

Communique on the Regional Write shop to develop an Industry Self-regulation Framework for staple food value chains in East Africa to improve food safety compliance

26th - 27th April 2022, Movenpick Hotel, Westlands, Nairobi, Kenya



Group photo of participants at the Regional Write shop to develop an Industry Self-regulation Framework for staple food value chains in East Africa to improve food safety compliance , held on 26th - 27th April 2022, Movenpick Hotel, Westlands, Nairobi, Kenya

The Eastern Africa Grain Council (EAGC) in collaboration with USAID PolicyLINK hosted a Regional Write shop to design a framework for establishing industry self-regulation for staple food value chains in East Africa to improve food safety compliance, on the 26th - 27th April 2022, at the Movenpick Hotel, Westlands, Nairobi, Kenya.

The aim of the workshop was to come up with a draft industry self-regulation framework that covers all the main components of an ISR as well as come up with its implementation plan.

The workshop was a buildup on preceding country meetings held in Kenya, Uganda and Tanzania, that sought to discuss Industry Self-regulation to address the aflatoxin challenge in staple food value chains.

Over 40 participants representing key industry stakeholders were present in the workshop, cutting across: Government ministries and agencies, the private sector and development partners.

The list of participants is provided under *Annex 1 of this Communique*.

BACKGROUND

Agri-food enterprises (such as farmers, aggregators, traders, processors and service providers) play an important part of the socio-economic fabric in many parts of Africa and indeed the world. Trade in staple food grains accounts for almost half of all food trade in East Africa. Such trade takes advantage of existing trade opportunities between countries resulting from differences in their respective crop harvest calendars and differences in the ability to produce enough food grains. The most commonly traded staple foods include maize, beans, rice and soybeans.

Regional staple food trade faces numerous challenges, most of which are structural in nature due to the dominance of smallholder farming systems and weak market systems. It is characterized by several challenges including limited aggregation and inadequate handling of commodities, inefficient linkage between farmers and downstream off-takers, information asymmetry and an unpredictable business and regulatory environment for staple food trade. This situation has led to higher transaction costs and sub-optimal earnings for value chain actors and concerns over the quality and safety of food available to consumers.

One of the biggest consequences of these structural issues is food safety risks exemplified by the prevalence of high levels of aflatoxin (and other mycotoxins) in some grains (particularly maize and groundnuts), animal feeds and food products derived from these grains and livestock. These risks are generally caused by low compliance with food standards and food safety regulations by value chain players and enforcement challenges facing regulators.

The consequences of these challenges have been severe on both trade and public health. On the trade front, Tanzania and Uganda are estimated to lose approximately US\$ 5.3 million and 16 million respectively due to the reduced value of agricultural exports resulting from aflatoxin contamination. Kenya temporarily blocked maize imports from Tanzania and Uganda between March and May 2021, citing high levels of aflatoxin in maize from the two countries. While the blockade was relatively short-lived, it resulted in significant business losses for all parties involved. On the public health front, it is estimated that aflatoxin reduces the amount of food available for consumption (in terms of caloric value) by 18 percent, 15 percent and 11 percent in Kenya, Uganda and Tanzania, respectively thus creating a food security gap.

EAGC in collaboration with the USAID PolicyLINK activity is exploring the feasibility of establishing industry self-regulation for staple food value chains in East Africa. Industry self-

regulation (ISR) refers to a process whereby market-based institutions (market actors or private sector players) govern their actions through voluntary agreements, peer pressure and other methods to coordinate their actions. This could be through industry standards, corporate social responsibility, codes of practice and codes of ethics, among others. ISR can co-exist side by side with existing government regulation, usually by prescribing additional rules to govern the actions of firms. It can help in addressing regulatory gaps or mitigate the risk of excessive regulation.

KEY HIGHLIGHTS FROM THE WRITESHOP

Remarks by EAGC

EAGC Executive Director, **Mr. Gerald Masila**, in his opening remarks:



RECAPPED EAGC's mandate of facilitating trade by ensuring minimal trade disruptions, **CITING** preceding trade scenarios where each EAC country had its own grain standards and Sanitary and Phyto Sanitary Measures posing as a barrier to intra-regional trade. To eliminate trade barriers and facilitate trade in the region, Mr. Masila **NOTED** that EAGC spearheaded the harmonization of grain standards in EAC and their subsequent reviews, and further proceeded to harmonize standards for hermetic (grain) storage, and currently reviewing animal feeds standards.

POINTED OUT that the write shop follows ISR consultations at country level, where each country comprehensively brought out its concept of ISR, **FURTHER POINTING OUT** that the write shop sort to: Recap the consultations from the countries; reaffirm the identified problems and identified solutions; identify the framework to constitute ISR to address the identified problems; and develop a draft ISR framework.

Remarks by PolicyLINK

The Knowledge and Learning Director at PolicyLINK, **Ms. Catherine Mbindyo** in her remarks:

WELCOMED stakeholders to the write shop and **APPRECIATED** their effort in seeking regional solutions to the persistent food safety challenge.



RECCAPPED the role of PolicyLink as improving food security policy outcomes through strategic partnerships, with the aim to strengthen competitiveness in Regional Agricultural Trade in EAC and COMESA countries by supporting stakeholders to identify problems and solutions along the agricultural value chains.

STATED that PolicyLink, together with partners and stakeholders, have conducted research on existing problems and identified their solutions and reached a consensus to establish ISR I staple food value chains. Ms. Mbindyo **NOTED** that the workshop sought to focus on key action points towards establishing an ISR **RECOGNIZING** the need for countries to share lessons given that they have different processes in establishing ISR, **URGING** stakeholders to be open minded in the development of the ISR framework to achieve desired solutions.

Remarks by Ministry of Agriculture, Livestock, Fisheries and Cooperatives (MoALFC)

Mr. Juma Mohammed, Head of Food Crops, State Department for Crop Development and Agricultural Research, on behalf of **Dr. Francis Owino**, Principal Secretary, State Department for Fisheries, Aquaculture and Blue Economy, Ministry of Agriculture, Livestock, Fisheries and Cooperatives, in his remarks:



NOTED that Food Safety regulations and standards are critical in ensuring that citizens not only access food but also consume safe and nutritious food, **FURTHER NOTING** that food safety issues ought to be a concern to all actors in the value chain ranging from production, transportation, processing, retailing and consumption with the primary responsibility of food safety lying with the producers.

STATED that Standards for food and agricultural products are developed by technical committees with their secretariats at KEBS, **NOTING** that food standards give specifications for the compositional requirements, microbial requirements, the tolerance limits for contaminants, packaging, labeling and the hygiene conditions necessary for manufacture of products.

CALLED UPON all stakeholders to adhere to the laid down rules and regulations that govern the food system and regularly engage with Kenya Bureau of Standards (KEBS) and the Ministry of Health which coordinates the multiple institutions (agencies) involved in food safety management, **REITERATING** Government's efforts in supporting the initiative to develop ISR by building synergies and enhance compliance to regulations and standards and thereby ensure food and nutrition security for all Kenyans.

Recap on Industry Self-Regulation to enhance food Safety in Regional Staple Food Value Chains

EAGC Trade Policy, Research and Advocacy Manager, **Mr. Kimwaga Mhando** made a recap of Industry Self-Regulation. In his recap, he:



NOTED that ISR is a regulatory process where an industry level organisation sets and enforces rules and standards relating to the conduct of firms in the industry, which agrees, sets and commits to standards of performance to produce safe, hygienic and quality products at competitive price. A group of firms in an industry or an entire industry sector agree to act in prescribed ways, according to a set of rules or principles. Firms hold each other accountable and nurture a co-regulation partnership with the government.

FURTHER NOTED that ISR entails an industry code of conduct, an audit program for assurance, subscription and commitment to code, surveillance, monitoring, reporting & enforcement scheme, a training and certification program for auditors and inspectors all through which the industry agrees, sets and commits to standards of performance to produce safe, hygienic and quality products at competitive price.

POINTED OUT that ISR is set to **reduce the costs of compliance** by spreading the costs across all value chain players, making it easier to comply at a lower cost by sharing resources and less punitive industry corrective actions; create fairness in the market where industry players self-regulate by monitoring each other, take corrective actions in line with agreed rules; and build trust with government regulators which ensures less regulatory burden (and cost) imposed by government bodies

Presentation on Outcomes from country workshops

EAGC Trade Policy, Research and Advocacy Programs Assistant, **Mr. Claude Musalia**, **presented on the outcomes from the country workshops, that were hosted in Kenya, Uganda and Tanzania on the 8th, 11th and 13th April, 2022, respectively, to discuss Industry Self-regulation to address the aflatoxin challenge in staple food value chains.**



framework

The main takeaways from the three countries were as follows:

1. Acknowledgement of food safety as a problem
2. Consensus on Industry Self-regulation as a solution
3. Commitment by stakeholders to the Development of an ISR

The following were the outcomes from the specific countries:

KENYA:

Current Status of Food Safety Compliance – It was noted that there is the presence of weak and skewed regulation on specific value chain players, non-compliance, low awareness on standards and regulations, low implementation of Good Agricultural Practices and the lack of audit mechanisms for food safety compliance

ISR Framework and Strategy – There is need to identify, benchmark and develop possible partnerships existing Self-regulation framework systems along food value chains, and the need

to develop ICT database systems for data collection, collation, analysis and monitoring, develop a communication strategy for the ISR and develop audit mechanism and systems to monitor ISR implementation

Model to be adopted for implementation – A farmer/producer centric approach is required to implement ISR. There is also need for awareness creation and capacity building as well as incentives and recognition systems

UGANDA

Current Status of Food Safety Compliance – There is minimal implementation of standards, weak regulation across all value chain players, resistance to adoption of standards, low awareness of food safety principles and lack of monitoring systems for identified unsafe food in the value chain

ISR Framework and Strategy – There is need to incorporate current government systems in the ISR such as the Parish Model; development and implement rules and regulations governing all value chain players; develop financing plans for the registered value chain players; and develop business models for sustainability of ISR

Model to be adopted for implementation – A solution-based approach based on the challenges faced by the staple food value chains is necessary. It is also critical to create awareness campaigns at producer, trader, and transporter levels of the value chain

TANZANIA

Current Status of Food Safety Compliance – There is inadequate regulatory system; weak enforcement of standards and food safety principles; low awareness on food safety principles; and lack of surveillance mechanisms along the food value chains

ISR Framework and Strategy – There is need to demonstrate benefits for ISR members and non-members; develop a funding strategy for resource mobilization for services under ISR; develop local and regional peer review mechanisms; develop audit mechanisms for surveillance across all value chain players; and develop risk management systems for emerging issues and challenges in the ISR

Model to be adopted for implementation – There will be the need to collaborate with existing public and private sector initiatives on food safety; use a producer/ farmer centric approach in implementation of ISR and the need to create awareness campaigns and capacity building programs for ISR

Expert commentary on outcome from country workshops

Sanitary and Phyto Sanitary Expert at EAGC, **Dr. Chagema Kedera**, in his remarks on the outcome from country workshops:



POINTED OUT the need for food systems in place to ensure the delivery of safe food products **EMPHASIZING** that the role of the government is to affirm quality tests and therefore interacts briefly with food products unlike the producers and other value chain actors, who in most cases are ignorant of the law until faced by prohibiting actions such as food bans.

CALLED FOR suitable naming of ISR as an industry's self-assessment for good practice guide **STATING** that inappropriate naming scares away stakeholders by appearing to replace their roles

which is not usually the case

STRESSED the need to identify and analyse the components of ISR that shape the governance of ISR such as the existing laws and private standards applicable to the value chain, how the business plan of ISR ought to work, the code of conduct and those registered to implement it, skills and technical knowhow required for ISR, awareness of ISR among stakeholders, the functionality of the ISR systema and stakeholders' commitment in ensuring ISR works.

Case study of the Kenya Flower Council

Ms. Prisca Mwangi of the **Kenya Flower Council** shared the case study of the Kenya Flower Council. She:



NOTED that the KFC ISR has a Certification Scheme guided by an Accredited Quality System Regulations, and works in partnership with other certification scheme stakeholders in flower business around the globe. The KFC ISR structure consists of a Memorandum of Understanding for adherence with a Code of Practice and Sustainability Standard that producer members subscribe to.

STATED that KFC is a certification body with a certification standard which focuses on social, economic and agricultural practices. Each actor in the body has a role to play, with the farmers making a voluntary commitment to comply with the standards, failure to which they automatically get locked out of the market.

EMPHASIZED that audit and certification of the Council runs independently, having been accredited by the South African National Accreditation Service. She **URGED** stakeholders to benchmark from the KFC to borrow and adopt the systems that can successfully work for ISR.

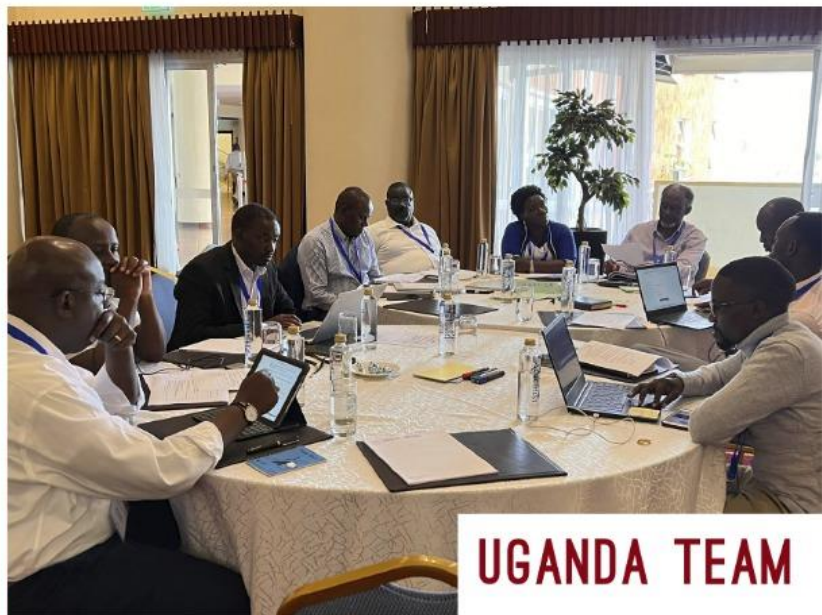
Breakout sessions for country specific mapping of ISR frameworks

There was a breakout session for country teams to refine and conceptualize the ISR framework for each of the three countries. The list of the group participants is presented in *Annex II* of this communique.

**TANZANIA
TEAM**



KENYA TEAM



UGANDA TEAM

The following were the outcomes on areas that need to be prioritized in each ISR component based on the status of each country:

For Rules/Guidelines:

Kenya: Creation of awareness ; development and implementation of the code of practice

Uganda: Establishment of a format & coordinating agency such as a secretariate; adopting industry standards; identifying entry requirements; developing disciplinary mechanisms

Tanzania: Registration of traders and processors

For Practices & Procedures:

Kenya: Creating awareness and capacity building; developing value chain specific Codes of Practice

Uganda: Identifying incentives for compliance

For Facilities & Equipment:

Kenya: Capacity building and maintenance of facilities and equipment; acquiring food testing equipment such as aflatoxin equipment; certification of food storage facilities

Tanzania: Incentives to invest in handling and testing equipment

For Audit Mechanisms

Kenya: Developing the framework for audit; monitoring compliance

Uganda: Creating joint surveillances; certification of food handling facilities and their processes; process and product certification for international market requirement

Presentation of a case study of Industry Self-Regulation in Kenya's Floriculture sector

Ms. Jane Ngige, Vice Chairperson of the Agricultural Sector Network (ASNET), and the former



CEO of the Kenya Flower Council shared a case study of Industry Self-Regulation in Kenya's Floriculture sector. In her case study she:

NOTED that it is important to assess the ISR framework upon which the standards are being benchmarked, either a regional or international framework **ADVISING** that standards do not only apply to stakeholders developing the standards but are also applicable to the global market.

CALLED UPON the stakeholders to consider delivery of integrity through the ISR framework which can be achieved through relevant certification schemes acquired through accreditation, **CITING** Kenya Flower Council's accreditation from the South Africa Accreditation Service (SANAS). Ms. Ngige **HIGHLIGHTED** that to ensure integrity in the Flower Council, the certification is not just conducted by technical teams, but also all regulatory bodies, together with the KFC and members of the public. She **FURTHER ASSURED** stakeholders that during certification, information on the applicant is usually treated in confidential to avoid biasness and favoritism.

URGED the stakeholders to incorporate harmonized standards into the ISR system in addition to taking advantage of systems such as the Warehouse Receipt Systems and other systems that are already in effect in some countries to ensure an efficient, effective and functional ISR framework.

ISR at regional level

The workshop identified the following:

The **implications of the refined country ISR at the regional level** as:

- ✓ Reduced regulatory burden
- ✓ Better quality and consistent grain supplies
- ✓ Better compliance – safer food for the public and
- ✓ Lower cost of business among others

Country ISR aspects that require support at the regional level to catalyze ISR success

- Capacity building
- Infrastructure – testing equipment
- Governance structure and systems
- Mobilization of stakeholders through stakeholder forums

The requirements to coordinate ISR at the regional level

- Convening regional organizations virtually
- Integrated ISR software/ interface among countries
- Domestication of the code of conduct and practice

The requirements to domesticate ISR at country level

- Stakeholder engagement
- Ownership

The workshop also identified the need to **extend ISR beyond the 3 countries to Rwanda and Burundi** the need to **identify a committed volunteer to champion** the ISR process.

Outcomes of the workshop

The workshop succeeded to develop the following key outcomes:

1. Synthesizing feedback from country workshops on ISR solutions to inform a proposed ISR framework
2. Identified components of ISR that each country needs to prioritize based on existing frameworks for a fully functional ISR
3. Stakeholders gave suggestions and proposal for considerations in the development and implementation of an ISR framework for the sector
4. Mapped out stakeholders critical in the successful implementation of ISR
5. Developed key messages targeting each stakeholder, critical in ensuring support to a functional ISR
6. Identified specific strategies for establishing and strengthening ISR at country and regional level

The Way Forward

The workshop proposed the following next steps:

1. EAGC to share a communique and a report on the workshop
2. EAGC to pitch the ISR proposal to stakeholders for development and adoption
3. Continuously socialize solutions at country level, what to ask of government
4. Identify and prioritize what it takes for ISR to get operational
5. Identify resources required and resource mobilization strategies for effectively implement ISR
6. Pin point a stakeholder to operationalize ISR

About the Eastern Africa Grain Council

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.

In facilitating structured grain trade in the Eastern Africa region, EAGC provides trade facilitation services through the EAGC G-Soko Grain Trading System; market and cross-border trade information through the Regional Agricultural Trade Intelligence Network (RATIN – www.ratin.net); pursuing appropriate policy reforms to support growth of structured grain trade

through the Agricultural Trade Policy Advisory Forum for Eastern and Southern Africa (ATPAF-ESA); and capacity building of grain industry stakeholders through the Grain Business Institute (GBI).

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

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ANNEX 1: PARTICIPANTS LIST

#	NAME OF PARTICIPANT	ORGANIZATION NAME
DEVELOPMENT PARTNERS		
1	ANDREW EDEWA	TRADEMARK EAST AFRICA
2	CATHERINE MBINDYO	POLICYLINK
3	GERALD MUSYOKI	USDA/TRASE
GOVERNMENT		
4	CAROLINE NANKINGA	MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES
5	GILBERT ASASIRA	MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES
6	KAROROK KEDII	KEBS
7	LAZARO MSASALAGA	TBS
8	PHILIP KANDIE	NCPB
9	MAIYO SAMWEL	KEPHIS
10	JOYCE MALINGI	KALRO
11	ROSE ADIKA	KOMEX
12	JANE WAMBUGU	MDALF & C
13	ROBERT MWANJE	TGCU
PRIVATE SECTOR		
14	ADOLF OLOMI	KIMAKAMAKA GRAINS
15	JANE NGIGE	ASNET

15	AGATHA THUO	ASNET
16	ALFRED MWANGI	ALFRED SHAMBABORA LTD
17	ANTHONY KIOKO	CEREAL GROWERS' ASSOCIATION
18	ANTHONY WERU	AKEFEMA
19	AUGUSTINE MUTIJIMA	SARURA COMMODITIES (RWANDA)
20	DAVID MUTAZINDWA	KINONI FARM PRODUCE
21	EMMANUEL ASIIMWE	INTEGRATED AGRITECH (U) LTD
22	KENNEDY NYAGAH	UGMA
23	MARTIN SILAYO	UNION SERVICE STORES LTD
24	SILAS NGHABI	NAFAKA KILIMO
25	PRISCA MWANGI	KENYA FLOWER COUNCIL
26	JUMA MUHAMMED	MDALF & C
27	ANNE WANGUI	UGMA
28	KENNEDY ONDIWA	USAID
29	ELIZABETH NDERITU	TMEA
30	CHAGEMA KADERA	INDEPENDENT CONSULTANT
31	SEBASTIAN MSOLA	KIBAIGWA FLOUR SUPPLIES
32	AUSTINE MWINZI	KAM
33	GERALD MASILA	EAGC
34	JANET NGOMBALU	EAGC
35	KIM MHANDO	EAGC
36	LEVIS OGORO	EAGC
37	LYNETTE KITHINJI	EAGC
38	CLAUDE MUSALIA	EAGC
39	ELVIRA NALYANYA	EAGC
40	PAUL OCHUNA	EAGC
41	PAUSTA CLESSY NUWAGABA	EAGC
42	PENINA GICHURU	EAGC
43	WANJA MBUGUA	EAGC
44	PRUDENCE MUSHI	EAGC

ANNEX 11: COUNTRY BREAKGROUPS GROUPS AND THEIR PARTICIPANTS

#	NAME OF PARTICIPANT		ORGANIZATION NAME	
	KENYA		UGANDA	TANZANIA
1	PENINA GICHURU		PAUL OCHUNA	KIM MHANDO
2	WANJA MBUGUA	ANNE WANGUI	PAUSTA CLESSY NUWAGABA	LYNETTE KITHINJI
3	CLAUDE MUSALIA	KENNEDY NYAGAH	LEVIS OGORO	PRUDENCE MUSHI
4	ROSE ADIKA	ANTHONY KIOKO	ROBERT MWANJE	LAZARO MSASALAGA
5	JANE WAMBUGU	ANTHONY WERU	ALFRED MWANGI	ADOLF OLOMI
6	KAROROK KEDII	PRISCA MWANGI	DAVID MUTAZINDWA	AUGUSTINE MUTIJIMA
7	AUSTINE MWINZI	JUMA MUHAMMED	EMMANUEL ASIMWE	MARTIN SILAYO
8	PHILIP KANDIE	AGATHA THUO	GILBERT ASASIRA	SEBASTIAN MSOLA
9	MAYO SAMWEL	JANE NGIGE	CAROLINE NANKINGA	SILAS NGHABI
10	JOYCE MALINGI			