



## **ECAPAPA POLICY BRIEF SERIES**

### **Laws and Regulations Governing the Seed Trade – Policy Brief No. 2**

#### **Background**

The harmonization of seed policies and regulations in the ASARECA<sup>1</sup> member countries is the first step toward creating a seed market that is large enough to attract investment by local and international investors who will provide the quantity, quality and variety of improved seed to meet the region's growing demands.

Since September 1999, ASARECA<sup>2</sup> with support from USAID has supported a pilot project through ECAPAPA<sup>3</sup> in the East African Community (EAC) countries of Kenya, Tanzania and Uganda on five specific areas, namely

- phytosanitary regulations
- laws and regulations governing the seed trade
- plant variety protection
- seed certification
- variety evaluation, release and registration.

Each of these areas is the subject of a policy brief.

#### **The State of Laws and Regulations on Seed Trade in 1999**

The project found laws and regulations governing seed trade including the entry of non-regional seed producers to be diverse and non-standardized within the EAC. For example, the number, type, source, and format of import and export documentation in Kenya differed from that in Uganda or Tanzania. In Kenya, one needed an import and export application form (SR-14) from Kenya Plant Health Inspectorate Services (KEPHIS), in Tanzania one needed two forms - one from the Ministry of Agriculture and the other from the Tanzania Revenue Authority, while in Uganda one needed the seed regulation schedule form from the National Certification Office. Similarly, the type, rate and application of import tariffs to crop seed differed within EAC with some seed types subject to tariffs in one country and not in the other. Kenya maintained an import tariff of 25% on both cereal and oil seeds, Tanzania had a 25% tariff on oil seeds and 5% on cereals, while Uganda had 4% on cereals and oil seeds from COMESA countries and 7% for non-COMESA states. Other non-tariff barriers included delays in processing documentation, and the inability by customs officials to differentiate between grain and untreated seed. Together,

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<sup>1</sup> Burundi, Congo D.R, Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Sudan, Tanzania, Uganda.

<sup>2</sup> ASARECA is the Association for Strengthening Agricultural Research in Eastern and Central Africa based at Entebbe in Uganda.

<sup>3</sup> ECAPAPA is the Eastern and Central Africa Programme for Agriculture Policy Analysis.

these factors favoured the development of informal seed trade that supplied more than 90% of the seed requirement in Tanzania and Uganda.

### **Activities of the ECAPAPA Pilot Project**

The pilot project adopted a long consultative process beginning with the appointment of national resource persons between August and September 1999 to review the laws, regulations and standards in each country that was followed by national consultative workshops with stakeholders in October and November 1999. These were followed by national workshops that presented proposals for regional harmonization to top-level public and private sector seed industry players in February to March 2000. The process culminated in the first regional workshop in April 2000 in Entebbe on harmonization proposals for phytosanitary regulations, seed certification and variety evaluation and registration; followed by the second one in June 2000 in Arusha on proposals for import-export procedures and coordination for implementing and monitoring regional agreements.

### **Results of the Project**

The results of these workshops were agreements that can be categorized as a) *legal* and b) *procedural*. The *legal agreements* are those requiring changes in national legislation in consultation with the committee on agriculture, animal industries and fisheries at the EAC. The laws and regulations on local seed industries and on entry of foreign seed companies are restrictive within the region. The import and export procedures and requirements have become trade barriers in themselves. To overcome these barriers, the ministries of Trade, Agriculture, and Finance in the EAC countries will put in place uniform tariffs<sup>4</sup> to facilitate formal seed trade across the common borders, and create a liberalized regulatory environment for new seed producers, domestic and international. The *procedural agreements* do not require any change in legislation and can therefore be implemented immediately by Ministries of Agriculture through the relevant national certifying authorities and health and quarantine institutions. The main procedural changes agreed on by the three countries are standardizing import and export documentation to three main documents, a plant import permit, a phytosanitary certificate from seed source, and a quality certificate in order to obtain a customs clearance. This may take some time because some forms will have to be reconstituted and some offices reorganized.

### **Next Steps<sup>5</sup>**

The most important outcome of this project on laws and regulations governing seed trade has been to show how these have hampered the development of strong domestic seed industries, prevented the entry of foreign companies, and given rise to informal seed trade at the expense of formal seed trading through authorized institutions. As a result, private sector investment in the seed industry is far below its potential. However, the legal and procedural agreements described above should lead to greater private sector investment in the seed industry, the development of seed markets in the region, greater availability of quality seed to resource-poor farmers, the removal of barriers to seed trade in the EAC, and ultimately to improved food security in the region. Finally, the experience of the EAC countries will be used to extend the pilot phase of this project to the other ASARECA member countries. There are plans to initiate the same consultative process in Burundi, D.R. Congo, Eritrea, Rwanda, and Sudan.

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<sup>4</sup> In conformity with EAC Treaty Article 75: 1(b) and 1(c).

<sup>5</sup> Further information can be obtained from ECAPAPA Coordinating Unit, P.O. Box 765, Entebbe, Uganda. Tel 256 41 321751/2, 321780; Fax 256 41 321777 or email: [ecapapa@imul.com](mailto:ecapapa@imul.com)