

CropLife Africa Middle East Annual Report 2012



Vision, Mission and Values

Vision:

Working together for sustainable agriculture.

Mission Statement:

As a global network we act as an ambassador for the plant science industry, encouraging understanding and dialogue whilst promoting sound science and agricultural technology in the context of sustainable development.

Values and Beliefs:

Respect:

- Respect the views and values of others and act with honesty, humility and humanity.
- Seek the respect of others for our values and beliefs.

Openness:

- Communication is a fundamental priority in all our activities.
- We will act with openness in all our dealings with stakeholders and actively engage in dialogue, exchanging opinions and facts, in order to increase society's understanding of our industry and our understanding of society.

Commitment:

- We are committed to serve our members and stakeholders operating to the highest possible standards of professionalism ensuring the effective and prudent management of our resources.

Technology:

- We believe in the benefits that technology brings to human development and progress, and to sustainable agriculture.
- We believe in the complementary and synergistic nature of technologies developed and offered by the plant science industry.
- We believe in science as the engine of innovation and the core principle of regulatory decision-making.

Sustainability:

- We are committed to promoting full and effective stewardship (the responsible and ethical management of a plant protection or biotechnology product throughout its life cycle) to the field level, and recognize that the appropriate management and use of our products is an important element underpinning sustainable agriculture.
- We will strive to work together with others to achieve a proper balance between all dimensions/pillars of sustainable development.
- We will strive to maintain a healthy, ethical and viable business environment for the plant science industry.



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1. Message from the President



Dear Reader

The 2012 annual report of CropLife Africa Middle East offers you a comprehensive summary of the many activities performed by our Association during 2012.

Of particular interest is the success of the Spray Service Provider concept and the major role that CropLife Africa Middle East will play in the training of registered SSP's in four West African countries. This achievement illustrates the expertise of CropLife Africa Middle East in smallholder farmer targeted training activities and is recognition of the quality of the tools developed by our association in this area. The safe and responsible use of crop protection products remains a key priority for all our member companies and I am pleased to see this recognized by major stakeholders in the agricultural value chain.

Another pleasing development across Africa and the Middle East is the multiplication of Container Management schemes. Ten countries have now initiated pilot projects for the collection and the disposal / recycling of empty plastic containers. Under the leadership of CropLife Africa Middle East and its national associations, these initiatives are part of the plant science industry's life cycle approach to product stewardship.

You will find in the following pages many other examples of CropLife Africa Middle East commitment to innovative technologies that enable farmers to improve productivity while sustainably managing precious natural resources.

Enjoy the reading!

Yours sincerely,

Eric Bureau
President of the Board of Directors

2. Message from the Director General



Dear Reader

The changes implemented during 2011 in the Articles and By-Laws established an improved framework for the management and governance of CropLife Africa Middle East. With the approval of higher membership contributions by the General Assembly in 2011 for the year 2012, a higher self-funding ratio and better financial sustainability was achieved for the association. The new accounting structure is directly linked to the defined strategic priorities and the respective project budgets. It provides full transparency on planned and realized expenses.

Following the improved structural and financial framework, we went further and introduced the so-called "Strategic Blueprint" as our new tool and process to manage our annual activities and operations. The tool was adopted from a similar process used by the global regulatory team of CropLife International in developing their Principles of Regulations (POR) project. The establishment of the first version for 2012 followed by 2013 has been a laborious and time consuming process involving both Board members and members of our Regional Regulatory Committee (RRC). For each of our 6 Strategic Priorities a Strategic Imperative was defined and formulated. These Strategic Imperatives were then broken down in up to 6 Strategic Objectives with respective short (annual) and mid-term goals (3-5 years). The process to reach consensus on these goals took considerable time through a series of meetings. These goals will be reviewed, and updated annually as a basis for the preparation of the following year's operational plan (detailed annual action register). The introduction of this "Strategic Blueprint" as the association's planning tool has been a real stretch over the past two years. The effort has paid off as it ensured our directors and committee members reached agreement on clearly defined priorities and "SMART" short and mid-term goals for the association. With these clearly defined goals and the required consensus, the resulting annual actions were relatively easy to adapt and implement for the team.

In addition to the above internal challenge, our activities in 2012 focused on regulatory matters, stewardship and IPR & anti-counterfeiting. All these "Strategic Imperatives" and the respective 2012 actions and achievements will be covered later in this Annual Report.

After 14 years of dedicated and committed service to our regional network, Ali Mohamed Ali went on retirement at the end of 2012. On behalf of our members I would like to thank Ali Mohamed Ali for his long-standing support of the Plant Science Industry in Africa Middle East. On countless occasions Ali Mohamed Ali skilfully and with great political aptitude represented our industry's values and beliefs. We wish him all the best for the future.

On behalf of CropLife Africa Middle East, I would like to thank all our stakeholders for their support during 2012. We look forward to working together in 2013 and beyond.

Yours sincerely,

Rudolf Guyer
Director General

3. Key Data and Hub Structure

CropLife Africa Middle East A.I.S.B.L. represents the Plant Science Industry in the countries of Africa and the Middle East. The Plant Science Industry includes manufacturers and distributors of crop protection products (pesticides), seeds and biotechnology products.

At the end of 2012 the association consisted of:

- 11 company members
- 30 national associations
- 1 professional organization engaged in the promotion of biotechnology solutions for the African continent

CropLife Africa Middle East was registered as an international non-profit organization in Brussels in November 2002. The association is legally fully independent but maintains a strong link with the global CropLife network.

In order to achieve the highest impact at country and sub regional level, a decentralized hub structure has been established:

- North Africa Middle East sub region covering all the countries belonging to the Arab League. Following the retirement of Ali Mohamed Ali, Rudolf Guyer acts as Regional Coordinator for this hub and obtains needed support from the Vice President and Hub Chair, Michel Chartouni.
- West and Central Africa is managed by Yao Bama, Regional Coordinator based in Abidjan, Ivory Coast. This sub region again follows respective political groupings where sub regional regulatory harmonization and alignment is envisaged.
- East and Southern Africa is managed by Les Hillowitz, Regional Coordinator based in Johannesburg, South Africa.

It is our association's mission and objective to motivate and engage as many partners and stakeholders as possible to help in the promotion and development of state of the art technological solutions needed for productive and sustainable agricultural systems in Africa and the Middle East. Despite the fact that the membership of multinational companies in national associations is rather limited across the region, it is the ambition of our association to convince and motivate all these local members to observe and implement the same international standards and apply all stewardship measures and activities as defined by the International Code of Conduct to which all members of the CropLife network are committed.



National CropLife associations and the sub regional hubs

Our company members are:

- Arysta LifeScience
- BASF
- Bayer CropScience
- Chemnova
- Dow AgroSciences
- DuPont
- FMC
- Monsanto
- Sipcam Oxon
- Sumitomo
- Syngenta

4. Stewardship Activities

4.1. Integrated Pest Management and Responsible Use

Integrated Pest Management /Responsible Use (IPM/RU) activities conducted in the region during 2012 were based on the CropLife International, Vision 2020 document with the major objectives set as expanding on outreach, measuring impact on key countries, maintaining stakeholder alliances and ensuring consistency of IPM/RU programs.

Capacity building with master trainer programmes and IPM promotion continued across all the 3 sub-regions, through Training-of-Trainers (ToT) sessions and IPM workshops.

The Pesticide Operators and Applicators Training and Certification Project, co-driven with Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI-VOCA) came to its completion at the end of 2012. At this stage it is not clear whether a continuation of the project based on the same agreement between CropLife Africa Middle East and ACDI-VOCA will be achievable due to the unstable political situation in Egypt.

A major breakthrough in 2012 has been the success of the Spray Service Provider (SSP) concept to external stakeholders and funders. This concept was first tried and implemented in Zambia from 2008 – 2011 with the project PROFIT funded by the USAID. A Spray Service Provider (SSP) is a registered agro-input dealer or a farmer (called lead farmer) who has received special training to apply pesticides and who hires out his services to (fellow) farmers to spray their lands. This implies that untrained farmers will no longer handle pesticides, and that this application will only be undertaken by those who are properly trained and certified. CropLife Africa Middle East has developed the SSP concept to improve access to quality pesticides and the correct application of these.

A special series of training modules has been prepared and is now available for our certified Master Trainers on our protected training website. In 2012 we first managed to offer the concept and a respective training campaign to Armajaro in Ghana who wanted to use this concept and model within their organization in Ghana serving the cocoa sector. In parallel to this, our professional trainer, Manon Dohmen, prepared a considerable number of varying project proposals and submissions

In early summer 2012, Manon Dohmen became aware of the interest of the African Cocoa Initiative (ACI), a multimillion US\$ project run by the World Cocoa Foundation (WCF) for a special project component linking cocoa farmers to quality inputs with the objective to improve productivity and quality of their cocoa production. After some internal discussion, CropLife submitted a first draft proposal to the WCF in July 2012. Several rounds of project modifications and improvements followed until a final proposal met the expectations of the ACI and WCF leadership in October 2012. Having reached this milestone a detailed contract was prepared between CropLife Africa Middle East and the WCF, which was then submitted for approval to the USAID, the main sponsor of the ACI. USAID approved the so called sub award agreement in early 2013 and immediately thereafter the project implementation started. The project component to be performed by CropLife engages our national CropLife associations in Ivory Coast, Ghana, Nigeria and Cameroon until the end of 2014. The initial goal is to reach out to 40'000 farmers by end 2014 and to achieve a measurable impact on their production and livelihood. The overall ACI objective is to significantly increase the actual production levels of 300 – 400 kg per ha through a series of concerted measures including improved planting materials, quality crop inputs (fertilizers, pesticides) and better management practices. In order to measure the project's impact a detailed baseline study is part of the project proposal and will provide valuable information for our participating member companies on the current practice.

Since the conclusion of the agreement with the WCF several additional smaller project agreements have been concluded, always using the same SSP concept. We are confident that this approach is far more effective and has a bigger potential outreach to improve the current pesticide use and application at the level of smallholder farmers in Africa. Based on the established key figures across the several countries where SSP projects have been launched we found that a SSP may be in a position to serve between 10 to 20 neighbouring farms. Accordingly the training need for our industry and member companies is much reduced. In addition we also observed that linking these SSPs with local retail outlets will result in significant benefits for the retailer who achieves bigger sales and for the SSP who will be able to create his own business based on these spraying services. Tangible benefits are also observed at the farmers' level where a more professional product use and application results in higher crop quality and yields. As a result of the significant economic benefits for all stakeholders (farmers, SSPs and retailers) a sustainable self-funded system is created that can survive beyond the project period and without external funding.

As another positive outcome of the various SSP projects launched to date we see a more realistic chance to establish sustainable container collection schemes in the respective project areas. We also believe that through the respective training and coaching of the SSP we will establish a higher barrier against the sales and use of illegal and fake products and we will also be in a much better position to implement successful resistance strategies where these are necessary.

In conclusion, our experiences to date with these SSP projects has led us to believe that the concept is an extremely valuable approach for all stakeholders involved along the inputs supply chain in that it provides an excellent mechanism to implement all the components of our industry's stewardship commitment as set out in the Stewardship Vision 2020. In consideration of this potential we decided to run the 2013 hub meetings under the following slogan.

"Spray Service Provider Projects – Putting Stewardship into Practice"



Cocoa spraying with mist blower



Cocoa orchard approaching harvest

4.2. Africa Stockpiles Programme

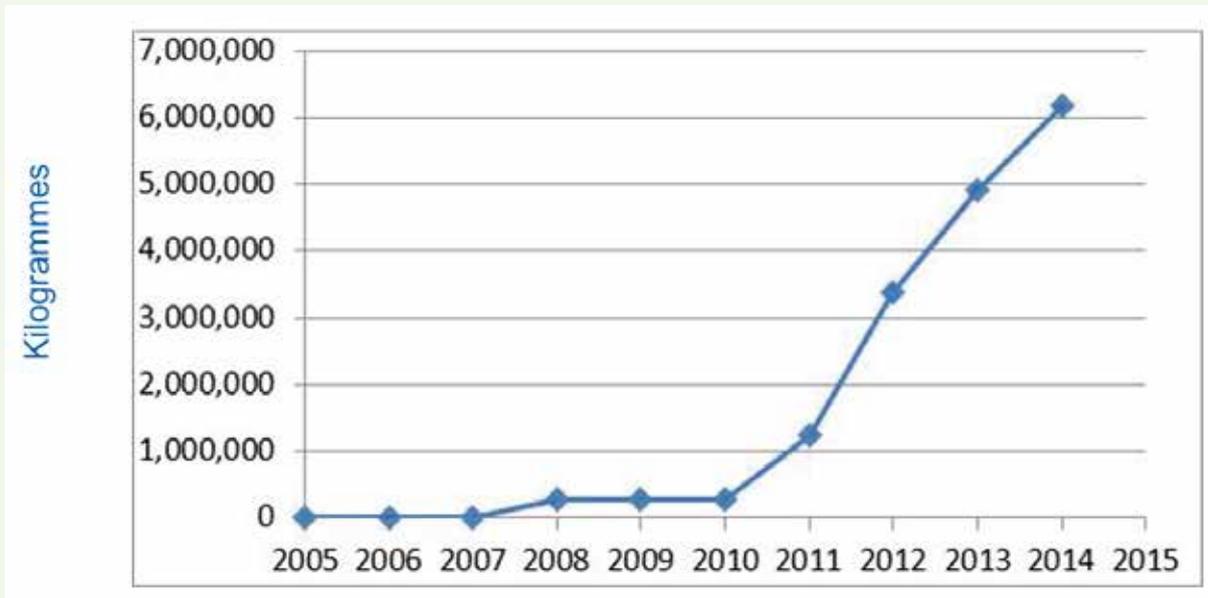
The Africa Stockpiles Programme (ASP), initiated in 2003, is a multi-stakeholder programme that aims to remove safely and destroy all obsolete pesticide stocks from the African continent. The main implementing partners are the World Bank, the UN Food and Agriculture Organization (FAO), WWF and the Pesticide Action Network (PAN). These obsolete stocks are mostly owned by national governments – for example locust insecticides left over from control campaigns - but there are also significant stocks held in the private sector, ranging from large export growers to smallholder farmers. CropLife International's key role in the programme continued in 2012: in addition to providing co-finance for disposal of obsolete pesticides and providing technical support to countries where World Bank and FAO-supported projects are being implemented, CropLife International also continued to lead projects in 4 countries to safeguard priority stocks, with the objective of reducing risk to communities and the environment in the short term, while funding is obtained from donors for disposal in the medium term.

Key successes in 2012 included the following:

- Across the Africa Stockpiles Programme and CropLife International Safeguarding Project countries, an additional 1095 tonnes of high-risk stocks have been safeguarded and 864 tonnes disposed of by high temperature incineration. This has been done in collaboration with national governments and NGOs and with the strong support of the national CropLife associations.
- The provision of technical advisers to the ASP continued in Tanzania and Ethiopia to help them plan and implement disposal. These two projects are on track to complete disposal in early 2013 and to close 31 May 2013.
- Capacity has been strengthened within national associations, governments and the NGO sector in planning, logistics and financial management, as well as the technical skills required for the sustainable management of obsolete stocks and associated materials.
- Good collaboration has been achieved with FAO – particularly in Cameroon where they provided co-finance and two FAO vehicles for safeguarding operations. FAO has developed projects in Cameroon and Malawi for funding through the Global Environment Facility that will remove and dispose of the stocks safeguarded by the CropLife International-led safeguarding projects.
- The container management scheme initiated by the safeguarding project in Ghana has taken off on the basis of a sustainable business model. A Ghanaian recycling company is buying up empty plastic pesticide containers and recycling them into concrete/plastic floor tiles for use externally. Samples are currently being sent to Canada for analysis of any pesticide residues.
- Due to the success of the programme so far, the CropLife International Strategy Council and Board of Directors have approved a further phase of safeguarding activities. These will be initiated in up to 4 countries that comply with a series of criteria developed by the Obsolete Stocks Project Team – crucial among which will be the requirement that any new country must have identified funds for disposal of any stocks that CropLife International will safeguard.

An effective collaborative model continues to function well, whereby CropLife International is able to move relatively rapidly to reduce the risks posed by obsolete pesticides in the public and private sectors by safeguarding them, while countries and multilateral agencies go through the longer process of acquiring funds and implementing disposal operations.

Disposal of obsolete stocks under the African Stockpiles Project (ASP)



Recorded and projected volumes and timeline of disposal of obsolete stocks in Africa



Safeguarded obsolete stocks in Cameroon



Safeguarded obsolete stocks in South Africa

4.3. Container Management

During 2012, Container Management continued to be a major stewardship activity within the region and where there are now 10 Container Management Schemes (CMS) in place. This comprises 9 “pilot programs” and 1 in a more mature phase. Collection of plastic containers for the year amounted to approximately 10,000 tons. Plans are in place to move at least 2 further countries in 2013, from the “design phase” to pilot programs.

A major success achieved during the period was the development of a “roadmap” to assist and guide new countries wanting to start a pilot program.

The major end use produced from our recycled plastic containers continued to be refuse bags.

A few constraints faced during the year were:

- Approval process of end uses
- Monitoring of systems and end uses
- Establishing CMS in countries where CLI members are a minority or non-existent.

Triple rinsing remains the key factor for success for any container management scheme and this is supported by the FAO / World Health Organization (WHO) recommendation that countries should classify properly rinsed containers that have been inspected, as non-hazardous.



Refuse bags produced from recycled plastic in Botswana



Recycling in Zambia

5. Regulatory Matters and Harmonization Initiatives

During the year 2012, we continued to carry out activities under the guidance of the defined global project, "Principles of Regulations" (POR). We conducted a series of local "Gap Analysis" discussions using the standard global questionnaire to define the compliance of a given regulatory environment using the 8 principles as set out in the POR project. In the African region we conducted most of these discussions jointly with mixed teams of local industry representatives and regulatory staff. In all cases these debates provided an excellent platform and opportunity to explain the key elements of a "good regulatory system" as proposed by the global regulatory experts of our member companies in the context of the POR project.

By conducting these "gap analysis meetings" jointly with industry and government experts, we achieved the following significant benefits:

- A far better understanding of the POR project within our industry network among local and regional regulatory functions.
- A far improved understanding of the relevance and value of Intellectual Property Rights (IPR) for the sound management of pesticides.
- The establishment of a common language and vocabulary on regulatory matters between industry and government staff.
- The establishment of personal contacts and trustful relationships between officials and industry experts for their day-to-day interactions on company specific topics and discussions.

Another highlight and priority of the regulatory activities in 2012 was the rollout of the special training module and workshop on Protection of Regulatory Data and Confidential Business Information (PRD and CBI). Both aspects, PRD and CBI play a decisive role in all regulatory systems of developed countries. The PRD ensures that research oriented companies receive a "fair" return on their investment and expenses to develop ever improved and better products for modern agricultural systems. In a growing number of jurisdictions, the exclusive use period is extended beyond the standard period of 10 years to motivate companies to develop their products. This also applies to minor crops and minor uses where there is often a lack of modern and approved pesticides and which makes their legal availability increasingly difficult. CBI on the other hand is the key concept that establishes the needed information basis for the correct "equivalence" assessment between original compounds and their generic copies. Without the relevant information protected as CBI for perpetuity no equivalence assessment as defined by FAO and WHO is possible.

Training sessions in 2012 on PRD and CBI were conducted in Addis Ababa in August, in Amman in October and in Casablanca in November. In all three sessions a lot of attention was observed with officials but equally with our industry colleagues who were mostly not aware of these important concepts and interdependencies. The training and promotion of the PRD and CBI concept will be continuing in 2013.

6. Anti-Counterfeiting Activities

In light of the increasing trade of illegal pesticides in the region, CropLife Africa Middle East intensified its actions on sensitizing the issue at both regional and country levels. The actions targeted were mainly with enforcement agencies such as customs, police and pesticide inspectors, through capacity building, this to provide knowledge and tools to prevent illegal pesticides from entering the country and to stop products from being traded on informal markets. The regional team, particularly in East Africa participated in various workshops organised by the Interpol Trafficking in Illicit Goods Directorate, the World Intellectual Property Organization (WIPO), the United States Patent and Trademark Office (USPTO) and the African Regional Intellectual Property Organisation (ARIPO) to educate participants on the health, socio-economic and environmental risks associated with the trading in illegal pesticides.

The national associations continued their active educational campaigns with local authorities with the support of the regulatory bodies. CropLife Cameroon organized a sensitization tour, which included meetings with farmers, consumers, customs, and the media in three major cities where pesticides are widely used. CropLife Côte d'Ivoire organized training sessions for customs and inspectors from the Ministry of Commerce and Ministry of Agriculture who then conducted raids and seized tons of illegal pesticides. CropLife Egypt, CropLife Kenya and CropLife Uganda conducted intensive media campaigns to create awareness among the major stakeholders.

A special pilot project in Uganda led by IFDC in partnership with CropLife Africa Middle East introduced and tested successfully the **"Verified Brands™"** concept. The so called Specially Marked Packs (SMPs) were primarily promoted by a special video story featuring a small holder farmer being cheated several times by some of the most common illegal practices observed in African pesticide markets. The specially marked packs were sold out within a few weeks and their market share almost doubled during the pilot period.

The **"Verified Brands™"** project continued the sensitization campaign in West Africa and gained support from additional important stakeholders among which the African Cocoa Initiative of the World Cocoa Foundation (WCF-ACI), where the concept is judged to be an important tool to contribute to improving cocoa productivity in West and Central Africa.



Customs agents participating at a training session (L) event covered by the media (M) and a sensitization campaign against illegal pesticides on the market (R)



SMP, entering scratched-off code, feedback message by SMS and feedback on smart phone

7. Plant Biotechnology

In 2012, Africa planted 2.9 million hectares of biotech crops with South Africa leading as the largest grower on the continent and 8th largest in the world. Africa's 26% hectareage increase over 2011 was bolstered by continued plantings in Burkina Faso and Egypt, as well as the introduction of a new African biotech grower, Sudan.

Cotton is the principal export crop of Sudan and an integral part of its economic livelihood as farming employs 80% of the country's population. However, in recent years, bollworm pests have steadily reduced harvests and constrained production. In 2012, Sudan approved planting of insect-protected Bt cotton as a tool for farmers to fight bollworm pests, and in its first year of commercialization, 10,000 smallholder Sudanese farmers grew 20,000 hectares of Bt cotton, which helped to protect yields while improving livelihoods for growers and their communities.

Biotech plantings in South Africa continued to increase, especially for biotech soya with hectareage increases of 20 percent in 2012 over 2011. The steady growth of biotech crop hectareage has enabled South Africa to gain nearly a billion U.S. dollars in economic gains from 1998 to 2011. Burkina Faso celebrated its fifth year growing biotech cotton as farmers expanded acreage 27% from 2011 and saw income increases of nearly \$100 per hectare compared with conventional cotton. It is unsurprising that as 2012 global cotton hectares fell 10-15%, acreage in Burkina Faso skyrocketed.

Other nations across Africa are witnessing the impressive success of their neighbours with biotechnology and are steadily working towards commercializing in their countries. Cameroon began its first confined field trials in 2012, while seven other countries continued to conduct trials. In Uganda, Parliament members introduced a biosafety bill for consideration – a key step in the approval process.

As African biotech capacity grows, the potential of new technologies grows along with it. Projects such as Water Efficient Maize for Africa (WEMA) offers farmers the future innovations they will need to adapt to and mitigate the future effects of a changing climate. Vitamin-enriched sorghum and bananas can help address the challenges of malnutrition that affects major regions of Africa. New locally-developed innovations such as herbicide-resistant biotech crops can improve incomes and help raise farmer families and communities out of poverty.

The future of biotechnology in Africa remains promising and offers an innovative path for achieving a food secure future. As Kenyan maize Farmer, Gilbert Bor stated about biotechnology in a recent editorial – “they can show Africa the way to a better tomorrow—and a future in which we enjoy true food security.”



A smallholder farmer with his excellent GM maize crop

8. Alliances and Partnerships

The development and strengthening of alliances and cooperation with other stakeholders and partners has been fruitful for implementing activities throughout the region. Most activities during the past year were conducted in cooperation with various on-going agricultural programs and projects where synergy was created to maximize our inputs and allowed us to benefit from such programs, leading to the recognition of CropLife Africa Middle East as a trusted partner in the agricultural sector.

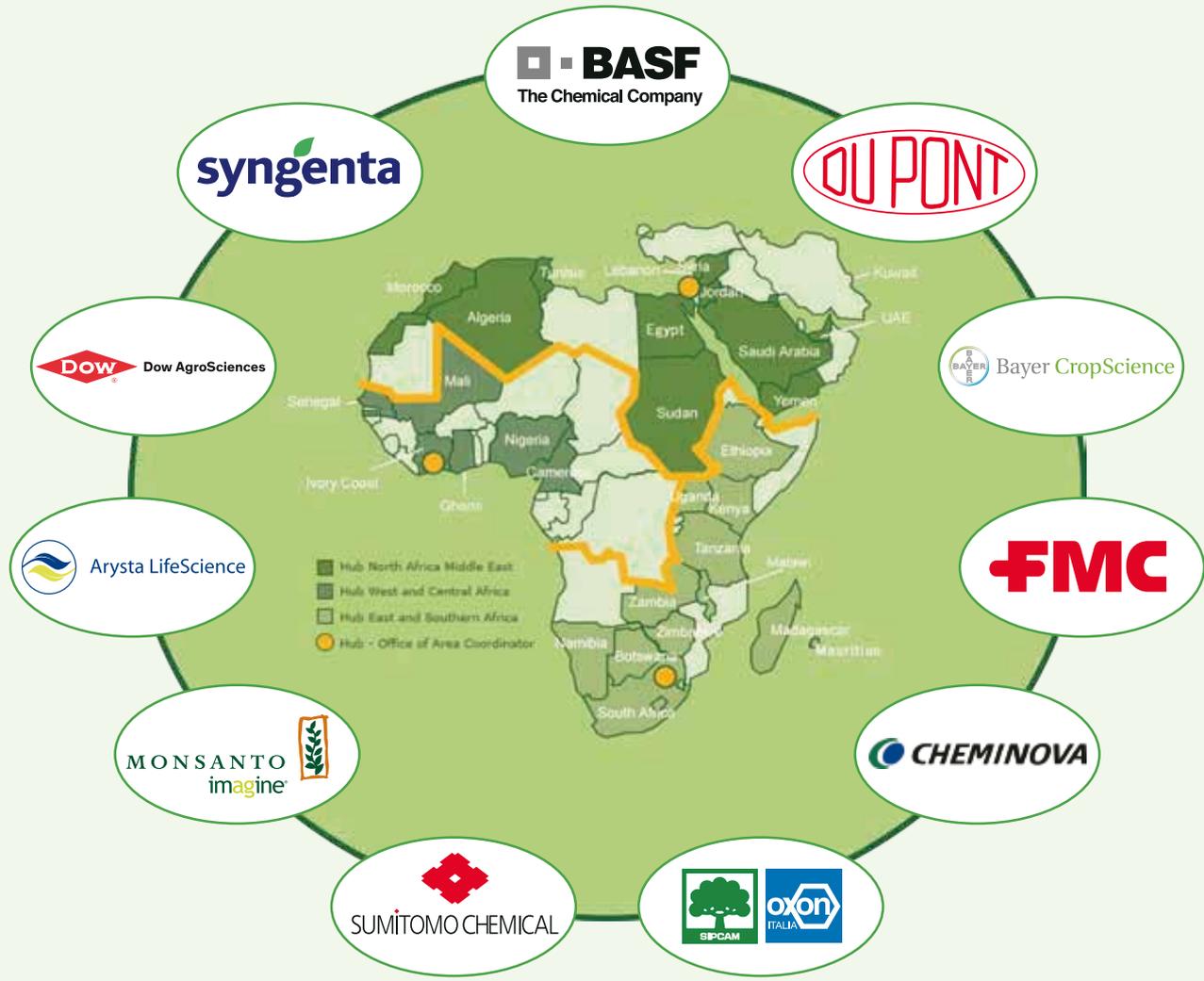
The major event in 2012 was the signing of the memorandum of understanding (MoU) between CropLife Africa Middle East and the ECOWAS commission to formalize the on-going support of CropLife Africa Middle East to the West African regional pesticides regulatory initiative.

Further developments included the joint activities with the Arab Organization for Agricultural Development (AOAD) on regulatory harmonization in the Arab speaking countries and with SADC member states for the take-on of the harmonized guidelines.

The national associations linked to various public private partnerships continued their bilateral activities. CropLife Egypt pursued cooperation with ACDI-VOCA for the training of spray applicators and also signed a MoU with the Agricultural Pesticides Committee of the Ministry of Agriculture. Both CropLife Côte d'Ivoire and CropLife Cameroon teamed-up with the local Ministry of Agriculture to intensify the fight against the illegal trade of pesticides in the respective countries, while CropLife Uganda received support from several public and private organizations on the same issue.



Dr R. Guyer, DG, CropLife AME, and Dr M. Atouga Lapodini, Commissioner ECOWAS, exchanging documents following signature (R) at the signing ceremony



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GROWING FOOD – CREATING RENEWABLES – SUPPLYING SUSTAINABLY