

2nd COMESA AGRO-INDUSTRY DIALOGUE
Promoting Sustainable Agro Industrial Supply chains in COMESA

17th - 18th May 2017
Nairobi, Kenya

DIALOGUE REPORT



CBC Agro Industry Partners



Introduction

On the 18th and 19th May 2017, the COMESA Business Council (CBC) successfully hosted its 2nd Agro Industry Dialogue in Kenya at the Hilton Hotel- Nairobi, under the theme “*Promoting Agro Industry Supply Chains in COMESA*”. The Dialogue focused on the Horticulture, Dairy and tobacco sectors. The meeting was made possible through the partnership of the African Regional Standards Organisation (ARSO), Pan African Quality Infrastructure (PAQI), United States Agency for International Development (USAID), European Centre for Development and Policy Management (ECDPM). The main objective of the dialogue was to provide a platform for stakeholders from the horticulture, dairy and tobacco sectors to engage amongst themselves and form up policy recommendations and strategies that support the development of sustainable agro industry supply chain networks in the region. Further, the recommendations that were formed during the meeting shall be streamlined into an advocacy position for the three sectors will be relayed to COMESA policy organs platform including the COMESA Trade and Customs Committee and Council of Ministers which will then be tabled at the head of state level.

The two day event had a total about 90 delegates; these included stakeholders from the 3 main sectors of focus (Tobacco, Dairy and horticulture), other business communities, regional and national standard bodies, line ministries as well as media houses for information dissemination.

1. Mode of Presentation

The 2nd COMESA Business Council dialogue adopted the inter participatory approach where each speaker was given an opportunity to speak and highlight issues in the sectors they were representing. Further the participants who were from other sectors and other business communities were given a chance to participate during the question and answer sessions. Sectoral round table discussions also allowed the development of specific recommendations and other topical issues that need to be addressed.

The following mode of presentation was followed during the dialogue.

1.1 Session 1- Dairy Sector

- Building Inclusive Supply Chains in the Dairy Sector; offering local producers and SMEs opportunities to access markets.

1.2 Session 2- Tobacco Sector

- Developing Sustainable Partnerships in the Agriculture Sector- Business Models for Boosting the Growth and Opportunities for Local Producers

1.3 Session 3- Horticulture Sector

- Strengthening Partnerships in Supply Chain; Business Models that Address Market Access, Demand and Capacity Issues for Agro Producers.

1.4 Session 4- Standards Awareness

- Quality Africa

1.5 Session 5- Multi Sectoral

- Parallel Work Sessions- Sectoral Roundtables

1.6 Session 6- Multi Sectoral

- Pending Presentations and Plenary Presentations and Discussions
- Sectoral recommendations and adoption

1.7 Session 7- Multi Sectoral

- Establishment of the CBC Agro- Industry Working Group
- Establishment of CBC Sectoral Working Groups (Tobacco, Dairy, Horticulture)

1.8 Session 8

- Closing Plenary

2. The Opening Ceremony

Opening Statement by COMESA Business Council; Chief Executive Officer- Ms. Sandra Uwera

In her opening remarks, COMESA Business Council (CBC) Chief Executive Officer, Ms. Sandra Uwera introduced CBC as a recognized business apex body in the COMESA region, which represents and articulate all the interests of the private sector, to the highest offices of decision making in the region. Ms. Uwera informed delegates that the dialogue was a platform to learn about the best approaches of expanding small enterprise partnerships so that industries both large and small can benefit from sustainable supply chain systems across the markets. For it is part of the CBC agenda to increase intra- trade in Africa and seek to solve the underlying issues that are preventing market access thereby creating more consumer confidence in African products

Ms. Uwera stated that the COMESA region carries a large market of the African continent, with a population of more than 480 million consumers and total trade of \$ 235 billion as of 2015. Intra COMESA trade represents less than 8 % of the total trade. Within this entire dimension, the opportunity and growth for SMEs in the agriculture sector is usually forgotten; and needs to be strengthened. Africa and COMESA remains a net importer of food. Currently, our food import bill stands at US\$29 Billion with almost 90% of this being imports from outside the COMESA region.

She called for the development of strategies that can boost the competitiveness of African producers in increasing the purchase of local, quality, and value added products to satisfy regional demands. Agricultural sustainability begins with us as consumers of our products. By doing so, we shall effectively establish strong partnerships with global markets in value added food products for export. She officially welcomed everyone to the meeting and wished them fruitful deliberations.

2.2 Opening Statement by Mr. Reuben Gisore- Technical Director- African Regional Standards Organization

Mr. Gisore gave a brief background of the African Organization for Standardization (ARSO) as been established in 1977 by United Nations Economic Commission for Africa (UNECA) and Organisation of African Unity (OAU) with the mandate to promote and coordinate standardisation and conformity assessment practices in Africa. ARSO is the continental body for standardization and conformity assessment which executes its mandates jointly with African Member States and in collaboration with Regional Economic Communities of which COMESA and ARSO has a special relationship through the COMESA Treaty. ARSO has harmonized over 70 African Standards for Agriculture and Food Products.

He indicated that Africa trades least with itself, currently reported at 11 %, meaning that 89 % of the trade taking place in Africa is with the outside continents. Despite being endowed with 60 % of the arable land in the world, Africa remains a net food importer. He further lamented that it is more surprising that 95 % of staple foods imports worth over US\$22 billion are imported from outside Africa with only 5 % being intra-African imports. The ARSO Technical Director emphasized the importance of the 2nd Agro Industry Dialogue and saw it as a conduit for addressing the above issues been faced in the region.

Africa must make use of its value adding industries and farmers to use the whole population of Africa in general as the baseload for calculating their production scales. There is urgent need to refocus our standards harmonization to cover the aspirations of the Tripartite Free Trade Area as well as roping in the Continental Free Trade Area. COMESA needs to reach out to other Regional Economic Communities (RECs) and grow the market of its farmers.

ARSO realizes that harmonization of standards must be accompanied by a comprehensive conformity assessment system. In this respect ARSO will be launching the ARSO Conformity Assessment Programme (ACAP) in October 2017 in Namibia.

2.3 Opening Statement Mr. Jared Nyaudi, Deputy Director Ministry of Trade- Kenya

The speaker warmly welcomed all the delegates to the 2nd CBC Agro Industry Dialogue and that they counted it a privilege to host such a gathering.

He stressed the importance of Agriculture for its transformation lies at the center of economic growth, regional and continental integration in Africa. The Malabo declaration clearly articulates the need to promote agricultural productivity and boosting intra-African Trade in agricultural commodities as essential for promoting economic growth in our countries.

At national level, Kenya through Agenda 2030 coupled with the Agriculture Sector Development Strategy recognizes and stipulates the strategies to enhance agriculture production and support food security, employment and economic development of our people.

It is important to note that Intra COMESA Total Trade stands at US\$ 235 billion in 2015, with intra-regional only about 7 % of this at 15.8US\$ billion. Despite COMESA's vast resources even in the agriculture sector where we boast of our eminence, the sector is underperforming as we remain a net food importer. For instance COMESA's food import bill stands at US\$29 Billion with almost 90% of this being imports from outside the COMESA region.

The speaker therefore demanded for action from both the public and the private sector and emphasized on the importance of the Agro Industry Dialogue for it recognizes the role of the public and private sector and the need for a concreted approach in dealing with the above constraints and strategies. He appreciated the business community at national and regional level led by the COMESA Business Council for spearheading the development of strategies that can actually develop our agriculture industries. With those remarks he officially opened the Dialogue.

2.4 Opening Statement- By Ms. Flora Mutahi- Vice Chairperson CBC Board, President-Kenya Association of Manufacturers

During her opening statement Ms. Flora reiterated on CBC's committed towards the development of SMEs in the region .Under the leadership of the Board, in 2017, CBC will escalate its focus on the on SMEs competitiveness and upscaling the productivity of small scale agro producers to contribute to the sustainability of the agro industry sector. She further stated that the agro industrial sector is critical to its long-term economic prosperity and growth of any nation and has a fundamental role to play in sustainable economic growth of COMESA member states.

For our region, which is dominated by approximately 70% SMEs and small scale producers it is therefore pertinent that we address the challenges that SMEs face and promote their participation in national and regional supply chains. She urged delegates to develop concrete recommendations and strategies that can develop the agro industry. Ms. Flora reminded delegates of the Local Sourcing for Partnerships Project as been one of the key success stories which concentrated at building the technical capacity of SMEs to implement compliant food safety systems and feed into the supply chains of Hospitality and retail industry in the COMESA region. The Project has trained more than 480 SME since inception and ensures effective integration of SMEs in the regional and global markets and encourages a localized stream of efficient African businesses into supply chains in Africa and beyond.

Local sourcing in food supply and other areas along the value chain, greatly contributes to wealth creation and sustainability of the supply chains at a national and regional integration levels. In June 2017, CBC will be tabling the outcome of this meeting before the COMESA Trade and Trade Facilitation Committee and in October 2017, before the COMESA Heads of State Summit. Mrs. Flora assured the delegates of the Board's commitment to ensuring the voice of business is heard at the highest level of policy making in the region. She believed that the Dialogue is a step in the right direction and will come up with tangible proposals and solutions for fast tracking inclusive and equitable trade and sustainable development for agro industry producers that can drive local

enterprise growth. She encouraged delegates to dialogue, engage and partner with each other and with the public sector as our growth lies within such collaboration. She thanked all delegate on behalf of the CBC for attending the dialogue and thanked Kenya for hosting the dialogue.

3 Meeting Deliberations

3.1 Session 1: Dairy Sector – *Building Inclusive Supply chains in the Dairy sector; offering local producers and SMEs opportunities to access markets.*

The highlights of this session were:

- *Overview of policy and regulatory frameworks*
- *Business models and partnerships with small scale producers – developing the capacity of small holder farmers into viable commercial dairy farmers.*
- *Promoting standards compliance through quality based pricing systems*
- *Market Information Systems*
- *Role and Impact of the National and Regional Dairy platforms*

Mr. Machira Gichohi, Chief Executive Officer of Agricom moderated this Session.

Panelists:

- Mr. Robert Walimbwa – Brookside Ltd- Uganda
- Musiime Umurungi Florence – Royal Dairies- Rwanda
- Edward Murungi – Mt Meru Dairy Cooperative Kenya

Mr. Robert Walimbwa – Brookside Ltd- Uganda

Mr. Walimbwa represented Brookside Dairy Uganda a milk processing company. In his presentation he highlighted that;

- Uganda dairy farming was mainly practiced by peasant farmers and approximately Uganda had 40 dairy processors that were exporting milk to over 17 countries. The important by products of milk that is been processed in Uganda is cheese, yoghurt, milk powder,

butter and ghee. Ghee is further used as an intermediate product in the pharmaceutical industry.

- There is need to harmonize standards and to peg national standards with regional ones to avoid a situation where milk processors in Uganda set up standards that were higher than the regional ones.
- Improve the capacity of farmers to comply with standards and quality requirements.

Ms. Umurungi Florence- Royal Dairies – Rwanda

In her presentation Ms. Umurungi mentioned that Rwanda produces a total of 2 million liters of milk per day and only 3000 liters is consumed by dairy companies. The following were the main highlights of her presentation;

- In terms of standards compliance; most milk processors in Rwanda were using HACCP and ISO 2200 and it is mandatory for all food processors in the country to use HACCP.
- In terms of collaboration amongst the dairy companies, the Rwandese dairy sector players have formed concrete preferential market access preferential market access solutions for the sector.
- In terms of stakeholder collaboration, the players are part of the National Dairy Platform that works hand in hand with the Ministries of Trade and also agriculture to oversee the entire value chain of the sector.

- Urged the Government of Rwanda to create incentives for investors and importers such as through tax exemptions.
- In terms of trade, Rwanda imported more milk than it was producing , 60 percent of the milk was imported , of this 40 percent was from within the region and 20 percent was from overseas. Rwanda is promoting consumption of locally produced goods through the Made in Rwanda campaign and the dairy products are among the products been promoted
- There is need in Rwanda to address the issue of milk pricing. Most processors set up very low prices and mainly base their prices on quality and not volumes. Negotiations to address this challenge are still ongoing amongst the stakeholders.

Mr. Edward Murungi- Mt. Meru Cooperatives Dairy- Kenya

Mr. Murungi's presentation mainly focused on the need for milk farmers/suppliers to comply with standards set up by milk processors and improving the infrastructure for farmers. He gave an insight on Mt. Meru Dairy Cooperative as it works with farmers and strives to enhance quality by testing and setting standards and it adheres to Kenya Bureau of Standards and works with Kenya Dairy Board to adhere to policies that have been put in place to promote the industry. In his presentation he highlighted the following key issues;

- Need to address issues of quality and safeguard against the adulteration of milk

with chemicals, water and poor sanitary conditions.

- Road and transport infrastructure; due to geographical locations (distant places) and bad road network farmers for are unable to deliver the milk within the stipulated five hours thus compromise to the quality of the milk and end up supplying low grade milk. To cushion this challenge, Meru Dairies has installed some cooling systems at certain collection points and also provided stainless cans to the farmers as a measure of maintaining the quality of milk.
- Need for increased investment in extension services such as on training and

provision of cooling services for the farmers.

- There is need for regulation in terms of milk supply, once the supply was low and demand was high most farmers auction the milk and the highest bidder gets the milk

Recommendations

- The need to look for regional markets and increase regional trade in raw milk, ghee and other dairy products.
- COMESA was urged to set a timeline in resolving the milk pricing whether it will be based on price or quality.
- To develop harmonized dairy standards in the region.
- To improve the infrastructure and capacity of farmers to improve the quality of their dairy produce and comply with national and regional standards.

3.2 Session 2: Tobacco Industry- Developing sustainable partnerships in the agriculture sector- Business Models for boosting the growth and opportunities for local producers

The following were the main areas of concern for this session:

- *International Regulatory Framework*
- *Sustainable supply chain under contract farming*
- *Responsible farming and business practices- diversification and complementary incomes for tobacco growers.*

This roundtable session was facilitated by Ms. Sandra Uwera who is the Chief Executive Officer of the COMESA Business Council and the panel included;

- *Japan Tobacco International, Mr. Antonio Vencesla*
- *Tobacco Association of Malawi- Mr. Felix Thole*
- *Tobacco Association of Zambia –Mr. Phonto Mumbi*
- *Universal Leaf Tobacco –Africa region- Mr. Rory Micklem*

Mr. Antonio Vencesla- Japan Tobacco International (JTI)

Mr. Vencesla's presentation concentrated on creating a responsible value chain from the field to the market, standards in the sector and good agricultural practices. He highlighted the following issues;

- Integrated farming systems and contracts systems are beneficial to farmers as they

ensure transfer of knowledge, access to inputs for the farmers which in turn allows them to produce more quality produce that complies with national and regional standards. There is need for farmers to comply to standards and necessary to enter into contracts with

farmers and provide them with farming inputs and introduce them to leaf technicians who conduct field visits and ensure standards are been adhered to.

- Good agricultural practices and sustainable farming is necessary in the tobacco industry.
- The World Health Organization's (WHO) *Framework Convention on Tobacco Control* (FCTC) ; particularly ; articles 17 and 18 of the FCTC calls for the promotion and development of economically viable

alternatives for tobacco workers, growers as well as individual sellers through the growing of alternative crops.

- To this effect JTI encourages farmers to venture into other alternative crops other than tobacco. There is need to strengthen the market systems for alternative crops so that the farmers are able to easily integrate into the supply chains for alternative markets and get markets for their crops.

Mr. Felix Thole- Tobacco Association of Malawi

In his presentation Mr. Thole gave some insights on tobacco production in Malawi, highlighting as follows;

- The crop contributes approximately 13 percent of Malawi's GDP.
- In terms of production and marketing channels 75 percent of the crop is produced by small scale or holding
- On Pricing; the government of Malawi regulates the minimum or reserve prices of tobacco and buyers must go beyond the price.

farmers and there are two tobacco marketing strategies first one been the auction selling system where the highest bidder gets the commodity and the second system is the contract farming.

- He further called on government to provide more marketing channels for the farmers.
- There is need for increased government intervention in the tobacco industry especially where contracts were concerned to ensure there are binding on both parties.
- On Corporate Social Responsibility his association involved in afforestation sensitization, child labour issues, construction of boreholes in the tobacco growing communities.

Mr. Phonto Mumbi –Tobacco Association of Zambia

Mr. Mumbi's presentation was centered on the tobacco leaf sustainability approach from the Zambian perspective. In his presentation he highlighted the following key issues;

- In terms of Farmer representation; all tobacco farmers in Zambia were registered with the Tobacco Board of Zambia which is a statutory body.

- In terms of Marketing; all categories of farmers sell their tobacco through a classification system and a registered tobacco sales floor.
- In terms of processing; Zambia does not process tobacco but exports to Malawi and Zimbabwe.
- In terms of Education and extension support; the tobacco farmers are trained and supported by extension services that leads to the production of quality and better suited tobacco for international markets.
- The tobacco industry in Zambia practices Good Agricultural Practices (GAP) such as no child labour, safe working environment, fair treatment of workers, fair income and working hours, no forced labour and compliance with regulations and laws.
- On Combating deforestation- tobacco farmers are given a contractual obligation to plant a number of given trees per tobacco hectare grown, farmers are encouraged to use concrete bricks and not wood when making curing barns and use slot furnaces that require small tree branches and not tree trunks as measure to preserve trees.

Mr. Rory Micklem- Universal Leaf Tobacco Company

Mr. Micklem's presentation was mainly focused on developing sustainable partnerships in the agriculture sector as well as market access for alternative crops for tobacco farmers. His presentation mainly focused on the following;

- Strict regulation; the tobacco industry is one of the most regulated sectors globally; though the crop is grown in rotation with other crops based on good agriculture practices and good labour practices.
- On alternative crops; COMESA region has approximately 0.5 Million Farmers who are engaged both in the farming of tobacco and other cash crops such as beans and peas, maize, cassava, plantains, potatoes, groundnuts and sesame seed.
- On Market Access for alternative crops; he called for more partnership to help the
- On Partnerships in the value chains; he called for more efforts in creating partnership in the COMESA region, tobacco value chains offers wider possibilities for the creation of other value chains in terms of sustainable production system which can be audited in all its aspects, creation of trade flow of other farmers' access markets for their alternative crops.
- On Standards and certification; Universal Leaf in collaboration with other tobacco players sponsor some farmers and create a platform for farmers to obtain certifications and meet the required standards when it comes to quality.
- He called for the need to observe Agricultural Labour Practices (ALP) that are acceptable. Universal Leaf has come up with seven principles listed as following: child labour, income and work hours, fair treatment, forced labour, safe working conditions, freedom of association and compliance with the law. Also to ensure sustainable partnerships in the sector; such as through Sustainable Tobacco Programme (STP) and Corporate Social Responsibility (CRS).

crops based on mapping of tobacco production, creation of warehousing

network and creation of processing units to add value in specific areas.

Recommendations

- Active participation of the tobacco industry; growers, processors and manufacturers within the regional integration agenda.
- Promotion of sustainable agricultural practices and sustainable supply chains in the tobacco value chain.
- COMESA must support and create non-tobacco value chains to provide markets for the alternative crops.
- Increased stakeholder consultations and dialogue in the sector.
- Strengthening integrated farming systems and contract regulation to ensure all stakeholders in contract farming adhere to the terms and conditions set out.
- Increased access to finance for farmers. Member states to increase and encourage investment in processing and blending of tobacco products instead of primarily concentrating on raw tobacco exports.

3.3 Session 3: Horticulture- *Strengthening partnerships in supply chain; business models that address market access, demand and capacity issues for agro producers.*

- Agri-business Regulatory environment perspectives- impact of restrictions on competitiveness of industry
- Standards – Public Private models to address the cost of compliance to standard requirements in the regional and global markets.
- Business models for sustainable supply chains in national and regional markets- focus on retail chains.
- Promoting national and regional market access- Mutual Recognition Agreements as an instrument to promote trade facilitation in agricultural products.
- The session was facilitated by Ms. Kudzai Madzivanyika from the COMESA Business Council. The Panelists included;
 - *Zambia, York farm- Mr. Elias Mangaba*
 - *Uganda, Kika Farms- Ms. Peninah Ngategize*
 - *Mauritius, Eclosia Group- Mr. Guillaume Hugnin*
 - *Ethiopian Standards Agency- Mr. Mengistu Tefera*

Mr. Elias Mangaba- York Farm – Zambia

In his presentation; Mr. Mangaba introduced York Farm as one of Zambia's leading exporters of horticulture produce, for export markets in the European Market, New

Zealand and South Africa. The following are some of the issues that his presentation focused on;

- Lack of skilled workers; the industry lacked skilled workers and the high cost of training fees made it impossible for workers to acquire these skills.
- There is great reliance on standards certification bodies from outside the country as there are limited accredited standards laboratories; which in turn becomes expensive for SMEs. There is need to increase the standards infrastructure in the country and number of affordable accredited laboratories.
- High cost of standards- the cost of compliance is high for small and medium enterprises moreover standards are too many in the region and hard for the private sector to comply. Therefore there is need to harmonize the standards in the region. Furthermore, to consider subsidized mechanism to support the compliance of standards by most SMEs.

Ms. Peninah Ngategize- Kika Farms- Uganda

Ms. Ngategize's presentation focused strengthening partnerships in supply chains, business models that address market access, demand and capacity issues for agro producers. The following points were her the main focus of her presentation;

- There is need to decentralize access to agribusiness regulatory services and agriculture extension services; for instance in Uganda such services are only confined at ministry headquarters or cities.
- Establishment of one-stop incubation Centers in different parts of the country is

very necessary. Small scale farmers with no capacity may be able to access value-addition services and other quality standard requirements

- Business model for sustainable supply chains; there is need to create a cooperative model which includes group bargaining, collective marketing, warehousing facilities, incentives (such as soft loans) from government that can help with production and capacity building for farmers that will enable them meet the set standards.

Mr. Guillaume Hugnin- Eclasia Group- Mauritius

Mr. Hugnin introduced Eclasia Group as the largest non - sugar industrial group in Mauritius with more than 4,000 employees and an annual turnover of five hundred million US dollars. Eclasia has export markets in Kenya, South Africa, Madagascar, and Seychelles. The major focus of his presentation was on business and regulatory framework;

- Tariffs and Non-tariff barriers- COMESA intra trade limits as logistics, market awareness, same type of food, quality of food, traditional cross border trade, tariffs and non -tariff barriers.
- On COMESA Rules of Origins-; there is need to simplify the RoO based on the productive and industrial capacity of the producers. Rules must confer origin which can be easily met, unlike the current one

of wholly obtained, products from imported material has the value of sixty percent with CIF and value added of thirty five, the above must be revisited.

- The need for a faster dispute resolution mechanism and a mechanism that allows for a faster resolution of Non-Tariff Barriers across the COMESA region. This should be complemented by uniform application of trade rules, and policies within the region.
- On standards, the mutual recognition of certificates across the region.



Mr. Mengistu Tefera- Ethiopian Standards Agency – Promoting National and Regional Market Access.

In his presentation, Mr. Tefera highlighted that agriculture in Ethiopia accounts for 41 percent of the GDP, Ethiopia is Africa’s largest producer of coffee, livestock and chickpeas coupled with leather, honey. His presentation highlighted the following issues;

- Standards Compliance- compliance to standards, Sanitary and Phytosanitary Standards (SPS) and Technical Barriers to Trade (TBT) are becoming an increasing barrier to trade particularly in agricultural commodities in Ethiopia.
- As a way of assisting SMEs to comply to standards the Ethiopian government has initiated the capable strategy by promoting and integrating standardization and quality

concepts in education, promoting training and technical support, mandatory standards enforcement (aimed at promoting animal and human health as well as safety of the environment)

- National Quality Infrastructure (NQI) - Ethiopia is implementing an NQI and he called on the importance of standards and the need for compliance and further urged COMESA to harmonize the standards for this will lead to “One product, one test, one certificate – accepted everywhere”. On this he reiterated the need for mutual recognition of certificates and testing centers within the region.

Recommendations

- There is need to increase the standards infrastructure within the COMESA region. This includes the development of regional standards facilities to allow for sharing of standards infrastructure.
- There is need for the development of mechanisms that reduce the costs of certification by SMEs; for instance through a Public Private Partnership .There must be access of human capital upgrading information among members of COMESA and standards compliance

must be encouraged through trade associations and information on standards must be readily available to all members at minimal costs.

- The COMESA region needs to develop quality infrastructure such as laboratories, transport infrastructure and institutions of learning.
- In order to meet costs of standards, producers must form clusters and be able to meet the cost of standards compliance. Clustering and cooperative models also provide a platform for group marketing, group lending facilities and group knowledge and capacity building sharing mechanism.

3.4 Standards Awareness - Quality Africa.

This Session was moderated by Dr. Oswald Chinyamakobvu from the African Union and the Panelists included:

- *ARSO Technical Director - Mr Reuben Gisore,*
- *KENAS, Representing AFRAC- Mr Sammy Milgo*
- *AFSEC Regional Representative, East Africa - Mr Zacheus Mwatba*
- *African Union Commission- Dr. Oswald Chinyamakobvu*
- *Mr. Reuben Gisore – Technical Director- ARSO*

• **Dr. Oswald Chinyamakobvu- Africa Union Commission – Quality Infrastructure in Africa**

In his presentation, Dr. Chinyamakobvu focused on the role and status of standards quality infrastructure in Africa. He stated as follows;

- Quality infrastructure is vital for it ensures that goods and services serve their purpose to the best practical effect as well as ensure smooth and fair exchange in trade. On the side of the government, it ensures good regulatory practice as well as consumer protection on the society.
- PAQI the Pan African Quality Infrastructure Body and encompasses other organizations such as African Organization for Standardization (ARSO), Intra-Africa Metrology System (AFRIMETS), African Accreditation

Cooperation (AFRAC) and The African Electro-technical Standardization Commission (AFSEC) these institutions signed an MoU in 2013 to enhance quality infrastructure in Africa.

- On the Quality Index for Africa, most Africa countries do not have adequate quality infrastructure. There is need to look towards development of infrastructure or co- sharing.
- It was concluded that quality infrastructure is an important tool for development for it affects all areas of a society therefore business in Africa must embrace QI and implement it for competitiveness and sustainability and contribute to the development of QI in Africa.

Mr. Zacheus Mwatha, Regional Representative, East Africa- AFSEC'S Role in Supporting the African Agro- Industry.

Mr. Mwatha presented on the African Electro technical Standardization Commission (AFSEC) as part of the standards infrastructure institutions of the PAQI. He stated as follows;

- The African Electro technical Standardization Commission (AFSEC) was established in 2008 mandated by the Conference of African Ministers of Energy and subsequently acknowledged by the African Commission for Trade and Industry. Its aim is to work with partners, adopt, develop and harmonize electro technical standards appropriate for Africa.
- Mr. Mwatha highlighted the relevance of AFSEC to COMESA been that it provides a forum for COMESA to alight and prioritize electro technical standardization work with that of other RECs and further provides collective

influence on international electro technical standards.

- The role of AFSEC in the Agro Industry among others is to modernize and achieve a sustainable African Agro Industry with ready access to reliable electricity supply in terms of quality and food safety, food processing and cooling, hygiene and computing documentation and records. Therefore AFSEC aims at providing universal access to electricity for the agro industry with modern technology and energy systems.
- He emphasized the importance of electro technical infrastructure development in Africa as an exciting reality; for it provided power pool integrations with cross border trade of power, multi-country megaprojects, Pan African power grids and many other power solutions.

Mr. Dennis Moturi- Chairman- AFRIMETS- Measurements in Support of Agro- Industry

In his presentation, Mr. Moturi introduced AFRIMETS as an acronym for Intra- Africa Metrology System. His presentation was mainly focused on the need for accurate measurement in the agro industry and the following were the main highlights of his presentation;

- Importance of measurements- need for having products on the market with accurate measurements inaccurate measurement leads to trade imbalances. He called on agricultural based enterprises to embrace measurements into their

operations in order to maximize on production and returns from the market.

- On Regional integration and availability of testing facilities; As Africa prepares for the Continental Free Trade Area (CFTA), AFRIMETS is ready to assist countries to improve on the testing facilities by identifying the most crucial measurements to ensure intra Africa Trade, establish testing hubs and identify gaps in testing capabilities for continent exports.
- On affordable tests; AFRIMETS assists with physical and chemical measurements in the agriculture sector in the areas of soil, farm implements, water for irrigation,

farm inputs (fertilizer, soil conditioners, animal feeds, and mineral supplements) and farm produce among others.

- On Creation of regional partnerships; there is need for partnerships between agro industry and national metrology institutes to ensure that results of measurements undertaken are not only accurate but also traceable to international System of Units (SI).



Mr. Sammy Milgo- Africa Accreditation Cooperation- AFRAC and Trade

Mr. Milgo's presentation focused on AFRAC; the African Accreditation Cooperation that aims to facilitate the use of the accreditation as a tool to support trade and industrial development, to improve competitiveness of African products and enhance the protection of the health and safety of the public and environment. He stated as follows;

- Harmonization of conformity assessments; AFRAC prioritizes regional harmonization of conformity assessment procedures and accreditation in support of trade. These include accreditation of certifiers of systems, (HACCP), products and persons- key inputs in SPS and TBT at trade negotiations foras.
- He called for more need for increased awareness on regulatory requirements,
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standards, quality management and market requirements and their impact on traded products and services.

- He called for an increase in the number of accredited inspection, testing and certification bodies at national and regional levels.
- Increase in Market Access, SMEs in the agro industry needs to be roped in the supply chain for the purposes of enabling them to realize product/ service requirements for the purpose of ensuring requisite for value addition and product market access.
- Furthermore, there is need for improved traceability of products through the application of harmonized standards and conformity assessment procedures

Dr. Oswald Chinyamakobvu – The Continental Free Trade Area (CTFA)

Dr. Chinyamakobvu's presentation was largely concentrated on the CFTA in line with the Abuja Treaty signed on 3rd June, 1991 establishing the African Economic Community and the opportunities that could

be gained through the CFTA. He stated as follows;

- African Heads of states adopted a roadmap for the establishment of a Continental Free Trade Area that would

be operationalized by December, 2017- Rationale of the CFTA; increased intra-regional trade and more opportunities for businesses with the creation of the CFTA African countries will begin to trade more with each other.

- The expected benefits of the CFTA are that the African markets shall grow and improve the low intra-African trade, protection from external shocks, creation of employment locally, stimulation of industrial activity, reduction of exports of non – value added products.
- The implementation of the CFTA has been divided into two phases; the first phase will be trade in goods and services whilst phase two will concentrate on

investment, intellectual property rights and competition policy.

- The progress made thus far towards the implementation of the CFTA is that enabling instruments have been adopted (principles, rules, procedure etc), draft protocol/agreement text has been developed and other chapters on TBT and SPS.
- There is need for increased business engagement and awareness of the CFTA and influence on the negotiations processes and outcome to ensure that the agreements are business friendly.

5. Session 5- Parallel Work Sessions- Sectoral Roundtable.

Three discussion roundtable working groups were formed namely Tobacco, Dairy and Horticulture. Due to the huge number of participants from the horticulture industry the group was split into two with the aim of coming up with common positions. Each group elected a chair and rapporteur to discuss the key issues emanating from the discussions on Shaping sustainable supply chains in the agriculture sector on i) Standards practices in the sector, ii) regulatory constraints, iii) Competitive business models for supply chains iv) Regional business clusters/platforms for engagement in COMESA. The recommendations and positions were presented and adopted in plenary and form part of the Position Report of the meeting. This is annexed to this Report.

6. Closing Remarks- Ms. Sandra Uwera –CBC Chief Executive Officer

In her closing remarks, Ms. Uwera thanked all the delegates for the fruitful two day deliberations and promised the audience that CBC will take on the positions to COMESA for policy implementation. She welcomed the formation of the Agro Industry Working Groups- tobacco, horticulture and dairy as key to promoting the agendas of the industry and necessary for the development of sustainable supply chains in the region.