



Communique on the Eastern Africa Grain Council 11th Annual General Meeting and 2017 Members & Stakeholders Luncheon

20th April 2017 | Boma Hotel | Nairobi, Kenya



Cross-section of EAGC members at the Annual General Meeting on 20th April 2017

The Eastern Africa Grain Council (EAGC) hosted its 11th Annual General Meeting on 20th April 2017 at the Boma Hotel in Nairobi, Kenya. The AGM was followed by the 2017 Annual Members & Stakeholders Luncheon as per EAGC tradition.

The EAGC Annual Members Luncheon was graced by the Principal Secretary for East African Affairs Ms. Betty Maina, who was the Guest of Honour. Other prominent dignitaries included representatives of the World Bank, the Swedish International Development Agency and the International Grain Trade Coalition.

PREAMBLE

The Eastern Africa Grain Council (EAGC) is a membership-based organization representing the grain sector in Eastern and Southern Africa. The Council exists to facilitate efficient, structured, profitable and inclusive grain trade in its 10 mandate countries, namely Kenya

(Regional Headquarters), Uganda, Tanzania, South Sudan, Ethiopia, Burundi, Rwanda, Zambia, Malawi and the Democratic Republic of Congo.

EAGC draws its membership from grain sector value chain actors in its Member States, which include farmers, traders and processors. Support service providers and complimentary sectors such as agro-input suppliers, financial services and animal feed manufacturers also form part of the Membership.

As a membership-driven organisation, the Annual General Meeting of EAGC Members forms the supreme decision-making organ of the Council. The AGM is convened every April as per EAGC By-Laws to receive the Annual Report and make decisions on EAGC's strategic direction. Every two years, the AGM also hosts election of EAGC's Board of Directors whereby Members vote for their representatives on the EAGC Board.

HIGHLIGHTS FROM THE AGM

1. Election of New Board Members

The 11th Annual General Meeting brought with it a change of guard in EAGC's Board of Directors as five (5) Board Directors completed their maximum four-year tenure at the



Board. The retiring Board Directors are Dr Bernard Otim (Outgoing Chairman), Ambassador Philip Idro (Uganda), Gabriel Kitenga (Vice Chairman) and Stephanus Kruger (Kenya) and Abel Lyimo (Tanzania).

They have been replaced by Rose Mutuku (Kenya), Dr Rose Omaria (Uganda), Dr. Joel Tenai (Kenya), Otil Otim (Uganda) and Adbikadir Khalif (Kenya). Frederick Kawalewale (Malawi) and Olivier Vyuzura (Burundi) have also been appointed to the

Board.

Board Members continuing their term as Board of Directors are Isaac Chege (Kenya - currently serving as Treasurer), Julius Wambura (Tanzania), Munir Thabit (Kenya), Evarist Silayo (Tanzania) and Eugene Rwibasira (Rwanda).

2. Review of Achievements of EAGC in 2016

In his speech marking the opening of the Annual General Meeting, the Outgoing Chairman of EAGC, **Dr Otim Bernard**, highlighted the strides EAGC made over the past 12 months in its pursuit towards an efficient, organised grain industry in Eastern and Southern Africa. He

noted that during the 11th AGM the board will be transitioning with the election of a new chairperson.

In his address, Dr. Otim:

- **POINTED OUT** that EAGC is now fully operational in Malawi following the establishment of the EAGC Malawi Country Office
- **HIGHLIGHTED** EAGC'S success in creating business opportunities for its members whilst simultaneously promoting grain trade and food security. This was most recently exemplified by the Trade Mission to Ethiopia which yielded trade opportunities worth over US\$ 80 million for EAGC members in Kenya, Uganda, Rwanda, and Tanzania.
- **NOTED** that EAGC's G-SOKO service is now fully functional with online trading taking place on a weekly basis for the last four months. The Gsoko online platform will provide an opportunity for banks and financial institution to provide trade finance service to EAGC members through a fully secured and collateralized credit to buy grains through G-SOKO.
- **REITERATED** the growth and success of EAGC's core services in provision of market information through EAGC RATING, capacity building and tailor-made training for the grain industry through EAGI and influential policy advocacy through the ATPAF-ESA platform which successfully delivered the harmonized grades and standards.
- **NOTED** that the EAGC Board of Directors has considered and approved the creation of a commercial investment arm of EAGC that will consolidate all the revenue generation through service delivery.
- **INFORMED** that EAGC will be embarking on the development process of a new strategic business plan EAGC SBP III (2018-2022) which will seek to reposition EAGC from the nascent stages to a mid-level to mature status focusing purely on service delivery with sources of revenue being fees for service and trade promotion being at the core of the service.

HIGHLIGHTS FROM THE ANNUAL MEMBERS & STAKEHOLDERS LUNCHEON

The EAGC Annual Members & Stakeholders Luncheon was hosted upon the conclusion of the AGM, whereby EAGC Members were joined by diverse range of industry stakeholders for networking and discussing the developments in the grain sector. The Luncheon was graced by **Ms. Betty Maina CBS**, the Principal Secretary in the State Department of East African Community Integration. Other dignitaries included representatives of the World Bank, the United States Department of Agriculture, the Swedish International Development Agency and the International Grain Trade Coalition.

Keynote Address by the Principal Secretary, State Department of East African Community Integration

The Chief Guest at the Annual Members Luncheon was **Ms. Betty Maina, CBS**, the Principal Secretary in the State Department for East African Community Integration. Ms. Maina congratulated EAGC for the efforts over the past decade in strengthening and formalising intra-regional trade in food commodities as a means of enhancing economic growth, food security and prosperity. The PS commended the strong partnership between the East Africa Community (EAC) and EAGC in improving the policy environment for grain trade in East Africa.

In her keynote address, PS Maina:

- **POINTED OUT** that the region has made significant progress in promoting intra-regional trade, particularly in food commodities, whereby intra-regional food trade has increased by 210% since the establishment of the EAC Customs Union in 2005.
- **INFORMED** stakeholders that EAC Partner States have re-affirmed their commitment to broadening and deepening regional integration in agricultural trade through numerous initiatives such as the EAC Protocol on Sanitary and Phytosanitary Measures, harmonisation of several food standards, implementation of One-Stop Border Posts programme, Electronic Cargo Tracking and the Single Customs Territory, to name a few.
- **ACKNOWLEDGED** existing challenges facing the EAC with respect to food security, as over 10 million East Africans are currently victims of severe drought, famine, malnutrition and other manifestations of food insecurity. She further **HIGHLIGHTED**



measures being undertaken by EAC Partner States to address the challenges.

- **OBSERVED** the need for increased cooperation and coordination amongst EAC Partner States to address food insecurity collectively in the entire region. In doing so, she **COMMENDED** EAGC providing strategic direction for addressing food security in the region, exemplified by co-hosting the Regional High Level Dialogue on Food Security in the EAC on the 13th of April, 2017 in Arusha.
- **CALLED UPON** the private sector to support regional integration initiatives for intra-regional food trade, and greater support to Partner States and the EAC Secretariat to implement existing mechanisms for cooperation in food trade and food security, such as the Regional Food Balance Sheet and implementation of harmonised grades and standards.

Remarks by Key Dignitaries

Ms. Rebecca Ygberg Amayra, Advisor on Trade at the Swedish International Development Agency (SIDA) highlighted Sweden's long history in development cooperation and recently, their reviewed results strategy for regional development for SSA.



In her address, Ms. Amayra:

- **NOTED** that SIDA, through their new results strategy intend to contribute to regional integration and strengthen capacity to face cross-border challenges and opportunities at the regional level.
- **HIGHLIGHTED** that SIDA is keen to better opportunities and tools to enable the poor and vulnerable improve their living conditions. She added that trade provides an opportunity for economic growth and improving livelihoods in the region.
- **COMMENDED** EAGC on the gains made by EAGC and was optimistic that gaps identified in the first funding will be address with the current grant. She added areas of focus going forward will be to increase formal trade, lower prices for the consumer, increase food security and increase disposable income for poor households.



Ms. Katy Lee, Executive Director of the International Grain Trade Coalition (IGTC) noted that EAGC is a member of IGTC. She further pointed out that IGTC exists to facilitate international grain trade by convening significant representation and expertise to provide advice on commercial requirements and economics of world food, feed and processing industries from a global perspective. She added that IGTC's membership is drawn from 26 Associations, 8000 Businesses and a presence in 85 countries.

In her address, Ms. Lee:

- **HIGHLIGHTED** the dynamics in global grain trade, noting that trade in grains and oilseeds grew by 150 million tonnes over the last five years, exceeding the growth of the previous five years by more than 50%.
- **OBSERVED** the increased importance of trade in catalysing development, whereby \$1 invested in trade brings about \$2,000 worth of social, economic and environmental benefits.

- **POINTED OUT** IGTC's policy priorities for 2017, which include innovation of electronic documentation for trade, harmonisation of standards at the International Plant Protection Convention (IPCC) level, and plant production methods and biosafety protocols.

Mr. Han C. Shrader, the East Africa regional Lead, Competitive Sectors-World Bank group presented highlights of the World Bank's *Enabling the Business of Agriculture 2017 report*. The report focuses on Trade and competitiveness of the agriculture sector



by identifying legal barriers for the business of agriculture and identifying transaction costs of dealing with government regulation for 62 countries around the world.

In his presentation, Mr. Shrader:

- **NOTED** that Kenya is the best performer in the region on overall EBA performance indicators, followed by Tanzania, Zambia, and Uganda.
- **POINTED OUT** that Rwanda has the least burdensome documentary requirements to export agricultural products. 9 of the 21 Sub-Saharan Africa countries studied impose price controls on agricultural product.
- **OBSERVED** that Tanzania is the best performer in the region with respect to financing agribusiness, followed by Rwanda and Kenya
- **ACKNOWLEDGED** that Malawi is the highest performer in the region with respect to access to fertilisers, but is ranked 23rd globally. However, quality controls for inputs (including labelling and packaging regulations) are weakest in the SSA region.
- **ADVISED** that despite positive developments in some indicators, countries in SSA region need to intensify efforts to improve the regulatory environment for markets, finance and access to inputs and machinery

Regional Business to Business meeting

The B2B was held co-currently with the Luncheon and it brought together EAGC members who are actors in the grain value chain. The exercise realised 21 transactions with 18 traders and sellers participating in the exercise. A total of 13,574 MT of an array of grains was traded worth about 8,021,720 USD.

KEY DECISIONS, OUTCOMES AND WAY FORWARD

- The private sector and development partners are urged to **SUPPORT** and **COOPERATE** with **PARTNER STATES** in regional integration initiatives and implementation of existing mechanisms for cooperation in food trade and food security, such as the Regional Food Balance Sheet and implementation of harmonised grades and standards.
- Governments in the region are urged to **EXPEDITE REMOVAL OF BARRIERS TO FOOD TRADE**, which significantly increase the costs of doing business and intensify informal trade, thus increasing food costs and food safety risks to consumers. Furthermore, Governments are urged to **CONTINUOUSLY CONSULT WITH VALUE CHAIN ACTORS** in policy formulation and implementation in pursuit of a supportive policy environment.
- Governments are further urged to **STRENGTHEN COOPERATION AND COORDINATION** amongst their institutions both at country and regional levels to **MINIMISE REGULATORY COSTS** of doing business in the grain sector.
- Countries in Eastern and Southern Africa should **INCREASE EFFORTS TO IMPROVE THEIR DOMESTIC AGRIBUSINESS REGULATORY ENVIRONMENT**, particularly in areas of agricultural markets, finance, machinery and agro-inputs, in order to attract investment in agriculture and further stimulate agricultural development.

PICTORIAL



Figure 1: The Executive Director of EAGC, Mr Gerald Masila, addressing the delegates at the EAGC Members Luncheon on 20th April 2017



Figure 2: Outgoing EAGC Chairman, Dr Otim Bernard, making his opening remarks at the Members Luncheon



Figure 3: Outgoing member of the Board, Mr Abel Lymo (Tanzania) being awarded a gift for service to the EAGC by Ms. Betty Maina, Principal Secretary in the State Department for EAC Integration



Figure 4: Outgoing member of the Board, Amb. Idro Philip (Uganda) being awarded a gift of service.



Figure 5: EAGC members following the proceeding at the Boma Hotel

For more information, please feel free to contact the EAGC Secretariat through the addresses below:

EASTERN AFRICA GRAIN COUNCIL

REGIONAL OFFICE & KENYA COUNTRY OFFICE

P.O. Box 218-00606, NAIROBI

Tel: +254 20 374 5840/733 444 035/710 607 313

Mbaazi Avenue, off Kingara Road, Lavington,

Email: grains@eagc.org Web: grains@eagc.org/www.ratin.net