



Brief #3: Certificate of Origin

What is the policy?

Certificates of origin document a commodity's country of origin and help customs officials determine applicable tariffs.

As part of its effort to promote free trade and make food more readily available to all citizens, ECOWAS has eliminated tariffs on food and, in 2003, eliminated all requirements for certificates of origin on food products. Specifically:

- Article 10 of ECOWAS Protocol A/P1/1/03 reads “a certificate of origin shall not be required for agricultural or livestock products.”

What is the gap between policy and reality?

Traders of basic staple foods within West Africa are routinely asked by customs authorities to produce a certificate of origin; some countries actually require these certificates, as shown in this example from the Togolese Food Security Agency ANSAT:

COMMUNIQUE	
<p>Dans le cadre de la commercialisation des produits vivriers au Togo et en vue de promouvoir les échanges transfrontaliers et le commerce international, un manuel d'information et d'orientation pour l'exportation des produits vivriers au Togo avait été conçu et validé par tous les acteurs du secteur agricole (organisations paysannes, ministère de l'Agriculture, de l'Elevage et de la Pêche, ministère du Commerce, Douane Togolaise, Chambre de Commerce et d'Industrie du Togo, Direction de la Protection des Végétaux, ANSAT, transitaires, exportateurs de produits vivriers, ...) lors d'un atelier qui s'est tenu à Lomé le 23 Novembre 2010. Au terme de cet atelier, un cadre consensuel de procédure a été adopté qui stipule que toutes les exportations de produits vivriers au Togo sont subordonnées à la présentation des documents suivants :</p>	<ol style="list-style-type: none"> 1. Le Certificat d'Origine délivré par la Chambre de Commerce et d'Industrie du Togo (CCIT) ; 2. Le Certificat Phytosanitaire délivré par la Direction de la Protection des Végétaux (DPV) ; 3. Le Certificat d'Exportation délivré gratuitement par la direction générale de l'Agence Nationale de la Sécurité Alimentaire du Togo (ANSAT) ; 4. Les pièces douanières (déclaration et autorisation de sortie) délivrées par la Direction Générale des Douanes (DGD). <p>Ainsi la direction générale de l'Agence Nationale de la Sécurité Alimentaire du Togo (ANSAT) tient à rappeler à tous les opérateurs économiques qu'ils ont l'obligation de respecter ces dispositions contenues dans le manuel d'information et d'orientation pour l'exportation des produits vivriers. Toute personne physique ou morale qui ne se conformera pas à ces dispositions s'expose à la rigueur de la loi.</p> <p style="text-align: right;"><i>Fait à Lomé, le 19 Janvier 2012</i> La Direction Générale de l'ANSAT</p>

Traders arriving at a border without a certificate of origin may be forced to pay the full range of import-related charges as if their product were coming from outside the ECOWAS region. There are many examples of this. In the case of one shipment of maize from Côte d'Ivoire to Mali, the fees amounted to 85,219 FCFA, or 60 percent of the value of the product itself. The table below details these fees:

Fees Charged at Borders for Shipments Arriving Without Certificates of Origin				
DD	38,626 FCFA	<i>Droits de douane</i> —Customs duties		\$89.79
RS	1,832 FCFA	<i>Redevance statistique</i> —Statistical tax		\$4.16
PC	866 FCFA	<i>Prélèvement communautaire</i> -ECOWAS levy		\$1.97
PCS	1,832 FCFA	<i>Prélèvement communautaire de solidarité</i> —UEMOA tax		\$0.02
TVA	42,063 FCFA	<i>Taxe à la valeur ajoutée</i> —Value-added tax		\$95.60

Another example can be found along the Fada N'Gourma–Parakou livestock corridor, where the certificate is issued by municipalities in Burkina Faso for the price of a 500 FCFA stamp. It is also required along the onion corridor. Along the millet/sorghum corridor, at Koutiala–Dakar, it is required but not available, because no service officially issues it.

Asking for a certificate of origin gives authorities an additional chance to block trade. In Benin, for example, authorities use the certificate of origin to impose quantitative restrictions on exports, in one instance telling a trader he could export only 500 tons of maize, rather than the 2,000 tons requested.

The law has not required certificates of origin for the last 10 years, so why do the national customs services continue to ask for the certificate of origin?

Customs agents respond that in the absence of a certificate of origin accompanying a shipment, how can they know if the goods are of community origin and therefore eligible for duty-free treatment?

What are the costs and who pays?

Demanding unnecessary certificates of origin raises transaction costs in terms of both time and money, creating a disincentive to trade and also to production. Traders are most immediately affected by this documentation requirement, wasting time visiting the local chamber of commerce or city hall and paying a fee. For example:

- To export cereals from Togo, the certificate of origin costs 6,000 FCFA (\$12) and traders must plan for a 72-hour lead period from the time of the request.
- In Ghana, the fee is \$42 per shipment, while in Mali, the fee is 500 FCFA (about \$1).
- In Niger, onion traders report having to pay 130,000 FCFA (\$260) per truckload for a certificate of origin.
- Rural traders face higher costs and additional delays, as they must go into the nearest large town or city to obtain the document.

Producers are also affected, since their products end up being less competitive in export markets in the region. Processors may be affected as well, if this requirement raises the delivered cost of required raw materials. Ultimately, it is consumers who suffer from final prices that are higher than they would be

without this added cost. The bodies presently issuing the certificate of origin, which can include market organizations like the one at Techiman in Ghana, would face a minor revenue loss if certificates of origin were discontinued. Customs services would not lose revenue on community-origin staple foods if the certificates were no longer required, as these foods are duty free.