

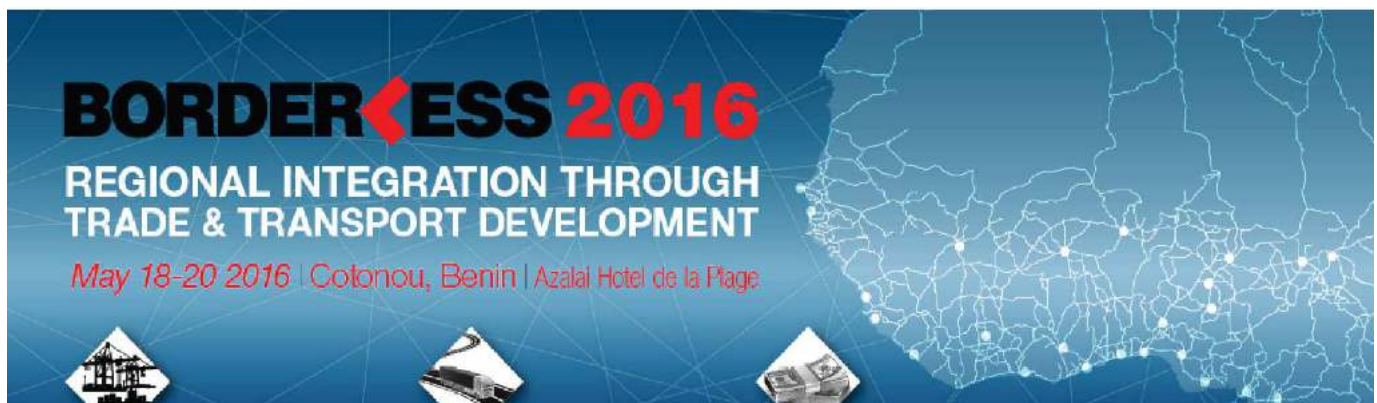
Borderless 2016 Annual Conference Report

Regional Integration through Trade and Transport Development

May 18-20, 2016

Azalai Hotel de la Plage

Cotonou, Benin



SUMMARY

From May 18 to 20, 2016, Borderless Alliance successfully organized its 5th Annual Conference held in Cotonou, Benin, under the theme ***“Regional Integration through the Development of Trade and Transport.”***

As happened in previous conferences, the Borderless 2016 was a platform for dialogue among the private and public sectors in West Africa. The Conference, therefore, brought together more than 150 participants from 11 countries, consisting of the private sector – traders, manufacturers, transporters, freight forwarders; donors/development partners – USAID, GIZ, the World Bank Group, the African Development Bank, JICA and the European Union; regional economic communities – ECOWAS and UEMOA; government officials – Minister of the Federal Republic of Nigeria, Minister of Industry, Trade and Handicraft and the Minister of Transport, both of the Republic of Benin.

The conference held a two-day (May 19-20) panel discussion in three thematic areas: ***Promoting Port Efficiency in West Africa; Removing Intra-regional Trade Barriers;*** and ***Financing Trade and Transport.*** These panel discussions provided an interactive platform for participants. High level experts from both private and public sectors in the sub region, as well as international organizations, took turns to share their experiences and best practices to: remove obstacles and barriers to trade; promote cross-border trade; and create appropriate funding tools for trade and transport stakeholders.

A General Assembly was also held, where elections were conducted to choose new members of the Executive Committee. These members are expected to steer the affairs of Borderless Alliance for the next two years. The Conference was crowned with a Field Trip to the Cotonou Port. Borderless 2016 was organized with the support of the Benin Chamber of Commerce and Industry and the Borderless Alliance National Committee in that country.

DETAILED CONFERENCE PROCEEDINGS

OPENING CEREMONY

The opening ceremony was attended by dignitaries made up of representatives of development partners/donors, policymakers, regional economic communities, and private sector actors. Representatives of development partners/donors include: Mr. Todd R. Whatley, Deputy Chief of Mission at the US Embassy and Representative of the US Government in Benin; His Excellency Mr. Walter von den Driesch, Ambassador of the Federal Republic of Germany in Benin; and a representative of Mr. Josep Coll, Ambassador and Head of Delegation of the European Union in Benin. Regional communities were represented by Mr. Kalilou Traoré, Commissioner in Charge of Industry and Private Sector Promotion at the ECOWAS Commission; and Mr. Christophe Joseph Marie Dabiré,



Commissioner in Charge of the Department of Regional Markets, Trade Competition and Cooperation at the UEMOA Commission. Government officials/policymakers were represented by Mr. Lazare Maurice Sehoueto, Minister of Industry, Trade and Handicrafts of the Republic of Benin; Rt. Hon. Chibuike Rotimi Amaechi, Minister of Transport of the Federal Republic of Nigeria; and Mr. Hervé Hehomey, Minister of Transport of the Republic of Benin. The private sector was represented by Mr. Souley Yacoubou, 1st Vice President of the Benin Chamber of Commerce and Industry; and Mr. Ziad Hamoui, immediate Past President of the Borderless Alliance.

Speaking to the theme of the Conference, Jan Hoffmann of the United Nations Conference on Trade and Development (UNCTAD), focused his presentation on UNCTAD's support in facilitating trade and the role policymakers should play in trade facilitation. He said the UNCTAD had developed the Liner Shipping Connectivity Index (LSCI) which would capture a country's connectivity and lead to the promotion of containerization. Better connectivity would also lead to lower freight rates. Containerization would lead to more trade and free exchange. On what policymakers can do to improve maritime connectivity in West Africa, the Speaker highlighted the following:

- ✓ Facilitating transit trade;—Encouraging internal connections; Encouraging competition; Facilitating transit;
- ✓ Continuing with port reforms.

According to the Speaker, the World Trade Organization Trade Facilitation Agreement (WTO-TFA) is a key tool to deepen regional integration.

Mr. Todd R. Whatley, Deputy Chief of the USAID Mission and Representative of the US Government in Benin, indicated that one of the pillars of President Obama’s Strategy for Sub Saharan Africa lied in economic growth, trade and investment in African countries. That, he explained, was the reason for the American Government’s support for Borderless Alliance and other activities aimed at increasing trade in West Africa. He said the American Government, through the USAID, was honored to support all efforts in the region aimed at reducing non-tariff barriers to trade which increased costs and slowed down the movement of goods in the region.

In a speech read on his behalf by his representative, His Excellency Mr. Josep Coll, Ambassador and Head of Delegation of the European Union in Benin, said West Africa and the European Union had signed the Economic Partnership Agreement (EPA) in June 2014 to increase the region’s participation in world’s value chains and to promote regional integration. In that regard, the Borderless initiative was a true illustration of public–private partnership.



The Ambassador of the Federal Republic of Germany in Benin, His Excellency Mr. Walter von den Driesch, said regional integration was the major vehicle for achieving sustainable economic growth. He said for trade to be effective, it must be supported by complementary transportation policies aimed at eliminating cross-border barriers. He observed that informal trade still formed the bulk of intra-regional trade in West Africa while formal trade was slightly above 12%. The Ambassador added that the conference came at a crucial for the integration process in the sub region. He said with the recent adoption and implementation of the Common External Tariff (CET) and the signing of the EPA with the EU,

West Africa was a step closer towards free movement of goods and people. That notwithstanding, according to him, there was still the need to address existing challenges.

The representatives of the two regional economic communities – ECOWAS and UEMOA Commissions – lauded the collaboration between them and the Borderless Alliance. They reaffirmed their continued involvement in the fight against the existence of trade barriers in the sub region.

Mr. Christophe Joseph Marie Dabiré, Commissioner of the Department of Regional Market, Trade, Competition and Cooperation at the UEMOA Commission, cited several reforms undertaken by his organization to create an internal open market, competitive and attractive to investors. Despite these efforts, he stressed, there is clear continuous existence of many obstacles to the development of trade and transport. He, therefore, commended the initiative of the conference organized by Borderless Alliance because it offered an opportunity to engage in collective reflection on the reasons for such a situation and on ways and means to eliminate the obstacles to the development of intra-Community trade. Member States should, therefore, seize the opportunities offered by the new WTO agreement on trade facilitation to reduce costs, deadlines and procedures in trade transactions.

Mr. Kalilou Traoré, Commissioner for Industry and Promotion of Private Sector at the ECOWAS Commission, having recounted the objectives of ECOWAS by the Founding Fathers, said faced with the existing challenges of free movement of people and goods, the ECOWAS Commission had set up a Task Force composed of seven high profile personalities, with a mission to lead advocacy and mediation activities with States' highest political authorities for good and full application of Community protocols related to the ECOWAS Trade Liberalization Scheme. He also noted the implementation of the ECOWAS Common External Tariff (CET) since January 1, 2015, which creates the conditions for a customs union. The harmonization of customs duties and charges, having equivalent effect on the barriers of Member States, provides an appropriate platform to build an ECOWAS Common Trade Policy.



Officially opening deliberations of the conference, Mr. Lazare Maurice Sehoueto, Minister of Industry, Trade and Handicraft of the Republic of Benin, on behalf of the Benin Government, lauded the efforts of the Alliance and of other organizations at eliminating trade barriers in West Africa. To demonstrate his government’s commitment to removing trade barriers, Benin had considerably reduced the number of police and customs barriers. The move was to enable free flow of persons and goods. He said the Government of Benin was glad to be associated with the Borderless initiative, and pledged the government’s continued support to ensure that there was really a “borderless” sub region.

PRESENTATIONS AND PANEL DISCUSSIONS

To usher in the panel discussions, Mr. Justin Bayili, Executive Secretary of the Borderless Alliance, reviewed the recommendations of Borderless 2015 Conference held in Abidjan in May 2015 and activities undertaken by the Alliance in 2015. This was to lay bare the challenges faced by the region and the business world, particularly in the areas of free movement of goods and persons.

Panel 1: Promoting Port Efficiency in West Africa

The purpose of this panel was to provide a platform for Port Authorities to present the innovations in terms of tangible and intangible infrastructure (technology and procedures) aimed at facilitating port operations and reducing delays and costs. It was to provide an

opportunity for port users, notably from the private sector, to make suggestions to improve the efficiency of port operations. The panel consisted of two main speakers and four panellists, all well-informed persons in various areas of port management.



A cross-section of participants at the conference

Mr. Michael Luguje, Secretary General of Port Management Association of West and Central Africa, gave an overview of the efficiency of West African Ports, potential gains of port efficiency, and what the various ports were doing to become more efficient. He highlighted the strategic role of ports in facilitating world trade and what various ports were doing towards improving their efficiency. These include expanding port capacity to receive bigger ships, embracing public private partnerships for port development and management, and embracing IT (automation) in port operations and management.

In his presentation, Colonel Emmanuel Zinkpe, Customs Taxation Expert of Abidjan Lagos Corridor Organization (ALCO), gave an overview of performance of Ports located along the Tema-Ouagadougou Corridor (i.e. Benin, Côte d'Ivoire, Ghana, Nigeria, Togo,). Touching on the single window implementation in various ports, he said it was effective in Benin, Côte d'Ivoire, Ghana, Togo, but efforts to implement it in Nigeria had not yet yielded results. His presentation gave an overview of the waiting time at the various ports and suggested a number of recommendations to improve them.

Panelists made various contributions relating to measures adopted to improve port and shipping management.

Mr. Sally Sally Josué, Deputy Director of Trade and Marketing at the Abidjan Port, said measures had been put in place to increase the quay length and depth, gate systems established in 2014, and management flow to reduce turnaround time. To improve

competitiveness, a surveillance committee was in place to oversee container services, and that the port maintained attractive tariffs and conditions for transit cargo.

On Cotonou Port, Mr. Vissiennon Appolinaire, Head of International Relations of the Port, said interventions made focused on infrastructure and reforms. These include: adding more quays; breakwater project; dredging; acquisition of new equipment; video surveillance; access control facilities; implementation of a one stop shop leading to a significant increase in traffic volumes; and the seriousness attached to checkpoints which had led to significant decrease on road corridors.

Mrs. Alice Torkornoo, General Manager of Business Development at the Ghana Ports and Harbours Authority (GPHA), enumerated an E-Port system to promote security, acquisition of some new handling equipment, partnership with organizations for the construction of more quays and new infrastructure to include a new training and 130-bed hospital as internal reorganizations to improve port efficiency. Mrs. Torkornoo added that an 800 truck parking facility would be added to the port's infrastructure as well as planned improvements for Takoradi port.

Mr. Ervé Sébastien Ilboudo, Director General of the Burkina Faso Shippers' Council, indicated the existence of a committee of landlocked countries – Burkina Faso, Mali, and Niger – to consolidate and address issues faced in dealing with the coastal countries.

Following these presentations, participants expressed the need to focus on improving both port procedures and transit truck parks. Indeed, it was noted that even where clearing through the port was done quickly, trucks would have to wait for additional 10 days at the transit truck to complete formalities before departure. Explaining the slow pace in the implementation of the single window in Nigeria, the Federal Minister of Transport, Hon. Chibuike Amaechi, attributed it to very high volume of trade handled through Nigerian ports. He noted that the target for the implementation was the end of 2016.

Panel 2: Removing Intra-regional Trade Barriers

Moderated by Mr. KalilouTraoré, Commissioner for Industry and Promotion of Private Sector at the ECOWAS Commission, the panel had two speakers and five panelists. The panelists represented Regional Economic Communities, the private sector and development partners, including the market for products from the region and harassments suffered by these products on the West African corridors.

Representing the West Africa Trade Integration Program of the ECOWAS Commission, a program financed by the EU and the German Federal Ministry of Economic Cooperation and implemented by GIZ, Mr. Kelechi Okoro centered his presentation on the advantages and barriers to intra-regional trade and ways to remove the barriers. With a population of about



Some participants having a discussion

340 million people and with a GDP of \$675 billion in December 2013, West Africa has enormous market potentials. However, the level of trade in West Africa had remained low and, according to statistics, formal intra-regional trade was estimated at between 12% and 15%. According to Mr. Okoro, factors contributing to low level of trade in the sub region include: cost of transport; import and export procedures; inadequate infrastructure; inadequate funding; and lack of political will to implement regional trade commitments.

He mentioned ongoing projects at the ECOWAS Commission aimed at removing intra-regional trade barriers, which include:

- ✓ harmonization of customs procedures and the introduction of a Common External Tariff (CET);
- ✓ review of provisions of the ECOWAS Trade Liberalization Scheme (ETLS) and streamlining the registration processes;
- ✓ development of a trade information system;
- ✓ establishment of complaint mechanisms and the monitoring of the CET, the ETLS and other protocols on trade; and
- ✓ the interconnection and data exchange among customs authorities.

Dr. Bio Goura Soulé, Coordinator of the Program for the Free Movement of Agricultural Products in West Africa (ProFAB), also focused on the underutilized potentials of intra-regional trade, the many barriers to trade, and measures to be taken by ProFAB. He, therefore, indicated the following elements:

- ✓ a very diversified range of tradable goods;

- ✓ a rise in food products;
- ✓ a market for manufactured goods heavily import-competing;
- ✓ a regional growth market with a population which doubles almost every 20 years;
- ✓ a shift in demand towards standardized products, standardized versus value chains; and
- ✓ a significant market share to be conquered, considering that less than 2% of manufactured goods consumed in West Africa originate from the region.

The Speaker also highlighted the persistence of many barriers to intraregional trade: disparities in trade and monetary policies; inadequate infrastructure and logistics; low valuation and standardization of products; and the recurrence of several irregular practices.

Regarding ProFAB, the objective of the Programme was to contribute to increasing the volume and value of intra-regional trade in agro-pastoral products to improve food security and reduce poverty. According to him, ProFAB's strategic interventions are based on three components, namely:

- ✓ Monitoring of trade along 19 trade corridors within the ECOWAS region – flow of food products, customs harassments and procedures. This project would be implemented by the Regional Access to Market Programme of CILSS.
- ✓ Carrying out advocacy at three levels: local cross-border; national level with government officials; and sub regional level with Ministers of State and Heads of State and Governments to minimize the occurrence of abnormal practices. This second component would be implemented by Borderless Alliance.
- ✓ Evaluation of the relevance and effectiveness of trade policy measures in force. This would be implemented by ENDA CACID.

Other important issues discussed in the panel include:

- ✓ Promotion of containerization as a measure to reduce transport cost and road harassment ;
- ✓ Restrictions on the import of manufactured products originating from ECOWAS region by some countries, including Nigeria;
- ✓ State of implementation of the Bali Agreement on Trade Facilitation;
- ✓ Promotion of competitiveness of the Lagos-Kano-Jibiya (LAKAJI);
- ✓ Challenges associated with the implementation of Regulation 14 of the UEMOA Commission;
- ✓ High cost of freight services in Ghana (e.g. charges applied by GIFF).

In conclusion, participants in this panel made the following observations:

- ✓ Regional Economic Communities (ECOWAS and UEMOA) have no enforcement power on the Member States to compel them to comply with decisions taken at the

regional level. However, the RECs are putting in place monitoring and evaluation mechanisms to address measures taken at the regional level.

- ✓ A regional coalition of the private sector is needed to establish a container system that is more affordable for traders in West Africa.
- ✓ The removal of barriers to intra-regional trade can be achieved only through cooperation among all stakeholders.

Panel 3: Financing Trade and Transport

Discussions from this panel centered on challenges stakeholders in the trade and transport sector, as well as Small and Medium Enterprises (SMEs) in the sub region, face in accessing credit facilities and the opportunities available to capitalize on.



Some participants at the conference

In her presentation, Miss Kafui Djonou, Business Development Specialist of the USAID West Africa Trade and Investment Hub (USAID THN), observed that the private sector accounted for 70% of all jobs in Sub Saharan Africa, with the SMEs taking a greater share. This, makes the private sector the key engine for economic growth and development. Miss Djonou identified bank loans, hire purchase, venture capital and stock exchange as sources of financing for the private sector. With regard to the main challenges confronting the private sector, Miss Djonou mentioned the situation in the informal sector – the lack of collateral security and cumbersome procedures. To help address the challenges, the USAID THN had engaged 33 seasoned financial advisors in nine ECOWAS countries and had developed partnerships with 11 financial institutions to build the capacity of some selected stakeholders in the private sector to access loans. She indicated that the USAID THN had

assisted 16 businesses to receive a total of \$26.3 million in loans and investments through financial advisors.

Speaking on what his organization was doing to finance businesses in the region, Mr. Evariste Kyelem of the African Solidarity Fund (FSA), indicated among others: participating in economic development; fighting against poverty in the organization's member countries; facilitating the financing of investment projects both in the public and private sectors; specifically helping companies, especially SMEs, to mobilize resources and long term financing; and securing and protecting credit institutions against unpredictable risks.

Representatives of business organizations and other business operators participating in the discussions in the panel indicated various activities they had initiated to support private sector growth.

Mrs. Safiya Dalhatu of Nigeria Export and Import (NEXIM) Bank said her outfit supports the transport sector and also collaborates with ECOWAS in giving financial assistance to exporters in the region. She also mentioned SEALINK project as the Bank's initiative to provide sea freight services along the coast to facilitate trade. She, therefore, urged organizations to invest in the project.

Mrs. Bertille Guedegbe Marcos of AAFEX, an association of SMEs aimed at promoting agricultural and agri-food, highlighted findings of a research her association had conducted into the challenges facing the agricultural sector. The research established that SMEs received short-term loans from financial institutions; that men had more access to loan facilities than women had. The research further revealed mistrust between the banks and the SMEs due to the informal nature of the SMEs. Mrs. Marcos also mentioned high interest rates, lack of expertise at the bank to deploy tailored product for the agricultural sector, and cumbersome administrative procedures, as some of the challenges.

Mr. Georges Elegberou of Diamond Bank said his institution had a service focused on financing imports, while another product was being developed to finance exports. He explained that the Bank was also bringing on board a *Diamond Express* account that could be operated in all UEMOA countries as part of efforts to facilitate payment transaction in the region. Mr. Elegberou said 1.7% of the financing portfolio was meant for transport and infrastructure development. He urged transport stakeholders to explore the opportunity.

Mr. Roland Riboux of the Council for Private Investors in Benin (CIPB), in giving a regional perspective, cited opportunities and challenges facing industries. He lamented how some governments had taken certain decisions which had restricted access to markets in the sub region. The result of those restrictions was the high cost of doing business in West Africa. He underscored the need to protect the markets from the importation of substandard goods.

GENERAL ASSEMBLY AND ELECTION OF NEW EXECUTIVE COMMITTEE

The General Assembly was held on May 20 for members of Borderless Alliance. At that meeting, the Executive Secretary expressed gratitude to members for their support and also presented highlights of the 2015 annual activities, as well as the financial report for 2015. The General Assembly also elected members to form a new executive committee. The



Members of the newly elected Executive Committee

following persons were, therefore, elected to steer the affairs of the Alliance for the next two years (2016 – 2018):

Name	Position	Position held in the Executive Committee
Ousmane Babalaye Daou	Director General, Mali Shippers' Council (CMC),	President
Souley Maman Yacoubou	Chief Executive Officer, Travco SARL Benin	1 st Vice President
Olatayo Omidji	Head of Strategic Planning, NEXIM Bank of Nigeria	2 nd Vice President
Roland Riboux	Chief Executive Officer, Fludor Benin SA,	Member
Frank Tony Eshun	Chief Commercial Officer, Damco Logistics West Africa	Member
Drepoba Leandre Sery	Director of Trade and Marketing at Abidjan Port	Member
Hervé Sebastien Ilboudo	President of the Association of Transport Sector Actors in Landlocked Countries in West and Central Africa	Member

Mr. Aminou Kadiri	Acting Chief Executive Officer of the Federation of West Africa Chambers of Commerce and Industry (FEWACCI)	Member
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Development partners supporting Borderless Alliance also participated in the General Assembly. These include: USAID; JICA; and AfDB.

ANALYSES AND RECOMMENDATIONS

The Borderless 2016 Annual Conference, once again, offered an opportunity to bring together key stakeholders in regional integration to deliberate on major challenges in that sector. The Conference was well attended with a representation of development partners/donors, policymakers/government officials, regional economic communities, and private sector actors. These are major players needed to achieve regional integration and to increase trade in the sub region.

It came out of the discussions that several ports were making great strides in improving infrastructure and facilities to make them more efficient and, hence, more competitive. Port development, however, needs to be accompanied by development of transit parks, improved road governance on transit corridors and general development of transport in order to complement the efforts and to boost transit trade through the respective ports.

It was also observed that regional communities – ECOWAS and UEMOA – had no enforcement power on member states to compel them to comply with decisions taken at the regional level. Nonetheless, the Communities were putting in place monitoring and evaluation mechanisms to address measures taken at the regional level.

Another observation was that a regional coalition of the private sector was needed to establish a container system which would be more affordable for traders in West Africa. It was concluded that the removal of barriers to intra-regional trade could be achieved only through collaboration among all stakeholders and strong involvement of high level authorities at the national level.

Recommendations

At the end of the three-day deliberations, the following recommendations were made:

- The ECOWAS Commission should quickly establish a freight system to replace the current Inter-Sate Road Transit (ISRT);

- The ECOWAS Commission should establish modern scanners at the borders for security checks on goods and also reduce the checks along the corridors.

The Conference came out with the following:

- The urgent need to find a solution to the high costs associated with the use of containers in order to promote containerization;
- The urgent need to harmonize port indicators among the various ports in the sub region, to ensure effective comparison and evaluation;
- The imperative need to have the political will to implement regional commitments related to trade facilitation and regional integration;
- The need to generalize and formalize contractual agreements in transporting goods in order to minimize the misunderstanding between truck drivers and traders;
- The need for the private sector to establish a partnership with the public sector in developing trade policies and in dissemination of information.

Borderless Alliance was tasked to:

- Organize a special interactive session on trucking;
- Work directly with National Committees of landlocked countries to help resolve problems identified.