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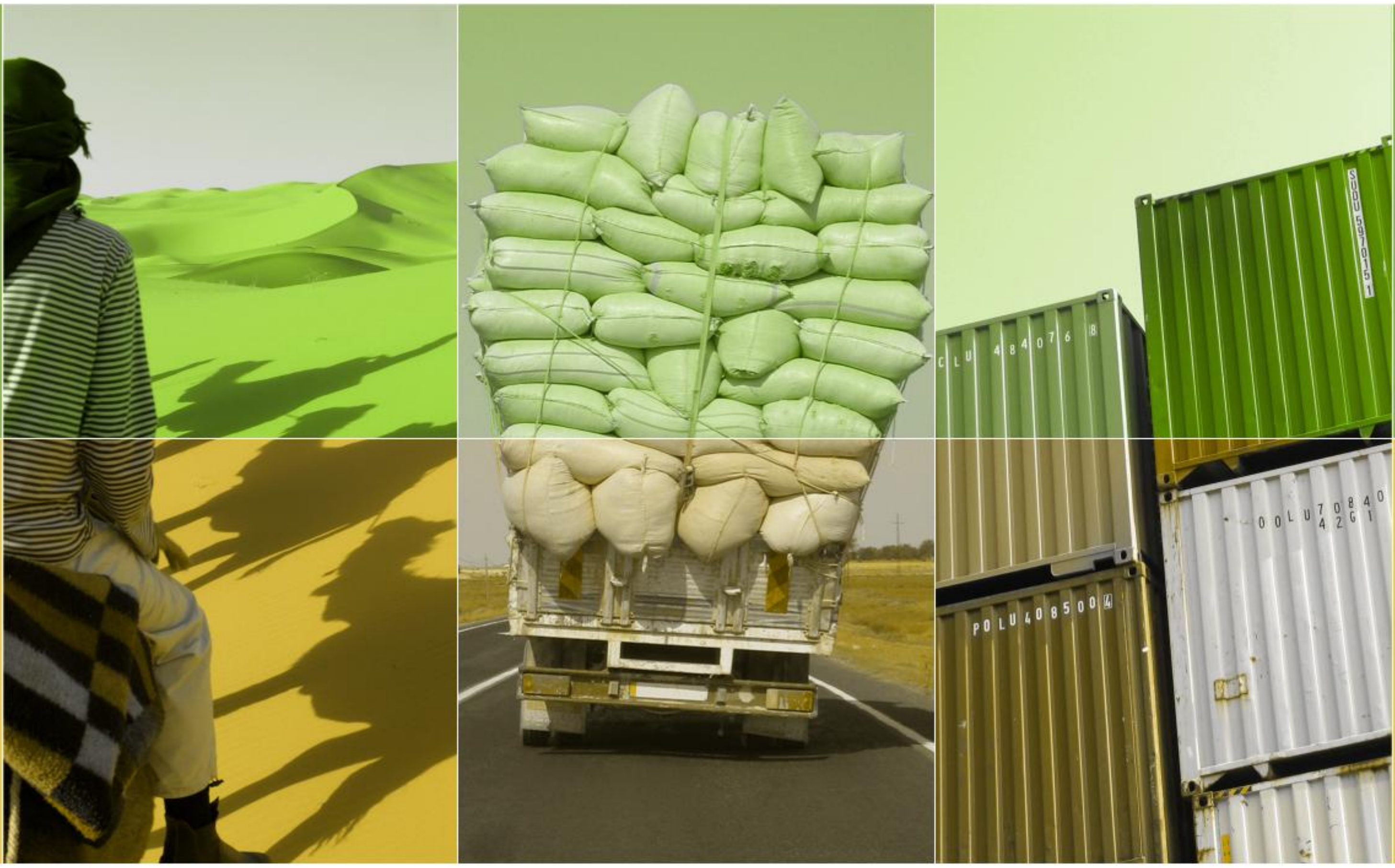

Regional Agricultural Trade in West Africa

A focus on the Sahel region

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Dag-Hammarskjöld-Weg 1-5

65760 Eschborn

T +49 61 96 79-0

Internet: http://www.gtz.de

Trade Programme:

Sector Project Trade Policy, Trade and Investment Promotion

Sector Project Agricultural Trade

Internet: http://www.gtz.de/trade

Contact persons:

Thomas Michel, Regine Qualmann

Authors:

Christoph Pannhausen, Bianca Untied

List of contributors:

Ulrich Boysen, Wilhelm Elfring, Hille Frey, Nillufar Hossaini, Thomas Jenisch, Arne Schuffenhauer

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List of Abbreviations

AfDB	African Development Bank
AGRHYMET	Institute for Meteorology and Agricultural and Environmental Monitoring
AOPP	Association des Organisations Professionnelles Paysannes
APCAM	Assemblé Permanent des Chambre d'Agriculture du Mali
ARC	AGRHYMET Regional Centre
AREN	Association pour la Redynamisation de l'Elevage au Niger
CAADP	Comprehensive Africa Agriculture Development Programme
CCA	Cellule Crises Alimentaire
CEDEAO	Communauté Economique des Etats de l'Afrique de l'Ouest
CEMAC	Central African Economic and Monetary Community
CET	Common External Tariff
CIDA	Canadian International Development Agency
CILSS	Permanent Interstate Committee for Drought Control in the Sahel
CIP	Cross-border Initiatives Programme
CIRAD	La recherche agronomique au service des pays du Sud
CPF	Confédération Paysanne du Faso
CSA	Food Security Commission
DTIS	Diagnostic Trade Integration Studies
ECOWAP	ECOWAS Agricultural Policy
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization
FARM	Fondation pour l`Agriculture et la Ruralité dans le Monde
FCFA	Franc CFA
GDP	Gross Domestic Product
GI	Geographical Indication
GRAD	Groupe de Réalisations et d'Animations pour le développement of France
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IMF	International Monetary Fund
INSAH	Sahel Institute
IRAM	Institut de Recherches et d'Applications des Méthodes de Développement
IRD	International Relief & Development
MFN	Most Favoured Nation
MIS	Market Information System
MISTOWA	Regional Market Information Systems and Traders' Organizations project

NAIP	National Agricultural Investment Programme
NEPAD	New Partnership for African Development
OECD	Organisation for Economic Co-operation and Development
OHADA	Organisation for the Harmonisation of Business Law in Africa
OPAM	Office des Produits Agricole du Mali
PAFASP	Agricultural Diversification and Market Development Project
PFPN	Plate Forme de Paysanne au Niger
RAIP	Regional Agricultural Investment Programme
RECA-Niger	Réseau des Chambres d'Agriculture du Niger
RECAO	Réseau des Chambres d'Agriculture de l'Afrique de l'Ouest
RESIMAO	Réseau des Systèmes d'Information des Marchés en Afrique de l'Ouest
ROESAO	Réseau des Opérateurs Economiques du Secteur Agroalimentaire de l'Afrique de l'Ouest
ROPPA	Réseau des Organisations Paysannes et des Producteurs Agricoles de L'Afrique de l'Ouest
SAP	System d'Alert Précoce
SIE	Stock d'Intervention de l'Etat
SIMACO	Système d'Information de Marché et de Communication de la filière Oignon
SNS	Stock National de Sécurité
SNV	Netherlands Development Organisation
SPS	Sanitary and Phytosanitary Measures
STDF	Standards and Trade Development Facility
SWAC	Sahel and West Africa Club
TCI	Trade Complementarity Index
UEMOA	Union Economique et Monétaire des États de l'Afrique de l'Ouest
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union
WAMIS-NET	West African Agricultural Market Information System Network
WFP	World Food Programme
WTO	World Trade Organization

1 Introduction

The West African region comprises the states of Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. It covers a total area of 5,112,903 km² with a total population of an estimated 300 million people in 2008. The West African region can be divided into three agro-ecological production zones, which are mainly determined by prevailing climatic conditions. These zones are an important factor for existing agricultural production systems as well as intraregional agricultural trade flows.

The forest zone in the coastal countries of West Africa and their nearest hinterland has the fastest urban growth. Ecological conditions and proximity to the coast have promoted the development of cash crops, and the so-called tropical export crops grown either on agro-industrial plantations (rubber, palm oil, banana, pineapple) or on family farms (coffee, cocoa). This zone has had the highest population growth and rate of economic development during the last few decades. The Soudanian zone has substantial agricultural potential with a strong tendency for crop-stock farming integration. Cotton has caused significant changes in agriculture. This is the leading region for cereal grain (millet, sorghum and increasingly, maize), fruit and vegetables and has also become the main livestock-rearing zone. The urbanisation rate is still low, but its urban spread is rapidly developing. Third, the Sahel zone is sparsely populated with pockets of densely populated areas in the southern part, along the line connecting the Sahelian capitals. The relatively weak agricultural potential is somewhat offset by the immense hydro-agricultural works in the Senegal River Valley and the River Niger. This zone was the worst hit during the great droughts of the 1970s and 1980s. It is an important livestock producing area in West Africa. However, there is a tendency that many herds go farther south where agro-pastoral systems are developing and agriculture is being combined with livestock production (ECOWAS-SWAC / OECD 2006). The predominant agricultural production systems can be categorised according to the corresponding ecological zones.

2 Main regional trade flows

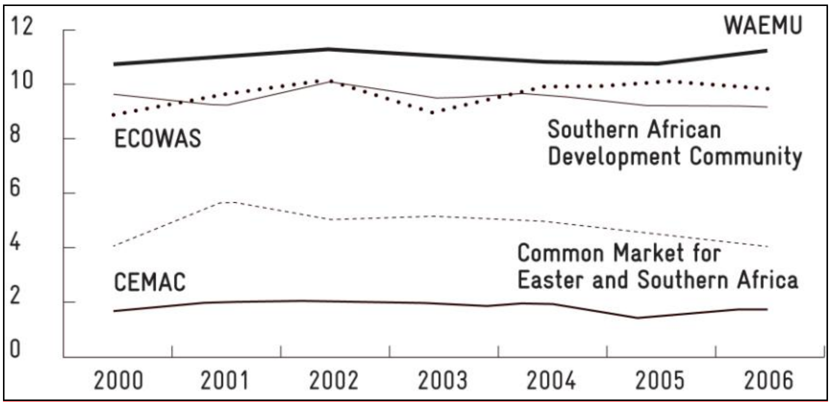
While the proportion of trade with North America and Europe has declined, West African trade with Asia and especially within Africa has increased. For instance, ECOWAS exports to Africa (including intraregional trade) have risen from 4% in 1970 to 15% in 2003.

North-south complementarities (between the Sahel, the savannah and forests) stimulate long distance trade. Consequently several trade corridors have evolved in West Africa, ranging from the east (Nigeria-Niger/Benin/Togo) over the central zone (Ghana/Côte d'Ivoire-Burkina Faso) to the western part (Guinea/Senegal-Mali). Sahelian cereal and meat are mostly destined towards the coast. The tubers, fruit and vegetables of the Sudanese savannah supply not only the network of secondary towns in this area, but also the cities of the coastal and Sahelian countries (for example, trade in rain-fed or off-season tomatoes supplies the coastal cities of Cotonou and Lagos). Harvested products from the forest region are directed towards the consumption centres in the north of the coastal and Sahel countries. This trade has significantly increased over the last few decades, although the volumes are impossible to assess today. Built upon old structured networks, they have benefited from the urbanisation and the related growth in demand for food products and from improvements in storage and transport infrastructure. Economic liberalisation and regional integration (ECOWAS, WAEMU) are undoubtedly favourable elements that foster trade. However, the principle of the free flow of goods, without any customs duties or quantitative restrictions, is still not applied in all cases.

The EU is still the WAEMU region's main trading partner. However, its significance has declined over the years, with Asian and other African countries becoming increasingly important. Asia now accounts for 13%, Africa 20%, and the EU 38% of WAEMU trade. Among WAEMU's main imports are oil products, cereals, vehicles, machinery and mechanical appliances.

Cross-border trade within the WAEMU region has increased only marginally since the free trade area was created in 1996. It was relatively stable at about 11% of total trade between 2000 and 2006, compared to more than 70% for the European Union. Nevertheless, there is still more intraregional trade in the WAEMU region than in any other region in Africa (IMF 2008). Agricultural products dominate this trade.

Figure 1: Intraregional Trade: WAEMU and other selected regional groups (% of total)



Source: IMF 2008

However, after the first trade liberalisation in 1996 there was considerable growth of imports from the region into Burkina Faso, Mali and Niger. From 1996 to 2000, imports from ECOWAS countries to Burkina Faso and Niger grew threefold, and rose by 150% to Mali. At the same time, however, regional imports to Côte d'Ivoire and Senegal were stagnant (FARM 2008a).

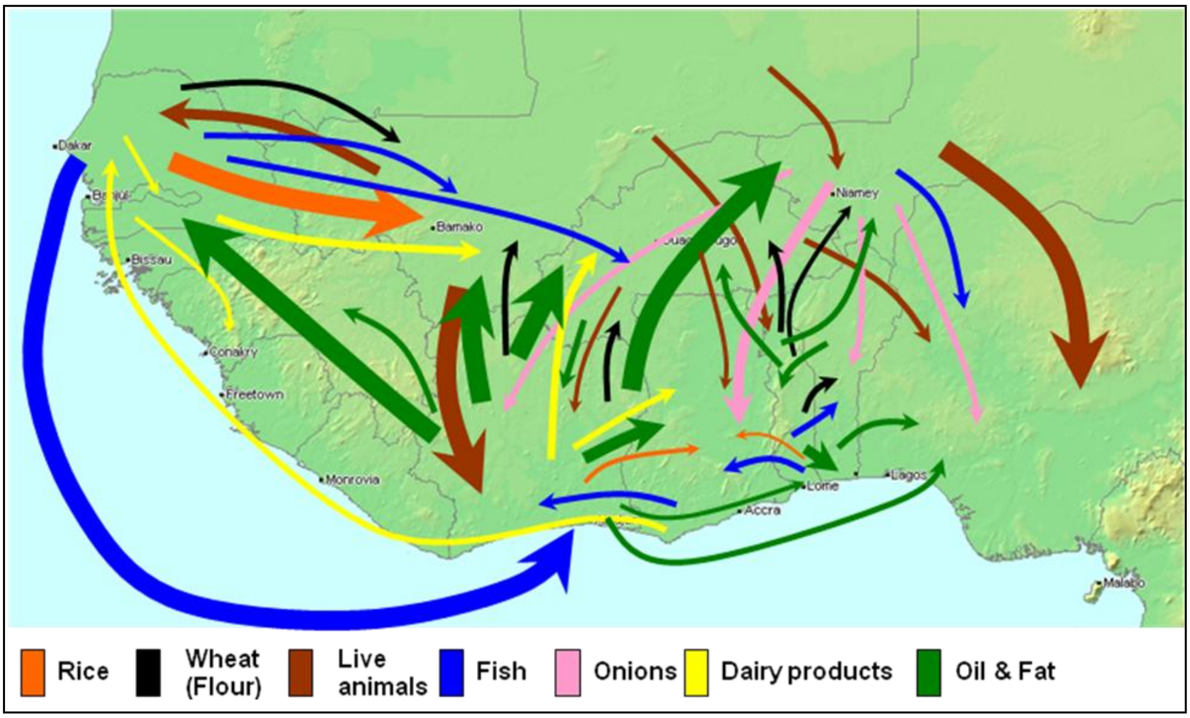
Therefore, liberalising the trade in raw products in 1996 did not automatically lead to a rise in exchanges between the WAEMU countries. The findings from Mali, Niger and Burkina Faso suggest that landlocked countries benefit more from the liberalisation of trade with their neighbours than coastal countries. Togo and Benin are much more sensitive to the trade policy of their large neighbour, Nigeria. The coastal countries had little to gain from regional exchanges. However it is worth noting that for the trade in agricultural products, and for all countries except Benin, intra-WAEMU imports rose faster than the extra-WAEMU imports during this period.

There are significant trade complementarities between the WAEMU and ECOWAS countries, particularly between coastal and landlocked countries. This can be seen using Michaely's trade complementarity index (IMF 2008). The TCI measures similarities between the import structure of one country and the export structure of another. The index ranges from zero, indicating no complementarity between the structures of the two countries, to 100, indicating perfect complementarity. Estimates for the WAEMU countries' trade suggest considerable complementarity (this is based on data at the two-digit classification level of the international 'HS', or Harmonised Commodity Description and Coding System). The average level of the index is 30%, which compares favourably, for example, with the 17% achieved by the Central African Economic and Monetary Community (CEMAC) (IMF 2008). However, trade complementarities vary among countries. Côte d'Ivoire and Senegal have average export complementarity indices of 51% and 39% respectively, because their economies are diversified and both these coastal countries are more likely to re-export to landlocked ones. In contrast, Benin, Niger, and Burkina Faso have an average export complementarity of less than 25%, suggesting that what they export only partially meets the import needs of other member countries. The substantial trade complementarities between ECOWAS countries could promote trade. The trade complementarity index for WAEMU countries as exporters and the other ECOWAS countries as importers is 29%, which is higher than the index level of 25% that is thought to indicate strong potential for enhancing trade. For WAEMU countries as importers with the other ECOWAS countries as exporters, the index is 20% (27% if Guinea and Sierra Leone are excluded). This also suggests that there is potential to expand trade. As with all reductions of preferential tariffs, an ECOWAS-wide customs union could divert some trade (i.e. ECOWAS imports replacing imports from other countries). However, the limited overlap between WAEMU imports from the other ECOWAS countries and imports from the EU suggests that the scope for trade diversion is small.

In view of this data, there is certainly room for more intraregional trade. The potential of trade would be significantly higher if official statistics also captured the considerable informal trade in the WAEMU/ECOWAS region, especially in fresh produce. According to Schneider (2002), the informal economy in Africa accounted for around 42% of its gross domestic product in 1999/2000. Some sources assess the under-evaluation of trade in West Africa at between 200% and 300% (FARM 2008a). For example, 60–70% of Benin's imported fuel is smuggled from Nigeria. It is therefore evident that any official figure is most likely an underestimation of the true picture.

Although local and regional markets in sub-Saharan Africa have a very long tradition, they remain largely unknown in terms of their structure or the extent of their actual transactions. (It is easier to list the export volumes of coffee, cocoa and cotton, or African imports of rice and wheat, than it is to quantify the intraregional trade in maize, niebe, yam or cassava and its by-products). They often seem to be weakly structured, being determined rather by traditional forms of social organisation than by a rational pursuit of efficiency and profitability. They therefore lack the potential to establish trade as a development tool, or better still as a tool for creating wealth, growth and employment (Soulé 2008).

Figure 2: Agricultural trade flows in West Africa



Source: own compilation

The landlocked countries (Burkina Faso, Chad, Mali and Niger) produce 90% of the cereals of the CILSS region and are distinct from the Atlantic coastal countries (Mauritania and Senegal). In the landlocked countries cereal production is increasing while the share of imports remains almost the same (ECOWAS-SWAC /OECD 2007). Since the late 1980s, cereal production has varied by an average 20% from year to year in both coastal and landlocked countries. But the two groups have different ways of stabilising cereal availability. In the coastal states commercial imports significantly stabilise cereal availability, with cereal stocks and food aid having almost no influence. In landlocked countries, cereal stock management has the greatest impact on stabilising cereal availability followed by commercial imports and food aid (ECOWAS-SWAC/OECD 2007).

The Diagnostic Trade Integration Studies (DTIS), initiated by the Integrated Framework (a multi-agency, multi-donor programme established to promote the integration of the least developed countries into the global economy), focuses on export opportunities and supply chain development in the agricultural and livestock sector. The respective national DTIS have identified the most promising agricultural product chains with regards to their trade potential.

Table 1: Agricultural export opportunities in the three Sahelian countries

Country	**Major trade opportunities according to DTIS**
Niger	Livestock, onions, cowpeas (niébe), chufa/tigernuts, sesame and gum arabic.
Burkina Faso	Cotton, livestock, sesame, groundnuts, shea nuts (karité), cashew nuts, cow peas (niébe) and mangoes
Mali	Cotton, shea nuts (karité), sugar, mangoes and livestock.

Source: DTIS for the respective countries

Niger and its role in regional agricultural trade

About a quarter of Niger's total imports and exports circulate within the West African region. The big southern neighbour Nigeria dominates regional trade in Niger. Agricultural products are prominent among Niger's export commodities, particularly to its regional trade partners. Despite being landlocked within the heart of the drought-prone belt of the Sahel, the country has the potential to play a major role in supplying its neighbours with selected products in which it has a comparative advantage. In the agricultural and livestock sector, cattle export to the southern neighbour is the most important sector for the country.

Apart from livestock products, ***onions*** play a prominent role. The production accounts for about 500,000 tonnes per year, making Niger the second largest producer in the region behind Nigeria. The trade flows from Niger to the urban centres of the coastal countries in the region make onions the second largest export commodity after uranium. The onion trade contributes about 17 billion FCFA (USD 15 million) to the Nigerien economy annually. Niger exports approximately 50,000 tonnes of onions annually, although the export potential is estimated at 200,000 tonnes. Niger's main competitors for onion exports within the sub-region and to the Netherlands are Burkina Faso and Mali. Niger has recently undertaken efforts to utilise the branding and marketing instrument of geographical indications (GI) to label their onion variety 'Violet de Galmi'. The onion is Niger's main market garden product for the regional market. Onion cultivation is concentrated in the Ader-Doutchi-Maggia area (60% of production). The main export markets are Côte d'Ivoire, Ghana and Nigeria.

Niger recently increased its ***cowpea*** production due to government initiatives. Today Niger is the second biggest producer of cowpeas (FAOSTAT 2009). This has resulted in large-scale exports to Niger's southern neighbours.

Pastoral ***livestock*** systems are a significant contributor to Niger's economy, accounting for 30% of production in the agricultural sector, which in turn makes up 35% of the country's total GDP. Nigeria is the main export destination for Niger's livestock. To help individual stockbreeders avoid a wide range of problems (theft, harassment, etc.), the Association for the Revitalisation of Livestock Breeding in Niger (Association pour la Redynamisation de l'Elevage au Niger, AREN) and its sister organisations in Nigeria have developed an innovative trading system. Instead of stockbreeders travelling to sell their cattle individually, AREN provides an 'escort' across the border, and the animals are sold to the partner breeders' association in Nigeria (without sales agents or wholesalers, with payment in cash to avoid costly money transfers, and with assistance for customs procedures such as certificates of health and transhumance). This service to facilitate cross-border trade is still in its trial phase. However, it already seems to have won the appreciation of the stockbreeders in both countries.

Forecasting work carried out by the Sahel and West Africa Club (SWAC) suggests that demand for animal products will grow by 4% a year, which exceeds the rate of population growth. Based on this projection, demand would increase by 250% by 2025, and from 270% to 280% by 2030. Livestock farming will therefore be very important for the dynamics of regional integration (FARM 2008a).

The DTIS findings recently demonstrated that important commodities for Niger, with high potential for regional and international trade, include livestock and animal products, onions, cowpeas, chufa (tigernuts), sesame and gum arabic (Integrated Framework Program 2007b).

Box 1: Cereal stocks, markets and food security

In 2004, Niger experienced a drought, which reduced its per capita production of staple grain crops (millet and sorghum) by 12% compared to the ten-year average. Millet prices rose 25% above the ten-year average. By June 2005, an estimated 2.4 million Nigeriens were affected by severe food shortages; more than 800,000 of these people were classified as critically food insecure. The gross mortality rate reached 1.5 deaths per 10,000 per day in targeted regions, and the mortality rate for children under 5 reached 4.1 deaths per 10,000 per day (Médecins sans Frontières 2005).

While drought-induced food crises are not uncommon in Niger, the role of drought in the crises is not well understood. A drought also occurred in 2000, during which per capita cereal production fell 21% on the ten-year average. This was 10% lower than the 2004 harvest, yet according to the local early warning systems a severe food crisis did not occur in 2000/2001. There are several potential explanations as to why a food crisis occurred in 2005 and not in 2001, including a shift in households' demand for grain, or changes in the health and nutritional status of the population. Just like the 1974 Bangladesh famine, many people blamed grain traders for the crisis, implying that Niger’s market liberalisation policies allowed grain traders to engage in excessive hoarding.

The movement of grain from the farms to consumers in Niger involves a variety of market actors. This includes the farmers, who produce, sell and buy millet, sorghum and cowpeas; traders, retailers, intermediaries, semi-wholesalers and wholesalers; the transporters, who transport the produce by truck, car or boat; and finally, the rural and urban consumers who purchase the final goods. The farmers who sell their produce directly to intermediaries in the villages produce the grain. The intermediaries in turn, sell it directly to wholesalers. It is the wholesalers who are mainly responsible for trading within the region and with other regions; they sell the commodity to other wholesalers, retailers or consumers.

As there is only one growing season each year (October), traders begin importing grain from neighbouring countries (Benin, Burkina Faso, Mali and Nigeria) in April, once the local supply is depleted. Traders buy and sell grain through a system of traditional markets, each of which is held on a weekly basis. The density of grain markets varies considerably in the different geographic regions, with inter-market distances ranging from 10 km to over 900km.

According to the organisation Afrique Verte, and the food crisis unit (Cellule Crises Alimentaire, CCA), the recent food situation has been generally more stable. Markets are moderately well supplied with local and imported cereals. Statistics show that the price for millet rose in 2008, and that it was significantly higher in Niamey at the beginning of 2009 compared to previous years (Afrique Verte International, 2009). There has since been considerable price volatility this year, particularly in the capital cities of Burkina Faso and Niger, while fluctuations were less distinct in Mali. Usually, prices for millet (and other cereals) are at their highest between August and October, followed by a two or three month period of relatively low prices. According to data from Afrique Verte, prices can fluctuate by up to 25%.

Like Mali and Burkina Faso, Niger also has a system for preventing and managing food crises. It involves a coordination unit for the early warning system (Cellule de Coordination of the System d'alerte precoce, SAP), which mainly performs a monitoring role, and a select committee for donor cooperation (Comité Restreint de Concertation Etat-Donateurs), composed of national bodies and donors' representatives, which has been in operation since 2005. The latter is the decision-maker for the overall process, and both cooperate under the CCA, which answers to the prime minister. The CCA receives funding from six donors. According to the CCA's programme to support vulnerable groups in 2008 and 2009, the budget for this period is about 12 billion CFA francs (EUR 18 million).

Despite an exceptionally good harvest this year, it is expected that a distribution of a three-month ration of cereals will be necessary to 175,000 people (57.5 kg per person, or 10,000 tonnes). The national security food stock (SNS) is about 80,000 tonnes. To replenish this, 10,000 tonnes of cereals have been purchased in 2009 at an expected price of 180 CFA francs per kilo.

Burkina Faso and its role in regional agricultural trade

In 2007, 33% of all imports and 28% of the total exports came from and went to African countries, predominantly within the ECOWAS region. According to data from the Institute National de la statistique et de la démographie, the main regional partners are Togo (2,165 million CFA francs in 2006, and 100,378 million CFA francs in 2007), Ghana (828 million CFA francs in 2006, and 50,299 million CFA francs in 2007) and Cote d'Ivoire (29,439 million CFA francs in 2006, and 49,482 million CFA francs in 2007). More than 30% of Burkinabé imports come from ECOWAS countries. Imports from Mali and Niger are negligible (INSD 2009 / FAOSTAT 2009).

Again, the incoherence of data on exports, or the lack of it, makes it difficult to analyse the geographic destination. However, even according to the official statistics, as a landlocked country regional trade is particularly important to Burkina Faso. WAEMU absorbs approximately 18% of Burkinabe exports, the highest proportion among all member countries. In contrast, the proportion of its exports to other African countries is among the lowest. The role of regional trade would be even greater if one considers informal flows that are not captured in the official figures. The bulk of these exports are livestock products, notably live animals, as well as agricultural exports, such as fruit, vegetables and cereals.

Considering the difficulties of succeeding in the lucrative yet highly competitive European markets for fresh horticultural goods, it might be wise to concentrate on increasing its share in the growing West African regional markets for horticultural products. The World Bank funded the Agricultural Diversification and Market Development Project (PAFASP) in Burkina Faso and the ministry's Action Plan both emphasise this strategy, focusing on products such as mangoes. In Burkina Faso, as in other Sahelian countries, ***fruit production*** is dominated by mangoes, with an estimated total production of 150 to 200 thousand tonnes per year, of which less than 5% is exported. All forms of citrus fruits (oranges, lemons, limes, grapefruit) constitute the next most important fruit category, with an estimated production of 75,000 tonnes. The production provides employment to an estimated 375,000 people. Most vegetable producers are smallholders who cultivate plots of less than half a hectare. Fruit is mainly grown in small orchards ranging from one to ten hectares. Fruit and vegetables are relatively high value crops. The total value of their cultivation in Burkina Faso is equivalent to a third of the value of cotton in the country, although it only occupies a tenth of the surface area compared to cotton. However, only a small fraction of the fruit and vegetable production is exported. Fruit and vegetable exports represent less than 1% of total exports. It is estimated that there are between 10 and 14 exporters of fruits and vegetables, and most of them only export small quantities.

The export of mangoes to neighbouring countries (especially Niger) and the cultivation of organic mangoes also offer interesting opportunities. Burkina Faso exports an estimated 5,000 tonnes to the region, and it is believed that a significant portion of this is re-exported to Europe by Cote d'Ivoire exporters. This gives some indication of the level of competition that prevails in the year-round mango market. All mango exports from 14 African countries together make up only 12% of the European mango market (FAOSTAT 2009). However, taking occasional advantage of exceptional market prices in neighbouring countries (as is currently the case with mango exports) does not in itself lead to the growth of an export industry. Improving horticultural exports to neighbouring countries does not preclude continued engagement in long-distance exports to the EU market or vice-versa. Many of the interventions needed to develop exports to the regional market are similar to those needed for sustainable exportation to the EU. In some respects, the regional markets are easier targets; yet the need for increased professionalism remains. Exports of fruits and vegetables from Burkina Faso remain far below their potential. Demand in the sub-region and especially in Europe is strong and growing. In terms of both its production potential and the quality of its products, Burkina Faso should be able to gain a greater share of this market. Burkina Faso does not lack arable land. Moreover, as only 12,000 from a total of 224,000 hectares of irrigable land are currently irrigated, there is a large unexploited potential for expansion here (Integrated Framework Program 2007a).

Focusing on the sub-region seems more realistic and easier to manage, while being potentially rather profitable. Sub-regional markets are more tolerant of variations in product quality and less demanding than non-African markets in terms of standards or traceability. One can be a significant player in these markets with smaller quantities, and there are more opportunities to mobilise and turn over short-term capital. Processing and marketing are less demanding. Furthermore, lower labour costs, with a workforce drawn from a familiar and comfortable socioeconomic milieu, can reduce unit costs. Nevertheless, even in the regional marketplace there is the emerging need for a new generation of modern operators to develop horticulture, sesame, cashew, shea nuts and other agricultural exports.

Sesame presents an interesting opportunity for diversifying agricultural exports while involving a large number of poor farmers. Production has been growing over the last five years and international demand is strong, notably in Japan. The crop does not require irrigation and is resistant to rainfall shortages. A doubling in exports over the next five years from the current level of US$ 10 million would seem realistic if appropriate measures are taken. The increased production was estimated to be nearly 30,000 tonnes in 2007, much of which came from the Boucle de Mouhoun region in the western part of Burkina Faso. Ghana officially counts as the most important destination for Burkinabé sesame (more than 80% of production), while some is also exported to the organic market in the EU. Most of Burkina Faso's sesame production would qualify as organic, except for that which is grown on old cotton soils (Ministère de l'Agriculture de l'Hydraulique et des Ressources Halieutique 2009).

Cereals constitute a large part, by value, of Burkina Faso's agricultural production. More than 3 million hectares of semi-arid farmland in Burkina Faso are devoted to cereal production. Sorghum takes up the largest area (47%), closely followed by millet (41%). Most of the remaining 12% of this land is planted with maize, and smaller areas are used for rice and fonio. Little is exported, and virtually all the potential for export is in West Africa. Most cereals produced in Burkina Faso are consumed locally; only about 1.5% by weight is exported. Imports of cereals are more significant, and were equivalent to about 11% by weight of the national production between 1996 and 2005. A recent and more controversial development was the start of exports of the major cereal crop, maize. For good reason, the focus of cereal production has always been on reducing the national deficit to promote food security. However, maize production has grown faster than the domestic demand for it. There is now surplus production, at least in years of normal rainfall, and there is reason to believe that this trend will continue. Restricting maize exports will hurt farmers by driving down domestic prices and thereby discouraging production, which benefits no one. According to the Integrated Framework Program (2007a), promoting regional trade in cereals will help all the countries of the sub-region to manage their harvest fluctuations.

Mali and its role in regional agricultural trade

Europe and Asia account for over 80% of total exports, while exports to African countries reached 10%. Although its exports to other African countries are rather limited, about 40% of Mali's total imports come from Africa, mostly from within the WAEMU area.

The situation is more diverse in the agricultural sector. Mali can enhance its export performance by capitalising on the comparative advantage it has in cotton, livestock and meat products, animal and vegetable oils, and hides and leather products. With the potential for irrigation from the Niger River, other commodities such as cereals (particularly rice), sugar, and an array of fruit and vegetables, are also promising, particularly for export to the West African regional market.

Mali became the most important cereal exporter in the region, with a surplus of 1 million tons. This result can be attributed mainly to the government-led 'Initiative Riz', which was launched by the Malian government in 2008. This programme to support cereal production (predominantly rice) focuses on subsidised input provision. Rice is a strategic crop in West Africa. Urban food habits are increasingly dependent on it, and the region's production falls well short of demand. The price rises of 2007/2008 jeopardised food security. Faced with widespread increases in the price of cereals, and the likelihood that this trend will continue in coming years, the government of Mali developed an operative plan for rice in the 2008/2009 crop year - the rice initiative for food security and better access to local and regional markets. This is a structural response to the rice crisis, to foster production for local and regional markets. In the short run, this initiative intends to improve rice producers' revenues and create new jobs and services at the local level. In the long term, it should help ensure regional food security using rice. Measures will include improving the seed production and distribution system, providing credit to help farmers purchase inputs, and giving agronomic advice. Improvements will also be made to the way producers and their organisations market the crop. The total cost of the initiative was estimated at 42.65 billion CFA francs, of which 10.71 billion were supplied as grants to pay for inputs (seeds and fertilisers) and advisory support. The value of production is estimated at 300 billion CFA francs, at a price of 300 francs per kilo of market rice. The aim for 2008/2009 was to produce at least 1.6 million tons of rice (equivalent to one million tonnes of threshed rice for the market), which was almost achieved, as production was 99.3% of the aspired goal. This production suffices to cover internal demand as well as a surplus of 100,000 tonnes for the external market. Therefore, Mali is in a position to supply the West African region with staple food (Ministère de l'Agriculture du Mali 2009). For the next crop year 2009/2010, the Department of Agriculture aims to produce 2,003,040 tonnes of rice. This will require funding of 53.1 billion CFA francs. While the production is in line with the plan, the consumer price of 270 to 380 francs per kilo is still high. The increased production has not lowered the price, which is still 20-30% higher than before the initiative. And this provides the main grounds for public criticism and scepticism. It was emphasised that that Ministry of Agriculture never applied the marketing scheme it prepared. Since January 2009, the marketing of cereals has been the responsibility of the Ministry of Economy, Industry and Trade. Following a series of meetings between the various actors, a protocol agreement was signed on 7 February between the Ministry of Economy, Industry and Trade, the Permanent Assembly of the Chamber of Agriculture of Mali, and the Chamber of Trade and Industry of Mali. This agreement commits the producers to sell rice at a maximum price of 250 CFA francs per kilo. They must also ensure that all surplus production is sold exclusively to merchants attached to the Chamber of Trade and Industry, with the exception of those assigned to the Agricultural Products Office of Mali (OPAM - *Office des Produits Agricole du Mali*). Producers must sell their rice to the OPAM at 270 CFA francs per kilo.

Nearly a quarter of Mali's domestic requirements for ***sugar*** are satisfied by domestic production. With sugar imports amounting to 20 billion CFA francs in 2002 (around US$ 30 million), sugar production is an important long-term strategy for the country. Mali should have a strong comparative advantage domestically and regionally in the production of sugar, due to its combination of good soils and good irrigation. A feasibility study for a proposed sugar mill suggests that Mali could achieve self-sufficiency in the medium term. The initiative would generate an expected 2,000 full-time jobs and 3,000 part-time jobs (Integrated

Framework Program 2006). This assessment is in line with recent private sector activities such as the South Africa based Illovo Sugar Company that has invested in large-scale sugar production in Mali.

Fruits and vegetables: In 2008, Mali exported about 12,000 tons of mangoes, out of which 3,200 tons were destined for the West African region. Variable quality, post-harvest handling and high transportation costs reduce the scope of trade expansion. Green beans are highly prized internationally, though rigorous phytosanitary controls effectively limit the scope for expansion. Chufa (or 'tigernuts') present the greatest potential, with Spain already purchasing 80% of Mali's supply, which has increased from 250 tonnes in 1993/1994 to 6,200 tonnes in 1999. Mali has the highest potato yields in West Africa and there is potential to expand their trade. Shallots are exported primarily to West Africa but the potential for expanding this market is limited without moving into value added products. Finally, Mali has a highly variable production of tomatoes, which it has successfully exported fresh to West Africa and even the EU.

The data suggests that ***livestock*** - mainly cattle - accounts for up to one fifth of GDP. Together with livestock exports to neighbouring countries, substantial quantities of hides and skins have been exported in recent years. Poultry and dairy production have also grown recently, and there is significant potential for this expansion to continue as a form of import substitution.

The agro-industrial sector also shows promise (notably processed cotton fibre, fruit and vegetable products, and meat products), but currently operates below its potential. To expand exports in these product sub-sectors would mean overcoming the challenges in increasing private sector operations in agriculture, agro-industry and manufacturing. Mali's trade agenda should therefore include measures to increase production and export based on its comparative advantages and encourage the processing and manufacturing of local produce and materials prior to export.

Box 2: Creation of an early warning system, the *System d'Alert Précoce* (SAP)

In 1973-1974 and in 1984-1985, disastrous famines were triggered by drought in most Sahel countries. Faced with intractable and extreme situations such as these, governments and donors recognised the need for a constant supply of information about the food and nutrition situation in these fragile regional systems. In 1998, the Ministry of Territorial Administration & Local Communities in cooperation with donors set up the SAP early warning system for the northern part of the country. In 2004 it was expanded to include the rest of the country. The SAP involves the constant collection of data about the food situation. This information is used to optimise the use of the national food security stock as part of targeted food aid measures, or to guide the efficient use of the food security fund for the mitigation of food insecurity. The main aim is to determine in advance what sections of the population may face deficits in their food supply, why and when these problems will arise, how long they will last, and what possible mitigation activities can be undertaken. The national food stock consists of a commercial stock that is held in readiness for sale in the event of intervention by the government; it also includes the national food security stock (*stock national de sécurité*, SNS) and the government intervention stock (*stock d'Intervention de l'etat*, SIE). In October 2008 the total stock was approximately 44 million tonnes. This is estimated by the World Food Programme (WFP) to be a month's supply in case of an emergency. Other estimates assume a need for 60 to 80 million tonnes. The Food Security Commission (CSA) aims to increase the stored amount to 100 million tonnes in the medium term. The national food security stock is administrated by the Agricultural Products Office of Mali, and supervised by governmental bodies (the CSA) and a group of donors including USAID and WFP (through the Technical Committee Coordinating Food Security Policies and the Partners' Technical and Financial Working Group for the Agricultural and Rural Economic Sector). The government itself essentially controls its intervention stock. Through the technical stock rotation and commercial activities, the national cereals stock plays a big part in the cereals market in Mali.

3 Relevant institutions and policies

Economic Community of West African States (ECOWAS/CEDEAO)

The Economic Community of West African States (French: Communauté Economique Des Etats de l'Afrique de l'Ouest) is a regional group of 15 West African countries founded with the signing of the Treaty of Lagos on 28 May 1975. Its mission is to promote economic integration. In 1976 Cape Verde joined ECOWAS, while Mauritania withdrew itself in December 2000. ECOWAS is one of the pillars of the African Economic Community. It covers an area of more than 5 million square kilometres (compared to the EU with 4.3 million), has more than 250 million inhabitants (2006) (EU had 500 million in 2008), with a GDP of more than US$ 340 billion at approximately US$ 7,900 per capita (EU, US$ 15.25 trillion at US$ 30,500 per capita).

The organisation was founded to achieve 'collective self-sufficiency' for the member states by means of economic and monetary union, creating a large, single trading bloc. Due to the slow progress towards this goal, the treaty was revised in Cotonou on 24 July 1993, to form a looser collaboration. The ECOWAS Secretariat and the Fund for Cooperation, Compensation and Development are its two main institutions for policy implementation. The ECOWAS Fund was transformed into the ECOWAS Bank for Investment and Development in 2001. It operates officially in three languages namely French, English and Portuguese.

Trade is currently considered to be one of the five cross-cutting issues in the ECOWAS regional integration strategies. At the institutional level, ECOWAS is working with WAEMU institutions to address trade issues in West Africa. At the ECOWAS level, two key institutions share the role of regional trade promotion: the ECOWAS Commission and the ECOWAS Bank for Investment and Development, particularly its private sector wing. One of the 9 ECOWAS Commissioners is specifically responsible for trade, customs, and the free movement of people, tourism, industry and mines. However, given the cross-cutting nature of trade, the Commission recently set up an inter-departmental working group focusing on key trade issues from all the commissioners' offices (Presidency; Vice-Presidency; Agriculture, Environment & Water; Human Development & Gender; Infrastructure; Macro-Economic Policy; Political Affairs, Peace & Security, Administration & Finance; and Trade, Customs & Free Movement).

The Commissioner for Trade has four directorates: Trade, Customs, the Free Movement of Persons, and Tourism, Industry and Mines. The overall objective of the directorates is to remove all constraints on the development of intra-community trade and increase West Africa's share in world markets. Different Directorates are responsible for issues such as the promotion of intraregional and extraregional trade or the design and implementation of the customs union, and the harmonisation of national fiscal regimes aiming at a regional policy. In the case of the ECOWAS Commission, it should be noted that the Commissioner for Trade is specifically supported by the Commissioner for Macroeconomic Policy when it comes to economic analysis, statistics and research, and the basic thinking that should guide trade policy, private sector development, multilateral surveillance, the development of a single currency, and overall common market monitoring.

With regards to agriculture, the *ECOWAS Agricultural Policy (ECOWAP)* was adopted in 2005. Based on the principles and priorities of the Comprehensive Africa Agriculture Development Programme (CAADP) of the New Partnership for Africa's Development (NEPAD), ECOWAP provides the official framework for agricultural development in the region, with the main objectives of boosting agricultural productivity and exports, attaining food security in member states and promoting a sustainable livelihood for farmers. Both National Agricultural Investment Programmes (NAIPs) and Regional Agricultural Investment Programmes (RAIPs) are being formulated to implement ECOWAP and CAADP-NEPAD in West Africa. With diverse ecosystems yielding a wide range of produce and creating valuable complementarities between different countries and production areas, the agricultural sector is an important lever for and driver of the integration of economies across the region. Furthermore, certain problems can be addressed more effectively at the regional level than by individual governments - such as the opening up of markets for agricultural produce (developing market infrastructures, managing supply chains on a regional basis, etc.), and the formulation of an effective cross-border trade policy to promote the agricultural sector. Three major axes for action have been identified: improvements in agricultural productivity and competitiveness; implementation of the intra-community trade regime; and adaptation of the external trade regime.

West African Economic and Monetary Union (WAEMU/UEMOA)

The West African Economic and Monetary Union (French: Union Economique et Monétaire Ouest-Africaine) is an organisation of eight West African states, which was established to promote economic integration among the countries sharing the CFA franc as a common currency. WAEMU was the product of a treaty signed in Dakar, Senegal, on 10 January 1994, by the Heads of State and Government of Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo. On 2 May 1997, Guinea-Bissau became the eighth member state.

WAEMU is both a customs and monetary union. Its objectives are greater economic competitiveness, through open and competitive markets and the rationalisation and harmonisation of the legal environment, the convergence of macroeconomic policies and indicators, the creation of a common market, the coordination of sectoral policies and the harmonisation of fiscal policies.

In terms of achievements, WAEMU members have so far implemented macroeconomic convergence criteria and established an effective surveillance mechanism; they have adopted a customs union with common external tariffs (CET); they have harmonised indirect taxation regulations, and have initiated regional structural and sectoral policies. The adoption of the free trade agreement in 1996 and of the CET in 2000 reduced tariff rates and streamlined the tariff structure. There is no tariff or quantitative restriction applied to intraregional trade in domestic products. Levies on imports from third countries are based on four tariff bands, ranging from 0% for 'social' goods (e.g. medicines), 'cultural' goods (e.g. books), and capital goods to 20% for finished consumer goods. The simple average most favoured nation (MFN) tariff rate is 14.2%, with almost 40% of imports classified under the 10% tariff band and a little less than 50% of imports being manufactured products (IMF 2008).

Despite the elimination of tariffs within the region there are still many barriers to trade which hamper intraregional trade flows. Most of these non-tariff barriers arise from national trade regulations that conflict with WAEMU rules. Quantitative restrictions are still present in the form of minimum levels of imports and exports. Burkina Faso, Côte d'Ivoire, and Senegal still use reference values in their customs valuation of certain products. Some countries impose a charge for verifying imported goods to remunerate inspection companies. Moreover there are still some disputes on CET tariff lines, although the number has been substantially reduced in recent years (for instance, Mali still classifies ten tariff lines differently from the regional CET). Temporary tariff surcharges introduced with the CET in 2000 and scheduled to expire in 2006 are still in place in some countries.

An IMF survey in September 2002 found WAEMU to be 'the furthest along the path toward integration' of all the regional groupings in Africa. ECOWAS and WAEMU have developed a common programme of action for trade liberalisation and macroeconomic policy convergence. They have also agreed on common rules of origin to enhance trade, and ECOWAS has agreed to adopt WAEMU's customs declaration forms and compensation mechanisms.

Permanent Interstate Committee for drought control in the Sahel (CILSS)

The Permanent Interstate Committee for Drought Control in the Sahel (French: Comité permanent inter-État de lutte contre la sécheresse au Sahel) is an international organisation of nine countries in the Sahel. CILSS was created in 1973 during the first great drought faced by the region. Its aim was to mobilise the population of the Sahel, as well as the international community, to provide urgent assistance and to coordinate activities in various fields, such as rain-fed and irrigated agriculture, environmental protection, transport and communication. In 1995, its activities were focused on basic food security and the use of natural resources. The executive office is located in Ouagadougou, Burkina Faso. The members of CILSS are Burkina Faso, Cape Verde, Gambia, Guinea-Bissau, Mali, Mauritania, Niger, Senegal and Chad. Both WAEMU and ECOWAS cooperate closely with CILSS.

According to Mali's Food Security Commission (the Commissariat à la Sécurité Alimentaire, or CSA), the member states of CILSS are currently discussing the establishment of a regional level food stock system. CILSS was recently proposed to be the lead coordinating body for this, which is a measure of the committee's competence, and of the confidence placed in it as an organisation representing the interests of the Sahel countries. CILSS and its specialised institutes are the most relevant sources of information on the region.

CILSS also functions as an umbrella organisation for a number of specialised institutes, such as the Institut du Sahel (INSAH - Sahel Institute) and the Institute for Meteorology and Agricultural and Environmental Monitoring (AGRHYMET). INSAH was created in 1976 to promote, coordinate and harmonise research on agriculture, the environment and markets, as well as population and development issues. The AGRHYMET Regional Centre (ARC) was created in 1974. It has international status and is based in Niamey, Niger. Its primary objectives are to contribute to food security and increased agricultural production in the CILSS member states and to improve natural resource management in the Sahel region.

This is achieved by providing information and training to development stakeholders and partners in the field of agricultural ecology (including agricultural climatology, hydrology, crop protection etc.). The ARC is increasingly sought-after by bilateral and multilateral organisations (USAID, FAO, WTO, IRD, CIRAD). As a part of the CILSS structure, it also participates in international meetings on food security, sustainable development, natural resource management and desertification control.

Network of Farmers' and Agricultural Producers' Organisations of West Africa (Réseau des Organisations Paysannes et des Producteurs Agricoles de L'Afrique de l'Ouest , ROPPA)

ROPPA was founded in July 2000 during a meeting in Cotonou that brought together about a hundred farmers' representatives who had been appointed by their respective organisations. The network comprises organisations and their elected representatives from 10 West African countries (Benin, Burkina Faso, Cote d'Ivoire, Gambia, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo). This group is not exclusive, and the medium-term ambition is to involve farmers' organisations from all the ECOWAS countries, to represent the whole of West Africa.

The topic of regional integration has been recognised as a major development that shapes current debate on agriculture and trade in West Africa. Today, the existence of a common space in which the West African Economic and Monetary Union (WAEMU) can pursue its economic, social and institutional objectives is increasingly becoming a reality. Harmonisation occurs in various fields: in trade, through the common external tariff; in legal planning with the work of the Organisation for the Harmonisation of Business Law in Africa (OHADA); and at the development policy level, with the preparation of an agricultural policy for the WAEMU area. The sub-region has become a place where strategic decisions are made that have a real effect on people's lives.

In 2006, ROPPA organised a summit dialogue concerning food sovereignty of the sub-region among farmer organisation leaders, members of parliament, officials of ministries of agriculture and trade, and researchers from 13 West African countries, together with the authorities of ECOWAS, UEMOA and CILSS, technical and financial partners, farmers' organisations from the North and NGOs. The result of this event was the Niamey Call for Food Sovereignty, which stressed upon the need for a participatory formulation and implementation of a sub-regional charter on food sovereignty, under the aegis of ECOWAS and with the cooperation of UEMOA and CILSS. It also concluded that the definition and the application of a trade policy and protection measures must correspond with the objectives of food sovereignty and the protection of agricultural production and the regional market.

Other regional networks of agricultural institutions in West Africa, which aim to promote intraregional trade, include *Réseau des Chambres d'Agriculture de l'Afrique de l'Ouest* (RECAO) and *Réseau des Opérateurs Economiques du Secteur agroalimentaire de l'Afrique de l'Ouest* (ROESAO) and *Afrique Verte International*.

National farmers associations & agricultural chambers

On the national level, different producer associations defend the interests of farmers and pastoralists. In the Sahel countries, the agricultural chambers do not yet have the institutional capacities like the respective chambers of commerce and industry. Interestingly, the latter have a mandate to lobby for the important agricultural cash crops, notably cotton.

In Mali, the *Association des Organisations Professionnelles Paysannes* (AOPP) has a membership of more than 170 organisations, representing approximately 3 million farmers across the eight administrative regions of Mali. The administrative and technical team consists of 40 national and regional employees. The AOPP's overall objective is to improve the living conditions of farmers and increase food self-sufficiency through small-scale, family-owned and multifunctional agriculture. The AOPP sees its role as defending the interests of producers in the national, regional and international political bodies and in preparing producers and their organisations to fulfil their new responsibilities in managing the agricultural sector. This will be done by providing a platform at the national level for farmers' organisations from all regions of Mali, and to establish regional cooperation structures through which farmers can position themselves in a dialogue with the state, and interact with development partners and other actors in the agriculture sector. At the producers and members level AOPP aims to strengthen technical, economic and institutional capacities.

The *Assemblé Permanent des Chambre d'Agriculture du Mali* (APCAM) and the nine regional chambers of agriculture were created in 1993 as a result of a restructuring and decentralisation process of agricultural bodies in Mali. Each of these bodies is a separate legal entity with financial autonomy. The role of the APCAM is to coordinate and represent the individual chambers of agriculture at the national and international levels. The chambers are advisory and professional bodies committed to understanding the rural communities and their diverse needs, and acting as representatives of their interests. The main roles of the network of chambers of agriculture are to raise awareness among public authorities and other partners about the problems and needs of rural people, and so to contribute to the adoption of relevant policies and rural development programmes and to encourage self-development of farmers and their professional organisations. The chambers of agriculture are essential assets to the Ministry of Rural Development as they implement its policy, and the rural development strategy, the success of which is closely linked to the emergence of farming as a strong, well-structured profession. The chambers of agriculture operate as a network, with programmes of action in the areas of policies and programmes for rural development, information and communication, training, support and advisory services to enhance professionalism and the structure of the agricultural sector. APCAM has benefited first from the consistent political will of the government to cooperate with the agricultural sector, and second from the support of partners, including FAO, UNDP, CIDA, USAID, the World Bank, the EU, and the Dutch and French development cooperation organisations.

The *Plate Forme de paysanne au Niger* (PFPN) is a framework of farmers' organisations in Niger created to influence agricultural policies and to act in the common interest of farmers. It is a non-profit structure under private law - a legal entity, authorised by the state in September 1998. It consists of 27 farmers' organisations, including associations, federations of trade unions, cooperatives and other groupings. The PFPN works through a national coordination office with a system of regional and local offices located throughout the country. The PFPN is a member of the Platform of Sahel Farmers' Organisations, a founding member of the Network of Farmers' and Agricultural Producers' Organisations of West Africa (ROPPA), and a member of several steering committees and thematic groups. Its objective is to help defend the interests and the philosophy of its members at national, sub-regional and international levels, using development activities, lobbying and advocacy, and by encouraging the exchange of experiences. To fulfil this mission the PFPN has two main goals: First, to establish a framework for the promotion, harmonisation and adaptation of its member organisations, and to strengthen their capacities so they can participate more effectively in planning and implementing sustainable development activities. Second, to strengthen the organisational and institutional capacities of the PFPN through appropriate restructuring and by promoting a culture of cooperation. The PFPN partners are diverse in nature. They include the Government of Niger (through its ministries), ROPPA, Alternatives (a Canadian NGO), GRAD (Groupe de Réalisations et d'Animations pour le développement of France), the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS, AGRHYMET, the regional office in Niamey specialised in agro-meteorology), PUFS (a Swiss NGO), Swiss Development Cooperation, Italian Cooperation Office, UNDP, FAO, World Bank, French Development Cooperation, Canada/UPA, the University of Niamey, International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), and others.

The *Réseau National des Chambres d'Agriculture du Niger* (RECA-Niger) was established in July 2006. It is a network of eight regional chambers, all of them founded in 2000, which together represent approximately 30,000 cooperatives. RECA-Niger employs six full-time staff, and a technical assistant was recently placed with the organisation. By inter-ministerial decree, RECA-Niger was made a member of the interdepartmental technical committee for rural development policy, to represent the interests of the agricultural sector. RECA-Niger's mission is to represent and defend the interests of all agricultural workers, and to represent the regional chambers. RECA-Niger disseminates information to rural producers about matters affecting them, and provides advice and guidance to facilitate their access to services and resources. The chamber also helps rural producers promote and implement projects by providing organisational support and helping to mobilise technical and financial support. Since 2006 RECA-Niger has been the national focal point for the onion sector, working on behalf of the international body, the Technical Centre for Agricultural and Rural Cooperation (Centre Technique de Coopération Agricole et Rurale, CTA). One of its tasks is to coordinate the collection, processing and dissemination of information among onion producers in the region. The resulting overview of economic activities in the sector is used to enhance the stakeholders' access to relevant market information. As a result of this partnership, a project was launched in Niamey in August 2007 to promote market information and communication for the onion commodity chain (Système d'Information de Marché et de Communication de la filière Oignon, SIMACO).

In Burkina Faso, the Confédération Paysanne du Faso (CPF) was launched in 2002. The organisation has a mandate to defend the interests of member organisations, to accompany the professionalisation of agricultural producers and to act as a platform for exchange and coordination. CPF adheres to the concept of food sovereignty as the responsibility and right of any country or group of countries to conceive and develop their own farming and food policies. This includes the right to develop protective measures against processed foods. Nonetheless, this would avoid 'dumping' vis-à-vis a third country. In their view, the right to produce what the population consumes on Burkinabé territory should not in any circumstance be compromised or affected by imports or food aid. In Burkina Faso, 13 regional agricultural chambers were created in 2004. The setup of a coordinating network at national level is still ongoing.

Generally, financial sustainability is a problem for these associations. Most so-called members are not in a position to pay fees, which can lead to low level of ownership and high dependence on donor funding.

4 Barriers to trade and possible solutions

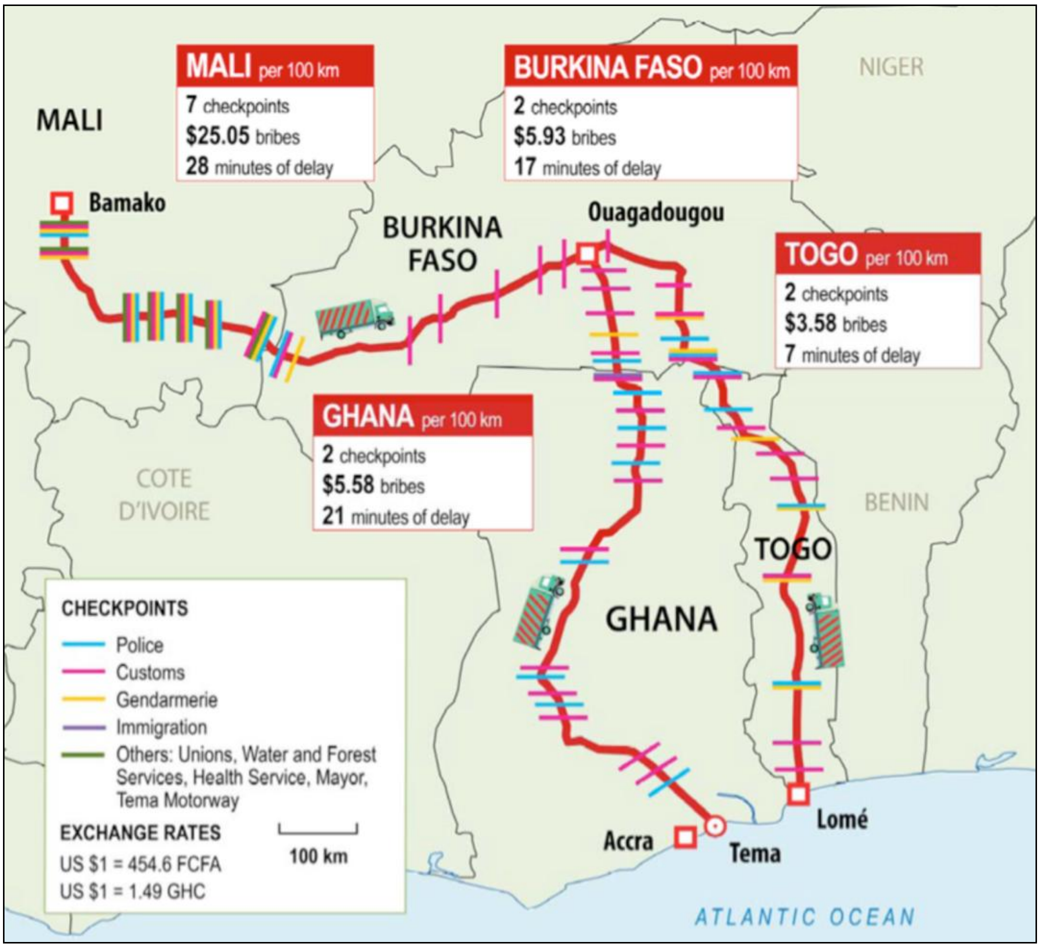
Checkpoints, 'wildcat' taxes and delays

Road barriers make trade costly within the region. The checkpoints are mostly set up by law enforcement agents (e.g. police, gendarmerie), and often involve the payment of bribes. Bribery and delays also occur at border crossings, where officials may exploit the need to redo paperwork for cargo as part of the transition from one country to another.

In order to reduce roadside corruption in the region, ECOWAS and WAEMU are working with the USAID-funded *West African Trade Hub* to track bribes and delays at priority corridors. Truckers with proper documentation and roadworthy vehicles record the bribes they pay and the length of time they are delayed, noting location and type of uniformed service involved. Focal Points collect the data at the end of their journeys and enter it into the database. This information system generates reports, which are then sent to truckers' unions, drivers, shippers, media, to the heads of the uniformed services concerned, local governments, as well as international organisations and donors negotiating with governments for improved governance.

Despite the progress in regional integration, the flow of trade in animal products is still penalised by arbitrary interpretations of the regulations, and is subject to various forms of illegal or 'wildcat' taxes. All manner of corrupt practices on both sides affect the transparency of transactions and raise transaction costs (SNV/IRAM 2009).

Figure 3: West Africa – checkpoints, bribes and delays in 2nd quarter 2009



Source: IRTG 2009

Transport prices

Fragmentation is an underlying problem for the transport sector. Mainly owner-operators run many small companies. There are very few larger companies, which are organised and that focus just on trucking. Another hidden cost-driver is the lack of access to finance, leading to low investment in modern fleets. This leads to a situation in which 40 to 45 year-old trucks are the norm in Niger. The structure of the trucking sector also increases costs. At ports, middlemen who find trucks for importers add a layer of costs that would be unnecessary if the sector were better organised. According to traders in Mali, exporting companies could reduce costs by working together.

Transport companies need to be supported to better lobby the government to repair rural roads. Companies often cannot send trucks to the rural areas where agricultural produce is collected. People would rather use wheelbarrows to transport their products to accessible places. In some cases, companies simply could not buy the products because they could not reach them. Moreover the numerous roadblocks added a significantly to the transport costs. Effective complaint mechanisms could be implemented to reduce the number of arbitrary checks and payments (USAID 2009).

Discrepancy between regional policies and national legislation and implementation

Until recently, checks on WAEMU-wide axle loads had hardly been implemented. This resulted in a steady deterioration of roads in the region. In a recent drive to tackle this problem, the Nigerien government inspected all trucks entering the country via the border with Burkina Faso. Due to non-compliance with the axle loads most trucks were stopped, leading to delays of several days or even weeks for some. Despite the delay, the stringent inspection was a positive sign of the practical implementation of regional regulations.

The temporary export bans by Burkina Faso and Mali in the wake of the high food prices in 2008 was an example of non-observance of the WAEMU's rules. The ready availability of food is a sensitive issue in countries that have a long history of occasional poor harvests. As the countries have only a limited capacity to purchase imported cereals in times of crisis, they had instead pursued a policy of food self-sufficiency. Restrictions on trade in primary products are against the WAEMU and ECOWAS agreements, mainly for the following reasons (Integrated Framework Program 2007a). Restricting sales to the domestic market inevitably lowers the incomes of farmers. If traders cannot take advantage of higher prices across the border, then they will purchase less of the harvest or pay a lower price for it. These lower prices discourage farmers from producing more, which is detrimental for the national and regional food supply. Regional trade in cereals will help all countries to better cope with poor crop years. By drawing on a large regional free trade zone, markets will compensate for localised production shortfalls, thus limiting the resulting higher prices, which should lead to greater annual price stability.

Business climate

In most West African countries, governments fall short of creating a favourable business environment for agricultural trading. Many governments fail to provide the basic public goods that are required for markets to operate efficiently and reliably, such as mechanisms for contract enforcement and standardisation of quality grades. Also, government investments in agriculture have steadily declined over the past decades, which is evident from the state of the rural infrastructure and agricultural research. The current levels of investment are insufficient to unlock agriculture's potential for economic growth (World Bank 2008b).

At the same time the small business sector tends to suffer from over-regulation that imposes high costs on entrepreneurship and prevents start-ups and business growth. This is still the case even in countries where there has been a significant improvement in the situation like Burkina Faso: According the World Bank's criteria's for the ease of doing business here, Burkina Faso has risen within one year from rank number 164 to 148 in 2009. (It is ranked at 176 for cross-border trade).

In addition, traders are often heavily taxed for moving goods from one district or region to another, and may have to make 'informal payments' - bribes - to public sector authorities on the road to ensure smooth travel. Some activities require people to buy licenses, while health, safety and other regulations may impose punitive costs.

Table 2: Trading Across Borders

Category	Mali	Burkina Faso	Niger	Sub-Saharan Africa
Trading across borders (rank)	166/156	175/176	172/173	
Documents to export (number)	8/7	11/11	8/8	7.8
Time to export (days)	38/32	45/41	59/59	33.6
Cost to export (US$ per container)	2012/2075	2262/2262	3545/3545	1941.8
Documents to import (number)	11/10	11/11	10/10	8.8
Time to import (days)	42/37	54/49	64/64	39.4
Cost to import (US$ per container)	2902/2955	3830/3830	3545/3545	2365.4

Source: World Bank (2008a and 2009)

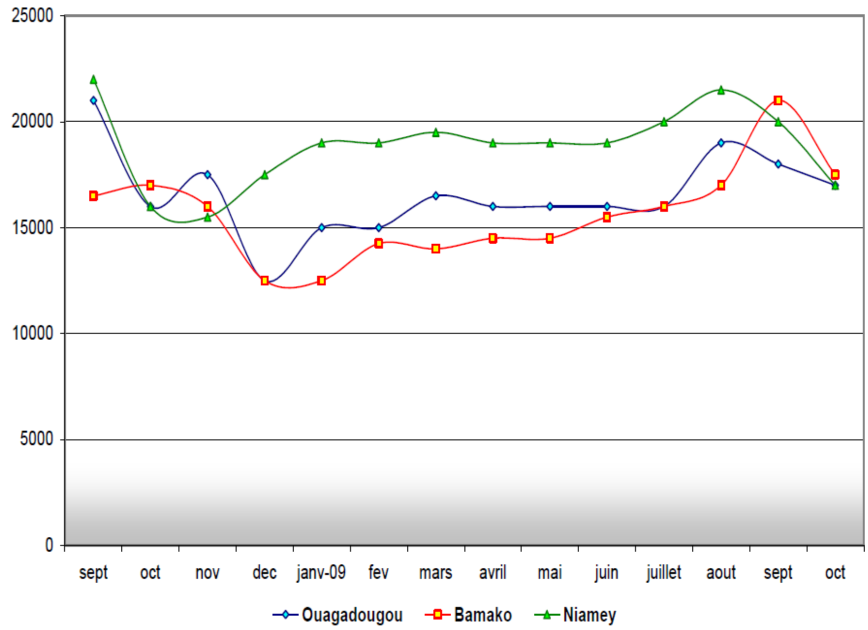
Lack of market information

There are regional market information systems in West Africa. However, many private and public actors stated that the database is poorly maintained and updated. Furthermore access to information is a problem. For instance, the USAID-funded support to the Regional Market Information Systems and Traders' Organizations project (MISTOWA) ended in September 2007. The project aimed to increase regional agricultural trade and food security by improving and linking the existing regional efforts to generate, disseminate, and make commercial use of market information. The system should also assist the regional networks of Market Information Systems (MIS) and trade partners to address other constraints, so that strong and dynamic commodity chains emerge and that will use the information to enhance production, handling, credit and trade.

A related example is the Réseau des Systèmes d'Information des Marchés en Afrique de l'Ouest (RESIMAO/WAMIS-NET), which is financed by the EU and USAID. This web-based platform frequently disseminates updated prices of many agricultural products for many markets in West Africa. Information can also be accessed via subscription to SMS-services.

Market information systems in West Africa can only be effective tools for forecasting production, trade and current stocks if they include cross-border movements of agricultural products and data from various affected countries in the region. The example of Niger and Nigeria is a case in point. Without cross-border market observation the mechanisms that affect market trends cannot be well understood. In this regard Afrique Verte International produces and distributes regular cereal price information for the three Sahelian countries.

Figure 4: Price for millet in FCFA per 100 kg



Source: Afrique Verte International 2009

Lack of regional cooperation and coordination

Cross-border trade provides enormous opportunities to improve food security on a regional level. That being said, regional trade can have an adverse effect on food security, if it is uncoordinated and lacks any observatory mechanisms. In some cases, trade flows can exacerbate food shortages due to a lack of inter-governmental cooperation and information flow. In 2005, the cereal harvest in Niger was 11% below the 5-year average. However, it was still 35 % higher than in 2000, (the last time that it was considered as 'bad' but which did not result in major food security problems). The main problem in 2005 was the fact that there was a major shortage in cereal production in northern Nigeria as well. Together with a very favourable CFA franc exchange rate against the Nigerian Naira, the sale of the available cereals in the Niger production zones pushed prices up sharply in Niger.

An example of improved coordination of cross-border stakeholders is the ECOWAS Cross-border Initiatives Programme (CIP), where agricultural trade facilitated improved consumer access across the borders of Mali, Burkina Faso and Côte d'Ivoire. The intensive cooperation of private actors (e.g. Malian cooperatives, traders and Burkinabe farmers' associations) helped establish lucrative cross-border trade. Among the products that are traded profitably within the region are the Ivorian banana, oranges and yams from Burkina Faso, as well as potatoes and mangoes from Mali.

Food safety and quality

Different sanitation standards in West Africa often prevent neighbouring countries from legally trading with each other - and with the world at large. A single set of standards would increase trade among the 15 ECOWAS member countries, strengthening regional economic integration and regional food security. It would also give West Africa the unified strength to increase market access and exports of agricultural goods to global markets. ECOWAS and WAEMU intend to move towards regional harmonisation of different sanitary and phytosanitary measures (SPS).

Another area for enhanced regional cooperation is pest and disease control. Pests and plant diseases are seldom localised and need to be tackled in a coordinated way by the affected countries. For instance, the mango production sector has been particularly hard hit in West Africa with heavy losses in major mango producing countries caused by indigenous fruit flies since 2004. Regional action against pest attacks reduces costs and is more effective than fragmented national efforts. The control of fruit flies has dominated discussions at both the ECOWAS and WAEMU Commissions. However, despite the effect of fruit flies on West African fruit production and export, both Commissions have so far not included programmes to control fruit flies as part of their key pillars of intervention. This situation appears to be slowly reversing. Following the adoption of the common Agricultural Policy for West Africa (ECOWAP), the ECOWAS Commission has been actively involved in its implementation mainly through the development of National Agricultural Investment Programs (NAIP), a Regional Program for Agricultural Investment (RAIP), and the incorporation of key elements under the pillars of the Comprehensive Africa Agriculture Development Program (CAADP). The Standards and Trade Development Facility (STDF) is currently working together with ECOWAS to identify existing donor initiatives and coordinate donor assistance related to the control of fruit flies in the region. Burkina Faso faces competition from Cote d'Ivoire and producers aim at improving their product quality, especially for mangoes.

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Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH

Dag-Hammarskjöld-Weg 1-5
65760 Eschborn / Germany
T 06196 79 - 0
F 06196 79 - 1115
E info@gtz.de
I www.gtz.de