SANITARY AND PHYTOSANITARY INTERVENTIONS BY THE EASTERN AFRICA GRAIN COUNCIL

Presentation at the EAC Public-private Sector Seminar on WTO Agreements on TBT and SPS

21ST - 22ND March 2016, Nairobi, Kenya
Outline of the Presentation

1. Overview of EAGC
2. SPS Issues in Grain Trade in East Africa
3. EAGC undertakings in addressing SPS & TBT issues
4. Options for addressing SPS/TBT challenges and increasing private sector participation
1. About EAGC

- Regional, non-profit, membership based organization for the Grain value chain in the Eastern and Southern Africa

- Established in 2006

- **Objective**: To facilitate efficient, structured and **profitable** grain trade in the Eastern Africa region for optimum stakeholder benefits

- Mandate in 10 countries in ESA region: Kenya, Tanzania, Uganda, Rwanda, Burundi, South Sudan, Ethiopia, DR Congo, Malawi and Zambia
EAGC Service Pillars
2. SPS Issues in Grain Trade in East Africa

- NTBs hinder grain trade in East Africa and increase transaction costs. Common NTBs include:
  - Lengthy import/export licensing procedures
  - Administrative barriers – roadblocks, weighbridges
  - Import/export bans
  - Cess and other local govt charges
  - SPS and TBT provisions

- Consequently, key food staples are traded informally rather than formally

- Prevalence of informal trade increases food safety risks
Case study: Typical trade requirements for grains

• Moving grains across borders in East Africa will typically require:
  i. Phytosanitary certification
  ii. Quality certification
  iii. Pre-Shipment Verification of Conformity
  iv. Certificate of Origin
  v. Both Import and Export Permits

• Additional requirements (depending on country) may include:
  i. Radiation certificate
  ii. Non-GMO certification

• Typical time required to get all documents: approx. 3 weeks
• Cost implication: $3,000-$5,000 per transaction/consignment (including fees, time and personnel used to follow up the requirements)
Current SPS Issues include:

1. Prevalence of aflatoxin
2. Maize Lethal Necrosis Disease
3. SPS certification for grain imports and exports
4. Application of Staple Foods Grades and Standards
5. Seed Trade Regulations
3. EAGC undertakings in addressing SPS & TBT issues

i. Harmonised Staple Foods Standards (EAS 2013)

- **Purpose**: to facilitate trade in commonly traded staple foods and food products by applying a uniform Standard in all EAC States
- Focus mainly on quality issues, but also provide provisions for SPS/food safety, e.g. foreign matter limits, aflatoxin and fumonisin limits and MRLs
Timeline – Harmonisation and Implementation of Staple Foods Standards

2010 – Nov 2012: negotiation and harmonisation

Dec 2013: Gazettement by EAC

2015: Gap analysis on implementation of Stds, validation and adoption of recommendations by EAC

Feb 2016: review process initiated
EAGC undertakings in addressing SPS & TBT issues (cont’d)

ii. Capacity Building and Training on Grades, Standards and food safety

- Trainings conducted for Graders, farmers and financial institutions (as a component of structured trade financing course)
- Currently working with EAC and NSBs to develop training curriculum for Graders
- Use of Agribusiness Expos to sensitise farmers on Standards, food quality and food safety matters
Country case study: Kenya

- 8,000+ farmers trained on Standards and food safety considerations in 2015
- 1,300 training materials (brochures) distributed to FBOs
- Moisture meters, tarpaulins etc. supplied to 22 FBOs (approx. 900 farmers)
- **Result:** trained farmers won supply contracts from WFP for approx. 700MT of maize
Pictorial: Graders training in Action
Pictorial: Awareness creation on food quality and safety issues at Agribusiness Expo
iii. Policy Dialogue and Engagements at Regional Level

- EAGC participation in the development of the Partnership for Aflatoxin Control in Africa (PACA) Strategy 2013-2022

- SPS/TBT issues form part of the East African Business Council (EABC) Advocacy Agenda for 2016/17 through EAGC Submissions
EAGC undertakings in addressing SPS & TBT issues (cont’d)

iii. Policy Dialogue and Engagements at Regional Level (cont’d)

- EAGC application for Observer Status at EAC
- EAGC is Signatory to the COMESA CAADP Compact
- Recent engagements with senior Policymakers in Kenya, Rwanda, Tanzania
- Upcoming Regional Meeting to discuss Certification and Testing System for Rice of East African Origin
iv. Cross-border Trade Facilitation

- Providing information on requirements for trade, documentations, licenses etc

- Currently developing a training course for SMEs on conducting cross-border trade to educate them on trade requirements

- EAGC GSoko warehouse certification and trade platform mainly for REGIONAL trade
4. Options for addressing SPS/TBT challenges and increasing private sector participation

i. Continuous training of stakeholders and awareness creation on regional and international trade requirements

ii. Regional approach:
   - Harmonizing SPS procedures and requirements in EAC
   - Operating regional testing and laboratory facilities
   - Facilitating participation by neighboring countries in review/formulating domestic SPS provisions
iii. Develop Grain Trade Logistics – to improve grain handling and transportation
iv. Enhancing trade facilitation – to move more trade into formal systems
v. Increased Investments in Grain Handling
vi. Industry Self regulation
In Summary:
Thank You

#WeAreEAGC

Facilitating Efficient, Structured and Profitable Grain Trade