

## STDF PROJECT GRANT APPLICATION FORM

<b>Project Title</b>	<b>Breaking barriers, facilitating trade</b>
<b>Objective</b>	Reduced trading costs associated with SPS measures for selected commodities on selected trade routes in COMESA
<b>Budget requested from STDF</b>	US\$ 820,628
<b>Total project budget</b>	US\$ 1,102,248
<b>Full name and contact details of the requesting organization(s)</b>	Common Market for Eastern and Southern Africa (COMESA) Secretariat COMESA Centre Ben Bella Road P.O. Box 30051 Lusaka, Zambia
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## Acronyms

A4T	Aid for Trade
AfDB	African Development Bank
AU	African Union
BTSF	Better Training for Safer Food
CAADP	Comprehensive Africa Agriculture Development Programme
CAC	Codex Alimentarius Commission
COMESA	Common Market for Eastern and Southern Africa
COMPETE	Competitiveness and Trade Expansion Program
COPE	Centre of Phytosanitary Excellence
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
EAGC	Eastern Africa Grain Council
EAPIC	East Africa Phytosanitary Information Committee
ECOWAS	Economic Community of West African States
EDF	European Development Fund
ESADA	Eastern and Southern African Dairy Association
EU	European Union
FAO	Food and Agricultural Organisation of the United Nations
FTA	Free trade agreement
GHP	Good hygiene practice
GMP	Good manufacturing practice
GP	Green pass
HACCP	Hazard Analysis Critical Control Points
IBAR	InterAfrican Bureau for Animal Resources
ICT	Information and Communication Technology
IGAD	Intergovernmental Authority on Development
IPPC	International Plant Protection Convention
ISPM	International Standards for Phytosanitary Measures
IT	Information Technology
ITC	International Trade Centre
JBC	Joint border committee
JICA	Japan International Cooperation Agency
M&E	Monitoring and evaluation
MAST	Multi-agency support team
MCDA	Multiple criteria decision analysis
NEPAD	New Partnership for Africa's Development
NPPO	National Plant Protection Organisation
NTB	Non-tariff barrier
NTM	Non-tariff measure
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health
PAN-SPSO	Participation of African Nations in Sanitary and Phytosanitary Standard Setting Organisations
PVS	Performance of Veterinary Services
REC	Regional Economic Community
SADC	Southern African Development Community
SMS	Short message service
SPS	Sanitary and Phytosanitary
STR	Simplified trade regime
TBT	Technical Barriers to Trade
UNBS	Uganda National Bureau of Standards
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation
ZABS	Zambia Bureau of Standards

## **I. BACKGROUND & RATIONALE**

### **1. Relevance for the STDF**

*(i) the identification, development and dissemination of good practice in SPS-related technical cooperation, including the development and application of innovative and replicable approaches*

1. This project will pilot a number of practices and approaches in SPS-related technical cooperation that will provide opportunities for capacity building, investing in good practices and gaining experience for ongoing development in the increasingly important area of trade facilitation, specifically in the context of intra-regional trade. As described further in section 2, implementing non-tariff measures (NTMs), including measures under the WTO SPS agreement, could burden current regulatory systems. The way in which the measures are administered and implemented can result in significant transaction costs and threaten public health. This project will identify and pilot tools and approaches for simplifying the application of SPS measures, upgrading and harmonising regulatory protocols and standard schemes, and to developing the necessary institutional and human resources capacities to facilitate intra-COMESA trade. The project will thus identify good practice and innovative approaches that can be disseminated and replicated elsewhere in COMESA, and in implementing the proposed Tripartite Free Trade Agreement between COMESA, the Southern African Development Community (SADC) and the East African Community (EAC).

*(ii) STDF work on cross-cutting topics of common interest*

2. The project is directly linked to STDF's research work in Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe to analyse the implementation of SPS measures in the context of trade facilitation (including Annex C of the WTO SPS Agreement). The aim is to identify, analyse and foster dialogue on experiences, lessons and good practices to improve the implementation of SPS controls in a way that facilitates safe trade, while minimizing trade transaction costs. The work is carried out in collaboration with TradeMark Southern Africa and COMESA. Preliminary results of this work, including results of similar work in Asia and Latin America, will be presented to Members on the margins of the WTO SPS Committee meetings in March 2014. It is expected that the STDF research and this project will complement and benefit from each other (see paragraph 70).

*(iii) The use of regional approaches to address SPS constraints*

3. Some of the activities in this project will be piloted bilaterally, or by a few countries, but within the regional context of COMESA's trade programmes. COMESA's aim in promoting the approaches in this project is to demonstrate the gains that can be made, and to provide the necessary experience for capacity building and development that can form the basis of a more formal regional approach. Several of the commodities on which this project will focus are traded by many countries in the region, some countries both importing and exporting at different times. It is envisaged that the project will provide practical lessons that can be used in clarifying and elaborating how SPS measures could be refined and implemented. Streamlining mandates, upgrading legislation, adapting and adopting harmonized standards and developing capacities will promote intra-region trade facilitation. Hasty, uniformed implementation without the necessary capacities could have the opposite effect.

*(iv) Collaborative and inter-disciplinary approaches focused on the interface / linkages between human, animal and plant health and trade, and benefiting from the involvement of two or more STDF partners or other relevant organizations*

4. The project is relevant to all STDF partners as the commodities chosen cover all three SPS areas. The project does not directly seek to address the interface between human, animal and plant health in the context of trade, although there will be cases where this will occur. For example, one of the trade flows selected is maize between Zambia and Zimbabwe. Apart from possible phytosanitary risks, aflatoxins are also a concern in the food safety area. In addition, some countries in Southern Africa do not accept maize bran imports from areas in which foot and mouth disease is present. The project will promote collaboration between the various agencies involved in SPS regulation.

## 2. SPS context and specific issue/problem to be addressed

5. The overall problem that this project contributes to solving is the relative paucity of intra-regional trade in food, so information is first presented on regional trade and the specific trade flows with which the project will be concerned. We then discuss non-tariff measures as one of the causes of this, particularly those related to the WTO SPS agreement (technical measures). We then summarise priorities identified in various needs assessments including Diagnostic Trade Integration Studies that have been conducted in the participating countries.

### 2.1 Food and agriculture trade flows within COMESA

6. In common with other regional economic communities, one of COMESA's goals is to provide a market in which member states trade freely with each other. Not only is this a pathway to economic development; it is also seen as a necessity for attaining food security. But progress towards this goal is slow. In Africa as a whole, intra-African trade accounts for only around 10% of total trade, while only 5% of all the cereals imported come from other African countries. Intra-COMESA trade increased by 6% in 2011 to US\$18.4 billion, but this represented only 8% of all COMESA trade, an increase of only 2% points from 10 years earlier.

7. In other words, COMESA countries are still trading much more with distant countries than with their neighbours with whom they have a free trade agreement. Why is this? One reason is that in the last decade there has been a major increase in trade with the BRIC countries, so although the absolute level of intra-African trade is increasing, proportionally it is stagnant. But that is only part of the story. Data show that the cost of doing business in many African countries is among the highest in the world, particularly when it comes to the costs of crossing borders (Table 1.).

**Table 1.** Ease of cross border trade in Africa: world rankings of COMESA countries (out of 185). (Data from [www.doingbusiness.org](http://www.doingbusiness.org))

Country	World Rank
Burundi	177
Comoros	146
Congo, Dem. Rep.	170
Djibouti	41
Egypt, Arab Rep.	70
Eritrea	165
Ethiopia	161
Kenya	148
Madagascar	112
Malawi	168
Mauritius	15
Rwanda	158
Seychelles	33
Sudan	153

Swaziland	141
Uganda	159
Zambia	156
Zimbabwe	167

8. Table 2 presents more detail of the cross-border trade costs for different regions. Costs are higher in East and Southern Africa than in West Africa (ECOWAS), and are around twice the costs of some other areas including East Asia. The number of documents required and the time taken to import and export are good indicators of how easy (or difficult) it is to trade. In short, formal trade with neighbouring countries in COMESA is still relatively difficult, and this undoubtedly has a constraining effect on trade volume.

**Table 2.** Cross border trade indicators in Africa and elsewhere (from Barka, 2012)

Region	No. Documents to export	Days to export	Cost to export a container (US\$)	No. Documents to import	Days to import	Cost to import a container (US\$)
SADC	7.3	31.2	1856	8.4	38.0	2273
COMESA	7.2	32.4	1915	8.2	38.3	2457
ECOWAS	7.6	27.6	1528	8.1	31.6	1891
E Asia & Pacific	6.4	22.7	890	6.9	24.1	935
OECD	4.4	10.9	1059	4.9	11.4	1106

Intra-COMESA trade flows for the countries and commodities to be considered in this project are shown in Table 3.

**Table 3.** Trade between 7 COMESA countries for selected food commodities (US\$millions; 2011 data from COMStat)

<b>Milk &amp; milk products</b>								
Exporter	Importer							COMESA
	Egypt	Kenya	Malawi	Sudan	Uganda	Zambia	Zimbabwe	
Egypt		0.14		0.42				20.52
Kenya			2.26	0.29	2.78	1.32	0.01	7.82
Malawi						<0.01	1.28	1.28
Sudan								
Uganda		4.95		0.53				7.29
Zambia			0.46				1.64	2.26
Zimbabwe			0.12			0.56		0.69
COMESA		5.06	2.85	1.24	2.78	1.88	2.93	40.29
<b>Maize</b>								
Egypt								1.23
Kenya				0.06	0.3			2.13
Malawi						0.19	2.64	2.83
Sudan								
Uganda		11.57		1.21				17.03
Zambia		7.14	2.57				12.6	25.44
Zimbabwe			0.12			0.19		0.32
COMESA		18.71	2.69	7.61	0.3	0.38	15.24	55.56
<b>Beef</b>								
Egypt								
Kenya				<0.01				0.02
Malawi								
Sudan	0.04							0.04
Uganda				<0.01				0.64
Zambia								
Zimbabwe								
COMESA	0.18			<0.01				1.01
<b>Fish</b>								
Egypt		0.01		0.13				0.14
Kenya				0.01	0.73			1.14
Malawi						0.04	<0.01	0.04
Sudan								
Uganda	0.53	0.38		<0.01			<0.01	3.7
Zambia							0.01	0.27
Zimbabwe			0.09			1.93		2.08
COMESA	0.53	0.39	0.09	0.59	0.73	1.97	0.02	12.72
<b>Oranges</b>								
Egypt		0.89		15.81	0.21			18.25
Kenya				<0.01				<0.01
Malawi								
Sudan								
Uganda		<0.01						0.02
Zambia								0.2
Zimbabwe			<0.01			1.34		1.34
COMESA		0.9	<0.01	15.84	0.21	1.34		21.49

9. The data are from COMESA's trade database (COMStat, which doesn't include separated data on groundnuts), and underestimate the actual flows because much trade occurs informally. Also it appears that the data may be incomplete; for example, the UN Comtrade database shows that in 2011 Kenya imported US\$33.7m of maize from Malawi, US\$14.4m from Uganda and US\$29.3m from Zambia.

10. Other sources indicate groundnut exports from Malawi in 2011 were around \$10m, over US\$4m of which was to Tanzania. Main COMESA importers were Kenya (over US\$2m), Zambia and Zimbabwe (<US\$0.5m each).

## **2.2 Non-Tariff Measures**

11. The progressive lowering of tariffs, particularly in economic communities such as COMESA, has brought non-tariff measures (NTMs) to the fore as a cause of trade restriction. It is suggested that NTMs have now surpassed tariffs in the extent to which they impede trade. Thus the 2012 World Trade Report focussed on non-tariff measures, and a new publication by Cadot and Malouche (2012) is titled "Non-Tariff Measures – a Fresh Look at Trade Policy's New Frontier".

12. Non-tariff measures have been defined as "policy measures, other than customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices, or both" (Multi-agency support team, MAST, 2009). Thus the concept of an NTM is neutral, while the term non-tariff barrier (NTB) implies a negative impact, so is a subset of NTMs. It has been suggested that the term NTBs should be used to refer to NTMs with a protectionist or discriminatory intent, as legitimate NTMs can also have a restrictive effect on trade, but the term also gets used to refer to legitimate technical measures. Within in the framework of the Customs Union, established under Article 45 of the COMESA Treaty, COMESA members must cooperate when implementing these measures.

13. UNCTAD-MAST maintains a detailed classification of NTMs, and at the top level they fall into two broad categories, the first of which is the focus of this project.

- Technical measures, comprising the technical requirements as provided for under the SPS and TBT Agreements, and the conformity assessment procedures for demonstrating compliance. The latest update of the full classification of technical measures has 3 chapters in this category of NTMs; SPS (A), TBT (B) and Pre-shipment inspection and other formalities (C).
- Non-technical measures, including charges and taxes, licenses and quotas, rules of origin, financial measures, price control measures.

14. When implementing NTMs without adequate institutional set-up and harmonization of SPS measures, there can be various administrative delays and constraints known as "procedural obstacles" that slow down or otherwise hinder trade and raise costs that subsequently lower consumer demand of the products. It is thus the implementation of technical measures and the associated procedural obstacles with which this proposal is concerned.

15. What is the evidence that technical NTMs are restricting intra-regional trade? One approach to answering this question is to use mathematical models. For example a study using gravity models to analyse the impact of NTMs in meat and milk trade in SADC found that NTMs had 70-400% the effect of tariffs for meat, and 10-200% for milk. Another study examined the impact of NTBs on maize and beef trade in East Africa using spatial equilibrium models. Data were also collected at border points, but though the costs for different NTBs were recorded, technical measures were lumped together under "standards and certification". Costs of NTMs as a percentage of total border costs ranged from 12%

(Tanzania) to 55% (Uganda) for maize, and from 19% (Tanzania) to 40% (Uganda) for beef cattle, although the highest cost for standards and certification recorded was 8.5% in Kenya for beef cattle. The modelling indicated there would be winners and losers from the elimination of NTBs, but overall there was net positive gain in welfare, which was reported to be “compelling evidence in support of the elimination of NTBs in EAC”. Another modelling study by Cadot & Julien (2012) assessed the price-raising impact of NTMs in Africa, and found that SPS measures raise prices by between 12 and 25%.

16. A different approach is through surveying the businesses directly affected by the manner of implementing NTMs. ITC is conducting a series of country studies assessing the impact to NTMs on the business sector through large scale surveys. Of the 7 countries in this proposal, studies have so far been conducted in Malawi and Kenya, though only the Malawi report is available.

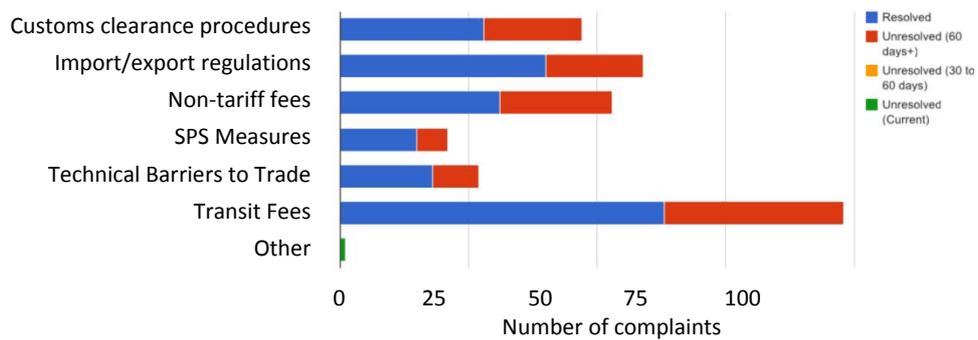
17. In the ITC study, exporters in Malawi reported burdensome NTMs most frequently for fresh food and raw agricultural products (87% of companies). Technical measures were the majority of such NTMs (75%), but conformity assessment (60%) was far more burdensome than meeting the technical requirements themselves (15%). Thus testing and certification in relation to SPS and TBT measures are an important hindrance to Malawi's agri-food exports. However, impediments to exports to SADC countries were relatively low (7%), but to COMESA countries were very variable, from only 17% in Kenya to 100% in Egypt. NTMs reported by importers in Malawi were dominated by delays with foreign exchange transactions (62%), but inspections under the import quality monitoring scheme were significant (19%). For agricultural products, exporters reported delays at the Malawi Bureau of Standards, and at the Department of Agricultural Research and Technical Services (the NPPO) lasting from 3 days to 4 weeks for export inspection and certification.

18. A similar survey in Uganda (cited by Basu et al., 2012) sampled 269 firms who reported 963 cases of NTMs. For import-related NTMs, many were related to SPS measures (42%), while for export the largest category was TBTs (24%). Almost all the firms reported procedural obstacles, which included inefficiency or obstructions (68%), non-transparency (10%) and abnormal fees and charges (10%). The main categories of products affected by NTMs were fresh fruit and vegetables, natural ingredients such as honey, and fish. Note however, these results include trade outside COMESA particularly to demanding EU markets.

19. In 2007 a survey of NTMs was concluded by Imani Development, under the Regional Trade Facilitation Programme, covering COMESA, EAC and SADC countries. It found that the biggest barriers to intra-regional trade were in agricultural commodities, and made various recommendations on procedures for eliminating the identified NTBs. It also recommended establishment of a system for gathering information on NTBs, including private sector verification for verification and monitoring.

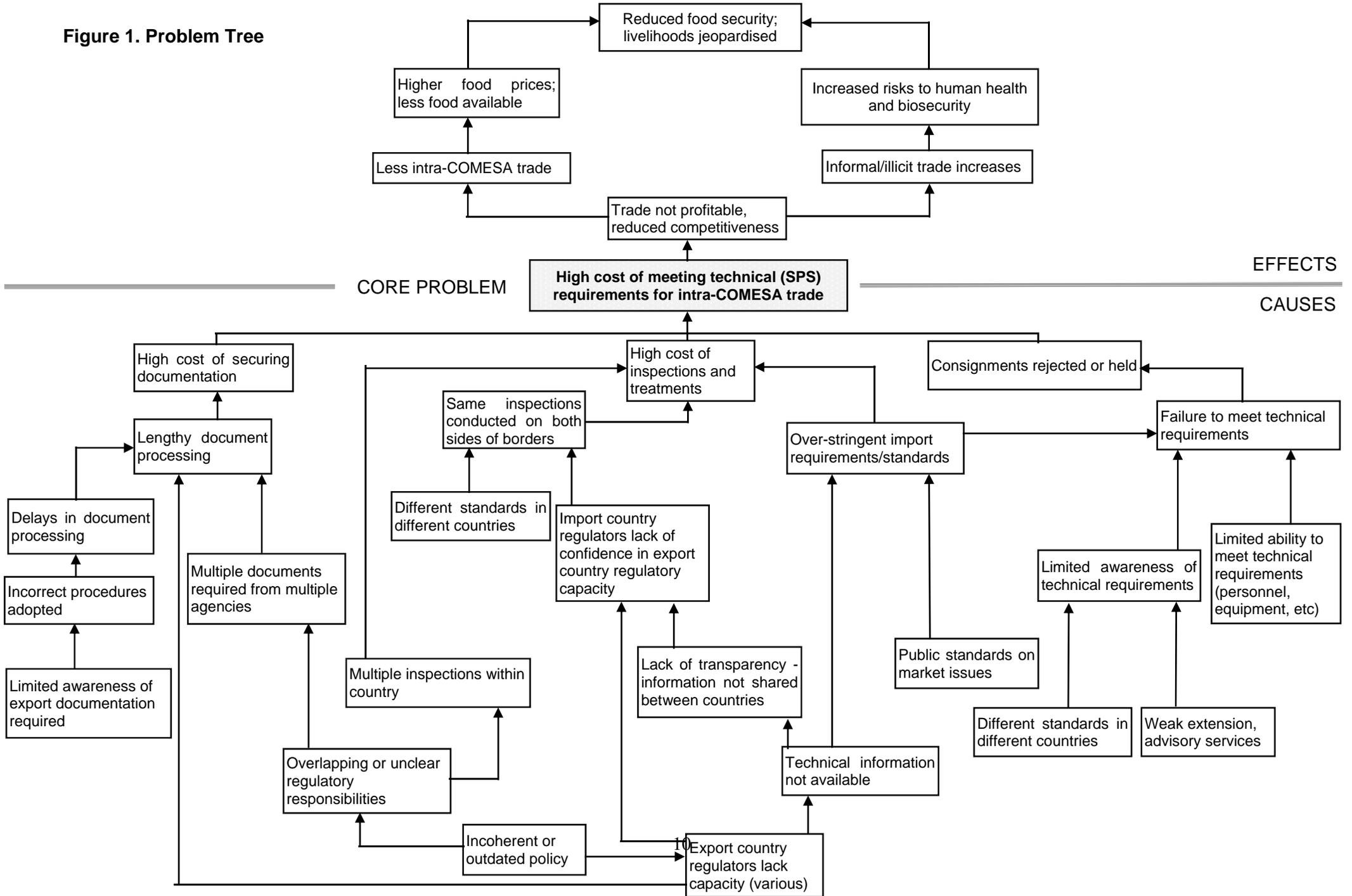
20. Under the COMESA-SADC-EAC Tripartite, a voluntary NTB reporting and monitoring mechanism has been established ([www.tradebarriers.org](http://www.tradebarriers.org)). Table 4 shows a summary of the data collected through the mechanism, and although there has been some criticism over the misidentification of some barriers, the mechanism does show that SPS-related NTBs are significant. Under a new AfDB-funded capacity building project this mechanism will be extended and improved.

**Table 4.** NTBs reported to the Tripartite Reporting Mechanism (as of Jan 2011 in A4T Case Story)



21. A workshop convened by COMESA (Nairobi, May 21-23, 2013, funded through STDF/PPG/346) discussed these issues, and sought to develop problem trees for constraints associated with technical measures applied to intra-regional trade in specific commodities. Figure 1 shows a consolidated problem tree, there being many generic problems amongst the different commodities and trade flows discussed. The core problem is that SPS measures are restricting trade, which can be expressed as the high cost of meeting technical requirements.

**Figure 1. Problem Tree**



22. One of the effects of high costs for businesses, wherever they originate, is that they reduce competitiveness or profitability, and this in turn results in a reduction of formal trade. In some cases the reduced profitability provokes traders to adopt illicit methods, such as off-loading lorries near the border and breaking the consignment into multiple small lots that are taken over the border by informal routes. This bypasses the SPS regulatory functions designed to protect human, animal and plant health, so increases the risks to public health. Anecdotal evidence suggests that a number of years ago, some of the maize condemned in Kenya as being contaminated by aflatoxin ended up in Uganda by such a route. The lack of market surveillance systems for safety and quality assurance thus poses additional costs, threatens public health and has significant impact upon the relationship amongst COMESA members.

23. There are multiple causes of the high costs associated with the implementation of SPS measures, but they can be grouped into three broad categories directly affecting costs. First the associated administrative processes may, for a variety of reasons, be complicated and lengthy. This includes processes both at and behind borders. Second, the inspections and treatments required may be costly, due to duplication or over-stringent requirements arising out of the application of unnecessary measures. Unnecessary measures arise through lack of information on which to base less restrictive measures, or through the application of public standards that do not really address public policy goals such as safety. Third, value chain actors may not have the knowledge or capacity to meet the technical requirements. This may be due in part to different countries having differing requirements, but is also due to the technical difficulties that some problems, such as animal diseases, present.

24. This project will focus on selected commodities; maize, meat (beef), fish, milk, groundnuts and oranges. These commodities and trade flows were selected by participants at the May 2013 workshop for two reasons.

- The commodities are already being traded, but there is opportunity to expand. Where technical issues have prevented any significant trade over many years, piloting trade facilitation approaches would be unlikely to deliver results in a 3-year project.
- The importing country is willing to address the NTMs. In considering opportunities for improving trade, it is common to think first of increasing exports. So in all the cases selected, the country delegates felt that there would be willingness to find ways to facilitate imports.

25. Studies on these value chains show that NTMs are frequently encountered as a constraint to trade. A COMESA/EAC study (2004) on regional dairy trade policy made extensive recommendations on many NTMs including those related to product quality standards and SPS issues. Development of appropriate and harmonised standards, capacity building of regulatory bodies, and inter-agency cooperation were important areas identified.

26. A similar study on regional policy for maize trade also highlighted the importance of NTBs, and recommended harmonized policy and regulatory frameworks including standards, recommendations repeated in a more recent study (Kagira, 2009). Specific attention was given to phytosanitary measures, and it was recommended that a regional pest risk assessment be conducted, including drawing up lists of pests on maize in the different countries. This has still not been undertaken, although some progress has been made under COMPETE funding(see below).

27. From the literature, as well as the 2013 stakeholder workshop, various technical issues relating to the commodity trades have been identified as shown in Table 5.



**Table 5.** SPS-related constraints in intra-COMESA trade of selected commodities (excluding procedural obstacles)

Commodity	Constraints
Maize	Requirements on moisture content (associated with aflatoxins) Aflatoxins No lists of regulated pests No agreement on what pests are in which countries
Fish	Poor sanitation at landing/processing sites and along value chain Contaminated water Cold chain deficiencies creating microbiological risks
Beef	Notifiable bovine diseases Sanitary conditions in slaughter houses and processing plants Veterinary drug residues
Milk	Bacterial zoonoses (eg <i>Brucella</i> ) Antimicrobial residues Contaminated water High proportion of milk sold raw (but boiled before consumed)
Oranges	Fruit fly and pest risk management requirements Incomplete lists of regulated pests
Groundnuts	No lists of regulated pests No agreement on what pests are in which countries Aflatoxins

### 2.3 Needs assessments and priorities

28. Twelve of COMESA's nineteen Member States fall under the Enhanced Integrated Framework for trade related assistance to Least Developed Countries. Four are participants in the proposed project - Malawi, Sudan, Uganda and Zambia – and have undertaken a Diagnostic Trade Integration Study (DTIS).

29. Malawi's DTIS was completed in 2003 and updated in 2006. Recommended actions under institutional capacity included supporting Malawi's participation in SADC and COMESA regional standards and technical regulations initiatives, and specific export-sector measures in relation to standards for tea, groundnuts & spices and cotton. The main SPS hazard identified was aflatoxin in groundnuts, paprika and macadamia.

30. Sudan's DTIS was validated in 2008 and highlighted various SPS-related constraints, including bans of livestock exports, and difficulties meeting importers' regulations on meat and other products. Various food products are of low quality, so attract poor prices. Streamlining SPS procedures at import was also identified as a need.

31. Uganda validated its DTIS in 2006, which included many recommended actions related to technical measures and regional trade. They included harmonising standards and behind-the-border regulations with EAC and COMESA countries, strengthening testing capacity, and clarifying the role of UNBS in relation to that of the private sector in terms of standards and conformity assessment. Commodity specific recommendations were given on fisheries and maize amongst others. The DTIS has recently been updated (April 2013), and includes considerable discussion on NTMs, concluding that there are still multiple NTMs restricting Uganda's regional trade, both imports and exports. The report points out that harmonisation can have both positive and negative effects, and suggests that it would be in Uganda's interests to push for effective mutual recognition of conformity assessment procedures as a first step towards reducing trade costs within the sub-region. Mutual recognition is seen as preferred to harmonisation in the long run, but requires a level of trust

and cooperation between the countries and their competent authorities. The use of private sector laboratories for testing and verification is recommended. The study encourages Uganda to “give a second wind” to EAC’s efforts to tackle NTBs, noting that success so far has been limited. Maize is emphasised as a major opportunity for regional exports, and working through a “Maize Platform”, existing policies are identified that need full implementation, including those in relation to SPS issues.

32. Zambia’s DTIS was validated in 2005, and was integrated into the private sector development reform programme. Improving trade facilitation was an immediate priority for trade policy, including supporting border post infrastructural development. Reorganisation and strengthening of ZABS was recommended, to separate testing from the regulatory functions, and to improve coordination with other regulatory bodies including FDA and Ministry of Agriculture. The DTIS has recently been updated, and is expected to be validated soon.

33. Some assessments have also been carried out under the WTO’s technical assistance programme on trade facilitation. WTO developed a guide and materials, and provided facilitation, but the assessments were done by the countries. All of the 7 countries in this project undertook the assessment, but the results were confidential so little information is available other than some summaries of the results (from Sudan, Uganda and Zambia). These indicated a range of needs in relation to trade facilitation, particularly in the context of negotiations at the WTO, but the capacity to implement any agreements was also a clear concern. Now that a new WTO Agreement on Trade Facilitation has been reached, implementation capacity is an immediate need.

34. Kenya, Sudan, Uganda and Zambia had all used the Phytosanitary Capacity Evaluation tool by 2006. The tool emphasised capacity to implement the International Plant Protection Convention and the International Standards for Phytosanitary Measures (ISPMs), although there was some consideration of the issues discussed here that contribute to or hinder trade facilitation. Since then the tool has been improved, including more attention to institutional and organisational issues that relate to NTBs. The tool is no longer in the public domain, and the results are confidential.

35. Almost all countries in Africa have requested and received OIE PVS Evaluation missions that assess the capacity and needs of a country’s veterinary services, including all 7 of the countries in this proposal. Some countries have published the outcome of their assessments on the OIE website, but none of the seven countries in this proposal has.

36. A prioritisation tool developed by STDF, Multi-Criteria Decision Analysis (MCDA), has recently been applied in Zambia, Malawi and Uganda. The MCDA is used to prioritise SPS capacity development activities through evaluating a list of options against a number of criteria, the weights of which can be adjusted to conduct sensitivity analysis. In Uganda, for example, using weights emphasising trade impact, the top three priorities were certification of agroinput providers and suppliers, building awareness on pesticide use to avoid contamination in traded products, and the related area of good agricultural practice in maize. In Malawi the top three priorities were pesticide controls in tea, virus indexing of planting materials, and compliance with SPS requirements for chilli sauce exports. Aflatoxin controls for groundnuts was 4th priority. Update text with information on Zambia. According to latest info, MCDA tool will be applied in Feb.

37. Earlier STDF funded the development of “SPS Balance Sheets” for selected countries, including Kenya and Uganda of those in this project. Specific suggestions were made for commodities, as well as for the different SPS sectors and overall institutional

capacity, where it was noted that duplication of effort and fragmented and unclear responsibilities was common, a contributory factor to NTBs.

### **3. Links with national/regional development plans, policies, strategies, etc.**

38. The project is coherent with and supportive of regional and national strategies and policies. The COMESA agreement includes undertakings by Member States to "...abolish all non-tariff barriers to trade among themselves" (Article 4, paragraph 1 (a)), and to "simplify and harmonise their trade documents and procedures" (Article 4, paragraph 1 (e)). Article 49 expands on the elimination of non-tariff barriers on common market goods. COMESA has developed "Regulations on the Application of Sanitary and Phytosanitary Measures", which were adopted by the Council of Ministers in December 2009. The Council of Ministers has urged the Secretariat to support Member States to domesticate the regulations, and the 30th Council directed the secretariat to enhance programmes aimed at mutual recognition of standards and SPS measures, and to expedite the harmonisation process. COMESA's Medium Term Strategic Plan (MTSP) 2011-2015 identifies a number of actions, outputs and outcomes in relation to SPS measures, specifically under Priority Area 1 (Removing barriers to factor mobility), and also by implication under Priority Area 2 (Building productive capacities for global competitiveness).

39. Under the COMESA treaty regulations are mandatory and binding. However, an STDF-commissioned study of Regional Sanitary and Phytosanitary Frameworks and Strategies in Africa suggested that some aspects of COMESA's SPS regulations might be in contradiction with obligations under the WTO SPS Agreement.

40. Of particular concern is the provision in the COMESA SPS regulations for the establishment of a certification scheme known as the Green Pass. A study by the FAO legal department indicates that the Green Pass scheme could be at odds with contracting parties' obligations under the IPPC. However, in principle the Green Pass scheme has the potential to facilitate trade by addressing a number of the problems identified in Figure 1. Thus although this project is not explicitly about establishing the Green Pass Scheme, by piloting approaches to tackling some of the constraints that the Green Pass would address, the project will generate experience and evidence that will inform any planning and future development of the Green Pass Scheme.

41. The other members of the Tripartite FTA make similar commitments to reduce or eliminate NTBs. Article 73(5) of the East African Community treaty, and Article 6 of the SADC protocol on trade provide for the elimination of NTBs and further prohibit the introduction of new ones. The Tripartite Agreement also calls on member states to do likewise. The FTA Agreement together with SPS and other Annexes will be the effective legal instrument for the three RECs once the FTA Agreement comes into force.

42. In 2011 the African Union summit endorsed the recommendation of the AU Ministers of Trade to fast-track the establishment of a Continental Free Trade Area (CFTA). Thus the theme of the 2012 Heads of State Summit was "Boosting African Trade", and eliminating trade barriers through improved trade facilitation was identified as one of the priority areas for action. The November 2012 joint conference of AU ministers of agriculture and ministers of trade took up the theme, emphasizing intra-African trade as a key to ensuring food and nutrition security.

43. The Comprehensive Africa Agriculture Development Programme (CAADP) has 4 pillars, the second of which is "Improving rural infrastructure and trade-related capacities for market access". SPS capacity is included within trade-related capacities for improved market access, and it is noted that meeting standards required for trade "remains a major

challenge for all African countries". In support of intra-regional trade, it is noted that regional standards for various sectors will be required, with the importance of harmonisation emphasised. (Note that harmonisation should in the first instance be with international standards as advocated in the SPS agreement). The "CAADP Process" involves countries making "Compacts" with partners in agricultural development, after which investment plans are produced, or existing strategies are designated as such if appropriate. According to the CAADP website, 10 COMESA countries have compacts, including Kenya, Malawi, Uganda and Zambia, and the first three have developed investment plans. In all the importance of regional trade is noted, and actions identified to increase it, in accordance with Pillar 2. However, it has been noted that the inclusion of SPS issues per se has been uneven, some plans such as Uganda's having detailed actions in the area (Uganda has a separate SPS strategy), while others give less attention to the topic.

#### **4. Past, on-going or planned programmes and projects**

44. Reducing the negative impact of NTMs falls within the ambit of trade facilitation, a broad area of activity in which many resources are being invested, and in which a new agreement has just been reached by WTO members. WTO has defined trade facilitation as the 'simplification of trade procedures', where the procedures are the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade. Clearly this can include procedures in the application of technical measures, although until recently, trade facilitation effort has focused more on areas such as customs and immigration at border crossings and posts, and the transportation of goods to and from borders. Studies suggest that worldwide up to US\$43 billion benefit could be realised for every percentage point reduction in trade transaction costs, so there is a strong case for investment.

45. There are four broad interrelated areas of trade facilitation (Granger, 2011):

- Simplification and harmonisation of applicable rules and procedures. This includes the adoption of international or regional agreements such as COMESAs SPS regulations, and the harmonisation of controls used by different government agencies. It also includes avoiding duplication of effort, such as by both importer and exporter, the sharing of facilities by different regulatory agencies, and the formal recognition of private sector controls in lieu of official checks.
- Modernisation of trade compliance systems. Prominent here is the use of ICTs including electronic single windows, and the underlying issues of data and digitised communication. Training and awareness is also included, such as through development of toolkits and guides.
- Administration. This includes attention to levels of public service, the effective publication and communication of information such as rules and procedures, and efficient appeal mechanisms. It also includes management principles such as enforcement of controls in proportion to risk.
- Institutional mechanisms and tools such as a national trade facilitation body, and mechanisms for stakeholder participation in policy reform.

46. Within the COMESA region, there are many initiatives under the broad umbrella of trade facilitation. Some are linked to EAC or SADC rather than COMESA, but there being several countries in common between the RECs, and given the proposed Tripartite free trade area, they are all relevant to this proposal. Programmes and projects are summarised in five interlinked areas.

#### 4.1 Border posts on key corridors

47. In 2012 a global USAID-funded trade capacity building programme called TCBoost ended, which had provided expert assistance to field missions and the Africa trade hubs. One of its earlier achievements was a major corridor diagnostic study (CDS) of the northern and central corridors in East Africa, which provided the basis for various projects on improving transport corridors and border posts.

48. There is now much investment in the creation of one-stop border posts (OSBPs) in East and Southern Africa. Table 6 shows a list of those planned, in development, or in operation. The OSBP at Chirundu between Zambia and Zimbabwe was the first OSBP to begin operations in the sub-region (December 2009) and it has frequently been cited as a success story, with substantial reductions in the time taken to cross the border. TradeMark East Africa, with funding from Belgium, Denmark, Netherlands, Sweden and UK is working on several OSBPs in the East African sub-region. The World Bank, African Development Bank and JICA are also funding OSBP development.

**Table 6.** One-stop border posts proposed or in development in East and Southern Africa

Border post	Countries	
Beitbridge	SAfrica	Zimbabwe
Busia	Kenya	Uganda
Chirundu	Zambia	Zimbabwe
Elegu-Nimule	Uganda	S Sudan
Gasenyi-Nemba	Burundi	Rwanda
Isibania-Sirari	Tanzania	Kenya
Kanyaru-Akanyaru	Burundi	Rwanda
Katuna-Gatuna	Uganda	Rwanda
Kazumbalesa	DRC	Zambia
Kobero	Burundi	Tanzania
Lungalungua-Horohoro	Kenya	Tanzania
Malaba	Kenya	Uganda
Mirama Hills-Kagitumba	Uganda	Rwanda
Mutukula	Tanzania	Uganda
Mwanza-Zobue	Malawi	Mozambique
Nakonde-Tunduma	Zambia	Tanzania
Namanga	Kenya	Tanzania
Ruhwa	Burundi	Rwanda
Rusumo	Rwanda	Tanzania
Songwe-Kasumulu	Malawi	Tanzania
Taveta-Holili	Kenya	Tanzania

49. Establishment of a OSBP involves a number of steps, one of which is to provide the legal basis. The East African Legislative Assembly has recently passed a One Stop Border Posts Bill, which is now awaiting assent from the Heads of State. The law makes efficient operation of OSBPs possible, for example by allowing free movement of nationals of both countries within the OSPB controlled zone.

50. OSBPs provide facilities for all the relevant border agencies. Thus they should include laboratories and facilities for inspections and testing, to speed up such operations and remove the need for samples to be sent elsewhere. The proposed project will therefore make use of these facilities where they exist. However, in a volume on border management modernisation, Van der Meer and Ignacio (2011) noted that involving SPS agencies in cooperative border management has received little attention from international agencies, while the national SPS agencies are often relatively unaware of efforts to modernise customs.

51. Establishing OSBPs requires collaboration between the agencies with the countries on each side of the border, as well as between the two countries. An approach promoted by COMPETE in East Africa, and the Southern African Trade Hub (both funded by USAID) is the establishment of joint border committees (JBCs). Even where no major infrastructure is provided, such committees can find ways to improve the efficiency of cross border operations. In principle the SPS agencies are part of these committees, although as noted above, customs and immigration agencies are often the lead agencies in cross border trade facilitation efforts.

52. As much cross border trade is by small scale traders, COMESA has taken steps to promote their access to the benefits of the free trade area. Support has been given to the establishment of Cross Border Trader Associations (CBTAs), and a Simplified Trade Regime (STR) has been developed and piloted, initially in Malawi, Zambia and Zimbabwe, with the EU-supported REFORM project. An evaluation in 2010 considered how NTMs affect the STR, and commented that “permits required by health, standards and agricultural authorities are a problem for most traders from a logistics perspective. The traders at times find it difficult to meet all the conditions required for permits to be issued.” The transaction costs are such that “most of the time they give up before they even try”. Thus there is still much work to be done to ensure technical measures do not pose barriers to small scale traders.

#### **4.2 Using Information Technology**

53. Various efforts are also in progress to utilise the opportunities that IT systems provide to facilitate trade. COMESA recently launched a pilot of a Virtual Trade Facilitation System (CVTFS) along trade corridors linking Djibouti, Ethiopia and Sudan. The system allows exchange of information for cargo tracking and monitoring of transit goods. Many countries in the region are already setting up or using the ASYCUDA customs management system (although Kenya uses Simba). For maximum efficiency the OSBPs should operate an electronic single window, including provision for including SPS documentation. Rwanda is already piloting such a system. Other ICT systems are being established in relation to transit bonds, and for the regional exchange of customs data (RADDEX in East Africa, supported by USAID).

#### **4.3 Monitoring NTMs**

54. Another major thrust in regional trade facilitation is on the monitoring and reporting of non-tariff barriers, as the basis for finding ways to reduce or eliminate them. TradeMark South Africa established and manages the Tripartite NTB reporting system ([www.tradebarriers.org](http://www.tradebarriers.org)) referred to above, to which reports of specific NTBs can be submitted. SPS-related NTBs reported include various procedural obstacles, such as delays in official procedures. In connection with this mechanism, each country has a national monitoring committee (NMC) and by the April 2012 meeting of the Tripartite NTB focus points, 17 countries had either established NMCs or mandated existing structures to carry out the responsibilities. Under an African Development Bank-funded project for trade-related capacity building in the Tripartite, the NTM monitoring mechanism will be extended.

55. The system is still being improved in various ways. One enhancement is to provide for reporting by SMS or text messaging. This should broaden the accessibility of the system, to allow drivers and small scale traders to report barriers as they occur, and without the need for internet access. A similar national system was previously introduced by the Tanzania Chamber of Commerce, Industry and Agriculture.

56. Arrangements are being planned for the transfer of the system to the REC secretariats, but there are concerns over sustainability, both in terms of financial resources and the availability of capacity at the RECs to operate the system. There is also discussion about the issue of ensuring countries resolve the NTBs that are reported. Proposals have been made about possible penalty systems, as the rate of resolution of problems is sometimes slow.

#### **4.4 Harmonisation**

57. Much work has been undertaken to develop harmonised regional standards. EAC has taken a leading role, and has established a procedure for development and maintenance of East African standards; the 2005 procedures have just been updated (2012). The procedures were developed by the Standards Management Committee, and approved by the East African Standards Committee (EASC) under the provisions of the East African Community Standardization, Quality Assurance, Metrology and Testing Act 2006, and Article 81 of the Treaty for the Establishment of the East African Community Partner States. Harmonisation of standards within COMESA is undertaken under the Committee for Standardisation and Quality Assurance (SQA) and the sub-committee on Harmonisation of Standards. COMESA's approach has been that there is no need to duplicate EAC efforts, so there is a procedure for adopting international or EAC standards as appropriate, as a result of which there are several hundred harmonised standards. Thus the region has a relatively well established standard setting infrastructure.

58. One particular area of harmonisation has been in relation to the seed trade. COMESA has developed and harmonised policies and regulations for the seeds of 10 major crops (including maize and groundnut), which cover phytosanitary concerns. A sensitisation programme is currently in progress led by the Africa Seed Trade Association, as the basis for implementation, though it is recognised this will be a challenge.

59. While harmonisation of standards has many benefits, less effort has been put into the areas of equivalence or mutual recognition, which are other approaches to trade facilitation provided for by the WTO SPS agreement, and which some authors argue are more suitable for some situations. Comparing such approaches would be something that Regulatory Impact Assessment (RIA) could address, but it appears little has been done in this area in COMESA (or EAC) countries. A study (Truen, 2011) commissioned by the USAID-funded Southern Africa Trade Hub noted that South Africa had been piloting RIAs since around 2007, but their use was still at a fairly early stage of development, and no decision had been made about whether to make any legal requirements for using RIAs. In contrast, in OECD countries RIA is already a major tool with various legal requirements for its use in particular situations. In some cases RIAs are used by civil society organisations. A study on harmonization and mutual recognition of regulations and standards for food safety and quality in COMESA and EAC (Will, 2012) reported that several stakeholders recommend the implementation of RIA (possibly a simplified version) to ensure good regulatory practice is used.

60. The EU-funded project "Participation of African Nations in SPS Standard Setting Organisations (PAN-SPSO)" indirectly promotes harmonisation, and is now in its second phase. It has held many training workshops raising awareness on the 3 sisters and their standard setting processes, as well as facilitating the establishment of national SPS committees, including in several of the countries in this project.

#### **4.5 Commodity or problem-focused programmes**

61. A USAID-funded project has recently started aiming to increase trade in live animals and meat products in the Greater Horn of Africa. Titled “Standard Methods and Procedures in Animal Health (SMP-AH)”, it is being implemented by AU-IBAR through IGAD with the purpose of developing and implementing harmonised animal health regulations in the sub-region.

62. The Bill & Melinda Gates Foundation funded an East Africa Dairy Development project in Kenya, Uganda and Rwanda. The emphasis was on production, but with the aim of marketing through formal sector chilling plants. It is not clear how much of the additional production is traded regionally.

63. COMESA is collaborating with UNDP’s African Facility for Inclusive Markets (AFIM) in implementing an initiative titled the Southern Africa Project Facilitation Platform, which is promoting projects in maize, groundnuts and soya beans. The aim is also to embed the approach within COMESA, by working with business organisations such as the COMESA Business Council.

64. EU provides a range of support to Africa and other ACP countries that is sometimes aimed more at supporting access to European rather than regional markets, including the PIP (quality and conformity in vegetables, now in a Phase 2), the recent EDES programme (demand-led private sector capacity building also on high value export markets), and Strengthening Fisheries Products Health Conditions. The Better Training for Safer Food (BTSF) was originally a European programme, but includes BTSF Africa, which has funded PVS evaluations and follow ups, training for AU and RECs officials, and developed guidelines on the application of GMP, GHP and HACCP. VetGov is a major initiative under 10th EDF, which is reinforcing veterinary governance in Africa and so is applicable to all animal products. There is a possibility of a similar initiative in the phytosanitary area, a first stage of which has been funded by EU through the InterAfrican Phytosanitary Council, and which is developing guidelines on how a National Plant Protection Organisation should function and be structured.

65. The USAID-supported COMPETE programme has supported trade facilitation efforts in various ways, one of which was the development of a regional pest risk analysis for rice. This was undertaken through the Centre for Phytosanitary Excellence (COPE, established under an earlier STDF project), and the East African Pest Information Committee (EAPIC). After compiling lists of pests present in the countries (Zambia was included, although the activity was primarily concerned with intra-EAC trade), which included some surveillance to confirm information, a workshop of phytosanitary experts developed the PRA. In addition, the phytosanitary measures to be taken for the identified risks were also agreed.

66. COMESA has taken a similar approach in response to demand from South African horticulture importers and COMESA exporters. Working in partnership with the National Plant Protection Organisations of Kenya, Zimbabwe, Ethiopia and Madagascar, the countries are being supported to fulfil PRA requirements and risk management measures for exporting specific horticultural products to the South African market.

67. In 2012 the Partnership for Aflatoxin Control in Africa (PACA) was officially launched, led by the AU Commission. As well as seeking high level leadership in addressing the problem of aflatoxins, the programme will support specific projects to assess the problem and its impacts, prevent contamination, and improve health, food security and trade. As noted, aflatoxin contamination occurs in both maize and groundnuts. This is not the first initiative to address the problem; for example UNIDO implemented a project on aflatoxins in groundnuts in Malawi that recently concluded.

68. The African Development Bank (AfDB) has recently approved support to a trade capacity building project in the Tripartite. Part of the funding will be used to address NTMs, and thus synergy with the project proposed here is envisaged. The AfDB project will also include TBT-related NTMs, so as well as addressing other commodities and trade routes from those here, it could also include the TBT-related aspects of the trades to be addressed in this project. As COMESA will also be managing the AfDB project, they will be able to ensure that such synergies are maximised. (See section 14 on project management).

69. Under STDF's work on trade facilitation and SPS, TradeMark South Africa and COMESA have been undertaking studies on specific commodities and trades, as shown in Table 7. Groundnuts from Malawi and maize from Zambia are in common with the proposed project, so the information from that study will inform this project. Experience and lessons from the information gathering methods/questionnaires will also be used.

**Table 7.** Trades being studied by the STDF/COMESA/Trademark work on SPS and trade facilitation

Country	Exported product	Regional SPS issues
Botswana	Meat of bovine animals, fresh, chilled or frozen)	Animal diseases (e.g. FMD) Recognition of disease free zones Vaccination policy
Malawi	Groundnuts (not for oil extraction)	Aflatoxins/lack of control strategies (Plant pests)
Mozambique	Fish and seafood products	Contaminated water (bacteria) Veterinary product residues Poor testing and certification (Heavy metals)
Zambia	Maize (excluding sweet corn)	Plant pests Aflatoxins (Pesticide residues)
Zimbabwe	Milk and milk products	Recognition of animal disease/zoonosis certification (TB, brucellosis) Contaminated water (bacteria) Veterinary product residues
South Africa	Citrus (fresh)	Plant pests – fruit flies, viruses and vectors Pesticide residues

#### 4.6 Lessons

70. In 2012 TradeMark East Africa commissioned a review that looked at evidence for the impact of six categories of trade facilitation instruments, including OSBPs, the use of ICTs, and harmonisation. The review found that all available evidence on specific trade facilitation programmes indicated a positive impact by reducing clearance times, processes and trade costs, although the evaluation methodologies were not always robust. It was also noted that harmonisation of standards was beneficial when compliance costs are low, but when costs are high, harmonisation can have negative impacts.

71. A frequently emphasised lesson is that vital though policy frameworks are, implementation often lags well behind, particularly in the reduction or elimination of non-tariff barriers. Thus the practical approach proposed here is appropriate.

#### 5. Public-public or public-private cooperation

72. Implementation of technical measures is a joint endeavour between public and private sectors. However, in this project the emphasis is on the public role, as it is generally the public sector that is responsible for creating NTMs, and also for seeking ways to reduce

their impact. The NTBs posted in the Tripartite NTB monitoring mechanism are termed “complaints”, the complaint usually being in relation to a public sector agency of one sort or another. The types of NTBs reported often arise because of shortcomings in performance of one or more public sector agencies. This may be because they lack the capacity, or are not operating as effectively or efficiently as they might. Thus reducing NTBs is an activity where the public sector must take a leading role.

73. But while the role of public sector regulatory agencies is to pursue public policy goals such as health and safety, at the same time they can be seen as providing a service to those involved in trade – the private sector. The project should thus have a positive impact on cooperation, by improving this service and so reducing trading costs. The demand from the private sector is clearly present: the Jan 2013 East African Business Council Newsletter asked the question “Are partner states committed to elimination of non-tariff barriers in the EAC integration process?”, suggesting more than a hint of frustration with the speed of progress.

74. The private sector will not be deeply involved in implementing the project, although the steering committee includes 2 private sector representatives. Private sector representatives will be included in the activities where appropriate, as described in Section 9.

75. The project will directly promote cooperation between different government agencies, not just within the SPS area, but also with the other agencies that are involved in regulating cross border trade.

## 6. Ownership and stakeholder commitment

76. Letters of support are attached from a single organisation in each country, though there are various stakeholders and coordination mechanisms that will be involved. The different countries have different structures, and it will be the role of the Country Coordinator to ensure that the issues addressed by this project are channelled through the appropriate structures operating in their country (activity 1.1). Some of these include:

- Non-tariff barriers Monitoring Committees (NMC), which are operating in most countries
- SPS Committees (active in Egypt, Kenya, Uganda)
- Joint border management committees (JBC)
- One-stop border post (OSBP) management committees
- Cross border trade associations and Trade Information Desks
- Donor group meetings focussing on trade and private sector
- The technical agencies responsible for animal health, plant health, and food safety (often various, with fragmented responsibilities, but usually including the Bureaux of Standards)

77. Table 8 shows the various SPS enquiry and contact points, all of whom have an interest in this project.

78. Private sector involvement at the regional level will be via two organisations with relevant mandates, and who have contributed to the development of this proposal:

- East African Grain Council (EAGC), whose mandate covers maize as well as legumes and pulses including groundnuts
- The East and Southern Africa Dairy Association (ESADA)

**Table 8.** SPS contacts (WTO and 3 sisters)

Country	SPS National Notification Authority	SPS National Enquiry Point	Codex Contact Point	IPPC Official Contact	OIE Delegate
Egypt	Ministry of Agriculture	Ministry of Agriculture	The Egyptian	Head of Agriculture	Chairman, General

	and Land Reclamation, Foreign Agricultural Relations Department	and Land Reclamation, Foreign Agricultural Relations Department	Organization for Standardization and Quality	Services, Ministry of Agriculture and Land Reclamation Ministry of Agriculture and Land	Organization for Veterinary Services (GOVS), Ministry of Agriculture and Land Reclamation
Kenya	The Director of External Trade, Ministry of Industry and Trade	Plant health: Kenya Plant Health Inspectorate Service Animal health: Director of Veterinary Services, Ministry of Livestock Human health: Director of Medical Services	Managing Director, Kenya Bureau of Standards (KEBS)	Managing Director, Kenya Plant Health Inspectorate Service	Director, Department of Veterinary Services, Ministry of Livestock Development
Malawi	Director of Trade, Ministry of Industry and Trade	Food safety: Director General, Malawi Bureau of Standards Animal health: Director of Animal Health, Department of Animal Health and Industry Plant protection: Deputy Director of Agriculture Research Services	Director General, Malawi Bureau of Standards	Assistant Director responsible for Regulatory and Advisory Services, Department of Agricultural Research Services	Director of Veterinary Services, Department of Animal Health & Livestock Development, Ministry of Agriculture and Food Security
Sudan			Standard and Quality Control Unit, Ministry of Agriculture and Forests	General Manager for Plant Protection Directorate Ministry of Agriculture and forestry	Undersecretary, Chief Veterinary Officer, Ministry of Livestock, Fisheries and Rangelands
Uganda	Ministry of Trade, Industry and Cooperatives	Ministry of Agriculture, Animal Industry and Fisheries	Executive Director, Uganda National Bureau of Standards	Principal Agricultural Inspector, Department of Crop Protection, Ministry of Agriculture, Animal Industry and Fisheries	Commissioner, Department of Livestock, Health and Entomology, Ministry of Agriculture, Animal Industry and Fisheries
Zambia	Director of Foreign Trade Department, Ministry of Commerce, Trade and Industry	Plant protection: Plant Quarantine and Phytosanitary Services Animal health: Director, Ministry of Livestock and Fisheries Development, Department of Veterinary Services Human Health: Chief Environmental Health Officer - Food Safety & Occupational Health	Chief Environmental Health Officer - Food Safety and Occupational Health, Ministry of Health	Principal Agriculture Research Officer, Plant Quarantine and Phytosanitary Service, Zambia Agriculture Research Institute	Director, Department of Veterinary and Livestock Development, Ministry of Livestock and Fisheries Development
Zimbabwe	Secretary for Agriculture, Mechanisation and Irrigation Development	Animal health: Principal Director Department of Livestock and Veterinary Services Plant health: Director, Department of Research and Specialist Services Food safety: Deputy Director, Government Analyst Laboratory	Government Analyst Laboratory, Ministry of Health and Child Welfare	Head of Plant Quarantine Services, Ministry of Agriculture, Mechanisation and Irrigation Development	Principal Director, Livestock and Veterinary Services, Ministry of Agriculture, Mechanisation and Irrigation Development

## **II. PROJECT GOAL, OBJECTIVE, OUTPUTS & ACTIVITIES (LOGICAL FRAMEWORK)**

### **7. Project Goal / Impact**

79. The goal of the project is **increased intra-COMESA trade in agri-food products for improved food security**.

80. The project contributes to COMESA's Medium Term Strategic Plan 2011-2015 which identifies a number of actions, outputs and outcomes in relation to SPS measures, specifically under Priority Area 1 (Removing barriers to factor mobility), and also by implication under Priority Area 2 (Building productive capacities for global competitiveness).

### **8. Target Beneficiaries**

81. There are many beneficiaries of increased trade ranging from those directly involved in making and regulating a specific trade deal, to the various other stakeholders in the exporting and importing countries. The direct beneficiaries of this project are those businesses who trade in the commodities to be addressed, and along the selected trade routes. Those include both small and large scale traders. There is a possibility that some small scale traders will lose out when formal trade increases, as currently some large traders use small scale cross border traders to avoid border points. A second target group who will benefit directly is the SPS regulatory bodies. The project will assist them to perform their duties more effectively. Increased formal trade also increases government revenues.

82. A range of other businesses involved in trading will benefit indirectly. These include clearing agents, trucking and haulage companies, warehouse operators, financial service providers, (including insurance) etc. Further toward the two extremes of the supply chains, producers will benefit from increased market opportunities, while wholesalers retailers and consumers in the importing countries will also benefit.

83. The majority of the formal work force in the region is male, so in many of the businesses benefitting there are more men than women. However, at the two ends of the supply chain women are more likely to benefit. In many crops women farmers and labourers are more numerous than men, and as producers of the traded commodities they will benefit. At the other end of the chain women will benefit as for them the availability of affordable food is a daily concern. Increased trade should increase the availability of food and/or reduce its price.

### **9. Project objective, outputs and activities**

84. The Logical Framework is attached in Appendix 1, the Work Plan in Appendix 2, and Terms of Reference for key personnel in Appendix 6.

85. The work plan (and the budget, Appendix 3) are divided into 2 phases. Phase 1 is planned to last 3quarters and Phase 2 will last 9 quarters.

86. The Objective (Purpose) of the project is to reduce trading costs associated with SPS measures for selected commodities on selected trade routes in COMESA.

87. Trade is a commercial venture, so cost is a suitable measure of the direct effect of technical measures on trade. The purpose refers to 'necessary' measures, as described by the SPS Agreement.

88. The purpose also refers to selected commodities on selected trade routes as this project is piloting approaches rather than implementing them throughout all COMESA countries for all traded food products. The selected commodities and trade routes are shown in Table 9. The countries are selected as being from the different parts of COMESA from North to South, while the commodities were selected at a stakeholder workshop for the reasons described in Section 2.

**Table 9.** Focus trades proposed for the project

Exporter	Importer						
	Egypt	Kenya	Malawi	Sudan	Uganda	Zambia	Zimbabwe
Egypt				Oranges			
Kenya					Milk		
Malawi		Maize, Groundnuts				Groundnuts	Maize, Fish (Kapenta)
Sudan	Beef						
Uganda		Fish, Maize					
Zambia		Maize	Maize				Milk, Maize
Zimbabwe		Maize	Maize			Fish (frozen)	

89. The outputs are derived from the problem tree (Figure 1), but do not attempt to address all problems. The focus is on those areas where work is not already being undertaken, and areas in which an impact can be made.

Thus there are three **Outputs/Results**.

**Output 1.Simplified and coordinated implementation of SPS measures**

90. For the selected trade flows we will focus on one or two border points in each case, and improve the efficiency with which technical measures are applied. Part of this will be through involving staff of the relevant agencies in the implementation of the one-stop border posts and single window operations. For borders where there are no OSBPs planned, the project can still implement activities to improve efficiency.

**Output 2.Improvement of understanding and formulating SPS measures.**

91. Improved technical measures are ones that meet policy goals, such as providing the appropriate level of protection of human, animal or plant life or health, but at lower cost to the trader and/or regulator. A basis for this is thus a proper assessment of the risks, and selection of the appropriate risk management methods.

**Output 3.Increased understanding of the costs and benefits of SPS measures.**

92. Awareness and understanding of technical measures, how they are applied, and the costs and benefits of their application is lacking amongst various stakeholders. Under this output activities will increase understanding amongst 3 stakeholder groups: the traders, who need to know what their role is in applying particular measures; the regulators, so that they can monitor and find ways to improve their effectiveness and efficiency; policy makers who make decisions particularly in resource allocation and determine the best implementation strategies.

## Activities

93. A work plan is attached in Appendix 2. Many of the activities directly relate to implementation of articles of the WTO Agreement on Trade Facilitation concluded at the 9th Session of Ministerial Conference recently held in Bali.

### Output 1.Improved efficiency of implementation of technical measures

94. *Activity 1.1. Integrate technical and other border operations.* At the selected borders there are Joint Border Management Committees, One-stop Border Post Management structures, and other mechanisms in place such as Trade Information Desks for supporting small scale cross border traders operating under the simplified trade regime. For SPS operations to be integrated into decision making on border operations, the agencies need to be represented within these structures. As part of this project, representatives of the technical agencies will therefore attend the relevant meetings to share plans, solicit cooperation, and report on progress with regard to border operations. The border posts at which activities will focus will be selected at project inception, but will include consideration of those listed in Table 6. Exports of beef from Sudan to Egypt are by air, while oranges are imported by sea to Osman Digna Port on the Red Sea, or by road to Oseif Border Post. There is one river post (WadiHalfa), and there are two inland border posts (Abu Hamad and Al Abeidya) for other perishable commodities, so selection will be made from among these.

95. *Activity 1.2 Assess border procedures.* A self-assessment of procedures (using the basic methods developed in Activity 3.1) will be conducted, including discussions with other border officials, by the relevant SPS regulatory authority on each side of the selected border. SPS officials from each country will meet at the border to compare procedures, and identify any quick wins through reducing duplication of inspections (although this may not be possible in the short term). Observations will be made in respect of the selected commodity, and include determining opportunities for reducing inspections using a risk-based approach. Thus a set of specific opportunities for streamlining the technical agencies' border operations will be described, and action plans drawn up.

96. *Activity 1.3 Implement improved border procedures.* The opportunities for improving efficiency of operations at borders will be implemented, including risk-based inspections. Under the OSBP approach other agencies will be developing risk based approaches so close coordination with them (through Activity 1.1) will be required, although risk factors will be different for the different agencies. Leaflets explaining the changes to inspection procedures will be produced (Activity 3.6) and distributed at borders.

### Output 2.Improved technical measures.

97. *Activity 2.1 Conduct joint risk analyses.* Sanitary and phytosanitary measures should be applied according to the risks and the appropriate level of protection. This requires information on the specific hazards; for example for plants and plant products, this includes knowing which pests are present in the importing and exporting countries. If a pest is present in both countries, the importer has no basis on which to require phytosanitary measures, unless the pest is already regulated in the importing country. Using information from Activity 2.2, regulators will conduct joint risk analyses, going through the compiled lists, and identifying possible pests of concern to the importer and conduct a risk analysis. For those pests where measures are deemed necessary, the risk management options will be reviewed and agreed. This was the approach recently adopted for rice in East Africa (USAID/COMPETE funding to COPE/EAPIC), the results of which are awaiting endorsement by the technical committee of the EAC. In this case the analysis will be conducted only for a few countries so full regional endorsement will not be possible at this stage. However, if

successful, the approach could be extended across COMESA (see section 17 on replication).

98. For animal products the risk analysis will consider animal diseases as well as food safety hazards. In all cases where there are international standards available, they will be used as the basis for agreed measures to be used. Regional consultants in risk analysis will be contracted to facilitate the analyses.

99. *Activity 2.2 Update lists of pests.* Risk analysis is based in part on information concerning the distribution and status of pests or diseases in the exporting and importing countries. Absence of this information can lead to importing countries adopt provisional measures (as provided for in the SPS Agreement Article 5 paragraph 7), but often the additional information required for a more objective assessment is never collected. In this activity the trading partners will update this information, including literature review and specific surveys (such as described in ISPM6) as necessary. The information will then be used in the risk analysis.

### **Output 3. Increased understanding of the costs and benefits of technical measures.**

100. *Activity 3.1 Develop assessment methodology.* A consultant will be contracted to develop the methodology for the baseline assessment of the costs incurred due to technical requirements, at and behind the selected border crossings. Emphasis will be on the focus commodities. The methodology will include direct observation at the border points as well as interviews with stakeholders including regulators, truck drivers, clearing agents etc. Some secondary data may also be available, as those establishing OSBPs are collecting time release and other data to measure the reduction in time for border crossings. The World Bank, under its Benchmarking the Business of Agriculture programme is developing sets of indicators including "Time and motion" indicators in relation to export of agricultural products to a neighbouring country. These will cover procedures, documentation, time taken, costs, so would be directly applicable in this project. The consultant will thus be requested to liaise closely with the relevant WB staff and use their indicators where appropriate. Ten pilot countries have been selected where the studies will begin, one of which, Uganda, is included in the present proposal.

101. In 2011 the World Bank's Trade Facilitation Facility funded an \$800,000 project to help the COMESA Secretariat and Member States build capacity to conduct Time Release Studies. The project was also expected to have developed a methodology suitable for COMESA, based on the WCO Time Release Study Guide, and parts of that methodology could be applicable here.

102. The methodology will thus be based on methods already in use or in development, with the aim of disaggregating the contribution of different technical measures to the overall time and costs of border trade. The data will also be disaggregated by gender and business size of trader. The methodology will include assessment of any behind-the-border costs in relation to technical measures, such as obtaining documentation. The consultant will provide the methodology as a set of tools with implementation guidelines for use by national teams. Activity 1.2 will use a sub-set of simpler tools.

103. *Activity 3.2 Conduct baseline assessment.* Conducting baselines for all commodities in all countries would be over ambitious. The budget therefore provides for two baseline case studies to be conducted, for commodities and countries to be selected by the Steering Committee in consultation with the STDF secretariat. This will allow the studies to complement other ongoing work. The video stories (Activity 3.5) will focus on the same two situations. The consultant who developed the methodology will lead the implementation of the baselines.

104. *Activity 3.3 Conduct evaluation assessment.* Towards the end of the project the same methodology as used in the baseline assessment will be used to conduct an evaluation of the changes that have occurred during the intervening period, for the two selected case studies. Administrative data collected by the various agencies will also be used, as it is likely that OSBPs will be in operation by that time, including ICT systems capturing useful information. The consultant will again supervise the analysis and writing up.

105. *Activity 3.4 Publish "How-to-trade" booklets.* For each of the focus exports, a booklet will be prepared targeting the private sector stakeholders involved in exporting the particular commodity. A similar guide was produced by EAC in 2005 but only for maize, so needs updating and disseminating widely. The guidance will cover all aspects of exporting, but particular emphasis will be on explaining the technical aspects clearly. A section will also explain what similarities or differences could occur with other commodities, but details for those commodities will not be given. A consultant will be contracted to develop a template and coordinate publishing of all the booklets. A 'write-shop' will be held to develop the material, including private sector participants. The coordinating consultant will then finalise publication of all the booklets. The booklet will be made available in e-format on the SPS pages of COMESA's website. Hard copies will be printed as necessary, and distributed through private sector organisations including certification organisations that disseminate advice, as well as at border posts.

106. *Activity 3.5 Create video stories.* For the two focus trades, a video will be created as an advocacy tool on the benefit of the trade facilitation approaches used in the project. A consultant will be contracted to make the video towards the end of the project, after the evaluation assessment has been conducted, so that there is factual evidence for inclusion in the videos. The video will be disseminated via all the country coordinators, and shown at short policy seminars for senior level stakeholders in each country.

107. *Activity 3.6. Dissemination activities.* As a pilot project, effective dissemination will be an important contributor to its impact. Dissemination will therefore be a standing agenda item for the Steering Committee, and the first meeting will review a draft communication and dissemination strategy to be developed by the project manager. See section 17. Budget provision is made under this activity for dissemination work, which will include a leaflet on border inspections (Activity 1.3), and national policy seminars for showing and discussing the video.

## **10. Risks**

108. Risks are as summarised in the logical framework.

At the activity-outputs level, the risks are mainly operational. Continuity of involvement of key staff in the national organisations greatly contributes to the success of a project such as this. The risk can be mitigated by involving more staff where possible, although this increases costs. By keeping good documentation (as listed in Section 15), if a key person such as a national coordinator leaves or is transferred, handover of responsibilities can be more easily effected. A similar risk exists at the project manager level, but this will be mitigated by embedding the project in the COMESA Secretariat's Trade Division where it will link to the ongoing trade facilitation programmes. Another operational risk is that the various stakeholders will not be as interested in cooperating as might be expected. This can arise with externally funded projects where there is much pressure to deliver project targets, which can in turn reduce players' interest in cooperating, even if it might have benefit in the wider context. This risk can be managed by ensuring the aims of the current project are well articulated, and can be seen to add value to other related initiatives rather than distract from them. The other operational risk is that activities are prevented from taking place due to

political or social instability, either generally or at specific border points. For example, within the last few years some projects have had activities constrained in Zimbabwe. The overall impact of this risk is minimised by having activities in various different countries.

109. The key risk at activity-outputs level is that the baseline survey fails to effectively disaggregate the factors contributing to the costs of trade, so the contribution of technical measures to the costs cannot be identified. Selection of an appropriately experienced consultant will be critical to manage this risk.

110. At the outputs-objective level there are two main risks. First, the success of this project depends to some extent on the continuation of work at OSBPs. The risk of that stopping is very low, but some delays have already been experienced in construction of OSBPs, and further delays are likely at some sites. To mitigate this risk the baseline survey will identify ways in which efficiency can be improved that do not only depend on the further implementation of the OSBPs and the associated systems.

111. The other risk at outputs-objective level is that additional technical measures become necessary to cope with a new problem. For example, in recent years maize lethal necrosis disease (MLND) has appeared as a major problem in East Africa, and it is possible that another such problem could arise with significant trade impacts. However, an effective SPS system needs to be able to cope with such occurrences, so although in the context of the project it might have a dampening effect on trade, the project is building capacity to address such problems. Again, it is unlikely that all countries taking part in the project would be affected.

112. At objective-goal level we assume that the work to reduce NTMs continues, along with the Member States commitment to reduce their trade restrictiveness. If other NTMs continue to make trade unprofitable, the effect of reducing the costs of technical measures alone may not be sufficient to cause a significant increase in trade. Conversely, the rationale for this project is that the costs of technical measures must also be reduced to allow the benefits of other trade facilitation work to be fully realised. It is also assumed that production can meet the increased demand that reduced trading costs is expected to generate. Increased trade will therefore only occur if surpluses are produced. There is a risk that climatic effects could reduce overall production, limiting volumes available for trade, and possibly increasing the risk of other NTMs (such as export restrictions) recurring.

113. Above the goal level it is assumed that increased trade leads to improved food security and livelihoods. One risk here is that the benefits of trade are not well distributed, so overall food insecurity and poverty may not be significantly reduced. Efforts to improve governance and economic policy aim to mitigate this risk.

## **11. Sustainability**

114. The end-of-project situation and benefits in terms of reduced costs for trading will be quantified as part of the M&E of the project, for which activities have been budgeted. As there is no baseline at the moment, it is not possible to quantify the expected benefits; that will be possible at the end of Phase 1.

115. The added value of the project, and potential for replication, have been described in other sections of the proposal. Sustainability or continued use of the approaches proposed here will depend to a degree on the extent to which governments are prepared to support their regulatory agencies in reducing NTMs. There is already strong commitment at policy level, but as many reviewers state, the challenge lies in implementing the policies and agreements that have been made under COMESA and the other RECs.

116. Sustainability will also depend on how willing the public agencies are to strive for excellence in regulatory practice. Some authors have commented that there is some “rent-seeking” behaviour appearing in regulatory agencies in the region (not only in relation to trade). Ironically this is fuelled by the need to be financially self-sustaining, which if not properly managed can end up creating perverse incentives.

### **III. BUDGET**

#### **12. Estimated budget**

117. The budget is attached in Appendix 3.

#### **13. Cost-effectiveness**

118. The proposal is considered a cost effective contribution to addressing the issue of NTMs because through piloting some specific approaches, it will add value to the large amount of investment already being made. Hundreds of millions of dollars are being invested in OSBPs and other trade facilitation infrastructure in East and Southern Africa. This project will help maximise the returns on those investments by addressing a specific area that is known to contribute to the high costs of trade, but which those investments do not directly consider.

119. The project also adds value to on-going work on NTMs. As noted earlier, while there has been considerable effort in the areas of harmonisation and promoting transparency, implementation at the practical level is still insufficient. By taking a practical approach, this project will thus complement those efforts.

120. Section 17 identifies a number of opportunities for replication of the results of this project. Providing it is successful, it should therefore have wide subsequent impact, increasing its cost-effectiveness.

121. Specific items in the budget to ensure cost-effectiveness include the following.

- All regional workshops will be held in Lusaka. This saves costs as several COMESA staff can attend at little cost.
- Where possible meetings held in Lusaka will be held in the COMESA premises
- Consultants from the region will be used, saving on travel costs

### **IV. PROJECT IMPLEMENTATION & MANAGEMENT**

#### **13. Implementing organization**

122. The implementing organisation is the COMESA Secretariat.

#### **14. Project management**

123. The project will be managed from the COMESA secretariat in Lusaka under the overall supervision of the Head of the COMESA SPS programme (SPS Expert). The day-to-day coordination of the project will largely be sub contracted to CABI, which has a Memorandum of Understanding with COMESA.

The **COMESA SPS Expert** will have the following responsibilities (See Appendix 6 for draft TOR), some of which will be delegated to the project coordinator, details of which will be included in the contract between COMESA and CABI.

- Budget management. To ensure, in liaison with COMESA secretariat accounting staff, that the funds are appropriately disbursed, utilised and accounted for in line with the project document and any modifications agreed by the steering committee and STDF. Funds to be spent in countries will be disbursed from the COMESA secretariat to the national coordinators' organisations under a letter of agreement or other such arrangement as the secretariat deems appropriate to ensure accountability.
- Sub-contracting. To develop terms of reference for specific consultants, for approval by the SC, and working with the procurement section of the COMESA secretariat, be responsible for the contracting and supervision of the consultants.
- Reporting. To report to the STDF as required (see section 15).
- Dissemination and publicity. To oversee the development and implementation of the project communication and dissemination strategy(section 17).
- Organising Steering Committee meetings and other regional activities

124. A **steering committee** will be constituted to have oversight of the project (see Appendix 6for draft TOR). The committee will comprise the COMESA Secretariat, the national coordinator from each country, the Eastern African Grain Council, the Eastern and Southern African Dairy Association, African Development Bank as a development partner and one representative of the three sisters (OIE CAC and IPPC). The chair will be COMESA's Assistant Secretary General (Programmes). The SC will meet once every six months, and is expected to reach decisions by consensus, but at the first meeting the committee will agree its own Terms of Reference. The project manager will be secretary to the committee, responsible for preparing committee papers and taking the minutes (these responsibilities are likely to be delegated to the project coordinator).

125. A **national coordinator** in each country will be responsible for coordinating activities in their country. It will be up to them to decide how best to perform that role, but it is envisaged that a small working group will be formed comprising of representatives of the SPS contact points, and representatives of the contact points for IPPC, OIE or CAC, and private sector representatives appropriate for the particular commodity. Either through the national coordinator or by other means, the working group should be in communication with existing bodies with an interest, such as SPS committees, NTM national Monitoring Committees, Joint Border Committees, trade facilitation units or committees. It may be appropriate for an existing group to take on the role of the project working group. The COMESA secretariat will establish a letter of agreement (or other agreed instrument) with the national coordinator's organisation, to provide for disbursement of funds against agreed activities. The letter will also include accountability requirements.

## V. REPORTING, MONITORING & EVALUATION

### 15. Project reporting

126. Reporting to the funder will be on a six monthly basis, using the format provided, covering technical progress, a financial report, explanations of deviations from plan and any revisions proposed. The reports will thus be:

Inception report: Due in quarter 1

Progress reports: Due after every six months, within 1 month of the end of the six month period

Final report: Due within 3 months of the end of the project.

127. The following reports, minutes, documents and materials will be produced by the project associated with specific activities (refer to workplan for activity numbers).

<b>Activity</b>	<b>Item</b>	<b>When due (Year/Quarter)</b>
1.1	Minutes of meetings attended	Within 1 month of meetings
1.2	Action plans for streamlining border operations	Y1 Q3
1.3	Revised SOPs	Y2 Q2
2.1	Workshop reports including risk analyses	Y2 Q2
2.2	Updated lists of pests	Y2 Q2
3.1	Baseline assessment methodology	Y1 Q2
3.2	Report on baseline assessment	Y1 Q3
3.3	Report on evaluation of improved operations	Y3 Q3
3.4	"How-to-trade" booklets	Y2 Q3
3.5	Video	Y3 Q3
3.6	Border procedures leaflets	Y2 Q2
3.6	Project leaflet	Y1 Q4 (possible later update)
3.6	Project factsheet (for STDF)	Y1, Q1 & Y3, Q4
3.6	Minutes of policy seminars	Y3 Q4
3.6	Dissemination and communication strategy	Y1 Q1
PM.1	Minutes of Steering Committee	Months 2, 12, 23, 34
PM.2	Minutes of national working groups	Every quarter

## **16. Monitoring and evaluation, including performance indicators**

128. Monitoring and evaluation covers a range of activities from monitoring of inputs and activities through to impact evaluation at the goal level. The project manager will be responsible for ensuring activities take place as scheduled, within budget, and to the required quality. They will be supported in this in three ways. Within COMESA Secretariat the project manager's line manager will have an oversight role, and colleagues in finance will provide the financial information for monitoring. The Project Steering Committee will oversee progress and expenditures, as in the reports to be provided to the funder. Third, national coordinators will assist by monitoring activities and expenditure in their countries, which will be against a letter of agreement (See section 14).

129. The logical framework shows the indicators that will be monitored at the result/output level. At the moment the indicators do not have either a baseline or target value, because baseline data are not available. Activity 3.1 will collect the baseline information, and in Activity 3.2 the results will be discussed by the participants, and targets agreed. The project has an activity budgeted (3.3) for an evaluation assessment that will provide data for assessing indicators at result and purpose level. Additional data on indicators at the results level is expected to be available from the relevant competent authorities, and other organisations such as the one-stop border posts, where IT systems should track all consignments.

## **17. Dissemination of the projects results**

130. Dissemination will be a key part of the project, and a communication and dissemination strategy will be agreed by the first steering committee. The aim of the strategy will be to promote the aims, approaches and achievements of the project, rather than the project per se (although due acknowledgement of sponsors will be made). The strategy will include the following elements, with some indicative details given for each.

131. *Target audiences.* Traders, trade associations, business councils; regulators; trade and export promotion bodies; government policy makers; development partners and agencies supporting and implementing trade facilitation programmes including in relation to

NTMs; RECs and Tripartite Committees; stakeholders at continental level such as CAADP/NEPAD/AU; international organisations with an interest, such as WTO, UNCTAD, ITC.

132. *Messages.* Information and messages to be disseminated will be according to the target audiences. For traders and associated stakeholders the messages will be in the form “This is how to keep down your transaction costs”. For others the messages will be about the approaches being used, and as the project progresses, lessons learned and success stories will be communicated. Messages to policy makers will include these related to the costs as well as the benefits of regulation.

133. *Pathways.* These will include existing websites, newsletters, face-to-face opportunities such as conferences and meetings (COMESA, EAC, Tripartite, on SPS, NTMs etc), mass media, blogs.

134. *Materials.* A project leaflet will be produced and all those taking part in activities provided with copies to distribute. A dedicated project website is not envisaged; rather materials will be provided to existing websites, including COMESA, the national organisations, STDF, EAC, SADC etc. Similarly material will be provided for the many existing print and electronic newsletters produced by these and other organisations. Materials will be provided to the media at appropriate times. A set of PowerPoint slides will be prepared by the project manager for country coordinators and others to use and adapt as opportunity arises. A substantial number of project reports will be generated (section 15), as well as specific materials described above in the activities.

135. *Responsibilities.* The project manager will oversee and promote the communication strategy, with support from the COMESA Secretariat Communications department. National coordinators will be responsible for in-country dissemination and as members of the steering committee.

136. Replication is envisaged at several levels. Participating countries will be able to replicate approaches to improved border efficiency at other border points, most easily where the same product is involved. The seven countries could also replicate the approaches for different commodities at either the same border points or others.

137. The aim will be to encourage other COMESA countries to learn from the project, and apply similar approaches in their intra-regional trade. This could also be extended to non COMESA Tripartite countries, particularly those such as Tanzania and Mozambique that are bordered by countries taking part in this project.

138. Lastly, as described above, the experiences and achievements of this project will provide information contributing to the development of detailed implementation plans for the Green Pass scheme.

## **ATTACHMENTS**

**Appendix 1:** Logical framework

**Appendix 2:** Work Plan

**Appendix 3:** Project Budget

**Appendix 4:** Letters of support from organizations that support the project request

**Appendix 5:** Written consent from an STDF partner that agrees to implement the project **OR** evidence of the technical and professional capacity of another organization proposed to implement the project.

**Appendix 6:** Terms of Reference for key staff involved in project implementation

## Appendix 1: Logical framework

	<b>Project description</b>	<b>Measurable indicators / targets</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<b>Goal</b>	Increased intra-COMESA trade in agri-food products for improved food security	Trade flows Food security indices	COMStat Ministries of Trade National statistics offices	<ul style="list-style-type: none"> <li>Increased trade has wide benefits in society</li> <li>Good governance and economic policy</li> </ul>
<b>Immediate objective (purpose)</b>	Reduced trading costs associated with SPS measures for selected commodities on selected trade routes in COMESA	Costs per unit of commodity traded, by border crossing and size of trader	Project survey (under Result 3)	<ul style="list-style-type: none"> <li>Other NTMs do not increase</li> <li>Agricultural production continues to expand, and is not constrained by other factors (eg climate)</li> </ul>
<b>Expected results (outputs)</b>	<ol style="list-style-type: none"> <li>Improved efficiency of implementation of technical measures</li> <li>Improvement of technical measures</li> <li>Increased understanding of technical measures</li> </ol>	<ol style="list-style-type: none"> <li>Average times for SPS documentation and clearance               <ol style="list-style-type: none"> <li>No. of technical requirements</li> <li>No. of inspections</li> </ol> </li> <li>Proportion of consignments non compliant</li> <li>Data on contribution of technical measures to cross-border trading costs</li> </ol>	<ol style="list-style-type: none"> <li>One-stop border post data               <ol style="list-style-type: none"> <li>Project data</li> </ol> </li> <li>Competent authorities               <ol style="list-style-type: none"> <li>Project data</li> </ol> </li> <li>Competent authorities               <ol style="list-style-type: none"> <li>Project survey, reports, dissemination materials</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>Current OSBP and integrated border management programmes continue</li> <li>Additional new technical measures (such as due to new pests) do not add to costs</li> </ul>
<b>Activities</b>	<ol style="list-style-type: none"> <li>Integrate technical and other border operations</li> <li>Assess border procedures</li> <li>Implement improved border procedures</li> <li>Conduct joint risk analyses</li> <li>Update lists of pests</li> <li>Develop assessment methodology</li> <li>Conduct baseline assessment</li> <li>Conduct evaluation assessment</li> <li>Publish "How-to-trade" booklets</li> <li>Create video stories</li> <li>Dissemination activities</li> </ol>	See Work plan for target dates for each activity. See Budget for details of costs/inputs for each activity.	See Section 15 (Reporting) for sources of information on progress and delivery	<ul style="list-style-type: none"> <li>Continuity of key staff in countries and COMESA secretariat</li> <li>Cooperation from related initiatives/agencies, particularly at borders</li> <li>Political situation does not hinder activities</li> <li>Baseline assessment produces clear results</li> </ul>

## Appendix 2: Work Plan

Proposed Start Date: 1 July 2014

	Responsibility	Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Result/Output 1:</b>													
<b>1.1 Integrate technical and other border operations</b>													
Technical agencies attend OSBP, JBC meetings	CC, CT												
<b>1.2 Assess border procedures</b>													
Review current procedures and operations	CC, CT												
Cross border meetings	CC, CT												
Prepare action plans	CC, CT												
<b>1.3 Implement improved border procedures</b>													
Develop/revise SOPs	CC, CT												
Implement revised SOPs	CC, CT												
Disseminate leaflets on border procedures	CT												
<b>Result/Output 2:</b>													
<b>2.1 Conduct joint risk analyses</b>													
Sub-regional risk analysis workshops	PM, C2, CC, CT												
<b>2.2 Update lists of pests</b>													
Document review	CC, CT, C2												
Field surveys	CC, CT, C2												
<b>Result/Output 3:</b>													
<b>3.1 Develop assessment methodology</b>													
Draft methodology	C1												
Write-up implementation guidelines	C1												
<b>3.2 Conduct baseline assessment</b>													
Border operations assessment	C1, CC, CT												
Analysis and write-up	CC, CT, C1, PM												
<b>3.3 Conduct evaluation assessment</b>													
Border operations assessment	CC, CT												
Analysis and write-up	CC, CT, C1, PM												
<b>3.4 Develop "How-to-trade" booklets</b>													
Regional write-shop	C3, CC, CT, PM												
Publication	C3, PM												
<b>3.5 Create video stories</b>													
Pre-production, filming	C4, PM, CC												
Post production, distribution	C4, PM, CC												
<b>3.6 Dissemination</b>													
Border procedures leaflet	CC, PM												
Project leaflet	PM												
National policy seminars	CC, CT												
<b>Project management</b>													
<b>PM.1 Steering committee meetings (Lusaka)</b>													
Four 1-day meetings in Lusaka	PM, CC												
<b>PM.2 National working group meetings</b>													
Quarterly half-day meetings in each country	CC, CT												

- PM Project Manager, COMESA  
 CC Country Coordinator  
 CT Country Teams  
 C1 Consultant 1. M&E Border operations  
 C2 Consultant(s) 2. Risk Analysis  
 C3 Consultant 3. Trade booklet preparation  
 C4 Consultant 4. Video production

**Appendix 3: Budget**

See attached spreadsheet

**Appendix 4:** Letters of support from organizations that support the project request

**Appendix 5:** Written consent from an STDF partner that agrees to implement the project  
**OR** evidence of the technical and professional capacity of another organization proposed to implement the project.

## **Appendix 6: Terms of Reference for key staff involved in project implementation**

### **a. Project Steering Committee**

#### **Composition**

The Project Steering Committee (PSC) will have 14 members:

Chair (1):	COMESA Assistant Secretary General (Programmes)
Country Coordinators (7) :	One from each participating country
Project Manager (1):	COMESA SPS Expert
Project Coordinator (1)	Secretary to Steering Committee
Private Sector (2):	Proposed: East African Grain Council (EAGC) East and Southern Africa Dairy Association (ESADA)
STDF Partners (1):	Representing OIE, CAC, IPPC (such as the FAO Regional Food Safety and Quality Officer, Harare)
Development Partners (1):	African Development Bank

The PSC may invite other experts to attend meetings and provide input as required. Observers will also be invited from organisations active in trade facilitation work in the region, such as the World Bank.

#### **Meetings**

The PSC will meet physically 4 times, in months 2, 12, 23, 34. Meetings will be held at the COMESA Secretariat Lusaka. Additional virtual meetings may be convened as necessary.

#### **Duties**

The Committee will perform the following duties and will strive to make all its decisions by consensus.

- Monitor project progress and implementation
- Monitor expenditure
- Ensure timely intervention in the event of any problems
- Approve workplans and budgets
- Approve Terms of Reference for consultancies
- Advise on opportunities for co-financing of additional activities
- Advise on opportunities for dissemination
- Promote linkages with other regional activities

## b. Project Manager

<b>Timing:</b>	Y1 Q1 to Y3 Q4 (and final reporting after end of project)
<b>Days' work:</b>	50% time
<b>Location:</b>	COMESA Secretariat, Lusaka
<b>Responsible to:</b>	Assistant Secretary General, Programmes, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"> <li>• Coordinate and backstop national coordinators</li> <li>• Preparation of Letters of Agreement for national teams</li> <li>• Prepare terms of reference, and contract consultants</li> <li>• Organise regional activities</li> <li>• Organise Steering Committees (Secretary), and prepare papers and minutes</li> <li>• Reporting to the funder</li> <li>• Dissemination of project outputs</li> <li>• Monitoring all aspects of project implementation</li> <li>• Disbursement of funds to national coordinators and ensuring appropriate accountability</li> <li>• Coordination of project with other COMESA activities</li> <li>• Liaison with regional and international stakeholders</li> </ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"> <li>• Work plans and budgets</li> <li>• Inception report, six-monthly progress and financial reports, final report</li> <li>• Steering committee agenda, papers, minutes</li> <li>• Communication and dissemination strategy and materials</li> <li>• Letters of agreement with national organisations in each country</li> <li>• Consultants' contracts</li> <li>• Activity reports as detailed in section 15 of the proposal</li> </ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"> <li>• Extensive project management experience</li> <li>• Understanding of technical measures and their application in trade of agri-food products</li> <li>• Specialist knowledge in animal health, plant health or food safety</li> <li>• At least 10 years of experience in SPS capacity development in East/Southern Africa</li> <li>• Relevant post graduate degree</li> </ul>

### c. National Coordinator

There will be a national coordinator in each of the 7 countries

<b>Timing:</b>	Y1 Q1 to Y3 Q4 (and final reporting after end of project)
<b>Days' work:</b>	15% time
<b>Location:</b>	In home country. Regional meetings in Lusaka
<b>Responsible to:</b>	Local line management and Project Manager, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"> <li>• Prepare national workplans and budgets</li> <li>• Organise and coordinate in-country activities</li> <li>• Monitoring implementation of activities</li> <li>• Disbursement of funds to national implementers</li> <li>• Organise quarterly national working group meetings</li> <li>• Attend Project Steering Committees</li> <li>• Submit quarterly progress and financial reports to the project manager</li> <li>• In-country dissemination of project outputs</li> <li>• Ensure effective interagency collaboration</li> <li>• Coordination of project with related national projects and programmes</li> </ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"> <li>• National work plans and budgets</li> <li>• Quarterly progress and financial reports</li> <li>• Working group agenda, papers, minutes</li> <li>• In-country activity reports as detailed in section 15 of the proposal</li> </ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"> <li>• Project management experience</li> <li>• Detailed knowledge and understanding of technical measures and their application in trade of agri-food products in the country</li> <li>• At least 5 years' experience in a national SPS competent authority</li> <li>• Experience in SPS capacity development in East/Southern Africa</li> </ul>

**d. Consultant 1: Monitoring and Evaluation, Border Operations**

<b>Timing:</b>	Y1 Q2-Q3; Y3 Q3
<b>Days' work:</b>	Y1: 30days Y2: 10 days
<b>Location:</b>	Home based. Travel to 2 countries for baseline assessment
<b>Responsible to:</b>	Project Manager, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"> <li>• Develop methodology for assessment of border and behind the border costs and procedures of SPS, with reference to selected commodities/trade flows</li> <li>• Prepare guidelines for use of methodology</li> <li>• Lead baseline assessments in 2 countries</li> <li>• Prepare a synthesis report of the baseline assessments</li> <li>• Support country coordinators in writing up evaluation reports (Y3) and prepare synthesis report.</li> </ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"> <li>• Draft M&amp;E methodology</li> <li>• Final methodology with guidelines</li> <li>• Baseline data from two countries</li> <li>• Synthesis report of country assessments</li> <li>• Synthesis report of country evaluations</li> </ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"> <li>• M&amp;E of trade facilitation projects and organisational performance</li> <li>• Experience of border operations assessment in East/Southern Africa</li> <li>• Understanding of SPS agencies and regulatory functions</li> <li>• Relevant post graduate degree</li> </ul>

### e. Consultant 2: Risk Analysis

There will be 5 workshops, requiring up to 5 consultants, depending on availability and knowledge.

<b>Timing:</b>	Y2 Q1-Q2
<b>Days' work:</b>	7 days for each meeting (including preparation and reporting)
<b>Location:</b>	In country (locations to be decided)
<b>Responsible to:</b>	Project Manager, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"><li>• Review information collected by countries</li><li>• Prepare workshop programme</li><li>• Lead workshop to conduct risk analyses and agree measures</li><li>• Finalise the document</li></ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"><li>• Workshop programme</li><li>• One or more risk analyses endorsed by workshop participants</li></ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"><li>• Knowledge of the specific commodity(ies) and the associated hazards</li><li>• Experience of conducting risk analysis</li><li>• Workshop facilitation</li></ul>

### f. Consultant 3: Booklet Publication

<b>Timing:</b>	Y2 Q3
<b>Days' work:</b>	20 days
<b>Location:</b>	Home based, travel to regional write-shop
<b>Responsible to:</b>	Project Manager, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"><li>• Develop a template for a series of "how-to-trade" booklets</li><li>• Provide guidance notes for developing the content</li><li>• Facilitate a regional write-shop</li><li>• Coordinate publication of the booklets in liaison with COMESA Secretariat communications unit and national coordinators</li></ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"><li>• Booklet template</li><li>• Write-shop programme</li><li>• At least 7 booklets published</li></ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"><li>• Understanding of intra-regional agricultural trade</li><li>• Expertise in writing and publishing manuals</li><li>• Write-shop facilitation</li></ul>

#### g. Consultant 4: Video Production

<b>Timing:</b>	Y3 Q3
<b>Days' work:</b>	34person days (split between production, filming, video editing)
<b>Location:</b>	Home based, travel to 2 countries for filming
<b>Responsible to:</b>	Project Manager, COMESA Secretariat
<b>Tasks:</b>	<ul style="list-style-type: none"><li>• Prepare storyboard and script</li><li>• Provide and supervise production team</li><li>• Organize and undertake filming</li><li>• Post-production editing, voice overs, credits, music</li></ul>
<b>Deliverables:</b>	<ul style="list-style-type: none"><li>• Production schedule including locations and people to interview</li><li>• Draft storyboard and script</li><li>• First cut plus raw footage</li><li>• Edited master copy DVD (2)</li></ul>
<b>Qualifications and experience:</b>	<ul style="list-style-type: none"><li>• Experience of all phases of video production, including planning</li><li>• Experience of filming in East/Southern Africa</li><li>• Demonstrated excellence in video production (showreel of previous work)</li></ul>