



AGRIBUSINESS AND TRADE PROMOTION (USAID ATP)

In fulfillment of the following deliverable under task B 3.1.1:

Seven Workshops on Key Agricultural and Trade Policy Issues (2 of 7)

Contract/ Project No.: EDH-I-00-00005-08

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



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

In collaboration with:
ACDI/VOCA
CARANA Corporation



USAID
FROM THE AMERICAN PEOPLE

WORKSHOP REPORT: SELECTION OF AGRICULTURAL TRADE POLICY PRIORITIES

USAID AGRIBUSINESS AND TRADE PROMOTION (ATP) PROJECT

April 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by Abt Associates Inc. in association with CARANA Corporation for the USAID ATP project.

Recommended Citation: Ofei, Frank. April 2012. "Workshop Report: Selection of Agricultural Trade Policy Priorities." Prepared by Abt Associates Inc. in association with CARANA Corporation, Bethesda, MD.

Contract/Project No.: EDH-I-00-05-00005-00-08

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



Abt Associates Inc. ■ 4550 Montgomery Avenue, Suite 800 North ■
Bethesda, Maryland 20814 ■ Tel: 301.347.5000 ■ Fax: 301.913.9061
■ www.abtassociates.com

In collaboration with:
ACDI/VOCA
CARANA Corporation

WORKSHOP REPORT: SELECTION OF AGRICULTURAL TRADE POLICY PRIORITIES

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

DISCLAIMER

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

CONTENTS

Contents	iii
Acronyms	v
1. Introduction	1
2. Workshop Proceedings	3
2.1 Program Overview	3
2.2 Plenary Session.....	3
2.3 Overview of ATP Project	3
2.4 Summary of Trade Policy Barrier Assessment Results.....	3
2.5 Recommendations for project priorities	4
2.5.1 Eliminating Seasonal Bans and Restrictions	4
2.5.2 Availability of ECOWAS Documentation	4
2.5.3 Enforcement of ECOWAS Policies.....	5
2.5.4 Policy Compliance by Business Operators	5
2.5.5 ATP Advocacy Plans	5
2.5.6 Creation of Business and Interprofessional Associations	5
2.5.7 Vat on ECOWAS Imports and Business Taxation.....	5
2.5.8 Formulation of Regional and National Agricultural Investment Programs	5
2.5.9 Eliminating Check Points and Roadblocks.....	6
2.5.10 Compliance with Axle-Load Regulations	6
2.5.11 ECOWAS Pilot Scheme on Free Movement	6
3. Conclusion and Recommendations	7
3.1 Convergence of ECOWAS/ATP Objectives.....	7
3.2 Follow-Up Actions.....	7
Annex 1 List of Participants	9
Annex 2 Workshop Program	11

ACRONYMS

ATP	Agribusiness and Trade Promotion Project
CET	Common External Tariff
COFENABVI	<i>Confédération des fédérations nationales de la filière bétail/viande de l'Afrique de l'Ouest</i>
ECOWAP	ECOWAS Agricultural Policy
ECOWAS	Economic Community of West African States
ETLS	ECOWAS Trade Liberalization Scheme
FCFA	West African CFA Franc
FODEL	<i>Fonds de développement de l'élevage</i> (Livestock Development Fund)
LOP	Life of project
NAIP	National Agricultural Investment Program
OPA	<i>Observatoire des pratiques anormales</i> (Observatory of Road Malpractices)
PPP	Public-private partnerships
RAIP	Regional Agricultural Investment Program
TNCB	Trade Negotiations Capacity Building
UEMOA	<i>Union économique et monétaire Ouest Africaine</i> (West African Economic and Monetary Union)
USAID	United States Agency for International Development
VAT	Value-added tax
VCDP	Value chain development plan

I. INTRODUCTION

The Agribusiness and Trade Promotion (ATP) project, in collaboration with the Economic Community of West African States (ECOWAS), organized a workshop on September 24 and 25, 2009, at the ECOWAS Commission in Abuja, Nigeria. The objective of the workshop was to make a presentation to officials of relevant ECOWAS departments, representatives of the ATP value chains, and the Nigerian media on progress of the ATP project and discuss the findings and recommendations of its study on trade policy barriers for the purpose of identifying and agreeing on a set of agricultural trade policy barriers to be eliminated on a priority basis. Twenty-eight people were involved in the workshop. These included four ATP personnel (Ismael Ouedraogo, Chief of Party; Frank Ofei, Policy Advisor; Felix Deyegbe, Communication and Outreach Specialist; and Margaret Dzakpasu, Finance and Administration Officer). Annex I presents a list of workshop participants.

2. WORKSHOP PROCEEDINGS

2.1 PROGRAM OVERVIEW

The first day of the workshop was devoted to plenary sessions. During the second day, ATP and value chain representatives visited representatives of specific ECOWAS Commission departments for technical discussions with ECOWAS schedule officers on policy- and sector-specific issues. Due to a scheduling conflict, the wrap-up session planned for the afternoon of the second day was replaced with a debriefing with officials of the Agriculture Department. Annex 2 presents the workshop program.

2.2 PLENARY SESSION

The plenary session was opened by the ECOWAS Director of Agriculture and Rural Development. In his statement the Director expressed appreciation for the efforts being made by the ATP project to facilitate the expansion of intra-regional trade in West African agricultural products. He invited all participants to contribute to the deliberations so that ATP would have the benefit of their experiences and knowledge in shaping the project's policy interventions.

2.3 OVERVIEW OF ATP PROJECT

A general presentation on the ATP project was made by the ATP Chief of Party. During this presentation, the Chief of Party stated that the project objective of increasing the volume and value of intra-regional trade in selected agricultural staple foods was being pursued in various ways, such as drawing up value chain development plans (VCDPs) with the active involvement of value chain actors; training livestock and onion value chain actors in advocacy and assisting them to formulate advocacy plans in these two value chains, in preparation for future campaigns by their regional organizations to improve the business environment; devising specific measures for improving the regional market information system; developing a warehouse receipt program to improve storage of products, enhance price stability, and increase access to affordable credit; helping to reduce transport costs; and strengthening the capacity of operators to benefit from the ECOWAS regional policy reforms.

2.4 SUMMARY OF TRADE POLICY BARRIER ASSESSMENT RESULTS

Following the general presentation, the ATP Policy Advisor presented the findings and recommendations of a study on Trade Policy Barriers Assessment. The presentation highlighted the main policy constraints confronting the value chain operators, particularly traders and transporters of onions and shallots, livestock, and maize traded between the land-locked and coastal countries. On the basis of these findings, the emerging ATP policy priorities were given as the following:

- Eliminate duties and taxes on ATP products
 - Import duties charged by Burkina Faso on Niger onions in transit to coastal markets
 - High statistical tax imposed by Niger on onions exports

- Value-added taxes (VAT) and other charges levied by Senegal on Malian livestock exports to Dakar market
- Livestock Development Fund (FODEL) tax imposed by Burkina on livestock exports
- Transit fee (*taxe de traversée*) levied by Burkina and Ghana on Malian livestock in transit to Kumasi and Accra markets
- Eliminate non-tariff barriers on ATP value chain products
 - Excessive border procedures, and extortion and harassment at numerous road-blocks and check-points in all the countries
 - Seasonal ban on maize exports imposed by Burkina, Benin, and Togo
 - Prior authorization of livestock export required in Mali
 - Foreign exchange restrictions on fund transfer, particularly transactions between West African Franc (FCFA) and cedi and naira monetary unit zones
- Facilitate investments for upgrading market and road infrastructures

The points raised and policy proposals outlined above were discussed during the subsequent sessions and technical meetings with the ECOWAS departments leading to a series of recommendations as discussed below.

2.5 RECOMMENDATIONS FOR PROJECT PRIORITIES

ECOWAS and its member countries must take steps to promote commitment to policy implementation and reduce the adverse effects of regional policies. For example, the creation of a viable regional food security program is a necessary measure to accompany the elimination of the practice of food export bans (a non-tariff barrier). ATP and ECOWAS should encourage the relevant national agencies to produce useful trade statistics to justify imposition of statistical taxes by those countries such as Niger than employ them. Likewise, the authorities in Burkina Faso should facilitate the operation of a credible livestock development program with the proceeds of the FODEL tax. Specific policies and measures meriting particular attention are described below.

2.5.1 ELIMINATING SEASONAL BANS AND RESTRICTIONS

The political undertones of bans must be minimized by enforcing adherence to the ECOWAS free trade provisions on elimination of non-tariff barriers and the operation of a free market system. The proposed adoption of a credible regional food security program should be accompanied by an accompanying, complementary, and consistently applied agricultural policy to support that program.

2.5.2 AVAILABILITY OF ECOWAS DOCUMENTATION

The ECOWAS Communication Department, working with the other technical departments, should establish a system to communicate ECOWAS policies and information to stakeholders, and publicize the location of ECOWAS Information Centre(s) in each country. In this regard, the ECOWAS Communications Department should be closely involved with executing the communication component of the ATP project.

2.5.3 ENFORCEMENT OF ECOWAS POLICIES

ECOWAS should address, on a priority basis, the issue of enforcing compliance with Community policies and regulations affecting agricultural trade. This would entail the formulation and adoption of very clear and simple procedures. These instruments oblige countries to conform to regional rules and regulations, facilitate policy implementation, and enforce application of sanctions for non-compliance. In order to ensure effective regional policy implementation, ECOWAS should introduce a system of adoption and implementation of national action plans, and should have country performance monitored on a regular basis.

2.5.4 POLICY COMPLIANCE BY BUSINESS OPERATORS

The participants stressed the advantages of complying with regional/national policy regulations and norms: sane and attractive business environments, stable conditions for longer-term business planning, reduced vulnerability to official harassment, and enhanced access to credit and other formal sector facilities. ATP was encouraged to facilitate the strengthening of the capacity of value chain actors to operate within industry norms; the project should plan regional interprofessional workshops on educating the business community to operate in the modern rules-based economy.

2.5.5 ATP ADVOCACY PLANS

ECOWAS was urged by the value chain actors to support the ATP initiative of encouraging the value chain actors to pursue advocacy activities, since this would help ECOWAS achieve a greater degree of regional policy compliance by countries. ECOWAS's Private Sector Department should develop partnerships with ATP value chain interprofessional associations as part of its strategy to encourage all countries to adhere to Community decisions and regulations. In this regard, the proposal to train industry actors under the ECOWAS Trade Negotiations Capacity Building (TNCB) project should be pursued in the coming months.

2.5.6 CREATION OF BUSINESS AND INTERPROFESSIONAL ASSOCIATIONS

As part of its ongoing program of mobilizing the private sector operators, ECOWAS's Private Sector Department should complement the ATP effort of strengthening interprofessional associations. ATP and ECOWAS must encourage the creation of national professional associations to complement the establishment and functioning of corresponding regional business bodies. Examples of such initiatives include ECOWAS supporting the creation of a regional maize value chain organization, and encouraging non-UEMOA (West African Monetary Union) countries to join the regional cattle and meat association (known by its French acronym, COFENABVI).

2.5.7 VAT ON ECOWAS IMPORTS AND BUSINESS TAXATION

It is necessary to use a common VAT policy to harmonize internal indirect taxes and avoid the danger of unilateral manipulation of internal taxes to make up for lost customs revenue resulting from the application of ECOWAS Trade Liberalization Scheme (ETLS) and the Common External Tariff (CET). ECOWAS should pursue this objective with greater vigor.

2.5.8 FORMULATION OF REGIONAL AND NATIONAL AGRICULTURAL INVESTMENT PROGRAMS

A major step toward the implementation of the ECOWAS Agricultural Policy (ECOWAP) is the formulation of a regional agricultural investment program (RAIP) and national agricultural investment

programs (NAIPs). The NAIPs are being finalized for formal adoption at national meetings; this process will culminate in a regional meeting in November. National points of contact for this initiative are the Ministries of Agriculture and Regional Integration. The RAIP should be focused primarily on the production and marketing of strategic agricultural products (staple foods), such as those being promoted by the ATP project—food availability and income-generation for the vulnerable rural population. The project should explore the possibility of getting ATP policy issues incorporated in the NAIPs.

2.5.9 ELIMINATING CHECK POINTS AND ROADBLOCKS

A systematic approach to fighting official corruption and harassment must be initiated by ECOWAS. Such an approach could include the operation of the Real-time Prevention of Transporter Abuse initiative as proposed by ATP, enhancing the operation of the Observatoire des pratiques anormales (the Observatory of Road Malpractices, known as OPA) and ensuring regular presentation of an OPA regional report to the June and December sessions of the ECOWAS Council of Ministers for consideration and appropriate action, including imposition of sanctions.

2.5.10 COMPLIANCE WITH AXLE-LOAD REGULATIONS

Both ECOWAS and UEMOA have set an axle-load limit of 11.5 tons per axle. It was stressed that the enforcement of this regional regulation would help protect the physical condition of roads, ensure the safety of road users, and prolong vehicular life. ECOWAS should encourage compliance with these regulations, as well as eliminate national variations that exist (such as Ghana and Nigeria with their 10 ton limits), install and enforce use of weigh-bridges, etc.

2.5.11 ECOWAS PILOT SCHEME ON FREE MOVEMENT

A pilot scheme creating a national system for tracking infractions against the protocols on free movement of persons was launched by ECOWAS in Togo, Benin, and Nigeria. The lessons of the experiment should be shared with ATP in order to design a realistic Real-time Prevention of Transporter Abuse initiative that builds on past experience and avoids unnecessary pitfalls.

3. CONCLUSION AND RECOMMENDATIONS

3.1 CONVERGENCE OF ECOWAS/ATP OBJECTIVES

The agricultural sector initiatives of the ECOWAS Commission are based on ECOWAP, which was adopted by ECOWAS in 2005. The objective and orientation of the ATP project is very much in line with the ECOWAS Vision 2020 (ECOWAS of People): to address the basic needs of the poor by increasing the availability of staple foods or ensuring food security, enhancing productivity of agricultural value chains, and increasing the income of informal operators. The ATP project should be able to contribute considerably to the implementation of ECOWAP by promoting the involvement of value chain actors in the ECOWAP programs to be introduced at both national and regional levels, particularly through fostering public-private partnerships (PPPs).

In sum, the participants appreciated the set of agricultural trade policy priorities that ATP was adopting as a basis for its policy interventions. If properly carried out, the ATP contribution would help value chain operators maximize the benefits to be derived from the ECOWAS regional policy reforms. It was emphasized by participants that policy implementation requires each actor to play his role effectively. In this regard, it was proposed that ATP should play the essential role of drawing the different actors together and facilitating their participation in policy compliance.

The workshop was held while the ECOWAS annual work program, including its component agricultural investment programs, was being formulated. This is an appropriate period to raise awareness of ATP objectives and activities, and the project should work over the coming months to get its ideas and proposals incorporated into the ECOWAS priority activities. Continuing the dialogue initiated at the workshop therefore becomes crucial.

3.2 FOLLOW-UP ACTIONS

1. Strengthen the ATP/ECOWAS collaboration regarding the complementary activities identified for attention by the ECOWAS Commission: harmonization of VAT policy, compliance with axle-load regulation, dissemination of information on ETLs rules and procedures, enforcement of check-point regulations, pilot scheme on free movement, etc.
2. Finalize the study report on Trade Policy Barriers Assessment by the ATP policy team, taking into account the comments and recommendations of the participants.
3. Draw up an ATP policy action plan, based on close collaboration with both ECOWAS and the value chain actors to enable ATP intervene positively and contribute substantially to creating a more conducive business environment.
4. Sustain the momentum of the ATP/ECOWAS/value chain actors' dialogue for concrete policy and other measures to be taken to achieve freer movement of goods, persons, and vehicles within the West Africa region.

ANNEX I LIST OF PARTICIPANTS

No.	Name of Participant	Organization	Contact
1	Ousseini Salifou	ECOWAS, Agriculture Commissioner	osalifou@ecowas.int [REDACTED]
2	Dr. Adrienne Yande Diop	ECOWAS Commission; Gender Commissioner	[REDACTED]
3	Sunny Ugoh	ECOWAS Commission	[REDACTED]
4	Dr. Rui Luis Silva	ECOWAS, Agriculture	[REDACTED]
5	Dr. Yamar Mbodj	ECOWAS, Agriculture	[REDACTED]
6	Alain Sy Traore	ECOWAS, Agriculture	[REDACTED]
7	Ernest Aubeé	ECOWAS, Agriculture	[REDACTED]
8	David Kamara	ECOWAS, Transport	[REDACTED]
9	Emmanuel Chiejina	ECOWAS, Transport	[REDACTED]
10	Dr. Douglas Zormelo	ECOWAS, Trade (TNCB)	dzormelo@ecowas.int , +234 805 075 1004
11	Dr. Seydou Sacko	ECOWAS, Trade	[REDACTED]
12	Adou Koman	ECOWAS, Trade	[REDACTED]
13	Salifou Tiemtore	ECOWAS, Customs	[REDACTED]
14	Alfred Braimah	ECOWAS, Private Sector	[REDACTED]
15	Enobong Umoessien	ECOWAS, Private Sector	eno.ecowasps@yahoo.com , [REDACTED]
16	N'faly Sanoh	ECOWAS, Immigration	[REDACTED]
17	Laurent Deniau	ECOWAS	[REDACTED]
18	Etienne Assogba	FUPRO-Benin	[REDACTED]
19	Oumar Ouedraogo	ORO-Burkina	[REDACTED]
20	Amaka Ejiofor	AIT (TV)-Nigeria	[REDACTED]
21	Muhyideen Jimoh	News Agency of Nigeria	[REDACTED]
22	Lillian Chukwu	Sun News	[REDACTED]
23	Anne Jibundi	NTA News 24	[REDACTED]
24	Oghogho Obaynwama	Guardian Newspaper	[REDACTED]
25	Ismael Ouedraogo	ATP	iouedraogo@agribizafrica.org +234 247 014 619
26	Margaret Dzakpasu	ATP	mdzakpasu@agribizafrica.org , +233 246 355 447
27	Felix Deyegbe	ATP	fdeyegbe@agribizafrica.org , +233 246 937 430
28	Frank Ofei	ATP	fofei@agribizafrica.org , +233 249 421 362

ANNEX 2 WORKSHOP PROGRAM

WORKSHOP ON AGRICULTURAL TRADE POLICY PRIORITIES

Theme: Eliminating Intra-Regional Agricultural Trade Barriers

ABUJA, 24-25 SEPTEMBER 2009

THURSDAY, Sept. 24

MORNING SESSION

09.30 Arrival and Registration of Participants

10.00 Opening Session

Welcome Address: ECOWAS

Statement by ATP Chief of Party

Self-introduction by Participants

Program Presentation

10.30 Workshop Objectives

General Objectives

Participants' Interests and Expectations

ATP Project Overview

Presentation of Trade Barriers Assessment Report

11.30 *Coffee Break*

11.45 ECOWAS FTA: Agricultural Trade Policy

General Discussion

13.00 Lunch Break

AFTERNOON SESSION

14.00 Non-tariff barriers: Seasonal bans, check-points, others

Discussion

16.15 *Coffee Break*

16.30 Duties and taxes on ATP products

Discussions

17.30 *Adjournment*

FRIDAY, Sept. 25

09.30 Technical Discussions with ECOWAS Departments

Agricultural Development issues

Trade and Customs issues

Transport and Transit issues

Private Sector Promotion issues

12.00 Closing Ceremony

Summary of Conclusions and Recommendations

Vote of Thanks

Closing Remarks of Chairman