

Africa Trade Policy Notes



HIGHLIGHTS

IN WEST AFRICA...

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GHANIAN MANUFACTURERS

believe the key barriers to increasing trade with Nigeria include substantial informal payments and delays, transit charges, and requirements for product registration. Nigerian traders have long criticized discriminatory treatment when setting up trading companies in Ghana, claiming that protocols relating to the free movement of people and the right of establishment are only partially implemented.

TO STRENGTHEN TRADE ...

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WORLD BANK

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Removing Barriers to Trade between Ghana and Nigeria: Strengthening Regional Integration by Implementing ECOWAS Commitments

Global markets offer important opportunities for companies in developing countries. By exporting to larger markets, the companies can increase production, growth, and employment at a faster pace than by focusing only on smaller domestic markets. But companies in developing countries must overcome severe hurdles before being able to export to global markets.

In this context, regional exports can be an important testing and learning ground for these companies. This is because barriers to accessing markets in the region are often lower than those for accessing global markets; neighboring countries' markets are often similar in taste, standards, distance, and culture. Creating regional markets can thus allow companies to expand operations and create economies of scale, making them more competitive. Gaining access to regional markets also increases incentives for more investment flows, and permits suppliers to specialize and integrate into regional supply chains that ultimately cater to both domestic and international markets.

In addition, it is often more feasible politically to reduce trade barriers within a region rather than across global markets. But addressing regional trade barriers and strengthening regional integration also helps countries to integrate into world markets. This is because barriers to regional trade are often also barriers to trade with the world.

In West Africa, both the processes, and degree of regional integration have lagged behind expectations, and many political commitments have either not been translated into policy and regulatory reforms, or reforms are not implemented. The region thus remains weakly integrated, with continuing tariff barriers (for example where restrictive rules of origin cannot be met) and substantial non-tariff barriers

There is still no agreement at the ECOWAS level on the precise structure of the common external tariff, and the existing scheme for regional free trade faces significant challenges.

This note looks at the regional integration process in West Africa, focusing on Ghana and Nigeria. Both countries account for about 61 percent of population and 68 percent of GDP in ECOWAS.¹ They are already closely linked, with bilateral non-oil trade between the two countries increasing from less than US\$15 million before 2000 to more than US\$130 million in 2010, according to COMTRADE data. While the share of non-oil exports from Ghana to Nigeria increased from less than 0.5 percent in the late 1990s to about 1.9 percent of global exports in 2010, a recent working paper estimates the potential for Ghana's exports to Nigeria at more than 10 times of current exports and the potential for bilateral trade at twice the observed flows.²

Beyond trade, substantial migration flows between both countries have existed for a long time. Recent estimates put the number of Ghanaian emigrants in Nigeria at 125,000 (IOM 2009), which represent 13 percent of Ghanaians living outside Ghana, and the number of Nigerians living in Ghana at more than 50,000 (DRC 2007).³

This note assesses the challenges that goods exporters within the region face when trying to benefit from the ECOWAS-wide Free Trade Area. It focuses on the experience of 30 exporting

¹ Côte d'Ivoire, the third largest economy in the region, is slowly emerging from a long conflict.

² See working paper by Adam and Tweneboah (2008).

³ These numbers seem to be a conservative estimate. The Nigerian High Commission in Ghana has repeatedly said that more than 1 million Nigerians live in Ghana. In 2008, the University of Ghana reported that nearly half of their 1,100 foreign students came from Nigeria (IOM 2009).

companies in Ghana that we interviewed to understand the difficulties of exporting to Nigeria under the scheme. Complaints about the lack of implementation of existing commitments are consistent but often vague.

The study finds that Ghanaian manufacturers believe the key barriers to increasing trade with Nigeria include substantial informal payments and delays – regardless of whether documentation is complete – transit charges, and requirements for product registration. Despite the relatively small sample size, we conclude are confident that these findings, which support recent findings by the West Africa Trade Hub, also apply to a wider range of economic operators in Ghana.

Implementing existing commitments in Ghana and Nigeria, and facilitating trade flows between them, would be a critical move towards achieving freer trade and deeper integration within the region. Getting policies right in these two large and dynamic economies should be a priority within a policy dialogue that focuses on regional integration in West Africa because it will likely become a catalyst for deeper integration across that region.

The remainder of this note is structured as follows: First, we give an overview of current trade policies and commitments undertaken as part of the regional integration process before looking at the implementation of these commitments in West Africa. We then turn to the central part of this note, describing our findings on the specific difficulties that Ghanaian companies face when exporting to Nigeria. Last, we offer policy recommendations to address the challenges identified.

Trade policies and the regional framework within West Africa

Without an agreed Common External Tariff (CET) or a functioning customs union in West Africa,

countries apply their own tariff schedules.⁴ Ghana and Nigeria have largely aligned their tariff schedules to what will likely be a CET, but differences remain. According to COMTRADE data, the simple average of Ghana's external tariffs is 12.7 percent, while that of Nigeria is 11.9 percent. However, Nigeria levies an additional duty of up to 100 percent on 245 lines, increasing the average tariff to 13.0 percent. In addition, Nigeria applies import bans on roughly 10 percent of tariff lines at the 6-digit level (Hoppe and Pitigala 2011) and is now considering additional duties on some products. Compliance with standards remains burdensome, and there have been reports of standards being used as disguised protectionist measures. However, because of data constraints, neither country has an aggregate measure of the importance of non-tariff measures.

In the absence of a functioning customs union, the Free Trade Area (FTA) governs intra-regional trade relationships – and the ECOWAS Trade Liberalization Scheme (ETLS) is at the heart of the FTA. Under the ETLS, preferential tariffs for intra-regional trade are set at 0 percent, and products should not face any quantitative restriction. Although established in 1983, the ETLS was not launched until 1990 and re-affirmed as part of the ECOWAS Revised Treaty in 1993. In principle, it

⁴ ECOWAS member states generally agree that the UEMOA external tariff will be adopted after a transition period and following some modifications – the most important of which is the inclusion of a 5th tariff band of 35 percent at the request of Nigeria. This 5th tariff band will supplement the four existing tariff bands for social goods (0 percent), raw materials and necessities (5 percent), intermediate products (10 percent), and finished goods (20 percent). ECOWAS member states continue to disagree about which products should be classified under this high-duty tariff band, and countries continue to apply similar, but distinct, tariff schedules. In addition, disagreement about (temporary) exemptions to the CET and the critical issues of harmonizing product valuation procedures persist; and there has been no discussion about other charges levied at the border and the treatment of tariff exemptions. Another stumbling block concerns agreement on how to share the overall revenue that would be raised by the customs union.

now covers all products of community origin, and aims to ensure free movement of goods and persons within ECOWAS.

However, the share of intra-regional trade has remained low, with around 10 percent in ECOWAS. WAEMU, the more strongly integrated group of French-speaking economies within ECOWAS, is more integrated, with about 11 percent of trade being intra-regional, despite the smaller size of this economic area (Goretti and Weisfeld 2008). After more than two decades, the ETLS still faces a substantial number of challenges and lacks implementation, as a recent report by the West Africa Trade Hub (2010a) demonstrated.

To benefit from the ETLS, companies need to show that they meet the restrictive rules of origin specified under the scheme. Companies can register their products using a lengthy, two-staged approval process (first by a national committee that forwards the decision to a regional committee) that takes about 4–6 months. But many private sector operators consider this process cumbersome, resulting in a low number of registered products. Registration is needed for every individual product a company intends to export under the scheme. Thus, 1,100 companies had registered only about 3,200 products by 2006, 1,326 of which are from Nigeria and 800 from Ghana according to the Central Bank of Nigeria. A preferred trader system that allows faster border crossing for such enterprises has also been agreed but has not been implemented.

The ETLS also covers transit trade and establishes an ECOWAS Inter-State Road Transit (ISRT) scheme to ensure goods in transit flow easily without having to pay duties or other fees. A single logbook and single bond are planned to aid in these transit flows. This initiative intends to standardize axle load limits, create a regional vehicle insurance scheme, harmonize vehicle standards, and reduce road blocks along major corridors.

The protocols also establish the right of citizens with a valid travel document and health certificate to stay for up to 90 days in another ECOWAS member state before being formally required to apply for residency. Such application should be automatically granted. The revised ECOWAS treaty of 1993 reaffirmed commitments made in existing protocols, and stipulates that ECOWAS citizens should be treated identically to national citizens in establishing and running a business.⁵

Commitments waiting to be implemented

However, our analysis shows that, after more than two decades of implementation, these objectives have not been met. Even when a product is registered and all information provided, crossing the border can be difficult: additional payments always seem to be necessary, and the importation of products can be outright prohibited. Nigerian customs does not distinguish between ECOWAS and global exporters when applying existing import bans. Thus, intra-regional trade is not duty or quota free, and borders present substantial barriers to regional integration.

These findings support a set of recent reports by the West Africa Trade Hub assessing the degree to which existing regional commitments have been translated into national laws, and to what degree they are applied. These reports also find that the ETLS is only partially implemented in member states, that trade costs remain high, and that exporters pay customs duties even when they should be granted duty free treatment.

The Ghana-specific report of this series (WATH 2010b) shows that Ghana sometimes blocks the

duty-free importation of goods originating in ECOWAS, and applies a large number of additional taxes and fees that are not customs duties but that are charged on all imports. These include the statistical fee, various processing fees, or the export development levy. With the exception of the VAT and National Health Insurance Levy, most of these are not applied to domestically produced goods and therefore function as additional import duties. The WATH report also stresses that Ghana continues to apply (temporary) import bans and quotas for a few, mostly agricultural items. The report focusing on Nigeria, meanwhile (WATH 2010c), outlines import bans and other quantitative restrictions, discriminatory non-tariff barriers, and the incorrect treatment of transit goods as key issues of non-conformity with ETLS protocols.

While Ghanaian exporters complain mostly about the difficulties in accessing the Nigerian goods market, Nigerian traders have long criticized discriminatory treatment when setting up trading companies in Ghana, claiming that protocols relating to the free movement of people and the right of establishment are only partially implemented. There is a long-standing dispute about the activities of Nigerian traders in Ghana throughout the greater public and media.

The Ghana Investment Act reserves a number of economic activities exclusively to Ghanaians — including “sale of anything whatsoever in a market, petty trading, hawking or selling from a kiosk at any place,” taxi and car hire services, and barber shops. However, the law stipulates that trading enterprises either wholly or partly owned by a non-Ghanaian, and involved only in the purchasing and selling of goods, can operate if they invest at least US\$300,000 and employ at least ten Ghanaians.⁶ A similar investment threshold of only US\$50,000 is

⁵ Cf. the supplementary protocol A/SP.2/5/90 on the “Implementation of the third phase (right of establishment) of the protocol on free movement of persons, right of residence and establishment,” stating that “[i]n matters of establishment and services, each Member State shall undertake to accord non-discriminatory treatment to nationals and companies of other Member States.”

⁶ A new Ghana Investment Promotion Centre law is under discussion, and would increase the investment threshold to US\$ 1 million, though that revised law has not yet been enacted.

set for other activities. The discriminatory nature of these provisions seems to run counter to existing ECOWAS treaties and protocols,⁷ and there have been complaints that these provisions are applied specifically to Nigerians and not to others.

This issue has resurfaced repeatedly during the last four years, with news reports and Nigerian advocacy groups, such as the Nigerian Union of Traders Association, Ghana (NUTAG), reporting that about 100 retail shops of Nigerian traders have been closed during September 2010 following non-compliance with the Investment Act. NUTAG estimates that an estimated 1,000 businesses in Ghana are affected.

There have also been complaints that Nigerian companies in other sectors face special challenges in obtaining operating and construction licenses – but these claims are hard to verify. While the issues seems to have attracted less attention recently, tensions between Ghanaian and Nigerian traders continue to simmer below the surface.

Registering for the ETLS: A lengthy process

Ghanaian and other exporters complain that market access to Nigeria is extremely difficult. A recent World Bank (2009) study found that up to 15 percent of Nigeria's imports enter the country informally, largely along the Benin-Nigeria border, where Ghanaian products also enter. This policy note offers more structured evidence of the difficulties that Ghanaian exporters encounter based on the experience of 30 Ghanaian companies exporting to Nigeria. While these companies only represent a small share of economic operators in Ghana, we believe that their experience is typical of other operators as well.

⁷ ECOWAS protocols on the right of establishment allow the possibility for a member state to formally opt out for specific activities; but it is not clear whether Ghana has formally done this for the retail sector.

Even though the interviewed companies are aware of the ETLS, only about half of them have registered under the scheme, claiming that the ETLS is at best partially implemented, and that informal payments are still necessary to access the Nigerian market. They also contend that registration requirements with Nigerian regulators are discriminatory against non-Nigerian producers, and import prohibitions in Nigeria are applied to exports from ECOWAS producers as well. While these import restrictions are inconsistent with WTO commitments, they also violate the ETLS, which specifically determines that regional exporters should not be subject to quantitative restrictions. A key complaint consistently voiced throughout the interviews was the lack of official means to seek redress.

The 30 manufacturing enterprises interviewed were now, or had been, exporting to Nigeria by land and had substantial export experience (of 9.5 years on average). Their operations covered a wide range of manufacturing products, from garment and textiles to food and beverages, plastics, aluminum, pharmaceuticals, and other manufacturing products. More than 90 percent of the sampled companies said they currently exported to Nigeria, and nearly all of these also exported to other countries in the sub-region. For about a third of the interviewed companies, exports made up a significant part of their business, indicating that more than 50 percent of their production was exported. The average share of exports going to Nigeria for all interviewed companies was 45 percent.

As mentioned, only 17 of the 30 large Ghanaian exporters interviewed have registered and are using the ETLS. Of these, about 60 percent had received training on the ETLS, while of the companies that did not register for the ETLS, only 17 percent had received training, with another 17 percent indicating that the training they received had not been detailed enough. Of the 14 companies who said they

received training on ETLS, more than 70 percent claimed to have subsequently registered.

While subjective and based on our small sample, these numbers indicate that training plays a positive role in companies registering for the ETLS. Meanwhile, in addition to inadequate knowledge of the scheme, companies cited the ineffectiveness of its implementation and their small volume of export within ECOWAS as reasons not to register.

Stuck at the border: Informal payments and delays

While companies benefit to some degree from the ETLS, only a third of respondents indicated that border officials are fully implementing the ETLS. As a result, companies think that the benefits could be substantially larger if the ETLS was fully implemented. Of the 17 companies that claimed some benefits under the ETLS, more than 40 percent reported that they had not been granted duty free access to the Nigerian market before, and claimed that this was mostly because they had not paid bribes and other unofficial payments.⁸

More important, nearly a third of exporters reported that their products had at times been prohibited from entering Nigeria. These prohibitions were generally justified by official Nigerian import bans and covered products such as biscuits, ceramic pots, fruit juices, sachet alcoholic drinks, wood works, and pharmaceutical products. However, as pointed out earlier, the lack of national treatment as ECOWAS producers violates the ECOWAS treaties and protocols, in addition to being inconsistent with WTO treaties.

In addition to paying customs duties, companies complained of lengthy inspection time and documentation requirements, delays and bribes at borders, regulatory registration requirements in Nigeria with the National Agency for Food and

⁸ We observed that some exporters do not even know whether they pay duties or not since usually no receipts are issued.

Drug Administration Control (NAFDAC), and high costs of transit through Togo and Benin. According to the exporters, physical inspection at the border demands lengthy unloading and reloading of goods, which substantially increases costs and delays. Disputes over official documentation requirements and the accuracy of presented documentation add to the delays, and without transparency about which documentation is needed, the potential for rent extraction increases. Thus, congestion is the norm, and aggravation the rule for Ghanaian exporters at Seme border, the entry point into Nigeria.



Our interviews reveal that companies assume that goods cannot enter Nigeria without unofficial payments to customs officers and other security officers, even if traders have all documentation, including registration documents under the ETLS.⁹ Bribery and corruption are the rule, and substantially impact cross-border trade – although the information obtained from interviews does not allow us to estimate the value of these bribes or the corresponding delays at road blocks and border posts.

It is striking, however, that only two of the respondents stated they had never paid bribes when exporting to Nigeria, while the remaining claimed that paying bribes at borders was unavoidable, and that they paid them either directly to or through

⁹ A number of interviewees described the Nigeria customs officers to say in their pidgin language “Oga we no they chop papers ooo!!!!” – meaning “master we do not eat papers.”

their transporters. Exporters who refused to bribe customs officials suffered significant delays, with various excuses being offered, even if all documentation was correct. We were told that exporters' goods could be held up at the borders for more than three weeks.

As long as these payments are required, regardless of whether a product is eligible to enter duty free, the ETLS scheme will not stimulate regional trade. At the same time, where documentation is incomplete, unofficial payments allow the trade transactions to proceed, preventing relevant agencies from fulfilling their mandates. In a number of cases, Nigerian customs officials have complained of fake certificates of origin for Ghanaian products, where products were simply repackaged in Ghana to obtain duty-free access to the Nigerian market.

Challenges in product registration

Food products and drugs require certification under the National Agency for Food and Drug Administration Control (NAFDAC). However, gaining NAFDAC certification was named as an additional barrier to trade with Nigeria. Certification is complex and burdensome, and registration fees are excessive (EU 2010). Products need to be registered before landing in Nigeria, and certification and registration require that a product sample has to be imported into Nigeria. This in turn requires an additional import license prior to the importation of the sample. Products can then only be registered by a locally registered subsidiary company or a local partner, who needs to have the power of attorney from the producing company, which can create legal problems.

In addition, registration fees are ten to fifteen times higher for imported as compared to locally manufactured products, and the registration needs to be renewed every five years, at 60 to 100 percent of original registration costs, according to NAFDAC's website. The EU market access database (EU 2010) shows that companies have to

register every product type and need to pay a separate registration fee for different sizes of the same product.

In addition to NAFDAC registration, products subject to other mandatory standards issued by the Standards Organization of Nigeria (SON) need to demonstrate compliance, and must follow a two-stage process. Product types have to be certified by a SON office in the exporting country prior to importation into Nigeria, and will obtain a product certificate (valid for up to three years) if the exporter produces an acceptable test report. Subsequently, each shipment will have to be certified as well.

Clearly, NAFDAC and SON registration and certification present a daunting obstacle to Ghanaian manufacturers trying to export to the Nigerian market whose products require certification.

Trouble in Transit: Additional costs in Togo and Benin

Three-quarters of our sample exporters claimed they have to pay substantial charges to transit through Togo and Benin as well as make large unofficial payments in those countries before being allowed to pass. Some of the exporters include them in the general transport allowances they pay to transporters. Informal payments at roadblocks add to these costs. Even language is used as a pretext to extract more informal payments.



The recent WATH (2010a) report refers to these payments, which seem to relate to vehicle inspection certificates (annually in Benin but per trip in Togo). In Togo, transporters also reported extensive delays in obtaining documentation at borders, having to pay escort fees, and the disregard of the bond scheme, which left transporters struggling to reclaim payments made under the bond (WATH 2011a). The Benin-specific report (WATH 2011b) reports that the bond scheme is not functional in Benin either, and describes how transit goods in Benin are subject to accumulated taxes of more than 6 percent as well as a customs escort fee of more than US\$100 per truck, even where container seals are correctly applied. These practices at Togo and Benin borders contravene WTO treaties as well as the ETLS protocol that provides for free movement of goods, services, and persons. Under the ETLS provisions, transit trade should be governed by one single log-book and one bond.

Making the ETLS operational

Making the ETLS functional will be the first step to achieving a functional ECOWAS-wide FTA, which will allow companies in ECOWAS to benefit from larger markets, increase specialization, and integrate into regional supply chains. This then will foster growth, create employment, and increase productivity as a first step to competing more successfully in global markets. To ensure credibility it will be important to demonstrate that the FTA can be implemented effectively before applying the yet to be agreed upon Common External Tariff and achieving a customs union.

Despite the challenges for companies, exporting to Nigeria is profitable and offers the potential for export growth. Our findings concur with recent research by the West Africa Trade Hub, which concludes that ETLS is not well implemented, one key reason being the lack of political will among governments. The revised ECOWAS treaty of 1993 provides for the settlement of disputes among

the concerned parties either through “direct agreement without prejudice to the provisions of this Treaty and relevant Protocols,” or by a binding ruling of the Court of the Community. However, only member states or the Commission may refer a matter to the court, which leaves no formal direct dispute settlement mechanism accessible for private sector operators.¹⁰ Likely as a result of the increased monitoring activities undertaken under the Borderless West Africa Program, a number of West African countries have established complaint hotlines for drivers to report road harassment. There is no data on the use of these new hotlines, but because they link directly to national law enforcement agencies, use is likely affected by already existing prejudices against these agencies.

Since 2007, ministries in Ghana and Nigeria have been meeting to address bilateral trade issues, with Nigeria focusing on the treatment of Nigerian traders living in Ghana, and Ghana concerned with the difficulties her goods exporters face. The two countries have now drafted a bilateral Trade and Investment Agreement stating that both countries “agree to fully implement the ECOWAS protocol on the Free Movement of Goods and Services, otherwise referred to as chapter VII of the revised ECOWAS Treaty of 1993,” to facilitate the free flow of trade between the countries, while complying with the rules of origin as defined in the ECOWAS protocols. The agreement also states that both parties will make special provisions in their investment laws for ECOWAS nationals. It foresees the establishment of a Joint Standing Committee, the harmonization of regulatory procedures, and the inclusion of special investment provisions. The agreement also reiterates the right

¹⁰ Only in the case of human rights violations does the court have jurisdiction to rule on cases submitted by individual ECOWAS citizens. ECOWAS member states gave this specific mandate to the court in 2005. However, there do not seem to be any cases testing the widths of this mandate and if, for example, complaints brought forward by an individual regarding humiliation at a border post would be accepted by the court.

of citizens with a valid travel document and health certificate to stay up to 90 days in another ECOWAS member state. In principle, all of these provisions are not new, but existing commitments at the ECOWAS level.

The Federal Economic Council in Nigeria has “approved the signing” of the agreement, although the agreement has not yet been signed. As the agreement reiterates commitments made under the ECOWAS treaties, its real value lies in the renewed effort to implement existing commitments. It should support, rather than conflict with, the ongoing integration processes and could function as a catalyst to broader implementation also by other member states. The agreement prescribes the use of “diplomatic channels” for the settlement of disputes under this agreement.

Customs clearance in Ghana has recently improved substantially, with the private company GCnet managing the electronic processing of trade and customs documents and facilitating transit trade to landlocked countries through Ghana. While there has already been some collaboration between NAFDAC, the Food and Drugs Board (FDB), and the Ghana Standards Board (GSB) to facilitate trade in locally produced goods, it is not clear what if any tangible results have been achieved in harmonizing standards or ensuring mutual recognition of test results, conformity assessment, and standards.

Recommendations

Given the economic and political importance of Ghana and Nigeria in West Africa, addressing the identified issues will be crucial. Successful reforms here will likely be a catalyst for deeper integration within and across the region.

To strengthen trade between Ghana and Nigeria, existing commitments should be fully implemented and laws will have to be applied. And transparency and better complaint mechanisms will have to be at the heart of any initiative. Thus, more access to

impartial mechanisms for seeking redress and settling disputes could bring more compliance with existing laws and commitments.

With this, there must be a simplifying of trading procedures at the border, registration requirements for products to meet national standards and, especially, registration under the ETLs. This process would mean reviewing existing laws and taxes and increasing collaboration between standards and other agencies over the medium term. In addition, a mechanism should be created to monitor increases in transparency, reductions in arbitrary behavior, and the degree of the simplification of procedures.

Both countries should be eager to address the remaining barriers in goods trade to allow their companies more access to important regional markets. And by addressing the barriers that Ghanaian goods exporters face in Nigeria the political environment will be more ready to address the situation of Nigerian traders in Ghana.

To begin increasing transparency, both governments could publish an easily accessible overview of current procedures and official fees and charges levied at borders – and keep this information current. It should include the publication of other regulatory requirements, such as registration requirements for products in Ghana and Nigeria, including the documents needed at the border. The relevant standards agencies should then post this information on the internet.

For wider sharing of this information, the Ghana Export Promotion Council could intensify its training activities for the private sector, aiming for smaller companies and getting involved in regional or bilateral business summits. More transparency would create an environment in which economic operators know their rights and obligations, and would increase their confidence to seek redress.¹¹

¹¹ Recently established Border Information Centers at Aflao (Ghana) and Kodjoviakopé (Togo) already help increase

With this, the respective Ministries of Trade and Finance could review existing procedures and assess compliance with commitments already made under ECOWAS, especially if the results of this assessment were made public. Such reviews would not only build transparency but could bring about the removal of (temporary) barriers in Ghana and imports bans in Nigeria, as well as the consistent application of already existing procedures.

The drive for transparency should be complemented by initiatives to simplify procedures and documentation requirements at borders — that is, reduce the number of agencies present, strengthen collaboration and delegation among these agencies, and review and possibly consolidate the number of taxes and fees payable at the border. This would reduce the number of interactions between traders and officials and help reduce the costs and time needed to cross borders. A long-term objective of such initiatives would be to create a single window mechanism and single point of payment for trade transactions, which would help reduce the possibility of extracting illegal payments.

For this to succeed, there would have to be substantial high-level political support, and all agencies present at the border would have to be involved. The Ghana Immigration Service and the Ghana Revenue Authority in Ghana, and the Nigeria Immigration Service, the Nigeria Customs Service in Nigeria, and the Nigeria Task Force on Trade Facilitation could take leadership of the initiatives.

Two additional issues will have to be addressed. Governments need to launch initiatives to (a) encourage behavioral change — especially that of border officials — to address corruption and informal payments; and (b) establish functioning, impartial mechanisms for seeking redress and settling disputes since current ones seem lacking.

transparency — but publishing official information by border agencies would further support this initiative.

While encouraging behavioral change through training and increased professionalization is likely to be a long-term project, the initial focus should be on strengthening mechanisms already established for harassment cases. This will be essential to ensure compliance with laws and induce behavioral change by shifting the balance of power towards the users of trade infrastructure. Keeping plaintiffs anonymous could help increase the uptake of the system as economic operators often resist using such channels for fear of even more repression by border agents.

The mechanisms could also be expanded to take up complaints by users in cases where border officials apply procedures incorrectly without necessarily demanding informal payments. This kind of mechanism could initially be run as a pilot at Aflao and Seme borders before being expanded to other border posts. Again, high-level political commitment will be needed to ensure that individual complaints are followed up, thereby slowly generating confidence in the system and leading to a virtuous circle.

Beyond national initiatives, member states could press for establishing an ECOWAS-wide enquiry point, possibly as part of the Court of Justice, that would serve as an official point for seeking redress where ECOWAS treaties dealing with the free movement of goods, people, and transport are not applied.

Measurable indicators will have to be developed to assess how successful the reforms and initiatives are in helping trade between the two countries. For example, the number of interactions with government officials or the average time when crossing the border in either direction could be monitored. Or, collecting anonymous data on the amount of formal and informal payments that traders pay when crossing the border could be used to establish trends in border management. Finally, statistics on the number of complaints filed and verdicts issued would help monitor improvements

in the balance of power between government officials and traders.

Along with these largely procedural reforms, both governments will have to follow up on the proposed procedural and legal reviews and work towards bringing their trade, investment, and other policies – and their application – into compliance with existing ECOWAS commitments. Trade between Ghana and Nigeria will also benefit by deepening the collaboration between NAFDAC, SON, GSB, and FDB. This includes gaining mutual recognition of standards and certificates of conformity and reducing costs and simplifying registration procedures. All initiatives should be structured to ensure coherence with existing commitments and should be open to other interested standards bodies in the region. Transit-related payments in Togo and Benin should be addressed in a corridor approach, for example, as part of the Abidjan-Lagos corridor initiative supported by the World Bank.

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