Toolbox of Selected Agricultural Trade Policy Instruments

A Handbook for Farmers' Organisations

Imprint

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Preface

In agriculture, production and trade are two sides of the same coin. As farmers, we all are traders too. Agriculture, trade and development are closely intertwined. Most of Africa's economies are based on agriculture and these economies will thrive through trade; a trade that is increasingly cross-border; supplying regional, continental and even global markets.

As a continental platform, the Pan-African Farmers' Organisation (PAFO) is at the front of exciting developments. An important one is the African Continental Free Trade Area (AfCFTA), a major milestone towards the Africa Union's Agenda 2063. As PAFO, we are aware that continent-wide trading first needs regional economic integration; a process that the Regional Economic Communities facilitate and that our Regional Farmers' Organisations (RFOs) support. But for PAFO and the RFO network to truly represent the voices of more than 80 million family farmers, they depend on National Farmers' Organisations (NFOs) to channel that voice upwards. Many of our NFOs are valued partners to government at the agriculture policy table, to ensure an enabling environment for agriculture production to grow.

Agriculture trade also needs an enabling policy environment: Trade policy is ultimately a government responsibility; but it is *our* responsibility as farmer representatives to inform government of the challenges our producers face. As Farmers' Organisations we need to be empowered to become respected and effective negotiating partners to government, not just in matters of production, but also in matters of trade. The first step towards empowerment is an awareness of the wide spectrum of existing trade policy instruments. After that, we need to understand and assess what such instruments mean for producers and value chains. Only when we inform and prepare ourselves, can we expect to be listened to.

This guide compiles key trade policy instruments. It should be noted that some of these instruments can be put into force only when national laws and regulations on trade are consistent with the requirements set out by the World Trade Organisation (WTO). Several of our countries do not have this WTO-compliant regulation in place. In such cases, informed and sustained pressure from interest groups, like us, is needed to lobby governments to install such regulation so that the full spectrum of trade tools can be used. The forthcoming AfCFTA will open up the continent as a priority market for African agriculture products. This prospect will lend extra momentum to our lobby efforts and we should be ready to make use of this opportunity. This guide assists in those endeavours, and I thank the German Federal Ministry for Economic Cooperation and Development for their financial support and the Andreas Hermes Akademie and the German Farmers' Association for their technical support in ensuring the publication of this guide.

I wish you every success in your important work of speaking up and standing firm on behalf of the many farmers that form the backbone of our economies.

Elizabeth Nsimadala

President of Pan-African Farmers' Organisation (PAFO)

Panafrican farmers' organization
Organisation panafricaine des agriculteurs
المنظمة الإفريقية للفلاحين

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Glossary

ADD	Anti-Dumping Duty
AfCFTA	African Continental Free Trade Area
ARSO	African Organisation for Standardisation
AU	African Union
COMESA	Common Market for Eastern and Southern Africa
CVD	Countervailing Duty
EAC	East African Community
EAFF	Eastern Africa Farmers Federation
EPA	Economic Partnership Agreement (trade and development agreements negotiated between the European Union and African, Caribbean and Pacific countries)
ESA	Eastern and Southern African countries
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FO	Farmers' Organisation
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
HS	Harmonized System (international system for classifying goods in international trade)
IFPRI	International Food Policy Research Institute
LDC	Least-Developed Countries
MFN	Most Favoured Nation (the regular import tariff rate that a country applies to all countries)
NTM	Non-Tariff Measures
REC	Africa's Regional Economic Communities
RoO	Rules of Origin
ROPPA	Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest
RTA	Regional Trade Agreement
SACU	Southern African Customs Union
SACAU	Southern African Confederation of Agricultural Unions
SADC	Southern African Development Community
SPS	Sanitary and Phytosanitary measures
SSG	Special Agriculture Safeguards
TBT	Technical Barriers to Trade
TRQ	Tariff Rate Quota
UNCTAD	United Nations Conference on Trade and Development
WCO	World Customs Organization
WTO	World Trade Organization

1 Introduction

Achieving sustainable development requires a combination of policies in different areas. As the exchange of goods across borders increases, and countries and regions become more interrelated, trade policy becomes a more important component of this policy mixture. In particular, agricultural trade policy is often used as a tool to foster rural development and fight against poverty and hunger, as part of a country's overall development strategy. Farmers – even those that are not directly selling their products to other countries – might be affected by the policy measures that the government applies. For this reason, it is of great importance that farmers' organisations are aware of these policies, of how they affect their members, and of how they can approach the relevant government authorities to ensure that their interests and priorities are taken into account.

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Designing and implementing agricultural trade policy can be complex and challenging, especially for developing countries. Governments must balance the interests of consumers and producers and of industries that are more efficient with those that are struggling to achieve competitiveness. The policy measures chosen can have an impact on markets – sometimes unintended – due to their influence on prices, on the income of farmers or on the access to agricultural products and foodstuffs.

There exist many trade policy instruments that enable governments to intervene in domestic or international agricultural markets. These policy instruments can have an impact that is trade-restricting (i.e., they discourage imports or exports) or trade-facilitating (encouraging imports or exports). Some of them are directly applied at the border when goods are exported or imported and will thus have a direct impact on trade. There are also domestic policies that governments apply and that can affect trade, even if this is not their direct objective. In addition, international rules often establish conditions about how and in which circumstances specific policy measures can be used. They include the global trade rules of the World Trade Organization (WTO) (see Annex 5.4), and rules that are set by regional trade agreements (see Annex 5.5) of which the country is a member.

Agricultural trade policy is in the hands of governments, with many different government agencies directly or indirectly involved in the formulation and implementation of each specific policy measure. While often farmers and farmers' organisations have little or no direct influence in this process, it is important that they seek avenues to present their priorities and concerns to the relevant government authorities. In order to do this in an informed an effective manner, it is essential to have an understanding of the instruments of trade policy and their impact on domestic agricultural activities, and of the government agencies usually involved in the formulation and implementation of the measures.

This toolbox aims to help improve the knowledge and understanding of agricultural trade policy by presenting and explaining a selection of twelve key instruments. It also seeks to help develop the necessary capacities for members of farmers' organisations to understand how trade policy works and recognise why it is relevant to their activities.

The document is organized as follows: Chapter 2 includes a short presentation of why agricultural trade is important for farmers, Chapter 3 presents the selected policy instruments, with a brief explanation of the purpose and operation of each instrument, the relevant international trade rules, potential advantages and challenges for local farmers and for the country, and a graphic presentation of how the instrument works. The instruments' possible market impact and interaction with other measures are also mentioned.

After the discussion of the different instruments, Chapter 4 highlights the role that farmers and their organisations can play in advocacy to advance their interests and to lobby the authorities in charge of trade policy. Some practical advice on how to achieve this is provided.

Finally, for those interested in delving deeper into the technical aspects, the annexes offer more details on specific topics, as well as recommendations for further reading.

It is important to note that the list of trade policy instruments presented in this toolbox is not exhaustive. There are other measures that governments can use and that have an impact on trade. The twelve instruments included were selected because they are measures that countries often use, that are relevant for agricultural trade, and of which an improved knowledge is helpful for farmers' organisations that wish to approach the government institutions to lobby for their members' interests.

In some cases, the toolbox mentions examples of how the instruments have been used by African countries. These examples were selected based on the information that these countries have published and that is available online in different public sources. This does not mean that the countries mentioned are the only African countries using the specific instrument. It also does not imply an endorsement or recommendation of a specific country's trade policy approach: each country must find the mixture of policies that is best adjusted to its circumstances and priorities.

2 Agricultural Trade from the Perspective of Farmers

When talking about the opportunities for farmers through trade, one must never forget that farmers are not only producers, they are also consumers. Especially subsistence farmers and small farmers in African countries often have consumption requirements that go beyond their own production capacity. This means that although higher prices for their products generate higher incomes to producers, at the same time, these higher prices may also cause higher costs for inputs for processors as well as increased food prices. Governments face the great challenge of reducing hunger while at the same time ensuring fair prices along the value chains in the agricultural sector.

In principle, trade increases competition in the markets for agricultural products and inputs. Because there are wide differences in competitiveness amongst farmers, some farmers will benefit more from increased trade than others. This is true within a country, where there will be winners and losers: increased trade can widen the gap between large-scale commercial producers and smaller producers who have more difficulty to capture economies of scale and to capitalise on the opportunities that trade can offer. But the gap may widen even further at the international and global levels, where producers from a certain country may lose against those from elsewhere.

While the differences in the competitiveness of farmers nationally and internationally will determine who stands to gain and who stands to lose from increased trade, complementary domestic policies can also play a key role to help or hinder producers from a certain country vis-à-vis the rest of the world, or to develop and promote certain domestic sectors or industries. In this regard, governments face a difficult balancing act: favourable conditions in international agricultural trade need to be used optimally, but this needs to be weighed against the need for supporting domestic production at home. All too often, domestic, sovereign national food production in Africa must face the competition brought by cheaper imports. Moreover, too much raw produce is exported to be imported again in the form of processed products, leaving the benefits of value addition to other countries, and losing economic opportunities that could benefit individual producers and the country as a whole.

In order to foster inclusive growth and promote rural development, governments should couple sensible and enabling trade policies with supporting programmes that promote domestic agriculture and assist farmers take the most advantage of the opportunities created by trade. Empowering farmers' organizations so that they communicate their needs and challenges to the government authorities and advocate for trade policies and domestic programmes that help them take advantage of the international markets and address their difficulties is a key step to reach this.

Trade between African countries often faces very high tariffs, as well as other non-tariff barriers (to trade see Annex 5.2). In fact, a study by the United Nations Conference on Trade and Development (UNCTAD) found that policy measures different from tariffs tend to raise the value of agricultural and food products traded in Africa by 15–30 per cent[1]. These are some of the obstacles that farmers face in the pursuit of profitable trade. This toolbox looks at examples of trade policy instruments available to governments, and presents their advantages and disadvantages, not only from the perspective of the country or economy, but also from the perspective of the farmer or producer. It aims to support farmers' organisations in gaining a better understanding of how trade policy measures can affect their activities, and informs organisations in deciding upon their positions in favour or against certain measures.

[1] UNCTAD (2019): Key Statistics and Trends in Regional Trade in Africa, p. 47.

To create a synergy between trade and agriculture, governments should approach trade and domestic policies in tandem, implementing both policies that promote increased trade and programmes that support local farmers to withstand the intensified market competition. Alternatively, governments can decide to (temporarily) protect domestic markets from international competition; however, this will only be successful if accompanied by complementary programmes that give especially small-scale producers the opportunity to catch up and to improve their productivity and efficiency.

The interests of producers are best served when the areas of agriculture and trade are considered jointly, and when trade instruments and agricultural programmes are adapted to each other, such that domestic production is not only strengthened but also able to compete in international markets. It is the role of farmers' organisations to advocate for policies that are in the right direction for their members, so that the farmers' point of view is taken into account in the negotiation of trade agreements and the implementation of policies.

3 Agricultural Trade Policies

As described in the introduction, many agricultural trade policy measures exist. The 12 agricultural trade policies described in this chapter represent only a small selection of the globally existing agricultural trade policies. They have been selected because they are considered to be particularly relevant for farmers' organisations. The following table is intended to provide an overview of these policy measures (for further classification possibilities see Classifying Trade Measures). This involves examining policy measures in terms of their direct effects, side effects and requirements.

Overview Table Agricultural Trade Policy Tools

Issue	Sub-Issue	Import Tariffs	Anti-Dumping & Countervailing Duties	Safeguards	Import Quotas / Tariff Rate Quotas	Import Ban	Export Subsidies / Export Credits	Export Quota / Export Ban	Export Tax / Minimum Export Price	Sanitary and Phytosanitary Measures	Technical Barriers to Trade	Rules of Origin	Designating Products as “ Sensitive”
Page		12	14	16	18	20	22	24	26	28	30	32	34
Intended market effects	Secure food supply / affordable food for consumers							x	x				x
	Protection of producers from foreign competitors		x	x	x	x						x	x
	Protection of consumers and animals (health & rights)									x	x		
	Producers to enter new markets						x						
Instrument addressing …	Price of Import	x	x	x	(x)								x
	Quantity of import				x	x							(x)
	Quality of import									x	x	x	
	Price of export						x		x				
	Quantity of export							x					
	Quality of export								(x)				
Type of instrument	Tariff	x											
	Non-tariff		x	x	x	x	x	x	x	x	x	x	
Place of addressing	At border	x	x	x	x	x		x	x			x	x
	Behind or beyond the border						x			x	x		
Effect at border	Less import	x	x	x	x	x				x	x	x	x
	Increased import												
	Less export							x	x				
	Increased export						x						

Issue	Sub-Issue	Import Tariffs	Anti-Dumping & Countervailing Duties	Safeguards	Import Quotas / Tariff Rate Quotas	Import Ban	Export Subsidies / Export Credits	Export Quota / Export Ban	Export Tax / Minimum Export Price	Sanitary and Phytosanitary Measures	Technical Barriers to Trade	Rules of Origin	Designating Products as “ Sensitive”
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Effect for market actors	Farmers & producers export more to other country						x						
	Farmers & producers export less to other country							x	x				
	Farmers pay more for imported inputs & machines	x	x	x	x	x				(x)	(x)	(x)	(x)
	Farmers pay less for imported inputs & machines												
	Producers pay more for imported materials	x	x	x	x	x				(x)	(x)	(x)	(x)
	Producers pay less for imported materials												
	Farmers & producers can sell more in own market	x	x	x	x	x						x	x
	Higher Cost of living for consumers	x	x	x	x	x	x					x	x
	Lower Cost of living for consumers							x	x				
Effect for government	Burden for budget						x						
	Additional income for country	x	x	x	x				x				(x)
	Higher risk of illegal trade					x		x					
Technical require-ments	Generally possible under WTO	x	x	x	x	x			x	x	x	x	x
	Allowed under WTO only temporarily to prevent or relieve shortages of food if a possible food shortage can be proven							x					
	Allowed under WTO only under special conditions and if being a developing country						x						
	Allowed under WTO only under special conditions and if being a LDC						x						
	Proof of necessity required		x	x									
	Functioning of border control systems	x	x	x	x	x		x	x	x	x	x	x
	Functioning of quality control institutions									x	x		
Possible influence of Regional Farmers’ Organizations		x	x	x	x	x	x	x	x	x	x	x	x
Possible influence of National Farmers’ Organizations		x	x	x	x	x	x	x	x	x	x	x	x

3.1 Import Tariffs

What is it?

An import tariff is a tax applied on imported products when they enter a country. As a result, these products become more expensive. Virtually all countries in the world use tariffs. Tariffs can be expressed in different ways:

- *Ad valorem*: the tariff is calculated as a percentage of the product's value. For example, in 2019 Benin applied a tariff of 6.7% on imports of milk and cream in solid forms[2].
- *Specific*: the tariff is calculated as a specific amount per unit. For example, in 2019 Eswatini applied a tariff of 0.44 cents per kg on potatoes.
- *Compound*: the tariff is the sum of an ad valorem and a specific component. For example, in 2017 Zimbabwe applied a tariff of 40% + US$ 0.50 per kg on butter.
- *Mixed*: either an ad valorem or a specific tariff applies, depending on its value. For example, in 2019 Rwanda applied a tariff of 45% or US$ 345 per metric ton, whichever is higher on rice.

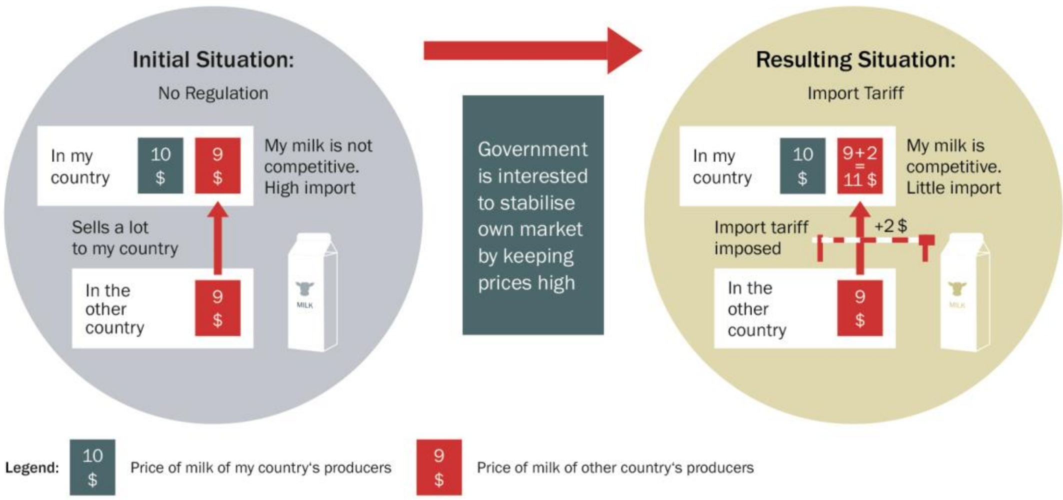
Almost 98% of the tariffs that African countries applied in 2018 to agricultural products were ad valorem[3]. Many experts believe that ad valorem tariffs are more transparent and predictable. They are also easier to compare across countries.

To determine the applicable tariff rate, products are usually categorized using an international classification known as the Harmonized System (see Annex 5.3).

A government can use import tariffs for many different purposes, such as the following:

- Generating income for the government: as the tariff is a type of tax, it generates revenue.
- Protecting domestic producers: by imposing or increasing tariffs to make imported goods more expensive, the government protects domestic producers of the goods from foreign competition.
- Promoting the development of specific sectors: by reducing the tariffs on the inputs that a sector uses, the government can help it buy cheaper goods and face lower costs.
- Controlling the quantity of a product that can be imported (see also 3.4).
- Providing temporary protection in special situations, for example when imports increase strongly or are too cheap (see also 3.2 and 3.3).

Example: How do tariffs work?



[2] The values mentioned in these examples come from the WTO Tariff Download Facility.
[3] This number was calculated based on data obtained from the WTO Tariff Profiles 2019. It excludes 9 countries for which data was not available.

Keep in mind...

Relevant rules of WTO and other trade agreements: Often, the maximum tariff rates that countries can apply to imports are determined by the commitments of trade agreements that they are part of. This includes the multilateral trade rules of the WTO (see Annex 5.4) and other trade agreements between two or more countries, such as customs unions, economic partnership agreements, or free trade agreements (to simplify, we will refer to all trade agreements different from the WTO as Regional Trade Agreements (see Annex 5.5)). Two important aspects regarding import tariffs are:

- **Bound vs. applied tariffs:** Most countries have **bound** tariff rates according to the WTO rules. Bound rates are maximum levels that can only be exceeded in exceptional circumstances. Often, the **applied** tariff rates that the countries actually use are lower than the bound rates.
- **MFN vs. preferential tariffs:** The general tariff rates that countries apply are known as the **Most Favoured Nation rates** (MFN or MFN Applied). In regional trade agreements, many countries grant **preferential rates** to certain partners. Preferential rates are usually lower than the MFN rates applicable to countries that are not part of the agreement. Some developed countries also grant unilateral[4] preferential tariff rates to imports from developing countries under arrangements such as the EU's "Everything but Arms" scheme, for least developed countries.

Costs: The implementation of import tariffs by itself has a relatively low monetary cost for the government. It does require a functioning customs authority with the necessary technical and human capacity, which has associated costs.

Market influence: Tariffs have a direct influence on the market, as they increase the price of imported goods and discourage imports.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• Source of income for the government. • Tariffs can be used to promote the development of certain sectors. • Tariffs on food products can help increase self-sufficiency.	• Tariffs on imported agricultural products make them more expensive. This results in a higher demand for domestic products and protects domestic producers from foreign competition.
Disadvantages/ Challenges	• Tariff rates often have maximum levels that cannot be exceeded, so their potential to generate revenue or help achieve other objectives is limited. • Tariffs on imported products make them more expensive for consumers in the country. • Tariffs applied by other countries can reduce the country's export potential to these markets.	• Tariffs on imported inputs (fertilizers, seeds, etc.) can increase costs for the farmers that use these inputs. • Tariffs on imported agricultural products can increase costs for the sectors that use them (such as the processing industry). • In the case of farmers that wish to export, the tariffs that the other countries apply on their products could limit their export potential.

[4] "Unilateral" means that the country reduces or removes tariffs but does not expect the other country to do the same.

3.2 Anti-Dumping and Countervailing Duties

What is it?

Anti-dumping duties[5] (ADD) and countervailing duties (CVD) are two types of measures that governments can implement to respond to perceived abuses in international trade caused respectively by dumping or by subsidies (see explanation below). ADD and CVD are additional import tariffs that a government charges on a specific product to make it more expensive for a certain period of time.

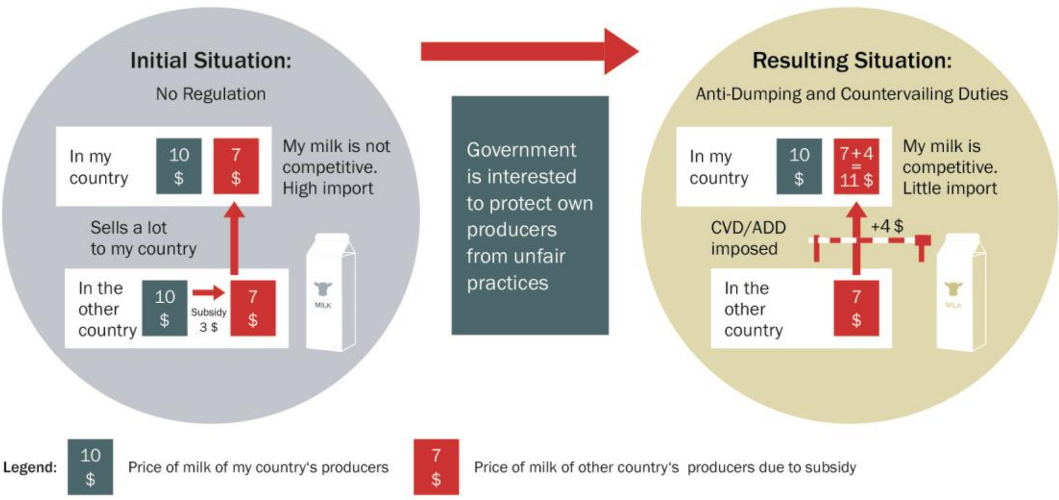
The additional duty could even cause the total tariff to exceed the bound tariff rate (the maximum rate normally applicable). ADD and CVD measures are usually known as "trade remedies" or "trade defence instruments" (see also 3.3, which is another type of trade remedy).

Of the two instruments, the most frequently used in international trade is ADD. However, many African countries have never used them: according to data from the WTO, in the last 10 years only Egypt and the SACU (South Africa, Botswana, Eswatini, Lesotho and Namibia) have applied ADD. Countervailing duties are used even less frequently, and mostly by developed countries. The only African country that used CVD in the last 10 years was Egypt[6].

What is its purpose?

- **Anti-dumping duties** aim to counter the effects of dumping. This happens when a foreign company (e.g. from Country B) sells its products in Country A at a lower price than what it would normally charge in Country B. This puts the domestic producers of Country A at a disadvantage. To respond to this, the Country A's government could impose an additional tariff (anti-dumping duty) on these products, to make them more expensive.
- **Countervailing duties** aim to counter the effect of subsidies. A government (e.g. in Country B) gives subsidies (a type of financial aid) to its producers. This aid helps Country B's producers reduce their costs and produce and export more cheaply (see also 3.6). If the subsidised products that Country B exports to Country A are much cheaper than those produced by Country A's domestic producers, the government of Country A could impose an additional tariff (countervailing duty) to make them more expensive.

Example: How does a countervailing duty work?



[5] "Duty" is another word for tariff.
[6] This data was obtained from the WTO Integrated Trade Intelligence Portal (I-TIP).

Keep in mind...

Relevant rules of WTO and other trade agreements: ADD and CVD measures are an exception: an "escape clause" that allows governments to temporarily break some of the basic WTO rules to protect their domestic producers. For this reason, the WTO agreements also regulate when and how a country can use them.

Before imposing the additional tariffs, the government must perform an investigation to prove that there is dumping or subsidized imports, and that they are really causing damage to the local producers. This requires a government agency with the capacity to gather the relevant data and make the necessary (and often complex) analysis. Some African countries have established specialized agencies for dealing with these topics (see for example the Ghana International Trade Commission).

In addition, **regional trade agreements** often have rules for ADD and CVD. This is the case for COMESA, EAC and SADC, and also the AfCFTA. These rules mostly mirror those from the WTO agreements[7]. So far, trade remedies have not been used much in intra-African trade.

Costs: Obtaining the institutional and technical capacity necessary to perform the investigations and determine if a measure can be applied can be costly for the government. This can be a challenge for developing countries and can explain why many of them have never used ADD or CVD.

Market influence: Since ADD and CVD are applied as additional import tariffs, they will also have similar influence on the market (making imports of the products subject to the measure more expensive).

Potential advantages and disadvantages

	Country Level	**Farmer/Producer Level**
Advantages	• The additional tariffs can generate government income. • The country has a tool protect its businesses from to unfair behaviour.	• The additional tariffs make the imported products more expensive and protect domestic producers from the competition of cheap imports.
Disadvantages/ Challenges	• Requires technical and institutional capacity that not all developing countries have. • The additional tariffs make the imported products more expensive for consumers.	• Higher tariffs on imported inputs can increase costs for the farmers that use these inputs. • Higher tariffs on imported agricultural products can increase costs for the sectors that use them (such as the processing industry).

[7] This information comes from an AU training module on anti-dumping calculation methods in the African context.

3.3 Safeguards

What is it?

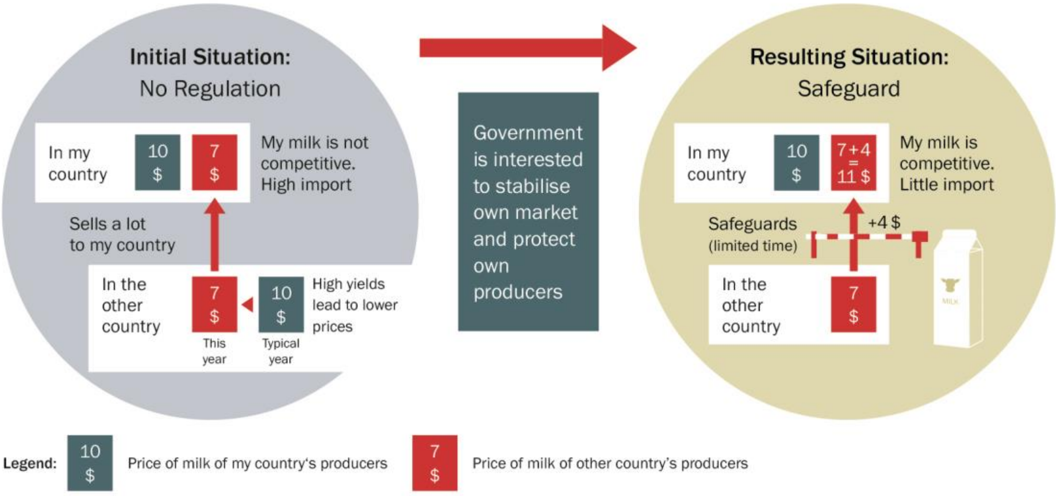
Safeguards are additional import tariffs or import quotas that a government applies to restrict imports of a product for a limited period of time. A safeguard may be used only when imports of a certain product have increased so much that they are damaging the domestic producers of the same or similar products. Together with anti-dumping duties and countervailing duties, safeguards are one of three types of trade remedies (or trade defence instruments) allowed under international trade rules to deal with damage caused by imports[8].

Safeguards have rarely been used by African countries: according to WTO data, only about 12% of the safeguards that were initiated in the last 10 years were initiated by African countries[9]. In the last 10 years, only six African countries (Ethiopia, Madagascar, Morocco, South Africa, Tunisia and Zambia) have started the process to use a safeguard measure.

What is its purpose?

Safeguards are used to protect domestic producers from damage caused by import surges. An import surge occurs when imports of a product (for example into Country A) increase very strongly or gain a large market share in a short period of time (e.g. due to a very high harvest in country B). Country A producers of this product will face more competition, and the increased supply may cause the price of the product in Country A market to fall, which might cause Country A's producers to lose income or even drive them out of the market. In this case, the Country A government could apply a safeguard by increasing the import tariff or applying an import quota, so as to restrict imports for a certain period of time.

Example: How does a safeguard work?



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[8] For a detailed and technical explanation of the three types of trade remedies, see this briefing note in the WTO webpage.
[9] This data was obtained from the WTO's Integrated Trade Intelligence Portal (I-TIP).

Keep in mind...

Relevant rules of WTO and other trade agreements: Safeguards can be multilateral (applied to imports from all countries) or bilateral (applied to imports from one country or a small group of countries).

The **multilateral safeguards** are ruled by the WTO agreements, which establish when and how a country can apply them. The country must have an authority that is capable of collecting the necessary data and conducting an investigation to determine if there was an import surge, and if it really caused damage to the domestic producers. Safeguards may be applied for a maximum of 8 years. There is an additional Special Agricultural Safeguard (SSG) for agricultural products only. However, only six African countries have the right to use this special safeguard[10] on certain products, and in practice they have never used it.

The **bilateral safeguards** are usually established in regional trade agreements. They may be applied to imports from a specific country or from all the members of the trade agreement. For example, COMESA, EAC, SADC and the AfCFTA all have established rules to apply safeguards between their members. In some cases, these agreements reaffirm the rights and obligations established by the WTO rules. However, so far trade remedies have been rarely used in intra-African trade[11].

Costs: As in the case of anti-dumping and countervailing duties, applying safeguard measures requires a government agency with the capacity to conduct the investigations and decide on the application of safeguards (for example, South Africa has established a specialized authority in charge of trade remedies). This has associated costs and can be challenging for developing countries.

Market influence: Safeguards can be applied in the form of additional import tariffs or as import quotas. Both have similar influence on the market: making imports of the products subject to the measure more expensive (import tariff); or restricting the quantity that may be imported (import quota).

Potential advantages and disadvantages

	Country Level	**Farmer/Producer Level**
Advantages	• If additional tariffs are used, they can generate extra government income. • The country has a tool to protect its businesses from unfair behaviour.	• The additional tariffs or quotas reduce imports; as supply in the market is reduced, the market price of the product increases. This protects the domestic producers from competition from abroad.
Disadvantages / Challenges	• Safeguards require technical and institutional capacity that not all developing countries have. • The additional tariffs or quotas on the imported products make them more expensive for consumers in the country.	• Higher tariffs or quotas on imported inputs can increase costs for the farmers that use them. • They can also increase costs for the sectors that use imported products (such as the processing industry).

[10] The right to use the special agricultural safeguard was negotiated during the Uruguay Round of multilateral trade negotiations (which ended in 1994) and depended on the trade measures that the countries were applying at the time. Only about 38 countries reserved the right to use the special safeguard, and only for a limited number of products. The African countries that did so were Botswana, Eswatini, Morocco, Namibia, South Africa and Tunisia.

[11] This information comes from the presentation "Safeguards and Trade Remedies in African Integration" (by Paul Kalenga, Trade Law Centre).

3.4 Import Quotas / Tariff Rate Quotas

What is it?

An **import quota** is a limit on the amount of a product that can be imported into a country. This limit is often expressed as a maximum number or a maximum weight (for example, 10,000 cows or 5,000 kilograms of butter).

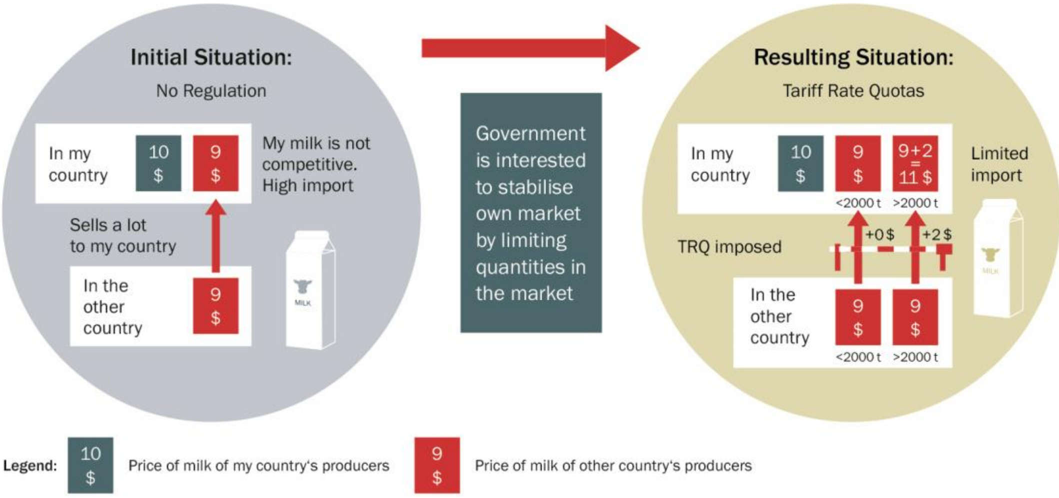
A **tariff rate quota** (TRQ) is a combination of an import tariff and an import quota. In this case, a certain quantity of a product can be imported into a country paying a lower (or zero) tariff rate (the "in-quota" tariff). If imports of the product exceed the quota amount, they must pay a higher tariff (known as the "out-of-quota tariff"). Often, the out-of-quota tariff is so high that it becomes unprofitable to import the product. Most TRQs are used for agricultural products.

In order to determine who can import how much of a quota, governments often issue licenses. A license gives someone (a person or a company) the right to import a certain quantity of the product. To distribute the licenses, the government could assign them in the order that they were requested ("first come, first served"), sell them, auction them, or use other distribution methods.

What is its purpose?

- **Protecting domestic producers** from foreign competition: by imposing an import quota or a TRQ, a government can limit the amount of a product that is available in the country's market. This can result in higher prices in the country's domestic market. As a result, domestic producers do not have the competition of large quantities of imports, and their income increases.
- **Limiting the amount of a certain product** that can be imported. This helps the government control the entry into the country of certain products. There can be many reasons for this: the product might be dangerous (such as weapons or some drugs), damage health or the environment (such as some chemicals) or be protected by international treaties (for example, endangered animals and plants).

Example: How does a tariff rate quota work?



Keep in mind…

Relevant rules of WTO and other trade agreements: WTO rules only allow countries to use quotas in special cases. This includes situations such as those mentioned above, where a quota is applied to comply with government regulations, for example for controlling imports of some agricultural and fisheries products, or in areas such as health, environmental protection, and other special circumstances.

When the WTO was established in 1995, some countries that were applying very high barriers on certain agricultural products were allowed to keep tariff rate quotas on the imports of those products. About 40 countries registered these TRQs with the WTO. The only African countries that have them are Morocco, South Africa and Tunisia.

In **regional trade agreements**, countries can use tariff rate quotas as a way to grant preferential access to their market to partners in the agreement. For example, in the Economic Partnership Agreement between the SADC and the European Union, the EU granted South Africa TRQs for several products, among them butter: 500 metric tons of butter from South Africa may enter the EU market with 0% tariff[12].

Costs: Applying quotas or TRQs has a relatively low monetary cost for the government; if the quotas are distributed through the sale or auction of licenses, they could also bring additional income. However, implementing the quotas does require a functioning customs authority with the necessary technical and human capacity (including the capacity to effectively monitor that imports do not exceed the established quantity), which has associated costs.

Market influence: Quotas and TRQs restrict the quantity of a product that can be imported, which reduces imports (compared to the situation of no quota) and can cause domestic prices to increase.

Potential advantages and disadvantages

	Country Level	**Farmer/Producer Level**
Advantages	• If the government sells or auctions the quota licenses, it can obtain additional income. • A quota can help the government reach a balance between protecting domestic producers and allowing some imports for the processors.	• With the quota, domestic producers benefit from a certain degree of protection against foreign competition. • On the other hand, the sectors that use the product for processing or selling can have access to some level of imports.
Disadvantages / Challenges	• There are problems associated with quota licensing systems: inefficiencies, non-transparency or corruption. • The quota can cause higher prices for the product in the domestic market, affecting consumers and the sectors that import the product for selling or processing it.	• The procedures that the government applies to administer or allocate the quota can be complex, non-transparent or subject to corruption. • Those that wish to import the product may have to pay high prices for the licenses or face difficulties to obtain the right to import.

[12] For a list of the products subject to TRQs in this agreement, see page 3 of SADC-EU Economic Partnership Agreement FAQs (Trade Law Center, 2018).

3.5 Import Ban

What is it?

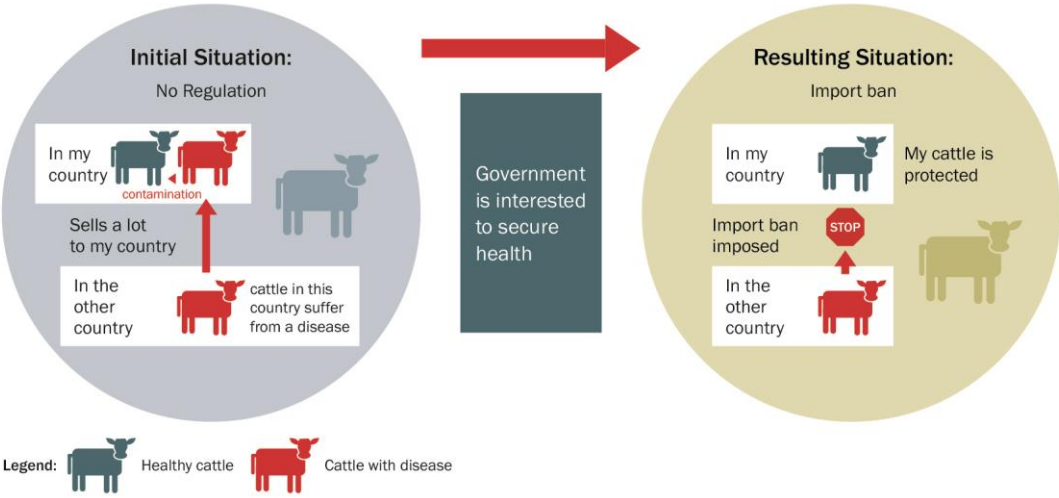
An import ban is a prohibition to import a specific product or a group of products into a country. Experts refer to an import ban as an extreme form of import quotas / tariff rate quotas, where the quantity allowed is put at zero.

What is its purpose?

A government can use import bans for different purposes, such as the following:

- Protecting the country from products that carry diseases or that otherwise threaten the life or health of humans, animals or plants (see also 3.9 Sanitary and Phytosanitary Measures), or protecting from products that do not comply with safety or other standards (see also 3.10 Technical Barriers to Trade). In some of these cases, the ban may apply only for a limited period of time or only to imports from a certain country or region (for example if a disease is only present there).
- Ensuring that some products do not enter the country. A government might want to prohibit imports of products that are dangerous (such as some types of drugs or weapons), are harmful to the environment (such as some chemicals) or are protected by international treaties (for example, endangered animals and plants).
- A government may also impose an import ban with the intention of protecting the country's domestic producers from foreign competition. However, this is normally not allowed under international trade rules (see below).

Example: How do import bans for health and safety reasons work



Keep in mind…

Relevant rules of WTO and other trade agreements: Import bans are only allowed by the WTO rules in certain special or exceptional circumstances, such as those mentioned above (protecting health, safety, the environment, etc.). Countries are discouraged from applying import bans only to protect their domestic producers. If the objective of the government is to protect a sector, it should use measures that restrict trade less than a full prohibition (for example, tariffs or import quotas).

Import bans might create an incentive for smuggling. Suppose Country A bans the imports of a product. Supply of this product in the market of Country A is reduced, and its price increases. The high prices might tempt some to smuggle the product into Country A and sell it to make profits. This could also be associated with corruption (for example, if the smugglers pay bribes to border officials to "look the other way").

Cost: The direct monetary cost of an import ban is low. However, ensuring that the measure is enforced might have additional costs for the government (for example, more personnel at the border).

Market influence: Since the ban would completely stop imports, it will have a strong and direct impact on the market. As mentioned, a ban might also encourage the creation of a clandestine market for the product.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The government can meet goals such as protecting the population's health and safety, avoiding damage to the environment, etc.	• If a product is subject to a temporary ban (for example for sanitary reasons) the domestic producers of the product will face less competition.
Disadvantages / Challenges	• The import ban may create an incentive for smuggling and create a black market for the product that the government cannot control. • The ban can cause higher prices for the product in the domestic market, affecting consumers and the sectors that import the product for selling or processing it.	• If the product is used by some sectors (for example processors), they lose access to the product and may have to pay high prices in the domestic market. • The import ban could generate an illegal market for the product. In this case, domestic producers (who must comply with the regulations applicable in the country) could face the competition of smuggled products that are not subject to the same controls.

3.6 Export Subsidies / Export Credits

What is it?

Export subsidies are payments that governments give to encourage exports. They could be in the form of direct payments to producers, or ways to help producers reduce the costs they face when exporting (such as the marketing of exported produce or international transport).

Since they require a significant expenditure, export subsidies are costly for the governments that apply them. They also make exports cheaper than they should be, creating inefficiencies and causing distortions in world markets.

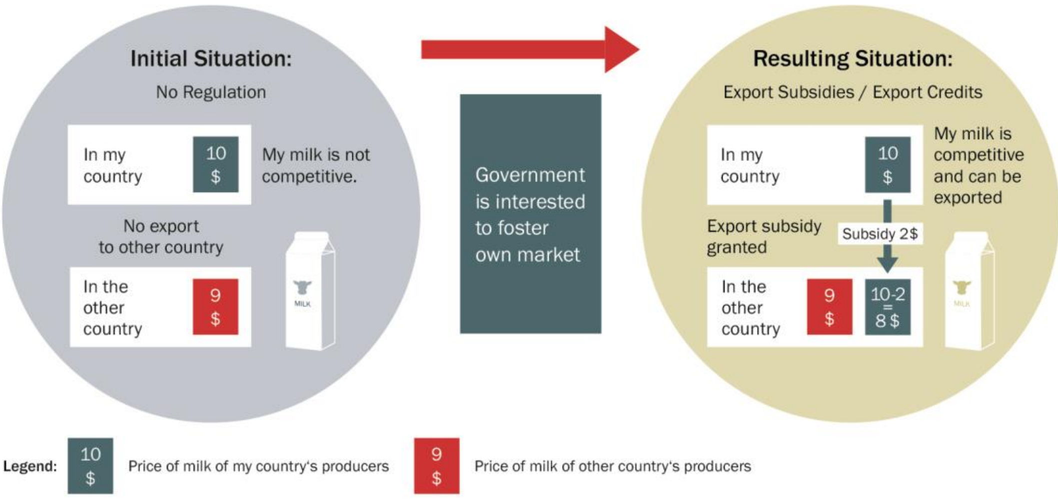
Traditionally, export subsidies have been used mainly by developed countries (and some large developing countries). A large country that gives subsidies to promote exports of a product will be able to sell large quantities of this product in the world market. This decreases the world price of the product, affecting especially producers in developing countries: they earn less, lose market share, and could even be driven out of the market.

Export credits can be provided by governments (or private companies operating on their behalf) to foreign buyers to encourage them to purchase their country's products. For example, the Country A government gives buyers in Country B special conditions (such as postponing the payment for a year) if they buy Country A's products. If the payment conditions are better than normal market credit conditions (for example, lower interest rates or longer repayment periods), export credits can have an effect similar to export subsidies.

What is its purpose?

- Governments give **export subsidies** to help producers enter into new markets, increase their exports, or to compensate them if world market prices for their products are low. They can also help dispose of excess production: if Country A has a surplus of a product, subsidies can help producers sell this excess in the world market. That way, less of the product is available for sale in the domestic market of Country A and domestic prices remain stable.
- **Export credits** are granted by a government to incentivize foreign buyers to buy the country's products.

Example: How does an export subsidies work?



Keep in mind...

Relevant rules of WTO and other trade agreements: Due to their distortive impact, export subsidies have been prohibited for industrial products for more than 50 years. However, agricultural export subsidies remained available for decades, and were used by many of the largest world agricultural producers and exporters. Eliminating them was one of the key targets of Sustainable Development Goal 2.B.

In 2015, at the WTO Nairobi Ministerial Conference, countries agreed to eliminate agricultural export subsidies[13]. Most countries have already eliminated them or must do so until the end of 2022.

Developing countries may continue supporting agricultural exporters for a few more years: they may provide subsidies to help them reduce some costs (such as marketing and international transport) until 2023; and the least developed countries may provide export subsidies until 2030. However, very few developing countries actually apply these subsidies. In Africa, only Mauritius, Morocco and Tunisia have communicated to the WTO that they have used subsidies to reduce the costs of exporting different agricultural products[14].

The 2015 Nairobi agreement also established some rules on how countries can grant export credits. A key rule is that foreign buyers should pay back the credits that they obtained from governments within 18 months maximum.

Cost: Export subsidies and export credits are expensive measures. In addition, export credits usually require specialized institutions (export credit agencies[15]) and establishing or running them represents additional costs to the government.

Market influence: Export subsidies can distort international markets, particularly if applied by countries exporting large quantities of a product. Export credits can also be considered a disguised form of export subsidies, resulting in a similar impact.

Potential advantages and disadvantages

	Country Level	**Farmer/Producer Level**
Advantages	• Subsidies and credits can help promote the country's exports.	• Farmers from countries that apply these measures can benefit from government assistance to help them reduce their costs and increase their exports.
Disadvantages / Challenges	• Both measures are costly for the government. • In the country that applies the subsidies/credits, exports increase and the supply of the product in the domestic market decreases. This can result in higher domestic prices, affecting consumers.	• Farmers in countries where subsidized exports are sold have to face increased and cheaper competition from abroad. They might lose part of their market share and could even be driven out of the market altogether.

[13] See https://www.wto.org/english/thewto_e/minist_e/mc10_e/l980_e.htm
[14] This information was obtained by searching the WTO Agriculture Information Management System.
[15] The Wikipedia page Export Credit Agency includes a list and links to the agencies from many countries.

3.7 Export Quota / Export Ban

What is it?

An **export quota** is a limit on the amount of a product that a country can export. As in the case of import quotas, governments can issue licenses to give individuals or companies the right to export a certain share of the permitted quantity. To distribute the licenses, the government could assign them in the order that they were requested ("first come, first served"), sell them, auction them, or use any other method.

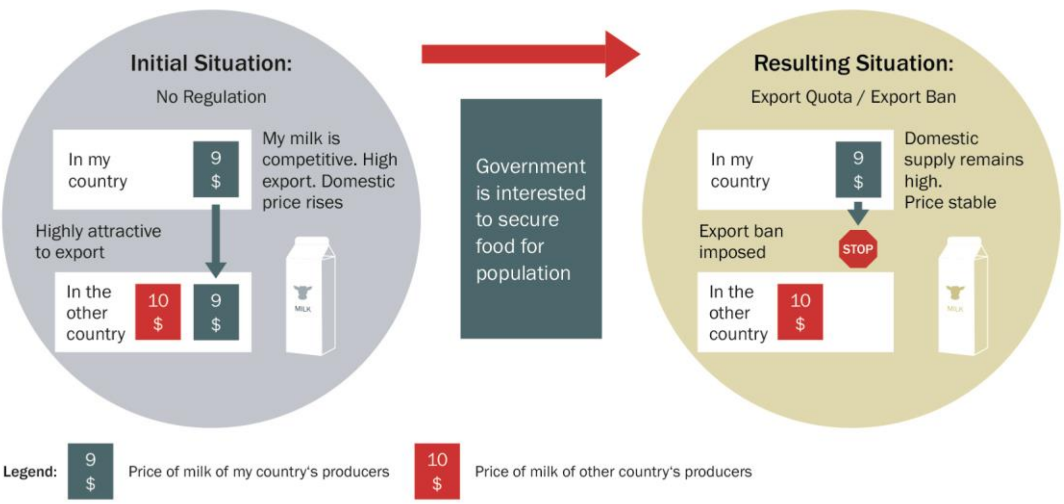
An **export ban** is an extreme form of an export quota: in this case the quantity allowed is set at zero, and the government prohibits exporting the product at all (similar to the import ban prohibiting all importation).

What is its purpose?

Governments may restrict or ban exports for reasons such as the following:

- Ensuring that the country has a **sufficient supply of certain products**, available at lower prices: by not allowing exports (or by limiting the amount that is exported), a government can ensure that a larger quantity of the product is available in the domestic market, which in turn keeps its price low. This could be done to prevent or mitigate shortages in the context of an emergency. Several countries applied quotas or bans on the exports of food products as a response to the COVID-19 pandemic. For example, Egypt banned exports of pulses for a few months. Many of the restrictions were only temporary[16].
- **Promoting the development of processing industries**: the government of a country that produces raw materials might restrict or ban exports of these products to ensure that they remain in the country and are processed there.
- **Controlling the export** of certain products, for example of endangered animals and plants.

Example: How does an export ban work?



[16] The Institute of Food Policy Research (IFPRI) keeps a tracker of export restrictions applied on food products in response to the COVID-19 crisis.

Keep in mind...

Relevant rules of WTO and other trade agreements: Export quotas and bans are generally prohibited by the WTO rules. However, they may be applied in certain exceptional cases, such as when there is a threat of shortages of food or other essential products[17].

Although these measures can help remedy temporary difficulties, in the long term they might have unintended negative effects. A quota or ban on exports causes the price of the product in the domestic market to decrease. This means that the income of local farmers decreases, possibly even to the extent that domestic production is discouraged. Farmers that are also exporters might lose export opportunities that are difficult to regain after export quotas are lifted.

As in the case of import bans, export bans can encourage smuggling. Imagine that Country A prohibits export of a product in order to keep its price low. The ban will cause the product's price to be lower in Country A than in the foreign market. This could be an incentive to smuggle the product out of Country A in order to sell it elsewhere at a higher price. Over time, if large amounts are smuggled out, the domestic supply in Country A could decrease and the price increase, contradicting the original purpose of the ban.

Export restrictions of food products could also have a negative effect on global food security. Many experts believe that they helped aggravate the world food price crisis of 2007-2009[18]: at that time, as world food prices started increasing, many countries applied export bans and quotas to keep domestic prices low. However, these measures had the effect of making less food available in the world market, which pushed world prices of foodstuffs further upwards. Such a situation is especially problematic for countries that depend on imports to feed their population, with poorer countries suffering a double blow as consumers there have difficulty paying higher prices.

Cost: The direct monetary cost of applying export bans and quotas is low. However, applying these measures requires a well-functioning customs authority with the capacity to monitor their enforcement.

Market influence: Export quotas and export bans have a direct influence on the market, by discouraging or stopping exports. In the short term the quantity available of the product will be high and the price low, but this can change as time passes, as explained above.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The government can use bans/quotas to prevent shortages and ensure low prices of a product in the short run. • If quota licenses are sold or auctioned, this will raise additional government income. • Low prices for consumers and processors.	• In the short run, the sectors that process the product will have access to a higher quantity at a low price.
Disadvantages/ Challenges	• If the ban/quota remains in place for a long time, the low domestic price might discourage production, reducing availability of the product. • The restrictions could encourage smuggling the product out of the country, further reducing availability in the domestic market.	• Producers and exporters of the product will face lower prices and income reductions. • Exporters might lose export markets and buyers that are difficult to gain back, as the foreign clients will choose to buy from other countries.

[17] For a more detailed and technical explanation of the applicable rules and the potential impact of export bans and restrictions, see the information note "Export Prohibitions and Restrictions" (WTO, 2020).
[18] This effect is explained in the trade policy brief "Agricultural export restrictions" by the FAO (2017).

3.8 Export Tax / Minimum Export Price

What is it?

An **export tax** is a tax on the exports of certain products. Similar to an import tariff, an export tax can be expressed as ad valorem (a percentage of the value) or specific (an amount per unit). The government could also apply a tax rate that increases when the product's price increases (progressive tax) or apply different rates to raw and processed products (differential tax).

Export taxes are considered to be the "mirror image" of import tariffs: they have an opposite effect. If Country A imposes an import tariff on a product, the price of this product in the Country A market will increase. On the other hand, if the country applies an export tax, the price of the product will decrease[19]. Export taxes are widely used by developing countries, including many African countries[20]. They can generate revenue for the government and help keep domestic prices low. In addition, these taxes are not as restricted by international trade rules as other trade measures (see below).

In the case of a **minimum export price**, the government stipulates a certain price; exporters are not allowed to sell the product abroad below this minimum price. In some cases, minimum export prices are applied together with export taxes. The authorities must take care when setting the minimum price; if it is too low, it might have no effect (as all but the cheapest products can be exported). On the other hand, if the price is too high, it might have the same effect as an export ban.

What is its purpose?

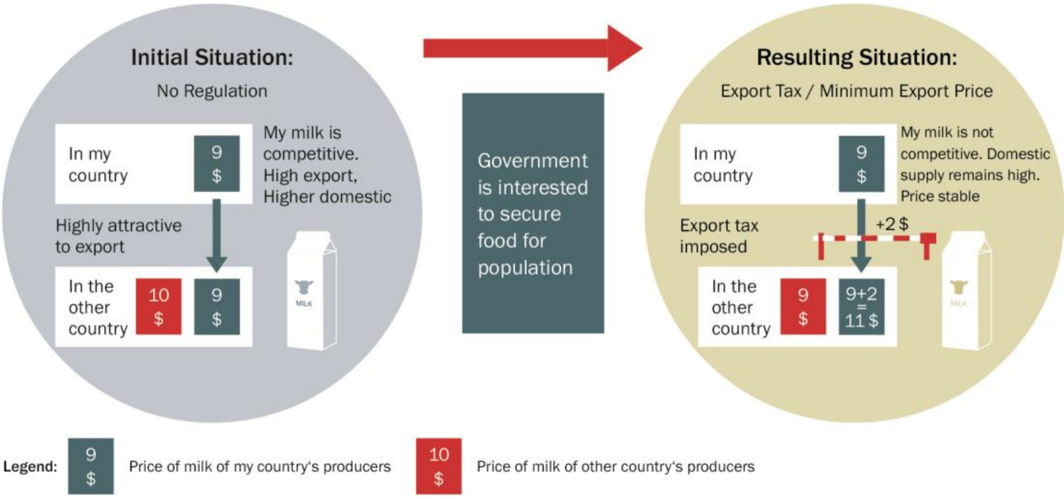
Governments may apply export taxes for reasons such as the following:

- To **generate government revenue or enhance collection** as taxes applied at the border might be easier to collect than other taxes on domestic income-generating activities. A minimum export price might help ensure that a minimum level of revenue is collected.
- The tax can also help **ensure that the country has a sufficient supply** of certain products and low domestic prices. It can work similarly to export quotas or bans: by discouraging exports, supply of the product in the domestic market remains high and prices remain low.
- **Promoting the development of processing industries**: taxing the export of raw materials can help ensure their availability at lower prices, to encourage processing in the country.
- Minimum export prices might also **help differentiate which types of a product can be exported** (for example, high quality varieties) and which remain in the country.

[19] A good explanation of how export taxes work is included in the paper "Export Taxes in the South African Context" (R. Sandrey, Trade Law Centre, 2014).

[20] World Bank World Development Indicators data for 2017 included 16 countries in Sub-Saharan Africa (Angola, Burkina Faso, Botswana, Central African Republic, Cote d'Ivoire, Cameroon, Congo Rep., Guinea-Bissau, Equatorial Guinea, Senegal, Somalia, Togo, Tanzania, Uganda, South Africa and Zambia) that reported taxes on exports, with a share of total tax revenue going from less than 1% to over 16%. This does not mean that only these 16 countries applied export taxes: it could be that data for the other countries was not available.

Example: How does an export tax work?



Keep in mind...

Relevant rules of WTO and other trade agreements: While WTO rules contain very detailed regulations on the application of export quotas or export bans (also called "quantitative restrictions"), this is not the case for export taxes. These measures are almost not regulated, which means that countries are more or less free to use them. Since export taxes are not regulated by the multilateral rules of the WTO, sometimes regional trade agreements include rules on their use. For example, the Economic Partnership Agreements of the EU with the SADC and the ESA prohibit the member countries from introducing new export taxes or increasing the existing ones. However, there are some exceptions to this rule that allow the African parties to introduce new taxes in some emergency situations.

Cost: The direct monetary cost of applying export taxes is low, and the taxes can bring revenue to the government. As in the case of the other measures, a well-functioning customs authority with the capacity to monitor the enforcement of these measures is required.

Market influence: Export taxes and minimum export prices can have a direct influence on the market by discouraging exports. If very high tax rates or prices are set, the effect could be similar to an export ban.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• Taxes generate government income at a comparatively low cost. • Taxes are more transparent and easier to administer than quotas or bans and can help achieve the same objectives. • The government has a tool to prevent shortages and ensure low prices for a product in the short run. • Low prices for consumers and processors.	• The sectors that process the product will have access to supply of the product at a low price.
Disadvantages/ Challenges	• The lower domestic prices might discourage production, and availability of the product may decrease in the longer term.	• Producers and exporters of the product will obtain lower prices and face income reductions. • Exporters might lose export markets and buyers that are difficult to recapture, as foreign customers will choose to buy from other countries.

3.9 Sanitary and Phytosanitary Measures

What is it?

Sanitary and phytosanitary measures (**SPS**) are measures that a country applies to protect humans, animals or plants from risks arising from diseases and pests, or from additives, toxins and contaminants in food and feed. “Sanitary” refers to human and animal health, and “phytosanitary” to plant health. SPS measures can take many different forms: a government might require that the production of a foodstuff meets a certain standard (for example with respect to the maximum level of food additives or contaminants); or that an imported agricultural product comes with a certificate stating that it is free from a pest; it could set maximum levels of pesticide residues that are allowed in fresh products (either imported or produced locally); it could demand that a product coming from an area where a disease is present is subject to a specific treatment; it could even impose a temporary import ban on certain products. The trade impact of an SPS measure will depend on the measure concerned and how it is implemented.

What is its purpose?

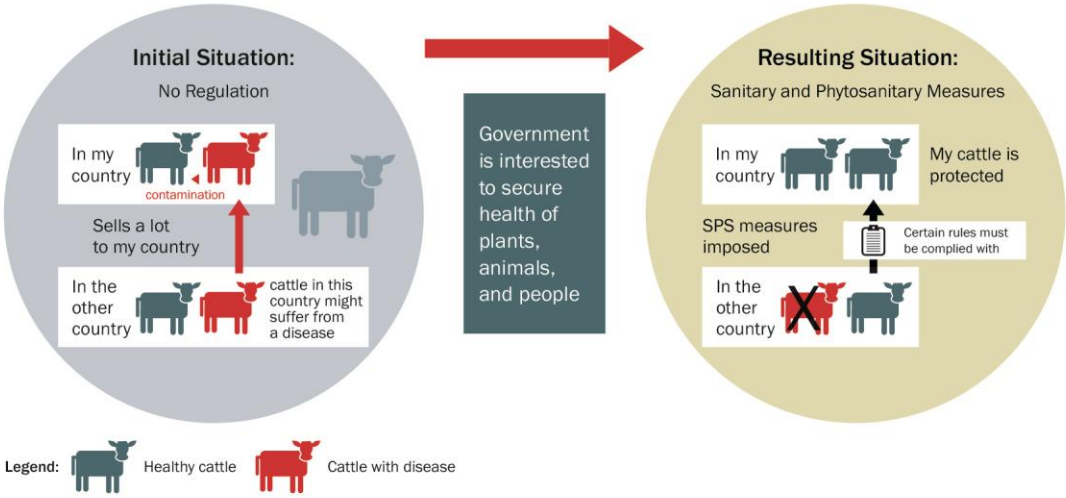
Not all measures that are applied on food and agricultural products belong to the area of SPS. Some, such as requirements on nutritional labelling, or quality standards for food packaging, are classified as Technical Barriers to Trade (see 3.10). This distinction is important, as the regulations that need to be observed and institutions involved often vary depending on which of the two types of measures is concerned. SPS measures are always applied on food, drinks or feed, but they must have the objective of protecting human, animal and plant life or health, or protecting a country from the following specific risks:

Is it food, drink or feed, and is its objective to protect one of those from these risks?			
human life	**animal life**	**plant life**	**a country**
• additives, contaminants, toxins or disease-causing organisms in food or drink • plant- or animal- carried disease	• additives, contaminants, toxins or disease-causing organisms in feed or drink • diseases • disease-causing or disease-carrying organisms	• pests • diseases • disease-causing or disease-carrying organisms	• pests entering, establishing or spreading

Source: The WTO Agreements Series, Sanitary and Phytosanitary Measures.

Example: How do SPS measures work?

SPS measures can take many forms. The chart below shows an example of one type of SPS measure.



Keep in mind...

Relevant rules of WTO and other trade agreements: Trade restrictions are sometimes necessary to ensure food safety and to protect animal and plant health. However, these measures can be misused to disguise other objectives. For example, Country A could ban or restrict imports of a certain product from Country B with the excuse that it is for sanitary protection, while in reality the objective is to protect domestic producers from the competition from Country B.

The **WTO Agreement on Sanitary and Phytosanitary Measures** sets out the basic rules for food safety and animal and plant health requirements. These rules seek to balance the right of countries to use SPS measures with the need for avoiding excessive or unnecessary barriers to trade. The agreement allows countries to set their own standards, but the regulations applied must be based on science, they should be applied only to the extent necessary to protect human, animal or plant life or health, and they should not discriminate between countries where similar conditions exist. It also encourages the development and use of international standards. Coordination on SPS matters among countries and regions can be valuable to help trade flow and avoid unnecessary barriers. For example, countries could agree to recognize each other's standards, so that products will not need to be tested or certified separately in each country, thus saving time and costs. For this reason, many regional trade agreements cover SPS aspects, sometimes establishing regional rules or working groups[21]. The African Union established in 2014 a Continental SPS Committee that meets regularly.

Cost: The application and enforcement of SPS measures can be relatively costly, as it requires institutional and technical capacity, specialized staff, infrastructure and equipment (for example for inspection and quarantine). Many countries have specialized agencies that deal with SPS topics (see for example the Food Safety and Quality Authority of the Gambia)[22].

Market influence: The market impact of SPS measures will depend on the specific measure chosen and how it is applied.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The government is allowed and able to establish regulations to protect health and improve food safety. • Regional efforts (such as SPS committees) can help coordinate and facilitate trade for the participating countries.	• Local or regional SPS regulations can help protect producers from different risks, such as pests or diseases entering the country.
Disadvantages/ Challenges	• Developing countries might not have the capacity required to establish the necessary institutions and implement the regulations. • Partner countries could use SPS rules as disguised protectionist measures. • SPS measures might be so complex and burdensome that they become a trade barrier.	• If local rules are too complex, burdensome or restrictive, they can make imports difficult, generating costs for the processing sectors. • The same could happen for local exporters if the rules of other countries are difficult to meet, or if there are no domestic institutions to provide the necessary certifications or tests.

[21] The paper "Review of mechanisms for food safety-related SPS measures within African Regional Economic Communities" (Molnar and Godefroy, 2020) presents an overview of the status in each of the Regional Economic Communities.

[22] The WTO maintains a list with the details and contact information of the authorities responsible of dealing with SPS-related enquiries for all its member countries: http://spsims.wto.org/en/EnquiryPointsNotificationAuthorities/Search

3.10 Technical Barriers to Trade

What is it?

Technical Barriers to Trade (TBT) are different types of measures that governments use to achieve goals such as ensuring product quality and safety, protecting the environment, or protecting consumers. TBT measures can be applied to agricultural and industrial products.

TBT measures can be mandatory technical regulations (as in the case of labelling requirements for food), voluntary standards (such as determining whether a product can have a "fair trade" label), or conformity assessment procedures (to test or certify whether a product meets the necessary requirements to be sold in a country). The trade impact of a TBT measure will depend on the type of measure concerned and how it is implemented.

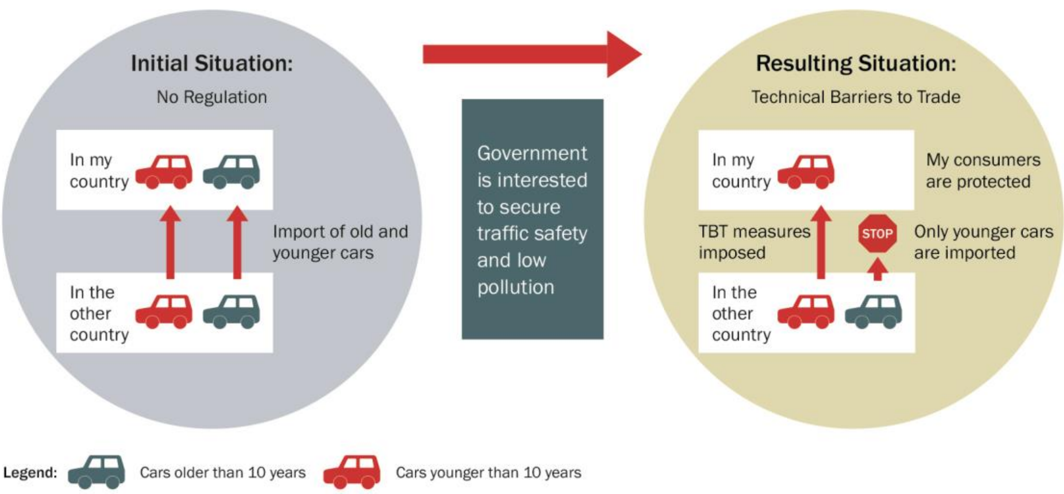
There is a broad universe of possible TBT measures. Those applicable to agricultural products can include standards for food packaging and nutritional labelling, requirements that food is fortified with certain vitamins, certification systems for organic products, or measures to protect animal welfare.

What is its purpose?

TBT measures can have many different objectives, such as protecting consumers, ensuring product safety, or protecting the environment. Sometimes it can be difficult to distinguish them from Sanitary and Phytosanitary Measures (SPS). But this distinction is important, as the regulations that need to be observed and institutions involved often vary depending on which of the two types of measures is concerned.

The key difference between TBT and SPS measures is their objective: SPS measures always aim to protect humans and animals from food-borne risks, protect humans from diseases carried by animals or plants, or protect animals and plants from pests or diseases. TBT measures, on the other hand, can have other objectives. For example, countries often require that packaged food products have a label indicating the contents of fat or sugar. This regulation aims to protect human health by helping consumers choose healthier foods. It is a TBT measure. However, it is not an SPS measure, because its objective is not to protect human health from a food-borne risk or from a disease carried by animals or plants. If, on the other hand, the country requires that a food product contains less than a maximum level of residues of a certain pesticide, the measure would be classified as SPS, as it seeks to protect consumers from risks caused by this chemical in food.

Example: How do TBT measures work?



Keep in mind...

Relevant rules of WTO and other trade agreements: The challenge of TBT measures is to balance the countries' legitimate right to regulate different areas with the need to avoid excessive barriers to trade or disguised protection. The WTO Agreement on Technical Barriers to Trade rules how countries must prepare and apply TBT measures to maintain this balance. One key point of this WTO Agreement is that governments must ensure that the measures they apply do not discriminate against foreign producers, or favour one country over another. They also must not be more trade-restrictive than necessary.

TBT is an area where coordination among countries or within a region can be valuable. It is common for partners in regional trade agreements to agree on common rules or coordination mechanisms[23]. An example is the African Organisation for Standardisation (ARSO), which was established by the African Union with the objective of harmonizing standards at the African level, in order to enhance intra-African and international trade.

Cost: As in the case of SPS measures, the development and application of TBT measures can be relatively costly, as it requires institutional and technical capacity, specialized staff, infrastructure and equipment (for example, laboratories, testing procedures and equipment). Many countries have specialized agencies in charge of developing technical regulations or standards (see the Tanzania Bureau of Standards)[24].

Trade Impact: The market impact of TBT measures will depend on the measure concerned and the way it is applied. TBT measures can have a trade-restricting or a trade-facilitating effect.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The government is allowed and able to establish regulations to meet different objectives (such as health, consumer protection, quality). • Regional efforts (such as a regional standards organisation) can help coordinate and facilitate international trade for the participating countries.	• Local TBT regulations can help domestic producers in certain situations. For example, strong certification or labelling requirements might protect them from unfair competition due to food fraud (for example, if imported foods are mislabelled or adulterated).
Disadvantages/ Challenges	• Developing countries might not have the capacity required to establish the necessary institutions and implement the regulations. • Partner countries could use TBT measures as disguised protectionist measures. • TBT regulations might be so complex or burdensome that they become a trade barrier.	• If the local rules are too complex, burdensome or restrictive, they could hinder imports, thereby causing increased costs of inputs for the processing sectors. • The same could happen for local exporters if the rules applied by other countries are difficult to meet.

[23] The 2017 paper "The Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Policies of African Regional Economic Communities (RECs)" (Chinyamakobvu, 2017) contains a description of the integration efforts of each regional community.

[24] The WTO maintains a list with the details and contact information of the authorities responsible of dealing with TBT-related enquiries for all its member countries: http://tbtims.wto.org/

3.11 Rules of Origin

What is it?

Rules of origin are laws and regulations that governments use to determine the "nationality" of a product. The authorities apply these rules when an imported product arrives at the border. An example of why it might be necessary to establish the country of origin is for determining the applicable import tariff rate. In order to establish that a product comes from Country A, the rules often require that the product was fully obtained or produced there (for example, that a plant was harvested or an animal was born in Country A), or that it was subject to a certain transformation or processing (for example, that sugarcane was processed in Country A to produce sugar)[25]. To determine the criteria applicable to each product, the international classification of the Harmonized System (see Annex 5.3) is normally used.

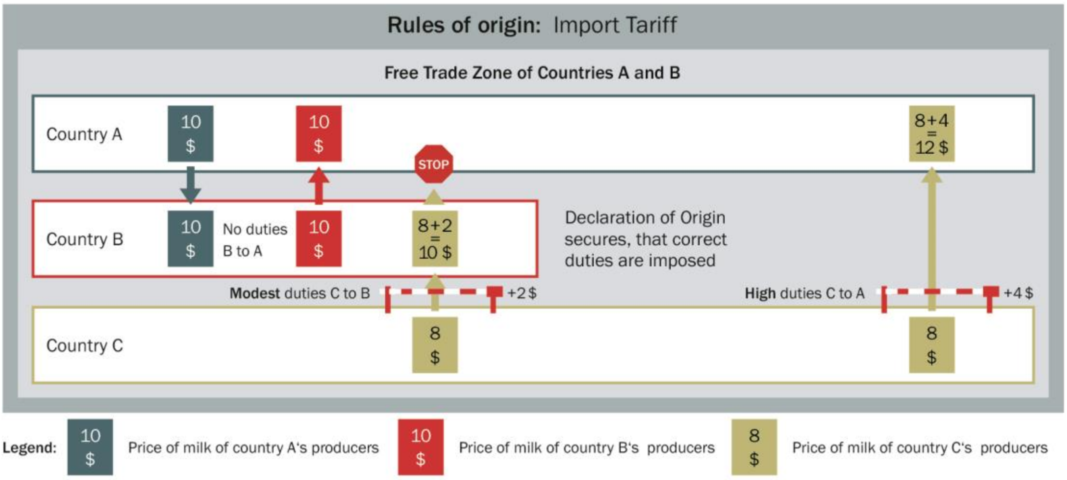
When products are traded across borders, they are often accompanied by a certificate of origin. This is a document that the government gives to an importer or an exporter to prove that the product meets the criteria necessary to state that it originates from a certain country. Rules of origin can be complex (especially for products that are more processed), or they can be constructed in ways that make it difficult to meet the criteria. When the application of the rules of origin is very complicated, the instrument is considered to be "restrictive" from a trade point of view.

What is its purpose?

A government can use rules of origin for different purposes, such as the following:

- To **determine if a product can benefit from preferences** under a trade agreement. Trade agreements often offer preferential treatment (such as lower import tariffs or special tariff rate quotas) to the countries that are part of the agreement. The rules of origin are made to ensure that non-member countries cannot benefit from this preferential treatment.
- To **allocate** shares of import quotas to different countries.
- To apply **trade remedies** (such as anti-dumping duties and safeguards), which often affect imports from specific countries only.
- To apply product **labelling requirements**, which might demand that the country of origin is indicated in the label (see also Technical Barriers to Trade).
- For the purpose of trade **statistics**.

Example: How do rules of origin work?



[25] The publication "Rules of Origin in the Agrifood Trade" (Inter-American Institute for Cooperation in Agriculture, 2017) presents a simple and comprehensive explanation of how the rules are used in the trade of agricultural products.

Keep in mind...

Relevant rules of WTO and other trade agreements: The WTO Agreement on Rules of Origin establishes some general principles on how to design and apply these rules. However, unlike other trade measures, the WTO rules in this area are not very detailed. This means that countries have much freedom to implement and apply their own sets of rules of origin.

Often, regional trade agreements contain rules of origin to ensure that only the countries that are part of the agreement benefit from the special treatment[26]. Rules of origin that are too restrictive could end up undermining the purpose of the agreed trade preferences: if individuals or companies find it difficult or costly to comply with the rules, they would be unable to take advantage of the trade agreement.

Costs: A government might face costs associated with the implementation of rules of origin at the border: since the rules can be technically complex, customs personnel with the necessary knowledge and training will be required. In addition, there are costs associated with issuing certificates of origin[27].

Market influence: Rules of origin, especially if they are complex or restrictive, can have the ultimate effect of discouraging trade.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The country applying the rules has a tool to ensure that the products imported actually come from a certain country, allowing it to apply the relevant import measures (such as tariffs).	• If the rules are simple and transparent, and if the agencies in charge of issuing the certificates are accessible and effective, it will be easier for farmers and producers to participate in international trade. • Producers from countries that are eligible for preferential treatment under trade agreements will find it easier to export to other countries that are members of the agreement.
Disadvantages/ Challenges	• Verifying and enforcing the rules of origin requires technically qualified customs personnel. • There is a potential for origin fraud (false declarations or certifications) and combatting this requires extra effort of the authorities. • If partner countries apply rules that are too strict, it might be difficult to export to those markets.	• Producers wishing to export might find it difficult to understand or comply with the rules required to export to other markets. • Processors that use inputs from different countries may face challenges in getting certification of origin.

[26] This is the case for the African Regional Economic Communities. A detailed and technical presentation of the type of rules and methodology that each economic community uses is contained in pages 63-68 of the publication "Economic Development in Africa Report 2019" (United Nations Conference on Trade and Development).

[27] Certificates of origin are usually issued by the customs administration or another competent authority of the exporting country, or by an organisation authorized by the government (such as a chamber of commerce). The rules and practices can vary from country to country. The document "Guidelines on Certification of Origin" (World Customs Organization, 2018) offers some technical explanations and examples of practices from different countries.

3.12 Designating Products as "Sensitive"

What is it?

In most trade agreements, countries agree to liberalise trade in most products within a certain period of time. This is normally done by setting a schedule for reducing or eliminating import tariffs and other barriers to the trade of these products over an agreed number of years.

However, this liberalisation can have exceptions. It is common for countries to designate a certain number of products as "sensitive". Sensitive products will be subject to a different treatment than all other products. They could belong to sectors that might face problems if imports are opened too quickly. They might also be important for strategic purposes (such as food security or rural development), or their liberalisation could be politically difficult to achieve.

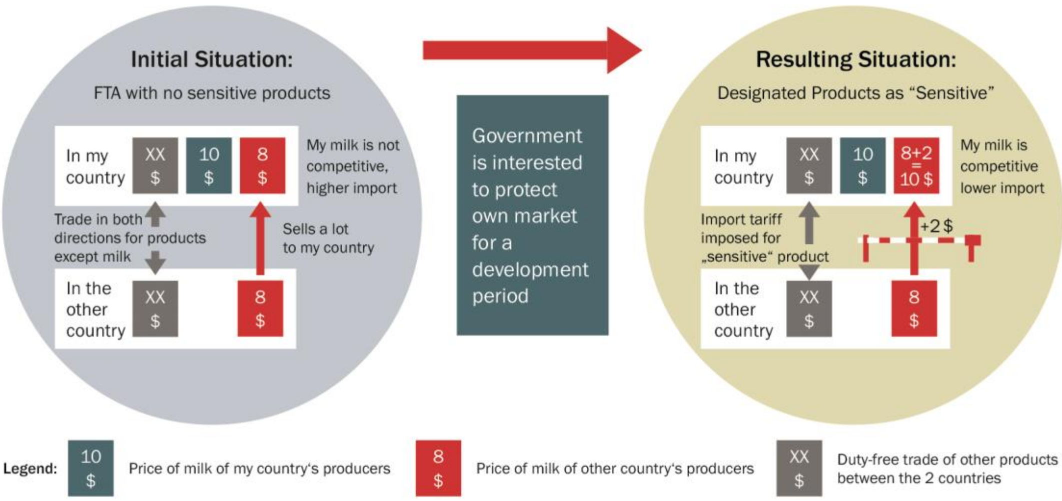
The special treatment of sensitive products could take different forms, for example:

- The import tariff for the sensitive product is **not reduced as much as for other products**. The goal of many agreements is to reduce most tariff rates to zero. However, the agreement can stipulate that import tariffs on sensitive products are reduced only by a certain percentage instead of being reduced all the way to zero.
- Tariff reductions for the sensitive product can take place over a **longer period of time** than is the case for other products. Alternatively, there is a "**grace period**" (for example 5 years) in which the tariff on the sensitive product remains unchanged. This gives the sensitive sectors additional time to prepare for the competition resulting from the increased imports.
- The importing country only allows a **certain quantity of imports** of the sensitive product, for example by establishing a tariff rate quota.
- The sensitive product is **excluded** from the trade liberalisation. This means that the tariff on the product is not reduced at all.

What is its purpose?

Protecting certain sectors from the competition brought by increased imports or giving these sectors extra time to adjust and prepare for this competition.

Example: How does it work to designate products as sensitive?



Keep in mind...

Relevant rules in trade agreements: Most trade negotiations allow countries some margin to designate a certain number of products as sensitive. This is the case in the multilateral WTO Negotiations on Agriculture, where two categories were discussed: “sensitive products” for both developed and developing countries, and “special products”, which apply exclusively to developing countries. However, these negotiations have been going on for a long time, and this specific topic has not been discussed for years.

Special conditions for sensitive products are also common in regional trade agreements, such as the Economic Partnership Agreements (EPAs) with the EU. For example, the EU-SADC EPA allowed the African partners to apply partial (instead of full) liberalisation to 13% of their products and even to exclude 2% completely.

Although each country determines which products it will designate as sensitive, this too is often subject to negotiation. Trade negotiations must balance the interests of the different participants. It could happen that Country A would like to designate a product as sensitive (and thus protect it from imports), that Country B is interested in exporting to Country A. The negotiators must try to reach a compromise that both countries can agree to. A possible solution in this case could be for Country A to establish a tariff rate quota that allows Country B some access to its market, while ensuring that Country A will not be flooded by a large increase in imports.

Costs: This will depend on how each country determines which products are sensitive. The government authorities could either use reliable data for this decision or consult with each specific sector (which requires time and resources). Technical knowledge and skills are also necessary for the government’s negotiators to defend the sensitive sectors in the negotiations and achieve the necessary compromises.

Market influence: The ultimate effect on trade will depend on the level of access that the country gives to imports of the sensitive products.

Potential advantages and disadvantages

	Country Level	Farmer/Producer Level
Advantages	• The government can protect some sectors from foreign competition.	• The sectors that produce the sensitive products will remain protected or gain time for adjustment.
Disadvantages/ Challenges	• The government must balance the interests of different sectors that may have opposite priorities (for example producers versus importers/processors). • If tariffs are not reduced, consumers might continue to face high domestic prices.	• If the producers of the sensitive products do not use the grace period to improve their competitiveness, they will face problems when this period is over, and imports of the product are liberalised. • The sectors that need to import the product (such as processors) will continue to face higher prices.

4 Role of Farmers' Organisations in Agriculture Trade Policy

4.1 National FOs

Although the role of farmers' organisations in directly shaping trade policy may be limited, they do have an important role to play, not in the least as a driving force for the implementation of a prudent trade policy that gives domestic producers a chance to compete. In pursuit of that objective, farmers' organisations can organise and mobilise their members and generate leverage through lobby and advocacy. Activities by farmers' organisations can include:

- Providing input into the process of negotiations, including being consulted, and where possible being part of delegations, and monitoring and evaluation of trade arrangements.
- Raising widespread awareness about the fact that the majority of small-scale farmers have very little chance to catch up in fully liberal market systems as they partly exist in African countries.
- Gathering evidence to demonstrate the fact that trade policy has to go hand-in-hand with a national agriculture policy that promotes, enables and empowers domestic producers, especially small-scale farmers, young farmers and women.
- Participating in the technical fora responsible for the formulation and application of national agriculture products standards.
- Supporting that the content of trade agreements is presented in a simplified manner, for a better understanding and easier use by farmers.
- Engaging in effective and sustained lobby and advocacy towards national political decision makers and therefore, indirectly (through national representatives) towards international organisations, in particular the WTO, to fight for appropriate measures to safeguard domestic food markets and to protect the large number of small producers.

The WTO grants African countries certain exceptions or implementation margins under current global rules. Unfortunately, it appears that most African countries do not use the flexibilities that these international rules and regulations provide for their countries.

- Farmers' organisations can identify which flexibilities are available to their country under current WTO rules, and to what extent they are made use of.
- Where there is scope for a better use of these flexibilities, farmers should lobby and push for full use of the available opportunities in order to protect local farmers and strengthen their competitiveness.

It should be noted that for most African countries, intra-African trade is more important than inter-continental trade.

- Therefore, farmers' organisations should lobby for a regional harmonization of the standards applicable to agricultural products and advocate for increased trade between neighbouring countries that have equal standards. At the national level, farmers' organisations can draw leverage from the African Union's Malabo Declaration under which African Heads of State have pledged to ensure a tripling of intra-African trade in agricultural commodities and services by 2025[28].
- The work of the regional farmers' organisations is particularly important to lobby for harmonisation at the regional level. In this context, it is relevant that national farmers' organisations support their regional organisations wherever possible, be it with information on their countries or in the development of regional strategies.

[28] When the Malabo Declaration was signed in 2014, intra-African agricultural trade, as a share of total agricultural trade, was about 20%.

Unfortunately, food insecurity is still rife across the African continent, exacerbated by crises of climate or political unrest. Food aid will continue to be an instrument used to prevent starvation. However, this instrument should be applied judiciously to avoid any negative impact on local producers.

- Farmers' organisations can demand that food aid does not destabilise domestic markets and undermine the income of small producers. Food aid should be beneficial to recipient countries; thus, local/regional procurement programmes should be the primary source of food aid to help create markets for farmers.

4.2 Regional FOs

For regional farmers' organisations (such as EAFF, SACAU, ROPPA) it is difficult to act as political actors in national trade policies, as they have no binding political mandate to do so. However, regional organisations can support their national member organisations, who do have a political mandate to represent farmers' interests at national levels and towards policy and decision makers. Therefore, the role of regional farmer organisations can include the following:

- Regional farmers' organisations should use their well-founded expertise to support national farmers' organisations in developing strategies to lobby for a responsible and constructive national trade policy that takes into account the interests of small-scale farmers.
- Regional farmers' organisations could further act as brokers between the national farmers' organisations in different countries, to promote trade between neighbouring countries that have comparable production standards.
- Regional farmers' organizations could play a visible and proactive role in engaging with regional and continental bodies on trade and other cross-cutting matters. They should be championing the harmonization of regional trade in liaison with national FOs.

With intra-African trade growing in importance and with more and more value chains stretching across borders, farmers' organisations should build leverage through joint advocacy and action. Especially for cross-border and/or shared value chains, farmers' organisations within one region would do well to find a common goal, and work together towards achieving that goal, guided and supported by their regional umbrella organisation. By acting as a regional 'network' of farmers' organisations, optimum use can be made of the available resources and capabilities within that network, while at the same time individual members are offered the opportunity to learn from each other's successes.

5 Annexes

5.1 Introduction to the Agripolicy Kit

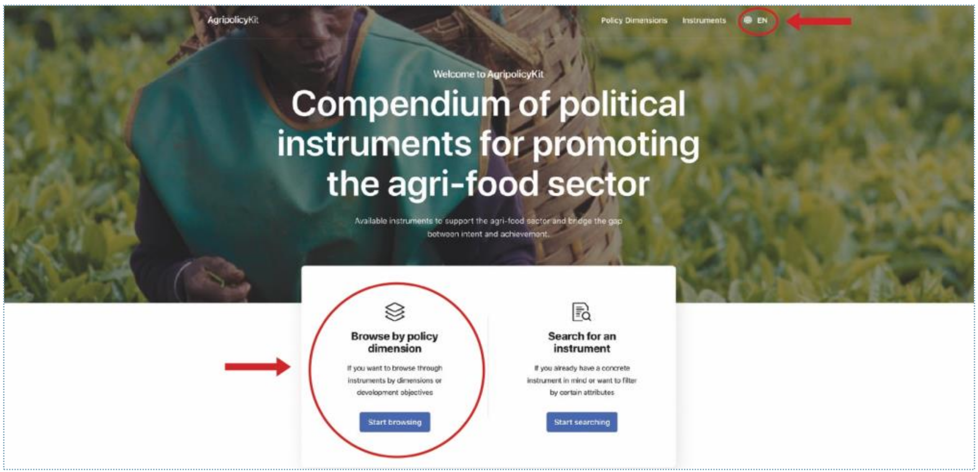
The Agripolicy Kit is a joint project of the University of Hohenheim and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The website contains a detailed explanation of more than 140 agricultural policy instruments. The individual instruments are discussed according to their political objectives.

When searching under “Objectives by Policy Dimensions”, one can find the category “Trade”. Here, most of the policies described in this Toolbox can be found as well as many others. To obtain more information, please follow this link: https://www.agripolicykit.net/en

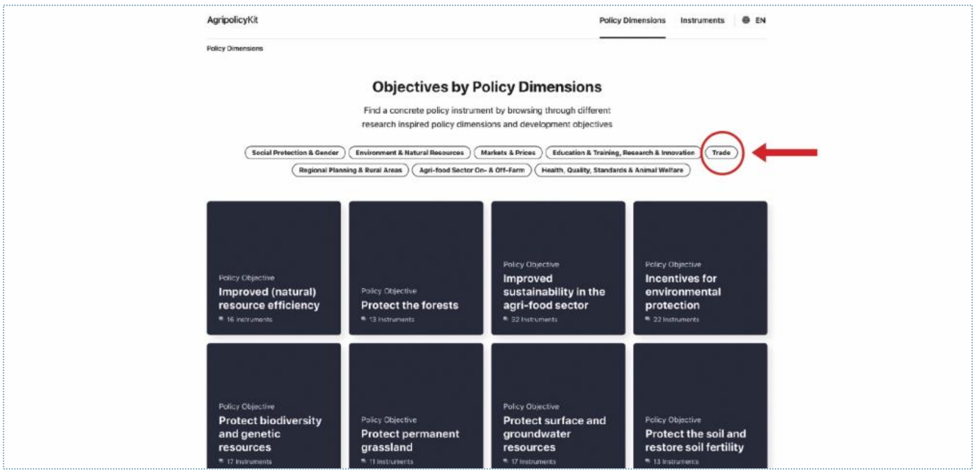
In the following section, the Agripolicykit is shortly explained using screenshots.

On the start page (1), one can choose between French and English. Afterwards, it is possible to search instruments either by looking at different policy dimensions or by searching for a specific policy. For example one can browse for trade policies (2).

(1)

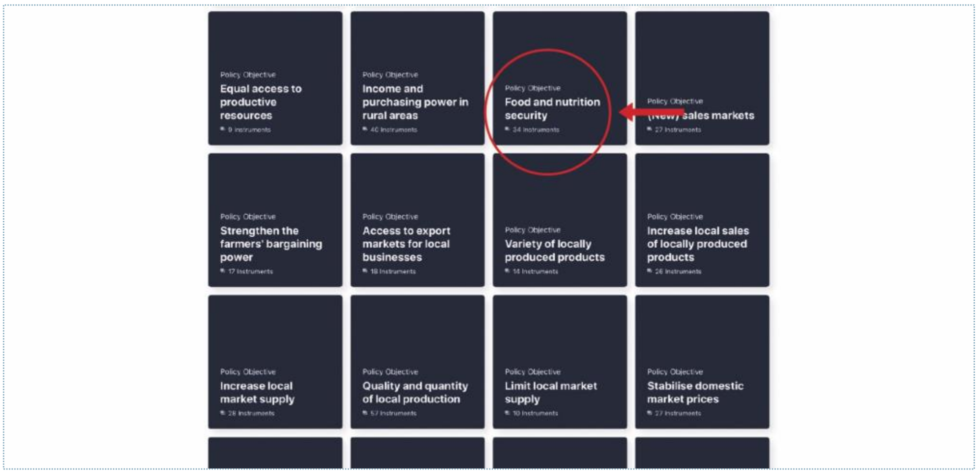


(2)

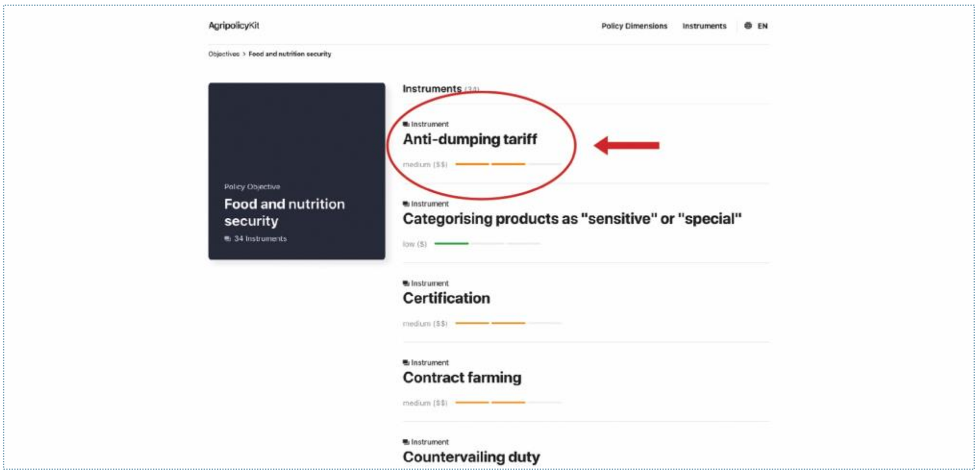


After selecting trade, various sub-categories based on the goal of a policy are shown (3). One can select for example “Food and nutrition security”. After the overall policy goal is selected, different policies are offered. One that is also part of this toolbox is an Anti-dumping tariff (4).

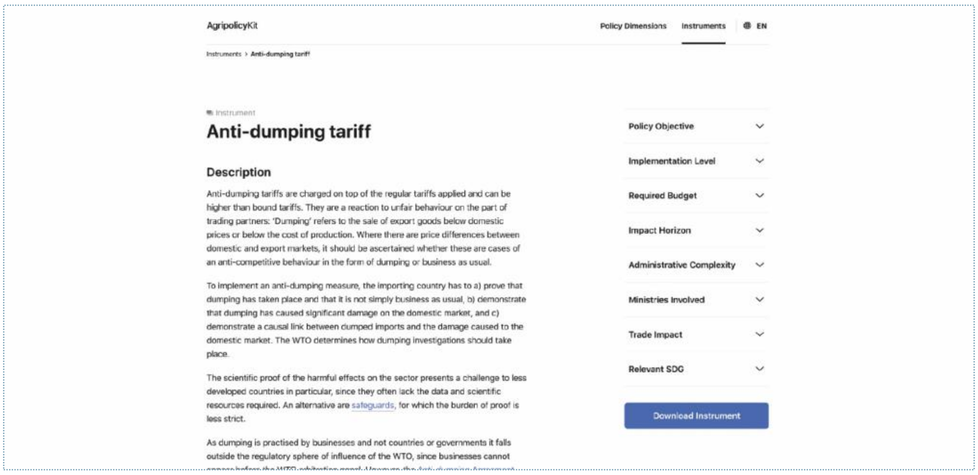
(3)



(4)



(5)

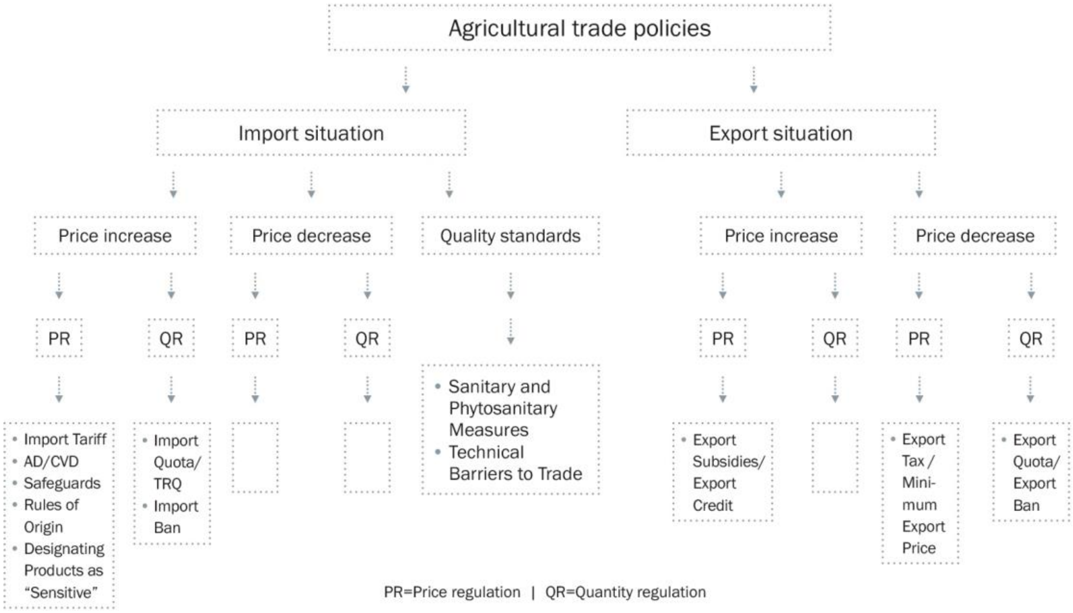


5.2 Classifying Trade Measures

There are different ways to classify trade policy measures. They could be classified based on the type of measure, on where it is applied (at the border or beyond the border), or on their policy objectives. This annex presents two common categories of distinctions, and classifies the measures covered in the toolbox according to each category.

a) Import versus export regulation

As described in the introduction, many agricultural trade policy measures exist. The 12 agricultural trade policies presented in this chapter represent only a small selection of the globally existing agricultural trade policies. The following figure classifies the policies according to whether they regulate the import into a country or the export out of a country. While an import tariff directly influences the imported quantity through price regulation, an export subsidy stimulates exports outside of a country.



Based on GIZ publication "Agricultural trade policy for rural development and food security"

b) "At border" versus "Beyond the border"

This distinction refers to where the measure is deployed. The measures applied at the border are typically considered trade policy instruments, while the measures that are applied beyond the border could be trade policy measures but could also be other types of domestic policy measures that have only an indirect impact on trade.

Category	Measures covered in the toolbox
At the border	3.1. Import Tariffs 3.2. Anti-Dumping and Countervailing Duties 3.3. Safeguards 3.4. Import Quotas / Tariff Rate Quotas 3.5. Import Ban 3.7. Export Ban / Export Quota 3.8. Export Tax / Minimum Export Price 3.11. Rules of Origin
Behind or beyond the border	3.6. Export Subsidy / Export Credit 3.9. Sanitary and Phytosanitary Measures 3.10. Technical Barriers to Trade

c) Tariffs versus Non-Tariff Measures

This distinction focuses on the type of measure. Non-Tariff Measures (NTMs) are all policy measures that are different from ordinary customs tariffs and that can have an effect on international trade (affecting the quantities traded, prices or both). Since the term "non-tariff measure" is very broad and can include many types of regulations, the United Nations Conference on Trade and Development (UNCTAD) developed a detailed international classification (International Classification of Non-Tariff Measures, 2012) of all NTMs relevant in trade. The table below summarizes this classification, and the column to the right shows where each of the NTMs covered in the toolbox would be classified.

Impact on:	Category	Measures covered in the toolbox
Imports	A. Sanitary and Phytosanitary Measures	3.9. Sanitary and Phytosanitary Measures
	B. Technical Barriers to Trade	3.10. Technical Barriers to Trade
	C. Pre-Shipment Inspection and Other Formalities	None
	D. Contingent Trade-Protective Measures	3.2. Anti-Dumping and Countervailing Duties 3.3. Safeguards
	E. Non-Automatic Licensing, Quotas, Prohibitions and Quantity-Control Measures other than for SPS or TBT reasons	3.4. Import Quotas / Tariff Rate Quotas 3.5. Import Ban
	F. Price-Control Measures, including additional Taxes and Charges	None
	G. Finance Measures	None
	H. Measures Affecting Competition	None
	I. Trade-Related Investment Measures	None
	J. Distribution Restrictions	None
	K. Restrictions on Post-Sales Services	None
	L. Subsidies (excluding Export Subsidies under P)	None
	M. Government Procurement Restrictions	None
	N. Intellectual Property	None
	O. Rules of Origin	3.11. Rules of Origin
Exports	P. Export-Related Measures	3.6. Export Subsidies / Export Credits 3.7. Export Ban / Export Quota 3.8. Export Tax / Minimum Export Price

5.3 Classifying Products: The Harmonized System

The Harmonized Commodity Description and Coding System (known as the Harmonized System or HS) is an international product classification system developed by the World Customs Organization (WCO). According to the WCO, over 200 countries use the HS, and over 98% of global merchandise trade is classified with it. The HS can be used for many purposes, such as determining the applicable tariff rate, applying import or export quotas, defining rules of origin, or collecting trade statistics.

The HS contains over 5,000 products, which are classified according to a logical structure and assigned a six-digit code. The products are arranged in 99 chapters, which in turn are grouped in 21 sections. Each code is broken down as follows: the first two digits (HS-2) identify the chapter, digits 3 and 4 (heading or HS-4) identify groupings within that chapter, and digits 5 and 6 (subheading, or HS-6) include even more specific product characteristics.

The following are two examples:

Section	I	Live animals and animal products
Chapter	01	Live animals
Heading	0103	Swine; live
Subheading 1	0103.10	Swine; live, pure-bred breeding animals
Subheading 2	0103.91	Swine; live, other than pure-bred breeding animals, weighing less than 50kg
Subheading 3	0103.92	Swine; live, other than pure-bred breeding animals, weighing 50kg or more

Section	II	Vegetable products
Chapter	10	Cereals
Heading	1001	Wheat and meslin[29]
Subheading 1	1001.11	Cereals; wheat and meslin, durum wheat, seed
Subheading 2	1001.19	Cereals; wheat and meslin, durum wheat, other than seed
Subheading 3	1001.91	Cereals; wheat and meslin, other than durum wheat, seed
Subheading 4	1001.99	Cereals; wheat and meslin, other than durum wheat, other than seed

Up to the sixth digit, all countries classify products in the same way. This makes it easier to compare tariff and trade data across countries. Countries may add longer codes for further classification (sometimes of eight or even ten digits), but they are not internationally comparable. For example, the 2017 Common External Tariff of the East African Community includes eight-digit codes to distinguish “sensitive items” to which higher tariff rates apply. In the case of wheat, the international HS classification shown above is further broken down as follows:

HS-6	1001.99	Cereals; wheat and meslin, other than durum wheat, other than seed
EAC code 1	1001.99.10	Hard Wheat
EAC code 2	1001.99.10	Other

The HS is reviewed and updated every 5-6 years. The most recent revision was done in 2017. These updates seek to add products that were not previously reflected (for example to include new technologies) or that are being traded at higher volumes, remove products that have lost importance (for example when a product’s trade volume has decreased significantly), clarify certain aspects, or reflect new trade practices.

[29] “Meslin” refers to a mixture of wheat and rye, which in trade is usually classified with wheat.

5.4 The World Trade Organization

The World Trade Organization (WTO) is the international organisation in charge of supervising and liberalising global trade. The WTO began operating on 1 January 1995, after the conclusion of the Uruguay Round of multilateral trade negotiations, where countries approved several international agreements with rules on different trade aspects. Through these agreements, countries receive guarantees that their exports will be treated in a fair and consistent manner by others, and they promise to treat other countries in a similar manner. In the years after the Uruguay Round, WTO members have negotiated and approved a few additional agreements and decisions.

The “umbrella” agreement with the general principles for trade in goods is called the General Agreement on Tariffs and Trade (GATT). It is complemented by several specific agreements in different areas. In addition, each individual WTO member has a detailed list of commitments on tariffs for goods (and quotas for some agricultural products). These lists indicate for example the “bound” import tariff rates, which are maximum levels that the country commits not to exceed.

The WTO agreements that deal with specific aspects of trade in goods (under the umbrella of the GATT) are the following:

- Agreement on Agriculture
- Agreement on Sanitary and Phytosanitary Measures (SPS)
- Agreement on Technical Barriers to Trade (TBT)
- Agreement on Trade-Related Investment Measures (TRIMs)
- Anti-Dumping Agreement
- Customs Valuation Agreement
- Agreement on Pre-shipment Inspection (PSI)
- Agreement on Rules of Origin
- Agreement on Import Licensing Procedures
- Agreement on Subsidies and Countervailing Measures
- Agreement on Safeguards
- Trade Facilitation Agreement

The WTO also has agreements with rules for trade in services and intellectual property, and a system for the settlement of disputes. Disputes arise when a country’s government believes that another country’s government has taken a measure or measures that violate a WTO agreement. When this happens, they are first encouraged to discuss the problem and settle the dispute by themselves. If they fail to solve it, they can follow a procedure that is similar to a court or tribunal.

The WTO has 164 members, accounting for 98% of world trade. At present, 44 African countries are already members of the WTO, while nine are still in the process of negotiating to become WTO members (a procedure known as "accession"); each candidate country has the status of "observer" to the organisation until it concludes its accession process. The following table shows the membership status of African countries in the WTO (including the year in which they joined), and their membership in each REC and regional FO:

		WTO	Regional Economic Communities								Regional Farmers' Organisations				
	Country	**WTO Membership**	**AMU**	**CEN-SAD**	**COMESA**	**EAC**	**ECCAS**	**ECOWAS**	**IGAD**	**SADC**	**EAFF**	**ROPPA**	**SACAU**	**UMAGRI**	**PROPAC**
1	Algeria	Observer	x											x	
2	Angola	1996					x			x					x
3	Benin	1996		X				x				x			
4	Botswana	1995								x			x		
5	Burkina Faso	1995		X				x				x			
6	Burundi	1995			x	x	x				x				x
7	Cameroon	1995					x								x
8	Cabo Verde	2008		X				x							
9	Central African Republic	1995		X			x								x
10	Chad	1996		X			x								x
11	Comoros	Observer		X	x					x					
12	Congo	1997					x								x
13	Côte d'Ivoire	1995		X				x				x			
14	DRC	1997			x		x			x	x				x
15	Djibouti	1995		X	x				x		x				
16	Egypt	1995		X	x									x	
17	Equatorial Guinea	Observer					x								x
18	Eritrea	-		X	x				x		x				
19	Eswatini	1995			x					x			x		
20	Ethiopia	Observer			x				x		x				
21	Gabon	1995					x								x
22	Gambia	1996		X				x				x			
23	Ghana	1995		X				x				x			
24	Guinea	1995		X				x				x			
25	Guinea-Bissau	1995		X				x				x			
26	Kenya	1995		X	x	x			x		x				
27	Lesotho	1995								x			x		
28	Liberia	2016		X				x				x			
29	Libya	Observer	x	X	x									x	
30	Madagascar	1995			x					x			x		
31	Malawi	1995			x					x			x		
32	Mali	1995		X				x				x			
33	Mauritania	1995	x	X										x	
34	Mauritius	1995			x					x					

	WTO	Regional Economic Communities								Regional Farmers' Organisations				
Country	WTO Membership	AMU	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	SADC	EAFF	ROPPA	SACAU	UMAGRI	PROPAC
35 Morocco	1995	x	X										x	
36 Mozambique	1995								x			x		
37 Namibia	1995								x			x		
38 Niger	1996		X				x				x			
39 Nigeria	1995		X				x							
40 Rwanda	1996			x	x	x				x				x
41 Sao Tome and Principe	Observer		X			x								x
42 Senegal	1995		X				x				x			
43 Seychelles	2015			x					x			x		
44 Sierra Leone	1995		X				x				x			
45 Somalia	Observer		X					x						
46 South Africa	1995								x			x		
47 South Sudan	Observer				x			x		x				
48 Sudan	Observer		X	x				x					x	
49 Tanzania	1995				x				x	x		x		
50 Togo	1995		X				x				x			
51 Tunisia	1995	x	X										x	
52 Uganda	1995			x	x			x		x				
53 Zambia	1995			x					x			x		
54 Zimbabwe	1995			x					x			x		

5.5 Regional Trade Agreements

The World Bank defines a regional trade agreement (RTA) as “a treaty between two or more governments that define the rules of trade for all signatories”. These agreements can cover only trade in goods or, increasingly, also trade in services. They might also establish rules in other areas such as investment or intellectual property.

The number of RTAs has steadily increased in the last decades. In its RTA Database, the WTO counts 305 agreements currently in force, of which 35 involve African countries.

There are different types of regional trade agreements, reflecting different levels of trade and economic integration. When a group of countries forms a **customs union**, they reduce barriers to trade amongst them, and they also introduce a common external tariff to be applied on imports from countries outside the union.

With a **free trade area** (FTA), on the other hand, the member countries reduce tariffs and other barriers to trade amongst them, but each country keeps its independent external trade policy, and no common external tariff is applied.

5.6 Useful References

[All links last accessed on 13 August 2020]

a) Analytical tools cited in the toolbox

IFPRI: Tracker of Food Export Restrictions applied by countries in response to the COVID-19 crisis

World Bank World Development Indicators: export tax data

WTO Agriculture Information Management System: interactive system for searching information about agricultural trade measures applied by WTO members

WTO Integrated Trade Intelligence Portal (I-TIP): interactive database with information about NTMs applied by WTO members. Includes information on trade remedies, SPS and TBT measures and other measures

WTO Regional Trade Agreements Database: interactive database with information about the agreements currently in force, agreements by country and region, and more detailed analysis about specific provisions in the agreements

WTO Tariff Download Facility: interactive database for analysing and downloading information about the MFN applied and bound tariff rates for all WTO Members

WTO Tariff Profiles: a set of tables with information about the tariffs imposed by over 170 economies, including average tariff rates, tariffs by product groups and the tariffs faced in major export markets

b) Documents cited in the toolbox

Chinyamakobvu, O. (2017): The Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Policies of African Regional Economic Communities (RECs), Pan-African Quality Infrastructure (PAQI)

FAO Trade Policy Brief (2017): Agricultural export restrictions

GIZ (2013): Agricultural trade policy for rural development and food security

Inter-American Institute for Cooperation in Agriculture (2017): Rules of Origin in the Agrifood Trade

Kalenga P.: Safeguards and Trade Remedies in African Integration, Trade Law Centre

Molnar, G.; Godefroy, S. (2020): Review of mechanisms for food safety-related SPS measures within African regional Economic Communities (RECs): Paving the way for a continent-wide food safety coordination effort:, Food Control Volume 115

Sandrey, R. (2014): Export Taxes in the South African Context, Trade Law Centre

TradeMark Southern Africa: Training Module on Anti-dumping and Injury Margin Calculation Methods

UNCTAD: Economic Development in Africa Report 2019 (with a focus on rules of origin)

World Customs Organization (2018): Guidelines on Certification of Origin

WTO (2010): The WTO Agreements Series – Sanitary and Phytosanitary Measures (explanation of the WTO SPS agreement)

WTO (2014): The WTO Agreements Series – Technical Barriers to Trade (explanation of the WTO TBT agreement)

WTO (2013): Briefing note on Anti-dumping, subsidies and safeguards

WTO (2020): Information note on Export Prohibitions and Restrictions

c) Further resources

Agripolicy Kit: Compendium of political instruments for promoting the agri-food sector

ePing: System for tracking product requirements in export markets, developed by the United Nations Department for Economic and Social Affairs (UNDESA), the WTO and the International Trade Centre (ITC)

ITC: Market Access Map, database to identify customs tariffs, tariff rate quotas, trade remedies, regulatory requirements and preferential regimes applicable to a product

ITC: Database of temporary trade measures adopted by governments in relation with the COVID-19 pandemic

UNCTAD: Key Statistics and Trends in International Trade 2019

UNCTAD: Trade Policy Frameworks for Developing Countries: A Manual of Best Practices

WCO: http://www.wcoomd.org/

This publication and all external links can also be found on the webpage of AHA under "Downloads"

Disclaimer: We assume no liability for the contents of external links.

Notes

This toolbox was realized within the project "Strengthening the Capacity of Regional and National Farmers' Organisations in Agricultural Trade Policy". The aim of the project is to make the voice of farmers more audible, as they are both involved in and affected by agricultural trade policy. Three African regional farmers' organisations and their members are strengthening their technical and strategic competencies in terms of agricultural trade policy at regional and national level. These organisations are the *Eastern African Farmers' Federation* (EAFF), the *Southern African Confederation of Agricultural Unions* (SACAU), and the *Réseau des organisations paysannes et de producteurs de l'Afrique de l'Ouest* (ROPPA), representing the national farmers' organisations of Eastern, Southern and Western Africa respectively.

This publication is the result of the first workshops with the three organisations and their members. It aims to enhance the knowledge and understanding of agricultural trade policy by presenting and explaining a selection of twelve key instruments. It is directed to all representatives and members of farmers' organisations who want to understand how trade policy works and to recognise why it is relevant to their activities.