

FACILITATING EU THIRD COUNTRY LISTING FOR ETHIOPIAN HONEY

Author: Dr Juergen Greiling
Country: Ethiopia
Sector: Agriculture, Value Chains

INTRODUCTION

Why is Third Country Listing important?

Ethiopia, while being an important actor in the world's honey and beeswax sector, was until recently still banned from exporting any animal-based product to the European Union (EU), where an excellent market for Ethiopian (specialty) honey exists. This was because so far Ethiopia was not listed as a "Third Country with Approved Residue Monitoring Plan", an EU regulation controlling exports to all EU member States.

Third Country Listing is the basis for the import of any product of animal origin into EU countries. No such products, even if certified through other procedures such as organic or fair trade labelling, can enter an EU-country if not registered in the Third Country Listing. Furthermore, non-EU countries such as Norway use the Third Country Listing as a basis to accept imports.

THE REQUEST

Accreditation as Third Country Listing requires engaging in a rather complex and, for the first round, costly procedure. To remain on the list is less costly but still requires annual updates and residue analyses. Resources (expertise and finance) for undertaking the all-important initial Third Country Listing for Ethiopian honey were neither available at the level of the individual producers, processors or exporters nor at the level of the sectoral association, namely the Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA). Last but not least, the "competent authority" – in this case the Ethiopian Ministry of Agriculture and Rural Development (MoARD) – which is supposed to prepare and submit the request, lacked the necessary resources to engage in the process.

Residues are traces of chemicals or foreign materials in food products.

The chairman of the Honey and Other Bee Products Value Chain Coordination Group had been attending APIMONDIA, a honey trade workshop in Dublin, in which Third Country Listing of African countries was a key topic. He was back with detailed information regarding the process that facilitated the Zambian Third Country Listing and approached SNV-BOAM for assistance in registering Ethiopia on the first Third Country Listing for the export of honey to the European Union.

PROCESS

Using information from the Zambian experience, SNV began by preparing an action plan for the Ethiopian honey Third Country Listing. After that, the entire course of action was taken over by the Honey Quality Working Group established by the value chain coordination group to oversee the process, provide input and approve submissions. Members of this working group included representatives of the private and public sector and SNV.

An international consultant who had successfully listed another African country (Uganda) and three national consultants were hired to assist in the process and prepare the framework of the accreditation request. The local specialists included a representative of the Ministry of Agriculture and Rural Development, an expert from the national apiculture research centre and a chemist from a private laboratory. Box 1 summarises the steps that were taken to complete the accreditation process.

Major steps involved in Third Country Listing accreditation Sampling

To determine the number of samples to be analysed, a sampling schedule for future Ethiopian honey exporters was prepared, based on maximum exportable quantities. Honey was sampled during the harvesting season with the participation of the competent authority, and the samples were prepared for expedition to a regional accredited residue monitoring laboratory. The sampling cycle will recur every year.

Residue analysis

Samples have to be analysed for residues in an accredited laboratory. As there are no accredited laboratories in Ethiopia, an external laboratory had to be found. CHEMIPHAR, an accredited laboratory in Uganda, was selected.

Finalising the request

The results of the analyses were included in the draft EU Accreditation Request, and assistance was provided to the Ministry of Agriculture and Rural Development in submitting the request to the EU-Directorate General SANCO (Health and Consumer Protection) and in responding to questions, comments and suggestions following on the assessment of the request by DG SANCO.

There were no written agreements or contracts whatsoever, but nothing was unplanned or un-systematic. All actors knew that this "listing" was not only of overriding importance for the development of export markets, but also for establishing traceability and quality criteria that will ensure supply of better table honey for the domestic market.

The whole accreditation process was completed in approximately 11 months, at an overall cost of about € 20,000, which includes residue analyses whose costs amounted to some € 12,000.

By the end of December 2007/beginning 2008, the following results were available:

Equivalence with the European Community law for honey exports is recognised. It entered into force after publication in January 2008 in the pertinent EU document. Export markets have been developed; the projected contracts accommodate the production of up to 10,000 smallholder beekeepers.

Traceability and quality issues have been addressed simultaneously, triggering the establishment of private sector (processor)-owned apiaries in the main honey production areas, with honey collection centres (depots) for out-growers and contract beekeepers.

A team of Ethiopian experts is capable of handling Third Country Listing requests in the East and Southern Africa region; SNV's involvement at advisors' level is no longer needed.

Business partners have developed a plan to gradually absorb the costs of future (annual) renewals of the Third Country Listing.

The process has triggered a demand for laboratory services which goes far beyond residue analyses. Taking note of this, SNV took appropriate steps to facilitate attracting investors for such a laboratory. The sample analysis undertaken in the course of the EU accreditation process prompted the CHEMIPHAR management to visit Ethiopia and consider moving to this country.

First Third Country Listing 2008-2009 assumed 300 tons of export, which was the total capacity of the participating companies. The sampling design and number of analyses to be undertaken in the second listing (for the period 2009-2010) assumes a quantity of 1300 tons.

IMPACT

CLIENTS

A Honey Desk is in place at MoARD and a formal commitment of the State Minister that the Ministry will support the Third Country Listing renewal process has been obtained. A similar commitment has been obtained from the Ministry of Trade and Industry.

Finding business partners

The creation of an export market is meaningless if there are no buyers. It is therefore essential to find business partners. Measures were taken and financially supported through the BOAM leverage funds to link exporters in Ethiopia to importers in the EU. They included:

- An international conference “Developing business in bee products”, hosted in Addis Ababa by the Ethiopian Honey and Beeswax Producers and Exporters Association on January 16-18, 2007.
- A side event “Ethio-Millennium Agro Industry Fair”, also hosted by the Ethiopian Honey and Beeswax Producers and Exporters Association (Addis Ababa, January 16-20, 2007).
- The presentation of Ethiopian specialty honeys at the International Slow Food Fair in Stuttgart, Germany (June 14 -16, 2007).
- The firm commitments of a number of companies in the EU, creating market outlets for more than 10,000 producers, motivated the actors and steered the process. A deal with Norway is underway, for a first 70 tons at very competitive price.

COST COVERAGE

The Third Country Listing accreditation is not a blanket approval for any Ethiopian honey to be exported to the EU. It is producer-specific, with only those companies whose samples were approved being able to export their honey to EU countries, and it has to be renewed every year. Initial costs have been covered by SNV through the BOAM programme, but for future renewals, listed companies will themselves pay for the analysis of their samples in accordance with the amount of honey they plan to export. The possibility to continue exporting honey to EU countries therefore depends on their accomplishments with regard to business, as it is business that will make it possible for the private sector to invest in Third Country Listing. The clear prospects for returns should encourage listed companies to keep on investing in renewal of the accreditation.

Future costs will, moreover, be drastically reduced, given the existence of a local team that no longer needs the presence of an international consultant, the support in human resource from MoARD and the guaranteed establishment of an internationally accredited laboratory for residue analysis in Ethiopia. The latter will make it possible for companies to make payments in Birr.

INPUT

SNV-BOAM’s specific assignment was to support EHBPEA’s request to the federal Ministry of Agriculture and Rural Development (the “competent authority”) to have Ethiopia listed as Third Country having an approved residue monitoring plan for honey. SNV’s input has included:

- Mediating partial sponsorship for the participation of the EHBPEA chairman in the APIMONDIA Honey Trade workshop in Dublin.
- Identifying international and local specialists qualified to bring the Third Country Listing accreditation process to a successful end.
- Developing the ToRs for the group of consultants.
- Ensuring the members of the Honey Quality Group get useful and comprehensive information.
- Providing financial support for specialist services.
- Following up the process so as to make sure that accreditation and certification schemes were organised according to international standards.
- Supporting the Honey and Other Bee Products Value Chain as a whole, thereby ensuring quality production and linkages with markets.

RECOMMENDATIONS

Following are recommendations on procedures to follow to help save time and money:

- Using the “coordination group” as an instrument assures stakeholder drive and leadership.
- Create awareness about the importance of the process for the whole value chain: quality that is acceptable to the EU also benefits the domestic markets.
- It is important for ensuring trust and commitment that the decisions of the coordination group are clear and well-documented.
- Involve the competent authority of your country in your course of action, possibly making it a member of the Value Chain Coordination Group.
- Support the advisory services with targeted funding, certainly for the initial accreditation; step by step, external funding has to be replaced with funds provided by the business partners (exit strategy).
- Use the listing process as an opportunity to create local expertise through association with international expertise. Later on this local expertise will not only handle any follow-up but can also help other countries in the region to get listed.
- The business associations are the driving force of the assembled stakeholders. Their full involvement guarantees their professional approach to future related activities, including annual updates and renewals.
- Include other bee products to broaden the scope, avert risks, and minimise the costs; encourage other sectors to use the blueprint for requests to the EU.
- Be prepared to answer questions, and do so in a timely manner. The process is a lengthy one, and it is worthwhile to try and engage the EU office in a dialogue from the beginning. Even though this may not be entirely successful, it is a good investment for the future! As the dialogue goes on and parties get to know each other, delays disappear.
- Encourage and support the establishment of (accredited) private laboratories in the country to be listed. Absence of an accredited residue laboratory creates a bottleneck and is a considerable cost factor.

PERSPECTIVES

Few African countries have so far been “Third Country Listed” by the EU for products of animal origin. They lack approved Residue Monitoring Plans (RMPs) for such products. Approved RMPs are, however, a prerequisite for export to the EU, an ever increasing lucrative market particularly for value added products. With the SNV-BOAM experience for Ethiopian honey, a blueprint for EU Third Country Listings of any animal-based product is in place. It is a model of local expertise development based on connecting existing capacities, by the end of which further such listings can be undertaken with limited, if any, external assistance in the future. The case is therefore a model for a successful exit strategy relevant for many of the countries where SNV operates. The BOAM model used in Ethiopia can be used by local operators for preparing EU accreditation requests, possibly inviting Ethiopian specialists to facilitate the process.

The Third Country Listing is expected to also benefit the local market. The infrastructures that have been created make it possible to know who the producers are, where they are located, how much they produce and how good their product is. The quality of the honey for local consumers should improve as a result.