

EVALUATION OF SANITARY AND PHYTOSANITARY (SPS) TRADE POLICY CONSTRAINTS WITHIN THE MAIZE AND LIVESTOCK VALUE CHAINS IN WEST AFRICA

SUMMARY BRIEF 4: SPS SYSTEMS AND TRADE CONSTRAINTS

USAID's Bureau for Food Security commissioned the study *Evaluation of Sanitary and Phytosanitary (SPS) Trade Policy Constraints within the Maize and Livestock Value Chains in West Africa* through the Leveraging Economic Opportunities (LEO) project¹. The study is one of three regional assessments carried out in East, Southern, and West Africa regions to identify key SPS-related constraints to trade within priority Feed the Future value chains, in order to gauge opportunities for potential SPS-related investments. The study in West Africa covered Nigeria, Ghana, Côte d'Ivoire, Burkina Faso, and Mali. This brief identifies and details the SPS systems and trade constraints for the maize and livestock value chains in West Africa.

SPS SYSTEMS AND TRADE CONSTRAINTS

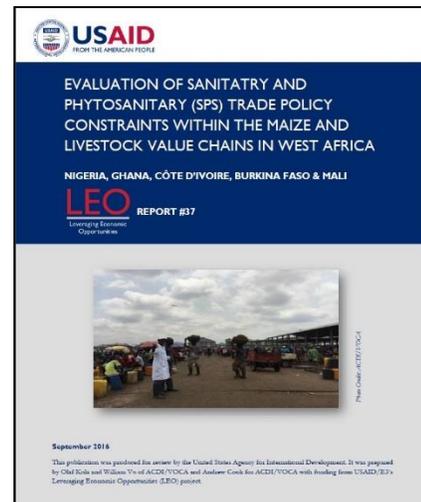
Resources allocated at the national level are insufficient to ensure SPS controls, inspection, testing and enforcement.

While public resources in developing economies are scarce, public resource allocation remains a priority measure. None of the four countries is dedicating sufficient resources to ensure compliance with, or to enforce SPS regulations through inspection and testing.

For example, relatively low-cost test kits for aflatoxin in soil and maize are not available; most borders lack meters to measure moisture levels, which serve as a proxy for aflatoxin risk; and national laboratories generally suffer from some combination of poor infrastructure, insufficient equipment and duplication of effort between labs.

UEMOA and ECOWAS have harmonized SPS regulations but have largely avoided imposing SPS constraints on cross-border ruminant trade because they fear that these would excessively disrupt trade and force it into informal channels, thus worsening animal-health problems. Instead, UEMOA has focused on infrastructural investment that benefits member states but, with the exception of support to laboratories, does not target core processes that might improve animal health, plant health or food safety; and that might make regional trade more efficient.

Trade drives the demand for improved SPS systems. Domestic companies, seeking to export, and multinational companies (e.g. Nestlé or breweries) serving domestic markets largely drive the demand for improved SPS compliance. Failure to comply with regional, global, and importing country SPS standards means sales, revenue, and hard currency lost. Product, that companies based in ECOWAS countries export



Trade is driving the demand for improved SPS systems since national resources are insufficient and uneven in the region.

¹ For more information on LEO, and to access the full studies for East, West, and Southern Africa, visit www.microlinks.org/leo.

to destinations outside member countries, is held to higher scrutiny than product sold domestically. Companies exporting processed foods with maize as a key ingredient were very concerned about pesticide and aflatoxin levels because they knew their product might be tested in the country of destination. Companies potentially exporting red meat beyond ECOWAS borders do not yet exist because of SPS shortfalls.

National policies frequently at odds with ECOWAS/ CEDEAO accords. National agriculture policy is driven by populist protectionism: domestic industry and products must be protected not just from multinationals but even from one's neighbors. ECOWAS/CEDEAO's mandate is to create a regulated common market within the regional community. But it has no enforcement power. National parliaments are slow to consider and pass ECOWAS rules, a pre-requisite for these rules to acquire the force of law. The voices of private actors who bear the costs of non-compliance must be more involved in setting the SPS agenda.

Enforcement of compliance. In conformity with WTO rules, ECOWAS member states formally allow the free movement of agricultural commodities across the borders of member states, providing that commodities comply with IPPC, OIE and Codex Alimentarius standards. However, compliance, inspection, testing and enforcement pose significant challenges to resource-constrained states.

Borders among ECOWAS' 14 continental member states are porous, due to 25 internal borders with a total length of 15,000 kilometers and a lack of resources to effectively monitor cross-border movement. This is especially the case for live animals, notably cattle and small ruminants. Furthermore corruption and the collection of illegal payments can add 1 – 6 percent to the CIF cost of goods; though non-negligible, this cost is relatively minor compared to loss of product value and to public-health costs from consumption of toxins and pathogens in food.

Food safety and the human cost of SPS issues. Nigeria estimates 200,000 deaths from food-borne toxins and pathogens. There is little evidence that the per capita incidence is significantly lower in neighboring countries. Aflatoxin and mycotoxins, long understood as carcinogens, appear to be a significant factor in childhood stunting due to the link with environmental enteric disease (EED). The economic cost of stunting to West African states is enormous in terms of lost worker productivity and reduced intellectual development of affected children. Public awareness of the link between mycotoxins and stunting is non-existent. Public concern for the presence of mycotoxins in maize is unlikely to be resolved until countries reform their seed policies to permit and encourage the development of seed markets for high-yielding hybrid varieties. Human consumption of antibiotics from recently vaccinated livestock is a problem; animals that appear sick after being vaccinated are often rushed to slaughter to minimize economic losses to their owners, resulting in antibiotic residues in the animals' flesh.

The links between (a) aflatoxins and environmental enteric disease (EED) and (b) EED and stunting should elevate the importance of aflatoxin control on the national level. Outside of public officials within SPS regulatory bodies, SPS is not perceived as high a priority, unlike other public-health threats with higher and shorter-term mortality and morbidity, like malaria, diarrheal diseases, and non-aflatoxin factors contributing to stunting and wasting. However, new research has established a causal connection between aflatoxicity in infants and children and stunting through EED.

Insecurity reduces the ability and the priority of governments to ensure SPS compliance. Boko Haram in northern Nigeria, Al Qaeda of the Maghreb (AQIM), as well as regional domestic conflicts between pastoralists and agriculturalists hinder trade and impede the work of regulatory and enforcement agencies.

Trends. Traceability for livestock, maize and all other agricultural commodities will become more important and easier to provide with advances in information technologies. The opportunity cost of contaminated product is too high not to try to control. Though no evidence of strong consumer food safety groups appeared in any of the four countries studied, public awareness of food safety issues is growing rapidly, as national newspapers and FM radio routinely report on food safety and public health issues.

PRIORITY INVESTMENTS

Given these findings, the table below identifies, consolidates, and proposes the priority investments to address the SPS issues uncovered by the study. These investments to remove SPS barriers to trade are meant to be public and private. An exhaustive and more detailed list of investment, including the ones below, can be referenced in the report.

Table 1 - Priority Investments

	Investment	Target countries
<i>SPS - General</i>	Create regional public- private fora to establish SPS priorities.	Countries with significant and expanding maize-processing capacity: First tier: Ghana, Nigeria, Côte d'Ivoire (RCI), Senegal. Second tier: other countries with significant maize production: Burkina Faso, Mali
<i>Livestock (Poultry, Cattle, Small Ruminants)</i>	Re-establish para-vet system under supervision of licensed veterinarians public &/or private.	Nigeria, Ghana, RCI, Burkina Faso
	Support value upgrading of Sahelian livestock chain near urban centers, including fatteners, breeders investing in cross-breeds, improved feed and fodder mixes, and traceability to provide regional supermarkets with a higher quality and disease-free product.	Initially Mali, Burkina Faso, Côte d'Ivoire, Ghana, Nigeria, and then rest of ECOWAS.
<i>Maize</i>	Facilitate national testing on aflatoxin bio-pesticide Aflasafe BF 01 developed by INERA in collaboration with IITA.	Ghana, Burkina Faso, RCI.
	Support development of private commercial seed markets. This requires conditional licensing of multiplication and distribution rights of public domain seed to firms with the capacity to meet conditions.	All ECOWAS countries except for Nigeria which already has done this.
	Harmonise national seed policies with the ECOWAS framework.	ECOWAS countries

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