

POLICY BRIEF

Fish Trade Facilitation

Preamble

This Policy Brief is the consolidation of the outcomes of the deliberations of the African Fisheries Reform Mechanism (AFRM) Working Groups and the Think Tank Executive Committee inaugural meetings and workshops organized by African Union-Inter-African Bureau for Animal Resource (AU-IBAR) in collaboration with AUDA-NEPAD, held in Abidjan Cote D'Ivoire from 7th to 11th March 2022. During these meetings, the AFRM Working Groups identified and prioritised key issues that need to be addressed for effective facilitation of the development of fisheries and aquaculture sector. The Fish Trade and Enterprise Development Working Group identified and prioritized “Fish Trade Facilitation” as the main area of policy concern for the development of a policy brief. This Policy Brief on Fish Trade Facilitation, has therefore been prepared from the deliberations and inputs of the Think Tank Executive Committee.

Summary

The trade in fish and fishery products play an important role in the economies of many African Union Member States (AU-MS) through creation of employment, food supply and income generation at all levels. Fish trade remains an important component of the rural fishery economies in Africa and it is mainly informal due to the nature of production of fish, which is largely artisanal and scattered in the remote landing sites compounded by the complexity of the players in the sector. Due to the informal nature of fish trade in Africa, exacerbated by poor infrastructure and poorly defined routes from production to the markets, numerous non-designated landing sites, insufficient cold chain systems and poor transportation system, its importance and economic contribution are not adequately reflected in the national accounts of many Member States and therefore not given priority in planning, budgeting and policy development.

The fish trade in the continent lacks well defined and harmonized standards and mechanisms of enforcement. There is also inadequate Monitoring Control and Surveillance (MCS) due to personnel inadequacy in terms of numbers and training, fish quality checks capability and testing equipment, transportation systems and budget allocation. The enforcement of the harmonized external tariffs and development of quality standards are critical for enhancement of international fish export, and intra and inter regional fish trade.

The implementation of appropriate policies and strategies to facilitate the participation and transition fish trade to modern technology is inadequate. The disparity and overlaps among RECs affect the

implementation of policies and protocols, which hamper smooth fish trade flow and therefore the need to be addressed. However, now that the African Continent Fisheries Trade Agreement (AfCFTA) is in force, the informal small-scale fish trade should be facilitated under this Agreement to uncover its socio-economic importance. One of the means of boosting the Continent of Africa's fish trade is through the simplification and formalization of the current trade practices which would address the difficulties experienced by many small-scale fish traders, especially women and youth in conforming to the trade requirements in the formal sector. Lack of information sharing on agreed protocols and facilitation pushes this group to engage in informal trading. A policy is required to fast track removal of barriers and facilitate fish trade that will boost the economy.

Deliberate efforts to facilitate fish and fish products trade among the AU-MS and the regional blocks can substantially increase the incomes of the small-scale fish traders and livelihoods through domestic, intra and inter-regional fish trade activities. The fish trade contribution to poverty reduction and improved socio-economic benefits to populations can be enhanced through a more structured and formalized marketing system, improved infrastructure, information on market and product standards, a strengthened MCS and removal of tariff and non-tariff barriers among others.

Key Issues

Africa is endowed with fisheries resources, which if well recognised and managed presents a huge potential and opportunity for African countries to tap into and therefore contribute towards Blue Economy growth and wealth generation. Fish trade in Africa is unfortunately mostly informal because the production is largely artisanal, contributing about 90 % of the total fish production. Majority of fish production is scattered in remote landing sites, where poor physical infrastructure such as roads and routes from production to the markets, inadequately equipped fish landing sites, lack of information sharing mechanism between producers and traders, inadequate cold chain infrastructure and lack of value addition facilities and technology push the small-scale fish traders to conduct informal trade.

Fish trade and marketing in Africa has a complexity of the players that are as a result of population sizes, levels of education, gender, age and urbanization issues among others. The lack of defined and harmonized standards, undeveloped mechanisms of enforcement including inadequate MCS personnel and infrastructure for law enforcement are among the key issues that constraint the development of a thriving formal trade.

Barriers to trade is a major constraint to the growth of trade within all Regional Economic Communities (RECs) in Africa. The level of informal cross-border fish trade is one of the manifestations of the extent to which traders are unaware or lack information on provisions of Free Trade Area, to which African Union and all regions have committed themselves. One of the means of boosting Africa's fish trade is facilitation through simplification and formalization of the current trade practices. Trade facilitation is therefore very important as a means to determine the overall trade costs, encourage bilateral trade and enable the countries to export variety of fish and fish products.

The Non-Trade Barriers that affect fish trade flows include; corruption at the local and cross border levels, where unofficial payments take preference to the official tariffs, harassment of traders at the border points, police road blocks, imposition of unilateral measures and restrictions such as Sanitary and Phytosanitary (SPS), biological (for example the types and species of fish to be traded), fish sizes and Political pronouncements.

There are a number of difficulties experienced by women, youth and other small scale fish traders in conforming to trade requirements in the formal sector due to lack of information sharing and other factors. This has resulted in their contribution to the GDP not being captured and therefore denying recognition of the importance of fish trade in the national planning and resource allocation platforms.

The current approach and policies to fish trade are inadequate because there is largely no harmonization on policies and procedures among the Member States (MS) and therefore, the variation in policy and political climate is a big hinderance to the growth of formal fish trade that captures its importance in Africa. There is a general lack of awareness of the requirements for fish trading both at national and regional levels, due to the un-harmonized trade policies within regions. Thus, small scale fish traders are unaware of and hence not fully benefiting from the existing regional trade protocols and treaties. Some markets within countries are not easily accessible and awareness of market requirements such as safety and quality of the products is often lacking. Simplification of trade by Common Market for Eastern and Southern Africa (COMESA) and trade liberalization scheme by Economic Community of West Africa (ECOWAS), though well intended have had very poor uptake.

In addressing the issues raised on fish trade facilitation in Africa, MS will require political will, development and implementation policy, fish production and market information especially for the small-scale traders. Therefore, the review and the use of platforms such as: INFOPECHE, INFOFISH, and the Lake Victoria Samaki Market app should be explored.

The Main Actions Needed for Trade Facilitation

- In structuring of artisanal fisheries, there is need to formalize marketing systems, improve landing sites and access to markets for remote fishing grounds, undertake capacity building in all areas that enable the fishers and fish traders to participate in the development and management of the resource.
- For efficient development and improvement of marketing infrastructure, it is necessary to address improvement of the routes from production to the markets, landing sites, roads, cold chain infrastructure and facilities to enhance fish preservation and shelf life, and establishment of food safety and quality of testing laboratories. Value addition strategies to include training, capacity building, product branding and packaging, and sustainable marketing systems through information sharing are essential to achieving fish marketing efficiency.
- To understand fish trade players, mapping of all the players in the market including small-scale, large-scale, vulnerable groups among others should be undertaken.
- Develop, define and harmonize standards and put in place mechanisms of enforcement to ensure compliance.
- Establish and strengthen MCS for managing legitimate fish trade, which should include personnel capacity building and infrastructure for law enforcement. AU-MS should establish an appropriate regulatory framework that is clearly understood, enforceable and supported by all actors in the trade. Improve regional cooperation and collaboration, and establishment and implementation of minimum terms and conditions in fish trade through harmonized and coordinated approach.
- Remove Barriers to trade. There is need for development of a deliberate and intentional strategy for removal of non-tariff barriers throughout the continent. The tariff barriers whether Tariff or Non-tariff, if found to encourage informal trade and unofficial payments should also be addressed and removed or replaced with those that encourage formal trade.
- Cross border facilitation. AU-MS should create the necessary environment to deter corruption, including making cross-border trade rules and regulations transparent. The establishment of hotlines

for reporting of corrupt practices, while empowering traders and communities would be useful. Make compliance with import and export approval processes simple for traders, especially women by simplifying the processes through centralizing the import/export declarations and phytosanitary inspections within the same government agency. AU-MS governments should make an effort to integrate fish trade at the One-Stop-Border Posts (OSBPs) that consolidates cross-border functions of two countries into one, as already being practiced in a number of MS.

- Simplification of trade protocols such as done by COMESA and the trade liberalization scheme by ECOWAS should be upscaled across the continent. Governments should also put in place common conformity assessment procedures for imports and exports to ensure that the products on the market comply with all legislative and food safety requirements. Facilitation of the intra- and inter-regional fish trade including international fish exports calls for coordination by national and international value chain players, including governments, RECs and non-state stakeholders on the access to information on logistics and markets.
- Strengthen the capacities of actors, including access to credit and improvement of facilities in the transportation and marketing of fish and fishery products. Implementation of the Interstate Road Transit (ISRT) scheme, which ensures that goods on transit flow easily with minimal duties and fees would reduce roadblocks and quicken movements of fish and fish products on transit.

Policy Recommendations

- Formalization of fish trade through simplification of taxation and fish movement systems in the fish trade, especially for the small-scale traders.
- Cross-border facilitation through creation of the necessary environment to deter corruption, including making cross-border trade rules and regulations transparent and establishment of One-Stop-Border Posts across the continent.
- Facilitate access to credit for fish traders and processors including networks such as African Women Fish processors and Traders Network (AWFISHNET), Regional platforms of non-state actors .
- Establish a regional fish business partnership framework including Public, Private Partnership (PPP) with focus on small scale fish traders.
- It is recommended that the Governance issues on Tariff and Non-Tariff Barriers and MCS be addressed by Policy Governance and Institutional Frameworks.

Conclusion

Simplification of taxation system in the small-scale fish markets will ease barriers to trade flows and impact on local and regional economies. Access to credit for fish traders and processors will empower small scale fishers, traders and processors especially women and youth with overall impact on rural livelihoods. Regional fish business partnership framework (including PPP) with focus on small scale fish traders will increase financing of infrastructure and reduce trade barriers through better coordination, accountability and transparency.

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