



## Agenda Item 2

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**JOINT FAO/WHO FOOD STANDARDS PROGRAMME**  
**FAO/WHO COORDINATING COMMITTEE FOR AFRICA**  
**22<sup>nd</sup> Session**

***Nairobi, Kenya, 16-20 January 2017***

**KEYNOTE ADDRESS ON THE SMEs AND FOOD TRADE**

Opportunities for building regional markets through use of Codex Standards

### **EXECUTIVE SUMMARY**

African SMEs face a number of challenges. Among these are the different standards and regulations in different countries. Championing harmonization of regulations across the continent based on Codex Alimentarius standards, recommendations and guidelines will contribute to reducing the challenges faced by SMEs, while at the same time protecting consumer health and ensuring fair trade practices.

In order to be competitive in domestic, African and international markets, African SMEs must meet international food safety standards. Accordingly, capacity to adhere to Codex Alimentarius Standards could provide the necessary competitive stance to ensure entry and sustainability of African SMEs in the global market place.

Codex is a powerful tool to overcome some of the handicaps faced by SMEs and offers additional benefits: African countries need to continue on the way towards integration and Codex is a good basis for this. Codex standards represent a consensus basis that should be used for harmonization. Faced with the reality of very big exporters to Africa (Brazil, China and India), African enterprises, and in particular SMEs, need economies of scale: enhanced regional integration and food safety standards harmonization would support this.

To play a more meaningful role in transcontinental agri-food business, African SMEs need support from public investments as well as complementary private investments. Support is needed not only for infrastructure but also in policy and regulatory reforms, in particular reforms that address mis-aligned food safety regulatory frameworks.

Given the ambitious target that African Heads of State have set for the continent under the Malabo Declaration of zero hunger and trebling in agricultural exports by 2025, it is vital that capacity by the majority of African SMEs to meet international food safety standards is attained. Codex food and feed standards address an important range of food products, with their safety as a core concern, and as such are a tool for SMEs to gravitate towards the satisfaction of needs for a more diversified demand for food products. Most importantly, in the context of a challenged global food security situation, safe and nutritious food products are a critical pillar that should not be overlooked.

It is important for stakeholders in Africa to launch a discussion on the multisector nature of Codex and how different sectors can gain from Codex and collectively contribute to the overall development and improvement of public health, food safety food security as well as socio-economic development. Presently, beyond clear export opportunities, a key opportunity for the African private sector is to gain a share of the continent's ever growing food import bill, currently in the region of \$40 billion annually.

Given the importance of SMEs in employment and job creation, gender empowerment and food diversification, partnership with SMEs is of utmost importance. In seeking interventions to support SMEs to take up opportunities that exist in the food sector, it is vital that we link up with the SMEs themselves through their representative institutions. Most African countries have one or more national SME umbrella institutions. At the continental level, key umbrella institutions include the CNC (CAADP Non State Actors Coalition) and its constituent institutions such as PanAAC (Pan African Agribusiness and Agroindustry Consortium) and WARESA (women and Resources in Eastern and Southern Africa) that are playing important roles in working with SMEs to attain some level of a competitive edge in a highly demanding consumer and regulatory marketplace. For greater impact, SME umbrella institutions are the key entities to partner with around Codex standards capacity building and implementation in the African SME Sector.