

**Statement for the UNECA/University of Bremen Launch Event in
Kigali, Rwanda by
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**Subject: *Contribution to Volume 19 of the African Development Perspectives
Yearbook “Towards New Trade and Investment Policies in Africa”***

**Title of the Contribution: *The Role of International Organizations in
Promoting Agricultural Export Trade in Sub-Saharan Africa*¹**

Summary of the Study

This study examined the role of international organisations in promoting agricultural exports in Sub-Saharan Africa (SSA), with a focus on the International Fund for Agricultural Development (IFAD), World Trade Organization (WTO) and Aid for Trade (AfT). The study reveals that IFAD has been making effort to improve price competitiveness of agricultural exports from SSA through programmes for value chain development. AfT has significant influence on the export of cashew and cocoa, but not so much on coffee and cotton. The examination of the role of WTO on agricultural exports shows that SSA’s agricultural exports will also benefit from WTO efforts at trade facilitation. Some of the SSA countries are members

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of the G33 (a group of developing countries coordinating on trade), and there have been increased duty-free and quota-free (DFQF) market-access opportunities granted to them from both developed and developing countries, particularly from India and China. Another initiative in which WTO is assisting agricultural exports of SSA countries is anchored in the Bali Declaration. It is estimated that the Agreement on the Bali Declaration (of December 2013) will reduce trade costs by up to 15% in developing countries. This is particularly important for SSA countries where the cost of customs procedures tends to be higher, more than 30% higher than the global average costs.

Generally, the agricultural export based in SSA is not diversified but rather concentrated on a few products. This lack of a diversified export base makes SSA exportation vulnerable to price shocks in the international market. Therefore, there is urgent need to increase the export base of agricultural exports in SSA countries. SSA countries need to study more the market prospects of exotic products which are in high demand on the world market to be able to harness resources to produce them. They may need to develop the competitive advantages in the crops in which their productive and economic advantage is high. The governments of the SSA countries and international organisations should work together to improve some indigenous crops and fruits that may be exportable from SSA. Product innovations should be encouraged to scale up agricultural export-promoting agricultural innovation and technology adoption in SSA. The “feedback technology transfer” from importing countries to SSA countries is important, such as with Sanitary and Phytosanitary Standards (SPS). Capacity Building in Africa for cocoa and knowledge transfer partnership agreements as between Brazil and WTO for cotton cultivation and trading should be extended to coffee and other crops of export importance for SSA.

Another important area in which international organisations can be of immense assistance to SSA agricultural exporters is the area of value addition. For example, world prices for roasted coffee are about twice those for green coffee; SSA countries would be better off exploring market opportunities for roasted coffee and thereby increasing the value of coffee exports. Processed cashew nuts attract a higher price than unprocessed cashew at the international market, and therefore, IFAD should extend its value chain development programmes to cashew and other

export crops which are not included so far. WTO can be of immense benefit to SSA countries if SSA countries continue to unite their positions on subsidy removal on agricultural products from developed countries. The WTO can also assist SSA agricultural exports by encouraging the government of SSA countries to give more support to domestic agricultural production and to agricultural exports. Finally, adequate national and international support is critical to enable SSA countries to increase its capacity to trade, by addressing both market access and supply-side impediments with a view to increasing the productivity, quality, volume and the value of their export trade.

International organisations, like WTO, ITC, FAO and IFAD, World Bank, African Development Bank, UNECA and African Union can play a more important role in trade promotion if objectives and instruments are better coordinated. All the Trade Facilitation and Aid for Trade (Aft) programmes from various multilateral and bilateral actors (OECD, EU, USA, Japan, etc.) need evaluation and review of programmes in Sub-Saharan Africa (SSA). Part of the Agenda of New Trade and Investment Policies in Africa is the support of Trade Facilitation and Aid for Trade Programmes. It is necessary to move from time-bound programmes for single commodities and specific countries to large programmes covering even regional integration areas and various export crops. Such a coordination would lead to a more transformative regional integration process.