

Proposed Draft Proclamation – FDRE

November 2019
Addis Ababa, Ethiopia

PART I - PRELIMINARY PROVISIONS

1. SHORT TITLE AND COMMENCEMENT DATE

This Act may be cited as Sugar Industry Administration Proclamation No. _____/2020 of the Federal Democratic Republic of Ethiopia, and shall come into operation on such a date as the Federal Democratic Republic of Ethiopia House of Peoples Representatives approved it and published in the official *Negarit Gazzette*.

2. PREAMBLE

WHEREAS it is understood that there is a conducive environment for the development of the sugar industry and there is an opportunity to build a competitive sugar sector;

WHEREAS there is a huge gap between demand and supply of sugar in the domestic sugar market and there is a need for bridging this gap by domestic production and supply of sugar;

WHEREAS the Government of the Federal Democratic Republic of Ethiopia has been in ownership, administration and operation of the sugar industry and now decided to privatize the different Sugar Factories that are operating and those under development to domestic and foreign investors;

WHEREAS establishing a regulatory framework for sugar production and marketing that will promote optimal competition and participation in the sugar industry is necessary;

WHEREAS the main objective of this proclamation is to ensure there is a sustainable, diversified, modern and competitive sugar sector for domestic, regional and international sugar requirements;

WHEREAS some degree of formal intervention is needed to allow the industry to allow it to participate in the world market and for this the Establishment of a corporate body known as the Sugar Board for the regulation of the Sugar industry is necessary;

WHEREAS the composition of members of the Board, definitions of powers, functions and responsibilities of the Board is necessary;

WHEREAS the definition of rights and responsibilities of out-growers and millers is crucial for the sustainable supply of sugar cane and sugar products and for the effective operation of the sugar industry;

WHEREAS the settlement of disputes and differences between millers and out-growers needs to be governed by a clear dispute settlement mechanism;

NOW THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

3. DEFINITIONS AND INTERPRETATION

In this Act, unless the context otherwise indicates;

- 1) “agreement” means the Sugar Industry Agreement between millers and growers as published by the relevant Ministry;
- 2) “Board” means the Ethiopian Sugar Board established by this Act;
- 3) “by-product” means any substance, other than sugar, produced incidentally during the process of manufacturing sugar;
- 4) “committee” means the sugar cane pricing committee established by the Board.
- 5) “industrial price” in relation to any sugar industry product, means the price at which the product is sold by the miller or refiner for consumption in the Federal Democratic Republic of Ethiopia;
- 6) “miller” means a person who manufactures sugar from sugar cane or any other agricultural product such as sweet potato, sugar beet;
- 7) “Ministry or Minister” means the Ministry of Trade and Industry or the Minister of Trade and Industry respectively;
- 8) “*maximum industrial price*” means a maximum industrial price determined by the board for the different types and grades of sugar and sugar products
- 9) “minimum price” means a price determined by the board at time of global depression of sugar price;

- 10) “out-grower” means a person who has a sugar cane farm and produces sugar cane or any other agricultural product and who has in force a cane supply contract in respect of a sugar-cane grown on such a farm;
- 11) “Out-growers association” means an association registered under the relevant law as an out-grower association;
- 12) “Parties” include the government, millers, millers associations, out-growers and out-growers associations;
- 13) “production”, when used in relation to the sugar industry product, includes the planning, growing, harvesting, transportation, milling, manufacture and refining of such product;
- 14) “refined sugar” means refined sugar which complies with the specifications (polarizations, conductivity, ICUMSA¹ Color, or any other criterion recognized and applied in the industry) set by the body responsible for setting standards nationally or internationally;
- 15) “refiner”, means a person or entity who manufactures refined sugar from raw sugar in Ethiopia;
- 16) “sugar”, means crystalline or liquid sucrose in any of its recognized commercial forms, intended for human consumption or other uses;
- 17) “*sugarcane*” means, botanically, a tall grass of the genus *Saccharum*, agriculturally, a crop produced from hybrids which are the progeny of a number of *Saccharum* species commonly referred to as cane and, specifically, the raw material which may be delivered by a grower to a mill for processing;
- 18) “sugar industry product” means sugar cane, sugar, or any other designated agricultural product, or any product or by-product derived directly from the processing of sugar cane, a designated agricultural product, or any product, by-product derived directly from the manufacture or refining of sugar, but does not include anything derived from the reprocessing of any such product or by-product;
- 19) “this Act” includes further regulations and directives to be enacted by the Ministry and the Sugar Board.
- 20) “the Board of Directors” means a Board of Directors of the Ethiopian Sugar Board;
- 21) “Tribunal” means the National Sugar Arbitration Tribunal established under this Act.

¹ International Commission for Uniform Methods of Sugar Analysis, is a worldwide body concerned with the analytical methods for sugar industry

22) “zone” means an area of radius of 70 kilo meter measured from one mill to another.

PART II - THE SUGAR BOARD OF ETHIOPIA

4. ESTABLISHMENT OF THE SUGAR BOARD OF ETHIOPIA

- 1) The entity known as the Sugar Board of Ethiopia shall under that name, with effect from the date of coming into force of this proclamation, be a juridical person.
- 2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of;
 - a) sue and be sued
 - b) taking, purchasing or otherwise acquiring, holding, charging, or disposing of movable and immovable property;
 - c) borrowing or lending money; and
 - d) doing or performing all such other acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.
- 3) The power to carry out the operations and management of the Board shall vest in the Board of Directors.

5. FUNCTIONS AND POWERS OF THE SUGAR BOARD

- 1) The functions of the Board shall be the carrying of such activities and the doing of such things as are necessary, advantageous or proper for the benefit of the sugar industry and in particular shall include;
 - a) to regulate the sugar industry;
 - b) to license and register millers;
 - c) to promote the development and expansion of sugarcane cultivation, production and marketing of sugar and the use of by-products;
 - d) to regulate and recommend measures for prescription and enforcement for the control of sugarcane pests and diseases;
 - e) to prescribe, at all times, the minimum and maximum industrial price at which sugar industry product may be sold. This price may vary in respect of different grades, kinds, quantities and qualities of the product concerned, and in respect of different places.

- f) participate in the formulation and implementation of overall policies, plans and programs of work for the development of the industry;
- g) act as an intermediary between the industry and the Government;
- h) monitor the domestic market with a view to identifying and advising the Government and interested parties on any distortions in the sugar market;
- i) to coordinate the activities of individuals and organizations in the sugar industry;
- j) to review, on regular basis, the problems and prospects of the sugar industry;
- k) to facilitate equitable access to the benefits and resources of the sugar industry by all interested parties;
- l) to facilitate the export of sugar produced in Ethiopia, through quota or single-desk-export arrangement, as determined by the Board;
- m) facilitate the arbitration of disputes among interested parties;
- n) to regulate the disposal of the by-products of sugar production;
- o) to provide advisory services to Parties in sugar industry;
- p) to promote and encourage the use of environmentally friendly technologies in sugar industry;
- q) collect, refine and analyze industry statistics and maintain a data base for the industry;
- r) it shall publish, regularly, domestic resource costs of sugar cane production;
- s) represent the industry in such organizations as are relevant for the promotion of the industry;
- t) oversee the formulation of standard provisions governing the mutual rights and obligations of growers, millers and other interested parties;
- u) promote the efficiency and development of the industry through the establishment of appropriate institutional linkages; and
- v) to support the development of out-grower institutions
- w) to monitor the production, importation and consumption sugar and its by-products with the view to ensuring a viable industry;
- x) to provide a forum for discussions and negotiations among various categories of stakeholders in the sugar sector;
- y) to advise the Ministry of Trade and Industry on matters relating to the sugar industry;

- z) to employ, at such remuneration and on such conditions to be determined by the Board, from time to time, such persons as it may consider necessary for the purpose of carrying out of its functions and duties;
 - aa) perform such other functions as may, from time to time, be assigned by the interested parties or activities which, in the opinion of the Board are necessary to discharge its functions.
- 2) Without prejudice to the generality of the provisions of sub article 1 of this provision, the Board shall have the power;
- a) to issue licenses for export or importation of sugar from or into the Federal Democratic Republic of Ethiopia;
 - b) to register sugarcane growers, manufacturers of sugar and by products, sugar importers and exporters;
 - c) to impose and collect levies from various participants in the sugar sector;
 - d) prescribe the manner in which such levies are collected, by whom it shall be paid, the person to who or the fund to which it shall be paid and the purpose for which it shall be utilized;
 - e) to appoint inspectors for the inspection of sugar cane fields, sugar processing facilities, sugar warehouses and any other facility that may be inspected for the better carrying out any of the provisions of this Act;
 - f) to monitor the basis or method of pricing, selling and purchase of sugarcane sugar, sugar by products and matters related thereto;
 - g) in coordination and with the approval of the Ministry of Trade and Industry, to make rules and regulation relating to the sugar industry.
- 3) In the performance of its functions, the Board may represent the sugar industry in such organizations as are relevant for the promotion of the sugar industry in Federal Democratic Republic of Ethiopia and in internationally.

6. COMPOSITION OF THE SUGAR BOARD AND TENURE

- 1) The Ethiopian Sugar Board shall consist of
 - a) Three Representatives of the Millers or Miller's Associations
 - b) One Representatives of growers/ out-growers or Out-growers Associations
 - c) One Representative of Ministry of Trade and Industry, non-industry member
 - d) One Representative of Ministry of Agriculture, non-industry member

- e) One Representative from Ministry of Finance and Economic Cooperation, non-industry member
 - f) One representative from the National Bank of Ethiopia
 - g) One representative from Chamber of Commerce and Sectorial Associations.
- 2) The Chair person of the Sugar Board shall be selected from among the representatives of Millers or millers association.
 - 3) The Chairperson and members of the Board shall hold office on terms and conditions and for a term office specified in the instrument of appointment.
 - 4) A member of the Board may, at any time, resign his or her office by a letter to the Chairperson of the Board and in case of the Chair person to the Vice Chairperson, giving a notice of not less than one month.
 - 5) Removal of the Board Members shall be on justifiable grounds including but not limited to;
 - a) Inability to perform the functions of his or her office arising from infirmity of body or mind;
 - b) Misbehavior or misconduct;
 - c) Incompetence;
 - d) For absence without the permission of the chair person or without reasonable cause to the satisfaction of the Board for more than three consecutive meetings of the Board;
 - e) Bankruptcy or insolvency;
 - f) Conviction of a criminal offense.

7. MEETINGS AND DECISIONS OF THE BOARD

- 1) The Board shall meet at least once every two months at such a place and such times as may be decided upon by the Board.
- 2) The chairperson shall preside at every meeting of the Board and in her or his absence, the members present shall elect from among their number, an acting chairperson.
- 3) No business shall be transacted at any meeting of the Board unless a quorum is present. The quorum for the meeting of the Board is two third of the members of the Board.

- 4) The number the members of the Board is the number of representatives of millers, growers and non-industry members whose appointment or selection is done based on Article 4(1) of this Act.
- 5) All decisions of the meeting of the Board shall be by simple majority of the votes of the members present and where there is an equality of votes, the person presiding at the meeting shall have a casting vote.
- 6) A decision may be made by the Board without a meeting, by the circulation of information or proposal for decision electronically or using hard copies among the members of the Board and by expression of the views of the majority of the members in writing, but any member shall be entitled to require that the decision be deferred and the matter on which a decision is sought be considered at a meeting of the Board.
- 7) The decision reached by the Board shall be binding on all members.
- 8) The Board shall regulate its proceedings and may make rules regarding the holding of meetings, notice to be given, the keeping of minutes or any other matter relating to its meetings.

8. STAFF OF THE BOARD

The Board may appoint such officers and other staff as are necessary for the proper discharge of its functions under this Act, upon such terms and conditions of service as the Board may determine.

9. PROTECTION FROM PERSONAL LIABILITY

No matter or thing done by a member of the Board, or by any officer, employee or agent thereof shall, if the matter or thing is done bona fide for executing the functions, powers or duties of the Board, render the member, officer, employee or agent personally liable to any action, claim or demand whatsoever.

10. REMUNERATION OF MEMBERS OF THE BOARD

The Board shall pay to its members, such remuneration, fees or allowances for expenses as it may determine after consultation with the Minister.

PART???

PART III
REGISTRATION, LICENSING AND INSPECTION

11. REGISTRATION AND LICENSING OF MILLERS

- 1) No person shall manufacture sugar for sale or a person shall not establish or operate a sugar mill, or a plant to process sugar or the by-products of sugar cane without a valid license granted for that purpose by the Board.
- 2) The issue of a milling license to any miller shall be personal to that miller and shall accordingly not be capable of being transferred or leased except with the prior authorization of the Board, which shall not be unreasonably withheld.
- 3) A person who contravenes subsection (1) commits an offence and is liable to a fine not less than 500,000 ETB but not exceeding 2,000,000 ETB.
- 4) An application for license shall be in the prescribed form and contain the prescribed particulars to be set by the Board. Application shall be accompanied by prescribed fee to be set by the Board.
- 5) The Board shall, on application, issue a permanent license to sugar manufacturers and small-scale sugar plants operators upon such terms and conditions as the Board think fit.
- 6) In processing the application for license, the Board shall have regard to the following;
 - a) whether the applicant is fit and proper person;
 - b) whether the applicant has sufficient knowledge, experience and capacity to enable him or her conduct business or that the applicant has amongst his or her staff, there is a person with such knowledge and experience; and
 - c) any criterion prescribed by the Board.
- 7) Where the Board, refuses to issue such a license on any grounds which may appear to the Board to be sufficient the Board shall inform the applicant the reasons for refusal.
- 8) The Board shall not, without good cause, refuse to grant the applicant a license.
- 9) The Board may if the terms and conditions of license have not been complied with, cancel, vary, or suspend any, license issued under this section.
- 10) Any person aggrieved by the decision of the Board pursuant to this section may within sixty days after the date of decision appeal to the Ministry.

12. POWER TO REGISTER EXPORTERS, IMPORTERS AND INDUSTRIAL USERS OF SUGAR

- 1) The Board shall have the power to register sugar exporters, importers and industrial users of sugar and users of sugar by-products.
- 2) The Board shall have the power to issue sugar import and export licenses and prescribe procedures and regulations for sugar imports or may decide to establish a single desk import mechanism by itself.
- 3) The sugar import licenses issued by the Board shall be Subject to payment of a registration service fee and upon such terms and conditions as the Board may impose.
- 4) Before issuing relevant licenses under subsection (1) of this section, the Board shall take into account the levels of local sugar production and sugar import or export requirements at the particular time.
- 5) The Board shall have the power to issue export licenses and prescribe procedures and regulations regarding sugar exports subject to payment of a fee and upon such terms and conditions as the Board may by regulation impose. It may itself engage in the marketing and disposal of sugar representing all millers.
- 6) Any person who import or exports sugar without a license issued by the Board or in contravention of any of provisions of this Act, shall be guilty of an offence and on conviction shall be liable to a fine not less than 500,000 ETB or to imprisonment for a term not exceeding three years or both to such fine and imprisonment.
- 7) The conditions of the license shall be prescribed by the Board.

13. SUGAR MILLS TO BE CERTAIN DISTANCE APART

- 1) In licensing sugar mills, the Board shall ensure there is only one mill in a zone.
- 2) For avoidance of doubt, the Board shall not license more than one sugar mill in a zone. This requirement shall apply only to mills to be established after the coming into force of this law.

14. MODIFICATION AND EXPANSION OF MILL AND CANE LAND

- 1) A holder of a license in respect of a sugar mill or cane land shall not modify (expanding or reducing the capacity) of the mill or plant or cane land without notifying and getting permission from the Board.
- 2) A person who wishes to modify a mill or a cane land shall notify the Board in the prescribed manner and form to be provided by the Board.

15. ENTRY AND INSPECTION

- 1) A sugar inspector or any, person duly, authorized in writing on that behalf by, the Board, may, at all reasonable times and upon production of relevant authority, enter upon any buildings, premises, warehouses or land occupied by, any person whose activity or activities relate to sugar industry under the provisions of this Act, and make such inspection and inquiries as she/he thinks fit and proper in the implementation of this Act.
- 2) Any person who obstructs a sugar inspector or any other person authorized on that behalf in the exercise of the power conferred upon him by this section or who neglects or refuses to produce to the inspector any goods, book or record which the inspector may request to be produced for his inspection shall be guilty of an offence punishable with a fine not exceeding 50,000 ETB or an imprisonment for not more than six months.

PART IV

CULTIVATION, VARIETIES, DELIVERY AND PRICING OF SUGARCANE

16. GROWERS' REGISTER

- 1) The Board shall have power to register all sugar cane growers or out-growers in the country directly or through agents.
- 2) The Board shall keep a register to be known as the growers' register which shall be entered in respect of each grower;
 - a) name of the grower;
 - b) the mill to which the grower is expected to deliver cane; and
 - c) such other information as the Board deems necessary.
- 3) No person shall grow sugar cane for the purpose of sale to sugar manufacturers, for the manufacture of sugar unless he has been registered by the Board.

- 4) It shall be an offence for any sugar manufacturer to procure or buy sugar cane from a sugar cane grower, who is not registered by the Board.

17. SUGAR CANE VARIETIES

- 1) The Board shall approve Sugar cane varieties to be grown for commercial purposes. In relation to the sugar cane varieties that are approved and recognized in other countries the board shall be guided by the principle of mutual recognition.
- 2) It shall be an offence for any person to grow any sugar cane variety for commercial purposes which has not been approved by the Board.
- 3) No person shall import, breed or modify (by genetic engineering) sugar cane or seed (fuzz), cuttings and seedlings without the authorization of the Board
- 4) No person shall import for commercial purposes sugar cane varieties, seed cuttings or seedlings or other related planting materials without the written authority of the Board.

18. DELIVERY

- 1) Millers undertake to accept all cane delivered to their mills in each season by growers attached to their mills all to the full extent of such growers' entitlement as clearly stated in the cane supply agreement between miller/s and grower/s.
- 2) Every miller shall provide a reasonable access to the mill across her/his property for delivery of cane by growers attached to the mill.
- 3) Cane shall be transported to mills by such a method of transport as shall be approved by the miller concerned in consultation with the committee.
- 4) Millers shall unload all cane from growers' vehicle without unreasonable delay.
- 5) The procedure for the weighing and testing of cane delivered to millers by growers and their respective rights and obligations shall be outlined by the regulation or directive to be enacted in accordance with this law.

19. SUGAR CANE PRICING

- 1) The pricing of sugar cane shall be determined by the Board in accordance with the formula to be set out by a committee to be established under the Board in consultation with millers.
- 2) The formula for cane pricing shall be subject to change as agreed upon by the Committee.
- 3) There shall be a Sugar Cane Pricing Committee (hereinafter referred to as “the Committee”) comprising representatives from the Ethiopian Sugar Board, Ethiopian Sugar Manufacturers Association and the Ethiopian Sugarcane Growers Association.
- 4) The main functions of the Committee shall be to review sugar-cane prices which shall be determined on the basis of sucrose content.
- 5) The exercise of determining the sucrose content of sugarcane for the purpose of sugarcane pricing shall be carried out by a sugar-cane testing unit to be set up by the Committee.

PART V – SUGAR ARBITRATION TRIBUNAL

20. ESTABLISHMENT AND CONSTITUTION OF TRIBUNAL

- 1) There is established a tribunal to be known as the Sugar Arbitration Tribunal for the purpose of arbitrating disputes arising between Parties under this Act.
- 2) The Sugar Arbitration Tribunal is responsible for the Sugar Board.
- 3) The Tribunal shall consist of;
 - a) three persons appointed by the Sugar Board;
 - b) one person appointed by the Millers' Association; and
 - c) one person appointed by the Growers Association.
- 4) The members of the Tribunal appointed by the Sugar Board shall be persons having no material interest in the sugar industry and no member of the Sugar Board shall be eligible to be a member of the Tribunal.
- 5) The Sugar Board shall designate one of the non-industry member as a chairperson of the Tribunal and one other such member as a vice chairperson thereof.
- 6) The Chairman and vice chairman shall be persons with experience as a judge, public prosecutor, attorney, arbitrators, academicians in legal scholarship and legal counsels.
- 7) The members of the Tribunal appointed shall hold office for such period, not exceeding FIVE years, on such terms and conditions as shall be specified in the instrument of appointment but shall be eligible for re-appointment for one further term of a period.
- 8) Each member of the Tribunal appointed by the Millers' and Growers' Associations shall not exceed FOUR years and shall be eligible for re-appointment for one further term of period not exceeding FOUR years.
- 9) In the event of any vacancy occurring in the Tribunal otherwise than as a consequence of expiration of a members term of office, the body having appointed the member whose office becomes vacant shall appoint a person to fill that vacancy for unexpired portion of the term of office of the member in whose place the member is appointed. If any of the non-industry members becomes temporarily unable to act, the Sugar Board shall appoint a person to act in his or her place as an acting member of the Tribunal for the duration of the member's inability to act.
- 10) A retiring member of the Tribunal shall be eligible for re-appointment.

- 11) The Sugar Board may remove members of the tribunal from office on the ground of the member's improper or irregular conduct or his or her incapacity to perform his or her duties properly, convicted of criminal offense or sentenced to imprisonment.
- 12) The decision of the Tribunal shall be by majority and shall be signed by the members thereof agreeing thereto.
- 13) Each member of the Tribunal shall receive such fees as may be from time to time determined by the Sugar Board.

21. FUNCTIONS OF THE TRIBUNAL

- 1) The Tribunal will have first instance and appellate jurisdiction on all disputes arising out of or in relation to the sugar industry between or among millers and growers.
- 2) The Tribunal shall perform the following functions;
 - a) hear and decide any appeal where a right of appeal to the Tribunal is provided in this law or sugar industry agreement;
 - b) hear and decide any issue or issue any directive in regard to any matter referred to it for a decision by the Sugar Board.
 - c) hear and decide any dispute which may arise between a mill and a grower arising from a cane supply agreement or any agreement between those parties relating to the supply or delivery of cane;
 - d) hear and decide any matter which, in terms of this agreement, is to be determined by it.

22. PROCEEDINGS OF THE TRIBUNAL

- 1) Subject to the provisions of this Act, the Tribunal shall prepare rules governing its procedure and this shall be approved by the Board.
- 2) The quorum for any hearing of the Appeals Tribunal shall be the chairperson, and in her/his absence, the vice- chairperson of the Tribunal and at least two other members thereof.
- 3) The decision of the Tribunal shall be by the majority of the members of the Tribunal hearing the issue. In the case of tie of votes the chairperson, or in his absence, the vice chairperson shall have a casting vote.
- 4) Hearing of the Tribunal shall not be open to any party not directly affected by the issue before it. The chairperson, or in her/his absence, the vice-chairperson may

permit anyone having a sufficient interest in the matter but not directly affected thereby to be present.

- 5) Each Party is entitled to be present and represented on the matter before the Tribunal.
- 6) The Tribunal, at any hearing;
 - a) may receive written and oral representations from any Party to the matter;
 - b) shall not be bound by strict rules of evidence and may inform itself in relation to any matter before it in such a manner as it deems fit;
 - c) may take into account all documents, minutes and records of the Sugar Board and the later shall make these documents relating to the matter available to the Tribunal.
 - d) may hold an inspection places and documents of the Parties’;
 - e) may adjourn for any purpose.

23. APPEALS AGAINST THE FINDINGS OF THE TRIBUNAL

- 1) A party to a dispute aggrieved by the decision of the Tribunal shall may appeal to the High Court of the Federal Democratic Republic of Ethiopia.
- 2) The grounds, manner and procedures of appeal shall be in accordance with the Civil Procedure Code of Ethiopia and other relevant laws.
- 3) The Court hearing the appeal may;
 - a) confirm the decision of the Tribunal;
 - b) set aside such finding; or
 - c) substitute its own finding for that of the Tribunal; and
 - d) make such order as to costs as it deems necessary.

PART VI - ADMINISTRATIVE AND FINANCIAL PROVISIONS

24. SECRETARY AND STAFFS OF THE SUGAR BOARD

- 1) The Minister shall, upon recommendation of the Sugar Board, appoint a Secretary of Sugar Board.
- 2) The Board may appoint at such salaries and upon such terms and conditions as it may think fit, such officers and employees as it may deem necessary for the proper and efficient conduct of the business and activities of the Board.

- 3) The rights and duties of the officers and employees of the Sugar Board in general and termination, dismissal and other issues shall be determined based on the basis of the contract of employment and the relevant labor laws of Ethiopia.

25. FUNDS AND RESOURCES OF THE SUGAR BOARD

The funds of the Board shall consist of;

- 1) any sums of money as may be provided by the House of Peoples Representatives;
- 2) any money raised by way of loans, donations, made within or outside of the Federal Democratic Republic of Ethiopia;
- 3) any monies raised by way of penalty, fees or levy imposed by the Board under the provisions of this Act;
- 4) any loan or subsidy granted to the Board by the Government or any other person;
- 5) such sums of money or property which may become payable to or vested in the Board under this Act or
- 6) any money it has got from any other sources.

PART VII

MISCELLANEOUS PROVISIONS

26. QUALITY, SAFETY AND HEALTH STANDARDS FOR SUGAR

The board shall, in collaboration with the relevant health and standardization bodies, ensure all sugar produced locally or imported into Ethiopia complies with;

- a) quality standards as set by the body, national or international, responsible for setting standards;
- b) safety and health standards as set by the body responsible for the public health;
and
- c) environmental standards as set by the body responsible for environmental matters.

27. MEASURES TO PROTECT SUGAR INDUSTRY

Subject to regional and international trade agreements to which the Federal Democratic Republic of Ethiopia is a party, the Government shall introduce tariffs and safeguard measures as may be necessary to protect the industry from unfair trade practices.

28. REGULATIONS

- 1) The Ministry may, after consultation with the Sugar Board, make regulations for the further and better carrying out of the purpose of this Act.
- 2) Subject to the above sub-paragraph, the Ministry may in particular make rules and regulations on;
 - a) the regulation, control or prohibition of the production, marketing, importation and exportation of sugar and by-products of sugar;
 - b) providing for the grading and definitions of grades, fixed in respect of sugar cane and sugar whether locally, manufactured or imported;
 - c) providing for the inspection of sugar whether locally manufactured or imported and for the appointment of sugar inspectors and, prescribing their duties;
 - d) providing for the procedures for sampling, inspection, weighing and determination of quality of sugar cane and sugar;
 - e) providing for the procedures for sampling, inspection, weighing and determination of quality of sugar cane and sugar;
 - f) providing for information, data and records to be maintained and supplied by the sugar cane growers, small scale sugar plants, manufacturers, exporters, importers of sugar and industrial users of sugar;
- 3) The rules and regulations made under the provisions of this section shall be published in the *Negarit Gazette*.

29. SUGAR DIRECTIVE

- 1) In order to streamline the management of the sugar industry and define the relationship between growers, millers, out-grower associations, millers associations and other relevant parties, the Ministry, in consultation with the Sugar Board shall issue a Sugar Directive which shall set out the respective rights, duties and obligations.
- 2) The Ministry shall, after consultation and upon with the Sugar Board , determine the terms of such directive which shall provide for, and deal with, such matters relating to the sugar industry, as are in the opinion of the Minister, in the interest of that industry but not detrimental to public interest.

- 3) The Minister may at the instance of, or after consultation with, the Sugar Board, amend the Directive if the Minister is satisfied that such amendment is in the interests of the sugar industry and not detrimental to public interest.
- 4) The Minister shall publish the Directive and any amendment thereof by a notice in the *Negarit Gazzette*, whereupon the Directive or such amendment shall become binding upon every grower, miller and refiner.
- 5) The matters the Minister may provide for, or deal with, in the sugar industry directive, shall include;
 - a) regulation and control of the production, marketing and exportation of sugar industry products;
 - b) a formula for the determination of the price to be paid by millers to growers for sugar cane, which may include any factor related to the sale or other disposal of any sugar industry product;
 - c) the imposition of levies upon growers, millers and refines for the purpose of giving effect to the terms of the Agreement and for the purpose of enabling the Board to fulfil any obligation incurred by it in accordance with the provisions of this Act.
 - d) The regulation and control of the transportation of sugar cane from growers to millers, the prohibition of agreements which are contrary to the terms relating to such regulation and control and any compensation to the parties who suffer loss as a result of such prohibition.
- 6) The Board shall ensure that every party governed by a sugar industry directive performs the duties set out in the agreement.
- 7) A question or dispute relating to a term in a sugar industry agreement shall be referred to the Tribunal for final interpretation and decision.

30. SUGAR EXCISE TAX EXEMPTION

Sugar industry products shall be exempted from excise tax applicable on the industry by the relevant law.

31. REPEALED LAWS

Any act, law, regulation, directive, arrangement or procedure that was in force before but contradicts with this Act or deals with any issue this act has governed in the sugar industry

such as on production, distribution and consumption of sugar and sugar industry products is hereby repealed.

32. EFFECTIVE DATE

This Act shall enter into force on the date of its publication in the *Federal Negarit Gazette*.

Done at Addis Ababa, Ethiopia

Date:2019

SAHLE-WORK ZEWDE

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA