



Agro Industry Workgroup Meeting

14th July 2021

14h30 - 16h30 CAT | 15h30 - 17h30 EAT
16h30 - 18h30 MUT



Meeting Report

1.0 Background

The virtual meeting of Agro Industry Workgroup meeting was held on 14th July 2021 from 14.30 hrs (CAT), 15.30hrs (EAT) and 16.30hrs (MUT). The meeting was attended by over 60 members of CBC in Agro Industry sector. The objective of the meeting was to receive updates and discuss the progress on the implementation of Agro Industry sector activities and agree on the way forward.

2.0 Opening Session

2.1 Opening remarks by Chief Executive Officer, COMESA Business Council

Ms. Sandra Uwera, Chief Executive Officer, COMESA Business Council (CBC) welcomed CBC members to the meeting and recognised the presence of Mr. Guillaume Hugnin, Chairperson of Agro Industry Workgroup, who is also the President of Mauritius Chamber of Commerce. Thereafter, gave her brief remarks.

In her remarks:

- She talked about the mandate of CBC and explained its role in the regional integration.
- Talked about sub workgroup of Agro Industry namely Food and Beverages, Seed and Tobacco Growers.
- She explained the importance of agriculture in COMESA and its contribution to COMESA GDP.
- She explained the role of women and their contribution in agriculture.
- She enumerated key positions of the industry in their various workgroups.
- On Food and Beverages sub workgroup, she said that CBC had recommended the following action to COMESA policy organs:
 - ✓ Action plan to be developed by COMESA prioritising SPS issues to address low intra-COMESA Trade
 - ✓ Accelerate and actualise the implementation of Mutual recognition Agreement for priority commodities in COMESA Member States
 - ✓ Strengthen private sector participation in the implementation of SPS measures.
 - ✓ CBC to establish a regional Beverages Association to strengthen regional industry coordination, supply chain partnerships and represent the industry's position in engagements with the public sector.
- On Seed sub workgroup, she said that CBC had recommended the following action to COMESA policy organs:
 - ✓ Member states to take measures on trade facilitation and simplification of procedures, particularly during COVID-19
 - ✓ Member states to take measures to address limited harmonisation and non-implementation of COMESA Seed Regulations.
 - ✓ Member states to take measures to address inefficiencies and lack of capacity and harmonisation of seed certification systems
 - ✓ Member states to take measures to address inaccurate or untimely seed trade information and statistics
 - ✓ Member states to address counterfeit trade in seed
 - ✓ COMESA Business Council should develop a COMESA Seed Trade Regulations and Harmonisation Index, borrowing from other seed indexes such as the TASAI Access to Seed Index, monitoring and showing progress on implementation of regulations by countries in COMESA.
- On Tobacco Growers sub workgroup, she said that CBC had recommended the following action to COMESA policy organs:
 - ✓ Member states to address Illicit Trade
 - ✓ Member states to strengthen collaboration and enforcement mechanisms

- ✓ Member states to implement track and trace technologies by incorporating both markers and national recordkeeping structures to enable tracking the movement of tobacco products throughout the supply chain by transferring tracking data into a global information-sharing database.
- ✓ Member states to monitor supply chain such as registration of supply chain actors and collection of data on the tax liability of tobacco products within country borders or while transiting through individual countries should be implemented.
- ✓ Member states to set up Public-Private Platforms for government and industry engagement to address and engage on issues of illicit trade and supporting enforcement mechanisms should be availed.
- ✓ Member states to increase consumer and public awareness by disseminating information about the risks to consumers' health and the economy, associated with illicit tobacco trade and incentivising the enforcement of.
- On Women in Trade in the CBC Agro Industry workgroup, she said that women have requested for the following
 - ✓ Establishment of Public -Private Management Consultative Committee to foster dialogue and collaboration between women farmers and government officials to have favourable agricultural policies that encourages women in trade.
 - ✓ Information sharing platform for women in Agro Trade especially on market information, which will facilitate business linkages and partnership and also increase awareness on quality seed regulations, sharing of opportunities and strategies on how to set up consortium for women in Agro trade.
 - ✓ Strengthen the capacity of local statistics agencies and trade information centres at all levels in order to support digital financial inclusion and also reduce information asymmetry.
 - ✓ Promote the development of incubation and business development centres which will assist women in business to address their challenges
 - ✓ CBC to work with national focal points (National Business Associations) to strengthen women capacities to form consortium or groups to help them make supply big orders.

In conclusion, she said that above are some of the recommendations captured in 2020 and considered in 2021 by COMESA policy organs.

2.2 Remarks by Chairperson of CBC Agro Industry Work group

Mr. Guillaume Hugnin, Chairperson of Agro Industry Workgroup, who is also the President of Mauritius Chamber of Commerce, gave his brief remarks.

In his remarks:

- He thanked CBC members who attended the meeting and CBC Secretariat for organising the meeting of the workgroup.
- He informed the meeting about his previous engagement with COMESA and some of the activities he participated in.
- He spoke about his first meeting of Agro Industry workgroup in Nairobi and thanked those who contributed to its growth up to date.
- He said a lot has been said about the importance and contribution of agro industry to COMESA, therefore, he talked about two issues namely the importance of women in the development of Agro Industry in COMESA and logistics
- On the importance of women in the development of Agro Industry in COMESA, he said that there is need to facilitate women to use tools better in order to increase yield. In addition, he said that there is need to develop soft skills for women especially HR to empower them to undertake management tasks like motivating others, recruitment etc.
- On logistics, he said that in order to make exchanges effective, logistic is key especially for physical movement of goods across COMESA. Issues like documentation needs to be

addressed to facilitate reduction of transaction cost across the borders. He pointed out that during this period of COVID 19 pandemic, there has increase of logistics cost. He gave an example of Mauritius where logistic costs have increased 6-10 time and it is seriously affecting capacity of the local companies to do businesses.

- He narrated his experience in doing business in COMESA through the len of the Eclasia Group. He said initially their group was only operating in Mauritius but later COMESA opened their eyes to other opportunities. The Group undertakes integrated chicken farming including abattoir and also operate animal feeds plant in Madagascar. The group has also started Yogurt production also in Madagascar and in Seychelles. They have chicken farms in Kenya and soon they will start animal feed plant in Rwanda.
- In conclusion, he said that the experience in COMESA has been good and exciting and they have managed to enlarged their activities in COMESA.
- He wish the members fruitful deliberation and success.

3.0 Presentation on the update of Agro Industry activities in 2020

The CBC Secretariat presented a brief report on the update of Agro Industry activities in 2020. The Secretariat highlighted the following key issues

3.1 Meeting of the sub workgroups of Agro Industry workgroup

The Secretariat reported CBC held meetings of the following Sub workgroups under the main Agro Industry workgroup:

- Food and Beverages sub workgroup
- Seed sub workgroup
- Tobacco Growers sub workgroup

The Secretariat further reported that the key issues raised in the sub workgroup were as follows:

- Lack of mutual recognition of standards, non-alignment with codex standards and cost of compliance to standards
- Barriers on seed trade in the region
- illicit trade on tobacco products

3.2 CBC action towards the key issues raised by the Sub workgroup

The Secretariat reported that the took the following action to address the issues raised by the sub workgroup:

- In June 2020, CBC prepared a regional position paper on Harmonisation of food standards and regulations in COMESA under Food and Beverages Sub workgroup.
- In July 2020, CBC carried out survey on seed trade, prepared a position paper and held webinar to discuss the position paper on seed trade under Seed sub workgroup.
- In December 2020, CBC convened a Tobacco workgroup meeting and prepared a position paper under Tobacco Growers sub workgroup
- The position papers were presented to 10th Technical meeting of regional SPS Sub Committee in July 2020 & 7th Joint Meeting of Agriculture and Ministerial meeting in November 2020.

3.3 The issues adopted by the Council of Ministers

The Secretariat reported that the following were the issues adopted by the 41st meeting of Council of Minister held on 24th -25th November 2020:

3.3.1 Enhancing Trade Facilitation

- Member States were urged to strengthen and monitor the implementation of the COMESA Covid 19 guidelines at national level and bilaterally with countries that share borders.
- At national level, Member States were urged to strengthen platforms for public-private dialogue and ensure private sector participation, and finance of National Trade Facilitation Committees to increase coordination.
- Member States were urged to increase border coordination, strengthen border patrol and enforcement to ensure adherence to legal frameworks regarding the transshipment of goods to curb customs fraud and the offloading of transit goods at the border.
- Member States were urged to implement a regional approach for electronic cargo tracking systems on transit fraud and on illicit trade.

3.3.2 Strengthening Industry Engagement during COVID-19

- Member States were urged to implement principles of good business regulations: carrying out regulatory impact assessment, private sector consultation and implementing grace periods when imposing measures that have an impact on business or trade competitiveness.
- CBC is urged to establish sectoral regional Beverages Association to strengthen regional industry coordination, supply chain partnerships and represent the industry's position in engagements with the public sector.

3.3.3 Draft Model COMESA Digital Integrated Common Payment Policy for SMEs

- Member States took note of planned CBC-Trade Development Bank High Level Public-Private Dialogue in January 2021, in Kigali, on regional digital integrated common payment policy that will support low value, cross border digital payments for MSMEs.

3.3.4 Strengthening regulatory and institutional frameworks on illicit trade

- Member States were urged to develop a regional policy on anti-illicit trade coupled with institutional mechanisms to support the enforcement and implementation.
- Member States were urged to put in place stringent and punitive punishment measures that include seizure, destruction of illicit products and high fines that can act as a deterrent.

3.3.5 Addressing illicit trade in Seed

Member States are called upon to put in place an electronic verification mechanism (such as barcoding systems) for the traceability of seeds to verify between authentic and counterfeit seed.

3.3.6 Monitoring and encouraging the implementation of harmonised seed regulations COMESA Business Council should develop a COMESA Seed Trade Regulations and Harmonisation Index

3.3.7 Addressing illicit trade in alcohol and tobacco products

- Member States were urged to implement digital track and trace technologies such as digital marks or stamps to support consumer awareness and ensure traceability across countries from source, along transit, to destination.
- Member States, as individual countries are encouraged to become parties to the WHO FCTC Protocol. This will give an opportunity to benefit from the global experience on fighting illicit tobacco, and COMESA as a region acquires an observer status taking a coordinating role.

3.3.8 Enhancing industry competitiveness & strengthening local value chains

Member States were urged to put in place regional manufacturing hubs; incentivising manufacturing by zero rating capital investments goods/importation of intermediate goods; and financing mechanisms to support upgrading of technologies in line with 4th Industrial Revolution.

3.3.9 Promoting Agro industry competitiveness through harmonisation / equivalence frameworks

Member States were urged to develop action plans to accelerate the development and adoption of harmonized COMESA food standards, and Mutual Recognition of Quality Assurance and Certification systems to enhance food trade.

3.3.10 Promoting a harmonised regional framework on plastics waste management in COMESA

Member States are called upon to note that CBC is engaging industry on the cost of compliance with differing plastics control regulations across COMESA and will be presenting in forthcoming policy meetings, key recommendations towards harmonisation of the framework on plastic waste management.

3.3.11 SMEs affordable financing

Member States were urged to ensure a conducive or enabling environment for SMEs with respect to pricing structures for credit access and mobile payment solutions to ensure favourable lending terms.

4.0 Presentation on the update of Agro Industry activities in 2021

The CBC Secretariat presented a brief report on the update of Agro Industry activities in 2021. The Secretariat highlighted the following key issues

4.1 The concerns raised at 4th Technical Committee on Industry

The Secretariat reported that they documented the following concerns on Agro Industry workgroup:

- Registration requirements for pre-packaged food in some COMESA member states are bureaucratic, costly and stringent.
- The need to apply for an observer status in World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC) Conference of Parties (COP) and Meetings of Parties (MOP).
- The need to implement track and trace system for tobacco products
- Lack of regional Anti-Illicit Trade Regulatory Framework

4.2 The CBC action towards addressing the concerns

The Secretariat reported that they prepared a position on the following issues and presented them to the Industry Committee:

- Registration requirements for pre-packaged food in some COMESA member states are bureaucratic, costly and stringent. They increase the cost of compliance for Businesses.

- The need to apply for an observer status in World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC) Conference of Parties (COP) and Meetings of Parties (MOP).
- The need to implement track and trace system for tobacco products
- The need to develop regional Anti-Illicit Trade Regulatory Framework

4.3 The issues adopted by Industry Committee under Agro Industry Workgroup

The Industry Committee proposed the adoption of the following recommendations by the Member States :

- Develop mutual recognition agreement for pre-packaged food in COMESA region.
- Directed the Secretariat apply for observer status at the Meeting of Parties (MOP) to facilitate engagement.
- Consider establishing track and trace system(incorporating both digital markers and national recordkeeping structures) at national and/or regional level before 2023 as recommended by World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) Protocol to Eliminate illicit Trade in Tobacco products.
- Direct the Secretariat to develop a regional COMESA Anti-Illicit Trade Regulatory Framework

5.0 CBC Business Survey on Plastic products in COMESA in 2021

CBC conducted survey to determine the applicable policy and regulatory measures in different member states in terms of regulating production, export, import, sell and use of plastic products including its waste; understand the accompanying challenges and emerging needs of the industry players with regard to regulating plastic products and its waste.

Findings

- Countries exporting plastic products into COMESA were not facing any regulatory restriction and similarly those importing from COMESA members states were also not facing regulatory restrictions except for tariffs;
- The industrial users in COMESA member states also reported that they were not facing any restriction for sourcing their plastic products and also those involved in the distribution/selling were not having any regulatory challenges;
- COMESA members states have measures on plastic products in place, but the level of compliance varies. Generally, the compliance level is low and respondents believe that the compliance can be improved;
- 65% of the respondents believe that the measures on plastic products are not effective while 35% believe that they are;
- Some of the challenges of implementing policy and regulatory measures at either regional or national level;
 - ✓ The threat by Multinationals to exit the country, as a form of protest or adjustment to financial implication of the policies,
 - ✓ No policy on recycling plastic bags,
 - ✓ Using of non-recycle materials,
 - ✓ Lack of awareness among the end users,
 - ✓ Not using non-Petroleum based biodegradable plastic bags,
 - ✓ Lack of enforcement,
 - ✓ Lack of incentives but focus on penalties,
 - ✓ Inadequate sensitization of the general public of the effects of plastic on the environment,

- 55% of the respondents believe that recycling is not one of the measures in their country meant to be used for addressing issues of disposal of plastic waste. 75% believes that there are no policies/laws in place promoting recycling of plastic products and its waste in their country. 90% of the respondents believe that there no specific incentives for promoting recycling of plastic products and its waste.
- 55% of the respondents are of the opinion that harmonization of policy and regulatory measures in the member states in COMESA region is the solution to the challenge of plastic carriers bags.

In conclusion, there is no justification for harmonisation of measures on plastic management and waste at industrial level but rather at end users' level. The measures in place are not restrictive to industrial users.

6.0 The way forward for Agro Industry workgroup meeting

The Secretariat proposed the following way forward:

- CBC to establish a regional Beverages Association to strengthen regional industry coordination, supply chain partnerships and represent the industry's position in engagements with the public sector.
- Member States to strengthen national regulations and enforcement mechanism on curbing counterfeit seed trade. COMESA to develop a regional regulation on anti-illicit trade to provide a cross border framework for engagement and collaborative efforts for tackling counterfeit trade in seed.
- Member States to put in place an electronic verification mechanism (such as barcoding systems) for the traceability of seeds to distinguish between authentic and counterfeit seed.
- COMESA Business Council should develop a COMESA Seed Trade Regulations and Harmonisation Index
- Going forward there is need for the following sub workgroups to be meeting to deliberate on their issues:
 - ✓ Food and Beverage workgroup
 - ✓ Seed sub workgroup
 - ✓ Tobacco sub workgroup
- There is need to reflect whether we need horticulture sub workgroup

7.0 Plenary discussions/Deliberations

The meeting deliberated on the following issues

7.1 Establishment of Aquaculture sub workgroup

It was proposed that there is need to establish Aquaculture sub workgroup because there has been increase of aquaculture activities and COMESA is heavily involved.

7.2 Regular meetings of the sub workgroup

The meeting supported the need for regular meeting of the sub workgroups namely Food & Beverages, Seed and Tobacco Growers to implement and track the issues which have been agreed upon at the main workgroup Agro Industry for purpose of advocacy.

It was reported that the sub workgroup will meet as follows:

- Food and Beverages sub workgroup to meet at the end of August 2021
- Seed Sub work-group to meet in September 2021
- Tobacco Growers sub work group to also meet in September 2021

7.3 Harmonisation of product standards

The meeting suggested the need for member states to identify product standards they would like to be harmonised and submit them to COMESA Business Council for consideration. The meeting suggested that priority on the identification of product standards for development or harmonisation should be given to standard causing conflict in implementation or new standards which are required to be developed.

It was further suggested that there is need for member states to consider developing implementation framework for the harmonised products standards in COMESA region. This was cited as one of the major challenges at the implementation stage especially the standard which have been developed or harmonised by ARSO. It was clear how binding these standards are once they have been either developed or harmonised by ARSO. The meeting was informed that these product standards are not binding until they are adopted by the respective member State as a national standard. The workgroup was challenged to interrogate the issues further to arrive at workable solution.

7.4 Mutual recognition framework and registration for pre-packaged food

There was a call from the meeting to develop a workplan on the development of mutual recognition framework with a roadmap indicating how the issues will be addressed. It was suggested these measures can be supplemented by developing a monitoring matrix to track the progress.

In addition, the meeting suggested the need for development of framework for pre-market approval with guidelines using the international best practices which can be adopted by all COMESA Member States.

The meeting was informed that there is need to explore following two levels of mutual recognition arrangement;

- (a) Tested once and acceptable everywhere i.e relying on one statement of conformity to standards.
- (b) Approved once and considered approved everywhere i.e no additional approval

The meeting was of the view that approved once and considered approved everywhere is the best option for the region.

7.5 Harmonisation of environmental measures on Plastic waste management in COMESA region

It was observed that the survey on plastic survey undertaken by CBC focused on trade angle instead of environmental. It was stressed that the focus should be on environmental aspects of plastic waste management in COMESA region. It was suggested that there is need to look into options of harmonising environmental measures on plastic waste management in COMESA region.

According to the meeting, the issue of plastic waste control is a key issue as it is affecting various industries such as plastic manufacturers, industries using plastics packaging, retailers distributing plastics operating in different member states markets. The plastic waste control in terms regulations and requirements differs across the region.

The meeting proposed the need to interrogate the issue further by focusing on the environmental angle and its impact on Industries. CBC was requested to follow up on the issue.

7.6 Proposed Forum to discuss the status of technical regulation in COMESA region

The meeting was informed that CBC and COMESA are exploring way of holding a brainstorming forum to discuss the status of technical regulations in COMESA regions and agree on the way forward. CBC agreed to follow up with COMESA Consultant.

7.7 Chairmanship of Food and Beverages sub workgroup

Mr. James Odhiambo from Nestle Food Ltd volunteered to chair the forth coming meetings of Food and Beverages sub workgroup as the sub workgroup await for substantive chairperson.

8.0 What was agreed upon

The Agro-Industry Workgroup agreed on the following key issues

- a) Reiterated the need for COMESA Secretariat to apply for observer status at the Meeting of Parties (MOP) to facilitate engagement.
- b) Reiterated the need for COMESA Secretariat to develop Regional Anti-illicit Policy and implementation framework
- c) Sensitization of industry players on the need to establish track and trace system at national and/or regional level.
- d) CBC to seek funds/technical assistance to undertake a study on the development of mutual recognition framework for pre-packaged food in COMESA region.
- e) CBC to establish a regional Beverages Association to strengthen regional industry coordination, supply chain partnerships and represent the industry's position in engagements with the public sector.
- f) Member States to strengthen national regulations and enforcement mechanism on curbing counterfeit seed trade. COMESA to develop a regional regulation on anti-illicit trade to provide a cross border framework for engagement and collaborative efforts for tackling counterfeit trade in seed.
- g) Member States to put in place an electronic verification mechanism (such as barcoding systems) for the traceability of seeds to distinguish between authentic and counterfeit seed.
- h) Food and Beverage sub workgroup, Seed sub workgroup and Tobacco sub workgroup to hold meetings this year to discuss specific issues pertaining to the workgroups.

The meeting to be held as follows:

- Food and Beverages sub workgroup to meet at the end of August 2021
 - Seed Sub work-group to meet in September 2021
 - Tobacco Growers sub work group to also meet in September 2021
- i) Formation of aquaculture sub workgroup of Agro Industry.
 - j) Member States to identify product standards they would like to be harmonised or developed and submit them to COMESA Business Council for consideration.
 - k) Development of regional framework to facilitate implementation of product standard being development by ARSO.
 - l) The meeting agreed to develop a workplan on the development of mutual recognition framework with a roadmap indicating how the issues will be addressed. It was suggested these measures can be supplemented by developing a monitoring matrix to track the progress.
 - m) The meeting suggested the need for development of framework for pre-market approval with guidelines using the international best practices which can be adopted by all COMESA Member States. The emphasis was placed on option of approved once and considered approved everywhere i.e no addition approval.

- n) CBC to review regulatory regime for plastic waste management for the COMESA member states to determine the impact on the businesses and finally look at the option of harmonisation (examining from the environmental angle).
- o) CBC and COMESA to explore ways of having a brainstorming forum to discuss the status of technical regulations in COMESA regions and agree on the way forward. CBC agreed to follow up with COMESA Consultant.
- p) CBC to participate in the on going survey on the registration of pre-packaged food in member states.
- q) Mr. James Odhiambo from Nestle Food Ltd to chair the forth coming meetings of Food and Beverages sub workgroup as the sub workgroup await for substantive chairperson.

9.0 Closing Remarks

In closing, CBC Secretariat thanked all members of the workgroup for their active participation and valuable contribution to the meeting. They promised to circulate the report of the meeting

The meeting ended at 16.15hrs (CAT)

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