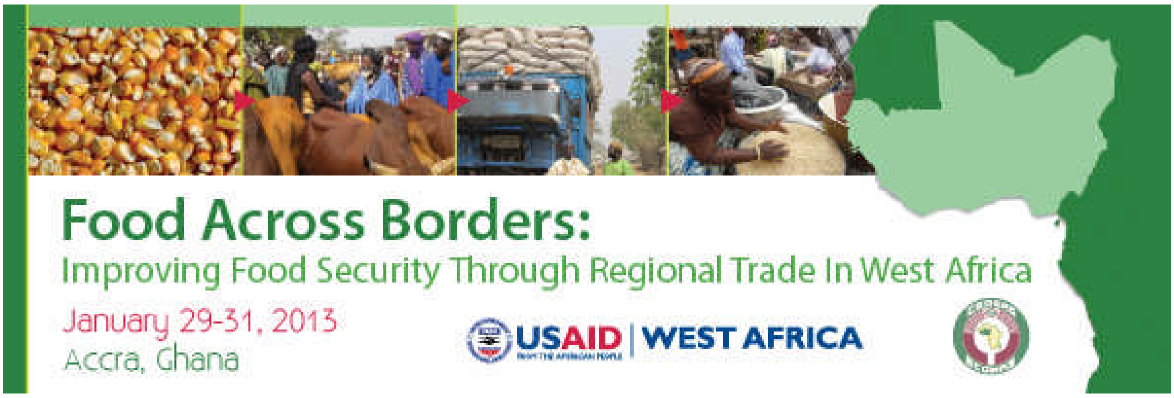


## Brief #2: Export Restrictions

**What is the policy?**

West African countries have made various commitments to eliminate export restrictions and support free trade in the region. For example:

- Article 3 of the ECOWAS treaty, signed in 1993, discusses the aims and objectives of ECOWAS and lays out the vision of gradually ensuring a common market that will include "the removal of obstacles to the free movement of persons, goods, service and capital."

- Article 35 of the ECOWAS treaty sets a ten-year goal of establishing a customs union and removing restrictions and prohibitions to trade.

- The UEMOA Treaty, signed January 29, 2003, also envisions the creation of a common market. In Articles 77 and 78, the signatories say they will abstain from creating new export restrictions and work together to gradually reduce existing restrictions.

- Both ECOWAS and UEMOA have trade liberalization programs to introduce improved laws and regulations in support of free trade (the ECOWAS Trade Liberalization Scheme and the UEMOA Community Preferential Tariff).

In addition to its role in promoting economic growth, many West African institutions recognize that free trade is also important for food security. For example, the Charter for the Prevention and Mitigation of Food Crises, approved by ECOWAS in 2012, states, "The commitment of the member countries of ECOWAS, UEMOA and CILSS to foster regional integration through appropriate national/regional agricultural and food security strategies, particularly through the establishment of a customs union to facilitate free movement of food commodities within the region and a common trade policy."

**What is the gap between policy and reality?**

National and local-level policymakers commonly impose a seasonal export restriction when pre-harvest estimates suggest a lower crop than the year prior. In recent years, national and local governments have imposed export restrictions in many countries, including Benin, Burkina Faso, Guinea, Mali, Senegal, and Togo during the 2011/2012 crop year. Export restrictions typically are applied in ways that lack transparency. The USAID ATP/E-ATP project documented the following examples:

- Malian millet/sorghum traders seeking to export their goods to Senegal in 2011 were told that the export of cereals was suspended, yet when they pressed their case, they were shown a copy of an expired 2007 decree that was valid for two months only.

- The Togo Presse No. 8709 of January 23, 2012, stated that staple crops being exported from Togo required an export permit, which was not always granted.

- In December 2011, the Burkina Faso Ministry of Agriculture, citing food security concerns, required a variety of officials to take "appropriate measures" to monitor cereals exports and stated that all "irregular" exports of cereals were prohibited, without defining what constituted irregular exports.

As these examples show, export restrictions can take many forms. The table below shows a summary:

**Typology of Export Restrictions Reported Since 2007**

| | Benin | Burkina Faso | Mali | Niger | Nigeria | Senegal | Togo |
|---|---|---|---|---|---|---|---|
| Blanket official restriction (no set time limit) | | | | | | | |
| Seasonal official restrictions (time limit specified | | | | | | | |
| Unofficial, but real (traders turned back from border) | | | | | | | |
| Administrative—Regional Governor's approval required for livestock exports | | | | | | | |
| Administrative--Certificate of Origin used as quantitative restriction | | | | | | | |

Export restrictions can affect livestock trade, too; Mali has restricted livestock exports since 2007 through the Regional Governor's export authorization requirement. Once in place, export restrictions are often not dismantled or even re-examined, which allows for continued harassment.

National and local policymakers who impose export restrictions state that they are helping to improve food security by blocking exports. These policies are created in an environment characterized by a lack of good export-import statistics, poor data quality, fear of recurring famines, and a history of government intervention in food security. Policymakers feel that they are doing something to fight hunger, but these measures are not effective.

**What is the cost and who pays?**

Export restrictions create a disincentive for production, trade, processing, and economic growth. Export bans mean that farmers and traders can sell only within their own country, and that processors' supply areas are limited to their own country, even if farmers can get a better price across the border. Seasonal restrictions on cereals block trade during the most important marketing periods of the year, substantially reducing regional trade or creating further incentives for road harassment, even for nationally produced products. They also introduce unpredictability to trade. For example, in Bama, Burkina Faso, a parboiled rice cooperative found itself unable to honor a pre-existing sales contract with buyers in Mali because the export of cereals was banned by a «note circulaire» by the Ministry of Land Administration in December 2011. Export restrictions also create disincentives for those who might otherwise consider expanding their operations by taking advantage of regional markets for supply and processed products. In the short run, export bans may make it easier for a country to feed its urban consumers, but by decreasing farmers', processors', and traders' incentives, the result is lower food availability and lower overall economic growth. Restrictions on agricultural exports rarely have the effect desired by the government, because traders often find a way to get around the restrictions, usually with the complicity of authorities.

Traders often continue to export, but do so by bribing their way past the customs services at the border, contributing to general lawlessness. In other cases, trade is stopped.