fees to cover their costs, transporters resorted to overloading their lorries. On the one hand, overloading increased fuel consumption and vehicle wear, and thus directly increased individual delivery times. On the other, it reduced the life of road surfaces leading to longer-term generalised increased costs.

Proposal If tariffs were to be set, then national tariff schedules had to be set high enough to alleviate incentives for overloading of lorries.

Outcome It seems that, if still officially in effect, these tariff schedules are routinely ignored, at least in Mali and Burkina Faso where livestock traders negotiate freely with hauliers to arrive at very seasonal ly-variable transport fees.

II Improved information on markets and marketing costs

Public-sector information flows in the central corridor operated inefficiently and did not meet the needs of planners. Some data were being collected for functions that had been abandoned. On the other hand, livestock-sector professionals did not receive information useful for their decision-making that government structures were gathering.

8 Co-ordinate collection procedures for national market information systems

National livestock market information systems were generally weak, gathered different data, and used different units of analysis.

Proposal National agencies responsible for livestock marketing information would gather internationally comparable information on livestock marketing, principally prices and numbers of animals sold for standard ruminant categories, as well as other relevant commercial information, such as the cost of transport and fodder.

Outcome On a limited scale, with USAID/IPC funding, CILSS compiled information for all three countries and listed it on weekly and monthly bulletins. It then circulated this information within the three countries. However, FERAP did not develop, or even sustain, this initiative. However, a French-funded project based in France and operating in support of the West and Central African Ministers of Agriculture Conference does circulate detailed market information on most West African countries' livestock market trends.

9 Develop standard information packages

Even with comparable data on livestock marketing, countries may choose to analyse and display their data quite differently or, indeed, may find themselves constrained to if using different spreadsheets or statistical/graphical packages. In contrast, a standard format of data analysis and display would allow international comparisons to be made more easily.

Proposal National agencies responsible for livestock marketing information would use the same software packages and methodologies for analysing and displaying their data.

Outcome This has not happened.

10 Establish weekly reporting

Although consumption markets in Côte d'Ivoire are daily, markets in the production zones of the central corridor are weekly and reporting of market information on this time scale makes most sense.

Proposal National agencies would not only collect weekly data in livestock markets but also analyse it quickly and produce reports on regional market activity within days of the end of a given week to promote market transparency.

Outcome National agencies do collect weekly data. In Burkina Faso they provide daily data to the press which publishes them only because a grant from the Canadian *Projet MicroRealisations* (PMR) pays for this service. Burkina Faso's *Radio rurale* stopped broadcasting them at the end of 1997.

No country publishes or broadcasts regional market reports. Indeed, Ivorian agencies collect very little weekly data. The French-financed publication containing regional market trends, mentioned above, appears quarterly and late.

11 Widen selection of media

Most national agencies responsible for livestock market information package the results of their analyses in the traditional administrative format. This principally serves government policy-makers and does little to exploit the market transparency potential of the information.

Proposal Government agencies would generate and diffuse livestock market data in different ways, notably by radio in local languages. Radio broadcasts in local languages reach a wide audience at relatively low cost. The agencies

might also chalk up data on blackboards in marketplaces and publish tables of prices in newspapers, or diffuse some by television. The private sector would contribute at least some of the data. In each country, prices of other central-corridor countries would be included.

Outcome Radio broadcast of agricultural prices was already taking place in Côte d'Ivoire in the early 1990s but this did not include livestock prices. In Mali, OMBEVI collects livestock market data and disseminates them nationally via radio and newspapers with FERAP help. The IPC project provided financial support for radio broadcasts in 1993 but this stopped soon afterwards. Data continued to be gathered with French financial help but was not broadcast. Then even this stopped, though in April 1988 Ministry of Agriculture staff thought it was about to start again. All this broadcasting concerns national, not regional, livestock prices. The private-sector contribution seems to have been minimal.

B Facilitation of livestock trade and reduction of costs through elimination of regulatory and administrative barriers

A series of unnecessary costs and procedures made livestock marketing more expensive and less efficient. LAP identified policy changes that could streamline the trade by eliminating taxes, making compliance with administrative rules easier, eliminating the underlying causes of certain fees, and making sure that all concerned understood which policies had changed and how. Firstly, the Burkina government had to eliminate certain export taxes and standardise professional fees (*patentes*) across Burkina Faso. Secondly, Mali had to suppress onerous Chamber of Commerce requirements that were prerequisites for livestock exports. Thirdly, both countries had to establish easily accessible one-stop offices for export formalities. Moreover, in Mali, the government had to suppress its requirement that traders use brokers as part of the export process.

In all three countries, governments had to suppress a range of charges that were not strictly applicable to the process of legally exporting livestock. These included union levies imposed by Ivorian transporters, fees paid to secure rail-cars in an unofficial secondary market, and fees paid to companies charging fees to take care of all bribes demanded along a given route (*societes de convoyage*). Governments had also to ensure that everyone would know which charges had been suppressed through appropriate publicity.

These objectives were all to be attained within the framework of the countries' structural adjustment programmes. None, it was supposed, would take more than two years to implement.

1 Eliminate ONAC and CBC taxes in Burkina Faso

Proposal The Burkinabe government was to remove needless taxes levied on livestock exporters by two of its agencies without offering the exporters any useful services in return

Outcome Both taxes have been eliminated. However, the government introduced in 1996 the *Fonds de Developpement de l Elevage* (FODEL) charge of 3,000 FCFA per head of cattle (250 FCFA per small ruminant) exported. The private sector persuaded the government to impose this tax the proceeds of which go directly to a separate government account destined to finance development of the livestock sector. However, the government has not disbursed any of the accumulating funds and so the private sector is now lobbying for its removal.

2 Standardise *patente* fees in Burkina Faso

The *patente* is a business tax.¹² In the early 1990s the amount payable varied from one region of Burkina Faso to another. Rather than being paid annually or on some other basis unlinked to specific export shipments, it was payable as part of the export process. Local officials were exacting bribes for timely processing.

Proposal The Burkinabe government was to standardise the amount payable for the *patente* and find a way to collect the levy so that payment was removed from the chain of export procedures.

Outcome It seems that this has not been entirely done. Some of the inequality of the *patente* level remains.

3 Establish *guichet unique* in provinces and at border crossings for traders leaving Burkina Faso and Mali

The centralisation of various government offices that formed part of the chain of official export procedures led both to onerous journeys for some exporters to fulfill their legal obligations and to the concentration of opportunities for extracting bribes.

Proposal The Burkinabe and Malian governments were to telescope administrative requirements for exporters, or at least the locations where exporters would meet these requirements. The governments were also to ensure that the resulting “one-stop” offices (*guichets uniques*) would be more easily accessible by installing them in provincial locations and at border crossings.

¹² In Burkina Faso the *licence* a tax formerly payable for the right to export a certain number of animals has been combined with the *patente* an annual tax for the right to do business as a livestock exporter.

Outcome The *guichet unique* has been established in Mali. In contrast, in Burkina Faso, there are several steps in the export process that may be grouped into three. Firstly, the trader obtains a *laissez-passer zoo-sanitaire* from the livestock service, and an *autorisation d'exportation* from the town hall. Then, just before the departure of his herd, he obtains a *certificat d'origine* from the Chamber of Commerce and pays a customs fee. At the border he pays the FODEL (*fonds de developpement de l'elevage*) tax. Thus there is still some way to go towards the *guichet unique* in Burkina Faso. This will probably be high on the agenda of the rejuvenated Burkinabe CNC.

4 Suppress Malian Chamber of Commerce requirements

The Malian Chamber of Commerce was a government-organised institution, rather than one created and run by traders themselves. Nonetheless, it collected a fee for "intent to export" forms that exporters had to submit to it. This administrative procedure contributed nothing to the export process. Moreover, surcharges on livestock trading and import-export licences went to the Chamber of Commerce's coffers.

Proposal The Malian government was to suppress the need for exporters to submit "intent to export" forms and to eliminate the surcharges on livestock trading and import-export licences.

Outcome This was accomplished.

Suppression of requirements for intermediation

5 Suppress requirements for customs brokerage in Mali

Bribes paid to government agents led to official Malian requirements that exporters use customs brokers to obtain export authorisation.

Proposal The Malian government was to suppress the requirement that exporters use customs brokers.

Outcome This has been done. In addition, all export taxes have been eliminated. However, the existence of a 3,000 FCFA payment per head of cattle leaving Burkina Faso - the FODEL (*fonds de l'elevage*) tax - provides an example that some government officials would like to follow in order to recoup some of the revenue lost from the elimination of taxes. Although 40 percent of the revenue goes directly into a fund destined to promote the livestock sector, the state keeps the rest.

6 Disseminate information on policy change

In all three countries, knowledge of a change of trade policy might not reach either the government agent responsible for implementing it, the livestock trader, or both. Alternatively, various rumours might circulate and the final executive choice might depend on negotiations between agent and exporter. This situation resulted in uneven execution of export policy, delayed implementation and opportunities for bribery or extortion.

Proposal To ensure that all parties understood current policy, governments were to prominently post details of policy changes at all relevant administrative offices and at border crossings, clearly worded in French and the most useful local language.

Outcome In Burkina Faso, the IPC project's work allowed the CNC to take livestock marketing causes to the grassroots. This allowed Burkinabe livestock traders to become well apprised of changes in policy. However, during the 1995-98 period of inactivity, fewer would have heard about what policy changes took place. The national assembly of livestock professionals to have taken place in May or June 1998 should have redynamised initiatives for policy change but also channels of communication to make them known. In Mali, the APEX Project emphasised the elimination of various fees that government officials continued to collect through a TV sketch that was well received. In addition, APEX helped disseminate information about the policy change by paying for the publishing of 3,000 copies of details of the newly-liberalised market. The Malian CNC is currently having some difficulty dynamising its regional branches which will ideally play a key role in disseminating information on policy change.

7 Suppress Ivoirian transport *commerçant* unions' levies

Two Ivoirian unions, the *Syndicat des Transporteurs* and the *Syndicat des Commerçants* were requiring "voluntary contributions" from livestock exporters. Neither of these activities had the approval of the Ivoirian government.

Proposal The Ivoirian government was to suppress the collection of the "voluntary contributions" and attempt to channel into its own coffers revenues already collected on this basis.

Outcome These levies were suppressed but others have appeared to replace them. In Burkina Faso, the *Syndicat des Transporteurs* charges 500 CFA per head of cattle exported. This fee is sometimes paid by the exporter, sometimes by the driver. At Douentza, Mali, a similar fee is paid by the exporter. These fees appear to be localised and modest.

8 Medium-term phase out of *societe de convoyage*

As a reaction to the extortion of payments by members of the uniformed services in all three countries at many points along the north-south route to Abidjan, enterprising businessmen with powerful contacts within government created companies to provide bribery brokerage services (*societe de convoyage*). Within a given country, they charged a fee per trip that was significantly less than the sum of the bribes that the exporter had been paying. For this fee a company agent “took care of” all potential extortion along the route, according to pre-arranged rates. It saved exporters time because they did not have to haggle with any government agents. It also saved them money, particularly once competition between *societes de convoyage* reduced rates even further.

Proposal The *societes de convoyage* presented a dilemma because they reduced the costs of the livestock export trade and thus made it more efficient, but simultaneously institutionalised corruption in the uniformed services. LAP’s recommendation reflects this dilemma, recommending their medium-term phase out, after “the establishment of a credible strategy and implementation schedule for efforts to suppress extortion by uniform agents who are charged with road controls”.

Outcome The *societe de convoyage* persist and are likely to continue as long as there are (a) bribes given along trucking routes and (b) top officials in the uniformed services are not restrained from using their power to capture some of the rent sought by their agents. One of the Burkinabe CNC’s first actions after its formation was to persuade the government to provide a legal status for such companies, thus conferring respectability on them.

9 Phase out secondary market for rail-cars

At railway loading points in Burkina Faso and Côte d’Ivoire, a market existed for priority allocation of wagons for livestock transport. SCFB or SICF agents preferentially allocated scarce wagons to exporters who offered them sufficient premia.

Proposal The SCFB and SICF managers were to eliminate the secondary market for railway wagons by

- offering performance-related incentives,
- implementing penalties for rent-seeking, and
- establishing an alternative mechanism for allocating the wagons

Outcome These markets continue to exist under SITARAIL, the successor to SUB and SICF, despite the possibility of reserving wagons, at least at

certain times of the year SITARAIL acknowledges this situation but appears to have no policy to capture for itself the rent that accrues to its minor officials SITARAIL could auction off the wagons or it could publicise its reservation service, if it felt that the secondary markets were sufficiently pernicious

Elimination of rent-seeking by public officials and their agents

Strategies to change the structure of relationships that give rise to rent-seeking behaviour, rather than to change merely the behaviour itself, are needed

LAP reasons that corrupt behaviour tends to flourish when

- agents of government have monopoly power over the public,
- they have great discretion, and
- their accountability to central authority is weak

Policies to reduce monopoly power include

- the introduction of privatised services,
- competition, and
- more frequent personnel rotations in public administration

Policies to reduce discretion include

- inter-service co-operation,
- transparency, and
- creation of *ombudsman* services

Policies to strengthen their accountability to central authority include

- improved auditing and management information,
- the creation of incentives for reporting intransigent corrupt behaviour and
- shifting the burden-of-proof requirements for enforcement from the general public to government agents

LAP judged only some of these potential solutions as applicable to the livestock trade in the central corridor

Co-ordinated action along these lines between the three countries will be necessary to reduce rent-seeking behaviours. If one country reduces corruption and another does not, this will just leave more rent to be sought by corrupt officials in the second country

1 **Proposal** Create *ombudsman* office and other oversight bodies

No neutral non-judicial institution existed to arbitrate in cases of accusations of abuses of power against government agents

The government should create ombudsman offices to reduce the discretion that government agents have that may foster corruption. Other oversight or advisory committees should play a similar role. All such structures should receive media attention.

2 **Proposal** Revise selection criteria

Selection criteria did not emphasise moral rectitude

The governments should include moral values in their selection criteria for civil servants and uniformed officers

Proposal Change incentive structure

The low and late nature of government agents' salaries provoke a need for "external or supplementary income". Arrears of these salaries further fosters this need. The lack of correlation of payment with action taken by the agents did not motivate the agents to perform their tasks in any particular way.

Governments should "rationalise" government agents' "salary structures to reduce the need for external or supplementary income". They should introduce "payment structures based on a scale of fees for services rendered, rewards for specific actions and agents who are effective and exemplify the standards to which the service aspires, the use of contingent contracts to reward agents as a function of their success, and the use of non-monetary awards as a positive incentive

4 Change penalty structure

Government agents risked suffering little for any corrupt behaviour in which they indulge

Proposal Governments should raise the general level of formal penalties, allow its agents to answer to ombudsmen where appropriate, calibrate penalties to the level of the corruption, institute "non-formal penalties (transfers, publicity, loss of professional standing, forfeiture of pensions and hierarchy)

5 Sustained dialogue on reform

Public dialogue existed, particularly in Burkina Faso but was not geared to supporting the reduction in the level of corruption

Proposal Governments should encourage sustained public dialogue and oversight to serve as a powerful check on rent-seeking and malfeasance, promote greater transparency in public administration, and strengthen reform in the face of resistance by defenders of the status quo. They should use the media as appropriate.

Outcome These potential solutions to problems of rent-seeking by public officials required too much of the governments, both financially and politically. None was systematically pursued.

In its early days, the Burkinabe CNC reduced the number of control points on the main road to Côte d'Ivoire that provide the main opportunity for uniformed services to request bribes. A reduction of control points listed among recent success cited by the CNC suggests that the number of control points has since multiplied at least once.

2.5 LAP Successes

Reference to table 3 indicates that the following LAP goals have been met:

1 *Greater efficiency of rail transport*

The Burkinabe and Ivoirian governments can take credit for the creation of SITARAIL, which has greatly improved rail carriage of livestock from Burkina Faso to Abidjan, but it seems unlikely that the CNCs played a major role or that the governments took this step in response to LAP requirements. Reliability, speed and the number of wagons available have all improved drastically.

However, a relatively minor element of the LAP rail goals remain unmet. SITARAIL has not allowed exporters to establish privately-managed loading facilities.

2 (as strategies for *Facilitation of livestock trade and reduction of costs*)

a Simplification of export procedures and reduction of incumbent costs

In their early days, the government-dominated CNCs undertook most of the reduction of costs and administrative delays suggested by LAP:

- Elimination of ONAC and CBC taxes in Burkina Faso
- Setting up the *guichet unique* in the provinces and at border crossings in Mali

However, the Burkinabe CNC did not:

- entirely standardise the *patente* fees
- set up the *guichet unique* in the provinces and at border crossing

b Suppression of requirements for intermediation

The Malian CNC oversaw the suppression of the requirement for customs brokerage

- c Suppression of all quasi-official taxes, fees-for-service and non-official levies
 - There was some dissemination of information on policy change, notably TV sketches and distribution of leaflets (under APEX)
 - The Ivoirian government suppressed transport *commerçant* unions' levies

The following LAP goals have not been met

1 *Greater efficiency of road transport*

The road transport sector remains much as it was in 1992. No progress has been made towards the goals of

- a Reforming the cargo allocation quotas
- b Delinking cargo allocation quotas and tariff negotiation schedules
- c Co-ordinating national tariff schedules

2 *Improved information on markets and marketing costs*

- a Rationalisation and co-ordination of national market information systems
- b Timely regional dissemination of information on markets and marketing costs

National market information systems remain segmented and follow different protocols. They provide information that the private sector finds of marginal use.

3 (as a strategy for *Facilitation of livestock trade and reduction of costs*)

Suppression of all quasi-official taxes, fees-for-service and non-official levies

- a Medium-term phase-out of *societes de convoyage*
The market for *societes de convoyage* thrives
- b Phase out secondary market for rail-cars
This persists but it does constitute a major problem for trade

4 *Resolving problems of public administration*

- a Institutionalisation of national strategies for oversight & enforcement
 - b Restructuring of control services
 - c Mobilisation of public support and participation
- None of these has been accomplished

Table 3 Success and Failure of the Livestock Action Plan Goals

Action Area	Objectives	Strategies	Specific Measures	Responsibility	Goal Met?
A Reducing information & infrastructural impediments to efficient trade	Greater efficiency of road and rail transport	Rationalisation and co ordination of investment maintenance and management of regional transport infrastructure	Strengthen the Bureau du Trafic International Improve quality of rail cars	Joint Burkina and Cote d'Ivoire	Yes
	Improved information on markets and marketing costs	Exploration of privatised ownership and management of livestock transport	Identify private operators and negotiate agreements Establish privately managed loading facilities	Joint Burkina, Cote d'Ivoire with private sector	(No)
		Deregulation of international trucking	Reform current cargo allocation quotas	Trilateral possible CEAO role	No
		Alignment of national policies for the liberalisation of transport tariffs	Delink cargo allocation and tariff negotiation schedules Co ordinate national tariff schedules	Trilateral possible CEAO role	No
		Rationalisation and co ordination of national market information systems	Co ordinate collection procedures Develop standard information packages	Trilateral with possible CILSS/CEAO/CEBV support	No
		Timely regional dissemination of information on markets and marketing costs	Establish weekly reporting Widen selection of media		No
B Eliminating regulatory & administrative barriers to efficient trade	Facilitation of livestock trade and reduction of costs	Simplification of export procedures and reduction of incumbent costs	Eliminate ONAC and CBC taxes in Burkina Standardise patente fees in Burkina Establish guichet unique in provinces & at border crossing Suppress Mali Chamber of Commerce requirements	Mali and Burkina (Adjustment Programme)	Yes
		Suppression of requirements for intermediation	Suppress requirement for customs brokerage	Mali and Burkina (Adjustment Programme)	Yes
		Suppression of all quasi official taxes fees for service and non official levies	Disseminate information on policy change Suppress Ivorian transport commercant unions levies Medium term phase out of societies de convoyage Phase out secondary market for rail cars	Mali and Burkina (Adjustment Programme)	Mixed
C Resolving problems of public administration	Eliminating of rent seeking by public officials and their agents	Institutionalisation of national strategies for oversight & enforcement	Create ombudsman office and their oversight bodies	Trilateral plus subregional seminars	No
		Restructuring of control services	Revise selection criteria Change incentive structure Change penalty structure	Trilateral (Adjustment Programme)	No
		Mobilisation of public support and participation	Sustained public dialogue on reform	Trilateral on ongoing basis	(No)

Source USAID & World Bank (1991 iii iv)

If we compare the LAP successes and failures with the status accorded to them at Nouakchott, reference to table 2 shows that - with two exceptions - the successes came from issues that the Nouakchott Conference endorsed and the failures from issues that it did not. Both LAP and Nouakchott called for better management of the railway and the simplification of export procedures, which have happened. LAP alone called for the deregulation of road transport, resolution of the problems of public administration, and the suppression of all quasi-official taxes, fees for service and non-official levies, none of which has changed much. One exception to this trend is the absence of progress on a regional MIS - endorsed by both LAP and Nouakchott - which seems entirely due to FERAP. The other, the successful suppression of requirements for intermediation in Mali - sought by LAP but not Nouakchott - was a relatively minor affair. Table 4 summarises these findings. We may infer that the participants at the Nouakchott Conference had a good feel for what was politically or administratively feasible.

Table 4
Success and failure of LAP goals
as a function of their endorsement by the Nouakchott Conference

Status of Goal	Endorsed by	
	LAP Only	LAP & Nouakchott
Success	1 Suppression of requirements for intermediation in Mali	1 Better management of the railway 2 Simplification of export procedures
Failure	1 Deregulation of road transport 2 Public Administration 3 Suppression of all quasi-official taxes, fees for service and non-official levies	1 MIS

We will see in chapter 4 that, of the Nouakchott recommendations of which LAP makes no mention, the improvement of export trekking routes has become an anachronism and the call for better managed transhumance remains outside the marketing focus of the current study. However, the emphasis placed on the organisation of professionals and the call for better financial services for them remain important issues that still need to be addressed.

3 TRANSACTION-COST ANALYSIS

Modifications of policy, changes levels of bribery and evolution in the scarcity of certain resources show up in the evolution of prices paid by the livestock trader for various components of his export business. Tables 5 and 6 summarise the costs paid by a livestock trader who exports his animals by road or rail from a variety of markets in Mali or Burkina Faso to the Port Bouet market in Abidjan, Côte d'Ivoire. Table 5 reproduces the tables of annex I of the Livestock Action Plan (USAID & World Bank 1991), including some older data from 1976-77. Table 6 shows the current findings in the same format. The structure of these tables distinguishes a variety of different categories of payments made along the market chain, in particular the taxes and bribes paid along the way.

This section discusses the limits of transaction-cost analysis, explains the categories used in tables 5 and 6, and then analyses the changes in cost structure that emerge from the tables and interprets these in the context of changes in government policy, CNC activity and the structure of the economies involved.

3.1 The Limitations of Transaction -Cost Analysis

Transaction-cost analysis shows directly how much the trader spends on various elements of his business, allows comparisons between different routes, modes of transport and species exported, as well as temporal evolution. However, it has limitations in its accuracy. As explained in this section, it ignores certain indirect costs and it is only as good as the information gathered.

When the exporter uses road transport, not only the trader but also the lorry driver makes a variety of payments along the way. For instance, on leaving Ouagadougou, the driver pays a road tax (*taxe routiere*) of 1,500 FCFA, for which a receipt is given, but also makes an additional informal payment of 1,000 to the agent collecting the tax. At the same checkpoint he pays a 500 FCFA fee to the road transporters' union. As the exporter does not pay for these, other than indirectly through the payment he makes to hire the lorry, these payments are excluded from the transaction-cost analysis discussed here.

One of the goals of transaction-cost analysis is to highlight the degree to which the cost of trading includes both formal and informal taxation. Nonetheless, the example in the previous paragraph draws our attention to the fact that such analysis - useful though it is - only takes account of direct payments by the exporter. It ignores the indirect effects, such as the proportion of the fee paid to hire the lorry - recorded as a payment for a commercial service rendered - that the lorry driver must, in turn, pay in taxes and bribes. Indeed, if we take the analysis one further stage towards its logical conclusion, we should pay attention to the proportion of the running and depreciation costs of the lorry that taxes and bribes constitute. By extension, the fee paid by the exporter to hire a rail

Table 5a
Transaction-Cost Analysis Results Cattle, 1976-1977 & 1990-1991

Route/Transport Mode		Segou (Mali) Abidjan Lorry			Dougabougou (Mali) Abidjan Lorry			Pouytenga (BF) Abidjan Lorry		
		Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost
Animal purchase		84,565	80.2		62,500	73.4		107,500	75.7	
Purchase commissions		1,229	1.2	5.9	1,288	1.5	5.7	1,167	0.8	3.4
Official costs, of which		2,440	0.0	11.7	2,510	0.0	11.1	7,186	0.1	20.9
Veterinary fees		65	0.1	0.3	365	0.4	1.6	1,100	0.8	3.2
Market/export taxes		275	0.3	1.3	170	0.2	0.8	3,986	2.8	11.6
Taxes RCI		2,100	2.0	10.1	1,975	2.3	8.7	2,100	1.5	6.1
Quasi official taxes		2,071	2.0	9.9	2,106	2.5	9.3	333	0.2	1.0
Transport & handling		11,586	11.0	55.5	11,909	14.0	52.7	21,108	14.9	13.3
Livestock holding & maintenance		457	0.4	2.2	811	1.0	3.6	833	0.6	2.4
Informal taxes (brides/extortion)		2,786	0.0	13.3	2,903	0.0	12.8	2,533	0.0	7.4
In Burkina Faso/Mali		1,300	1.2	6.2	1,141.8	1.7	6.3	33	0	1
In Cote d'Ivoire		629	0.6	3.0	576	0.7	2.5	1,500	1.1	4.4
Societe de convoyage		857	0.8	4.1	909	1.1	4.0	1,000	7	2.9
Opportunity cost of capital		318	0.3	1.5	1,073	1.3	4.7	896	6	2.6
Losses and financial costs		No losses, cash transactions			No losses, cash transactions			367	3	1.1
Total costs		105,452	100.0		85,100.1	100		141,923	100	
Total Marketing Costs		20,887			22,600			34,423		
Gross returns from sale		110,000			91,567			150,000		
Net return		4,548	4.3		6,567	7.7		8,077	5.7	

Route/Transport Mode		Kolikani (Mali) Abidjan trek to border lorry to Abidjan			Gorom Gorom (BF) Abidjan trek to Ouaga, rail to Abidjan			Pouytenga (BF) Abidjan Lorry		
		Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost
Animal purchase		86,770	74.0		9,000	56.7		113,000	7.4	
Purchase commissions		563	0.5	1.9	2,122	3.1	7.1		0.0	0.0
Official costs, of which		7,703	6.6	25.3	10,098	14.7	33.9	6,085	4.1	18.3
Veterinary fees		495	0.4	1.6	445	0.6	1.5		0.0	0.0
Market/export taxes		5,189	4.4	17.1	7,710	11.2	25.9	3,650	2.5	11.0
Taxes RCI		2,019	1.7	6.6	1,943	2.8	6.5	2,435	1.7	7.3
Quasi official taxes		385	0.3	1.3	0	0.0	0.0	0	0.0	0.0
Transport & handling		14,436	12.3	47.5	14,600	21.2	49.1	16,935	11.5	51.0
Livestock holding & maintenance		38	0.0	0.1	75	0.1	0.3	0	0.0	0.0
Informal taxes (brides/extortion)		6,935	5.9	22.8	2,525	3.7	8.5	7,210	4.9	21.7
In Burkina Faso/Mali		1,756	1.5	5.8	625	0.9	2.1	0	0.0	0.0
In Cote d'Ivoire		5,179	4.4	17.0	1,900	2.8	6.4	0	0.0	0.0
Societe de convoyage		0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Opportunity cost of capital		362	0.3	1.2	325	0.5	1.1		0.0	0.0
Losses and financial costs		Losses included in gross margin			Losses included in gross margin			2,970	2.0	8.9
Total costs		117,192	100.0		68,745	100.0		147,000	100.0	
Total marketing costs		30,422			29,745			33,200		
Gross returns from sale		129,808			76,775			162,500		
Net return		12,616	10.8		8,030	11.7		15,500	10.5	

Source Holtzman & Kulibaba (1992:101-103) table 11.1
 Dates First Row 2nd Quarter 1992 Second Row 4th Quarter 1989 1st Quarter 1990 1st Quarter 1990

Table 5b
Transaction-Cost Analysis Results Cattle, 1990-1991 & 1976-1977

Route/Transport Mode	Djibo (Burkina Faso) Abidjan trek to Ouaga rail to Abidjan			Youba (Burkina Faso) Abidjan Truck to Bobo rail to Abidjan			Ouagadougou (BF) Abidjan rail		
	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost
Animal purchase	60,000	72.2		65,000	71.9		85,000	77.1	
Purchase commissions	1,688	2.0	7.3	875	1.0	3.5	1,188	1.1	4.7
Official costs, of which	5,566	0.1	24.0	6,699	0.1	26.4	7,294	0.1	28.9
Veterinary fees	663	0.8	2.9	669	0.7	2.6	663	0.6	2.6
Market/export taxes	3,768	4.5	16.3	3,755	4.2	14.8	4,781	4.3	18.9
Taxes RCI	1,125	1.4	4.9	2,275	2.5	9.0	1,850	1.7	7.3
Quasi official taxes	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport & handling	13,753	16.5	59.5	14,562	16.1	57.4	13,379	12.1	53.0
Livestock holding & maintenance	525	0.6	2.3	825	0.9	3.3	1,063	1.0	4.2
Informal taxes (bribes/extortion)	1,100	0.0	4.8	1,850	0.0	7.3	1,338	0.0	5.3
In Burkina Faso/Mali	600	0.7	2.6	1,350	1.5	5.3	900	0.8	3.6
In Cote d'Ivoire	500	0.6	2.2	500	0.6	2.0	438	0.4	1.7
Societe de convoyage	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Opportunity cost of capital	500	0.6	2.2	542	0.6	2.1	708	0.3	1.1
Losses and financial costs	No losses, cash transactions			No losses, cash transactions			288	3	1
Total costs	83,122	199.0		90,335	100.0		110,258	100.0	
Total Marketing Costs	23,122			5,353			25,258		
Gross returns from sale	85,000			94,000			112,500		
Net return	878	2.3		3,647	4.0		2,242	2.0	

Route/Transport Mode	Djibo (Burkina Faso) Abidjan trek to Ouaga, rail to Abidjan			Youba (Burkina Faso) Abidjan Truck to Bobo rail to Abidjan			Ouagadougou (BF) Abidjan rail		
	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost	Cost per head (CFA francs)	% of total cost	% of total marketing cost
Animal purchase	43,500	64.2		43,500	78.9		37,500	73.2	
Purchase commissions	1,250	1.8	5.2	1,250	2.3	10.7	350	0.7	2.5
Official costs, of which	4,980	7.4	20.5	4,980	9.0	42.7	7,264	14.2	52.8
Veterinary fees	80	0.1	0.3	80	0.1	0.7	162	0.3	1.2
Market/export taxes	4,400	6.5	18.1	4,400	8.0	37.8	6,602	12.9	48.0
Taxes RCI	500	0.7	2.1	500	0.9	4.3	500	1.0	3.6
Quasi official taxes	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport & handling	14,818	21.9	61.1	4,375	7.9	37.5	4,507	8.8	32.8
Livestock holding & maintenance	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Informal taxes (bribes/extortion)	2,000	3.0	8.2	50	0.1	0.4	400	0.8	2.9
In Burkina Faso/Mali	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
In Cote d'Ivoire	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Societe de convoyage	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Opportunity cost of capital		0.0	0.0		0.0	0.0		0.0	0.0
Losses and financial costs	1,200	1.8	4.9	1,000	1.8	8.6	1,188	2.3	8.6
Total costs	62,748	100.0		55,155	100.0		51,249	100.0	
Total marketing costs	24,248			11,655			13,749		
Gross returns from sale	60,993			60,993			56,784		
Net return	6,755	10.0		5,838	10.6		5,535	10.8	

Source: Holtzman & Kulibaba (1992:101-103) table 11.1
 Dates: First Row: 2nd Quarter 1992; Second Row: (CRED) late 1976-early 1977

Table 6
Transaction-Cost Analysis Results Cattle, 1998

Route/Transport Mode	Djibo (BF) Abidjan Sheep Lorry/Train					Ouagadougou (BF) Abidjan Cattle Lorry				
	Cost per head (CFA francs)			% total	% total marketing	Cost per head (CFA francs)			% total	% total marketing
	BF	RCI	Both	Cost	Cost	BF	RCI	Both	Cost	Cost
Animal purchase	30 000		30 000	70		140 000		140 000	80	
Purchase commissions			0	0	0	3 000		3 000	2	9
Official costs of which			792	2	6			4 483	3	13
Veterinary fees	17		17	0	0	179		179	0	1
Market/export taxes	600		600	1	5	3 199		3 199	2	9
Taxes RCI		175	175	0	1		1 105	1 105	1	3
Quasi official taxes			0	0	0		29	29	0	0
Transport & handling	4 700	25	4 735	11	36	12 918	33	12 951	7	37
Livestock holding & maintenance	1 483	213	1 696	4	13	1 278	788	2 066	1	6
Informal taxes (brides/extortion)			3 442	8	26			6 464	4	19
In Burkina Faso/Mali	167		167	0	1	371		371	0	1
In Cote d'Ivoire		3 275	3 275	8	25		1 077	1 007	1	3
Societe de convoyage			0	0	0	5 086		5 086	3	15
Opportunity cost of capital	158	183	341	1	3	855	987	1 842	1	5
Losses and financial costs	928	1 072	2 000	5	15	1 723	1 991	3 714	2	11
Total costs	8 063	4 943	43 006	100		28 609	5 940	174 549	100	
Total Marketing Costs			13 006		100			34 549		100
Gross returns from sale			45 000					185 000		
Net return			1 994	5				10 451	6	

Route/Transport Mode	Segou (Mali) Abidjan Cattle Lorry					Douentza (Mali) Abidjan Cattle Lorry				
	Cost per head (CFA francs)			% total	% total marketing	Cost per head (CFA francs)			% total	% total marketing
	BF	RCI	Both	Cost	Cost	BF	RCI	Both	Cost	Cost
Animal purchase	150 00		150 000	86		132 500		132 500	76	
Purchase commissions	1 000	1 000	2 000	1	8	2 500		2 500	1	6
Official costs of which			1 476	1	6			1 545	1	4
Veterinary fees	167		167	0	1	186		186	0	0
Market/export taxes	57		57	0	0	142	57	199	0	0
Taxes RCI		1 252	1 252	1	5		1 160	1 160	1	3
Quasi official taxes	61	100	161	0	1	714		714	0	2
Transport & handling	9 906		9 906	6	42	18 748	729	19 477	11	46
Livestock holding & maintenance	186	787	973	1	4	2 250	1 200	3 450	2	8
Informal taxes (brides/extortion)			3 386	2	14			2 672	2	6
In Burkina Faso/Mali	1 106		1 106	1	5	857		857	0	2
In Cote d'Ivoire		765	765	0	3		243	243	0	1
Societe de convoyage		1 515	1 515	1	6		1 571	1 571	1	4
Opportunity cost of capital	708	708	1 417	1	6	1 104	1 104	2 208	1	5
Losses and financial costs	2 273	2 273	4 545	3	19	5 035	5 035	10 071	6	24
Total costs	15 463	8 433	173 897	100		28 501	6 065	175 137	100	
Total Marketing Costs			23 897		100			42 637		100
Gross returns from sale			180 000					185 000		
Net return			6 103	4				9 863	6	

Note: The split by country of (a) the opportunity cost of capital and (b) the losses and financial costs are by marketing distance within each country. It is arguably better to allocate the opportunity cost of capital by time spent in each country, which would reduce the allocation to the Sahelian country and increase the allocation to Cote d'Ivoire.

One of the goals of transaction-cost analysis is to highlight the degree to which the cost of trading includes both formal and informal taxation. Nonetheless, the example in the previous paragraph draws our attention to the fact that such analysis - useful though it is - only takes account of direct payments by the exporter. It ignores the indirect effects, such as the proportion of the fee paid to hire the lorry - recorded as a payment for a commercial service rendered - that the lorry driver must, in turn, pay in taxes and bribes. Indeed, if we take the analysis one further stage towards its logical conclusion, we should pay attention to the proportion of the running and depreciation costs of the lorry that taxes and bribes constitute. By extension, the fee paid by the exporter to hire a rail wagon inevitably includes elements of tax, and possibly bribes, that are included in the gross payment. Only a more detailed analysis, including a decomposition of costs into these different components, can hope to fully unravel the strands of taxation and bribery from those of economically valuable goods and services received in return for payments made. (See, for instance, Metzger and Cook (1994).) However, having made this observation, for the purposes of the current study the important principle is that the current trading environment should be represented in a way that allows direct comparison with the situation documented in the Livestock Action Plan (USAID & World Bank 1991).

Using rapid appraisal techniques, it is not always possible to keep a strict tally of formal and informal payments. In practice, the exporter may not dwell on the distinctions between payments sanctioned by the government and those that are not. Although he may resent public servants taking bribes, in interviews he may not bother to emphasise the circumstances in which they do so because the distinction has little practical importance in terms of the profitability of his business. Whether, on the one hand, he knows that the state does not sanction the payment he makes to one official or, on the other, that the receipt he receives from another makes that payment legal, makes little difference to him. He perceives more directly that the short-term cost - in terms of his own lost time or increased animal mortality due to prolonged transit - of not making illicit payments is greater and that he himself does not risk punishment for his role in the process. In the long run, this attitude contributes to the institutionalisation of informal payments but his immediate business constraints may not give him the luxury of this viewpoint. Only if provoked, e.g. by public debate, will he stand back from the issue and review his attitude.

Moreover, strict accounting may require persistent interrogation about many payments to determine to what extent each fell into which category. This level of tenacity can exasperate interviewees to the extent that more important information is not forthcoming.

3.2 Transaction-Cost Categories

An exporter buying an animal in Sahelian markets does so through a broker to whom he pays a commission. Tables 5 and 6 keep separate the actual payment and the broker's commission.

He may also pay a variety of market and export taxes to the state or to local government. In practice, the seller, rather than the buyer, generally pays the tax in the market where he makes his purchases and so is not included in this analysis.

Before exporting an animal, the exporter must meet certain administrative requirements in the areas of control, taxation and animal health. Firstly, the state likes to keep track of its economic sector and thus it values information on who is exporting and to what degree. Therefore, the administration may require formalities such as registration as a professional exporter and declaration of intent to export. Secondly, the state wants to levy income tax on the exporter and export tax on the animal. It negotiates with an exporter the annual payment for his right to exercise his profession (the *patente*). Additionally, at least in the past, it required pre-payment of an export tax (in the form of a *licence* for a certain number of animals) plus another export tax payable the customs post of departure. However, most Sahelian governments have replaced this dual payment by a single one. Thirdly, the exporter must obtain animal health clearance. He principally enjoys the benefits of this in the coastal country where he will be pressured for bribes if his animal health paperwork is not in order.

Satisfying these requirements absorbs time, though progress has been made in consolidating some administrative steps and eliminate others. Tables 5 and 6 take no account of the opportunity cost of the delays involved. The time taken depends on the level of supplementary payments made to the government agents involved. The level of these informal payments varies. Moreover, the extent to which they constitute bribes also varies. For example, in Burkina Faso the state sanctions "overtime payments" for customs officers who collect export taxes. The officers give receipts for such payments. However, little of the work done appears to take place outside normal business hours, and it seems that the two or three hours of overtime for which they routinely invoice exporters far exceeds the time actually taken for the work performed. On the other hand, informal payments (without receipts) to veterinary officers who certify the export herd's health seem largely justified. Exporters believe that these officers use most of the payment to cover the cost of travel to inspect the herd.

In tables 5 and 6 "informal taxes" include all government-sanctioned tax-like payments made to non-government parties, such as unions or professional associations that are allowed to levy fees on exports or passing goods vehicles.

In addition to the cost of hiring a lorry or railway wagon, the "transport and handling" category covers loading and unloading the animals. In table 6 it also includes the minor costs of the exporter's own transport (to the upstream market(s) to buy animals and home from the downstream market after having sold them). It also includes payments to the herders who accompany the animals in the back of the lorry or in the railway wagon (labour costs, food and fare home) and the exporter's cost of food on the trip south.

"Holding and maintenance" covers animal upkeep costs after purchase in the upstream market but before transport and, conversely, after transport and before sale in the downstream market. In the upstream market this cost category commonly includes payments to herders for grazing and watering the animals, while in the downstream market it more often refers to purchases of concentrated feedstuffs (that the exporter may have bought in the upstream market) in addition to water.

“Informal taxes” include payments to government agents (particularly those in uniform) that are not sanctioned by the state. This category includes a distinction between such payments made in the Sahelian country and those made in Côte d’Ivoire. It also includes payments made to *societe de convoyage* which offer a service to reduce the number and cost of the informal taxes and also to reduce the associated delays.

The “opportunity cost of capital” represents the lost use of the working capital that the exporter ties up in his export herd. The implicit cost begins to accrue at the moment of purchase in the upstream market and continues to do so until the moment when the exporter finally repatriates the proceeds of his sale in the downstream market and can begin to use that capital for some new venture. In table 6 the annualised interest rate used is 20 percent. This represents a compromise between the very high short-term interest rates commonly found in informal trade in West Africa and the low formal-sector interest rates that the exporter might be offered by a bank, should banks ever offer to finance the livestock trade.

The length of time for which the capital is tied up generally depends (in decreasing order of importance) on the length of time required to

- recover credit granted through the sales broker to butchers in Port Bouet market in Abidjan (as much as a month)
- assemble a herd from purchases made in several upstream markets (one to two weeks)
- sell animals for cash at Port Bouet (about a week)
- transport the animals from the Sahel to Port Bouet (2-3 days)

The times given are typical figures. Note that when animals are in relatively short supply at Port Bouet, or if the seller has particularly high-quality animals, quick cash sales are possible, drastically reducing the period during which capital is tied up. In contrast, when animals are relatively abundant, it is easier for the butcher to insist on credit which stretches out the period during which the exporter remains there, possibly to as long as a month. In such cases, exporters with the means will leave to bring another herd south and hope to collect the credit during the next visit.

Finally, the exporter may lose animals during the trip south. They may die from a combination of disease and fatigue (enhanced by delays en route), from falling in the lorry or wagon and being trampled by others, or from road accidents or derailments. In this case they are discarded as a total loss. However, if the exporter sees that an animal may die he can slaughter it, in which case it can be sold as halal meat to butchers along the way, thus allowing the recuperation of part of the loss. Road transport offers much greater flexibility than rail transport for stopping along the way to effect such a sale.

Unwatered and - at least in transit by road - unfed, and frightened and fatigued by the journey, animals will lose weight. However, those arriving at Port Bouet are well fed and watered, and may quickly regain most of this lost weight. Therefore no allowance is made for animal weight loss during the trip south.

Details of the costs discussed above and the sales price in Port Bouet (“gross returns”) allow calculation of the total costs, total marketing costs and net return

3.3 Scenarios Considered

Table 6 summarises four trading scenarios in which traders export ruminants to Port Bouet the major livestock market in Abidjan. Two originate in Burkina Faso (Djibo and Ouagadougou) and two in Mali (Ségou and Douentza). The scenario starting in Djibo involves trucking sheep along a laterite track to Ouagadougou and conveying them thence to Abidjan by train. The other three scenarios concern cattle exports by tarred road in a single lorry from the upstream market to Abidjan. The journeys all cover between 1,000 and 1,400 kilometres, with little difference in distance by country of origin.

3.4 Results

Total marketing costs

The cattle exporters interviewed spent between 76 and 86 percent of their working capital on purchasing the animals, with a mean of 81 percent. Thus, on average, they spend only 19 percent of their trading budget on marketing costs, in comparison with the results shown in table 4 where in the nine scenarios for 1990 - 1991, exporters spend a mean of 27 percent and in the three scenarios for 1976-77, exporters spend a mean of 28 percent. These figures suggest an improvement in the overall efficiency of the regional market.

In contrast, the marketing costs for the sheep exporter equalled 30 percent of his total outlay. He used rail transport, which took a respectable 48 hours to complete its journey to Abidjan. However, he paid significant holding costs while waiting for a railway wagon in Ouagadougou. More importantly, he was subject to vigorous extortion at Ouangolodougou, the Ivoirian border post where the train stops for successive checks by various branches of the government services. The most damaging were two groups of police at Ouangolodougou each of which demanded 1,000 FCFA per head, and the police demanded another 1,000 FCFA per head further down the line at Bouaké. In at least one case, the police used the excuse that the Burkinabe exporter did not hold a current Ivoirian identity card as leverage in their demands. In contrast, the Ouangolodougou veterinary and customs agents required lesser per wagon payments of 45,000 and 10,000 FCFA respectively (for a wagonload of 200 sheep). The sum of these payments accounted for 19 percent of the exporter's total marketing costs. Had he not paid he might have found himself among those left behind at Ouangolodougou station when the train left. These unfortunates had to chase the train by road afterwards. We may surmise that when the railway runs relatively efficiently, without many stops the Ivoirian agents feel they must take full advantage of the limited chances available to extort money.

Marketing costs by category

The sheep exporter paid neither purchase nor sales commissions in Djibo the seller pays the commission, and he sold at Port Bouet in the immediate pre-Tabaski period during which sellers may sell directly to buyers who are not butchers and pay cash. The cattle exporters paid around 8 percent of marketing costs in sales commissions to brokers.

The most notable tax paid was the Burkinabe *Fonds de Developpement de l'Devage* (FODEL) tax 3,000 FCFA per head of cattle or 250 FCFA per small ruminant, 40 percent of the proceeds of which go to a fund for the development of the livestock sector. As a proportion of commodity value, this tax is twice as high on cattle as on sheep, explaining its higher incidence in the Burkinabe cattle exporter's budget than in that of his sheep-exporting compatriot. In contrast, the Malian exporters pay very small market and export taxes. Veterinary fees are low in both Sahelian countries. The market sales tax at Port Bouet accounts for most of the official taxation in Côte d'Ivoire, other Ivoirian taxes are small.

Quasi-official taxes (government-approved levies destined for non-government uses) take two forms. Firstly, on one occasion in each Sahelian country road transporters' unions require payments, an almost inconsequential sum in Burkina Faso and almost 2 percent of total marketing costs in Mali. Secondly, a local livestock exporters' co-operative in Mali imposes a fee of about 1 percent of marketing costs. Malian organisations may thus obtain finance for their activities through small decentralised taxation that the Burkinabe government ostensibly does in a large centralised way through its FODEL tax.

The very variable cost of hiring a lorry dominates the "transport and handling" line item. The Malian who started his journey from Douentza paid 600,000 FCFA for his 1,400 km journey to Port Bouet. His compatriot travelling with his herd from Ségou (1,100 km) gave an annual range of 150,000 to 600,000 FCFA with a recent mean of 250,000 FCFA. In Ouagadougou, the Burkinabe cattle exporter quoted 350,000 FCFA for his 1,100 km journey. These different costs account for 40, 32 and 29 percent of marketing costs respectively. The Burkinabe sheep exporter paid 600,000 FCFA plus a 50,000 fee to a SITARAIL-approved broker for his railway wagon with a capacity about 20 percent greater than that of a lorry. This crudely corresponds to a fee of 540,000 FCFA for the same capacity as a lorry.

As discussed above, holding costs for the Burkinabe sheep exporter accounted for a higher proportion of marketing costs than for the others (13 percent), particularly because of the extra delay in waiting for the railway broker to allocate him a wagon. High up stream holding costs in the hot, dry season contributed to relatively high upkeep costs for the Douentza-based Malian exporter 8 percent of marketing costs, compared to 4 - 6 percent for the other cattle exporters, located in zones with more agricultural residues.

We have already dealt above with the high informal taxes paid by the Burkinabe sheep exporter. The cattle exporters pay proportionally lower, but quite diverse, proportions of their marketing costs to meet this need. Table 7 shows the breakdown of these payments by country and by government service extorting. For each exporter, table 7 shows in successive columns the amount paid per head, bribes as a percentage of each country's total, and bribes as a percentage of the total.

Table 7
Synthesis of Illicit Payments Per Head en Route to Abidjan, Cote d'Ivoire

Species	Sheep			Cattle			Cattle			Cattle		
Provenance	Djibo BF			Ouagadougou BF			Douentza Mali			Segou Mali		
Mode(s) of transport	lorry train			lorry			lorry			lorry		
	CFA francs	% by country	% of total	CFA francs	% by country	% of total	CFA francs	% by country	% of total	CFA francs	% by country	% of total
Sahelian country												
Customs	167	100	5	114	31	2	471	55	18	455	41	13
Police	0	0	0	114	31	2	29	3	1	136	12	4
Gendarmes	0	0	0	114	31	2	314	37	12	45	4	1
Veterinarians	0	0	0	29	8	9	43	5	2	45	4	1
Eaux et Forets	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	61	5	2
Subtotal	167	100	5	371	100	6	857	100	32	1106	100	33
Societe de convoyage	0		0	5086		79	0		0	0		0
Cote d'Ivoire												
Customs	50	2	1	657	65	10	0	0	0	0	0	0
Police	3000	92	87	114	11	2	143	59	5	0	0	0
Gendarmes	0	0	0	114	11	2	0	0	0	152	20	4
Veterinarians	225	7	7	107	11	2	57	24	2	364	48	11
Eaux et Forets	0	0	0	14	1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	43	18	2	250	33	7
Subtotal	3275	100	85	1007	100	16	243	100	9	765	100	23
Societe de convoyage	0		0	0		0	1571		59	1515		45
TOTAL	3442		100	6464		100	2671		100	3386		100

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The Ouagadougou-based cattle exporter who used the *societe de convoyage* for the entire journey sustained informal-tax costs per head (including *societe de convoyage* fees) approximately twice as high as his Malian counterparts who used *societe de convoyage* only inside Côte d'Ivoire. Although the Burkinabe paid far less in bribes than the Malians, the *societe de convoyage* fees he paid were much higher, accounting for four fifths of this category of payment. This result suggests that the Burkinabe *societe de convoyage* he used may have been overcharging for its services. Alternatively, the ability of the *societe de convoyage* to speed up his journey by reducing delays at checkpoints may largely explain the low losses due to animal mortality during his trip, and thus justify this high fee. However, his travel time (72 hours) was no shorter than the others.

The payments in this category made by the two Malian cattle exporters follow broadly the same pattern. However, in both Mali and Côte d'Ivoire, the Ségou-based exporter pays more per head for his 1,100 km journey than the Douentza-based exporter pays for his 1,400 km journey. Also, it seems that the *societes de convoyage* that the Malians' recruit at the border deal more effectively with Ivoirian customs agents and policemen than does the company that the Burkinabe exporter uses. The Burkinabe pays 650 FCFA per head in bribes to Ivoirian customs agents (more by far than to any other Ivoirian service) and lesser bribes to the Ivoirian police. In contrast, both Malian exporters claimed to make no payments to the Ivoirian customs or police, though they had to make payments to gendarmes and veterinary agents.

The opportunity cost of capital varies principally with the length of time taken by the round trip that includes assembly of an export herd, exporting it, selling it and recuperating any credit extended, and repatriating the proceeds of the sale. A rapid pre-Tabaski turnaround due to brisk sales in Port Bouet explains the lower percentage figure for sheep. The figures for cattle are about twice as high, largely due to slower turnaround times of the order of a month.

In practice, the degree to which exporters sell on a cash or credit basis in Port Bouet appears to make little difference to their net cost of capital. On average, their want to sell all the animals for cash appears to approximately equate to the time required for the repayment of the credit if they sell on that basis. Whatever the payment basis, the important factor is rather the delay before they return home to put their capital to use once more. However, buying at least some portion of their herd on credit limits their capital outlays and lowers their cost of capital. Similarly, we may distinguish those who pay for their transport before animal sales and those who do so afterwards, usually thanks to credit extended by their broker in Port Bouet. The latter strategy lowers the working capital needed.

to do business and thus the opportunity cost of that capital. Traders differ in these respects. These differences explain the rest of the differences between their costs of capital.¹³

All exporters interviewed admitted to having lost animals on the journey to Abidjan. The Burkinabe sheep exporter discarded four carcasses from his railway wagon. The Burkinabe cattle exporter said he lost an average of ahead of cattle per journey. Of these he managed to sell one in five along the way and recuperate some of the loss. The Douentza-based cattle exporter - with the longest journey - lost three animals, one of which he managed to slaughter before it died and then sell. The Ségou-based cattle exporter lost one which he jettisoned en route. These losses are considerable, ranging from 9 to 21 percent of marketing costs.¹⁴

3.5 Comparison with LAP Results

Two factors differentiate the current study of transaction costs with the analysis done as part of the LAP document. Firstly, the January 1994 devaluation of the CFA franc greatly changed the relative values of goods and services involved in livestock marketing. Those with a low component of tradeable costs - such as the animals themselves and labour - would have become cheaper, while those with a high component - such as lorries and transport fuel - would have become more expensive. Since 1994 much of this change in relative values may have diminished and the current study has not delved into the details of this dynamic. Suffice it to note that an intervening devaluation may partially invalidate comparisons of cost structures at two points in time.

¹³ The following table shows the variety of credit that the different exporters enjoyed. Note that as explained in the text, the important factors are the extent to which a given exporter found credit for purchases and whether he could postpone payment for transport until the sales were completed. The exporters from Ouagadougou and Ségou managed the former but only the Ouagadougou exporter also managed to delay part of the transport payment until after the animal sales.

Market of origin	Cash purchases (%)	Cash sales (%)	Transport finance (and mode)
Djibo, Burkina Faso	100	100	paid in advance (train)
Ouagadougou, BF	70	95	40% advance 60% post-sale (lorry)
Douentza, Mali	100	20	100% arrival at Port Bouet (?) (lorry)
Segou Mali	50	90	100% arrival at Port Bouet (lorry)

Note that although cash sales do not decrease the cost of capital they do reduce the risk of eventual default by the buyer (which was not an issue in any of the case studies presented here). Similarly, although payment for transport by the transporter at the destination does not decrease the cost of capital, it ensures that he pays only for transport services satisfactorily rendered. Note also that this study did not explore the variation in sales price received by the trader at Port Bouet depending on whether he sold cash or on credit.

¹⁴ The mission did not collect information that allows estimation of the increase in losses through mortality en route for each extra hour of delays. With such information it would be possible to estimate the benefits from given reductions in the number of checkpoints. Note that in contrast to the physical losses, the capital cost of tying up trading capital depend much more on the wait for sales and repayment of credit in Abidjan.

Secondly, the current study finds higher values than the 1991 study for both the opportunity cost of capital and animal losses in transit. The models built as part of the 1991 study have a mean opportunity cost of capital of 3.6 percent, in contrast to the current study's 5.0 percent. Neither USAID & World Bank (1991) nor Holtzman and Kulibaba (1992) makes explicit the basis of the calculation of the opportunity cost of capital in the earlier study. This difference may result from assumptions of a lower applicable discount rate or may reflect working capital tied up for longer periods.

The difference between the two studies in animal losses is greater and more difficult to explain. In the 1991 study, where losses are not included in the calculation of gross returns they have a mean value of 0.7 percent, whereas the current study finds a mean value of 1.7 percent. The losses registered in the current study reflect deaths in transit that all traders described unambiguously. Traders did not mention an increase in such losses when asked to discuss changes in marketing over the last five years and, indeed, it seems unlikely that this would have occurred to any great extent. Differing methodologies may explain part of the difference, but the comparisons exclude 1991 cases marked "Losses accounted for in gross returns".

The net effect of these two cost categories amounts to less than 5 percent in the 1991 study but to 2.0 percent in the current study. Therefore we must expect all other cost categories to have smaller percentage values in the current study than in the 1991 study.

Table 8 shows the changes in marketing costs between the LAP study in 1991 and the current study. It displays the ratio of the proportion of given cost categories in the 1998 marketing budget to that in the 1991 budget. Numbers greater than one indicate an increase in the relative importance of that item in the budget since 1991. Successive columns show the changes for different modes of transport and countries of origin.¹⁵

The proportion of the "transport and handling" component has dropped to approximately half its former importance. For instance, the mean has fallen from 63 to 40 percent of the marketing budget. Given that the cost of hiring either a lorry or a railway wagon dominates this cost category, this drop indicates that transport has become cheaper. Further analysis suggests that in nominal terms rail transport prices have doubled but that lorry prices from Mali have risen by only about 50 percent and that lorry prices from Burkina Faso may actually have dropped. All things being equal, devaluation should have increased the relative cost of transport because this service uses as its inputs a high proportion of tradeable goods. Invoking seasonality to explain this result does not help: the cotton harvest from November to June should ensure April prices above the annual mean. The tentative conclusion is that competition between road haulers for southbound cargoes has increased as Mali and, particularly, Burkina Faso use increased export earnings, due to devaluation, to import more goods from Côte d'Ivoire and the world market. Unfortunately, a lack of trade-flow data prevents the testing of this hypothesis.

¹⁵ The mean gives an overall comparison that takes into account all cases in both periods but one that may mislead because of the different proportions of transport modes and countries of origin in the 1976-77 and 1990-91 samples.

Table 8
Ratio of 1998 to 1991 Percentage of Cost for Different Budgetary Categories
In the Central-corridor Livestock Trade

	Mean	By Rail	By Road	By Road	
		Burkina Faso		Mali	Burkina Faso
sales commission	0 85	0 00	1 18	0 93	2 00
official taxes	0 48	0 32	0 67	0 50	0 90
quasi-official taxes	0 50	**	0 33	0 33	**
transport & handling	0 64	0 56	0 67	0 74	0 55
holding & maintenance	1 98	3 00	1 71	1 60	2 00
informal taxes	2 64	9 18	1 37	0 91	2 92
opportunity cost of capital	1 34	1 09	1 23	1 16	1 41
losses	23 79	29 03	13 33	**	8 15

Note 1 " " indicates no change (zero in both 1991 and 1998) "***" indicates increase from zero to some finite value'

Note 2 The 1991 (1998) data cover 12 (4) cases of which 6 (1) for rail from Burkina Faso 4 (2) for road from Mali and 2 (1) for road from Burkina Faso

Note 3 The 1991 data include the three 1990 cases and the three 1976-77 cases from table 5

“Holding and maintenance” costs have increased as a proportion of the total marketing cost probably because the Ivoirian authorities no longer allow exporters to pasture their animals on pasture near the Port Bouet market. Market brokers at Port Bouet complained about this change. Instead exporters must buy fodder for their animals, thus increasing the cost of holding them. To reduce costs, exporters may load into the lorry feed purchased in the upstream market or en route.

“Official taxes” and “quasi-official taxes” have dropped to approximately half their former level in the trading budget. Within the “official taxes” category, veterinary fees have fallen considerably (from about 3 percent to less than 1 percent), as have market and export taxes in Mali (from about 2 percent to less than 1 percent) and taxes paid within Côte d’Ivoire (from about 5 percent to about 2 percent). In contrast, market and export taxes payable in Burkina Faso have fallen only slightly, largely because of the existence of the FODEL export tax. Quasi-official taxes - payments levied by non-governmental bodies with government approval and uniquely on transport

by road - dropped from 5 percent to 2 percent of the budget in Mali. In Burkina Faso they remained at levels under 1 percent.

The importance of the part of "informal taxes" in marketing costs has risen. The case of the Burkinabe exporter who used the train, described above, suggests much higher extortion by Ivoirian officials (sevenfold higher payments). For those travelling by lorry, the proportion of the budget consumed by bribes has not changed much in any of the countries.¹⁶ The relative importance of fees paid to *societe de convoyage* to reduce the cost and delays associated with informal taxes has dropped slightly (from 6 to 5 percent of the marketing budget) for Malians (who currently use this service only within Côte d'Ivoire). In contrast, it has risen considerably (about threefold, from 4 to 15 percent) for Burkinabe (who use it in both Burkina Faso and Côte d'Ivoire). In contrast to the 1991 budgets, the informal taxes now exceed the official taxes by a wide margin. To illustrate this point using the mean across all trading budgets, in 1991 official taxes accounted for 15 percent of marketing costs and informal taxes for 6 percent. The current study found figures of 7 percent for official taxes and 16 percent for informal taxes. The increase in informal taxes approximately offsets the reduction in formal taxes.

3.6 Conclusion

An intervening devaluation, uncertainty about differing methodologies, and limited recent data limit the strength of the conclusions drawn from this analysis. Nonetheless, we may tentatively make three inferences. Firstly, the importance of transport costs has diminished. Indeed, the cost of transport may have dropped in real terms. This contributes to more competitive livestock marketing. Secondly, a reduction in official and quasi-official taxation makes a further contribution to increased marketing efficiency. Thirdly, extortion has retained much the same level importance in the budget of traders using lorries, justifying their continued resort to *societe convoyage*, while those using the improved railway service may find themselves subject to severely aggravated extortion from Ivoirian officials. Thus governments appear to have succeeded in reducing the impediments to trade that their fiscal policies have brought about, but not the implicit threats to market efficiency that persist at a deeper and more pernicious level. These unofficial taxes appear to have risen to just about the level to compensate for the reduction in official taxes. Perhaps there exists a market for bribery, so that when government agents know that traders encounter less official taxation they increase their demands for a larger share of the pie. In other words, without a structural change in attitudes within the ranks of the government agents who man the road barriers, reducing official taxes may contribute to escalated extortion.¹⁷

¹⁶ The following table provides the breakdown by country and model of transport of the percentage of marketing budget devoted to bribes to government officials. It shows the 1998 percentages (with the corresponding 1991 figures in parentheses).

	by rail		by road	
	Burkina Faso	Mali	Burkina Faso	
Sahelian bribes	1 (1)	4(4)	1 (0)	
Ivoirian bribes	25(2)	2(2)	3 (3)	

¹⁷ For further development of this theory and a test using West African data that supports it see Rogers (1997).

4 CONSTRAINTS AND OPPORTUNITIES BY ISSUE

This chapter considers in more detail the evolution and current situation of a variety of topics that have been raised above as a prelude to conclusions drawn in chapter 6. It starts with a consideration of the structure and achievements of the CNCs in the different countries in the context of the political economy of the livestock trade. Secondly, it discusses the evolution of road and rail transport, and then the taxes and bribes payable en route. Thirdly, it looks at various business and professional aspects of the trade of agro-pastoral produce in the central corridor: associations of professionals and privatisation, internationalisation, credit, international money transfers, and insurance, and contracts. Finally, it examines the market information systems available to the public and private sectors.

4.1 The Context: The Political Economy of the Central-corridor Livestock Trade

Côte d'Ivoire is naturally richer than either Burkina Faso or Mali, with important corn, cocoa and cotton sectors. During the colonial era the three contiguous economies were intertwined, with many Sahelians migrating to Côte d'Ivoire, often to work in this cash crop sector and the associated agro-industries. Indeed, many Sahelians joke that it was their "brothers" who built the Ivoirian economy. Many of them settled in Côte d'Ivoire but retained close links with their country of origin.

When in recent years the Ivoirian economy has not performed as well as in the past, resentment of these expatriates has begun to make itself heard. A campaign for "Ivoirianisation" of the economy has begun.¹⁹

Sahelians dominate the livestock trade. At Port Bouet, site of Abidjan's major livestock market and of its main abattoir, most of the market brokers and wholesale butchers fall into this category.²⁰ Many have followed in the footsteps of their fathers or grandfathers who found work in Côte d'Ivoire in a business that Ivoirians either did not have the skills for or did not want to do. Pursuing a laissez-faire policy, the Ivoirian government has left them to their own devices without, for instance, requiring them to pay an annual business tax (the *patente*). Most are illiterate.

¹⁹ Such attitudes spill over into the political arena where a major domestic issue is whether a particular candidate can stand for election to the presidency because he may have a Sahelian grandparent, in violation of the constitution.

²⁰ An analysis of 30 wholesale butchers active in the Port Bouet abattoir in April 1998 revealed that 16 (53 percent) were Malian and 5 (17 percent) Burkinabe, i.e. 70 percent from the two Sahelian countries of interest in this study. In addition, Mauritians and Nigerians each accounted for 7 percent. There were 5 (17 percent) of Ivoirian citizenship but of these 2 (7 percent) were identified as Lebanese, leaving only 10 percent of the Port Bouet butchers as Ivoirians in the ethnically-important sense conveyed by "Ivoirianisation". No such analysis was done for the market brokers or traders but it seems unlikely that the proportion of Ivoirians would be higher than among the butchers.

There also exists a group of Ivoirians in, or on the edges of, the livestock trade. Some are well-trained butchers, most are literate and work in the modern sector. However, few have succeeded in business²¹. They express the hope that the modernisation of the livestock trade will sideline the traditional Sahelians and force them to cede their share of the market.

In the climate of Ivoirianisation, when the government has to interact with representatives of "the livestock trade" to discuss the development of the sector, it prefers to contact the modern-sector Ivoirians. However, as the traditional-sector Sahelians control the vast majority of the trade, this means that such liaisons have an empty quality of political posturing. The real trade continues outwith this purview.

Thus there is a serious rift - borne of ethnic rivalry based on commercial inequality - between the Ivoirian modern sector and the Sahelian traditional sector. It is against this background that the LAP has played out.

There is a dialogue of the deaf between those of Sahelian ethnicity, wherever they reside, and Ivoirians, concerning control of the trade in agricultural and, particularly, livestock products. The CNCs are too nationalistic to do much to bring the two sides together to try to bridge differences and, if not promote partnership, at least develop a *modus operandi* that will allow them to interact without the current level of mistrust. In the absence of CNC leadership in this area, FERAP or its successor should try to bring the two sides together. Without some rapprochement, there is the risk of backlash from frustrated Ivoirians that may put at risk some of the LAP gains.

Sahelians complain that

- Ivoirian private-sector operators are not "real professionals", in the sense that they have little experience in ruminant nutrition and health, cannot visually estimate an animal's worth and, perhaps because of these shortcomings, project a lack of ease in business dealings. This incompetence does not inspire trust in them as potential business partners.
- Ivoirians do not appreciate the amount of work and money needed to feed and keep in good health the animals that are held at Port Bouet for sale, particularly since 1995 when grazing on nearby pasture was banned.
- Ivoirians do not care about the low hygiene standards in the Port Bouet abattoir.
- Ivoirians have not informed them about the livestock and meat *colleges* within the Ivoirian CNC, so none of them are members and, with the exception of its earliest meetings, the CNC has ignored them.
- Ivoirians cannot pre-finance shipments of livestock either from their own resources or using bank credit, so it is risky to make contracts with them.

²¹ There also exist traditional-sector Ivoirians. They seem not to play a role in the Ivoirian CNC and none was interviewed for this study.

- Ivoirians may make a contract to buy livestock but disappear when it is delivered
 - Ivoirian law favours Ivoirians, so enforcing a contract - or even recovering money from a buyer who paid on credit but fails to pay - is difficult, if not impossible
- Ivoirians (and other foreign traders) do not pay a *patente* for doing business in Mali

Ivoirians complain that

- Sahelians are illiterate, which does not make them good potential business partners
- The Sahelian livestock marketing system is opaque, which allows Sahelian cartels to charge higher prices to Ivoirian traders than to Sahelians and to dupe Ivoirian butchers²²
- Sahelians resist selling animals by weight and, when they acquiesce, water their animals before weighing²³
- Sahelian traders cannot be trusted, even to pay Sahelian producers "*Il est dans le Sahel ou il faut mettre de l'ordre*"
- Sahelian livestock brokers in Côte d'Ivoire do not have to pay the *patente*
- Sahelian markets are under-equipped, lacking enclosures, water and price information
- Sahelians may make a contract to deliver animals and then, when they get to the destination market and find higher prices than those in the contract, sell to someone else
- Côte d'Ivoire is very open to foreigners who want to start doing business there, perhaps too open for its own good. Sahelian brokers at Port Bouet do not pay the *patente* but are allowed to dominate a trading sector almost to the exclusion of Ivoirians²⁴ "*Le commerce du Betail c'est les étrangers* "
- Traditional-sector, Sahelian brokers have attended CNC meetings²⁵, albeit in the Ivorian CNC's early days. "They listen and analyse proposals. If the proposals do not threaten their structure, they leave. If not, they react. They do not want to change how they do business."

Disagreement about production parallels the antipathy in trade matters. Northern Côte d'Ivoire is home to tens of thousands of Fulani pastoralists whom the Ivoirian government accepted during the 1972-74 drought, at the behest of the Malian government. After the drought they stayed

²² Few Ivoirian butchers slaughter at the Port Bouet abattoir. Some buy meat there wholesale to honour contracts they have with the army or a supermarket. About a dozen Ivoirians trained in France as butchers but lost money in Abidjan as wholesale butchers because their training had not included estimating the weight of animals visually in an environment where no livestock scales exist. The more menial job of retail butchery is dominated by Yorubas from Nigeria.

²³ Livestock scales at Port Bouet abattoir were disabled by traditional operators as they often are when they appear in Sahelian markets.

²⁴ Brokers do not pay the *patente* but butchers do.

²⁵ Some Burkina professional residents in Port Bouet are part of the Burkina CNC.

and the Ivoirian government has invested in them to build livestock production in the zone. Ivoirians feel that Sahelians take for granted the space made available to these economic migrants and resent continued infringement on Ivoirian grazing. Conflict erupts annually when Malian herders cross into Côte d'Ivoire for dry-season pasture.

Ivoirian belief that they stand little chance of gaining a significant share of the central corridor livestock market has led to strategies developed partially in response to, but outside, the LAP framework. To better appreciate these strategies, section 4.2 provides details of the CNCs in each country, and then in section 4.3 we return to consider Ivoirian strategy in this context, before examining the relations among Sahelian countries in section 4.4.

4.2 The *Cadres Nationaux de Concertation* (CNCs)

CNCs were seen as fora in which the public and private sectors could come together to promote the livestock trade and, by extension, the whole livestock sector in national and regional contexts. Conceptions of how to do this have differed considerably between countries and over time despite the CNCs' common 1992 LAP/Nouakchott origins endorsed by the governments involved.

During the early 1990s, the Malian and, particularly, the Burkinabe CNCs made strides towards organisation of livestock-sector traders. In both cases USAID-funded assistance played an important role in sustaining and developing their incipient organisations and promotional structures. In both countries, the Implementing Policy Change (IPC) project played this role until 1996. Thereafter, FERAP took over this responsibility, with less obvious success, particularly in Burkina Faso and Côte d'Ivoire. Tangible progress in other countries appears muted, either due to varying combinations of institutional problems and relatively recent creation.

Comparison of the Enabling Decrees

The Burkinabe draft and the Burkinabe and Malian enabling decrees make it clear that their governments shared the same goals for their CNCs: the organisation of professionals, the simplification of procedures and the reduction of taxes, regional information transport and infrastructure, finance, and regional commercial policy. The Ivoirian text contrasts with those by including references to, *inter alia*, regular supplies of meat for Ivoirian consumers, the development of professions in the livestock and meat, the organisation of fairs, livestock markets, wholesale markets and retail networks, and regulating the sector to develop fair competition between actors.

Comparison of the Composition of the CNCs

Table 9 allows comparison of the composition of the CNCs in Burkina Faso, Côte d'Ivoire and Mali. It shows the Burkinabe composition as proposed not long after the Nouakchott Conference and again as promulgated in 1997. However, it does not show changes to the Ivoirian composition due to the restructuring of the CNC in 1997.

Table 9 shows that CNC membership differed between countries

- Only 14 percent of the Ivoirian, compared to 43 of the Malian and 53 percent of the Burkinabe CNC members came from the administration. In retrospect, this may have been too small a percentage for such a novel body.
- None of the legislation offered seats on the CNC to representatives of the road or rail transport sectors, although the Burkinabe draft from the early 1990s had proposed this. This is notable because of the importance of transport to trade.
- Burkina Faso and Mali have had members of the Association of Financial Professionals on their CNCs, but Côte d'Ivoire has not. Given the laments about lack of access to credit and poor facilities for repatriating sales revenue, the participation of banking representatives seems relevant.
- Côte d'Ivoire has butchers and herdowners' representatives but the others do not. With the creation of professional associations for these in Burkina Faso and Mali this may change.
- Côte d'Ivoire has consumers' representatives but the others do not. This reflects Côte d'Ivoire's interests as a receiver of livestock. Burkina Faso and Mali may feel that it goes without saying that consumers must have a supply of red meat.

The mission did not query to what extent representatives from the different bodies noted in table 9 attended CNC meetings. However, a passing comment in Burkina Faso suggested that representatives of the Association of Financial Professionals had not attended meetings there. Therefore official representation may not correspond to active membership.

4.2.1 Burkina Faso

A wider swathe of society is politicised in Burkina Faso than in either Côte d'Ivoire or Mali, largely due to the policies of the Sankara regime of the 1980s. Burkinabe political culture accepts, indeed expects, that labour unions and professional associations should vigorously defend their members' interests. Thus Burkina Faso has a cohesive, assertive livestock traders' association, just as it has a well-organised road transporter's association.

Burkina Faso's CNC quickly gained momentum in the two years after LAP appeared. Competent civil servants complemented enthusiastic traders. Together they toured the country and generated a local-level enthusiasm for professional organisation and liberalisation that informants suggest persists to the present. They successfully attacked the problem of customs' demands for bribes and established a legal status for *societes de convoyage*.

Table 9
Composition of the CNCs**

	Burkina Faso Early 1990s draft		Burkina Faso 1997 Decree		Mali 1993 Decree		Cote d Ivoire 1995 Decree**	
	Number	%	Number	%	Number	%	Number	%
Government Ministries	8	53	10	83	6	43	3	14
Chambers of Commerce/Agriculture					2	14	2	10
BCEAO					1	7		
Association of Financial Professionals	1	7	1	8	1	7	0	0
Transport professionals	2	13						
Butchers							4	9
Transporters							2	10
Livestock-sector professionals	2	13	*		3	21	4	19
Herdowners							4	19
Consumers							2	10
NGOs	2	13	1	8	1	7		
TOTAL	15	100	*12	100	14	100	21	100

Sources Burkina Faso (1992), Burkina Faso (1997) Mali Ministère du Développement Rural & Ministère de l'Economie, des Finances et du Plan (1993), Cote d'Ivoire Ministère de l'Agriculture et des Ressources Animales Ministère de l'Industrie et du Commerce Ministère Délégué auprès du Premier Ministère Chargé de l'Economie des Finances et du Plan (1995)

Notes

* 1997 Burkinabe legislation allows for an undefined number of professionals from the livestock and red meat sector and also of representatives of development agencies

** This table omits information on the composition of the Ivoirian CNC after the restructuring in July 1997 to create the two colleges

The national-level organisation was chaired by an appointed civil servant until the mid 1990s²⁶ when IPC encouraged a process of democratisation and election of office-bearers, including a private-sector president. Unfortunately the prospect of outside finance for CNC activities attracted candidates for office who manipulated the elections and then embezzled funds.²⁷ Since then, another civil servant, from the Ministry of Commerce, has been the interim president. A disagreement about how to respond to the embezzlement led to strained relations between the two major arms of government responsible for the CNC - the Ministries of Animal Resources and Commerce.

The disagreement led to a two-year limbo period. CNC continued to operate in its original unincorporated format, with monthly meetings, but elections were put on hold. Canadian aid allowed the development of domestic livestock markets and field trips for national representatives to meet members in various parts of the country. During this period, in April 1997, the government eventually issued the decree formally creating the CNC. This decree gives the presidency to the private sector, and only four of 16 members of the executive committee come from the administration. Also during this period, in December 1996, livestock traders created the Union of Exporters and Traders of Livestock (UNACEB).

In addition, the CNC continued to participate in CILSS meetings, but when the CNC tried to implement the recommendations of a 1997 meeting in Lome, the government did not allow it to do so. At this point, its officials turned to CILSS and asked for help to escape from the administrative straitjacket in which it found itself. This led to a CILSS mission and then to a recommendation that the CNC be redynamised.

Having reconciled their points of view, by April 1998 the two ministries intended to hold another national assembly to allow the election of a new set of office-bearers. This assembly would convoke representatives not only of livestock traders but also of butchers and livestock producers, to broaden the livestock-sector representation within the CNC. To this end, the government had

²⁶ Following the Nouakchott Conference, those involved in the fledgling Burkina CNC drafted a government decree to give it legal standing but the government did not issue such a decree at that time. The draft gives the presidency and vice-presidency of its executive committee to representatives of the ministries responsible for livestock and trade respectively (Burkina Faso 1992: 2-3). The draft document did not immediately become law due to a battle between ministries as to which should represent the government.

²⁷ Some observers point the finger at USAID and suggest that it could have avoided this incident by more careful oversight of the use of its funds. These detractors argue that the organisation would have fared better without the grant at least of the size given at such an immature stage in its institutional development. In retrospect this may be true. However, no one else seems to have foreseen the misappropriation of funds before the event. In empowering stakeholders and requiring them to take responsibility for the management of their own affairs, one grants the freedom to make mistakes: risks must be taken in blazing new institutional trails and, in the overall scheme of things, this was not a great one. In April 1998 donor funds were being sought to support holding the second national assembly.

already approved the creation of a national professional association of butchers²⁸ and was, in April 1988, doing the same for livestock producers. The stated goal was to hold the second national assembly to elect CNC office bearers by June.

Despite its setbacks, the national impact of the CNC appears large. The grassroots enthusiasm for organisation of the professionals of the sector, borne of the successes of the early 1990s, had not waned during the interregnum. Every market in Burkina Faso has an association to defend the rights of the livestock-trade professionals and to allow them to play a role in the management of the market. In addition, ministries consult the CNC directly about relevant matters. One non-Burkinabe observer noted "There is really complicity between the state and the private sector." Interviewees insisted that if the second assembly took place the Burkinabe CNC would again become the focal point for sectoral debate and policy change. Nouakchott/LAP and CILSS get the credit for both encouraging the organisation of traders within Burkina Faso and bringing traders together within the central corridor.

Vertical Integration Within the Burkinabe Livestock Sector

In Burkina Faso, when the state dissolved its parastatal, ONERA, in the early 1990s and withdrew from animal feedlot activities as part of its structural adjustment, private-sector actors were given the opportunity to fill the gap, but they were not immediately prepared to do so. By 1994, with the added impetus to commerce from the CFA devaluation, there was a common realisation that the market rewarded those selling high-quality animals. This has led to fattening by co-operatives all over the country. They use agricultural and agro-industrial by-products in which a competitive market has now emerged. These fattening enterprises are the organisations behind the new *Union Nationale d'Eleveurs*.

In this context, the Burkinabe government wants to promote vertical integration in the livestock sector. For this reason, as noted above, in early 1998 it was preparing the ground for a national assembly for all livestock-sector professionals - herdowners, traders, brokers and butchers - to participate in the CNC. Recently, Burkinabe butchers met to organise themselves in a similar fashion to the exporters, forming the *Union Nationale des Associations des Bouchers et Charcutiers de Burkina Faso* (UNABC). The butchers themselves put up half the money and FERAP also contributed. Private sector interviewees thought such a broad livestock-sector membership would provide professional associations.²⁹

²⁸ The *Union Nationale des Associations des Bouchers et Charcutiers de Burkina Faso* (UNA 130C) raised half the cost of the 4.3 million CFA cost of the national assembly to launch it and elect office bearers. CILSS and UEMOA contributed 400,000 FCFA. Two businessmen with an interest in the butchery or in the skins and hides business contributed most of the rest.

²⁹ So far the private sector side of the CNC seems to be dominated by the president of Burkina Faso's major livestock-services company, COBERA, which has a wide range of commercial operations linked to the livestock trade. In addition to occupying the presidency of UNACEB, it was he who helped a Ouagadougou butcher set up the Butchers

The Burkinabe CNC's priorities are professional organisation and training of its members, information exchanges between members (e.g. to estimate the best timing of trucks leaving for Port Bouet), and development of the meat industry

4.2.2 Mali

In Mali, the administration has maintained the chairmanship of the CNC throughout, maintaining that the CNC is not a private-sector organisation but rather a forum where the public and private sectors meet to discuss policy.³⁰ The Malian CNC is thus more government-dominated and centralised than the Burkinabe CNC

It has achieved more than its counterparts elsewhere, largely because the continuity of government leadership has ensured that it has not suffered from internal schisms. The combination of this continuity and ample USAID-financed support from APEX, IPC and FERAP (though with no evidence of co-ordination between APEX and either of the others), has allowed the Malian CNC to achieve more than the others. Government agencies took the initiative to

- create a *guichet unique* to allow all administrative steps necessary for legally exporting livestock to be done in one place
- allowing individuals herders and associations of herders to export
- eliminating the need for the *patente* business tax on exporters
- reducing control posts from 114 to 35
- ensuring that herders had the right to ride with livestock in the back of a lorry³¹

The Malian government attributes the following as successes to APEX

- intervening to reduce delays and extortion
- underwriting leaflets to inform traders of the liberalised regime
- producing popular sketches on TV to familiarise traders with the new regulations
- financing trips by traders to learn about the new export procedures
- financing the Segou forum to bring together traders from Mali and other countries
- helping to set up the *groupements interprofessionnels*

These reforms - particularly the *guichet unique* - have met with widespread approval among traders

Union

³⁰ The Malian CNC, created in 1993, is described as a "consultative interministerial organism" (Mali Ministère du Développement Rural & Ministère de l'Économie, des Finances et du Plan 1993)

³¹ Officially, transporters should carry human beings and live animals separately. This *transport mixte* had created a pretext for the gendarmes to delay livestock shipments and exact informal payments

Despite relative the success of its CNC, the Malian government has left itself open to the charge of not allowing the private sector sufficient freedom to participate in determining its own business environment, i.e. of paternalism. The fact that the private sector did not lead these initiatives detracts from its ownership of the reforms and undermines the CNC's credibility. This leads to a detachment on the part of the private sector, which fails to make enough use of the public sector and tends to act in an unco-ordinated fashion. The major result of this is that Malian exporters are less organised than the Burkinabe in the face of problems in the Ivoirian market with which they must contend, both amongst themselves and in their co-ordination with government as a CNC.³²

In an attempt to counter such accusations, the government is promoting the establishment of the *groupements professionnels*³³ mentioned above, through which the livestock-sector professionals can network, devise their own strategies, and submit these to the CNC, in addition to taking responsibility for training of their members. The government has also begun trying to decentralise the CNC by creating *Cadres Regionaux de Developpement* (CRCs). Missions have been sent to the various regions to set up CRCs. However, the fact that the government is promoting these organisations may be seen as devolving power to the private sector only on its own terms. It remains to be seen whether a spontaneous nationwide business organisation of this sort can arise under government auspices and if the CRCs will take on a life of their own.³⁴

4.2.3 Côte d'Ivoire

From its official creation in 1996 until the present the Ivoirian CNC has been largely inactive, its members frustrated, because

- non-Ivoirian Sahelians dominate the livestock trade but have almost no say in the CNC³⁵ while the Ivoirian representatives from the livestock sector actually have very little throughput

³² Nonetheless Malian livestock traders' associations are not spineless. For instance the Segou association actively promotes its members' self-interest. When in February 1998 the Customs Service began asking for customs documents of which they knew nothing, they confronted the Customs Director and dealt with the matter.

³³ These *groupements* have an umbrella organisation the *Federation des Groupements des Inter professionnels du Betail et de la Viande* (FGIBV), created in November 1997. As of April 1998 it had not found premises for headquarters.

³⁴ Representatives of the Segou association of livestock exporters reported that the CRCs do not currently function because they have no money. Members of FGIBV suggested that there might already be the beginnings of schisms in their organisation.

³⁵ An informant in Burkina Faso claimed that livestock brokers in Cote d'Ivoire of Burkinabe origin were in fact members of the Burkinabe CNC, as an illustration of the decree of exclusion of the Abidjan-based livestock professionals of Sahelian origin from the Ivoirian CNC.

- a dynamic, cohesive group of traders in agricultural and horticultural produce, formally outside LAP, have not received significant assistance from donors to help them market their produce in the Sahel
- members had been led (possibly wrongly) to expect financial and institutional support from UEMOA and FERAP
- an internal dispute between office bearers paralysed the CNC

Despite a restructuring in 1997, the Ivoirian CNC has achieved little of substance to date

Before its establishment by decree, LAP worked principally through a dynamic Ivoirian livestock trader. It provided him with computer and other equipment. However, this trader did not subsequently get elected to the CNC when it was given official status. He kept the computer, leaving the CNC without one. This got the CNC off to a bad start.

With a membership drawn from a wider range of interest groups, the Ivoirian CNC has been a different type of organisation since its inception. In terms of representation on the CNC, government plays a more minor role - and consumers, butchers and livestock producers a more major role - than elsewhere.

In contrast to the Sahelian CNCs, the Ivoirian CNC has members with a formal-sector profile. However, as explained earlier, Ivoirian livestock traders fall into one of two groups: formal-sector operators with almost no business or informal-sector Sahelian traders with almost no links to the government. Therefore the CNC has members who in fact carry out little of the livestock trade. This leads to both the government and the formal-sector operators becoming frustrated because they find themselves incapable of acting to improve the Ivoirian livestock trade.³⁶

By definition, LAP promotes only the livestock trade from the Sahel and, within this tightly-focussed conception, saw Côte d'Ivoire as the beneficiary of a supply of more efficiently marketed Sahelian livestock. However, Côte d'Ivoire had a broader vision of improved two-way trade, through the development of exports of its agricultural and horticultural produce to the Sahelian countries. Therefore in 1997, it restructured to create two *colleges*, one for livestock, one for agricultural products (the *colleges du Cru*). Within each it has *syndicats* to cater for more specific professional interests and technical specialisations.

Members of the *colleges du Cru* are looking for Sahelians to buy their wares, such as yams and processed manioc, banana and plantain, papaya and pineapple, coconuts and kola nuts, palm oil and sawn wood, avocados and maize. They joined the CNC when it accepted that trade is a two-way street and the CNC could serve to promote northbound exports of Ivoirian agricultural and

³⁶ It seems that though the CNC also includes livestock producers they also come from the modern sector. However, the mission did not visit northern Côte d'Ivoire - where most Ivoirian livestock is raised - to establish the influence of the CNC on the ground.

horticultural products just as much as it could the southbound imports of livestock. In contrast to the ineffectual livestock *college* the Ivoirian traders of agricultural and horticultural produce appear to control significant market share, be fairly well organised, and in a position to work for more and more efficient trade with Sahelian countries. At least formally, the *Conge du Cru* does not fall under LAP, though its activities should receive support from FERAP, which has a multi-commodity remit. However, they feel left out of the central -corridor initiative so far.

The CNC has had specific disappointments with FERAP. At a meeting in Abidjan in September 1996, FERAP and UEMOA encouraged Ivoirian CNC members, including those in the *colleges du Cru*, by declaring that they would not only facilitate meetings to promote trade links between countries but also help to fund them. They would promote and fund initial contacts between the business communities in different countries and support continued negotiations towards more developed trade in agro-pastoral commodities. The Ivoirian CNC members attending the meeting understood that FERAP would facilitate these trips. Ivoirian traders proposed 11 such projects through their CNC, for the promotion of both the livestock trade and the trade in agricultural and horticultural produce. These were apparently sent to CILSS, as requested, but provoked no reaction. As a follow-up, Côte d'Ivoire gave copies of the proposals to CILSS and UEMOA at a meeting in Lome in April 1997. No action ensued.

A *College du Cru* member who had asked FERAP to organise a trade-promotion meeting with Malian traders in Sikasso and received no reply proceeded to try to do so on her own. She was disappointed to arrive in Sikasso to find that no one knew about her trip and she never received any contribution to the cost of her travel. She made three such trips to the Sahel (in December 1996, February 1997 and April 1998). Other *College du Cru* traders went to Burkina Faso and/or Mali in a total of half a dozen trips, all without FERAP facilitation or reimbursement of costs. Without intermediation, these trips did not ultimately achieve very much and CNC members feel that they should have had more support from FERAP and UEMOA. They see support that FERAP has given to Sahelian CNCs and feel that they have not received the same level. They would like a meeting to finalise contracts with Sahelians they have contacted during their 1997 trips.

Compounding the blighted hopes of CNC members due to this failure, it seems that the CNC's 1997 workplan, submitted to the president by the *Secrétairerie Technique* either was not submitted to, or not acted on, by FERAP. The source of the oversight remains unclear. In any case the CNC received no FERAP funding for that year.

All the mishaps noted above took place against a backdrop of a fundamental schism that took place among its top office bearers, so that the president, a businessman, was not active in the running of the CNC. This schism led to a lack of co-ordinated policy-making or concerted implementation, and to an inability to respond creatively to setbacks. Along with the lack of an office, a computer, or other office equipment, and without support from LAP, the leadership vacuum has left them sadly dependent on government.

During this *de facto* interregnum, a government-appointed *secrétaire technique* with an office in the Livestock Service was guiding events, at the government's request. He had requested FERAP to send the delegation that had visited in March 1998 to set the CNC back on its feet.

Like its Burkinabe counterpart, the Ivoirian CNC should have had elected new office bearers in May or June 1998. Thereafter, the *secrétaire technique* should withdraw and a period of greater dynamism may be expected. However, the CNC will still have the structural problem of livestock *college* members with a very limited share of livestock commerce and, apparently, of livestock production. It remains to be seen if FERAP will contribute to its redynamisation.

4.2.4 Other CNCs

Togo does not yet have a formal CNC. Its creation has been under study and a national workshop to establish one should have taken place in May 1998. Those involved with the proto-CNC were interested in importing livestock but the Togolese government interprets UEMOA trade regulations as allowing it to impose value-added tax (VAT) at 21 percent on imported livestock from other UEMOA member states, putting severe limitations on the livestock trade.³⁷ Even if this problem is solved, another lies in waiting. As in Côte d'Ivoire, most of the serious livestock traders in Togo are of Sahelian origin. As in Côte d'Ivoire, this creates tension between the Sahelian trading fraternity and the proto-CNC composed of Togolese with relatively little control over the livestock market. Togo will eventually also use the CNC as a means of facilitating exports of agricultural products but these appear not yet to have been identified.

Ghana does not formally have a CNC yet either, but rather a public-sector focal point. It takes an interest in the trade not only in livestock³⁸ but also in cereals and fruit and vegetables. Despite not yet having established its CNC, Ghana is seen as dynamic and straightforward in its desire to promote regional trade, having recently eliminated (a) the quarantine requirement for livestock imported from the Sahel and (b) an import tax of 27 percent on livestock.³⁹

³⁷ Togo has a ban on imports of extra-African meat and has traditionally imported most of its red meat in the form of Sahelian livestock. About 95 percent of these imports have come from Burkina Faso (Republique française, Ministère de la Coopération et du Développement et Conseil de l'Entente Communautaire Economique du Bétail et de la Viande 1992, and Togo, Cadre National de Concertation 1996, Gribi 1997).

³⁸ Ghana does not ban world-market meat imports, it limits them through the application of import duty.

³⁹ A meeting to discuss the potential and problems of regional trade in livestock and horticultural products in Accra in November 1997 covered a range of issues similar to those that have arisen elsewhere in the central corridor over the course of LAP: reducing the number of checkpoints along trade routes, the non application of VAT to imported animals, a veterinary protocols with Burkina Faso, improved information flows, a pilot scheme to weight animals for sale, slaughter at Bolgatanga in northern Ghana and southerly shipment of meat, and co-operation between Burkinabe and Ghanaian butchers, among others (Ghana LPIU 1997).

A Nigerien CNC was set up in March 1993, dealing uniquely with livestock products. It had a president from the Chamber of Commerce, and included members not only from technical ministries and livestock-sector operators but also from donor organisations. The Nigerien CNC's report to the first CNC workshop in July 1996 indicates a limited participation by the private sector. However, the Nigerien private sector lobbied the Nigerien government for a stronger role, and it was reorganised with help from FERAP in 1998 in order to do so. In its reorganised form it also deals with the onion and cowpea trades. So far, the CNC's membership comes mostly from the two western departments of Tillabéri and Dosso nearest the central corridor, which derive most benefit from central-corridor markets at a time when demand from Nigeria is weak. The CNC suffers criticism because, for this reason, it operates mostly in Niamey, to the exclusion of much of the rest of the country. Nonetheless the public-private collaboration is said to be good. It focuses on exports of livestock, onions and beans.

Neither Senegal nor Mauritania lies in the central corridor. However, both have CNSs. The Mauritanian CNC has a livestock-focussed CNC, Sen al CNC, including livestock.

4 2 5 Single-commodity and Multi-Commodity CNCs

It is now politically unacceptable to develop CNCs to deal only with livestock products. Mali and Burkina Faso seem to be the only countries still doing this. To east and west of them in the Sahel, Senegal and Niger have multi-commodity CNCs, and CNCs in all coastal countries seem to be for more than one commodity. FERAP came into being after the multi-commodity perspective had been enshrined as policy. For FERAP (CILSS, FERAP 1996c) the more important question appears to be not whether a country should have a single or multi-commodity CNC but whether it should foster a multiplicity of CNCs - one per commodity - with problems of how to co-ordinate them or, instead, a single multi-commodity CNC with recognised interest groups within each to deal with commodity-specific issues.

4 2 6 CDCs and WAEN

The West African Enterprise Network (WAEN) does not welcome professionals from the livestock sector. Therefore there is no WAEN-CNC interaction at regional level. Even livestock traders operating on the largest scale are businessmen of relatively modest means when compared with the large-scale businessmen and women who dominate WAEN. In addition, the livestock sector has an image problem in their modern-sector eyes. It is seen as backward and incapable of significant growth.

Therefore the head of Burkina Faso's UNACEB proposes to develop international trade via a network for West African professionals in the livestock and meat trades. Promoted by FERAP as part of CILSS's *Sahel 21* initiative, this network has already had several meetings. It should continue to receive support from any FERAP follow-on project, which should consider promoting similar networks for other sub-sectors of regional commodity trade.

4.3 Ivoirian Strategies for Control of the Ivoirian Livestock and Meat Market

Frustrated by the Sahelian stranglehold on the red-meat supply chain and apparent CILSS indifference, Ivoirians have taken steps to try to promote other sources of supply and take other steps to give their nationals the chance of profitable trading opportunities

Firstly, the Ivoirian CNC's Technical Secretary explained that a South African source is offering Côte d'Ivoire credit for the purchase of good-quality chilled meat at 1,000 FCFA per kilogramme FOB Abidjan. This would undercut the current Sahelian supply, which in early 1998 sold at 1,400 FCFA per kilogramme. These negotiations represent the strongest card the Ivoirians hold to try to undermine Sahelian domination of livestock marketing.⁴⁰

Secondly, members of the Ivoirian CNC stated that a law of 16th July 1996 allows the Ivoirian authorities to compel traders to sell animals by weight. They claim this law has not been enforced up till now because the livestock scales do not exist. If scales became available the law's unbrokered implementation would risk provoking a serious downturn in already sour relations.

Thirdly, members of the *colleges du Cru* claimed that the Ivoirian CNC's *Secrétaire Technique* had suspended all individual contracts under CNC and required negotiations en bloc with the Sahelian countries. There is some doubt about the veracity of this assertion. However, there has clearly been some talk of this as part of a strategy to increase market power. If true, it might represent a serious effort on the CNC's part to win better contractual conditions for its members. However, such a move would entail some risk, as Sahelian countries might call their bluff, continuing trade in the traditional fashion that piques the Ivoirians, much though the Sahelian governments and larger traders might like to start trade on a formal contractual basis. Further, as the inability of Ivoirians to obtain credit is a major constraint to the conclusion of successful contracts, with all the will in the world, Sahelians might find themselves unable to provide better conditions. Thus in following this tack, the Ivoirians risk a counter-productive outcome.

Finally, the lure of the Ferkessedougou *marché régulateur* in northern Côte d'Ivoire still endures for Ivoirian livestock traders and butchers. At this site lies a large vacant feedlot-abattoir complex, on the main north-south road and by the railway line. Although probably unrealistic, this scheme holds out a vision of wresting back control of 400 kilometres of the marketing chain between Ferkessedougou and Abidjan and of fattening, slaughter, air exports of meat, and processing of animal by-products at the industrial abattoir by the railway line that already exists there.⁴¹ However,

⁴⁰ The Technical Secretary of the Ivoirian CNC stated that Côte d'Ivoire intends to promote milk production in its northern rangelands with meat as a by-product. South Africa would provide most of the country's meat. With increased domestic milk production and an alternative South African supply of meat Ivoirians feel they would be in a better position to bargain with Sahelians to open up the livestock trade and let them compete fairly.

⁴¹ The extreme version of the Ferke plan, proposed by frustrated formal-sector traders and butchers, involves requiring Sahelian traders to sell there. The more reasonable version expounded by the majority involves giving Sahelians the option of selling there. However, the Ferke complex has been profitable under neither public nor private

they might find that Sahelians would adjust to the new arrangement, take an ownership share in the new livestock-processing centre and still retain a significant market share because of their upstream market integration ⁴²

The range of schemes being considered in order to gain some market share in their own country attests to the level of Ivoirian determination borne of a sense of frustrated exclusion. Whether or not these are realistic propositions, they underline Ivoirian dissatisfaction with the status quo. If some combination of the CNCs and FERAP cannot find a compromise, existing rancour can only fester and build, at best reducing the chances of a modernisation of the livestock trade, at worst degenerating into violence.

However, in one respect Ivoirians appear prepared to continue to try to negotiate via CILSS and UEMOA. South African banks have apparently proposed to finance the long-awaited new abattoir for Abidjan, using Ivoirian firms for construction. A new company, *Ivoire Abattre* would run the abattoir and central-corridor countries would be offered stock in it ⁴³. Such a venture would provide participants with a common goal around which they would have to unite in the interests of profit. Port Bouet's livestock brokers have already expressed an interest in participating in such a scheme. However, it remains to be seen whether they have the capital necessary to take a significant share and whether there exist Sahel-based operators or companies that would like to participate.

ownership. Proponents of the scheme do not explain why it would be profitable under any new configuration.

⁴² The Sahelian counterpart to the Ferkessedougou scheme is development of *marches frontalières* on their side of the border to regulate the flow of animals into the Ivoirian market. The development of the Malian markets of Konna, Segou and Sikasso may be a concretisation of this idea. They might thus manage to even out the short-term peaks and troughs of arrivals of livestock - and thus price levels - at Port Bouet. However, unless the Sahelian countries form a cartel to constrain the flow of livestock south - an idea that has been toyed with - there seems to be no way in which Sahelian traders could increase their market power in this way. At the end of the day, their interests lie in greater regional trade, not less. A second, but still implausible, explanation given for the development of Sahelian *marches frontalières* is that they will allow Sahelians to sell their animals there without venturing into Côte d'Ivoire, with all its delays and extortion. However, taking such risks is how Sahelian traders make their profits. A third explanation for the development of the border markets is that they provide a nexus of well-equipped, large-scale sites which important Sahelian merchants can use as springboards for active participation in the regional market of the future. However, the possibility of loading up lorries of livestock in upstream markets, driving directly to Ivoirian destinations and thus eliminating the cost of the extra link in the market chain seems to be a more competitive solution than buying them some way downstream and doing the same. Ultimately, the rationale for the Sahelian *marches frontalières* seems as elusive as that for the Ivoirian *marché regulateur*.

⁴³ This proposal suggests that the Ferkessedougou *marché frontalier* is a non-starter. One of the strengths of the Ferkessedougou site is its existing industrial abattoir, so that butchers could slaughter animals there and then export the meat to Abidjan and other Ivoirian consumption centres by refrigerated lorry and to foreign destinations by air (though this combination has not proved profitable in the past). Official commitment to a new industrial abattoir near Abidjan would undermine any possibility of profitability that the combination of facilities that the Ferkessedougou site offers.

4 4 Relations Between Sahelian Countries

In contrast to the tensions between Mali and Burkina Faso, on the one hand, and Côte d'Ivoire, on the other, the relations within the trading community between Mali and Burkina Faso are fairly good. Nonetheless, two issues have caused problems. The first, now resolved, concerned the duty-free status of Malian animals transiting Burkina Faso. Documentation establishing Malian origin became the object of a black market in Burkina Faso, allowing unscrupulous Burkinabe traders to export Burkinabe animals as Malian, without paying export taxes. Burkinabe authorities increasingly clamped down on any trader with such documentation, meaning that Malians transiting Burkina Faso legally found themselves tarred with the same brush as those exploiting the black market in Malian documentation. This persecution severely curtailed the transit flow of Malian livestock for a while.

A more recent and continuing problem concerns not only Burkina Faso and Mali but all UEMOA members. Conflicting rules on VAT exemptions for unprocessed agricultural commodities (including livestock) have led to inconsistent national policies on taxation of imported livestock. At least officially, Burkina Faso currently applies VAT to Malian animals sold in Burkina Faso, just as Togo also applies it to livestock from other UEMOA member states. In contrast, Côte d'Ivoire - officially more laissez-faire than most other West African states - does not apply TVA to livestock imports, to the considerable benefit of both Burkina Faso and Mali. The inconsistent application of this regional regulation needs to be resolved by UEMOA.

Relations between Burkina Faso and Niger seem to be cordial. Nigerien traders have made spontaneous use of the international connections between CNCs. When their lorries have been held up at the common border because of requests for excessive informal payments from Burkinabe uniformed forces, Nigerien exporters have requested help from the Burkinabe CNC. In response, *convoyeurs* dispatched to the border have ensured that, for a fee, the Nigerien lorries have been able to cross Burkinabe territory quickly. At least as explained from the Burkinabe side, this swift, pragmatic commercial solution enabled their Sahelian competitors to continue relatively unhindered to their coastal destination as part of a positive-sum game.

4 5 Transport

Since the 1960s the proportion of cattle exported on the hoof from the Sahel to Côte d'Ivoire has dropped. Higher percentages have increasingly travelled by road and, from Burkina Faso, by rail. By the early 1990s Côte d'Ivoire had banned trekking of trade herds south of Bouake, although the ban was sometimes ignored. However, since the ban on trekking livestock throughout Côte d'Ivoire from January 1994 (CILSS 1995j: 11), almost all trekking that takes place does so in the Sahel.⁴⁴

⁴⁴ Traders have always exported on the hoof a smaller proportion of small ruminants than of cattle, because they stand up to the rigours of trekking worse than cattle.

For the first three months of 1998, 58 percent of cattle and 43 percent of small ruminants arriving at Port Bouet market in Abidjan from Burkina Faso arrived by train. These represented 34 percent of cattle and 30 percent of small ruminants arrived by train of animals arriving from all sources. The rest came by lorry.⁴⁵ In recent years the proportion arriving by train has risen due to the success of the SITARAIL company at improving the efficiency of its service and rehabilitating wagons formerly out of service. This section looks at the state of the two modes of transport by which livestock from Burkina Faso and Mali reach the Ivoirian market: lorry and train. The old fleet of lorries used for road transit remains bogged down by dated, ineffectual regulations, providing a sub-optimal service to livestock exporters, despite a high proportion of empty lorries looking for cargo on southbound routes. In contrast, SITARAIL is investing in upgrading its wagons and is running a more efficient service than the corridor has seen in many years.

4.5.1 Road Transport

1 The TIE & TRIE conventions

CILSS, FERAP (1998: 19-20) explains that two accords overseen by ECOWAS and UEMOA govern regional road transport: TIE and TRIE. They came about to reduce delays due to excessive bureaucracy involved in road transport between West African states and to give landlocked states' road hauliers rights to carry a minimum level of the freight from coastal ports.

TIE (*Transports Routiers Inter-Etats*) covers transport between two adjacent countries, in particular fixing

- each country's annual quota of vehicles approved for interstate transport. In practice all vehicles with current international transport documentation participate.
- the proportion of freight allocated to each country's road hauliers. Bi-lateral treaties allocate one-third of most categories of freight (including livestock and agricultural commodities) to the country of origin, two-thirds to the destination country.
- the maximum axle-weight. In Côte d'Ivoire, the *Conseil des Chargeurs* verifies this rule at the ports. No authority regulates the maximum axle-weight of 11.5 tonnes and many transporters overload their lorries to combat low profitability.
- the choice of routes within each country open to interstate transport. The Customs Service verifies that the lorries stick to agreed-upon routes.⁴⁶

⁴⁵ Over these three months 58 percent of the cattle arriving at Port Bouet came from Burkina Faso, 36 percent from Mali and 5 percent from Côte d'Ivoire. The corresponding figures for small ruminants were 70, 29 and 1 percent. Source: Port Bouet abattoir.

⁴⁶ This rule is also erroneously applied to transit trade governed by ECOWAS' TRIE convention.

TRIE (*Transit Routier Inter-Etats*) covers transport through a third country, with the aims of speeding it up, while assuring its security and minimising the need for customs scrutiny in successive countries. It has three fundamental principles:

- the use of vehicles in good condition capable of being sealed for transit
- the deposit of a single guarantee by the haulier to cover potential fines in all countries
- the need of the haulier to carry only a single document (the TRIE card) to satisfy all authorities in all countries

Incomplete legislation and deficient lorry fleets in countries such as Mali mean that the TRIE has never been fully applied. Some countries, such as Mali, have introduced the single guarantee but others, such as Côte d'Ivoire, have not, resulting in successive requests for guarantees in each country, which leads to delays and thus to higher costs.

UEMOA's members have granted its Court of Justice the power to sanction member states that break rules of these treaties. However, so far it has not applied those rules.

Port Bouet generates about 60 percent of Ivoirian freight destined for Burkina Faso or Mali. Here Malian and Burkinabe lorries wait in queues while the Ivorian transporters union monitors the 1/3-2/3 TIE rules. However, outside Port Bouet the rules are not applied and Sahelian truckers in Côte d'Ivoire have many private-sector contacts who help them get return freight.

Restrictions on permissible routes in Sahelian countries, combined with informational deficiencies, contribute significantly to the fact that more than 75 percent of lorries heading south from Mali to Côte d'Ivoire are empty. TIE regulations require drivers heading south to stick to internationally-agreed routes that need not run through sources of southbound freight (CILSS, FERAP 1998:19,3-0)⁴⁷. To try to bring together some of the empty lorries and Malian exporters, transport brokers exist in Malian towns lying on approved routes. They provide a service of finding loads, when available, for lorries that may otherwise leave Mali empty. Some of these brokers are also livestock exporters. In addition to the broker's fee, the drivers pay 10,000 FCFA (5,000 FCFA if Malian) to the local transporters union for the privilege of loading within their territory. It seems that the situation is similar in Burkina Faso where, until May 1997, strict rules on backhaul applied. Now, for a payment of 15,000 FCFA and a fee to the local transporters' union, any lorry can pick up any cargo for export.

TIE and TRIE do not correspond to the central corridor's need for economic integration. TIE should be largely dropped as a relic of excessive state intervention. Some form of TRIE could serve a useful purpose in facilitating trade but would require concessions by various countries to make it

⁴⁷ For example, Bamako receives more than 70 percent of Mali's imports from Côte d'Ivoire but only contributes exports filling only 2 percent of the return freight capacity (CILSS, FERAP 1998:30).

functional. These are issues on which well-briefed CNCs can lobby UEMOA and ECOWAS, in concert with other interested parties.

2 *A Bourse de Fret*

The previous section describes the problem of lorries returning empty from the Sahelian countries to Côte d'Ivoire, despite the existence of transport brokers in towns along routes approved by the TIE accord. An information system that tracks trucks would allow exporters to find transport more easily, particularly if lorries were allowed to follow alternative routes to Côte d'Ivoire. A system envisaged by CILSS, FERAP (1998) contains this recommendation as part of a system containing a much wider range of services made available to road hauliers to make road transport more efficient. However, even without the other components of the system, a transport information system would probably save far more in regional resources than it would cost to operate, and the cost recovery possibilities would be good. Section 4.12 proposes a market information system of which this might be a part.

3 Physical characteristics of the fleet

Observers estimate that the quality of the central-corridor road network will have slightly improved over the course of the 1990s but that the condition of lorries on the route to Côte d'Ivoire has not.

The fleet remains old and badly maintained. High import duty on lorries and spare parts leads to high capital costs to be recovered through high haulage rates. However, government-regulated low haulage rates applied in some cases (not applicable for livestock⁴⁸), and limited opportunities for backhaul cargo, particularly in the second half of the year, provide incentives for overloading as a means of turning a profit. In addition, delays en route due to road blocks erected by the uniformed services further reduce profitability and fuel incentives for overloading. In sum, regulation, inefficient use of capacity, and unnecessarily slow average speeds lead to overloading as a means of clawing back some profit from road haulage. Overloading inevitably leads to the excessive wear and tear of the existing stock of lorries (and degradation of the roads), low profitability leads to sub-optimal investment in new vehicles. Liberalisation of the market for road haulage, a means of increasing capacity usage on the backhaul, and reduction of road blocks would thus increase the profitability of the road haulage sector and encourage higher levels of investment in new lorries. The fleet is destined to remain in its current decrepit condition until profitability in the transport sector rises.⁴⁹

⁴⁸ In fact, the inability to stack livestock like, say, cotton, means that the efficiency problem it presents is one of underloading. See "Technological improvements" below.

⁴⁹ In 1995, in addition to 14,576 general-purpose articulated lorries with Ivoirian registration and 10,194 with Malian registration, Côte d'Ivoire had 793 refrigerated lorries and Mali had 6 (CILSS, FERAP 1998: 21).

4 *Technological improvements*

The idea of a two-tier lorry (or railway wagon) capable of carrying twice as many small ruminants and making use of otherwise wasted height has captured the imagination of various economic operators and observers over the years. The technical challenge is to construct a temporary second floor that can be easily removed and economically stored to enable the full use of the carrying space for non-livestock cargoes during the south-north leg.⁵⁰ However, unless a haulier has a high probability of finding a cargo of small ruminants for his journey to the coast, investing in and carrying around the disassembled second floor will make little sense. It seems that this technically attractive solution will apply only to Sahelian transporters who know how to find such a cargo. Particularly while Sahelian enforcement of the TRIE legislation constrains Ivoirian transporters to approved arteries their chances of finding a small-ruminant backhaul must remain small and they would have little incentive to invest in such a rig.

5 *Prices*

Road transport prices vary greatly seasonally. Road hauliers make most of their money on the trip north from Côte d'Ivoire and consider livestock one of several possible backhaul commodities. During the coffee, cocoa and cotton harvests⁵¹, from November to May, they have much more demand for their services and, for example, Segou-Abidjan prices rise to about 800,000 FCFA. Outside this period, prices may fall to as low as 150,000 FCFA, which does not even cover the transporter's costs. Low, officially-fixed tariffs are never applied, supply and demand determine road transport rates for livestock.

For certain limited periods a shortage of southbound road transport may exist. In particular, during the two months prior to the Muslim festival of Tabaski, traders want to export tens of thousands of rams to Côte d'Ivoire. If this period falls during the cotton harvest, the problem becomes more acute. For Tabaski 1997, the government organised a clearing house for road transport for livestock exports from Burkina Faso. Efforts were made to limit freight rates by provenance. This scheme probably succeeded in limiting the freight rates charged by the hauliers but rates could not be reduced below the relatively high rate paid for cotton: 860,000 FCFA per lorry for the Ouagadougou - Abidjan route.

⁵⁰ In April 1998, brokers at Port Bouet wanted to invest in a two-storey four-wheel drive lorry to carry small ruminants from Dori via Ouahigouya and Dedougou to Bobo-Dioulasso and then to Port Bouet. The second storey would detach and stack for the return journey. They planned to use this route to avoid extortion on the main Ouagadougou - Bobo-Dioulasso road but reckoned that they needed a four-wheel drive vehicle to deal with the poor conditions on their preferred route. See also the section on rail transport.

⁵¹ For example in Mali during 2-3 months during the cotton harvest, CMDT, the cotton parastatal contracts with road hauliers for round trips. It exports cotton to Cote d'Ivoire for processing and brings back fertiliser for the next season's crop.

Livestock exporters did not cite the availability or cost of transport as a major problem. As they all suffer from the same severe seasonality of costs described above, they can pass them on to the Ivoirian market and so can live with them. The head of the Burkinabe & livestock trader's association, UNACEB, stated clearly that transport poses few problems. In addition, transaction-cost analysis in chapter 3 suggests that costs have not risen over the course of the 1990s.

6 *Road haulers' unions*

In early 1997, the Ivoirian road haulers' unions organised a central-corridor transport strike not only in Côte d'Ivoire but also in Mali, Burkina Faso, Niger and Ghana. This four-day strike was against the bribes and delays caused by government officials and members of the uniformed services along major central-corridor routes. Railway workers also joined in. Nothing moved. Negotiations to resolve the problems raised resulted in a reduced number of barriers. The Ivoirian government restricted official road blocks to those at the border, thus reducing at a stroke the payments made along the route by 75 percent in March 1997 (Réseau de l'Entreprise en Afrique de l'Ouest 1997: 17). In Burkina Faso, two of the five barriers between Ouagadougou and the Ivoirian border were removed as part of the settlement.⁵²

However, this solution does not seem to have lasted. During the 3rd quarter 1997 there was a transporters strike in Burkina Faso and some barriers were lifted but only for a week or two. Côte d'Ivoire's five road transporters' unions all continue to resent the⁵³ barriers on major trade routes more for the delays they cause than the payments that must be made. They met the Minister of Transport in February 1998 to express their displeasure with the situation and expected to meet him again after he had a chance to discuss the matter with the uniformed forces. The dispute continues.

In Mali and Burkina Faso, there is no direct co-ordination between associations of traders and associations of transporters. Representatives of the road haulers' associations should sit on the CNCs.

7 *Personal travel documentation*

Two pretences for delays, and therefore bribery, along the road to Abidjan concerned the herders who accompany the animals in the back of the lorry to look after them. Firstly, Burkina Faso had a law forbidding transport mixte, the carrying of goods and folk together in the back of a lorry. Agents of the uniformed forces used this to threaten traders with fines for breaking the law in this way. However, since July 1997 the law, or its interpretation, has been changed in Burkina Faso to allow three herders per lorryload of cattle or ten per lorryload of small ruminants.

⁵² See annexe 3 for a list of current barriers.

⁵³ However they recognise that the 24 barriers they state exist currently in Côte d'Ivoire represent a better state of affairs than existed in the late 1980s when there were about 2 000 barriers and when it consequently took 3-5 days to travel between Abidjan and Côte d'Ivoire's northern border.

Secondly, non-Ivoirians travelling without a passport within Côte d'Ivoire must have a pass, the *carte de sejour*. In practice, Sahelian herders do not have passports and they do not find it cost-effective to go through the administrative steps of obtaining such a pass. Therefore the trader ends up making a compensatory payment of 1,000 FCFA per herder to Ivoirian officials at the border and along the route within Côte d'Ivoire. A *carte de sejour* valid for the journey to Côte d'Ivoire costs 7,500 FCFA at the Segou town hall. Traders or their employees risk paying fines 3 - 4 times along the way within Côte d'Ivoire for not having this document. Therefore, despite their complaints, exporters may actually save money by enduring this particular hassle.

There is a second dimension to the *carte de sejour* problem. After Côte d'Ivoire introduced the need for this piece of identification, Côte d'Ivoire, Niger and Mali had agreed to use the transporters' *carte professionnelle* as a commonly accepted identity card. However, at Port Bouet, non-Ivoirian drivers and their apprentices are harassed by uniformed officers who can dismiss them as stolen in order to extort money. This does not appear as a direct cost to livestock exporters in the transaction analysis in chapter 3 but they inevitably pay an indirect cost for this.

4.5.2 Railway Transport

Since 1996, rail transport for livestock between Ouagadougou and Abidjan has been provided by SITARAIL, a private company that manages the line for the governments of Burkina Faso and Côte d'Ivoire. It does so under a five-year contract, twice renewable. In addition to 15 percent stock holdings by each of the two governments and a variety of Ivoirian and foreign shareholdings, SITARAIL employees hold a 3 percent share. The company has an active programme of investment in track and equipment, and also in an information system that will allow it to manage them and to keep track of the allocation of wagons.

In its first year of operation, SITARAIL carried 13,452 tonnes of livestock. In its second year it carried 20,708 tonnes, an increase of 54 percent due largely to the company's policy of rehabilitating the stock of older wagons inherited from its predecessors.⁵⁴ The head of the *Union Nationale des Associations de Commerçants et Exportateurs de Betail A Burkina Faso* (UNACEB) praised the company for bringing these wagons back into use for livestock transport, albeit at what he considered a modest pace. Once it has overhauled all the previously sidelined wagons in its stock, its annual capacity for livestock transport will be about 30,000 tonnes.

SITARAIL itself does not intend to buy any more wagons. Instead, it is in the process of creating another company that will specialise in buying rail wagons of various sorts and leasing them to SITARAIL. Purchases could include wagons designed specifically for carrying livestock and refrigerated wagons. SITARAIL would like to interest road-transporters and livestock exporters in

⁵⁴ Between 1993 and 1996/97 the rate of availability of wagons increased from 60 to 80 percent according to N. Guessan. N. Guessan, *Economiste des Transports et Commerce International*, Direction des Transports, Côte d'Ivoire. Over the same period the number of trains running daily jumped from one to three and the turnaround time for wagons fell from 60 days to about 10 days.

partial ownership of this company. In addition, SITARAIL will continue its current policy of offering traction services to companies that own their own rolling stock.

SITARAIL currently resists multi-month leases of wagons, believing that traders who lease them will not be able to use them as 'efficiently' as SITARAIL itself, and will request discounts once they discover this and see that they will be unable to profitably pay the high opportunity cost of the wagons that SITARAIL would charge. This was the reason that a large Burkinabe exporter was turned down when he asked to lease a wagon suitable for livestock for a year.

Derailments persist. They cause delays of an order of 24 hours and will continue to be a limiting factor in the quality of service the company can offer until the projected schedule of trackbed maintenance has been completed in 2001. In contrast, the lack of a double track does not seriously constrain the speed of service. Overall, journey times between Ouagadougou and Port Bouet are now much shorter than under the previous regime. What used to take up to five days now takes 48 to 72 hours. Moreover, when problems look like causing significant delays, SITARAIL informs livestock exporters quickly so they can organise a rapid transfer of the animals into lorries to complete the journey with the minimum of losses. Exporters appreciate this, and are impressed that SITARAIL reimburses them for animals lost en route.

SITARAIL claims that the other major source of goods-train delays is the high proportion of traders travelling with insufficient papers and documentation. This makes them easy prey for customs and police officers during border checks, which leads to confrontations and eats up a lot of time. The other side of this story appears to be the Ivoirian insistence that all workers accompanying livestock have valid *cartes de sejour* for Côte d'Ivoire. Livestock exporters claim that enforcement of this onerous requirement serves mainly to provide a pretext for extortion. Nonetheless, they note that the delays taken at the relatively few checkpoints on the rail journey from Ouagadougou to Abidjan has fallen since SITARAIL has taken over management of the line.

SITARAIL charges 425,000 FCFA for a box-car carrying 40 head of cattle from Ouagadougou to Port Bouet. We can compare this to an annual mean of approximately 350,000 FCFA for a lorry plying the same route with 35 head and see that the unit prices are almost equal. Now that rail and road times are comparable and according to the COBERA president, the extortion levels by train inferior to those by road by up to 100,000 FCFA per journey, capacity usage is very high.

A secondary market for livestock wagons continues to operate at Burkinabe stations. SITARAIL deplores this because it offers a reservation service (at a cost of 100,000 CFA per wagon), at least during peak pre-festival periods. In principle, this removes the need for an exporter to bribe a station-master in an attempt to secure priority, at least during periods of peak demand. It seems that a reservation system over the entire year, with lower fees (perhaps variable according to anticipated demand) and well advertised could mop up this market to SITARAIL's benefit. So far however, the company does not appear to feel that stopping the secondary market is a priority. The CNC should collaborate with SITARAIL to establish whether the reservation service works as

conceived. If so, should publicise its existence to exporters, if not, it should work with SITARAIL to devise a superior solution,

Sheep and goats compete seasonally with Burkinabe cotton as cargo for *tomberaux* a particular type of uncovered shallow wagon. In one sense, SITARAIL likes small ruminants as cargo in *tomberaux*. Once they arrive at Port Bouet, herdsman can quickly unload and clean out the wagon, leading to potential turnaround times of as few as four hours. However, in the south-north direction, *tomberaux* carry construction materials, such as pipes and steel sheets, and such cargo may not be immediately available, bringing about significant increases in the net turnaround on the north-south-north cycle. SITARAIL notes that if livestock exporters could take responsibility for finding south north cargoes for *tomberaux* this would decrease the turnaround time and increase SITARAIL's efficiency, for which it might be able to negotiate a discount. The Burkinabe CNC may wish to approach SITARAIL's Ouagadougou office for more details.

Cattle travel in poorly-ventilated boxcars. These are suitable for carrying a diversity of different types of goods on the south-north route and the availability of suitable south north cargo does not provide a constraint that it does for *tomberaux*. The head of UNACEB, himself a large-scale exporter, had tried installing a wooden platform in such a wagon, in order to carry two layers of small ruminants, instead of one layer of cattle. Although the experiment permitted a much higher capacity usage of the boxcar, ventilation needs meant that the platform could not extend over the entire floor area. In addition, once the animals reached their destination he had no convenient use for, or way of repatriating, the planks and nails used, which he valued at about 150,000 CFA. He clearly did not think it a good use of resources because he did not repeat the experiment.

Unlike its predecessors, SITARAIL forbids feeding of animals in its wagons because of concern for the disorganised fashion in which this sometimes happened. However, if exporters can propose and guarantee a feeding procedure acceptable to SITARAIL, the company would be prepared to consider allowing feeding once more. This would contribute to animals arriving at Port Bouet in better condition. The Burkinabe CNC should discuss this matter with officials at the Ouagadougou office of SITARAIL.

SITARAIL has built a holding park for animals boarding its wagons at Ouagadougou. In contrast, the large-scale Burkinabe exporter mentioned above claims he was denied permission to construct his own. In the meantime, it seems that those exporting from Bobo-Dioulasso (in particular) continue to have to cross the town centre during restricted hours to reach the loading point at the station there.

The senior Port Bouet livestock brokers noted improvements in the rail service delivering animals from Burkina Faso but criticised

- the derailments of which they estimated that there had been at least six in 1998 until mid-April

- the lack of first aid available on trains
- long waits for animals in trains in Ouagadougou before departure bandits on trains robbing exporters of money (though not the animals)

SITARAIL should still have operational *Railtracker* software for planning its trains and monitoring their scheduling This would probably include the availability of wagons on forthcoming trains suitable for carrying livestock

4 6 Taxes

Taxation has dropped to a low level since LAP began, but Burkina Faso introduced a new non-negligible export tax in 1996 The problem of extortion en route ebbs and flows with government attempts to reduce the number of checkpoints as a result of road transport strikes or, in Burkina Faso in particular, complaints by the CNC To mitigate the problem of delays and extortion at checkpoints, exporters make use of *societes de convoyage* that offer a bribery service that, in theory, saves the exporter money and - as importantly - time

Taxation

The Burkinabe FODEL export tax

During the early 1990s, CNCs exerted pressure on Malian and Burkinabe governments to reduce export taxation on livestock, with considerable success However, the Burkinabe *Fonds de Developpement de l'Elevage* (FODEL) export tax was put in place in 1995 as a result of pressure from the CNC to build a fund to finance the development of the livestock sector⁵⁵ Exporters pay 1 000 FCFA per head of cattle exported and 500 FCFA per small ruminant 40 percent of the receipts go to a fund to develop the livestock sector, 60 percent go to general government coffers UNACEB officials sit on the committee to allocate the FODEL funds which, in January 1998, were estimated at around 500 million FCFA As of April 1998, the National Assembly had not authorised a programme of activities and the funds were largely blocked

There is a trade-off here Unfettered by export taxes, trade clearly takes place more freely to the benefit of all concerned, particularly the producers and consumers of the commodities concerned On the other hand, if trade is underfinanced, largely because formal financial institutions have not yet put in place mechanisms to enable this, government may have to underwrite loans - and there is some logic in raising the fund for the underwriting the loans from the livestock sector itself

⁵⁵ Loi No 57/95/ADP *Portant modification du code des impots et institution d une contribution du secteur elevage* 21/11/95

Latterly the livestock exporters, who had lobbied for its creation, have argued that, if the funds are not to be used for their intended function, the government should abolish the tax. This would please donors who have long lobbied for duty-free trade within West Africa.

Burkina Faso applies the FODEL tax to foreigners exporting livestock though, unlike Burkinabes, they cannot benefit from it. This may distort the choice of destination of exporters from Niger (towards Nigeria) or Mali (away from Ghana), and dissuade Malians who might have considered trekking through Burkina Faso en route to Côte d'Ivoire from doing so.

Other Export Taxes

In April 1998, rumours abounded that Niger had imposed the equivalent of a FODEL tax on the export of livestock, at a rate of 12,500 FCFA per head of cattle. This was not confirmed and a CILSS expert who had queried it had been told that this was not in fact true.

Both the FODEL tax and rumours of the Nigerien equivalent (whether true or not) inflame Ivorian passions. They argue that if, after all the efforts to reduce barriers to regional trade, Sahelian countries are now to impose new export taxes, they should too. After all, they note, it is they who have received the least support from LAP and who find themselves in the most disorganised state. They too could benefit from the proceeds of such a tax to finance their trade. The *College du Cru* proposes to finance its export development via a FODEL-like tax of 3 FCFA per kilogramme of commodities exported, of which

- 1.5 FCFA would go to a fund to guarantee loans
- 0.5 FCFA would support the *College du Cru*
- 0.5 FCFA would support the CNC
- 0.5 FCFA would support the Ivorian Chambers of Commerce and of Agriculture

Unless Burkinabe government decides not to use the proceeds of the FODEL tax for development of the livestock sector and then removes the tax in response to the pleas of livestock exporters, it seems that this issue will not go away. FERAP or its successor will have to broker a solution on such export taxes. The most efficient solution that would least distort the market would be to eliminate such taxes and provide guarantee funds and financing for CNCs from a mixture of government coffers and contributions from the private sector (the former perhaps matching the latter up to some limit). The most expedient solution would probably be to limit these taxes to some low level (perhaps no more than 0.5 percent *ad valorem*) and make the funds available for livestock-sector development but again using them to leverage private-sector contributions, on a matching basis. In this way the CNC would receive the funds to cover staffing and equipping its secretariat, market information and market research.

Although Mali has resisted the reintroduction of a livestock export tax, its removal in the early 1990s has reduced revenue for the state, and this has not gone unnoticed. In addition, Livestock Service personnel note that, despite the benefit to the livestock sector from the removal of this tax, the level of increased investment in the sector that they might have expected as a result has not, in fact, occurred.

4 7 Extortion and the *Sociétés de Convoyage*

Chapter 3 contains confirmation that agents of the uniformed services at checkpoints in each country continue to use the power they derive from the state and their isolation from oversight and public censure to delay shipments of perishable commodities, including livestock, to exact informal payments from the traders to whom they belong. Agents of the uniformed services (gendarmes, police, customs, water & forest) and of the veterinary services all participate. This informal system of taxation varies according to the number of checkpoints allotted to each service that seems to vary with the time that has elapsed since the latest government attempt to reduce their number, possibly in response to a transport strike called to protest against such abuses of power. Thus the amounts vary with time. They also vary with the amount of haggling that the trader is prepared to do. This in turn, varies with the degree of perishability of his cargo. Livestock is among the most perishable of cargoes and we may suppose that the bribes paid for the passage of shipments of livestock are among the highest. Appendix 3 gives the bribe levels obtaining in April 1998 on four routes from the Sahel to Port Bouet.

Among the uniformed services there is a market for places at the most lucrative checkpoints. A Burkinabe exporter who was haggling with an Ivoirian customs agent at the border asked, as part of the banter, why he was demanding such a large bribe. In reply the agent claimed to have paid his superior 2 million FCFA in order to secure his transfer to the border so that he could make money through bribes, so he had to work hard to get a return on his investment.

To avoid the cost of the associated delays, a trader will generally subcontract his bribery. He hires a *societes de convoyage* a company that comes to an arrangement with senior level officers in one or more of the services so that one of its agents, travelling with the livestock shipment can make a pre-agreed payment at each control post with a minimum of delay. Burkinabe exporters can hire a *societe de convoyage* from major markets and pay for its services right to Abidjan. Or a Nigerien can hire one right from the Nigero-Burkinabe border for the same destination. However no *societes de convoyage* currently operate in Mali, so the Malian exporter hires one from the Ivoirian border,

The *societe de convoyage* has become part of life, despite arguments that using this system only encourages venality. The forces at play here are much larger than the livestock trade unless extortion is taken on head-on by UEMOA and ECOWAS on the one hand and by civil society in central-corridor countries, on the other, it seems that resistance to paying bribes only serves to reduce the trader's profits, possibly to force him out of business. Campaigns against such corruption by individual governments would be less successful because, to a certain extent bribes not paid at one point in the international market chain may be creamed off at another (Rogers, 1997). In the absence of sweeping institutional change the *societe de convoyage* probably represents the optimum.

compromise, in Klitgaard's sense of the minimisation of marginal cost⁵⁶ The next two paragraphs illustrate how much it can bring down costs

Before 1994, Malian exporters paid 150,000 FCFA in bribes along the approximately 350 kilometres from Segou to Zegoua on the Ivoirian border In that year a Malian *societe de convoyage* began operating along the route, charging 20,000 FCFA per lorry and at least halving the time taken However, Segou-based exporters then found they could do the same thing themselves for only 7,000 FCFA, so the *societe de convoyage* went out of business Since then prices have risen again but, because the exporters have established the contestability of the market for bribery, not to levels that they find excessive

In Côte d'Ivoire up until around 1990, Malian exporters paid about 200,000 FCFA in bribes per lorry from the Malian border to Abidjan Then an Ivoirian *societe de convoyage* began business and the cost dropped to 80,000 FCFA Later two other *societes de convoyage* competed for this business and the cost dropped further to 30,000 FCFA From 1996 - 1998, the cost held steady at about 60,000 FCFA As an indication of the relative insignificance of the extortion the exporters face, none had ever changed his route because the bribes demanded were too high⁵⁷

Current *societe de convoyage* rates from Burkina Faso's COBERA are 60,000 FCFA per lorry from Ouagadougou to Abidjan for advice only ("*convoyage simple*")⁵⁸ A more comprehensive package, covering some bribes and unloading at Port Bouet, but not the Burkinabe FODEL export tax or insurance premia (generally not taken), costs 178,000 FCFA This seems high The COBERA president maintains that an exporter meeting all costs himself would pay 3 10,000 FCFA, assuming faux-naively that he does not haggle Appendix 3 (table A3 4) provides the costs of traversing each checkpoint from Ouagadougou to Abidjan in April 1998, with *societe de convoyage* services (13,000 FCFA in Burkina Faso and 32,250 FCFA in Côte d'Ivoire) and without (24,200 FCFA in Burkina Faso and 43,250 FCFA in Côte d'Ivoire) The difference amounts to only 19,200 FCFA, compared to the 178,000 cost of the services rendered by the *societe de convoyage*, suggesting that the exporter pays an unnecessary 158,000 FCFA per trip, or 4,700 FCFA per head of cattle However, if the time saved by using a *societe de convoyage* prevents just one death in transit, the service would approximately pay for itself

⁵⁶ CILSS, FERAP (1998 28) argues that *societes de convoyage* do not in fact, provide useful services for the exporters who employ them and that their presence merely encourages corruption If so it becomes difficult to explain why the exporters continue to employ them

⁵⁷ Members of the Ségou livestock traders association have provided these *societe de convoyage* cost data Note that both in Mali and Côte d'Ivoire, there may be some bribes that *societes de convoyage* cannot pay, because they do not have an agreement with a particular uniformed service, and which the exporters themselves must pay separately

⁵⁸ COBERA is one of three Burkinabe *societes de convoyage* The mission did not query the others on their rates

LAP set as a medium term goal the phasing out of *societes de convoyage*. This seems unrealistic. As long as the uniformed services extort with impunity, there seems no question of phasing out the *societe de convoyage*, which are a symptom of a deeper malaise. Once civil society in these countries has matured to an extent where it can face down such behaviour, the *societes de convoyage* will have no reason to exist.

The Lvoiro-burkinabe *Societe de Convoyage* Wars in Côte D'ivoire

COBERA, the major Burkinabe *societe de convoyage* claims it satisfies all legal requirements to enable it to operate not only in Burkina Faso but also in Côte d'Ivoire where, at least until recently, it has undercut its three Ivoirian rivals. Apparently to restrict COBERA's ability to do business in Côte d'Ivoire, in May 1997, the Ivoirian police and customs, with some support from other parts of the administration, required *patente-paying* Burkinabe traders doing business in Côte d'Ivoire to pay import charges of 1,000 FCFA per head of cattle and 500 FCFA per small ruminant as a contribution to the Ivoirian CNC. COBERA agents refused to pay. The resulting stand-off immobilised a convoy of lorries loaded with livestock at the border. In international telephone calls between Ouagadougou and both Abidjan and a regional capital, government officials confirmed that no law allowed the imposition of this extra payment. The demand for payments stopped immediately and the convoys was allowed to pass, but similar demands were made again in 1998.

In April 1998, the president of the Ivoirian *Conge des Marchands et Importateurs de Betail Viandes et Volailles* claimed that the road north to the Malian and Burkinabe borders was then almost free of delays and extortion at checkpoints.⁵⁹ He attributed this to his having sent members of his syndicate,⁶⁰ paid by the *college* to visit the uniformed extortion. He himself had made a trip to verify what was happening and visited governors along the way to reinforce the message. The *colleges* charges 30,000 FCFA per lorry entering Côte d'Ivoire for this service which, it seems, is an attempt to gain the upper hand in the Ivoirian *societe de convoyage* business by displacing the COBERA's 180,000 FCFA service from Ouagadougou to Abidjan. The syndicate members issue a receipt and a *laissez passer* upon payment at the border. After the end of a grace period that was to have ended at the end of April, those transporting livestock within Côte d'Ivoire without a *laissez passer* were to be arrested. The statistics gathered by the agents who collect this payment are touted as an extra benefits from his system. However, this is merely a gloss on a competing *societe de convoyage* run from within the Ivoirian CNC and designed to up the stakes in a competition between the Sahel and Côte d'Ivoire to extract maximum shares from the rent that can be extorted from threats of delays to perishable cargoes.

In conclusion, we may note that as long as extortion continues at a significant scale along the highways of the central corridor, and as long as governments accept that they can do little about it (to the extent that they licence *societes de convoyage* to mitigate its effects) then the more

⁵⁹ Road haulage unions contradict this assertion. See section 4.5.1.

⁶⁰ Each *college* comprises several *syndicats*.

competition between *societes de convoyage* the better for the efficiency of trade by road in the central corridor. Once the observer accepts that, as long as bribery exists as an economic transaction, a market in it is a natural extension, the only question is how best to optimise this market to reduce the economic rents. As in other markets, free competition seems the best solution, always bearing in mind that this involves optimising a second-best scenario.

The Escort Douanier and the Systeme Grille Plombe

Sahelian exporters of onion also use *societes de convoyage*. However, for road shipments of commodities other than livestock and onions, Mali and Burkina Faso have adopted and applied a *Droits de Traversee* system whereby transporters travelling to Côte d'Ivoire make a single payment as they leave their town of origin and then continue directly to the border. This meets ECOWAS/TRIE requirements for free trade. Côte d'Ivoire has also adopted this system but has not applied it. Instead, Ivorian exporters of commodities other than livestock or onions use the escort *douanier* or customs escort.

The perceived need for control of such shipments stems from the lack of a seal on the open-topped lorries used in order to keep cargoes of agricultural or horticultural produce aerated and cool. Without a seal the Customs Service cannot ensure that the contents have not been tampered with along the way. Therefore from the point of departure within Côte d'Ivoire to the border, a customs official rides with the shipment to vouch for its contents. Theoretically, the Customs Service charges a fee of 0.25 of the CIF price of the merchandise for the escort. However, the Customs Service has the right to require a convoy of a minimum number of lorries before authorising departure. Alternatively, departure may depend on the availability of a customs officer. The Customs Service can thus hold hostage a trader with a lorryload of a perishable commodity who will generally pay extra to speed up departure. However, the presence of the customs officer does not mean that the driver will not be delayed by agents from other uniformed services. Non Ivorians challenge the need for a solution other than the *Droits de Traversee* but the Ivorian Customs Service falls back on arguments of security.

The Ivorian CNC has accepted in principle a solution to the problem of the need for the escort *douanier* in the form of the *grille plombe*, or grill covering the top of the lorry and closed by a customs officer with a lead seal.⁶¹ An unbroken seal at the lorry's destination should guarantee that the load has not been tampered with, just as it would for a completely closed and sealed container.

This solution's proponents believe that it provides the answer to the constraints described above on regional trade in perishables. However, first it needs approval as a regional standard. The Ivorian *College du Cru* the members of which will benefit most from such approval, hopes that the CNC can obtain it via FERAP, UEMOA and Forum West Africa. However, the Malian

⁶¹ A metal grill covers an open-topped lorry full of produce. A cable passes through loops in both the edge of the grill and the top of the lorry. The customs services joins the two ends of the cable with a lead seal.

government notes that its lorry fleet cannot adopt this because 80 - 90 percent of it is poorly adapted to use this method - and other countries may also have this problem

Thus it seems that Côte d'Ivoire rejects the TRIE convention to which it is a signatory and uses a makeshift alternative that everyone except the Ivoirian Customs Service finds awkward. Its new proposed solution is plausible but if it cannot be used in most of the lorries in the central corridor it seems that it cannot become a regional standard. Finding a solution to this problem is important because it holds the potential to allow a blossoming of trade in agricultural and horticultural trade in the central corridor. CNCs and regional organisations should meet to find a compromise or another solution.

A Common Border Post

One of the factors noted above that allows agents of the uniformed services extort successfully is their isolation from oversight. In most checkpoint locations, the possibility oversight is slight, unless considerable effort were to be invested in monitoring the agents. However at one location, the border, this could be automatic. A common border post for government services of two countries would provide the witnesses to limit extortion and allow the border paperwork to be done much more quickly. The unification of border posts across government services and for both countries concerned, as recommended by *Reseau de l'Entreprise en Afrique de l'Ouest* (1997), would be a sign of real international co-operation. The "one-stop shop" thus created would render much more transparent any irregularities (principally bribes and delays) taking place at the border.

4.8 Private-Sector Development

Corporate Structure

One expected result of regional economic integration is the creation of vertically integrated trans-national companies. With ownership in the hands of various nationalities, it will become increasingly difficult to identify the nationality of the livestock or livestock products. Market chains will be orchestrated from extensive production to fattening, marketing and butchery, and even retail sales. As these companies grow the policy questions will change from efficiency of marketing in a context of poor information, too many brokers, road-block delays and unhygienic slaughter to monopoly power. However it will be some time before this latter concern becomes a priority and the emergence of such problems will be proof of success in regional integration. In the meantime one company already shows promise of growing regionally in this way.

In 1995 a dozen Burkinabe livestock traders formed the *Compagnie Burkinabe d'Exploitation des Ressources Animales* (COBERA). The company offers a wide range of livestock services: fattening, domestic butchery, livestock exports on the hoof, by train and by lorry to Côte d'Ivoire and Ghana by land, exports of meat to Gabon by air, and *societe de convoyage* services. Beyond these, it acts as an insurance agent and as a financial intermediary between banks and clients involved in fattening, and offers a research service. In 1997 COBERA had a turnover of 220 million.

CFA, mostly from export business. By the end of 1998 it should be acting as an agent for sales of bovine sperm and has expressed an interest in taking a 60 percent share in the Ouagadougou abattoir, which the government proposes to privatise. It has offices in three coastal countries and seeks modern-sector partners in other West African countries for livestock sector joint ventures.

A plan for the new Abidjan abattoir envisages company stockholders of Malian and Burkinabe citizenship. This would be an excellent way of creating another multi-national modern-sector company, but ground rules would have to be clear and accepted by all parties from the start. In the apparently unlikely case that the *marche regulateur*, or something similar, should come into being at Ferkessedougou, this would also be a candidate for multinational ownership.

CNCs should not imagine that they can easily create instant multi-nationals. However, they can promote the institutional conditions in which trust can grow between operators in different countries, a *sine qua non* for international joint ventures and, eventually, the formation of multi-nationals. In contrast, the current situation of Sahelian dominance of the Ivoirian market is not sustainable regional economic integration. If not brought into the fold, ultimately the Ivoirians will reverse this dominance.

Modernised Butchery

The *Union Nationale des Associations des Bouchers et Charcutiers de Burkina Faso* (UNABOC) was created in October 1997 with several modernising goals. Among UNABOC's proposed activities are the retailing of meat by weight. It has proposed a project to equip Ouagadougou's retail butchers with 100 sets of scales. It also wants to set up a scheme to insure butchers against losses due to seizure of their carcasses during health inspections; stop the abattoir charging butchers for transport of their carcasses from the Ouagadougou abattoir to the retail stalls—a service that is not, in fact, provided; fatten animals before slaughter; obtain access to market information; rationalise the diverse slaughter costs at different Ouagadougou abattoirs; stop clandestine slaughters; differentiate meat by quality.

Several of these ideas have been mentioned many times in many countries without coming to fruition. However, the momentum within the Burkinabe CNC suggests that at least some of these may come to fruition. To the extent that they have implications for central-corridor trade, CNCs should report to each other on the successes and failures of such initiatives, so that lessons learnt in one country can benefit others.

Privatisation of Livestock Markets and Abattoirs

The Malian government has given the management of three major livestock markets—Sikasso, Konna (Mopti) and Segou⁶²—to local associations of livestock professionals. Each

⁶² French aid financed the work at Sikasso where the COBAS association now runs the marketplace (CILSS 1995j). USAID underwrote the work at Segou.

loan to cover the rest. They derive a cash stream from fees received from sellers of animals in the marketplace.⁶⁴ In exchange, the association takes responsibility for the collection of market data for the Livestock Service and for organising the data for a local FM radio broadcast of those data, for which it pays. After paying for these services, the association allocates a further 15 percent of its budget for training its members and banks the rest. The local municipalities receive a proportion of the taxes and, as a *quid pro quo*, ensure that no sales take place outside the walled marketplaces.

In at least one of those markets, Segou, the association is currently considering restricting membership and converting itself into a company. If this happens, it becomes easy to imagine it taking an ownership share - perhaps only a small one - in the new Abidjan abattoir, and gaining a formal contract for a regular supply of cattle to that destination.

At Konna, 40 km from Mopti, traders have sent several lorryloads of cattle to Côte d'Ivoire under contract. To help them win these contracts, USAID has financed livestock scales so that traders can weight animals before dispatch, but these had not arrived as of April 1998. This is significant because Sahelian traders have consistently vandalised livestock scales in their marketplaces that donors or their governments believed they needed. Now it seems to be the traders themselves who see potential trading benefits in having the option of selling by weight.

The improved infrastructure at these markets does not seem to have changed in any way the market chains that pass through them. It is therefore odd that both officials and traders talk about thus having created "terminal" or "collection" markets.⁶⁵ The major changes seem to have been to have created better-equipped major markets and, probably more importantly, to have moved traders along the road towards forming a private company to run them and, presumably, engage in other livestock-sector enterprises, such as abattoir development and meat exports.

⁶⁴ The Segou association, with 97 members, takes in a revenue of about 600,000 FCFA (\$1,200) monthly.

⁶⁵ At Segou, association members stated that Malian traders would be quite happy to surrender to Ivoirian traders the Ivoirian portion of the market chain to Abidjan. Traders, they said, want to avoid the hassles of taking their herds into Côte d'Ivoire and are therefore keen to sell them in these markets, and that these upgraded marketplaces make it convenient for them to do so. However, Malians and Burkinabe have successfully plied the route to Abidjan for decades, weathering problems along the route as they have done so. Recent delays and extortion along the way do not seem more severe than the historical norm. So the incentive for Malian traders to sell at these markets does not seem to have risen above that which existed before the markets were improved. At the same time, officials emphasised that Malian traders are not required to sell their animals when they arrive at these markets. Certainly Malian traders continue to take livestock directly to Port Bouet in significant numbers and those met there made no mention of wanting to stop before they crossed the border. One inference might be that they hope that Ivoirians will come to Sikasso to buy Malian livestock. However, most Malians view Ivoirians buying livestock in Mali with some ambivalence, tending to view them as operating in a badly-organised or illegal way. For instance, at a 1996 meeting in Sikasso (1996 *Resolutions du debat sur l'organisation de l'exportation du Betail*), one delegate spoke strongly against the badly-organised intervention of [livestock] professionals from neighbouring countries in our country [and] proposed research to find commercial outlets other than the Ivoirian market, while another condemned the intervention of foreign professionals in our collection markets with the connivance of certain [Malian] nationals. They certainly do not seem to welcome them into Mali to buy up their livestock. A tentative conclusion would be that it is the associations themselves that hope to benefit from increased sales in these markets and that they, or the companies into which they metamorphose, hope to become more powerful actors in the export market.

In Burkina Faso, the government plans to privatise the Ouagadougou abattoir⁶⁶ Already COBERA, the integrated livestock-services company, has indicated a willingness to take a 60 percent share Assuming that under private-sector management the abattoir operates more efficiently and that the new owners invest in upgrading it, this should permit increase exports both of meat and of skins and hides It may also allow COBERA to increase its air exports of meat to Gabon and possibly to begin exports of meat to other destinations by various transport modes

The constraining factor in meat exports by air is the quasi-monopoly that Air Afrique has on air freight and its handling in many airports in Francophone West Africa, which makes more expensive than elsewhere in West Africa However, Côte d'Ivoire has just opened a new wholesale market in Bouake and has ensured that those wanting to ship high-value fruit and vegetables to Europe from the adjacent airport will not be hindered by this monopoly Moreover, more open borders within the central corridor open up options for flights from non-Francophone countries the COBERA president has done research that shows that airfreight rates from Ghanaian airports are much lower and sees the possibility of slaughtering there and using this cheaper service to increase his profit

Burkinabe operators wonder whether part of the as-yet unused FODEL fund will eventually be channelled into investments (or guarantees for investments) in a cold chain to improve the options on meat exports, not only by air, but also by road or rail Once SITARAIL has completed its upgrading of the railbed between Ouagadougou and Abidjan in 2001, so that derailments become much less frequent, and if the new company SITARAIL intends to set up to supply it with wagons invests in a refrigerated fleet, a Burkinabe company with access to an industrial abattoir could consider exports by rail of a relatively imperishable product to Côte d'Ivoire

CNCs in all central-corridor countries should monitor the evolution of these developments As modern business methods begin to determine the evolution of these nodes in the red-meat sector, the possibilities for privatisation, international joint ventures and multi-national investment will grow This should make livestock marketing more efficient and promote regional economic integration

Training

Traditional traders take no pride in their illiteracy Many of them say that they would prefer to be able to read and write and, already, as we might expect, a higher proportion of the younger generation can do so However, for the illiterate majority, a vicious circle operates They have evolved efficient means of doing business visual estimation of animal value, a range of trustworthy business contacts within the same social milieu and, despite their illiteracy, no lack of numeracy These factors reinforce the status quo Simultaneously, the modern sector rejects them They find banks difficult to use because their numeracy does not extend to book-keeping They hesitate to deal

⁶⁶ Progress towards privatisation appears to have been hampered by a disagreement between two governments ministries—Commerce and Animal Resources

directly with formal-sector companies, such as SITARAIL, and therefore pay considerable sums to intermediaries to represent them. They cannot read government regulations and so find themselves disadvantaged when faced by agents of the uniformed services in all countries who may use disdainful pretence of literate authority when extorting money from them. It would require a quantum leap for them to pull themselves cleanly from the traditional to the modern sector by their own bootstraps.

Traders in Mali who received training from the APEX project voiced appreciation. Moreover, in situations where traders organise, there is evidence that they will find a need for modern-sector skills. Consider, for instance, the association of traders at Segou to whom the Malian government has given collective ownership of the municipal livestock marketplace. They have allocated 15 percent of the revenue thus derived to education of the association's members because without literacy and book-keeping skills they fear that the relative complexity of their association's operations would suffer from bad management.

There is a need to help CNCs devise training strategies that other associations of professionals can implement to provide their members with (a) the basic skills that will allow the associations to function efficiently and (b) will allow members to make use of banking and other modern-sector facilities that they would otherwise eschew.

4.9 Financial Services

Finance

Three financial-sector issues emerge as constraints to the efficiency of the livestock trade:

- credit
- a speedy, reliable, cheap means of repatriation of the proceeds of the sale of livestock
- insurance

Credit

The private sector expresses disappointment at the lack of progress in obtaining formal sector finance for their operations. So do government sectors involved in promoting the livestock sector.⁶⁷ They claim that banks are not interested in requests for loans to be used in the livestock sector. This lack of interest seems to stem from several sources. Firstly, many private livestock-sector operators are illiterate and find themselves removed in spirit, skills and etiquette from the modern financial sector. Many of them recognise this and want training to allow them to approach

⁶⁷ The Director of the Ivoirian Livestock Services asserts that banks in Cote d'Ivoire have no interest providing financial services to the livestock trade—possibly understandably, given the facts that illiterate informal non Ivoirians control most of the trade that Ivoirians have little experience in it, and that the two don't talk to each other. Moreover they advanced no evidence that they had yet tried to court the banks or to set up a guarantee fund.

banks with greater understanding and confidence. Secondly, some operators have little other than livestock to offer as a guarantee for a loan. As livestock is a mobile, perishable commodity, this does not provide the security that banks look for. However, financial institutions may set up other systems of guarantees. Co-guarantors can pledge other forms of security on behalf of the principal borrower. Systems of mutual credit that require members of associations or co-operatives to contribute money to a fund to which a bank lends money for which members are jointly responsible may also provide a solution. Thirdly, banks rarely have loan officers qualified to evaluate portfolios of potential livestock-sector investments. Governments should pressure them to rectify this shortcoming.

No study seems to exist to verify that the sector is starved of capital to promote trade. Most folk just take this on faith. It has been shown in Niger and Chad that the private sector has an efficient parallel capital market for providing credit for trade of agro-pastoral commodities from retained earnings, albeit at interest rates that appear very high relative to those available - to a few - from the formal banking sector (Cook 1990). This informal financial system undoubtedly plays the same role in the central corridor, although it may not do so in a way that meets the finance needs of modern international companies. A study done by, or in co-operation with, a bank should document instances of commercial opportunities lost and inefficiencies generated because of insufficient capital. The results of the study would indicate the weak points in the existing financing of trade and provide criteria for the integration of formal financing into the existing trading system. In the long run, no excess of livestock remains in the Sahel, so in this sense there appear to be no gross inefficiencies due to insufficient capital. However, in delivery of the animals to a choice of destinations. In what ways may a shortage of capital create inefficiencies in these or other areas? Perhaps the traders already have informal credit and just want access to the lower interest rates that the formal sector offers - which would make perfect sense. If their trade is particularly risky - because of animal losses en route, variable prices in destination markets, or uncertain payments when selling on credit in destination markets - banks may be right not to offer livestock traders credit at standard rates, but there should be terms on which it can offer them formal credit of some sort.⁶⁸

In the meantime, as mentioned above, traditional exporters can obtain credit within the informal sector, either in cash or in kind, the latter being more common. They can sometimes obtain credit in cash from family members or from those with whom they have established a favourable credit rating over a period of time. Such credit from anyone outside these circles is rare.

In contrast, credit in kind is easier to obtain. Some herdowners will sell animals on credit to traders, and many trips by road to Côte d'Ivoire are undertaken on a *port dû* basis whereby at least

⁶⁸ It seems likely that a lack of finance produces more inefficiencies in production than in trade. During drought, the financial sector clearly fails traditional pastoralists with few assets other than livestock, although richer herdowners may actually buy animals during drought, and those with more diversified portfolios can juggle these to mitigate their misfortunes. In non-drought periods, the issues become those of financing optimal veterinary inputs and fodder.

some of the cost of transport is paid to the haulier upon arrival at their destination, generally by the sales broker in the destination market in the form of an advance based on the security that the animals themselves represent

Downstream, in most Ivoirian markets, butchers lack working capital and buy animals from traders on credit⁶⁹ For instance, at Bouake about 80 percent of sales are on credit, though in Abidjan cash sales are more common Waiting for repayment of credit takes time, which reduces traders' return to their capital Traders with enough capital to build another trade herd do so when delays in credit repayments look as if they will take as long as a month Those without are constrained to wait and let the return to their investment decline with every passing day

For those Burkinabe exporters who cannot pre-finance the rail transport of their animals to Port Bouet, it can easily take four hours to pay once they have arrived in Abidjan and secured an advance of payment from their sales broker before the wagon continues to Port Bouet In the context of the overall duration of the marketing process, this is not a long period but, when the animals have just completed a 48 - 72 hour journey, the extra wait engenders a relatively high increase in mortality If exporters or brokers post a bond for 10 million FCFA with SITARAIL, their wagons can proceed directly to Port Bouet and they can pay when billed Alternatively, they can pay by cheque if they have current accounts at Ivoirian banks, which is not common

Skills in Selling Business Proposals

Traders' associations need skills in the presentation of specific well-defined export ventures as business propositions They may obtain these skills via training or by employing a member of staff with banking experience (and indeed, experience with a range of modern-sector institutions)

Credit Guarantee Funds

However, at least until livestock export loans become a standard part of West African banks portfolios, credit guarantee funds will make a big difference to whether banks will grant such loans A guarantee (reserve/compensation) fund will reduce the period of time needed before credit is granted Burkinabe traders hope that, when released for the development of the livestock sector, FODEL funds will underwrite bank credit for the purchase of animals and also provide the guarantee needed by SITARAIL to enable their animals to reach their final destination with minimum transit losses

⁶⁹ Butchers tend to pay for individual animals with cash but require credit for groups Responsibility for credit is broker's unless trader overrides his advise on whether to sell on credit About 30 percent of traders arrive at Port Bouet having paid for their lorries The logeur must lend this payment and the means to pay the *taxe municipale* to the *others*

The question arises of which institution should administer the credit guarantee. This will vary by country. In the past, when there has been a Malian credit guarantee for agricultural trade, the Chamber of Agriculture oversaw it.

***Tiers détention* A System to Limit Bank Exposure**

The *tiers détention* contractual system might serve to limit the risk to banks of lending for the export of livestock under contract to Côte d'Ivoire. Under this system, a contract might call for the delivery of 500 head of cattle. Successive shipments of, say, 50 cattle would be delivered to a third party in Côte d'Ivoire who would vouch for their having arrived in good condition and notify the guaranteeing Ivoirian bank to release payment, at which point the next shipment would be sent. Combined with a letter of credit from the buyer's bank and insurance of each shipment, this would leave the bank well protected in case of problems.

Courting the Bankers

Representatives of the major banks should sit on the CNC in each country, so that bankers can see at first-hand the level of cohesion and dedication of the organisation representing traders and can appreciate directly the business problems traders have.⁷⁰ A straightforward and open approach can do a lot to dispel images that nervous or condescending bankers may harbour about illiterate traders in the informal sector where past loans may not always have been used for the specified project.

At the same time, governments must let all banks know that they are prioritising regional trade and want the banks to play a role. Governments should go further, however. They should show that they are prepared to work with the banks to set up mechanisms tailored to the analysis of traders' loan applications and the monitoring of their loan portfolios. To do so they may need the support of projects, such as the FERAP follow-on project, to underwrite a regional scheme to train bank staff to carry out the appropriate analyses in this new area.⁷¹

Traders at Segou in Mali who have recently formed themselves into an association that runs the local livestock market and who experience financial constraints to their trade know that they

⁷⁰ A representative of the *Banque Nationale de développement Agricole* (BNDA) already sits on the Malian CNC. Both the early draft of the decree to create the Burkina CNC and the eventual decree itself included a representative from professional associations for financial institutions on the CNC but for reasons unclear at least until April 1998 no such representative seems ever to sat as a member.

⁷¹ The FGIBV treasurer asserts that finding finance for the sector constitutes the biggest problem for his fledgling organisation. He believes that Malian banks can provide finance and that they already have staff capable of evaluating project proposals but that the stumbling block is the lack of guarantees. He contrasts the Malian situation with that in Senegal where there exists a regional fund for development of the livestock sector administered by banks. It works in tandem with an insurance system and the use of title deeds for property as guarantees to limit losses. He believes that this system has worked well.

need guarantee funds to obtain bank credit. As they weigh up whether to transform themselves into a private company they realise that a *sine qua non* for such a move will be to work closely with banks.

Bankers will be more likely to grant credit and expedite foreign exchange transfers if traders work more with banks in their everyday business, and if they use the bank as the automatic destination of the receipts from their trade. Most traders do not have bank accounts, but many indicate that, in principle, if they could get access to credit and to rapid, reliable international transfers of funds they would certainly open bank accounts. However, some observers take such statements with a pinch of salt: most traditional traders are illiterate and they tend to forget the conceptual difficulties, the unanticipated costs and the indignities they can sometimes suffer as uneducated folk in an alien environment. It will require good faith and real effort on both sides if significant numbers of livestock traders are to become integrated into the banking system.

If no bank branches exist in the locality, the chances of a livestock professional deriving benefits from a bank account diminish. This would be understandable in rural areas but, in fact, it also applies to Port Bouet, site of Abidjan's major livestock market. Both brokers and traders would benefit from the existence of banking facilities there.

In Mali, BDNA already has experience in granting loans to the livestock sector. It has worked with a small peri-urban fattening project that has a guarantee fund that applies to 50 loans with an interest rate of 12% p.a. It financed the export of livestock to Ghana by a bank client who needed 18 million CFA. The client had done his research, including details of taxes and fluctuations of the cedi vs. FCFA, and animal health problems. He worked with a Ghanaian who also had good relations with his bank.

FERAP or its successor should document and critique these and similar experiences in a dossier presented to all banks, formal-sector livestock operators, and associations of traders in the region, prior to a conference on the subject.

Repatriation of Sales Revenue

Despite improvements in the facilities for international repatriation of the proceeds of livestock sales through the banking system, traders still find these unsuited to their needs. While traders in Abidjan are constantly conscious of the dangers of theft at the Port Bouet market and on the journey home, the vast majority still hold and travel with cash receipts from sales - of around US\$ 10,000 per lorryload of cattle. One explanation for this risky behaviour lies in the illiteracy and lack of familiarity with the principles and paperwork of formal banking on the part of the majority. However, even those not disadvantaged in this way make little use of bank transfers. Dissatisfaction

lies not so much in the fees for this service but rather in the delays of approximately a fortnight during which working capital is inaccessible⁷²

As noted above, Port Bouet has no bank branch. It lies approximately 10 kilometres from the city's financial centre. Nonetheless, at one point, the formal banking sector offered a system to repatriate the proceeds of sales at Port Bouet. An agent based there took the money to a bank in Abidjan. It took 15 - 30 days to repatriate to Bamako the revenue of livestock sales at Port Bouet. Traders who tried it found it too expensive and too slow.

Burkina Faso has organised repatriation of sales revenues so that traders returning to Ouagadougou, the capital, from Côte d'Ivoire with a receipt from a bank in Abidjan can get paid immediately. The range of provenances and destinations for which this system works is not clear. Certainly no such arrangement yet exists in Mali (although Bamako, the capital, is off the beaten track for most Malians exporting to Côte d'Ivoire).

Meanwhile, WAEN has promoted contact between banks in many West African countries to make foreign-exchange transfers easier. As such transfers become more common they should become cheaper and faster, particularly when recipient banks are also the lenders of the working capital for the trading venture. To be useful to the majority of Sahelian livestock exporters it should allow such transfers not only to capital cities but also to regional centres.

Insurance

The ability to insure shipments of livestock can make the difference between modest losses and complete ruin for those exporting livestock on a modest scale, particularly those entering the market (who play a role in guaranteeing its contestability). In Burkina Faso, insurance for trade livestock is theoretically compulsory, and livestock exporters have access to insurance for their cargoes against **accidents en route (but not for death or injury to animals due to "wear and tear" during the journey)**. At least one *societe de convoyage (COBERA)* offers this facility for shipments by road. However, traders must hire the *societe de convoyage* as such before they become eligible to buy this insurance. In Mali, insurance services have been available in Segou, and probably in other Malian regional capitals, as well as in Côte d'Ivoire at the border, in the past.

In practice, even among those using the *societe de convoyage* that offer the service, very few insure their livestock shipments by road because of-

⁷² Alternatively traders may invest in at least part of the proceeds of their livestock sales in goods available relatively cheaply in Abidjan for resale in their home markets. However most of the livestock traders are illiterate and specialised only in the livestock trade. They have little knowledge of markets for unrelated commodities and are less likely to find in Abidjan agents for these commodities sharing their cultural background on whom they can depend for market advice. In addition, most traders need to use the proceeds of the sale of one livestock shipment as the working capital for the next, and do not want to risk any delays in the next livestock shipment associated with offloading the non-livestock merchandise.

- perceived high premiums relative to the promised compensation⁷³
- low losses on dying animals slaughtered ritually and sold en route
- delays in receiving the compensation payment
- unease about complex written contracts⁷⁴

In contrast, Burkinabe traders speak with genuine approval of the speed and directness with which SITARAIL reimburses them for losses to rail shipments due to train delays. It seems that insurance for the more common road shipments could become more common if

- insurance could be bought separately from the services of a *societe de convoyage*
- several insurance companies competed for this business, thus providing incentives for reduced premiums and faster reimbursements
- traders received continued information about the advantages of insurance

However, one severely limiting factor to such insurance is the need for verification of the conditions under which animals perish. At the moment the *societe de convoyage* offering insurance has its representative in the cab of the lorry and he can act as a reliable witness in processing claims. Without such a witness, insurance companies would have less confidence in the genuine nature of claim received for losses.

CNCs should try to ensure that a choice of insurance services is made available at major markets with lorry loading points. However, traders are likely to find that banks granting credit will require insurance of the livestock shipments anyway, so there should be no need for CNCs to do more than ensure that the services offered are competitively priced.

Conclusion

The CNCs must act to bring representatives of potential lenders to the sector into the CNC. After initial contacts, they must take care to explain to livestock exporters the concerns and constraints under which the bankers operate and to the bankers the concerns and constraints of the exporters. With the basic parameters defined, the two sides can discuss scenarios under which banks may inject credit into the livestock export trade and speed up the repatriation of sales revenue. Once credit is available from banks, insurance will become a standard accoutrement.

⁷³ Malian exporters interviewed in Segou reported that an Ivoirian insurance company had once proposed insurance for the road transport of their animals but that they had considered the terms unfavourable. For a premium of 40 000 FCFA per lorryload the payout in the case of an accident would only have been 100 000 per head lost.

⁷⁴ For instance 98 percent of the Segou livestock exporters are illiterate and were uncomfortable with insurance conditions that they couldn't read.

4 10 Legal development

Regional Law on Free Trade in Unprocessed Agro-pastoral Commodities

Quite separately from the reform of the international regulation of road transport, there exists international legislation on the trade in unprocessed agro-pastoral commodities. An ECOWAS accord in 1979 established among its member states free trade in unprocessed agricultural, horticultural and livestock products from November of that year. CEAO, which became part of UEMOA, also had similar legislation that was theoretically binding on its member states. However, in practice, these accord have never been applied. Delays, taxes and extortion impose *en route* costs on exporters. The latest example is the Burkina and Togolese application of VAT on livestock imported into their countries, justified in both cases by their preferred readings of conflicting UEMOA texts.

In general, member states should be reminded of the importance of the free trade in unprocessed agro-pastoral commodities, specifically UEMOA should take immediate steps to clarify the non-application of VAT to imports of such commodities.

Formal Contracts

Few livestock traders do business by formal contract, most descend on a final consumption market, usually Port Bouet, with modest market information and try to get the best deal they can. This strategy requires little preparation but risks long waits to sell animals and longer waits for the reimbursement of credit on which some animals are sold. These waits reduce the turnover of capital and the time the trader might be working on building another herd. Nevertheless, it can be rewarding for small-time, streetwise, illiterate traders.

Literate businessmen who work on a larger scale, are capable of planning ahead, and prefer to avoid locking up their capital for uncertain periods, favour written, legally enforceable contracts. Ideally, such a contract reduces their risk, both in the price of the animals sold and the delay before the buyer paid for them. However, when Sahelian and Ivoirian traders have tried to do business through contracts, they have not worked well, for a variety of reasons: the buyer has not paid the seller and the seller has not sought, or not been able to obtain, legal recourse for the default.

- the buyer has not been present when the export herd arrives, forcing the seller to find other buyers
- the buyer has not been able to pre-finance the shipment

The cases described by informants featured no examples of buyers disappointed with the weight or quality of the animals supplied, or with the timing of the arrival of the animals, though these also seem likely to be potential pitfalls⁷⁵

There does not exist a standard contract to delineate the terms of deals made by central corridor traders in livestock or agricultural products. This is a lacuna that a FERAP follow-on project should address, in concert with banks in the countries concerned that may be able to advise on the conditions they require for any credit to be granted to either buyer or seller.

Annexe 4 provides an example of a 1997 contract drawn up between a Malian supplier and an Ivoirian buyer. It concerns a total of 120 fattened oxen - in good health and shape, without injuries, and to be chosen by the buyer - delivered in Yamoussoukro⁷⁶ in two lots of 60, fifteen days apart, at a unit OF price of 130,000 FCFA. The contract specifies payment on delivery to the seller's Bamako bank account. After the test period of two deliveries, the contracting parties would draw up a longer-term contract. Unfortunately the contract never came to fruition, apparently because informally the seller required prepayment for the very first shipment, which the buyer was unable to do⁷⁷.

The Malian Chamber of Commerce favours livestock export sales by contract. It has managed to take a step forward in its trade relations with Senegal by drawing up a framework agreement that sets the groundrules for the trade in Tabaski rams⁷⁸. The chamber drew up this agreement with a view to using it as the first step towards contracts covering most livestock categories throughout the year. In contrast, the chamber has been unable to arrive at a similar agreement with Côte d'Ivoire, apparently because of a conflict between the Ivoirian ministries of Commerce and Agriculture.

⁷⁵ In its experience the Malian Chamber of Commerce has found that prices stipulated in contracts cause problems that justify a clause allowing a review of prices in the light of changing market conditions. In addition detailed conditions on quality also provide problems. At least initially until buyer and seller get to know each other contracts should be restricted to shipments of a single lorryload and should take into account the seasonally changing cost of lorry transport.

⁷⁶ This would probably have been a contract to supply a government institution in the Ivoirian capital (which only Ivoirians can win).

⁷⁷ From the Ivoirian side it seems that first the Malian Chamber of Agriculture required a guarantee that the buyer would pay its *Societe Financiere Agricole* within 30 days of receipt of the animals then the Malian *Agence pour la Promotion des Filieres Agricoles* required verification from the Ivoirian CNC that the Ivoirian CNC would monitor the transaction and finally that the first 120 animals be prepaid. The last of these three conditions provided the sticking point.

⁷⁸ Mali commits itself to organise buyers and sellers in a free untaxed market. Senegal ensures that those buying have, in fact got money to pay for their purchases and that animals exported will not be subject to taxes after having left Mali.

A second difficulty that the Malian Chamber of Commerce has encountered with Côte d'Ivoire is that the Ivoirian judicial system does not punish Ivoirian buyers who cannot pay for livestock they have bought. In this sense, Ivoirians have an automatic right over non-residents. In all countries, there must be equality before the law for foreign traders.

Without observance of this fundamental principle, there is little point in any other efforts to improve trade.

The Malian *Groupement interprofessionnel* treasurer hopes that the CNC can build contacts between Mali and Côte d'Ivoire and that, eventually, Ivoirio-Malian joint ventures will arise in the livestock sector. Such a company could hope to get contracts with the Ivoirian government. Malians must currently subcontract to Ivoirians to obtain such a contract. He also advises that traders must use insurance, which is available in Côte d'Ivoire.⁷⁹ However, he cautions that, overall, even following the best advice, it is much more difficult to make money in the Ivoirian market than in the Senegalese market.

It seems essential that CNCs in central-corridor countries conclude framework agreements, like those between Mali and Senegal, that their nationals can use as prototypes to develop contracts. This will require the expertise both of lawyers in the countries concerned and of seasoned professionals who together can anticipate many of the situations that the contract must address. FERAP or a similar follow-on project could facilitate this process.

Regional Legal Equality

There is resentment that in certain cases - e.g. Sahelian brokers at Port Bouet, non-Malian traders in Mali - professionals from outside do not pay professional taxes that full residents do. There should be a blanket principle that professionals in any country can operate in any other on the same basis as residents, provided they pay their taxes. Beyond this, neither the law nor the trading fraternity within a given country should discriminate against the free region-wide exercise of the right to trade.

In order for the public sector to play its facilitating role credibly, it must be seen to be creating a level playing field. In the context of regional trade, this involves developing a coherent and internationally acceptable balance between supporting the efforts of domestic traders, on the one hand, and providing foreign traders with guarantees of fair non-discriminatory treatment, on the other.

⁷⁹ In the past, the *Syndicat des Importateurs et Exportateurs du Betail et de la Volaille de Cote d'Ivoire* offered such insurance, available at the border on entering Côte d'Ivoire. For a 75,000 premium per lorry, traders who lost animals received 150,000 FCFA per head of cattle lost.

4 11 Market Information System

LAP has failed to put in place a regional livestock market information system (MIS) Such a system would provide the public sector with fodder for its statisticians, bureaucrats and policy-makers and would provide the private sector with up-to-date data to improve the allocation of resources in the marketplace

In 1994, IPC started a modest, sustainable MIS for the key markets in Burkina Faso, Côte d'Ivoire and Mali, using weekly exchanges of faxes between countries, and relying on nodes within each country to disseminate the information as best they could⁸⁰ FERAP intended to take this further using an UEMOA methodology, but has not yet achieved this⁸¹ LAP's MIS goals remain completely unmet Appendix 5 contains a synopsis of national MIS activity in the livestock sector

The development of an MIS has become a priority The thinking and the technology of how this might be done have evolved since the IPC work Optimally, such a system would be integrated into a complete reform of regional trade and the provision of a package of business services, along the lines of the *bourse de fret* set out in CILSS, FERAP (1998 39-50)

- suppression of
 - the customs escort
 - approved routes for foreign lorries
 - quotas for allocation of freight by country of vehicle registration

- introduction of
 - the *grille plombé* system for agricultural and horticultural produce
 - single border posts integrating inspections by all services of both governments
 - easily accessible insurance for shipments

⁸⁰ This modest MIS involved the sharing of information between the major government agencies collecting data in each country, co-ordinated by LAP technical assistance A single sheet containing the tri-national data was made available to the private sector in each country Traders interviewed saw the limitations of this MIS but particularly given the current absence of any routine formal exchange of market information between the countries of the central corridor remember it as a good start For example the president of COBERA already had market data on Cote d'Ivoire but not the Mali data which he found useful In addition, though the MIS data for Côte d'Ivoire differed from the limited data that he obtained through private sources he found that he could usefully interpret trends in the MIS data to supplement his privately obtained data However, he cautioned that traditional private-sector operators would need training before they would be able to draw useful inferences from data of this sort when comparing them to the snippets of data they obtained from colleagues He expressed disappointment that FERAP had not continued and built on the IPC work

⁸¹ FERAP dropped this early central-corridor MIS intending to replace it with a better system based on software that the then newly-created UEMOA had inherited from CEAO on its demise However collaboration with UEMOA to develop and apply the software has not so far resulted in a working system At the same time FERAP declined to continue the publication of the *Echos du couloir central* newsletter developed under LAP that usefully discussed the issues of central corridor trade As with the MIS it appears not to have replaced it with any comparable publication

- elimination of non-border road blocks
 - minimisation the documentation needed for international trade (for the vehicle, animal/plant health, customs, proof or origin)
- reduction to a single tax the payments to government to be made within a given country

Realistically, it may be some time before regional governments reach agreement on these matters and even longer before they come into effect. However, whatever the rate of introduction of these improvements, an information system can usefully serve to improve the allocation of resources, can be put in place independently of progress on other fronts and, indeed, can serve to inform professionals and the general public of progress towards these other needed reforms.

Elements of an MIS

Commodity-market data collection currently takes place in the central corridor, but without set standards within which flexible and appropriate arrangements for transferring and analysing data can take place. Since the end of IPC little regional exchange of data takes place. National dissemination concerns only domestic information. Some radio broadcasting and press coverage of price occurs but without any development of advertising or sponsorship opportunities. Information disseminated takes the form of raw price data, or averages across markets. It does not extend to a wide variety of other forms that businessmen might find useful. No protocols exist for the definitions of commodities or other data elements, for the frequency of collection, or for data storage formats.

With protocols in place, those developing parts of the system can build databases in a variety of ways, according to their interests, their responsibilities and the availability of funds. Those with overall responsibility for the development of the MIS would not necessarily provide much of the data in the system; their job would be to ensure that the system of storage and exchange of data worked efficiently. With protocols in place to ensure this data users could flexibly vary the types of data they wanted to consider.

A comprehensive system would include not only core information on current prices and quantities of the commodities, in particular livestock,⁸² sold in regional markets but also

⁸² Limiting such a system to only livestock information would be a waste of resources though the MIS might start with a first phase dedicated to livestock. The Ivoirian *College du Cru* would find its needs met by such an information system. So for instance would the Malian Chamber of Agriculture which anticipates FERAP installing the national MIS for cereals in its offices.

- prices and availability of inputs to agriculture and livestock rearing⁸³
- transport costs and availability for standard routes by road, rail (via a link too SITARAIL's *Railtracker* database) and air, along with new options such as air-freight services starting from new airports
- infrastructural problems (derailments, road works, inaccessibility of upstream markets during the rainy season, flight delays)
- updates on government policy in each country (taxation, location of checkpoints, animal health and phyto-sanitary regulations, rights and duties with respect to government policy, permitted dues payable to transporters unions, national holidays, etc)
- updated results of *observatoire* findings
- commercial opportunities (updated lists of contacts in different countries, availability of bank credit, traders with partial cargoes looking for complementary freight to specific destinations)
- prices on regional futures markets, as they develop
- world market information (spot and futures prices, harvested quantities in key producing countries, sea-freight rates)

Not all these data would be available immediately. Periodic reviews of professional feedback on the information made available would determine priorities in their continual development.

The trend towards governments contracting out data collection, as in Burkina Faso and Mali, should be extended to all countries involved. It is tempting to suggest that government departments can eliminate agents on the public payroll and rely instead on the private sector to provide the data. However, the need for verification of data collection standards demands some minimum number of technically-trained agents to oversee data quality and to facilitate transmission that cannot fall far below one per region/department/province. There is scope for the implication of livestock-sector professionals in the collection and interpretation of market data. They are well placed to explain the trends they may report.

Governments would be able to make more efficient use of the commercial data that their ministries obtain by including them in the regional database. Government agencies would make these available as public goods (i.e. free to the public). In addition, the value added to standard analysis of these data would be high and these agencies would probably also make the resulting information available as a public good. Certain intermediaries might want to sell their data or sell

⁸³ Despite the importance of agricultural and agro-industrial by products to the intensification of livestock rearing in Burkina Faso and Mali, no one currently collects price data on these. An MRA representative indicated that a unit within the ministry's Direction de la Production et des Industries Animales would soon be tracking these prices. Metzger et al. (1997: 82) noted that Malians fattening operations face problems of a lack of information on prices in both source and destination markets for the animals.

their analyses of data in the public domain. This should be encouraged: traders already pay for key market intelligence from reliable sources.

End-users would access the data via existing media - reports, newspapers, radio and TV broadcasts, data posted in marketplaces - but also through the internet. These diffusion media would vary in their frequency, sophistication and cost. Revenue from advertising and sponsorship would at least partially support diffusion. At one extreme, weekly broadcasts of core information would be free to those with radio sets, at the other, important traders would pay for custom-constructed daily bulletins. In between, a modest trader would perhaps listen to the radio broadcasts, buy a weekly newspaper that contained much the same information, and occasionally pay for a few minutes of internet time on market just before he made some important business decisions.

The system would be computer-based and rely on internet linkages. Those adding information would do so into computer files designed in accordance with the protocols, held in servers that could be national or regional - or pertain to a single market, e.g. Port Bouet. Within broad limits, anyone would be free to build database components according to the system protocol and contribute to the MIS. For instance, traders wishing to promote, say, a wholesale feed market in Ouagadougou could set up a web site promoting it, providing, for instance, commodity price data and delivery costs to major markets. Similarly, a government wishing to act against its uniformed agents' extortion by exploiting the public's ignorance of current statutes could publish the essential information on a web page or as a downloadable file.

Those downloading data - either for direct use or in order to combine them with others - would mostly do so freely. Certain sites would become known for having up-to-date data and useful analyses. They would attract renown and advertisers. Each major town and livestock market would have a node where internet research and downloading would be possible. Initially these would be run by a project or by government agencies. They would download core information and disseminate it locally. They would also offer a research service for businessmen - or others with specific data needs - and they would offer to send and receive e-mail all at a cost. Private-sector agencies or NGOs - such as the associations that run the Konna, Segou and Sikasso livestock markets, exchange market information, and broadcast livestock prices in national languages on local FM radio - would be encouraged to set up in competition.

As a first stage, we might imagine the following project-led scenario with the phased introduction of internet agencies in up to ten locations within each of Côte d'Ivoire, Ghana, Burkina Faso and Mali:

- Port Bouet, Abidjan, Bouake, Ferkessedougou, Yamoussoukro, San Pedro, Odienne, Bondoukou, Man, Abengourou, Mankono
- Accra, Tema, Sekondi-Takoradi, Kumasi, Tamale, Bolgatanga, Bawku, Yendi, Wa, Tumu

- Ouagadougou, Bobo-Dioulasso, Dori, Ouahigouya, Banfora, Pouytenga Kantchari, Dedougou, Fada-Ngourma, Djibo
- Bamako, Gao Mopti, Segou, Sikasso, Kayes, Nara, Bougouni, Tombouctou San

In addition, the following external nodes might be included Niamey Lome, Cotonou Parakou, Lagos, Kano, Monrovia, Kankan National consultants or private companies in each country would install and troubleshoot each set of nodes for some initial period during which they would train staff at each location in how to maintain and best use the computer

If this activity were implemented through a project, the project would co-ordinate with and give responsibility to, various national and local institutions, in order to find the best ways to (a) collect data about the local markets and (b) make available locally/nationally information about regional markets that interest local/national traders Under the overall co-ordination of the CNC these institutions would include national and local radio and TV stations the press existing MISs run by national institutions market researchers, local market authorities traders associations transporters unions, SITARAIL and airlines

Such an MIS may also be integrated into fora in which economic operators can exchange ideas about policy change with government representatives and politicians find potential partners for trade learn more about trends in global trade, and generally access information that might allow them to pursue their trade more fruitfully Virtual workshops will never entirely replace the real kind so necessary to build confidence between traders in different countries, but in some cases they can complement them at much lower cost

Governments may want to use the system to develop their efforts at *trade-based food security* whereby it makes clear to the private sector profitable opportunities as the prices of staples rise to high levels in certain areas Although in each area there will be vulnerable populations that will not be able to afford enough food at market prices to sustain themselves during famine and will therefore ultimately depend on food aid, lowering prices by encouraging private-sector supply will reduce the level of food aid eventually needed If a government wanted to develop the MIS outlined above for food-security purposes, it might increase the density of internet nodes in chronically food-insecure areas and would provide information about the availability for road transporters of backhaul loads, e g fuelwood and livestock

Note that the extent to which such an initiative might benefit from full internet service rather than just an e-mail service, will depend on telephone-line quality However even where telephone service is poor an e-mail linkage will allow the transfer of essential data in and out of the node concerned

5 CONCLUSIONS

This chapter considers which LAP goals have been met and which have not, the causes of success and failure, and lessons for the future

5.1 Summary of LAP Success

Chapter 2 shows that, relative to the 1991 LAP goals

- some have been met due to LAP/CNC activity
 - official taxes have dropped, though Burkina Faso introduced a new export tax, the "FODEL" tax, in 1996
 - Mali has established a *guichet unique*
 - the Malian Chamber of Commerce requirements were dropped
 - the Malian requirement for customs brokerage intermediation has been quashed
 - Ivoirian transport *commerçants unions*' levies have been eliminated
- some have been partially met due to LAP/CNC activity
 - some information has been disseminated on policy change
 - Burkinabe *patentes* have been partially standardised
- one has been met but not principally due to LAP/CNC activity
 - the efficiency of rail transport has improved
- some have not been achieved
 - the technical and economic efficiency of road transport remains low
 - the regional market information system remains unreticulated, unco-ordinated and under-used
 - Burkina Faso has not established a *guichet unique*
 - *societes de convoyage* continue to operate as before
 - the secondary market for rail-cars remains intact
 - SITARAIL does not allow privately-managed loading facilities for livestock travelling by rail
 - despite occasional reductions in the numbers of checkpoints, little long-term progress has been made in eliminating extortion by public officials

Most successes occurred in areas where the Nouakchott Conference of 1992 gave its support. In addition, with the major exception of the lack of progress on a regional MIS, most failures occurred in areas where the Nouakchott did not give its support, probably because delegates from the countries concerned felt that the political will or administrative capacity to **accomplish them existed**

Of goals not met, three are fundamental increased road-transport efficiency, a regional market information system, and reducing extortion Firstly, the medium-term phase-out of *societes de convoyage* is an indicator of reduced extortion, rather than a goal in itself⁸⁴ Secondly if the Burkinabe CNC judges the secondary market for rail-cars of importance it should be able to negotiate another system with SITARAIL, which derives no benefit from the current system Similarly, discussions with SITARAIL suggest that it is not hostile to the idea of privately-managed loading facilities, merely that it has not prioritised these

Since the promulgation of LAP in 1991, new issues have arisen Firstly, certain countries, notably Burkina Faso and Togo, apply VAT to imports of livestock from other UEMOA member states, contrary to the spirit of the UEMOA convention on the trade of unprocessed agro-pastoral products between members Secondly, the livestock sector is becoming more vertically-integrated and more incorporated into the formal sector This leads to the possibility of formal contracts for fattened animals between central-corridor professionals CNCs need help to provide their members with strategic advice and business services, and to put in place model contracts and guarantee funds for investments in the livestock sector

5.2 Marketing Costs

Evidence from chapter 3 suggests that marketing may have become more efficient since the early 1990s, in the sense that the purchase price of the animal represented a higher proportion of the sales price, at least for the major marketing category of cattle transported by road The intervening devaluation of the CFA franc has changed relative values and makes it difficult to assess which factors LAP factors may have brought this about The lower level of official taxation will have contributed, but the major reason seems to be lower transport costs a factor on which LAP activities have had no effect

Transport costs appear to have either held steady in real terms or in the case of lorries from Ouagadougou to have dropped A fall in the real cost of transport jais with the notion that following a devaluation, the real cost of goods and services containing high proportions of imported goods - such as vehicles spare parts and fuel - should rise However in the case of lorry transport from

⁸⁴ LAP includes as one of its "specific measures" for eliminating regulatory and administrative barriers to efficient trade the medium-term phase out of *societes de convoyage* In addition it proposes a series of specific measures to enable it to resolve problems of public administration such as creating an ombudsman office It thus confuses strategies with verifiable indicators *societes de convoyage* are a symptom of a corrupt policy once the underlying reason for their existence disappears, so will they They serve as a measure of the problem and are not the problem itself If *societes de convoyage* exist and governments licence them as a second-best solution to their inability to discipline their agents then, at that level, they become subject to rules of conduct However in the larger sweep of applying policy to dealing with corruption proposals for policy change should be oriented towards the behaviour of the uniformed sources or more fundamentally at civil society, leaving the existence of the *societes de com ovage* to serve as a measure of the seriousness of the underlying problem Without extortion the *societes de convoyage* have no reason to exist

Ouagadougou, this assertion concurs with the COBERA president's statement that transport did not present problems⁸⁵

Losses due to animal mortality en route appear to have risen steeply since 1991. These are largely a function of the *delays en route* (which also contribute to the cost of capital). For the Malian exporters, the costs of such losses exceeded those brought about by bribery, quasi-official taxation and official taxation combined, for the Burkinabe exporters, these costs were lower but exceeded 10 percent of marketing costs.

Quasi-official taxes remained low, particularly in Burkina Faso. Averaged across the cases considered, extortion (and payments to *societes de convoyage* to obviate its effects) had grown to the same level that official taxation had taken in 1991, while official taxation had fallen to the same level that extortion had then taken. It is tempting to assume an inverse relation between the two, suggesting that agents of the uniformed services increase their extortion to offset the reductions in official taxation. One school of thought suggests that there exists a market for taxation and that, in a given context, if formal taxes fall then informal taxes will rise to restore some sort of equilibrium. If so, this would suggest that low levels of official taxation are suboptimal because they result in net "taxation" (official taxation plus quasi-official taxation plus bribes) paid by the exporter of the same level as previously while also lowering state revenues.

If this hypothesis could be verified, then it would be better to apply an export tax, though not to the high levels of the early 1990s, decrease delays by allocating agents accountable to the CNC to monitor and report on delays along the route - by road and by rail - and use the tax receipts to a fund to promote the livestock sector (which would *inter alia* pay these agents). Such a tax need probably not exceed 0.25 percent of the value of the cargo (more than an order of magnitude less than exporters' losses due to animal mortality). This solution would (a) offer the possibility of significantly decrease animal deaths by reducing journey times, (b) allow the livestock sector to have a stake in the quality of the work performed by the agents reporting delays, and (c) steal the thunder from the *societes de convoyage* which would then have little reason for existence. There would be no need to label as "anti-corruption" agents those carrying out this new task. Indeed this would reinforce the same incentive that the *societes de convoyage* have to ensure that the vice they serve to mitigate continues to provide them with employment. It would be better to provide the agents with a wide remit to monitor all sorts of reasons for delays. Their work would be co-ordinated with FOWA's *observatoire* efforts. They would have annual contracts, renewable after reviews of their work by CNC panels including members of the uniformed services. To a certain extent, this may be what the Ivorian CNC was in the process of setting up in April 1998.

The essence of this system would be an information feedback loop on trade problems in general and on problems of extortion in particular. One important adjunct would be to bring civil society into this loop, by making public the results of the information collected, particularly to politicians and the media, thus provoking informed debate in national assemblies and on the air.

⁸⁵ This assessment takes no account of seasonality.

Ultimately, efforts to combat corruption are doomed to failure if they do not capture the public imagination and focus their indignation on such behaviour

The rationale for such action becomes stronger if similar schemes are implemented in all countries through which the shipment passes. Otherwise corrupt government agents in one country may cream off savings on taxation (in its widest sense) in others

Excluding rail transport and considering only transport by road suggests that extortion has remained fairly constant as a proportion of marketing costs, i.e. that extortion levels vary independently of official tax levels. Nonetheless, the proposal for agents accountable to the CNCs monitoring delays may still have merit

The *societe de convoyage* market itself appears to be competitive. In Mali extortion fees are lower than the combination of *societe de convoyage* fees and extortion fees in Burkina Faso. A history of *societes de convoyage* in Mali probably provides agents of the uniformed services with a reminder that the market is contestable and that *societes de convoyage* could again spring up if their rates go too high. Government may informally limit levels of extortion. Three Burkinabe *societes de convoyage* operate in Burkina Faso and Côte d'Ivoire, though the level of competition between them was not measured. The system of policing extortion on Ivoirian roads that the Ivoirian CNC was putting in place in April 1998 amounts to a *societe de convoyage*. However, it intended not to compete with its Burkinabe competitors, so much as to outlaw them. In the short run the new arrangement appeared to offer cost reductions for traders within Côte d'Ivoire but, if successful in suppressing its rivals

5.3 The Future of the Livestock CNCs

The creation of CNCs has had beneficial effects in all three first-wave countries. Burkina Faso enjoyed considerable private-sector organisation at the grassroots level and effective public-private co-operation in policy-making at the national level. The advent of the CNC for the livestock sector in Côte d'Ivoire provoked the reorganisation of structures within it for the horticultural and agricultural sectors. Mali's public-sector-dominated CNC played a part in bringing about a significant streamlining and cost-reduction of the livestock export procedure

However, in each country the CNC has experienced organisational difficulties because of different conceptions of such a body's role and composition, partly due to a lack of internal discipline and maturity and also due to external factors. Both Burkina Faso and Côte d'Ivoire's CNCs are currently emerging from unproductive otiose periods. The inactivity in Burkina Faso derived from (a) institutional immaturity (as indicated by an insufficiently democratic election of office-bearers and an lack of procedures to ensure accountability of use of funds) and (b) governmental infighting. In Côte d'Ivoire the causes were (a) the original conception of the Ivoirian CNC that excluded operators in agricultural and horticultural trade, (b) the exclusion of the traditional, non-Ivoirian operators controlling the vast majority of the trade in livestock from the Sahel by the modern, Ivoirian operators and (c) misplaced expectations about the outside financial support that various activities promoted by the CNC might expect. In contrast after years of

government leadership, Mali has difficulties in getting the private sector to accept the CNC as a body where it should take the lead

There now appears to be a structural convergence towards CNC leadership - if not the presidency - in the hands of the private sector, with public sector participation, consultation and facilitation, and private sector membership in the form of representatives of duly formed associations representing professional specialisations. This is arguably more appropriate than public sector leadership and - where all associations are represented - more democratic than having members without a well-defined constituency

May-June 1998 should have been a key period for CNCs in Burkina Faso, Côte d'Ivoire and Togo. In each case, a creation or restructuring of the CNC should have taken place. At the same time, Mali is making efforts to establish its CRCs and its *Groupements interprofessionnel*. These changes would create national institutional frameworks in better health than they have been since 1996. FERAP and any successor project should take full advantage of such a situation in order to give direct functional support to build strong, inclusive institutions

Attention must be given to the Ivoirian CNC. It is a weak institution, and its confidence in Sahelian CNCs is weak. For the Ivoirians there is little evidence on which to base trust in the benefits of increased trade. Therefore a central part of future LAP work must be a plan geared to restructuring the Ivoirian CNC. It should have four components

- 1 There is a need for a greater transparency in livestock markets through animal sales by weight, at least in some key markets. In this way, modern-sector operators may feel they can compete on a level playing field
- 2 The modern sector needs some form of improved access to finance to enable it to compete in markets thus rendered more contestable. Ensuring that banks or other financial institutions have a place on the CNCs in each country would be a first step to finding a solution to this problem
- 3 The Ivoirian authorities must begin to take the traditional sector seriously. They should include the traditional-sector operators in their discussions on the future of the sector. This means full representation on the CNC
- 4 If the traditional sector wants to be taken seriously then (a) its members must begin paying the *patente* (b) the sector must open itself up to modernisation (e.g. use of written contracts and bank accounts), and (c) members must take the opportunity to take an ownership share in the new market and abattoir when the time comes. The last of these conditions would show a long-term commitment to investing in Côte d'Ivoire and thus go a long way towards rebuilding this group's image in Ivoirian eyes

In building regional markets, nothing substitutes for confidence-building. Traders from the Sahelian countries and Côte d'Ivoire must gradually establish mutual trust and for this, they must

meet face-to-face For faster growth in regional trade, sustained concertation is essential and, by definition, will require continued investments in promoting meetings at levels beyond those that the traders themselves would otherwise make Such meetings might fruitfully discuss finance and a framework contract from the different national perspectives

LAP has worked through CNCs to achieve goals defined in terms of efficient trade and corruption However, it should now broaden these goals to include tasks specific to the professionals in the sector themselves Strengthening the capacity of sector professionals to expand and vertically integrate their businesses and move into the formal sector will give them more of a stake in efficient national economies and make them more likely to influence civil society, bring influence to bear in resolving problems that confront the sector, and lead to increased efficiency, just as much as those listed in the original Livestock Action Plan For this reason the recommendations given in the next chapter include an action area entitled “Bringing traditional -sector operators into the modern economy” The objectives listed there become ends, rather than just means by which other ends may be met

5 4 Training and Business Development

Reports on the livestock sector often urge the “organisation of professionals” suggesting something *dirigiste* to be done to them, rather than attempts to meet their felt needs Happily professionals encountered in all three countries want to be organised and seem quite capable of doing the basics themselves However they very much want training in business skills, policy analysis and in some cases in basic literacy From the upper echelons of the Livestock Services in each country to illiterate livestock traders all parties agree on the need for this

Larger economic units with a need for more formal-sector business methods are emerging from the vertical integration of the livestock sector and privatisation of abattoirs and markets CNCs must have policy analysis advice so that they can devise strategies to encourage and optimise this growth and ensure that professionals have access to business advice credit guarantees model contracts international bank transfers, and training

After six years of LAP, no model written contract for livestock trade within the central corridor exists During this period many attempts to do business by makeshift written contract have come a cropper Although a well drawn-up contract can still result in an aborted business deal it would be helpful to have a standardised document into which feedback could be incorporated This requires legal advice and the input of the few livestock exporters who have completed successful formal-sector contracts Perhaps the first step would be to collect copies of written contracts like that in appendix 4, and find out how useful they were

Banks see the livestock sector as high-risk, they may not have staff capable of evaluating proposals for the financing of livestock trading projects and they may harbour prejudices against what they perceive as a backward sector A series of steps must be put in place to ensure that the financial sector considers traders’ requests for credit seriously These include ensuring that a representative of the financial sector is nominated to and sits on the CNC in each country holding

a workshop to find out what can be done to release constraints to bank credit to the sector, and creation of a guarantee fund for bank loans for formal livestock-sector investment

5 5 Investment in Livestock-Sector Plant

In the past donors have provided much West African livestock-market infrastructure that traders and brokers have ignored or vandalised because the government did not consult them about it. If traders' associations now want to install particular equipment, particularly livestock scales, then this should be considered a significant step. Such investment would play an important part in making the central-corridor livestock market more transparent to Ivoirian modern-sector professionals and therefore becomes of consequence to any future LAP work. Involvement in livestock-market plant has hitherto fallen outside the scope of LAP work, but it would be worthwhile to help CNCs facilitate such investments. The private sector, preferably in the form of an association responsible for the market in question, should pay at least part of the cost of the scales, possibly in the form of a loan.

5 6 Internationalisation

Internationalisation of the livestock trade is to be encouraged. The mistrust that currently exists between Sahel and the coast can be overcome by the experience of businessmen working - and making profits - together. Two ways in which this can come about are through foreign shareholdings in large livestock-industry investments, such as the proposed Abidjan abattoir, and via direct joint ventures between businessmen in different countries. Both depend on confidence in making investments beyond the normal ken. For this, the legal, fiscal and business climate in the other country must inspire confidence. This favours a straightforward legal system that does not discriminate against non-citizens, the absence of VAT on imports or FODEL-like taxes on exports, and the possibility of easily remitted profits.

5 7 The Future Broadening of CNCs

As originally conceived, LAP would limit its role to working to improve the livestock trade in Burkina Faso, Mali and Côte d'Ivoire. Since then three broadening themes have been introduced. Firstly, countries beyond the original three have seen the merit in promoting regional trade and have started their own CNCs. Secondly, Burkina Faso, Mali and Côte d'Ivoire have now included in their CNCs the entire livestock sector, including producers and butchers as well as traders, reflecting the trend towards the tighter vertical integration within their livestock sector. Thirdly, all countries except Burkina Faso and Mali include non-livestock sectors in their CNCs, i.e. to promote exports in a range of unprocessed agricultural and horticultural produce.

These different CNC expansions - geographical, vertical integration within the livestock sector, and into non-livestock commodities - should all contribute to an increasingly economically integrated region. However, they present problems for donors who must decide how to allocate limited funding, particularly when some of the issues raised overlap with those that they already support in fostering trade in a wider sense through WAEN.

If LAP continues in some form beyond the end of FERAP, it must do so in some coherent form. It has several choices that stem from existing activities and recent developments:

- 1 Limit itself strictly to the livestock trade in the countries that have been its focus to date. In this case the major challenge is the modernisation of livestock trade in such a way as to render transparent the trade and to allow entrants from outside the traditional sector while retaining the trust within the traditional sector that underpins the current continuity of supply.
- 2 Expand its purview within these countries to include all agricultural, horticultural and livestock products within these countries. This would allow Côte d'Ivoire to feel that it was getting as much out of donor assistance as the two Sahelian countries. It would also allow greater economies of scale from any developments of transport improvements or market information systems.
- 3 Geographically focus on better-integrated programs that truly incorporate the entire central corridor, including Ghana, Togo and possibly Niger, either limiting itself to livestock or broadening its scope to include agricultural and horticultural commodities.
- 4 Expand its development of the livestock industry in the central corridor by explicitly including the needs of butchers and producers (or at least fatteners) into the development of the sector as a whole. This would require new work on the feed sector and on possibilities for exports of meat by various transport modes to different destinations.

Given that LAP must deal with multi-commodity coastal CNCs it becomes politically difficult to imagine doing so without expanding its range of commodities to include agricultural and horticultural produce that its traders can export to the Sahel. In addition, the livestock trade is unlikely to grow in the long run as the Sahelian population grows. Indeed it may shrink unless fattening increases greatly (Metzel and Cook, 1994). In contrast, the scope for increased production of some agricultural and horticultural crops is significant, if regional trade can be increased. Moreover, many of the LAP issues affect traders in other commodities. And there would be economies of scale in setting up a market information system in common.

The major reason for the current definition of the three-country central corridor seems to be their historical economic isolation from Ghana (and, by extension, Togo largely separated from the three Francophone countries by Ghana). However, geographically, the five countries form an obvious bloc in which to promote trade. As importantly, Ghana's large population and new-found openness to regional trade should qualify it for inclusion. For these reasons, it seems that any LAP follow-on should include all five countries. The inclusion of Niger seems of marginal importance.

A livestock-industry promotion project would constitute a significant departure from the theme of regional economic integration, though it would tend to integrate markets for feedstuffs and veterinary products. However, it would not galvanise the same level of interaction between civil society and the government as the traders do when they insist on less taxation and lower levels of

extortion. In addition, successfully increased trade will provide new market information to producers about what a wider clientele will pay for. A successful integration of markets for unprocessed commodities will generate production. Suggestions for improved livestock trade at the end of the first agricultural fair at Kenedougou in February 1996.

Therefore the preferred solution would be the continuation of LAP as an Agro-pastoral Action Plan, including two-way trade in agricultural, horticultural and livestock trade between Burkina Faso and Mali in the Sahel and Côte d'Ivoire, Ghana and Togo on the coast. This permutation would include more coastal than Sahelian countries. Therefore if CILSS were to house it, it might find itself in an awkward institutional situation, as none of the three coastal countries are members. In addition, such a project would require more resources than LAP. However, it would provide a more cohesive, politically-acceptable package.

5.8 Institutional Affiliations

With what affiliations to which regional organisations should any future LAP project pursue the objective of central-corridor trade promotion? LAP worked with the original three countries via IPC under the joint auspices of CILSS and CEBV. This complementary arrangement provided Mali (as a non-CEBV member) and Côte d'Ivoire (as a non-CILSS member) with direct institutional linkages to the oversight of the project. FERAP is an entirely CILSS project and thus has weaker institutional linkages to coastal countries.

In trying to find an institutional home for any future LAP project working group of countries on regional trade, there is a risk that this goal will lead to a complicated arrangement that provides more problems of liaison than it solves in representativity. Ultimately only ECOWAS's membership includes all the states now included in FERAP's current work, but it is removed from the history and the geographical centre of this work. UEMOA and CILSS are both located in Ouagadougou and might be expected to co-ordinate to host such a project, just like CEBV and CILSS did in the IPC days. The mission did not explore the plausibility of such a suggestion. Ultimately it might just be simpler to allow CILSS to continue to manage such a project.

In discussions of their strengths and weaknesses, neither CILSS nor FERAP⁸⁶ is perceived as having a bias towards a particular country or towards Sahelian countries at the expense of coastal countries. Nevertheless, project support should be seen as supra-nationally neutral and any future project work of this sort would benefit from project staff from coastal countries.

5.9 Regional Institutions

CILSS, ECOWAS, UEMOA and WAEN collaborate through Forum West Africa (FOWA) to harmonise their common interests in trade liberalisation and regional economic development. Their *observation* of transport encumbrances and the *bourse de fi et* that they may champion both

⁸⁶ In interviews. CNC members—and others—tend to confuse CILSS and FERAP.

complement LAP initiatives. One additional task appropriate to them would be the complete revision of the TIE and TRIE conventions as they relate to the transport of agro-pastoral products, to enable faster border crossings and provide less justification for agents of the uniformed forces (principally customs officers) to verify freight. However, as WAEN represents large-scale business interests within the region and has little interest in the livestock or agricultural commodities, a role persists for separate project support to CNCs.

UEMOA must resolve the inconsistency in the interpretation between different member states of the ruling on the applicability of VAT on unprocessed agro-pastoral products.

5.10 Market Information System

A regional market information system, either for livestock or for a range of agro-pastoral produce, can lead to greater profitability for traders and greater efficiency of trade. It can promote decentralisation of resource management by allowing trade decisions to be taken closer to the corresponding production zones. It can promote food security by letting traders know of areas where there are food deficits. Any FERAP follow-on project should take a leading role in building such a system, based on traders' needs, using a range of technologies and output formats, with an eye on cost recovery and sustainability.

Until a decade or so ago, two MISs operated independently in West Africa's livestock markets. Governments collected little-exploited data on prices and numbers of animals presented for sale for their own internal uses, notably national statistics. Meanwhile, traders gathered data on markets they visited, swapped them with other traders, and made phone calls to other markets of interest to put them in commercial perspective. The government did not share its information with the private sector, nor vice versa.

Over the late 1980s and the 1990s, three changes have taken place. Firstly, governments have realised that sharing their data with the public, including traders, provides a valuable public service. Now many governments ensure that a synthesis of their price data appears in the newspapers and, more importantly, is broadcast by radio. Although radio stations' requests for payment limit broadcasts, weekly radio programmes of national market prices have become the norm. In addition, in Mali, FM stations have begun to operate, allowing more locally-targeted broadcasts. Secondly, governments have appreciated that efficient regional markets require more than national livestock price information. They also need livestock prices in a range of external markets, prices and availability of feeds used in fattening, the cost of transport and its availability, and changes in transport conditions (e.g. derailments and road delays).

In addition, those concerned with the efficiency of road transport have bemoaned the lack of information about Sahelian traders looking for lorries to transport cargo (including livestock) south while lorries simultaneously leave the Sahel empty because they cannot locate a backload. They would like to instigate a real-time data-base into which lorry drivers could enter details of their location so that those searching transport could contact them to recruit their services, as part of

creating a *bourse de fret*. Clearly there potentially exists a complementarity of business interests between the trader and the transporter that a real-time data base could realise

Thirdly, within the last few years the technology has become available in West Africa to allow the building of such a system relatively cheaply. Compared to the cost of collecting and organising the data, their transmission - once the most expensive and constraining factor in such an MIS - has become relatively cheap. The possibility now exists of linking key markets within West Africa - or at least the central corridor - by internet and automatically updating databases at each with the latest details of prices and availability of commodities and services (principally transport)

Traders accept that they must pay for information. Fees paid by the lorry driver and trader for each successful bargain concluded on the basis of information from the data base would probably suffice to pay for the full costs of the system. In addition, if traders find that the real-time system is accurate, they might then find it cheaper to pay for Abidjan livestock price data than to phone their friends in the Abidjan market itself, though it would take time to build traders' confidence in such a system. They would be more likely to pay for price information from markets in which they do not have regular correspondents, such as Monrovia or Kumasi.

Governments could benefit from the same information that they can post in markets, relay by radio, and furnish to the press. However, although in some countries the media see market information as an essential part of their business coverage, in contrast in West Africa they tend to charge for the right to diffuse it. There is room here for some demonstration to the media of the demand for such information on the part of their audiences. Corporate sponsors may also solve this problem, as is already the case in Segou, Mali.

5.11 LAP Project Support IPC & FERAP

The pre-1996 IPC implementation of LAP succeeded better in implementing its goals than the later FERAP execution. IPC's work to provide quarterly institutional support and policy advice to the new CNCs, contributed significantly to their initial successes in removing export taxes and administrative delays. It brought representatives together frequently, worked with them on policy analysis, and tried to galvanise an informed debate between the public and private sectors in each central-corridor country. It also provided support services, notably the pilot regional market-information system. In contrast, FERAP procrastinated before taking reinforcing steps to free the Burkina and Ivorian CNCs from the torpor into which each, for its own reasons, fell and that frustrated their contributions to LAP goals. Equally, it allowed the pilot MIS set up under IPC to fold and failed to set up a replacement.

There exists ample documentary evidence that FERAP has been involved in promoting the development of CNCs from many countries over the course of the project's existence. Its reports document meetings bringing together members of CNCs and proto-CNCs to discuss the gamut of market-development and policy harmonisation issues, in each country and at the sub-regional level. These meetings appear to have been positive though it is difficult to quantify how much they have contributed to trade development within the corridor.

There is a role for a more active LAP support to the CNCs to produce an enabling environment. Support should be seen as oriented primarily towards ensuring that CNCs are functional. Within this role technical assistance should also be able to propose creative solutions to problems as they arise, promote dialogue between CNCs and sets of potential international partners and bring in expertise where necessary as the sector formalises, e.g. bankers for credit, lawyers for contracts.

5.12 Donors

Donor co-ordination in LAP activities has presented no problems. This mission has considered USAID-financed CNC activities. CNC members interviewed cited no cases of conflicting or duplicating initiatives, either between donors or between USAID-funded projects. The APEX project in Mali has aided the successful completion of LAP activities and the multi-commodity follow-on project should continue in the same vein.

6 RECOMMENDATIONS

Future work on economic integration should be broadened from working with CNCs responsible for livestock in Burkina Faso, Côte d'Ivoire and Mali to include CNCs in Burkina Faso, Côte d'Ivoire, Ghana, Mali and Togo and all agro-pastoral commodities

CNCs should include participation by representative of road transporters and (where appropriate) railway companies, airline companies and airport management institutions, the uniformed services, and financial institutions

Any future support should promote the following activities within CNCs as the means to achieving economic integration goals

- policy analysis
- training
 - in business management skills
 - for access to finance for marketing and trade in each
 - for international joint ventures in agro-pastoral commodity trade
 - in the development of business plans for fattening, air export, privatisation of markets, etc (as appropriate)
- access to legal advice, advice on insurance, etc for business planning
- in-country dialogue on
 - export taxation (increase in Mali to build bank guarantee fund, decrease in Burkina Faso)
 - minimising the number of road barriers in each country and towards creating single border posts (containing the representatives of each uniformed service for both countries involved)
- frequent exchanges of information with, and six-monthly regional meetings of, CNCs
- collaboration with and support for
 - UEMOA & ECOWAS in the revision of TIE & TRIE
 - UEMOA in clarifying the non-application of VAT to exports of unprocessed agro-pastoral products imported from other UEMOA member-countries
- organisation of conferences, radio & TV programmes for civil society on roadside extortion

Particular effort should be made to obtain full representation of the Ivoirian livestock sector on the Ivoirian CNC, while making the market more contestable for the modern sector Ivoirian professionals

The above activities should be oriented towards the goals listed in table 10. The most important items in table 10 are

- A UEMOA and ECOWAS should consort to
- rule as soon as possible that its member states should not impose VAT on livestock and other primary products imported from other member states
 - reform road transport between neighbouring states and road transport in third countries (between the originating country and the destination country) to
 - minimise regulatory requirements (customs and phyto-sanitary controls)
 - eliminate quotas on lorries of certain nationalities on certain routes
- B Working with CNCs, the eventual co-ordinators, a project should set up an internet-based information system that provides accessible data on trade within the central corridor and later a wider group of countries with mutual trading interests. It should fill the unmet Market Information System proposals of the LAP for livestock. The data-base should be conceived flexibly to allow expansion to cover other variables such as carcass-weights at Abidjan abattoir, prices of foodstuffs and fodder, and world prices for various cash crops. It should also allow traders to learn the location and availability of lorries heading south from diverse locations in the Sahel so as to allow a road-transport freight market to develop. The information should be packaged into daily radio programmes in local languages and, for use by large-scale operators, made available in real time via the internet at key commercial nodes, e.g. capital cities, market towns, border posts. Such information should be sold to cover costs where possible.
- C As part of a re-assessment of tax levels on the trade of agro-pastoral commodities between countries, the countries should consider the possibility of minimising these, subject to a small tax - of no larger than 0.25 percent - that would finance agents who would monitor the extent and causes of delays of shipments travelling by road and rail transport. The agents would be answerable to the CNC and would have annual contracts for as long as their services proved valuable in reducing the total losses to exporters.
- D Burkina Faso should
- create a *guichet unique* as recommended by LAP
 - lower the level of, or eliminate, its FODEL tax on exported livestock. The receipts for this tax do not go to government coffers but rather to a separate fund dedicated to developing the livestock sector. However, disagreement on

how to use the funds means that they just accumulate. Once the CNC has elected new office-bearers, the government should release some of these funds as a guarantee fund for loans to develop the livestock sector. Such loans might encourage further fattening (where this was shown to be economically beneficial), finance trade (where real bottlenecks exist), finance agents answerable to the CNC who would monitor delays to livestock shipments in the country, provide a guarantee of payment to SITARAIL for shipments of livestock arriving in Abidjan to prevent delays in their arriving at Port Bouet. They might also make a contribution to the *observatoire* gathering and examining evidence of extortion along livestock shipment routes. At least until the government releases at least some of these funds for the CNC to allocate, this tax appears to serve no useful purpose. In the longer run, the government should consider lowering the FODEL tax, or eliminating it if the current accumulation of funds can be allocated to a rotating fund to which loan reimbursements are added.

Table 10 Revised Livestock Action Plan goals

Action area	Objectives	Strategies	Specific measures	Responsibility	Time horizon
A Reducing informational & infrastructural impediments to efficient trade	Greater efficiency of rail transport	Improved loading facilities and reservation service	Establish privately managed loading facilities	Burkina, private sector SITARAIL	1 2 years
			Phase out secondary market for rail cars	Burkina, private sector SITARAIL	< 1 year
	Improved information on markets marketing costs, market regulation & transport	Provision of access to real time information at key commercial nodes	Install internet based information system	Multinational with CILSS/ UEMOA role	1 2 years
			Co ordinate collection procedures - Develop standard information packages	Trilateral with CILSS/UEMOA /CEBV support	<1 year
			Timely regional dissemination of information on markets marketing costs & market regulation	Trilateral with private sector input	< 1 year
B Eliminating counter productive and ambiguous regional legislation	Fiscal impediments to trade eliminated	Common interpretation of regional legislation on taxation of unprocessed goods	- Removal of VAT on unprocessed agro-pastoral commodities traded within the region	UBMOA Burkina Faso Togo	< 1 year
			Free routing for road transporters	Trilateral with FWA role	< 1 year
	Deregulation of international road transport (TIE & TRIE)	Elimination of TIE reform of TRIE	- Reform current cargo allocation quotas	Trilateral with FWA role	1 2 years
			Reform of TRIE insurance	Trilateral with FWA role	1 2 years
C Bringing traditional sector operators into the modern sector	Market transparency	Provide the option of selling animals by weight	Provide livestock scales in major regional markets	Trilateral with CILSS support	1 2 years
	Introduction of business services oriented to traders in agro pastoral produce	Make financial services more accessible to traders in agro pastoral produce	- Provide credit guarantees for traders associations - Improve international money transfers	Multilateral with banks	1 2 years
		Provide model contracts for trade in agro pastoral produce	Draft model contracts	Multilateral	< 1 year
		Provide business skills to traders in agro-pastoral produce	- Offer courses in literacy accounting business skills	CNCs	ongoing
D Eliminating regulatory & administrative barriers to trade	Facilitation of livestock trade and reduction of costs	Limit export taxation	Review level of FODEL tax	Burkina Faso	< 1 year
		Make compliance with Cote d'Ivoire's <i>carte d'identite</i> requirements easier	Introduce a recognised <i>carte professionnelle</i> for livestock lorries drivers and herders	Cote d Ivoire	< 1 year
		Simplify export process	- Introduce <i>guchet unique</i>	Burkina Faso	< 1 year
E Resolving problems of public administration	Elimination of rent seeking by public officials and their agents	Installation of mutual verification by uniformed services at border posts	Merge border checkpoints	Various bilateral with UEMOA	1 2 years
		Gather ongoing evidence on the extent and cause of delays to shipments by road and rail	Recruit agents answerable to the CNC to monitor shipments diffuse results	CNCs, uniformed forces	< 1 year
		Institutionalisation of national strategies for oversight & enforcement	- Create <i>ombudsman</i> office or other oversight body	Trilateral plus subregional seminars	1 2 years
		Restructuring of control services	- Revise selection criteria - Change incentive structure - Change penalty structure	Trilateral	1 2 years
		Mobilisation of public support and participation	- Sustained public dialogue on reform	Trilateral on ongoing basis	ongoing

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ANNEXES

ANNEXE 1

Persons Interviewed

United States (8th March - 20th March 1998)

Bonita J Ellison, Program Associate, Management Systems International, Washington, D C

Rod Kite, USAID/AFR/SWA, Washington, D C

Nicolas Kulbaba, Abt Associates, Bethesda, Maryland

Burkina Faso (8th April - 13th April & 24th April 1998)

CILSS

Dramane Coulibaly, Co-ordinateur du projet FERAP

Dr Seydou Sidibe, Conseiller TMG/USAID en Securite Alimentaire au CILSS

Rasmane Ouedrago, Consultant Charge de Sous-Espace Centre

Ministere des Ressources Animales

Yacouba Sanon, Secretaire General

Malgoubri Mathieu, Chef du Service de Promotion des Industries Animales,

Direction de la Production et des Industries Animales

Ministere du Commerce

Andre Tiere, President par interim, Cadre National de Concertation

Private sector

Tapsoba Assimi, Chef des Bouchers de Ouagadougou

Tjiane Barry, Directeur General, Compagnie Burkinabe d Exploitation des
Ressources Animales

Côte d'Ivoire (13th April - 18th April 1998)

Commission Nationale de Concertation

R Azagoh-Kouadio, President

Toure Yacouba, Co-ordinateur Technique

Bledou Konan, President du College des Marchands et Importateurs de Betail et
Volailles (President du Syndicat National des Importateurs et Commerçants de Betail
et Volailles de Côte d'Ivoire, Questeur de l'Assemblée Nationale)

Gbonon Achi Clonso, Secretaire General du College des Marchands et
Importateurs de Betail et Volailles

Fofana Lama, Vice-President du College des Marchands et Importateurs de
Betail et Volailles

Côte d'Ivoire (continued)

Diawara Amine Alama, Membre du College des Marchands et Importateurs de Betail et Volailles (commerçant du Betail)

Sylla Banjali, President du College du Cru

Mme Rose Ake Cho, Membre du College du Cru (Presidente Fondatrice de l'Association des Femmes pour le Progres d'Alepe)

Mme Boni Madeleine, Membre du College du Cru (Presidente de l'ONG Programme et Echos du Developpement de la Femme)

Direction des Transports

N'Guessan N'Guessan, Economiste des Transports et Commerce International

Ministere du Commerce

Kobou Y Jérôme, Sous-Directeur des Relations Commerciales avec les Organisation Internationales et Regionales

Joseph Guillaume Manlan, Sous-Directeur de l'Expansion Commerciale

Ministere de l'Agriculture et des Ressources Animales

Dr Henri Bosse Boazou, Directeur des Productions d'Elevage

SITARAIL

Abdel Aziz Thiam, Directeur General

Mariam C Diallo, Journaliste, Responsable Communication

Ville d'Abidjan

Dr Kouame Kouame Guy Gerard, Sous-Directeur Services Veterinaires Municipaux

Association des Importateurs, Eleveurs et Marchands de Betail de Côte d'Ivoire (*Logeurs at Port Bouet*)

Ali Mandé

Sawadogo Bass Djibril

Les Co-ordinateurs de Côte d'Ivoire (road transporters' *syndicat*)

Doumbia Aboubaker President

Zagbahi Doudou Roger, Secretaire General

Fofana Amara, member

Yao Macaire, member

Camara Mamadou, member

Others

Gnangui Simon, Boucherie St Simon Yamoussoukro

Sambou Sissoko Agent d'affaires

Sekou Toure businessman

Mali (18th April - 24th April 1998)

Assemblée Permanente des Chambres d'Agriculture du Mali

Karamoko Soumounou, President

Banque Mondiale

Diame Youssouf Thiam, Economiste

Banque Nationale de Développement Agricole

Moussa Alassane Diallo, Directeur de l'Exploitation du Réseau

Chambre de Commerce et d'Industrie du Mali

Amadou Mamadou Niangado, Directeur du Centre de Formalités des Entreprises

Co-operative de Marchands et Exportateurs de Bétail du Cercle de Segou

Amadou Koita, Secrétaire

Amadou Bassoum, Charge de l'Information du Marché à Bétail

Yero Gya, Membre de la Commission de Gestion du Marché à Bétail

Baba Traore, Secrétaire aux Conflits

Direction Nationale des Transports

Salhou Guiro, Ingénieur des Constructions Civiles

Fédération des Groupements Interprofessionnels du Bétail et de la Viande

Rene Alphonse, Trésorier Général

Maday Cissokho, animateur du Secrétariat Technique

Ministère du Développement Rural et de l'Environnement

Dr Mamadou Camera, Conseiller Technique

Office Malien du Bétail et de la Viande

Dr Abderamane Coulibaly, Directeur Général

Programme Régional de Renforcement Institutionnel en Matière de Recherche sur la Sécurité Alimentaire au Sahel

Dr Mbaye Yade, Chercheur Associé

USAID/Bamako

Roger Bloom

ANNEXE 2

Chronology

DATE	EVENT	SIGNIFICANCE
1986	The Mindleo meeting (CILSS and Club du Sahel)	Spells out for the first time the need for regional trade in West Africa, specifically between Sahelian and coastal countries
1990	USAID/AFR/WA begins support to regional integration of the livestock trade	Start of research, consensus-building and efforts to improve strategic management of livestock-trade policy in Burkina Faso, Côte d'Ivoire and Mali
October 1990	CILSS's DIAPER II publishes the findings of 1 st phase of <i>Etude des circuits de commercialisation du bétail de la viande et des produits de l'élevage dans les pays du Sahel</i>	Calls for Sahelian countries to devise national policies for livestock and meat marketing that are coherent at the regional level
November 1990	Club du Sahel and CILSS publish <i>West African systems of production and trade in livestock systems</i>	Highlights increasing competition in coastal markets, and importance of a regional perspective on livestock marketing
October 1991	Publication of USAID & World Bank's <i>Livestock action plan for the Mali Burkina and Cote d'Ivoire corridor</i>	Provides a detailed analysis of transaction costs of livestock marketing leading to proposals for increasing marketing efficiency
????	Start of USAID/IPC support to CNCs in Mali Burkina Faso and Côte d'Ivoire	IPC support continued until 1996 and was complemented by assistance to FERAP the West Africa Enterprise Network and Forum West Africa
March 1992	Nouakchott Action Plan (modified version of the World Bank/USAID Action Plan) endorsed by twelve West African nations	Based on consensus and support not vested in a single regional institution and not dependent on major infusions of donor capital or government investment Partly adopts the October 1991 <i>Livestock action plan</i> Proposal to create CNCs
A few months after Nouakchott'	National Co-ordinating Committees formed in Burkina Faso, Côte d'Ivoire and Mali	Inclusive committees set up to deal with an ambitious and heterogeneous set of actions across a broad field of agencies and institutions
August 1992	Club du Sahel & CILSS publish <i>Securite alimentaire et developpement agricole en Afrique de l'ouest qu'attendre de l'integration regionale?</i>	Presents the notion of West African sub-regions as more practical units for economic integration than the entire region

DATE	EVENT	SIGNIFICANCE
4 th quarter 1992	CEBV mission visits Togo	Start of process to create a CNC in Togo
November 1992	French <i>Cooperation &</i> CEBV publish study of trade policy for livestock products in Côte d'Ivoire, Benin, Togo and Cameroon	Makes proposals for harmonising policy and regulating trade in a regional framework
December 1992	First meeting of representatives of national co-ordinating committees in Bamako	Announcement of the ending of quasi-legal border levies on lorries exacted by the Ivoirian syndicates of transporters and traders
first half 1993	Suppression of two taxes on livestock trade in Burkina Faso	Reduces the cost of exporting livestock from Burkina Faso
first half 1993	Harmonisation of the level of the <i>patente</i> in all provinces of Burkina Faso	Promotes equal treatment nationwide for Burkinabe traders
first half 1993	Reduction in the number of road barriers in Côte d'Ivoire and Burkina Faso	Simplification of international lorry transport, less time wasted, fewer opportunities for extortion
first half 1993	Suppression of border levies in Côte d'Ivoire	Ivoirian government implements the Prime Minister's decree announced in December 1992 in Bamako
first half 1993	Progressive simplification of Mali's multi-stage export procedures, replacement with a <i>guichet unique</i>	Simplification of export administration, less wasting of time, less opportunity for licit payments to government agents
March 1993	Creation of Niger's CNC, uniquely for livestock products	President from the Chamber of Commerce, includes members not only from technical ministries and livestock-sector operators but also from donor organisations
????? 1993	West African Enterprise Network founded	Brings representatives of the formal sector together to improve dialogue with the public sector, create appropriate financial instruments, improve competitiveness of West African goods, promote national entrepreneurship
May 1993	Meeting in Cotonou to discuss co-operation between Nigeria, Benin, Cameroon, Niger and Chad	These countries constitute the <i>eastern corridor</i> and their meeting indicates a separate sub-regional initiative paralleling that in the central corridor
June 1993	Malian CNC created	To meet quarterly
September 1993	West African Enterprise Network created	WAEN promotes national private-sector initiatives to improve the business climate in member countries and promote trade and investment in West Africa

DATE	EVENT	SIGNIFICANCE
December 1993	Attempt to hold a meeting of central-corridor ministers responsible for livestock	Not held due to conflicts over sponsorship
January 1994	Metzel & Cook publish <i>Economic comparative advantage and incentives in livestock production and trade in West Africa's central corridor</i>	Demonstrates the fundamental competitiveness of production and marketing of livestock. Calls for devaluation of the CFA franc, unrestricted intra-regional trade, increased market efficiency, rational input use, and product differentiation
January 1994	Devaluation of the CFA franc by 50 percent	Livestock exports become more profitable, imports of meat from the world market become less attractive
February 1994	First issue of <i>Bulletin mensuel cours du bétail</i> appears	Gives monthly information on prices in and supply to key cattle and sheep markets in the three countries, co-ordinated by CILSS
early 1994	Exporters' annual <i>patente</i> rescinded in Mali	Cost of exporting livestock lowered at a time of higher transport costs due to the devaluation of the CFA franc
early 1994	<i>Taxe statistique</i> on livestock removed in Burkina Faso	Cost of exporting livestock lowered at a time of higher transport costs due to the devaluation of the CFA franc
early 1994	Ivoirian ban on all trekking of trade livestock revoked	Measure designed to encourage livestock imports from the Mali & Burkina Faso
April 1994	First issue of <i>Flash hebdo cours du bétail</i> appears	Gives weekly information on prices in and supply to key cattle and sheep markets in the three countries, co-ordinated by CILSS
April 1994	Forum of central-corridor private-sector livestock-sector operators in Segou, Mali	Businessmen in the livestock sector from the three countries consort on regional trade ??
May 1994	Meeting of central corridor CNCs in Ouagadougou	Strategy developed to engage governments at the ministerial level
June 1994	Closure of CEAO	CEAO's functions transferred to UEMOA
June 1994	Burkina Faso unilaterally imposes taxes on products imported from the sub-region	The government claims that CEAO trade accords prohibiting discrimination against regional products are no longer valid
June 1994	Côte d'Ivoire imposes taxes on imported livestock and a customs clearance fee	Burkina Faso's duties provoke countervailing duties and other reprisals from Côte d'Ivoire
July 1994	Ivoirian customs clearance fee dropped, import duties reduced	Ivoirian co-ordination committee obtains concessions from senior customs officials
August 1994	Start-up of UEMOA Member states ????	This organisation combines the roles of the former CEAO and UMOA and aims to create a common market within its member states

DATE	EVENT	SIGNIFICANCE
August 1994	Burkinabe and Ivorian import levies on livestock revoked	After lobbying by national co-ordinating committees, UEMOA ministers meet and decide to ban these opportunistic levies
August 1994	The first meeting of central-corridor ministers responsible for livestock in Abidjan	Follow-on from Nouakchott (1992) Delegations from Benin, Niger and Togo attend with observer status Complemented by meeting of private-sector operators
December 1994	Cinergie dissolved	Disappearance of the designated catalyst for regional co-ordination and reform efforts and for building operation linkages between technical experts in government ministries in the Sahel and coastal West Africa
April 1995	First issue of CILSS's <i>Les echos du couloir central</i> appears	This six-monthly bulletin aimed at national co-ordinating committees provided information on various dimensions of the livestock economy in the central corridor
August 1995	Second meeting of central-corridor ministers responsible for livestock Mali ??	PROPOSED AT FIRST MEETING DID THIS EVER HAPPEN??
September 1995	Creation of the Ivorian <i>Commission Nationale du Commerce du Betail et de la Viande</i>	This is the Ivorian CNC
September 1995	Regional workshop on livestock market and meat information systems, Ouagadougou (with Ghana, Togo & Niger)	Agreement to build a simple information system covering coastal and Sahelian countries with private-sector participation, and co-ordinated by CILSS & CEBV
November 1995	The Enterprise Network's <i>Second regional conference on The challenge of regional economic cooperation a private sector perspective</i> Accra, Ghana	
January 1996	FERAP begins	Through this project CILSS establishes an institutional mechanism for co-ordinating regional policy initiatives
April 1996	CNC workshop, Ouagadougou	Discussion of expanding CNC activity to include food commodities
April 1996	Third issue of CILSS's <i>Les echos du couloir central</i>	This was the last issue of the journal of issues related to the livestock trade in the central corridor
April 1996	Sub-regional meeting of ministers responsible for livestock in the enlarged central corridor, Ouagadougou	Resolutions to evaluate existing information systems improve transport and management of backhaul improve financing mechanisms

DATE	EVENT	SIGNIFICANCE
June/July 1996	Togo takes steps to create its CNC	This CNC covers fish as well as livestock to provide incentives for participation by those in both the north and south of Togo
July 1996	<i>FERAP's first Cadre nationaux de concertation workshop Abidjan attended by 6 central-corridor countries Mauritania and Senegal</i>	Consideration of expanding regional co-operation between CNCs beyond the central corridor and of expanding commodities involved beyond livestock products
November 1996	Creation of Mali's <i>Association Inter-professionnelle</i>	This association brings together representatives of the various livestock-sector professions. It is the organisation through which the private sector may express its viewpoints at meetings of the CNC
April/May 1997	FERAP Second sub-regional workshop to discuss the rôle of the <i>cadres nationaux de concertation</i> (CNCs) of the central subregion	Central subregion expanded to include Mauritania and Senegal
August 1997	Technical workshop <i>Intra-regional trade in horticultural and livestock products in Ghana</i> Accra	FERAP facilitates a meeting of public and private-sector representatives to promote regional integration with the only Anglophone country in the central corridor that had recently lifted quarantine restrictions and reduced taxes on livestock imports
September 1997	USAID publishes Kulibaba's <i>Good governance in sheep's clothing implementing the action plan for regional facilitation of the livestock trade in West Africa's central corridor</i> documenting the experience of the Implementing Policy Change Project	Gives an account of a process-oriented initiative that included all relevant actors and aimed at reducing the costs of cross-border livestock commerce, assisting governments to devise more efficient procedures for the administration of international trade, and promoting negotiated settlements to disruptions to trading activities
October 1997	First meeting of Forum West Africa (WAEN, ECOWAS, CILSS, UMOA)	Brings together WAEN with intergovernmental sub-regional organisations (ECOWAS CILSS and UMOA) to discuss border crossings monetary transfers and transport within the region
March 1998	Forum West Africa second meeting	Continued discussion of three ongoing issues but with possibility of setting up an <input type="checkbox"/> observatory <input type="checkbox"/> to monitor cross-border delays
March 1998	FERAP chairs an Ivoirian CNC meeting	Clears the way for an election of CNC office-bearers

ANNEXE 3

Marketing budgets

This appendix provides detailed tabulations of the four marketing budgets discussed in the text for the traders taking ruminants to Port Bouet market in Abidjan (Côte d'Ivoire) from

Douentza (Mali) - cattle

Segou (Mali) - cattle

Ouagadougou (Burkina Faso) - cattle

Djibo (Burkina Faso) - sheep

For all except the Ouagadougou table, the tables contain details of the litany of bribes payable along the way, with information of location and institutional affiliation of the bribee. The table for Ouagadougou consolidates this information. A separate table provides the full itemisation for four scenarios covering the present level of bribery required with and without the services of a *societe de convoyage* and for both April 1998 and the pre-1977 period that the exporter felt a good historical counterpoint. A summary of these data follows the itemisation.

Table A3 1

Breakdown of marketing costs of a lorryload of 35 cattle
from Douentza (Mali) to Abidjan (Côte d'Ivoire)
including details of where payments were made along the way

	cost per head (CFA) of		Percentage		Comments
	Commercial	Government	of total	of marketing	
	receipt	receipt			
Preliminary payments					
Patente		42	0 0%	0 1%	(22 500 CFA/year 12 trips per year)
Licence		43	0 0%	0 1%	
Certificat provisoire d'exportation		36	0 0%	0 1%	
vaccination certificate		150			
Payments in upstream markets					
traders transport to market	63		0 0%	0 1%	
purchase price	132500		75 7%		
sales commission	2500		1 4%	5 9%	Seller pays market tax of 100 CFA/head
holding costs prior to shipment					(1 week)
Herding	2100		1 2%	4 9%	
Water	150				
lorry rental	17143		9 8%	40 2%	
Douentza transporters union fee		714			
straw on lorry floor	229		0 1%	0 5%	
Payments & losses en route (non-government)					
wages for herders riding in lorry	1143		0 7%	2 7%	Not paid until arrival at destination
food for drovers	286		0 2%	0 7%	
Losses					
1 animal slaughtered and sold	2500		1 4%	5 9%	
2 animals thrown away	7571		4 3%	17 8%	
Payments to officials					
Douentza (Mali)					
Customs		29	0 0%	0 1%	
Gendarmes		29	0 0%	0 1%	
Ati near Mopti (Mali)					
Customs		43	0 0%	0 1%	
Gendarmes & police		29	0 0%	0 1%	
Mauie		57	0 0%	0 1%	
Sevare near Mopti (Mali)					
Customs		43	0 0%	0 1%	
Gendarmes & police		29	0 0%	0 1%	
near Tene (Mali)					
Gendarmes		29	0 0%	0 1%	
Yawa near Tene (Mali)					
Customs		43	0 0%	0 1%	
Gendarmes		29	0 0%	0 1%	

(continued)

		cost per head (CFA) of goods and services			Percentage	
		commercial	government		of total	of marketing cost
			receipt	no receipt		
San						
	Customs		57	0 0%	0 1%	
	Kimparana					
	Gendarmes		29	0 0%	0 1%	
	Entering Koutiala (Mali)					
	Customs		29	0 0%	0 1%	
	Gendarmes		29	0 0%	0 1%	
	Leaving Koutiala (Mali)					
	Customs		29	0 0%	0 1%	
	Gendarmes		29	0 0%	0 1%	
	Veterinarian		29	0 0%	0 1%	
	Entering Sikasso (Mali)					
	Customs		29	0 0%	0 1%	
	Gendarmes		29	0 0%	0 1%	
	In the centre of Sikasso (Mali)					
	Customs		57	0 0%	0 1%	
	Leaving Sikasso (Mali)					
	Customs		29	0 0%	0 1%	
	Gendarmes		29	0 0%	0 1%	
	Zegoua (Malian border post)					
	Customs		143	0 1%	0 3%	
	Veterinarian		14	0 0%	0 0%	
	'bureau de CEAO		43	0 0%	0 1%	
	Gendarmes		57	0 0%	0 1%	
	Before Pogo (Cote d'Ivoire)					
	Police		143	0 1%	0 3%	
	Pogo (Ivoirian border post)					
	Ivoirian Societe de	1571		0 9%	3 7%	(Kounibe)
	Niélic (Cote d'Ivoire)					
	Veterinarian		60	0 0%	0 1%	
	Abidjan (Cote d'Ivoire)					
	Veterinarian		57	0 0%	0 1%	
Payments at Port-Bouet, Abidjan (Côte d'Ivoire)						
	unloading lorry	43		0 0%	0 1%	
	food for owner and drover	171		0 1%	0 4%	
	feed for animals	686		0 4%	1 6%	
	water for animals	343				
	market tax		1100	0 6%	2 6%	
	bus fare home	571		0 3%	1 3%	
	Cost of capital	2208		1 3%	5 2%	
TOTAL						
		171778	2259	1100	175137	
	Total as percentage	98%	1 3%	0 6%	100%	

Table A3 2

Breakdown of marketing costs of a lorryload of 33 cattle
from Segou (Mali) to Abidjan (Côte d'Ivoire),
including details of where payments were made along the way

	cost per head (CFA) of goods and services		Percentage		
	commercial	government receipt no receipt	of total	of mar- keting cost	
Preliminary payment					
<i>Patente</i>		57	0 0%	0 2%	(22,500 CFA/year, 12 trips per
Payments in upstream market					
trader's transport to market	303		0 2%	1 3%	
purchase price	150000		86 3%		
sales commission	1000		0 6%	4 2%	Seller pays a tax of 100
holding costs	186		0 1%	0 8%	(drovers 875 CFA/day, 1
lorry rental	7576		4 4%	31 7%	
loading into lorry					
use of ramp	61		0 0%	0 3%	
Labour	91		0 1%	0 4%	
fee to market co-	76		0 0%	0 3%	
straw on lorry floor	530		0 3%	2 2%	
single animal health payment	167		0 1%	0 7%	
Payments & losses en route					
wages for herder riding in	1212		0 7%	5 1%	Not paid until arrival at
food for drover	57		0 0%	0 2%	
losses (1 dead animal	4545		2 6%	19 0%	
Payments to officials					
Entering Segou (Mali)					
Customs		61	0 0%	0 3%	
Transport union		61	0 0%	0 3%	
Leaving Segou (Mali)					
Police		30	0 0%	0 1%	
Gendarmes		30	0 0%	0 1%	
Entering Bla (Mali)					
Gendarmes		30	0 0%	0 1%	
Leaving Bla (Mali)					
Customs		30	0 0%	0 1%	
Entering Koutiala (Mali)					
Customs		30	0 0%	0 1%	
Police		15	0 0%	0 1%	
Gendarmes		15	0 0%	0 1%	
Leaving Koutiala (Mali)					
Customs		61	0 0%	0 3%	
Gendarmes		61	0 0%	0 3%	
Police		30	0 0%	0 1%	
Veterinarian		15	0 0%	0 1%	

(continued)

	cost per head (CFA) of				of total	of marketing		
	commercial	government		of total				of marketing
			no					
Entering Sikasso (Mali)								
	Customs		61		0 0%	0 3%		
	Gendarmes		61		0 0%	0 3%		
	Police		30		0 0%	0 1%		
In the centre of Sikasso (Mali)								
	Customs		152		0 1%	0 6%		
Leaving Sikasso (Mali)								
	Customs		61		0 0%	0 3%		
	Police		30		0 0%	0 1%		
	Gendarmes		30		0 0%	0 1%		
Zegoua (Malian border post)								
	Customs		152		0 1%	0 6%		
	Veterinarian		30		0 0%	0 1%		
	<i>Entrepots du Mali en</i>		100		0 1%	0 4%		
	Gendarmes 1		61		0 0%	0 3%		
	"another office		61		0 0%	0 3%	(not specified)	
	Gendarmes 2		121		0 1%	0 5%		
Pogo (Ivoirian border post)								
	Ivoirian <i>Societe de</i>	1515			0 9%	6 3%		
	Gendarmes		152		0 1%	0 6%		
	Veterinarian		30		0 0%	0 1%		
Nielle (Cote d'Ivoire)								
	(not specified)		250		0 1%	1 0%		
	Veterinarian		152		0 1%	0 6%		
Ferkessedougou (Cote								
	Veterinarian		30		0 0%	0 1%		
Tafire (Cote d'Ivoire)								
	Veterinarian		30		0 0%	0 1%		
Katiola (Cote d'Ivoire)								
	Veterinarian		30		0 0%	0 1%		
Bouake (Cote d'Ivoire)								
	Veterinarian		30		0 0%	0 1%		
Yamoussoukro (Cote d'Ivoire)								
	Veterinarian		30		0 0%	0 1%		
Timbiti (Cote d'Ivoire)								
	Veterinarian		30		0 0%	0 1%	[Timoudi?]	
Payments at Port-Bouet								
	unloading lorry	33			0 0%	0 1%		
	food for owner and drover	152			0 1%	0 6%		
	feed for animals	636			0 4%	2 7%		
	sales commission	1000			0 6%	4 2%		
	market tax		1100		0 6%	4 6%		
Cost of capital		1417			0 8%	5 9%	1 month @ 20% p a	
TOTAL								
TOTAL		170556	1469	1871	173896			
Total as percentage		98%	0 8%	1 1%	100%			

Table A3 3

Breakdown of marketing costs for a lorryload of 35 cattle
from Ouagadougou (Burkina Faso) to Abidjan (Côte d'Ivoire)

	cost per head (CFA) of goods and services			Percentage			
	commercial	government		of total	of mar- keting cost		
		receipt	no receipt				
Preliminary payments							
	Burkinabe <i>patente</i>		9		0 0%	0 0%	actual for COBERA
	Ivoirian <i>licence</i>		5		0 0%	0 0%	assume monthly trips with 35 cattle
Payments just prior to							
	<i>Authorisation d'exportation</i>		23		0 0%	0 1%	<i>Mairie/Prefecture</i>
	<i>laissez-passer zoo-</i> veterinary check of		150		0 1%	0 4%	
	<i>certificat d'origine</i>		29		0 0%	0 1%	
	customs		36		0 0%	0 1%	Chamber of Commerce
			131		0 1%	0 4%	" <i>etat de chargement</i> "
Payments in upstream							
	trader's transport to		303		0 2%	0 9%	
	purchase price		140000		80 2%		
	sales commission		2000		1 1%	5 8%	
	holding costs						
	security at night		700		0 4%	2 0%	100 CFA/night 1 week
	herders		429		0 2%	1 2%	
	vaccinations/medi		75		0 0%	0 2%	
	lorry rental		10000		5 7%	28 8%	
	loading into lorry		186	114	0 2%	0 9%	
	straw on lorry		500		0 3%	1 4%	
	vaccinations/medic		75				
Payments & losses en route							
	wages for "drover"		1286		0 7%	3 7%	
	food for drover		143		0 1%	0 4%	
	hay		500		0 3%	1 4%	
	animal losses						
	0 2 animals		514		0 3%	1 5%	
	0 8 animals		3200		1 8%	9 2%	
	<i>societe de</i>			5086	2 9%	14 7%	

(continued)

	cost per head (CFA) of goods and services			Percentage	
	commercial	government		of total	of marketing cost
		receipt	no receipt		
Payments to officials en					
	Burkina Faso				
	customs	3000	114	1 8%	9 0%
	police		114	0 1%	0 3%
	gendarmes		114	0 1%	0 3%
	veterinarians		29	0 0%	0 1%
	Cote d'Ivoire				
	customs		657	0 4%	1 9%
	police		114	0 1%	0 3%
	gendarmes		114	0 1%	0 3%
	veterinarians		107	0 1%	0 3%
	<i>Eaux et Forets</i>		14	0 0%	0 0%
Quasi-official payments					
	Burkina Faso				
	transporters union		29	0 0%	0 1%
Payments at Port-Bouet					
	unloading lorry	33		0 0%	0 1%
	food for owner and	152		0 1%	0 4%
	feed for animals	636		0 4%	1 8%
	sales commission	1000		0 6%	2 9%
	market tax		1100	0 6%	3 2%
	Cost of capital	1842		1 1%	5 3%
	TOTAL	163573	4626 6464	174664	
	Total as percentage	94%	2 6% 3 7%	100%	

Table A3 4

Sequential listing of payments made to agents of the uniformed services and others on the road journey from Ouagadougou, Burkina Faso to Abidjan, Côte d'Ivoire, pre-1997 versus April 1998, with and without the services of a *societe de convoyage* (CFA francs per lorryload)

Part A Burkina Faso

	Pre-1997		1998	
	With <i>societe de convoyage</i>	Without <i>Societe de convoyage</i>	With <i>societe de convoyage</i>	Without <i>societe de con-voilage</i>
Leaving Ouagadougou				
police	1000	2400	1000	2400
gendarmes	1000	2400	1000	2400
customs	1000	1000	1000	1000
taxe routiere/droit de traversee				
receipt given (2)	1500	1500	1500	1500
no receipt given (for	1000	1000	1000	1000
syndicat des transporteurs (3)	500	500	500	500
Mobile squads				
gendarmes	1000	2400	1000	2400
customs	1000	1000	1000	1000
Boromo				
customs	1000	1000		
gendarmes	1000	2400		
Pa				
customs	1000	1000		
gendarmes	1000	2400		
Entering Bobo-Dioulasso				
customs	1000	1000	1000	1000
police	1000	2400	1000	2400
syndicat des chauffeurs			500	500
Leaving Bobo Dioulasso				
customs	1000	1000	1000	1000
police	1000	2400	1000	2400
syndicat des chauffeurs			500	500
Entering Toussiana				
customs	1000	1000		
police	1000	2400		
Entering Banfora				
police	1000	2400		
gendarmes			1000	2400
Leaving Banfora				
police	1000	2400		
customs	1000	1000		
Entering Niangoloko				
veterinarian (signature <i>laissez</i>)	1000	1000	1000	1000
gendarmes	1000	2400	1000	2400
Fonds de Developpement de l'Eleavage				
per head of cattle	3000	3000	3000	3000
per small ruminant	250	250	250	250
TS douanes transitaires (against				
Yendere				
police	1000	2400	1000	2400

Part B Côte d'Ivoire

	Pre 1997		1998	
	With <i>societe de convoyage</i>	Without <i>Societe de comoyage</i>	With <i>societe de convoyage</i>	Without <i>societe de convoyage</i>
Laleraba				
police (2)	1000	1000	2000	1000
gendarmes (2)	2000	2000	2000	2000
customs	2000	3000	5000	5000
Water & Forest Resources	500	500	500	500
Quangolodougou				
customs	5000	5000	10000	10000
TS customs (against receipt)	3600	3600	3600	3600
veterinarian				
per head of cattle	250	250	250	250
per small ruminant	150	150	150	150
signature	1000	1000	1000	1000
Ferkessedougou				
customs	1000	2000	1000	2000
police/gendarmerie				
<i>cartes de sejour</i> and <i>carte</i>	2000	2000	2000	2000
veterinarian				
signature laissez passer	500	500	500	500
Badika				
customs	1000	2000	1000	2000
Tafere				
veterinarian (signature laissez	500	500	500	500
gendarmes mobiles (2)			1000	1000
Niankarmadougou				
customs	1000	2000	1000	2000
Entering Bouake				
customs	500	1000	500	1000
police				
lorryload of cattle (2)	2000	2000	2000	2000
lorryload of small	3000	3000	3000	3000
gendarmes				
lorryload of cattle (2)	2000	2000	2000	2000
lorryload of small	3000	3000	3000	3000
Leaving Bouake				
police/gendarmerie				
<i>cartes de sejour</i> and <i>carte</i>	2000	2000	2000	2000
veterinarian (signature <i>laisser-</i>	500	500	500	500
customs	500	1000	500	1000
Lolob				
customs (<i>carte professionnelle</i>)	1000	2000	1000	2000

(continued)

Part B Côte d'Ivoire (continued)

	Pre 1997		1998	
	With <i>societe de convoyage</i>	Without <i>Societe de convoyage</i>	With <i>societe de convoyage</i>	Without <i>societe de convoyage</i>
Entering Yamoussoukro				
veterinarian (signature <i>laisser passer</i>)	500	500		
Leaving Yamoussoukro				
veterinarian (signature <i>laisser passer</i>)	500	500		
<i>cartes de sejour</i> per drover (2 drovers)	4000	4000	4000	4000
police/gendarmes				
lorryload of cattle (2)	4000	4000	4000	4000
lorryload of small ruminants (2)	6000	6000	6000	6000
Toumodi				
veterinarian (signature <i>laisser passer</i>)	500	500	500	500
police/gendarmes (6)	1000	2000	1000	2000
lorryload of cattle (2)	4000	4000	2000	2000
lorryload of small ruminants (2)	6000	6000	3000	3000
customs	1000	2000	1000	2000
30 kilometres from Abidjan				
customs	1000	2000	1000	2000
15 kilometres from Abidjan				
gendarmes				
lorryload of cattle (2)	2000	2000	2000	2000
lorryload of small ruminants (2)	3000	3000	3000	3000
customs	1000	2000	1000	2000
Water & Forest Resources	500	500	500	500
veterinarian (signature)	500	500	500	500
police				
lorryload of cattle (2)	2000	2000	2000	2000
lorryload of small ruminants (2)	3000	3000	3000	3000
Abidjan				
police (<i>carte de sejour</i>)	2000	2000	2000	2000
Port Bouet				
unloading	1500	1500	1500	1500
veterinarian (receipts received)				
per head of cattle	1100	1100	1100	1100
per small ruminant	200	200	200	200
lorry departure (2)	2000	2000	2000	2000

Source Ouedrago Issa COBERA 12 iv 98

Notes

should be the only BF tax

paid by the driver

paid by the driver in 1998

paid by the transitaire

6000 FCFA if small ruminants (for 6 drovers)

gendarmes post no longer there

During the 3rd quarter 1997 there was a transporters strike and some barriers were lifted but only for a week or two

Part C syntheses

	Pre 1997 with <i>societe de convoyage</i>			Pre 1997 without <i>societe de convoyage</i>			1988 with <i>societe de convoyage</i>			1988 without <i>societe de convoyage</i>		
	CFA francs		%	CFA francs		%	CFA francs		%	CFA francs		%
	by country	overall	by country	overall	by country	overall	by country	overall	by country	overall		
Societe de convoyage	178000		78			0	178000		79			0
Burkina Faso												
Customs	8000	38	4	8000	21	11	4000	31	2	4000	17	6
Police	7000	33	3	16800	44	22	4000	31	2	9600	40	14
Gendarmes	5000	24	2	12000	32	16	4000	31	2	9600	40	14
Veterinarians	1000	5	0	1000	3	1	1000	8	0	1000	4	1
<i>Eaux et Forets</i>		0	0		0	0		0	0		0	0
SUBTOTAL	21000	100	9	37800	100	50	13000	100	6	24200	100	36
Côte d'Ivoire												
Customs	15000	53	7	24000	64	32	23000	65	10	31000	72	46
Police	4000	14	2	4000	11	5	4000	11	2	4000	9	6
Gendarmes	4000	14	2	4000	11	5	4000	11	2	4000	9	6
Veterinarians	4750	17	2	4750	13	6	3750	11	2	3750	9	6
<i>Eaux et Forets</i>	500	2	0	500	1	1	500	1	0	500	1	1
SUBTOTAL	28250	100	12	37250	100	50	35250	100	16	43250	100	64
TOTAL	227250		100	75050		100	226250		100	67450		100

	Pre-1997 with <i>societe de convoyage</i>	Pre 1997 without <i>societe de convoyage</i>	1988 with <i>societe de com ovage</i>	1988 without <i>societe de convoyage</i>
Burkina Faso				
Taxes	105000	105000	105000	105000
Q-O taxes	0	0	1000	1000
Illicit payments	with receipt	1500	1500	1500
	without receipt	1000	1000	1000
Paid by transitaire with receipt	3000	3000	3000	3000
Côte d'Ivoire				
Taxes	1100	1100	1100	1100
Quasi official taxes	3600	3600	3600	3600
Illicit payments	police	9000	9000	8000
	gendarmes	10000	10000	9000
TOTALS	134200	134200	134200	133200
Taxes	106100	106100	106100	106100
Quasi official taxes	3600	3600	4600	4600
Driver's payments	21500	21500	20500	19500
Transitaires payments	3000	3000	3000	3000

Table A3 5
Breakdown of marketing costs of a shipment of 200 rams
from Djibo (Burkina Faso) to Ouagadougou (Burkina Faso) by lorry
and then by train to Abidjan (Côte d'Ivoire)

	cost per head (CFA) of		of total	of mar- keting	
	commercia l	no			
Preliminary payments					
	<i>patente</i> (22,500 CFA/year, 12 trips)	100	0 2%	0 8%	
	<i>taxe d'elevage</i>	17	0 0%	0 1%	
	<i>taxe de douane</i>	250	0 6%	1 9%	
Payments in upstream market					
	trader's transport to and from	67	0 2%	0 5%	Use of own mobylette
	purchase price	30000	69 8%		
	sales commission				
	holding costs (drovers 875				
	bran	667	1 6%	5 1%	
	shepherd	250	0 6%	1 9%	
	lorry rental (Djibo - Ouagadougou)	1000	2 3%	7 7%	
	loading lorry at Djibo and				
Payment to officials en route by lorry					
	Yilou (Burkina Faso) customs		167	0 4%	1 3%
Payments at Ouagadougou (Burkina Faso)					
	unloading lorry at Ouagadougou	100	0 2%	0 8%	
	feed for animals				
	straw (5 bales @	83	0 0%	0 0%	
	bran (6 sacks @	400	0 2%	0 6%	
	watering animals (1000 CFA per	83	0 9%	3 1%	
	fee to broker who obtained rail	250	0 2%	0 6%	
	SITARAIL wagon rental	3000	0 6%	1 9%	
	one-way ticket for trader	150	0 3%	1 2%	
	straw on lorry floor	50	0 1%	0 4%	
	loading wagon	37 5	0 1%	0 3%	
	rope to close the wagon door	25	0 1%	0 2%	
Payments & losses en route (non-					
	food	31	0 1%	0 2%	
	losses (4 dead animals thrown	2000	4 7%	15 4%	
Payments to officials en route by train					
	Niangoloko (Burkina Faso border				
	FODEL tax	250	0 6%	1 9%	
	Ouangolodougou (Côte d'Ivoire				
	Police (lack of <i>carte</i>		1000	2 3%	7 7%
	Veterinarian		225	0 5%	1 7%
	Customs		50	0 1%	0 4%
	Police		1000	2 3%	7 7%
	Bouake (Cote d'Ivoire)				
	Police		1000	2 3%	7 7%

(continued)

	cost per head (CFA) of goods and services			percentage		
	commercial	Government		of total	of marketing cost	
		receipt	no receipt			
Payments at Port-Bouet, Abidjan (Côte						
unloading lorry	25			0 1%	0 2%	
food for owner	25			0 1%	0 2%	
feed for animals	165			0 4%	1 3%	
water for animals	20			0 0%	0 2%	
medicine for animals	3			0 0%	0 0%	
market tax		175		0 4%	1 3%	
Cost of capital	341			0 8%	2 6%	2 weeks @ 20% per
TOTAL	38773	792	3442	43006		Independent information
Total as percentage	90%	1 8%	8 0%	100%		

ANNEXE 4

Example of an Ivoir-Malian livestock contract



RÉNÉ ALPHONSE MOHAMED LAMINE
Commerçant Import - Export
B P 8030 - Tél 22 66 80
Bamako

CONTRAT DE VENTE

Pour la fourniture de 120 têtes de boeufs de boucherie

Entre

- d'une part Monsieur Gnanoui Simon (l'acheteur)

Et

- d'autre part Monsieur Rene Alphonse B P 8030 Tel 22 66 80 Bamako (le Vendeur)

Il a été arrêté et convenu ce qui suit

ARTICLE 1er Le Vendeur s'engage à livrer à l'acheteur

* 60 têtes de boucherie au prix unitaire de 130 000 F (cent trente mille francs CFA) tous les 15 jours y compris les frais de Transport Bamako-Yamoussoukro

ARTICLE 2 Les animaux livrés doivent répondre aux conditions suivantes

- Etre en bonne sante
- Avoir une bonne conformation
- Etre indemnes de toutes blessures
- Ne peuvent être pris en compte que les bêtes exclusivement choisies par l'acheteur

ARTICLE 3 Avant l'enlèvement des animaux par l'acheteur ils seront sous la responsabilité du vendeur

ARTICLE 4 L'acheteur s'engage à payer l'intégralité du prix des animaux au vendeur dès l'enlèvement des bêtes

Les paiements se feront par cheque au pres de l'agence Banque Of Africa (B O A) Bamako
Compte N° 016 117 174 0

ARTICLE 5 Apres une periode teste de 2 livraisons soit 120 têtes les partenaires s'engageront par un contrat de plus longue duree

Fait a Bamako, le 22 Novembre 1997

Monsieur Simon Gnanoui
BP 2530
Tel 64 18 35

L'Acheteur

Gnanoui Simon

**RENE ALPHONSE
DIT MOHAMED LAMINE
COMMERÇANT
IMPORT-EXPORT TRANSPORTEUR
TEL 22 66.80 BP 8030
BAMAKO REP. MALI**

Le Vendeur

Rene Alphonse

[Signature]
Boucherie Saint Simon
B P 2530 Yamoussoukro
Tel _____
Le Gérant

ANNEXE 5

Livestock MIS activity by country

Côte d'Ivoire

The profitable Ivorian coffee and cocoa sectors run effective MISs for these commodities without government help. However, other agricultural sectors fare much worse.

Data collection on livestock and meat markets in RCI is poor. It essentially takes place in Port Bouet, the site of Abidjan's major livestock market and abattoir. In March 1997, the *Institut National de la Statistique* started publishing a monthly bulletin of livestock statistics, largely from Port Bouet. Imports of animals by country of origin and by border post of entry are noted on a monthly basis but no market or slaughter data is given for any location other than Abidjan. There appears to be no weekly reporting or broadcasting of livestock market data.

The Director of the Ivorian Livestock Service maintains that the national press is not interested in publishing livestock marketing data, but he notes that the government's *Office de Commercialisation des Produits Vivriers* could include them in its reports. He noted that more than 20 local radio stations have been created in RCI and could, in theory, be used for broadcasting livestock marketing information. However, this seems to be no more than an idea and the local radio stations have not yet started to operate. To remedy this deficit he urges that the Ivorian CDC should be supported to gather and diffuse information. In the case of RCI, the aspiring modern-sector traders who do not benefit from strong informal market information systems to the extent of established traditional traders, would particularly benefit from access to real-time regional market information.

Burkina Faso

There is no co-ordination between the current MISs for cereals and livestock. The FAO is contributing to the establishment of an MIS for fruit and vegetables. DIAPER provides training in the collection and analysis of the data, and help with monitoring of the system. Contract staff increasingly replace civil servants in the collection of market data.

In the early 1990s, BF diffused market information via the press and by radio. Radio broadcasts took place in three languages. The broadcasts started under a BF initiative in 1993 but the radio and newspapers then required payment and so BF looked to USAID/IPC for a subsidy. Unfortunately, by the time it arrived in 1995, the CNC had subsided into its inactive phase after the corruption scandal. Then a French project that

had been paying data collectors came to an end. For these reasons the diffusion did not continue.

BF also produced a booklet for exporters on how to export and another for all traders on market days for all markets in BF. These indicate enthusiasm on the part of the early CNC but must have been of limited practical use.

Mali

The *Office Malien du Betail et de la Viande* (OMBEVI) has run the livestock MIS since the 1980s. It now contracts out much of the data-collection work, retaining only six full-time market data collection agents, as opposed to the 40 it used to employ. OMBEVI wants to link markets by fax or e-mail. It itself already has both but uses neither for exchanges of market data.

OMBEVI currently diffuses market prices via national radio and newspapers with FERAP help. Radio broadcasts started in French and then included national languages. They have taken place with some interruptions over the years, but the Chamber of Agriculture now has a budget to pay for radio broadcasts.

OMBEVI used to send weekly data to FERAP, but FERAP didn't use it so it stopped in early 1997. OMBEVI also contributes data to SOLEGRAL's quarterly newsletter (produced on behalf of the *Conference des Ministres de l'Agriculture de l'Afrique de l'Ouest et du Centre*), its only formal source of livestock marketing data from outside Mali.

Segou exporters interviewed would like market information on supply of livestock to RCI (weekly) livestock prices in Port Bouet, Accra, Monrovia, Libreville, Conakry and Jeddah.