

Notes for scoping conference “Improving the perspective for regional trade and investment in West Africa: the key to food security, economic development and stability in the region?”

On January 27, 2016 at African Studies Center Leiden, a consortium of knowledge institutes composed of the African Studies Centre Leiden (ASCL), LEI Wageningen University and Research Centre (LEI WUR), and the European Center for Development Policy Management (ECDPM) organized a scoping conference that facilitated a recently-started scoping study on regional trade and investment in West Africa. The scoping study, titled “Improving the perspective for regional trade and investment in West Africa: the key to food security, economic development and stability in the region?” is commissioned by the Netherlands’ Ministry of Foreign Affairs (MFA) and funded by the Food & Business Knowledge Platform (F&BKP). The consortium has published a more detailed [report](#) of the scoping conference.

The overall objective of the scoping study is to provide a comprehensive picture of the Dutch government ongoing cooperation with West Africa and the perspective in terms of policy options for strengthening its effectiveness and coherence by giving more emphasis to the promotion of intra-regional trade and investment in West Africa.

Participants to the scoping conference were members of the consortium, policy advisors of MFA, trade experts from knowledge institutes such as Wageningen University and Research Centre (WUR), the Centre for World Food Studies (SOW-VU) and KU Leuven University, experts from Netherlands African Business Council (NABC) and TradeMark East Africa (TMEA) and members of the F&BKP.

The scoping conference was opened by Paul Engel, senior fellow at ECDPM. Policy advisor Marcel Vernooij gave an introduction on the new trade for aid policy of MFA. He further explained that the ministry would like to look for evidence to prove the linkage between trade, economic growth, poverty alleviation, and sustainability. Le Chen from the F&BKP expressed the expectations from the Platform of the scoping study.

The discussion was organized around six inventories that the study sought to generate. Paul Lange from ASCL presented the first inventory of regional policy and knowledge centres in West Africa. Filters of this institutional mapping were core activity (policy-relevant research), thematic focus (regional integration), and geographical focus (West Africa). Professor Arie Kuyvenhoven (WUR) suggested to concentrate on the focus of the study. He also suggested that an overview of economic literature published by the World Bank, the International Food Policy Research Institute (IFPRI), and SOW-VU might be a good starting point. Moreover, the discussion centred on how to find effective local partners and what partners to look for. Is it more sensible to look for the trustable ones?

The second inventory was presented by Professor Ton Dietz, director of ASCL, on content analysis of literature search. The current pool of literature consists of 294 titles, among which are few book publishers and many, but very scattered, contributions in journals. Institutions that are active on this topic are the World Bank and African Development Bank (AfDB). The Netherlands’ input is limited. Lia van Wesenbeeck from SOW-VU provided her suggestions to the study. She stressed on climate in West Africa, ensuring access for female producers, transport with high risks, market development, and investor relations. According to Wesenbeeck, the Netherlands’ contribution should focus on integrated approach such as combining safety and development (especially for women), value chain management and insurance arrangements.

Marie-Luise Rau from LEI WUR presented the third inventory of statistics on regional trade and investment relations in West Africa. There are convergence indicators that measure the regional integration as a prerequisite for regional integration and outcome indicators that measure the outcome

of regional integration. The discussion points revolved around what should be measured and which indicator should be chosen, what kind of data should be included in the study and if it should be at regional level or at firm level. David Ehrhardt from Leiden University College (LUC) commented that there is a gap between data and reality due to various reasons such as data quality, estimation errors, and so on. However, this problem could be dealt with by applying statistical tools and econometric technics. Anthe Vrijlandt from TMEA added that they collected local data related to transport and rainfall and that forecasts were produced using these data. Eric Tollens from KU Leuven suggested to also check data at USAID, Eurostat, Afristat, and Joint Research Centre (JRC) of the European Commission.

Jeske van Seters and Carmen Torres from ECDPM presented ECDPM's ongoing work on regional integration and trade in West Africa. Strong reasons exist to bring a more strategic focus on promoting regional trade, but very little is known about the magnitude and shape of trade flows in the region. Factors that determine intra-regional trade are agro-ecological and climatic conditions, conflict, transport, urbanization, etc. Van Seters and Torres concluded that agricultural trade was important in the region; a considerable part of informal intra-regional trade does not flow through the main corridors; and there are potentials to strengthen regional agricultural value chains for economic transformation. Professor Kuyvenhoven commented that it might be good to use the theory of comparative advantage to understand the trade data. Tollens believed the future of West Africa is intra-regional trade. Paul Engel found it important that political economy should not be overlooked.

Monique Calon from MFA presented the fourth inventory of existing Dutch bilateral policies in West Africa. Calon focused on trade policy frameworks of the Dutch government and the West African countries, Dutch interventions that aimed towards regional integration in West Africa, and trade barriers in West Africa. She concluded that there were sufficient evidences that increasing regional trade in West Africa would contribute towards reducing poverty, improving the economies and food security of the countries within the region and increasing opportunities for foreign (Dutch) investment. But, we need to find the right recipe to ensure that benefits (and risks) are shared equitably and that aid and trade are mutually reinforcing. Both Professor Kuyvenhoven and Professor Ruerd Ruben from LEI WUR suggested to look at the comparative advantage of the Netherlands such as value chain, branding, marketing, farm organizations, transport, and so on.

Lange from ASCL presented the fifth inventory of existing policies by regional institutions in West Africa, regional policies by other donors and donor coordination efforts. The plurality of initiatives is revealed by a large number of projects, programmes, policies, strategies, frameworks, and funding mechanisms that focus on regional integration and trade. The most engaged donors are World Bank, African Development Bank, European Commission, USAID, GIZ Germany, Department for International Development (DfID) UK, Japan International Cooperation Agency (JICA), the Netherlands, etc. The main regional organizations are Economic Community of West African States (ECOWAS), West African Economic and Monetary Union (UEMOA), etc. However, donor efforts are largely fragmented. Lange suggested a comprehensive approach to regional integration that focuses on broadening policy areas, deepening policy discussions, and geographical multi scales.

The last inventory on policy options and possible effects was presented by Marie-Luise Rau from LEI WUR. ECOWAS and UEMOA determine trade-related policies and agreements. However, provisions and what has been agreed and implemented by the members are not always clear. This indicates that single market is still far away for West Africa. In addition, international cooperation, such as EU Economic Partnership Agreements (EPAs) and the World Trade Organization Bali agreement, affect policy options. There is a need to assess and evaluate the impacts of policy options. Jan Maas from NABC commented that this study should look at the knowledge of the private sector in West Africa.

Klaas van Walraven from ASCL commented that analysis of political system should be relevant here. It is dangerous to assume that ECOWAS can do the job. Regional integration creates winners and losers. Engel agreed that political economy should not be overlooked here and this study should find out who would benefit from regional integration and whom we don't want to be losers.

Ante Vrijlandt from TradeMark East Africa introduced TMEA to the conference audience with their experiences and challenges of how to reduce poverty through increased trade. Challenges include border congestion, poor infrastructure, and gender barrier. Experiences of TMEA are that it has a strong local ownership, a regional policy setting and national implementation; it is evidence based and results driven. Its corridor approach is broadened and equipped with a mixture of hardware and software.

Professor Dietz from ASCL concluded the scoping conference. Additional literature and important actors will be added to the existing list. It is important to note that the Netherlands cannot play a big role in regional trade and it is important that we find our niche, that we can be catalyst. Contextual analysis is very important. We should go beyond the government and try to discover why economic actors do what they do and how they succeed to circumvent the government. We also need to think who the losers in this game are. We need to look at long term trends that are beyond today's discussion. A broader focus on big cities instead of only trade corridors is important for this study due to an increasing demand for food that is driven by ever growing population and urbanization. It might be helpful for the focus of this study if the MFA could provide a few examples of its activities in the area of regional trade and investment.