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### Traveller:

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### Date

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### Destination

*MFA-the Netherlands, the Hague, the Netherlands*

### Purpose and expectations

The secretariat participated in an event that looked into the interlinkages between trade and food security in West Africa. The participants exchanged different point of views on the correlation between the two and presented new data on cross-border cooperation and its impacts. Additionally a meeting with the Dutch focal point took place to inquire whether there is still the possibility to host the AGA 2018 in the Netherlands.

### Mailing list

Website

### Persons met/participants

Monique Calon and Marcel Vernooj (MFA-the Netherlands), Laurent Bossard, Director of the Sahel and West Africa Club (SWAC) at MFA-Netherlands, Marie Trémolières (SWAC), Michiel van Eupen (WUR), Bruce Byiers (ECDPM), Jan Bade (MoFA), Philipp Heinrigs (SWAC), Sunday Odjo (IFPRI), Jeske Seters (ECDPM)

### Content

The Ministry of Foreign Affairs the Netherlands invited to a seminar to discuss the issues of trade and food security in West Africa. The Netherlands has traditionally strong trade ties in the region and has committed to further promote the inclusive economic growth by harvesting the opportunities of interregional trade in West Africa. The region is of political priority and MFA will use different instruments to promote stability, hoping that this will contribute to reducing the influx of migrants to Europe. The ministry sees great opportunities to strengthen trade internationally and link it to inclusive development with special focus on food and agriculture. The Netherlands, the European Commission and USAID share this vision. To support each other's interest and contribute to the development of the region, they have joined hands and launched a programme for trade facilitation that involves all traders in the region and coordinates the donor actions.

Given the growing population in West Africa, how the region will deal with the growing demand for food is of great importance to the world. The efforts will have to be sustainable and inclusive, consider climate change, while allowing for market development and participation in international trade, all with the ultimate goal of ensuring food security. So where are the challenges and opportunities?

The renewed political attention to the region, because of migration and instability, offers an opportunity. Marcel Vernooj from the Ministry of Foreign Affairs Netherlands also sees trade relations as an opportunity to promote inclusive growth, engage private sector and reach youth through innovative and profitable partnerships.

Representatives from SWAC warned the present donors of the diversity in the region and called for developing a regional approach that captures reality. However, cross-border cooperation and



networks in the region remain informal, especially with regard to women involved in trade, which makes the data unreliable and insufficient. This in turns complicates the identification of potential for investment in certain regions. There is a high-level of fragmentation of trade networks along borders, so although there are border regions in which there is an intensive exchange and integration, the connection with other countries and regions is still interrupted or non-existent.

The study presented by OECD SWAC ["Cross-border Co-operation and Policy Networks in West Africa"](#) confirmed that decision making and decentralization processes are very slow in West Africa. Moreover, regions are so diverse that the approaches to support these processes need to be place based, which is also time consuming. Understanding the dynamic of trade and employment in trade will help formalize the network while closing the gaps and promoting adapted policy initiatives. Cross-border relationships also ensure balance and mutual benefits, so it is of great importance to understand what and how people benefit from formalizing trade relations along borders. Unfortunately, the researchers involved in the study, quickly realized that there is a great data gap. To make the policies, decision-makers would need to have data on possible trends, impact and potential. One way to close the gap is to use social media and human capital data to guide decisions.

Representatives from ECDP also raised the question about the reluctance of local communities to formalize their employment. Donor organisations always aim at efficiency and formality, at income increase, but local communities actually benefit from lower efficiency. Often the inefficiency allows markets to be more inclusive, employing women and youth. Therefore, donors need to cut through the diversity of regional organisations and understand the locality of cross-border networks and trade. One of the biggest challenges of any trade facilitation programme is to understand what role it would have at regional and national level. Due to the slow decentralisation in West Africa, if the trade facilitation programme wants to be successful, it has to be first implemented on national level. Donor interventions need to actively aim at communicating to the national authorities the interest of the border communities and marketing the positive impact of cross-border trade.

Another factor that hugely influences trade connections is urbanization. The process entails not only growing share of urban population, but also number of cities, types of cities and inter-city connections. In addition, the process has a major impact on food consumption, putting pressure on food supply to diversify and offer processed food. Food prices in the region are higher than in other parts of the continent, making food production less competitive to imports, but also showing an advantage of trade between two bordering countries with price difference. Despite the limited competitiveness, the food economy remains a growing sector and the biggest employer in West Africa with the biggest potential for development in the rural areas. The demand for processed food creates an opportunity for rural areas and investment in technology can relax the diversity of labour productivity ensuring year-round employment. There are though barriers to such social and economic opportunities – lack of finance and other resources, lack of information about labour market and labour mobility. Strengthening the infrastructure networks around borders, linking borders with small towns and cities can create a mobility incentive, but also incentivise private sector to invest in connected rural areas and this way keep the people from moving. Overall, the first step to any trade facilitation measure is data. Disaggregated data that presents local economic potential, local capacities and local needs.

Sunday Odjo from IFPRI also agreed that regional trade could help still the emerging demand for food in West Africa. However, he also stressed that there are commodities that will not be affected by stronger intra-regional trade connections – such commodities include cereals and rice that will still be imported. So given the growing trade relations and the pressure to trade food, there is a great opportunity to increase the yields from trade. However, this can only take place if policy addresses the high transaction costs, missing infrastructure and the environmental and social dimension of trade and higher levels of production. IFPRI also called the participants to go beyond agriculture in their interventions and focus more on the full food value chains, also because the West African countries support that with their revised agricultural food security and nutrition investment plans. Mr. Odjo



reiterated to always take in account the differences between countries and facilitate public private dialogues and cooperation. The complexity of the food system and the policy environment requires public private dialogue to inform the policies, but the challenge remains to build a structure around the dialogue and ensure equal terms. Therefore, donor organisations' trade facilitation programmes should work to enhance synergies to support the development of instruments that engage the private sector. In addition, here, such interventions should reflect the regional dimension using data and territorial approaches to understand the link between consumption and production.

In summary, trade programs need to think and act regionally, adapting to the independent policies of the countries and balancing their protectionist measures. Additionally, trade can be the sustainable solution to food security issues in climate change affected regions. Trade facilitation should also take into account the share of informality, dominating the food economy and not take measures that undermine it or contribute to inequality. Programs should rather build on the informal structures and slowly include them into the formal economy. Due to the demographic development, the region will have either to produce distinctively more food, become a net importer or use intra-regional trade connections to still the food demand. The demand creates opportunity from the food sector to create jobs, develop economy and limit migration.