



# TRAINING MANUAL TO ENHANCE THE CAPACITY OF TRADE COUNSELORS OF IGAD MEMBER STATES WORKING IN MIDDLE EAST, ASIA AND AFRICAN COUNTRIES

June, 2018 (2<sup>nd</sup> version )



Food and Agriculture  
Organization of the  
United Nations



AGENZIA ITALIANA  
PER LA COOPERAZIONE  
ALLO SVILUPPO

# CONTENTS

Acronyms	4
Tables and Figures	6
Acknowledgment	7
Executive summary	8
<b>1. INTRODUCTION</b>	<b>8</b>
1.1. IGAD Region	9
1.2. Why this manual?	9
<b>2. OBJECTIVE</b>	<b>10</b>
<b>3. THE LIVESTOCK RESOURCE BASE OF IGAD REGION AND ITS CONTRIBUTION TO THE ECONOMY</b>	<b>11</b>
3.1. The Resource Base	11
3.2. Contribution to the Economy	12
3.3. Why Emphasis on Livestock	12
<b>4. LIVE ANIMAL AND MEAT EXPORT TRADE PERFORMANCE OF IGAD MS</b>	<b>14</b>
4.1. Live Animal Export	14
4.2. Red Meat Export	23
<b>5. OPPORTUNITIES FOR ENHANCING LIVESTOCK AND MEAT EXPORT TRADE FROM THE IGAD REGION</b>	<b>29</b>
5.1. Supply Side Opportunities	29
5.2. Demand Side Opportunities	29
<b>6. INTERNATIONAL STANDARD-SETTING ORGANIZATIONS</b>	<b>31</b>
6.1. World Trade Organization (WTO)	31
6.2. World Animal Health Organization (OIE)	33
6.3. Codex Alimentarius Commission	35
6.4. International Standard Organization (ISO)	36
6.5. The emergence of private standards	36
<b>7. SPS REQUIREMENTS OF GULF COOPERATION COUNCIL (GCC) AND MENA COUNTRIES</b>	<b>37</b>
7.1. SPS requirements of Gulf Cooperation Council	37
7.2. Country-specific SPS Requirements	37
7.3. Trends in SPS requirements	48





<b>IGM</b>	Immunoglobulin M
<b>IGO</b>	International Governmental Organization
<b>ISO</b>	International Standard Organization
<b>KSA</b>	Kingdom of Saudi Arabia
<b>LPI</b>	Livestock Policy Initiative
<b>LSD</b>	Lumpy Skin Disease
<b>LSP</b>	Local Service Provider
<b>MENA</b>	Middle East and North Africa
<b>MoA</b>	Ministry of Agriculture
<b>MS</b>	Member States
<b>NGO</b>	Non-Governmental Organization
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OIE</b>	World Animal Health Organization
<b>PPP</b>	Public Private Partnership
<b>PPR</b>	Peste des Petits Ruminants
<b>PVS</b>	Performance of Veterinary Services
<b>RVF</b>	Rift Valley Fever
<b>SAOS</b>	Saudi Arabia Standard Organization
<b>SGP</b>	Sheep and Goat Pox
<b>SPS</b>	Sanitary and Phytosanitary
<b>TADs</b>	Trans-boundary Animal Diseases
<b>TB</b>	Tuberculosis
<b>UAE</b>	United Arab Emirates
<b>USD</b>	United States Dollar
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization

## TABLES AND FIGURES

<b>Table 1</b>	Total land area of IGAD by MS
<b>Table 2</b>	Human population of IGAD
<b>Table 3</b>	Livestock Population in IGAD Region (millions) and its % share of Africa and World
<b>Table 4</b>	Livestock Population by IGAD Member States (millions)
<b>Table 5</b>	Contribution of Livestock to Agricultural and National GDP of IGAD Member States
<b>Table 6</b>	World's Largest Exporters of Live Cattle (volume), 2011
<b>Table 7</b>	World's Largest Exporters of Live Sheep (volume), 2011
<b>Table 8</b>	World's Largest Exporters of Live Goats (volume), 2011
<b>Table 9</b>	Suppliers of live sheep and goats to selected countries in the ME
<b>Table 10</b>	Live Animal Export, Sudan, (2000-2010)
<b>Table 11</b>	Sudan Live Animal Export Volume (2015)
<b>Table 12</b>	Live Animal Export, Ethiopia (2011-2015)
<b>Table 13</b>	Major trends of world beef production, consumption, import and export in 1000 tones
<b>Table 14</b>	Meat Export, Sudan, 2000-2010
<b>Table 15</b>	Read Meat Export, Sudan (2015)
<b>Table 16</b>	IGAD MS Membership in the WTO, Codex and OIE
<b>Table 17</b>	Requirements for export of live animals from the horn of Africa
<b>Figure 1</b>	Volume of Live Sheep, Goats and Cattle Imports to the Middle East by Year
<b>Figure 2</b>	Volume of Live Sheep Import to Middle East by Importing Country
<b>Figure 3</b>	Live Cattle and Sheep Imports, Egypt, from all Sources
<b>Figure 4</b>	Live Cattle and Beef Imports, Libya
<b>Figure 5</b>	Live Cattle and Beef Imports, Egypt
<b>Figure 6</b>	Livestock export from Somalia 2009-2014
<b>Figure 7</b>	Meat Imports, Egypt
<b>Figure 8</b>	Value of Chilled Goat and Sheep Meat Exports to MENA, Ethiopia

## ACKNOWLEDGMENT

This training manual was made possible with the hard work and support of the consultant, Dr Bewket Siraw and the resource person, Dr. Wondwosen Asfaw; we are grateful for their efforts. We are also thankful to Drs. Ameha Sebsibe and Wamalwa Kinyanjui of ICPALD for their technical support and guidance.

The response received from different livestock stakeholders during the training carried out from March 21 to 25/2016 in Addis Ababa, Ethiopia and March 13 to 16/2018 in Entebbe, Uganda enriched the manual considerably. The contribution from trade counselors and Chief Veterinary Officers from IGAD member states is highly appreciated to produce this second version of the training manual. The second version has an additional information on updated import requirements of some Asian countries and highlights on contract, negotiation and arbitration.

ICPALD is grateful to the Italian Development Cooperation for their financial support and to FAO for partnership

**Dr. S.J. Muchina Munyua**  
**Director, ICPALD**

## EXECUTIVE SUMMARY

Global meat demand and prices are currently at unprecedented high levels. Buoyed by high GDP growth, globalization, higher incomes, and increased urbanization, diets are rapidly diversifying away from traditional staple commodities and towards high-value products, including meat. With this increased demand for meat arises new opportunities for IGAD member states (MS). The IGAD region is recognized for its vast wealth of livestock. However, available data indicates that livestock and livestock products export from the region is small as compared with the potential demand. Despite the substantial demand for meat and live animals from potential importing countries, export to those markets often face impediments as a result of stringent Sanitary and Phytosanitary (SPS) requirements and poor market promotion and development.

Existing market opportunities can only be seized if IGAD MS address sanitary and non-sanitary constraints hampering export trade in livestock and meat. Producers and governments in the region will need to invest heavily in SPS compliance, disease management and surveillance, market promotion and development, capacity building and infrastructure development to enhance live animal and meat trade from the region.

The limited exports have partly been due to limited coordination between the trade counselors, exporters and competent authorities in IGAD member States. The gap has been in terms of real time market information collection and dissemination on import requirements as well as commodity prices and limited promotional and linkage efforts. The complexities of international markets require the region to continue making concerted effort on trade facilitation, including market promotion, development and ensuring the region's interests are represented in major and emerging markets.

Addressing all these constrains will provide hope for IGAD region to be able to take advantage of the present situation and assert itself as an important player in global live animal and meat market.

The overall objective of this manual is to enhance the capacity of the trade counselors of IGAD MS working in the Embassies of Middle East, Asia and African countries in the areas of livestock and products trade so that they can play a role in strengthening business linkages between the IGAD and Importing regions. The manual describes facts and figures on the livestock resource base of the region, its contribution to national GDP, the volume and value of live animal and meat export from the region and its future opportunities. The role and responsibilities of the various international standard setting organizations as it relates to live animals and meat trade is also presented. The SPS requirements of importing countries are described in detail. Major challenges impeding the live animal and meat trade and the necessary measures that should be taken to address these challenges are also discussed. Moreover, the manual provides the basics of negotiation, contracting and arbitration that relates to livestock and products export trade.

Most importantly, the manual lays out an action package that clearly identifies the role trade counselors from IGAD MS can play in areas of market promotion, enhancing information exchange on market, quality, regulatory and SPS requirements, and establishing good diplomatic and business relationships between the IGAD and Importing countries.

## Introduction

### 1.1. IGAD Region

The Intergovernmental Authority on Development (IGAD) region is one of the trade blocks or economic communities in Africa. It is formed by membership of eight countries in the horn namely Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. The region has total land area of 5.2 million square kilometers accounting for 17.3% of Africa (Table 1). The total population of IGAD member countries, in 2017, is estimated at 267million (26% of Africa) (Table 2). The region has great variety of climates and landscapes including mountains, glaciers, tropical forests and grasslands as well as arid and semi-arid areas among other features. The arid and semi-arid lands account for over 80% of the land mass in the region. The highlands of Ethiopia, Kenya, Uganda and areas around Khartoum of Sudan are densely populated while the rest of the region is sparsely populated. The region is endowed with many renewable resources among them is livestock which contributes significantly to the livelihood of many.

**Table 1:**  
**Total land area of IGAD by MS**

Country	Total land Area in million Km <sup>2</sup>
Djibouti	0.023
Ethiopia	1.100
Eritrea	0.118
Kenya	0.580
Somalia	0.637
South Sudan	0.644
Sudan	1.886
Uganda	0.236
<b>Total</b>	<b>5.2 (17.3% of Africa)</b>

**Source:** World Bank, 2014

**Table 2:**  
**Human population of IGAD**

Country	Human population in Millions
Djibouti	0.971
Ethiopia	101
Eritrea	5.1
Kenya	0.580
Somalia	11.4
South Sudan	12.9
Sudan	41.20
Uganda	44
<b>Total</b>	<b>267.5 (26% of Africa)</b>

**Source:** Worldometer 2017estimate

### 1.2. Why this manual?

IGAD and East Africa Sub regional office of Food and Agricultural Organization (FAO) of the United Nations have jointly formulated a regional project on "Improving Supply of Safe and Quality Livestock and Meat Exported from the Horn of Africa to Middle East and Gulf Countries" (GCP/RAF/490/ITA) with the financial support of the Italian Development Cooperation. The central objective of the project is to improve the supply of quality and safe livestock and meat exported from Horn of Africa to Middle East and North African (MENA) countries.

Direct beneficiaries of the project are livestock producers including pastoralists and agro-pastoralists, traders, owners of export abattoirs and processing units, veterinary authorities and national chamber of commerce in the IGAD member states. In addition, livestock traders and consumers in importing MENA countries are expected to benefit from the project in terms of improved food safety and quality.

IGAD is responsible for the project Output 3 and 4. Output 4 is 'Business relations between Horn of Africa countries and Middle East and Gulf countries effectively supported'. Building the capacity of trade counselors stationed in major Middle East, Asia and African countries in the areas of livestock and livestock products export market, including the opportunities and requirements of importing countries, is one of the activities identified under this output. Trained trade counselors are expected to assist the private sector in the respective countries through promotion of products at the end markets by providing feedback on the products on demand, emerging requirements and import related data. To translate this activity into action, preparing training manual and training trade counselors using the manual was envisioned.

### The Manual covers the following areas:

- The livestock resource base of the IGAD region and the comparative advantage it offers for economic development in the region
- Volume and value of export of live animals and meat from the IGAD region
- International, regional and country requirements impacting livestock and meat trade from the IGAD region
- Opportunities and challenges for expanding live animal and meat export from the IGAD region
- Interventions to address the challenges and meet the requirements of importing countries
- The basics of negotiation, contracting and arbitration that relates to livestock and products export trade
- Role of business diplomacy in enhancing the live animal and meat export trade and action package development

## 2. Objective

The overall objective of this manual is to help enhance the capacity of the trade counselors of IGAD MS working in the Embassies of Middle East, Asia and African countries in the areas of livestock and products trade so that they can play a role in strengthening business linkages between the two regions. After going through this manual, trade counselors are expected to achieve the following specific objectives:

- Recognize the livestock resource base of the region and the comparative advantage it offers for the region's economic development;
- Understand the region's livestock and meat market volume, value and future potential;
- Comprehend international standards and MENA countries requirements impacting livestock and meat trade from the IGAD Region;
- Create awareness on opportunities and challenges for expanding live animals and meat export from the region;
- Understand the interventions needed to address challenges and seize opportunities;
- Prepare trade counselors to play their role in enhancing the live animal and meat export trade;
- Introduce trade counselors to the basics of negotiation, contracting and arbitration that relates to livestock and products export trade;
- Develop an action plan to enhance livestock and meat trade between the IGAD MS and MENA countries and get committed to translate it into action.

## 3. The Livestock Resource Base of IGAD Region and its contribution to the Economy

### 3.1. The Resource Base

Livestock is one of the major renewable resource endowments of the IGAD region. IGAD is one of the regions with the highest ruminant livestock concentrations in Africa and in the world. As can be seen from Table 3 below, the region being 3.5% of the earth's land surface; inhabits 9.3% of the cattle, 12% of small ruminants and 60.8% of the camel population in the world. Its percent share from Africa is also enormous. About 44.5% of the cattle, 38.6% of small ruminants and 71.4% of the camel population in Africa is in the IGAD region, which accounts for 17.3% of the continent's land area.

Table 3: Livestock Population in IGAD Region (millions) and its % share of Africa and World

Animal Species	World	Africa	IGAD		
			No	% world	% Africa
Cattle	1470	305.8	136	9.3	44.5
Sheep & goats	2100	663.6	253	12	38
Camel	27	23	16	60.8	71.4

Source: FAO Stat, 2012

Member state’s livestock resource base and type varies with the size of agro-ecological endowments. Countries with higher proportion of arid and semi-arid lands tend to have more small ruminants particularly goats and camels and those with middle to high altitudes grounds and some crop farming practices tend to have more cattle. Table 4 below depicts the livestock population by member states. Ethiopia has the highest cattle population in the region followed by Sudan and Kenya. When it comes to small ruminates, Sudan is the one on the lead followed by Ethiopia and Kenya. Somalia dominates the region in its camel population.

Table 4: Livestock Population by IGAD Member States (millions)

Animal Spps	Djibouti	Eritrea	Ethiopia	Kenya	Somalia	South Sudan	Sudan	Uganda	Total
Cattle	0.04	2.3	56.7	17.5	5.3	11.7	29.8	13.02	136.4
Sheep & goats	1	7.9	58.4	44.8	27.1	24.4	70.3	18.5	253.4
Camel	0.05	0.3	1.2	2.97	7.1	-	4.8	-	16.4

Source: Livestock Contribution to the Economy Studies of MS (with these studies, it was made evident that livestock’s contribution was underestimated)

3.2. Contribution to the Economy

The major economic driver of the IGAD Member States is agriculture, with livestock contributing an estimated 57% of the regional Agricultural Gross Domestic Product (AGDP). The contribution of livestock to the economy varies with country. The highest contribution is by Somalia (70% AGDP and 40 % GDP).

Table 5: Contribution of Livestock to Agricultural and National GDP of IGAD Member States

Contribution to	Djibouti	Eritrea	Ethiopia	Kenya	Somalia	South Sudan	Sudan	Uganda
AGDP	87.4	39	45	46.3	70	14.5	47	18
NGDP	3.1	4.6	18.9	11.2	40	3.4	17	5

Livestock is expected to become the largest contributor to agriculture as economic development progresses because of growing demand for high value food items (meat and dairy). In industrialized economies, livestock accounts for half of the agricultural GDP.

3.3. Why Emphasis on Livestock (Livestock as engine for economic growth of the IGAD Region -theory of change)

Most countries in the world are endowed with one or more resources. This may include; land, labor, other renewable resources like water, livestock etc. When resources with highest comparative advantage for the country are identified and effectively utilized, quickest economic progressions are registered. When, by contrast, not effectively utilized, the progress has not been achieved and when achieved is not sustainable. In general, the future of every country depends on how best these resource endowments are utilized to generate wealth, and how the generated wealth is used to build a base for the next growth driver.

As indicated above the IGAD region is endowed, among others, with huge livestock resources. It is one of the regions with the highest ruminant livestock concentration in the world. It is also close to the major livestock markets; MENA countries. Compared to the potential, however, the contribution of the subsector to the economy is still low.

The demand for livestock and products in developing countries is growing fast, even faster than most other agricultural commodities. This is mainly attributed to human population growth, income growth and urbanization. This growth in demand is projected to continue for the next fifty years. This creates great opportunity for countries with high livestock resource endowments and countries with potential for livestock development. IGAD member states, endowed with huge ruminant livestock population and the demand for livestock and commodities steadily growing, need to enhance opportunities available around livestock resource endowments as it can be used as an engine for development of member states.

Furthermore, the secondary benefits of livestock production along the value chain and associated employment generation are also important. Various studies estimated Sub-Saharan Africa livestock sector multipliers. According to these studies, an incremental effect of USD1 additional spending on aggregate national household incomes, results in an average USD2.9 in primary livestock production and USD5.9 in processing. In addition, whilst livestock is in most countries a stronger stimulus for economic growth than crops, fruits and vegetables, manufacturing and service sectors, the benefits of livestock sector growth are usually more equally distributed because of a web of indirect linkages across distribution, processing and marketing activities. In a retrospective analysis, studies also found a statistically significant causal relationship between livestock sector development and economic growth in 18 of the 20 African countries analyzed, strongly suggesting that increases in value-added per Tropical Livestock Unit (TLU) are a driver of GDP per capita growth. In general, increased agricultural productivity, including livestock, is anticipated to lower food prices, which directly benefits the poor and generates a surplus of products and factors that can be exported from agriculture to the rest of the economy, thereby facilitating economic growth and poverty reduction.



There are three critical interventions that governments can use to speed up economic development using this resource. The first is to maximize outputs from small holder animal agriculture, which employs, vast majority of people. This makes use of all available labor, technologies to push up outputs to the highest possible level on the basis of tiny gains per person employed. The overall initial is an overall surplus that primes demand for goods and services. The second intervention is to use the proceeds from animal agriculture to build livestock products based agro-processing/manufacturing industries mainly targeting exports. The third intervention is to make the financial sector focus capital on intensive, small scale animal agriculture and agro-processing/manufacturing development. Formulating effective livestock sector policies and institutional changes to harness the potential around the livestock sector is very critical and should be done now before it gets too late and be a missed opportunity.

## 4. Live Animal and Meat Export Trade Performance of IGAD MS

### 4.1. Live Animal Export

#### 4.1.1. Global Picture

Globally, over 90 countries participate in live cattle export business. In 2011, 95 nations exported a total of 10.4 million heads of cattle. Mexico was the largest exporter of cattle followed by France (Table 6). In the same year, sheep were exported by 80 countries, with a global total of approximately 15 million heads. Sudan was the largest exporter followed by Australia, Somalia and Romania (Table 7). Approximately six million goats were exported by 63 countries in 2011. The major exporters of goats were Somalia, Iran, Oman (most likely re-exports) and India (Table 8).

**Table 6: World's Largest Exporters of Live Cattle (volume), 2011**

Contribution to	Percentage of World Trade	Main Export Destinations
Mexico	18	United States
France	15	Intra-European Union
Canada	7	United States
Germany	6	Intra-European Union
Australia	6	South - East Asia
Brazil	4	Venezuela, Lebanon
Netherlands	4	Intra-European Union
United States	2	Canada

**Sources:** ABS 2014c, FAO 2014, United Nations Statistics Division 2014

**Table 7: World's Largest Exporters of Live Sheep (volume), 2011**

Nation	Percentage of World Trade	Main Export Destinations
Sudan	17	Middle East, Egypt
Australia	16	Middle East
Somalia	13	Middle East
Romania	12	Intra-European Union, Jordan, Libya
France	6	Spain, Italy
Bulgaria	5	Turkey, Intra-European Union

**Sources:** ABS 2014c, FAO 2014, United Nations Statistics Division 2014

**Table 8: World's Largest Exporters of Live Goats (volume), 2011**

Nation	Percentage of World Trade	Main Export Destinations
Somalia	34	Middle East
Iran	26	Intra-regional (Middle East)
Oman	13	Intra-regional (Middle East)
India	12	Nepal

**Sources:** ABS 2014c, FAO 2014, United Nations Statistics Division 2014

#### 4.1.2. Major Features of the Middle East and North African Live Animal Import Market

The MENA market is the largest live animal market in the world. It particularly imports significant volume of sheep from different countries (Fig 1). The annual import volume of sheep fluctuates and ranges from 6 to 16 million per year. In 2011, 8.5 million sheep were imported, primarily by Kingdom of Saudi Arabia (56%), Kuwait (11%), Bahrain (9%), and Qatar; Jordan and Yemen (5%) (Fig 2). Intra-regional trade is also an important source of live sheep in the Middle East (ME). Syria and Iran are net exporters of live sheep and primarily export to other countries in the region. In 2011, countries in the Middle East (mainly Iran and Syria) also exported significant number of sheep (1.6 million). Additionally, Kingdom of Saudi Arabia (KSA) and Jordan are net importers of live sheep but re-export significant number of live sheep to other countries in the region.

Live goats and cattle imports are small compared with live sheep imports but generally increased over 1990 to 2011. In 2011, the Middle East imported 4.5 million live goats, and the major import destinations were KSA, United Arab Emirates (UAE) and Oman. It also imported 781,000 cattle in the same year with Lebanon, Israel and Yemen as the other main importers.

Religious and cultural preferences, primarily for halal slaughter, drive demand for live animal imports in the Middle East. Ninety one percent of the population in the Middle East is Muslim. Lack of refrigeration in poorer countries like Yemen also contributes for preference for live animal imports.



Fig 1: Volume of Live Sheep, Goats and Cattle Imports to the Middle East by Year

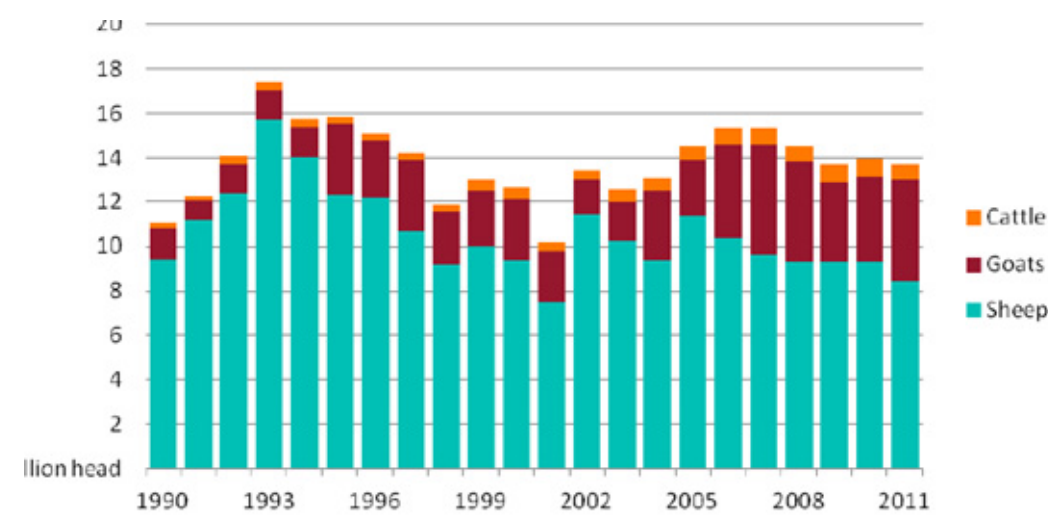
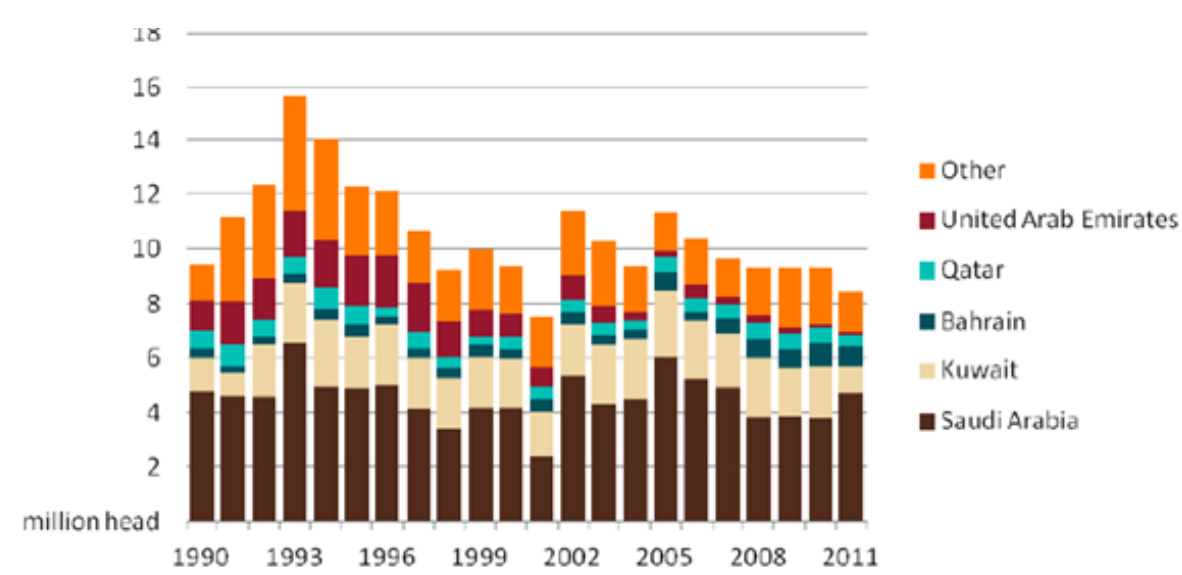


Fig 2: Volume of Live Sheep Import to Middle East by Importing Country



Historically, the livestock trade between the IGAD region and the ME was largely unregulated. Animals were transported across the Gulf of Aden into Yemen, from where they were trekked deeper into KSA. A small proportion of the trade went directly to the ports of Jeddah and Muscat. However, in recent years, livestock importers have become more aware of potential health risks and therefore more concerned about the origin and health status of imported animals. The 2001/2002 outbreak of Rift Valley Fever (RVF) in KSA resulted in a ban on livestock imports from the Horn of Africa to the entire Arabian Peninsula. The ban was lifted in 2007 after extensive efforts by national, regional and international institutions succeeded in building capacity for the flow of livestock, with the necessary measures for the exclusion of known transboundary animal diseases. This includes the adoption of World Organization for Animal Health (OIE) guidelines for the export/import of animals, the provision of adequate quarantine facilities and the availability of state Veterinary Services to monitor quarantine performance. Since then the export volume from IGAD region is steadily growing.

In 2011, imports of small ruminants from Sudan, Somalia and Djibouti accounted for 62% of total imports to the ME. This share has been increasing in recent years. In 2015, the market share has reached 80%. KSA is the primary destination for the African sheep.

Table 9 depicts the major suppliers of sheep and goat to some selected countries in ME. The major suppliers of live sheep and goats are countries in the IGAD region followed by Australia. Brazil and Somalia are primary suppliers of cattle in the ME. There is an estimate of 50-80% of small ruminants going for export from Djibouti and Somalia are originally from Ethiopia.

Table 9: Suppliers of live sheep and goats to selected countries in the ME

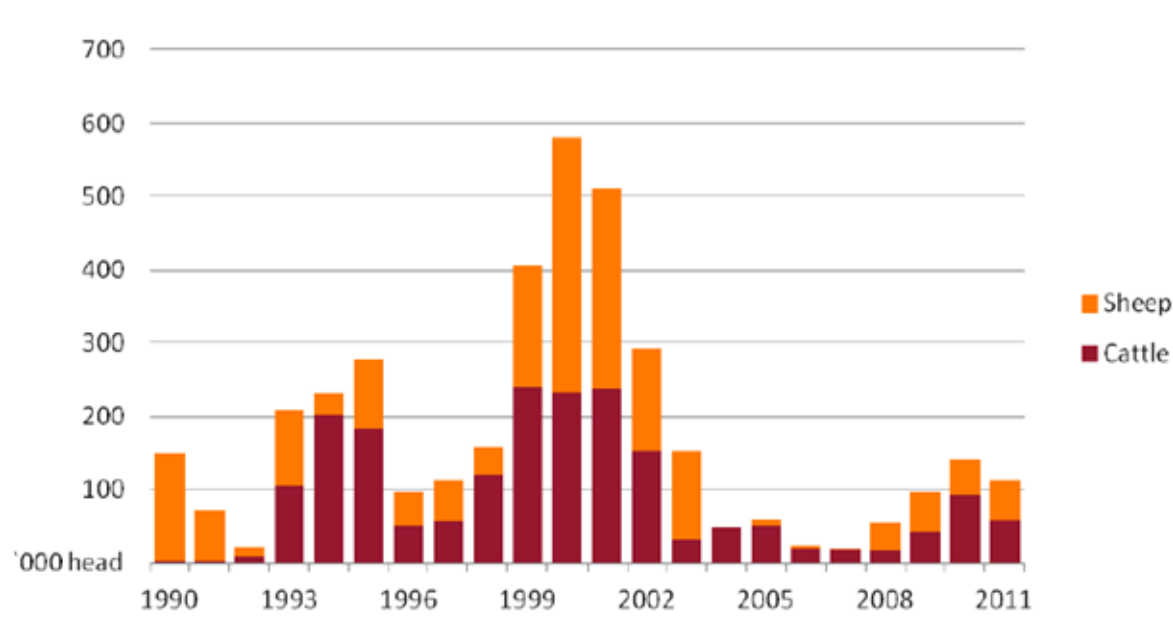
Import Destination	Larger Supplier	Second - Largest Supplier	Third - Largest Supplier
	Sudan	Somalia	Syria
Somalia	Australia	Saudi Arabia	Somalia
Iran	Somalia	Ethiopia	Djibouti
Oman	Somalia	Iran	Australia

**Note:** Kuwait and Qatar not included because of data limitations.

**Source:** Keogh & Tomlinson 2013

North Africa is another important destination for live animal export. Egypt is the major live animal importer in the group followed by Libya (Fig 3 and 4). While Egypt is a regular importer of live animals, Libya intermittently imports live sheep and cattle from different countries. Australia, Brazil, Ethiopia, Sudan, and Croatia are the major suppliers of cattle to the Egypt market. Romania is generally the dominant supplier of live cattle and live sheep to Libya. Libya also imports cattle from the Republic of Ireland. The volume of live animal import in a year is influenced by the volume of meat imported in that particular year (Fig 5).

Fig 3: Live Cattle and Sheep Imports, Egypt, from all Sources



**Note:** ABS data for Australian exports to Egypt is used instead of FAO data for total imports by Egypt when ABS data exceeds FAO data.

Fig 4: Live Cattle and Beef Imports, Libya

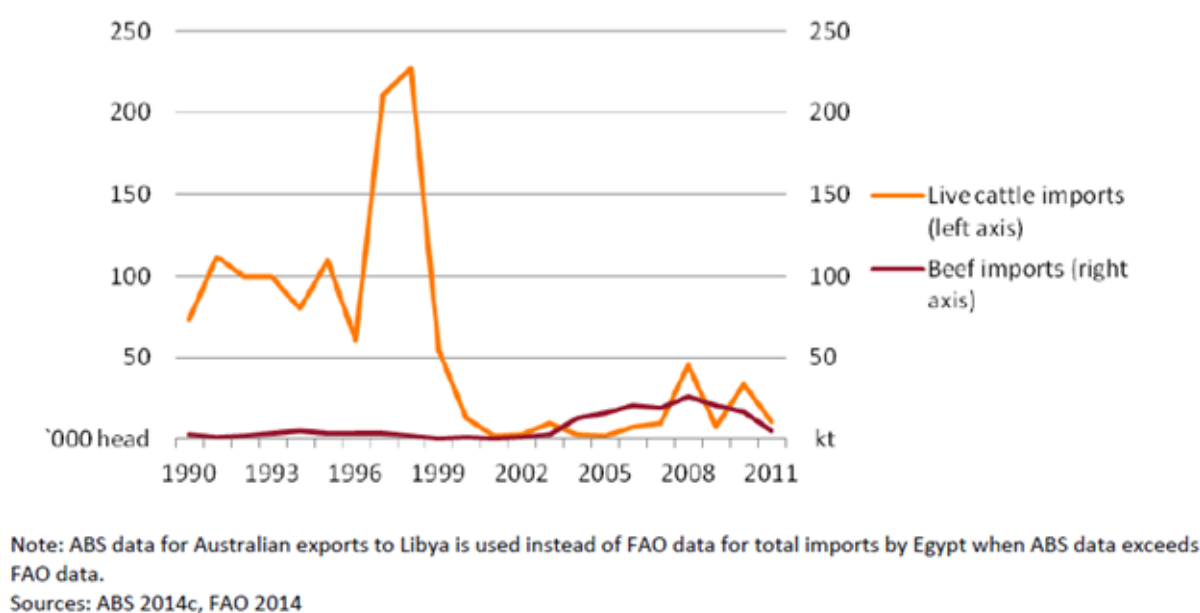
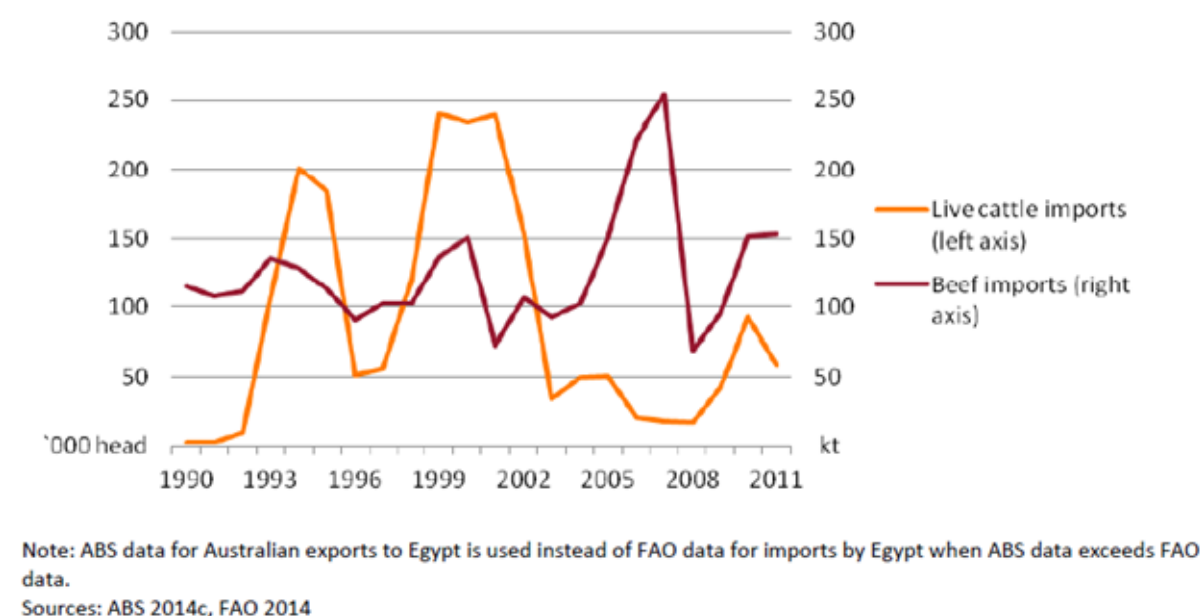


Fig 5: Live Cattle and Beef Imports, Egypt



### 4.1.3. Live Animal Export Performance of the IGAD Region

Live animals are the most important livestock commodities exported from the IGAD region to the MENA countries. Sudan and Somalia are the major exporters of live animals followed by Ethiopia, Djibouti and Eritrea. In 2014, exports from these countries covered over 80% of the small ruminant demand in the Gulf and North African countries. Kenya is net importer of animals, exporting only very few animals. South Sudan and Uganda do not export live animals to the MENA countries.

The KSA, UAE and Yemen from Middle East and Egypt and Libya from North Africa are the most important destinations of live animals from the IGAD region. The live animal export trade in the region is seasonal and export of live animals peaks during religious pilgrims.

The major competitors in MENA markets are Syria and Iran for sheep and goats, Australia for cattle and sheep, and Brazil for cattle.

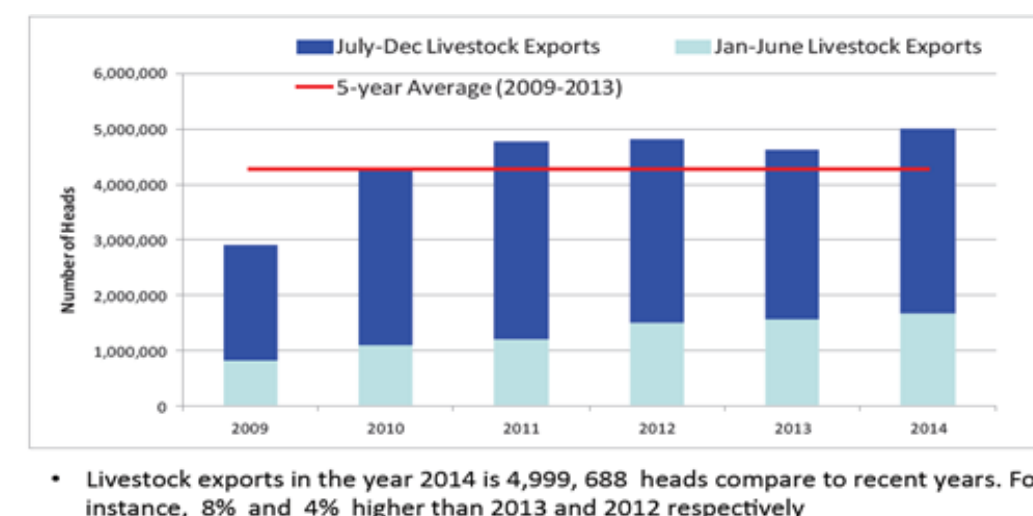
The performance of inter-regional live animal and meat export trade of member states of the IGAD region is presented below:

#### 4.1.3.1. Somalia

Somalia is the largest exporter of goats in the world followed by Iran and Oman (most likely re-exports). In 2011, it accounted for 34% of the goats exported from 63 countries. In that same year, Somalia was also the third largest exporter of sheep accounting for 13% of sheep exported.

The export data, collected by the FAO-managed Food Security and Nutrition Analysis Unit (FSNAU), indicated that Somalia exported 4.6 million goats and sheep, 340,000 cattle and 77,000 camels in 2014, worth an estimated \$360 million. In 2015, the volume and value of export increased to 5.2 million heads and \$ 384 million respectively. According to this source, Somalia's move in terms of increasing the volume export was very impressive (Fig 6).

Fig 6: Livestock export from Somalia 2009-2014



Much of the export from Somalia is mainly destined to KSA, UAE, Oman, Qatar and Yemen. About 69% of the export occur between the periods of September to November for the Haji Festivity.

#### 4.1.3.2. Sudan

In 2011, Sudan was the largest exporter of sheep in the world accounting for 17% of the sheep exported from 80 countries, followed by Australia and Somalia. Sheep exports, mainly to Saudi Arabia and the Gulf, constitute about 80% of livestock export followed by goats (10.5%), camels (exported mainly to Egypt) (9%) and some cattle. Livestock in Sudan contributes importantly to the national export. After 1997, livestock exports averaged 27% of the value of Sudan's agricultural export.

Sudan's livestock export has been increasing over the last decade. The country managed to increase its export volume from a little less than a million to 2.1 million during 2001-2010 (Table 10). The export surpassed 6.1 million in 2015 (Table 11) and in 2016 the export declined a bit and the annual total exported was about 5 million heads. Major destinations of Sudan's export are KSA, Egypt, Kuwait, Qatar, Jordan, UAE, Yemen, and Libya.

**Table 10: Live Animal Export, Sudan, (2000-2010)**

Year	Sheep	Goats	Cattle	Camels
2000	73,1242	16,599	315	145,246
2001	15,507	13,883	–	18,550
2002	1,602,638	53,164	2,655	155,710
2003	1,315,399	57,639	184	88,423
2004	1,703,562	101,989	750	132,602
2005	1,271,787	1,096,654	501	131,156
2006	1,422,109	102,378	–	116,184
2007	615,843	30,290	3,658	85,862
2008	610,832	14,337	1,198	140,757
2009	1,510,996	104,630	19,265	154,477
2010	1,813,926	120,693	5,130	172,196
Destination	Saudi Arabia, UAE, Libya, Egypt, Kuwait, Jordan	Saudi Arabia, Egypt, UAE	Egypt, Kuwait, Saudi Arabia, Lebanon, Syria, Yemen	Saudi Arabia, Egypt, Qatar, UAE, Yemen, Libya

Source: MRAF unpublished Data

**Table 11: Sudan Live Animal Export Volume (2015)**

Importing Countries	Sheep	Goats	Cattle	Camel	Total
KSA	5,459,024	443,260	-	12,715	591,4999
Egypt	125	2,582	45,825	192,223	240,755
UAE	-	-	-	-	-
Qatar	-	-	-	320	320
Kuwait	-	-	-	750	750
Libya	56	-	-	-	56
Total	5,459,205	445,842	45,825	206,008	6,156,880

### 4.1.3.3. Ethiopia

Ethiopia's major export is cattle; 200,000-300,000 every year. The export of camel has been on the rise as it reached 103,889 in 2012. Annual export of sheep ranges from 350,000 – 400,000 but that of goat export is minimal (20,000-40,000). Generally, the live animal export from Ethiopia has been declining since 2016 (Table 12). Animals for export are sourced mainly from pastoral areas. Unlike other countries which directly export animals from pasture, in Ethiopia, young cattle drawn from pastoral areas are conditioned for 75-90 days in mid altitude areas, mainly around Adama where industrial by-products are abundant. When they reach the desired weight and qualify for export, they are exported mainly as live animals. Egypt and Sudan are the major destinations of cattle and camel export. Sheep is mainly destined to KSA and associated with festivities.

### 4.1.3.3. Ethiopia (Continuation)

The export of live animals in Ethiopia is very much constrained by absence of international standard quarantine facilities. The government is therefore constructing two international standard quarantine facilities at Jigjiga, Somali region of Ethiopia to serve the Somali route; and the other facility is at Mille, Afar region of Ethiopia to serve the Djibouti route. Though market is the governing factor, the plan on the part of the government of Ethiopia is to move slowly away from live animal export market to value addition before exportation.

**Table 12: Live animal exported by Ethiopia (2011-2015)**

Species	2011	2012	2013	2014	2015	2016	2017
cattle	230,301	294,543	183,285	218,513	142,788		
sheep	146,655	355,699	388,189	346,382	300,477		
goats	15233	24,807	34,096	41,784	27,582		
camel	81,883	103,881	66,639	39,986	48,763		
<b>Total</b>	<b>474,072</b>	<b>778,930</b>	<b>672,209</b>	<b>646,665</b>	<b>519,610</b>	<b>662405</b>	<b>279562</b>

Source: Ministry of Trade official Report (2017)

### 4.1.3.4. Djibouti

Djibouti is the fourth largest exporter of live animals from the Horn of Africa. Most of the animals it exports are imported from neighboring countries. In 2014, Djibouti exported 54,000 cattle, 509,000 small ruminants, 3,800 camels to MENA countries. In 2013, the country earned USD73 million from the export of live animals. The main destinations are KSA, UAE, and Egypt. Currently it is not exporting to UAE.

The most important comparative advantage that Djibouti has in terms of exporting live animal is the existence of the 'Regional Quarantine Center' established with the support of the US government. Animals from Ethiopia going through Djibouti quarantine to the Middle East change the certificate of origin and are exported as animals from Djibouti.

### 4.1.3.5. Eritrea

Live animals form the core of Eritrea's livestock-based exports. Hides, skins and leather and leather products are also important. According to Eritrea's Ministry of Agriculture (MoA) in 2013, Eritrea exported 180,808 cattle, 199,708 sheep, 270,609 goats and 29,916 camels. However, there was no mention about destinations.

### 4.1.3.6. Others (Kenya, South Sudan and Uganda)

These countries are not currently exporting live animals to MENA.

### 4.1.4. Competition

The major competitors of live animal export in MENA countries are Brazil (cattle), Australia (cattle and sheep), Iran and Syria (sheep and goats). The major competition from New Zealand and Australia is in price, reliability of supply and terms of trade whereas the competition from Syria is in the form of quality and preference. Small ruminants from Iran and Syria are the most preferred animals by the Middle East customers and fetch higher prices than animals from any other source.



4.1.5. Major Constraints to Live Animal Export Trade

The live animal export trade from the IGAD MS to MENA countries is confronted by a number of challenges. The most common are limited destinations, seasonality of the market (mainly during religious festivities), dominance of informal trade, limited market information exchange to all actors in the value chain (eg price, specifications etc), high transaction cost, losses due to mortality during transportation, unjustified rejection of shipments, volatile nature of the market (bans due to diseases), growing SPS requirements of importing countries and limited market promotion. Other constraints include testing animals for various diseases at a higher end of the chain leading to losses to exporters, lack of standards for live animals prepared as per specification of importing countries (to work through production line and to base negotiations on this standards), lack of trace-back mechanisms, limited business knowledge of the operators (owners) - traditional business and less thrust on exporting countries capacity (sending inspectors to exporting countries for every consignment). For more information on the challenges refer section 8 of the manual.

4.2. Red Meat Export

4.2.1. Global Picture

Over 111 countries in the world participate in the beef export business. Beef is exported as fresh, chilled and frozen. Every year, about 10 million metric tons of meat, worth USD47.76 Billion is exported. In 2014, the total value of world chilled and fresh beef export was estimated at USD22.76 billion. In the same year, frozen beef export was estimated at USD25 billion making the total annual export of beef USD47.76 billion.

The major exporters of chilled and fresh beef are USA, Netherlands, Australia and Ireland. These countries have a 40% market share of the world chilled/fresh beef market. The major exporters of frozen beef are Brazil, India, Australia and USA; followed by New Zealand, Uruguay and Paraguay. From Africa, Botswana, South Africa and Namibia are distant followers of the above mentioned group. The first four countries (Brazil, India, Australia and USA) have a market share of 68% of the frozen beef market in the world.

The world demand for beef has been on the rise. For the period between 2011 to 2015 global demand continued to grow but at a decreasing rate. Beef consumption in 2016 is expected to be 57 million metric tons, an expected 1% growth per year. Import and export of beef in the same period grew at 2 and 3.4% per year respectively.

Table 13: Major trends of world beef production, consumption, import and export in 1000 tones

	2011	2012	2013	2014	2015	2016 (forecast)	% growth
Production	58,160	58,527	59,467	59,746	58,443	59196	1.3
Consumption	56,517	57,047	57,785	57,708	56,466	57,006	1
Import	6,451	6,679	7,489	7,900	7,559	7,711	2
Export	8,072	8,138	9,126	9,990	9,601	9,926	3.4

The major importers for frozen beef are USA, China, Republic of Korea, Egypt, Malaysia, KSA and UAE. For fresh/chilled beef USA, Italy and Germany from western countries and UAE from the Middle East are major importers.

Fresh, chilled, and frozen sheep and goat meat is a USD7.2 billion export business in the world. This export market is dominated by New Zealand and Australia followed by United Kingdom (UK), Ireland, Spain and Netherlands. India and Ethiopia are distant followers of the group. About 70% of the market share is occupied by the first two countries, New Zealand (38%) and Australia (32%).

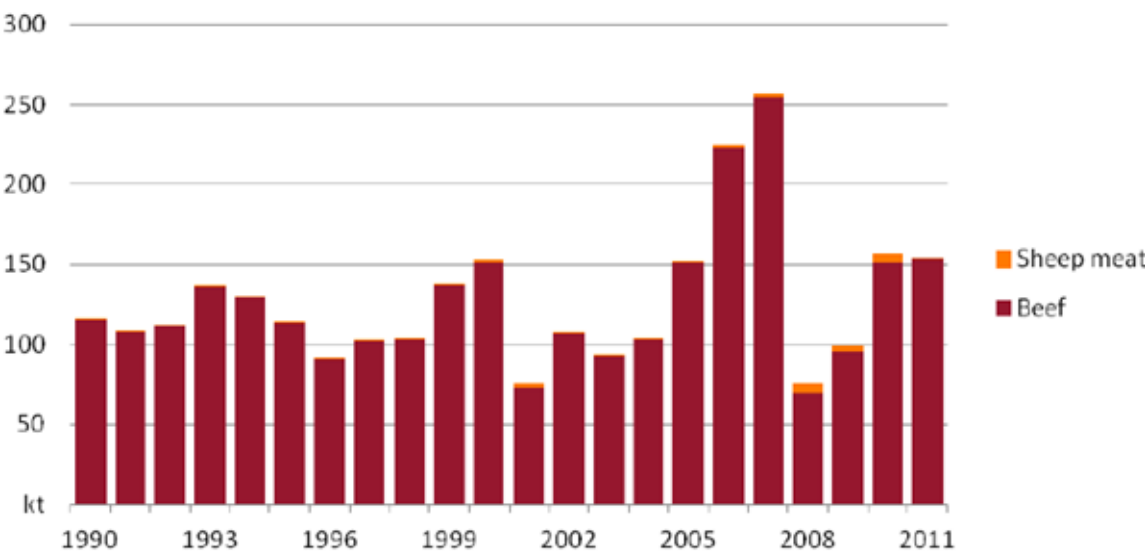
USA, UK and UAE are major importers of sheep and goat meat. In 2014, UAE imported sheep and goat meat worth of USD800 million. From countries in the Middle East, Jordan and Qatar are distant followers of UAE.

4.2.2. Major Features of the Middle East and North African Red Meat Import Market

Total imports of meat and meat products in the Middle East region were estimated at USD5.1 billion. This accounts for 6.5% of the total world demand which was valued at USD86.4 billion in 2009. The top importing countries in the region include KSA, UAE, Iraq, Kuwait, Iran and Israel, all accounting for about 80% of total imports in the region. All the markets showed an increase in the value of imports during 2005 – 2009. The major exporters to the Middle East are Brazil, Australia, USA, New Zealand for Beef and New Zealand, Australia, India, Ethiopia and Pakistan for sheep and goat meat.

Egypt’s primary import is beef, as consumers in Egypt prefer it over other animal protein sources such as lamb and poultry. The major suppliers of meat to Egypt are Brazil, India, United States (USA) and Australia.

Fig 7: Meat Imports, Egypt



Note: ABS data for Australian exports to Egypt is used instead of FAO data for total imports by Egypt when ABS data exceeds FAO data.  
Sources: ABS 2014c, FAO 2014

As indicated in Fig 4 above, beef is also the main imported meat in Libya, but imports were limited to until 2000. The rise in imports in the rest of the period reflects lower domestic beef production. Sheep meat imports are much lower than beef imports, reflecting higher domestic production. Beef and sheep meat imports are mostly sourced from Australia, Uruguay and Brazil.

4.2.3. Performance of Red Meat Export in the IGAD Region

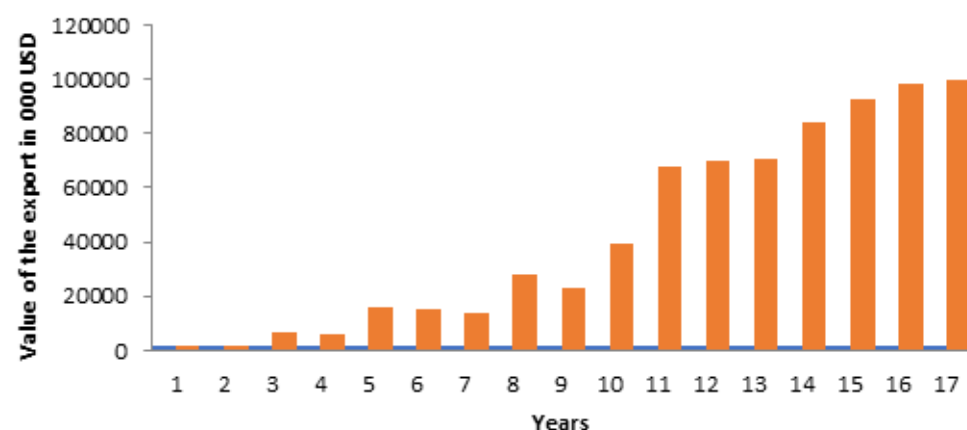
Exportation of meat from the region to the Middle East and North African Countries is limited in scale; overall it is not more than 31,000 tons a year (accounting for ~ 10% of the market in MENA). Meat export from the Horn of Africa is dominated by Ethiopia (19,800 tons) followed by Sudan (8,099 tones) and Kenya (3,290 tons). It is mainly chilled small ruminant carcasses for Ethiopia and Kenya and Beef for Sudan. Chilled carcasses are exported by air, primarily to the UAE and KSA. The top export markets of meat in order of sales volume are UAE, KSA, Angola, Egypt, Bahrain and Kuwait.

Inter-regional meat export trade performance of member states of the IGAD region is presented below:

### 4.2.3.1. Ethiopia

Currently, Ethiopia is exporting about 19,800 tons of chilled small ruminant carcass worth of USD100 million a year, (10% of which is variety meat/offal). It is the leading small ruminant-meat-exporting country in Africa, but its world market share is minimal (1.3%). The meat export volume has increased remarkably over the last nine years (Fig 9). There are 12 functional export abattoirs and 5 more are under construction. The plan on the part of the government is to go for more meat export business than live animals. Major destinations are UAE and KSA.

**Fig 8: Value of Chilled Goat and Sheep Meat Exports to MENA, Ethiopia**



### 4.2.3.2. Sudan

The Sudan is the second largest exporter of meat in the region next to Ethiopia. From 2000 to 2004, the trend was upwards followed by a major depression between 2005 and 2007 and now it is increasing (Table 15). In 2015, Sudan exported about 4,690 tons of meat (50% small ruminant meat and 46% beef) to Jordan, Qatar, Bahrain, UAE and Egypt (Table 15). In 2016, while the destinations remained the same the export volume has increased remarkably and reached approximately 8,099 tones. The large majority (81%) of the beef from Sudan is exported to Egypt.

**Table 14: Meat Export, Sudan, 2000-2010**

	sheep		goats		Cattle		camel	
	Head	Weight, tons	Head	Weight, tons	Head	Weight, tons	Head	Weight, tons
2000	534,552	6157.82	43,067	311.91	13133	2350.09	97	9.53
2001	437,210	785.293	4,843	35.711	799	1714.239	144	12.257
2002	652,398	7148.788	49,582	353.848	1886	347.073	64	6.647
2003	700,216	7837.112	30,997	221.293	839	178.214	174	16.273
2004	510,673	5570.909	32,637	217.1	5514	765.3	599	57.4
2005	428,796	4710.5	3790	27.2	5115	656.4	282	27.9
2006	224,087	2263.9	1182	8.4	—	—	100	10.2
2007	207,796	2130.87	1623	12.37	—	—	62	12.22
2008	22,709	207.356	257	1.567	12	2.935	6	0.712
2009	161121	1756.62	91	0.55	37	18.381	—	—
2010	409,793	4126.53	762	4.731	3923	991.287	3	0.498
Destinations	Jordan, Qatar, UAE, Iraq, Kuwait		Oman, UAE, Jordan		Egypt, Qatar, Oman, UAE, Iraq, Kuwait, Jordan		Qatar, UAE	

Source: MARF unpublished data

**Table 15: Red Meat Export, Sudan (2015)**

Importing Countries	sheep	goats	Cattle	camel	Total
Jordan	577	0	12	0	588.9
Qatar	479	63	389	0.13	931.5
UAE	360	78	6.3	6.42	450.2
kuwait	280	0.43	5.3	2.49	288
Bahrain	484	0	0	0	484
Egypt	0	0	1754	0	1755
Oman	11	35	0.6	0	46
KSA	147	0	0	0	147
Total	2338	176	2168	8.9	4690.9

### 4.2.3.3. Kenya

Kenya is a distant third exporter of meat from the IGAD region to MENA. The exportation of meat has been progressively improving and reached the highest 3,029 tons in 2016. Major destinations are UAE, Qatar and Oman.

### 4.2.3.4. Somalia

Somalia's export as indicated above is very much dominated by live animals, with only little exports of meat. Somali Meat (SOMEAT) was exporting 20 - 30 tons of chilled goat carcasses every week in 2014/15, making the total export per year 1040 -1500 tons.

### 4.2.3.5. Others (Djibouti, Eritrea, South Sudan and Uganda)

Currently the above four countries do not export meat to MENA. Uganda is constructing an export abattoir (by an Egyptian Investor) to export beef to Egypt and Middle East market. Djibouti is also thinking of modifying the existing local abattoir to do both export and local slaughter.

## 4.2.4. Competition

The main competition for the Middle East beef export markets comes from South America, Oceania, Eastern Europe and the European Union. The disease-free status of most of these countries and the more efficient production and marketing system attained, are major competitive advantages of these countries over others. Market and product segmentation with advanced promotion is the approach used by these countries to be competitive in the market place. For meat from small ruminants; India and Pakistan for chilled meat, and Australia and New Zealand for frozen meat, are the major competitors of IGAD member states.

Brazil is currently the second overall meat exporter worldwide after Australia. FAO has projected that Brazil will eventually become the leading exporter at global level. The Middle East is a relatively important market for Brazil. Frozen sheep meat is New Zealand's and Australia's major export commodity to the Middle East. They have competitive price when compared to frozen sheep meat from India or Pakistan. For chilled sheep and goat meat, however; Pakistan, India and Ethiopia are more competitive because of proximity advantages.

Recently, India has been moving aggressively with buffalo meat. It is targeting both the low and high end of the export markets in Africa and the Middle East along with Brazil and Argentina.

### 4.2.5. Major Constraints to Meat Export Trade

Limited destinations, growing SPS requirements, cold chain breakdowns, poor packaging (quality of stock net for carcass and quality of packing material for variety meat/offal), poor labeling (English and Arabic - sometimes defective labeling), less market promotion, less competitiveness of some products (beef in Ethiopia), lengthy processes for approval of export premises (e.g. KSA), absence of market segmentation practices, less value addition and inadequate market information exchange are the major challenges of the meat export business from the IGAD region to MENA countries.

## 5. Opportunities for Enhancing Livestock and Meat Export Trade from the IGAD Region

### 5.1. Supply Side Opportunities

#### 5.1.1. Resource availability and competitiveness

Livestock is the major resource endowment of the region. IGAD is one of the regions with the highest ruminant livestock concentration in the world. It is also the only region in Africa that can satisfy its growing demand and may have some surplus for export. The production cost for small ruminants in most MS is reasonably low compared to competitor countries, but the competitiveness of beef is getting questionable in most countries because of inefficiencies in the value chain, increased costs of feeds and transportation. As some sources indicate, Uganda seems to have an opportunity in beef as the cost of feed is still very low. Commercializing the beef industry to increase throughput, increasing off take, improving feed production, processing, marketing and linking to agro-industries such as sugar production facilities; among other measures are crucial to the growth of critical profitable livestock industry in the IGAD region.

#### 5.1.2. Political commitment of countries to develop the sector

With respect to countries' commitment to develop the sector and seize the opportunities available, member states in IGAD region can be grouped in to three categories. The first comprises of countries already on an aggressive move, the second comprises those countries that have started to see livestock as an important source of economic growth and are trying to set up institutions, and the third comprises countries that have not yet given due recognition to the potential role livestock can play in their economies. Most countries in the region fall under the first two categories and this is a big opportunity for enhancing livestock and meat trade in the region.

#### 5.1.3. Geographic proximity to main export markets

IGAD countries have geographic proximity to the world's largest livestock and products market, MENA countries, which are only 2 - 3 hours flight away. The major competitors are more than 12 hours flight away from MENA, making the transport cost expensive for them. This is particularly true for fresh and chilled products which should be transported by air within short periods. With this comparative advantage, IGAD member countries can improve their competitiveness by supplying chilled/fresh meat which cannot be supplied easily by distant competitors – such as Australia, Brazil and New Zealand. Fresh/chilled meat is also preferred by consumers in MENA countries and fetches higher prices than frozen meat, which is the main form of shipment from distant suppliers.

### 5.2. Demand Side Opportunities

#### 5.2.1. Increased demand for products of animal origin in major destination markets

##### World

Despite the worldwide economic downturn and the financial upheavals of the past few years, the outlook for the meat sector remains positive, with the global meat demand expected to grow up to almost 40% by 2025. The highest growth in meat demand is likely to occur in emerging markets in Asia, particularly China. This growth is being driven by changing diet patterns, rising standards of living, urbanization and population growth; with 80 million new mouths to feed every year. The Organization for Economic Cooperation and Development (OECD) projects world trade in meat to grow from its current volume of 22 million tons to close to 30 million tons by 2017.

##### Africa

Africa's economy is growing at 5.5% per year and the population is also increasing. The meat market in Africa is growing and projected to increase by 145% in 2050. According to various studies, the volume of meat consumed in Africa will be at par with that of the developed world by 2050. Meeting this demand from IGAD region which is the only region in Africa that is self-sufficient in ruminant livestock meat production, is a big opportunity that should not be missed as it can be used as an engine for growth.

##### The Middle East

The Middle East is the world's largest market for live animals and meat. The annual import volume is high and growing. Annual live sheep imports ranges from 6 to 16 million per year. In 2011, 8.5 million live sheep were imported, primarily by KSA (56%), Kuwait (11%), Bahrain (9%) and Qatar; Jordan and Yemen (5%). In the same year, 4.5 million live goats were imported and the major destinations were KSA, UAE and Oman. When it comes to cattle, the total import in 2011 were 781,000 and Lebanon, Israel and Yemen were the main importers. The market share of IGAD MS for live sheep and goat is increasing, with Somalia and Sudan enjoying the highest share (> 80%) but the share of meat is still approximately 10%.

#### 5.2.2. Position of competitors

##### Syria

Syria is one of the major suppliers to the Middle East market. Fat-tailed sheep from Syria is the most preferred sheep and fetches far higher prices than any other sheep in the ME market. With the current instability in Syria, livestock export from this country has decreased significantly and has created an opportunity for others including IGAD member states.

##### Australia

Australia is one of the major exporters of live animals to the Middle East. However, it is now being challenged by in-country welfare activists and its export volume is steadily decreasing. This is an opportunity for countries exporting live animals. However, as it is establishing export abattoirs to accommodate surpluses, this is also a challenge for meat exporters.

##### India

In the last few years, Indian goat meat export has been challenged by rising domestic prices which have increased three-fold goat meat export has declined as it was not competitive in the end market. This has created an opportunity for IGAD MS to increase their export volumes and to sell at better prices.



6. International Standard-Setting Organizations

With the prohibition of quantitative controls on trade and gradual reduction of the bound tariffs, non-tariff trade barriers will increasingly become important for trade in the coming years. For agricultural products, the most notable non-tariff barriers are technical standards covered by the SPS/TBT Agreements. This is more so for developing countries where food standards are much poorer. Recent experiences amply show that even when the developing countries are competitive in price, exports have been inhibited by standards, particularly to developed country markets. Moreover, while lower income countries may get preferential treatment on tariffs, there is no such preference when it comes to food standards. Organizations involved in setting standards that have direct impact on live animal and meat export trade include the WTO SPS agreement, the OIE and the Codex Alimentarius. Moreover, there is International Standard Organization and other emerging private standards.

The IGAD countries are signatories of the major international regulatory institutions including the WTO that governs international trade, Codex Alimentarius that sets international standards for food safety, and OIE which deals with trade aspects of international animal health. While all IGAD countries belong to the OIE, Djibouti and Somalia are not signatories to Codex and only Djibouti, Kenya and Uganda are members of WTO. Ethiopia and Sudan are on accession for WTO membership. IGAD has also observer status at five standard-setting organizations: OIE; CODEX; SPS; TBT and IPPC.

Table 16: IGAD MS Membership in the WTO, Codex and OIE

Country	WTO	Codex	OIE
Djibouti	X	X	X
Eritrea		X	X
Ethiopia		X	X
Kenya	X	X	X
Somalia		X	X
South Sudan			X
Sudan		X	X
Uganda	X	X	X

6.1. World Trade Organization (WTO)

The WTO came into force in 1995 following the signing of the Final Act of the Uruguay Round of Multilateral Trade Negotiations in Marrakech on 15 April 1994. Contained in the Final Act along with the General Agreement on Tariffs and Trade (GATT 1994) and other agreements, was the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) established for the application of food safety and animal and plant health regulations which may directly or indirectly affect international trade.

The SPS Agreement is essentially about health and international trade. The Agreement recognizes the need for WTO members to protect themselves from the risks posed by the entry of pests and diseases, but also seeks to minimize any negative effects of SPS measures on trade. The international trade aspect of the SPS Agreement basically means that, in seeking to protect health, WTO members must not use SPS measures that are: unnecessary, not science-based, arbitrary, or which constitute a disguised restriction on international trade.

The SPS Agreement has 14 Articles, containing the rights and obligations that WTO members have agreed to. The Agreement also has three annexes giving definitions of various terms and elaborating on certain obligations in the body of the SPS Agreement. The SPS Agreement is administered by the Committee on Sanitary and Phytosanitary Measures (the 'SPS Committee'), in which all WTO members can participate. The SPS Committee is a forum for consultations where WTO members regularly come together to discuss SPS measures and their effects on trade, to oversee implementation of the SPS Agreement and to seek to avoid potential disputes.

The central principles of harmonization, equivalence, appropriate level of protection (ALOP), risk assessment, regional conditions and transparency are covered by specific Articles of the SPS Agreement.

6.1. World Trade Organization (WTO) (Continuation)

**Harmonization:** WTO members are entitled to determine their own SPS measures provided they are in accordance with the terms of the SPS Agreement. However, under the principle of harmonization WTO members are encouraged to base their SPS measures on international standards, guidelines and recommendations, where they exist.

**Equivalence:** The SPS Agreement requires importing WTO members to accept the SPS measures of exporting WTO members as equivalent if the exporting country objectively demonstrates to the importing country that its measures achieve the importing country's ALOP. Typically, recognition of equivalence is achieved through bilateral consultations and the sharing of technical information.

**Appropriate level of protection:** According to the SPS Agreement, the appropriate level of protection (ALOP) is the level of protection deemed appropriate by the WTO member to protect human, animal or plant life or health within its territory. Each WTO member has the right to determine its own ALOP. However, in determining their ALOP, WTO members should take into account the objective of minimizing negative trade effects. In addition, WTO members are required to apply the concept of ALOP consistently; i.e. they must avoid arbitrary or unjustifiable distinctions that result in discrimination or a disguised restriction on international trade.

**Risk assessment:** The SPS Agreement requires WTO members to base their SPS measures on a risk assessment, as appropriate to the circumstances. In conducting such risk assessments, WTO members are required to take into account risk assessment techniques developed by relevant international organizations.

**Regional conditions:** the SPS Agreement requires WTO members to adapt their SPS measures to the regional conditions from which the product originated and to which the product is destined. In particular, WTO members are required to recognize the concepts of pest/disease-free areas and areas of low pest/disease prevalence.

**Transparency:** The principle of transparency in the SPS Agreement requires WTO members to provide information on their SPS measures and to notify changes in their SPS measures. WTO members are also required to publish their SPS regulations. The notification requirements are met through a national notification authority. Each WTO member must also nominate a national enquiry point to deal with SPS related queries from other WTO members. A single agency may perform both notification and enquiry functions.

**Technical assistance and special treatment:** The WTO recognizes that the technical capacity to implement the SPS Agreement will vary among WTO members. Developing country members, in particular, may find implementation challenging due to resource constraints, including limited expertise.

To help overcome this problem, a number of mechanisms are built into the SPS Agreement. WTO members agree to facilitate the provision of technical assistance to other members, especially developing countries, either bilaterally or through international organizations such as the Three Sisters. The form of this technical assistance and how it can be provided is broadly defined. The SPS Agreement also provides for special and differential treatment. For example, in applying SPS measures WTO members are required to take account of the special needs of developing country members, particularly the least-developed country members.

6.2. World Animal Health Organization (OIE)

The need to fight animal diseases at global level led to the creation of the Office International des Epizooties through the international Agreement signed on 25 January 1924 with 28 member countries. In May 2003, the Office became the World Organization for Animal Health but kept its historical acronym OIE. The OIE is the intergovernmental organization responsible for improving animal health worldwide.

It is recognized as a reference organization by WTO and in 2018 had a total of 181 member countries. The OIE maintains permanent relations with 45 other international and regional organizations and has regional and sub-regional Offices on every continent. The organization is placed under the authority and control of a World Assembly of Delegates consisting of Delegates designated by the Governments of all

member countries.

The day-to-day operation of the OIE is managed at the headquarters located in Paris and placed under the responsibility of a Director General elected by the World Assembly of Delegates. The headquarters implements the resolutions passed by the International Committee and developed with the support of Commissions elected by the Delegates. The OIE has set up five Regional Commissions to express specific problems facing its members in the different regions of the world. These Commissions can be seen as fully fledged regional institutional bodies. They cover the following regions: Africa, Americas, Asia and Pacific, Europe, and Middle East.

The OIE is the international standard-setting organization for animal health and zoonosis. Its objectives include ensuring transparency in the global animal disease and in the zoonosis situation, publishing health standards for trade in animals and animal products, promoting veterinary skills, improving the safety of food of animal origin and promoting animal welfare through a science-based approach. OIE's standards, guidelines and recommendations are contained in the Terrestrial Animal Health Code, the Manual of Diagnostic Tests and Vaccines for Terrestrial Animals, the Aquatic Animal Health Code and the Manual of Diagnostic Tests for Aquatic Animals.

It addresses the control and prevention of important and emerging diseases primarily by collecting and disseminating relevant animal health information worldwide, and by adopting and publishing sanitary standards and recommendations for animals and animal products. The OIE's Information System is aimed at promoting a transparent knowledge of the global animal disease situation, crucial in making decisions for safe trade. It operates an early warning system based on official reports from member countries, and complemented by an active search and verification of unofficial information. The system requires notifications, and provides reports in several degrees of urgency, determined by the nature of the disease agent and the epidemiological characteristics of the outbreak. For the purpose of harmonization of international trade measures, and in order to prevent discriminatory actions by importing countries, the WTO-SPS requires countries to base their import decisions on science-based international standards.

The OIE's Terrestrial Animal Health Code provides recommendations for the safe trade of animal and animal products, making reference to the various possible health status of the exporting country or zone. The Code also provides recommendations on horizontal subjects, such as risk analysis, regionalization, traceability, animal welfare, surveillance, and monitoring and evaluation of veterinary services. In addition to the Code, the OIE provides recommendations on methods for the diagnosis and prevention of diseases, defines standards for biological products, vaccines and diagnostic preparations.

The implementation of the Code as it relates to international trade is based on three important principles from which the other requirements flow naturally:

- A scientific basis for all recommendations as it relates not only to the animal diseases listed in the Code but also for methods of surveillance, diagnostics, risk analysis, risk mitigation procedures and methods of disease control,
- A reliable and well-functioning and independent veterinary service,
- Transparency, integrity and maintenance of ethical standards in disease reporting.

The critical issues for the quality delivery of veterinary services include:

**Professional judgment** – having trust in the scientific expertise and competency of the service for professional decision-making.

**Independence** – implies an unhindered service delivery and decision making free from political, commercial and financial interference or hindrance.

**Impartiality** – implies that scientific decision-making should not be hindered by political preferences and agendas.

**Integrity** – creating trust for the acceptance of decisions by individual officials and the veterinary service as a whole.

**Objectivity** – is integral to sound scientific judgment which should not be clouded by discriminatory threats and hindrances.

**Legal base for decision-making** – the impartiality and integrity of delivery of services, decision-making and certification should be mandated by sound and supportive national and where applicable, sub-national legislation that reflects both the sentiments of the Code and the SPS Agreement.

## 6.2. World Animal Health Organization (OIE) (Continuation)

To assist members who may wish to know their current level of performance in applying international standards for veterinary service delivery, the OIE assess the performance of the veterinary services of countries to identify their needs in eventually moving towards compliance with OIE standards. This process known as the Performance of Veterinary Services (PVS) evaluation process, applies a specific methodology where trained OIE experts visit countries wishing to be evaluated. The focus of the evaluation is on assessing performance of the country within the context of specific critical components for veterinary service delivery: human, physical and financial resources; technical authority and capability; interaction with stakeholders and access to markets. The level of advancement of a country is assessed in detail in respect of the critical competencies within each of these four components.

## 6.3. Codex Alimentarius Commission

The Codex Alimentarius Commission (the 'food code') is a body of the Joint Food Standards Program of the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). Codex develops and encourages implementation of standards, codes of practice, guidelines and recommendations covering all aspects of food safety, including handling and distribution. In setting international standards for food, Codex has a dual mandate to protect the health of consumers and to ensure fair practices in the food trade. Codex has developed a wide range of specific texts covering various aspects of food safety and quality, which can be found on the Codex website.

The Codex Alimentarius or "Food Code" was established by FAO and WHO in 1963 to develop harmonized international food safety standards, which protect consumer health and promote fair practices in food trade. The reference made to Codex food safety standards in the WTO's Agreement on SPS Agreement means that Codex has far reaching implications for resolving trade disputes. WTO members that wish to apply stricter food safety measures than those set by Codex may be required to justify these measures scientifically.

By June 2013, the Codex Alimentarius Commission had: 186 Codex Members including 185 member countries and 1 member organization (EU); and 220 Codex Observers including 50 International Governmental Organizations (IGOs), 154 Non-governmental Organizations (NGOs) and 16 United Nations Organizations. The legal basis for the operation of the Codex Alimentarius Commission is determined by the Commission's statute. According to Article 1 from the Statute of the Codex Alimentarius Commission, its obligations are:

- Protecting the health of consumers and ensuring fair practices in food trade;
- Promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations;
- Determining priorities and initiating and guiding the preparation of draft standards through and with the aid of appropriate organizations;
- Finalizing standards elaborated after their acceptance by governments;
- Publishing the standards in a Codex Alimentarius either as regional or international standards, and
- Amending published standards, after appropriate survey in the light of developments.

The Codex Alimentarius includes standards for all the principal foods, whether processed, semi-processed or raw, for distribution to the consumers includes general provisions in respect of: i. contaminants; ii. Food additives; iii. Food hygiene; iv. Inspection and certification; v. labeling and presentation; vi. Methods of analysis and sampling; vii. Pesticide residues; and viii. Veterinary drug residues. It also includes provisions of an advisory nature in the form of: codes of practice, guidelines and other recommended measures.

Over the years, the Codex has developed over 200 standards covering processed, semi-processed or unprocessed foods intended for sale for the consumer or for intermediate processing; established over 40 hygienic and technological codes of practice; evaluated over 1000 food additives and 54 veterinary drugs; set more than 3000 maximum levels for pesticide residues; and specified over 30 guidelines for contaminants.



## 6.4. International Standard Organization (ISO)

The ISO plays an increasingly important role in both the setting of standards and in capacity building in the development of standards. It is an independent, non-governmental international organization with a membership of 162 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges. ISO International Standards ensure that products and services are safe, reliable and of good quality. For business, they are strategic tools that reduce costs by minimizing waste and errors, and increasing productivity. They help companies to access new markets, level the playing field for developing countries and facilitate free and fair global trade.

The International Standards Organization published its food safety management standard in 2005. ISO 22000 took the good agricultural practice quality management of the ISO 9000 standards and added the principles of Hazard Analysis and Critical Control Point (HACCP). It can be applied throughout the supply chain. ISO/IEC 17025:2005 specifies the general requirements for the competence to carry out tests and/or calibrations, including sampling.

## 6.5. The emergence of private standards

The emergence of private standards in the global agri-food markets has been documented by several authors. The dynamic process has been dominated by several different groupings of private sector players. Global Good Agriculture Practice (GLOBALGAP) has become the most widely respected and accepted family of standards for primary production of agricultural products. Today there are more than 80,000 GLOBALGAP certified producers in 80 countries. GLOBALGAP certification has become virtually a mandatory market access requirement for producers wishing to sell to GLOBALGAP's 38 food retailer members who include virtually all of the major players in the EU and Japan.

## 7. SPS Requirements of Gulf Cooperation Council (GCC) and MENA Countries

### 7.1. SPS requirements of Gulf Cooperation Council

GCC Standardization Organization (GSO) is responsible for developing food and non-food standards in the GCC which comprises of six GCC countries namely, Bahrain, Kuwait, Oman, Qatar, KSA and UAE. Yemen is not a GCC member, but became a member of the GSO effective January, 2010. Chaired by Qatar, the GSO Food Standards Committee has been working to harmonize existing GCC standards within the guidelines of the Codex Alimentarius, ISO and other international organizations. Nearly 1,000 food and food related technical regulations and standards have been developed or updated by the GSO. Once a new standard is approved by the GSO Food Standards Committee, each member country officially adopts the standard, thus making it a national standard as well as a GSO standard.

**Live animals:** SPS requirements set by the GCC for live animals include:

- Animals are kept in accredited quarantine station for 30 days.
- Animals are tested for Foot and Mouth Disease Virus (FMDV) infection with negative test results.
- Animals are vaccinated against RVF at least 21 days prior to shipment.

**Meat and meat products:** Likewise, the GCC has established uniform SPS regulations on export meat and meat products for member states. The regulations are:

### 7.1. SPS requirements of Gulf Cooperation Council (Continuation)

- All livestock from which the meat is derived must be free from transboundary animal diseases (TADs).
- All consignments must be accompanied by an original health certificate issued by the competent authority in the country of origin or an officially recognized body. The health certificate should attest compliance with the food safety regulations and technical requirements of the GCC countries and, where relevant, animal health requirements.
- In addition to health certificate, a certificate of origin is also required, and
- Meat shipments must also state the date of slaughter and shelf life.

### 7.2. Country-specific SPS Requirements

#### 7.2.1. The Kingdom of Saudi Arabia

Kingdom of Saudi Arabia is the most influential member of the GCC. As a group, the GCC is striving to create a common set of food standards, with the Saudi Arabian Standards Organization (SASO) as the lead agency. The Saudi market is often unpredictable because of stringent health requirements, frequent import bans or rejections at the port of delivery.

**Live animals:** The following are some of the official live animal imports requirements for KSA:

- Vaccination is required for RVF and pox.
- Animals are required to be quarantined for 30 days before shipped to KSA.
- Livestock exporters must obtain an import permit from the Saudi's competent authority, Animal and Plant Quarantine Department, before shipments leave the exporting country.
- Livestock shipments must be accompanied by country of origin and health certificates from a recognized authority in the country of origin duly authenticated by the Saudi embassy in that country.
- An authorized veterinarian should issue official health certificates declaring that the exported livestock is free from diseases.
- Port of departure of shipped animals must be one of the ports inside the country of origin, directly to the KSA with no anchorage or call to any other port, place or country which the KSA has declared infected by epidemic diseases and therefore banned from animal imports to the kingdom.
- A report, with contents that must be known to the shipper, must be submitted to indicate the status of animal health throughout the journey.
- Veterinary inspection shall be conducted upon arrival at any Saudi port. The whole shipment shall be rejected if it is infected with any of the diseases listed by the KSA competent authority.
- Shipment may be quarantined upon detection of any other diseases if the percentage of infection does not exceed 10% of the random sample inspected. If, however, the percentage exceeds 10%, the shipment will be refused entry.
- The Competent authority of KSA may ban importation from any country or area as per the health status of that country or area according to decisions taken by the competent international organizations.
- Brucellosis is a major concern to KSA, which requires 100% testing for the disease.

**Meat and meat products:** The following are some of the official fresh meat import requirements for KSA:

- The Competent Authority of the exporting country shall testify that the meat is derived from animals slaughtered in an approved and recognized slaughterhouse and it shall also testify that:



- The meat is derived from animals with an average age of (to be precisely specified by the Competent Authority) and had been tested within the range of 12 hours before and after slaughtering by the official bodies concerned to ensure their safety and fitness for human consumption.
- The meat is derived from animals with an average age of (to be precisely specified by the Competent Authority) and had been tested within the range of 12 hours before and after slaughtering by the official bodies concerned to ensure their safety and fitness for human consumption.
- The meat is derived from animals born and reared in (name of country of origin) and from herds that are officially registered in (name of the body responsible for registering herds).
- The meat is from animals, which have never been suspected or proved to be infected with an infectious disease.
- The meat is prepared, handled, stored and transported according to the approved standards.
- The meat is supervised through all stages of production, storage, and transportation by the official technician from (name of the official body).
- The meat is not subjected or stored with products suspected or proved to be infected with an infectious disease.
- The meat is transported from the slaughterhouse to the cutting house and then to the port of export, according to regulations, that does not allow it to pass by or stop at areas where pigs are kept, and the means of transportation should not by any time used to carry pigs or its meat or products.
- Within the last three months, there was no outbreak of an epidemic in (name of the region or county) and also declare that:
- All cows, veal, goats and sheep and their meat are subjected to inspection and veterinary examination.
- According to the regulations in (name of the country), all infectious diseases are officially notified.
- All animals infected with infectious diseases are completely destroyed.
- A ban is placed on importing of all kinds of chilled, frozen and canned beef, veal and mutton along with all by-products thereof from any country infested with epidemic diseases included in the Veterinary Quarantine Regulation applicable in KSA.
- All consignments of all kinds of chilled, frozen and canned beef, veal and mutton along with all by-products thereof shall be in compliance with the standard specifications applicable in KSA.
- The abattoir shall not be used for slaughtering pigs.
- Each consignment shall be without offal, dangerous organs, spinal cord, head, limbs and kidneys fat. A part of the tail may be left so as to identify the animal's species.
- The meat shall maintain their qualities and shall be free of signs of decay and all harmful materials.
- In case of frozen meat consignments, the period between butchering and date of arrival into KSA shall not exceed four months. Until delivery to the customers, the meat shall be kept under not more than -18C°.
- The packing materials shall not leave any poisonous or anything that makes the meat harmful or make it to be contaminated by any undesirable materials. The carcass and parts shall be packed with a soft, porous and clean cloth in addition to Kraft paper of polyethylene (in case of frozen meats).
- Slices of meat shall be packed in waxed cartons or polyethylene; and all the data shall be stated
- The animals have not been fed with feed manufactured with animal protein or fat or animal remains and the feed comply with the approved standards.
- The animals were not subjected to growth hormones that do not comply with the levels mentioned in the approved standards.
- The meat is processed with drugs and veterinary medicine within the levels mentioned in the approved standards.
- According to the approved standards, the meat does not contain any flavoring or coloring substances.

- All health requirements are available in all abattoirs where livestock are being slaughtered and prepared for export.
- Hazard Analysis and Critical Control Point system (HACCP) should be applied at all production phases at the abattoirs and factories where all kinds of meat and foodstuff are prepared.

## 7.2.2. United Arab Emirates SPS requirements

**Live animals:** The main SPS requirements in the UAE for live animals include:

- Testing for Foot and Mouth Disease (FMD), Brucellosis (10% of the animals).
- A health certificate for animals and animal products. All live animals are subject to quarantine for 21- 30 days before shipped to the UAE.
- When livestock reach the respective destination ports in the UAE, the Food Trade Control Section conducts necessary certification checks, clinical observations, and random laboratory analysis to ensure that regulatory health requirements are strictly complied with and fully satisfied. The quarantine regulation requires 15 days of quarantine for live animals before they are released into UAE. Live sheep and goats are tested for RVF and Brucellosis by conducting randomized sampling. If disease is detected, an additional 15 days of quarantine is required to look for clinical signs of suspected diseases. At the quarantine in the port of Hamriya, cattle are vaccinated against FMD type A, O, C and SAT 1, while shoats are directly taken to the market.
- Stock/herds must be certified by qualified veterinarian for passing through a recognized laboratory and quarantine facility.
- Following standard clinical procedures, animals should be issued with official health certification clearances as free from infectious, contagious and zoonosis diseases particularly Peste des Petits Ruminants (PPR), FMD, RVF, Blue tongue, Contagious ecthyma (Orfs), Pox and Brucellosis.
- Animals should come from an internationally known port in the exporting country.
- The Ministry of Environment & Water in UAE is the government body responsible for regulating the importation of live animals. UAE officials typically respond to disease notifications in exporting countries. Consequently, import requirements for live animals can and do change. Exporters should ensure that their importers have been in touch with the Ministry of Environment & Water prior to shipping.

**Meat and meat products:**

- Animals should be slaughtered in an approved abattoir which has HACCP or other quality assurance systems. Export abattoirs need to be approved by the Dubai Municipality. Approval depends on a number of hygienic and health factors as well as whether the abattoir uses the halal slaughtering procedure and is certified by the regional Islamic council.
- The presentation of veterinary certificate is also crucial to prove that the animals came from a zone free from RVF and were kept in an official quarantine station for 21-30 days prior to slaughtering, and were tested for RVF in an official laboratory with negative results. However, animals should not be vaccinated against RVF.
- Meat shipped fresh or frozen requires specified inspection and health certification issued by the government of the country of export.
- Meat must be free of filth and must be deemed fit for consumption (by health officials) in the destination country before release for distribution.
- Anti-mortem inspection should be carried out before slaughtering and revealed no clinical signs.
- The meat must not be mixed with any other animal products.
- The meat should be free from any pathogenic microorganisms or parasitic agents.

- The carcass should be completely eviscerated and were submitted to maturation at temperature above +20C for a minimum period of 24 hours following slaughter.
- The pH of the meat should be below 6.
- Meat should be transported in a temperature-controlled cargo (either chilled or frozen) with its specified temperature range maintained.
- Chemical contamination is a growing concern of UAE authorities and efforts are underway to update local guidelines and improve testing procedures for establishing limits of pesticide residues in agricultural and food products. The UAE and GSO have also issued several standards addressing acceptable limits of aflatoxin and other toxics, radiation and irradiation in food products.
- UAE has implemented measures to protect their human and animal food supply from terrorist sabotage. These measures may require pre-importation registration of the supplier, packer, additional supplier documentation and notice of each shipment within a specified time period prior to shipment and/or importation.

### 7.2.3. Kuwait SPS requirements

**Live animals:** the following are some of the requirements for importing livestock to Kuwait.

- All livestock imported to Kuwait must be free from transboundary animal diseases.
- Vaccination is required for RVF and sheep and goat pox.
- Animals are required to be quarantined for 21 days

**Meat and meat products:** As member of the GSO, Kuwait has the following standards for meat:

- The imported meat consignment shall be accompanied with certificates attesting that slaughtering has been carried out in authorized abattoir and according to Islamic rules, and that the animal has been inspected within 12 hours before slaughtering and immediately after slaughtering by an official veterinarian and it has been found sound, free from infectious diseases and fit for human consumption.
- Meat of livestock that had been fed protein or fat of animal origin cannot be exported to Kuwait.
- Each meat consignment shall be accompanied with an attested certificate issued by any of the relevant consulates of GCC states or by their authorized representative or by an Islamic center or organization to prove that slaughtering has been carried out according to the Islamic rules. The stamp of the Islamic center or organization shall be tamper-proof and the branding ink shall be stable and harmless to health.
- Each carcass (chilled or frozen) or final containers of special meal cuts shall be branded with the Islamic center or organization official stamp, and by the authorized person.

### 7.2.4. Oman SPS requirements

Live animal import requirements for Oman:

- Livestock to be imported to Oman should be kept in an approved quarantine for one month under the supervision of veterinary authorities.
- No incident of anthrax or PPR or lumpy skin disease (LSD) should have been reported during the 20 days before the shipment. Animals should be kept in isolation under the supervision of the public veterinary authority and no incident of rabies should have been recorded during the 12 months before the shipment.
- The imported animal should be Immunoglobulin M (IGM) tested for Rift Valley disease and brucellosis with random sample representing 50 per cent of the animals at each consignment.

Meat and meat products import requirements for Oman:

- In general, all imported meats (i.e., beef and poultry products) to Oman require a health certificate issued by the country of export and a “Halal” slaughter certificate issued by an approved Islamic center in that country.
- Certificates must be attested by the Embassy of the Sultanate of Oman or that of any GCC country.
- The importer should apply for a permit before arrival or departure of the consignment.
- The Omani Ministry of Agriculture and Fisheries has the right to impose any additional condition, determine port of entry for consignment or refuse or cancel the issued permit.

### 7.2.5. Qatar SPS requirements

Live animals:

- All livestock imported to Qatar must be free from transboundary animal diseases.
- In addition, livestock must be kept in a veterinary quarantine for three weeks before shipping them to Qatar.
- Vaccination is required for RVF, FMD and pox.

Meat and meat products:

- Abattoir should be approved by the GCC
- Original health certificate issued by the competent authority
- The certificate should attest compliance to GCC requirements
- Meat and meat products are routinely tested for Salmonella. If Salmonella is detected in more than 20% of the tested samples, the shipment will be rejected.

### 7.2.6. Bahrain SPS requirements

Live animals: Bahrain requirements for live animals include:

- Animals are required to be vaccinated for RVF, FMD, Pox and LSD.
- Animals are required to be screened for TB and brucellosis.
- Animals are required to be quarantined in approved facility for 21 days.
- Animals are free from FMD, Contagious Bovine Pleuropneumonia (CBPP), Rabies, Hemorrhagic septicemia (HS), Bovine brucellosis, Bovine tuberculosis, Bovine spongiform encephalopathy; and Screw-Worm fly.
- The animals showed no clinical signs of anthrax on the day of export and the animals either: originated from a property or properties free from anthrax for the 20 days prior to export; or were vaccinated against anthrax not less than 20 days and not more than six months prior to export.
- The property of origin either: is located in a zone free from cattle tick and tick-borne diseases and the cattle are free from evidence of cattle ticks; or the cattle have been treated for ticks and are free from evidence of ticks.
- The animals were examined during the 48 hours prior to loading for export and were found free from evidence of diseases and fit to travel.
- The decks and compartments used for transporting the ruminants and storing feed have been thoroughly cleaned.

### 7.2.7. Yemen SPS requirements

As a non-GCC member, Yemen has less stringent SPS requirements and does not participate in GCC bans.

### 7.2.8. Jordan SPS requirements

**Live animals:** The following are the import regulations stipulated by the Jordanian Ministry of Agriculture:

- The shipment should be accompanied by a veterinary health certificate that certifies cattle as free from infectious diseases and a certificate of origin stating that the animals originate from a disease-free zone. The animals should not have suffered from FMD during the previous three months.
- The cattle should be kept in official veterinary quarantine facility for 30 days prior to shipment and during which time serological testing for brucellosis and laboratory examination for FMD strains (using 3ABC-ELISA) should be carried out.
- The cattle should not be vaccinated against FMD, LSD or CBPP but should be vaccinated against HS.
- The animals should also be dipped or sprayed to ensure that they are free from external parasites.
- The animals should be quarantined upon arrival in Jordan for at least 14 days.
- Transportation, loading and unloading of animals should be carried out according to Jordanian standards.

**Meat and meat products:** The following are the general requirements for importing meat and meat products to Jordan.

- All meat and processed meat products imported into Jordan must be accompanied with SPS certificate from proper authority indicating that the product is free from infectious and contagious diseases as a preliminary food safety requirement,
- The certificate shall also state that the animal has not been fed feed that contains bovine bone and meat meals.
- Meat should be free of glands and bones.
- Meat should be from animals that are hormone free; a hormone free certificate is required.
- Meat should be from animals that received ante-mortem inspection in the country of origin.
- Bovine meat should be from animals that have not been subjected to gas injection into fore cavity (nasal or mouth cavity) or upper vertebral column puncture (might cause nervous tissues rupture) before slaughter.
- Consignment should be free of eyes, brains, spinal cords or meat mechanically extracted from skull or vertebral column.
- Meat should be from cattle not exceeding 30 months of age.

### 7.2.9. Egypt SPS requirements

The import requirements for Egypt from the African Countries are as follows:

Import of de-boned beef meat (frozen- chilled- chilled under vacuum- chilled under vacuum with Inert gas)

- Importation of deboned meat from animals aged not more than 48 months.
- Meat comes from animals not feed on bone or meat meal.
- Meat comes from animals not treated with GPHs.
- The animal sources of meat come from area and herd free from any signs of epidemic and infectious diseases especially FMD, Rinderpest (cattle plague) and CBPP.

- Meat from hind and fore quarter only.
  - The deboned meat is produced under supervision of Egyptian Veterinary committee and from accredited slaughterhouses by Egyptian Veterinary delegation.
  - The duties of Egyptian Veterinary committee are (in coordinate with country veterinarian):
  - Inspection of animal pre- mortem and post-mortem.
  - Be sure that animals are slaughtered in according to Islamic rite.
  - Supervision of production process to make sure that meat produced under high quality measures coordinated with Egyptian stander and produce meat of high quality and fit for human consumption.
- Import of chilled boned meat
- Animals aged not more than 48 months.
  - Animals sourced from area and herd free from any signs of epidemic and infectious diseases specially FMD, RVF, LSD, and CBPP.
  - Meat come from animals not treated with GPHs.
  - Meat from hind and fore quarter only, wrapped with gauze and accompanied by label with all information. The meat is kept under chilling condition (from 0 to 2°C) till shipping.
  - Produced under supervision of Egyptian Veterinary committee and from accredited slaughterhouses by Egyptian Veterinary delegation.
  - The duties of Egyptian Veterinary committee are coordinated with local vet:
  - Keep the animal under quarantine situation for 15 days before slaughtering
  - Test by 3 ABC for FMD, only negative animals quarantined and then slaughtered
  - Slaughtered in according to Islamic rite
  - Supervision of production process by Egypt vets
- Import of live animals for immediate slaughter
- The importation under the supervision of Egyptian veterinarian delegation.
  - Weigh not less than 300 Kg
  - Age: from 4 to 5 years
  - Laboratory testing in the country of origin:
  - FMD by 3ABC test
  - 10% of total animals against TB by tuberculin test.
    - N.B.: All positive cases have to be removed from the quarantine area.
    - Negative animals will be vaccinated:
  - Against LSD, RVF, HS, CBPP
  - FMD with polyvalent vaccine (strains A, O, Sat1 and Sat2)
    - Quarantine period for 21 days under the supervision of Egyptian veterinarian

### 7.2.10. Vietnam SPS requirements

#### Meat and Meat products

- The meat was derived from cattle less than 30 months of age.
- An ante- and post-mortem inspection by the inspector, and were not suspect or confirmed Bovine spongiform encephalopathy (BSE) cases.
- The beef and beef meat products were not derived from specified risk materials:
- The meat does not contain advanced recovery meat or mechanically separated meat
- The animals were not fed meat and bone meal or greaves of ruminant origin.
- The meat was derived from certified slaughter and processing facilities.
- Packaging materials used for fresh meat should meet requirements of food safety and should not affect the product quality.
- Means of transport used for fresh meat should be specially used for food that should not affect the product quality.
- At the processing area, fresh meat should be placed on stainless steel hangers or hooks and kept in good condition.
- Frozen meat is transported by means specially used for food, that can maintain the temperature of core of product bulks not higher than - 12OC during transportation. The means of transport must be cleaned and disinfected regularly as well as before use.
- Storage period for frozen meat shall not be more than 18 months after production.



- Frozen meat should be stored in special storehouse. Temperature of core of the products should not be higher than - 12oC.
- In general, the Vietnam Food Administration (VFA) under MoH requires a certificate of Good Manufacturing Practice (GMP) or HACCP for imports of all processed food items and food ingredients.

### 7.2.11. Malaysia SPS Requirements

**Meat and meat products:** The following are the main SPS procedures and related issues verified before, during and after importation of meat and meat products to Malaysia.

- **Import risk assessment:** Involving information and data gathering from OIE reports, questionnaires and inspections; evaluation of information and data to determine the risk; determine appropriate level of protection and determine import requirement/regulation - Import protocol.
- Inspection and accreditation of establishments/premises
- **Import regulations/protocol:** Veterinary Health Certificate from the competent veterinary authority of the exporting country/zone: Disease-freedom/health status; Farm/herd: disease monitoring and control programs, biosecurity, Good Animal Husbandry Practices (GAHP); Animal: Sampling and testing, vaccination, quarantine, treatment; import permit from the Department of Veterinary Services Malaysia; Halal Certificate from Islamic Body (Halal Certifier) accredited by Malaysian Islamic Development Department (JAKIM).
- Inspection at entry point

The following SPS measures should be applied at the approved abattoir before exporting meat to Malaysia.

- All animals should come from countries free from FMD, rinderpest and Anthrax.
- Slaughter should be carried out at the approved abattoir.
- In the event of FMD or rinderpest detection at the abattoir holding yards, the entire consignment for export to Malaysia must be rejected. Reintroduction of animals for the purpose of export to Malaysia should only be undertaken after thorough disinfection of the holding yards under the supervision of competent veterinary authorities of the exporting country and not less than two weeks after disinfection has been completed.
- All animals slaughtered should be subjected to detail post-mortem inspection in accordance to meat inspection procedures.
- In the event that FMD is detected during meat inspection, the entire consignment for export to Malaysia must be rejected followed by disinfection of the abattoir and holding yards under the supervision of competent veterinary authorities of the exporting country.
- All carcasses should be eviscerated, dressed and held at a temperature of 0 – 4oC for a minimum period of 24 hours at the approved abattoir or cold storage before the meat is processed, chilled or frozen for export to Malaysia.
- The carcasses should be processed, packed and stored at an approved processing plant under sanitary conditions.
- The meat should not contain any preservative, coloring matter or foreign substances and any other harmful materials.
- The vehicle/container used for the transportation of the meat must be in hygienic condition and refrigerated.
- Transportation should be done directly to an approved destination through the International Port or Airport of the exporting country.

### 7.2.12. Nigeria SPS requirements

- Apply for import permit to the Chief Veterinary Officer (CVO), Federal Department of Veterinary and Pest Control Services, Federal Ministry of Agricultural and Rural Development, Area 11, Abuja.
- Notify Nigeria Agricultural Quarantine Services (NAQS) of import permit details.
- Notify NAQS of the arrival date.
- On arrival point of entry, make declaration of animal/animal product or consignment for NAQS inspection and certification.
- Declaration should include the entire document accompanying the animal/animal product
- NAQS officer verifies the document and consignments as well as the status of animal and animal product at the point of entry.
- On arrival at the port, NAQS officials conduct visual inspection of animal and animal products. Live animals are sent to the quarantine stations for observation and suspected animal products are lab tested. If satisfied, animal or animal products are released; otherwise animal or animal products are detained for further quarantine action.
- For live animals, they must be held for a reasonable quarantine period.
- Where an animal is infected with a zoonotic disease, the animal could be seized for further necessary action or destroyed by NAQS at the importer's expense.

### 7.2.13. Common non-sanitary requirements

Halal slaughter certificate and labeling: All imported consignments of meats shall be accompanied with an official Islamic slaughtering certificate issued from the Competent Authority in the country of origin.

- An approved Islamic Center is required.
- Date of slaughtering and expiry date should be mentioned on each meat product batch.
- Commercial Invoice
- Bill of lading
- Country of Origin Certificate
- The abattoir shall not be used for slaughtering pigs.
- The sale of pork products is banned or strictly regulated.

**Table 17 - Requirements for export of live animals from the horn of Africa**

COUNTRY	RVF	FMD	CBPP	BRUCELLOSIS	POX	LSD	QUARANTINE PERIOD (DAYS)
EGYPT	Vaccination	Test	Test	--	--	Vaccination	30
EMIRATES	Vaccination	Test	--	Test 10%	--	--	21
KUWAIT	Vaccination	--	--	--	Vaccination	--	10
OMAN	Test 5%	--	--	Test 50%	--	--	21
SAUDI ARABIA	Vaccination	--	--	Test 100%	Vaccination	--	30
YEMEN	Vaccination	--	--	--	--	--	10
QATAR	Vaccination	Vaccination	--	--	Vaccination	--	10
JORDAN	Test 10%	Test 10%	Test 10%	Test 100%	Vaccination	--	30
LEBANON	Test 100%	Test 5% + Vaccination	Test	Test	RP Test 3%	--	30
BAHRAIN	Vaccination	Vaccination	--	--	Vaccination	Vaccination	7-21

### 7.3. Trends in SPS requirements

It should be noted that in the wake of globalization, many countries, including the traditional trading partners for IGAD region, are moving to rapidly integrate SPS and WTO principles. As a result, countries are reviewing their policies and practices and major changes are underway that will have an important impact on livestock trade. These escalating standards for livestock and livestock products, with all their auditing and certification requirements, present a growing challenge for IGAD countries seeking access to external markets.

In addition to diseases which affect animals and microorganism contamination of animal products which causes outbreaks of food borne diseases in humans, current and upcoming food safety concerns relate to the following types of contaminations;

- Residues of agricultural chemicals (pesticides, rodenticides, herbicides, fungicides etc.) and veterinary drugs, e.g. Sulphur drugs, antibiotics, growth and other hormones.
- Mycotoxins, e.g. aflatoxin.
- Environmental contaminants (heavy metals) e.g. cadmium, lead, mercury, zinc etc.
- Food additives, especially those to which significant numbers of consumers are hypersensitive such as Sulphur dioxide, tartrazine etc.
- Filth, e.g. dirt, insect and insect parts, urine and animal droppings, hair etc.
- Excessive radioactivity, e.g. radionuclides etc.

Many MENA countries are moving to rapidly integrate SPS and WTO principles and their regulatory environment would change dramatically over the short- to medium-term. They are concerned about the disease status of exporting countries but also considered the quality of information available, the quality of veterinary services in exporting countries, the reliability of health certifications process and membership in the WTO. Several of the importing countries indicated that trust in the reliability of animal health certificates was an important criterion in decision-making. Moreover, animal welfare and livestock identification and traceability are also increasingly becoming requirements.

Key importing countries are increasing internal food safety standards in terms of the application of HACCP procedures in slaughter houses and manufacturing plants and anticipate that they will require standards on imports to conform to evolving domestic standards.

Multi-national supermarkets, food suppliers and restaurant chains are a principal growth sector in the MENA region. Major international supermarket chains with private standards that surpass government standards are already invested in the region. As countries embrace the WTO principles, this trend will probably accelerate rapidly. These organizations procure many products on a regional basis and often operate to private standards that surpass national standards and international guidelines. Over the medium to long term, products regulated by private commercial standards will probably dominant the main market.

## 8. Challenges for enhancing live animal and meat export trade from the IGAD region

### 8.1. Presence of Trans-boundary Animal Diseases

The livestock sector has enormous potential to contribute to food security and general economic integration within the IGAD region. However, the sector is seriously constrained by animal diseases. The bans that the IGAD region experienced from the major importing countries on livestock imports due to concerns over transboundary animal diseases (TADs) have had significant impacts on the livelihoods of livestock-dependent communities and business enterprises. Trade-sensitive livestock diseases are major non-tariff barriers to trade in livestock and livestock products between the IGAD region and the rest of the world. It is therefore, imperative that the region strengthens the disease control and prevention efforts and find ways of sustaining and enhancing the valuable livestock trade and its benefits. Some of the major diseases hampering trade include:

### Foot and Mouth Disease

Foot and mouth disease (FMD) is one of the most contagious diseases of mammals and is endemic in IGAD region. It affects cloven-hoofed animals, and because of its highly contagious nature it spreads quickly through a region. It is very difficult to eliminate as both raw and processed meat can carry the disease. Travelers, tourists, wind and transport vehicles can carry the disease from one region or country to another. Only some 59 countries are currently officially free of the disease, as registered by the World Organization for Animal Health (OIE). The disease incurs large economic losses for producers, and substantially limits trade opportunities in disease free lucrative markets.

There several cases of trade bans and rejection of consignment by some MENA countries on live animals from the IGAD region due to FMD. Vaccination is complicated by multiplicity of antigenic types and subtypes. Eradication of the disease is a long-term objective for the IGAD region. OIE/FAO have developed a 'Global strategy for the control of FMD' under their GF-TADs Framework. The objective being eradication of the disease from livestock. Seven stage process is foreseen for the progressive control and eradication of FMD. IGAD MS individually and collectively should actively participate in this process to manage the disease.

### Rift Valley Fever (RVF)

Rift Valley Fever (RVF) is a vector-borne disease that is transmissible from animals to humans and is endemic to the IGAD region. The disease has been responsible for three separate trade bans from KSA and other Gulf states over the past two decades. From February 1998 to April 1999, KSA banned imports of live animals from the Horn as a result of a regional outbreak of RVF. In 2000, an outbreak occurred for the first time outside of Africa, in KSA and Yemen, causing these two states as well as four others (Bahrain, Oman, Qatar and the UAE) to ban imports from the Horn. The 2000 ban was kept in place for five years, long after the risk had subsided. In 2007, an RVF outbreak in Kenya, Tanzania and Somalia caused yet another trade ban.

These bans have disrupted trade patterns and dealt severe economic blows to the region. For instance, the Saudi trade ban lasted 10 years until September 2009 affecting local economies and causing several changes in livestock marketing. The ban caused financial losses to exporters and serious economic hardships on pastoralists whose major incomes are from livestock and livestock products. A loss of USD132 million in value added and 36% fall of GDP was estimated in Somali region of Ethiopia due to trade ban imposed as a result of the outbreak of RVF in Northern Somalia and Kenya in 2000.

### Peste des Petits Ruminants (PPR)

Peste des petits ruminants (PPR), or small ruminant plague, a viral disease primarily affecting goats and sheep is the major constraint to productivity. The disease is widespread globally and is endemic in most IGAD Member States. The socio-economic losses associated with PPR mainly result from the high case fatality rates. The co-existence with other small ruminant diseases such as sheep and goat pox, contagious caprine pleura-pneumonia, brucellosis, endo- and ecto-parasites compounds the problem and the socioeconomic losses. The existing technical tools are sufficient to enable the progressive control of PPR to commence. There are ongoing efforts to progressively control the disease under the EU SHARE program. Outbreaks occur by movement of goats and sheep from within the areas of persisting infection in country and across borders. The good news is that experience in the region shows that it is possible by intensive, focused vaccination to eliminate disease from large areas relatively quickly and for extended periods of time. It should be noted that the global eradication of PPR will only be possible through a massive coordinated campaign, as achieved with the successful Global Rinderpest Eradication Program.

### Contagious Bovine Pleuropneumonia (CBPP)

CBPP is an infectious disease of the lungs in cattle caused by a bacterium. The disease is endemic in the IGAD region affecting trade. CBPP is spread almost exclusively by direct contact between animals although indirect spread is also possible. When the disease spreads for the first time within a sensitive cattle population, it generally causes high mortality.

CBPP can be controlled by immunization using existing vaccines. However, these vaccines are not 100% efficacious and confer immunity only for a relatively short period of time. Successful control and eradication of CBPP was achieved in Europe in the 19th Century using the "stamping-out" policy. In Africa, there is only one authenticated case of CBPP having been eradicated in Botswana in 1995/96 where 320,000 head of cattle were destroyed and buried at a cost exceeding USD350 million.

## Lumpy skin disease (LSD)

Lumpy skin disease (LSD) primarily affects cattle and African Cape buffalo and it is caused by a pox virus. It is present in Africa. The disease is believed to be spread between animals by biting flies and mosquitoes, although spread of the disease is often related to cattle movements. Many animals in a herd will be affected but a few animals die from the disease. Death rates are greater among calves. The disease causes damage to hides, loss of milk and beef production, abortions in females and sterility in bulls. The economic losses in herds with the disease are very severe.

## Contagious caprine pleuropneumonia (CCPP)

Contagious caprine pleuropneumonia (CCPP) is an acute highly contagious disease of goats caused by a mycoplasma and characterized by fever, coughing, severe respiratory distress, and high mortality. CCPP is a disease of goats, and where the classical disease has been described, only goats were involved in spite of the presence of sheep and cattle. CCPP has been described in many countries of Africa, the Middle East, Eastern Europe, the former Soviet Union, and the Far East. It is a major scourge in many of the most important goat-producing countries in the world and is considered by many to be the world's most devastating goat disease.

### Sheep and goat pox

Sheep and goat pox (SGP) is an acute to chronic disease of sheep and goats characterized by generalized pox lesions throughout the skin and mucous membranes, a persistent fever, lymphadenitis, and often a focal viral pneumonia with lesions distributed uniformly throughout the lungs. Subclinical cases may occur. Sheep and goat pox virus causes clinical disease in sheep and goats. The virus replicates in cattle but does not cause clinical disease. The disease is endemic in Africa, the Middle East, the Indian subcontinent, and much of Asia.

## Contagious ecthyma (Orf)

It is caused by a Pox virus and is highly infectious viral disease of sheep and goats characterize by the development of pustular and scabby lesions on the muzzle and lips. Deaths are due to the extension of lesions in the respiratory tract.

## Brucellosis

Brucellosis, especially caused by *Brucella melitensis*, remains one of the most common zoonotic diseases worldwide with more than 500,000 human cases reported annually. The bacterial pathogen is classified by the Center for Disease Control (CDC) as a category (B) pathogen that has potential for development as a bio-weapon. The geographical distribution of brucellosis is constantly changing with new foci emerging or re-emerging. The disease occurs worldwide in both animals and humans, except in those countries where bovine brucellosis has been eradicated. The worldwide economic losses due to brucellosis are extensive not only in animal production but also in human health. The disease is primarily an occupational risk in exposed professions, veterinarians, farmers, laboratory technicians, abattoir workers, and others who work with animals and their products. Although a number of successful vaccines are being used for immunization of animals, no satisfactory vaccine against human brucellosis is available. When the incidence of brucellosis is controlled in the animal reservoirs, there is a corresponding and significant decline in the incidence in humans.

## Zoonotic Diseases

Zoonotic diseases are those that arise in animals but can be transmitted to humans. Potentially pandemic viruses, such as influenza, are the most newsworthy, but many others exist, including rabies, brucellosis, bovine tuberculosis, RVF and anthrax. Zoonotic diseases may cause significant productivity losses in livestock (or in other domestic or wild animal species), but their major impact is usually in causing human disease and suffering. Some can be characterized as endemic, such as many of the meat-borne helminth zoonoses, brucellosis and tuberculosis, and some are epidemic in nature, such as rabies and RVF. Around 60% of all human diseases and around 75% of emerging infectious diseases are zoonotic.

## Food-borne diseases

Food-borne pathogens are a major threat to food safety. Most food-borne illnesses are caused by infection by microbial pathogens that have entered the food chain at some point from farm to fork. Food-borne illnesses can also be caused by toxins (microbial or chemical) that have contaminated food. The majority of cases of food-borne illnesses are mild and self-limiting, although unpleasant. However, occasionally, more serious illness or even death may result. Around one-third of people in developed countries are affected by food-borne pathogens each year, according to the WHO. This figure is significantly higher in developing countries.

The cost and burden of food-borne illness is high and is a global concern. International trade means that contaminated food has the potential to spread widely. The most common food-borne pathogen includes *Campylobacter*, *Salmonella*, *E. coli* O157, and *Listeria monocytogenes*. In addition to disease caused by direct infection by food-borne pathogens, food-borne illness can be caused by microbial toxins that contaminate food. Mycotoxins are produced by certain molds that grow on various foods including livestock products. Mycotoxins cause a range of negative health effects in humans; some, such as aflatoxins, are carcinogenic in animals, and probably humans.

## 8.2. Weak SPS compliance by IGAD MS

**SPS regulations and laws are outdated:** National SPS regulations and laws are outdated and fail to comply with scientific advances in the field, international standards and requirements of importing countries hampering market access for live animal and meat export.

**Growing SPS requirements:** The international market for live animals and meat is becoming increasingly stringent. All those involved in the production, processing and marketing of live animals and meat must comply with improved SPS practices to maintain and increase market share.

**Absence of traceability system:** Traceability systems are important, effective tools that can be used for many things, including the protection of animal health, public health and food safety. They can help reduce response time, thereby limiting economic, environmental and social impacts of emergency situations such as disease outbreaks. It is increasingly becoming a requirement for market access. However, despite some pilot initiatives, effective implementation of livestock identification and traceability is not yet realized in most of IGAD MS.

**Poor animal welfare:** The welfare of farm animals has been the subject of significant regulatory and policy attention in many countries and is an issue of growing importance all over the world. Changing public opinion about the importance of good animal welfare and applying legislative actions will be important in animal production systems in IGAD region where the poor animal welfare is immense and livestock handling and management is below required standards.

Testing animals for various diseases at higher end of the chain leading to losses to exporters: Most of the importing countries in MENA have testing requirements for livestock coming from the region. However, some of them perform additional tests once the animals reach their destination market. At times different test results at origin and destination are source of conflict and contention.

**Less trust on exporting countries capacity:** Importing countries usually have less trust on the capacity and certification system of the region. As a result, they usually send inspectors to spot check every consignment or export facilities and give official approval.

**Unjustified rejection of shipments:** At times consignments are totally rejected by competent authorities of importing countries after the commodities reached their final destination market. Usually such rejections are not scientifically justified and are arbitrary resulting heavy financial losses to the exporter.

**Lengthy export premises approval process:** Some of the MENA countries perform official approval process for export facilities such as live animal quarantine stations and export abattoirs before they allow import. This is done by sending their official inspectors to the facilities. However, this approval process is very lengthy and bureaucratic affecting business operations negatively.



### 8.3. Marketing problems

**Limited destinations:** Current markets for meat and live animal from the IGAD region are very limited. As a result, exporters from the region have poor bargaining power and are price takers. Major effort should be made by member states to diversify their client basis and penetrate new potential markets.

**Seasonality of the market:** The demand for live animals in the MENA heavily influenced by the season of the year and the occurrence of religious festivals. It is particularly strong around some holidays and festivals such as Eid Al-Adha. For some markets, the lead up to the holiday can cause increases in exports while in other markets trade remains steady.

**Limited market information exchange to all actors in the value chain:** Often, the collection of livestock market information is initiated as part of or as a project on its own and is not continued after the end of the particular project. Trained manpower (data collectors, processors and analysts) go elsewhere once the project is phased out eliminating possibilities for improving on the quality of data collection, interpretation and dissemination with time. Sustainability is the key problem in livestock market data collection due to lack of funds.

**Dominated by informal trade:** Informal cross-border trade is the movement of goods without adherence to procedural requirements of formal institutions. The cross-border livestock trade operation in the Horn of Africa is one of the largest live animal export movements in the world. There is a critical need to transform informal into formal trade and to secure these operations for the benefit of the region and its population.

**Limited market promotion:** Despite the comparative advantage of the region in supplying free range and organic products, little is done to capitalize on these desired attributes. Ideally, IGAD MS should join hands to devise a regional promotional strategy rather than on unilateral basis to position/reposition their products with certain attributes that appeal to the attitude of present day consumers (for example, capitalizing on free ranging animals).

**Absence of market segmentation practice:** Market segmentation is the process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment. IGAD member states should start marketing segmentation which should start first by knowing exactly which segments represent the most potential sales for their business.

### 8.4. Less Value addition

**Bulk of products exported are fresh primary products:** The bulk of the livestock products exported from the region are fresh primary products. A few processed products e.g. sausages are beginning to penetrate markets. A few traditional products are at various stages of entering the formal market chains. Generally, meat and live animal exported from the region are sold without value addition. Live animal exports continue to be volatile and subject to arbitrary bans and rejections. Therefore, the IGAD MS should give emphasis to value addition.

**There is little vertical integration:** Complete vertical integration is to align and control all of the segments of a production and marketing system under single ownership. The factors aligned and controlled are price, quantity, quality, and transactional terms of exchange. A totally integrated system can provide consistent quality from the field to the shelf, eliminating middlemen and even saving money for consumers.

**Limited capacity for meat processing and fabrication:** Accessing higher-end markets will require not only quality improvements for existing meat exports, but also technological upgrading for new products. Capacity to produce processed products, deboning of whole carcass into primal pieces and extending shelf life of meat products is lacking in the region and investment in such upgrading must be encouraged in order for higher-end meat products from IGAD region to target higher-end markets in the MENA. In order for this to occur, a greater in-depth understanding of the various segments of the Middle Eastern market is necessary.

### 8.5. The existence of strong competitors

**Attained efficient production and marketing system:** Competitors within the Middle Eastern markets compete not only on price and quality, but also on other factors such as flexibility of payment terms, aggressive marketing and promotion, and export incentives. Public-private initiatives and strong governmental support for meat exports are critical to enhance competitiveness. These are measures that IGAD MS may seek to emulate in order to increase the competitiveness of its meat exports and ultimately target higher-end markets. It should be noted that only low cost and efficient producers will be able to survive and compete in the market.

**Complied with the health and quality standards:** Most competitors including Brazil, Argentina, Australia, New Zealand and European countries have complied with the health and quality standards of importing countries. They have eradicated diseases such as FMD and put in place credible surveillance, risk assessment and certification system acceptable to the trading partners.

Quality issues for meat exported from the IGAD region is due in large part to inadequate infrastructure and inappropriate handling practices at the slaughter and export stages. Investments in appropriate infrastructure and cooling equipment particularly cold stores for meat are critical to address the problem. The enforcement of proper animal and meat handling practices will also be an important factor in improving meat quality and enabling IGAD MS meat exporters to target higher-end markets within the MENA. The lack of refrigerated transport must be addressed in order for IGAD MS to enter the market for frozen meat. This will require investment in refrigerated ("reefer") trucks for shipping boneless meat and carcasses overland to ports.

**Have branding strategy and sale branded products:** Most of our competitors have strong brand identity and is perceived by the market the product is safe and of high quality. They have built, maintained, and protected a positive image, high awareness, and product preference in the buyer's mind.

**Ensure reliable and consistent supply:** Other advantage of our competitors is they ensure consistent and reliable supply of meat and live animals. Exporters from IGAD MS at times fail to supply consistently and breach contractual obligations which results in lack of trust. These are largely a product of the supply/purchasing systems and abattoir/export operations, which must be addressed in order for exports to increase.

### 8.6. Inadequate investment on infrastructure

**Livestock production is traditional and not market-oriented:** There is a need to change traditional subsistence livestock rearing to commercialized or market-oriented livestock production. This requires smallholder to move from producing for household consumption with the option of selling surplus, into market-oriented production for the profitable product. The change in priority from household consumption to production for the market is a difficult transformation against the traditions of the rural population. However, it is already happening in some IGAD MS and this process of change can be enhanced by focused interventions which demonstrate to the smallholders that livestock farming for the market is good business that will provide them with more income and security than the traditional production system. They will then be willing to invest capital and labor in more productive livestock systems with higher quality products and more efficient incorporation into the value chain.

**Market and quarantine facilities not well developed:** Market centers and their associated infrastructures are important factors that have to be considered in the move to increase the supply of livestock for both domestic and export markets. Due to the wider geographical location of pastoralists, some important sources of livestock are very far from market centers. Pastoralists from the border areas need to travel long distances to reach these market areas.

Moreover, there is a need for further establishment of standard quarantine stations which are well-equipped and approved by importing countries. These are facilities where animals are held in isolation for a specified period of time for purposes of veterinary observation, sampling, testing, vaccinations and/or treatment as per requirements of the importing country.

**Not well-developed slaughtering and cold storage:** One infrastructure-related constraint to increasing meat exports from the IGAD region to MENA as well as additional destinations is the lack of appropriate slaughtering, cold chain storage and transportation facilities, including limited docking stations at ports that can be used until the shipment is loaded onto vessels.

**Not well-developed live animal transportation facilities:** Traders often cannot move their trucks to producer areas, while livestock owners complain that traders and their trucks never reach their areas—which forces them to trek long distances. Another trade-related, transport infrastructure issue involves the use of general-purpose tracks to transport livestock. While these tracks are sturdy and carry both imports such as grains and other goods into lowland areas and livestock animal exports out, they are not ideal for moving livestock. Animals lose condition, are often injured and are in some cases die.

**Limited PPP arrangements:** Most of the IGAD MS have no clear policy and guidelines to support public private partnerships (PPP) in the management and running of livestock services. These partnerships are very essential to bring in technology, investment, knowledge and skill into the livestock sector.

## 8.7. Poor information flow along the chain

**Lack of capacity to collect regular market information:** One apparent area of weakness is the lack of capacity to collect regular market information from livestock importing countries. As a result, vital market information is not collected on regular and systematic basis.

The apparent indifference to collect this information comes from a misunderstanding about the dynamics of the export market and the wrong perception that the markets will always function in a similar manner.

Lack of timely information on Tariffs, Rules, Regulations and Trade Restrictions imposed by importing countries: Tariffs, rules and restrictions are imposed from time to time or are changing for various reasons. Such information is not collected in a timely fashion to support decisions in business. As a result, considerable time and resource will be lost or the whole consignment might be rejected.

**Poor business skill and communications:** There are feedbacks from trading partners from MENA that exporters of live animal and meat from the IGAD region poorly respond to queries and complaints. To establish a strong business relationship, effective communication practices must be established.

## 8.8. Insufficient capacity

**Insufficient capacity to fully implement SPS standards:** The SPS compliance with increasingly demanding quality and safety standards is a growing challenge for IGAD region seeking increased access to global livestock and livestock products market. As noted in various studies the stringent SPS standards set by importing countries, coupled with the lack of technical and economic resources of IGAD MS, has limited access to potential markets. This resulted in a considerable loss of export revenue, employment and income.

**Cold chain breakdowns:** Break down in the cold chain is one of the common problems which at times result into total rejection of the meat consignment. Cold chain is a continuum from the time the carcass is skinned and eviscerated and enters the chilling processes, stored, dispatched and transported. This helps to achieve a level at which microorganisms do not grow. If cold chain control is violated at any point, meat safety, quality and hygiene will be compromised.

**Poor packaging:** Quality of stock net used for carcass and packing materials for variety meat/offal are areas of complaint by importers. Adequate packaging of meat with suitable protective material is an area which requires further improvement.

**Poor labeling:** Poor labeling of meat and meat products is one major area that need to be addressed. Labels are essential part of keeping consumers informed regarding their purchases. It should be written based on requirements of importing countries. Some might require the language in Arabic while others both in Arabic and English and this should be complied. All required information on the label must be presented in a legible manner. It cannot be concealed in any manner such that it is unlikely for the consumer to read. Labels must be made of materials that do not contaminate the food.

## 8.9. Absence of grades and standards

**No grades and standards for live animal and meat:** There is lack of communicated and enforced grades and standards for livestock and meat. The problem of grades and standards has also negatively affected the image and credibility of meat and meat products in export markets as inconsistent. The absence of grades and standards restricts the development of effective and efficient marketing systems. Therefore, it is important to have a grading system which accurately describes products in a uniform and meaningful manner.

**Price setting not based on grades and standards:** Current marketing systems are increasingly relying on repeatable, fully intelligible description to allow remote trading. Hence there is a trend toward objective grading of meat and live animals. Whereas in the IGAD region, mostly livestock and carcasses are appraised and their price determined subjectively.

**Absence of qualified graders:** Training services to deliver skills and competencies for appropriate grading of live animal and meat is lacking. Creation of and supporting grading assistants at grass root level across the products is a major gap that has to be filled.

## 9. Interventions to address the challenges and meet the requirements of importing countries

### 9.1. Measures to enhance inter-regional trade

#### 9.1.1. Control major TADs and comply with SPS requirements

**Legal reform:** IGAD MS should review and overhaul their legal framework so that they comply with current scientific advances, international standards and requirements of importing countries.

**Negotiate alternative approaches to the creation of disease-free zones/ compartmentalization:** Establishment of disease free zones is very costly, difficult to achieve even not feasible for the IGAD region in the foreseeable future. Therefore, the region and MS should negotiate alternative approaches with current and potential importing countries. Some of these alternative approaches include:

**Commodity based trade:** For countries in IGAD region, a commodity-based approach would be a pragmatic way of ensuring levels of acceptable risk for particular commodities without necessarily being required to prove freedom from trade-influencing infections. This would provide opportunities for trade and improved income generation without threatening importing countries with outbreaks of TADs. The idea is that once meat has been sufficiently chilled and matured, it no longer poses a threat for diseases such as FMD and, as such, the origin of the animal (assuming it is healthy) is immaterial for the purposes of trade. This means a focus on the quality of each product and how it was produced, rather than where it originated. This would not undermine disease control and eradication measures, as countries would actually have greater incentives to strengthen veterinary services and improve disease control.

**Commodity processing:** Processing of commodities frequently provides an effective method for risk mitigation. It offers additional opportunities for access to export markets by countries where trade-influencing diseases or infections occur. Once again, although this concept is recognized by the Code there is arguably too much emphasis on disease-freedom and insufficient guidance on commodity processing for risk management.

**Compartmentalization:** Means one or more establishments under a common bio-security management system containing an animal subpopulation with a distinct health status with respect to a specific disease or specific diseases for which required surveillance, control and bio-security measures have been applied for the purpose of international trade. The compartment concept is progressively evolving, but with the emphasis placed on bio-security, the internationally acceptable interpretations of a compartment are still largely limited to commercial production and processing enterprises, but also potentially to certain vertically integrated systems.



**Developing countries' participation in the SPS agreement:** Active participation of IGAD MS in any SPS matters, international standard-setting organizations and SPS committees is important to maintain and present their interests. Various studies suggest that developing countries could realize the potential benefits of the SPS agreement if they are actively involved on the SPS agreement and its institutions. There is, however, very low participation of developing countries on SPS related issues since the agreement has been put in to operation. The other indicator of developing countries low participation in SPS agreement is the attendance rate in the meetings of SPS committees.

**Animal welfare:** Animal welfare is an issue of growing importance in the international trade for livestock and livestock products. For this reason, exporting countries are required to comply with sanitary and welfare requirements of importing countries. Changing public opinion about the importance of good animal welfare and applying legislative actions will be important in animal production systems especially in IGAD region where the poor animal welfare is immense and the handling and management of livestock is below the required standards.

**Livestock identification and traceability System:** Animal identification and traceability requirements are important for current and future bilateral trade negotiations. Countries that have well-developed mandatory animal identification and traceability programs should not only be better prepared to prevent and control animal diseases, but also enjoy comparative advantages in terms of exports in relation to countries without such systems. The lack of a proper system of animal identification and traceability may result in loss of competitiveness and access to certain markets.

**Residue monitoring:** MS should build their capacity to carry out analytical tests to detect residues such as antibiotics, pesticides, heavy metals and hormones in food of animal origin. This also involves the development of national residue monitoring plan.

**Early detection and rapid response:** Investment in surveillance activities as information for action is warranted. The lack of confidence expressed by trading partners in animal health certificates in part stems from a lack of confidence in national surveillance systems. National authorities need to reach beyond passive surveillance approaches to more active systems that engage production stakeholders as partners. The final result of a surveillance system should be timely, accurate, low-cost information that is collected through an auditable system. The system should be documented and regularly assessed for quality of performance.

**Improve Laboratory diagnostic capacity:** MS should strengthen their laboratory systems so that test results coming from these laboratories are credible and accepted by the trading partners. This involves establishment of quality assurance system and accreditation of the laboratories for ISO 17025.

### 9.1.2. Improve the Marketing system

**Diversify and expand market destinations:** Understandably, the MENA is a major market for live animals and meat exports. However, total reliance on these markets alone is not advisable. Identifying and supplying other markets is therefore essential as risk minimization strategy in addition to providing an opportunity for increasing the volume of exports. Countries with less stringent animal health and SPS requirements could be targeted to diversify the market base.

**Curb informal livestock trade:** IGAD MS loss considerable income through informal livestock trade. The nature of the cross-border trade poses challenges to national and local-level authorities, both in terms of development and revenue collection and for border security management. The key challenge is to find ways to attain safe and secure borders that will also contribute to sustaining and enhancing this valuable trade and its benefits.

**Aggressively pursue market promotion:** Ideally, IGAD MS should join hands to devise a regional promotional strategy rather than on unilateral basis to position/reposition their products with certain attributes that appeal to the attitude of present day consumers (for example, capitalizing on free ranging animals). Such a regional promotional approach will also help the individual countries to cut costs on advertising, enable them to use the natural diversification of the region for promotional purposes while providing them a better chance of standing against their giant competitors (such as Australia and New

Zealand) than on unilateral basis. Promotional costs could be high but they pay in the end.

**Develop and implement market segmentation strategy:** It is a marketing strategy which involves dividing a broad target market into subsets of consumers, businesses, or countries that have, or are perceived to have, common needs, interests, and priorities, and then designing and implementing strategies to target them. Market segmentation is playing a more important role in defining business approaches. The “one size fits all mentality” is being replaced by wholesalers and retailers trying to match products with consumer demand. This is true in MENA countries.

**Develop and implement branding strategy:** This involves the development and utilization of appropriately branded products in selected markets to enhance consumer confidence and increase profitability. IGAD MS must focus on the development and promotion of branded products across different markets and consumer segments. A brand should create increased sales, greater margins, and improved return on investment.

### 9.1.3. Enhance competitiveness

**Carry out study along the value chain to determine factors affecting competitiveness:** It is not just the SPS compliance which is the limiting factor in expanding trade. Enhancing competitiveness is an area which needs to be addressed. Some of the factors affecting competitiveness are known while others have to be studied all along the value chain and tackled accordingly.

**Reduce transaction costs and be competitive in quality and price:** IGAD MS need to revise their strategies if they decide to compete head on with major competitors, then they have to bring down their export prices down to a level that allows them to compete. This strategy, however, requires an unprecedented level of reform in the internal markets. Domestic taxes have to be reduced, efficiency and cost cutting have to be greatly improved. The second alternative is, niche marketing in the MENA. This again requires employing various promotional tools on almost continuous basis specifically directed at that segment of the population that is ready to pay more for livestock or meat originating from the region. This strategy has to be backed by efficient and consistent supplies of livestock or meat from the region.

**Ensure consistent and reliable supply:** Unreliability of supply is a consequence of the lack of integration within the livestock value chain. This is due to traditional livestock production and marketing systems as well as the abattoirs' specific purchasing systems. Increased vertical integration through buyer-seller contracts will enable better planning to meet the needs for the export market.

**Design incentive mechanism to enhance export:** As competition is becoming more intense, suppliers are employing a variety of marketing strategies to reach the different market segments (stratified by income, ethnic group, age, religious beliefs etc.) in the MENA. Many countries are active in offering different forms of promotional assistance to local importers to increase sales. These include subsidies, price and payment terms such as credit facilities and price discounts on bulk buys and promotional activities such as TV and magazine advertising etc. IGAD MS should design appropriate incentive mechanisms to support and encourage meat and live animal exporters.

**Encourage public private partnership:** A public-private partnership (PPP) is a government service or private business venture which is funded and operated through a partnership of government and one or more private companies. PPPs are claimed to enable the public sector to harness the expertise and efficiencies that the private sector can bring to the delivery of certain facilities and services traditionally procured and delivered by the public sector. IGAD MS needs to develop a national PPP policy and guidelines, drawing on experiences from other African countries to inform decision-making when entering into negotiations and contractual agreements on PPPs.

**Encourage and support commercialization of the sector:** Current livestock production systems in the region are basically subsistence; are not commercially oriented. Pastoralists and farmers alike sale their animals when they have desperate need for cash. Therefore, a gradual shift to commercial livestock



production is needed to ensure consistent and quality supply of animals for both domestic and export markets.

#### 9.1.4. Promote value addition

**Gradually move into value added products:** There is a growing need for value addition in livestock production as a strategy to value chain actors to exploit market opportunities in high-value and niche markets. Value added products fetch higher prices on the market, due to shifting consumer demands, changes in market trends, technological developments and niche opportunities that have differentiated products from commodities.

**Deboning whole carcasses into primal pieces:** Because of lower labor costs than Australia and New Zealand, IGAD MS would have an advantage on processing boneless beef and sheep meat cuts. There is certainly an opportunity to consider deboning whole carcasses into primal pieces for further processing in an importing country.

**Processed products e.g. sausages:** Special processing of variety meats could also be performed to client specifications.

**Promote technological development for meat fabrication and extend shelf life:** Different technologies will be required for value addition for local market, regional and international markets, making it critical for IGAD MS to mainstream promoting technology development, and adoption to enhance value addition along the livestock value chain. Boneless beef, whether fresh or frozen, is the major traded product. Meat processors from the region will need to invest in the technology and training to increase supplies of boneless beef versus carcass and bone-in cuts.

#### 9.1.5. Improvement of investment and infrastructure

**Develop market and quarantine facilities:** There is need to develop needed infrastructures such as markets, quarantine stations, holding grounds etc. either through the public, private or PPP arrangements. Similarly, government-owned infrastructures such as live animal markets, holding grounds, water pans, boreholes and quarantine stations that are in various states of disrepair can be contracted out to the private sector. This would ensure the repair and maintenance of these infrastructures and above all the utilization of them, at service fees, as intended. Regular monitoring of these livestock facilities by the regulatory bodies would ensure that the state of the infrastructure and the services provided by the private sector are up to the required standard.

**Develop slaughtering and cold storage facilities:** Many of the export abattoirs in the region are small in size and mainly process sheep and goat carcasses. In all cases, the regional beef processing abattoirs in the Horn are not operating in a vertically integrated system. Such a system requires a deboning facility, sufficient freezing capacity, refrigerated container trucks and appropriate docking facilities at ports to export substantial quantities of frozen beef instead of live cattle. At present these are sorely lacking in the region.

**Develop live animal and meat transportation facilities:** IGAD MS's goal to increase export earnings will rest on addressing the challenges in live animal transport throughout the supply channel. Changing public opinion about the importance of good animal welfare during transport and applying legislative actions will be important.

With regard to meat transport, an integrated cold chain that encompasses the management of the movement of perishable meat from the abattoir through the entire postharvest chain to the final consumer needs to be developed. A cold chain for perishable foods such as meat is the uninterrupted handling of the product within a low temperature environment during the postharvest steps of the value chain including harvest, collection, packing, processing, storage, transport and marketing until it reaches

the final consumer. IGAD MS and private operators must work together to promote the use of cold chain technology, improve logistics, maintenance, services, infrastructure, education and management skills, and create sustainable markets for the design, use and funding of cold chains for reducing perishable food losses

#### 9.1.6. Improve information flow along the market chain

**Improve the market information exchange to all actors in the value chain (price, specifications etc.) on a regular and systematic basis:** It is very essential to regularly assess live animal and meat market in MENA countries and provide regular feedback to users on price, preference, market segment and competitors. Members states need to pay special attention to the changes in demography, attitude, disposable income, ethnic composition, distribution channels etc. of the importing countries as such changes are likely to affect their export potentials in a number of ways. Moreover, meat and live animal importing countries in MENA have specific requirements in terms of quality and SPS specifications. These requirements are not static and would change over time depending on various factors. Regularly collecting information related to SPS, weight, age, fat layer, packaging, labeling, etc. and giving feedback to users is of paramount importance.

**Collect timely information on Tariffs, Rules, Regulations and Trade Restrictions imposed by importing countries:** Tariffs, rules and restrictions are imposed from time to time either to protect domestic producers or to thwart perceived fear of importing diseases. The importance of obtaining such information and trying to redress it, if possible, cannot be overemphasized. Moreover, tariff levels are an important part of the export equation, which should be followed and monitored closely by exporters from the region to adjust production costs and margins accordingly.

**Enhance business and communication skill of market operators:** Good relations among members of a business are critical for success. Good communication skills are an important element for the development of good relationships. Poor communications starve a relationship while good communications nourish it. So, improving communication skills is important for success.

#### 9.1.7. Capacity building

Build the capacity of MS to fully implement SPS standards. Not all IGAD MS are at the same level of development and there are also clear differences between the needs and priorities. It is important, therefore, to identify, evaluate and quantify the specific needs of each country, in terms of resources required, relevance in resolving problems and cost of such capacity development.

**Improve cold chain management:** In cold chains of fresh meat and meat products, refrigeration can be considered as the primary process used for controlling and minimizing pathogenic growth and the growth of spoilage microorganisms. It is required at each stage of the cold chain to so as to guarantee safe meat and meat products. For meat businesses, this implies placing great emphasis on ensuring the monitoring of temperature conditions over the entire meat supply chain, including distribution, storage and handover points.

**Improve meat packaging (stock net quality for carcass and packing material quality for variety meat/offal):** The basic purpose of packaging is to protect meat and meat products from undesirable impacts on quality including microbiological and physio-chemical alterations. Packaging protects the meat from contamination by dirt, micro-organisms, insects and toxic substances or those influences affecting smell and taste or causing loss of moisture. Packaging should help to prevent spoilage, weight losses and enhance customer acceptability. Therefore, quality packing materials acceptable by the trading partners and the regulatory authorities should be used all the time.

**Improve labeling of packages:** The label on meat is important to the exporters and consumers alike. The meat exporter's most direct (and sometimes only) way to communicate with the consumer is via the label on the meat. For consumers, the label contains a wealth of information, which allows for informed purchase decisions. Therefore, it should be done properly based on the regulatory requirements of the importing country.

### 9.1.8. Develop grades and standards

Grades and standards for live animals and meat are important to determine quality for a given product, to avoid adulteration and to promote marketing of consistent product of defined quality to build confidence of consumers. It involves defining differences based on expected carcass yield and desirability and facilitating price setting according to quality. Grading requires hands on and special skill. Therefore, regular training should be given to produce qualified graders. The grade and standards should also be popularized and implemented. With regard to existing grades and standards, identification of gaps in the standards and grades should be identified and resources mobilized to fill these gaps. Harmonized grades and standards between IGAD MS can reduce transaction costs by reducing duplicative conformity assessment functions, including testing and certification.

## 9.2. Measures to enhance intra-regional trade among IGAD MS

- Implement Standard Methods and Procedures (SMP) for laboratory systems, disease control and surveillance.
- Formalize cross border trade in livestock. By providing different levels of support, IGAD should lift the informal trade out of its grey zone. The organization should be able to further strengthen policy dialogue to improve cross-border trading systems while promoting investment in livestock and pastoral areas.
- IGAD has facilitated development of Memorandum of Understanding (MoUs) between MS to harmonize cross border animal health activities and enhance trade. Further strengthening information exchange on animal health is required.
- Gradually reduce and eliminate import and export restrictions to trade amongst the member states, subject only to compliance with regionally agreed sanitary measures and quality control requirements.
- Harmonize customs procedures and formalities to ensure speedy movement of products, services and people across borders. This, for instance, would include mutual recognition of sanitary certificates.
- Agree on sanitary measures which are effective but which are also proportional and do not unduly restrict trade. While establishing an Free Trade Area (FTA) depends on the removal of obstacles to trade across borders, governments also have the responsibility to ensure that nothing enters their territory that may endanger the health of their consumers or their livestock.
- Establish a system for mutual recognition, then gradual harmonization, of national standards. As examples, these might include agreement on definitions of livestock products or the quality control of veterinary medicines.

## 10. Basics of Negotiation

### 10.1. Introduction

Negotiation is a part of everyday life. People have to negotiate all the time, for example at work to increase salary, in business to make a contract etc. Effective negotiation skills are the basic means for people to achieve what they intended. The word negotiation is derived from the Latin word negotiatus which means to carry on business, and the process of negotiating is mainly connected with business and commerce more than any other fields. Practically, every business cooperation should be managed via negotiation. Effective negotiation is the main concern of all executives, leaders and managers in the business world. At all times their negotiation skills should be improving. Negotiating is not an ability which an individual is born with but the ability which can be learned and developed during life. The only key to become a successful business negotiator is the learning of negotiation skills and continuously improving them.

### 10.2. Why learn to negotiate?

Many situations will have more than one potential outcome. Learning how to negotiate enables individuals to understand fully how complex situations are, and how to manage the situation more effectively. Good negotiation skills are beneficial to both individuals and businesses.

The benefits to individuals are:

- Better outcomes from negotiating situations,
- Resolving differences of opinion without bad feeling,
- A better understanding of other parties' aims, motivations and beliefs,
- Creating better business relationships, and
- Less stressful negotiations.

The benefits to businesses are:

- Reduced costs and overheads through better deal making,
- More opportunities for business development,
- Avoidance of the cost of failing to make crucial deals,
- Better relationships with stakeholders and other involved parties, and
- More positive and less stressful work and business relationships.

### 10.3. Goals and outcomes

When negotiating, it is important to bear in mind that goal and outcome are not the same thing.

**Goals** – the needs, wants and preferences that individuals consider before they negotiate.

**Outcomes** – a possible result of negotiation.

Possible outcomes of negotiation

Three outcomes are possible when negotiating:

- Win-win (both sides win).
- Win-lose (one side wins, the other loses).
- Inefficient but equitable (all items shared equally).

### 10.4. Types of negotiation

**The essential thing in the negotiation process is to know two basic types of negotiation:** distributive and integrative negotiations. The types differ mainly in the kind of relationship between negotiators. Distributive negotiation is mostly based on the impersonal nature of negotiation and it is not usually used to build a relationship. On the contrary, integrative negotiation is based on the creation of benefits for both parties which can contribute in creating a long-term relationship.

**Distributive negotiation:** Distributive negotiation or also called slicing the pie bargaining or win-lose bargaining is based on the competing style. This type of negotiation emphasizes the distribution or division of a negotiated thing between the parties involved in the process of negotiation. It means that one gets, one loses, but everyone tries to protect his/her benefits, and no one looks back to the other party's interests.

**Integrative negotiation:** In contrast to distributive negotiation, integrative negotiation or also called win-win negotiation or expanding the pie negotiation is based on the collaborating style. The win-win bargaining maintains some cooperation to achieve the results that both parties can benefit from. This negotiation type requires a high degree of trust and in fact also some kind of relationship. It should end up in an outcome where everybody gets something. In case of integrative negotiation, there are also verified strategies and principles how the negotiation process can turn out to be successful.

## 10.5. Negotiation styles

In the business world, there are five negotiation styles or so-called approaches which are used in the process of negotiating. Despite this fact, most of business negotiators use only one or two negotiation styles. Nevertheless, a successful experienced negotiator knows all of these negotiation approaches and one can choose to apply the most appropriate which would comply with the type of negotiation. It is an effective skill to adapt the style to the elements of negotiation. The most common division of negotiation styles is: competing, accommodating, collaborating, avoiding and compromising.

**The Competing Style:** The competing style is used when negotiators need to get quick results. This style is based on the expected result I win – You lose. A person showing a competing tendency is focused on the substantive outcome of a negotiation more than the relationship. A competitor would assert his/her own interests and offer options that are more favorable for him/her. “The competing style is distinguished by the effort to deceive and persuade the other party and by the usage of power to find out and exploit the other party’s weaknesses.

**The Accommodating Style:** The accommodating style is the opposite of competing style. It means that it is based on the preservation of relationships between two parties or individuals. This style presupposes the result I lose – You win. The accommodating style usually symbolizes enduring harmonic relationships, but there are also several weak points. If the accommodating style is used against high competing style, it will result in the domination of the high compete negotiator who will see the other side’s generosity as a sign of weakness.

**The Collaborating Style:** Collaboration involves exploring individual and mutual interests in an effort to satisfy everyone’s needs. This negotiation style usually results in I win – You win. It is based on meeting of all needs and on the creation of mutual value. The collaborating style is the basic style which should be used to achieve the goals in business negotiation.

**The Avoiding Style:** The avoiding style is avoiding not only issues or the other party but negotiation itself. It presupposes the loss of both parties, so the result is I lose – You lose. The avoiding is used in the situations when the issue of negotiation is irrelevant for both sides of negotiation. It is usually applied as an effective defense against the competing style. It is quite difficult negotiation style because the aim of this style is to avoid conflict but more often the avoiders get themselves into conflict.

**The Compromising Style:** Compromising is a partial-win, partial-lose proposition, where you get something that you want but not everything, and likewise for the other party. The compromise is based on fairness, mutually sufficient solutions and rationality. This style is applied mostly in the situations when business negotiators are dealing with someone they know and trust. The most important fact in the compromising is to realize that the negotiator wins something but also loses something.

## 10.6. Phases of negotiation

The first thing which executives or managers must realize is that negotiation is a process – it has some defined steps and phases which every successful negotiator should go through. In the business world, there are generally thought to be three basic phases which appear in every bargaining. A successful negotiator should know where he is in the process of negotiation, at which stage to perceive his actions and to prepare himself for what comes next. The most important fact is also to complete each phase properly to ensure a better chance of success. These three phases are: the preparation, bargaining and the decision or the finalization phases of the deal. Some sources divide the bargaining phase into more detailed steps.

**Preparation:** Preparation is an essential assumption for all business negotiations. If an executive wants to succeed in the process of bargaining, he/she must be prepared. It is the key to be a successful negotiator. The phase of preparation involves three general abilities: self-assessment, assessment of the other party, and assessment of the situation. In the phase of preparation, it is also important to set the strategies and tactics which will be used in the process of negotiating.

**Bargaining:** In the second phase, the negotiators are sitting round the table and they are engaged in a preliminary discussion. Both of them are sharing the information which could enable negotiation. Information sharing is crucial in the formation of negotiators’ position and also in the strengthening of negotiation as a whole. The type of shared information depends on the nature of negotiation. Information that is shared in most cases include: company activities and market position, opinion on entry points, other side’s attitude and engagement, problems, issues or risks, motivational factors etc. Another step-in bargaining is a discussion and proposing. In the proposing step, a negotiator summarizes his/her wants and claims. Both sides are considering their entry and exit points. In both of these steps, the negotiators have to concentrate on building relationships and trust so they should avoid insults, provocations and threats. They should turn to building a strong relationship based on trust, to sticking to a point of negotiation, to sharing information and to being positive and polite.

**Closing the deal:** Closing the deal is the last step in the process of negotiation. In this step, the perfection of the preparation is revealed. After the negotiators reach an agreement, they close the deal. The phase of closing the deal comes after both sides have achieved what they wanted, after the documentation of the agreement and after the negotiators have agreed on the details of the deal. If all these steps are met, the contract can be signed.

### Qualities of a Good Negotiator

Some of the most significant skills required for successful negotiation are:

- Efficient speaking
- A positive attitude
- Efficient listening
- Respect for the other parties
- A sense of humor

Some of the additional attributes to consider that may affect negotiations include:

- Emotional intelligence
- Creativity
- Persistence
- Patience
- Self-confidence

## 10.7. Venue and Time of Negotiation

People are most comfortable having a negotiation in their known waters. Most people feel alert and clear-headed in a certain time of the day. Environmental factors also may influence negotiations. For example, noise, interruptions, crowd, low privacy, etc. If a negotiation is being held at your site, you will have an upper hand in the negotiation. In a negotiation, you will be at an advantage if you set a time and place of your choice.

## 10.8. Areas of negotiation in livestock and product trade

- Sanitary and Phyto-sanitary agreements (SPS)
- Food safety
- Disease freedom or low prevalence
- Traceability
- Equivalence
- Commodity Based Trade (CBT)
- Regionalization
- Contract agreements
- Product quality



11. The Basics of Contracts

11.1. Introduction

A contract is an agreement between two or more persons, which is legally binding. It forms the basis for trade and as such, it guides the actions of the parties (buyer and seller and if required their agents) for the life of the contract period. The purpose of any contract is to set up an agreement that protects the interests of everyone involved.

The importance of getting your contract right cannot be over-emphasized. A solid contract can help you avoid disputes and possible litigation, both of which are especially risky when it involves export.

This note on contracting aims at providing a practical checklist in taking out contracts to sell live animals and or livestock products such as meat to a buyer in the importing country.

11.2. Contracting process

To protect you effectively, any contract with a foreign customer must pass through the following four steps:

- a. **Doing a background check on** the party you are dealing with to ensure its reliability is a very critical step one has to go through. Quality of its management, financial situation, business history, reputability, etc. are major indicators to be checked. Trade counselors in importing countries are better positioned to explore and provide the aforementioned information to the exporters.
- b. **Specify the law that governs the contract:** The business laws of the country you are working with and your foreign market will always differ in at least a few ways, which can lead to disagreements over what a clause in a contract actually means. To make disputes less likely, the contract should specify which country's laws will govern the agreement.
- c. **Negotiating the contract -** Aspects to be considered during negotiation process include the following:
  - Specification (animal and product detail): For example, if it is live animal confirm the type of the animal (cattle, sheep, goats etc), breed, target weight range, age and any quality specifications. If it is meat, indicate some important quality attributes that can best describe the product under consideration.
  - **Price and price basis:** Specify the price per unit of measurement agreed like USD/kg live weight, USD/kg carcass weight or USD per head.
  - **Quantity:** Total number of animals or Kg or tone of carcass etc
  - **Delivery period and site:** This is simply the period in which the live animal/meat must be delivered, and the delivery location. The costs associated with transporting to the delivery site should also be agreed.
  - **Assessors:** Confirm the details of assessors to be used if required. Ensure you are confident that the assessors are qualified to accurately assess the quality traits specified in the contract.
  - **Payment terms:** Confirm when payment is due and specify any agent's commission or costs.
  - **Passing of title:** Specify whether title passes; on full payment, on delivery or at an alternative time.
  - **Passing of risk:** This should also be agreed. Unless otherwise specified in the terms of trade, passing of risk will occur on delivery.
  - **Default procedures:** Clarify the default procedures applicable if you are unable to deliver the animal/product as per the specifications of the contract (eg any liquidated damages).
  - **Dispute resolution mechanisms:** You should also clarify the dispute resolution

mechanisms in place to deal with any contract conflict. This should be stated on your contract confirmation advice.

- d. Drafting and sending the draft contract to the other party for confirmation, and if agreed Signing of the contract. Whether you prepare the contract document, or receive one from the other party, you should read and check the contract details against the notes you recorded during your negotiation with the other party. Ensure the contract confirmation and your negotiation notes align on the points outlined in 'c' above. If you notice any discrepancies, contact the other party immediately to resolve them. If you are unsure about a term or condition, contact the other party and have it explained. Seek legal advice if you are still unsure.

11.3. Components of a contract

Broadly, a contract needs to have at least the following components/sections:

- Contract reference, date and contact details
- Specifications (e.g. animal or product details)
- Price and payment details
- Obligations of buyers and sellers
- Consequences of not meeting obligations (default)
- Dispute resolution process

Contracts are very specific in terms of their requirements and can vary from one to the other. Because of this, you cannot have one template that can serve all the specific needs of contracts across different commodities and different situations. The template below, which uses sales of cattle from an exporting country to a buyer in the importing country as an example, demonstrates what should go into each section/component of the contract:

11.4. Cattle sales contract template

Section 1: Contract reference, date and contact details

- Contract reference number \_\_\_\_\_
- Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_
- Contact details:
  - Seller (Name, Address, TIN No, Phone, fax, email)
  - Buyer (Name, Address, TIN No, Phone, fax, email)

Section 2: Specification or Animal details

- Cattle description (breed\_\_\_\_, steer/bull, weight\_\_\_\_ (range in Kg), age \_\_\_\_ (months))
- Quality \_\_\_\_ (to be based on agreed standards)
- Quantity \_\_\_\_ (number)
- Delivery date (from \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_)
- Delivery Site (\_\_\_\_\_)
- Assessors; Name and address of the assessors : (1. \_\_\_\_\_, 2. \_\_\_\_\_, 3. \_\_\_\_\_)

### Section3: Price and payment details

- Price: ( --- \$ cents/kg live weight or ----\$/head)
- Payment: Payment will be made by the buyer to the seller by electronic transfer to seller/s nominated bank account on or by --- days from the day of delivery.
- Passing of the title: title to the cattle subject to this contract passes to the buyer on full payment or up on delivery

### Section 4: Obligations of buyers and sellers

The narrative of obligation of buyers and sellers should be built taking into account the following points:

- The seller has good right and title to the animal subject to the contract
- The seller has all the necessary authorization to complete the contract
- The cattle subject to the contract are
  - Fit for the purpose
  - Are not lame, blind, diseased or unfit to travel
  - Comply with all the statutory requirements
  - Are accompanied by all the necessary documentation and certificates
- The buyer
  - Receive the animals in the specified date and place
  - Pay to the seller as per the agreement etc
  - The narrative for consequences of not meeting obligations should be built taking into account the following bullet points:

### Section 5: Consequences of not meeting obligations (default)

The narrative for consequences of not meeting obligations should be built taking into account the following points:

- **Event of Default:** The occurrence of any of the following events constitute an event of default:
  - Failure to pay or deliver when due
  - Breach of contract - material terms
  - Misrepresentation - when the representation is incorrect
  - Insolvency event
- Liquidated damage: A party in default is liable to pay damages based on the defaulted quantity multiplied by the difference between the contract price and fair market price as at the date of the default, within 7 days of the receipt of the demand to pay.
- Right of termination
  - If at any time of an event of default with respect to a defaulting party has occurred and continuing, the other party may, by notice to the defaulting party, terminate the contract.
  - The termination does not affect the non-defaulting party's right to any remedies that may be available at law, including the right to recover damages.
- **Force Majeure**
  - Neither party is liable to the other for any failure to perform any obligation under the contract caused by any fact, circumstance, and matter beyond the reasonable control of that party. This may include war, natural disaster etc.
  - If the force majeure prevents the contract from happening, need to be notified.

### Section 6: Dispute Resolution process

Dispute resolution process depends on what is agreed up on in the contract (Mediation, arbitration or litigation). The agreement is often that disputes arising out of the contract shall be referred to arbitration. Because of this, articles related to arbitration are often included in contracts. Under this condition neither party shall bring any action or any other legal proceedings against the other in respect of any such dispute until such dispute first has been heard and determined by the arbitration. Obtaining of a decision from arbitrators shall be a condition precedent to the right of either party, to bring an action or other legal proceedings against the other.

### 11.5. Carcass/other products sales contract template

#### Section 1: Contract reference, date and contact details

- Contract reference number \_\_\_\_\_
- Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_
- **Contact details:**
  - Seller (Name, Address, TIN No, Phone, fax, email)
  - Buyer (Name, Address, TIN No, Phone, fax, email)

#### Section 2: Specification or product details

- **Quality:** Chilled/frozen carcass originated from \_\_\_\_\_ breed of sheep/goat/cattle with an age range of \_\_\_\_ to \_\_\_\_ months. Carcass weight ranging from \_\_\_\_ to \_\_\_\_ kg when weighted at the abattoir of the seller after the chilling process is over. The internal temperature of the carcass at abattoir shall be between \_\_\_\_ to \_\_\_\_ degree centigrade. Each Caracas shall be wrapped in white stock net and packed in food grade package. The package should have labeled tags with necessary information. Other quality parameters to be based on agreed standards shall also be considered in the agreement.
- **Quantity:** \_\_\_\_ (number of carcasses) totally \_\_\_\_\_ Kg/tones of carcass
- **Shrinkage:** \_\_\_\_ % of shrinkage allowance will be added in the Quantity of purchase Order.
- **Delivery date:** (from \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_)
- **Delivery Site:** (\_\_\_\_\_) site \_\_\_\_\_ ( FOB/CIF).
- **Assessors:** Name and address of the assessors :(1. \_\_\_\_\_, 2. \_\_\_\_\_, 3. \_\_\_\_\_)

### Section3: Price and payment details

- **Price:** ( --- \$ /kg carcass)
- **Payment:** Payment will be made by the buyer to the seller by electronic transfer to seller/s nominated bank account (Bank name, beneficiary name, account number, swift code, city and country need to be specified) within or by --- days from the day of delivery or can be advance payment based on the agreement between buyer and seller.
- **Passing of the title:** title to the carcass subject to this contract passes to the buyer on full payment or up on delivery

## Section 4: Obligations of buyers and sellers

The narrative of obligation of buyers and sellers should be built taking into account the following points:

- The seller has good right and title to the carcass subject to the contract
- The seller has all the necessary authorization to complete the contract
- The carcass subject to the contract
  - Has originated from a Halal certified and approved facility
  - Animals have been inspected within 12 hours before and immediately after slaughtering by veterinary inspector, and that the carcasses are free from infectious disease and fit for human consumption
  - Comply with all the statutory requirements
  - Are accompanied by all the necessary documentation and certificates including a “Halal” Certificate, a health certificate, packing list, commercial Invoice, air way bill and certificate of origin
- The buyer
  - Receive the carcass in the specified date and place
  - Pay to the seller as per the agreement etc
  - The narrative for consequences of not meeting obligations should be built taking into account the following bullet points:

## Section 5: Consequences of not meeting obligations (default)

The narrative for consequences of not meeting obligations should be built taking into account the following points:

- **Event of Default:** The occurrence of any of the following events constitute an event of default:
  - Failure to pay or deliver when due
  - Breach of contract - material terms
  - Misrepresentation - when the representation is incorrect
  - Insolvency event
- **Liquidated damage:** A party in default is liable to pay damages based on the defaulted quantity multiplied by the difference between the contract price and fair market price as at the date of the default, within 7 days of the receipt of the demand to pay.
- Right of termination.
- If at any time of an event of default with respect to a defaulting party has occurred and continuing, the other party may, by notice to the defaulting party, terminate the contract.
- The termination does not affect the non-defaulting party's right to any remedies that may be available at law, including the right to recover damages.
  - Force Majeure
    - Neither party is liable to the other for any failure to perform any obligation under the contract caused by any fact, circumstance, and matter beyond the reasonable control of that party. This may include war, natural disaster etc.
    - If the force majeure prevents the contract from happening, need to be notified.

## Section 6: Dispute Resolution process

Dispute resolution process depends on what is agreed up on in the contract (mediation, arbitration or litigation). The agreement is often that disputes arising out of the contract shall be referred to arbitration. Because of this, articles related to arbitration are often included in contracts. Under this condition neither party shall bring any action or any other legal proceedings against the other in respect of any such dispute until such dispute first has been heard and determined by the arbitration. Obtaining of a decision from arbitrators shall be a condition precedent to the right of either party, to bring an action or other legal proceedings against the other.

## 12. Arbitration Basics

### 12.1. Introduction

Disputes occur in contracts on a regular basis. Parties in disputes have several options to try to resolve their disagreements. In broader terms, they can either file a lawsuit in court (litigation), or they can pursue an alternative dispute resolution method such as arbitration or mediation.

- Litigation refers to the use of court processes to resolve a dispute according to the rules in place in that jurisdiction. The court procedures governing litigation are highly formalized. Cases in litigation are heard by a judge and/or jury. This is the sort of dispute resolution process that most people are familiar with.
- Arbitration is a private method of dispute resolution in which the parties select the individual or individuals (“arbitrators”) who will decide the matters at issue following a process agreed upon by the parties. The exact procedure to be followed (if not included in the contract under dispute is governed usually by a country's arbitration laws, or by the arbitration rules prescribed by the International Chamber of Commerce (ICC). Arbitration is usually voluntary but sometimes it is required by law. If both sides agree to be bound by the arbitrator's decision (the ‘award’) it becomes a binding arbitration. Arbitration is generally faster, less expensive, and more confidential than litigation. Compared to litigation, however, parties in arbitration have fewer options to appeal an arbitration award if they disagree with it.
- Mediation is an informal and confidential way for parties to resolve their disputes with the help of a neutral third party called a “mediator”, who is trained to help people discuss their differences. The mediator does not decide who is right or wrong, nor does he (or she) issue a decision. Instead, the mediator helps the parties work out their own solutions to their problems. If parties are unable to resolve their dispute through mediation, they are still free to seek recourse through litigation or arbitration.

Many contracts provide clauses that state disputes arising from the contract will be resolved by arbitration, rather than litigated in courts.

### 12.2. Drafting an arbitration agreement

It is a fundamental principle of almost all countries' arbitration law that there must be an agreement between the parties to refer a dispute to arbitration. If this is not the case, then arbitration will not be available as a means of dispute resolution.

The first step in any arbitration is the drafting of an appropriate arbitration agreement. This usually begins when the underlying contract is negotiated. Careful thought needs to be given to the form of the arbitration agreement. Unfortunately, in many cases the parties' corporate counsel incorporate boilerplate arbitration agreements which do not take into account the particular circumstances of the contract.

- It is important to carefully consider what is included in the arbitration agreement because getting it wrong can be extremely costly. Some of the questions to be addressed in the drafting process include: It is always advisable to seek legal advice when drafting arbitration agreements. Considerations include: Is arbitration the most suitable form of dispute resolution, bearing in mind the nature of the contract?
- Do the parties want to refer all disputes arising out of the contract to arbitration or only certain types of disputes?
- Where do the parties want the ‘seat’ of the arbitration to be? This is important because the seat of the arbitration will also mean that the laws of that jurisdiction will apply to the arbitration's procedure. Some jurisdictions do not have laws (or courts) which adequately support effective arbitration.
- Do the parties want the arbitration to be ad hoc or conducted under institutional rules?



- How many arbitrators do the parties want to appoint (one or three)? Three will increase the cost and usually mean that diaries are harder to co-ordinate.
- Who will appoint the arbitrators — the parties or an independent body? What happens if the parties cannot agree? There must be a fallback position.
- In what language do the parties want the arbitration proceedings to be conducted?
- How many parties are likely to be involved? If there are more than two, then a multi-party arbitration clause may be necessary.
- In multi-party scenarios, consideration must be given to whether the tribunal should be provided with a specific power to consolidate connected arbitrations and/or join additional parties to the arbitration.

It is always advisable to seek legal advice when drafting arbitration agreements.

A typical arbitration clause in a business contract might look like this:

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the ----- (organization managing the arbitration rule in the country X) under its ----- (the official name of the Arbitration Rules), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

## 13. Role of business diplomacy in enhancing the live animal & meat export

### 13.1. Market promotion

#### 13.1.1. Developing promotional material for live animal and meat export from MS

Development of promotional materials requires involvement of several stakeholders from the public and private sector. However, trade councilors have indispensable role in regular assessment of the end market to determine promotional needs based on local context of the importing countries, participate in the crafting of the message to be communicated, involve in the determination of the language and medium of communication, comment on the promotional material prepared (video clips, posters, fliers, etc.) and finally actively participate in the implementation of market promotion. This can start, but not limited to, by displaying promotional materials at the compound of the embassies of MS during holiday celebration days or cultural show events.

#### 13.1.2. Branding

Trade counselors can play crucial role in promoting brand strategies. The marketing of live animals and meat product from IGAD MS should seek to enhance 'brand' recognition and the positive association that consumers have with the origins of these animals. Most important is perception that the animals are grass-fed and 'naturally-produced.' This includes production of professional quality promotional videos and sponsoring site visits to production and processing sites. If the branding strategy includes improved health standards, then this added-value will remain associated with the product as it moves down the market chain. Certain breeds of sheep, goats and cattle from the region are known for their quality and can easily be branded and promoted in MENA countries. These include black head Ogaden sheep and Boran cattle.

#### 13.1.3. Participating in food trade fairs

IGAD MS trade councilors can also be involved in identifying appropriate food fairs for promoting live animal and meat products from the region. This activity will lead into the initiation of trial shipments. Initiate trial shipments of experimental products for the market segments with the assistance of counselors. Emphasis would be on value-added products that fit a particular niche. There is increasing participation of MS in food fairs such as the International Food Show in Dubai. However, in most of the cases, such participations were not followed up and assessed whether the intended objectives were achieved or not. Therefore, trade councilors can participate in the documentation of lessons learnt from each trade fair and development of action packages to translate lessons learnt in to action.

## 13.2. Enhancing information Exchange

### 13.2.1. Regularly collect market information

Research live animal and meat market in MENA countries and provide regular feedback to users on price, preference, market segment, competitors and competitiveness is very essential. IGAD MS trade councilors in MENA countries have a role to play in the collection and dissemination of these crucial information that would enhance the exporters' understanding of future trends in demand and which demographic groups to target.

### 13.2.2. Regularly collect information on quality specifications

Live animal and meat importing countries in MENA have specific requirements in terms of quality and SPS specifications. These requirements are not static and would change over time depending on various factors. Regularly collecting information related to SPS, weight, age, fat layer, packaging, labeling, etc. and giving feedback to users is of paramount importance.

### 13.2.3. Information sharing on changes in regulatory landscape and SPS measures

Importing countries determine animal health certification requirements for the import of livestock. The exporter is responsible for obtaining of the importing country requirements for each consignment and preparing livestock in accordance with those requirements. Failing to comply would result in severe penalties including rejection of the whole consignment resulting in heavy financial losses. Therefore, provision of timely and regular information to exporters related to SPS and changing regulatory environment is an area IGAD MS trade councilors can contribute a lot.

13.3. Establishing good diplomatic/ business relationships

13.3.1. Strengthen the relationship of the regulatory authorities of Importing and exporting countries

IGAD MS trade councilors can facilitate regular regional and bilateral meetings and exchange visits to strengthen the relationship of the regulatory authorities of importing and exporting countries. Such interventions help to develop greater transparency and enhanced communication with potential importing nations. Countries that sent livestock trade delegations and invited exchange visits were generally better perceived in terms of reliability and trust-worthiness of information.

Moreover, trade councilors could also facilitate the approval of export facilities by competent authorities of the importing countries. In the past, considerable delays were observed in obtaining timely visit and approval of export facilities such as export abattoirs and quarantine stations with severe financial consequences.

13.3.2. Facilitate business to business relationships (B2B)

Trade councilors could help in identifying existing live animal and meat buyers in MENA and undertake regular meetings to discuss on challenges encountered and possible solutions. Moreover, they can also help identify potential buyers and establish B2B relations through sector associations. These business-to-business (B2B) actions are inherently win-win in nature, and will build trust in the buyer-seller relationships.

13.3.3. Establishing local intermediaries in cities/sub-cities of countries where embassies exist, and in countries where embassies are not existing

A market intermediary, a local service provider (LSP), in each country and cities in MENA, who has the capacity to enhance market linkages and represent MS live animal and meat companies is very useful in penetrating the market segments identified. The LSP could be responsible for promoting both generic and branded programs. Trade councilors can be involved in identifying cities, sub-cities and countries where local intermediaries will be needed and also identify appropriate intermediaries in collaboration with sector associations.

14. Action Package and Short-Term Plan

As indicated in the objective above, trade counselors after going through this manual, are expected to develop an action package to guide their moves towards enhancing the export trade of livestock and products from member states of IGAD region to MENA countries. To facilitate country's specific action package development process the template below is prepared. The major emphasis will be on achieving the outputs related to market promotion, information exchange and establishing good diplomatic/ business relationship with government and other stakeholders. Under each output, a number of activities and sub-activities are identified and people and institutions responsible are also indicated. Trainees are therefore expected to adapt this plan based on their local contexts.

Intergovernmental organizations, competent authorities of member states, sector associations and other stakeholders are also expected to plan their own based on the responsibilities attached to them. Monitoring and evaluation of the planned activities will be done regularly by IGAD/ICPALD and member states.

a. Action Package

	Objective/ Output	Activity	Sub-activities	Institution/person responsible
	<b>Objective:</b> Enhancing the volume and value of livestock and products exported from IGAD to MENA countries and ensuring that all the stakeholders in the value chain are benefiting in proportionate to their contribution			
1	<b>Output1:</b> Improved Livestock and Products Market Promotion in the End Market	Developing promotional material for live animal and meat from MS	Assessment of the end market to determine promotional needs  Fine-tune and craft the message to be communicated        Determine the medium of communication	IGAD/ICPALD with counselors from member states  IGAD/ICPALD with counselors from member states & business communities       CVO's, Business communities and counselors

	Objective/ Output	Activity	Sub-activities	Institution/person responsible
			Develop promotional material (video clips, posters, fliers, etc.)  Implementation  Impact assessment  Adjusting promotion materials developed based on the inputs from the outcome of the assessment	IGAD/ICPALD with counselors from member states and to be approved by CVO's of MS and the business community  Trade counselors and MS & business community  Third party- to be financed by IGAD/ICPALD  IGAD/ICPALD with counselors from member states together with the competent authorities of the MS
		Branding	Identify quality parameters to be branded for the commodity and MSs  Setting standards for the identified quality parameters  Developing means of verification for the set standards  Implementation including promotion of brands  Assessing the impact and adjusting the branding strategy accordingly	MS, after receiving regional training on the subject  Competent authorities of MS -Informed by the assessment made on promotional needs.  Competent authorities of MS  Counselors  IGAD/ICPALD
		Participating in food trade fairs	Identify appropriate food fairs for promoting our products  Raise funds from business communities and regularly attend trade fairs (leasing the space, setting pavilions, etc)  Document lessons learnt from each trade fair and develop action packages to translate lessons learnt in to action.  Regularly assess the implementation of the plan before the next event	IGAD/ICPALD- facilitated by business counselors  Sector Associations & MS    Sector associations with the support from competent authorities and business counselors  MS competent authorities, sector associations and Business counselors

	Objective/ Output	Activity	Sub-activities	Institution/person responsible
2	<b>Output 2:</b> Enhanced Exchange of information on market, quality, regulatory and SPS requirements between the two regions and various stakeholders involved in the chain.	Regularly collecting market information and providing feedback to users	Establish regional market information hub at IGAD/ICPALD	IGAD/ICPALD
			Develop standard formats for collecting regular information on price, preference, market segment, competitors, competitiveness, etc. on live animal and meat export trade  Regularly collect and channel the information to the hub  Collate, analyze and interpret the information and provide feedback at regular intervals to MSs and the business community.  Follow up on how the feedback provided is translated into action	IGAD/ICPALD with MS  Business counselors  IGAD/ICPALD  IGAD/ICPALD with MS
		Regularly collect information on quality and SPS specifications	Develop standard formats for regularly collecting SPS (testing, vaccination, quarantine, certification etc, and quality (weight, age, fat layer, packaging, labeling, etc.) requirements of importing countries	IGAD/ICPALD with MS
			Regularly collect and channel the information to the hub	Business counselors
			Collate, analyze and interpret the information and provide feedback at regular intervals to MSs and the business community.	IGAD/ICPALD
			Promoting compliance of quality and SPS requirements of importing countries	Animal production and health divisions of the MSs to translate requirements into doable action plans and ICPALD for backstopping



	Objective/ Output	Activity	Sub-activities	Institution/person responsible
		Information sharing: changes on regulatory landscape	Follow up on how the feedback provided is translated into action	IGAD/ICPALD and MS
			Follow up and notify MS whenever there are changes on the regulatory landscape of the importing countries	Business counselors
			If accepted adapt the new changes in the system	Competent authorities of MS
3	<b>Output 3:</b> Good diplomatic/ business relationships with Governments and other stakeholders of the two regions established.	Strengthen the relationship of the regulatory authorities of Importing and exporting countries	Develop common positions for a regionally harmonized disease management and certification systems	IGAD/ICPALD and MS
			Negotiate with importing countries on the common positions	IGAD/ICPALD together with MS
			Conduct regular regional and bilateral meetings and exchange visits and when needed to be concluded with protocol agreements	IGAD/ICPALD and MS of importing and exporting countries
			Facilitate the approval of export facilities by competent authorities of the importing countries	Business counselors and Competent authorities of MS
		Facilitate business to business relationships (B2B)	Regularly undertake inventory of buyers	Business counselors
			Identify existing buyers and undertake regular meeting to discuss on challenges encountered and possible solutions	Business counselors and sector associations
		Business counselors	Identify potential buyers and establish B2B relations through sector Associations	Business counselors and sector associations

	Objective/ Output	Activity	Sub-activities	Institution/person responsible
		Establishing local intermediaries in cities/ sub-cities of countries where embassies exist, and in countries where embassies are not existing	Identify cities, sub-cities and countries where local intermediaries will be needed	Business counselors and sector associations
			Identify intermediaries and conclude with formal agreements	Business counselors and sector associations

b. Short-term plan (2018-2019) for materializing the action package as agreed on the second Trade counselors Training session held March 13-16, 2018 in Entebbe Uganda

Output	Activity	Sub-activities	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
<b>Output1:</b> Improved Livestock and Products Market Promotion in the End Market	Developing promotional material for the export of live animal and meat from MS	Undertake business/ market survey to know the preference of stakeholders in the end market	Government Ministries, Departments and Agencies, Diplomatic Missions, Private sector, and ICPALD	X		X	X		<b>Risk:</b> Budget limitation and inadequate inter-sectoral collaboration <b>Mitigation:</b> Ministries responsible for livestock development in the respective MS to allocate the required budget and ensure inter-sectoral coordination, and IGAD/ ICPALD to follow up the allocation of the required budget by MSs and solicit funding.
		Choose the target audience	Government Ministries Departments and Agencies, Private sector, and ICPALD		X				
		Define the objectives and identify key components to be captured in the promotional materials	Government Ministries Departments and Agencies, and Diplomatic Missions		X				
		-Develop content, design and tools to be used in the promotion (the promotional materials need to be suited to the context of the destination market).	Government Ministries Departments and Agencies, Diplomatic Missions, Private sector, and ICPALD		X				
		-Agree on language of communication (French, Arabic, English)	Government Ministries Departments and Agencies and, Diplomatic Missions, Private sector, and ICPALD			X			

Output	Activity	Sub-activities	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
		-Agree on the medium of communication based on market needs	Government Ministries Departments and Agencies, and Diplomatic Missions			X			
		-Develop promotional materials; if available source promotional materials from the MS.	Government ministries with support from IGAD/ICPALD, and Private Sector						
		- Execution	Government Ministries, Departments and Agencies, and Diplomatic Missions				X		
		- Monitoring and evaluation	Government Ministries Departments and Agencies, and Diplomatic Missions						
	Branding	- Identify the niche market, seasonality, consumer profile, etc.	Government Ministries, Departments and Agencies, and Diplomatic Missions			X			
		- Identify product uniqueness	Government Ministries, Departments and Agencies, and Diplomatic Missions			X			
		- Develop standards and means of verification for the product quality to be branded	Standards authorities of the respective countries with the support from IGAD/ICPALD				X		
		- prepare brand outlook(Logos)	Government Ministries, Departments and Agencies, and Diplomatic Missions				X		

Output	Activity	Sub - Activity	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
IGAD/ICPALD		- Develop content and brand mix	Government Ministries, Departments and Agencies, and Diplomatic Missions				X		
		- Select medium of communication	Government Ministries, Departments and Agencies, and Diplomatic Missions				X		
		- Implementation	Government Ministries, Departments and Agencies, and Diplomatic Missions					X	
		- Monitoring and evaluation	Government Ministries, Departments and Agencies, and Diplomatic Missions						
	Participating in food trade fairs				X				
		- Identify the appropriate food trade fairs	Diplomatic Missions and government ministries			X			
		- Identify the appropriate participants	Government Ministries, Departments and Agencies and Private sector			X			
		- Secure accreditation for country participation	Diplomatic Mission		X			X	
		- Identify opportunities for networking	Diplomatic Missions and sector associations					X	
		- organize the country stand and prepare relevant materials for the trade fair	Government Ministries Departments and Agencies, Diplomatic Missions and Private sector		X	X	X	X	

Output	Activity	Sub - Activity	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
		- Participate in trade fair and promote products and brands	Private sector including their associations, government ministries and Diplomatic Mission		X	X	X	X	
		Monitoring	- Government Ministries Departments and Agencies, Diplomatic Missions and Private sector- Government ministries will lead the process.					X	
		- Evaluation and documentation of lessons learnt	Government Ministries Departments and Agencies, Diplomatic Missions and Private sector- Government ministries will lead the process						
			X						
		Liaise with relevant public institutions in host country	Diplomatic Mission			X	X	X	Risk: Lack of commitment on the part of trade counselors to regularly collect and disseminate the required data/information Mitigation: Ensure the inclusion of these tasks in the job description and action plans of trade counselors and other responsible bodies.
Output 2: Enhanced exchange of information on market, quality, regulatory and SPS requirements between the two regional and various stakeholders involved in the chain.	Regularly collect and share information on market, quality specifications	- Develop relationships with relevant private sector institutions	Diplomatic Mission			X	X	X	



Output	Activity	Sub - Activity	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
		Regularly attend relevant fora	Diplomatic Mission			X	X	X	
		Regularly monitor updates on market and quality specifications	Government Ministries Departments and Agencies, Diplomatic Missions and Private sector						
		- Document information gathered	Government Ministries Departments and Agencies, Diplomatic Missions and Private sector - Diplomatic missions take lead responsibility			X	X	X	
		- Share information gathered with all relevant stakeholders	Government Ministries Departments and Agencies, Diplomatic Missions and sector associations- Diplomatic missions take lead responsibility						
		- Evaluate the impact of the information provided	ICPALD/IGAD						
		- Establish networks among trade missions of IGAD MS in host countries/ regions for sharing lessons, experiences etc	Diplomatic missions				X	X	
	Regularly collect and share information on any changes related to regulatory landscape	- Follow up and notify MS whenever there are changes on the regulatory landscape of importing countries including SPS requirements	Diplomatic Missions and Private sector			X	X	X	

Output	Activity	Sub - Activity	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
		- Follow up on implementation and inform the importing country of any developments	Government Ministries, Departments and Agencies, and Diplomatic Missions,			X	X	X	
Output 3: Good diplomatic/ business relationships with Governments and other stakeholders of the IGAD and Importing countries established.	Strengthen the relationship of the regulatory authorities of Importing and exporting countries and other relevant bodies	- Regularly hold meetings with host country regulatory authorities and inform MS on the outcome	Diplomatic Missions			X	X	X	Risks: Delays in developing common positions for management of TADs and certification systems Mitigation: ICAPLD/IGAD to take the lead in facilitating the process
		- Facilitate meetings between the competent authorities of the importing and exporting countries	. Diplomatic Missions				X	X	
		- Develop common position for a regionally harmonized disease management and certification system.	IGAD/ICPALD				X	X	
		- Negotiate with importing countries on the common positions	MSs supported by ICPALD/IGAD				X		
		- Utilize presence of High Level official visits for consultations	Diplomatic Missions			X	X	X	
		- Facilitate approval of export facilities by competent authorities of importing countries	Diplomatic Missions			X	X	X	
	Facilitate business to business relationships (B2B)	- Identify potential private sector operators	Diplomatic Missions			X			
		- Timely sharing of relevant information	Diplomatic Missions			X	X	X	

Output	Activity	Sub - Activity	Responsible Institution	Time Frame					Risks and means for mitigation
				Q1	Q2	Q3	Q4	2019	
							X	X	
							X	X	
								X	
						X		X	
		- Facilitate Visa issuing process	Diplomatic Missions						
		- Organize fora for B2B networking	Diplomatic Missions						
		- Promote public diplomacy	Diplomatic missions and Government ministries						
	Establishing local intermediaries in importing countries	- Undertake a market survey in the host country	Diplomatic Missions			X		X	
		- Identify relevant local intermediaries	Diplomatic Missions				X	X	
		- Establish relationships with identified intermediaries	Diplomatic Missions				X	X	
		- Regularly monitor and evaluate their performance	Diplomatic Missions					X	

## 15. Conclusion/Recommendation

The trade counselors noted that IGAD region is recognized for its vast wealth of livestock. However, available data indicates that livestock and livestock products export from the region is very minimal as compared with the potential. Despite the substantial demand for meat and live animals from potential importing countries, export to those markets often face impediments as a result of stringent SPS measures and inadequate market promotion and development.

The limited export has partly been due to limited coordination between the trade counselors, exporters and competent authorities in IGAD member States. The gap has been in terms of real time market information collection and dissemination on import requirements as well as commodity prices and limited promotional and linkage efforts. The complexities of international markets require that we continue to focus significant effort on trade facilitation, including market promotion, development and ensuring the region's interests are represented in major and emerging markets. The following are recommendations made by trade counselors to enhance the export of live animals and meat from the IGAD region to MENA countries.

### For trade counselors

1. Vigorously participate in the collection of essential, timely information related to marketing, SPS measures, quality and regulatory requirements regarding live animal and meat trade in the MENA region.
2. Efficient and effective utilization of the promotional materials and branding strategies to be developed and trade fairs in enhancing livestock and meat trade.
3. Facilitate linkage and negotiation between competent authorities of importing and exporting countries which could culminate into firm trade protocols.
4. Facilitate linkage and business negotiations between business communities in IGAD region and trading partners in MENA region.
5. Establish networks among trade missions of IGAD MS in host countries/regions for sharing lessons, experiences etc.
6. Have promotional posters and videos on our live animals and meat products to showcase to people who visit the embassies or at cultural shows
7. Member states through their embassies to prepare export and importer catalogue on live animal and meat trade and submit to IGAD by - 15th April, 2018 and share regular updates whenever appropriate.

### For IGAD Member States

1. Support the production of promotional materials that will enhance the live animal and meat trade from MS that meet specific market requirements. The timeliness, content, language, quality of the promotion material is crucial to achieve the desired objective. The development of the materials should involve all relevant stakeholders including private business operators, chambers, investment commission, line ministries, and sectoral associations.
2. Encourage private sector investment in the livestock sector, both domestic and foreign direct investment, to bring in the necessary investments, technology, efficiency, technical know-how and management skills that will transform the sector.
3. Develop branding and positioning strategy to maintain and enhance the competitiveness of live animal and meat export to MENA region.
4. Develop and implement programs to formalize cross border livestock trade.
5. Take all necessary measures to comply with current and upcoming SPS requirements and develop quality grade and standards for live animal and meat.
6. Ministry of Foreign Affair (MoFA) should avail the necessary budget for trade counselors to undertake activities related to market promotion and information exchange to enhance live animal and meat export trade. MoFA may also request the involvement of the private sectors
7. The prevailing information protocol through MoFA - Ministry in charge of livestock - Chamber of Commerce and then to traders does not guarantee real time information flow. Therefore, review of the existing trade related information flow from trade counselors to the exporters to ensure real time information is required.

For IGAD/ICPALD

1. Assist competent authorities and business community in the development of sustainable national and regional information hub to collect, collate, analyze and disseminate information related to market, on SPS and quality requirements and regulatory requirements.
2. Build the capacity of MS to comply with growing SPS and quality requirements of their trading partners in MENA region and Asia and in the development of branding strategy.
3. Harmonize regional disease management, surveillance, laboratory and certification procedures among IGAD MS and support MS to negotiate this common position with MENA and other importing countries.
4. To have a focal point to be supported by IGAD/ICPALD and attached to one of the member state embassies based in importing countries that will serve as a coordination hub for promotion and information sharing.
5. Explore intra-African market potential as alternative to MENA countries to take care of market seasonality in MENA that usually is high for only 3 months in a year during Haji period.







IGAD CENTRE FOR PASTORAL AREAS AND LIVESTOCK DEVELOPMENT  
(ICPALD)

JADALA PLACE NGONG LANE, OFF NGONG ROAD

P.O Box 47824 - 00100 Nairobi, Kenya.

TEL: +254 737 777 742

Email: [icpald@igad.int](mailto:icpald@igad.int) / Web: [www.icpald.org](http://www.icpald.org)