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Executive brief

Central Africa: Agricultural trade policy debates and developments

1. Background and key issues

The countries of Central Africa – Cameroon, the Central African Republic (CAR), Chad, the Republic of Congo, Equatorial Guinea and Gabon, all of which are members of the Economic and Monetary Community of Central Africa/CEMAC, plus the Democratic Republic of Congo (DRC) and São Tomé and Príncipe (STP) – have differentiated interests in the agricultural sector according to their levels of urbanisation, availability of agricultural land and level of oil wealth. In some countries, such as the CAR, Chad, the DRC and Equatorial Guinea, the population is mainly rural and employed in agriculture. In countries such as Gabon and São Tomé and Príncipe, agriculture provides jobs for only a small percentage of the population. In between these lie countries such as Cameroon and the Republic of Congo, where agriculture remains of considerable importance, despite a trade focus on oil and other natural resources.

A common feature in all of these countries is the insufficient level of local production to meet consumer needs. Although Cameroon is partly self-sufficient in basic foodstuffs, other countries depend heavily on imports. In recent years improvements in cereals production have been limited, with imports increasing and continued food insecurity problems in CAR, DRC, Congo and in Chad especially.

"The Central African region is poorly integrated economically, with very low regional trade flows – around 1.2% in 2010"

While regional trade integration could help to improve the availability of food products and reduce dependence on extra-regional imports, the Central African region is poorly integrated economically, with very low regional trade flows (around 1.2% in 2010). Countries mainly trade with the EU (which accounts for 32% of the region's trade), the USA (23%) and increasingly with emerging economies (the largest of which is China, with 16%). This is despite the existence of two major regional integration processes.

The CEMAC free trade area (FTA) has nominally been in force since 1998, and has more recently been moving towards a customs union, with the establishment of a four-band common external tariff (CET) ranging from 5 to 30%.

The Economic Community of Central African States (ECCAS) was established in 1983 and is composed of 10 states: the six CEMAC member states, plus DRC, STP, Angola and Burundi. However, both Angola and Burundi are involved in other regional integration processes – Angola nominally in the Southern African Development Community (SADC) Trade Protocol and Burundi in the East African Community (EAC) Customs Union. Rwanda was originally also part of ECCAS, but withdrew in 2007 to concentrate on the EAC integration process. The ECCAS member countries have adopted a tariff reduction scheme for intra community trade which should in principle have come into effect between 2004 and 2007. However, the proposed tariff reductions, as well as other aspects of the ECCAS integration process, have not been implemented. No significant policy developments have taken place in this context in the course of 2012–13.

In 2009 to 2011, some strategic programmes were started with the aim of increasing regional trade. These included the CEMAC Regional Economic Programme for 2009–20, an ECCAS strategic plan called 'Vision 2025' and an African Union Regional Integration Strategy Paper for 2011–15. These programmes all identified the development of infrastructure and institutional capacity building as priority areas for intervention.

Given the ongoing Economic Partnership Agreement (EPA) negotiation process, which involves CEMAC countries as well as DRC and STP, there would appear to be a need to harmonise the CEMAC CET and even move towards an ECCAS CET. However, it would not be possible to include all nominal ECCAS members, given the other regional engagements of some members (notably Burundi and Angola).

Efforts are under way to harmonise national policies, including at the levels of CEMAC and ECCAS, with the adoption of regional programmes for food security (PRSAs – Programmes régionaux de sécurité alimentaire). However, while some projects have been set up, full implementation has been delayed due to a lack of funding. ECCAS has also established a fund for agriculture, the FSRDA (Fonds spécial régional de développement agricole), to promote regional food security.

Central African governments as well as regional institutions are engaged in the implementation of the Comprehensive Africa Agricultural Development Programme (CAADP). None of the countries in the Central Africa region have yet reached the 10% target for budget allocations to the agricultural sector. However, in 2011/12, two countries set out their agricultural policies in more detail. In December 2011, the government of the DRC adopted its first agricultural sector law, while the government of Gabon adopted a food security strategy, an agricultural growth policy and an agricultural investment programme.

The regional EPA negotiation process has progressed slowly since 2003. The regional negotiations continue to be held back by differences of opinion on Central Africa's market access offer to the EU and EPA-related adjustment support issues. It is feared that the liberalisation of trade with the EU could have major consequences for the already weak agricultural and agro-food sector in the region. This is a particular source of concern, given the increased policy focus on getting to grips with the region-wide challenge of food insecurity. Progress in improving regional food security remains slow to date.

"Progress in improving regional food security remains slow to date"

A bilateral interim EPA (IEPA) was concluded between the EU and Cameroon in December 2007, and signed and ratified. However, the government of Cameroon has not yet taken steps to implement commitments set out in the bilateral IEPA, given that such actions would carry regional implications. The establishment of 1 October 2014 as the firm deadline for completion of the EPA process, after which the current transitional duty-free, quota-free access to the EU market will lapse, is likely to require the government of Cameroon to review this position if no regional EPA can be concluded.

The least developed countries (LDCs) of Central Africa continue to enjoy duty-free, quota-free access to the EU market on a non-reciprocal basis via the 'Everything But Arms' initiative, while the two non-LDCs, Gabon and Congo, currently trade under the EU's standard Generalised System of Preferences (GSP) regime.

2. Latest developments

Agricultural trade: Developments in main extra-regional imports

Cereals production and trade trends

Cereals production in Central Africa was boosted in 2012 by Chad more than doubling its production. As a result, Chad accounted for half of the region's cereals production of 7.4 million tonnes. Production elsewhere in central Africa largely stagnated, with an overall decline of 2.6% in cereals production beyond Chad in 2012 compared to 2011 (see Table 1).

Table 1: Cereals production for selected countries in Central Africa 2008–2013 ('000 tonnes)

	2008	2009	2010	2011	2012
Chad	1,800	1,600	3,200	1,700	3,700
Cameroon	1,600	1,600	1,900	1,800	1,800
CAR	0,200	0,200	0,200	0,200	0,200
Central Africa – total	**5,200**	**4,900**	**7,000**	**5,500**	**7,400**

Sources: figures drawn from FAO, 'FAO GIEWS Crop Prospects and Food Situation', various dates:
February 2011: http://www.fao.org/docrep/013/al977e/al977e00.pdf;
October 2012: http://www.fao.org/docrep/016/al992e/al992e00.pdf;
December 2012: http://www.fao.org/docrep/017/al995e/al995e00.pdf;
March 2013: http://www.fao.org/docrep/017/al998e/al998e.pdf

This production performance, coupled with a growing population (+2.5% per annum), is leading to increased imports of cereals (see Table 2). Imports into the Central African low-income food-deficit countries (LIFDCs) grew by 5.57% in 2012 to reach more than 2.245 million tonnes, while a further increase of 1.87% to 2.287 million tonnes is forecast for 2013. In Gabon, imports now account for almost 80% of consumption, while in Congo, this figure is 94%.

Table 2: Cereals imports of Central African LIFDCs1 ('000 tonnes)

	2010	2011	2012	2013[2]
Cameroon	633	889	924	932
DRC	706	715	730	750
Congo	328	348	327	347
Chad	209	209	184	178
CAR	55	63	63	63
STP	18	18	17	17
Central African LIFDCs – total imports	**1,949**	**2,242**	**2,245**	**2,287**

Notes: 1. Gabon and Equatorial Guinea are not included, as they are not classified as LIFDCs;
2. Forecast. Sources: see Table 1 above.

Civil strife is an important contributing factor to food insecurity, including in Congo (refugees from the DRC), the CAR (refugees from Sudan) and the DRC (internally displaced persons). According to FAO assessments from May 2012, "the entire population of the CAR is food insecure". The northern region of Cameroon also suffers from food insecurity resulting from floods and crop failure.

As regards prices, the situation in 2012 was mixed: in Cameroon the food inflation rate remained stable and in Equatorial Guinea even decreased, while in the CAR food prices increased significantly. In addition, given its high food import dependence, prices in Congo for staple foods rose sharply in 2012, a situation compounded by high levels of corruption (see *Agritrade* article 'Rising food prices strengthen focus on promoting major investments in agriculture in Central Africa', 24 February 2013).

"Cereals imports from the EU to the region grew by 57% between 2008 and 2013"

As regards cereals imports, the EU plays a major and growing role: between 2008 and 2013, regional cereals imports from the EU grew by 57%, reaching almost 700,000 tonnes in 2012. In addition, EU-processed cereal products are increasingly in demand – imports from the EU of 'preparations of cereals' increased by 27% and of milling industry products by 88% over the same period. Central Africa now represents a major outlet for European exports of products of the milling industry, accounting for 7.8% of total EU exports of this type.

Poultry production and trade trends

Cameroon took a decision in 2006 to restrict poultry imports – those from the EU to Cameroon subsequently fell from 20,000 tonnes in 2004 to 246 tonnes in 2012. However, other countries of the region have been targeted by major poultry exporters. The DRC's poultry imports grew from 15,000 tonnes in 2000 to a forecast 75,000 tonnes in 2012 (+525%) (see *Agritrade* article 'Poultry exports to Africa on the rise', 9 December 2012). About half of these imports into the DRC come from the EU, which increased its volume exported to the DRC by 25% in 5 years. Other major outlets for EU exports in the region include Congo and Gabon, which have seen their imports from the EU grow by 39 and 106% respectively in the past 5 years.

With Cameroon restricting imports and South Africa looking to raise tariffs towards WTO bound rates and introduce special agricultural safeguard measures against poultry imports from the EU, other Central African countries could well become a growing focus of interest to poultry meat exporters from the EU and Brazil.

> *"Central African countries could well become a growing focus of interest to poultry meat exporters"*

This could then undermine efforts to promote local poultry production in the region (see *Agritrade* articles 'Strong growth in Brazilian poultry exports to Africa', 29 July 2012, 'EU poultry exports increasingly focused on Africa', 4 November 2012).

These developments highlight the relevance of coordinating and harmonising trade and agricultural policies in Central Africa, if safeguarding domestic production in one country is not to be at the expense of neighbouring countries.

It should be noted, however, that the impact of Cameroon's restrictive trade policy on domestic poultry production remains unclear. In 2012, the country's production, at 48,000 tonnes, was still 32,000 tonnes short of domestic consumption requirements, and the country introduced ad hoc import waivers and quotas. This production shortfall has been attributed to rising feed costs, linked to rising global maize prices. This situation highlights the importance of linking import controls to sustained programmes that will develop local feed supplies and also improve animal health in order to boost productivity.

Rice and sugar production developments in Cameroon

In the 1970s, Cameroon's domestic rice production covered about 80% of domestic consumption, however, by 2011 it met only 20%. In the last 8 years, rice imports have averaged around 450,000 tonnes, with a peak in 2007 of 727,266 tonnes. In 2011, rice imports counted for about 25% of the food import bill. A number of factors impede efficient domestic rice production. These include:

- access to inputs;
- finance
- a low degree of mechanisation;
- a lack of producer organisation.

The efficient linking up of production areas in the north of the country with markets in the south is also a challenge. These factors result in a major part of northern rice production being exported and processed in Nigeria, where prices are higher and where the road infrastructure facilitates marketing. A rice trade into the CAR and Chad also exists. There is also a marked consumer preference for imported rice based on both price and quality.

> *"There is a marked consumer preference in Cameroon for imported rice – based on both price and quality"*

In 2009, Cameroon launched its National Strategy for the Development of Rice Production, with the aim of containing the growth in rice imports. The aim was to increase rice production from 72,000 tonnes to 627,250 tonnes by 2018. In April 2013, an interim objective of 256,000 tonnes was set for 2015. The strategy includes:

- providing some support for inputs;
- settling farmers in new and existing production areas;
- strengthening the organisation of farmers;
- promoting professionalisation of growers;
- providing support for processing and marketing.

More recent initiatives include:

- the acquisition by the government of two rice millers in the north of the country at the end of 2012;
- the launch at the beginning of 2013 of a programme to develop 970 hectares of irrigated rice production in the west of the country.

Similar challenges are faced in Cameroon's sugar sector, where production falls short of domestic demand. However, a major investment initiative aimed at increasing production by 50% and reducing imports has been announced (see *Agritrade* article 'Cameroon looking to expand sugar production', 1 October 2012). This initiative needs to be seen against the background of growing domestic demand as well as increased demand for sugar from neighbouring countries, such as Chad, Gabon and the DRC. The growing demand serves to exacerbate the challenge of reducing overall levels of sugar imports.

Agricultural trade: Development of main extra-regional exports

Developments in the cocoa industry in Cameroon: Focus on quality and value addition

During the 2011/12 season, Cameroon exported 180,000 tonnes of cocoa, down from 200,083 tonnes in the previous season, due to a prolonged dry season and attacks by pests and diseases.

Following a decision by the Netherlands – which imports 70% of Cameroon's cocoa output – to import only certified cocoa from 2020, widespread efforts are in progress in the country to ensure that its cocoa beans comply with international sustainability standards.

> *"Widespread efforts are in progress in Cameroon to ensure that its cocoa beans comply with international sustainability standards"*

In the Lekié Department, 400 producers have been trained in food safety and good agricultural practices, and were awarded UTZ certification in February 2013. The chocolate company Barry Callebaut is also supporting five cooperatives in the Central region, some 1,000 producers, to enable these producers to secure Rainforest Alliance certification. Efforts are also under way to encourage the formation of stronger producer organisations and reduce abusive practices by traders (see *Agritrade* article 'Cocoa moving ahead but challenges remain high', 24 February 2013).

In the cocoa and coffee sectors, producers are working to add value to production in country. Currently, only one factory – with a capacity of 30,000 tonnes – processes cocoa beans. However, in February 2013 the Italian company Imsofer announced plans to build a factory with the capacity to process Cameroon's entire cocoa harvest, as well as parts of the coffee and tea harvests. There have also been reports that the Moroccan company La Compagnie Chérifienne de Chocolaterie is planning to set up a facility with capacity to process 40,000 tonnes.

In a further attempt to boost local cocoa processing, in June 2012 the government of Cameroon announced plans for legislation to introduce an export tax on raw cocoa beans. However, progress in this direction has not yet been confirmed.

Export opportunities on niche markets

Some products from the region have attributes suitable for the development of niche marketing strategies. This is the case for high-quality coffee from Kivu in the DRC, the production and export of which is being supported by the UK Food Retail Industry Challenge Fund (see *Agritrade* article 'High-quality coffee potential of eastern Congo being explored', 18 February 2013). It is also the case for pepper and honey in Cameroon, where support has been received from the French Development Agency to register some products under a Protected Geographic Indication scheme. This recognises special features of the products in question and protects the use of the registered name. Such processes potentially facilitate niche marketing, opening up opportunities to secure premium prices. However, simple registration is not enough, and concerted and sustained marketing strategies need to be developed in order to deliver shelf-ready products to niche market retailers.

Recovery in regional cotton production

In the CAR, after the dramatic decline in cotton production from 1997, production levels recovered slightly in 2008 and have stabilised since 2010, at a level of 20,000 (480-lb) bales. A partnership agreement signed with China in August 2012 could, however, give a boost to cotton production, as the setting up of cotton ginning infrastructure – machinery to separate the fibres from the seeds – is planned within the framework of the agreement. In Chad, after record production lows in 2009, cotton output is recovering, and reached 200,000 bales in 2012. A recovery is also under way in Cameroon, with production levels reaching 460,000 bales in the same year. As a result, the cotton company Sodecoton is recording good results, with good prospects forecast for 2013.

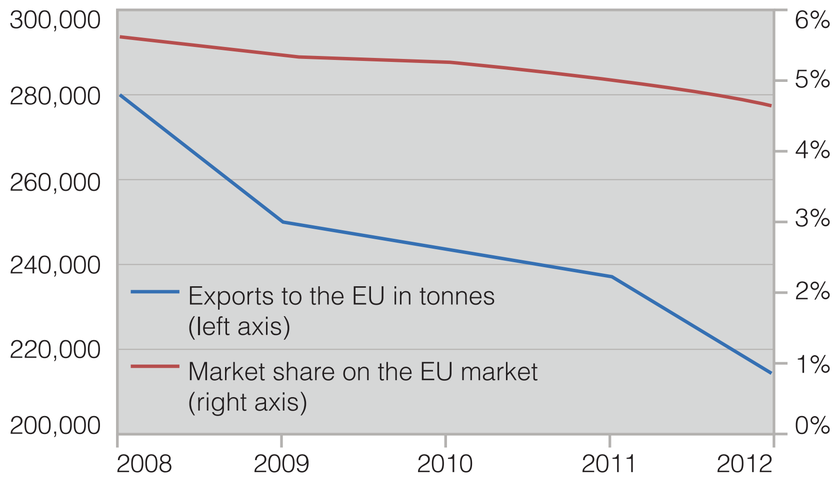
Declining Cameroonian banana exports

> *"Cameroon's banana exports to the EU have declined by 23% since 2008"*

Apart from the traditional Caribbean banana exporters, many ACP banana exporters have not yet been adversely affected by the improved access to the EU market granted to Latin America banana exporters (see *Agritrade* article EU reviews banana trade amid ACP concerns over preference erosion, 9 July 2012). However, Cameroon's banana exports to the EU have declined by 23% since 2008, and the country's share of the EU banana market has fallen from 5.6 to 4.7%.

In May 2012, the EU approved support to Cameroon worth €48 million (FCFA 31 billion) under the EU banana sector accompanying measures programme. In April 2013, the EU launched a call for projects from Cameroonian dessert banana producers to the value of €6 million.

Figure 1: Cameroon's banana exports to the EU and share of the EU market



Source: Eurostat

Major investments in palm oil plantations

In Cameroon and Gabon, major investments are being made in palm oil plantations. In Cameroon, the US company Herakles Farms is developing production on 70,000 hectares of land at a cost of $US350 million. In Gabon, the Singaporean company Olam is planning to grow palm oil over an area of 50,000–100,000 ha, within the framework of a joint venture with the government. The plan in Gabon is for production to be certified as sustainable under Round Table on Sustainable Palm Oil (RSPO) criteria, while in Cameroon Herakles Farms has withdrawn from the RSPO certification scheme, following criticism from environmental NGOs of the social and environmental impacts of its planned investments.

In addition, investments have been made in Cameroon to improve oil processing activities in the country: an oil mill has been installed in Cameroon's Centre region, aimed at reducing the current domestic shortfall of 150,000 tonnes of palm oil compared to consumption. This project is being supported under the APROCOM-PH programme to improve productivity and competitiveness in the palm oil industry in West and Central Africa, funded by the Common Fund for Commodities, the government of Cameroon, the UN Industrial Development Organization and the National Syndicate of Oil Palm Producers of Cameroon and Nigeria.

Developments in CAADP and national policy implementation

CAADP implementation moving at regional level

At the regional level, ECCAS launched its CAADP process in May 2012 and is now working to complete the process. On 16–18 April 2013, an ECCAS regional workshop was held with PROPAC, a regional platform of farmers' organisations, to review the region's draft common agricultural policy and 'roadmap' for the development of national agricultural investments plans (NAIPs). The objective of the workshop was to ratify the text of the region's common agricultural policy, as well as other regional priority programmes, and to establish guidelines for the implementation, monitoring and evaluation of regional agricultural policy commitments. ECCAS aims to conclude national CAADP compacts and NAIPs in 2013, and the Regional Agricultural Investment Plan (RAIP) in the same year.

According to a presentation at the workshop, all countries are engaged in national CAADP processes, but are not at the same stage. The DRC and the CAR have formulated their investment programmes, while others are still in their launch/pre-compact phases.

Efforts are being made to enhance the participation of producer organisations in the CAADP process: in April 2012, ECCAS and PROPAC signed a partnership agreement with the aim of more extensively involving farmers and processors in the CAADP process in Central Africa. In this respect, the New Partnership for Africa's Development (NEPAD), the European Centre for Development Policy Management (ECDPM) and other partners have advocated the greater involvement of producer organisations in decision-making bodies and meetings, including in the preparatory phase of CAADP programmes.

Developments toward a common sanitary and phytosanitary/food safety policy

At CEMAC level, an Interstate Committee of Pesticides in Central Africa (CPAC) was established in 2012 to facilitate approval of plant protection products for use across CEMAC member states. This is to facilitate the development of regional agricultural production in line with international standards. The initiative needs to be seen in the light of increasingly strict controls related to pesticide residues and the growing problem of fraudulent pesticides, which could increasingly undermine the development of regional exports to markets such as the EU (see *Agritrade* article 'Regional pesticide registration scheme launched in Central Africa', 9 September 2012).

Developments in national agricultural policies

While agriculture has not always been a priority for Central African governments, a number of programmes and projects are emerging that focus on developing agricultural production, including in Cameroon, Congo, the DRC and Gabon.

The DRC adopted its first agricultural law at the end of 2011. It then developed a NAIP under the CAADP framework, with ratification of the NAIP in March 2013. The NAIP defines the priority areas in line with the required budget. However, only 11.5% of the target budget amount is available (according to Lavoixdupaysancongolais.com in April 2013), and the remaining 88.5%, some US$4.8 billion, still needs to be secured. Significantly, in a memorandum addressed to the government, the DRC's national association of agricultural producers (Conapac) noted that only 1.75% of the 2013 budget is allocated to agriculture – in spite of the agreed NAIP – representing only a slight increase compared to the 2011 allocation of 1.37% of the national budget.

In parallel, a grant of US$68.4 million has been provided by the International Fund for Agricultural Development for a 10-year programme of support to the supply of staple food and horticultural products in the Kinshasa region (PAPAKIN – total project cost US$114.9 million). This programme aims to enable producer organisations to provide their members with "improved access to technical and economical services for activities related to production, processing and marketing of horticultural products".

"The Republic of Congo is renewing its policy emphasis on revitalising local agricultural production"

Following high food price inflation in 2012, the Republic of Congo is renewing its policy emphasis on revitalising local agricultural production with the aim of reducing food imports (see *Agritrade* article 'Rising food prices strengthen focus on promoting major investments in agriculture in Central Africa', 24 February 2013).

In the same vein, in April 2013 Cameroon launched a 3-year plan to boost economic growth, with a particular focus on staple agricultural products (rice, plantains, cassava, meat and poultry). The aim is to increase production in order to:

- improve food security and increase incomes;
- win new local regional and international markets;
- reduce food imports.

In early 2012, the Cameroon government launched a programme, 'Agropoles', aimed at promoting medium and large enterprises in rural areas through "support to the elaboration, funding and sustainable management" of projects.

In Gabon, in December 2012, the government announced its intention to increase the share of the agricultural sector as a proportion of GDP from its current 1% to 15% by 2020. The focus is on cash crops (palm oil, soya, sugar, maize, rubber, coffee and cocoa), with ambitious plans to attract foreign investment through large-scale land leases. For palm oil alone, the objective is to reach production of 250,000 tonnes by 2020.

Developments in EPA and other FTA negotiations

Regional EPA negotiations developments

According to the South Centre's review of the state of play in EPA negotiations, published in March 2013, the last meeting of European and Central African negotiators took place from 26 to 30 September 2011 in the Central African Republic. At this meeting, "market access, rules of origin, services and investment, cultural cooperation, accompanying measures such as development cooperation, and fiscal impact" were discussed. The outstanding contentious issues related to the Central Africa market access offer and support for EPA-related development assistance. At the time of the meeting, efforts were under way to develop a regional programme of EPA accompanying measures (PRADA). After the meeting, it was expected that the Central Africa EPA group would propose a new market access offer on the basis of the EC's proposal that several additional tariff lines be added, liberalising trade in those areas.

Analysis from the South Centre assessing the impact of the existing Central African tariff elimination offer on domestic production found that there is local production that falls under 913 tariff lines in the areas to be liberalised, and that the EU is more competitive in 772 of these lines – some 84.6% of the areas where Central Africa has a current production interest.

"Local production could be at risk if liberalisation takes place in line with current proposals"

The South Centre concluded that local production "could be at risk" if liberalisation took place on this basis. These products include a range of processed agricultural products.

At the regional level, a meeting of the Permanent Secretariat of the Regional EPA Committee (composed of ECCAS and CEMAC technical officials) was held from 13 to 17 February 2012, with the aim of getting an agreement on a draft negotiating programme.

At the ACP level, in December 2012, the ACP Sipopo Declaration recalled some basic principles to be applied to the remaining EPA negotiations, and the need for the EU to adopt a more flexible approach to negotiations and take into account the development needs of ACP states (see *Agritrade* article 'Position of ACP heads of state and governments on the EPA negotiations', 27 January 2013).

Cameroon to implement EPA by October 2014 or lose preferential market access

After considerable discussion and a trilateral dialogue between the EC, European Council and European Parliament to resolve divergent positions, 1 October 2014 has been established as the final deadline for completion of EPA negotiation processes with ACP countries (see *Agritrade* article 'EU Council reaffirms its commitment to January 2014 deadline for completion of EPAs', 13 January 2013 and 'European Parliament set to endorse "trilogue" 1 October 2014 deadline for completion of EPA process', 6 April 2013).

After 1 October 2014, the current transitional duty-free, quota-free access to the EU market will lapse. Therefore, unless the EPA process is concluded at the Central African regional level or bilaterally by Cameroon, through the implementation of its agreed IEPA commitments, Cameroon's current duty-free, quota-free access to the EU market will lapse. This would result in the reimposition of tariffs on imports from Cameroon, with Cameroonian exporters needing to pay an estimated €49.86 million in import tariffs for their goods to enter the EU market. It would primarily affect banana exporters, profoundly exacerbating an already difficult market situation.

Other FTA negotiations

According to a government press release, Equatorial Guinea has been in discussions with Turkey for a number of years regarding a free trade agreement, with the latest meeting held at the end of April 2013. According to Turkey, similar FTA agreements are being sought with Cameroon and the DRC in Central Africa, and with a range of other ACP countries (e.g. Ghana, Seychelles and South Africa). Turkey has already concluded an FTA agreement with Mauritius, which entered into effect on 1 June 2013.

3. Current policy debates and issues

Getting to grips with underlying constraints

A critical issue in intra-regional trade in agro-food products in Central Africa relates to the need to boost national agricultural and agro-food sector production.

A critical issue is the need to boost national agricultural and agro-food sector production"

Without increased national production, the scope for intra-regional trade in originating agro-food products will remain limited. The ongoing CAADP process, if it takes root nationally and is reflected in national budgetary allocations, could contribute to this objective.

The second key area for action relates to closing the gap between nominal policy commitments and day-to-day trade practice across borders. Here again, the regional CAADP process could contribute to closing the gap.

As elsewhere, getting to grips with unofficial barriers to trade and constraints on the efficient operation of transport services could potentially reduce the losses within agricultural supply chains resulting from these shortcomings, and enhance the net value of agricultural production retained by farmers.

Balancing the interests of local producers and foreign commercial interests

In Central Africa, a number of the countries have ambitious plans to develop agricultural production via the mobilisation of foreign investment, in exchange for large-scale land leases. This raises issues in relation to local land rights and to market acceptability of certain products. The issues include the growing demand for sustainability certification for cocoa and palm oil used in food products in developed country markets, and concerns regarding these types of large-scale investment (e.g. the withdrawal of the US company Herakles Farms from the RSPO scheme). While at present this market component is small, the scale of various corporate commitments make clear that it is likely to grow significantly in coming years.

Developing niche market opportunities

For producers to secure the price premiums potentially available under geographical indications (GI) schemes, efforts to secure GI protection for speciality products from Central Africa will need to be backed up by:

- the establishment and enforcement of quality standards established under GI schemes;
- the development and implementation of targeted marketing strategies;
- investments in improved packaging.

These constitute an area for further 'aid for trade' support, building on existing initiatives.

Decision time on EPAs and implementation challenges

Given the impasse in regional EPA negotiations, with a firm date set when transitional market access arrangements will lapse (1 October 2014), the government of Cameroon will need to take a clear decision on whether to implement its signed and ratified IEPA, despite its reservations over the implications for the integrity of the CEMAC CET.

Given the limited level of intra-regional trade, the bilateral application of the Cameroon–EU EPA may pose little threat of intra-regional trade disruption.

> *"The bilateral application of the Cameroon–EU EPA may pose little threat of intra-regional trade disruption"*

It could, however, disrupt specific agro-food sectors. These areas will need to be carefully identified and reviewed in order to find pragmatic solutions to minimise the undermining of the CEMAC CET around non-Cameroonian markets.

In this context, it should be borne in mind that the EU plays a major and growing role in Central African imports of cereals, cereal products and poultry meat (although restrictions on poultry meat imports into Cameroon are currently in place). This suggests a particular need to coordinate trade and agricultural policies in Central Africa in these sectors, in order to avoid any disruption of national sector development plans as a result of IEPA implementation.

An additional area of concern relates to proposals advanced in June 2012 to apply an export tax to exports of raw cocoa beans as a means of promoting greater local processing prior to export. This could potentially fall foul of Article 15 of the EU–Central Africa IEPA covering 'elimination of customs duties on exports'. The Article stipulates that "No new customs duties on exports shall be introduced in trade between the Parties, nor shall those already applied be increased, as of the date of this Agreement's entry into force", except in "cases of serious public finance problem or the need for greater environmental protection".

This provision would require any such export tax measures to be set in place before the date of entry into force of the agreement.

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About this update

This brief was updated in October 2013 to reflect developments since October 2012. Other publications in this series and additional resources on ACP–EU agriculture and fisheries trade issues can be found online at http://agritrade.cta.int/.

CTA

The Technical Centre for Agricultural and Rural Cooperation (CTA) is a joint ACP—EU institution active in agricultural and rural development in African, Caribbean and Pacific (ACP) countries. Its mission is to advance food and nutritional security, increase prosperity and encourage sound natural resource management.

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