

# **PUBLIC PRIVATE PARTNERSHIPS & MAKING THE AFRICAN MARKET**

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- What are the major beneficial relationships between SMEs and Food Safety Labs?
- What should these systems also expect from SMEs?
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- The CAADP Process, NAIP, BR
- Major Risks (aflatoxin) and Opportunities (Regional blocks) and harmonization
- Best Practices for Replication: PACA
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# BENEFITS of PPPs

- Value Chain Development
- Innovation and Technology Transfer
- Building Market Infrastructure
- Structured Business Dev Services
- Restructured, Stable Market
- Improved Product Quality
- Secured Market
- Investment

# SPECIFIC BENEFITS BY SMEs FROM LABS

- TESTING SERVICE
- QUALITY
- AWARENESS OF STANDARDS
- OVERALL IMPORTANCE OF TESTING

# DEALING WITH SMEs: SOME CHALLENGES

- UNSUPPORTIVE ENVIRONMENT
- DESIGN ISSUES
- OPERATIONAL MATTERS
- FINANCIAL
- SUSTAINABILITY ISSUES

# Examples of Major PPP successes

- PACA
- AAIN
- SAGOT
- WAREHOUSE RECEIPT PROGRAMMES
- HORTICULTURE ALLIANCES
- ZAMBIA MILK ALLIANCE

# Food Safety and Regional Trade

- ASARECA Study, 2010: 50% of consumers of milk were concerned about packaging being low and the milk was thus “perceived unsafe” and thus preferred well packaged New Zealand milk
- UNIDO 2014 study states that in Africa only 30% of primary products undergo processing and are “unsafe”
- Adulteration of products like milk, honey reported and hampering regional trade

# Food Safety and Regional Trade

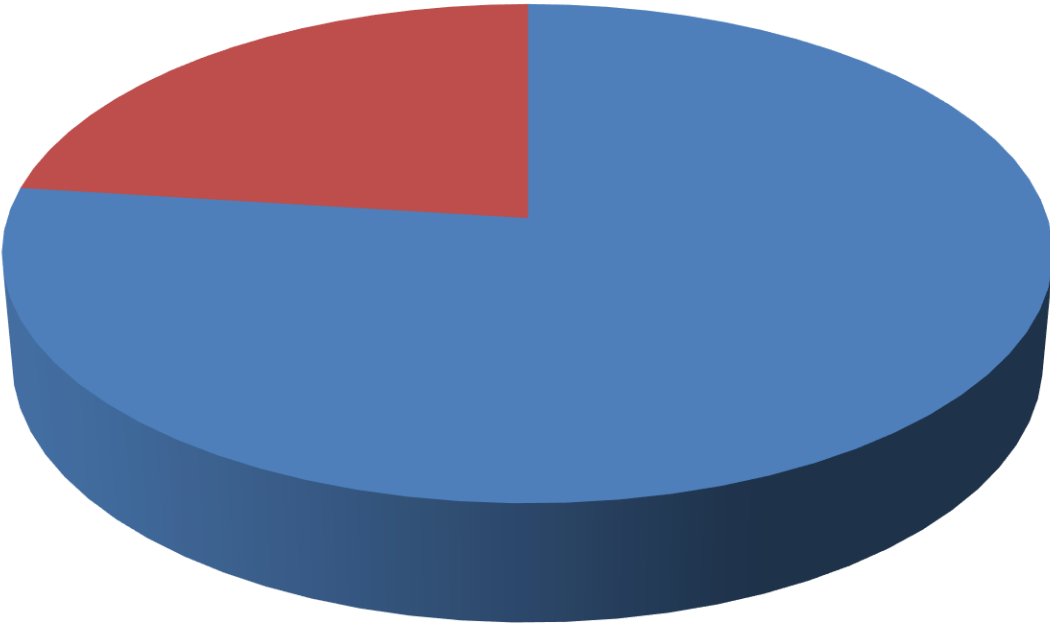
- Aflatoxin in groundnuts reported especially in East African stored grain
- Arsenic, lead in rice in some parts of the continent (potent carcinogens)



# Groundnuts Global Trade, 1960

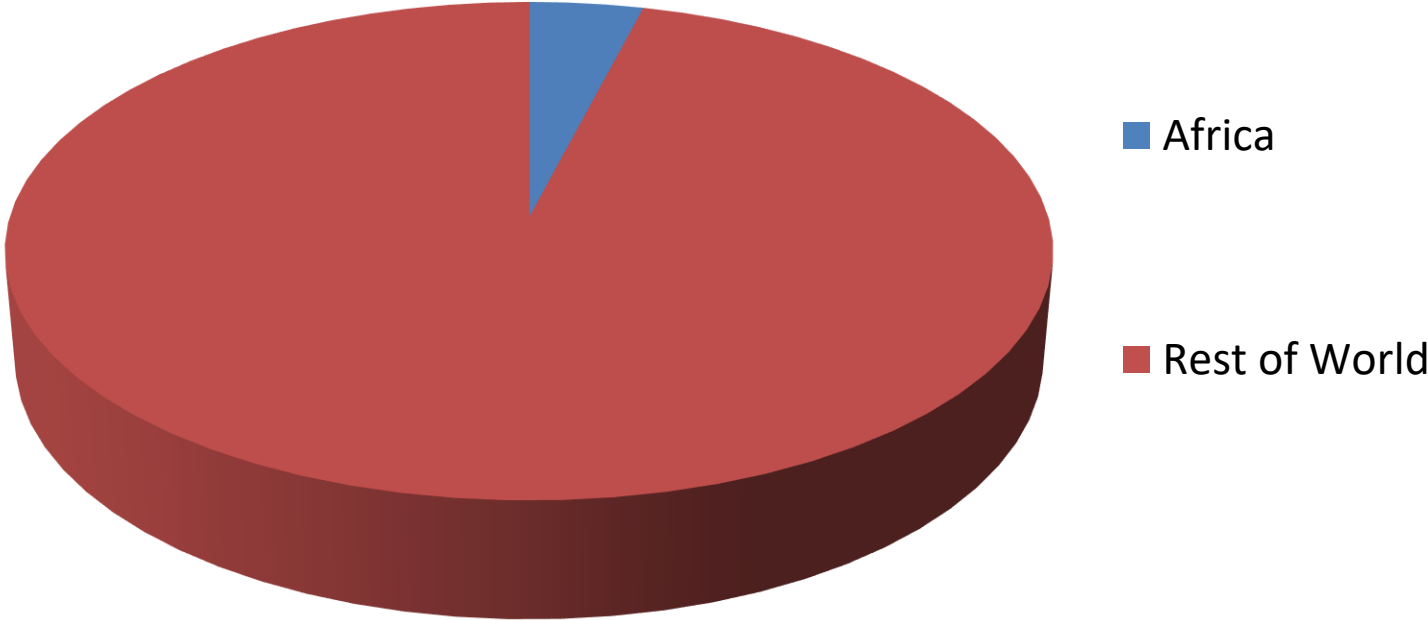
% Share

- Africa
- Rest of World



# Groundnuts Global Trade, 2015

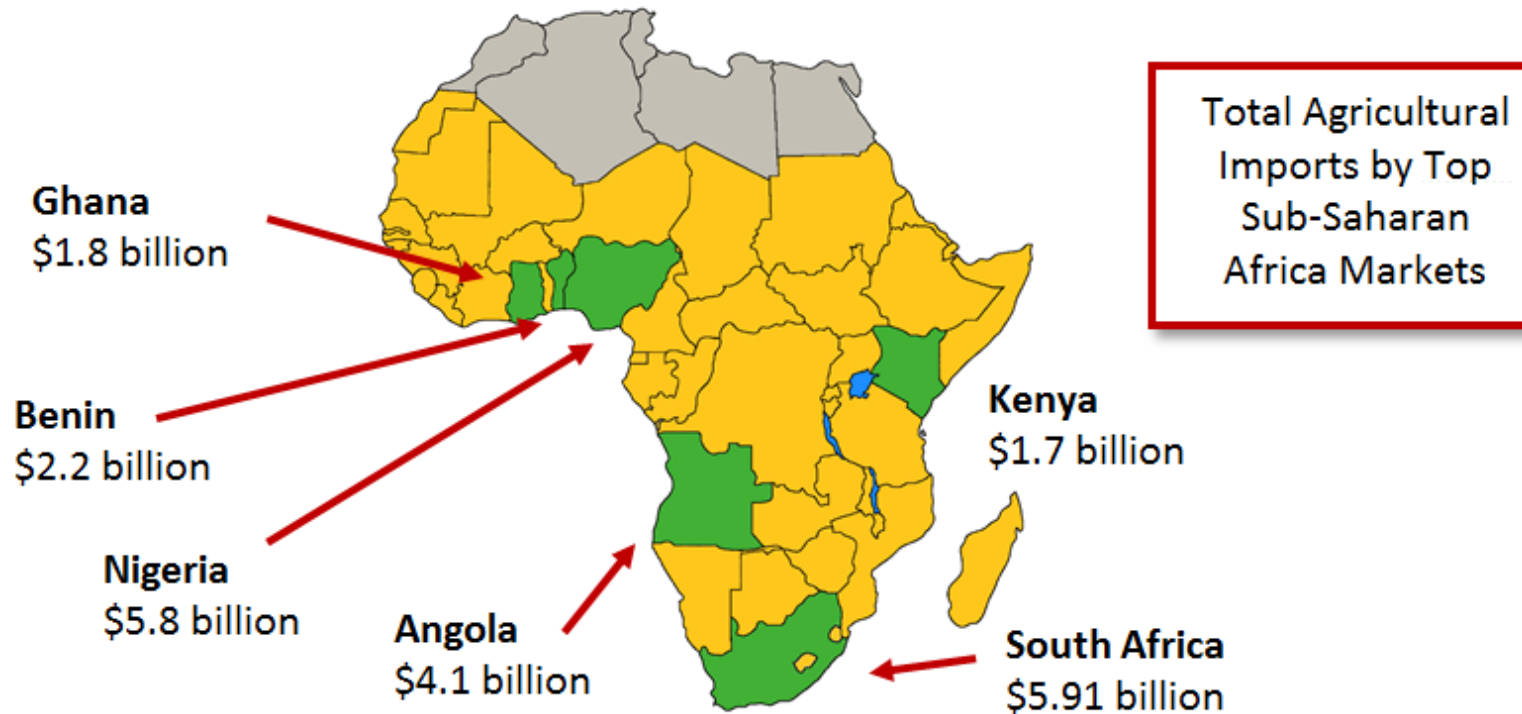
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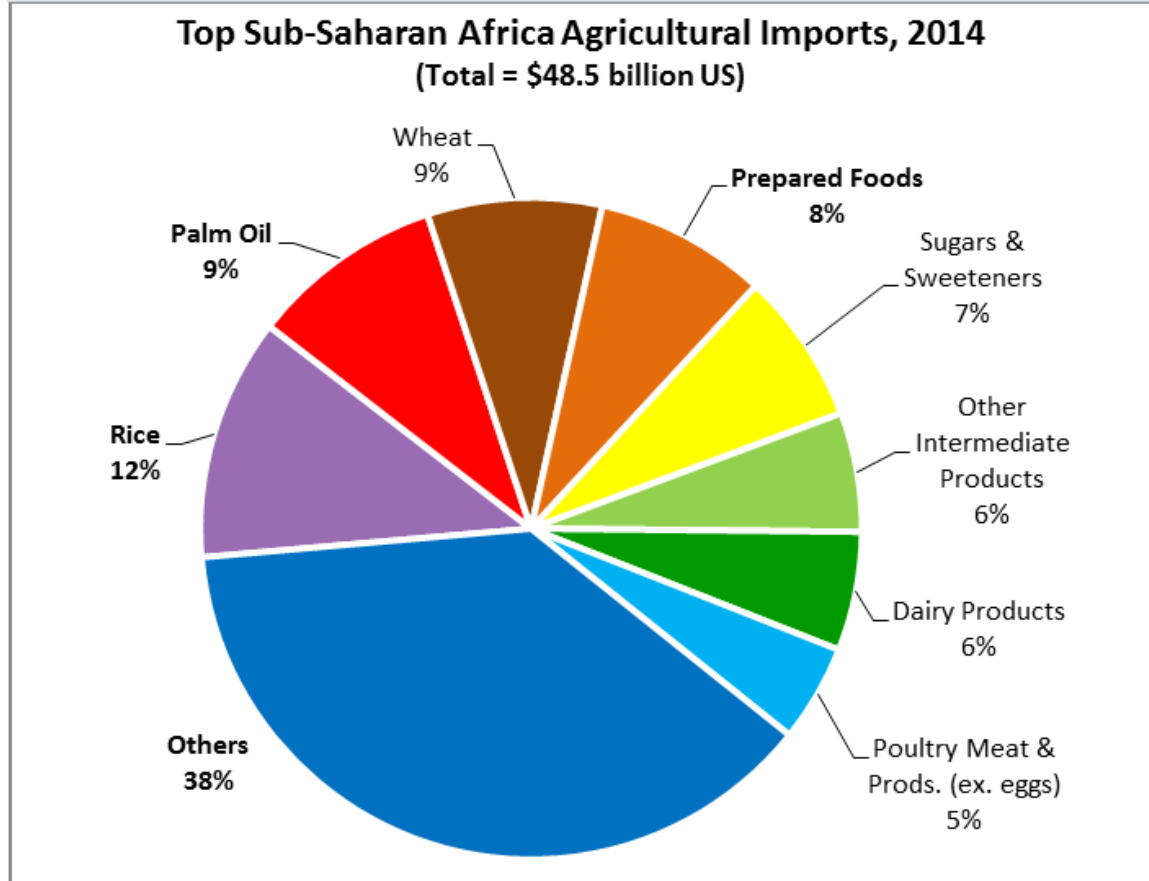
# Tripling Intraregional Trade?

- However, **very few African countries are on track to meet, in particular, the tripling of trade target** due to various constraints but chief among them is the **inability to meet food safety** standards. **Only three countries are on track on this indicator.**

# The Big African Agro Importers



# The major African Agro Imports



Source: UN Annual Exporter Derived Data

# CAADP Process

- From Maputo Declaration of Agriculture (emphasizing four pillars), the CAADP Agenda moved to Malabo Declaration (with seven commitments);
- Malabo also introduced a Biennial Review (**BR**) process on progress over the 7 commitment;
- Following the seven commitments, the AUC and partners further defined 23 performance categories and 43 indicators for the seven thematic areas of performance.

# CAADP Progress

- Of the 47 countries which provided information in the first Biennial Review, 20 are on track and 27 are lacking behind. Awards were given to the best performing countries Rwanda (1<sup>st</sup>), Mali (2<sup>nd</sup>) and Morocco (3<sup>rd</sup>). In addition, the countries performing best on the indicators related to the theme “Intra-African Trade”, were recognised: Lesotho for volume of trade and Botswana for trade facilitation.

# Food Safety *Inadequately* Covered in Indicators

Of the 43 indicators, **food safety was not adequately covered**. Yet, key stakeholders recognize that without raising food safety standards, Africa will not be able to Meet Malabo Declaration especially with regard to commitments 3 (Ending Hunger), Commitment 4(Poverty Reduction) and Commitment Number 5 (tripling intra African trade in agricultural commodities).



# Introduction Food Safety Indicator

- In 2018, AU convened write shop to develop composite indicators packaged in an African Food Safety Index (AFSI);
- Now Implementing the AFSI.

# OPPORTUNITIES for Enhancing Food Safety in Africa

- Demographic growth, Increasing urbanization, Emergence of a middle class will demand stricter adherence to food safety
- Current food import bill is **\$50 billion projected to grow to \$110 billion** by 2025
- Large size of continent, different agro ecological zones, ample room for specialisation and booming food trade within the continent
- Huge Intra – Africa Regional Food Trade opportunity
- CFTA to harmonize quality and safety standards
- Codex could provide a consensus base for a continent wide harmonization and thus expanded trade

# Opportunities to Enhance Food Safety

- Most African Countries are net importers of major agricultural products, such as dairy products which are sourced from Europe, Australia and New Zealand. South Africa is the exception.
- Significant technical and institutional barriers continue to limit the exploitation of the growing demand for value added dairy products.

# Opportunities to enhance food safety

- More than 50% of consumers interviewed in a study conducted by ASARECA in six Eastern Africa countries in 2015 saw quality of packaging to be an important measure of both quality and safety of products they purchased and would be willing to pay more for better quality packaged milk

# Best Practices for Replication

- PACA Model:

Encourage all countries to support PPPs that work on **food safety situational analysis and strategy/plan, validate the plan and mainstream it into national development plans, seek stakeholder partnership and support on it and continuously monitor and evaluate progress**

# Conclusions and Way Forward

PPPs can help to:

- Raise Awareness Among Value Chain Actors
- Food Safety Situational Analysis / Strategy
- Leverage CFTA
- Look for Models in Food Safety Financing, e.g. PACA Countries
- Coordination Mechanism, national and regional

# Conclusions and Way Forward

- The STDF, being focused on trade, needs to be more deliberate in supporting regional efforts with large numbers of SMEs

# Conclusions and Way Forward

- Promote/Reward SMEs that meet Quality
- Promote Regular Testing
- Encourage local / Regional Certification or affiliation
- Support value chain actors with capacity to understand required quality and safety standards and packaging of acceptable standards



# Conclusions and Way Forward

- PPPs can Promote Food Safety as **Shared Responsibility** from farmers, processors / manufactures to vendors, traders and consumers, factories, educators, health care providers, consumer associations, women's groups, youth, schools, civic and traditional leaders, agricultural extension officers, law enforcement officers, market and traders associations.

# CONCLUSIONS AND WAY FORWARD

- PPPs can help bring forth **real business opportunities** for SMEs in food trade in Africa as exemplified by expanding food import bill
- Standards harmonization and capacity to meet them is a **priority area** for SMEs for sustainability of SMEs, their reputation and national business reputation

# Conclusions and Way Forward

- There is need for all concerted action by all relevant stakeholders to **alleviate Africa's food borne disease burden**, allow the SME sector to take its place in the market place by addressing the constraints, barriers and challenges hindering SMEs from cementing their rightful role as potential sustainable providers of jobs, food and empowerment on the continent.

# Conclusions and WAY FORWARD

- Overall, Codex is a powerful tool to overcome a number of the handicaps holding back African SMEs, and thus African countries need to continue on the way towards **integration using Codex** as a good basis for this.

# Conclusions and Way Forward

- Partnerships among UN agencies, the AU, National Governments, **SME umbrella Organizations / Programmes** focused on **building the capacity of SMEs** to understand and implement Codex would go a long way in integrating SMEs in the national, regional and international market place.

# Conclusions and Way Forward

- **A programme targeting SMEs focusing on awareness of Codex Standards and processes** should be designed and implemented and be a major driving force for partnership with SME umbrella institutions
- The AUC Private Sector APEX body initiative needs to be supported and a key area of focus for the body is standards harmonization, helping to forge partnership between SMEs and Public Labs to meet requisite standards

# Conclusions and Way Forward

- PACA/AUC must expand scope and do more commodity **value chain initiatives** like **groundnuts forum, the maize forum** in Senegal and Kenya respectively in 2015 and 2016.

# Conclusions and Way Forward

- Africa's ever expanding food import bill will not be dismantled unless key measures to support **competitiveness** and sustainability of African SMEs are embraced as a priority by African governments, AU, Development Partners and UN agencies particularly FAO, WHO, IEAE and UNIDO. Support to meet Food Safety Standards is a key area of need for SMEs.



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